

DELTA AIR LINES INC /DE/
Form 8-K
February 14, 2011

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K
CURRENT REPORT**

**Pursuant to Section 13 OR 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): February 14, 2011

DELTA AIR LINES, INC.

(Exact name of registrant as specified in its charter)

Delaware

001-05424

58-0218548

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(IRS Employer
Identification No.)

P.O. Box 20706, Atlanta, Georgia 30320-6001

(Address of principal executive offices)

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

Registrant's Web site address: www.delta.com

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01 Other Events.

2010-1B EETC

On February 14, 2011, Delta Air Lines, Inc. (the *Company* or *Delta*) completed an offering of an aggregate principal amount of \$100,447,000 of Pass Through Certificates, Series 2010-1B (the *Class B Certificates*) through a newly formed pass through trust.

The *Class B Certificates* were offered pursuant to the Prospectus Supplement, dated February 7, 2011, to the Prospectus, dated June 28, 2010, which forms a part of the *Company*'s automatic shelf registration statement on Form S-3 (Registration No. 333-167811) (the *Registration Statement*), filed with the Securities and Exchange Commission on June 28, 2010. This Current Report on Form 8-K is being filed for the purpose of filing as exhibits to the *Registration Statement* the documents listed in Item 9.01 below, some of which are described below and all of which are hereby incorporated by reference in the *Registration Statement*. The descriptions of the agreements described below are qualified in their entirety by reference to the respective agreements, copies of which are filed herewith or incorporated herein as exhibits.

Underwriting Agreement

On February 7, 2011, Delta entered into an underwriting agreement (the *Underwriting Agreement*) with Goldman, Sachs & Co., Deutsche Bank Securities Inc., and Morgan Stanley & Co. Incorporated, as representatives of the underwriters named therein (collectively, the *Underwriters*), in connection with the issuance and sale of the *Class B Certificates*.

The *Underwriting Agreement* contains customary representations, warranties, covenants and closing conditions for a transaction of this type. The *Underwriting Agreement* also contains provisions pursuant to which the *Company* agrees to hold harmless and indemnify the *Underwriters* against damages under certain circumstances, which are customary for a transaction of this type.

Delivery of the *Class B Certificates* was made under the *Underwriting Agreement* on February 14, 2011 with an interest rate of 6.375% per annum. The *Class B Certificates* were issued by a pass through trust. The *Underwriters* purchased the *Class B Certificates* from such pass through trust at 100% of the principal amount thereof.

As described below, the pass through trust has used the proceeds from the sale of *Class B Certificates* to acquire series B equipment notes (the *Series B Equipment Notes*) from the *Company*. Payments on the *Series B Equipment Notes* will be passed through to the certificateholders of the trust. The *Company* expects to use the proceeds from the issuance of the *Series B Equipment Notes* to pay fees and expenses relating to the offering and for general corporate purposes.

Issuance of Equipment Notes

Delta and U.S. Bank Trust National Association, as loan trustee (the *Loan Trustee*), entered into twenty-four separate participation agreement amendments (each, a *Participation Agreement Amendment*) to existing participation agreements entered into by the *Company* on July 14, 2010 or December 17, 2010, as applicable (each, an *Existing Participation Agreement*), in connection with the financing of the Aircraft (as defined hereafter). The other parties to the *Participation Agreement Amendments* are U.S. Bank Trust National Association, as subordination agent (the *Subordination Agent*); as pass through trustee under the existing pass through trust formed by the *Company* (the *Class A Trustee*) on July 2, 2010 in connection with the issuance and sale of Delta Air Lines, Inc. Pass Through Certificates, Series 2010-1A (the *Class A Certificates*); as pass through trustee under the pass through trust newly formed by the *Company* (the *Class B Trustee* and, together with the *Class A Trustee*, the *Trustees*) on the date hereof in connection with the issuance and sale of the *Class B Certificates*. The *Participation Agreement Amendments* provide for the issuance by Delta of the *Series B Equipment Notes*, pursuant to twenty-four separate indenture amendments (each, an *Indenture Amendment*) to existing indenture and security agreements entered into by the *Company* on July 14, 2010 or December 17, 2010, as applicable, with the *Loan Trustee* (each such existing indenture, an *Existing Indenture*, and as amended by the related *Indenture Amendment*, an *Amended Indenture*) in connection with the financing of the Aircraft. The *Series B Equipment Notes* are secured by each of (i) ten Boeing 737-832 aircraft, nine Boeing 757-232 aircraft and three Boeing 767-332ER aircraft, in each case delivered new to Delta from 1999 to 2000 and (ii) two Boeing 777-232LR aircraft delivered new to Delta in 2010 (collectively, the *Aircraft*). The *Aircraft* also secure the series A equipment notes

previously issued pursuant to the Existing Indentures. The form of Existing Participation Agreements and form of Existing Indentures were filed as Exhibits 4.9 and 4.10, respectively, to Delta's Current Report on Form 8-K, dated July 2, 2010, and are incorporated by reference herein. The Participation Agreement Amendment, Indenture Amendment and Series B Equipment Note with respect to the Aircraft bearing U.S. Registration Number N377DA are filed herewith as Exhibits 4.6, 4.7 and 4.8, respectively. The Participation Agreement Amendments, Indenture Amendments and Series B Equipment Notes with respect to the other twenty-three Aircraft are substantially identical in all material respects, except for the differences set forth in Schedule I filed herewith as Exhibit 99.1.

The aggregate principal amount of the Series B Equipment Notes will be equal to \$100,447,000. The Series B Equipment Notes have been purchased by the Class B Trustee, using the proceeds from the sale of a total of \$100,447,000 of Class B Certificates. The Series B Equipment Notes bear interest at the rate of 6.375% per annum. The Class B Certificates rank generally junior to the Class A Certificates.

The interest on the Series B Equipment Notes is payable semiannually on each January 2 and July 2 following the issuance thereof, beginning on July 2, 2011. The entire principal on the Series B Equipment Notes is scheduled for payment on January 2, 2016. Maturity of the Series B Equipment Notes may be accelerated upon the occurrence of certain events of default, including failure by the Company (in some cases after notice or the expiration of a grace period, or both) to make payments under the applicable Amended Indenture when due or to comply with certain covenants, as well as certain bankruptcy events involving the Company. The Series B Equipment Notes issued with respect to each Aircraft will be secured by a lien on such Aircraft and will also be cross-collateralized by the other Aircraft financed pursuant to the Amended Indentures.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

- 1.1 Underwriting Agreement, dated as of February 7, 2011, between Delta Air Lines, Inc. and the Underwriters
- 4.2 Trust Supplement No. 2010-1B, dated as of February 14, 2011, between Delta Air Lines, Inc. and U.S. Bank Trust National Association, as Class B Trustee, to Pass Through Trust Agreement dated as of November 16, 2000
- 4.3 Form of Pass Through Trust Certificate, Series 2010-1B (included in Exhibit A to Exhibit 4.2)
- 4.4 Amendment No. 1 to Intercreditor Agreement (2010-1), dated as of February 14, 2011, among Delta Air Lines, Inc., U.S. Bank Trust National Association, as Trustee of the Delta Air Lines Pass Through Trust 2010-1A and Delta Air Lines Pass Through Trust 2010-1B, Natixis S.A., acting via its New York Branch, as Class A Liquidity Provider and Class B Liquidity Provider, and U.S. Bank Trust National Association, as Subordination Agent
- 4.5 Revolving Credit Agreement (2010-1B), dated as of February 14, 2011, between U.S. Bank Trust National Association, as Subordination Agent, as agent and trustee for the trustee of Delta Air Lines Pass Through Trust 2010-1B and as Borrower, and Natixis S.A., acting via its New York Branch, as Class B Liquidity Provider
- 4.6 First Amendment to Participation Agreement (N377DA), dated as of February 14, 2011, among Delta Air Lines, Inc., U.S. Bank Trust National Association, as Pass Through Trustee under the Pass Through Trust Agreements, U.S. Bank Trust National Association, as Subordination Agent, U.S. Bank Trust National Association, as Loan Trustee, and U.S. Bank National Trust Association, in its individual capacity as set forth therein
- 4.7 First Amendment to Indenture and Security Agreement (N377DA), dated as of February 14, 2011, between Delta Air Lines, Inc., and U.S. Bank Trust National Association, as Loan Trustee
- 4.8 Series 2010-1B (N377DA) Equipment Note No. 1, dated February 14, 2011
- 5.1 Opinion of Debevoise & Plimpton LLP, special counsel to Delta Air Lines, Inc.
- 5.2 Opinion of Shipman & Goodwin LLP, Hartford, Connecticut, special counsel to U.S. Bank Trust National Association
- 5.3 Opinion of Leslie P. Klemperer, Esq. Vice President Deputy General Counsel of Delta Air Lines, Inc.
- 8.1 Opinion of Debevoise & Plimpton LLP, special counsel to Delta Air Lines, Inc., with respect to certain tax matters
- 23.1 Consent of Aircraft Information Systems, Inc.
- 23.2 Consent of BK Associates, Inc.
- 23.3 Consent of Morten Beyer & Agnew, Inc.

23.4 Consent of Debevoise & Plimpton LLP, special counsel to Delta Air Lines, Inc. (included in Exhibit 5.1 and 8.1)

- 23.5 Consent of Shipman & Goodwin LLP, Hartford, Connecticut, special counsel to U.S. Bank Trust National Association (included in Exhibit 5.2)
- 23.6 Consent of Leslie P. Klemperer, Esq. Vice President Deputy General Counsel of Delta Air Lines, Inc. (included in Exhibit 5.3)
- 99.1 Schedule I*

* Pursuant to Instruction 2 to Item 601 of Regulation S-K, Exhibit 99.1 filed herewith contains a list of documents applicable to the financing of the Aircraft in connection with the offering of the Class B Certificates, which documents are substantially identical to those filed herewith as Exhibits 4.6, 4.7 and 4.8. Exhibit 99.1 sets forth the details by which such documents differ from the corresponding Exhibits.

SIGNATURES

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

DELTA AIR LINES, INC.

By: /s/ Hank Halter
Hank Halter
Senior Vice President and Chief
Financial Officer

Date: February 14, 2011

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