

DELTA AIR LINES INC /DE/
Form DEFM14A
August 14, 2008
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

DELTA AIR LINES, INC.

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(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement Nos.:

(3) Filing Parties:

(4) Date Filed:

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MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Delta Air Lines, Inc. and Northwest Airlines Corporation entered into a merger agreement on April 14, 2008 under which they have agreed to a merger of a subsidiary of Delta with and into Northwest. As a result of the merger, Northwest will become a wholly-owned subsidiary of Delta. The boards of directors of Delta and Northwest are proposing the combination because they believe it will provide substantial benefits to the stockholders of both companies.

If the merger is completed, Northwest stockholders will have the right to receive 1.25 shares of Delta common stock for each share of Northwest common stock they hold. This exchange ratio is fixed and will not be adjusted to reflect stock price changes prior to closing of the merger. Based on the closing price of Delta common stock on the New York Stock Exchange (trading symbol DAL) on April 14, 2008, the last trading day before public announcement of the merger, the 1.25 exchange ratio represented approximately \$13.10 in value for each share of Northwest common stock. Based on the closing price of Delta common stock on the New York Stock Exchange on August 7, 2008, the latest practicable date before the date of this document, the 1.25 exchange ratio represented approximately \$10.99 in value for each share of Northwest common stock. Delta stockholders will continue to own their existing Delta shares after completion of the merger. **We urge you to obtain current market quotations of Delta and Northwest common stock.**

We intend for the merger to qualify as a reorganization for U.S. federal income tax purposes. Accordingly, Northwest stockholders are not expected to recognize any gain or loss for U.S. federal income tax purposes on the exchange of shares of Northwest common stock for Delta common stock in the merger, except with respect to any cash received in lieu of fractional shares of Delta common stock.

In connection with the merger, Delta intends to issue to substantially all employees of the combined company equity equal to approximately 13.38% of Delta's outstanding equity capitalization, determined on a fully-diluted basis at the closing of the merger. We refer to this distribution as the employee equity issuance. To enable Delta to implement the employee equity issuance and allow for other grants after the merger, Delta must amend its 2007 Performance Compensation Plan to increase the number of shares issuable under the plan.

At the special meeting of Delta stockholders, Delta stockholders will be asked to vote on the issuance of Delta common stock to Northwest stockholders in the merger and on the amendment to the Delta 2007 Performance Compensation Plan. Each of these proposals requires the affirmative vote of holders of a majority of the shares of Delta common stock present or represented and entitled to vote on the proposal, with holders of a majority of the total number of shares of Delta common stock entitled to vote actually voting on each proposal. While the closing of the merger is not conditioned upon approval of the amendment to the Delta 2007 Performance Compensation Plan, failure to approve this amendment could adversely affect the ability of the combined company to achieve the targeted synergies in the expected timeframe.

At the annual meeting of Northwest stockholders, Northwest stockholders will be asked to vote on the adoption of the merger agreement, as well as to elect directors of Northwest, to ratify the appointment of Northwest's independent registered public accounting firm for 2008, to approve an amendment to the Northwest Airlines Corporation 2007 Stock Incentive Plan, which we refer to as the Northwest 2007 Stock Incentive Plan, and to transact such other business as may properly come before the Northwest annual meeting. In order to complete the merger, an affirmative vote of holders of a majority of the outstanding shares of Northwest common stock entitled to vote on the proposal must vote to adopt the merger agreement. Approval of the other Northwest annual meeting matters is not a condition to the merger.

The Delta board of directors unanimously recommends that Delta stockholders vote FOR the proposal to issue shares of Delta common stock to Northwest stockholders in the merger and FOR the proposal to amend the Delta 2007 Performance Compensation Plan.

The Northwest board of directors unanimously recommends that Northwest stockholders vote FOR the proposal to adopt the merger agreement and FOR the other Northwest proposals described in this joint proxy statement/prospectus.

The obligations of Delta and Northwest to complete the merger are subject to several conditions set forth in the merger agreement. More information about Delta, Northwest, our respective meetings, the merger, the amendment to the 2007 Delta Performance Compensation Plan, the amendment to the Northwest 2007 Stock Incentive Plan and the other proposals for consideration at the Northwest annual meeting is contained in this joint proxy statement/prospectus. **Delta and Northwest encourage you to read this entire joint proxy statement/prospectus carefully, including the section entitled Risk Factors beginning on page 18.**

Sincerely,

Sincerely,

Richard H. Anderson
Chief Executive Officer
Delta Air Lines, Inc.

Douglas M. Steenland
Chief Executive Officer
Northwest Airlines Corporation

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this joint proxy statement/prospectus or determined that this joint proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated August 8, 2008 and is first being mailed to the stockholders of Delta and Northwest on or about August 14, 2008.

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Delta Air Lines, Inc.

P.O. Box 20706

Atlanta, Georgia 30320-6001

(404) 715-2191

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To Be Held on Thursday, September 25, 2008

To the Stockholders of Delta Air Lines, Inc.:

We are pleased to invite you to attend the special meeting of stockholders of Delta Air Lines, Inc., a Delaware corporation, which will be held at the Georgia International Convention Center, 2000 Convention Center Concourse, College Park, Georgia 30337 on Thursday, September 25, 2008 at 2:00 p.m., Eastern time, for the following purposes:

to consider and vote on a proposal to approve the issuance of Delta common stock in the merger contemplated by the Agreement and Plan of Merger, dated as of April 14, 2008, by and among Delta, Nautilus Merger Corporation, a direct, wholly-owned subsidiary of Delta, and Northwest Airlines Corporation, a copy of which is attached as Appendix A to the joint proxy statement/prospectus accompanying this notice;

to consider and vote on a proposal to approve an amendment to the Delta 2007 Performance Compensation Plan, a copy of which is attached as Appendix B to the joint proxy statement/prospectus accompanying this notice, to increase the number of shares of Delta common stock issuable under the plan by a number of shares equal to 15% of Delta's outstanding equity capitalization, determined on a fully-diluted basis at the closing of the merger (after giving effect to the shares of Delta common stock to be issued to the stockholders of Northwest in the merger and in the employee equity issuance); and

to vote upon an adjournment of the Delta special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve each of the foregoing proposals.

In connection with the merger, Delta intends to issue to substantially all employees of the combined company, equity equal to approximately 13.38% of Delta's outstanding equity capitalization, determined on a fully-diluted basis at the closing of the merger. The Delta board of directors believes the employees of the combined company should receive equity to recognize their critical role in assisting the combined company achieve its financial, operational and customer service goals; to more closely align their interests with stockholders; and to increase their stake in the combined company's financial performance. The amendment to the Delta 2007 Performance Compensation Plan is intended to permit Delta to implement the employee equity issuance and allow for other equity grants after the closing of the merger.

Please refer to the attached joint proxy statement/prospectus for further information with respect to the business to be transacted at the Delta special meeting.

The Delta board of directors has fixed the close of business on July 29, 2008 as the record date for determination of the Delta stockholders entitled to receive notice of, and to vote at, the Delta special meeting or any adjournments or postponements thereof. Only holders of record of Delta common stock at the close of business on the record date are entitled to receive notice of, and to vote at, the Delta special meeting. Both the issuance of Delta common stock to Northwest stockholders in the merger and the amendment to the Delta 2007 Performance Compensation Plan require the affirmative vote of holders of a majority of the shares of Delta common stock present or represented and entitled to vote on the proposal, with holders of a majority of the total number of shares of Delta common stock entitled to vote actually voting on each proposal. A list of the names of Delta stockholders of record will be available at the Delta special meeting and for ten days prior to the meeting for any purpose germane to the Delta special meeting between the hours of 9:00 a.m. and 5:00 p.m., Eastern time, at Delta's Investor Relations Department, 1030 Delta Boulevard, Atlanta, Georgia 30354.

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Your vote is important. Whether or not you expect to attend in person, we urge you to vote your shares as promptly as possible by (1) accessing the Internet website specified on your proxy card; (2) calling the toll-free number specified on your proxy card; or (3) signing and returning the enclosed proxy card in the postage-paid envelope provided, so that your shares may be represented and voted at the Delta special meeting. If your shares are held in a Delta plan or in the name of a bank, broker or other fiduciary, please follow the instructions on the voting instruction card furnished by the plan trustee or administrator, or record holder, as appropriate.

The enclosed document provides a detailed description of the merger, the merger agreement and the amendment to the Delta 2007 Performance Compensation Plan. We urge you to read this document, including any documents incorporated in the document by reference, and its appendices carefully and in their entirety. If you have any questions concerning the merger or this document, would like additional copies of this document or need help voting your shares of Delta common stock, please contact Delta's proxy solicitor:

D.F. King & Co., Inc.

48 Wall Street

New York, NY 10005

(800) 487-4870

The Delta board of directors unanimously recommends that Delta stockholders vote FOR the proposal to approve the issuance of Delta common stock in the merger and FOR the proposal to amend the Delta 2007 Performance Compensation Plan.

By Order of the Board of Directors,

Leslie P. Klemperer
Secretary

Atlanta, Georgia

August 8, 2008

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Northwest Airlines Corporation

2700 Lone Oak Parkway

Eagan, Minnesota 55121

(612) 726-2111

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held on Thursday, September 25, 2008

To the Stockholders of Northwest Airlines Corporation:

We are pleased to invite you to attend the annual meeting of stockholders of Northwest Airlines Corporation, a Delaware corporation, which will be held in the AXA Equitable Center's Auditorium located at 787 Seventh Avenue, New York, New York 10019 on Thursday, September 25, 2008 at 9:30 a.m., Eastern time, for the following purposes:

to elect twelve directors to hold office until the 2009 Annual Meeting of Stockholders and until their respective successors have been elected and qualified or, if the merger is completed, until the effective time of the merger;

to consider and vote on a proposal to adopt the Agreement and Plan of Merger, dated as of April 14, 2008, by and among Delta Air Lines, Inc., Nautilus Merger Corporation, a direct, wholly-owned subsidiary of Delta, and Northwest, a copy of which is attached as Appendix A to the joint proxy statement/prospectus accompanying this notice;

to ratify the appointment of Ernst & Young LLP as Northwest's independent registered public accounting firm for 2008;

to approve an amendment to the Northwest Airlines Corporation 2007 Stock Incentive Plan, a copy of which is attached as Appendix F to the joint proxy statement/prospectus accompanying this notice;

to approve the adjournment of the Northwest annual meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the merger agreement and merger; and

to transact such other business as may properly come before the Northwest annual meeting or any adjournment or postponement thereof.

Please refer to the attached joint proxy statement/prospectus for further information with respect to the business to be transacted at the Northwest annual meeting.

The Northwest board of directors has fixed the close of business on July 31, 2008 as the record date for determination of the Northwest stockholders entitled to receive notice of, and to vote at, the Northwest annual meeting or any adjournments or postponements thereof. Only holders of record of Northwest common stock at the close of business on the record date are entitled to receive notice of, and to vote at, the Northwest annual meeting. Adoption of the Agreement and Plan of Merger requires the affirmative vote of holders of a majority of the outstanding shares of Northwest common stock entitled to vote on the proposal. Approval of the other Northwest annual meeting matters is not a condition to the merger. A list of the names of Northwest stockholders of record will be available at the Northwest annual meeting and for ten days prior to the meeting for any purpose germane to the Northwest annual meeting between the hours of 9:00 a.m. and 5:00 p.m., Central time, at our headquarters, 2700 Lone Oak Parkway, Eagan, Minnesota 55121. To obtain directions to the Northwest annual meeting, you may contact

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Investor Relations at the address just listed, or by telephone at (612) 726-2111.

Your vote is important. Whether or not you expect to attend in person, we urge you to vote your shares as promptly as possible by (1) accessing the Internet website specified below and on your proxy card; (2) calling the toll-free number specified on your proxy card; or (3) signing and returning the enclosed proxy card in the postage-paid envelope provided, so that your shares may be represented and voted at the Northwest annual meeting. If your shares are held in the name of a bank, broker or other fiduciary, please follow the instructions on the voting instruction card furnished by the record holder.

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The enclosed document provides a detailed description of the merger, the merger agreement and the other matters to be considered at the Northwest annual meeting. We urge you to read this document, including any documents incorporated in the document by reference, and its appendices carefully and in their entirety. If you have any questions concerning the merger, the other annual meeting matters or this document, would like additional copies of this document or need help voting your shares of Northwest common stock, please contact Northwest's proxy solicitor:

Innisfree M&A Incorporated
501 Madison Avenue, 20th Floor
New York, NY 10022
(212) 750-5833

The Northwest board of directors unanimously recommends that Northwest stockholders vote FOR the proposal to adopt the merger agreement at the Northwest annual meeting and FOR the other Northwest proposals described in this joint proxy statement/prospectus.

By Order of the Board of Directors,

Michael L. Miller
Vice President Law and Secretary

Eagan, Minnesota

August 8, 2008

NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS

Important Notice Regarding the Availability of Proxy Materials for the

Stockholder Meeting to be Held on Thursday, September 25, 2008

Pursuant to new rules promulgated by the Securities and Exchange Commission, Northwest has elected to provide access to these joint proxy statement/prospectus materials and the Northwest 2007 Annual Report both by sending you the Northwest 2007 Annual Report and this full set of joint proxy statement/prospectus materials, including a Northwest proxy card, and by notifying you of the availability of such materials on the Internet.

This joint proxy statement/prospectus and the Northwest 2007 Annual Report are available at <http://www.proxyvote.com>. Have your proxy card in hand when you access the website and follow the instructions. You will need your 12 digit Control Number, which is located on your proxy card.

For (i) the date, time, location and information on how to obtain directions to attend the Northwest annual meeting and (ii) an identification of the matters to be voted upon at the Northwest annual meeting and the Northwest board of director's recommendations regarding those matters, please see the information contained in the Notice of Annual Meeting of Stockholders above. For information on how to vote in person at the Northwest annual meeting, please see the sections entitled Questions and Answers About Voting Procedures for the Meetings and The Northwest Annual Meeting below.

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REFERENCES TO ADDITIONAL INFORMATION

This document incorporates important business and financial information about Delta and Northwest from other documents that are not included in or delivered with this document. This information is available to you without charge upon your request. You can obtain the documents incorporated by reference into this document by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

Delta Air Lines, Inc.	Northwest Airlines Corporation
<p>Post Office Box 20706</p> <p>Dept. No. 829</p> <p>Atlanta, Georgia 30320-6001</p> <p>(866) 715-2170</p> <p>Attn: Investor Relations</p> <p style="text-align: center;">Or</p> <p>D.F. King & Co., Inc.</p> <p>48 Wall Street</p> <p>New York, New York 10005</p> <p>(800) 487-4870</p>	<p>2700 Lone Oak Parkway</p> <p>Eagan, Minnesota 55121</p> <p>(612) 726-2111</p> <p>Attn: Investor Relations</p> <p style="text-align: center;">Or</p> <p>Innisfree M&A Incorporated</p> <p>501 Madison Avenue, 20th Floor</p> <p>New York, New York 10022</p> <p>(212) 750-5833</p>

Investors may also consult Delta's or Northwest's websites for more information concerning the merger described in this document. Delta's website is www.delta.com. Northwest's website is www.nwa.com. In addition, Delta and Northwest have created a website at www.newglobalairline.com with information about the merger. Information included on any of these websites is not incorporated by reference into this document.

If you would like to request any documents, please do so by September 18, 2008 in order to receive them before the meetings.

For more information, see Where You Can Find More Information beginning on page 172.

You should rely only on the information contained or incorporated by reference into this document. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this document. This document is dated August 8, 2008. You should not assume that the information contained in, or incorporated by reference into, this document is accurate as of any date other than that date. Neither the mailing of this document to Delta stockholders or Northwest stockholders, the issuance by Delta of Delta common stock in connection with the merger nor the amendment to the Delta 2007 Performance Compensation Plan will create any implication to the contrary.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Information contained in this document regarding Delta has been provided by Delta and information contained in this document regarding Northwest has been provided by Northwest.

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QUESTIONS AND ANSWERS ABOUT VOTING PROCEDURES FOR THE MEETINGS

The following are some questions that you, as a stockholder of Delta or Northwest, may have regarding the merger and the other matters being considered at the stockholders' meetings and the answers to those questions. Delta and Northwest urge you to read carefully the remainder of this document because the information in this section does not provide all the information that might be important to you with respect to the merger and the other matters being considered at the stockholders' meetings. Additional important information is also contained in the appendices to and the documents incorporated by reference in this document.

Q: Why am I receiving this document and proxy or voting instruction card?

A: Delta and Northwest have agreed to the combination of Northwest with Delta under the terms of a merger agreement that is described in this document. A copy of the merger agreement is attached to this document as Appendix A. In order to complete the merger, Delta stockholders must vote to approve the issuance of shares of Delta common stock to Northwest stockholders in the merger, and Northwest stockholders must vote to adopt the merger agreement.

Additionally, Delta is seeking approval to amend the Delta 2007 Performance Compensation Plan to increase the number of shares of Delta common stock issuable under the plan by a number of shares equal to 15% of the fully-diluted outstanding equity capitalization of Delta (after giving effect to the shares of Delta common stock to be issued to the stockholders of Northwest in the merger and in the employee equity issuance to substantially all employees of the combined company). The Delta 2007 Performance Compensation Plan is described in this document beginning on page 87. The amendment is attached to this document as Appendix B. In order to implement the employee equity issuance, which is also described on page 87, Delta stockholders must approve the amendment to the Delta 2007 Performance Compensation Plan. While the closing of the merger is not conditioned upon approval of the amendment to the Delta 2007 Performance Compensation Plan, failure to approve this amendment could adversely affect the ability of the combined company to achieve the targeted synergies in the expected timeframe.

Along with adoption of the merger agreement, Northwest is seeking to elect twelve directors of Northwest, to ratify the appointment of Northwest's independent registered public accounting firm for 2008, to approve an amendment to the Northwest 2007 Stock Incentive Plan, and to transact such other business as may properly come before the Northwest annual meeting. These other Northwest annual meeting matters are described in this document beginning on page 121. Approval of these other Northwest annual meeting matters is not a condition to the merger.

Delta and Northwest will hold separate stockholders' meetings to obtain these approvals. This document, including its appendices, contains and incorporates by reference, important information about Delta and Northwest, the merger and the meetings of the respective stockholders of Delta and Northwest, and you should read all of the available information carefully. The enclosed proxies allow you to vote your shares without attending your respective stockholders' meeting.

Your vote is important. We encourage you to vote as soon as possible.

Q: When and where will the stockholders' meetings be held?

A: The special meeting of Delta stockholders, which we refer to as the Delta special meeting, will be held at the Georgia International Convention Center, 2000 Convention Center Concourse, College Park, Georgia 30337 on Thursday, September 25, 2008 at 2:00 p.m., Eastern time.

The annual meeting of Northwest stockholders, which we refer to as the Northwest annual meeting, will be held in the AXA Equitable Center's Auditorium located at 787 Seventh Avenue, New York, New York 10019 on Thursday, September 25, 2008 at 9:30 a.m., Eastern time.

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Q: How do I attend the stockholders meetings?

A: If you wish to attend the Delta special meeting, you will need to show that you are either a Delta stockholder as of the record date, or hold a valid proxy from a Delta stockholder:

if your shares of Delta common stock are registered in street name, or are held in your Pilot Plan account (as described below), please bring evidence of your stock ownership, such as your most recent account statement.

if you own unvested restricted Delta common stock, please bring your Delta identification card; Delta will have a list of holders of unvested restricted Delta common stock at the Delta special meeting.

because space is limited, admission will be on a first-come, first-serve basis. All Delta stockholders should also bring valid picture identification; Delta employees may use their Delta identification card. If you do not have valid picture identification and proof that you own Delta common stock as of the Delta record date, you may not be admitted to the Delta special meeting.

If you wish to attend the Northwest annual meeting, you will need to show that you are either a Northwest stockholder as of the record date, or hold a valid proxy from a Northwest stockholder:

if your shares of Northwest common stock are registered in street name, or are held in your Northwest Retirement Savings Plan account (as described below), please bring evidence of your stock ownership, such as your most recent account statement.

because space is limited, admission will be on a first-come, first-serve basis. All Northwest stockholders should also bring valid picture identification; Northwest employees may use their Northwest identification card. If you do not have valid picture identification and proof that you owned Northwest common stock as of the Northwest record date, you may not be admitted to the Northwest annual meeting.

Q: Who is entitled to vote at the stockholders meetings?

A: The record date for the Delta special meeting is July 29, 2008. Only holders of shares of Delta common stock as of the close of business on the record date are entitled to notice of, and to vote at, the Delta special meeting or any adjournment or postponement of the Delta special meeting. As of the record date, there were 303,803,014 shares of Delta common stock outstanding and entitled to vote at the Delta special meeting.

The record date for the Northwest annual meeting is July 31, 2008. Only holders of shares of Northwest common stock as of the close of business on the record date are entitled to notice of, and to vote at, the Northwest annual meeting or any adjournment or postponement of the Northwest annual meeting. As of the record date, there were 253,349,623 shares of Northwest common stock outstanding and entitled to vote at the Northwest annual meeting.

Q: What constitutes a quorum for the stockholders meeting?

A: The presence, in person or by proxy, of holders of shares of Delta common stock or Northwest common stock, as applicable, entitled to cast a majority of the votes entitled to be cast at the Delta special meeting or Northwest annual meeting, as applicable, is necessary to constitute a quorum at each meeting. Abstentions and broker non-votes, if any, which are described below, will be treated as present for the purposes of determining the presence or absence of a quorum for each meeting.

Q: How do I vote if I am a stockholder of record?

A: If you are a stockholder of record of Delta as of the record date for the Delta special meeting or a stockholder of record of Northwest as of the record date for the Northwest annual meeting, you may vote in person by attending your stockholders' meeting or, to ensure your shares are represented at the meeting, you may vote by:

accessing the Internet website specified on your proxy card;

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