

DELTA AIR LINES INC /DE/  
Form 10-K/A  
April 27, 2007

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

**FORM 10-K/A**  
**AMENDMENT No. 1**

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

For the fiscal year ended December 31, 2006

or

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

Commission file number 1-5424

**DELTA AIR LINES, INC.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of incorporation  
or organization)

58-0218548  
(I.R.S. Employer  
Identification No.)

Post Office Box 20706  
Atlanta, Georgia  
(Address of principal executive offices)

30320-6001  
(Zip Code)

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

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

Title of each class	Name of each exchange on which registered
None	

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

Common Stock, par value \$0.01 per share  
8<sup>1</sup>/<sub>8</sub> % Notes Due July 1, 2039

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

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

Yes  No

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and non-accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2006 was approximately \$148 million.

On February 28, 2007, there were outstanding 197,335,938 shares of the registrant's common stock.

This document is also available on our website at <http://investor.delta.com/edgar.cfm>.

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**Explanatory Note**

On March 2, 2007, we filed our Annual Report on Form 10-K for the fiscal year ended December 31, 2006. In accordance with General Instruction G(3), we are now filing this amendment to include in the Form 10-K the information required to be filed pursuant to Part III of Form 10-K. We are also filing certain exhibits with this amendment.

**PART III****Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

The following table sets forth information regarding our directors and executive officers, as of April 27, 2007:

<b>Name</b>	<b>Age</b>	<b>Position</b>
Edward H. Budd	73	Director
Domenico De Sole	63	Director
David R. Goode	66	Director
Gerald Grinstein	74	Chief Executive Officer and Director
Patricia L. Higgins	57	Director
Arthur E. Johnson	60	Director
Karl J. Krapek	58	Director
Paula Rosput Reynolds	50	Director
John F. Smith, Jr.	69	Chairman of the Board of Directors
Kenneth B. Woodrow	62	Director
James M. Whitehurst	39	Chief Operating Officer
Edward H. Bastian	49	Executive Vice President and Chief Financial Officer
Michael H. Campbell	58	Executive Vice President — Human Resources and Labor Relations
Glen W. Hauenstein	46	Executive Vice President — Network Planning and Revenue Management
Kenneth F. Khoury	55	Executive Vice President and General Counsel
Joseph C. Kolshak	50	Executive Vice President — Operations
Lee A. Macenczak	45	Executive Vice President — Sales and Marketing

**Directors**

**Edward H. Budd:** Joined Delta's Board in 1985. Chairman of the Board and Chief Executive Officer of The Travelers Corporation (1982 until his retirement in 1993); held other executive officer positions with that company (1974 - 1982).

**Committees:** Audit (Chair); Finance; Personnel & Compensation

**Directorships** None

**Affiliations:** Member of the American Academy of Actuaries and The Business Council; Trustee of Tufts University

**Domenico De Sole:** Joined Delta's Board in 2005. Chairman, TOM FORD International since 2005; President and Chief Executive Officer of Gucci Group, N.V., and Chairman of the Gucci Group's Management Board (1995 - 2004); Chief Operating Officer, Gucci Group (1994 - 1995); Chief Executive Officer, Gucci America (1984 - 1994). Prior to joining Gucci, De Sole was a partner with the law firm of Patton, Boggs L.L.P.

**Committees:** Corporate Governance and Finance

**Directorships:** Bausch & Lomb, Incorporated; The Gap, Inc.; TOM FORD International; Gruppo Ermenegildo Zegna; TelecomItalia SpA

**Affiliations:** Member, Advisory Board of Harvard Law School

**David R. Goode:** Joined Delta's Board in 1999. Chairman of the Board of Norfolk Southern Corporation (1992 until his retirement in 2006); Chief Executive Officer of Norfolk Southern Corporation (1992 - October 2005); held other executive officer positions with that company (1985 - 1992).

**Committees:** Personnel & Compensation (Chair); Finance

**Directorships:** Caterpillar Inc.; Russell Reynolds Associates Inc.; Texas Instruments, Incorporated

**Affiliations:** Member of The Business Council; Director of the Chrysler Museum of Art; Director of the Miller Center of Public Affairs, University of Virginia

**Gerald Grinstein:** Chief Executive Officer of Delta since 2004. Joined Delta's Board in 1987. Non-executive Chairman of the Board of Agilent Technologies, Inc. (1999 - 2002); non-executive Chairman of Delta's Board of Directors (1997 - 1999); Retired Chairman of Burlington Northern Santa Fe Corporation (successor to Burlington Northern Inc.) since December 1995; executive officer, including Chief Executive Officer, of Burlington Northern Inc. and certain affiliated companies (1987 - 1995); Chief Executive Officer of Western Air Lines, Inc. (1985 - 1987).

**Committees:** None

**Directorships:** Light Sciences Corporation

**Affiliations:** Trustee, Henry M. Jackson Foundation; Trustee, University of Washington Foundation

**Patricia L. Higgins:** Joined Delta's Board in 2005. President and Chief Executive Officer of Switch and Data, a leading neutral interconnection and colocation provider (2000 - 2004); Chairman and Chief Executive Officer of The Research Board, a business unit of the Gartner Group, and an Executive Vice President of the Gartner Group (1999 - 2000); Chief Information Officer, Corporate Vice President and Member of the Executive Committee of Alcoa (1997 - 1999).

**Committees:** Audit; Corporate Governance

**Directorships:** Barnes & Noble, Inc.; Internap Network Services Corporation; Visteon Corporation

**Arthur E. Johnson:** Joined Delta's Board in 2005. Senior Vice President, Corporate Strategic Development of Lockheed Martin Corporation since December 2001; Vice President, Corporate Strategic Development of Lockheed Martin Corporation (1999 - 2001); President and Chief Operating Officer of Lockheed Martin Corporation Information and Services Sector (1997 - 1999); President of Lockheed Martin Corporation Systems Integration Group (January 1997 to August 1997); President of Loral Corporation Federal Systems Group (1994 - 1996).

**Committees:** Finance; Personnel & Compensation

**Directorships:** AGL Resources, Inc.; IKON Office Solutions, Inc.

**Affiliations:** Trustee, Dillard University; Director, "The Woods" Charitable Foundation

**Karl J. Krapek:** Joined Delta's Board in 2004. President and Chief Operating Officer of United Technologies Corporation (1999 until his retirement in 2002); also held other management positions with that company (1982 - 1999).

**Committees:** Corporate Governance (Chair); Finance

**Directorships:** Lucent Technologies Inc.; Prudential Financial, Inc.;  
The Connecticut Bank and Trust Company; Visteon Corporation

**Affiliations:** Vice Chairman, Board of Trustees of Connecticut State University System; Chairman, Hartford Youth Scholars Foundation; Trustee, Malta House of Care; Director, St. Francis Hospital and Medical Center; Trustee, St. Francis Foundation

**Paula Rosput Reynolds:** Joined Delta's Board in 2004. President and Chief Executive Officer of Safeco Corporation since January 2006; Chairman of the Board of AGL Resources, Inc. (2002 - 2005); President and Chief Executive Officer of AGL Resources, Inc. (2000 - 2005); Chairman of Atlanta Gas Light Company, a wholly-owned subsidiary of AGL Resources, Inc., (2000 - 2003); President and Chief Operating Officer of Atlanta Gas Light Company (1998 - 2000); President and Chief Executive Officer of Duke Energy Power Services, LLC, a subsidiary of Duke Energy Corporation (1997 - 1998).

**Committees:** Corporate Governance; Personnel & Compensation

**Directorships:** Coca-Cola Enterprises Inc.; Safeco Corporation

**Affiliations:** Seattle Chamber of Commerce; Washington Roundtable

**John F. Smith, Jr.:** Joined Delta's Board in 2000. Non-executive Chairman of Delta's Board of Directors since 2004; Chairman of the Board of General Motors Corporation (1996 until his retirement in 2003); also served as that company's Chief Executive Officer (1992 - 2000), President (1992 - 1998) and Chief Operating Officer (1992).

**Committees:** Finance (Chair); Audit; Corporate Governance

**Directorships:** Swiss Reinsurance Company; The Procter & Gamble Company

**Affiliations:** Member of The Business Council; Trustee, Boston University

**Kenneth B. Woodrow:** Joined Delta's Board in 2004. Vice Chairman of Target Corporation (1999 until his retirement in 2000); also served as that company's President (1994 - 1999); and held other management positions with that company (1971 - 1994).

**Committees:** Audit; Personnel & Compensation

**Directorships:** EZ Gard Industries, Inc.; Visteon Corporation

**Affiliations:** Chairman of the Board of Trustees, Hamline University

## Executive Officers

**James M. Whitehurst:** Chief Operating Officer since July 2005; Senior Vice President and Chief Network and Planning Officer (2004 - July 2005); Senior Vice President — Finance, Treasury & Business Development (2002 - 2004); Vice President and Director, Boston Consulting Group (2001).

**Edward H. Bastian:** Executive Vice President and Chief Financial Officer of Delta since July 2005; Chief Financial Officer, Acuity Brands (June 2005 - July 2005); Senior Vice President — Finance and Controller of Delta (2000 - April 2005); Vice President and Controller of Delta (1998 - 2000).

**Michael H. Campbell:** Executive Vice President — Human Relations and Labor Relations since July 2006; Of Counsel, Ford & Harrison (January 2005-July 2006); Senior Vice President — Human Resources and Labor Relations, Continental Airlines, Inc. (1997-2004); Partner, Ford & Harrison (1978 - 1996).

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

**Kenneth F. Khoury:** Executive Vice President and General Counsel since September 2006; Senior Vice President and General Counsel, Weyerhaeuser Company (April 2006-September 2006); Vice President and Deputy General Counsel, Georgia-Pacific Corporation (1990-2005); Senior Vice President and Associate General Counsel, Shearson Lehman Hutton, Inc. (1988-1990).

**Joseph C. Kolshak:** Executive Vice President — Operations since April 2006; Executive Vice President and Chief of Operations (July 2005 - April 2006); Senior Vice President and Chief of Operations (2004 — 2005); Senior Vice President — Flight Operations (2002 - 2004); Vice President — Flight Operations (2001 - 2002); Director, Investor Relations (1998 - 2001); General Manager — Flight Operations (1996 - 1998); Flight Operations Manager and Assistant Chief Pilot (1994 - 1996); Flight Operations Coordinator — Atlanta (1993 - 1994); Special Assignment Supervisor to the Vice President of Flight Operations (1991 - 1993). Additionally, Mr. Kolshak is a 757/767/777 Captain.

**Lee A. Macenczak:** Executive Vice President — Sales and Marketing since April 2007; Executive Vice President — Sales and Customer Service (April 2006 – April 2007); Executive Vice President and Chief Customer Service Officer (July 2005 - April 2006); Senior Vice President and Chief Customer Service Officer (2004 - 2005); Senior Vice President & Chief Human Resources Officer (June 2004 - October 2004); Senior Vice President — Sales and Distribution (2000 - 2004); Vice President — Customer Service (1999 - 2000); Vice President — Reservation Sales (1998 - 1999); Vice President — Reservation Sales & Distribution Planning (1996 - 1998).



## **Corporate Governance Matters**

### ***Audit Committee Financial Experts***

The Board of Directors has designated all of the Audit Committee members, Mr. Budd, Ms. Higgins, Mr. Smith and Mr. Woodrow, as Audit Committee Financial Experts. The Board has also determined that each of these directors is independent, as described below in Item 13 of this Form 10-K.

### ***Corporate Governance Principles, Independence Standards, Committee Charters, and Codes of Ethics***

Our corporate governance principles, our director independence standards, the charters of the Audit, Corporate Governance and Personnel & Compensation Committees, our code of ethics and business conduct for all employees, including our senior financial officers (as defined in SEC rules), our code of ethics and business conduct for directors, and certain Board policies are available on our website at [www.delta.com/about\\_delta/investor\\_relations/corporate\\_governance/index.jsp](http://www.delta.com/about_delta/investor_relations/corporate_governance/index.jsp). Additionally, a copy of these materials may be obtained by contacting our Corporate Secretary at Department 981, P.O. Box 20574, Atlanta, GA 30320-2574. We intend to post on our website any amendments of our codes of ethics and business conduct or any waivers under those codes in favor of members of the board of directors or our senior financial officers.

### ***Shareowner Communications with Directors***

The Board of Directors has established a process by which our shareowners may communicate with our independent directors. Shareowners may send communications by e-mail to [independent.directors@delta.com](mailto:independent.directors@delta.com). We have established a link to this address on our website. All communications will be sent directly to the non-executive Chairman of the Board, as representative of the independent directors, other than communications pertaining to customer service, human resources and accounting, auditing, internal control and financial reporting matters. Communications regarding customer service and human resources matters will be forwarded for handling to the appropriate Delta department. Communications regarding accounting, auditing, internal control and financial reporting matters will be brought to the attention of the Chair of the Audit Committee.

### ***Identification and Selection of Nominees for Director***

In connection with our emergence from bankruptcy, a new Board of Directors (the "New Board") will be named pursuant to our plan of reorganization. See Note 1 to the Notes to the Consolidated Financial Statements in this Form 10-K for additional information regarding our Chapter 11 proceedings, including the plan of reorganization. The Official Committee of Unsecured Creditors (the "Creditors' Committee") retained a third party search firm to assist in the identification and evaluation of potential members of the New Board, and the names of new directors were announced on March 30, 2007. The New Board, through the Corporate Governance Committee, will be responsible for future policies related to the consideration of nominees for director submitted by shareowners and the qualifications, skills or qualities necessary for directors. Under policies of our current Board of Directors, to recommend a potential nominee, you may:

- email *independent.directors@delta.com* or

send a letter addressed to Delta's Corporate Secretary at Delta Air Lines, Inc., Department 981, P. O. Box 20574, Atlanta, Georgia 30320-2574.

Each potential nominee is reviewed by the Corporate Governance Committee, which decides whether to recommend a candidate for consideration by the full Board.

#### ***Meetings of the Board of Directors and Board Committees***

Under policies of our current Board of Directors, the Board of Directors holds regular meetings four times a year, schedules special meetings when required and regularly meets in executive session without management. Mr. Smith, who currently serves as the non-executive Chairman of the Board, presides at these executive sessions.

During 2006, the Board met 10 times. Each director attended 75% or more of the meetings of the Board of Directors and the committees on which he or she served that were held during 2006.

It is the Board's policy that directors should attend each annual meeting of shareowners. As a result of our bankruptcy proceedings, we did not hold an annual meeting of shareowners during 2006.

#### ***Section 16 Beneficial Ownership Reporting Compliance***

Section 16(a) of the Securities Exchange Act of 1934 requires our directors, executive officers and persons who beneficially own more than 10% of a registered class of our equity securities ("reporting persons") to file certain reports concerning their beneficial ownership of our equity securities. We believe that during 2006 all reporting persons complied with their Section 16(a) filing obligations.

## **Item 11. EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

#### *Overview*

The Personnel & Compensation Committee of the Board of Directors (the “P&C Committee”) has responsibility for designing our executive compensation program. This program was significantly impacted during 2006 by our Chapter 11 proceedings, which have involved a fundamental transformation of all aspects of our business. As part of the Chapter 11 reorganization process, we sought \$3.0 billion in annual financial improvements by the end of 2007, including reduced employment costs for all employees. We reached that goal as of December 31, 2006, and these improvements are reflected in our Consolidated Financial Statements for 2006. See Note 1 and Note 10 to the Notes to the Consolidated Financial Statements in the Form 10-K for further information about ways in which we have reduced compensation and benefit costs for all pilot and non-pilot employees, including the named executive officers (as defined in the “Summary Compensation Table” below).

#### *Executive Compensation Philosophy and Objectives*

Because of the extraordinary circumstances during 2006, our primary objectives were not to structure programs to achieve customary executive compensation goals, but were instead to (1) reduce employment costs consistent with our restructuring objectives; (2) ensure that Delta’s executive officers shared fully in the cost reduction actions that were essential to Delta’s survival, recovery and planned emergence from Chapter 11 as a stronger, more competitive airline; and (3) reduce unwanted attrition among officers and director-level employees in order to retain persons with the skills necessary to achieve our bankruptcy restructuring goals.

Given the constraints on Delta and the decision not to adopt any management incentive programs while we are in Chapter 11 (described below) as well as our unique compensation objectives last year, the P&C Committee in 2006 did not have the occasion to focus on most of the issues normally discussed in a Compensation Discussion and Analysis Section under the rules promulgated by the SEC, such as consideration of what our compensation program is designed to reward; how we determine the amount of each compensation element to pay; and how each compensation element fits within our overall compensation objectives.

#### *Base Pay*

Since January 1, 2005, all of our employees have participated in the paycuts, benefit reductions and other changes necessary for Delta’s survival and recovery. Our officers, including the named executive officers, participated fully (or at greater) levels in all base pay reductions required of non-executive, non-pilot employees. The reductions for named executive officers included:

- a 10% base pay reduction for all officers, including the Chief Executive Officer, on January 1, 2005;

- an additional 25% reduction in base pay for the Chief Executive Officer on November 1, 2005; and
- an additional 15% reduction in base pay for all officers other than the Chief Executive Officer on November 1, 2005.

### ***Incentive Compensation***

Unlike other airlines operating under Chapter 11, we did not seek authority in Bankruptcy Court to implement a Key Employee Retention Program or seek employment agreements for executives. Officers have not received any annual incentive payments since 2003, or long-term incentive payments since 2004. Officers, including the named executive officers, had no opportunity for any type of incentive payments in 2006, including annual cash incentive plan and long-term incentive awards.

We also did not grant any stock or option awards to any officer during 2006. We concluded that our stock options would be cancelled as part of our emergence from Chapter 11. Accordingly, in March 2006, we filed with the Bankruptcy Court a motion to reject these outstanding stock options to avoid the administrative and other costs associated with these awards. The Bankruptcy Court granted our motion, which resulted in these awards, including awards held by the named executive officers, being rejected effective March 31, 2006. Moreover, pursuant to the plan of reorganization, upon our emergence from Chapter 11, all of Delta's existing common stock will be cancelled, including any common stock held by named executive officers.

### ***Benefits***

With the overall goal of reducing employment costs, during 2006 we examined each element of the benefits afforded to employees, including the named executive officers. All officers participated fully in the benefit reductions required of non-executive, non-pilot employees. Changes to our qualified and non-qualified retirement programs are discussed below in "Post Employment Compensation" and in Note 10 to the Notes to the Consolidated Financial Statements in the Form 10-K. Changes to our non-qualified deferred compensation programs are described in "Post Employment Compensation -Non-qualified Deferred Compensation" below.

In addition to the retirement, healthcare and disability benefits that are available to non-pilot employees generally, the benefit programs currently available to our named executive officers are listed below:

- executive life insurance coverage of two times base salary;
- reimbursement of up to \$15,000 per year for tax preparation, legal and financial planning;
- installation and monthly monitoring fees for a home security system; and
- the use of a company car for Mr. Grinstein.

Mr. Grinstein elected not to participate in the executive life insurance or financial planning programs listed above.

In addition, as is common in the airline industry, Delta also provides complimentary travel and certain Delta Crown Room privileges for executive officers, the officer's spouse, domestic partner or designated companion, and the officer's dependent children ("Flight Benefits"). Delta reimburses the officer for associated taxes on complimentary travel with an imputed tax value of up to \$20,000 per year.

See Exhibit 10.18 to the Form 10-K, which is incorporated herein by reference, for additional information about these benefits for the named executive officers.

***Severance Plan***

Though we requested early in our Chapter 11 case Bankruptcy Court approval to continue our pre-bankruptcy severance program for employees below the level of director, we did not at that time ask for approval