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

FORM 10-Q

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

For the quarterly period ended March 31, 2013

Or

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

Commission File Number 001-5424

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

State of Incorporation: Delaware

I.R.S. Employer Identification No.: 58-0218548

Post Office Box 20706, Atlanta, Georgia 30320-6001

Telephone: (404) 715-2600

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 whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☑	Accelerated filer	☐	Non-accelerated filer (Do not check if a smaller reporting company)	☐	Smaller reporting company	☐

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

Yes ☐ No ☑

Number of shares outstanding by each class of common stock, as of March 31, 2013:

Common Stock, $0.0001 par value - 856,421,033 shares outstanding

This document is also available through our website at http://www.delta.com/about_delta/investor_relations.

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Unless otherwise indicated, the terms “Delta,” “we,” “us,” and “our” refer to Delta Air Lines, Inc. and its subsidiaries.

FORWARD-LOOKING STATEMENTS

Statements in this Form 10-Q (or otherwise made by us or on our behalf) that are not historical facts, including statements about our estimates, expectations, beliefs, intentions, projections or strategies for the future, may be “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from historical experience or our present expectations. Known material risk factors applicable to Delta are described in “Item 1A. Risk Factors” of our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 (“Form 10-K”), other than risks that could apply to any issuer or offering. All forward-looking statements speak only as of the date made, and we undertake no obligation to publicly update or revise any forward-looking statements to reflect events or circumstances that may arise after the date of this report.

DELTA AIR LINES, INC.
Consolidated Balance Sheets
(Unaudited)

(in millions, except share data)	March 31, 2013	December 31, 2012
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 2,636	$ 2,416
Short-term investments	958	958
Restricted cash, cash equivalents and short-term investments	291	375
Accounts receivable, net of an allowance for uncollectible accounts of $22 and $36 at March 31, 2013 and December 31, 2012, respectively	1,994	1,693
Fuel inventory	624	619
Expendable parts and supplies inventories, net of an allowance for obsolescence of $133 and $127 at March 31, 2013 and December 31, 2012, respectively	371	404
Deferred income taxes, net	463	463
Prepaid expenses and other	1,304	1,344
Total current assets	8,641	8,272
Property and Equipment, Net:		
Property and equipment, net of accumulated depreciation and amortization of $6,938 and $6,656 at March 31, 2013 and December 31, 2012, respectively	20,793	20,713
Other Assets:		
Goodwill	9,794	9,794
Identifiable intangibles, net of accumulated amortization of $685 and $670 at March 31, 2013 and December 31, 2012, respectively	4,709	4,679
Other noncurrent assets	1,131	1,092
Total other assets	15,634	15,565
Total assets	$ 45,068	$ 44,550
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Current maturities of long-term debt and capital leases	$ 1,593	$ 1,627
Air traffic liability	4,920	3,696
Accounts payable	2,405	2,293
Frequent flyer deferred revenue	1,715	1,806
Accrued salaries and related benefits	1,223	1,680
Taxes payable	735	585
Fuel card obligation	604	455
Other accrued liabilities	873	1,128
Total current liabilities	14,068	13,270
Noncurrent Liabilities:		
Long-term debt and capital leases	10,721	11,082
Pension, postretirement and related benefits	15,865	16,005
Frequent flyer deferred revenue	2,616	2,628
Deferred income taxes, net	2,047	2,047
Other noncurrent liabilities	1,694	1,649
Total noncurrent liabilities	32,943	33,411
Commitments and Contingencies		
Stockholders' Deficit:		
Common stock at $0.0001 par value; 1,500,000,000 shares authorized, 874,326,995 and 867,866,505 shares issued at March 31, 2013 and December 31, 2012, respectively	—	—
Additional paid-in capital	14,120	14,069
Accumulated deficit	(7,382)	(7,389)
Accumulated other comprehensive loss	(8,426)	(8,577)
Treasury stock, at cost, 17,905,962 and 16,464,472 shares at March 31, 2013 and December 31, 2012, respectively	(255)	(234)
Total stockholders' deficit	(1,943)	(2,131)
Total liabilities and stockholders' deficit	$ 45,068	$ 44,550

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

DELTA AIR LINES, INC.
Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

(in millions, except per share data)	Three Months Ended March 31, 2013	2012
Operating Revenue:		
Passenger:		
Mainline	$ 5,876	$ 5,662
Regional carriers	1,457	1,564
Total passenger revenue	7,333	7,226
Cargo	238	244
Other	929	943
Total operating revenue	8,500	8,413
Operating Expense:		
Aircraft fuel and related taxes	2,289	2,233
Salaries and related costs	1,911	1,763
Contract carrier arrangements	1,399	1,375
Aircraft maintenance materials and outside repairs	491	561
Depreciation and amortization	405	386
Contracted services	401	378
Passenger commissions and other selling expenses	357	380
Landing fees and other rents	323	305
Passenger service	164	171
Aircraft rent	60	75
Profit sharing	20	—
Restructuring and other items	102	(12)
Other	356	416
Total operating expense	8,278	8,031
Operating Income	222	382
Other (Expense) Income:		
Interest expense, net	(178)	(221)
Amortization of debt discount, net	(42)	(51)
Miscellaneous, net	1	17
Total other expense, net	(219)	(255)
Income Before Income Taxes	3	127
Income Tax Benefit (Provision)	4	(3)
Net Income	$ 7	$ 124
Basic Earnings Per Share	$ 0.01	$ 0.15
Diluted Earnings Per Share	$ 0.01	$ 0.15
Comprehensive Income	$ 158	$ 372

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

DELTA AIR LINES, INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(in millions)	Three Months Ended March 31, 2013	2012
Net Cash Provided by Operating Activities	$ 1,004	$ 831
Cash Flows From Investing Activities:		
Property and equipment additions:		
Flight equipment, including advance payments	(527)	(308)
Ground property and equipment, including technology	(120)	(99)
Purchase of investments	(240)	(240)
Redemption of investments	286	266
Other, net	(29)	32
Net cash used in investing activities	(630)	(349)
Cash Flows From Financing Activities:		
Payments on long-term debt and capital lease obligations	(299)	(367)
Fuel card obligation	149	171
Other, net	(4)	(32)
Net cash used in financing activities	(154)	(228)
Net Increase in Cash and Cash Equivalents	220	254
Cash and cash equivalents at beginning of period	2,416	2,657
Cash and cash equivalents at end of period	$ 2,636	$ 2,911
Non-Cash Transactions:		
SkyMiles used pursuant to advance purchase under American Express Agreements	$ 83	$ 83
Build-to-suit leased facilities	45	75

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements include the accounts of Delta Air Lines, Inc. and our wholly-owned subsidiaries. These financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information. Consistent with these requirements, this Form 10-Q does not include all the information required by GAAP for complete financial statements. As a result, this Form 10-Q should be read in conjunction with the Consolidated Financial Statements and accompanying Notes in our Form 10-K. We reclassified certain prior period amounts, none of which were material, to conform to the current period presentation.

Management believes the accompanying unaudited Condensed Consolidated Financial Statements reflect all adjustments, including normal recurring items and restructuring and other items, considered necessary for a fair statement of results for the interim periods presented.

Due to seasonal variations in the demand for air travel, the volatility of aircraft fuel prices, changes in global economic conditions and other factors, operating results for the three months ended March 31, 2013 are not necessarily indicative of operating results for the entire year.

Recent Accounting Standards

Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income

Recently issued accounting guidance revises the reporting of items reclassified out of accumulated other comprehensive income and is effective for fiscal years beginning after December 15, 2012. We adopted this guidance in the March 2013 quarter and have presented amounts reclassified out of accumulated other comprehensive income in a note to the financial statements. For more information about accumulated other comprehensive income, see Note 10.

NOTE 2. OIL REFINERY

Jet fuel costs have continued to increase in recent years, making fuel expense our single largest expense. Because global demand for jet fuel and related products is increasing at the same time that jet fuel refining capacity is decreasing in the U.S. (particularly in the Northeast), the refining margin reflected in the prices we pay for jet fuel has increased. In June 2012, we purchased an oil refinery as part of our strategy to mitigate the increasing cost of the refining margin we are paying.

Refinery Operations and Strategic Agreements

The refinery's production consists of jet fuel, as well as gasoline, diesel and other refined products ("non-jet fuel products"). Under a multi-year agreement, we are exchanging a significant portion of the non-jet fuel products with Phillips 66 for jet fuel to be used in our airline operations. In addition, we are selling most of the remaining production of non-jet fuel products to BP under a long-term buy/sell agreement, effectively exchanging those non-jet fuel products for jet fuel. Substantially all of the refinery's production of non-jet fuel products is included in these agreements.

Accounting for Buy/Sell Agreements

To the extent that we receive jet fuel for the non-jet fuel products exchanged under these agreements, we account for these transactions as non-monetary exchanges. We have recorded these non-monetary exchanges at the carrying amount of the non-jet fuel products transferred within aircraft fuel and related taxes on the Consolidated Statement of Operations. The gross fair value of the products exchanged under these agreements during the three months ended March 31, 2013 was $1.3 billion.

Segment Reporting

Segment results are prepared based on our internal accounting methods described below, with reconciliations to consolidated amounts in accordance with GAAP. Our segments are not designed to measure operating income or loss directly related to the products and services included in each segment on a stand-alone basis.

	Three Months Ended March 31, 2013			
(in millions)	Airline	Refinery	Intersegment Sales/ Other	Consolidated
Operating revenue:	$ 8,500	$ 1,731		$ 8,500
Sales to airline segment			$ (292) [1]	
Exchanged products			(1,321) [2]	
Sales of by-products to third parties			(118) [3]	
Operating income (loss)[4]	244	(22)	—	222
Interest expense, net	178	—	—	178
Depreciation and amortization expense	401	4	—	405
Total assets, end of period	43,789	1,279	—	45,068
Capital expenditures	641	6	—	647

(1) Represents transfers, valued on a market price basis, from the refinery to the airline segment for use in airline operations. We determine market price by reference to the market index for the primary delivery location for jet fuel from the refinery, which is New York harbor.

(2) Represents value of products exchanged under our buy/sell agreements, as discussed above, determined on a market price basis.

(3) Represents sales of refinery by-products to third parties. Such products are generally sold at or near cost; accordingly, margin on such sales is de minimis. By-products are produced as a result of the refining of crude oil into gasoline, diesel and jet fuel.

(4) Includes allocation of refinery's inventory price risk to the airline segment.

NOTE 3. FAIR VALUE MEASUREMENTS

Assets (Liabilities) Measured at Fair Value on a Recurring Basis

(in millions)	March 31, 2013	Level 1	Level 2	Level 3
Cash equivalents	$ 2,126	$ 2,126	$ —	$ —
Short-term investments	958	958	—	—
Restricted cash equivalents and investments	290	290	—	—
Long-term investments	202	94	27	81
Hedge derivatives, net				
Fuel contracts	257	61	196	—
Interest rate contracts	(66)	—	(66)	—
Foreign currency exchange contracts	210	—	210	—

(in millions)	December 31, 2012	Level 1	Level 2	Level 3
Cash equivalents	$ 2,176	$ 2,176	$ —	$ —
Short-term investments	958	958	—	—
Restricted cash equivalents and investments	344	344	—	—
Long-term investments	208	100	27	81
Hedge derivatives, net				
Fuel contracts	249	27	222	—
Interest rate contracts	(66)	—	(66)	—
Foreign currency exchange contracts	123	—	123	—

Cash Equivalents, Short-term Investments and Restricted Cash Equivalents and Investments. Cash equivalents and short-term investments generally consist of money market funds and treasury bills. Restricted cash equivalents and investments are primarily held to meet certain projected self-insurance obligations and generally consist of money market funds and time deposits. These investments are recorded at cost, which approximates fair value. Fair value is based on a market approach using prices and other relevant information generated by market transactions involving identical or comparable assets.

Long-term Investments. Our long-term investments, primarily consisting of equity investments in Grupo Aeroméxico, S.A.B. de C.V., the parent company of Aeroméxico, and GOL Linhas Aéreas Inteligentes, S.A, the parent company of GOL, and auction rate securities, are classified in other noncurrent assets. Shares of Aeroméxico and GOL are traded on public exchanges and we have valued our investments based on quoted market prices. Because auction rate securities are not actively traded, fair values were estimated by discounting the cash flows expected to be received over the remaining maturities of the underlying securities. We based the valuations on our assessment of observable yields on instruments bearing comparable risks and considered the creditworthiness of the underlying debt issuer. Changes in market conditions could result in further adjustments to the fair value of these securities.

Hedge Derivatives. Our derivative contracts are generally negotiated with counterparties without going through a public exchange. Accordingly, our fair value assessments give consideration to the risk of counterparty default (as well as our own credit risk).

- *Fuel Derivatives.* Our fuel hedge portfolio consists of call options; put options; combinations of two or more call options and put options; swap contracts; and futures contracts. The products underlying the hedge contracts include heating oil, crude oil, jet fuel and diesel fuel, as these commodities are highly correlated with the price of jet fuel that we consume. Option contracts are valued under an income approach using option pricing models based on data either readily observable in public markets, derived from public markets or provided by counterparties who regularly trade in public markets. Volatilities used in these valuations ranged from 9% to 25% depending on the maturity dates, underlying commodities and strike prices of the option contracts. Swap contracts are valued under an income approach using a discounted cash flow model based on data either readily observable or derived from public markets. Discount rates used in these valuations vary with the maturity dates of the respective contracts and are based on LIBOR. Futures contracts and options on futures contracts are traded on a public exchange and valued based on quoted market prices.

- *Interest Rate Derivatives.* Our interest rate derivatives consist primarily of swap contracts and are valued primarily based on data readily observable in public markets.

- *Foreign Currency Derivatives.* Our foreign currency derivatives consist of Japanese yen and Canadian dollar forward contracts and are valued based on data readily observable in public markets.

NOTE 4. DERIVATIVES

Changes in aircraft fuel prices, interest rates and foreign currency exchange rates impact our results of operations. In an effort to manage our exposure to these risks, we enter into derivative contracts and adjust our derivative portfolio as market conditions change.

Aircraft Fuel Price Risk

Changes in aircraft fuel prices materially impact our results of operations. We actively manage our fuel price risk through a hedging program intended to reduce the financial impact on us from changes in the price of jet fuel. This fuel hedging program utilizes several different contract and commodity types. The economic effectiveness of this hedge portfolio is frequently tested against our financial targets. The hedge portfolio is rebalanced from time to time according to market conditions, which may result in locking in gains or losses on hedge contracts prior to their settlement dates.

We generally do not designate our fuel derivative contracts as accounting hedges.We record changes in the fair value of our fuel hedges in aircraft fuel and related taxes. These changes in fair value include settled gains and losses as well as mark to market adjustments ("MTM adjustments"). MTM adjustments are based on market prices as of the end of the reporting period for contracts settling in future periods. During the three months ended March 31, 2013 and 2012, we recorded $77 million and $196 million in fuel hedge gains, respectively.

Hedge Position as of March 31, 2013

(in millions)	Notional Balance		Final Maturity Date	Prepaid Expenses and Other	Other Noncurrent Assets	Other Accrued Liabilities	Other Noncurrent Liabilities	Hedge Derivatives, Net
Designated as hedges								
Interest rate contracts (cash flow hedges)	$ 710	U.S. dollars	May 2019	$ —	$ —	$ (21)	$ (44)	$ (65)
Interest rate contracts (fair value hedges)	$ 455	U.S. dollars	August 2022	5	—	—	(6)	(1)
Foreign currency exchange contracts	112,004 394	Japanese yen Canadian dollars	January 2016	113	97	—	—	210
Not designated as hedges								
Fuel contracts	1,957	gallons - heating oil, crude oil, jet fuel and diesel	June 2014	378	5	(124)	(2)	257
Total derivative contracts				$ 496	$ 102	$ (145)	$ (52)	$ 401

Hedge Position as of December 31, 2012

(in millions)	Notional Balance		Final Maturity Date	Prepaid Expenses and Other	Other Noncurrent Assets	Other Accrued Liabilities	Other Noncurrent Liabilities	Hedge Derivatives, Net
Designated as hedges								
Interest rate contracts (cash flow hedges)	$ 740	U.S. dollars	May 2019	$ —	$ —	$ (22)	$ (48)	$ (70)
Interest rate contracts (fair value hedges)	$ 469	U.S. dollars	August 2022	—	6	(2)	—	4
Foreign currency exchange contracts	119,277 430	Japanese yen Canadian dollars	December 2015	62	63	(1)	(1)	123
Not designated as hedges								
Fuel contracts	1,792	gallons - heating oil, crude oil and jet fuel	December 2013	511	—	(262)	—	249
Total derivative contracts				$ 573	$ 69	$ (287)	$ (49)	$ 306

Offsetting Assets and Liabilities

We have master netting arrangements with all of our counterparties giving us the right of setoff. We have elected not to offset the fair value positions recorded on our Consolidated Balance Sheets. The following table shows the potential net fair value positions had we elected to offset.

(in millions)	Prepaid Expenses and Other	Other Noncurrent Assets	Other Accrued Liabilities	Other Noncurrent Liabilities	Hedge Derivatives, Net
March 31, 2013					
Net derivative contracts	$ 376	$ 101	$ (25)	$ (51)	$ 401
December 31, 2012					
Net derivative contracts	$ 320	$ 69	$ (34)	$ (49)	$ 306

Hedge Gains (Losses)

For the three months ended March 31, 2013 and 2012, gains (losses) related to our designated hedge contracts are as follows:

	Effective Portion Reclassified from AOCI to Earnings		Effective Portion Recognized in Other Comprehensive Income	
(in millions)	**2013**	**2012**	**2013**	**2012**
Foreign currency exchange contracts	$ 21	$ (13)	$ 87	$ 123

As of March 31, 2013, we have recorded $113 million of net gains on cash flow hedge contracts in accumulated other comprehensive loss, which are scheduled to settle and be reclassified in to earnings within the next 12 months.

Credit Risk

To manage credit risk associated with our aircraft fuel price, interest rate and foreign currency hedging programs, we select counterparties based on their credit ratings and limit our exposure to any one counterparty.

Our hedge contracts contain margin funding requirements. The margin funding requirements may cause us to post margin to counterparties or may cause counterparties to post margin to us as market prices in the underlying hedged items change. Due to the fair value position of our hedge contracts, we received net margin of $69 million and $62 million as of March 31, 2013 and December 31, 2012, respectively. Margin received is recorded in accounts payable and margin posted is recorded in prepaid expenses and other.

NOTE 5. LONG-TERM DEBT

Fair Value of Debt

Market risk associated with our fixed and variable rate long-term debt relates to the potential reduction in fair value and negative impact to future earnings, respectively, from an increase in interest rates. In the table below, the aggregate fair value of debt is based primarily on reported market values, recently completed market transactions and estimates based on interest rates, maturities, credit risk and underlying collateral and is classified primarily as Level 2 within the fair value hierarchy.

(in millions)	**March 31, 2013**	**December 31, 2012**
Total debt at par value	$ 12,267	$ 12,633
Unamortized discount, net	(490)	(527)
Net carrying amount	$ 11,777	$ 12,106
Fair value	$ 12,600	$ 13,000

Covenants

We were in compliance with all covenants in our financing agreements at March 31, 2013.

NOTE 6. COMMITMENTS AND CONTINGENCIES

Aircraft Purchase and Lease Commitments

Future aircraft purchase commitments at March 31, 2013 total approximately $8.0 billion and include 100 B-737-900ER aircraft, 18 B-787-8 aircraft, 5 6 CRJ-900 aircraft and two previously owned MD-90 aircraft. Our purchase commitment for 18 B-787-8 aircraft provides for certain aircraft substitution rights. We have obtained long-term financing commitments for a substantial portion of the purchase price of 40 CRJ-900 and 100 B-737-900ER aircraft.

(in millions)		Total
Nine months ending December 31, 2013	$	865
2014		1,525
2015		815
2016		810
2017		760
Thereafter		3,240
Total	$	8,015

Our aircraft purchase commitments do not include orders for five A319-100 aircraft and two A320-200 aircraft because we have the right to cancel these orders. We also have agreements with Southwest Airlines and The Boeing Company to lease 88 B-717-200 aircraft. Deliveries will begin later this year and continue through 2015.

Proposed Transatlantic Joint Venture With Virgin Atlantic

Pending regulatory approval, we have agreed to buy 49% of Virgin Atlantic, currently held by Singapore Airlines, for $360 million. We also entered into a joint venture agreement with Virgin Atlantic with respect to operations on non-stop routes between the United Kingdom and North America. We and Virgin Atlantic have filed an application with the U.S. Department of Transportation for U.S. antitrust immunity with respect to the joint venture.

Legal Contingencies

We are involved in various legal proceedings related to employment practices, environmental issues, antitrust matters and other matters concerning our business. We record liabilities for losses from legal proceedings when we determine that it is probable that the outcome in a legal proceeding will be unfavorable and the amount of loss can be reasonably estimated. We cannot reasonably estimate the potential loss for certain legal proceedings because, for example, the litigation is in its early stages or the plaintiff does not specify the damages being sought. Although the outcome of the legal proceedings in which we are involved cannot be predicted with certainty, management believes that the resolution of these matters will not have a material adverse effect on our Condensed Consolidated Financial Statements.

Other Contingencies

General Indemnifications

We are the lessee under many commercial real estate leases. It is common in these transactions for us, as the lessee, to agree to indemnify the lessor and the lessor's related parties for tort, environmental and other liabilities that arise out of or relate to our use or occupancy of the leased premises. This type of indemnity would typically make us responsible to indemnified parties for liabilities arising out of the conduct of, among others, contractors, licensees and invitees at, or in connection with, the use or occupancy of the leased premises. This indemnity often extends to related liabilities arising from the negligence of the indemnified parties, but usually excludes any liabilities caused by either their sole or gross negligence or their willful misconduct.

Our aircraft and other equipment lease and financing agreements typically contain provisions requiring us, as the lessee or obligor, to indemnify the other parties to those agreements, including certain of those parties' related persons, against virtually any liabilities that might arise from the use or operation of the aircraft or such other equipment.

We believe that our insurance would cover most of our exposure to liabilities and related indemnities associated with the commercial real estate leases and aircraft and other equipment lease and financing agreements described above. While our insurance does not typically cover environmental liabilities, we have certain insurance policies in place as required by applicable environmental laws.

Certain of our aircraft and other financing transactions include provisions that require us to make payments to preserve an expected economic return to the lenders if that economic return is diminished due to certain changes in law or regulations. In certain of these financing transactions, we also bear the risk of certain changes in tax laws that would subject payments to non-U.S. lenders to withholding taxes.

We cannot reasonably estimate our potential future payments under the indemnities and related provisions described above because we cannot predict (1) when and under what circumstances these provisions may be triggered and (2) the amount that would be payable if the provisions were triggered because the amounts would be based on facts and circumstances existing at such time.

Employees Under Collective Bargaining Agreements

At March 31, 2013, we had approximately 73,400 full-time equivalent employees. Approximately 15% of these employees were represented by unions.

War-Risk Insurance Contingency

As a result of the terrorist attacks on September 11, 2001, aviation insurers significantly (1) reduced the maximum amount of insurance coverage available to commercial air carriers for liability to persons (other than employees or passengers) for claims from acts of terrorism, war or similar events and (2) increased the premiums for such coverage and for aviation insurance in general. Since September 24, 2001, the U.S. government has been providing U.S. airlines with war-risk insurance to cover losses, including those resulting from terrorism, to passengers, third parties (ground damage) and the aircraft hull. The U.S. Secretary of Transportation has extended coverage through September 30, 2013, and we expect the coverage to be further extended. The withdrawal of government support of airline war-risk insurance would require us to obtain war-risk insurance coverage commercially, if available. Such commercial insurance could have substantially less desirable coverage than currently provided by the U.S. government, may not be adequate to protect our risk of loss from future acts of terrorism, may result in a material increase to our operating expense or may not be obtainable at all, resulting in an interruption to our operations.

Other

We have certain contracts for goods and services that require us to pay a penalty, acquire inventory specific to us or purchase equipment specific to a contract, if we terminate this type of contract without cause prior to its expiration date. Because these obligations are contingent on our termination of a contract without cause prior to its expiration date, no obligation would exist unless such a termination occurs.

NOTE 7. RESTRUCTURING AND OTHER ITEMS

The following table shows amounts recorded in restructuring and other items on the Condensed Consolidated Statements of Operations and Comprehensive Income:

	Three Months Ended March 31,	
(in millions)	**2013**	**2012**
Facilities, fleet and other	$ 102	$ 27
Gain on slot exchange	—	(39)
Total restructuring and other items	$ 102	$ (12)

Facilities, Fleet and Other. We recorded charges of $102 million in the March 2013 quarter, primarily related to our domestic fleet restructuring initiative. Under the domestic fleet restructuring initiative, we are focused on removing older, less efficient aircraft from our fleet and replacing them with B-737-900ER, B-717-200 and CRJ-900 aircraft that we have committed to acquire. These fleet restructuring charges are related to older, retiring aircraft, including remaining lease payments for grounded aircraft, the acceleration of aircraft depreciation and lease return costs during the period.

As we restructure our fleet and assess our fleet plans, we will continue to evaluate older, retiring aircraft and related equipment for changes in depreciable life, impairment and lease termination costs. The associated retirement of aircraft will result in material lease termination and other charges over this period. The timing and amount of these charges will depend on a number of factors, including our final negotiations with lessors, the timing of removing aircraft from service and ultimate disposition of aircraft included in the fleet restructuring program. We expect to benefit from reduced future maintenance cost and improved operational and fuel efficiency that we will experience over the life of the new aircraft.

Gain on Slot Exchange. During December 2011, we closed transactions with US Airways where we received takeoff and landing rights (each a "slot pair") at LaGuardia in exchange for slot pairs at Reagan National. In approving these transactions, the Department of Transportation restricted our use of the exchanged slots. We recorded a $78 million deferred gain in December 2011. We recognized $39 million of this deferred gain in the March 2012 quarter as half of the restrictions lapsed and recognized the remainder of the deferred gain in the September 2012 quarter as the remaining restrictions lapsed.

The following table shows the balances and activity for restructuring charges:

(in millions)	Severance and Related Costs	Lease Restructuring
Balance as of December 31, 2012	$ 49	$ 77
Additional costs and expenses	—	6
Payments	(36)	(3)
Other	—	(5)
Balance as of March 31, 2013	$ 13	$ 75

NOTE 8. EMPLOYEE BENEFIT PLANS

The following table shows the components of net periodic cost:

	Pension Benefits		Other Postretirement and Postemployment Benefits	
(in millions)	2013	2012	2013	2012
Three Months Ended March 31				
Service cost	$ —	$ —	$ 12	$ 15
Interest cost	215	232	36	41
Expected return on plan assets	(184)	(176)	(21)	(19)
Amortization of prior service benefit	—	—	(7)	(3)
Recognized net actuarial loss	56	36	6	6
Settlements	6	—	—	—
Net periodic cost	$ 93	$ 92	$ 26	$ 40

NOTE 9. INCOME TAXES

Valuation Allowance

We periodically assess whether it is more likely than not that we will generate sufficient taxable income to realize our deferred income tax assets. We establish valuation allowances if it is not likely we will realize our deferred income tax assets. In making this determination, we consider all available positive and negative evidence and make certain assumptions. We consider, among other things, our deferred tax liabilities, the overall business environment, our historical financial results, our industry's historically cyclical financial results and potential current and future tax planning strategies.

We recorded a full valuation allowance in 2004 due to our cumulative three year loss position at that time, compounded by the negative industry-wide business trends and outlook. At March 31, 2013, we had an $11.0 billion valuation allowance established against our deferred income tax assets, which represents a full valuation allowance against our net deferred income tax asset.

During 2012, we moved from a cumulative loss position over the previous three years to a cumulative income position for the first time since we established the full valuation allowance. We have concluded as of March 31, 2013 that the valuation allowance was still needed on our net deferred tax assets based upon the weight of the factors described above. We continue to evaluate our cumulative income position and income trend as well as our future projections of sustained profitability. We evaluate whether this profitability trend constitutes sufficient positive evidence to support a reversal of our valuation allowance (in full or in part).

NOTE 10. ACCUMULATED OTHER COMPREHENSIVE LOSS

The following tables show the components of accumulated other comprehensive loss:

(in millions)	Pension and Other Benefits Liabilities	Derivative Contracts[1]	Deferred Tax Impact	Total
Balance at December 31, 2012	$ (5,147)	$ (286)	$ (3,144)	$ (8,577)
Changes in value	—	114	—	114
Reclassifications into earnings:				
Actuarial losses[2]	58	—	—	58
Foreign currency exchange contracts[3]	—	(21)	—	(21)
Total reclassification into earnings	58	(21)	—	37
Tax effect	(22)	(35)	57	—
Balance at March 31, 2013	$ (5,111)	$ (228)	$ (3,087)	$ (8,426)

(in millions)	Pension and Other Benefits Liabilities	Derivative Contracts[1]	Deferred Tax Impact	Total
Balance at December 31, 2011	$ (3,899)	$ (413)	$ (2,454)	$ (6,766)
Changes in value	91	116	—	207
Reclassifications into earnings:				
Actuarial losses[2]	41	—	—	41
Total reclassification into earnings	41	—	—	41
Tax effect	(47)	(47)	94	—
Balance at March 31, 2012	$ (3,814)	$ (344)	$ (2,360)	$ (6,518)

(1) Includes $321 million of deferred income tax expense that will remain in AOCI until all amounts in AOCI that relate to fuel derivatives which are designated as accounting hedges are recognized in the Consolidated Statement of Operations.

(2) Reclassified to salaries and related costs

(3) Reclassified to passenger revenue

NOTE 11. EARNINGS PER SHARE

We calculate basic earnings per share by dividing net income by the weighted average number of common shares outstanding. The following table shows the computation of basic and diluted earnings per share:

(in millions, except per share data)	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Net income	$ 7	$ 124
Basic weighted average shares outstanding	848	843
Dilutive effect of share based awards	7	4
Diluted weighted average shares outstanding	855	847
Basic earnings per share	$ 0.01	$ 0.15
Diluted earnings per share	$ 0.01	$ 0.15
Antidilutive common stock equivalents excluded from diluted earnings per share	16	21

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

March 2013 Quarter Financial Highlights

Our net income for the March 2013 quarter was $7 million, or $0.01 per diluted share. Total operating revenue increased $87 million, or 1%, over the March 2012 quarter, primarily due to higher passenger revenue due to yield improvement. Fuel expense increased 2% due to a 3% increase in our average price per gallon and lower fuel hedge gains, despite a 1% decrease in consumption.

Passenger revenue increased $107 million due to a 2% year over year improvement in passenger mile yield on 1% lower traffic, while capacity declined 3%. Passenger revenue per available seat mile ("PRASM") increased 4% over the March 2012 quarter, reflecting higher revenue under corporate travel contracts and improvements in our products and services.

Total operating expense increased $247 million over the March 2012 quarter, driven primarily by higher salaries and fuel expense. Our fuel expense increased $49 million (including our contract carriers under capacity purchase agreements) compared to the March 2012 quarter due to a 3% increase in our average price per gallon and lower fuel hedge gains, despite a 1% decrease in consumption. During the March 2013 quarter, we recorded gains of $77 million due to changes in the fair value of our fuel hedge portfolio. Some of these gains relate to mark-to-market adjustments for fuel hedges settling in future periods. Excluding mark-to-market adjustments recorded in periods other than the settlement period ("MTM adjustments"), our average fuel price for the quarter was $3.24 per gallon, compared to $3.28 per gallon for the March 2012 quarter.

Our consolidated operating cost per available seat mile ("CASM") for the March 2013 quarter increased 5.8% to 15.61 cents from 14.76 cents in the March 2012 quarter, primarily reflecting increased salaries and fuel expense. For the March 2013 quarter, CASM-Ex (a non-GAAP financial measure) was 9.75 cents, or 5.0% higher than the March 2012 quarter. The non-GAAP financial measures used in this section are defined and reconciled in "Supplemental Information" below.

Company Initiatives

Strengthening the Balance Sheet

We continue to focus on cash flow generation toward our goal of further strengthening our balance sheet. We finished the March 2013 quarter with $5.4 billion in unrestricted liquidity (consisting of cash, cash equivalents, short-term investments and undrawn revolving credit facility capacity). During the first three months of 2013, we generated $1.0 billion in cash from operating activities, reduced debt by $395 million and funded capital expenditures while maintaining a solid liquidity position.

Structural Cost Initiatives

We initiated a $1 billion structural cost initiatives program in 2012. These initiatives are designed to improve our cost efficiency while maintaining our operational performance and revenue generation and include:

- Domestic fleet restructuring to retire older, less efficient aircraft from our fleet;
- Maintenance redesign focusing on improving our processes and resource management;
- Distribution platforms to increase the use of cost effective and value-added distribution channels such as delta.com;
- Staffing efficiency to generate higher productivity levels through technology and improved staffing models; and
- Other costs to improve network efficiency and to reduce transportation expense.

We anticipate realizing the benefits of the structural cost initiatives in 2013, with CASM-Ex growth expected to moderate in the second half of 2013, and the benefits of the initiatives increasing through 2015.

Domestic Fleet Restructuring

Domestic fleet restructuring is a key part of our structural cost initiatives, and is focused on lowering unit costs while investing in our fleet to enhance the customer experience. We are restructuring our domestic fleet by reducing our 50-seat regional flying and replacing other older, less cost effective aircraft with newer, more efficient aircraft. Recent agreements with SkyWest Airlines, Inc., Pinnacle Airlines, Inc. and Bombardier Aerospace have produced a path for us to eliminate more than 200 50-seat aircraft. We are replacing these aircraft and older B-757-200 aircraft with more efficient and customer preferred CRJ-900, B-717-200 and B-737-900ER aircraft.

In 2012, we entered into an agreement with Bombardier Aerospace to purchase 40 CRJ-900 aircraft with 12 deliveries this year and 28 in 2014. Also in 2012, we finalized agreements with Southwest Airlines and The Boeing Company ("Boeing") to lease 88 B-717-200 aircraft. Delivery of the aircraft will begin later this year, with 16 aircraft scheduled to enter our fleet. We will receive 36 aircraft deliveries in each of 2014 and 2015. These B-717-200 aircraft are 110-seat aircraft and will feature new, fully upgraded interiors, with 12 First Class seats, 15 Economy Comfort seats and in-flight WiFi throughout the cabin.

In 2011, we entered into an agreement with Boeing to purchase 100 new fuel efficient B-737-900ER aircraft. We will add these aircraft to our fleet between this year and 2018, primarily replacing older B-757-200 aircraft. We expect the B-737-900ER to offer an industry leading customer experience, including expanded carry-on baggage space and a spacious cabin. Additionally, we continue to increase our MD-90 fleet with previously owned aircraft that offer a lower total cost of ownership.

As we restructure our fleet and assess our fleet plans, we will continue to evaluate older, retiring aircraft and related equipment for changes in depreciable life, impairment and lease termination costs. The associated retirement of aircraft will result in material lease termination and other charges over this period. The timing and amount of these charges will depend on a number of factors, including our final negotiations with lessors, the timing of removing aircraft from service and ultimate disposition of aircraft included in the fleet restructuring program. We expect to benefit from reduced future maintenance cost and improved operational and fuel efficiency that we will experience over the life of the new aircraft.

Oil Refinery

Jet fuel costs have continued to increase in recent years, making fuel expense our single largest expense. Because global demand for jet fuel and related products is increasing at the same time that jet fuel refining capacity is decreasing in the U.S. (particularly in the Northeast), the refining margin reflected in the prices we pay for jet fuel has increased. We purchased an oil refinery in June 2012 as part of our strategy to mitigate the increasing cost of the refining margin we are paying. Production at the refinery commenced in September 2012.

Refinery Operations and Strategic Agreements

The refinery's production consists of jet fuel, as well as gasoline, diesel and other refined products ("non-jet fuel products"). Under a multi-year agreement, we are exchanging a significant portion of the non-jet fuel products with Phillips 66 for jet fuel to be used in our airline operations. In addition, we are selling most of the remaining production of non-jet fuel products to BP under a long-term buy/sell agreement, effectively exchanging those non-jet fuel products for jet fuel. Substantially all of the refinery's production of non-jet fuel products is included in these agreements.

New York Strategy

Strengthening our position in New York City continues to be an important part of our network strategy. As discussed below, key components of this strategy are operating a domestic hub at LaGuardia and creating a state-of-the-art facility at JFK. In May 2012, we announced new and expanded service to 10 popular leisure destinations (in addition to the service expansion discussed below) in the Caribbean, Bermuda and Florida from LaGuardia and JFK. These flights began operating in the December quarter of 2012.

LaGuardia. During December 2011, we closed transactions with US Airways where we received takeoff and landing rights (each a "slot pair") at LaGuardia in exchange for slot pairs at Reagan National. This exchange allows us to operate a new domestic hub at LaGuardia. We have increased capacity at LaGuardia by 41% since March 2012, adding 110 new flights and a total of 27 new destinations. We currently operate about 270 daily flights between LaGuardia and 63 cities, more than any other airline.

We are also investing more than $160 million in a renovation and expansion project at LaGuardia to enhance the customer experience. In December 2012, we opened the connector linking Terminals C and D and in September 2012 we opened a new SkyClub in Terminal C. Ongoing investments include expanded security lanes and a baggage handling system in both terminals as well as an expanded SkyClub in Terminal D.

JFK. While our expanded LaGuardia schedule is focused on providing industry-leading domestic service, we are optimizing our international and trans-continental flight schedule at JFK to facilitate convenient connections for our passengers and improve coordination with our SkyTeam alliance partners.

At JFK, we currently operate domestic flights primarily at Terminal 2 and international flights at Terminal 3 and, to a lesser extent, Terminal 4. Our five-year $1.2 billion renovation project at JFK, which began in 2010, is on schedule. The expansion and enhancement of Terminal 4, which includes the construction of nine new international gates, is expected to be open in the spring of 2013. Upon completion of the Terminal 4 expansion, we will relocate our operations from Terminal 3 to Terminal 4, proceed with the demolition of Terminal 3 and thereafter conduct coordinated flight operations from Terminals 2 and 4. Once our project is complete, we expect that passengers will benefit from an enhanced customer experience and improved operational performance, including reduced taxi times and better on-time performance.

Alliances and Equity Investments

We have made long-term investments in other airlines that give us the ability to increase our network scale and produce revenue improvements. We invested in GOL and Aeromexico because they operate in Latin America's two largest markets, Brazil and Mexico, respectively. Pending regulatory approval, we also agreed to buy 49% of Virgin Atlantic, currently held by Singapore Airlines, for $360 million. We also entered into a joint venture agreement with Virgin Atlantic with respect to operations on non-stop routes between the United Kingdom and North America. We and Virgin Atlantic have filed an application with the U.S. Department of Transportation for U.S. antitrust immunity with respect to the joint venture.

Results of Operations - Three Months Ended March 31, 2013 and 2012

Operating Revenue

(in millions)	Three Months Ended March 31, 2013	2012	Increase (Decrease)	% Increase (Decrease)
Passenger:				
Mainline	$ 5,876	$ 5,662	$ 214	4 %
Regional carriers	1,457	1,564	(107)	(7)%
Total passenger revenue	7,333	7,226	107	1 %
Cargo	238	244	(6)	(2)%
Other	929	943	(14)	(1)%
Total operating revenue	$ 8,500	$ 8,413	$ 87	1 %

(in millions)	Three Months Ended March 31, 2013	Increase (Decrease) vs. Three Months Ended March 31, 2012: Passenger Revenue	RPMs[1] (Traffic)	ASMs[2] (Capacity)	Passenger Mile Yield	PRASM[3]	Load Factor
Domestic	$ 3,402	6 %	2 %	1 %	5 %	5%	0.3 pts
Atlantic	1,052	(3)%	(7)%	(11)%	4 %	8%	3.0 pts
Pacific	871	3 %	3 %	(1)%	— %	4%	3.3 pts
Latin America	551	6 %	8 %	2 %	(2)%	3%	4.7 pts
Total Mainline	5,876	4 %	1 %	(2)%	3 %	5%	1.9 pts
Regional carriers	1,457	(7)%	(10)%	(9)%	3 %	2%	) (1.2pts
Total passenger revenue	$ 7,333	1 %	(1)%	(3)%	2 %	4%	1.5 pts

(1) Revenue passenger miles ("RPMs")
(2) Available seat miles ("ASMs")
(3) Passenger revenue per ASM ("PRASM")

Passenger Revenue. Passenger revenue increased $107 million, or 1%, due to an improvement in the passenger mile yield due to higher revenue under corporate travel contracts and improvements in our products and services. Capacity decreased 1% in the domestic region and decreased 5% in international regions.

International mainline passenger revenue remained flat over March quarter 2012. Atlantic PRASM was up 8%, driven by a 4% increase in yield on a 11% reduction in capacity. Latin America passenger revenue increased 6%, driven by an 8% increase in traffic offset by a 2% decline in yield.

Operating Expense

(in millions)	Three Months Ended March 31, 2013	2012	Increase (Decrease)	% Increase (Decrease)
Aircraft fuel and related taxes	$ 2,289	$ 2,233	$ 56	3 %
Salaries and related costs	1,911	1,763	148	8 %
Contract carrier arrangements	1,399	1,375	24	2 %
Aircraft maintenance materials and outside repairs	491	561	(70)	(12)%
Depreciation and amortization	405	386	19	5 %
Contracted services	401	378	23	6 %
Passenger commissions and other selling expenses	357	380	(23)	(6)%
Landing fees and other rents	323	305	18	6 %
Passenger service	164	171	(7)	(4)%
Aircraft rent	60	75	(15)	(20)%
Profit sharing	20	—	20	NM
Restructuring and other items	102	(12)	114	NM
Other	356	416	(60)	(14)%
Total operating expense	$ 8,278	$ 8,031	$ 247	3 %

Fuel Expense. Including contract carriers under capacity purchase agreements, fuel expense increased $49 million because of a 3% increase in our average price per gallon and lower fuel hedge gains, despite a 1% decrease in consumption. The table below presents fuel expense, gallons consumed and our average price per gallon, including the impact of fuel hedge gains of $77 million in the March 2013 quarter:

(in millions, except per gallon data)	Three Months Ended March 31, 2013	2012	Increase (Decrease)	% Increase (Decrease)
Aircraft fuel and related taxes[1]	$ 2,289	$ 2,233	$ 56	
Aircraft fuel and related taxes included within contract carrier arrangements	519	526	(7)	
Total fuel expense	$ 2,808	$ 2,759	$ 49	2 %
Total fuel consumption (gallons)	875	886	(11)	(1)%
Average price per gallon	$ 3.21	$ 3.11	$ 0.10	3 %

[1] Includes the impact of fuel hedge activity described further in the table below.

The table below shows the impact of hedging and the refinery on fuel expense and average price per gallon:

(in millions, except per gallon data)	Three Months Ended March 31, 2013	2012	Change	Average Price Per Gallon Three Months Ended March 31, 2013	2012	Change
Fuel purchase cost	$ 2,863	$ 2,955	$ (92)	$ 3.28	$ 3.33	$ (0.05)
Refinery segment impact	22	—	22	0.02	—	0.02
Fuel hedge (gains) losses	(77)	(196)	119	(0.09)	(0.22)	0.13
Total fuel expense	$ 2,808	$ 2,759	$ 49	$ 3.21	$ 3.11	$ 0.10
MTM adjustments	24	151	(127)	0.03	0.17	(0.14)
Total fuel expense, adjusted	$ 2,832	$ 2,910	$ (78)	$ 3.24	$ 3.28	$ (0.04)

During the three months ended March 31, 2013, our consolidated fuel hedge gains of $77 million included $24 million of MTM adjustments. These MTM adjustments are based on market prices as of the end of the reporting period for contracts settling in future periods. Such market prices are not necessarily indicative of the actual future value of the underlying hedge in the contract settlement period. The MTM adjustments are reflected in the table above to calculate an effective fuel cost for the period. We adjust fuel expense for these items to arrive at a more meaningful measure of fuel cost. Our average price per gallon, adjusted (a non-GAAP financial measure as defined in "Supplemental Information" below), was $3.24 for the March 2013 quarter.

Salaries and Related Costs. The increase in salaries and related costs is primarily due to employee pay increases.

Aircraft Maintenance Materials and Outside Repairs. Aircraft maintenance materials and outside repairs consists of costs associated with maintenance of aircraft used in our operations and maintenance sales to third parties by our MRO services business. The decrease in maintenance costs is primarily due to lower costs on lower maintenance sales to third parties by our MRO services business and the cyclical timing of maintenance events on our fleet.

Restructuring and Other Items. Due to the nature of amounts recorded within restructuring and other items, a year over year comparison is not meaningful. For a discussion of charges recorded in restructuring and other items, see Note 7 of the Notes to the Condensed Consolidated Financial Statements.

Non-Operating Results

The following table shows the components of other expense, net:

(in millions)	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012	Favorable (Unfavorable)
Interest expense, net	$ (178)	$ (221)	$ 43
Amortization of debt discount, net	(42)	(51)	9
Miscellaneous, net	1	17	(16)
Total other expense, net	$ (219)	$ (255)	$ 36

Income Taxes

The following table shows the components of our income tax benefit (provision):

(in millions)	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
International and state income tax provision	$ (2)	$ (3)
Alternative minimum tax refunds	6	—
Income tax benefit (provision)	$ 4	$ (3)

We consider all income sources, including other comprehensive income, in determining the amount of tax benefit allocated to continuing operations. During the three months ended March 31, 2013 and 2012, we did not record an income tax provision for U.S. federal income tax purposes since our deferred tax assets are fully reserved by a valuation allowance.

Operating Statistics

The following table sets forth our operating statistics:

Consolidated[1]	Three Months Ended March 31, 2013	2012
Revenue passenger miles (millions)	43,078	43,351
Available seat miles (millions)	53,022	54,408
Passenger mile yield	17.02¢	16.67¢
Passenger revenue per available seat mile	13.83¢	13.28¢
Operating cost per available seat mile (CASM)	15.61¢	14.76¢
CASM-Ex[2]	9.75¢	9.28¢
Passenger load factor	81.2%	79.7%
Fuel gallons consumed (millions)	875	886
Average price per gallon[3]	$ 3.21	$ 3.11
Average price per gallon, adjusted[2]	$ 3.24	$ 3.28
Full-time equivalent employees, end of period	73,430	78,761

(1) Includes the operations of our contract carriers under capacity purchase agreements. Full-time equivalent employees exclude employees of contract carriers that we do not own.
(2) Non-GAAP financial measure as defined in "Supplemental Information" below.
(3) Includes the impact of fuel hedge activity.

Fleet Information

Our operating aircraft fleet, commitments and options at March 31, 2013 are summarized in the following table:

	Current Fleet[1]					Commitments		
Aircraft Type	Owned	Capital Lease	Operating Lease	Total	Average Age	Purchase[2][3][4]	Lease	Options
B-717-200	—	—	—	—	—	—	88	—
B-737-700	10	—	—	10	4.2	—	—	—
B-737-800	73	—	—	73	12.2	—	—	—
B-737-900ER	—	—	—	—	—	100	—	30
B-747-400	4	9	3	16	19.4	—	—	—
B-757-200	92	27	30	149	19.6	—	—	—
B-757-300	16	—	—	16	10.1	—	—	—
B-767-300	10	2	2	14	21.7	—	—	—
B-767-300ER	51	5	2	58	17.0	—	—	3
B-767-400ER	21	—	—	21	12.1	—	—	5
B-777-200ER	8	—	—	8	13.2	—	—	—
B-777-200LR	10	—	—	10	4.0	—	—	10
B-787-8	—	—	—	—	—	18	—	—
A319-100	54	—	2	56	11.1	—	—	—
A320-200	49	—	19	68	18.0	—	—	—
A330-200	11	—	—	11	8.0	—	—	—
A330-300	21	—	—	21	7.6	—	—	—
MD-88	71	46	—	117	22.7	—	—	—
MD-90	46	8	—	54	16.0	2	—	—
DC9-50	17	—	—	17	34.6	—	—	—
CRJ-900	—	—	—	—	—	56	—	30
Embraer 175	—	—	—	—	—	—	—	36
Total	564	97	58	719	17.0	176	88	114

(1) Excludes certain aircraft we own or lease which are operated by third party contract carriers on our behalf shown in the table below.
(2) Excludes our orders for five A319-100 aircraft and two A320-200 aircraft because we have the right to cancel these orders.
(3) Includes 16 CRJ-900 aircraft which are currently being operated by third party contract carriers on our behalf that are included in the table below.
(4) Our purchase commitment for 18 B-787-8 aircraft provides for certain aircraft substitution rights.

The following table summarizes the aircraft fleet operated by third party contract carriers on our behalf at March 31, 2013:

	Fleet Type						
Carrier	CRJ-200	CRJ-700	CRJ-900	ERJ-145	Embraer 170	Embraer 175	Total
Pinnacle Airlines, Inc.	140	—	49	—	—	—	189
ExpressJet Airlines, Inc.	81	41	23	—	—	—	145
SkyWest Airlines, Inc.	51	19	29	—	—	—	99
Compass Airlines, Inc.	—	—	—	—	6	36	42
Chautauqua Airlines, Inc.	—	—	—	33	—	—	33
Shuttle America Corporation	—	—	—	—	14	16	30
GoJet Airlines, LLC	—	22	—	—	—	—	22
Total	272	82	101	33	20	52	560

Financial Condition and Liquidity

We expect to meet our cash needs for the next 12 months from cash flows from operations, cash and cash equivalents, short-term investments and financing arrangements. As of March 31, 2013, we had $5.4 billion in unrestricted liquidity, consisting of $3.6 billion in cash and cash equivalents and short-term investments and $1.8 billion in undrawn revolving credit facilities.

Sources of Liquidity

Operating Cash Flow

Cash flows from operating activities continue to provide our primary source of liquidity. We generated positive cash flows from operations of $1.0 billion and $831 million in the three months ended March 31, 2013 and 2012, respectively. We also expect to generate positive cash flows from operations for the remainder of 2013.

Our operating cash flows can be impacted by the following factors:

Seasonality of Advance Ticket Sales. We sell tickets for air travel in advance of the customer's travel date, and receive cash payment at the time of sale. As a result, we record the cash received on advance sales as deferred revenue in Air Traffic Liability. The Air Traffic Liability increases during the spring as we have increased sales in advance of the summer peak travel season. Our cash balances are typically higher at the beginning of the summer and at a low point during the winter.

Fuel and Fuel Hedge Margins. The cost of jet fuel is our most significant expense, representing approximately 34% of our total operating expenses. The market price for jet fuel is highly volatile and can vary significantly from period to period. This price volatility affects our cash flows from operations, impacting comparability from period to period.

We have jet fuel inventories at various airport locations, which are used in our airline operations. Also, our Trainer oil refinery, which we acquired in 2012, produces refined oil products. Jet fuel and refined oil product inventories are recorded as Fuel Inventory.

As part of our fuel hedging program, we may be required to pay hedge margin to counterparties when our portfolio is in a loss position. Conversely, if our portfolio with counterparties is in a gain position, we may receive hedge margin. Our future cash flows are impacted depending upon the nature of our derivative contracts and the market price of the commodities underlying our derivative contracts.

Timing of SkyMiles Sales. In December 2011, we amended our American Express agreements and agreed to sell $675 million of unrestricted SkyMiles to American Express in each December from 2011 through 2014. Under the December 2011 amendment, American Express purchased $675 million of unrestricted SkyMiles in both 2012 and 2011. We anticipate American Express will make additional purchases of $675 million of unrestricted SkyMiles in both 2013 and 2014.

In 2008, we entered into a multi-year extension of our American Express agreements and received $1.0 billion from American Express for an advance purchase of restricted SkyMiles. The 2008 agreement provided that our obligations with respect to the advance purchase would be satisfied as American Express uses the purchased miles over a specified future period ("SkyMiles Usage Period"). During the SkyMiles Usage Period, which commenced in December 2011, American Express draws down SkyMiles valued at $333 million annually over three years beginning 2012 instead of paying cash to Delta for SkyMiles used.

Pension Contributions. We sponsor defined benefit pension plans for eligible employees and retirees. These plans are closed to new entrants and are frozen for future benefit accruals. Our funding obligations for these plans are governed by the Employee Retirement Income Security Act, as modified by the The Pension Protection Act of 2006. We contributed $150 million to our defined benefit pension plans during the March 2013 quarter and contributed an additional $500 million in April 2013. As a result of these contributions, we satisfied, on an accelerated basis, our required contributions for our defined benefit plans for 2013.

Undrawn Lines of Credit

We have available $1.8 billion in undrawn lines of credit. We have credit facilities that have covenants, such as collateral coverage ratios. If we are not in compliance with these covenants, we may be required to repay amounts borrowed under the credit facilities or post additional collateral or may not be able to draw on the revolving credit facilities.

Other

Our ability to obtain additional financing, if needed, on acceptable terms could be adversely affected by the fact that a significant portion of our assets are subject to liens.

Investing and Financing

Capital Expenditures

We incurred capital expenditures of $647 million and $407 million in the three months ended March 31, 2013 and 2012, respectively. Our capital expenditures were primarily for the purchase of aircraft and aircraft modifications that upgraded aircraft interiors and enhance our product offering.

We have committed to future aircraft purchases that will require significant capital investment, and have obtained long-term financing commitments for a substantial portion of the purchase price of these aircraft. We expect that we will invest more than $2 billion in 2013 primarily for aircraft, aircraft modifications and the purchase of a $360 million equity investment in Virgin Atlantic. We expect that the 2013 investments will be funded through cash from operations.

Financings

At March 31, 2013, total debt and capital leases, including current maturities, was $12.3 billion, a $395 million reduction from December 31, 2012 and a $4.9 billion reduction from December 31, 2009. We have focused on reducing our total debt over the past few years as part of our strategy to strengthen our balance sheet. In addition, we have refinanced previous financing transactions, which we expect to reduce our total future interest expense.

Critical Accounting Policies and Estimates

For information regarding our Critical Accounting Policies and Estimates, see the “Critical Accounting Policies and Estimates” section of “Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations” in our Form 10-K.

Recent Accounting Standards

Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income

Recently issued accounting guidance revises the reporting of items reclassified out of accumulated other comprehensive income and is effective for fiscal years beginning after December 15, 2012. We adopted this guidance in the March 2013 quarter and have presented amounts reclassified out of accumulated other comprehensive income in a note to the financial statements. For more information about accumulated other comprehensive income, see Note 10.

Supplemental Information

We sometimes use information that is derived from the Consolidated Financial Statements, but that is not presented in accordance with GAAP. Certain of this information is considered to be "non-GAAP financial measures" under the U.S. Securities and Exchange Commission rules. The non-GAAP financial measures should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results.

The following tables show reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures.

We exclude the following items from CASM to determine CASM-Ex:

- *Aircraft fuel and related taxes.* The volatility in fuel prices impacts the comparability of year-over-year financial performance. Management believes the exclusion of aircraft fuel and related taxes (including our contract carriers under capacity purchase arrangements) allows investors to better understand and analyze our non-fuel costs and our year-over-year financial performance.

- *Ancillary businesses*. Ancillary businesses are not related to the generation of a seat mile. These businesses include aircraft maintenance and staffing services we provide to third parties and our vacation wholesale operations.

- *Profit sharing.* Management believes the exclusion of this item provides a more meaningful comparison of our results to the airline industry and prior years' results.

- *Restructuring and other items.* Management believes the exclusion of this item is helpful to investors to evaluate our recurring core operational performance in the period shown.

- *MTM adjustments.* MTM adjustments are based on market prices as of the end of the reporting period for contracts settling in future periods . Such market prices are not necessarily indicative of the actual future value of the underlying hedge in the contract settlement period. Therefore, we adjust fuel expense for these items to arrive at a more meaningful measure of fuel cost.

	Three Months Ended March 31,	
	2013	**2012**
CASM	15.61¢	14.76¢
Items excluded:		
Aircraft fuel and related taxes	(5.33)	(5.34)
Ancillary businesses	(0.35)	(0.44)
Profit sharing	(0.04)	—
Restructuring and other items	(0.19)	0.02
MTM adjustments	0.05	0.28
CASM-Ex	9.75¢	9.28¢

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in market risk from the information provided in "Item 7A. Quantitative and Qualitative Disclosures About Market Risk" in our Form 10-K, other than those discussed below.

The following sensitivity analysis does not consider the effects of a change in demand for air travel, the economy as a whole or actions we may take to seek to mitigate our exposure to a particular risk. For these and other reasons, the actual results of changes in these prices or rates may differ materially from the following hypothetical results.

Aircraft Fuel Price Risk

Changes in aircraft fuel prices materially impact our results of operations. We actively manage our fuel price risk through a hedging program intended to reduce the financial impact on us from changes in the price of jet fuel. This fuel hedging program utilizes several different contract and commodity types. The economic effectiveness of this hedge portfolio is frequently tested against our financial targets. The hedge portfolio is rebalanced from time to time according to market conditions, which may result in locking in gains or losses on hedge contracts prior to their settlement dates.

Our fuel hedge portfolio consists of call options; put options; combinations of two or more call options and put options; swap contracts; and futures contracts. The products underlying the hedge contracts include heating oil, crude oil, jet fuel and diesel fuel, as these commodities are highly correlated with the price of jet fuel that we consume. Our fuel hedge contracts contain margin funding requirements. The margin funding requirements may cause us to post margin to counterparties or may cause counterparties to post margin to us as market prices in the underlying hedged items change. If fuel prices change significantly from the levels existing at the time we enter into fuel hedge contracts, we may be required to post a significant amount of margin. We may adjust our hedge portfolio from time to time in response to margin posting requirements.

For the three months ended March 31, 2013, aircraft fuel and related taxes, including our contract carriers under capacity purchase agreements, accounted for $2.8 billion, or 34%, of our total operating expense. We recognized $77 million of net fuel hedge gains during the three months ended March 31, 2013, including $24 million of mark-to-market gains primarily relating to hedge contracts settling in future periods.

The following table shows the projected cash impact to fuel cost assuming 10% and 20% increases or decreases in fuel prices. The hedge gain (loss) reflects the change in the projected cash settlement value of our open fuel hedge contracts at March 31, 2013 based on their contract settlement dates, assuming the same 10% and 20% changes.

	Nine Months ending December 31, 2013			
(in millions)	**(Increase) Decrease to Unhedged Fuel Cost[(1)]**	**Hedge Gain (Loss)[(2)]**	**Net Impact**	**Fuel Hedge Margin Received from (Posted to) Counterparties**
+ 20%	$ (1,740)	$ 240	$ (1,500)	$ 290
+ 10%	(870)	200	(670)	240
- 10%	870	(60)	810	70
- 20%	1,740	(200)	1,540	(70)

(1) Projections based upon the (increase) decrease to unhedged fuel cost as compared to the jet fuel price per gallon of $2.96, excluding transportation costs and taxes, at March 31, 2013 and estimated fuel consumption of 2.9 billion gallons for the nine months ended December 31, 2013.

(2) Projections based on average futures prices by contract settlement month compared to futures prices at March 31, 2013.

ITEM 4. CONTROLS AND PROCEDURES

Our management, including our Chief Executive Officer and Chief Financial Officer, performed an evaluation of our disclosure controls and procedures, which have been designed to permit us to effectively identify and timely disclose important information. Our management, including our Chief Executive Officer and Chief Financial Officer, concluded that the controls and procedures were effective as of March 31, 2013 to ensure that material information was accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

During the three months ended March 31, 2013, we did not make any changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Delta Air Lines, Inc.

We have reviewed the consolidated balance sheet of Delta Air Lines, Inc. (the Company) as of March 31, 2013, and the related condensed consolidated statements of operations and comprehensive income and the condensed consolidated statements of cash flows for the three-month periods ended March 31, 2013 and 2012. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying condensed consolidated financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Delta Air Lines, Inc. as of December 31, 2012 and the related consolidated statements of operations, comprehensive income (loss), cash flows and stockholders' (deficit) equity for the year ended December 31, 2012 and in our report dated February 12, 2013, we expressed an unqualified opinion on those consolidated financial statements.

Atlanta, Georgia /s/ Ernst & Young LLP
April 24, 2013

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

"Item 3. Legal Proceedings" of our Form 10-K includes a discussion of other legal proceedings. There have been no material changes from the legal proceedings described in our Form 10-K.

ITEM 1A. RISK FACTORS

"Item 1A. Risk Factors" of our Form 10-K includes a discussion of our risk factors. There have been no material changes from the risk factors described in our Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

We withheld the following shares of common stock to satisfy tax withholding obligations during the March 2013 quarter from the distributions described below. These shares may be deemed to be "issuer purchases" of shares that are required to be disclosed pursuant to this Item.

Period	Total Number of Shares Purchased[(1)]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs[(1)]	Maximum Number (or Approximate Dollar Value) of Shares That May Yet Be Purchased Under the Plan or Programs
January 2013	4,821	$ 11.95	4,821	(1)
February 2013	1,411,127	$ 14.17	1,411,127	(1)
March 2013	25,542	$ 16.19	25,542	(1)
Total	1,441,490		1,441,490	

(1) Shares were withheld from employees to satisfy certain tax obligations due in connection with grants of stock under the Delta Air Lines, Inc. 2007 Performance Compensation Plan (the "2007 Plan"). The 2007 Plan provides for the withholding of shares to satisfy tax obligations. It does not specify a maximum number of shares that can be withheld for this purpose.

ITEM 6. EXHIBITS

(a) Exhibits

10.1	Model Award Agreement for the Delta Air Lines, Inc. 2013 Long Term Incentive Program
10.2	Model Award Agreement for the Delta Air Lines, Inc. Transition Award Program
15	Letter from Ernst & Young LLP regarding unaudited interim financial information
31.1	Certification by Delta's Chief Executive Officer with respect to Delta's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2013
31.2	Certification by Delta's Senior Vice President and Chief Financial Officer with respect to Delta's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2013
32	Certification pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code by Delta's Chief Executive Officer and Senior Vice President and Chief Financial Officer with respect to Delta's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2013
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Delta Air Lines, Inc.
(Registrant)

/s/ Craig M. Meynard

Craig M. Meynard
Vice President and Chief Accounting Officer
(Principal Accounting Officer)

April 24, 2013

EXHIBIT 10.1

DELTA AIR LINES, INC. 2013 LONG-TERM INCENTIVE PROGRAM
AWARD AGREEMENT

Date of this Agreement:
Grant Date:

[Name]

This Award Agreement,[including Appendix A hereto] (the "Agreement") describes some of the terms of your award (the "Award") under the Delta Air Lines, Inc. 2013 Long-Term Incentive Program (which is subject to the Delta Air Lines, Inc. 2007 Performance Compensation Plan (the "2007 Performance Plan")) (the "2013 LTIP"). Your Award is subject to the terms of the 2013 LTIP and this Agreement. Capitalized terms that are used but not otherwise defined in this Agreement have the meaning set forth in the 2013 LTIP. In order for this Award to remain effective, you must accept the Award in accordance with Section 9 below on or before the date that is 30 calendar days after the date of this Agreement (the "Acceptance Date"). If you do not accept the Award as required, the Award and this Agreement will become void and of no further effect as of 5:00 pm Eastern Time on the Acceptance Date.

1. **Summary of Award.** Your Award will include Restricted Stock, a Performance Award and a Nonqualified Stock Option (the "Option") as described below. Terms applicable to your Award, including the lapsing of the Restrictions on your Restricted Stock, the vesting and form of payment, if any, of your Performance Award and the exercisability of your Option, are included in the 2013 LTIP. [Terms applicable to the vesting, exercisability and payout of your Award upon a Termination of Employment are included in Appendix A to this Agreement.]

(a) Restricted Stock. You are hereby awarded, on the Grant Date above (the "Grant Date"), Restricted Stock for [NUMBER] shares of Delta Common Stock, par value $0.0001 per share.

(b) Performance Award. You are hereby awarded, on the Grant Date, a Performance Award in a dollar amount equal to 50% of your total 2013 LTIP Target Award. The total dollar amount of your Performance Award, at the target level, is set forth in the 2013 Annual Executive Compensation Statement provided to you by the Company, which relevant parts thereof are made a part of this Agreement and are incorporated into this Agreement by reference.

[(c) Non-Qualified Stock Option . You are hereby awarded, on the Grant Date, an Option exercisable for [NUMBER] of shares of Delta Common Stock. The exercise price of the Option will be the closing price of a share of Common Stock on the New York Stock Exchange on the Grant Date.]

2. **Restrictive Covenants.** In exchange for the Award, you hereby agree as follows:

(a) Trade Secrets. You hereby acknowledge that during the term of your employment with Delta Air Lines, Inc., its subsidiaries and affiliates ("Delta"), you have acquired and will continue to acquire knowledge of secret, confidential and proprietary information regarding Delta and its business that fits within the definition of "trade secrets" under the law of the State of Georgia, including, without limitation, information regarding

Delta's present and future operations, its financial operations, marketing plans and strategies, alliance agreements and relationships, its compensation and incentive programs for employees, and the business methods used by Delta and its employees, and other information which derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy (each, a "Trade Secret"). You hereby agree that for so long as such information remains a Trade Secret as defined by Georgia law, you will hold in a fiduciary capacity for the benefit of Delta and shall not directly or indirectly make use of, on your own behalf or on behalf of others, any Trade Secret, or transmit, reveal or disclose any Trade Secret to any person, concern or entity. Nothing in this Agreement is intended, or shall be construed, to limit the protections of any applicable law protecting trade secrets.

(b) Confidential or Proprietary Information. You further agree that you will hold in a fiduciary capacity for the benefit of Delta, and, during the term of your employment with Delta and for the two year period after such employment terminates, shall not directly or indirectly use or disclose, any Confidential or Proprietary Information, as defined hereinafter, that you acquire (whether or not developed or compiled by you and whether or not you were authorized to have access to such Confidential or Proprietary Information) during the term of, in the course of, or as a result of your employment by Delta. Subject to the provisions set forth below, the term "Confidential or Proprietary Information" as used in this Agreement means the following secret, confidential and proprietary information of Delta not otherwise included in the definition of Trade Secret: all marketing, alliance, advertising and sales plans and strategies; all pricing information; all financial, advertising and product development plans and strategies; all compensation and incentive programs for employees; all alliance agreements, plans and processes; all plans, strategies, and agreements related to the sale of assets; all third party provider agreements, relationships, and strategies; all business methods and processes used by Delta and its employees; all personally identifiable information regarding Delta employees, contractors, and applicants; and all lists of actual or potential customers or suppliers maintained by Delta. The term "Confidential or Proprietary Information" does not include information that has become generally available to the public by the act of one who has the right to disclose such information. Nothing in this Agreement is intended, or shall be construed, to limit the protections of any applicable law protecting confidential or proprietary information.

(c) Employee/Customer Non-Solicitation Agreement. During the term of your employment with Delta and during the [two/one]-year period following the termination of such employment, you will not directly or indirectly (on your own behalf or on behalf of any other person, company, partnership, corporation or other entity), (i) employ or solicit for employment any individual who is a management or professional employee of Delta for employment with any entity or person other than Delta or solicit, encourage or induce any such person to terminate his or her employment with Delta or (ii) induce or attempt to induce any customer, supplier, licensee or other business relation of Delta to cease doing business with Delta, or in any way interfere with the relationship between Delta and any customer, supplier, licensee or other business relation of Delta. The restrictions set forth in clause (i) above shall be limited to those Delta management or professional employees who: (A) were employed by Delta during your employment in a supervisory or administrative job and (B) with whom you had material professional contact during your employment with Delta.

***(d) Non-Competition Agreement*.**

(i) You acknowledge and agree the following:

(A) Delta competes in a worldwide air transportation market that includes passenger transportation and services, air cargo services, repair and maintenance of aircraft and staffing services for third parties, and vacation wholesale, refinery and private jet operations, and Delta's business plan is increasingly international in scope;

(B) the airlines listed below are particular competitors to Delta, and employment or consulting with any of the listed entities would create more harm to Delta than relative to your possible employment or consulting with other entities; and

(C) the restrictions imposed by this paragraph will not prevent you from earning a livelihood, given the large number of worldwide and domestic passenger and cargo air carriers not included in the list below.

(ii) During the term of your employment with Delta and for the [two/one]-year period following the termination of such employment, you will not on your own behalf or on behalf of any person, firm, partnership, association, corporation or business organization, entity or enterprise, whether as an employee, consultant, partner, or in any other capacity provide services that are the same or similar to the services of the type conducted, authorized, offered, or provided by you on the Grant Date (or within two years prior to your termination of employment), to any of the following entities, or the successors thereto, including any successor by merger or acquisition, which you hereby acknowledge are all competitors of Delta: AMR Corporation, American Airlines, Inc., Continental Airlines, Inc., Southwest Airlines Co., United Air Lines, Inc., United Continental Holdings, Inc., US Airways Group, Inc., US Airways, Inc., JetBlue Airways Corporation, AirTran Holdings, LLC, or AirTran Airways, Inc. This restriction will apply to the territory over which you have responsibility on the Grant Date (or had responsibility for at the time of your termination), which territory you acknowledge to be co-extensive with the cities encompassed by Delta's worldwide route structure, as it exists as of the Grant Date or the date of your termination, as appropriate.

(e) Return of Property. You hereby agree that all property belonging to Delta, including records, files, memoranda, reports, personnel information (including benefit files, training records, customer lists, operating procedure manuals, safety manuals, financial statements, price lists and the like), relating to the business of Delta, with which you come in contact in the course of your employment (hereinafter "Delta's Materials") shall, as between the parties hereto, remain the sole property of Delta. You hereby warrant that you shall promptly return all originals and copies of Delta's Materials to Delta at the time your employment terminates.

(f) ***Cooperation.*** You hereby agree that you shall, both during and after your employment with Delta, to the extent requested in writing and reasonable under the circumstances, cooperate with and serve in any capacity requested by Delta in any pending or future litigation in which Delta has an interest, and regarding which you, by virtue of your employment with Delta, have knowledge or information relevant to the litigation.

(g) Clawback. If you are an officer of Delta at or above the Vice President level, you hereby agree that if the Committee determines that you have engaged in fraud or misconduct that caused, in whole or in part, the need for a required restatement of Delta's financial statements filed with the Securities and Exchange Commission, the Committee will review all incentive compensation awarded to or earned by you, including, without limitation, your Award, with respect to fiscal periods materially affected by the restatement and may recover from you all such incentive compensation to the extent the Committee deems appropriate after taking into account the relevant facts and circumstances. Any recoupment hereunder may be in addition to any other remedies that may be available to Delta under applicable law, including, disciplinary action up to and including termination of employment.

3. Dispute Resolution.

(a) Arbitration. You hereby agree that except as expressly set forth below, all disputes and any claims arising out of or under or relating to the Award or this Agreement, including without limitation any dispute or controversy as to the validity, interpretation, construction, application, performance, breach or enforcement of this Agreement, shall be submitted for, and settled by, mandatory, final and binding arbitration in accordance with the Commercial Arbitration Rules then prevailing of the American Arbitration Association. Unless an alternative locale is otherwise agreed in writing by the parties to this Agreement, the arbitration shall be conducted in the City of Wilmington, Delaware. The arbitrator will apply Delaware law to the merits of any dispute or claim without reference to rules of conflicts of law. Any award rendered by the arbitrator shall provide the full remedies available to the parties under the applicable law and shall be final and binding on each of the parties hereto and their heirs, executors, administrators, successors and assigns and judgment may be entered thereon in any court having jurisdiction. You hereby consent to the personal jurisdiction of the state and federal courts in the State of Delaware, with venue in Wilmington, for any action or proceeding arising from or relating to any arbitration under this Agreement. The prevailing party in any such arbitration shall be entitled to an award by the arbitrator of all reasonable attorneys' fees and expenses incurred in connection with the arbitration. However, Delta will pay all fees associated with the American Arbitration Association and the arbitrator. All parties must initial here for this Section 3 to be effective:

__________________ [NAME]

__________________ Delta Air Lines, Inc.-Robert L. Kight-Vice President-Global HR Services & Labor Relations

(b) Injunctive Relief in Aid of Arbitration; Forum Selection. You hereby acknowledge and agree that the provisions contained in Section 2 of this Agreement are reasonably necessary to protect the legitimate business interests of Delta, and that any breach of any of these provisions will result in immediate and irreparable injury to Delta for which monetary damages will not be an adequate remedy. You further acknowledge that if any such provision is breached or threatened to be breached, Delta will be entitled to seek a temporary restraining order, preliminary injunction or other equitable relief in aid of arbitration in any court of competent jurisdiction without the necessity of posting a bond, restraining you from continuing to commit any violation of the covenants, and you hereby irrevocably consent to the jurisdiction of the state and federal courts of the State of Delaware, with venue in Wilmington, which shall have jurisdiction to hear and determine any claim for a temporary restraining order, preliminary injunction or other equitable relief brought against you by Delta in aid of arbitration.

(c) Consequences of Breach. Furthermore, you acknowledge that, in partial consideration for the Award described in the 2013 LTIP and this Agreement, Delta is requiring that you agree to and comply with the terms of Section 2 and you hereby agree that without limiting any of the foregoing, should you violate any of the covenants included in Section 2 above, you will not be entitled to and shall not receive any Awards under the 2013 LTIP and this Agreement and any outstanding Awards will be forfeited.

(d) Tolling. You further agree that in the event the enforceability of any of the restrictions as set forth in Section 2 of this Agreement are challenged and you are not preliminarily or otherwise enjoined from breaching such restriction(s) pending a final determination of the issues, then, if an arbitrator finds that the challenged restriction(s) is enforceable, any applicable time period related to the challenged restriction set forth in such Section shall be deemed tolled upon the filing of the arbitration or action seeking injunctive or other equitable relief in aid of arbitration, whichever is first in time, until the dispute is finally resolved and all periods of appeal have expired.

(e) Governing Law. Unless governed by federal law, this Agreement shall be governed by and construed in accordance with the laws of the State of Georgia, without regard to principles of conflicts of laws of that State.

(f) Waiver of Jury Trial. **TO THE MAXIMUM EXTENT PERMITTED BY LAW, YOU HEREBY KNOWINGLY VOLUNTARILY, AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN CONNECTION WITH AN MATTER ARISING OUT OF, UNDER, IN CONNECTION WITH, OR IN ANY WAY RELATED TO THIS AGREEMENT THIS INCLUDES, WITHOUT LIMITATION, ANY DISPUTE CONCERNING ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENT (WHETHER VERBAL OR WRITTEN), OR ACTION OF DELTA OR YOU, OR ANY EXERCISE BY DELTA OR YOU OF OUR RESPECTIVE RIGHTS UNDER THIS AGREEMENT OR IN ANY WAY RELATING T THIS AGREEMENT. YOU FURTHER ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT FOR DELTA TO ISSUE AND ACCEPT THIS AGREEMENT.**

4. Validity; Severability. In the event that one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such holding shall not affect any other provisions in this Agreement, but this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein. The invalidity, illegality or unenforceability of any provision or provisions of this Agreement will not affect the validity or enforceability of any other provision of this Agreement, which will remain in full force and effect.

5. Authority of the Committee. You acknowledge and agree that the Committee has the sole and complete authority and discretion to construe and interpret the terms of the 2013 LTIP and this Agreement. All determinations of the Committee shall be final and binding for all purposes and upon all persons, including, without limitation, you and Delta, and your heirs and successors. The Committee shall be under no obligation to construe this Agreement or treat the Award in a manner consistent with the treatment provided with respect to other Awards or Participants.

6. **Amendment.** This Agreement may not be amended or modified except by written agreement signed by you and Delta; *provided*, *however*, you acknowledge and agree that Delta may unilaterally amend the clawback provision set forth in Section 2(g) of this Agreement to the extent required to be in compliance with any applicable law or regulation or Delta's internal clawback policy, as it may be amended from time to time.

7. Acknowledgement. By signing this Agreement: (a) you acknowledge that you have had a full and adequate opportunity to read this Agreement and you agree with every term and provision herein, including without limitation, the terms of Sections 2, 3, 4, 5 and 6; (b) you acknowledge that you have received and had a full and adequate opportunity to read the 2013 LTIP; (c) you agree, on behalf of yourself and on behalf of any designated beneficiary and your heirs, executors, administrators and personal representatives, to all of the terms and conditions contained in this Agreement and the 2013 LTIP; and (d) you consent to receive all material regarding any awards under the 2013 LTIP, including any prospectuses, electronically with an e-mail notification to your work e-mail address.

8. Entire Agreement. This Agreement, together with the 2013 LTIP (the terms of which are made a part of this Agreement and are incorporated into this Agreement by reference), constitute the entire agreement between you and Delta with respect to the Award.

9. Acceptance of this Award. If you agree to all of the terms of this Agreement and would like to accept this Award, you must sign and date the Agreement where indicated below and, if you do not accept the Award electronically, return an original signed version of this Agreement to Mary Steele, either by hand or by mail to Department 936, P.O. Box 20706, Atlanta, Georgia 30320, as set forth on page 1 of this Agreement. If you have any questions regarding how to accept your Award, please contact Ms. Steele at (404) 715-6333. Delta hereby acknowledges and agrees that its legal obligation to make the Award to you shall become effective when you sign this Agreement.

10. Electronic Signature. All references to signatures and delivery of documents in this Agreement can be satisfied by procedures that the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents, including this Agreement. Your electronic signature is the same as, and shall have the same force and effect as, your manual signature. Any such procedures and delivery may be effected by a third party engaged by the Company to provide administrative services related to the 2013 LTIP.

(*Signature Page Follows*)

You and Delta, each intending to be bound legally, agree to the matters set forth above by signing this Agreement, all as of the date set forth below.

DELTA AIR LINES, INC.

By___________________________

Name: Robert L. Kight

Title: Vice President-Global HR Services & Labor Relations

PARTICIPANT

____

[NAME]

____

Date

[APPENDIX A

The terms of this Appendix A shall apply to the Award set forth in the Agreement to which this Appendix is attached. Capitalized terms that are used but not otherwise defined in the Agreement have the meaning set forth in the 2013 LTIP and the 2007 Performance Plan.

RESTRICTED STOCK

1. *Lapse of Restrictions/Forfeiture upon Termination of Employment*. The Restricted Stock and the Restrictions set forth in the 2013 LTIP are subject to the following terms and conditions, which terms and conditions shall supersede and replace Sections 4(a)(v) and (vi) of the 2013 LTIP.

(a) *Qualifying Termination of Employment*. Upon a Participant's Qualifying Termination of Employment (as such term is hereinafter defined), with respect to any portion of the Restricted Stock subject to the Restrictions, the Restrictions shall lapse and be of no further force or effect as of the dates set forth in Section 4(a)(iv) of the 2013 LTIP in the same manner and to the same extent as if the Participant's employment had continued.

(b) *Disqualifying Termination of Employment*. Upon a Participant's Disqualifying Termination of Employment (as such term is hereinafter defined), any portion of the Restricted Stock subject to the Restrictions shall be immediately forfeited.

(c) *Death or Disability*. Upon a Participant's Termination of Employment due to death or Disability, the Restrictions shall immediately lapse and be of no further force or effect as of the date of such Termination of Employment.

(d) *Change in Control*. Notwithstanding the forgoing and subject to Section 5 of the 2013 LTIP, upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason on or after a Change in Control but prior to the second anniversary of such Change in Control, any Restrictions in effect shall immediately lapse on the date of such Termination of Employment and be of no further force or effect as of such date.

2. *Definitions*.

(a) ***"Qualifying Termination of Employment"*** means a Participant's Termination of Employment (i) by the Company without Cause or (ii) by the Participant with or without Good Reason or by reason of Retirement.

(b) ***Disqualifying Termination of Employment"*** means a Participant's Termination of Employment by the Company for Cause.

PERFORMANCE AWARD

1. *Accelerated Vesting/Forfeiture upon Termination of Employment-Excluding Return on Invested Capital)*. The portion of the Performance Award attributable to Average Annual Operating Income Margin and Customer Service Performance is subject to the following terms and conditions, which terms and conditions shall supersede and replace Section 4(b)(vii) of the 2013 LTIP.

(a) *Qualifying Termination of Employment*. Upon a Participant's Qualifying Termination of Employment, the Participant will remain eligible for any unpaid Performance Award attributable to Average Annual Operating Income Margin and Customer Service Performance, which award will vest and become payable under Section 4(b)(v) of the 2013 LTIP in the same manner and to the same extent as if the Participant's employment had continued.

(b) *Disqualifying Termination of Employment*. Upon a Participant's Disqualifying Termination of Employment, the Participant will immediately forfeit any unpaid portion of the Performance Award attributable to Average Annual Operating Income Margin and Customer Service Performance as of the date of such Termination of Employment.

(c) *Death or Disability*. Upon a Participant's Termination of Employment due to death or Disability, the portion of the Participant's Performance Award attributable to Average Annual Operating Income Margin and Customer Service Performance will immediately become vested at the target level and such amount will be paid in cash as soon as practicable thereafter to the Participant or the Participant's estate, as applicable.

2. *Accelerated Vesting/Forfeiture upon Termination of Employment-Return on Invested Capital*. The portion of the Performance Award attributable to Return on Invested Capital is subject to the following terms and conditions, which terms and conditions shall supersede and replace Section 4(b)(viii) of the 2013 LTIP.

(a) *Qualifying Termination of Employment*. Upon a Participant's Qualifying Termination of Employment, the Participant will remain eligible for any unpaid Performance Award attributable to Return on Invested Capital, including any Earned Awards, which award will vest and become payable under Section 4(b)(v) of the 2013 LTIP in the same manner and to the same extent as if the Participant's employment had continued.

(b) *Disqualifying Termination of Employment.* Upon a Participant's Disqualifying Termination of Employment, the Participant will immediately forfeit any unpaid portion of the Performance Award attributable to Return on Invested Capital, including any Earned Awards, as of the date of such Termination of Employment.

(c) *Death or Disability.* Upon a Participant's Termination of Employment due to death or Disability, the Participant will be eligible to receive: (i) payment of any Earned Awards, which Earned Awards will immediately become vested and such amount will be paid in cash as soon as practicable thereafter to the Participant or the Participant's estate, as applicable and (ii) with respect to any remaining ROIC Installment(s) outstanding as of the date of the Participant's Termination of Employment, the Participant's ROIC Installment(s) will immediately become vested at the target level and such amount will be paid in cash as soon as practicable thereafter to the Participant or the Participant's estate, as applicable.

3. *Change in Control*. Notwithstanding the forgoing and subject to Section 5 of the 2013 LTIP, upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason on or after a Change in Control but prior to the second anniversary of such Change in Control, the Participant's outstanding Performance Award shall immediately

become vested at the target level (or, with respect to any Earned Award, at the level at which it was earned) and such amount will be paid in cash to the Participant as soon as practicable. With respect to any Participant who incurs a Termination of Employment by the Company without Cause or who resigns for Good Reason prior to a Change in Control, if a Change in Control occurs thereafter during the Performance Period, such Participant's Performance Award, ROIC Installments and Earned Awards, if any, will immediately become vested and be paid in cash to the Participant as soon as practicable. This paragraph 3 shall supersede and replace Section 4(b)(ix) of the 2013 LTIP.]

[OPTION

1. *Change in Exercisability and Exercise Period upon Termination of Employment*. The exercisability of the Option and the exercise period set forth in the 2013 LTIP is subject to the following terms and conditions:

(a) *Qualifying Termination of Employment.* Upon a Participant's Qualifying Termination of Employment, any portion of the Option that is not exercisable at the time of such Qualifying Termination of Employment (i) will vest and become exercisable, if applicable, under Section 4(d)(iv) of the 2013 LTIP in the same manner and to the same extent as if the Participant's employment had continued and (ii) the entire then exercisable portion of the Option, as applicable, shall be exercisable during the period: (A) beginning on the applicable Option vesting date and (B) ending on the earlier of (1) the later of the third anniversary of (I) such Termination of Employment or (II) the applicable Option vesting date or (2) the Expiration Date.

(b) *Disqualifying Termination of Employment.* Upon a Participant's Disqualifying Termination of Employment, any unexercised portion of the Option shall be immediately forfeited, including any portion that was then exercisable.

(c) *Death or Disability.* Upon a Participant's Termination of Employment due to death or Disability, any portion of the Option that is not exercisable at the time of such Termination of Employment shall vest and become exercisable and the then exercisable portion of the Option shall be exercisable during the period: (i) beginning on the date of such Termination of Employment and (ii) ending on the earlier of (A) the third anniversary of such Termination of Employment or (B) the Expiration Date.

(d) *Change in Control*. Notwithstanding the foregoing and subject to Section 5 of the 2013 LTIP, upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason on or after a Change in Control but prior to the second anniversary of such Change in Control, any portion of the Option that is not exercisable at the time of such Termination of Employment shall vest and become exercisable, and the entire then exercisable portion of the Option shall be exercisable during the period (i) beginning on the date of such Termination of Employment and (ii) ending on the earlier of (A) the third anniversary of such Termination of Employment or (B) the Expiration Date.]]

EXHIBIT 10.2

DELTA AIR LINES, INC. TRANSITION AWARD PROGRAM
AWARD AGREEMENT

Date of this Agreement:
Grant Date:

[Name]

This Award Agreement, [including Appendix A hereto] (the "Agreement") describes some of the terms of your award (the "Award") under the Delta Air Lines, Inc. Transition Award Program (which is subject to the Delta Air Lines, Inc. 2007 Performance Compensation Plan (the "2007 Performance Plan")) (the "TAP"). Your Award is subject to the terms of the TAP and this Agreement.Capitalized terms that are used but not otherwise defined in this Agreement have the meaning set forth in the TAP. In order for this Award to remain effective, you must accept the Award in accordance with Section 9 below on or before the date that is 30 calendar days after the date of this Agreement (the "Acceptance Date"). If you do not accept the Award as required, the Award and this Agreement will become void and of no further effect as of 5:00 pm Eastern Time on the Acceptance Date.

1. **Summary of Award.** Your Award will include Restricted Stock and a Performance Award as described below. Terms applicable to your Award, including the lapsing of the Restrictions on your Restricted Stock and the vesting and form of payment, if any, of your Performance Award are included in the TAP. [Terms applicable to the vesting and payout of your Award upon a Termination of Employment are included in Appendix A to this Agreement.]

(a) Restricted Stock. You are hereby awarded, on the Grant Date above (the "Grant Date"), Restricted Stock for [NUMBER] shares of Delta Common Stock, par value $0.0001 per share.

(b) Performance Award. You are hereby awarded, on the Grant Date, a Performance Award in a dollar amount equal to 50% of your total TAP Target Award. The total dollar amount of your Performance Award, at the target level, is set forth in the 2013 Annual Executive Compensation Statement provided to you by the Company, which relevant parts thereof are made a part of this Agreement and are incorporated into this Agreement by reference.

2. **Restrictive Covenants.** In exchange for the Award, you hereby agree as follows:

(a) Trade Secrets. You hereby acknowledge that during the term of your employment with Delta Air Lines, Inc., its subsidiaries and affiliates ("Delta"), you have acquired and will continue to acquire knowledge of secret, confidential and proprietary information regarding Delta and its business that fits within the definition of "trade secrets" under the law of the State of Georgia, including, without limitation, information regarding Delta's present and future operations, its financial operations, marketing plans and strategies, alliance agreements and relationships, its compensation and incentive programs for employees, and the business methods used by Delta and its employees, and other information which derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy (each, a "Trade Secret"). You hereby agree that for so long as such information remains a Trade Secret as defined by Georgia law, you will hold in a fiduciary capacity for the benefit of Delta and shall not directly or indirectly make use of, on your own behalf or on behalf of others, any Trade Secret, or transmit, reveal or disclose any Trade Secret to any person, concern or entity. Nothing in this Agreement is intended, or shall be construed, to limit the protections of any applicable law protecting trade secrets.

(b) Confidential or Proprietary Information. You further agree that you will hold in a fiduciary capacity for the benefit of Delta, and, during the term of your employment with Delta and for the two year period after such employment terminates, shall not directly or indirectly use or disclose, any Confidential or Proprietary Information, as defined hereinafter, that you acquire (whether or not developed or compiled by you and whether or not you were authorized to have access to such Confidential or Proprietary Information) during the term of, in the course of, or as a result of your employment by Delta. Subject to the provisions set forth below, the term "Confidential or Proprietary Information" as used in this Agreement means the following secret, confidential and proprietary information of Delta not otherwise included in the definition of Trade Secret: all marketing, alliance, advertising and sales plans and strategies; all pricing information; all financial, advertising and product development plans and strategies; all compensation and incentive programs for employees; all alliance agreements, plans and processes; all plans, strategies, and agreements related to the sale of assets; all third party provider agreements, relationships, and strategies; all business methods and processes used by Delta and its employees; all personally identifiable information regarding Delta employees, contractors, and applicants; and all lists of actual or potential customers or suppliers maintained by Delta. The term "Confidential or Proprietary Information" does not include information that has become generally available to the public by the act of one who has the right to disclose such information. Nothing in this Agreement is intended, or shall be construed, to limit the protections of any applicable law protecting confidential or proprietary information.

(c) Employee/Customer Non-Solicitation Agreement. During the term of your employment with Delta and during the [two/one]-year period following the termination of such employment, you will not directly or indirectly (on your own behalf or on behalf of any other person, company, partnership, corporation or other entity), (i) employ or solicit for employment any individual who is a management or professional employee of Delta for employment with any entity or person other than Delta or solicit, encourage or induce any such person to terminate their employment with Delta or (ii) induce or attempt to induce any customer, supplier, licensee or other business relation of Delta to cease doing business with Delta, or in any way interfere with the relationship between Delta and any customer, supplier, licensee or other business relation of Delta. The restrictions set forth in clause (i) above shall be limited to those Delta management or professional employees who: (A) were employed by Delta during your employment in a supervisory or administrative job; and (B) with whom you had material professional contact during your employment with Delta.

(d) Non-Competition Agreement.

(i) You acknowledge and agree the following:

(A) Delta competes in a worldwide air transportation market that includes passenger transportation and services, air cargo services, repair and maintenance of aircraft and staffing services

for third parties, and vacation wholesale, refinery and private jet operations, and Delta's business plan is increasingly international in scope;

(B) the airlines listed below are particular competitors to Delta, and employment or consulting with any of the listed entities would create more harm to Delta than relative to your possible employment or consulting with other entities; and

(C) the restrictions imposed by this paragraph will not prevent you from earning a livelihood, given the large number of worldwide and domestic passenger and cargo air carriers not included in the list below.

(ii) During the term of your employment with Delta and for the [two/one]-year period following the termination of such employment, you will not on your own behalf or on behalf of any person, firm, partnership, association, corporation or business organization, entity or enterprise, whether as an employee, consultant, partner, or in any other capacity provide services that are the same or similar to the services of the type conducted, authorized, offered, or provided by you on the Grant Date (or within two years prior to your termination of employment), to any of the following entities, or the successors thereto, including any successor by merger or acquisition, which you hereby acknowledge are all competitors of Delta: AMR Corporation, American Airlines, Inc., Continental Airlines, Inc., Southwest Airlines Co., United Air Lines, Inc., United Continental Holdings, Inc., US Airways Group, Inc., US Airways, Inc., JetBlue Airways Corporation, AirTran Holdings, LLC, or AirTran Airways, Inc. This restriction will apply to the territory over which you have responsibility on the Grant Date (or had responsibility for at the time of your termination), which territory you acknowledge to be co-extensive with the cities encompassed by Delta's worldwide route structure, as it exists as of the Grant Date or the date of your termination, as appropriate.

(e) Return of Property. You hereby agree that all property belonging to Delta, including records, files, memoranda, reports, personnel information (including benefit files, training records, customer lists, operating procedure manuals, safety manuals, financial statements, price lists and the like), relating to the business of Delta, with which you come in contact in the course of your employment (hereinafter "Delta's Materials") shall, as between the parties hereto, remain the sole property of Delta. You hereby warrant that you shall promptly return all originals and copies of Delta's Materials to Delta at the time your employment terminates.

(f) Cooperation. You hereby agree that you shall, both during and after your employment with Delta, to the extent requested in writing and reasonable under the circumstances, cooperate with and serve in any capacity requested by Delta in any pending or future litigation in which Delta has an interest, and regarding which you, by virtue of your employment with Delta, have knowledge or information relevant to the litigation.

(g) Clawback. If you are an officer of Delta at or above the Vice President level, you hereby agree that if the Committee determines that you have engaged in fraud or misconduct that caused, in whole or in part, the need for a required restatement of Delta's financial statements filed with the Securities and Exchange Commission, the Committee will review all incentive compensation awarded to or earned by you, including, without limitation, your Award, with respect to fiscal periods materially affected by the restatement and may recover from you all such incentive compensation to the extent the Committee deems appropriate after taking into account the relevant facts and circumstances. Any recoupment hereunder may be in addition to any other remedies that may be available to Delta under applicable law, including, disciplinary action up to and including termination of employment.

3. Dispute Resolution.

(a) Arbitration. You hereby agree that except as expressly set forth below, all disputes and any claims arising out of or under or relating to the Award or this Agreement, including without limitation any dispute or controversy as to the validity, interpretation, construction, application, performance, breach or enforcement of this Agreement, shall be submitted for, and settled by, mandatory, final and binding arbitration in accordance with the Commercial Arbitration Rules then prevailing of the American Arbitration Association. Unless an alternative locale is otherwise agreed in writing by the parties to this Agreement, the arbitration shall be conducted in the City of Wilmington, Delaware. The arbitrator will apply Delaware law to the merits of any dispute or claim without reference to rules of conflicts of law. Any award rendered by the arbitrator shall provide the full remedies available to the parties under the applicable law and shall be final and binding on each of the parties hereto and their heirs, executors, administrators, successors and assigns and judgment may be entered thereon in any court having jurisdiction. You hereby consent to the personal jurisdiction of the state and federal courts in the State of Delaware, with venue in Wilmington, for any action or proceeding arising from or relating to any arbitration under this Agreement. The prevailing party in any such arbitration shall be entitled to an award by the arbitrator of all reasonable attorneys' fees and expenses incurred in connection with the arbitration. However, Delta will pay all fees associated with the American Arbitration Association and the arbitrator. All parties must initial here for this Section 3 to be effective:

_______________________________ [NAME]

_______________________________ Delta Air Lines, Inc.-Robert L. Kight-Vice President-Global HR Services & Labor Relations

(b) Injunctive Relief in Aid of Arbitration; Forum Selection. You hereby acknowledge and agree that the provisions contained in Section 2 of this Agreement are reasonably necessary to protect the legitimate business interests of Delta, and that any breach of any of these provisions will result in immediate and irreparable injury to Delta for which monetary damages will not be an adequate remedy. You further acknowledge that if any such provision is breached or threatened to be breached, Delta will be entitled to seek a temporary restraining order, preliminary injunction or other equitable relief in aid of arbitration in any court of competent jurisdiction without the necessity of posting a bond, restraining you from continuing to commit any violation of the covenants, and you hereby irrevocably consent to the jurisdiction of the state and federal courts of the State of Delaware, with venue in Wilmington, which shall have jurisdiction to hear and determine any claim for a temporary restraining order, preliminary injunction or other equitable relief brought against you by Delta in aid of arbitration.

(c) Consequences of Breach. Furthermore, you acknowledge that, in partial consideration for the Award described in the TAP and this Agreement, Delta is requiring that you agree to and comply with the terms of Section 2 and you hereby agree that without limiting any of the foregoing, should you violate any of the covenants included in Section 2 above, you will not be entitled to and shall not receive any Awards under the TAP and this Agreement and any outstanding Awards will be forfeited.

(d) Tolling. You further agree that in the event the enforceability of any of the restrictions as set forth in Section 2 of this Agreement are challenged and you are not preliminarily or otherwise enjoined from breaching such restriction(s) pending a final determination of the issues, then, if an arbitrator finds that the challenged restriction(s) is enforceable, any applicable time period related to the challenged restriction set forth in such Section shall be deemed tolled upon the filing of the arbitration or action seeking injunctive or other equitable relief in aid of arbitration, whichever is first in time, until the dispute is finally resolved and all periods of appeal have expired.

(e) Governing Law. Unless governed by federal law, this Agreement shall be governed by and construed in accordance with the laws of the State of Georgia, without regard to principles of conflicts of laws of that State.

(f) Waiver of Jury Trial. **TO THE MAXIMUM EXTENT PERMITTED BY LAW, YOU HEREBY KNOWINGLY VOLUNTARILY, AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN CONNECTION WITH ANY MATTER ARISING OUT OF, UNDER, IN CONNECTION WITH, OR IN ANY WAY RELATED TO THIS AGREEMENT THIS INCLUDES, WITHOUT LIMITATION, ANY DISPUTE CONCERNING ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENT (WHETHER VERBAL OR WRITTEN), OR ACTION OF DELTA OR YOU, OR ANY EXERCISE BY DELTA OR YOU OF OUR RESPECTIVE RIGHTS UNDER THIS AGREEMENT OR IN ANY WAY RELATING TO THIS AGREEMENT. YOU FURTHER ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT FOR DELTA TO ISSUE AND ACCEPT THIS AGREEMENT.**

4. <u>Validity; Severability</u>. In the event that one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such holding shall not affect any other provisions in this Agreement, but this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein. The invalidity, illegality or unenforceability of any provision or provisions of this Agreement will not affect the validity or enforceability of any other provision of this Agreement, which will remain in full force and effect.

5. <u>Authority of the Committee</u>. You acknowledge and agree that the Committee has the sole and complete authority and discretion to construe and interpret the terms of the TAP and this Agreement. All determinations of the Committee shall be final and binding for all purposes and upon all persons, including, without limitation, you and Delta, and your heirs and successors. The Committee shall be under no obligation to construe this Agreement or treat the

Award in a manner consistent with the treatment provided with respect to other Awards or Participants.

6. **Amendment.** This Agreement may not be amended or modified except by written agreement signed by you and Delta; *provided*, *however*, you acknowledge and agree that Delta may unilaterally amend the clawback provision set forth in Section 2(g) of this Agreement to the extent required to be in compliance with any applicable law or regulation or Delta's internal clawback policy, as it may be amended from time to time.

7. Acknowledgement. By signing this Agreement: (a) you acknowledge that you have had a full and adequate opportunity to read this Agreement and you agree with every term and provision herein, including without limitation, the terms of Sections 2, 3, 4, 5 and 6; (b) you acknowledge that you have received and had a full and adequate opportunity to read the TAP; (c) you agree, on behalf of yourself and on behalf of any designated beneficiary and your heirs, executors, administrators and personal representatives, to all of the terms and conditions contained in this Agreement and the TAP; and (d) you consent to receive all material regarding any awards under the TAP, including any prospectuses, electronically with an e-mail notification to your work e-mail address.

8. Entire Agreement. This Agreement, together with the TAP (the terms of which are made a part of this Agreement and are incorporated into this Agreement by reference), constitute the entire agreement between you and Delta with respect to the Award.

9. Acceptance of this Award. If you agree to all of the terms of this Agreement and would like to accept this Award, you must sign and date the Agreement where indicated below and, if you do not accept the Award electronically, return an original signed version of this Agreement to Mary Steele, either by hand or by mail to Department 936, P.O. Box 20706, Atlanta, Georgia 30320, as set forth on page 1 of this Agreement. If you have any questions regarding how to accept your Award, please contact Ms. Steele at (404) 715-6333. Delta hereby acknowledges and agrees that its legal obligation to make the Award to you shall become effective when you sign this Agreement.

10. Electronic Signature. All references to signatures and delivery of documents in this Agreement can be satisfied by procedures that the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents, including this Agreement. Your electronic signature is the same as, and shall have the same force and effect as, your manual signature. Any such procedures and delivery may be effected by a third party engaged by the Company to provide administrative services related to the TAP.

(*Signature Page Follows*)

You and Delta, each intending to be bound legally, agree to the matters set forth above by signing this Agreement, all as of the date set forth below.

DELTA AIR LINES, INC.

By________________________
Name: Robert L. Kight
Title: Vice President-Global HR Services & Labor Relations

PARTICIPANT

____
[Name]

____
Date:

[APPENDIX A

The terms of this Appendix A shall apply to the Award set forth in the Agreement to which this Appendix is attached. Capitalized terms that are used but not otherwise defined in the Agreement have the meaning set forth in the TAP and the 2007 Performance Plan.

RESTRICTED STOCK

1. *Lapse of Restrictions/Forfeiture upon Termination of Employment*. The Restricted Stock and the Restrictions set forth in the TAP are subject to the following terms and conditions, which terms and conditions shall supersede and replace Sections 4(a)(v) and (vi) of the TAP.

(a) *Qualifying Termination of Employment*. Upon a Participant's Qualifying Termination of Employment (as such term is hereinafter defined), with respect to any portion of the Restricted Stock subject to the Restrictions, the Restrictions shall lapse and be of no further force or effect as of the dates set forth in Section 4(a)(iv) of the TAP in the same manner and to the same extent as if the Participant's employment had continued.

(b) *Disqualifying Termination of Employment*. Upon a Participant's Disqualifying Termination of Employment (as such term is hereinafter defined), any portion of the Restricted Stock subject to the Restrictions shall be immediately forfeited.

(c) *Death or Disability*. Upon a Participant's Termination of Employment due to death or Disability, the Restrictions shall immediately lapse and be of no further force or effect as of the date of such Termination of Employment.

(d) *Change in Control*. Notwithstanding the forgoing and subject to Section 5 of the TAP, upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason on or after a Change in Control but prior to the second anniversary of such Change in Control, any Restrictions in effect shall immediately lapse on the date of such Termination of Employment and be of no further force or effect as of such date.

2. *Definitions*.

(a) ***"Qualifying Termination of Employment"*** means a Participant's Termination of Employment (i) by the Company without Cause or (ii) by the Participant with or without Good Reason or by reason of Retirement.

(b) ***Disqualifying Termination of Employment"*** means a Participant's Termination of Employment by the Company for Cause.

PERFORMANCE AWARD

1. *Accelerated Vesting/Forfeiture upon Termination of Employment-Excluding Return on Invested Capital)*. The portion of the Performance Award attributable to Average Annual Operating Income Margin and Customer Service Performance is subject to the following terms and conditions, which terms and conditions shall supersede and replace Section 4(b)(vii) of the TAP.

(a) *Qualifying Termination of Employment*. Upon a Participant's Qualifying Termination of Employment, the Participant will remain eligible for any unpaid Performance Award attributable to Average Annual Operating Income Margin and Customer Service Performance, which award will vest and become payable under Section 4(b)(v) of the TAP in the same manner and to the same extent as if the Participant's employment had continued.

(b) *Disqualifying Termination of Employment*. Upon a Participant's Disqualifying Termination of Employment, the Participant will immediately forfeit any unpaid portion of the Performance Award attributable to Average Annual Operating Income Margin and Customer Service Performance as of the date of such Termination of Employment.

(c) *Death or Disability*. Upon a Participant's Termination of Employment due to death or Disability, the portion of the Participant's Performance Award attributable to Average Annual Operating Income Margin and Customer Service Performance will immediately become vested at the target level and such amount will be paid in cash as soon as practicable thereafter to the Participant or the Participant's estate, as applicable.

2. *Accelerated Vesting/Forfeiture upon Termination of Employment-Return on Invested Capital*. The portion of the Performance Award attributable to Return on Invested Capital is subject to the following terms and conditions, which terms and conditions shall supersede and replace Section 4(b)(viii) of the TAP.

(a) *Qualifying Termination of Employment*. Upon a Participant's Qualifying Termination of Employment, the Participant will remain eligible for any unpaid Performance Award attributable to Return on Invested Capital, including any Earned Awards, which award will vest and become payable under Section 4(b)(v) of the TAP in the same manner and to the same extent as if the Participant's employment had continued.

(b) *Disqualifying Termination of Employment.* Upon a Participant's Disqualifying Termination of Employment, the Participant will immediately forfeit any unpaid portion of the Performance Award attributable to Return on Invested Capital, including any Earned Awards, as of the date of such Termination of Employment.

(c) *Death or Disability.* Upon a Participant's Termination of Employment due to death or Disability, the Participant will be eligible to receive: (i) payment of any Earned Awards, which Earned Awards will immediately become vested and such amount will be paid in cash as soon as practicable thereafter to the Participant or the Participant's estate, as applicable and (ii) with respect to any remaining ROIC Installment(s) outstanding as of the date of the Participant's Termination of Employment, the Participant's ROIC Installment(s) will immediately become vested at the target level and such amount will be paid in cash as soon as practicable thereafter to the Participant or the Participant's estate, as applicable.

3. *Change in Control*. Notwithstanding the forgoing and subject to Section 5 of the TAP, upon a Participant's Termination of Employment by the Company without Cause or by the Participant for Good Reason on or after a Change in Control but prior to the second anniversary of such Change in Control, the Participant's outstanding Performance Award shall immediately

become vested at the target level (or, with respect to any Earned Award, at the level at which it was earned) and such amount will be paid in cash to the Participant as soon as practicable. With respect to any Participant who incurs a Termination of Employment by the Company without Cause or who resigns for Good Reason prior to a Change in Control, if a Change in Control occurs thereafter during the Performance Period, such Participant's Performance Award, ROIC Installments and Earned Awards, if any, will immediately become vested and be paid in cash to the Participant as soon as practicable. This paragraph 3 shall supersede and replace Section 4(b)(ix) of the TAP.]

Exhibit 15

April 24, 2013

To the Board of Directors and Stockholders of
Delta Air Lines, Inc.

We are aware of the incorporation by reference in the Registration Statements (Form S-8 No.'s 333-142424, 333-149308, 333-154818, and 333-151060 and Form S-3 No. 333-167811) of Delta Air Lines, Inc. for the registration of shares of its common stock of our report dated April 24, 2013 relating to the unaudited condensed consolidated interim financial statements of Delta Air Lines, Inc. that are included in its Form 10-Q for the quarter ended March 31, 2013.

/s/ Ernst & Young LLP

Exhibit 31.1

I, Richard H. Anderson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Delta Air Lines, Inc. (“Delta”) for the quarterly period ended March 31, 2013;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Delta as of, and for, the periods presented in this report;
4. Delta's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for Delta and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Delta, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of Delta's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in Delta's internal control over financial reporting that occurred during Delta's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, Delta's internal control over financial reporting; and
5. Delta's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Delta's auditors and the Audit Committee of Delta's Board of Directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Delta's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in Delta's internal control over financial reporting.

April 24, 2013

/s/ Richard H. Anderson

Richard H. Anderson
Chief Executive Officer

Exhibit 31.2

I, Paul A. Jacobson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Delta Air Lines, Inc. (“Delta”) for the quarterly period ended March 31, 2013;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Delta as of, and for, the periods presented in this report;
4. Delta's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for Delta and have:
    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Delta, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    (c) Evaluated the effectiveness of Delta's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    (d) Disclosed in this report any change in Delta's internal control over financial reporting that occurred during Delta's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, Delta's internal control over financial reporting; and
5. Delta's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Delta's auditors and the Audit Committee of Delta's Board of Directors (or persons performing the equivalent functions):
    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Delta's ability to record, process, summarize and report financial information; and
    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in Delta's internal control over financial reporting.

April 24, 2013

/s/ Paul A. Jacobson

Paul A. Jacobson
Senior Vice President and Chief Financial Officer

Exhibit 32

April 24, 2013
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

Ladies and Gentlemen:

The certifications set forth below are hereby submitted to the Securities and Exchange Commission pursuant to, and solely for the purpose of complying with, Section 1350 of Chapter 63 of Title 18 of the United States Code in connection with the filing on the date hereof with the Securities and Exchange Commission of the quarterly report on Form 10-Q of Delta Air Lines, Inc. ("Delta") for the quarterly period ended March 31, 2013 (the "Report").

Each of the undersigned, the Chief Executive Officer and the Senior Vice President and Chief Financial Officer, respectively, of Delta, hereby certifies that, as of the end of the period covered by the Report:

1. such Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Delta.

/s/ Richard H. Anderson
Richard H. Anderson
Chief Executive Officer

/s/ Paul A. Jacobson
Paul A. Jacobson
Senior Vice President and Chief Financial Officer