FORM 10−K

DELTA AIR LINES INC /DE/ − DAL

Filed: September 28, 1995 (period: June 30, 1995)

Annual report which provides a comprehensive overview of the company for the past year

EX-27

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended June 30, 1995

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

Commission file number 1-5424

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

Delaware	58-0218548
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
Hartsfield Atlanta International Airport Atlanta, Georgia	30320
(Address of principal executive offices)	(Zip code)

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

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

Title of each class	Name of each exchange on which registered
Common Stock, par value $3.00 per share	New York Stock Exchange
Preferred Stock Purchase Rights	New York Stock Exchange
Depositary Shares, each representing 1/1,000 of a share of Series C Convertible Preferred Stock	New York Stock Exchange

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

Series C Convertible Preferred Stock, par value $1.00 per share, liquidation preference $50,000 per share
(Title of class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No ___

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

The aggregate market value of the voting stock held by non-affiliates of the registrant as of August 31, 1995, was approximately $4,281,249,000. As of August 31, 1995, 51,144,098 shares of the registrant's common stock were outstanding.

Documents Incorporated By Reference

Parts I and II of this Form 10-K incorporate by reference certain information from the registrant's 1995 Annual Report to Stockholders. Part III of this Form 10-K incorporates by reference certain information from the registrant's definitive Proxy Statement dated September 15, 1995, for its Annual Meeting of Stockholders to be held on October 26, 1995.

PART I

ITEM 1. BUSINESS

General Description

Delta Air Lines, Inc. ("Delta" or the "Company") is a major air carrier providing scheduled air transportation for passengers, freight and mail over a network of routes throughout the United States and abroad. Based on calendar 1994 data, Delta is the largest United States airline as measured by aircraft departures and passengers enplaned, and the third largest United States airline as measured by operating revenues and revenue passenger miles flown. At September 1, 1995, the Company served 153 domestic cities in 43 states, the District of Columbia, Puerto Rico and the United States Virgin Islands, as well as 51 cities in 31 foreign countries.

An important characteristic of Delta's domestic route system is its four hub airports in Atlanta, Cincinnati, Dallas/Ft. Worth and Salt Lake City. Each of these hub operations includes Delta flights that gather and distribute traffic from markets in the geographic region surrounding the hub to other major cities and to other Delta hubs. These hubs also provide access to Delta's international hub at New York's Kennedy Airport, its Pacific gateway in Portland, Oregon and its European hub in Frankfurt, Germany.

Delta conducts operations in various foreign countries, principally in North America, Europe, the Middle East and Asia. Operating revenues from the Company's foreign operations were approximately $2.6 billion, $2.5 billion and $2.3 billion in the years ended June 30, 1995, 1994 and 1993, respectively.

For the year ended June 30, 1995, passenger revenues accounted for 92% of Delta's operating revenues. Cargo revenues, which include freight and mail, accounted for 5% of Delta's operating revenues, and other sources accounted for 3% of the Company's operating revenues.

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

Delta is incorporated under the laws of the State of Delaware. Its principal executive offices are located at Hartsfield Atlanta International Airport, Atlanta, Georgia 30320, and its telephone number is (404) 715-2600.

Regulatory Environment

While the United States Department of Transportation (the "DOT") and the Federal Aviation Administration (the "FAA") exercise regulatory authority over air carriers under the

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

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

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

The FAA has implemented a number of provisions and requirements which are being incorporated into Delta's maintenance programs. These matters relate to, among other things, inspection and maintenance of aging aircraft, and corrosion control. Based on its current implementation schedule, Delta expects to be in compliance with applicable requirements within the required time periods.

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

Fares and Rates

Airlines are permitted to set domestic ticket prices without governmental regulation, and the industry is characterized by substantial price competition. With respect to foreign air transportation, the DOT retains authority over fares, rates and charges, and air carriers are required to file and observe tariffs covering such transportation. International fares and rates are also subject to the jurisdiction of the governments of the foreign countries involved. While air carriers are required to file and adhere to international fare and rate tariffs, many international markets are characterized by substantial commissions, overrides and discounts to travel agents, brokers and wholesalers.

During fiscal 1995, low-cost, low-fare carriers increased their presence in domestic markets served by Delta. This contributed to a 1% decline in the system passenger mile yield in fiscal 1995 compared to fiscal 1994. See "ITEM 1. Business - Leadership 7.5" on pages 6-7.

Delta expects that low-fare competition is likely to continue in domestic and international markets. If price reductions are not offset by increases in traffic or changes in the mix of traffic that improve the passenger mile yield, Delta's operating results will be adversely affected.

Competition and Route Authority

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

International alliances between foreign and domestic carriers, such as the marketing and code sharing arrangements between British Airways Plc and USAir, Inc., KLM-Royal Dutch Airlines and Northwest Airlines, Inc., and Lufthansa German Airlines and United Air Lines, Inc., have significantly increased competition in international markets. Through code sharing arrangements with United States carriers, British Airways, KLM and Lufthansa have obtained access to interior United States passenger traffic. Similarly, Northwest and United have increased their ability to sell transatlantic services and destinations to and beyond European cities served by KLM and Lufthansa.

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

Certain of Delta's international route authorities are subject to periodic renewal requirements. Delta requests extension of these authorities when and as appropriate. While the DOT usually renews temporary authorities on routes where the authorized carrier is providing a reasonable level of service, there is no assurance of this result. Dormant authority may not be renewed in some cases -- especially where another United States carrier indicates a willingness to provide service.

Code Sharing

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

Most of Delta's international code sharing arrangements operate in discrete international city pairs. Delta purchases seats that are marketed under Delta's "DL" designator code pursuant to code sharing arrangements with a number of foreign airlines, including Aeromexico, Austrian Airlines, Korean Air (effective September 30, 1995), Malev Hungarian Airlines, Sabena Belgian World Airlines, Singapore Airlines, Swissair, Varig and Virgin Atlantic Airways. Delta sells seats that are marketed under foreign airlines' two-letter designator codes pursuant to code sharing arrangements with Aeroflot, Aeromexico, Sabena and Swissair.

Slot Allocations

Operations at four major United States and certain foreign airports served by Delta are regulated by governmental entities through "slot" allocations. Each slot represents the authorization to land or take off from the particular airport during a specified time period. In the United States, the FAA regulates slot allocations at Kennedy Airport in New York, LaGuardia Airport in New York, National Airport in Washington, D. C., and O'Hare International Airport in Chicago. The Delta Shuttle requires slot allocations at LaGuardia and National Airports, as do Delta's other operations at those four airports. Certain foreign airports, including Delta's European hub in Frankfurt, also have slot allocations.

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

The Delta Connection

Delta has marketing agreements with four air carriers serving principally the following areas of the United States: Atlantic Southeast Airlines, Inc. ("ASA") operates in the Southeast through Atlanta and in the Southwest through Dallas/Fort Worth; Business Express, Inc. serves the Northeast; Comair, Inc. ("Comair") serves Florida and operates in the Midwest through Cincinnati; and SkyWest Airlines, Inc. ("SkyWest") serves California and operates in other western states through Salt Lake City. These carriers, which are known as "Delta Connection" airlines, use Delta's "DL" code on their flights and exchange connecting traffic with Delta. At June 30, 1995, Delta held equity interests in ASA, Comair Holdings, Inc. (the parent of Comair) and SkyWest, Inc. (the parent of SkyWest) of 24%, 21% and 15%, respectively.

Computer Reservation System Partnership

Delta owns 38% of WORLDSPAN, L.P. ("WORLDSPAN"), a Delaware limited partnership which operates and markets a computer reservation system ("CRS") and related systems for the travel industry. Northwest Airlines, Inc., Trans World Airlines, Inc. and ABACUS Distribution Systems Pte Ltd. own 32%, 25% and 5%, respectively, of WORLDSPAN.

CRS services are used primarily by travel agents to book airline, hotel and car rental reservations and issue airline tickets. CRS services are provided by several companies in the United States and worldwide. In the United States, other CRS competitors are SABRE (owned by American Airlines, Inc.), the Galileo International Partnership (owned by United Air Lines, Inc., USAir, Inc. and certain foreign carriers) and System One AMADEUS (owned by Continental Airlines, Inc., AMADEUS and Electronic Data Systems Corporation). CRS vendors are subject to regulations promulgated by the DOT and certain foreign governments.

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

Information Technology Joint Venture

During the December 1994 quarter, Delta and AT&T Global Information Solutions Company ("AT&T") formed TransQuest Information Solutions ("TransQuest"), a joint venture to provide information technology services to Delta and others in the travel and transportation industries. Delta and AT&T each own a 50% interest in TransQuest.

Fuel

Delta's operations are significantly affected by the availability and price of jet fuel. Based on the Company's fiscal 1995 jet fuel consumption, a one-cent change in the average annual price per gallon of jet fuel would have caused an approximately $25 million change in Delta's annual fuel costs. The following table shows Delta's jet fuel consumption and costs for fiscal years 1991-1995.

Fiscal Year	Gallons Consumed (Millions)	Cost (Millions)	Average Price Per Gallon	Percent of Operating Expenses*
1991	2,060	$1,599	77.63c.	17%
1992	2,384	1,482	62.19	13
1993	2,529	1,592	62.95	13
1994	2,550	1,411	55.34	12
1995	2,533	1,370	54.09	12

* Excluding restructuring charges

Aircraft fuel expense decreased 3% in fiscal 1995 compared to fiscal 1994, as fuel gallons consumed declined 1% and the average price per fuel gallon decreased 2% to 54.09c., Delta's lowest average price per fuel gallon for any fiscal year since fiscal 1989.

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

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

Although Delta is currently able to obtain adequate supplies of jet fuel, it is impossible to predict the future availability or price of jet fuel. Political disruptions in the oil producing countries, changes in government policy concerning aircraft fuel production, transportation or marketing, changes in aircraft fuel production capacity, environmental concerns, and other unpredictable events may result in fuel supply shortages and fuel price increases in the future. Such shortages and price increases could have a material adverse effect on Delta's business.

The Omnibus Budget Reconciliation Act of 1993 imposes a 4.3c. per gallon tax on commercial aviation jet fuel purchased for use in domestic operations, effective October 1, 1995. Based on Delta's fiscal 1996 expected domestic fuel requirement of 1.9 billion gallons, the new fuel tax, when effective, is expected to increase Delta's operating expenses by approximately $80 million annually. Delta and other United States airlines are actively lobbying for a repeal of this tax. The outcome of these efforts cannot presently be determined.

Leadership 7.5

On April 28, 1994, Delta announced "Leadership 7.5," a three-year plan with the goal of reducing the Company's annual operating expenses by approximately $2 billion by the end of the June 1997 quarter. Delta also established operating cost per available seat mile ("unit cost") goals of 8.6c. by the June 1995 quarter, 8.0c. by the June 1996 quarter and 7.5c. by the June 1997 quarter. These unit cost goals reflect the phase-in of the approximately $2 billion in targeted cost savings, exclude restructuring and other nonrecurring charges, and assume other costs and operating capacity remain at calendar 1993 levels. To the extent that other costs increase, Delta will seek additional cost reductions to achieve its goals.

Industry events during fiscal 1995 validated Delta's determination that cost reductions are essential to compete in today's highly competitive airline industry. Low-cost, low-fare carriers increased their presence in domestic markets, resulting in continued reductions in Delta's domestic passenger mile yield and flat or declining domestic unit revenue. At the end of fiscal

1995, approximately 60% of Delta's domestic origin and destination revenue passenger miles were in markets also served by low-cost, low-fare carriers, up from 57% at the end of fiscal 1994 and 32% at the end of fiscal 1993. The airline industry has experienced a permanent shift in the preferences of its customers, with more business and leisure passengers citing ticket prices as the most important factor in their purchase decisions.

Leadership 7.5 initiatives made a significant contribution to Delta's operating profit in fiscal 1995. The Company achieved its first Leadership 7.5 unit cost target, recording a unit cost of 8.39c. for the June 1995 quarter. By the end of fiscal 1995, the implementation of initiatives expected to generate approximately $1.6 billion in annual cost reductions was in process or completed.

Changes in the Company's collective bargaining agreement with the Air Line Pilots Association ("ALPA"), which represents Delta's 8,100 pilots, are critical to the continued success of Leadership 7.5 and the Company's ability to achieve its future unit cost targets. Delta is seeking $340 million in annual productivity improvements and wage and benefit reductions from ALPA. See "ITEM 1. Business - Personnel" on pages 7-8.

Delta's cost reduction and unit cost goals under Leadership 7.5 are aggressive, and no assurance can be given that Delta will achieve these goals.

Additional information regarding Leadership 7.5 is set forth under "Operational Review - Leadership 7.5" on page 6 of Delta's 1995 Annual Report to Stockholders, and is incorporated herein by reference.

Personnel

At June 30, 1995, Delta employed 59,717 full-time equivalent personnel, compared to 69,555 full-time equivalent personnel at June 30, 1994. This 14% reduction in staffing was achieved through voluntary early retirement incentives, leaves of absence, severance programs, the transfer of employees to TransQuest and WORLDSPAN, and furloughs.

The following table presents certain information concerning Delta's domestic collective bargaining agreements.

Personnel Group	Approximate Number of Personnel Represented	Union	Contract Amendable Date
Pilots	8,100	Air Line Pilots Association	1/1/95
Flight Superintendents	170	Professional Airline Flight Control Association	1/1/95

Approximately 3,600 of Delta's personnel are based outside the United States. Delta personnel in certain foreign countries, including most of Delta's personnel in Germany, are represented by labor organizations.

Delta's relations with labor unions in the United States are governed by the Railway Labor Act. Under the Railway Labor Act, the collective bargaining agreements between Delta and labor unions do not expire but instead become amendable as of a stated date. If either party wishes to modify the terms of any such agreement, it must notify the other party before the contract becomes amendable. After receipt of such notice, the parties must meet for direct negotiations and, if no agreement is reached, either party may request the National Mediation Board ("NMB") to appoint a federal mediator. If no agreement is reached in mediation, the NMB may determine, at any time, that an impasse exists and proffer binding arbitration. Either party may decline to submit to arbitration. If arbitration is rejected, a 30-day "cooling-off" period commences, following which the union may strike and the airline may resort to "self-help," including the imposition of its proposed changes to the collective bargaining agreement and the hiring of replacement workers.

Delta's collective bargaining agreements with ALPA and the Professional Airline Flight Control Association ("PAFCA") became amendable on January 1, 1995, and formal negotiations with ALPA and PAFCA began in November 1994. As part of its Leadership 7.5 program, the Company is seeking $340 million in annual productivity improvements and wage and benefit reductions from ALPA. On May 8, 1995, the NMB, at the Company's request, appointed federal mediators to participate in the collective bargaining negotiations between Delta and ALPA.

Delta and PAFCA reached agreement on a new collective bargaining contract, subject to ratification by the flight superintendents employed by the Company. On September 8, 1995, however, the flight superintendents rejected the proposed contract. Delta and PAFCA intend to continue negotiations on a new agreement.

The outcome of Delta's negotiations with ALPA and PAFCA cannot presently be determined.

Environmental Matters

The Airport Noise and Capacity Act of 1990 (the "ANCA") requires the phase-out of Stage 2 aircraft by December 31, 1999, subject to certain exceptions. In 1991, the FAA issued regulations which implement the ANCA by requiring air carriers to reduce (by modification or retirement) the number of Stage 2 aircraft operated by 25% by December 31, 1994, 50% by December 31, 1996, 75% by December 31, 1998, and 100% by December 31, 1999. Alternatively, a carrier may satisfy the regulations by operating a fleet that is at least 55%, 65%, 75% and 100% Stage 3 by the respective dates set forth in the preceding sentence.

On December 31, 1994, Delta operated 364 Stage 3 aircraft, constituting 67% of the Company's fleet, and thus complied with the first phase-out deadline. On June 30, 1995, Delta operated 367 Stage 3 aircraft, constituting 68% of the Company's fleet. Accordingly, Delta anticipates that it will be able to comply with the requirements for December 31, 1996, by operating a fleet comprised of at least 65% Stage 3 aircraft. Delta anticipates it will comply with the later compliance deadlines, although the Company has not yet determined which alternative it will select with respect to such deadlines. Information relating to Delta's agreement to purchase certain aircraft engine hushkits is set forth under "Operational Review - Aircraft Fleet" on page 9 of Delta's 1995 Annual Report to Stockholders, and is incorporated herein by reference.

The ANCA recognizes the rights of operators of airports with noise problems to implement local noise abatement procedures so long as such procedures do not interfere unreasonably with interstate or foreign commerce or the national air transportation system. It generally provides that local noise restrictions on Stage 3 aircraft first effective after October 1, 1990, require FAA approval, and establishes a regulatory notice and review process for local restrictions on Stage 2 aircraft first proposed after October 1, 1990. While Delta has had sufficient scheduling flexibility to accommodate local noise restrictions in the past, the Company's operations could be adversely impacted if locally-imposed regulations become more restrictive or widespread.

The European Union has adopted a uniform policy requiring member states to phase-out Stage 2 aircraft. Under the policy provisions, the phase-out of Stage 2 aircraft began on April 1, 1995, and will extend for seven years. Each Stage 2 aircraft will be assured a 25 year operating life, but not extending beyond April 1, 2002. Delta anticipates it will be able to comply with this Stage 2 aircraft phase-out program, which will apply at all airports in the member states. Other local European airport regulations which penalize or restrict operations by Stage 2 aircraft have not in the past had an adverse effect on Delta's operations. Delta's operations could be adversely impacted, however, if such regulations become more restrictive or widespread.

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

Delta has been identified by the EPA as a potentially responsible party (a "PRP") with respect to the following federal Superfund Sites: the Operating Industries, Inc. Site in Monterey Park, California; the Peak Oil Site in Tampa, Florida; and the Petroleum Products Corporation Site in Pembroke Park, Florida. In addition, Delta is a third party defendant in United States of America v. J.B. Stringfellow, Jr., a lawsuit involving the cleanup of the Stringfellow Superfund Site in Los Angeles, California. Delta's alleged volumetric contribution to these sites is limited. Delta is also the subject of an administrative enforcement action brought by the Georgia Environmental Protection Division (the "Georgia EPD") concerning alleged violations of certain air permitting regulations and other provisions of the Clean Air Act and the Georgia air quality rules at Delta's aircraft maintenance facility at Hartsfield Atlanta International Airport. Delta has executed a consent order with the Georgia EPD, which includes a monetary penalty of $310,000 (which may be reduced by $100,000 under certain circumstances), and an additional, not yet determined, monetary penalty covering certain emissions. Delta is currently aware of soil and/or ground water contamination present on its leaseholds at several domestic airports; the Company has a program in place to investigate and, if appropriate, remediate these sites. Management presently believes that the resolution of these matters is not likely to have a material adverse effect on the Company's consolidated financial condition, results of operations or liquidity.

Frequent Flyer Program

Delta, like other major airlines, has established a frequent flyer program offering incentives to maximize travel on Delta. This program allows participants to accrue mileage for award travel while flying on Delta, the Delta Connection carriers and participating airlines. Mileage credit may also be accrued for the use of certain services offered by program partners such as hotels, car rental agencies and credit card companies. Delta reserves the right to terminate the program with six months advance notice, and to change the program's terms and conditions at any time without notice.

Effective May 1, 1995, Delta modified its frequent flyer program in certain respects. The changes included reducing the threshold for a free travel award; making free travel awards more readily transferable; providing that miles earned expire in certain circumstances; and reducing minimum mileage credit.

Mileage credits earned can be redeemed for free or upgraded travel, for membership in Delta's Crown Room Club and for other program partner awards. Travel awards are subject to certain transfer restrictions and, in most cases, blackout dates and capacity controlled seating. Miles earned prior to May 1, 1995 do not expire so long as Delta has a frequent flyer program. Miles earned on or after May 1, 1995 are valid for 36 months from the month of the participant's last qualifying Delta or Delta Connection flight; every time a participant completes a qualifying Delta or Delta Connection flight, his mileage balance is extended for another 36 months.

As of June 30, 1993, a participant in the frequent flyer program became eligible for a free travel award after accruing 30,000 miles. Effective May 1, 1995, Delta modified the program by reducing the number of miles required to become eligible for a free travel award to 25,000. Delta estimates the potential number of roundtrip flight awards outstanding to be 5.0 million at June 30, 1993, 7.9 million at June 30, 1994 and 8.8 million at June 30, 1995 (based on program accounts with balances in excess of 30,000 miles, 25,000 miles and 25,000 miles, respectively). Of these earned awards, Delta expects up to approximately 3.3 million, 5.1 million and 5.7 million, respectively, to be redeemed. The difference between the roundtrip awards outstanding and the awards expected to be redeemed is the estimate, based on historical data, of awards which will (1) never be redeemed; (2) be redeemed for something other than a free trip; or (3) be redeemed on another carrier participating in the program. Accounts with balances in excess of 30,000 miles represented 52% of the total mileage balance of all participants at June 30, 1993. Accounts with balances in excess of 25,000 miles represented 61% and 69%, respectively, of the total mileage balance of all participants at June 30, 1994 and 1995.

Delta accounts for its frequent flyer program obligations by recording the estimated incremental cost associated with the potential flight awards as a liability and passenger service expense. Delta monitors changes in the potential free travel awards under the program, and the liability and appropriate expense account balances are adjusted as necessary. The estimated incremental cost associated with a potential flight award does not include any contribution to overhead or profit. Such incremental cost is based on Delta's system average cost per passenger for fuel; food and food supplies; passenger insurance, injuries, losses and damages; interrupted trips and oversales; porter service; ticket forms; bag tags; boarding forms; in-flight entertainment; and customs. The trip length is determined by calculating the average trip length to the various award destinations weighted by the historical number of redemptions for each destination. Delta does not record a liability for mileage earned by participants who have not reached the level to become eligible for a free travel award. Delta believes this exclusion is immaterial and appropriate because the large majority of these participants are not expected to earn a free flight award. Delta does not account for the redemption of non-travel awards since the cost of these awards to Delta is negligible. At June 30, 1993, 1994 and 1995, the accrued liability was $69 million, $95 million and $101 million, respectively.

Frequent flyer program participants flew 4.5 million, 5.7 million and 5.8 million free round-trips in fiscal years 1993, 1994 and 1995, respectively. These round-trips accounted for approximately 6%, 7% and 8% of the total passenger miles flown for the respective periods. Delta believes that the low percentage of free passenger miles, its load factor and the restrictions applied to free travel awards minimize the displacement of revenue passengers.

Transactions with Pan Am Corporation

Asset Purchase Agreement. Pursuant to an asset purchase agreement dated July 27, 1991, as amended (the "Asset Purchase Agreement"), with Pan Am Corporation and certain of its subsidiaries, debtors-in-possession under Chapter 11 of the Bankruptcy Code ("Pan Am"), Delta, in 1991, purchased certain assets relating to Pan Am's Boston-New York-Washington, D. C. Shuttle, and route authorities to Europe, Asia and Africa. The purchased assets included (1) substantially all of Pan Am's then-existing transatlantic route authorities and related beyond rights; (2) certain take-off and landing authorizations and slots; (3) equity interests in certain aircraft, aircraft spare engines and spare parts; and (4) leasehold interests in certain airport facilities.

Delta's purchase price under the Asset Purchase Agreement was $416 million, subject to certain adjustments. Under the Asset Purchase Agreement, Delta also assumed certain liabilities, including $66 million in mortgages on acquired assets and up to $100 million of Pan Am's passenger tickets under certain circumstances. In connection with these asset acquisitions, Delta hired approximately 7,800 Pan Am personnel and entered into operating leases for 42 used aircraft.

Participation in Plan of Reorganization. Pursuant to a letter dated August 11, 1991, as amended on October 22, 1991, among Delta, Pan Am and the Official Committee of Unsecured Creditors of Pan Am (the "Creditors Committee"), Delta agreed, subject to certain terms and conditions, to participate in a plan of reorganization for Pan Am, to provide certain debtor-in-possession financing (the "DIP Loan") to Pan Am prior to the effective date of Pan Am's proposed plan of reorganization and to amend the Asset Purchase Agreement in certain respects.

On December 1, 1991, Delta advised Pan Am that it could not agree to Pan Am's request to provide additional financing to Pan Am prior to the effective date of Pan Am's proposed plan of reorganization. Pan Am ceased operations on December 4, 1991, and its proposed plan of reorganization before the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") was not confirmed. Pan Am is liquidating its assets.

CRAF. To resolve certain claims against Pan Am by the United States Air Force (the "Air Force") related to Pan Am's participation in the Civil Reserve Air Fleet Enhancement Program (the "CRAF Program"), Delta entered into an agreement in principle dated October 17, 1991, with the Air Force. Under the agreement in principle, Delta committed to the CRAF Program, for five years, aircraft having a certain point value under the CRAF Program. This commitment is currently being met by Delta's agreeing to make available 26 of its international-range aircraft for use by the military under certain stages of readiness related to national emergencies.

Litigation Relating to Delta's Participation in Pan Am's Plan of Reorganization. On March 6, 1992, Pan Am, the Creditors Committee and the Ad Hoc Committee of Administrative and Priority Creditors of Pan Am filed a consolidated amended complaint (the "Complaint") against Delta relating to Delta's participation in Pan Am's proposed plan of reorganization. The Complaint alleged, among other things, that Delta breached its contractual obligations and promises to participate in the plan of reorganization; violated its duty of good faith and fair dealing; breached its fiduciary duties to Pan Am and its creditors; and acted in bad faith. The United States District Court for the Southern District of New York ("District Court") conducted a trial between May 4, 1994 and June 10, 1994 on liability issues. In an opinion and order dated December 22, 1994, the District Court (1) ruled that Delta had no liability in this lawsuit; (2) ordered Pan Am to repay to Delta the DIP Loan; and (3) held that the Creditors Committee had no liability to Delta under Delta's counterclaims. No party appealed the District Court's decision, and the time period for filing an appeal expired on February 6, 1995.

Certain other legal actions relating to Delta's participation in Pan Am's proposed plan of reorganization are still pending including, among others, the following actions.

On March 12, 1992, a purported class action complaint was filed against Delta in the District Court by former Pan Am employees who allege, among other things, that they were intended third-party beneficiaries of Delta's agreement with Pan Am to participate in Pan Am's proposed plan of reorganization. The former employees, who have requested and are entitled to a jury trial, make allegations and claims similar to those asserted in the Complaint described above. In their complaint, the former employees seek damages of at least $1.1 billion for loss of employment, loss of continued wages and benefits with a reorganized Pan Am and out-of-pocket losses; costs and attorneys' fees; and other unspecified relief. On July 8, 1992, Delta filed its answer denying liability in this lawsuit and asserting various affirmative defenses. Additionally, Delta filed a third party complaint against the Creditors Committee, its individual members and Pan Am alleging that these parties are liable to Delta for any amounts that plaintiffs in this lawsuit may recover from Delta. Pan Am filed an answer denying liability to Delta; the Creditors Committee and its members filed a motion to dismiss Delta's third party complaint. On December 4, 1992, the District Court dismissed Delta's third party complaint against the Creditors Committee and its members, but granted Delta permission to replead its claims. On January 25, 1993, Delta filed an amended third party complaint against the Creditors Committee and its members, who filed a motion to dismiss Delta's amended claims. The District Court (1) denied plaintiffs' motion for class action certification on March 10, 1993 and reaffirmed this order on August 6, 1993; and (2) denied the motion by the Creditors Committee and its members to dismiss Delta's amended third party complaint on August 18, 1993. On September 24, 1993, the Creditors Committee and its members answered Delta's amended third party complaint, denying liability to Delta and asserting various affirmative defenses. On December 14, 1993, the District Court denied plaintiffs' motion requesting the District Court to reconsider its order denying plaintiffs' motion for class action certification or, alternatively, to permit an immediate appeal of that order. On February 28, 1994, Delta filed a motion for summary judgment on all of plaintiffs' claims in this lawsuit; the plaintiffs are opposing this motion. Also on February 28, 1994, the Creditors Committee and its members filed motions for summary judgment on Delta's third party claims for indemnification and contribution in this lawsuit; Delta is opposing these motions. On April 28, 1995, Delta filed a supplementary memorandum in support of its motion for summary judgment on all of plaintiffs' claims; the plaintiffs continue to oppose this motion, which is pending before the District Court. On or about September 15, 1995, Delta and the plaintiffs agreed to settle this lawsuit subject to the completion of definitive settlement documents and approval of the settlement by the District Court.

On September 10, 1992, a lawsuit was filed against Delta in the District Court by approximately 120 former Pan Am pilots who make allegations and claims similar to those asserted in the purported class action complaint by former Pan Am employees described in the preceding paragraph. In their complaint, the plaintiffs, who have requested and are entitled to a jury trial, seek unspecified damages for lost wages and benefits and out-of-pocket losses; costs and attorneys' fees; and other unspecified relief. On January 8, 1993, Delta filed its answer denying liability in this lawsuit and asserting various affirmative defenses. Additionally, Delta filed a third party complaint against the Creditors Committee and its individual members alleging that these parties are liable to Delta for any amounts that plaintiffs in this lawsuit may recover from Delta. The Creditors Committee and its members filed a motion to dismiss Delta's third party complaint. On August 18, 1993, the District Court denied this motion. On September 24, 1993, the Creditors Committee and its members answered Delta's third party complaint, denying liability to Delta and asserting various affirmative defenses. On February 28, 1994, Delta filed a motion for summary judgment on all of plaintiffs' claims in this lawsuit; the plaintiffs are opposing this motion. Also on February 28, 1994, the Creditors Committee and its members filed motions for summary judgment on Delta's third party claims for indemnification and contribution in this lawsuit; Delta is opposing these motions. On April 28, 1995, Delta filed a supplementary memorandum in support of its motion for summary judgment on all of plaintiffs' claims; the plaintiffs continue to oppose this motion, which is pending before the District Court. On or about September 15, 1995, Delta and the plaintiffs (except one plaintiff who cannot be located) agreed to settle this lawsuit subject to the completion of definitive settlement documents and approval of the settlement by the District Court.

A purported class action complaint was commenced against Delta in the Supreme Court of the State of New York, County of New York, on behalf of participants of Pan Am's WorldPass Frequent Flyer Program ("WorldPass") who elected to obtain Pan Am WorldPass travel certificates rather than to transfer their accumulated miles into Delta's frequent flyer program.

The WorldPass participants were seeking unspecified damages, costs and attorneys' fees, and other unspecified relief. Delta removed this action to the Bankruptcy Court. On April 6, 1992, Delta filed its answer denying liability in this lawsuit and asserting various affirmative defenses. On July 5, 1995, the plaintiff and Delta filed with the Bankruptcy Court a joint application for the voluntary dismissal of this lawsuit with prejudice as to the plaintiff and without prejudice as to all other putative class members. The Bankruptcy Court approved the joint application on September 21, 1995.

ITEM 2. PROPERTIES

Flight Equipment

Information relating to Delta's aircraft fleet is set forth under "Operational Review - Aircraft Fleet" on pages 9-10, and in Notes 8 and 9 of the Notes to Consolidated Financial Statements on pages 32-33, of Delta's 1995 Annual Report to Stockholders, and is incorporated herein by reference.

Ground Facilities

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

Delta leases ticket counter and other terminal space, operating areas and air cargo facilities in most of the airports which it serves. These leases generally run for periods of from less than one year to thirty years or more, and contain provisions for periodic adjustment of lease rates. At most airports which it serves, Delta has entered into use agreements which provide for the non-exclusive use of runways, taxiways, and other facilities; landing fees under these agreements normally are based on the number of landings and weight of aircraft. The Company also leases aircraft maintenance facilities at certain airports, generally under long-term leases which cover the cost of providing, operating and maintaining such facilities. In addition, Delta leases marketing, ticket and reservations offices in certain major cities which it serves; these leases are generally for shorter terms than the airport leases. Additional information relating to Delta's ground facilities is set forth in Notes 4 and 8 of the Notes to Consolidated Financial Statements on pages 29 and 32-33 of Delta's 1995 Annual Report to Stockholders, and is incorporated herein by reference.

In recent years, some airports have increased or sought to increase the rates charged to airlines to levels that, in the airlines' opinion, are unreasonable. The extent to which such charges are limited by statute or regulation and the ability of airlines to contest such charges has been subject to litigation and to administrative proceedings before the DOT. If the limitations on such charges are relaxed or the ability of airlines to challenge such charges is restricted, the rates charged by airports to airlines may increase substantially.

ITEM 3. LEGAL PROCEEDINGS

In January 1987, the Association of Flight Attendants ("AFA"), the collective bargaining agent for the flight attendants at Western Air Lines, Inc. ("Western") prior to the merger of Western into Delta on April 1, 1987 (the "Merger"), filed suit against Western in the United States District Court for the District of Columbia. The AFA suit sought to compel Western to arbitrate a grievance alleging that Western breached the AFA-Western collective bargaining agreement by not requiring Delta (1) to be bound by that agreement; and (2) to recognize the AFA as representing the former Western flight attendants after the Merger. The District Court dismissed the action on the grounds that the grievance raised representation matters which under the Railway Labor Act are within the exclusive jurisdiction of the National Mediation Board (which subsequently ruled that the representation certification of the AFA at Western terminated on April 1, 1987). The AFA appealed to the United States Court of Appeals for the District of Columbia, which reversed the District Court's dismissal of the AFA's action to compel arbitration, ruling (1) that the AFA's claim based on any right of continued representation is moot; (2) that the AFA's claim for damages is not moot; and (3) that an arbitrator has authority under the Railway Labor Act to adjudicate the AFA's grievance to the extent it seeks damages for Western's alleged breach of the collective bargaining agreement. Delta then filed a petition for certiorari in the United States Supreme Court which, on April 2, 1990, refused to review the Court of Appeals' decision. As a result, arbitration of the AFA's grievance will proceed and, if the AFA's claim is upheld, damages could be assessed against Delta. Delta has a number of defenses which it considers to be valid, and will vigorously assert these defenses in the arbitration.

On May 16, 1994, a purported class action complaint was filed in the United States District Court for the Northern District of Georgia against Delta and certain Delta officers in their capacity as members of the Administrative Committee responsible for administering certain Company employee benefit plans. The plaintiffs, who have requested a jury trial, are 21 former Delta employees who seek to represent the class consisting of the approximately 1,800 former non-pilot employees of Delta who retired from active service between July 23, 1992 and January 1, 1993. The complaint alleges that Delta violated the Employee Retirement Income Security Act by (1) modifying health benefits for this group of retirees in spite of alleged oral and written representations that it would not make any such modifications; (2) breaching its fiduciary duties and interfering with plaintiffs' benefits by making such modifications and by allegedly giving false assurances that no enhanced retirement benefit incentives were being considered or would be offered in the future; and (3) discriminating against certain benefit plan participants. The complaint also alleges, among other things, that Delta breached a contract with plaintiffs by amending Delta's pass policy to suspend the flight privileges of a retiree during any period such retiree is employed by certain other airlines. Plaintiffs are seeking injunctive relief, unspecified compensatory and punitive damages, costs and attorneys' fees, and such other relief as the District Court deems appropriate. On July 18, 1994, Delta filed its answer denying liability under the complaint and asserting various affirmative defenses. On November 4, 1994, the District Court (1) denied the plaintiffs' motion for class action certification; and (2) granted Delta's motion to dismiss plaintiffs' claims concerning Delta's pass policy for lack of subject matter jurisdiction. On January 11, 1995, the District Court denied plaintiffs' motion requesting the District Court to reconsider its November 4, 1994 decision, but granted plaintiffs' motion to permit an immediate appeal of that order. The plaintiffs then filed a petition to appeal with the

United States Court of Appeals for the Eleventh Circuit which, on March 8, 1995, agreed to hear plaintiffs' appeal of the District Court's November 4, 1994 decision. Delta intends to defend this matter vigorously.

On February 10, 1995, Delta changed its domestic travel agency commission program by introducing a maximum commission payment of $50 for any round trip domestic airline ticket with a base fare in excess of $500, and $25 for any one-way domestic airline ticket with a base fare in excess of $250. The maximum commission applies to all tickets issued by United States and Canada-based travel agencies for travel on Delta flights within and between the Continental United States, Alaska, Hawaii, Puerto Rico and the United States Virgin Islands. Most of the major United States airlines subsequently adopted similar commission cap programs.

Travel agents and a travel agency trade association have filed more than 30 class action antitrust lawsuits in various federal district courts against airlines, including Delta, that implemented new travel agent commission cap programs. The plaintiffs, who are seeking unspecified treble damages under the antitrust laws and an injunction to prevent the airlines from maintaining the new commission cap programs, allege that the defendants conspired to reduce the commissions paid to travel agents in violation of the Sherman Act. On June 1, 1995, the Judicial Panel on Multidistrict Litigation consolidated these cases for pretrial proceedings before the United States District Court in Minneapolis, which has certified a plaintiff class consisting of all travel agents in the United States who sold airline tickets subject to the commission cap on American, Continental, Delta, Northwest, TWA, United or USAir. On August 18, 1995, the District Court approved a settlement agreement between TWA and the plaintiffs under which TWA represented it had terminated its commission cap program and agreed, among other things, to pay the commissions it would have paid between specified dates had its commission cap program not been in place. On August 23, 1995, the District Court denied the plaintiffs' motion for a preliminary injunction, as well as the motions for summary judgment filed by the airline defendants (except TWA). On September 12, 1995, the airlines (except TWA) filed a motion with the District Court to permit an immediate appeal of the District Court's ruling denying the airlines' motions for summary judgment; the District Court has not yet ruled on this motion. Delta believes the allegations against it are without merit, and it intends to defend these matters vigorously.

Delta is also a defendant in certain other legal actions relating to alleged employment discrimination practices, other matters concerning past and present employees, environmental issues and other matters concerning Delta's business. Although the ultimate outcome of these matters, the matters discussed above in this Item 3, and the litigation relating to Delta's participation in Pan Am's proposed plan of reorganization (see "ITEM 1. Business-Transactions with Pan Am Corporation" on pages 11-14 of this Form 10-K) cannot be predicted with certainty and could have a material adverse effect on Delta's consolidated financial condition, results of operations or liquidity, management presently believes that the resolution of these actions is not likely to have a material adverse effect on Delta's consolidated financial condition, results of operations or liquidity.

For a discussion of certain environmental matters, see "ITEM 1. Business - Environmental Matters" on pages 8-9 of this Form 10-K. For a discussion of the settlement of certain antitrust litigation, see "Financial Review - Future Outlook - Antitrust Settlement" on page 17 of Delta's 1995 Annual Report to Stockholders, which is incorporated herein by reference.

Several United States carriers, including Delta, have received civil investigative demands from the United States Department of Justice related to an antitrust investigation of incentives paid by airlines to travel agents in excess of base commission payments. In response to the civil investigative demands, Delta has produced documents relating to its travel agent programs. Delta believes that its travel agent programs are legal and that it has not violated the antitrust laws.

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

Not applicable.

EXECUTIVE OFFICERS OF THE REGISTRANT

Certain information concerning Delta's executive officers follows. All positions shown are with Delta. There are no family relationships between any of Delta's executive officers.

Ronald W. Allen	Mr. Allen has been Chairman of the Board and Chief Executive Officer since August 1, 1987. On March 1, 1993, Mr. Allen was elected to the additional office of President, a position he also held from August 9, 1990 through April 30, 1991. He was President and Chief Operating Officer from November 1983 through July 1987. Age 53.
H. C. Alger	Executive Vice President - Operations, March 1993 to date; Senior Vice President - Operations, February 1992 through February 1993; Vice President - Flight Operations, August 1987 through January 1992. Age 57.
Robert W. Coggin	Executive Vice President - Marketing, September 13, 1995 to date; Senior Vice President - Marketing, August 1992 through September 12, 1995; Senior Vice President - Marketing Development and Planning, February 1992 through July 1992; Vice President - Marketing Development and Planning, November 1991 through January 1992; Vice President - Marketing Development, November 1988 through October 1991. Age 59.
Maurice W. Worth	Executive Vice President - Customer Service, September 13, 1995 to date; Senior Vice President - Personnel, May 1991 through September 12, 1995; Vice President - Personnel, November 1989 through April 1991. Age 55.

W. Martin Braham	Senior Vice President - Airport Customer Service, March 1993 to date; Vice President - Airport Customer Service, August 1992 through February 1993; Assistant Vice President - International Airport Customer Service, February 1992 through July 1992; Assistant Vice President - Stations, August 1991 through January 1992; Director - Stations, August 1989 through July 1991. Age 50.
Robert S. Harkey	Senior Vice President - General Counsel and Secretary, November 1994 to date; Senior Vice President - General Counsel, November 1990 through October 1994; Vice President - General Counsel, November 1988 through October 1990. Age 54.
Russell H. Heil	Senior Vice President - Technical Operations, February 1992 to date; Executive Vice President - Technical Operations, May 1991 through January 1992; Executive Vice President - Operations and Personnel, August 16, 1990 through April 1991; Senior Vice President - Personnel, November 1984 through August 15, 1990. Age 53.
Rex A. McClelland	Senior Vice President - Corporate Services, August 1993 to date; Senior Vice President - Administrative Services, February 1992 through July 1993; Senior Vice President - Operations, August 1987 through January 1992. Age 59.
Thomas J. Roeck, Jr.	Senior Vice President - Finance and Chief Financial Officer, June 1988 to date. Age 51.

PART II

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

Information required by this item is set forth under "Common Stock and Depositary Shares Representing Series C Convertible Preferred Stock", "Number of Stockholders" and "Market Prices and Dividends" on page 44 of Delta's 1995 Annual Report to Stockholders, and is incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA

Information required by this item is set forth on pages 42-43 of Delta's 1995 Annual Report to Stockholders, and is incorporated herein by reference.

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

Information required by this item is set forth under "Operational Review − − Leadership 7.5" on page 6, and under "Financial Review" on pages 10−17, of Delta's 1995 Annual Report to Stockholders, and is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Information required by this item is set forth on pages 22−39, and in "Report of Independent Public Accountants" on page 40, of Delta's 1995 Annual Report to Stockholders, and is incorporated herein by reference.

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

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information required by this item is set forth on pages 4−7, and under "Other Matters Involving Directors and Executive Officers − Compliance with Section 16(a) of the Securities Exchange Act of 1934" on page 12, of Delta's Proxy Statement dated September 15, 1995, and is incorporated herein by reference. Certain information regarding executive officers is contained in

Part I of this Form 10−K.

ITEM 11. EXECUTIVE COMPENSATION

Information required by this item is set forth under "General Information − Compensation of Directors" on pages 3−4, and "− Charitable Award Program" on page 4, and on pages 11 and 17−20, of Delta's Proxy Statement dated September 15, 1995, and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information required by this item is set forth on pages 8−10 of Delta's Proxy Statement dated September 15, 1995, and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information required by this item is set forth on page 11 of Delta's Proxy Statement dated September 15, 1995, and is incorporated herein by reference.

PART IV

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

(a)(1), (2). The financial statements and schedules required by this item are listed in the Index to Consolidated Financial Statements and Schedules on page 23 of this Form 10-K.

(3). The exhibits required by this item are listed in the Exhibit Index on pages 28-31 of this Form 10-K. The management contracts and compensatory plans or arrangements required to be filed as an exhibit to this Form 10-K are listed as Exhibits 10.8 to 10.14 in the Exhibit Index.

(b) During the quarter ended June 30, 1995, Delta did not file any Current Reports on Form 8-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 26th day of September, 1995.

DELTA AIR LINES, INC.

By: /s/ Ronald W. Allen

Ronald W. Allen
Chairman of the Board, President
and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on the 26th day of September, 1995 by the following persons on behalf of the registrant and in the capacities indicated.

Signature	Title
/s/ Ronald W. Allen Ronald W. Allen	Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer)
Edwin L. Artzt* Edwin L. Artzt	Director
Henry A. Biedenharn, III* Henry A. Biedenharn, III	Director
James L. Broadhead* James L. Broadhead	Director
Edward H. Budd* Edward H. Budd	Director

Signature	Title
George D. Busbee*	Director
George D. Busbee	
R. Eugene Cartledge*	Director
R. Eugene Cartledge	
Mary Johnston Evans*	Director
Mary Johnston Evans	
Gerald Grinstein*	Director
Gerald Grinstein	
Jesse Hill, Jr.*	Director
Jesse Hill, Jr.	
Peter D. Sutherland*	Director
Peter D. Sutherland	
Andrew J. Young*	Director
Andrew J. Young	
/s/ Thomas J. Roeck, Jr.	Senior Vice President-Finance and Chief Financial Officer
Thomas J. Roeck, Jr.	(Principal Financial Officer and Principal Accounting Officer)

*By: /s/ Thomas J. Roeck, Jr. Attorney-In-Fact

Thomas J. Roeck, Jr.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULES

All other schedules have been omitted as not applicable or because the required information is included in the financial statements or notes thereto.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON SCHEDULE

To Delta Air Lines, Inc.:

We have audited, in accordance with generally accepted auditing standards, the consolidated financial statements included in Delta Air Lines, Inc.'s annual report to stockholders incorporated by reference in this Form 10-K and have issued our report thereon dated August 18, 1995. Our audits were made for the purpose of forming an opinion on those statements taken as a whole. The schedule listed in the accompanying index is the responsibility of the Company's management, is presented for purposes of complying with the Securities and Exchange Commission's rules, and is not part of the basic financial statements. The schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

ARTHUR ANDERSEN LLP

Atlanta, Georgia
August 18, 1995

SCHEDULE II

DELTA AIR LINES, INC.
VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 1995

(Amounts in Millions)

Column A	Column B	Column C		Column D	Column E
		Additions			
Description	Balance At Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts-describe	Deductions-describe	Balance at End of Period
DEDUCTION (INCREASE) IN THE BALANCE SHEET FROM THE ASSET TO WHICH IT APPLIES:					
Allowance for uncollectible accounts receivable:	$ 50	$21	$ -	$42 (a)	$ 29
Allowance for unrealized losses (gains) on marketable securities:	$(85)	$ -	$(46) (b)	$ -	$(131)

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

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

SCHEDULE II

DELTA AIR LINES, INC.
VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 1994

(Amounts in Millions)

Column A	Column B	Column C		Column D	Column E
		Additions			
Description	Balance At Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts-describe	Deductions-describe	Balance at End of Period
DEDUCTION (INCREASE) IN THE BALANCE SHEET FROM THE ASSET TO WHICH IT APPLIES:					
Allowance for uncollectible accounts receivable:	$82	$23	$ -	$55 (a)	$ 50
Allowance for unrealized losses (gains) on marketable securities:	$ 1	$ -	$(85) (b)	$ 1	$(85)

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

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

SCHEDULE II

DELTA AIR LINES, INC.
VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 1993

(Amounts in Millions)

Column A	Column B	Column C		Column D	Column E
		Additions			
Description	Balance At Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts-describe	Deductions-describe	Balance at End of Period
DEDUCTION IN THE BALANCE SHEET FROM THE ASSET TO WHICH IT APPLIES:					
Allowance for uncollectible accounts receivable:	$67	$27	$ -	$12 (a)	$82
Allowance for unrealized losses on marketable securities:	$19	$ -	$ -	$18 (b)	$ 1

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

(b) Represents reversal of previously recognized losses resulting from changes in market values.

EXHIBIT INDEX

3.1 Delta's Certificate of Incorporation (Filed as Exhibit 3 to Delta's Current Report on Form 8-K dated November 17, 1993).*

3.2 Delta's By-Laws (Filed as Exhibit 3 to Delta's Current Report on Form 8-K dated November 17, 1993).*

4.1 Rights Agreement dated as of October 23, 1986, and Amendment No. 1 thereto dated as of June 19, 1992, between Delta and NationsBank of Georgia, N.A. (Filed as Exhibit 1 to Delta's Current Report on Form 8-K dated November 4, 1986, and Exhibit 4-I to Amendment No. 2 to Delta's Registration Statement on Form S-3 (Registration No. 33-48136)).*

4.2 Resignation, Transfer and Acceptance Agreement dated November 30, 1992, among NationsBank of Georgia, N.A., First Chicago Trust Company of New York, and Delta (Filed as Exhibit 4-G to Amendment No. 1 to Delta's Registration Statement on Form S-3 (Registration No. 33-62048)).*

4.3 Certificate of Designations, Preferences and Rights of Series A Junior Participating Preferred Stock, Series B ESOP Convertible Preferred Stock and Series C Convertible Preferred Stock (Filed as part of Exhibit 3 to Delta's Current Report on Form 8-K dated November 17, 1993).*

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

4.5 Agreement dated May 31, 1989, among Delta, The Citizens and Southern National Bank and The Citizens and Southern National Bank of Florida relating to the appointment of a successor trustee under the Indenture dated as of March 1, 1983, as supplemented, between Delta and The Citizens and Southern National Bank (Filed as Exhibit 4.6 to Delta's Annual Report on Form 10-K for the year ended June 30, 1989).*

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

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

4.8 Indenture dated as of June 15, 1993, between Delta and NationsBank of Georgia, N.A., Trustee, relating to Delta's 3.23% Convertible Subordinated Notes due June 15, 2003 (Filed as Exhibit 4.2 to Delta's Current Report on Form 8-K dated June 29, 1993).*

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

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

4.11 Letter of Credit dated August 12, 1993, issued by NationsBank of Georgia, N.A., to Wilmington Trust Company, Trustee, relating to the Guaranteed Serial ESOP Notes (Filed as Exhibit 4.13 to Delta's Annual Report on Form 10-K for the year ended June 30, 1993).*

4.12 Amended and Restated Credit Agreement dated as of December 4, 1992, among Delta, Certain Banks and NationsBank of Georgia, N.A., as Agent Bank, as amended by the First Amendment thereto dated as of June 4, 1993 (Filed as Exhibit 4.2 to Delta's Current Report on Form 8-K dated December 8, 1992 and Exhibit 4-I to Amendment No. 2 to Delta's Registration Statement on Form S-3 (Registration No. 33-62048)).*

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

10.1 Purchase Agreement No. 1646 between The Boeing Company and Delta relating to Boeing Model 737-332 aircraft (Filed as Exhibit 10.8 to Delta's Annual Report on Form 10-K for the year ended June 30, 1990).*

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

10.3 Stock Purchase Agreement dated August 21, 1989, between Delta and Swissair, Swiss Air Transport Company Ltd. (Filed as Exhibit 10.9 to Delta's Annual Report on Form 10-K for the year ended June 30, 1989).*

10.4 Stock Purchase Agreement dated October 26, 1989, between Singapore Airlines Limited and Delta (Filed as Exhibit 10.1 to Delta's Current Report on Form 8-K dated November 2, 1989).*

10.5 Stock Purchase Agreement dated October 26, 1989, between Delta and Singapore Airlines Limited (Filed as Exhibit 10.2 to Delta's Current Report on Form 8-K dated November 2, 1989).*

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

10.7 Purchase Agreement No. DAC 90-10-D between McDonnell Douglas Corporation and Delta relating to MD-90 aircraft, as amended (Filed as Exhibit 10.1 to Delta's Quarterly Report on Form 10-Q for the quarter ended September 30, 1990, and Exhibit 10 to Delta's Quarterly Report on Form 10-Q for the quarter ended September 30, 1994). *

10.8 Employment Agreement dated July 29, 1987, between Delta and Mr. Ronald W. Allen, as amended by the Amendments thereto dated February 1, 1992, August 15, 1992, and October 28, 1993 (Filed as Exhibit 10.8 to Delta's Annual Report on Form 10-K for the year ended June 30, 1987, Exhibit 10 to Delta's Quarterly Report on Form 10-Q for the quarter ended March 31, 1992, Exhibit 10.13 to Delta's Annual Report on Form 10-K for the year ended June 30, 1992, and Exhibit 10 to Delta's Quarterly Report on Form 10-Q for the quarter ended December 31, 1993).*

10.9 Delta's Incentive Compensation Plan, as amended.

10.10 Delta's 1989 Stock Incentive Plan, as amended (Filed as Exhibit 10.10 to Delta's Annual Report on Form 10-K for the year ended June 30, 1994).*

10.11 Delta's Executive Deferred Compensation Plan, as amended.

10.12 Directors' Deferred Compensation Plan (Filed as Exhibit 10.14 to Delta's Annual Report on Form 10-K for the year ended June 30, 1987).*

10.13 Directors' Charitable Award Program (Filed as Exhibit 10.14 to Delta's Annual Report on Form 10-K for the year ended June 30, 1993).*

10.14 1991 Delta Excess Benefit Plan, The Delta Supplemental Excess Benefit Plan and Form of Excess Benefit Plan Agreement (Filed as Exhibit 10.18 to Delta's Annual Report on Form 10-K for the year ended June 30, 1992).*

10.15 Agreement between Delta and The Air Line Pilots in the Service of Delta as Represented by The Air Line Pilots Association, International as supplemented (Filed as Exhibit

10.28 to Delta's Annual Report on Form 10-K for the year ended June 30, 1990 and Exhibit 10.20 to Delta's Annual Report on Form 10-K for the year ended June 30, 1992).*

11. Statement regarding computation of per share earnings for the years ended June 30, 1993, 1994 and 1995.

12. Statement regarding computation of ratio of earnings to fixed charges for the years ended June 30, 1991, 1992, 1993, 1994 and 1995.

13. Portions of Delta's 1995 Annual Report to Stockholders.

23. Consent of Arthur Andersen LLP.

24. Powers of Attorney.

27. Financial Data Schedule (for SEC use only).

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*Incorporated herein by reference

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EXHIBIT 10.9

[As amended through July 18, 1995]

Delta Air Lines, Inc.
INCENTIVE COMPENSATION PLAN

ARTICLE 1. ESTABLISHMENT AND PURPOSE

1.1 ESTABLISHMENT OF THE PLAN. Delta Air Lines, Inc., a Delaware corporation (the "Company"), hereby establishes an annual incentive compensation plan to be known as "The Delta Air Lines, Inc. Incentive Compensation Plan" (the "Plan"), as set forth in this document. The Plan permits the awarding of annual cash bonuses to Employees of the Company, based on the achievement of pre-established performance goals.

The Plan shall become effective as of July 1, 1994 (the "Effective Date") and shall remain in effect until terminated by the Board.

1.2 PURPOSE. The purposes of the Plan are to: (a) increase the incentives to Participants to achieve annual goals that are within group and/or individual control, and are considered key to the Company's success; (b) encourage teamwork among Participants in various segments of the Company; and (c) reward performance with pay that varies in relation to the extent to which the pre-established goals are achieved.

ARTICLE 2. DEFINITIONS.

Whenever used in the Plan, the following terms shall have the meanings set forth below and, when the defined meaning is intended, the term is capitalized:

2.1 "AWARD OPPORTUNITY" means the various levels of incentive award payouts which a Participant may earn under the Plan, including Target Incentive Awards, as established by the Committee pursuant to Sections 5.1 and 5.2 herein.

2.2 "BOARD" OR "BOARD OF DIRECTORS" means the Board of Directors of the Company.

2.3 "CHANGE IN CONTROL" shall be deemed to have occurred:

(a) Fifteen (15) days after a public announcement that any person (as that term is used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended), without prior approval of the Board, has acquired, either directly or indirectly, beneficial ownership of securities representing twenty percent (20%) or more of the total votes that could be cast by the holders of all of the Company's outstanding securities entitled to vote in elections of Directors; or

(b) When individuals constituting the Board as of the Effective Date (or the successors of such individuals nominated by a Board of Directors on which such individuals or such successors constituted a majority) cease to constitute a majority of the Board of Directors.

2.4 "CODE" means the Internal Revenue Code of 1986, as amended.

2.5 "COMMITTEE" means a committee of two (2) or more individuals, appointed by the Board to administer the Plan, pursuant to Article 3 herein.

2.6 "COMPANY" means Delta Air Lines, Inc., a Delaware corporation (including any and all Subsidiaries), and any successor thereto.

2.7 "DISABILITY" means a disability which would qualify the Participant for Long-Term Disability benefits as defined in Section 4.03 of the Delta Family-Care Disability and Survivorship Plan, as may be amended from time to time.

2.8 "EFFECTIVE DATE" means the date the Plan becomes effective, as set forth in Section 1.1 herein.

2.9 "EMPLOYEE" means a full-time, salaried employee of the Company.

2.10 "EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended from time to time, or any successor act thereto.

2.11 "EXECUTIVE OFFICER" means a Participant who, as of the last day of the applicable Plan Year, is an officer of the Company at or above the level of Senior Vice President.

2.12 "FINAL AWARD" means the actual award earned during a Plan Year by a Participant, as determined by the Committee.

2.13 "PARTICIPANT" means an Employee who is actively participating in the Plan.

2.14 "PLAN YEAR" means the Company's fiscal year.

2.15 "RETIREMENT" shall have the meanings ascribed to Early, Normal or Deferred Retirement in the Company's defined benefits tax-qualified retirement pension plan applicable to the Participant.

2.16 "SUBSIDIARY" means any corporation (other than the Company) in which the Company or a Subsidiary of the Company owns fifty percent (50%) or more of the total combined voting power of all classes of stock.

2.17 "TARGET INCENTIVE AWARD" means the award which may be paid to a Participant when "targeted" performance results, as established by the Committee, are attained.

ARTICLE 3. ADMINISTRATION

3.1 THE COMMITTEE. The Plan shall initially be administered by the Personnel, Compensation & Nominating Committee of the Board. Subject to the terms of this Plan, the Board may appoint a successor Committee to administer the Plan. The members of the Committee shall be appointed by, must be members of, and shall serve at the discretion of, the Board.

3.2 AUTHORITY OF THE COMMITTEE. Except as limited by law or by the Certificate of Incorporation or Bylaws of the Company, and subject to the provisions herein, the Committee shall have full power to select Employees who shall participate in the Plan; determine the size and types of Award Opportunities and Final Awards; determine the terms and conditions of Award Opportunities in a manner consistent with the Plan; construe and interpret the Plan and any agreement or instrument entered into under the Plan; establish, amend, or waive rules and regulations for the Plan's administration; and (subject to the provisions of Article 8 herein) amend the terms and conditions of any outstanding Award Opportunity to the extent such terms and conditions are within the sole discretion of the Committee as provided in the Plan. Further, the Committee shall make all other determinations which may be necessary or advisable for the administration of the Plan. As permitted by law, the Committee may delegate its authority hereunder.

3.3 DECISIONS BINDING. All determinations and decisions of the Committee as to any disputed question arising under the Plan, including questions of construction and interpretation, shall be final, binding, and conclusive upon all parties.

ARTICLE 4. ELIGIBILITY AND PARTICIPATION

4.1 ELIGIBILITY. All Employees who are deemed by the Committee to be key employees shall be eligible to participate in the Plan for such Plan Year.

4.2 PARTICIPATION. No later than ninety (90) days after the beginning of each Plan Year, the Committee shall determine participation in the Plan based upon the criteria set forth in Section 4.1 herein. Employees who are chosen to participate in the Plan in any given Plan Year shall be so notified in writing, and shall be apprised of the performance measure(s), performance goal(s), and related Award Opportunities for the relevant Plan Year, as soon as is practicable.

4.3 PARTIAL PLAN YEAR PARTICIPATION. An Employee who becomes eligible after the beginning of a Plan Year may participate in the Plan for that Plan Year; however, such Employee's Target Incentive Award shall be prorated to reflect his or her months of participation during the Plan Year. Such situations may include, but are not limited to (a) new hires; (b) when an Employee is promoted to a position which meets the eligibility criteria; or (c) when an Employee is transferred from an affiliate which does not participate in the Plan.

The Committee, in its sole discretion, retains the right to prohibit or allow participation in the initial Plan Year of eligibility for any of the aforementioned Employees.

4.4 NO RIGHT TO PARTICIPATE. No Participant or other Employee shall at any time have a right to be selected for participation in the Plan for any Plan Year, despite having previously participated in the Plan.

ARTICLE 5. AWARD DETERMINATION

5.1 PERFORMANCE MEASURES AND PERFORMANCE GOALS. No later than ninety (90) days after the beginning of each Plan Year, the Committee shall select performance measures and shall establish performance goals for that Plan Year. Except as provided in Article 8 herein, the performance measures may be based on any combination of corporate, divisional, and/or individual goals.

For each Plan Year, the Committee shall establish ranges of attainment of the performance goals which will correspond to various levels of Award Opportunities. Each performance goal range shall include a level of performance at which one hundred percent (100%) of the Target Incentive Award may be earned. In addition, each range shall include levels of performance above and below the one hundred percent (100%) performance level at which a greater or lesser percent of the Target Incentive Award may be earned.

After the performance goals are established, the Committee will align the achievement of the performance goals with the Award Opportunities (as described in Section 5.2 herein), such that the level of achievement of the pre-established performance goals at the end of the Plan Year will determine the Final Awards. Except as provided in Article 8 herein, the Committee shall have the authority to exercise subjective discretion in the determination of Final Awards.

The Committee may establish one or more Company-wide performance measures which must be achieved for any Participant to receive a Final Award payment for that Plan Year.

Following the completion of each Plan Year, if the performance goals were met, the Committee shall certify in writing that the performance goals for such Plan Year were satisfied.

5.2 AWARD OPPORTUNITIES. No later than ninety (90) days after the beginning of each Plan Year, the Committee shall establish, in writing, Award Opportunities, which correspond to various levels of achievement of the pre-established performance goals. The established Award Opportunities may vary in relation to the job classification of each Participant or among Participants in the same job classification. Except as provided in Article 8 herein, in the event a Participant changes job levels during a Plan Year, the Participant's Award Opportunity may be adjusted to reflect the amount of time at each job level during the Plan Year.

5.3 ADJUSTMENT OF PERFORMANCE GOALS AND AWARD OPPORTUNITIES. Once established, performance goals normally shall not be changed during the Plan Year. However, except as provided in Article 8 herein, if the Committee determines in its sole discretion that external changes or other unanticipated business conditions have materially affected the fairness of the goals, then the Committee may approve appropriate adjustments to the performance goals (either up or down) during the Plan Year as such goals apply to the Award Opportunities of specified Participants.

Notwithstanding any other provision of this Plan, in the event of any change in corporate capitalization, such as a stock split, or a corporate transaction, such as any merger, consolidation, separation, including a spin-off, or other distribution of stock or property of the Company, any reorganization (whether or not such reorganization comes within the definition of such term in Code Section 368), or any partial or complete liquidation of the Company, such adjustment shall be made in the Award Opportunities and/or the performance measures or performance goals related to then-current performance periods, as may be determined to be appropriate and equitable by the Committee, in its sole discretion, to prevent dilution or enlargement of rights; provided, however, that subject to Article 8 herein, any such adjustment shall not be made if it would eliminate the ability of Award Opportunities held by Executive Officers to qualify for the "performance-based" exception under Code Section 162(m).

5.4 FINAL AWARD DETERMINATIONS. As soon as practicable after the end of each Plan Year, Final Awards shall be computed for each Participant as determined by the Committee. Subject to the terms of Article 8 herein, Final Award amounts may vary above or below the Target Incentive Award, based on the level of achievement of the pre-established corporate, divisional, and/or individual performance goals. Except as provided in Article 8 herein, the Committee shall have discretion to increase, reduce or eliminate any or all Final Awards that otherwise would be paid.

5.5 AWARD LIMIT. The Committee may establish guidelines governing the maximum Final Awards that may be earned by Participants (either in the aggregate, by Employee class, or among individual Participants) in each Plan Year. The guidelines may be expressed as a percentage of Company-wide goals of financial measures, or such other measures as the Committee shall from time to time determine; provided, however, that the maximum payout with respect to a Final Award payable to any one Participant in connection with performance in any one Plan Year shall be three million dollars ($3,000,000).

5.6 THRESHOLD LEVELS OF PERFORMANCE. The Committee may establish minimum levels of performance goal achievement, below which no payouts of Final Awards shall be made to any Participant.

ARTICLE 6. PAYMENT OF FINAL AWARDS

6.1 FORM AND TIMING OF PAYMENT. Unless a deferral election is made by a Participant pursuant to Section 6.2 herein, or deferral of all or a portion of a Participant's Final Award is required by Section 6.3, each Participant's Final Award shall be paid in cash, in one lump sum, within seventy-five (75) days after the end of each Plan Year.

6.2 VOLUNTARY DEFERRAL OF FINAL AWARD PAYOUTS. A Participant may defer receipt of some or all payments otherwise due under the Plan pursuant to the terms of the Company's Executive Deferred Compensation Plan.

6.3 REQUIRED DEFERRAL OF FINAL AWARD PAYOUTS. In the event that all or a portion of a Participant's Final Award is not deductible by the Company due to limits contained in Code Section 162(m) or any successor Code Section, payment of the nondeductible portion of such Final Award shall be deferred until such time as it may be deducted by the Company subject to such terms and conditions as the Committee determines to be appropriate. Rates of interest on such deferred amounts shall be determined by the Committee in a manner consistent with the requirements of Code Section 162(m) and the Regulations thereunder.

6.4 UNSECURED INTEREST. No Participant or any other party claiming an interest in amounts earned under the Plan shall have any interest whatsoever in any specific asset of the Company. To the extent that any party acquires a right to receive payments under the Plan, such right shall be equivalent to that of an unsecured general creditor of the Company.

ARTICLE 7. TERMINATION OF EMPLOYMENT

7.1 TERMINATION OF EMPLOYMENT DUE TO DEATH, DISABILITY OR RETIREMENT. In the event Participant's employment is terminated by reason of death, Disability, or Retirement, the Final Award determined in accordance with Section 5.4 herein shall be reduced to reflect participation prior to termination only. The reduced award shall be determined by multiplying said Final Award by a fraction, the numerator of which is the number of days of employment in the Plan Year through the date of employment termination, and the denominator of which is three hundred sixty-five (365). In the case of a Participant's Disability, the employment termination shall be deemed to have occurred on the date that the Committee determines the definition of Disability to have been satisfied.

The Final Award thus determined shall be paid within seventy-five (75) days following the end of the Plan Year in which employment termination occurs.

7.2 TERMINATION OF EMPLOYMENT FOR OTHER REASONS. In the event a Participant's employment is terminated for any reason other than death, Disability, or Retirement (of which the Committee shall be the sole judge), the Participant's opportunity to receive a Final Award for the Plan Year then in progress shall be forfeited. However, the Committee, in its sole discretion, may pay a prorated award for the portion of the Plan Year that the Participant was employed by the Company, computed as determined by the Committee.

ARTICLE 8. EXECUTIVE OFFICERS

8.1 APPLICABILITY OF ARTICLE 8. The provisions of this Article 8 shall apply only to Executive Officers. In the event of any inconsistencies between this Article 8 and the other Plan provisions as they pertain to Executive Officers, the provisions of this Article 8 shall control.

8.2 ESTABLISHMENT OF AWARD OPPORTUNITIES. Except as provided in Section 8.7 herein, Award Opportunities for Executive Officers shall be established as a function of each Executive Officer's Base Salary (as defined below). No later than ninety (90) days after the beginning of each Plan Year, the Committee shall establish, in writing, various levels of Final Awards which may be paid with respect to specified levels of attainment of the pre-established performance goals.

For purposes of this Article 8, "Base Salary" shall mean, as to any specific Plan Year, a Participant's regular annual salary rate as of the first day of the Plan Year. Regular salary shall not be reduced by any voluntary salary reductions or any salary reduction contributions made to any defined contribution plan or other deferred compensation plans of the Company, but shall not include any payments under this Plan or any other bonuses, incentive pay, or special awards.

8.3 COMPUTATION OF FINAL AWARDS. Each Executive Officer's Final Award shall be based on: (a) the Executive Officer's Target Incentive Award; (b) the potential Final Awards corresponding to various levels of achievement of the pre-established performance goals, as established by the Committee; and (c) Company performance in relation to the pre-established performance goals. Except as provided in Section 8.7 herein, performance measures which may serve as determinants of Executive Officers' Award Opportunities shall be limited to the Company's Pretax Income, Return on Assets, Operating Cash Flow, Return on Equity, Growth in Revenues, Net Income, Net Profit Margin, Operating Profit Margin and Earnings per Share.

8.4 NO MID-YEAR CHANGE IN AWARD OPPORTUNITIES. Except as provided in Section 8.7 herein, each Executive Officer's Final Award shall be based exclusively on the Award Opportunity levels established by the Committee pursuant to Section 8.2 above.

8.5 NONADJUSTMENT OF PERFORMANCE GOALS. Except as provided in Section 8.7 herein, performance goals shall not be changed following their establishment, and Executive Officers shall not receive any payout when the minimum performance goals are not met or exceeded.

8.6 INDIVIDUAL PERFORMANCE AND DISCRETIONARY ADJUSTMENTS. Except as provided in the second sentence of this Section 8.6 and in Section 8.7 herein, subjective evaluations of individual performance of Executive Officers shall not be reflected in their Final Awards. However, the Committee shall have the discretion to reduce or eliminate the amount of the Final Award otherwise payable to an Executive Officer.

8.7 POSSIBLE MODIFICATIONS. If, on the advice of the Company's counsel, the Committee determines that Code Section 162(m) and the Regulations thereunder will not adversely affect the deductibility for federal income tax purposes of any amount paid under the Plan by permitting greater discretion and/or flexibility with respect to Award Opportunities granted to Executive Officers pursuant to this Article 8, then the Committee may, in its sole discretion, apply such greater discretion and/or flexibility to such Award Opportunities as is consistent with such advice and the terms of this Plan, and, to the extent permitted by such advice, without regard to the restrictive provisions of this Article 8.

In addition, in the event that changes are made to Code Section 162(m) or the Regulations thereunder to permit greater flexibility with respect to any Award Opportunities under the Plan, the Committee may exercise such greater flexibility consistent with the terms of the Plan and, to the extent of such changes, without regard to the restrictive provisions of this Article 8.

ARTICLE 9. RIGHTS OF PARTICIPANTS

9.1 EMPLOYMENT. Nothing in the Plan shall interfere with or limit in any way the right of the Company to terminate any Participant's employment at any time, nor confer upon any Participant any right to continue in the employ of the Company.

9.2 NONTRANSFERABILITY. No right or interest of any Participant in the Plan shall be assignable or transferable, or subject to any lien, directly, by operation of law or otherwise, including, but not limited to, execution, levy, garnishment, attachment, pledge, and bankruptcy.

ARTICLE 10. BENEFICIARY DESIGNATION.

Each Participant under the Plan may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under the Plan is to be paid in case of his or her death before he or she receives any or all of such benefit. Each designation will revoke all prior designations by the same Participant, shall be in a form prescribed by the Committee, and will be effective only when filed by the Participant in writing with the Committee during his or her lifetime. Beneficiary designations filed with respect to predecessor plans prior to the adoption of this Plan shall be effective with respect to this Plan. In the absence of any such designation, benefits remaining unpaid at the Participant's death shall be paid to the Participant's estate.

ARTICLE 11. CHANGE IN CONTROL

In the event of a Change in Control, each Participant shall, in the sole discretion of the Committee, be entitled to a pro rata payment of his or her Final Award for the Plan Year during which such Change in Control occurs, as determined by the Committee. In such circumstances the Committee shall determine the Final Award based upon performance during the Plan Year until the date of the Change of Control. Such proration shall be determined as a function of the number of days within the Plan Year prior to the effective date of the Change in Control, in relation to three hundred sixty-five (365). Such amount shall be paid in cash to each Participant within one hundred twenty (120) days after the effective date of the Change in Control.

ARTICLE 12. AMENDMENTS

The Committee or the Board, without notice, at any time and from time to time, may modify or amend, in whole or in part, any or all of the provisions of the Plan, or suspend or terminate it entirely; provided, however, that no such modification, amendment, suspension, or termination may, without the consent of a Participant (or his or her beneficiary in the case of the death of the Participant), reduce the right of a Participant (or his or her beneficiary as the case may be) to a payment or distribution hereunder to which he or she is entitled.

ARTICLE 13. MISCELLANEOUS

13.1 GOVERNING LAW. The Plan, and all agreements hereunder, shall be governed by and construed in accordance with the laws of the state of Georgia.

13.2 WITHHOLDING TAXES. The Company shall have the right to deduct from all payments under the Plan any foreign, Federal, state, or local income or other taxes required by law to be withheld with respect to such payments. Before payment of any Final Award may be deferred under Article 6, the Company may require that the Participant pay or agree to withholding for any foreign, Federal, state or local income or other taxes which may be imposed on any amount deferred.

13.3 GENDER AND NUMBER. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine; the plural shall include the singular, and the singular shall include the plural.

13.4 SEVERABILITY. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

13.5 COSTS OF THE PLAN. All costs of implementing and administering the Plan shall be borne by the Company.

13.6 SUCCESSORS. All obligations of the Company under the Plan shall be binding upon and inure to the benefit of any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

13.7 OTHER PLANS. Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to stockholder approval if such approval is required; and such arrangements may be either generally applicable or applicable only in specific cases.

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EXHIBIT 10.11

[As amended through July 18, 1995]

DELTA AIR LINES, INC.
EXECUTIVE DEFERRED COMPENSATION PLAN

ARTICLE 1. ESTABLISHMENT AND PURPOSES

1.1 ESTABLISHMENT. Delta Air Lines, Inc., a Delaware corporation (the "Company"), hereby establishes, effective as of July 1, 1994, a deferred compensation plan for key employees as described herein, which shall be known as the "Delta Air Lines, Inc. Executive Deferred Compensation Plan" (the "Plan").

1.2 PURPOSE. The purpose of the Plan is to provide certain key employees of the Company with the opportunity to voluntarily defer a portion of their compensation, subject to the terms of the Plan. By adopting the Plan, the Company desires to enhance its ability to attract and retain employees of outstanding competence.

ARTICLE 2. DEFINITIONS

Whenever used herein, the following terms shall have the meanings set forth below, and, when the defined meaning is intended, the term is capitalized:

(a) "Board" or "Board of Directors" means the Board of Directors of the Company.

(b) "Bonus" means any incentive award based on an assessment of performance, payable by the Company to a Participant with respect to the Participant's services during a given fiscal year of the Company, and shall be deemed earned only upon award by the Company. For purposes of the Plan, "Bonus" shall not include incentive awards which relate to a period exceeding one (1) fiscal year.

(c) "Change in Control" shall be deemed to have occurred:

(i) Fifteen (15) days after a public announcement that any person (as that term is used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended), without prior approval of the Board, has acquired, either directly or indirectly, beneficial ownership of securities representing twenty percent (20%) or more of the total votes that could be cast by the holders of all the Company's outstanding securities entitled to vote in elections of Directors; or

(ii) When individuals constituting the Board as of the Effective Date (or the successors of such individuals nominated by a Board of Directors on which such individuals or such successors constituted a majority) cease to constitute a majority of the Board of Directors.

(d) "Code" means the Internal Revenue Code of 1986, as amended.

(e) "Committee" means a committee of two (2) or more individuals, appointed by the Board to administer the Plan, pursuant to Article 3 herein.

(f) "Company" means Delta Air Lines, Inc., a Delaware corporation (including any and all Subsidiaries), and any successor thereto.

(g) "Compensation" means the gross Salary, Bonus, Long-Term Awards, and other payments eligible for deferral under the Plan, which are payable to a Participant with respect to services performed during a specified period.

(h) "Disability" means a disability which would qualify the Participant for Long-Term Disability benefits as defined in Section 4.03 of the Delta Family-Care Disability and Survivorship Plan, as may be amended from time to time.

(i) "Effective Date" means the date the Plan becomes effective, as set forth in Section 1.1 herein.

(j) "Employee" means a full-time, salaried employee of the Company.

(k) "ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, or any successor Act thereto.

(l) "Long-Term Award" means any cash award (other than cash payment in connection with any stock option or stock appreciation right awards under the 1989 Stock Incentive Plan) payable to a Participant pursuant to a Company program which establishes incentive award opportunities which are contingent upon performance which is measured over periods greater than one (1) year.

(m) "Participant" means an Employee who has elected to participate in the Plan.

(n) "Salary" means all regular, basic wages, before reduction for amounts deferred pursuant to the Plan or any other plan of the Company, payable in cash to a Participant for services to be rendered during the calendar year, exclusive of any Bonus, Long-Term Awards, other special fees, awards, or incentive compensation, allowances, or amounts designated by the Company as payment toward or reimbursement of expenses.

(o) "Subsidiary" means any corporation (other than the Company) in which the Company or a Subsidiary of the Company owns fifty percent (50%) or more of the total combined voting power of all classes of stock.

ARTICLE 3. ADMINISTRATION

3.1 AUTHORITY OF THE COMMITTEE. The Plan shall initially be administered by the Personnel, Compensation & Nominating Committee of the Board. Subject to the terms of this Plan, the Board may appoint a successor Committee to administer the Plan. The members of the Committee shall be appointed by, must be members of, and shall serve at the discretion of the Board.

Subject to the provisions herein, the Committee shall have the exclusive discretion to select Employees for participation in the Plan; to determine the terms and conditions of each Employee's participation in the Plan; to construe and interpret the Plan and any agreement or instrument entered into under the Plan; to establish, amend, or waive rules and regulations for the Plan's administration; to amend (subject to the provisions of Article 9 herein) the terms and conditions of the Plan and any agreement entered into under the Plan; and to make other determinations which may be necessary or advisable for the administration of the Plan. Subject to the terms of the Plan, the Committee may delegate any or all of its authority granted under the Plan to an executive or executives of the Company.

3.2 CLAIMS PROCEDURE. If a request for benefits by a Participant or beneficiary is wholly or partially denied, the Committee will provide such claimant written notice setting forth the denial. A review procedure is available upon written request by the claimant to the Committee within 90 days after the date of the Committee's written notice of the denial of the claim, and includes the right to examine pertinent documents and submit issues and comments in writing to the Committee. The decision on review will be made within 90 days after receipt of the request for review, unless circumstances warrant an extension of time not to exceed an additional 90 days, and shall be in writing. If a decision on review is not made within such period, the Participant's claim shall be deemed denied.

3.3 DECISIONS BINDING. All determinations and decisions of the Committee as to any disputed question arising under the Plan, including questions of construction and interpretation, shall be final, conclusive and binding on all parties.

ARTICLE 4. ELIGIBILITY AND PARTICIPATION

4.1 ELIGIBILITY. Employees eligible to participate in the Plan include key policy-makers and decision-makers of the Company, as selected by the Committee in its sole discretion. It is the intent of the Company to extend eligibility only to those executives who comprise a select group of management or highly compensated employees, such that the Plan will qualify for treatment as a "Top Hat" plan under ERISA.

In the event a Participant no longer meets the requirements for participation in the Plan, such Participant shall become an inactive Participant, retaining all the rights described under the Plan, except the right to make any further deferrals, until such time that the Participant again becomes an active Participant.

4.2 PARTICIPATION. Participation in the Plan shall be determined annually by the Committee based upon the criteria set forth in Section 4.1 herein. Employees who are chosen to participate in the Plan in any given year shall be so notified in writing.

4.3 PARTIAL YEAR ELIGIBILITY. In the event that an Employee first becomes eligible to participate in the Plan during any given year, such Employee shall as soon as practicable be so notified in writing by the Company and provided with an "Election to Defer Form," which must be completed by the Employee as provided in Section 5.2 herein; provided, however, that such Employee may only make an election to defer with respect to that portion of his or her Compensation for such year which is to be paid after the date of filing of the deferral election.

4.4 NO RIGHT TO PARTICIPATE. No Employee shall have the right to be selected as a Participant, or, having been so selected for any given year, to be selected again as a Participant for any other year.

ARTICLE 5. DEFERRAL OPPORTUNITY

5.1 AMOUNT WHICH MAY BE DEFERRED. A Participant may elect to defer up to one hundred percent (100%) of eligible components of Compensation, including but not limited to Salary, Bonus and Long-Term Awards, in any given year; provided, however, that the Committee shall have sole discretion to designate which components of Compensation are eligible for deferral elections under the Plan in any such year. The minimum amount of any single eligible component of Compensation which may be deferred in any given year is the lesser of ten percent (10%) of such component or ten thousand dollars ($10,000). In addition, an election to defer Compensation in any given year shall be expressed by each Participant in increments of either ten percent (10%) of the applicable component of Compensation or ten thousand dollars ($10,000).

5.2 DEFERRAL ELECTION. Participants shall make their elections to defer Bonuses under the Plan for a given fiscal year not later than (a) thirty (30) days prior to the beginning of such fiscal year or (b) if Participants are notified after the beginning of the fiscal year of their selection to participate in the Plan for such fiscal year or a partial fiscal year, within thirty (30) days of receipt of such notice. Elections to defer Salary under the Plan for a given calendar year shall be made not later than (x) thirty (30) days prior to the beginning of such calendar year or (y) if Participants are notified after the beginning of the calendar year of their selection to participate in the Plan for such calendar year or a partial calendar year, within thirty (30) days of receipt of such notice. Elections to defer Long-Term Awards and other payments eligible for deferral under the Plan shall be made in accordance with the foregoing rules for fiscal or calendar years, as the Committee deems appropriate. All deferral elections shall be irrevocable; shall relate solely to amounts earned after the filing of a deferral election with the Committee; and shall be made on an "Election to Defer Form," as described herein.

Participants shall make the following irrevocable elections on each "Election to Defer Form":

(a) The amount to be deferred with respect to each eligible component of Compensation for the specified year;

(b) The length of the deferral period with respect to each eligible component of Compensation, pursuant to the terms of Section 5.3 herein;

(c) The form of payment to be made to the Participant at the end of the deferral period(s), pursuant to the terms of Section 5.4 herein; and

(d) The interest rate alternative(s) with respect to deferrals of Compensation, pursuant to Section 6.2 herein.

5.3 LENGTH OF DEFERRAL. The deferral periods elected by each Participant with respect to deferrals of Compensation for any given year shall be selected from among the choices specified by the Committee. The Committee shall specify one or more deferral periods which are at least one (1) year following the end of the calendar year in which the Compensation is earned, and no greater than ten (10) years following such date; provided, that in no event shall the deferral period extend beyond the end of the calendar year in which the Participant reaches the age of 65. If the Committee does not specify one or more deferral periods, the deferral period choices shall be five (5) years and ten (10) years. Notwithstanding the deferral periods elected by a Participant, payment of deferred amounts and accumulated interest thereon shall be made to the Participant, or the Participant's beneficiary designated pursuant to Section 6.4 hereof, as the case may be, in a single lump sum in the event the Participant's employment with the Company is terminated by reason of death or Disability at any time prior to scheduled payment of deferred amounts and interest thereon. Such payment following employment termination shall be made in cash, within thirty (30) days after the effective date of termination of the Participant's employment.

5.4 PAYMENT OF DEFERRED AMOUNTS. Subject to the provisions of Section 5.5, 5.6 and Article 9 of the Plan, Participants shall receive payment of deferred amounts, together with interest earned thereon, at the end of the deferral period in a single lump-sum cash payment or, if approved by the Committee, by the Participant electing another means of payment such as in installments. If alternative methods for receiving payment are approved by the Committee, elections of the method of payment shall be made by the Participant within the same time periods as required in Section 5.2 of the Plan.

(a) LUMP-SUM PAYMENT. A lump sum payment shall be made in cash within sixty (60) days of the end of the deferral period specified by the Participant, as described in Sections 5.2 and 5.3 herein.

(b) INSTALLMENT PAYMENTS. If approved by the Committee, Participants may elect payout in annual installments, with a minimum number of installments of two (2), and a maximum of fifteen (15). The initial payment shall be made in cash within sixty (60) days after the commencement date selected by the Participant pursuant to Sections 5.2 and 5.3 herein. The remaining installment payments shall be made in cash each year thereafter, until the Participant's entire deferred compensation account has been paid. Interest shall accrue on the deferred amounts in the Participant's deferred compensation account, as provided in Section 6.2 of the Plan. The amount of each installment payment shall be equal to the balance remaining in the Participant's deferred compensation account immediately prior to each such payment, multiplied by a fraction, the numerator of which is one (1), and the denominator of which is the number of installment payments remaining.

(c) ALTERNATIVE PAYMENT SCHEDULE. If approved by the Committee, a Participant may elect an alternate payment schedule.

5.5 FINANCIAL HARDSHIP. The Committee shall have the authority to alter the timing or manner of payment of deferred amounts in the event that the Participant establishes, to the satisfaction of the Committee, severe financial hardship. In such event, the Committee may, in its sole discretion:

(a) Authorize the cessation of deferrals by such Participant under the Plan;

(b) Provide that all, or a portion, of the amount previously deferred by the Participant shall immediately be paid in a lump-sum cash payment;

(c) Provide that all, or a portion, of the installments payable over a period of time shall immediately be paid in a lump-sum cash payment; or

(d) Provide for another installment payment schedule as deemed appropriate by the Committee under the circumstances.

For purposes of this Section 5.5, "severe financial hardship" shall mean any financial hardship resulting from extraordinary and unforeseeable circumstances arising as a result of one or more recent events beyond the control of the Participant. In any event, payment may not be made to the extent such emergency is or may be relieved: (i) through reimbursement or compensation by insurance or otherwise; (ii) by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship; or (iii) by cessation of existing deferrals or new deferrals under the Plan.

Withdrawals of deferred amounts because of a severe financial hardship may only be permitted to the extent reasonably necessary to satisfy the hardship. Examples of what are not considered to be severe financial hardships include the need to send a Participant's child to college or the desire to purchase a home. The Participant's account will be credited with earnings (and debited for any losses) in accordance with the Plan up to the date of distribution.

The severity of the financial hardship shall be judged by the Committee. The Committee's decision with respect to the severity of financial hardship and the manner in which, if at all, the Participant's future deferral opportunities shall be eliminated, and/or the manner in which, if at all, the payment of deferred amounts to the Participant shall be altered or modified, shall be final, conclusive and not subject to appeal.

5.6 CHANGE IN CONTROL. Notwithstanding any provision contained in the Plan, in the event of a Change in Control, the Committee in its sole discretion may direct that all or certain Participants shall be entitled to an immediate lump sum payment of their deferred amounts, together with interest earned thereon.

ARTICLE 6. DEFERRED COMPENSATION ACCOUNTS

6.1 PARTICIPANTS' ACCOUNTS. The Company shall establish and maintain an individual bookkeeping account for deferrals made by each Participant under Article 5 herein. Each account shall be credited as of the date the amount deferred otherwise would have become due and payable to the Participant.

6.2 INTEREST ON DEFERRED AMOUNTS. Compensation deferred under Article 5 shall accrue interest on a basis to be specified by the Committee, consistent with the provisions of Section 162(m) of the Code and the rules and regulations promulgated thereunder, at a rate equal to the return on the rate of return choice(s) selected by the Participant from among the alternatives specified by the Committee from time to time. Interest credited on deferred amounts (less the amount of any debits for any losses) shall be paid out to Participants at the same time and in the same manner as the underlying deferred amounts.

6.3 CHARGES AGAINST ACCOUNTS. There shall be charged against each Participant's deferred compensation account any payments made to the Participant or to his or her beneficiary.

6.4 DESIGNATION OF BENEFICIARY. Each Participant may designate a beneficiary or beneficiaries (who may be named contingently or successively) who, upon the Participant's death, will receive the amounts that otherwise would have been paid to the Participant under the Plan. All designations shall be signed by the Participant, and shall be in such form as prescribed by the Committee. Each designation shall be effective as of the date received from the Participant by the Corporate Secretary of the Company.

Participants may change their designations of beneficiary on a form prescribed by the Committee. The payment of amounts deferred under the Plan shall be in accordance with the last unrevoked written designation of beneficiary that has been signed by the Participant and delivered by the Participant to the Corporate Secretary of the Company prior to the Participant's death.

In the event that all the beneficiaries named by a Participant pursuant to this Section 6.4 predecease the Participant, the deferred amounts that would have been paid to the Participant or the Participant's beneficiaries shall be paid to the Participant's estate.

In the event a Participant does not designate a beneficiary, or for any reason such designation is ineffective, in whole or in part, the amounts that otherwise would have been paid to the Participant or the Participant's beneficiaries under the Plan shall be paid to the Participant's estate.

ARTICLE 7. RIGHTS OF PARTICIPANTS

7.1 CONTRACTUAL OBLIGATION. The Plan shall create a contractual obligation on the part of the Company to make payments from the Participants' accounts when due. Payment of account balances shall be made out of the general funds of the Company.

7.2 UNSECURED INTEREST. No Participant, or party claiming an interest in deferred amounts or contributions through a Participant, shall have any interest whatsoever in any specific asset of the Company. To the extent that any party acquires a right to receive payments under the Plan, such right shall be equivalent to that of an unsecured general creditor of the Company.

The Company may establish one or more trusts, with such trustee(s) as the Committee may approve, for the purpose of providing for the payment of deferred amounts. Any such trust created by the Company will conform to the terms of the model trust approved by the Internal Revenue Service pursuant to Revenue Procedure 92-64, or any amendment thereof or successor procedure thereto. Such trust or trusts may be irrevocable, but the assets thereof shall be subject to the claims of the Company's general creditors. To the extent any deferred amounts under the Plan are actually paid from any such trust, the Company shall have no further obligation with respect thereto, but to the extent not so paid, such deferred amounts shall remain the obligation of, and shall be paid by, the Company.

7.3 EMPLOYMENT. Nothing in the Plan shall interfere with nor limit in any way the right of the Company to terminate any Participant's employment at any time, nor confer upon any Participant any right to continue in the employ of the Company.

ARTICLE 8. WITHHOLDING OF TAXES

The Company shall withhold from an employee's regular compensation from the Company an amount sufficient to satisfy foreign, Federal, state, and local income or other withholding tax requirements with regard to amounts deferred under the Plan. However, the Company reserves the right to institute alternative methods for satisfying the applicable income and withholding tax requirements.

ARTICLE 9. AMENDMENT AND TERMINATION

The Company hereby reserves the right to amend, modify or terminate the Plan at any time by action of the Committee or the Board of Directors. Except as described below in this Article 9, no such amendment, modification or termination shall in any material manner adversely affect any Participant's rights to deferred amounts, contributions or interest earned thereon, without the consent of the Participant.

The Plan is intended to be an unfunded plan maintained primarily to provide deferred compensation benefits for a select group of "management or highly compensated employees" within the meaning of Sections 201, 301 and 401 of ERISA, and therefore to be exempt from the provisions of Parts 2, 3 and 4 of Title I of ERISA. Accordingly, the Board may terminate the Plan and commence termination payout for all or certain Participants, or remove certain employees as Participants, if it is determined by the United States Department of Labor or a court of competent jurisdiction that the Plan constitutes an employee pension benefit plan within the meaning of Section 3(2) of ERISA which is not so exempt. If payout is commenced pursuant to the operation of this Article 9, the payment of such amounts shall be made in a lump sum regardless of the manner selected by each Participant under Section 5.4 herein as applicable.

ARTICLE 10. MISCELLANEOUS

10.1 NOTICE. Any notice or filing required or permitted to be given to the Company under the Plan shall be sufficient if in writing and hand delivered, or sent by registered or certified mail to the Corporate Secretary of the Company. Notice to the Corporate Secretary, if mailed, shall be addressed to the principal executive offices of the Company. Notice mailed to a Participant shall be at such address as is given in the records of the Company. Notices shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification.

10.2 NONTRANSFERABILITY. Participants' rights to deferred amounts and interest earned thereon under the Plan may not be sold, transferred, assigned or otherwise alienated or hypothecated other than by will or by the laws of descent and distribution. In no event shall the Company make any payment under the Plan to any assignee or creditor of a Participant.

10.3 SEVERABILITY. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

10.4 GENDER AND NUMBER. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine; the plural shall include the singular, and the singular shall include the plural.

10.5 COSTS OF THE PLAN. All costs of implementing and administering the Plan shall be borne by the Company.

10.6 APPLICABLE LAW. The Plan shall be construed and enforced in accordance with the provisions of ERISA. In the event that ERISA is not applicable or does not preempt State law, the laws of the State of Georgia shall govern.

10.7 SUCCESSORS. All obligations of the Company under the Plan shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

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EXHIBIT 11

DELTA AIR LINES, INC.
STATEMENT REGARDING COMPUTATION OF PER SHARE EARNINGS
FOR YEARS ENDED JUNE 30, 1993, 1994, AND 1995
(In millions except per share amounts)

	1993	1994	1995
PRIMARY:			
Weighted average shares outstanding	50	50	51
Additional shares assuming exercise of stock options	*	*	-
Average shares outstanding as adjusted	50	50	51
Income (loss) before cumulative effect of accounting changes	$ (415)	$ (409)	$ 294
Preferred dividends series C	(80)	(80)	(80)
Preferred dividends series B	(30)	(30)	(8)
Income (loss) before cumulative effect of accounting changes attributable to primary shares	(525)	(519)	206
Cumulative effect of accounting changes	(587)	-	114
Net income (loss) attributable to primary shares	$ (1,112)	$ (519)	$ 320
Primary earnings (loss) per share before cumulative effect of accounting changes	$ (10.54)	$ (10.32)	$ 4.07
Cumulative effect of accounting changes	(11.78)	-	2.25
Primary earnings (loss) per common share	$ (22.32)	$ (10.32)	$ 6.32
FULLY DILUTED:			
Weighted average shares outstanding	50	50	51
Additional shares assuming:			
Conversion of series C convertible preferred stock	17	17	17
Conversion of series B ESOP convertible preferred stock	6	7	2
Conversion of 3.23% convertible subordinated notes	-	10	10
Exercise of stock options	*	*	-
Average shares outstanding as adjusted	73	84	80
Income (loss) before cumulative effect of accounting changes	$ (415)	$ (409)	$ 294
Interest on 3.23% convertible subordinated notes net of taxes	-	32	32
Additional required ESOP contribution assuming conversion of series B ESOP convertible preferred stock	(16)	(18)	(5)
Income (loss) before cumulative effect of accounting changes	(431)	(395)	321
Cumulative effect of accounting changes	(587)	-	114
Net income (loss) attributable to fully diluted common shares	$ (1,018)	$ (395)	$ 435
Fully diluted earnings (loss) per common share before cumulative effect of accounting changes	$ (5.86)	$ (4.72)	$ 4.01
Cumulative effect of accounting changes	(7.99)	-	1.42
Fully diluted earnings (loss) common share	$ (13.85)*	$ (4.72)*	$ 5.43

*Antidilutive
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EXHIBIT 12

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

	1991	1992	1993	1994	1995
Earnings (before cumulative effect of accounting changes):					
Net income (loss)	$ (324)	$ (506)	$ (415)	$ (409)	$ 294
Add (deduct):					
Income tax (credit) provision	(163)	(271)	(236)	(251)	200
Fixed charges	402	569	616	689	665
Interest capitalized	(65)	(70)	(62)	(33)	(30)
Interest offset on Guaranteed Serial ESOP Notes	(16)	(15)	(15)	(14)	(4)
Earnings (loss) as adjusted	$ (166)	$ (293)	$ (113)	$ (17)	$1,125
Fixed charges:					
Interest expense	$ 162	$ 221	$ 239	$ 304	$ 292
1/3 of rentals	224	333	362	371	369
Additional interest on Guaranteed Serial ESOP Notes	16	15	15	14	4
Total fixed charges	$ 402	$ 569	$ 616	$ 689	$ 665
Ratio of earnings to fixed charges	–	–	–	–	1.69

Earnings for the fiscal years ended June 30, 1991, 1992, 1993 and 1994 were inadequate to cover fixed charges. Additional earnings of $568 million for the fiscal year ended June 30, 1991, of $862 million for the fiscal year ended June 30, 1992, of $729 million for the fiscal year ended June 30, 1993 and of $706 million for the fiscal year ended June 30, 1994, would have been necessary to bring the ratio to 1.0.
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EXHIBIT 13

OPERATIONAL
REVIEW

LEADERSHIP 7.5

On April 28, 1994, Delta announced Leadership 7.5, a three-year plan for with the goal of reducing the Company's annual operating expenses by approximately $2 billion by the end of the June 1997 quarter. Delta also established operating cost per available seat mile (unit cost) goals of 8.6c. for the June 1995 quarter, 8.0c. for the June 1996 quarter and 7.5c. for the June 1997 quarter. These unit cost goals reflect the phase-in of the approximately $2 billion in targeted cost savings, exclude restructuring and other nonrecurring charges, and assume other costs and operating capacity remain at calendar 1993 levels. To the extent other costs increase, the Company will seek additional cost reductions to achieve its goals.

Industry events during fiscal 1995 validated Delta's determination that cost reductions are essential to compete in today's highly competitive airline industry. Low-cost, low-fare carriers increased their presence in domestic markets, resulting in continued reductions in Delta's domestic passenger mile yield and flat or declining domestic unit revenue. At the end of fiscal 1995, approximately 60% of Delta's domestic origin and destination revenue passenger miles were in markets also served by low-cost, low-fare

[GRAPH]

Percent of Delta's Domestic RPM's Competitive with
Low-Fare Carriers

Period	Percent
June 1995	60%
June 1994	57
June 1993	32

carriers, up from 57% at the end of fiscal 1994. The airline industry has experienced a permanent shift in the preferences of its customers, with more business and leisure passengers citing ticket prices as the most important factor in their purchase decisions.

At the beginning of the Leadership 7.5 program, 11 internal teams developed plans to reach cost reduction goals for their areas. During fiscal 1995, additional teams were established to examine areas outside or beyond the scope of the first phase of Leadership 7.5.

Leadership 7.5 initiatives made a significant contribution to Delta's operating profit in fiscal 1995. The Company achieved its first Leadership 7.5 unit cost target, recording a unit cost of 8.39c. for the June 1995 quarter. By the end of fiscal 1995, the implementation of initiatives expected to generate approximately $1.6 billion in annual cost reductions was in process or completed.

Key initiatives contributing to fiscal 1995 cost reductions included:

- Outsourcing of certain non-passenger contact functions and changes in staffing formulas in Airport Customer Service, resulting in the reduction of approximately 3,700 full-time equivalent employees.
- Re-engineering of processes in Technical Operations, resulting in the elimination of approximately 2,300 full-time equivalent employees and reductions in inventory.
- Implementing a maximum travel agent commission payment of $25 one-way or $50 roundtrip for any domestic ticket with a base fare in excess of $250 or $500, respectively.
- Adjusting service levels on certain flights and improving flight attendant productivity through staffing changes.
- Changing a number of employee medical and other benefit programs, with greater emphasis on managed care through preferred provider networks.
- Realigning the Company's domestic route system, with a focus on increasing flying in longer-haul markets and repositioning resources to produce greater revenue and operating efficiencies.
- Implementing the planned phase-out of the Airbus A310 fleet.

Changes in the Company's collective bargaining agreement with the Air Line Pilots Association (ALPA), which represents the Company's 8,100 pilots, are critical to the continued success of Leadership 7.5 and the Company's ability to achieve its future unit cost targets. Delta is seeking $340 million in annual productivity improvements and wage and benefit reductions from its pilots. The collective bargaining agreement became amendable January 1, 1995, and federally mediated negotiations are currently in progress. The outcome of these negotiations cannot presently be determined.

Delta's cost reduction and unit cost goals are aggressive, and no assurance can be given that Delta will achieve these goals.

[GRAPH]

Leadership 7.5 Targets
Operating Cost/ASM (in cents)

June Quarters	Actual	Target
1995	8.39 c	8.6 c
1996	-	8.0
1997	-	7.5

AIRCRAFT FLEET

Delta's fleet of 543 aircraft is among the youngest and most technologically advanced in the U.S. airline industry. During fiscal 1995, Delta focused on refining its aircraft fleet plan to increase operating efficiency and reduce costs.

AIRCRAFT FLEET
At June 30, 1995

Type of Aircraft	Average Age of Aircraft Type (Years)	Owned	Leased	Total
A310-300	1.7	-	9	9
B-727-200	18.3	106	28	134
B-737-200	10.6	1	53	54
B-737-300	9.4	-	13	13
B-757-200	6.5	44	41	85
B-767-200	12.1	15	-	15
B-767-300	6.1	2	24	26
B-767-300ER	3.4	8	7	15
L-1011-1	18.3	32	-	32
L-1011-200	17.0	1	-	1
L-1011-250	12.7	6	-	6
L-1011-500	14.4	17	-	17
MD-11	2.4	4	7	11
MD-88	5.0	63	57	120
MD-90	0.2	5	-	5
Total	10.4	304	239	543

During fiscal 1995, Delta accepted delivery of one B-757-200 aircraft, one B-767-300ER aircraft, and also introduced the MD-90 aircraft into the fleet, accepting delivery of five MD-90 aircraft. The Company returned to lessors four B-727-200 aircraft, four B-737-200 aircraft and one A310-200 aircraft, and sold two B-737-300 aircraft and three A310-200 aircraft. In addition, the Company extended the lease terms for 40 B-737-200 aircraft (see Note 8 of Notes to Consolidated Financial Statements).

[GRAPH]

Capital Expenditures (In Million of Dollars)

Fiscal Year	Flight Equipment (includes leased aircraft)	Ground Property and Equipment
1986	504	98
1987	1,133	92
1988	1,184	146
1989	1,205	276
1990	1,425	265
1991	1,875	269
1992	2,164	317
1993	1,221	192
1994	1,032	173
1995	458	168

Also during fiscal 1995, Delta entered into a definitive agreement with Federal Express Corporation to purchase, between fiscal years 1995 and 2000, 46 shipsets of Stage 3 heavyweight engine hushkits and 9 spare engine hushkits for B-727-200 aircraft, with an option to purchase an additional 52 shipsets of Stage 3 heavyweight engine hushkits and 10 spare engine hushkits.

AIRCRAFT DELIVERY SCHEDULE
Aircraft on Firm Order at June 30, 1995

	Delivery in Year Ending June 30:						
Orders:	1996	1997	1998	1999	2000	After 2000	Total
B-737-300	-	6	6	5	5	30	52

B-757-200	1	2	2	-	-	-	5
B-767-300ER	2	4	-	-	-	-	6
MD-11	-	2	2	-	-	-	4
MD-90	6	8	20	8	-	-	42
Total	9	22	30	13	5	30	109

The aircraft orders include 22 B-737-300 aircraft and 16 MD-90 aircraft scheduled for delivery after fiscal 2001 and fiscal 1996, respectively, that are subject to reconfirmation by Delta. The B-737-300 aircraft orders may be converted to B-737-400 or B-737-500 aircraft orders at Delta's election.

Delta's aircraft subject to reconfirmation and on option provide the Company with flexibility to adjust aircraft deliveries. During fiscal 1995, Delta allowed to expire 8 aircraft subject to reconfirmation and 22 aircraft options.

AIRCRAFT DELIVERY SCHEDULE
Aircraft on Option at June 30, 1995

	Delivery in Year Ending June 30:						
Options:	1996	1997	1998	1999	2000	After 2000	Total
B-737-300....................	-	-	2	6	5	43	56
B-757-200....................	-	-	3	5	6	22	36
B-767-300ER..................	-	-	5	4	-	-	9
MD-11........................	-	-	5	5	5	7	22
MD-88........................	-	-	15	15	-	-	30
MD-90........................	-	-	-	11	7	32	50
Total....................	-	-	30	46	23	104	203

The MD-88 aircraft options may be converted to MD-90 aircraft orders, the B-737-300 aircraft options may be converted to B-737-400 or B-737-500 aircraft orders, and the B-767-300ER aircraft options may be converted to B-767-300 aircraft orders, all at Delta's election.

Delta intends to continue its efforts to control capital spending and simplify the Company's fleet. Certain aircraft returned to lessors or sold during fiscal 1995 were part of Delta's fleet simplification program. Delta also plans to phase out its remaining fleet of A-310-300 aircraft by the end of calendar 1995.

FINANCIAL REVIEW

Management's Discussion and Analysis of Financial Condition and Results of Operations

RESULTS OF OPERATIONS - FISCAL 1995 COMPARED WITH FISCAL 1994

For fiscal 1995, Delta recorded net income of $408 million ($6.32 primary and $5.43 fully diluted earnings per common share after preferred stock dividend requirements) and operating income of $661 million. In fiscal 1994, Delta recorded a net loss of $409 million ($10.32 primary and fully diluted loss per common share after preferred stock dividend requirements), and an operating loss of $447 million.

[GRAPH]

Primary Earnings (Loss) Per Common Share (In Dollars)

Fiscal Year	Amount
1986	$ 1.18
1987	5.90
1988	6.30
1989	9.37
1990	5.79
1991	(7.73)
1992	(10.60)
1993	(9.49)
1994	(3.73)
1995	4.07

Fiscal 1995 results include a one-time $114 million after-tax benefit ($2.25 primary and $1.42 fully diluted benefit per common share) related to the adoption, effective July 1, 1994, of Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits" (SFAS 112). See Note 10 of Notes to Consolidated Financial Statements.

Fiscal 1995 results include a one-time $114 million after-tax benefit ($2.25 primary and $1.42 fully diluted benefit per common share) related to the adoption, effective July 1, 1994, of Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits" (SFAS 112), See Note 10 of Notes to Consolidated Financial Statements.

Fiscal 1994 results include pretax restructuring charges totaling $526 million ($331 million after tax, or $6.59 per common share) related to the Company's Leadership 7.5 program, and an early retirement program completed during the December 1993 quarter.

Excluding the cumulative effect of the adoption of SFAS 112 and restructuring charges, net income for fiscal 1995 totaled $294 million ($4.07 primary and $4.01 fully diluted earnings per common share after preferred stock dividend requirements) and operating income was $661 million, compared to a net loss of $77 million ($3.73 primary and fully diluted loss per common share after preferred stock dividend requirements) and operating income of $79 million in fiscal 1994.

The improvement in financial results for fiscal 1995 versus fiscal 1994 was primarily due to cost reductions under the Company's Leadership 7.5 program. Leadership 7.5 initiatives contributed to cost reductions in most expense categories, resulting in a $465 million, or 4%, decline in operating expenses for fiscal 1995 compared to fiscal 1994, excluding restructuring charges in fiscal 1994. During fiscal 1995, low-cost, low-fare carriers increased their presence in domestic markets served by Delta, which contributed to a 1% decline in the system passenger mile yield. Traffic stimulated by the influence of low-cost, low-fare carriers, discount fare promotions and general improvements in economies worldwide offset the yield decline, resulting in a less than 1% increase in passenger revenue from the previous year.

FINANCIAL RESULTS SUMMARY

	1995	1994	CHANGE
	(IN MILLIONS, EXCEPT SHARE DATA)		
OPERATING REVENUES	$12,194	$12,077	+ 1%
OPERATING EXPENSES	11,533	12,524	- 8
OPERATING INCOME (LOSS)	661	(447)	*
OTHER EXPENSE, NET	(167)	(213)	-22
INCOME (LOSS) BEFORE INCOME TAXES AND CUMULATIVE EFFECT OF ACCOUNTING CHANGES	494	(660)	*
INCOME TAXES (PROVIDED) CREDITED, NET	(200)	251	*
INCOME (LOSS) BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGES	294	(409)	*
CUMULATIVE EFFECT OF ACCOUNTING CHANGES, NET OF TAX	114	-	*
NET INCOME (LOSS)	408	(409)	*
PREFERRED STOCK DIVIDENDS	(88)	(110)	-20
NET INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ 320	$ (519)	* %
PRIMARY INCOME (LOSS) PER COMMON SHARE:			
BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGES	$ 4.07	$(10.32)	* %
CUMULATIVE EFFECT OF ACCOUNTING CHANGES	2.25	-	*
	$ 6.32	$(10.32)	* %
FULLY DILUTED INCOME (LOSS) PER COMMON SHARE:			
BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGES	$ 4.01	$(10.32)	* %
CUMULATIVE EFFECT OF ACCOUNTING CHANGES	1.42	-	*
	$ 5.43	$(10.32)	* %
NUMBER OF SHARES USED TO COMPUTE NET INCOME (LOSS) PER COMMON SHARE:			
PRIMARY	50,657,613	50,257,721	N/A
FULLY DILUTED	80,118,720	50,257,721	N/A

*EXCEEDS 100%

Transatlantic and intra-European operations improved in fiscal 1995 from fiscal 1994, but negatively impacted financial results in both years. In fiscal 1995 and 1994, these operations accounted for 18% and 20%, respectively, of the Company's system available seat miles, and 75% and 78%, respectively, of the Company's international available seat miles.

OPERATING REVENUE DETAIL

	1995	1994	CHANGE
	(IN MILLIONS)		
PASSENGER................	$11,303	$11,252	−%
CARGO....................	565	551	+ 3
OTHER, NET...............	326	274	+19
TOTAL..................	$12,194	$12,077	+ 1%

Operating revenues for fiscal 1995 were $12.2 billion, up 1% from $12.1 billion in fiscal 1994. Passenger revenue increased less than 1%, the result of 1% growth in revenue passenger miles, partly offset by a 1% decline in the passenger mile yield to 13.09(cent). Domestic load factor increased slightly, as domestic revenue passenger miles grew 2%, while domestic capacity rose 1%. Domestic traffic growth is primarily due to traffic stimulated through the increased presence of low−cost, low−fare carriers in markets served by Delta and discount fare promotions, both of which contributed to a 1% decrease in the domestic passenger mile yield. International load factor rose five points, as international revenue passenger miles grew 1% and international operating capacity fell 6%. International traffic growth is mainly the result of generally improved economies, discount fare promotions and other marketing programs. The international passenger mile yield was unchanged, primarily due to an increase in full−fare passengers, which offset the impact of discount fare promotions.

[GRAPH]

1995 Distribution of Operating Revenues

Description	Percent
Domestic Passenger	73%
International Passenger	19
Cargo	5
Other	3

Cargo revenues in fiscal 1995 increased 3% to $565 million. Cargo ton miles increased 8%, primarily due to international cargo traffic growth, and the ton mile yield declined 5%, mainly the result of increases in long−haul cargo traffic, which has lower ton mile yields than short−haul cargo traffic, and lower domestic mail contract rates.

All other revenues were up 19% to $326 million, mainly due to increased revenues from joint marketing programs.

Revenue-Related Statistics

	1995	1994	Change
Revenue Passengers Enplaned (Thousands).....	88,893	87,399	+ 2%
Revenue Passenger Miles (Millions)...............	86,355	85,206	+ 1%
Passenger Load Factor......	66.2%	64.7%	+1.5Pts.
Passenger Mile Yield.......	13.09c.	13.21c.	- 1%
Cargo Ton Miles (Millions).	1,500	1,384	+ 8%
Cargo Ton Mile Yield.......	37.67c.	39.80c.	- 5%
Operating Revenue Per Available Seat Mile......	9.34c.	9.16c.	+ 2%

Operating expenses in fiscal 1995 totaled $11.5 billion, down 8% from $12.5 billion in fiscal 1994. Operating capacity decreased 1% to 130.5 billion available seat miles, and cost per available seat mile declined 7% to 8.84(cent). Excluding restructuring charges in fiscal 1994, operating expenses were down 4%, and cost per available seat mile decreased 3%.

Operating Expense Detail

	1995	1994	Change
	(In Millions)		
Salaries and Related Costs.	$ 4,354	$ 4,589	- 5%
Aircraft Fuel.............	1,370	1,411	- 3%
Passenger Commissions......	1,195	1,255	- 5%
Aircraft Rent.............	671	732	- 8%
Depreciation and Amortization.............	622	678	- 8%
Other Selling Expenses.....	618	614	+ 1%
Contracted Services........	556	457	+22%
Passenger Service..........	443	522	-15%
Facilities and Other Rent..	436	380	+15%
Aircraft Maintenance Materials and Outside Repairs..................	430	418	+ 3%
Landing Fees...............	266	261	+ 2%
Restructuring Charges......	-	526	*%
Other......................	572	681	-16%
Total..................	$11,533	$12,524	- 8%

*Exceeds 100%

Salaries and related expenses decreased 5%, due to a 14% reduction in full-time equivalent employees and lower employee travel and benefit expenses, partly offset by increased costs associated with employee profit sharing and other incentive compensation plans. The decrease in the number of employees is primarily the result of workforce reductions under the Company's Leadership 7.5 program.

Aircraft fuel expense decreased 3%, as fuel gallons consumed declined 1% and the average price per fuel gallon dropped 2% to 54.09(cent), Delta's lowest average price per fuel gallon for any fiscal year since 1989.

Passenger commissions expense declined 5%, mainly due to the implementation of a maximum commission payment on domestic tickets and reductions in commission rates for certain international fares. Aircraft rent expense decreased 8% due to the return of nine aircraft to lessors and the extension of leases on 40 B-737-200 aircraft in the June 1995 quarter which, for accounting purposes, resulted in those leases being reclassified from operating leases to capital leases.

[GRAPH]

1995 Operating Expenses (As a Percent of Total Operating Expenses)

Description	Percent
Salaries and Related	38%

Aircraft Fuel	12
Rentals and Landing Fees	12
Passenger Commissions	10
Other Selling Expenses	5
Depreciation and Amortization	5
Contracted Services	5
Passenger Service	4
Aircraft Maintenance, Materials and Repairs	4
Other Costs	5

Depreciation and amortization expense decreased 8%, primarily related to the early termination of certain routes at the end of fiscal 1994 and other routes becoming fully amortized during fiscal 1995, and reduced amortization of spare parts due to lower inventory levels. Other selling expenses increased 1%, primarily the result of higher credit card service charges and increased booking fee payments to computer reservation system providers, partly offset by lower advertising and promotion expenses.

Contracted services expenses rose 22%, the result of increased outsourcing of information technologies services and certain airport functions. Passenger service expense declined 15%, reflecting continued benefits from catering changes and other cost reduction programs, partially offset by increased passenger traffic.

Facilities and other rent expenses increased 15%, the result of new passenger facilities and increased rental rates at certain locations. Aircraft maintenance materials and outside repairs expense rose 3%, reflecting an increase in scheduled engine repair activity and higher airframe maintenance costs. Landing fees expense increased 2%, mainly reflecting rate increases at some domestic and international locations.

All other operating expenses decreased 16%, largely due to reductions in certain navigation charges and other miscellaneous expenses, and favorable foreign exchange rates in fiscal 1995; and higher litigation costs and a $14 million one-time charge related to frequent flyer program changes in fiscal 1994.

Fiscal 1994 operating expenses include a $414 million restructuring charge related to the Leadership 7.5 program, which includes costs associated with workforce reductions, reductions in inventory, facilities closings and route terminations, and a $112 million restructuring charge for costs associated with an early retirement program, under which approximately 1,500 employees elected to retire effective November 1, 1993.

The cash payments for the fiscal 1994 restructuring charges will approximate $473 million, of which $49 million has been incurred; $310 million is associated with workforce reductions and represents future funding of pension and postretirement benefits that will occur over many periods; and $114 million is designated for costs associated with severance payments and lease termination fees for aircraft and facilities, of which approximately $90 million is expected to occur during fiscal 1996. See Note 16 of Notes to Consolidated Financial Statements.

Operating Statistics

	1995	1994	Change
Available Seat Miles (Millions)	130,525	131,780	- 1%
Available Ton Miles (Millions)	18,150	18,302	- 1%
Fuel Gallons Consumed (Millions)...................	2,533	2,550	- 1%
Average Fuel Price Per Gallon..	54.09c.	55.34c.	- 2%
Breakeven Passenger Load Factor:			
Including Restructuring Charges...................	62.3%	67.2%	-4.9Pts.
Excluding Restructuring Charges...................	62.3%	64.2%	-1.9Pts.
Cost Per Available Seat Mile:			
Including Restructuring Charges.....................	8.84c.	9.50c.	- 7%
Excluding Restructuring Charges.....................	8.84c.	9.10c.	- 3%

Nonoperating expense for fiscal 1995 totaled $167 million, compared to $213 million in fiscal 1994. Interest expense decreased 4%, primarily due to a lower average level of outstanding debt, partly offset by an increase in interest expense related to the extension of 40 B-737-200 aircraft leases, as previously discussed. Interest capitalized on funds advanced for the purchase of flight equipment and construction of facilities declined 9%, primarily resulting from a lower average balance in construction work in progress. Interest income increased 67%, or $38 million, primarily due to a higher average level of short-term investments and higher interest rates during the year.

RESULTS OF OPERATIONS -
FISCAL 1994 COMPARED WITH FISCAL 1993

For fiscal 1994, Delta recorded a net loss of $409 million ($10.32 primary and fully diluted loss per common share after preferred stock dividend requirements) and an operating loss of $447 million. In fiscal 1993, Delta recorded a net loss of $1.0 billion ($22.32 primary and fully diluted loss per common share after preferred stock dividend requirements) and an operating loss of $575 million.

Fiscal 1994 results include pretax restructuring charges totaling $526 million ($331 million after tax, or $6.59 per common share), as previously discussed. Fiscal 1993 results include an $82 million pretax fleet restructuring charge ($52 million after tax, or $1.05 per common share), reflecting nonrecurring costs associated with the retirement of 21 A310 aircraft. Fiscal 1993 results were also affected by Delta's adoption effective July 1, 1992, of Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" (SFAS 106) and Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" (SFAS 109), which resulted in an aggregate $587 million after-tax charge ($11.78 per common share). See Notes 10 and 15, respectively, of Notes to Consolidated Financial Statements.

Excluding restructuring charges and the cumulative effect of accounting changes, the net loss for fiscal 1994 was $77 million ($3.73 primary and fully diluted loss per common share after preferred stock dividend requirements), and operating income was $79 million, compared to a net loss of $363 million ($9.49 primary and fully diluted loss per common share after preferred stock dividend requirements) and an operating loss of $493 million in fiscal 1993.

Operating revenues for fiscal 1994 were $12.1 billion, up 4% from $11.7 billion in fiscal 1993. Passenger revenue increased 3% to $11.3 billion, the result of 3% growth in revenue passenger miles. The passenger mile yield was 13.21(cent) in fiscal 1994, down slightly from the previous year. Domestic revenue passenger miles increased 1% and the domestic passenger mile yield declined less than 1%, primarily due to discount fare promotions and the growing presence of low-cost, low-fare carriers in many markets served by Delta. International revenue passenger miles grew 10% and the international passenger mile yield increased 3%.

Cargo revenues increased 3% to $551 million in fiscal 1994. Cargo ton miles increased 10%, primarily due to Delta's international expansion, and the ton mile yield declined 6%. All other revenues were up 22% to $274 million, mainly due to increased revenue from joint marketing programs and fees collected for passenger ticket changes.

Operating expenses in fiscal 1994 totaled $12.5 billion, up 2% from $12.2 billion in fiscal 1993. Operating capacity decreased less than 1% to 131.8 billion available seat miles. Domestic operating capacity declined 2% and international operating capacity rose 4%, compared to fiscal 1993. The cost per available seat mile increased 3% to 9.50(cent). Excluding restructuring charges in both periods, operating expenses totaled $12.0 billion in fiscal 1994, down 1% from $12.1 billion in fiscal 1993, and the cost per available seat mile decreased 1% to 9.10(cent).

Nonoperating expense for fiscal 1994 totaled $213 million, compared to $76 million in fiscal 1993. Interest expense rose 27% to $304 million, principally due to a full year's interest incurred on debt issued in fiscal 1993. Interest capitalized on funds advanced for the purchase of flight equipment and construction of facilities totaled $33 million, down 46% from fiscal 1993, resulting from a decline in the average balance of advance payments for aircraft. Interest income for fiscal 1994 totaled $57 million, up from $22 million in fiscal 1993, primarily due to a higher average level of short-term investments. Gains from the disposition of flight equipment totaled $2 million in fiscal 1994, compared to $65 million in fiscal 1993.

CAPITALIZATION, FINANCING AND LIQUIDITY-
FISCAL YEAR 1995

Cash and cash equivalents and short-term investments totaled $1.8 billion at June 30, 1995, compared to $1.7 billion at June 30, 1994. The principal sources of funds during fiscal 1995 were $1.1 billion of cash from operations; $139 million from Pan Am Corporation for the repayment of certain debtor-in-possession financing (including $24 million recorded in cash from operations representing accrued interest, net of the settlement of certain other claims); and $137 million from the sale of flight equipment.

During fiscal 1995, Delta invested $458 million in flight equipment and $168 million in ground property and equipment. The Company also made payments of $572 million on long-term debt and capital lease obligations, including Delta's voluntary repurchase and retirement of $403 million principal amount of long-term debt and the Delta Family-Care Savings Plan's (Savings Plan) voluntary prepayment in whole, with funds provided by Delta, of the $131 million aggregate principal amount of the Savings Plan's 1990 Series A and Series B Guaranteed Serial ESOP Notes, which were guaranteed by Delta. In addition, the Company paid cash dividends of $80 million on its Series C Convertible Preferred Stock, $30 million on its Series B ESOP Convertible Preferred Stock, and $10 million on its Common Stock. The Company may repurchase additional long-term debt from time to time.

As of June 30, 1995, the Company had negative working capital of $427 million, compared to negative working capital of $313 million at June 30, 1994. A negative working capital position is normal for Delta and does not indicate a lack of liquidity. The Company expects to meet its current obligations as they become due through available cash, short-term investments and internally generated funds, supplemented as necessary by debt financings and proceeds from sale and leaseback transactions. At August 18, 1995, the Company also had $780 million of credit available under its 1992 Bank Credit Agreement, subject to compliance with certain conditions (see Note 7 of Notes to Consolidated Financial Statements).

[GRAPH]

Invested Capital (In Millions of Dollars)

Fiscal Year	Stockholders' Equity	Long-Term Debt and Capital Leases
1986	$ 1,302	$ 869
1987	1,938	1,018
1988	2,209	729
1989	2,620	703
1990	2,596	1,315
1991	2,457	2,059
1992	1,894	2,833
1993	1,913	3,716
1994	1,467	3,228
1995	1,827	3,121

During fiscal 1995, Delta extended the lease terms of 40 B-737-200 aircraft which, for accounting purposes, resulted in the reclassification of the leases from operating leases to capital leases. The Company recorded in its Consolidated Balance Sheets a $385 million increase in flight equipment under capital leases, net of deferred rent credits, and a $415 million increase in capital lease obligations. See Note 8 of Notes to Consolidated Financial Statements.

Long−term debt and capital lease obligations, including current maturities, totaled $3.3 billion at June 30, 1995, compared to $3.5 billion at June 30, 1994. Stockholders' equity was $1.8 billion at June 30, 1995, compared to $1.5 billion at June 30, 1994. The Company's debt−to−equity position, including current maturities, was 65% debt and 35% equity at June 30, 1995, compared to 70% debt and 30% equity at June 30, 1994.

During fiscal 1995, Delta elected to discontinue selling new receivables under its revolving accounts receivable facility. See Note 5 of Notes to Consolidated Financial Statements.

At August 18, 1995, there was outstanding $290 million principal amount of the Savings Plan's Series C Guaranteed Serial ESOP Notes (Series C ESOP Notes), which are guaranteed by Delta. The Series C ESOP Notes currently have the benefit of a credit enhancement in the form of a letter of credit in the amount of $470 million under Delta's 1992 Bank Credit Agreement. Delta is required to purchase the Series C ESOP Notes in certain circumstances. See Note 7 of Notes to Consolidated Financial Statements.

FISCAL YEAR 1994

In fiscal 1994, the principal sources of funds were $1.3 billion of cash from operations, which included $300 million from the sale of certain accounts receivable (see Note 5 of Notes to Consolidated Financial Statements); $748 million proceeds from aircraft sale and leaseback transactions; $226 million of long−term borrowings; and $103 million from the sale of flight equipment. Delta invested $1.0 billion in flight equipment, net of advance payment refunds of $94 million, and $173 million in ground property and equipment. The Company made payments of $547 million on long−term debt and capital lease obligations, and paid cash dividends of $80 million on its Series C Convertible Preferred Stock, $30 million on its Series B ESOP Convertible Preferred Stock, and $10 million on its Common Stock.

FISCAL YEAR 1993

In fiscal 1993, the principal sources of funds were $1.4 billion of long−term borrowings; $1.1 billion from the issuance of Series C Convertible Preferred Stock; $684 million proceeds from aircraft sale and leaseback transactions; $677 million of cash from operations; and $87 million from the sale of flight equipment. Delta invested $1.2 billion in flight equipment, net of $104 million of advance payment refunds received, and $193 million in ground property and equipment. The Company made payments of $801 million on short−term borrowings, $519 million on long−term debt and capital lease obligations, and paid cash dividends of $73 million on its Series C Convertible Preferred Stock, $35 million on its Common Stock, and $30 million on its Series B ESOP Convertible Preferred Stock.

NEW ACCOUNTING STANDARDS

Effective June 30, 1995, Delta adopted Statement of Financial Accounting Standards No. 119, "Disclosure About Derivative Financial Instruments and Fair Value of Financial Instruments." See Note 4 of Notes to Consolidated Financial Statements.

Effective July 1, 1994, Delta adopted SFAS 112, which resulted in a cumulative after−tax transition benefit of $114 million ($2.25 primary and $1.42 fully diluted benefit per common share) in fiscal 1995, primarily due to the net overfunded status of the Company's disability and survivorship plans. See Note 10 of Notes to Consolidated Financial Statements.

Also effective July 1, 1994, the Company adopted American Institute of Certified Public Accountants Statement of Position 93−6, "Employers' Accounting for Employee Stock Ownership Plans" (SOP 93−6). The adoption of SOP 93−6 increased reported net income available to common stockholders shown in the Consolidated Statements of Operations by $8 million for fiscal 1995, and increased primary and fully diluted earnings per common share for that period by $0.16 and $0.28, respectively. See Note 14 of Notes to Consolidated Financial Statements.

Effective June 30, 1994, Delta adopted Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities" (SFAS 115). The adoption of SFAS 115 resulted in a net increase in stockholders' equity of $53 million at June 30, 1994, primarily related to its investments in Singapore Airlines and Swissair, and may result in volatility in stockholders' equity due to changes in unrealized gains and losses on securities classified as available−for−sale. See Note 2 of Notes to Consolidated Financial Statements.

The Financial Accounting Standards Board has issued Statement No. 121, "Accounting for the Impairment of Long−Lived Assets and for Long−Lived Assets to Be Disposed Of" (SFAS 121), which will be effective for fiscal 1997. SFAS 121 requires that the carrying values of long−lived assets, including certain identifiable intangibles, held and used by an entity be reviewed for impairment, and potentially written down, whenever events or changes in circumstances indicate that the carrying amount of the

asset may not be recoverable. The adoption of SFAS 121 is not expected to have a material impact on the Company's consolidated financial statements.

FUTURE OUTLOOK

DEFERRED TAX ASSET - At June 30, 1995, Delta had net cumulative deferred tax assets of $740 million, which consist of $2.1 billion of deferred tax assets, offset by $1.3 billion of deferred tax liabilities. Included in the deferred tax assets are, among other items, $655 million related to obligations for postretirement benefits, $284 million related to alternative minimum tax (AMT) credit carryforwards and $122 million of net operating loss (NOL) carryforwards. The AMT credit carryforwards do not expire; the NOL carryforwards will generally expire in 2008 and 2009 if not utilized prior to that time.

Management believes that a significant portion of the deferred tax assets will be realized through reversals of existing taxable temporary differences with similar reversal patterns. To realize the benefits of the remaining deferred tax assets, excluding AMT credits, Delta needs to generate approximately $1.2 billion in future taxable income. Based on expectations for future taxable income, the extended period over which postretirement benefits will be recognized, and the fact that AMT credits do not expire, management believes that it is more likely than not that the deferred tax assets will be realized.

Although Delta experienced book and tax losses in fiscal years 1991 through 1994, the Company reported book and tax income in fiscal 1995. Furthermore, the Company reported book income in all other fiscal years since 1947, with the exception of fiscal 1983. Following is a summary of Delta's pretax book income (loss) and taxable income (loss) for the last five fiscal years, prior to NOL carrybacks:

	1995	1994	1993	1992	1991
	(In Millions)				
Pretax Book Income (Loss)..........	$494	$(660)	$(651)	$(786)	$(500)
Taxable Income (Loss)....	$282	$(411)	$(580)	$(568)	$(204)

The Company's losses in fiscal years 1991 through 1994 reflect numerous external factors beyond management's control, including weak economies in a number of regions worldwide and the effects of many deeply discounted fare promotions initiated by other airlines; the Middle East crisis during fiscal 1991; an uneconomic fare structure implemented by another airline late in fiscal 1992, which spurred a half-off fare sale in fiscal 1993; and the growing presence of low-cost, low-fare carriers in many of the domestic markets served by Delta.

Management believes that it has taken and continues to take appropriate actions to improve the Company's financial performance, including the implementation of Leadership 7.5, a three-year plan introduced during fiscal 1994, with the goal of reducing annual operating expenses by approximately $2 billion by the end of the June 1997 quarter. During fiscal 1995, Leadership 7.5 cost reduction initiatives contributed to a $465 million, or 4%, decline in operating expenses from fiscal 1994, excluding restructuring charges in the 1994 period as previously discussed. Management is prepared to take further actions to return the Company to consistent levels of profitability.

Delta's ability to generate the expected amounts of taxable income from future operations is dependent upon various factors, many of which are beyond management's control. Accordingly, there can be no assurance that Delta will meet its expectations of future taxable income. However, after considering Delta's earnings history, the actions that Delta has already taken and will continue to take to improve its financial performance, expectations of future taxable income, and other relevant considerations, management believes that it is more likely than not that future taxable income will be sufficient to fully utilize the deferred tax assets which existed at June 30, 1995. See Note 15 of Notes to Consolidated Financial Statements.

COMMITMENTS - Future expenditures for aircraft, engines and engine hushkits on firm order as of June 30, 1995, are estimated to be $2.9 billion, excluding aircraft orders subject to reconfirmation by Delta. The Company expects to finance these commitments using available cash, short-term investments and internally generated funds, supplemented as necessary by debt financings and proceeds from sale and leaseback transactions. The Company also has certain commitments related to its code sharing arrangements and TransQuest. See Note 9 of Notes to Consolidated Financial Statements. Also, see Note 8 of Notes to Consolidated Financial Statements for information on the Company's lease commitments.

AIRCRAFT FUEL - The Omnibus Budget Reconciliation Act of 1993 imposes a

4.3(cent) per gallon tax on commercial aviation jet fuel purchased for use in domestic operations, effective October 1, 1995. Based on Delta's fiscal 1996 expected domestic fuel requirement of 1.9 billion gallons, the new fuel tax, if implemented, is expected to increase Delta's operating expenses by approximately $80 million annually. Delta and other U.S. airlines are actively lobbying for a repeal of this tax. The outcome of these efforts cannot presently be determined.

TRAVEL AGENCY COMMISSIONS - On February 10, 1995, Delta changed its domestic travel agency commission program by introducing a maximum commission payment of $50 for any roundtrip domestic ticket with a base fare in excess of $500 and $25 for any one-way ticket with a base fare in excess of $250. The maximum commission applies to all tickets issued by U.S. and Canada-based travel agents for travel within and between the Continental U.S., Alaska, Hawaii, Puerto Rico and the U.S. Virgin Islands. The Company expects that this change in commission structure will result in lower future commissions expenses; however, the impact cannot presently be determined. Certain litigation challenging these changes is pending (see Note 11 of Notes to Consolidated Financial Statements).

DOMESTIC ROUTE SYSTEM REALIGNMENTS - On May 1, 1995, Delta realigned its domestic route system to position the Company's aircraft and other resources in areas offering greater revenue-generating potential. As a result of the realignment, Delta increased flights at its Atlanta, Cincinnati and Salt Lake City hubs, and decreased flights at Boston and its Dallas/Fort Worth, Los Angeles and Orlando hubs.

On August 3, 1995, Delta announced plans to further increase flights at Atlanta and Cincinnati, and further reduce flights at Dallas/Fort Worth, effective December 1, 1995. Delta Connection carriers replaced or plan to replace Delta service in certain markets as part of the May 1, 1995 and December 1, 1995 route alignments. Due mainly to competitive factors, there can be no assurance that these route realignments will result in increased passenger revenues.

COMPETITIVE ENVIRONMENT - Delta expects that low-fare competition is likely to continue in domestic and international markets. If price reductions are not offset by increases in traffic or changes in the mix of traffic that improve the passenger mile yield, Delta's operating results will be adversely affected.

ANTITRUST SETTLEMENT - During 1992, Delta and five other U.S. airlines agreed to settle class action claims asserted against them in the Domestic Air Transportation Antitrust Litigation. Under the settlement, which was approved by the United States District Court for the Northern District of Georgia in 1994, the six carriers issued $397 million in face amount of certificates for discounts of approximately 10% on future domestic air travel on any of the six carriers.

Delta will account for the certificates that are redeemed for travel on Delta as a reduction to revenue equal to the value of the redeemed certificates when transportation is provided. The Company anticipates that its share of certificate redemptions will approximate, but will not necessarily be limited to, its relative domestic market share among the six carriers, which was approximately 22% in calendar 1994. The ultimate impact of the settlement on Delta's future revenues, operating margins and earnings is not reasonably estimable, because neither the face amount of the certificates to be redeemed on Delta nor the generative or dilutive revenue effect of certificate redemptions is known.

CONSOLIDATED
BALANCE SHEETS
June 30, 1995 and 1994

ASSETS	1995	1994
	(In Millions)	
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,233	$ 1,302
Short-term investments	529	408
Accounts receivable, net of allowance for uncollectible accounts of $29 at June 30, 1995, and $50 at June 30, 1994	755	886
Maintenance and operating supplies, at average cost......	68	67
Deferred income taxes	234	336
Prepaid expenses and other	195	224
Total current assets	3,014	3,223
PROPERTY AND EQUIPMENT:		
Flight equipment	9,288	9,063
Less: Accumulated depreciation.......................	4,209	3,880
	5,079	5,183
Flight equipment under capital leases	537	173
Less: Accumulated amortization.......................	99	142
	438	31
Ground property and equipment	2,442	2,398
Less: Accumulated depreciation.......................	1,354	1,250
	1,088	1,148
Advance payments for equipment	331	241
	6,936	6,603
OTHER ASSETS:		
Marketable equity securities	398	351
Deferred income taxes	506	560
Investments in associated companies	265	219
Cost in excess of net assets acquired, net of accumulated amortization of $75 at June 30, 1995, and $66 at June 30, 1994	274	283
Leasehold and operating rights, net of accumulated amortization of $165 at June 30, 1995, and $135 at June 30, 1994	177	207
Other	573	450
	2,193	2,070
	$12,143	$11,896

LIABILITIES AND STOCKHOLDERS' EQUITY	1995	1994
	(In Millions, Except Share Data)	
CURRENT LIABILITIES:		
Current maturities of long-term debt	$ 151	$ 227
Current obligations under capital leases	61	11
Accounts payable and miscellaneous accrued liabilities	1,578	1,552
Air traffic liability	1,143	1,247
Accrued rent	235	195
Accrued vacation pay	167	196
Transportation tax payable	106	108
Total current liabilities	3,441	3,536
NONCURRENT LIABILITIES:		
Long-term debt	2,683	3,142
Postretirement benefits	1,714	1,641
Accrued rent	556	541
Capital leases	438	86
Other	395	395
	5,786	5,805
DEFERRED CREDITS:		
Deferred gain on sale and leaseback transactions	860	923
Manufacturers and other credits	109	63
	969	986
COMMITMENTS AND CONTINGENCIES (Notes 7, 8, 9 and 11)		
EMPLOYEE STOCK OWNERSHIP PLAN PREFERRED STOCK:		
Series B ESOP Convertible Preferred Stock, $1.00 par value, $72.00 stated and liquidation value; issued and outstanding 6,786,632 shares at June 30, 1995, and 6,878,292 shares at June 30, 1994	489	495
Less: Unearned compensation under employee stock ownership plan	369	393
	120	102
STOCKHOLDERS' EQUITY:		
Series C Convertible Preferred Stock, $1.00 par value, $50,000 liquidation preference; issued and outstanding 23,000 shares at June 30, 1995 and 1994	--	--
Common Stock, $3.00 par value; authorized 150,000,000 shares; issued 54,537,103 shares at June 30, 1995, and 54,469,491 shares at June 30, 1994	164	163
Additional paid-in capital	2,016	2,013
Accumulated deficit	(184)	(490)
Net unrealized gain on marketable securities	83	53
Less: Treasury stock at cost, 3,721,093 shares at June 30, 1995, and 4,016,219 shares at June 30, 1994	252	272
	1,827	1,467
	$ 12,143	$ 11,896

The accompanying notes are an integral part of these consolidated balance sheets.

CONSOLIDATED STATEMENTS
OF OPERATIONS
For the years ended June 30, 1995, 1994 and 1993

	1995	1994	1993
	(In Millions, Except Per Share Data)		
OPERATING REVENUES:			
Passenger	$ 11,303	$ 11,252	$ 10,899
Cargo	565	551	534
Other, net	326	274	224
Total operating revenues	12,194	12,077	11,657
OPERATING EXPENSES:			
Salaries and related costs	4,354	4,589	4,798
Aircraft fuel	1,370	1,411	1,592
Passenger commissions	1,195	1,255	1,074
Aircraft rent	671	732	729
Depreciation and amortization	622	678	735
Other selling expenses	618	614	569
Contracted services	556	457	450
Passenger service	443	522	542
Facilities and other rent	436	380	356
Aircraft maintenance materials and outside repairs	430	418	465
Landing fees	266	261	262
Restructuring charges	--	526	82
Other	572	681	578
Total operating expenses	11,533	12,524	12,232
OPERATING INCOME (LOSS)	661	(447)	(575)
OTHER INCOME (EXPENSE):			
Interest expense	(292)	(304)	(239)
Interest capitalized	30	33	62
Interest income	95	57	22
Gain on disposition of flight equipment	--	2	65
Miscellaneous income (expense), net	--	(1)	14
	(167)	(213)	(76)
INCOME (LOSS) BEFORE INCOME TAXES AND CUMULATIVE EFFECT OF ACCOUNTING CHANGES	494	(660)	(651)
INCOME TAXES (PROVIDED) CREDITED, NET	(200)	251	236
INCOME (LOSS) BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGES	294	(409)	(415)
CUMULATIVE EFFECT OF ACCOUNTING CHANGES, NET OF TAX	114	--	(587)
NET INCOME (LOSS)	408	(409)	(1,002)
PREFERRED STOCK DIVIDENDS	(88)	(110)	(110)
NET INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCKHOLDERS	$ 320	$ (519)	$ (1,112)
PRIMARY INCOME (LOSS) PER COMMON SHARE:			
Before cumulative effect of accounting changes	$ 4.07	$ (10.32)	$ (10.54)
Cumulative effect of accounting changes	2.25	--	(11.78)
	$ 6.32	$ (10.32)	$ (22.32)
FULLY DILUTED INCOME (LOSS) PER COMMON SHARE:			
Before cumulative effect of accounting changes	$ 4.01	$ (10.32)	$ (10.54)
Cumulative effect of accounting changes	1.42	--	(11.78)
	$ 5.43	$ (10.32)	$ (22.32)

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

CONSOLIDATED STATEMENTS
OF CASH FLOWS
For the years ended June 30, 1995, 1994 and 1993

	1995	1994	1993
	(In Millions)		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	$ 408	$ (409)	$(1,002)
Adjustments to reconcile net income (loss) to cash provided by operating activities:			
Cumulative effect of accounting changes	(114)	--	587
Restructuring charges	--	526	82
Depreciation and amortization	622	678	735
Deferred income taxes	96	(242)	(209)
Amortization of investment tax credits	--	(1)	(2)
Amortization of deferred gain on sale and leaseback transactions	(63)	(62)	(57)
Gain on disposition of flight equipment	--	(2)	(65)
Rental expense in excess of rent payments	54	134	89
Postemployment benefits expense less than payments	(22)	--	--
Pension expense in excess of (less than) payments	(89)	(45)	47
Compensation under ESOP	38	29	27
Other postretirement expense in excess of payments	73	66	129
Changes in certain assets and liabilities:			
Decrease in accounts receivable	131	169	199
Decrease (increase) in prepaid expenses and other current assets	28	123	(19)
Increase (decrease) in air traffic liability	(104)	57	(58)
Increase in accounts payable and miscellaneous accrued liabilities	26	207	215
Increase (decrease) in other payables and accrued expenses	(31)	(34)	50
Increase in other noncurrent liabilities	--	64	14
Other, net	61	66	(85)
Net cash provided by operating activities	1,114	1,324	677
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property and equipment additions:			
Flight equipment, including advance payments	(458)	(1,032)	(1,221)
Ground property and equipment	(168)	(173)	(193)
Increase in short-term investments, net	(121)	(408)	--
Proceeds from sale of flight equipment	137	103	87
Debtor-in-possession loan repayment	115	--	--
Net cash used in investing activities	(495)	(1,510)	(1,327)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payments on long-term debt and capital lease obligations	(572)	(547)	(519)
Cash dividends	(120)	(120)	(138)
Issuance of common stock	4	1	1
Proceeds from sale and leaseback transactions	--	748	684
Issuance of long-term obligations	--	226	1,427
Issuance of Series C Convertible Preferred Stock, net	--	--	1,126
Net short-term borrowings (repayments)	--	--	(801)
Net cash provided by (used for) financing activities	(688)	308	1,780
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(69)	122	1,130
Cash and cash equivalents at beginning of period	1,302	1,180	50
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 1,233	$ 1,302	$ 1,180

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

CONSOLIDATED STATEMENTS
OF STOCKHOLDERS' EQUITY
For the years ended June 30, 1995, 1994 and 1993

	Common Stock	Additional Paid-In Capital	Retained Earnings (Deficit)	Unrealized Gain (Loss) on Equity Securities	Treasury Stock	Total
	(In Millions, Except Share Amounts)					
BALANCE AT JUNE 30, 1992	$ 163	$ 886	$ 1,177	$ (12)	$ (320)	$ 1,894
Fiscal Year 1993:						
Net loss	--	--	(1,002)	--	--	(1,002)
Issuance of Series C Convertible Preferred Stock	--	1,126	--	--	--	1,126
Dividends on Series C Convertible Preferred Stock	--	--	(80)	--	--	(80)
Dividends on common stock ($0.70 per share)	--	--	(35)	--	--	(35)
Dividends on Series B ESOP Convertible Preferred Stock, net of tax benefit of $9	--	--	(21)	--	--	(21)
Issuance of 26,202 shares of common stock under dividend reinvestment and stock purchase plan ($53.13 per share)	--	1	--	--	--	1
Transfer of 336,064 shares of common stock from treasury under ESOP and stock incentive plan ($67.75 per share)	--	(1)	(3)	--	23	19
Net unrealized gain on marketable equity securities	--	--	--	11	--	11
BALANCE AT JUNE 30, 1993	163	2,012	36	(1)	(297)	1,913
Fiscal Year 1994:						
Net loss	--	--	(409)	--	--	(409)
Dividends on Series C Convertible Preferred Stock	--	--	(80)	--	--	(80)
Dividends on common stock ($0.20 per share)	--	--	(10)	--	--	(10)
Dividends on Series B ESOP Convertible Preferred Stock, net of tax benefit of $8	--	--	(22)	--	--	(22)
Issuance of 17,140 shares of common stock under dividend reinvestment and stock purchase plan ($50.38 per share)	--	1	--	--	--	1
Transfer of 370,226 net shares of common stock from treasury under ESOP and stock incentive plan ($67.75 per share)	--	--	(5)	--	25	20
Net unrealized gain on marketable equity securities	--	--	--	54	--	54
BALANCE AT JUNE 30, 1994	163	2,013	(490)	53	(272)	1,467
Fiscal Year 1995:						
Net income	--	--	408	--	--	408
Dividends on Series C Convertible Preferred Stock	--	--	(80)	--	--	(80)
Dividends on common stock ($0.20 per share)	--	--	(10)	--	--	(10)
Dividends on Series B ESOP Convertible Preferred Stock allocated shares	--	--	(8)	--	--	(8)
Issuance of 67,612 shares of common stock under dividend reinvestment and stock purchase plan, stock incentive plan and Series C Preferred Stock conversions ($56.13 per share)	1	3	--	--	--	4
Transfer of 295,126 net shares of common stock from treasury under ESOP and stock incentive plan ($67.75 per share)	--	--	(4)	--	20	16
Net unrealized gain on marketable equity securities	--	--	--	30	--	30
BALANCE AT JUNE 30, 1995	$ 164	$ 2,016	$ (184)	$ 83	$ (252)	$ 1,827

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF PRESENTATION − The consolidated financial statements include the accounts of Delta Air Lines, Inc. and its wholly−owned subsidiaries (Delta or the Company). All significant intercompany accounts and transactions have been eliminated. Certain prior year amounts have been reclassified to conform with the current financial statement presentation.

INVESTMENTS IN ASSOCIATED COMPANIES − The Company's investments in the following companies are accounted for under the equity method: TransQuest Information Solutions (TransQuest), an information technology joint venture; WORLDSPAN, L.P. (WORLDSPAN), a computer reservations system partnership; Atlantic Southeast Airlines, Inc. (ASA); Comair Holdings, Inc. (Comair), the parent of Comair, Inc.; and SkyWest, Inc. (SkyWest), the parent of SkyWest Airlines, Inc. ASA, Comair, Inc., and SkyWest Airlines, Inc. are participants in the Delta Connection program. (See Note 3.)

ACCOUNTING CHANGES − Effective July 1, 1994, the Company adopted Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits" (SFAS 112), and American Institute of Certified Public Accountants Statement of Position 93−6, "Employers' Accounting for Employee Stock Ownership Plans" (SOP 93−6). (See Notes 10 and 14, respectively.) Effective June 30, 1994, the Company adopted Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities" (SFAS 115). (See Note 2.) Effective July 1, 1992, the Company adopted Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" (SFAS 106), and Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" (SFAS 109). (See Notes 10 and 15, respectively.)

CASH AND CASH EQUIVALENTS − Investments with an original maturity of three months or less are classified as cash and cash equivalents. These investments are stated at cost, which approximates fair value.

SHORT−TERM INVESTMENTS − Cash in excess of operating requirements is invested in short−term, highly liquid investments. These investments are classified as available−for−sale under SFAS 115 and stated at fair value. (See Note 2.)

COST IN EXCESS OF NET ASSETS ACQUIRED − The cost in excess of net assets acquired (goodwill), which is being amortized over 40 years, is related to the Company's acquisition of Western Air Lines, Inc. on December 18, 1986. The Company periodically reviews the value assigned to goodwill to determine if it has been other than temporarily impaired. Management believes that goodwill is appropriately valued.

LEASEHOLD AND OPERATING RIGHTS − Costs assigned to the purchase of leasehold rights and landing slots are amortized over the lives of the respective leases at the associated airports. Purchased international route authorities are amortized over the lives of the authorities as determined by the expiration dates of such authorities. Permanent route authorities with no stated expiration dates are amortized over 40 years. The Company periodically reviews the values assigned to leasehold and operating rights to determine if they have been other than temporarily impaired. Management believes that leasehold and operating rights are appropriately valued.

DEFERRED GAINS ON SALE AND LEASEBACK TRANSACTIONS − Gains on the sale and leaseback of property and equipment under operating leases are deferred and amortized over the lives of the respective leases as a reduction in rent expense. Gains on the sale and leaseback of property under capital leases are credited directly to the carrying value of the related asset.

MANUFACTURERS CREDITS − In connection with the acquisition of certain aircraft and engines, the Company receives various credits. These credits are deferred until the aircraft and engines are delivered, at which time the credits are applied on a pro rata basis as a reduction of the acquisition cost of the related equipment.

FREQUENT FLYER PROGRAM − The Company sponsors a travel incentive program (Sky Miles TM) whereby frequent travelers accumulate mileage credits that entitle them to certain awards, including free travel. The Company accrues the estimated incremental cost of providing free travel awards under its SkyMiles program when free travel award levels are achieved. The accrued incremental cost is included in accounts payable and miscellaneous accrued liabilities in the Company's Consolidated Balance Sheets.

The Company also sells mileage credits to participating partners in the SkyMiles program such as hotels, car rental agencies and credit card companies. The resulting revenue, net of the incremental cost of the credits sold, is recorded as other operating revenue in the Company's Consolidated Statements of Operations during the period in which the credits are sold.

PASSENGER AND CARGO REVENUES - Passenger and cargo revenues are recorded when the transportation is provided. The value of unused passenger tickets is included in current liabilities as air traffic liability in the Company's Consolidated Balance Sheets.

Effective July 1, 1994, Delta began recording as reductions of revenue certain international air transportation price adjustments which had previously been recorded as commissions expense. The related amounts in the Consolidated Statements of Operations for fiscal years 1994 and 1993 have been reclassified to conform with the current financial statement presentation.

Delta has entered into code-sharing agreements under which the Company purchases seats from and sells seats to certain foreign airlines. Under these agreements, each airline separately markets its respective seats. The revenue resulting from Delta's sale of code-sharing seats purchased from other airlines is reported as other operating revenue, offset by the cost of acquiring these code-sharing seats and other direct costs incurred in operating the code-sharing flights, in the Company's Consolidated Statements of Operations. The revenue generated from Delta's code sharing seat sales to other airlines is reported as passenger revenue in the Company's Consolidated Statements of Operations.

DEPRECIATION AND AMORTIZATION - Prior to April 1, 1993, the Company depreciated substantially all of its flight equipment on a straight-line basis to residual values (10% of cost) over a 15-year period from the dates placed in service. As a result of a fleet plan review, effective April 1, 1993, the Company increased the estimated useful lives of substantially all of its flight equipment. Flight equipment that was not already fully depreciated is being depreciated on a straight-line basis to residual values (5% of cost) over a 20-year period from the dates placed in service. The effect of this change was a $34 million decrease in depreciation expense and a $22 million ($0.44 per common share) decrease in net loss for fiscal 1993.

Ground property and equipment are depreciated on a straight-line basis over their estimated service lives, which range from 3 to 30 years. Flight equipment under capital leases are amortized on a straight-line basis over the lives of the respective leases, which range from 8 to 15 years.

INTEREST CAPITALIZED - Interest attributable to funds used to finance the acquisition of new aircraft and construction of major ground facilities is capitalized as an additional cost of the related asset. Interest is capitalized at the Company's weighted average interest rate on long-term debt or, where applicable, the interest rate related to specific borrowings. Capitalization of interest ceases when the property or equipment is placed in service.

EARNINGS (LOSS) PER SHARE - Primary earnings (loss) per common share is computed by dividing net income (loss) attributable to common stockholders by the weighted average number of shares of Delta common stock (Common Stock) and, if dilutive, Common Stock equivalents outstanding during the year. Common Stock equivalents consist of the shares issuable upon exercise of outstanding stock options less the number of shares deemed to be repurchased under application of the treasury stock method. The weighted average number of shares of Common Stock outstanding was 50,657,613 for fiscal 1995; 50,257,721 for fiscal 1994; and 49,836,959 for fiscal 1993.

To compute fully diluted earnings (loss) per common share, it is assumed that all outstanding shares of Series C Convertible Preferred Stock (Series C Preferred Stock), all allocated shares of Series B ESOP Convertible Preferred Stock (ESOP Preferred Stock), the 3.23% Convertible Subordinated Notes due 2003 and Common Stock equivalents are converted, if dilutive, into Common Stock. The weighted average number of shares of Common Stock used to compute fully diluted earnings (loss) per common share was 80,118,720 for fiscal 1995; 50,257,721 for fiscal 1994; and 49,836,959 for fiscal 1993. In addition, to compute fully diluted earnings (loss) per common share, net income or loss is adjusted for the additional contribution that would be required to service the ESOP's long-term debt if the ESOP Preferred Stock was converted into Common Stock and for the interest expense that would be avoided if the 3.23% Convertible Subordinated Notes due 2003 were converted into Common Stock. (See Notes 7, 12, 13 and 14.)

FOREIGN CURRENCY TRANSLATION - Assets and liabilities denominated in foreign currencies are translated generally at exchange rates in effect at the balance sheet date, except that fixed assets are translated at exchange rates in effect when these assets were acquired. Revenues and expenses of foreign operations are translated at average monthly exchange rates prevailing during the year, except that depreciation and amortization charges are translated at the exchange rates in effect when the related assets were acquired. The resulting foreign exchange gains and losses are recognized as incurred. Such amounts were not significant for any of the years presented in this report.

2. INVESTMENTS IN DEBT AND EQUITY SECURITIES:

Under SFAS 115, which Delta adopted effective June 30, 1994, the Company's investments in Singapore Airlines Limited (Singapore Airlines) and Swissair, Swiss Air Transport Company Ltd. (Swissair), which are accounted for under the cost method, are classified as available-for-sale and carried at aggregate market value. Prior to June 30, 1994, these investments were carried at the lower of aggregate cost or market. At June 30, 1995 and 1994, the gross unrealized gain on the Company's investment in Singapore Airlines was $143 million and $109 million, respectively, and the gross unrealized loss on the Company's investment in Swissair was $12 million and $24 million, respectively. The $83 million and $53 million net unrealized gains, net of the related deferred tax provision, on these investments at June 30, 1995 and 1994, respectively, are reflected in stockholders' equity. Delta's rights to vote, transfer or acquire additional shares of the stock of Singapore Airlines and

Swissair are subject to certain restrictions.

Delta's other investments in available-for-sale securities, which were also carried at the lower of aggregate cost or market prior to the adoption of SFAS 115, are recorded as short-term investments in the Company's Consolidated Balance Sheets. These investments at June 30, 1995 and 1994, were as follows:

	Percentage		Average Stated Maturity (Months)	
Type	1995	1994	1995	1994
Government agency debt	36%	52%	12	21
Corporate debt securities	64	48%	5	23

During fiscal years 1995 and 1994, the proceeds from sales of available-for-sale securities were $926 million and $473 million, respectively, which resulted in realized losses of $4 million and $3 million, respectively. The unrealized gains on these investments were less than $1 million and were reflected in stockholders' equity at June 30, 1995 and 1994, respectively.

3. INVESTMENTS IN ASSOCIATED COMPANIES:

The Company's percent ownership in associated companies at June 30, 1995, and equity earnings (losses) for fiscal 1995, 1994 and 1993, were as follows:

		Equity Earnings (Losses)		
Investment	Percent Ownership	1995	1994	1993
		(In Millions)		
TransQuest	50.0%	$(3)	$ -	$-
WORLDSPAN	38.0	(4)	1	5
ASA	24.2	12	12	9
Comair	21.3	6	6	4
SkyWest	15.0	2	2	1

During the December 1994 quarter, Delta and AT&T Global Information Solutions Company (AT&T) formed TransQuest, a joint venture to provide information technology services to Delta and others in the travel and transportation industries. Delta and AT&T each own a 50% interest in TransQuest. Delta's investment in TransQuest, which initially consisted of software valued at $25 million, is being accounted for under the equity method. This investment is recorded as an investment in associated companies in the accompanying Consolidated Balance Sheets. Billings for information technology services provided by TransQuest to Delta totaled $66 million in fiscal 1995.

WORLDSPAN provides computer reservations services to Delta. Fees billed to Delta for these services were $78 million in fiscal 1995, $60 million in fiscal 1994 and $47 million in fiscal 1993. Additionally, Delta made monthly subscriber support payments to WORLDSPAN; these payments totaled $18 million in fiscal 1995, $23 million in fiscal 1994 and $32 million in fiscal 1993. Delta provides communications, information processing and administrative services to WORLDSPAN; WORLDSPAN reimbursed Delta for these services in the amount of $3 million in fiscal 1995, $15 million in fiscal 1994, and $26 million in fiscal 1993.

4. FINANCIAL INSTRUMENTS AND OFF-BALANCE SHEET RISK:

BALANCE SHEET FINANCIAL INSTRUMENTS: FAIR VALUES - The carrying amounts reported in the Company's Consolidated Balance Sheets for cash and cash equivalents approximate fair values at June 30, 1995 and 1994. Short-term investments classified as available-for-sale are recorded at fair value in accordance with SFAS 115. (See Note 2).

The fair values and carrying values of long-term debt, including current maturities, at June 30, 1995 and 1994, were as follows:

	1995	1994

	----	----
	(In Billions)	
Fair value	$3.0	$3.3
Carrying value	$2.8	$3.4

These values are based on quoted market prices, where available, or discounted cash flow analyses. The carrying values of all other financial instruments approximate their fair values.

OFF-BALANCE SHEET FINANCIAL INSTRUMENTS: RISKS AND FAIR VALUES - The Company has entered into certain foreign exchange forward contracts, all with maturities of less than one month, in an effort to manage risks associated with foreign currency exchange rate and interest rate volatility. The aggregate face amount of such contracts was approximately $20 million at June 30, 1995. The related realized and unrealized gains and losses for such contracts were not material for any of the years presented.

Under the Company's revolving accounts receivable facility (see Note 5), the full amount of the allowance for doubtful accounts related to the receivables sold was retained, as the Company had substantially the same credit risk as if the receivables had not been sold.

FINANCIAL GUARANTEES - Certain municipalities and airport authorities have issued special facility revenue bonds to build or improve airport terminal and maintenance facilities that Delta leases under operating leases. Under these lease agreements, the Company is required to make rental payments sufficient to pay principal and interest on the bonds as they become due. At June 30, 1995, Delta had guaranteed $675 million principal amount of such bonds. (See Note 8.)

CONCENTRATION OF CREDIT RISK - Delta's accounts receivable are generated primarily from airline ticket and cargo services sales to individuals and various commercial enterprises that are economically and geographically dispersed, and the accounts receivable are generally short-term in duration. Accordingly, Delta does not believe it is subject to any significant concentration of credit risk.

5. SALE OF RECEIVABLES:

In June 1994, Delta entered into a revolving accounts receivable facility (Facility) providing for the sale of a defined pool of accounts receivable (Receivables) through a wholly-owned subsidiary to a trust in exchange for a senior certificate in the principal amount of $300 million (Senior Certificate) and a subordinate certificate in the principal amount of $189 million (Subordinate Certificate). The subsidiary retained the Subordinate Certificate, and the Company received $300 million in cash from the sale of the Senior Certificate to a third party. The principal amount of the Subordinate Certificate fluctuates daily depending upon the volume of Receivables sold. At June 30, 1995 and 1994, the principal amount of the Senior Certificate was $229 million and $300 million, respectively, and is recorded as a reduction in accounts receivable in the Company's Consolidated Balance Sheets. The principal amount of the Subordinate Certificate at June 30, 1995 and 1994, was $190 million and $164 million, respectively, and is included in accounts receivable in the Company's Consolidated Balance Sheets.

Under the terms of the Facility, the Company is obligated to pay fees which approximate the Senior Certificate holder's cost of issuing an amount of commercial paper equivalent to the principal amount of the Senior Certificate plus certain administrative costs. For fiscal 1995 and 1994, these fees totaled $19 million and $7 million, respectively, and are included in other income (expense) under miscellaneous, net in the Company's Consolidated Statements of Operations.

During fiscal 1995, Delta elected to discontinure selling new receivables under the Facility, and the Senior Certificate was reduced to $0 on August 14, 1995.

6. SHORT-TERM BORROWINGS:

The maximum and average outstanding balances of short-term bank borrowings and the weighted average interest rates during fiscal 1995, 1994 and 1993 were as follows:

	1995	1994	1993
	(Dollar Amounts In Millions)		
Maximum amount of borrowings outstanding during period	$ -	$ 164	$ 917
Average daily borrowings during period	$ -	$ 2	$ 251
Weighted average interest rate on borrowings during period	$ -	5.03%	3.86%

At June 30, 1995 and 1994, no commercial paper or short-term notes were outstanding.

7. LONG-TERM DEBT:

At June 30, 1995 and 1994, the Company's long-term debt (including current maturities) was as follows:

	1995	1994
	(In Millions)	
3.23% Convertible Subordinated Notes, unsecured, due June 15, 2003, net of unamortized discount of $179 million and $202 million at June 30, 1995 and 1994, respectively	$ 621	$ 598
8.10% Series C Guaranteed Serial ESOP Notes, unsecured, payable in installments between 2002 and 2009	290	290
9 3/4% Debentures, unsecured, due May 15, 2021	271	350
Medium-Term Notes, Series A and B, unsecured, interest rates ranging from 7.55% to 9.15% and with maturities ranging from 1997 to 2007	235	381
9 7/8% Notes, unsecured, due January 1, 1998	225	225
9 1/4% Debentures, unsecured, due March 15, 2022	184	200
10 3/8% Debentures, unsecured, due		

February 1, 2011	176	200
9 7/8% Notes, unsecured, due May 15, 2000	165	175
8 1/4% Notes, unsecured, due May 15, 1996	150	150
9% Debentures, unsecured, due May 15, 2016	135	150
10 1/8% Debentures, unsecured, due May 15, 2010	113	125
8 1/2% Notes, unsecured, due March 15, 2002	96	100
10 3/8% Debentures, unsecured, due December 15, 2022	66	175
Clayton County Development Authority, 7 5/8% unsecured loan agreement, repayable on January 1, 2020	45	45
Development Authority of Clayton County, 6 5/8% unsecured loan agreement, repayable in installments beginning in 2000, with the remaining balance payable in 2011	35	35
Development Authority of Fulton County, unsecured loan agreement, repayable $10 million on November 1, 2007, and $20 million on November 1, 2012. Interest ranges from 6.85% to 6.95% over the life of the loan	30	30
7.26%-7.63% 1990 Series A and Series B Guaranteed Serial ESOP Notes, unsecured	-	142
Other, net	(3)	(2)
Total	2,834	3,369
Less: Current maturities	151	227
Total long-term debt	$2,683	$3,142

During fiscal 1995, the Company voluntarily repurchased and retired $403 million principal amount of its long-term debt, and the Delta Family-Care Savings Plan (Savings Plan) voluntarily prepaid in whole, with funds provided by Delta, the Savings Plan's 1990 Series A and Series B Guaranteed Serial ESOP Notes, which were guaranteed by Delta. As a result of these transactions, the Company recognized a net pretax loss of $4 million, which is included in miscellaneous income (expense) in the Company's Consolidated Statements of Operations.

The 1992 Bank Credit Agreement provides for unsecured borrowings by the Company of up to $1.25 billion on a revolving basis until December 4, 1996. Up to $700 million of this facility may be used for the issuance of letters of credit. The interest rate under this facility is, at the Company's option, an adjusted certificate of deposit rate, the LIBOR rate, or the prime rate, in each case plus a margin which is subject to adjustment based on certain changes in the credit ratings of the Company's long-term senior unsecured debt. The 1992 Bank Credit Agreement contains certain negative covenants that restrict the Company's ability to grant liens, incur or guarantee debt, and enter into flight equipment leases. It also provides that if there is a change of control (as defined) of the Company, the banks' obligation to extend credit terminates, any amounts outstanding become immediately due and payable, and the Company will immediately deposit cash collateral with the banks in an amount equal to all outstanding letters of credit. At June 30, 1995, there were no borrowings outstanding under the 1992 Bank Credit Agreement, but there was outstanding a letter of credit in the amount of $466 million (which was increased to $470 million at July 28, 1995) to credit enhance the Savings Plan's Series C Guaranteed Serial ESOP Notes (Series C ESOP Notes).

At August 18, 1995, there was outstanding $290 million principal amount of Series C ESOP Notes guaranteed by Delta. The Series C ESOP Notes, which were issued pursuant to certain note purchase agreements, are payable in installments between July 1, 2002 and January 1, 2009. The note purchase agreements require Delta to purchase the Series C ESOP Notes at the option of the holders thereof (Noteholders) if the credit rating of Delta's long-term senior unsecured debt falls below Baa3 by Moody's and BBB- by Standard & Poor's (Purchase Event); provided that Delta has no obligation to purchase the Series C ESOP Notes under the note purchase agreements so long as it obtains, within 127 days of a Purchase Event, certain credit enhancements (Approved Credit Enhancement) that result in the Series C ESOP Notes being rated A3 or higher by Moody's and A- or higher by Standard & Poor's (Required Ratings). If Delta is required to purchase the Series C ESOP Notes because of the occurrence of a Purchase Event, such purchase would be made at a price (Purchase Price) equal to the outstanding principal amount of the Series C ESOP Notes being purchased, together with accrued interest and a Make Whole Premium Amount. The Make Whole Premium Amount for the Series C ESOP Notes is based on, among other factors, the yield to maturity of U.S. Treasury Notes having maturities equal to the remaining average life to maturity of the Series C ESOP Notes as of the date Delta purchases the Series C ESOP Notes.

As a result of Moody's rating action on May 11, 1993, a Purchase Event occurred, and Delta became obligated to purchase on September 15, 1993, any Series C ESOP Notes properly tendered to it. Prior to September 15, 1993, Delta obtained an Approved Credit Enhancement in the form of a letter of credit (Letter of Credit) to credit enhance the Series C ESOP Notes. The Letter of Credit was issued by NationsBank of Georgia, National Association (NationsBank), in favor of Wilmington Trust Company, as trustee (Trustee), under Delta's 1992 Bank Credit Agreement. Due to the issuance of the Letter of Credit, which is scheduled to expire on December 4, 1996, the Series C ESOP Notes received the Required Ratings. Accordingly, Delta no longer has an obligation to purchase the Series C ESOP Notes as a result of the Purchase Event that occurred on May 11, 1993.

At August 18, 1995, the face amount of the Letter of Credit was $470 million. It covers the $290 million outstanding principal amount of the Series C ESOP Notes, up to $148 million of Make Whole Premium Amount and approximately one year of interest on the Series C ESOP Notes.

Delta, the Trustee, and Fidelity Management Trust Company, as ESOP trustee, entered into an Indenture of Trust, dated as of August 1, 1993 (Indenture), that contains certain terms and conditions relating to the Letter of Credit. The Indenture requires the Trustee to draw under the Letter of Credit to make regularly scheduled payments of principal and interest on the Series C ESOP Notes. The Indenture also requires the Trustee to draw under the Letter of Credit to purchase the Series C ESOP Notes in certain circumstances in which Delta would not be required to purchase the Series C ESOP Notes under the note purchase agreements. Subject to certain conditions, the Indenture requires the Trustee to purchase the Series C ESOP Notes at the Purchase Price at the option of the Noteholders in the event that (1) the Required Ratings on the Series C ESOP Notes are not maintained; (2) the Letter of Credit is not extended 20 days before its scheduled expiration date; (3) Delta elects to terminate the Letter of Credit; or (4) the Trustee receives notice there has occurred an Event of Default (as defined) under the 1992 Bank Credit Agreement; unless, generally within 10 days of any such event, the Series C ESOP Notes receive the Required Ratings due to Delta's obtaining a substitute credit enhancement or otherwise.

The Required Ratings on the Series C ESOP Notes are subject to reconsideration at any time, and to annual confirmation, by Moody's and Standard & Poor's. Circumstances that might cause either rating agency to lower or fail to confirm its rating include, without limitation, a downgrading of the deposits of NationsBank below A3 by Moody's or A− by Standard & Poor's, or a determination that the Make Whole Premium Amount covered by the Letter of Credit is insufficient.

Subject to certain conditions, the Indenture does not permit the Trustee to purchase the Series C ESOP Notes at the option of the Noteholders if the Series C ESOP Notes receive the Required Ratings without the benefit of a credit enhancement. The Series C ESOP Notes are not likely to receive the Required Ratings absent a credit enhancement unless Delta's long−term senior unsecured debt is rated at least A3 by Moody's and A− by Standard & Poor's. On August 18, 1995, Delta's long−term senior unsecured debt was rated Ba1 by Moody's and BB by Standard & Poor's.

If the Trustee draws under the Letter of Credit to purchase the Series C ESOP Notes, Delta is required to reimburse NationsBank under the 1992 Bank Credit Agreement by, at Delta's election, (1) immediately repaying the amount drawn; or (2) converting its reimbursement obligation to an outstanding borrowing under that Agreement. The 1992 Bank Credit Agreement is scheduled to expire on December 4, 1996.

On June 24, 1993, the Company issued $800 million principal amount at stated maturity of 3.23% Convertible Subordinated Notes due June 15, 2003 (Notes). The Notes were issued at an original issue discount of 28.2% from, and bear interest at the rate of 3.23% per annum on, the principal amount at stated maturity. This original issue discount and rate of interest represents a yield to maturity, compounded semiannually, of 7.25% per annum. The Notes are convertible at any time prior to stated maturity by the holders thereof, unless previously redeemed, into shares of Common Stock, at a conversion rate of 12.68 shares per $1,000 principal amount at stated maturity of the Notes, subject to adjustment in certain circumstances. The Notes are redeemable at any time on or after June 15, 1996, at the Company's option at a price (Repurchase Price) for each Note equal to the issue price plus accrued original issue discount to the redemption date, together with accrued and unpaid interest to the redemption date. If a Change in Control (as defined) of the Company occurs, the holders of Notes may require the Company to repurchase their Notes at the Repurchase Price, payable in cash or, at the Company's option, in shares of Common Stock.

At June 30, 1995, the annual scheduled maturities of long−term debt during the next five fiscal years were as follows:

Years Ending June 30	Amount (In Millions)
1996	$151
1997	40
1998	254
1999	106
2000	165

The Company's debt agreements contain certain restrictive covenants, but do not limit the payment of dividends on the Company's capital stock. The terms of the ESOP Preferred Stock and Series C Preferred Stock limit the Company's ability to pay cash dividends on Common Stock in certain circumstances.

Cash payments of interest, net of interest capitalized, totaled $210 million in fiscal 1995; $231 million in fiscal 1994; and $171 million in fiscal 1993.

8. LEASE OBLIGATIONS:

The Company leases certain aircraft, airport terminal and maintenance facilities, ticket offices, and other property and equipment. Rent expense is generally recorded on a straight−line basis over the lease term. Amounts charged to rental expense for operating leases was $1.1 billion in each of fiscal years 1995, 1994 and 1993.

During the June 1995 quarter, the Company extended the lease terms for 40 B−737−200 aircraft. As a result of the extensions, these aircraft leases were reclassified, for accounting purposes, from operating leases to capital leases. This event resulted in an increase of $385 million, net of deferred rent credits, in flight equipment under capital leases, and an increase of $415 million in capital lease obligations in the Company's Consolidated Balance Sheets at June 30, 1995. This transaction was treated as a noncash transaction in the Company's Consolidated Statements of Cash Flows for the year ended June

30, 1995.

At June 30, 1995, the Company's minimum rental commitments under capital leases and noncancelable operating leases with initial or remaining terms of more than one year were as follows:

Years Ending June 30	Capital Leases	Operating Leases
	(In Millions)	
1996	$ 101	$ 929
1997	100	919
1998	97	893
1999	96	883
2000	65	865
After 2000	221	12,211
Total minimum lease payments	680	$16,700
Less: Amounts representing interest	181	
Present value of future minimum capital lease payments	499	
Less: Current obligations under capital leases	61	
Long-term capital lease obligations	$ 438	

9. PURCHASE COMMITMENTS:

Future expenditures for aircraft, engines and engine hushkits on firm order as of June 30, 1995, are estimated to be $2.9 billion, excluding aircraft orders subject to reconfirmation by Delta, as follows:

Years Ending June 30	Amount
	(In Millions)
1996	$ 510
1997	940
1998	720
1999	320
2000	190
After 2000	220
Total	$ 2,900

In addition, at August 18, 1995, the Company had authorized capital expenditures of approximately $300 million for fiscal 1996 for improvement of airport and office facilities, various ground equipment and other assets.

The Company expects to finance its aircraft, engine and engine hushkit commitments, as well as other authorized capital expenditures, using available cash, short-term investments and internally generated funds, supplemented as necessary by debt financings and proceeds from sale and leaseback transactions.

The Company has entered into code sharing agreements under which it has agreed to purchase seats at established prices from specific foreign airlines, subject to certain conditions. None of these agreements has noncancelable terms in excess of one year.

Subject to certain conditions, Delta has agreed to purchase a minimum of $35 million of products and services from AT&T each calendar year during the first five years of the TransQuest joint venture between Delta and AT&T. (See Note 3.)

10. EMPLOYEE BENEFIT PLANS:

Substantially all of the Company's permanent employees are covered under various defined benefit pension plans, medical plans, and disability and survivorship plans, and certain employees meeting service requirements are eligible to participate in the Savings Plan discussed in Note 14.

DEFINED BENEFIT PENSION PLANS - The following table sets forth the defined benefit pension plans' funded status and amounts recognized in Delta's Consolidated Balance Sheets as of June 30, 1995 and 1994:

	1995	1994
	(In Millions)	
Actuarial present value of benefit obligations:		
Accumulated benefit obligation(1)	$5,293	$4,518
Projected benefit obligation	$6,532	$5,846
Plan assets at fair value(2)	6,108	5,365
Projected benefit obligation in excess of plan assets	424	481
Unrecognized net loss	(196)	(176)
Unrecognized transition obligation	(67)	(67)
Unrecognized prior service cost	(20)	(8)
Accrued pension cost recognized in the consolidated balance sheets	$ 141	$ 230

(1)Substantially all of the accumulated benefit obligation is vested.
(2)Plan assets were invested at June 30, 1995, approximately as follows: cash equivalents (7%), government and corporate bonds and notes (18%), common stock and other equity-oriented investments (71%) and real estate investments (4%).

The weighted average discount rate and rate of increase in future compensation levels used in determining the actuarial present value of the projected benefit obligation were 8.0% and 4.7%, respectively, at June 30, 1995, and 8.25% and 4.8%, respectively, at June 30, 1994. The expected long-term rate of return on assets was 10% at June 30, 1995 and 1994.

Effective April 1, 1993, the Company increased the expected annual return on plan assets associated with defined benefit pension plans from 9% to 10%. This change reduced pretax operating expenses by $13 million and decreased net loss by $8 million ($0.16 per common share) in fiscal 1993.

The net periodic cost of defined benefit pension plans for fiscal 1995, 1994 and 1993 included the following components:

	1995	1994	1993
		(In Millions)	
Service cost - benefits earned during the year	$ 221	$ 248	$ 240
Interest cost on projected benefit obligation	489	466	431
Actual return on plan assets	(795)	(355)	(647)
Net amortization and deferral	266	(119)	259
Net periodic pension cost	$ 181	$ 240	$ 283

POSTRETIREMENT BENEFITS OTHER THAN PENSIONS - Delta's medical plans provide medical and dental benefits to substantially all retirees and their eligible dependents. Benefits are funded from general assets on a current basis, although amounts sufficient to pay claims incurred, but not yet paid, are held in trust. Plan benefits are subject to co-payments, deductibles and certain other limits described in the plans and are reduced once a retiree is eligible for Medicare. The Company has reserved the right to modify or terminate the medical and dental plans for both current and future retirees.

Effective July 1, 1992, the Company adopted SFAS 106, which requires the accrual of the cost of providing postretirement benefits over the active service period of the employee. The Company adopted SFAS 106 using the immediate recognition transition option, and recorded a one-time pretax charge of $1.3 billion ($818 million after tax) as the cumulative effect of the accounting change.

Net periodic postretirement benefit cost for fiscal 1995, 1994 and 1993 included the following components:

	1995	1994	1993
		(In Millions)	
Service cost - benefits earned during the year	$ 32	$ 35	$ 47
Interest cost on accumulated postretirement benefit obligation	118	101	119
Amortization of prior service cost	(29)	(31)	-
Amortization of accumulated losses	4	6	-
Net periodic postretirement benefit cost	$125	$111	$166

The accumulated postretirement benefit obligation (APBO) at June 30, 1995 and 1994 consisted of the following components:

	1995	1994
	(In Millions)	
Retirees and dependents	$ 879	$ 810
Fully eligible participants	333	352
Other active participants	271	262
Total accumulated postretirement benefit obligation	1,483	1,424
Unamortized prior service cost (from plan changes)	396	405
Unrecognized net loss	(109)	(132)
Accrued postretirement cost	$1,770	$1,697

The weighted average discount rate used to estimate the APBO was 8.0% at June 30, 1995, and 8.25% at June 30, 1994. The assumed health care cost trend rate used in measuring the APBO was 8.5% in fiscal 1995, declining gradually to 4.25% by 2002, and remaining level thereafter. The assumed health care cost trend rate used in measuring the APBO was 9.5% in fiscal 1994, declining gradually to 4.5% by 2002, and remaining level thereafter. Increasing the assumed health care cost trend rate annually by 1% for all future years would increase the APBO as of June 30, 1995, by approximately $156 million, and the net periodic postretirement benefit cost by $16 million for fiscal 1995.

Gains and losses that occur because actual experience differs from that assumed will be amortized over the average future service period of employees. Amounts allocable to prior service for amendments to retiree insurance plans are amortized in a similar manner.

The Company continues to evaluate ways in which it can better manage employee benefits and control costs. Any changes in the plan or revisions to assumptions that affect the amount of expected future benefits may have a significant effect on the amount of the reported obligation and future annual expense.

Included in the restructuring charges described in Note 16 are aggregate charges of $112 million and $198 million, respectively, for benefit pension plans and postretirement benefit plans. These charges represent costs primarily associated with special termination benefits and curtailment losses related to workforce reductions.

POSTEMPLOYMENT BENEFITS − The Company provides certain benefits to its former or inactive employees after employment but before retirement. Such benefits primarily include those related to disability and survivorship plans.

Effective July 1, 1994, Delta adopted SFAS 112, which requires recognition of the liability for postemployment benefits during the period of employment. The adoption of SFAS 112 resulted in a cumulative after-tax transition benefit of $114 million in fiscal 1995, primarily due to the net overfunded status of the Company's disability and survivorship plans. The Company's postemployment benefit expense for fiscal 1995 was $85 million. The amount funded in excess of the liability at transition was included in other noncurrent assets in the Company's Consolidated Balance Sheets. Future period expenses will vary based on actual claims experience and the return on plan assets.

11. CONTINGENCIES:

The Company is a defendant in certain legal actions relating to alleged employment discrimination practices, antitrust matters, the Company's participation in Pan Am's proposed plan of reorganization, environmental issues and other matters concerning the Company's business. Although the ultimate outcome of these matters cannot be predicted with certainty and could have a material adverse effect on Delta's consolidated financial condition, results of operations or liquidity, management presently believes that the resolution of these actions is not likely to have a material adverse effect on Delta's consolidated financial condition, results of operations or liquidity.

12. COMMON AND PREFERRED STOCK:

At June 30, 1995, 5,824,575 common shares were reserved for issuance under the 1989 Stock Incentive Plan, 5,821,573 common shares were reserved for conversion of the ESOP Preferred Stock, 17,490,306 common shares were reserved for conversion of the Series C Preferred Stock and 10,149,072 common shares were reserved for conversion of the 3.23% Convertible Subordinated Notes due 2003.

Each outstanding share of Common Stock is accompanied by a preferred stock purchase right which entitles the holder to purchase from the Company 1/100th of a share of Series A Junior Participating Preferred Stock for $200, subject to adjustment in certain circumstances. The rights become exercisable only after a person or group acquires beneficial ownership of 20% or more of the Common Stock, or commences a tender or exchange offer that would result in such person or group beneficially owning 30% or more of the Common Stock. The rights expire on November 4, 1996, and may be redeemed by Delta for $0.05 per right until 15 days following the announcement that a person or group beneficially owns 20% or more of the Common Stock. Subject to certain conditions, if a person or group becomes the beneficial owner of 30% or more of the Common Stock, or a person or group beneficially owning 20% or more of the Common Stock receives compensation from Delta other than compensation for full-time employment as a regular employee, each right will entitle its holder (other than certain acquiring persons) to receive, upon exercise, Common Stock having a value equal to two times the right's exercise price. In addition, subject to certain conditions, if Delta is involved in a merger or certain other business combination transactions, each right will entitle its holder (other than certain acquiring persons) to receive, upon exercise, common stock of the acquiring company having a value equal to two times the right's exercise price.

Each share of ESOP Preferred Stock has a stated value of $72; bears an annual cumulative cash dividend of 6%, or $4.32; is convertible into 0.8578 shares of Common Stock (a conversion price of $83.94), subject to adjustment in certain circumstances; has a liquidation preference of $72, plus any accrued and unpaid dividends; generally votes together as a single class with the Common Stock on matters upon which the Common Stock is entitled to vote; and has one vote, subject to adjustment in certain circumstances. The ESOP Preferred Stock is redeemable at Delta's option at specified redemption prices payable, at Delta's election, in cash or Common Stock. If full cumulative dividends on the ESOP Preferred Stock have not been paid when due, Delta may not pay cash dividends on the Common Stock.

On July 1, 1992, the Company issued 23 million Depositary Shares, each representing 1/1,000th of a share of Series C Preferred Stock. Each share of Series C Preferred Stock bears annual cumulative cash dividends of $3,500 (equivalent to $3.50 per annum per Depositary Share); has a liquidation preference of $50,000 (equivalent to $50 per Depositary Share) plus accrued and unpaid dividends; and is convertible at any time at the option of the holder into shares of Common Stock at a conversion price of $65.75 per share of Common Stock (equivalent to a conversion rate of 0.7605 shares of Common Stock per Depositary Share), subject to adjustment in certain circumstances. Except under certain circumstances, the holders of the Series C Preferred Stock have no voting rights.

The Series C Preferred Stock is redeemable by Delta at its option on and after July 1, 1995, for such number of shares of Common Stock as equals the liquidation preference of the Series C Preferred Stock being redeemed divided by the conversion price (equivalent to a conversion rate of 0.7605 shares of Common Stock for each Depositary Share), subject to adjustment in certain circumstances. Delta may exercise its redemption option only if for 20 trading days within any period of 30 consecutive trading days, including the last trading day of such period, the closing price of the Common Stock on the New York Stock Exchange exceeds $82.125, subject to adjustment in certain circumstances.

The Series C Preferred Stock ranks senior to the Common Stock and on a parity with the ESOP Preferred Stock with respect to payment of dividends and amounts upon liquidation, dissolution or winding up. The terms of the Series C Preferred Stock prohibit Delta from paying cash dividends on the Common Stock unless (1) all accrued and unpaid dividends on the Series C Preferred Stock and the ESOP Preferred Stock have been paid or set apart for payment; and (2) sufficient funds have been paid or set apart for payment for the current dividend period with respect to the Series C Preferred Stock and the ESOP Preferred Stock.

13. STOCK OPTIONS AND AWARDS:

Under the Company's stock option plans, selected employees have received awards of stock options and, prior to fiscal 1993, tandem stock appreciation rights.

The option price for all stock options, and the base upon which stock appreciation rights are measured, is the fair market value of Common Stock on the date of grant. Awards exercised as stock appreciation rights are payable in a combination of cash and Common Stock.

Transactions involving stock options and tandem stock appreciation rights during fiscal 1993, 1994 and 1995 were as follows:

	Awards	Award Price Range
Balance June 30, 1992	2,503,350	$43.25 - $73.125
Fiscal 1993:		
Exercised	(55,400)	$43.25 - $54.00
Balance June 30, 1993	2,447,950	$54.00 - $73.125
Fiscal 1994:		
Granted	650,200	$54.375
Exercised	(47,400)	$54.00
Expired	(9,000)	$54.00
Forfeited	(27,000)	$68.375- $73.125
Balance June 30, 1994	3,014,750	$54.00 - $73.125
Fiscal 1995:		
Granted	718,750	$52.00
Exercised	(78,900)	$54.00 - $68.375
Expired	(257,750)	$67.375
Forfeited	(10,700)	$52.00 - $73.125
Balance June 30, 1995	3,386,150	$52.00 - $73.125

Subject to certain exceptions, stock options and tandem stock appreciation rights, if any, are generally exercisable between one and ten years after the date of award. Awards outstanding as of June 30, 1995, and the option prices of those awards were as follows:

Date of Award	Awards Outstanding	Award Price
January 26, 1989.	83,000	$54.00
January 25, 1990.	404,800	$67.375
January 24, 1991.	737,000	$68.375
January 23, 1992.	843,000	$73.125
January 27, 1994.	600,600	$54.375
January 26, 1995.	717,750	$52.00

3,386,150	$52.00-$73.125
=========	

Substantially all awards of stock options with tandem stock appreciation rights have been exercised as stock appreciation rights. In fiscal 1995, the Company issued 1,643 shares of Common Stock, at an average price of $65.75 per share, in connection with the exercise of stock appreciation rights.

14. EMPLOYEE STOCK OWNERSHIP PLAN:

The Company sponsors the Savings Plan, a qualified defined contribution pension plan under which eligible Delta personnel may contribute a portion of their earnings. The Savings Plan includes an employee stock ownership plan (ESOP) feature. Subject to certain conditions, the Company contributes to the ESOP 50% of a participant's contributions to the Savings Plan, up to a maximum employer contribution of 2% of a participant's earnings.

In connection with the adoption of the ESOP, the Company sold 6,944,450 shares of ESOP Preferred Stock to the Savings Plan for approximately $500 million. The Company has recorded unearned compensation to reflect the value of ESOP Preferred Stock sold to the ESOP but not yet allocated to participants' accounts. As shares of the ESOP Preferred Stock are allocated to participants, compensation expense is recorded and unearned compensation is reduced. Interest expense on the Guaranteed Serial ESOP Notes is also recorded as an additional component of ESOP expense.

Effective July 1, 1994, Delta adopted SOP 93-6. Under SOP 93-6, the compensation and interest components of ESOP costs are reduced by the amount of dividends accrued on the allocated ESOP Preferred Stock, and only the allocated ESOP Preferred Stock is considered outstanding in computing primary and fully diluted earnings per common share. Prior to adoption of SOP 93-6, the compensation and interest components of ESOP costs were reduced by the amount of dividends accrued on all ESOP Preferred Stock, and all ESOP Preferred Stock was considered outstanding for primary and fully diluted earnings per common share calculations.

The adoption of SOP 93-6 increased reported net income attributable to common stockholders shown in the Company's

Consolidated Statements of Operations by $8 million for fiscal 1995 and increased primary and fully diluted earnings per common share for that period by $0.16 and $0.28, respectively. The provisions of SOP 93-6 require that it be adopted prospectively.

Delta recorded compensation and interest expense, made cash contributions to the ESOP, and incurred actual interest on the Guaranteed Serial ESOP Notes in fiscal 1995, 1994 and 1993, as follows:

	1995	1994	1993
		(In Millions)	
Compensation expense	$38	$29	$27
Interest expense	25	20	20
Cash contributions, including dividends on the ESOP Preferred Stock	47	50	43
Interest on Guaranteed Serial ESOP Notes	28	34	35

15. INCOME TAXES:

Effective July 1, 1992, Delta adopted SFAS 109, which changed the Company's method of accounting for income taxes from the deferred method to the liability method. The cumulative effect of adopting SFAS 109 decreased the net loss for fiscal 1993 by $231 million.

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities as of June 30, 1995 and 1994, are a result of temporary differences related to the items described as follows:

	1995 Deferred Tax		1994 Deferred Tax	
	Assets	Liabilities	Assets	Liabilities
		(In Millions)		
Postretirement benefits	$ 655	$ -	$ 610	$ -
Gains on sale and lease-back transactions (net)	344	-	357	-
Alternative minimum tax credit carryforwards	284	-	185	-
Rent expense	174	-	153	-
Other employee benefits	161	-	164	-
Net operating loss carryforwards	122	-	237	-
Spare parts repair expense	97	-	85	-
Accrued compensation expense	42	-	22	-
Frequent flyer expense	37	-	35	-
Depreciation and amortization	-	1,084	-	950
Postemployment benefits	-	89	-	-
Marketable equity securities	-	49	-	31
Other	167	121	170	141
	$2,083	$1,343	$2,018	$1,122

The alternative minimum tax credit carryforwards do not expire; the net operating loss carryforwards will generally expire in 2008 and 2009 if not utilized prior to that time.

Management believes, based on the Company's earnings history, the actions that the Company has already taken and will continue to take to improve its financial performance, expectations of future taxable income, and other relevant considerations, that it is more likely than not that future taxable income will be sufficient to fully utilize the deferred tax assets which existed at June 30, 1995.

Income taxes (provided) credited in fiscal 1995, 1994 and 1993 consisted of:

	1995	1994	1993
		(In Millions)	
Current taxes	$(104)	$ 8	$ 25
Deferred taxes	(99)	227	207
Increase in corporate statutory rate	−	13	−
Tax benefit of dividends on allocated ESOP Preferred Stock	3	2	2
	(200)	250	234
Amortization of investment tax credits	−	1	2
Income taxes (provided) credited	$(200)	$251	$236

Components of the deferred tax (provision) credits are as follows:

	1995	1994	1993
		(In Millions)	
Postretirement benefits	$ 45	$ 82	$ 48
Gains on sale and leaseback transactions	(13)	(14)	4
Alternative minimum tax credit carryforwards	99	(8)	114
Rent expense	21	11	22
Net operating loss carryforwards	(115)	163	74
Spare parts repair expense	12	11	12
Accrued compensation expense	20	22	(1)
Depreciation and amortization	(134)	(93)	(117)
Tax accruals	14	2	3
Pension expense	5	12	22
Software development costs	(5)	(17)	(12)
Inventory	5	48	(26)
Other, net	(53)	8	64
	$ (99)	$227	$ 207

The income tax (provision) credits generated for fiscal 1995, 1994 and 1993 differ from amounts which would result from applying the federal statutory tax rate to pretax income (loss), as follows:

	1995	1994	1993
		(In Millions)	
Income (loss) before income taxes	$ 494	$(660)	$(651)
Items not deductible for tax purposes:			
Meals and entertainment	41	16	16
Depreciation and amortization	9	9	11
Other, net	3	–	(8)
Adjusted pretax income (loss)	547	(635)	(632)
Federal statutory tax rate	x35%	x35%	x34%
Income tax (provision) credit at statutory rate	(191)	222	215
State and other income taxes, net of federal income tax (provision) credit .	(9)	15	19
Benefit due to increase in corporate statutory tax rate	–	13	–
Amortization of investment tax credits	–	1	2
Income taxes (provided) credited	$(200)	$ 251	$ 236

The Company made income tax payments, net of income tax refunds, of $25 million in fiscal 1995 and received income tax refunds, net of cash income tax payments, of $13 million in fiscal 1994 and $166 million in fiscal 1993.

16. RESTRUCTURING CHARGES:

During fiscal 1993 and 1994, the Company recorded pretax restructuring charges of $82 million ($1.05 primary and fully diluted per common share) and $526 million ($6.59 primary and fully diluted per common share), respectively. These charges are summarized in the table below:

	Charges (Credits)		
	1993	1994	Total
Fleet Simplification	$82	$ (24)	$ 58
Early Retirement Program	–	112	112
Leadership 7.5	–	438	438
Total	$82	$ 526	$608

The fiscal 1993 fleet simplification program included an $82 million restructuring charge related to the planned retirement of 21 Airbus A310 aircraft acquired in 1991 in connection with the Company's purchase of certain assets from Pan Am Corporation and certain of its subsidiaries. The Company returned 17 of these aircraft to lessors during fiscal 1994, recognizing cash and noncash costs totaling $28 million and $30 million, respectively, and reversed $24 million of the restructuring charge due to lower than expected maintenance costs associated with the return of the 17 aircraft.

During fiscal 1994, the Company recorded restructuring charges totaling $526 million, which included a $112 million charge primarily for special termination benefits relating to an early retirement program under which approximately 1,500 employees elected to retire effective November 1, 1993, and a $438 million charge for the Company's Leadership 7.5 program announced during the June 1994 quarter, partially offset by a $24 million reversal related to the fleet simplification charge discussed above.

The $438 million charge for the Leadership 7.5 program includes $280 million for workforce reductions of approximately 8,700 employees that were expected to occur during fiscal 1995, including pension plan curtailment losses of $33 million, special termination benefits of $165 million (for approximately

2,500 employees), and severance payments and related costs of $82 million. During fiscal 1995, the Company reduced its staffing by approximately 9,200 personnel, which included the transfer of approximately 1,200 employees to TransQuest and WORLDSPAN. Cash payments in fiscal 1995 for workforce reductions totaled approximately $30 million, primarily for severance payments, with the remaining $52 million expected to occur during fiscal 1996. Payments associated with the curtailment loss and special termination benefits will be expended as required for funding appropriate pension and other postretirement plans in future years.

Also included in the $438 million restructuring charge is $158 million representing cash and noncash costs associated with reductions in inventory levels, the suspension of service in certain transatlantic markets, and lease termination costs for facilities to be abandoned as a result of the restructuring. The Company incurred cash costs of approximately $19 million for these initiatives during fiscal 1995, and expects to incur approximately $38 million in cash costs during fiscal 1996.

Actual costs incurred for certain amounts accrued, realization on the sales of excess inventories, and costs associated with lease terminations and abandoned facilities may vary from current estimates. The appropriate accrued liability will be adjusted upon completion of these activities.

17. FOREIGN OPERATIONS:

Delta conducts operations in various foreign countries, principally in North America, Europe, the Middle East and Asia. Operating revenues from foreign operations were approximately $2.6 billion in fiscal 1995, $2.5 billion in fiscal 1994 and $2.3 billion in fiscal 1993.

18. QUARTERLY FINANCIAL DATA (UNAUDITED):

The following is a summary of the unaudited quarterly results of operations for fiscal 1995 and 1994 (in millions, except per share data):

	Three Months Ended			
	Sept. 30	Dec. 31	Mar. 31	June 30
Fiscal 1995				
Operating revenues	$ 3,157	$ 2,919	$ 2,902	$ 3,216
Operating income	$ 154	$ 18	$ 40	$ 449
Income (loss) before cumulative effect of accounting changes	$ 72	$ (18)	$ (11)	$ 251
Cumulative effect of accounting changes, net of tax	$ 114	$ -	$ -	$ -
Net income (loss)	$ 186	$ (18)	$ (11)	$ 251
Primary income (loss) per common share:				
Before cumulative effect of accounting changes	$ 1.00	$ (0.79)	$ (0.66)	$ 4.49
Cumulative effect of accounting changes	2.25	-	-	-
	$ 3.25	$ (0.79)	$ (0.66)	$ 4.49
Fully diluted income (loss) per common share:				
Before cumulative effect of accounting changes	$ 0.99	$ (0.79)	$ (0.66)	$ 3.21
Cumulative effect of accounting changes	1.43	-	-	-
	$ 2.42	$ (0.79)	$ (0.66)	$ 3.21
Fiscal 1994				
Operating revenues	$ 3,138	$ 2,952	$ 2,878	$ 3,109
Operating income (loss)	$ 121	$ (180)	$ (67)	$ (321)
Net income (loss)	$ 60	$ (141)	$ (78)	$ (250)
Primary and fully diluted income (loss) per common share	$ 0.65	$ (3.36)	$ (2.10)	$ (5.50)

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Operating expenses for the June 1994 quarter include a $414 million restructuring charge for costs associated with Leadership 7.5 initiatives. Operating expenses for the December 1993 quarter include a $112 million restructuring charge for costs associated with the early retirement of approximately 1,500 employees who elected to retire effective November 1, 1993. (See Note 16.)

REPORT OF INDEPENDENT
PUBLIC ACCOUNTANTS

ARTHUR ANDERSEN LLP

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

We have audited the accompanying consolidated balance sheets of Delta Air Lines, Inc. (a Delaware corporation) and subsidiaries as of June 30, 1995 and 1994, and the related consolidated statements of operations, cash flows and stockholders' equity for each of the three years in the period ended June 30, 1995. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Delta Air Lines, Inc. and subsidiaries as of June 30, 1995 and 1994 and the results of their operations and their cash flows for each of the three years in the period ended June 30, 1995, in conformity with generally accepted accounting principles.

As discussed in Notes 14 and 10 in the Notes to Consolidated Financial Statements, effective July 1, 1994, the Company changed its methods of accounting for employee stock ownership plans and postemployment benefits. As discussed in Note 2 in the Notes to Consolidated Financial Statements, effective June 30, 1994, the Company changed its method of accounting for certain debt and equity securities. As discussed in Notes 15 and 10 in the Notes to Consolidated Financial Statements, effective July 1, 1992, the Company changed its methods of accounting for income taxes and postretirement benefits other than pensions.

/s/ Arthur Andersen LLP

Atlanta, Georgia
August 18, 1995

REPORT OF MANAGEMENT

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

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

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

/s/ Thomas J. Roeck, Jr.	/s/ Ronald W. Allen
THOMAS J. ROECK, JR.	RONALD W. ALLEN
Senior Vice President - Finance and Chief Financial Officer	Chairman of the Board, President and Chief Executive Officer

CONSOLIDATED SUMMARY
OF OPERATIONS
(In millions, except per share data)

	For the years ended June 30 1995(1)	1994(2)	1993(3)	1992
Operating revenues	$ 12,194	$ 12,077	$ 11,657	$ 10,837
Operating expenses	11,533	12,524	12,232	11,512
Operating income (loss)	661	(447)	(575)	(675)
Interest expense, net	(262)	(271)	(177)	(151)
Gain (loss) on disposition of flight equipment	−	2	65	35
Miscellaneous income, net(4)	95	56	36	5
Income (loss) before income taxes	494	(660)	(651)	(786)
Income taxes (provided) credited	(200)	250	233	271
Amortization of investment tax credits	−	1	3	9
Net income (loss)	294	(409)	(415)	(506)
Preferred stock dividends	(88)	(110)	(110)	(19)
Net income (loss) attributable to common stockholders	$ 206	$ (519)	$ (525)	$ (525)
Net income (loss) per common share:				
Primary	$ 4.07	$ (10.32)	$ (10.54)	$ (10.60)
Fully diluted	$ 4.01	$ (10.32)	$ (10.54)	$ (10.60)
Dividends declared on common stock	$ 10	$ 10	$ 35	$ 59
Dividends declared per common share	$ 0.20	$ 0.20	$ 0.70	$ 1.20

OTHER FINANCIAL AND
STATISTICAL DATA
(Dollar amounts in millions)

	For the years ended June 30 1995	1994(2)	1993(3)	1992
Total assets	$ 12,143	$ 11,896	$ 11,871	$ 10,162
Long−term debt and capital leases (excluding current maturities)	$ 3,121	$ 3,228	$ 3,716	$ 2,833
Stockholders' equity	$ 1,827	$ 1,467	$ 1,913	$ 1,894
Shares of common stock outstanding at year end	50,816,010	50,453,272	50,063,841	49,699,098
Revenue passengers enplaned (thousands)	88,893	87,399	85,085	77,038
Available seat miles (millions)	130,525	131,780	132,282	123,102
Revenue passenger miles (millions)	86,355	85,206	82,406	72,693
Operating revenue per available seat mile	9.34c.	9.16c.	8.81c.	8.80c.
Passenger mile yield	13.09c.	13.21c.	13.23c.	13.91c.
Operating cost per available seat mile.	8.84c.	9.50c.	9.25c	9.35c.
Passenger load factor	66.16%	64.66%	62.30%	59.05%
Breakeven passenger load factor	62.29%	67.23%	65.58%	62.99%
Available ton miles (millions)	18,150	18,302	18,182	16,625
Revenue ton miles (millions)	10,142	9,911	9,503	8,361
Cost per available ton mile	63.55c.	68.43c.	67.27c.	69.24c.

(1) Summary of operations excludes $114 million after−tax cumulative effect of change in accounting standards ($2.25 primary and $1.42 fully diluted earnings per common share).
(2) Summary of operations and other financial and statistical data include $526 million in pretax restructuring charges ($6.59 after−tax per common share).
(3) Summary of operations and other financial and statistical data include $82 million pretax restructuring charge ($1.05 after−tax per common share). Summary of operations excludes $587 million after−tax cumulative effect of changes in accounting standards ($11.78 after−tax per common share).
(4) Includes interest income.

1991	1990	1989	1988	1987	1986	1985
$ 9,171	$ 8,583	$ 8,089	$ 6,915	$ 5,318	$ 4,460	$ 4,684
9,621	8,163	7,411	6,418	4,913	4,426	4,318
(450)	420	678	497	405	34	366
(97)	(27)	(39)	(65)	(62)	(55)	(62)
17	18	17	(1)	96	16	94
30	57	55	25	8	8	7
(500)	468	711	456	447	3	405
163	(187)	(279)	(181)	(219)	2	(187)
13	22	29	32	36	42	41
(324)	303	461	307	264	47	259
(19)	(18)	-	-	-	-	-
$ (343)	$ 285	$ 461	$ 307	$ 264	$ 47	$ 259
$ (7.73)	$ 5.79	$ 9.37	$ 6.30	$ 5.90	$ 1.18	$ 6.50
$ (7.73)	$ 5.28	$ 9.37	$ 6.30	$ 5.90	$ 1.18	$ 6.50
$ 54	$ 85	$ 59	$ 59	$ 44	$ 40	$ 28
$ 1.20	$ 1.70	$ 1.20	$ 1.20	$ 1.00	$ 1.00	$ 0.70

1991	1990	1989	1988	1987	1986	1985
$ 8,411	$ 7,227	$ 6,484	$ 5,748	$ 5,342	$ 3,785	$ 3,627
$ 2,059	$ 1,315	$ 703	$ 729	$ 1,018	$ 869	$ 535
$ 2,457	$ 2,596	$ 2,620	$ 2,209	$ 1,938	$ 1,302	$ 1,287
49,401,779	46,086,110	49,265,884	49,101,271	48,639,469	40,116,383	39,958,467
69,127	67,240	64,242	58,565	48,173	39,582	39,341
104,328	96,463	90,742	85,834	69,014	53,336	51,637
62,086	58,987	55,904	49,009	38,415	30,123	29,062
8.79c.	8.90c.	8.91c.	8.06c.	7.71c.	8.36c.	9.07c.
13.80c.	13.63c.	13.56c.	13.15c.	12.81c.	13.72c.	15.06c.
9.22c.	8.46c.	8.17c.	7.48c.	7.12c.	8.30c.	8.36c.
59.51%	61.15%	61.61%	57.10%	55.66%	56.48%	56.28%
62.64%	57.96%	56.09%	52.69%	51.09%	56.01%	51.57%
13,825	12,500	11,725	11,250	9,000	6,934	6,668
7,104	6,694	6,338	5,557	4,327	3,372	3,275
69.59c.	65.30c.	63.21c.	57.05c.	54.60c.	63.82c.	64.76c.

STOCKHOLDER
INFORMATION

TRANSFER AGENT, REGISTRAR AND DIVIDEND PAYING AGENT FOR SERIES C CONVERTIBLE PREFERRED STOCK AND COMMON STOCK

Registered stockholder inquiries regarding stock transfers, address changes, lost stock certificates, dividend payments, or account consolidations should be directed to the following address or phone number:

First Chicago Trust Company of New York
P. O. Box 2500
Jersey City, New Jersey 07303-2500
Telephone (201) 324-0498

DIVIDEND REINVESTMENT AND
STOCK PURCHASE PLAN

Registered holders of Common Stock may purchase additional shares of such stock through automatic dividend reinvestment or cash contributions under the Company's Dividend Reinvestment and Stock Purchase Plan. Inquiries, notices, requests and other communications regarding participation in the plan should be directed to:

First Chicago Trust Company of New York
P.O. Box 2598
Jersey City, New Jersey 07303-2598
Telephone (201) 324-0498

INDEPENDENT PUBLIC ACCOUNTANTS

Arthur Andersen LLP
133 Peachtree Street, N.E.
Atlanta, Georgia 30303

ANNUAL MEETING

The Annual Meeting of Stockholders will be held on Thursday, October 26, 1995, at 9:00 a.m., local time, in the Thomas B. Murphy Ballroom of the Georgia World Congress Center, 285 International Boulevard, N.W., Atlanta, Georgia.

AVAILABILITY OF FORM 10-K AND
OTHER FINANCIAL INFORMATION

A copy of the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 1995, will be provided without charge upon written request. Requests for other financial documents may also be directed to:

Delta Air Lines, Inc.
Investor Relations, Department 829
P.O. Box 20706
Atlanta, Georgia 30320-6001
Telephone (404) 715-2391

Telephone inquiries related to financial information, other than requests for financial documents, may be directed to Delta Investor Relations at (404) 715-6679.

COMMON STOCK AND DEPOSITARY SHARES REPRESENTING SERIES C CONVERTIBLE PREFERRED STOCK

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

NUMBER OF STOCKHOLDERS

As of August 11, 1995, there were 24,628 registered holders of Common Stock.

MARKET PRICES AND DIVIDENDS

Fiscal Year 1995	Market Price Range of Common Stock on New York Stock Exchange		Cash Dividends Per Common Share
Quarter Ended:	High	Low	
September 30	$50 1/4	$43 1/2	$0.05
December 31	53	42 3/4	0.05
March 31	64	50 1/4	0.05
June 30	75 3/8	58 1/4	0.05
Fiscal Year 1994			

Quarter Ended:	High	Low	
September 30	$56	$45 7/8	$0.05
December 31	61 1/8	52	0.05
March 31	57 7/8	43 7/8	0.05
June 30	47 3/4	39 1/2	0.05

GRAPHICS APPENDIX LIST

EDGAR Version	Typeset Version
1995 Form 10-K, Exhibit 13 -- (Selected Portions of Delta's 1995 Annual Report to Stockholders)	1995 Form 10-K, Exhibit 13 -- (Selected Portions of Delta's 1995 Annual Report to Stockholders).
Page 6 -- One pie chart and one bar chart omitted	Page 6 -- One pie chart showing the percent of Delta's Domestic RPM's Competitive with Low-Fare Carriers. One bar chart depicting Leadership 7.5 Targets Operating Cost/ASM in cents. (The text and numbers used in these charts appear in the text of the EDGAR Version).
Page 9 -- One bar chart omitted	Page 9 -- One bar chart depicting Capital Expenditures (in millions of dollars) (Flight Equipment, including Leased Aircraft, and Ground Property and Equipment).
Page 10 -- One bar chart omitted	Page 10 -- One bar chart depicting Primary Earnings (Loss) Per Common Share in dollars. (The text and numbers used in this chart appear in the text of the EDGAR Version).
Page 11 -- One pie chart omitted	Page 11 -- One pie chart depicting 1995 Distribution of Operating Revenues. (The text and numbers used in this chart appears in the text of the EDGAR Version).
Page 12 -- One pie chart omitted	Page 12 -- One pie chart depicting 1995 Operating Expenses as a percent of Total Operating Expenses. (The text and numbers used in this chart appears in the test of the EDGAR Version).
Page 14 -- One bar chart omitted	Page 14 -- One bar chart depicting Invested Capital (in millions of dollars) (Stockholders' Equity and Long-Term Debt and Capital Leases). (The text and numbers used in this chart appears in the text of the EDGAR Version).

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EXHIBIT 23

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference of our reports dated August 18, 1995 included in or incorporated by reference in Delta Air Lines, Inc.'s Annual Report on Form 10-K for the year ending June 30, 1995 into the Company's previously filed Registration Statement File Nos. 2-94541, 33-30454, 33-50175, and 33-52045.

/s/ ARTHUR ANDERSEN LLP

Atlanta, Georgia
September 26, 1995
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EXHIBIT 24

POWER OF ATTORNEY

I hereby constitute and appoint Ronald W. Allen, Harry C. Alger and Thomas J. Roeck, Jr., and each of them separately, as my true and lawful attorneys-in-fact and agents, with full power of substitution, for me and in my name, in any and all capacities, to sign on my behalf the Annual Report on Form 10-K of Delta Air Lines, Inc. for the fiscal year ended June 30, 1995, and any amendment or supplement thereto; and to file such Annual Report on Form 10-K with the Securities and Exchange Commission, the New York Stock Exchange, and any other appropriate agency pursuant to applicable laws and regulations.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of August, 1995.

/s/ Edwin L. Artzt

Edwin L. Artzt
Director
Delta Air Lines, Inc.

POWER OF ATTORNEY

I hereby constitute and appoint Ronald W. Allen, Harry C. Alger and Thomas J. Roeck, Jr., and each of them separately, as my true and lawful attorneys-in-fact and agents, with full power of substitution, for me and in my name, in any and all capacities, to sign on my behalf the Annual Report on Form 10-K of Delta Air Lines, Inc. for the fiscal year ended June 30, 1995, and any amendment or supplement thereto; and to file such Annual Report on Form 10-K with the Securities and Exchange Commission, the New York Stock Exchange, and any other appropriate agency pursuant to applicable laws and regulations.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of August, 1995.

/s/ Henry A. Biedenharn, III

Henry A. Biedenharn, III
Director
Delta Air Lines, Inc.

POWER OF ATTORNEY

I hereby constitute and appoint Ronald W. Allen, Harry C. Alger and Thomas J. Roeck, Jr., and each of them separately, as my true and lawful attorneys-in-fact and agents, with full power of substitution, for me and in my name, in any and all capacities, to sign on my behalf the Annual Report on Form 10-K of Delta Air Lines, Inc. for the fiscal year ended June 30, 1995, and any amendment or supplement thereto; and to file such Annual Report on Form 10-K with the Securities and Exchange Commission, the New York Stock Exchange, and any other appropriate agency pursuant to applicable laws and regulations.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of August, 1995.

/s/ James L. Broadhead

James L. Broadhead
Director
Delta Air Lines, Inc.

POWER OF ATTORNEY

I hereby constitute and appoint Ronald W. Allen, Harry C. Alger and Thomas J. Roeck, Jr., and each of them separately, as my true and lawful attorneys-in-fact and agents, with full power of substitution, for me and in my name, in any and all capacities, to sign on my behalf the Annual Report on Form 10-K of Delta Air Lines, Inc. for the fiscal year ended June 30, 1995, and any amendment or supplement thereto; and to file such Annual Report on Form 10-K with the Securities and Exchange Commission, the New York Stock Exchange, and any other appropriate agency pursuant to applicable laws and regulations.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of August, 1995.

/s/ Edward H. Budd

Edward H. Budd
Director
Delta Air Lines, Inc.

POWER OF ATTORNEY

I hereby constitute and appoint Ronald W. Allen, Harry C. Alger and Thomas J. Roeck, Jr., and each of them separately, as my true and lawful attorneys-in-fact and agents, with full power of substitution, for me and in my name, in any and all capacities, to sign on my behalf the Annual Report on Form 10-K of Delta Air Lines, Inc. for the fiscal year ended June 30, 1995, and any amendment or supplement thereto; and to file such Annual Report on Form 10-K with the Securities and Exchange Commission, the New York Stock Exchange, and any other appropriate agency pursuant to applicable laws and regulations.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of August, 1995.

/s/ George D. Busbee

George D. Busbee
Director
Delta Air Lines, Inc.

POWER OF ATTORNEY

I hereby constitute and appoint Ronald W. Allen, Harry C. Alger and Thomas J. Roeck, Jr., and each of them separately, as my true and lawful attorneys-in-fact and agents, with full power of substitution, for me and in my name, in any and all capacities, to sign on my behalf the Annual Report on Form 10-K of Delta Air Lines, Inc. for the fiscal year ended June 30, 1995, and any amendment or supplement thereto; and to file such Annual Report on Form 10-K with the Securities and Exchange Commission, the New York Stock Exchange, and any other appropriate agency pursuant to applicable laws and regulations.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of August, 1995.

/s/ R. Eugene Cartledge

R. Eugene Cartledge
Director
Delta Air Lines, Inc.

POWER OF ATTORNEY

I hereby constitute and appoint Ronald W. Allen, Harry C. Alger and Thomas J. Roeck, Jr., and each of them separately, as my true and lawful attorneys-in-fact and agents, with full power of substitution, for me and in my name, in any and all capacities, to sign on my behalf the Annual Report on Form 10-K of Delta Air Lines, Inc. for the fiscal year ended June 30, 1995, and any amendment or supplement thereto; and to file such Annual Report on Form 10-K with the Securities and Exchange Commission, the New York Stock Exchange, and any other appropriate agency pursuant to applicable laws and regulations.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of August, 1995.

/s/ Mary Johnston Evans

Mary Johnston Evans
Director
Delta Air Lines, Inc.

POWER OF ATTORNEY

I hereby constitute and appoint Ronald W. Allen, Harry C. Alger and Thomas J. Roeck, Jr., and each of them separately, as my true and lawful attorneys-in-fact and agents, with full power of substitution, for me and in my name, in any and all capacities, to sign on my behalf the Annual Report on Form 10-K of Delta Air Lines, Inc. for the fiscal year ended June 30, 1995, and any amendment or supplement thereto; and to file such Annual Report on Form 10-K with the Securities and Exchange Commission, the New York Stock Exchange, and any other appropriate agency pursuant to applicable laws and regulations.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of August, 1995.

/s/ Gerald Grinstein

Gerald Grinstein
Director
Delta Air Lines, Inc.

POWER OF ATTORNEY

I hereby constitute and appoint Ronald W. Allen, Harry C. Alger and Thomas J. Roeck, Jr., and each of them separately, as my true and lawful attorneys-in-fact and agents, with full power of substitution, for me and in my name, in any and all capacities, to sign on my behalf the Annual Report on Form 10-K of Delta Air Lines, Inc. for the fiscal year ended June 30, 1995, and any amendment or supplement thereto; and to file such Annual Report on Form 10-K with the Securities and Exchange Commission, the New York Stock Exchange, and any other appropriate agency pursuant to applicable laws and regulations.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of August, 1995.

/s/ Jesse Hill, Jr.

Jesse Hill, Jr.
Director
Delta Air Lines, Inc.

POWER OF ATTORNEY

I hereby constitute and appoint Ronald W. Allen, Harry C. Alger and Thomas J. Roeck, Jr., and each of them separately, as my true and lawful attorneys-in-fact and agents, with full power of substitution, for me and in my name, in any and all capacities, to sign on my behalf the Annual Report on Form 10-K of Delta Air Lines, Inc. for the fiscal year ended June 30, 1995, and any amendment or supplement thereto; and to file such Annual Report on Form 10-K with the Securities and Exchange Commission, the New York Stock Exchange, and any other appropriate agency pursuant to applicable laws and regulations.

IN WITNESS WHEREOF, I have hereunto set my hand this 1st day of September, 1995.

/s/ Peter D. Sutherland

Peter D. Sutherland
Director
Delta Air Lines, Inc.

POWER OF ATTORNEY

I hereby constitute and appoint Ronald W. Allen, Harry C. Alger and Thomas J. Roeck, Jr., and each of them separately, as my true and lawful attorneys-in-fact and agents, with full power of substitution, for me and in my name, in any and all capacities, to sign on my behalf the Annual Report on Form 10-K of Delta Air Lines, Inc. for the fiscal year ended June 30, 1995, and any amendment or supplement thereto; and to file such Annual Report on Form 10-K with the Securities and Exchange Commission, the New York Stock Exchange, and any other appropriate agency pursuant to applicable laws and regulations.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of August, 1995.

/s/ Andrew J. Young

Andrew J. Young
Director
Delta Air Lines, Inc.

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FORM
10-K FOR THE FISCAL YEAR ENDED JUNE 30, 1995 AND IS QUALIFIED IN ITS ENTIRETY BY
REFERENCE TO THE RELATED FINANCIAL STATEMENTS.
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