

DELTA AIR LINES INC /DE/  
Form POS AM  
December 22, 2003  
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As filed with the Securities and Exchange Commission on December 22, 2003

Registration No. 333-108176

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# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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POST-EFFECTIVE AMENDMENT NO. 2

TO

**FORM S-3**

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

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**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 Number)

**Hartsfield-Jackson Atlanta International Airport**

**Atlanta, Georgia 30320**

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(404) 715-2000

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

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**Gregory L. Riggs, Esq.**

**Senior Vice President-General Counsel and Assistant Secretary**

**Delta Air Lines, Inc.**

**P.O. Box 20706**

**Atlanta, Georgia 30320-6001**

**(404) 715-2611**

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

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*Copy to:*

**Francis J. Morison, Esq.**

**Davis Polk & Wardwell**

**450 Lexington Avenue**

**New York, NY 10017**

**(212) 450-4000**

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**Approximate date of commencement of proposed sale to the public:** From time to time after this Registration Statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, 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, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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If this Form is a post-effective amendment filed pursuant to Rule 462(c) 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 delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. "

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PROSPECTUS

**\$350,000,000**

**8.00% Convertible Senior Notes due 2023 and the  
Common Stock Issuable Upon Conversion of the  
8.00% Convertible Senior Notes due 2023**

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We issued \$350 million principal amount of the 8.00% Convertible Senior Notes due 2023 in private placements in June 2003. This prospectus will be used by selling securityholders to resell their debt securities and the common stock issuable upon conversion of the debt securities. We will not receive any of the proceeds from the sale of these securities.

Interest on the notes is payable on June 3 and December 3 of each year, beginning on December 3, 2003.

The notes are convertible by holders into shares of our common stock at a conversion price of \$28.00 per share (subject to adjustment), which is equivalent to a conversion rate of approximately 35.7143 shares per \$1,000 principal amount of notes, under the following circumstances: (1) if the price of our common stock reaches, or the trading price of the notes falls below, specific thresholds, (2) if we call the notes for redemption, or (3) upon the occurrence of certain corporate transactions.

Our common stock is listed on the New York Stock Exchange under the symbol DAL. The last reported price of our common stock on December 19, 2003 was \$11.37 per share.

The notes will mature on June 3, 2023. We may redeem all or a portion of the notes at any time on or after June 5, 2008 at 100% of the principal amount of the notes, plus any accrued and unpaid interest.

Holders of the notes may require us to purchase all or a portion of their notes in cash at a purchase price equal to 100% of the principal amount of notes, plus accrued and unpaid interest, on June 3, 2008, June 3, 2013 and June 3, 2018 or upon a designated event.

The notes will be our senior unsecured obligations and will rank equal in right of payment to all of our other existing and future senior unsecured indebtedness. The notes will be effectively subordinated to all of our existing and future secured indebtedness to the extent of the assets securing that indebtedness. The notes will be structurally subordinated to all liabilities of our subsidiaries.

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**Investing in these securities involves certain risks. See Risk Factors beginning on page 6.**

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Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved 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 December , 2003**

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Unless the context otherwise requires, the terms Delta, we, us, and our refer to Delta Air Lines, Inc.

This prospectus is part of a registration statement that we filed with the SEC using a shelf registration or continuous offering process. Under this shelf process, selling securityholders may from time to time sell the securities described in this prospectus in one or more offerings.

This prospectus provides you with a general description of the securities that the selling securityholders may offer. Each time a selling securityholder sells securities, the selling securityholders are required to provide you with a prospectus and/or a prospectus supplement containing specific information about the selling securityholder and the terms of the securities being offered. A prospectus supplement may include other special considerations applicable to those securities. The prospectus supplement may also add, update or change information in this prospectus. If there is any inconsistency between the information in this prospectus and any prospectus supplement, you should rely on the information in that prospectus supplement. You should read both this prospectus and any prospectus supplement together with the additional information described under the heading Where You Can Find More Information.

The registration statement containing this prospectus, including the exhibits to the registration statement, provides additional information about us and the securities offered under this prospectus. The registration statement, including the exhibits, can be read on the SEC web site or at the SEC offices mentioned under the heading Where You Can Find More Information.

You should rely only on the information contained in this document and in the information to which we have referred you. We have not authorized anyone to provide you with information that is different. This prospectus may only be used where it is legal to sell these securities. The information in this prospectus may only be accurate on the date of this prospectus.

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**FORWARD-LOOKING STATEMENTS**

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 historic 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.

**WHERE YOU CAN FIND MORE INFORMATION**

Delta files annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any document filed by Delta at the SEC's public reference rooms at 450 Fifth Street, NW, Washington, D.C. 20549. 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 Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus and prior to the termination of this offering (other than current reports furnished on Form 8-K under Items 9 and 12).

Annual Report on Form 10-K for the fiscal year ended December 31, 2002.

Quarterly Reports on Form 10-Q for the quarters ended March 31, 2003, June 30, 2003 and September 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, August 28, 2003, September 5, 2003, October 14, 2003\*, November 12, 2003 and November 24, 2003.

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\* 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 in this prospectus is considered to be a part of this prospectus, and information that we file later with the SEC, prior to the termination of this offering, will 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.





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**PROSPECTUS SUMMARY**

*This summary may not contain all the information that may be important to you. You should read the entire prospectus, including the financial data and related notes included in this prospectus and other information incorporated by reference herein, before making an investment decision.*

**The Offering**

Issuer	Delta Air Lines, Inc., a Delaware corporation.
Securities Offered	\$350,000,000 aggregate principal amount of 8.00% Convertible Senior Notes due 2023.
Offering Price	100% of the principal amount of the notes, plus accrued interest, if any, from June 2, 2003.
Maturity	June 3, 2023.
Interest Payment Dates	June 3 and December 3 of each year, commencing on December 3, 2003.
Conversion Rights	<p>The notes are convertible at the option of the holder prior to maturity, into shares of our common stock at a conversion price of \$28.00 per share, subject to adjustment, which is equivalent to an initial conversion rate of approximately 35.7143 shares per \$1,000 principal amount of notes, under any of the following circumstances:</p> <ul style="list-style-type: none"> <li>(i) during any calendar quarter after the quarter ending June 30, 2003, if the last reported sale price of our common stock for at least 20 trading days during the period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price per share of our common stock;</li> <li>(ii) during the five-business-day period following any ten consecutive trading days in which the average of the trading prices for the notes was less than 98% of the average closing sale price of our common stock multiplied by the conversion rate;</li> <li>(iii) if the notes have been called for redemption by us; or</li> <li>(iv) upon the occurrence of specified corporate transactions described under Description of Notes Conversion Rights Conversion Upon Specified Corporate Transactions.</li> </ul>

The conversion rate may be adjusted upon the occurrence of certain events, but it will not be adjusted for any accrued and unpaid interest.

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Optional Redemption	On or after June 5, 2008, upon at least 30 days notice, we may redeem for cash all or a portion of the notes at any time for a price equal to 100% of the principal amount of the notes to be redeemed, plus any accrued and unpaid interest to but excluding the redemption date. See Description of Notes Optional Redemption.
Purchase of Notes by Us at the Option of the Holder	Holders of the notes will have the right to require us to purchase all or a portion of their notes for cash on June 3, 2008, June 3, 2013 and June 3, 2018, each of which we refer to as a purchase date. In each case, we will pay a purchase price equal to 100% of the principal amount of notes to be purchased, plus any accrued and unpaid interest, to but excluding the purchase date. See Description of Notes Purchase of Notes by Us at the Option of the Holder and Risk Factors We may be unable to repay or repurchase the notes.
Repurchase at the Option of Holders Upon a Designated Event	Upon a designated event (as defined herein), holders of the notes will have the right to require us to repurchase all or a portion of their notes at a purchase price equal to 100% of the principal amount of the notes to be repurchased, plus any accrued and unpaid interest to but excluding the date of the repurchase. See Description of Notes Repurchase at Option of Holders Upon a Designated Event and Risk Factors We may be unable to repay or repurchase the notes.
Ranking	The notes are our senior unsecured obligations and are rank equal in right of payment to all of our other existing and future senior unsecured indebtedness. The notes are effectively subordinated to all of our existing and future secured indebtedness to the extent of the assets securing that indebtedness. The notes are structurally subordinated to all liabilities of our subsidiaries. As of September 30, 2003, we had approximately \$12.4 billion of total consolidated indebtedness; \$5.8 billion of secured indebtedness (excluding secured indebtedness of our subsidiaries); and approximately \$2.1 billion of subsidiary indebtedness.
Events of Default	The following will be events of default under the indenture for the notes: <p style="margin-left: 40px;">we fail to pay principal of any note when due;</p> <p style="margin-left: 40px;">we fail to pay interest or liquidated damages, if any, on any note when due and that default continues for 30 days or more;</p>

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we fail to comply with or observe any other covenant or warranty in the indenture or in the notes and that failure continues for 60 days or more after written notice as provided in the indenture;

we fail to pay any designated event repurchase price when due;

we or any of our restricted subsidiaries (as defined herein) fail to pay when due, either at its final stated maturity or upon acceleration thereof, any indebtedness (other than indebtedness which is non-recourse to us or any restricted subsidiary) for money borrowed equal to \$75 million or more and such failure is not cured, or the acceleration is not rescinded or annulled, within 30 days after written notice as provided in the indenture; and

certain events of our bankruptcy, insolvency or reorganization. See Description of Notes Events of Default and Remedies.

Registration Rights

We have agreed to file a shelf registration statement under the Securities Act relating to resales of the notes and the common stock issuable upon their conversion. If such registration statement is not filed or has not become effective within the time periods set forth herein, we will be required to pay additional amounts to holders of the notes and holders of the common stock issued upon conversion of the notes. See Description of Notes Registration Rights.

Book-entry Form

The notes were issued in book-entry form and are represented by permanent global certificates deposited with, or on behalf of, The Depository Trust Company ( DTC ) and registered in the name of a nominee of DTC. Beneficial interests in any of the notes will be shown on, and transfers of the notes will be effected only through, records maintained by DTC or its nominee and any such interest may not be exchanged for certificated securities, except under limited circumstances.

Use of Proceeds

We will not receive any of the proceeds from the sale by the selling securityholder of the notes and the common stock issuable upon conversion of the notes.

Trading

The notes are currently eligible for trading on the PORTAL Market of the National Association of Securities Dealers, Inc. (the PORTAL Market ); however, notes sold using this prospectus will no longer be eligible for trading in the PORTAL Market. Our common stock is quoted on the New York Stock Exchange under the symbol DAL.

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**RISK FACTORS**

*Before investing in our notes or common stock, you should carefully consider the following risk factors as well as other information contained or incorporated by reference 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*

Delta and the airline industry have faced the worst financial crisis in aviation history. Since the terrorist attacks of September 11, 2001, involving commercial aircraft of other airlines, the airline industry has experienced substantial revenue decline and cost increases which have resulted in industry wide liquidity issues. Additionally, during 2003, 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) our future 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 initiatives previously announced by Delta; (x) actions by U.S. or foreign governments, including the Federal Aviation Administration (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 relating 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. On November 21, 2003, Fitch Ratings lowered Delta's senior unsecured long-term debt rating from B+ to B.

The credit ratings of certain other airlines have been adjusted by Moody's, Standard and Poor's and Fitch in the various aforementioned reviews and in other independent ratings actions. Moody's and Fitch's outlooks on Delta's debt securities are negative and Standard & Poor's outlook on Delta's issuer credit rating remains negative. On November 24, 2003, Standard and Poor's announced that it placed Delta's ratings on CreditWatch with negative implications and on November 25, 2003, Moody's announced that it placed Delta's ratings on review for possible downgrade. There can be no assurance that Delta's long-term debt rating will not be lowered further or withdrawn by a rating agency.

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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 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 could be materially adversely affected.

## **Risk Factors Relating to Delta**

*Delta continues to experience significant losses*

On October 14, 2003, Delta reported a net loss of \$446 million for the nine months ended September 30, 2003, or \$3.71 basic and diluted loss per common share, compared to a net loss of \$909 million for the nine months ended September 30, 2002, or \$7.46 basic and diluted loss per common share. The 2003 results include \$398 million of payments that Delta received from the U.S. government under the Appropriations Act; a \$279 million pretax gain from the sale of Delta's equity investment in Worldspan L.P.; a \$15 million pretax gain on the extinguishment of debt related to a debt exchange offer; a \$43 million pretax charge related to work force reductions; a \$16 million pretax charge related to derivative and hedging activities accounted for under SFAS No. 133; and a \$15 million pretax loss on the extinguishment of ESOP notes. For th