

Edgar Filing: DELTA AIR LINES INC /DE/ - Form S-4/A

DELTA AIR LINES INC /DE/  
Form S-4/A  
September 05, 2003

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON SEPTEMBER 5, 2003

REGISTRATION NO. 333-106952

-----  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
-----

PRE-EFFECTIVE

AMENDMENT NO. 1 TO

FORM S-4  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933  
-----

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

DELAWARE	4512	58-0218548
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

HARTSFIELD ATLANTA INTERNATIONAL AIRPORT  
ATLANTA, GEORGIA 30320  
(404) 715-2600  
(Address, including zip code, and telephone number, including area code, of  
Registrant's principal executive offices)

COPIES OF ALL COMMUNICATIONS TO:

GREGORY L. RIGGS, ESQ.  
SENIOR VICE PRESIDENT-GENERAL COUNSEL  
DELTA AIR LINES, INC.  
P.O. BOX 20706  
ATLANTA, GEORGIA 30320-6001  
(404) 715-2611

RICHARD A. ABORN, ESQ.  
CADWALADER, WICKERSHAM & TAFT LLP  
100 MAIDEN LANE  
NEW YORK, NEW YORK 10038  
(212) 504-6000

(Name, address, including zip code, and telephone number, including area code,  
of agent for service)

# Edgar Filing: DELTA AIR LINES INC /DE/ - Form S-4/A

-----  
 APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practical after this Registration Statement becomes effective.

If the Securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. [ ]

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

## ----- CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES BEING REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM AGGREGATE PRICE PER UNIT	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE	RE
Pass Through Certificates, Series 2003-1G.....	\$391,583,000	100%	\$391,583,000	

(1) Pursuant to Rule 457(f)(2), the registration fee has been calculated using the book value of the securities being registered.

(2) Previously paid.

-----  
 THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.  
 -----

\$391,583,000

(Delta Air Lines Logo)  
 Offer to Exchange

CLASS G PASS THROUGH CERTIFICATES, SERIES 2003-1,

## Edgar Filing: DELTA AIR LINES INC /DE/ - Form S-4/A

Which have been registered under the Securities Act of 1933,  
For any and all outstanding Class G Pass Through Certificates, Series 2003-1

-----

### The New Class G Certificates

- The terms of the new Class G pass through certificates we are issuing will be substantially identical to the terms of the outstanding Class G pass through certificates, except that the new Class G pass through certificates are being registered under the Securities Act of 1933, as amended, and will not contain restrictions on transfer or other provisions relating to interest rate increases, and the pass through certificates will be available only in book-entry form.
- No public market currently exists for the Class G pass through certificates.

### The Exchange Offer

- the exchange offer expires at 5:00 p.m., New York City time, on October 10, 2003, unless we extend it.

(AMBAC LOGO)

The New Class G Certificates will not be listed on any national securities exchange.

THE CERTIFICATES AND THE EXCHANGE OFFER INVOLVE RISKS. SEE "RISK FACTORS" BEGINNING ON PAGE 22.

-----

CERTIFICATES	FACE AMOUNT	INTEREST RATE	FINAL EXPECTED DISTRIBUTION DATE
-----	-----	-----	-----
Class G.....	\$ 391,583,000	USD 3-month LIBOR + 0.75%	January 25, 2008

-----

(1) Plus accrued interest, if any, from the date of issuance.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus is September 5, 2003.

TABLE OF CONTENTS

PROSPECTUS

	PAGE
	----
PRESENTATION OF INFORMATION.....	iii
WHERE YOU CAN FIND MORE INFORMATION....	iv
SUMMARY.....	1
The Exchange Offer.....	1
Summary of Terms of Certificates.....	5
Equipment Notes and the Aircraft.....	6
Loan to Aircraft Value Ratios.....	7
Cash Flow Structure.....	8
The Offering.....	9
Selected Financial and Operating	
Data.....	19
RISK FACTORS.....	22
Risk Factors Relating to Business	
Environment.....	22
Risk Factors Relating to Delta.....	23
Risk Factors Relating to the Airline	
Industry.....	25
Risk Factors Relating to the	
Certificates and the Exchange	
Offer.....	27
Risk Factors Relating to the Policy	
Provider.....	30
Other Risk Factor.....	31
THE EXCHANGE OFFER.....	32
THE COMPANY.....	40
RECENT DEVELOPMENTS.....	40
USE OF PROCEEDS.....	41
DESCRIPTION OF THE POLICY PROVIDER.....	41
General.....	41
Ambac Financial Information.....	42
DESCRIPTION OF THE CERTIFICATES.....	44
General.....	44
Distribution of Payments on Equipment	
Notes.....	45
Subordination.....	47
Pool Factors.....	47
Reports to Certificateholders.....	49
Indenture Events of Default and	
Certain Rights Upon an Indenture	
Event of Default.....	49
Purchase Rights of	
Certificateholders.....	51
PTC Event of Default.....	52

	PAGE
	----
Merger, Consolidation and Transfer of	
Assets.....	52
Modification of the Pass Through	

# Edgar Filing: DELTA AIR LINES INC /DE/ - Form S-4/A

Trust Agreements and Certain Other Agreements.....	53
Termination of the Trusts.....	56
The Trustees.....	56
Book-Entry Registration; Delivery and Form.....	56
DESCRIPTION OF LIQUIDITY FACILITIES....	59
Primary Liquidity Facility.....	59
Above-Cap Liquidity Facility.....	65
DESCRIPTION OF THE POLICY AND THE POLICY PROVIDER AGREEMENT.....	68
The Policy.....	68
Interest Drawings.....	68
Proceeds Deficiency Drawing.....	68
No Proceeds Drawing.....	68
Final Policy Drawing.....	69
Avoidance Drawing.....	70
General.....	70
Definitions.....	71
The Policy Provider Agreement.....	71
DESCRIPTION OF THE INTERCREDITOR AGREEMENT.....	71
Intercreditor Rights.....	72
Priority of Distributions.....	74
Voting of Equipment Notes.....	79
The Subordination Agent.....	79
DESCRIPTION OF THE AIRCRAFT AND THE APPRAISALS.....	80
The Aircraft.....	80
The Appraisals.....	80
DESCRIPTION OF THE EQUIPMENT NOTES.....	81
General.....	81
Subordination.....	81
Principal and Interest Payments.....	82
Determination of LIBOR.....	82
Redemption.....	83
Security.....	85

## PAGE

----

Loan to Value Ratios of Equipment Notes.....	86
Limitation of Liability.....	86
Indenture Events of Default, Notice and Waiver.....	86
Remedies.....	87
Modification of Indentures.....	89
Indemnification.....	89
Certain Provisions of the Indentures.....	90
CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES.....	94
CERTAIN ERISA CONSIDERATIONS.....	95
General.....	95
Plan Assets Issues.....	95

	PAGE
	----
Prohibited Transaction Exemptions....	95
Special Considerations Applicable to Insurance Company General Accounts.....	96
PLAN OF DISTRIBUTION.....	96
LEGAL OPINIONS.....	97
EXPERTS.....	97
APPRAISERS.....	98
INDEX OF DEFINED TERMS.....	Appendix I
APPRAISAL LETTERS.....	Appendix II
EQUIPMENT NOTE PRINCIPAL PAYMENTS....	Appendix III
LOAN TO VALUE RATIOS OF EQUIPMENT NOTES.....	Appendix IV

#### PRESENTATION OF INFORMATION

We have given certain capitalized terms specific meanings for purposes of this Prospectus (the "Prospectus"). The Index of Defined Terms attached as Appendix I to this Prospectus lists the page in this Prospectus on which we have defined each such term.

At varying places in this Prospectus, we refer you to other sections for additional information by indicating the caption heading of such other sections. The page on which each principal caption included in this Prospectus can be found is listed in the foregoing Table of Contents.

This Prospectus contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") which represent Delta's expectations or beliefs concerning future events. When used in this Prospectus, and in documents incorporated by reference, the words "expects," "plans," "anticipates" and similar expressions are intended to identify forward-looking statements. All forward-looking statements in this Prospectus are based upon information available to us on the date of this Prospectus. We undertake no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from historical experience or our expectations. Additional information concerning these and other factors is contained in our SEC filings, including but not limited to Delta's Forms 10-K, 10-Q and 8-K.

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS PROSPECTUS AND THE DOCUMENTS INCORPORATED BY REFERENCE IN THIS PROSPECTUS OR TO WHICH WE HAVE REFERRED YOU. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT

## Edgar Filing: DELTA AIR LINES INC /DE/ - Form S-4/A

IS DIFFERENT. IF ANYONE PROVIDES YOU WITH DIFFERENT OR INCONSISTENT INFORMATION, YOU SHOULD NOT RELY ON IT. THIS DOCUMENT MAY BE USED ONLY WHERE IT IS LEGAL TO SELL THESE SECURITIES. YOU SHOULD NOT ASSUME THAT THE INFORMATION PROVIDED BY THIS PROSPECTUS IS ACCURATE AS OF ANY DATE OTHER THAN THE DATE OF THIS PROSPECTUS. ALSO, YOU SHOULD NOT ASSUME THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF DELTA SINCE THE DATE OF THIS PROSPECTUS.

iii

### WHERE YOU CAN FIND MORE INFORMATION

This Prospectus constitutes a part of a registration statement on Form S-4 (together with all amendments, exhibits and appendices, the "Registration Statement") filed by Delta Air Lines, Inc. ("Delta") with the Securities and Exchange Commission (the "Commission") under the Securities Act. This Prospectus does not contain all of the information included in the Registration Statement, the exhibits and certain other parts of which are omitted in accordance with the rules and regulations of the Commission. Statements contained in this Prospectus as to the contents of any contract or other document are not necessarily complete, and you should review the full texts of those contracts and other documents.

Delta files annual, quarterly and special reports, proxy statements and other information with the U.S. Securities and Exchange Commission (the "SEC"). You may read and copy any document filed by Delta at the SEC's public reference rooms in Washington, D.C., New York, New York and Chicago, Illinois. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Delta's SEC filings are also available to the public over the internet at <http://www.sec.gov>.

We incorporate by reference the documents listed below and any filings made with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act until the termination of the Exchange Offer:

- Annual Report on Form 10-K for the fiscal year ended December 31, 2002.
- Quarterly Reports on Form 10-Q for the quarter ended March 31, 2003 and June 30, 2003.
- Current Reports on Form 8-K filed January 16, 2003, March 10, 2003, March 25, 2003\*, April 17, 2003\*, April 23, 2003, May 27, 2003, May 29, 2003, June 2, 2003, July 1, 2003, July 17, 2003\*, July 25, 2003, August 13, 2003 and August 28, 2003.

-----  
\* Reports submitted to the SEC under Item 9, Regulation FD Disclosure and Item 12, Results of Operations and Financial Condition. Pursuant to General Instruction B(2) and (6) of Form 8-K, the reports submitted under Items 9 and 12 are not deemed to be "filed" for the purpose of Section 18 of the Exchange Act, and Delta is not subject to the liabilities of that section. Delta is not incorporating and will not incorporate by reference future filings of these reports into a filing under the Securities Act or the Exchange Act or into this Prospectus.

The information incorporated by reference is considered to be a part of this Prospectus, and information that we file later with the SEC will

## Edgar Filing: DELTA AIR LINES INC /DE/ - Form S-4/A

automatically update and supersede this information.

Any party to whom this Prospectus is delivered may request a copy of these filings (other than any exhibits unless specifically incorporated by reference into this Prospectus), at no cost, by writing or telephoning Delta at Delta Air Lines, Inc., Investor Relations, Dept. No. 829, P.O. Box 20706, Atlanta, GA 30320, telephone no. (404) 715-2600.

iv

### SUMMARY

The following is a summary and does not contain all of the information that may be important to you. You should read the more detailed information and consolidated financial statements incorporated by reference in this Prospectus, as well as the materials filed by Delta with the SEC that are considered to be part of this Prospectus. See "Where You Can Find More Information" in this Prospectus. Unless otherwise indicated, "we," "us," "our" and similar terms, as well as references to "Delta," refer to Delta Air Lines, Inc.

### THE EXCHANGE OFFER

The Certificates..... On January 30, 2003 we issued and privately placed \$391,583,000 aggregate principal amount of Class G, Pass Through Certificates, Series 2003-1 pursuant to exemptions from the registration requirements of the Securities Act. Principal payments made on April 25, 2003 and July 25, 2003 on the Series G Equipment Notes reduced the amounts of such Certificates outstanding to \$381,789,096. The "Initial Purchasers" of the Class G Certificates were Morgan Stanley & Co. Incorporated, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Credit Lyonnais Securities (USA) Inc., Deutsche Bank Securities Inc., ING Financial Markets LLC, J.P. Morgan Securities Inc., Salomon Smith Barney Inc. and U.S. Bancorp Piper Jaffray Inc.

The Class C and D  
Certificates..... In addition, on January 30, 2003, we issued \$135,423,000 aggregate principal amount of Class C Pass Through Certificates, Series 2003-1 and \$65,392,000 aggregate principal amount of Class D Pass Through Certificates, Series 2003-1. The Class C and Class D Certificates were privately placed with affiliates of Delta concurrently with the issuance of the Class G Certificates. The Exchange Offer does not apply to the Class C and Class D Certificates.

When we use the term "Old Class G Certificates" in this Prospectus, we mean the Class G Certificates, Series 2003-1, which were privately placed with the Initial Purchasers on January 30, 2003 and were not registered with the Commission.



## Edgar Filing: DELTA AIR LINES INC /DE/ - Form S-4/A

When we use the term "New Class G Certificates" in this Prospectus, we mean the Class G Certificates registered with the Commission and offered hereby in exchange for the Old Class G Certificates.

When we use the term "Class G Certificates" in this Prospectus, the related discussion applies to both the Old Class G Certificates and the New Class G Certificates.

When we use the term "Certificates" in this Prospectus, the related discussion applies to the Class G, Class C and Class D Certificates.

### Registration Rights

#### Agreement.....

On January 30, 2003, we entered into a Registration Rights Agreement with the Initial Purchasers and the Trustee providing, among other things, for the Exchange Offer.

1

#### The Exchange Offer.....

We are offering New Class G Certificates in exchange for an equal principal amount of Old Class G Certificates. The New Class G Certificates will be issued to satisfy our obligations under the Registration Rights Agreement.

The New Class G Certificates will be entitled to the benefits of and will be governed by the same Pass Through Trust Agreement that governs the Old Class G Certificates. The form and terms of the New Class G Certificates are the same in all material respects as the form and terms of the Old Class G Certificates, except that we registered the New Class G Certificates under the Securities Act so their transfer is not restricted like the Old Class G Certificates, the New Class G Certificates do not contain terms with respect to transfer restrictions or interest rate increases and the New Class G Certificates will be available only in book-entry form.

As of the date of this Prospectus, \$391,583,000 face amount (\$381,789,096 Pool Balance) of Old Class G Certificates are outstanding.

### Conditions to the Exchange

#### Offer.....

The Exchange Offer is not conditioned upon any minimum principal amount of Old Class G Certificates being tendered for exchange. However, the Exchange Offer is subject to certain customary conditions, which may be waived by us. See "The Exchange Offer -- Conditions".

Edgar Filing: DELTA AIR LINES INC /DE/ - Form S-4/A

Procedures for Tendering Old  
Class G Certificates.....

If you wish to accept the Exchange Offer you must deliver your Old Class G Certificates to the Exchange Agent for exchange no later than 5:00 p.m., New York City time, on October 10, 2003. The Expiration Date may be extended under certain circumstances.

You must also deliver a completed and signed letter of transmittal together with the Old Class G Certificates (the "Letter of Transmittal"). A Letter of Transmittal has been sent to Certificateholders and a form can be found as an exhibit to the Registration Statement. Please refer to "The Exchange Offer -- Procedures for Tendering".

You must deliver the Old Class G Certificates and the Letter of Transmittal to U.S. Bank Trust National Association (the "Exchange Agent"), as follows:

U.S. Bank Trust National Association  
Corporate Trust Services  
Attn: Specialized Finance  
Westside Flats Operations Center  
60 Livingston Avenue  
St. Paul, MN 55107  
Telephone: (651) 495-3511  
Facsimile: (651) 495-8158

If you hold Old Class G Certificates through DTC and wish to accept the Exchange Offer, you may do so through DTC's Automated Tender Offer Program. By accepting the Exchange

2

Offer through such program, you will agree to be bound by the Letter of Transmittal as though you had signed the Letter of Transmittal and delivered it to the Exchange Agent.

See "The Exchange Offer -- Procedures for Tendering", "-- Book-Entry Transfer" and "-- Exchange Agent".

Guaranteed Delivery  
Procedures.....

If you wish to tender Old Class G Certificates and your Old Class G Certificates are not immediately available or you cannot deliver your Old Class G Certificates and a properly completed Letter of Transmittal or any other documents required by the Letter of Transmittal to the Exchange Agent prior to the Expiration Date or you cannot complete the book-entry transfer procedures prior to the Expiration

Edgar Filing: DELTA AIR LINES INC /DE/ - Form S-4/A

Date, you may tender your Old Class G Certificates according to the guaranteed delivery procedures set forth in "The Exchange Offer -- Guaranteed Delivery Procedures".

Denominations..... You may only tender Old Class G Certificates in integral multiples of \$100,000. The New Class G Certificates will be issued in integral multiples of \$1,000.

Withdrawal Rights..... You may withdraw a tender of Old Class G Certificates at any time before 5:00 p.m., New York City time, on the Expiration Date. To withdraw a tender of Old Class G Certificates, the Exchange Agent must receive a written or facsimile transmission notice requesting such withdrawal at its address set forth under "The Exchange Offer -- Exchange Agent" prior to 5:00 p.m., New York City time, on the Expiration Date. See "The Exchange Offer -- Withdrawal of Tenders".

Resale of New Class G

Certificates..... We believe that you can offer for resale, resell and otherwise transfer the New Class G Certificates without complying with the registration and prospectus delivery requirements of the Securities Act if:

- you acquire the New Class G Certificates in the ordinary course of your business;
- you have no arrangements or understanding with any person to participate in the distribution of the New Class G Certificates; and
- you are not an "affiliate", as defined in Rule 405 of the Securities Act, of ours or of any Trustee or a broker-dealer who acquired Old Class G Certificates directly from the Trustee for your own account.

If any of these conditions is not satisfied and you transfer any New Class G Certificate without delivering a proper prospectus or without qualifying for a registration exemption, you may incur liability under the Securities Act. We do not assume or indemnify you against such liability.

Each broker-dealer that receives New Class G Certificates in exchange for Old Class G Certificates held for its own account as a result of market-making or other trading activities must acknowledge that it will deliver a prospectus in connection with

any resale of such New Class G Certificates. A broker-dealer may use this Prospectus for an

## Edgar Filing: DELTA AIR LINES INC /DE/ - Form S-4/A

offer to resell, resale or other transfer of such New Class G Certificates issued to it in the Exchange Offer.

For more information on the resale of New Class G Certificates, see "The Exchange Offer -- General".

### Registration, Clearance and Settlement.....

The New Class G Certificates will be represented by one or more permanent global certificates, which will be registered in the name of the nominee of DTC. The global certificates will be deposited with the Trustee as custodian for DTC. See "Description of the Certificates -- Book Entry; Delivery and Form".

### Delivery of New Class G Certificates.....

The Exchange Agent will deliver New Class G Certificates in exchange for all properly tendered Old Class G Certificates promptly following the expiration of the Exchange Offer.

### Certain Federal Income Tax Consequences.....

The exchange of New Class G Certificates for Old Class G Certificates will not be treated as a taxable event for federal income tax purposes. See "Certain U.S. Federal Income Tax Consequences".

### Fees and Expenses.....

We will pay all expenses, other than certain applicable taxes, of completing the Exchange Offer and compliance with the Registration Rights Agreement. See "The Exchange Offer -- Fees and Expenses".

### Failure to Exchange Old Class G Certificates.....

Once the Exchange Offer has been completed, if you do not exchange your Old Class G Certificates for New Class G Certificates in the Exchange Offer, you will no longer be entitled to registration rights and will not be able to offer or sell your Old Class G Certificates, unless (i) such Old Class G Certificates are subsequently registered under the Securities Act (which, subject to certain exceptions set forth in the Registration Rights Agreement, we will have no obligation to do) or (ii) your transaction is exempt from, or otherwise not subject to, the Securities Act and applicable state securities laws. See "Risk Factors -- Risk Factors Relating to the Certificates and the Exchange Offer -- Consequences of Failure to Exchange" and "The Exchange Offer".

### Use of Proceeds.....

We will not receive any cash proceeds from the exchange of the New Class G Certificates for the Old Class G Certificates.

# Edgar Filing: DELTA AIR LINES INC /DE/ - Form S-4/A

## SUMMARY OF TERMS OF CERTIFICATES

	CLASS G CERTIFICATES	CLASS C (1) CERTIFICATES	CLASS D (1) CERTIFICATES
Aggregate face amount at the Issuance Date.....	\$391,583,000	\$135,423,000	\$65,392,000
Ratings:			
Moody's.....	Aaa	Not Rated	Not Rated
Standard & Poor's.....	AAA	Not Rated	Not Rated
Initial loan to Aircraft value ratio at the Issuance Date (cumulative) (2).....	49.0%	65.9%	74.1%
Expected maximum loan to Aircraft value ratio (cumulative).....	49.0%	65.9%	74.1%
Expected principal distribution window (in years) (3).....	0.2 - 5.0	5.0	0.2 - 5.0
Initial average life (in years) (3).....	4.2	5.0	2.5
Regular Distribution Dates.....	January 25, April 25, July 25 and October 25	January 25, April 25, July 25 and October 25	January 25, April 25, July 25 and October 25
Final Expected Distribution Date.....	January 25, 2008	January 25, 2008	January 25, 2008
Final Legal Distribution Date.....	July 25, 2009	January 25, 2008	January 25, 2008
Minimum Denomination.....	\$100,000	\$100,000	\$100,000
Section 1110 Protection...	Yes	Yes	Yes
Liquidity Facility Coverage.....	6 quarterly interest payments	No	No
Policy Coverage (4).....	Yes	No	No

(1) The Class C and Class D Certificates are not being offered pursuant to this Prospectus. The Class C and Class D Certificates were purchased by affiliates of Delta concurrently with the issuance of the Old Class G Certificates.

(2) These percentages are calculated as of the Issuance Date. The aggregate appraised base value of the Aircraft was \$799,560,000 as of such date. See "Loan to Aircraft Value Ratios" in this Prospectus summary for the method we used in calculating the loan to Aircraft value ratios.

(3) Measured from the Issuance Date.

(4) The Policy will support the payment of interest on the Class G Certificates when due (after taking into account the prior use of any available funds under the Primary Liquidity Facility, the Primary Cash Collateral Account, and the Above-Cap Account) and the payment of the outstanding balance of the Class G Certificates on the Final Legal Distribution Date for the Class G Certificates and in certain other circumstances as described herein.

## EQUIPMENT NOTES AND THE AIRCRAFT

The Trusts hold secured Equipment Notes issued for each of twelve Boeing Aircraft, consisting of two Boeing 737-832 aircraft and ten Boeing 767-332ER aircraft. All of the Aircraft have been delivered to and are being operated by Delta. See "Description of the Aircraft and the Appraisals" for a description of the Aircraft. Set forth below is information about the Aircraft and the Equipment Notes for those Aircraft.

AIRCRAFT TYPE	MANUFACTURER'S SERIAL NUMBER	REGISTRATION NUMBER	DATE DELIVERED	APPRAISED BASE VALUE (1)	PRINCIPAL AM SERIES G, C EQUIPMENT
-----	-----	-----	-----	-----	-----
Boeing 737-832.....	30816	N3760C	12/21/01	\$40,950,000	\$33,126,
Boeing 737-832.....	29628	N3761R	12/20/01	40,950,000	33,126,
Boeing 767-332ER.....	28450	N193DN	8/21/97	66,930,000	45,441,
Boeing 767-332ER.....	28451	N194DN	9/26/97	67,140,000	46,024,
Boeing 767-332ER.....	28452	N195DN	9/30/97	67,140,000	46,024,
Boeing 767-332ER.....	28453	N196DN	10/30/97	67,333,333	46,191,
Boeing 767-332ER.....	28454	N197DN	12/23/97	67,690,000	46,476,
Boeing 767-332ER.....	28455	N198DN	2/2/98	68,630,000	49,661,
Boeing 767-332ER.....	30595	N1611B	5/15/00	76,203,333	59,007,
Boeing 767-332ER.....	30596	N178DZ	5/23/00	76,203,333	59,007,
Boeing 767-332ER.....	30575	N1612T	5/26/01	79,900,000	63,850,
Boeing 767-332ER.....	32776	N1613B	8/10/01	80,490,000	64,459,

- 
- (1) The appraised base value of each Aircraft set forth above is the lesser of the average and median appraised base value of such Aircraft as appraised by three independent appraisal and consulting firms. The appraisers based their appraisals on varying assumptions (which may not reflect current market conditions) and methodologies. See "Description of the Aircraft and the Appraisals -- The Appraisals." An appraisal is only an estimate of value and you should not rely on any appraisal as a measure of realizable value. In its appraisal letter, one of the appraisers points out that, as a result of the events of September 11, 2001, there has been a significant negative effect on the current market values of all commercial aircraft and that the present used aircraft market is considered to be a distressed market. See "Risk Factors -- Risks Factors Relating to the Certificates and the Exchange Offer -- Appraisals and Realizable Value of Aircraft."

## LOAN TO AIRCRAFT VALUE RATIOS

The following table provides loan to Aircraft value ratios ("LTVs") for each Class of Certificates as of the Issuance Date and each January 25 Regular Distribution Date. The table is not a forecast or prediction of expected or likely LTVs, but a mathematical calculation based upon one set of assumptions. See "Risk Factors -- Risks Factors Relating to the Certificates and the Exchange Offer -- Appraisals and Realizable Value of Aircraft."

We compiled the following table on an aggregate basis. However, the

## Edgar Filing: DELTA AIR LINES INC /DE/ - Form S-4/A

Equipment Notes issued under an Indenture are entitled only to certain specified cross-collateralization provisions as described under "Description of the Equipment Notes -- Security." The relevant LTVs in a default situation for the Equipment Notes issued under a particular Indenture would depend on various factors, including the extent to which the debtor or trustee in bankruptcy agrees to perform Delta's obligations under the Indentures. Therefore, the following aggregate LTVs are presented for illustrative purposes only and should not be interpreted as indicating the degree of cross-collateralization available to the holders of the Certificates.

DATE	AGGREGATE ASSUMED AIRCRAFT VALUE (1)	POOL BALANCE (2)			
		CLASS G CERTIFICATES	CLASS C CERTIFICATES	CLASS D CERTIFICATES	CLASS G CERTIFICATES
January 30, 2003	\$799,560,000	\$391,583,000	\$135,423,000	\$65,392,000	49.0%
January 25, 2004	772,913,158	366,524,319	135,423,000	50,838,771	47.4
January 25, 2005	746,266,316	337,405,695	135,423,000	36,279,570	45.2
January 25, 2006	719,619,475	311,162,153	135,423,000	23,157,900	43.2
January 25, 2007	692,972,633	282,937,999	135,423,000	9,045,931	40.8
January 25, 2008	0	0	0	0	NA

- 
- (1) In calculating the aggregate Assumed Aircraft Value, we assumed that the appraised base value of each Aircraft determined as described under "Equipment Notes and the Aircraft" declines in accordance with the Depreciation Assumption described under "Description of the Equipment Notes -- Loan to Value Ratio of the Equipment Notes." Other rates or methods of depreciation may result in materially different LTVs. We cannot assure you that the depreciation rate and method assumed for purposes of the table are the ones most likely to occur or predict the actual future value of any Aircraft. See "Risk Factors -- Risks Factors Relating to the Certificates and the Exchange Offer -- Appraisals and Realizable Value of Aircraft."
  - (2) The "pool balance" for each Class of Certificates indicates, as of any date, after giving effect to any principal distributions expected to be made on such date, the portion of the original face amount of such Class of Certificates that has not been distributed to Certificateholders.
  - (3) We obtained the LTVs for each Class of Certificates for each January 25 Regular Distribution Date by dividing (i) the expected outstanding pool balance of such Class together with the expected outstanding pool balance of all other Classes ranking senior in right to distributions to such Class after giving effect to the distributions expected to be made on such date, by (ii) the aggregate Assumed Aircraft Value of the Aircraft on such date based on the assumptions described above.

7

### CASH FLOW STRUCTURE

This diagram illustrates the structure for the offering of the Certificates and cash flows.

(Cash Flow Structure Chart)

-----

## Edgar Filing: DELTA AIR LINES INC /DE/ - Form S-4/A

- (1) Delta issued Series G, Series C and Series D Equipment Notes in respect of each Aircraft. The Class C and Class D Certificates are not offered under this Prospectus. The Equipment Notes with respect to each Aircraft were issued under a separate Indenture. The only cross-default provision in the Indentures is an event of default under each Indenture which occurs if all amounts owing under any Equipment Note are not paid in full on the Final Payment Date.
- (2) The primary liquidity facility and the above-cap liquidity facility are available with respect to the Class G Certificates and are expected to cover up to six consecutive quarterly interest distributions on the Class G Certificates. There will be no liquidity facility in respect of the Class C and Class D Certificates.
- (3) The Policy covers payment of interest on and the outstanding balance of the Class G Certificates only in the circumstances described herein. See "Description of the Policy and the Policy Provider Agreement." The Policy does not cover any amounts payable in respect of the Class C or Class D Certificates.

8

### THE OFFERING

Trusts and Certificates.....	Each of the Class G Trust, the Class C Trust and the Class D Trust were formed pursuant to a separate trust supplement entered into between Delta and U.S. Bank Trust National Association to a basic pass through trust agreement between Delta and U.S. Bank Trust National Association (as successor trustee to State Street Bank and Trust Company of Connecticut, National Association), as Trustee under each Trust. Each Class of Certificates represent fractional undivided interests in the related Trust.
Certificates Offered.....	New Class G Certificates.
Class C and Class D Certificates.....	We are not offering the Class C or Class D Certificates pursuant to this Prospectus. We privately placed the Class C and Class D Certificates with our affiliates concurrently with the issuance of the Old Class G Certificates. There is no liquidity facilities with respect to the Class C or Class D Certificates.
Use of Proceeds.....	The proceeds from the sale of the Old Class G Certificates were used to acquire the Series G Equipment Notes. The Equipment Notes are full recourse obligations of Delta. Delta used the proceeds from the issuance of the Series G Equipment Notes for general corporate purposes.
Subordination Agent, Trustee and Loan Trustee.....	U.S. Bank Trust National Association.
Policy Provider.....	Ambac Assurance Corporation.
Primary Liquidity Provider....	Initially, Landesbank Baden-Wurttemberg for the



## Edgar Filing: DELTA AIR LINES INC /DE/ - Form S-4/A

Class G Certificates. There is no primary liquidity facility for the Class C or Class D Certificates.

### Above-Cap Liquidity

Provider..... Initially, Merrill Lynch Capital Services, Inc. for the Class G Certificates. There is no above-cap liquidity facility for the Class C or Class D Certificates. The obligations of Merrill Lynch Capital Services, Inc. under the Above-Cap Liquidity Facility are guaranteed by its parent company, Merrill Lynch & Co., Inc.

### Trust Property.....

The property of each Trust includes:

- Equipment Notes acquired by such Trust;
- All rights of such Trust under the Intercreditor Agreement (including all monies receivable pursuant to such rights);
- With respect to the Class G Trust, all monies receivable under the Liquidity Facilities;
- With respect to the Class G Trust, all monies receivable under the Policy; and
- Funds from time to time deposited with the Trustee in accounts relating to such Trust.

### Regular Distribution Dates....

January 25, April 25, July 25 and October 25 of each year, commencing on April 25, 2003.

9

### Record Dates.....

The fifteenth day preceding the related Distribution Date.

### Distributions.....

The Trustee will distribute all payments of principal, Break Amount (if any), Make-Whole Amount (if any) and interest received on the Equipment Notes held in each Trust to the holders of the Certificates of such Trust, subject to the subordination provisions applicable to the Certificates.

Subject to the subordination provisions applicable to the Certificates,

- scheduled payments of principal and interest made on the Equipment Notes will be distributed on the applicable Regular Distribution Dates; and
- payments of principal, Break Amount (if any), Make-Whole Amount (if any) and interest made on the Equipment Notes resulting from any early redemption of such Equipment Notes will be distributed on a Special Distribution Date after not less than 15 days' notice to Certificateholders.

## Edgar Filing: DELTA AIR LINES INC /DE/ - Form S-4/A

Intercreditor Agreement..... The Trusts, the Primary Liquidity Provider, the Above-Cap Liquidity Provider, the Subordination Agent and the Policy Provider are parties to the Intercreditor Agreement. The Intercreditor Agreement states how payments made on the Equipment Notes, the Primary Liquidity Facility, the Above-Cap Liquidity Facility and the Policy will be distributed. The Intercreditor Agreement also sets forth agreements among the Trusts, the Liquidity Providers and the Policy Provider relating to who will control the exercise of remedies under the Equipment Notes and the Indentures.

Subordination..... Under the Intercreditor Agreement, distributions on the Certificates generally will be made in the following order:

- First, to the holders of the Class G Certificates;
- Second, to the holders of the Class C Certificates; and
- Third, to the holders of the Class D Certificates.

Certain payments to the Primary Liquidity Provider and to the Policy Provider will be made prior to payments on the Certificates as discussed under "Description of the Intercreditor Agreement -- Priority of Distributions."

If Delta is in bankruptcy or other specified defaults have occurred but Delta is continuing to meet certain of its payment obligations, the subordination provisions applicable to the Certificates permit distributions to be made on junior Certificates prior to making distributions in full on the more senior Certificates.

Control of Loan Trustee..... Subject to certain conditions, the "Controlling Party" will be entitled to direct the Loan Trustee under such Indenture in taking action (including in exercising remedies, such as accelerating such Equipment Notes or foreclosing the lien on the Aircraft securing such Equipment Notes).

Subject to the following two paragraphs, if Final Distributions have not been fully paid to the holders of the Class G Certificates or if any obligations payable to the Policy Provider under the Intercreditor Agreement remain outstanding, so long as no Policy Provider Default has occurred and is continuing, the

## Edgar Filing: DELTA AIR LINES INC /DE/ - Form S-4/A

Policy Provider will be the "Controlling Party". At any other time the "Controlling Party" will be:

- if Final Distributions have not been fully paid to holders of the Class G Certificates, the Class G Trustee;
- if Final Distributions have been fully paid to the holders of the Class G Certificates, but not to the holders of the Class C Certificates, the Class C Trustee; and
- if Final Distributions have been fully paid to the holders of the Class C Certificates, the Class D Trustee.

Under certain circumstances, and notwithstanding the foregoing, the Primary Liquidity Provider will be the Controlling Party, unless the Policy Provider pays to the Primary Liquidity Provider all outstanding drawings and interest thereon owing to the Primary Liquidity Provider under the Primary Liquidity Facility, in which case the Policy Provider will be the Controlling Party (so long as no Policy Provider Default has occurred and is continuing).

In exercising remedies during the nine months after the earlier of (a) the acceleration of the Equipment Notes issued pursuant to any Indenture or (b) the bankruptcy of Delta, the Controlling Party may not, without the consent of each Trustee (other than the Trustee of any Trust all of the Certificates of which are held or beneficially owned by Delta or any of its affiliates), direct the sale of such Equipment Notes or the Aircraft subject to the lien of such Indenture for less than certain specified minimums.

### Right to Buy Other Classes of Certificates.....

If Delta is in bankruptcy or certain other specified events have occurred, the Certificateholders and the Policy Provider may have the right to buy certain other Classes of Certificates on the following basis:

- The Class C Certificateholders (other than Delta or any of its affiliates) will have the right to purchase all, but not less than all, of the Class G Certificates, unless the Policy Provider has elected to purchase the Class G Certificates as described below.
- The Class D Certificateholders (other than Delta or any of its affiliates) will have the right to purchase all, but not less than all, of the Class G and Class C Certificates unless the Policy Provider has elected to purchase the Class G Certificates as

described below.

- Whether or not any Class of Certificateholders has purchased or elected to purchase the Class G Certificates, the Policy Provider (except in the event of a Policy Provider Default), if

11

it is then the Controlling Party, will have the right to purchase all, but not less than all, of the Class G Certificates.

Once the Policy Provider has purchased the Class G Certificates, the Class C Certificateholders and Class D Certificateholders will no longer have the right to purchase the Class G Certificates.

The purchase price in each case described above will be the outstanding principal balance of the applicable Class of Certificates plus accrued and undistributed interest, plus Break Amount (if any), but without any Make-Whole Amount.

Liquidity Facilities.....

Under the Primary Liquidity Facility, the Primary Liquidity Provider will, if necessary, make advances in an aggregate amount that, together with amounts payable by the Above-Cap Liquidity Provider under the Above-Cap Liquidity Facility, is expected to be sufficient to pay interest distributions on the Class G Certificates on up to six successive quarterly Regular Distribution Dates at the applicable interest rate for the Class G Certificates. Payments under the Primary Liquidity Facility and the Above-Cap Liquidity Facility cannot be used to pay any other amount in respect of the Certificates.

Notwithstanding the subordination provisions applicable to the Certificates, the holders of the Class G Certificates will be entitled to receive and retain the proceeds of drawings under the Primary Liquidity Facility and withdrawals from the account into which payments under the Above-Cap Liquidity Facility are required to be made for the Class G Trust.

Upon each drawing under the Primary Liquidity Facility to pay interest distributions on the Class G Certificates, the Subordination Agent will be obligated to reimburse the Primary Liquidity Provider for the amount of such drawing, together with interest on such drawing. Such reimbursement obligation and all interest, fees and other amounts owing to the Primary Liquidity Provider under the Primary Liquidity Facility will rank senior to all of

Edgar Filing: DELTA AIR LINES INC /DE/ - Form S-4/A

the Certificates in right of payment.

Policy Coverage..... Under the Policy, the Policy Provider will honor drawings to cover:

- any shortfall (after the application of drawings under the Primary Liquidity Facility, and withdrawals from the Primary Cash Collateral Account and the Above-Cap Account (collectively, "Prior Funds")), on any Regular Distribution Date in interest on the Class G Certificates; and
- any shortfall (after giving effect to the application of Prior Funds) on the Final Legal Distribution Date in the Final Distribution (other than any unpaid Make-Whole Amount and unpaid Break Amount) on the Class G Certificates.

12

Further, upon a default in the payment of principal of a Series G Equipment Note or if a Series G Equipment Note is accelerated (a "Defaulted Series G Equipment Note") then,

- on the first Business Day which is 21 months after the last Regular Distribution Date on which full payment was made on that Defaulted Series G Equipment Note prior to such default or acceleration, the Policy Provider will pay the outstanding amount of principal and accrued and unpaid interest on that Defaulted Series G Equipment Note; or
- if a Defaulted Series G Equipment Note or any underlying collateral is disposed of in connection with the exercise of remedies (a "Disposition"), the Policy Provider will pay, after giving effect to the application of Disposition proceeds and any Prior Funds, the amount, if any, required to reduce the Pool Balance of the Class G Certificates by an amount equal to the outstanding principal amount of such Defaulted Series G Equipment Note (less the amount of any Policy Drawings previously paid by the Policy Provider in respect of principal of such Defaulted Series G Equipment Note) plus accrued and unpaid interest on the amount of such reduction.

If there is no Disposition, instead of paying the full amount of principal and accrued and unpaid interest on a Defaulted Series G Equipment Note at the end of the 21-month period referred to above, the Policy Provider may elect, after giving five days' prior written notice to the Subordination Agent, instead to pay:

- an amount equal to the scheduled principal and interest payable but not paid on the Defaulted Series G Equipment Note (without regard to the acceleration thereof) during the 21-month period (after giving effect to the application of funds received from the Primary Liquidity Facility, the Primary Cash Collateral Account and the Above-Cap Account, in each case, with respect to such interest); and
- thereafter, on each Regular Distribution Date, an amount equal to the scheduled principal and interest otherwise payable on the Defaulted Series G Equipment Note (without regard to any acceleration thereof and without regard to any Prior Funds) until paid in full.

Notwithstanding an election by the Policy Provider to pay scheduled payments instead of accelerated payments as discussed above, the Policy Provider may, on any Business Day (which shall be a Special Distribution Date) elected by the Policy Provider upon 20 days' notice, cause the Subordination Agent to make a drawing under the Policy for an amount equal to the then outstanding principal balance of and accrued and unpaid interest on the Defaulted Series G Equipment Note from the immediately preceding Regular Distribution Date, less any Policy Drawings previously paid by the Policy Provider in respect of principal of such Defaulted Series G Equipment Note. Further, notwithstanding an election by the Policy Provider to pay

13

scheduled payments instead of accelerated payments as discussed above, upon the occurrence of a Policy Provider Default, the Subordination Agent shall, on any Business Day elected by the Subordination Agent upon 20 days' notice to the Policy Provider, make a drawing under the Policy for an amount equal to the then outstanding principal balance of and accrued and unpaid interest on such Defaulted Series G Equipment Note from the immediately preceding Regular Distribution Date, less any Policy Drawings previously paid by the Policy Provider in respect of principal of such defaulted Series G Equipment Note.

At the end of the 21-month period referred to above, the Policy Provider will honor drawings by the Primary Liquidity Provider of interest accruing on all outstanding drawings under the Primary Liquidity Facility from and after the end of such 21-month period as and when such interest becomes due in accordance with the

Primary Liquidity Facility.

Accrued and unpaid interest payable by the Policy Provider on account of the Defaulted Series G Equipment Notes will be calculated at the Stated Interest Rate for the Class G Certificates.

The Policy will cover only the Class G Certificates and the proceeds of any Policy Drawing will be applied only to the outstanding balance of, and interest on, the Class G Certificates. The Policy Provider will be entitled to be reimbursed for Policy Drawings as described in the "Description of the Policy and the Policy Provider Agreement" and "Description of Intercreditor Agreement -- Priority of Distributions."

Equipment Notes

- (a) Issuer..... Under each Indenture, Delta issued Series G, Series C and Series D Equipment Notes, which were acquired, respectively, by the Class G, Class C and Class D Trusts.
- (b) Interest..... The Equipment Notes held in each Trust accrue interest at the rate per annum for the Certificates issued by such Trust. The rate per annum for the Class G Certificates is set forth on the cover page of this Prospectus. The Series C and Series D Equipment Notes will accrue interest at LIBOR for each Interest Period plus a margin of 2.00% and 2.50% per annum, respectively. Interest on the Equipment Notes will be payable on January 25, April 25, July 25 and October 25 of each year, commencing on April 25, 2003. Interest will be calculated on the basis of the actual number of days elapsed over a 360-day year. LIBOR will be determined from time to time by the Reference Agent as described in "Description of the Equipment Notes -- Determination of LIBOR."
- (c) Principal..... Principal payments on the Series G Equipment Notes are scheduled to be received in specified amounts on January 25, April 25, July 25 and October 25 in certain years, commencing on April 25, 2003 and ending on January 25, 2008. The entire principal of the Series C Equipment Notes will be payable on

January 25, 2008. Principal payments on the Series D Equipment Notes are scheduled to be received in specified amounts on January 25, April 25, July 25 and October 25 in certain years, commencing on April 25, 2003 and ending on January 25, 2008.

## Edgar Filing: DELTA AIR LINES INC /DE/ - Form S-4/A

- (d) Rankings..... The Indentures provide for the following subordination provisions applicable to the Equipment Notes:
- Series G Equipment Notes issued in respect of an Aircraft rank senior in right of payment to the Series C and Series D Equipment Notes issued in respect of such Aircraft;
  - Series C Equipment Notes issued in respect of an Aircraft rank junior in right of payment to the Series G Equipment Notes issued in respect of such Aircraft and rank senior in right of payment to the Series D Equipment Notes issued in respect of such Aircraft; and
  - Series D Equipment Notes issued in respect of an Aircraft rank junior in right of payment to the Series G and Series C Equipment Notes issued in respect of such Aircraft.

By virtue of the Intercreditor Agreement, all of the Equipment Notes are effectively cross-subordinated. This means that payments received on a junior series of Equipment Notes issued in respect of one Aircraft may be applied in accordance with the priority of payment provisions set forth in the Intercreditor Agreement to make distributions on a more senior Class of Certificates.

- (e) Redemption..... Aircraft Event of Loss. If an Event of Loss occurs with respect to a Core Aircraft, Delta will either:
- redeem all of the Equipment Notes issued with respect to such Core Aircraft and redeem the amount of Series G Equipment Notes issued under each other Indenture relating to a Core Aircraft specified in "Description of the Equipment Notes -- Redemption", or
  - substitute an aircraft meeting certain requirements for such Core Aircraft.

If an Event of Loss occurs with respect to a Non-Core Aircraft, Delta will either:

- redeem all of the Equipment Notes issued with respect to such Non-Core Aircraft, or
- substitute an aircraft meeting certain requirements for such Non-Core Aircraft.

The redemption price in each case will be the unpaid principal amount of such Equipment Notes to be redeemed, together with accrued interest and Break Amount (if any), but without any Make-Whole Amount. See "Description of the Equipment Notes -- Redemption."

Optional Redemption. Delta may elect to redeem



at any time prior to maturity all of the  
Equipment Notes issued with respect

15

to a Non-Core Aircraft. The redemption price in such case will be the unpaid principal amount of such Equipment Notes, together with accrued interest and Break Amount (if any), plus the Make-Whole Amount (if any). Delta may not optionally redeem at any time any of the Equipment Notes issued with respect to a Core Aircraft. Delta may not optionally redeem any of the Equipment Notes with respect to a Non-Core Aircraft if there is a payment default under any other Indenture. See "Description of the Equipment Notes -- Redemption."

The Aircraft with the following registration numbers (and any aircraft substituted therefor) are "Core Aircraft": N3760C, N3761R, N193DN, N194DN, N1611B and N178DZ.

The Aircraft with the following registration numbers (and any aircraft substituted therefor) are "Non-Core Aircraft": N195DN, N196DN, N197DN, N198DN, N1612T and N1613B.

Event of Default. Upon the occurrence of an Event of Default under an Indenture, any excess proceeds realized from the sale of the Aircraft or the exercise of other remedies under such Indenture will be applied to redeem the Equipment Notes under other Indentures in accordance with the third paragraph under "-- Security".

(f) Security.....

The Equipment Notes issued with respect to each Aircraft are secured by a security interest in such Aircraft.

In addition, the Equipment Notes are cross-collateralized to the extent provided in the Indentures, as summarized below.

Distribution of Excess Proceeds. The proceeds realized from the sale of an Aircraft or the exercise of other remedies by the Loan Trustee under an Indenture will be allocated, after paying certain administrative expenses and other related amounts, in the following order or priority:

- to pay all amounts due and payable on all of the Equipment Notes issued under such Indenture in accordance with the priorities set forth therein;
- to pay to the Loan Trustee under the other Indentures relating to the Core Aircraft an amount up to the outstanding principal of,

and unpaid interest accrued on, the Series G Equipment Notes issued thereunder on a pro rata basis;

- to pay to the Loan Trustee under the other Indentures relating to the Non-Core Aircraft an amount up to the outstanding principal of, and unpaid interest accrued on, the Series G Equipment Notes issued thereunder on a pro rata basis;
- to pay to the Loan Trustee under the other Indentures an amount up to the outstanding principal of, and unpaid interest accrued on, the Series C Equipment Notes issued thereunder on a pro rata basis; and
- to pay to the Loan Trustee under the other Indentures an amount up to the outstanding principal of, and unpaid interest

16

accrued on, the Series D Equipment Notes issued thereunder on a pro rata basis.

Cross-Default at Final Payment Date. In addition, if all amounts owing under any Equipment Note are not paid in full on the Final Payment Date, the Loan Trustees will be able to exercise remedies under all remaining Indentures, including the sale of all Aircraft, to satisfy the remaining amounts due under any Equipment Note. Such payment default at the Final Payment Date is the only cross-default provision under the Indentures. Therefore, until the Final Payment Date, if the Equipment Notes issued under one or more Indentures are in default and the Equipment Notes issued under the remaining Indentures are not in default, no remedies will be exercisable under such remaining Indentures. If, at any time before the Final Payment Date, the Equipment Notes issued under an Indenture are repaid in full (other than as a result of the exercise of remedies thereunder), the lien under such Indenture will be released and will not thereafter secure any other Equipment Notes.

(g) Section 1110  
Protection.....

Cadwalader, Wickersham & Taft LLP, special counsel to Delta, provided an opinion to the Trustees that the benefits of Section 1110 of the Bankruptcy Code are available for each of the Aircraft.

Certain ERISA  
Considerations.....

Each person who acquires a Class G Certificate will be deemed to have represented that either:

- no assets of a Plan or of any trust

## Edgar Filing: DELTA AIR LINES INC /DE/ - Form S-4/A

established with respect to a Plan shall have been used to acquire such Class G Certificate or an interest therein; or

- the purchase and holding of such Class G Certificate or an interest therein by such person are exempt from the prohibited transaction restrictions of the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986 or materially similar provisions of Similar Law (as defined herein) pursuant to one or more prohibited transaction statutory or administrative exemptions.

See "Certain ERISA Considerations."

Ratings of the Class G  
Certificates.....

The Class G Certificates are rated "Aaa" by Moody's and "AAA" by Standard & Poor's.

A rating is not a recommendation to purchase, hold or sell Class G Certificates, and such rating does not address market price or suitability for a particular investor. There can be no assurance that such ratings will not be lowered or withdrawn by either Rating Agency. See "Risk Factors -- Risks Factors Relating to the Certificates and the Exchange Offer -- Ratings of the Certificates."

The Class C and Class D Certificates are not rated.

17

Threshold Rating Requirements  
for the Liquidity Providers...

The threshold rating is (i) a short-term unsecured debt rating of P-1 in the case of Moody's and a short-term issuer credit rating of A-1 in the case of Standard & Poor's and (ii) for any entity that does not have a short-term rating from either or both of such rating agencies, then in lieu of such short-term rating, a long-term unsecured debt rating of A1 in the case of Moody's and a long-term issuer credit rating of A+ in the case of Standard & Poor's.

Primary Liquidity Provider  
Rating.....

The initial Primary Liquidity Provider currently meets the Threshold Rating requirement.

Above-Cap Liquidity Provider  
Rating.....

Merrill Lynch & Co., Inc., the guarantor of the obligations of the initial Above-Cap Liquidity Provider, currently meets the Threshold Rating requirement.

Rating of the Policy

# Edgar Filing: DELTA AIR LINES INC /DE/ - Form S-4/A

Provider..... The Policy Provider is currently rated "Aaa" by Moody's and "AAA" by Standard & Poor's.

Governing Law..... The Certificates and the Equipment Notes are governed by the laws of the State of New York.

18

## SELECTED FINANCIAL AND OPERATING DATA

The following table presents selected financial and operating data of Delta. We derived the annual historical financial data from Delta's audited consolidated financial statements and the notes thereto. The audited consolidated financial statements as of December 31, 2002 and 2001 and for the years ended December 31, 2002, 2001 and 2000 are incorporated by reference in this Prospectus and the selected financial and operating data should be read in conjunction with those financial statements. The consolidated financial data as of June 30, 2003 and for the six months ended June 30, 2003 and 2002 were derived from Delta's unaudited consolidated financial statements and may not be indicative of results for the year as a whole. See "Where You Can Find More Information."

	SIX MONTHS ENDED JUNE 30,		YEARS ENDED DECEMBER 31,			
	2003 (1)	2002 (2)	2002 (3)	2001 (4)	2000 (5)	1999 (6)
	(UNAUDITED)					
STATEMENT OF OPERATIONS DATA						
(IN MILLIONS, EXCEPT PER SHARE DATA):						
Operating revenues.....	\$ 6,462	\$ 6,577	\$ 13,305	\$ 13,879	\$ 16,741	\$ 14,883
Operating expenses.....	6,801	7,139	14,614	15,481	15,104	13,565
Operating income (loss).....	(339)	(562)	(1,309)	(1,602)	1,637	1,318
Interest expense, net (7).....	338	296	610	410	257	126
Net income (loss) before cumulative effect of change in accounting principle....	(282)	(583)	(1,272)	(1,216)	928	1,262
Net income (loss).....	(282)	(583)	(1,272)	(1,216)	828	1,208
Earnings (loss) per share before cumulative effect of change in accounting principle(8):						
Basic.....	(2.35)	(4.79)	(10.44)	(9.99)	7.39	9.05
Diluted.....	(2.35)	(4.79)	(10.44)	(9.99)	7.05	8.52
Earnings (loss) per share(8):						
Basic.....	(2.35)	(4.79)	(10.44)	(9.99)	6.58	8.66
Diluted.....	(2.35)	(4.79)	(10.44)	(9.99)	6.28	8.15
OTHER DATA:						
Ratio of earnings (loss) to fixed charges(9).....	0.44x	(0.40x)	(0.51x)	(0.51x)	2.37x	3.55x
OPERATING STATISTICS:						
Revenue passengers enplaned (thousands).....	50,879	52,045	107,048	104,943	119,930	110,083
Available seat miles						

# Edgar Filing: DELTA AIR LINES INC /DE/ - Form S-4/A

(millions) (10).....	65,238	69,599	141,719	147,837	154,974	147,073
Revenue passenger miles						
(millions) (11).....	46,958	49,549	102,029	101,717	112,998	106,165
Operating revenue per						
available seat mile.....	9.90c	9.45c	9.39c	9.39c	10.80c	10.12c
Passenger mile yield(12).....	12.73c	12.30c	12.08c	12.74c	13.86c	13.14c
Operating cost per available						
seat mile.....	10.42c	10.26c	10.31c	10.47c	9.75c	9.22c
Passenger load factor(13)....	71.98%	71.19%	71.99%	68.80%	72.91%	72.18%
Breakeven passenger load						
factor(14).....	76.06%	77.76%	79.64%	77.31%	65.29%	65.37%

19

	AT JUNE 30,	AT DECEMBER 31,			
	2003	2002	2001	2000	1999
	-----	-----	-----	-----	-----
	(UNAUDITED)				
BALANCE SHEET DATA (IN MILLIONS):					
Cash and cash equivalents.....	\$ 2,815	\$ 1,969	\$ 2,210	\$ 1,364	\$ 1,623
Total assets.....	25,557	24,720	23,605	21,931	19,942
Current liabilities.....	6,373	6,455	6,403	5,245	5,514
Long-term debt (less current					
maturities) (16).....	11,343	10,074	8,279	5,797	4,144
Obligations under capital leases					
(less current obligations).....	83	100	68	99	159
Shareowners' equity.....	679	893	3,769	5,343	4,908

(1) Includes a \$43 million pretax charge for the cost of pension and postretirement obligations for participants in Delta's 2002 workforce reduction programs; \$398 million pretax reduction of operating expenses for passenger security and air carrier security fee reimbursements received from the U.S. government under the Emergency Wartime Supplemental Appropriations Act (the "Appropriations Act"); a \$279 million pretax gain from the sale of Delta's equity investment in Worldspan, L.P. and a \$29 million pretax charge for other income and expense items.

(2) Includes a \$63 million pretax expense for the temporary carrying costs associated with surplus pilots and grounded aircraft resulting from capacity reductions implemented in November 2001, as well as related requalification training and relocation costs for certain pilots; and a \$43 million pretax charge for fair value adjustments of SFAS 133 derivatives.

(3) Includes a \$439 million pretax charge for asset writedowns, restructuring and related items primarily associated with changes to Delta's fleet plan

## Edgar Filing: DELTA AIR LINES INC /DE/ - Form S-4/A

and its 2002 workforce reduction programs; a \$34 million pretax gain for compensation received under the Air Transportation Safety and System Stabilization Act (the "Stabilization Act"); and a \$94 million net pretax charge for other income and expense items.

- (4) Includes a \$1.1 billion pretax charge for asset writedowns, restructuring and related items primarily associated with the effects of the September 11, 2001 terrorist attacks on our business; a \$634 million pretax gain from the Stabilization Act compensation; and a \$186 million net pretax gain for other income and expense items.
- (5) Includes a \$108 million pretax charge for restructuring and related items primarily associated with Delta's early retirement medical option program offered in 2000; a \$151 million net pretax gain from other income and expense items; and a \$164 million cumulative effect, non-cash pretax charge, resulting from our adoption of SFAS 133 on July 1, 2000.
- (6) Includes a \$469 million pretax charge for asset writedowns; an \$887 million net pretax gain from other income and expense items; and an \$89 million non-cash pretax charge from the cumulative effect of a change in accounting principle resulting from our adoption of SAB 101 on January 1, 1999.
- (7) Includes interest income.
- (8) All earnings per share amounts for 1998 have been restated to reflect the two-for-one common stock split that became effective on November 2, 1998.
- (9) The ratio of earnings (loss) to fixed charges represents the number of times that fixed charges are covered by earnings. Earnings (loss) represents income (loss) before income taxes, excluding the cumulative effect of a change in accounting principle, plus fixed charges and distributed income of equity investees less capitalized interest and income (loss) from equity investees. Fixed charges include interest, whether expensed or capitalized; one-half of rental expense, which Delta believes is representative of the interest factor in those periods; amortization of debt costs; and preferred security dividends. Fixed charges exceeded adjusted earnings (loss) by \$2.0 billion and \$1.8 billion

20

for the years ended December 31, 2002 and 2001, respectively, and \$403 million and \$928 million for the six months ended June 30, 2003 and 2002, respectively.

- (10) "Available seat miles" is a measure of capacity which is calculated by multiplying the total number of seats available for transporting passengers by the total number of miles flown during a reporting period.
- (11) "Revenue passenger mile" represents one revenue-paying passenger transported one mile and is calculated by multiplying the number of revenue passengers by the number of miles they are flown during the period.
- (12) "Passenger mile yield" represents the amount of passenger revenue earned per revenue passenger mile during a reporting period.
- (13) "Passenger load factor" is a measure of utilized available seating capacity which is calculated by dividing revenue passenger miles by available seat miles for a reporting period.

## Edgar Filing: DELTA AIR LINES INC /DE/ - Form S-4/A

- (14) "Break-even passenger load factor" represents the percentage of seats that must be occupied in order to break-even on a pre-tax income basis.
- (15) Effective December 31, 2000, Delta changed its fiscal year end from June 30 to December 31 and reported audited balance sheet data for December 31, 2000 and December 31, 1999. Balance sheet data as of December 31, 1998 was not required to be audited.
- (16) Long-term debt includes \$498 million in Special Facilities Revenue Bonds issued in August 2001 by the Massachusetts Port Authority for the redevelopment and expansion of Delta's facilities in Terminal A at Boston's Logan International Airport. Delta has guaranteed the payment of debt service on these bonds. The related proceeds of the bonds may only be used for the redevelopment and expansion of Delta's facilities at Logan International Airport, and, accordingly, are reflected on Delta's consolidated balance sheets at June 30, 2003, December 31, 2002 and December 31, 2001 as a restricted investment in "other assets," as required by accounting principles generally accepted in the United States of America.

21

### RISK FACTORS

You should carefully consider the following risk factors as well as other information contained in this Prospectus.

#### RISK FACTORS RELATING TO BUSINESS ENVIRONMENT

THE TERRORIST ATTACKS IN 2001, MILITARY ACTION IN IRAQ AND OTHER WORLD EVENTS ADVERSELY AFFECTED, AND MAY CONTINUE TO ADVERSELY AFFECT, DELTA'S FINANCIAL RESULTS

Since the terrorist attacks of September 11, 2001, involving commercial aircraft of other airlines, Delta and the airline industry have faced the worst financial crisis in aviation history. The airline industry has experienced substantial revenue decline and cost increases which have resulted in industry wide liquidity issues. Additionally, during the March 2003 quarter, the industry's financial results were negatively impacted by the military action in Iraq and the Severe Acute Respiratory Syndrome ("SARS") outbreak.

The future impact of the events of September 11, 2001 and the ability of Delta to weather the current financial crisis will depend on a number of factors, including, but not limited to, the following: (i) general economic conditions; (ii) the adverse impact of the terrorist attacks on the demand for air travel; (iii) the change in Delta's operations and higher costs resulting from, and customer reaction to, new airline and airport security directives; (iv) the availability and cost of war and terrorism risk and other insurance for Delta; (v) the credit downgrades of Delta and other airlines by Moody's and Standard & Poor's discussed below, and the possibility of additional downgrades, to the extent it makes it more difficult and/or more costly for Delta to obtain financing; (vi) potential declines in the values of the aircraft in Delta's fleet or facilities and any related asset impairment charges; (vii) additional terrorist activity and/or war; (viii) funding obligations under our defined benefit pension plans, which are based on various factors, including actual market performance of our pension plan assets, future 30-year U.S. Treasury bond yields and regulatory requirements; (ix) the results of the profit improvement

## Edgar Filing: DELTA AIR LINES INC /DE/ - Form S-4/A

initiatives previously announced by Delta; (x) actions by U.S. or foreign governments, including the FAA and other regulatory agencies; and (xi) the outcome of Delta's litigation.

### THE CREDIT RATINGS OF DELTA HAVE BEEN DOWNGRADED SINCE 2001

After September 11, 2001, the credit ratings on Delta's senior unsecured long-term debt were lowered from Baa3 to Ba2 by Moody's and Delta's issuer credit rating was lowered from BBB- to BB+ by Standard & Poor's, with concurrent downgrades of senior unsecured and various other debt by both rating agencies. In November 2001, Standard & Poor's lowered Delta's senior unsecured debt rating (but no other ratings) from BB+ to BB and in June 2002, Standard & Poor's lowered Delta's issuer credit rating from BB+ to BB, with concurrent downgrades of senior unsecured and various other Delta debt ratings. Moody's downgraded Delta's senior unsecured long-term debt rating from Ba2 to Ba3 in December 2001 with concurrent downgrades of various other Delta debt ratings.

On March 28, 2003, Standard & Poor's lowered Delta's issuer credit rating from BB to BB-, and Delta's senior unsecured long-term debt rating from BB- to B. On April 10, 2003, Moody's downgraded Delta's senior implied debt rating from Ba3 to B1, and Delta's senior unsecured long-term debt rating from Ba3 to B3. On July 8, 2003, Standard & Poor's affirmed Delta's BB- issuer credit rating and removed its ratings from CreditWatch.

The credit ratings of certain other airlines have been adjusted by Moody's and Standard and Poor's in the various aforementioned reviews and in other independent ratings actions. Moody's outlook on Delta's debt securities is negative and Standard & Poor's outlook on Delta's issuer credit rating remains negative. There can be no assurance that Delta's long-term debt rating will not be lowered further or withdrawn by a rating agency.

Delta's current credit ratings have negatively impacted its ability to (i) issue unsecured debt, (ii) renew outstanding letters of credit that back certain of our obligations and (iii) obtain certain financial

22

instruments that we use in our fuel hedging program. Our current credit ratings have also increased the cost of our financing transactions and the amount of collateral required for certain financial instruments and insurance coverage.

### OUR INSURANCE COSTS HAVE INCREASED SUBSTANTIALLY AS A RESULT OF THE SEPTEMBER 11, 2001 TERRORIST ATTACKS AND FURTHER INCREASES IN INSURANCE COSTS OR REDUCTIONS IN COVERAGE COULD HAVE A MATERIAL ADVERSE IMPACT ON DELTA

As a result of the terrorist attacks of September 11, 2001, aviation insurers have significantly reduced the maximum amount of insurance coverage available to commercial air carriers for liability to persons other than employees or passengers for claims resulting from acts of terrorism, war, or similar events. At the same time, they significantly increased the premiums for such coverage and for aviation insurance in general. Pursuant to authority granted in the Stabilization Act, the U.S. government has supplemented Delta's commercial war-risk insurance with a comprehensive war-risk liability policy to cover losses to passengers, third parties (ground damage) and the aircraft hull. This coverage is in effect through August 2004. Delta expects that if the commercial insurance carriers reduce further the amount of insurance coverage available to Delta or further significantly increase the cost of aviation insurance, or if the U.S. government fails to renew the war-risk insurance that it provides, Delta's business, financial position, and results of operations



## Edgar Filing: DELTA AIR LINES INC /DE/ - Form S-4/A

could be materially adversely affected.

### RISK FACTORS RELATING TO DELTA

#### DELTA CONTINUES TO EXPERIENCE SIGNIFICANT OPERATING LOSSES

Delta reported a net loss of \$282 million for the six months ended June 30, 2003, or \$2.35 diluted loss per common share, compared to a net loss of \$583 million for the six months ended June 30, 2002, or \$4.79 diluted loss per common share. This includes the \$398 million of payments that we received from the U.S. government under the Appropriations Act and a \$279 million pretax gain from the sale of Delta's equity investment in Worldspan, L.P. For the fiscal year ended December 31, 2002, Delta reported a net loss of \$1.3 billion, or \$10.44 diluted loss per common share, compared to a net loss of \$1.2 billion, or \$9.99 diluted loss per common share, for the fiscal year ended December 31, 2001.

Delta's operating revenues totaled \$6.5 billion for the six months ended June 30, 2003, a 2% decrease compared to the depressed level recorded for the six months ended June 30, 2002. Passenger revenues decreased 2% to \$6.0 billion. Revenue passenger miles decreased 5% on a capacity decline of 6%, while passenger mile yield increased 3%. The 2% decline in passenger revenues for the six months ended June 30, 2003 was primarily due to the substantial adverse impact of the military action in Iraq and the difficult revenue environment. The 3% increase in passenger mile yield reflects improved yields in international markets. Operating expenses for the six months ended June 30, 2003 totaled \$6.8 billion, a 5% decrease from \$7.1 billion for the six months ended June 30, 2002. Operating capacity declined 6%, while cost per available seat mile increased 1.6% to 10.42c. The changes in operating expenses and cost per available seat mile reflect Delta's receipt of \$398 million under the Appropriations Act, which was recorded as an offset to operating expenses, and lower capacity.

Delta estimates that its net loss for the September 2003 quarter will be approximately \$200 million to \$250 million. Delta does not expect significant improvement in the revenue environment through 2003 and also expects significant cost pressures related to increases in pension and interest expense to continue. As a result, Delta expects to report a net loss for the year ending December 31, 2003.

#### SIGNIFICANT CHANGES OR EXTENDED PERIODS OF HIGH FUEL COSTS WOULD MATERIALLY AFFECT DELTA'S OPERATING RESULTS

Delta's results of operations can be significantly impacted by changes in the price and availability of jet fuel. Changes in jet fuel prices and availability have industry-wide impact. 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. Delta purchases

## Edgar Filing: DELTA AIR LINES INC /DE/ - Form S-4/A

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 Delta the right to terminate upon short notice if the price is unacceptable.

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 or war involving oil producing countries, changes in government policy concerning aircraft fuel production, transportation or marketing, changes in aircraft fuel production capacity, environmental concerns and other unpredictable events may result in fuel supply shortages and fuel price increases in the future.

### EMPLOYEE STRIKES AND OTHER LABOR-RELATED DISRUPTIONS MAY ADVERSELY AFFECT DELTA'S OPERATIONS

Delta's business is labor intensive, requiring large numbers of pilots, flight attendants, mechanics and other personnel. Strikes or labor disputes with unionized employees of Delta or Delta's affiliates may adversely affect Delta's ability to conduct its business. As of June 30, 2003 Delta and Delta's wholly-owned subsidiaries had a total of 69,800 full-time equivalent employees. Approximately 18% of these employees are represented by unions. Relations between air carriers and labor unions in the U.S. are governed by the Railway Labor Act, which provides that a collective bargaining agreement between an airline and a labor union does not expire, but instead becomes amendable as of a stated date. Delta's wholly-owned subsidiary, Atlantic Southeast Airlines, Inc. ("ASA"), is in collective bargaining negotiations with the Air Line Pilots Association, International ("ALPA"), which represents ASA's approximately 1,500 pilots. See "Recent Developments -- Profit Improvement Initiatives for information regarding Delta's recent discussions with ALPA.

The outcome of these collective bargaining negotiations cannot presently be determined. In addition to the current ASA-ALPA negotiations, if Delta or Delta's affiliates are unable to reach agreement with any of their unionized work groups on future negotiations regarding the terms of their collective bargaining agreements, Delta may be subject to work interruptions or stoppages. Work stoppages may adversely affect Delta's ability to conduct its operations.

### U.S. FEDERAL LAW IMPOSES LIMITATIONS ON FOREIGN OWNERSHIP OF U.S. AIRLINES AND VOTING BY NON-U.S. CITIZENS

U.S. federal law on foreign ownership of U.S. airlines requires that no more than 25% of Delta's capital stock be voted, directly or indirectly, by persons who are not U.S. citizens, and that Delta's president and at least two-thirds of the members of Delta's board of directors be U.S. citizens. As such, Delta will not register any shares of its capital stock on its stock register if the amount so registered would exceed the foreign ownership restrictions imposed by federal law. Accordingly, if and for so long as the combined foreign ownership holdings of Delta's capital stock reaches the 25% threshold imposed by federal law, no other non-U.S. citizen will be able to register its shares of common stock on Delta's stock register and vote its shares.

### WE EXPECT THAT WE WILL NEED TO RAISE SIGNIFICANT ADDITIONAL FINANCING

In the aftermath of the events of September 11, 2001, Delta raised substantial amounts of funding to finance capital commitments and day-to-day operations. Delta expects that it will need to raise significant additional financing in the future to cover its liquidity needs. To the extent Delta may be

## Edgar Filing: DELTA AIR LINES INC /DE/ - Form S-4/A

unable to access the capital markets for long-term capital spending requirements or short-term liquidity needs, or Delta's financing costs continue to increase, including as a result of further credit rating downgrades, Delta's business, financial position and results of operations would be materially adversely impacted.

24

### OUR INDEBTEDNESS AND OTHER OBLIGATIONS ARE SUBSTANTIAL AND COULD AFFECT OUR BUSINESS

We have now and will continue to have a significant amount of indebtedness. As of June 30, 2003, we had approximately \$12.2 billion of total consolidated indebtedness; \$5.9 billion of secured indebtedness (excluding secured indebtedness of our subsidiaries); and approximately \$1.8 billion of subsidiary indebtedness. Our substantial indebtedness could have important consequences. For example, it could:

- limit our ability to obtain additional financing for working capital, capital expenditures, acquisitions and general corporate purposes;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the funds available to us for other purposes;
- make us more vulnerable to economic downturns, limiting our ability to withstand competitive pressures and reducing our flexibility in responding to changing business and economic conditions; and
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate.

Any of the foregoing could adversely affect our business and our ability to service our debt.

### OUR PENSION PLAN FUNDING OBLIGATIONS ARE SIGNIFICANT

Delta sponsors defined benefit pension plans ("pension plans") for eligible employees and retirees. We have satisfied our minimum required funding obligations for our pension plans in 2003. Estimates of our future funding obligations under these pension plans are based on various assumptions, including the actual market performance of the plan assets, future 30-year U.S. Treasury bond yields and regulatory requirements. As previously announced, our estimated pension plan funding obligation in 2004 is between \$350 million and \$450 million. Our funding obligations under the pension plans in later years are not reasonably estimable at this time because these estimates vary materially depending on the assumptions used. Nevertheless, we presently expect our funding obligations under our pension plans in each of the years from 2005 through 2007 will be substantially larger than our estimated funding obligations in 2004. For additional information regarding our pension plans, see Note 11 (pages 51-55) of the Notes to the Consolidated Financial Statements in our 2002 Annual Report to Shareowners, which is incorporated by reference in this Prospectus.

### RISK FACTORS RELATING TO THE AIRLINE INDUSTRY

## Edgar Filing: DELTA AIR LINES INC /DE/ - Form S-4/A

### THE AIRLINE INDUSTRY IS HIGHLY COMPETITIVE

Delta faces significant competition with respect to domestic and international routes, services and fares. All domestic routes served by Delta are subject to competition from both new and established carriers, some of which have substantially lower costs than Delta and service virtually all of Delta's domestic routes. On most domestic and international routes, Delta competes with at least one, and usually more than one, scheduled passenger airline. Delta also competes with all-cargo carriers, charter airlines and, particularly on its shorter routes, with surface transportation.

International marketing alliances formed by domestic and foreign carriers, such as the Star Alliance (among United Airlines, Lufthansa German Airlines and others), the Oneworld Alliance (among American Airlines, British Airways and others) and the Wings Alliance (between Northwest Airlines and KLM-Royal Dutch Airlines), have significantly increased competition in international markets. Through marketing and codesharing arrangements with U.S. carriers, foreign carriers have obtained access to interior U.S. routes. Similarly, U.S. carriers have increased their ability to sell international transportation such as transatlantic services to and beyond European cities.

25

The airline industry 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 Delta's passenger mile yield, Delta's operating results will be adversely affected.

### THE AIRLINE INDUSTRY IS SUBJECT TO EXTENSIVE GOVERNMENT REGULATION

Airlines are subject to extensive regulatory and legal compliance requirements that result in significant costs. The FAA from time to time issues directives and other regulations relating to the maintenance and operation of aircraft that require significant expenditures. Some FAA requirements cover, among other things, security measures, collision avoidance systems, airborne windshear avoidance systems, noise abatement and other environmental concerns, commuter aircraft safety and increased inspections and maintenance procedures to be conducted on older aircraft. Delta expects to continue incurring expenses to comply with the FAA's regulations.

Additional laws, regulations, taxes and airport rates and charges have been proposed from time to time that could significantly increase the cost of airline operations or reduce revenues. For example, the Aviation and Transportation Security Act, which became law in November 2001, mandates the federalization of certain airport security procedures and imposes additional security requirements on airports and airlines, most of which are funded by a new per-ticket tax on passengers and a new tax on airlines. Subsequently, on April 16, 2003, President Bush signed into law the Appropriations Act which provides, among other things, for certain payments to the airline industry and the suspension of these taxes from July 1, 2003 to September 30, 2003. See "Recent Developments." The ability of U.S. carriers to operate international routes is subject to change because the applicable arrangements between the United States and foreign governments may be amended from time to time, or because appropriate slots or facilities are not made available. Delta cannot provide assurance that laws or regulations enacted in the future will not adversely affect it.

### SEASONALITY AND OTHER FACTORS IMPACT DEMAND FOR AIR TRAVEL

In general, demand for air travel is higher in the June and September

## Edgar Filing: DELTA AIR LINES INC /DE/ - Form S-4/A

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, war or the threat of war, fare levels and weather conditions. In addition, demand for air travel at particular airlines may be impacted from time to time by, among other things, actual or threatened disruptions to operations due to labor issues. Due to these and other factors, operating results for an interim period are not necessarily indicative of operating results for an entire year, and operating results for a historical period are not necessarily indicative of operating results for a future period.

THE AIRLINE INDUSTRY HAS SUFFERED SIGNIFICANT LOSSES; AIRLINE BANKRUPTCIES AND OTHER RESTRUCTURING EFFORTS COULD ADVERSELY AFFECT THE INDUSTRY

The airline industry as a whole suffered significant losses in 2001 and 2002 and is expected to suffer significant losses for all of 2003. Many airlines, in addition to Delta, have announced reductions in capacity, service and workforce in response to the industry-wide reductions in passenger demand and yields. In addition, since September 11, 2001, several air carriers have sought to reorganize under Chapter 11 of the Bankruptcy Code, including US Airways, Inc., the seventh largest U.S. air carrier, and UAL Corporation (United Airlines), the second largest U.S. air carrier. Since filing for Chapter 11 on August 11, 2002, US Airways has emerged from bankruptcy. Additionally, AMR Corporation (American Airlines) has recently announced that it restructured certain labor costs and lowered its operating cost base. Successful completion of such reorganizations or restructurings could present Delta with competitors that have significantly lower operating costs derived from renegotiated labor, supply, and financing contracts. Historically, air carriers involved in reorganizations have undertaken substantial fare discounting in order to maintain cash flows and to enhance continued customer loyalty. Such fare discounting could further lower yields for all carriers, including Delta. In addition, the market value of aircraft would likely be negatively impacted if a number of air carriers, including US Airways and United Airlines, seek to

26

further reduce capacity by eliminating aircraft from their fleets. The bankruptcies of these airlines and the possibility of bankruptcy for other airlines could make it more difficult and/or more costly for Delta to obtain financing. See "Risk Factors -- Risk Factors Relating to the Certificates and the Exchange Offer -- Appraisals and Realizable Value of Aircraft."

THE AIRLINE INDUSTRY HAS BEEN SIGNIFICANTLY IMPACTED BY THE SARS OUTBREAK

During the first six months of 2003, the SARS outbreak, primarily centered in China and other Southeast Asian countries, with a number of cases in Toronto, Canada, also significantly impacted airline industry revenues. Due to our small Pacific presence, however, the SARS outbreak had only a minimal impact on our revenues for the six months ended June 30, 2003. We are not able to estimate the impact SARS may have on our future revenues due to uncertainty related to the spread of this outbreak.

RISK FACTORS RELATING TO THE CERTIFICATES AND THE EXCHANGE OFFER

CONSEQUENCES OF FAILURE TO EXCHANGE

If you fail to deliver the proper documentation to the Exchange Agent in a timely fashion, your tender of Old Class G Certificates will be rejected. The New Class G Certificates will be issued in exchange for the Old Class G

## Edgar Filing: DELTA AIR LINES INC /DE/ - Form S-4/A

Certificates only after timely receipt by the Exchange Agent of the Old Class G Certificates, a properly completed and executed Letter of Transmittal, or an Agent's Message in lieu of the Letter of Transmittal, and all other required documentation. If you wish to tender your Old Class G Certificates in exchange for New Class G Certificates, you should allow sufficient time to ensure timely delivery. None of the Exchange Agent, the Trustee or Delta is under any duty to give holders of Old Class G Certificates notification of defects or irregularities with respect to tenders of Old Class G Certificates for exchange.

If you do not exchange your Old Class G Certificates for New Class G Certificates pursuant to the Exchange Offer, or if your tender of Old Class G Certificates is not accepted, your Old Class G Certificates will continue to be subject to the restrictions on transfer of such Old Class G Certificates as set forth in the legend thereon. In general, you may not offer or sell Old Class G Certificates unless they are registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state under the Securities Act. We do not currently anticipate that we will register the Old Class G Certificates under the Securities Act. To the extent that Old Class G Certificates are tendered and accepted in the Exchange Offer, the trading market for untendered and tendered but accepted Old Class G Certificates could be adversely affected.

### APPRAISALS AND REALIZABLE VALUE OF AIRCRAFT

Three independent appraisal and consulting firms have prepared appraisals of the Aircraft. The appraisal letters provided by these firms are annexed to this Prospectus as Appendix II. Such appraisals are based on varying assumptions and methodologies (which may differ among the appraisers), and may not accurately reflect the current market value of the Aircraft. Base value is the theoretical value for an aircraft that assumes a balanced market, while current market value is the value for an aircraft in the actual market. The appraisals were prepared without a physical inspection of the Aircraft. Appraisals that are based on other assumptions and methodologies may result in valuations that are materially different from those contained in such appraisals. See "Description of the Aircraft and the Appraisals -- The Appraisals."

An appraisal is only an estimate of value. It does not necessarily indicate the price at which an aircraft may be purchased from the aircraft manufacturer. Nor should an appraisal be relied upon as a measure of realizable value. The proceeds realized upon a sale of any Aircraft m