DELTA AIR LINES, INC.

ANNUAL REPORT 1983

Description of Business

Delta Air Lines, Inc., is a major trunk air carrier providing scheduled air transportation for passengers, freight, and mail over a network of routes throughout the United States and abroad. Delta's route structure crisscrosses the entire eastern half of the nation and connects much of it with the Southwest and the Far West. In addition, Delta operates flights to Canada, Bermuda, the Bahamas, Puerto Rico, England, and Germany. Service over most of Delta's routes is highly competitive. As an air carrier, Delta is subject to federal regulation pursuant to the Federal Aviation Act of 1958, as amended, as well as many other federal, state, and foreign laws and regulations.

The Year in Numbers

The following is a comparison of various financial and operational statistics for fiscal years 1983 and 1982. Dollar amounts are expressed in thousands, except per share figures.

	1983	1982	*Per Cent Change*
Operating Revenues	$ 3,616,413	$ 3,617,523	—
Operating Expenses	$ 3,823,747	$ 3,625,679	+5%
Operating Income (Loss)	$ (207,334)	$ (8,156)	—
Net Income (Loss)	$ (86,730)	$ 20,814	—
Net Income (Loss) Per Share	$ (2.18)	$ 0.52	—
Dividends Paid	$ 39,761	$ 37,773	+5
Dividends Paid Per Share	$ 1.00	$ 0.95	+5
Revenue Passenger Miles (000)	26,096,996	24,284,804	+7
Passenger Mile Yield	12.83¢	13.80¢	−7
Available Seat Miles (000)	47,915,817	45,154,885	+6
Passenger Load Factor	54.46%	53.78%	+1
Breakeven Passenger Load Factor	57.84%	53.91%	+7
Cargo Ton Miles (000)	338,393	341,761	−1
Cargo Yield Per Ton Mile	67.12¢	67.47¢	−1
Average Aircraft Utilization (Hours Per Day)	8.3	8.3	—
Total Fuel Gallons Used (000)	1,086,512	1,078,405	+1
Average Fuel Price Per Gallon	91.96¢	99.97¢	−8
Average Seats Per Aircraft Mile	173.2	166.9	+4
Cost Per Seat Mile	7.98¢	8.03¢	−1
Total Passengers Enplaned	35,666,116	34,169,927	+4
Average Passenger Trip Length in Miles	732	711	+3
Average Aircraft Flight Length in Miles	552	546	+1

"Perhaps the most gratifying and meaningful event during the year was 'Project 767.' In an inspiring effort to show their appreciation for the Company's loyalty and support, a vast majority of the Delta family took voluntary pay reductions to fund the purchase of Delta's first Boeing B-767-200 aircraft. Delta's active personnel were joined in this effort by many of the Company's retired personnel and by others. In recognition of the generosity of the Delta people participating in the project, the Company named the aircraft 'The Spirit of Delta'."

Report to Stockholders

Fiscal 1983 was one of the most difficult years in the history of Delta Air Lines. For the first time since fiscal 1947, our Company failed to achieve a profit. For fiscal 1983, Delta recorded a net loss of $86,730,000 ($2.18 per share), compared to a net income of $20,814,000 ($0.52 per share) in fiscal 1982.

In recognition of the very disappointing financial results and the competitive struggles which Delta and the airline industry face over the next several years, the Board of Directors thought it prudent to reduce the dividend rate. At their regular meeting on July 28, 1983, the Board members voted to reduce the September 1983 quarter dividend payment from 25¢ to 15¢ per common share.

Delta's first loss in 36 years can be traced directly to a lack of revenue growth even though passenger traffic was up more than 7% over fiscal 1982. Revenues failed to grow because of severe discounting of fares which caused the average passenger mile yield to drop 7%. During the first half of fiscal 1983, traffic was depressed by poor conditions throughout the national economy. In an effort to stimulate traffic growth in the face of the poor economy, some airlines introduced a number of very low discount fares which Delta had to meet in order to remain competitive. Most of these fares were not justified economically, either by the stimulation of new traffic or by reduced expenses associated with traffic which used the low fares. Some of these discount fares were unrestricted and quickly displaced the regular full fares as the principal selling fare in a number of major markets.

In the second half of the fiscal year, economic conditions stabilized and then began to improve. However, the airlines continued to make available deeply discounted fares. As a result, in the March 1983 quarter, every major airline and most of the national carriers reported both an operating loss and a net loss. Beginning May 1, 1983, most carriers in the industry began to establish discount fares based on mileage flown. Restrictions, such as advance purchase and minimum stay requirements, were added to some discount fares, and the amount of discount was reduced on others. These changes appear to be stabilizing the fare structure for the industry.

To protect Delta's competitive position in its markets, the Company had to match other airlines and offer a large percentage of its seat mile capacity at these low fares. The percentage of Delta's domestic revenue passenger miles flown on discount fares increased throughout the year and reached as high as 92% in some months. This was the principal cause of the 7% decline in the passenger mile yield.

Cargo revenues were also down slightly for the year. In the first half of the year, cargo traffic was depressed by the poor economic conditions, and later in the year when traffic began to grow, revenues were depressed by significant discounting of cargo tariff rates.

During the year, the Company continued to restrain expenses and seek productivity gains. Total operating expenses increased a modest 5%, given the increases in traffic and capacity and the growth in the level of competition in the industry. Aircraft fuel expense declined $79 million as the average price per gallon fell 8%. Aircraft maintenance materials and repairs expenses decreased 7%, the result of introducing new aircraft into the fleet and a number of aircraft and engine modification programs which are being capitalized. Expenses in other categories increased. Passenger service expense increased as a result of the growth in passengers and an increase in the level of passenger service. Passenger commissions expenses grew, reflecting the growth in traffic, the increased number of passengers using travel agencies, and Delta's costs for positions in other carriers' automated travel agency systems equal to the position of Delta's principal competitors.

While the financial results were disappointing, Delta made significant progress in a number of areas during the year.

Perhaps the most gratifying and meaningful event during the year was "Project 767". In an inspiring effort to show their appreciation for the Company's loyalty and support, a vast majority of the Delta family took voluntary pay reductions to fund the purchase of Delta's first Boeing B-767-200 aircraft. Delta's active personnel were joined in this effort by many of the Company's retired personnel and by others. In recognition of the generosity of the Delta people participating in the project, the Company named the aircraft "The Spirit of Delta". This aircraft made Delta's first B-767 revenue flight from Atlanta to Tampa on December 15, 1982. The unique display of the Delta family's feelings toward their Company was reported by all segments of the media throughout the nation and in numerous foreign countries.

During the year, the Company placed into service nine additional B-767-200 aircraft. The B-767's comfort and efficiency are above our expectations, and its acceptance by the flying public means that it will be an integral part of Delta's fleet for many years. The B-767's very high level of dispatch reliability makes its introduction the most successful new aircraft introduction in Delta's history.

A number of important revisions were made during the year to Delta's fleet plan to meet the Company's capacity needs in the near term as well as into the 1990's.

In April, 1983, Delta completed an agreement to purchase 33 new Boeing B-737-200 aircraft which, as more fully explained elsewhere in this report, the Company intends to operate under 15-year operating leases. This short-haul, 107-seat aircraft will provide Delta with maximum flexibility to meet the challenges of a rapidly changing and highly competitive deregulated environment. The B-737's will give Delta the optimum aircraft to increase the number of flights in the short-haul portion of its hub operations. It will also allow us to increase nonstop service in smaller and developing markets. The

B-737 will also serve as an interim aircraft until the 150-seat, high-technology, short-haul aircraft, which Delta has long advocated, is built.

During the year, the Company sold and delivered 11 of its older Boeing B-727-200 aircraft. Agreement was reached for the sale of 11 Lockheed L-1011-1 aircraft to be delivered in fiscal years 1984 and 1985. Subsequent to the end of fiscal 1983, the Company announced an agreement to sell 14 more of its B-727-200 aircraft for delivery in fiscal 1984 and 1985. The sales of these and other aircraft are an integral part of Delta's fleet plan and allow the Company to optimize the mix of various aircraft sizes as it takes delivery of more efficient new aircraft. In addition, these aircraft sales will provide the Company with significant cash flow and profits. For fiscal 1983, Delta recorded $28.2 million in pretax gains from the sale of aircraft.

Shortly after the end of the 1983 fiscal year, Delta announced that it had extended the delivery dates of the last five of the 20 Boeing B-767's by an average of 17 months. The delivery dates of the first 30 Boeing B-757 aircraft were extended by an average of 10 months, and tentative delivery dates for the second group of 30 B-757's the Company has on order were also rescheduled.

Rescheduling these aircraft deliveries reflects the low level of traffic growth experienced in the past two years as a result of the nation's economic difficulties, the addition of the B-737's to the fleet, and the restructuring of the air travel market brought about by deregulation. The revised fleet plan positions Delta to meet the challenges of its traditional competitors as well as those of the recently organized low service carriers.

In connection with the fleet plan, the Company made capital expenditures during the year totaling $688.8 million for aircraft. In addition, $179.2 million was spent for ground property and equipment. These amounts bring Delta's total capital expenditures in the past two years to just under $1.4 billion. This level of capital outlay is a clear demonstration of Delta's confidence in its future in the air transportation industry. It also indicates Delta's commitment to maintaining its position of leadership in the industry.

As a result of Delta's extensive capital investment program and the operating loss for fiscal 1983, it was necessary to increase long-term debt from $362.8 million at the end of fiscal 1982 to slightly less than $1.1 billion on June 30, 1983. On that date, debt was equal to 122% of stockholders' equity. Capital needs reached their peak in fiscal 1983 for at least the next five years. The revised delivery schedules for B-767 and B-757 aircraft will reduce Delta's capital requirements by approximately $360 million over the next three fiscal years and level those expenditures at just over $500 million in each of those years.

The people who make up the Delta family must now turn their attention away from the disappointing results of fiscal 1983 to face the challenges and opportunities of fiscal 1984. We start the new year better equipped than we have ever been. We have never had a better aircraft fleet or better facilities. We have never had better trained, more mature, or more highly motivated people. We can look forward to fiscal 1984 with renewed vigor and a determination to return Delta to its historic position of profitability and industry leadership.

During the coming year, we expect the passenger mile yield to improve. The industry has already eliminated a number of unrestricted discount fares and has increased other discount fares. After two years of deep discounting and large industry losses, we think some of the airlines will be less inclined toward uneconomic discount fares.

Delta will continue to build onto its solid route structure as we will have a full year of service to the three cities and 15 nonstop markets added in fiscal 1983. In fiscal 1984, we will add service to four more new cities: Mobile, Alabama and Pensacola, Melbourne, and Tallahassee, Florida. We are continuously reviewing the potential gains in new markets, and it is likely that Delta will add other new cities to its system during fiscal 1984.

Marketing efforts through the travel agency industry increased significantly during the past year as Delta introduced its DATAS II automated reservations system. In less than a year, almost 1,500 travel agencies have purchased Delta's system and are pleased with its unbiased features. In the coming year, we expect significant sales growth of that system as well as Delta's computerized business system for travel agents marketed through Delta's subsidiary, DATASLINK. During the coming year, Delta will begin serving its customers with an advanced seat selection and boarding pass system. The Frequent Flyer program will be enhanced by several new features designed to increase its usefulness to Delta's valued high-mileage travelers.

These and other marketing programs will be complemented by important new or expanded passenger facilities including Delta's new terminal at New York's LaGuardia Airport. Improvements in Delta's reservations facilities and equipment will also enhance our competitive posture.

In the coming year, while Delta will step up its competitive efforts, we expect to be the target of increased competition from both our traditional competitors and new entrant competitors. We will not shrink from any competitive situation. Delta has substantial resources with which to meet any competitor, and we can match any program or service others can offer. While we do not expect the competitive challenges to be easy, we intend to be successful in our efforts to regain Delta's profitable posture and reestablish its position of industry leadership.

David C Garrett Jr

DAVID C. GARRETT, JR.
President and Chief Executive Officer

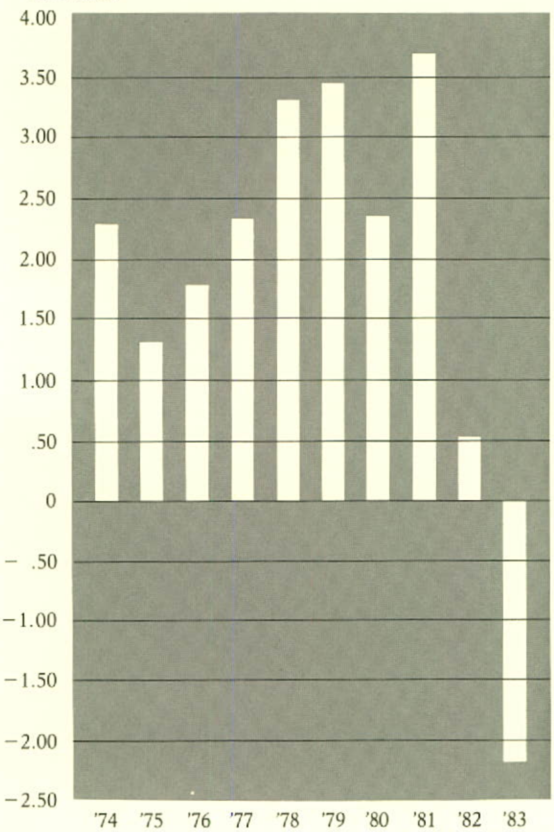
August 19, 1983

Earnings and Dividends

For fiscal 1983, Delta recorded a net loss of $86.7 million ($2.18 per share) compared to a net income of $20.8 million ($0.52 per share) in fiscal 1982. A comparison of the operating results for fiscal 1983 and 1982 is summarized in the following table:

	1983	1982	Per Cent Change
	(In Thousands)		
Operating Income (Loss)	$(207,334)	$ (8,156)	— %
Other Income (Expense):			
Interest Expense	(92,892)	(60,438)	+ 54
Less-Interest Capitalized	29,398	38,154	— 23
	(63,494)	(22,284)	+185
Gain on Disposition of Aircraft	28,229	1,570	—
Realized/Unrealized Gain on Foreign Currency Translation	1,898	2,385	— 20
Miscellaneous Income, Net	14,000	11,280	+ 24
	(19,367)	(7,049)	+175
Income (Loss) Before Taxes	(226,701)	(15,205)	—
Income Taxes Credited	109,642	9,652	—
Amortization of Investment Tax Credits	30,329	26,367	+ 15
Net Income (Loss)	$ (86,730)	$ 20,814	— %
Net Income (Loss) Per Share	$(2.18)	$0.52	— %

Earnings per Share
In Dollars



Operating revenues for fiscal 1983 declined less than 1% to $3.6 billion, while operating expenses increased 5% to $3.8 billion, producing a loss from operations totaling $207.3 million.

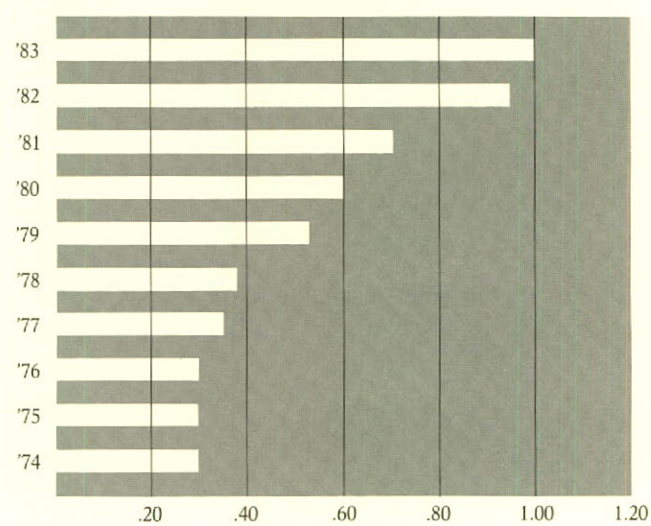
Non-operating expenses totaled $19.4 million, up $12.3 million. Net interest expense increased by $41.2 million, as the average level of long-term debt increased to $707 million in the current year from the average of $298 million in fiscal 1982. Capitalized interest on advances for equipment and facilities declined $8.8 million, reflecting the reduction in interest rates and the delivery of 14 new aircraft. The results for the current fiscal year included pretax gains from the sale of 11 B-727-200 aircraft totaling $28.2 million. The decline in the exchange rate for pounds sterling resulted in a $1.9 million gain from the translation of foreign debt. Miscellaneous income increased $2.7 million over fiscal 1982, totaling $14.0 million.

The $226.7 million loss before taxes for the current year was reduced by a $109.6 million negative tax provision. This provision is shown as a credit on the Statement of Income and as refundable income taxes and a reduction in deferred income taxes on the Balance Sheet. These losses can be carried back to prior years and recovered from taxes previously paid or carried forward to future years and used to reduce future taxes. The loss before taxes was further reduced by the amortization of $30.3 million in investment tax credits.

Dividend payments during fiscal year 1983 totaled $39.8 million ($1.00 per share), a 5% increase over the $37.8 million ($0.95 per share) paid in fiscal year 1982. The current fiscal year marked the 34th consecutive year of cash dividend payments.

In recognition of the disappointing financial results and the significant increase in the level of debt during fiscal 1983, the Board of Directors voted at its regular meeting on July 28, 1983, to reduce the dividend rate for the September 1983 quarter from 25¢ per share to 15¢ per share.

Dividends per Share
In Dollars

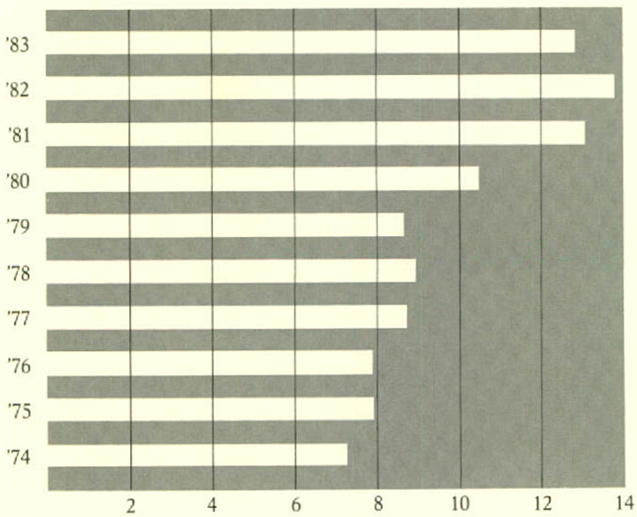


Operating Revenues

Total operating revenues for fiscal 1983 declined $1.1 million from the previous year. This marks the first year in more than 48 years that Delta's revenues have failed to grow. Early in the year, traffic was depressed by the poor economic conditions. In the last half of the year, improvements in the economy and the stimulation of very deep discount fares resulted in high traffic growth in the March 1983 quarter, but the growth rate fell off in the June 1983 quarter as many of the discount fares were eliminated or the discount reduced. Throughout the year, Delta's traffic was affected by increased competition.

The passenger mile yield suffered throughout most of the year from the increased use of deep discount fares as the yield fell 7% to 12.83¢ from 13.80¢ last year. In fiscal 1983, 83% of Delta's domestic revenue passenger miles were flown on discount fares, up from 69% last year. In the June 1983 quarter, steps were taken to increase the yield. Some of the most uneconomical discounts were eliminated, and restrictions, such as advance purchase and minimum stay requirements, were added to others. While these changes did not have a significant impact on the yield in the June 1983 quarter, they are expected to result in increases in the yield in future quarters. As indicated elsewhere in this report, the fare structure of the industry as a whole stabilized somewhat at more reasonable levels in the June 1983 quarter. Delta is optimistic that the more rational fare structure that emerged in the June 1983 quarter will prevail in fiscal 1984. It must be recognized, however, that because of competitive considerations, the Company's passenger mile yield is not entirely within the Company's control. If the Company's major competitors reinstitute deep discount fares of the type utilized in fiscal 1983, the Company's revenues could be adversely affected.

Average Passenger Mile Yield
In Cents per Mile



"Delta added three new cities to its route system, Oklahoma City, Albuquerque, and Norfolk/Virginia Beach/Williamsburg. New nonstop services were added in 15 city pair markets as Delta continued to develop traffic-gathering networks around its major hub cities, to add point-to-point service in a number of smaller city pair markets, and to tie together cities which have significant common interests."

The following table compares operating revenues for fiscal 1983 with 1982 by major revenue category:

	1983 (In Thousands)	1982 (In Thousands)	*Per Cent Change*
Scheduled Passenger	$3,347,014	$3,352,173	— %
Freight and Express	168,475	167,669	—
Mail	58,671	62,928	− 7
Charter	1,766	1,264	+40
Other, Net	40,487	33,489	+21
Total	$3,616,413	$3,617,523	— %

Freight and express revenues grew $806,000. Early in the year, traffic was depressed by poor economic conditions and for the year, revenue ton miles increased less than 1%. The freight ton mile yield was approximately the same as last year because discounting in the last half of the year eliminated the effect of a 15% rate increase implemented late in fiscal 1982. Effective July 1, 1983, the Company increased freight and express rates by 10%.

Mail revenue decreased 7% as revenue ton miles declined 4% and the Civil Aeronautics Board reduced rates which resulted in a 3% decrease in the yield. Charter revenues totaled $1.8 million, and other revenues grew $7.0 million.

Revenue Statistics	1983	1982	*Per Cent Change*
Revenue Passenger Miles (000)	26,096,996	24,284,804	+7%
Revenue Passengers Enplaned	35,666,116	34,169,927	+4
Passenger Load Factor	54.46%	53.78%	+1
Passenger Mile Yield	12.83¢	13.80¢	−7
Cargo Ton Miles (000)	338,393	341,761	−1
Cargo Ton Mile Yield	67.12¢	67.47¢	−1

Operating Expenses

Total operating expenses for fiscal 1983 rose $198.1 million to $3.82 billion, an increase of 5% over fiscal 1982. Increases in labor costs, passenger commissions, passenger food and related supplies and depreciation and amortization expense totaled $246.2 million. These increases were partially offset by a $78.9 million decline in aircraft fuel costs. Operating capacity increased 6% to 47.92 billion available seat miles, and revenue plane miles were up 2%.

The following table compares operating expenses for fiscal 1983 with 1982 by major expense category:

	1983	1982	Per Cent Change
	(In Thousands)		
Salaries and Related Costs	$1,590,645	$1,464,321	+ 9%
Aircraft Fuel	999,154	1,078,048	− 7
Aircraft Maintenance Materials and Repairs	68,268	73,383	− 7
Rentals	65,178	57,357	+14
Landing Fees	58,467	54,934	+ 6
Passenger Food and Related Supplies	130,318	109,503	+19
Passenger Commissions	220,935	177,439	+25
Communications	43,594	36,515	+19
Utilities	17,497	16,882	+ 4
Advertising	56,818	49,328	+15
Other Cash Costs	266,633	256,268	+ 4
Total Cash Costs	3,517,507	3,373,978	+ 4
Depreciation and Amortization	306,240	251,701	+22
Total Operating Expenses	$3,823,747	$3,625,679	+ 5%

Salaries and related costs increased 9%, the result of a 1% rise in the level of employment, wage increases granted early in the fiscal year, higher costs of employee benefits and payroll tax increases.

Passenger food and related supplies increased 19%, reflecting the growth in traffic, higher unit costs and an improved meal service program implemented in March, 1983. The substantial rise in passenger commissions was the result of increased use of travel agencies by the traveling public and payments to other airlines for Delta's participation in their automated reservations systems.

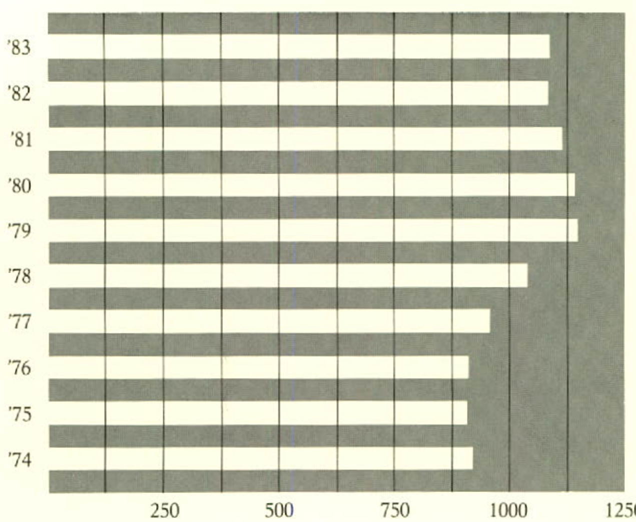
Aircraft maintenance materials and repairs declined 7%, reflecting the capitalization of aircraft modification expenditures, strong cost controls and the replacement of 13 older aircraft with 14 new aircraft during the year. Depreciation and amortization expenses increased 22%, principally the result of new aircraft added to the fleet. Aircraft fuel costs were down 7%, as the average price dropped 8% to 91.96¢ per gallon. Fuel gallons consumed were up 1%, and fuel efficiency gained 5% to 44.1 available seat miles per gallon.

Rental expenses were up 14%, resulting from rate increases and the occupancy of new and expanded facilities during the year. Landing fees rose 6% from increased operations and rate adjustments by airport authorities to cover airport improvements and rising operating costs.

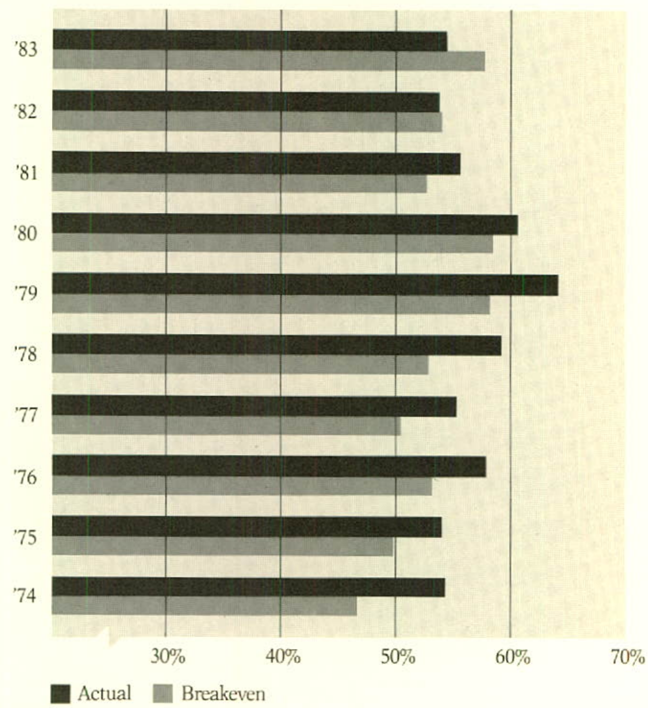
Rate increases were primarily responsible for the 19% increase in communications expenses and the 4% rise in utilities expenses. The promotion of new services and fares implemented during the year accounted for the 15% increase in advertising expenses. All other cash costs were up 4%.

Operating Statistics	1983	1982	Per Cent Change
Revenue Plane Miles (000)	276,598	270,592	+2%
Available Seat Miles (000)	47,915,817	45,154,885	+6
Available Ton Miles (000)	6,202,910	5,937,817	+4
Fuel Gallons Consumed (000)	1,086,512	1,078,405	+1
Average Fuel Price Per Gallon	91.96¢	99.97¢	−8
Passenger Load Factor	54.46%	53.78%	+1
Breakeven Load Factor	57.84%	53.91%	+7

Fuel Consumption
In Millions of Gallons



Actual and Breakeven Load Factors



Capitalization, Financing and Liquidity

Stockholders' equity at June 30, 1983, was $897.2 million or $22.56 per share, down 12% from the previous year balance of $1.024 billion or $25.75 per share. As of June 30, 1983, total debt was $1.099 billion, including $6.5 million in current maturities, and equaled 122% of stockholders' equity.

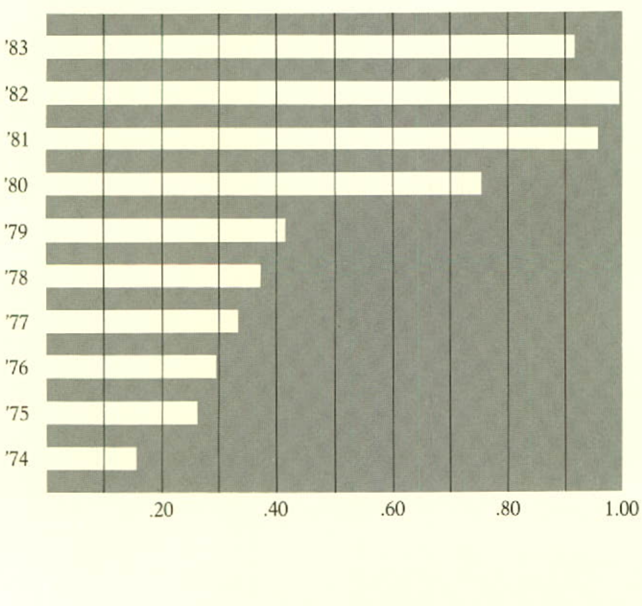
Funds generated from operations plus the net book value of equipment sales during fiscal 1983 were $191.6 million. Internally generated funds, after the payment of $39.8 million in cash dividends, were $151.8 million. In addition, approximately $47.1 million was provided in the form of introductory credits from aircraft and engine manufacturers. The available funds were not sufficient to cover record capital expenditures of $867.9 million. The Company invested $688.8 million in flight equipment, including delivery payments on ten Boeing B-767-200 aircraft and four Lockheed L-1011-1 aircraft, and $179.2 million in ground property and equipment. In order to meet its capital requirements, the Company completed a number of financing arrangements which increased long-term debt by $729.6 million, as discussed below.

In September, 1982, the Company negotiated two new credit agreements. The first provided borrowings of $50 million from Mellon Bank, N.A., in the form of a variable interest note due 400 days after demand for payment. The interest rate was 8/10% above the Average National Federal Funds Rate. In January, 1983, this note was voluntarily prepaid in full, without penalty. The second agreement provided $100 million from Pru-Funding, Inc. on a revolving basis to September 29, 1985, at which time the outstanding balance will convert to a term loan payable in installments through September 29, 1990. During the revolving period, the interest rate is variable at the 30-day dealer placed commercial paper rate plus 1⅜%. The $100 million provided by this borrowing was used to pay the outstanding balance of $50 million under the 1981 PruFunding Agreement and to reduce short-term borrowings.

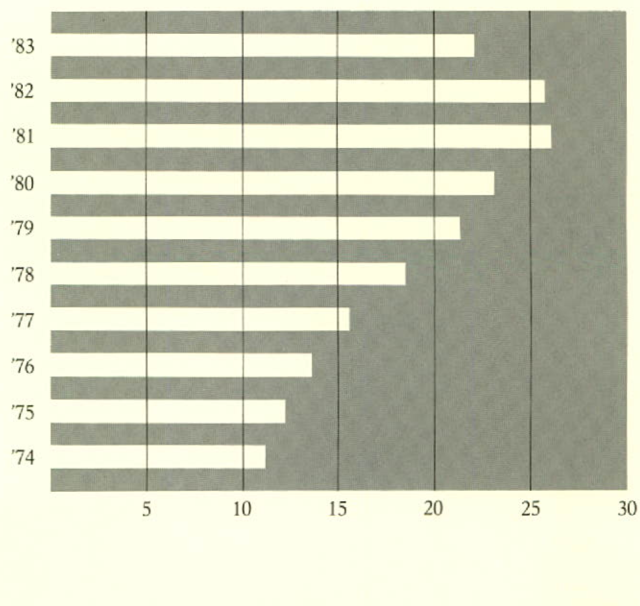
In November, 1982, the Development Authorities of Fulton and Clayton Counties issued $87 million of 9⅝% to 11% Special Facilities Revenue Bonds. The net proceeds of $86.2 million were loaned to Delta under 9⅝% to 11% unsecured loan agreements. Payments made by Delta under the loan agreements are pledged by the Development Authorities to the bond trustees. By the terms of the trust indentures and the agreements with the Development Authorities, funds from the loans are held by the trustees for financing construction of flight training, maintenance and support facilities at Hartsfield Atlanta International Airport, and for prepayment of the note securing the 6⅞% Development Authority of Fulton County Special Facilities Revenue Bonds issued in 1980 to provide partial interim funding for these projects.

In December, 1982, the 1982 Bank Credit Agreement was amended to increase the number of participating banks and to increase the total commitment from $350 million to $450 million. During fiscal 1983, the Company borrowed $225 million under the amended agreement bringing the total amount outstanding to $450 million at June 30, 1983. On January 24, 1983, the Company completed the 1983 Bank Credit Agreement with 12 participating banks. The agreement provides for unsecured borrowings of up to $250 million on a revolving basis to December 31, 1986, at which time the outstanding balance will be converted to a term loan payable in installments through December 31, 1990. The interest rate during the revolving period is, at Delta's election, an adjusted domestic certificate of deposit rate plus 3/4%, the Eurodollar rate plus 3/4%, or the prime rate, as defined, plus 3/8%. During fiscal 1983, the Company borrowed $250 million under the 1983 Bank Credit Agreement, $50 million of which was used to prepay the Mellon Bank variable interest note.

Average Price of Jet Fuel
In Dollars per Gallon



Stockholder Equity per Share
In Dollars



On March 14, 1983, the Company filed a Rule 415 Shelf Registration Statement with the Securities and Exchange Commission for the offering of $250 million of debt securities at prices and on terms to be determined at the time of sale. On April 12, 1983, Delta sold $125 million of the securities at an interest rate of 11.35%. The notes mature on April 1, 1993, and are redeemable in whole or in part at any time on or after April 1, 1990, at the Company's election. From the proceeds of the sale, $50 million was used to reduce the outstanding balance under the 1982 PruFunding Credit Agreement.

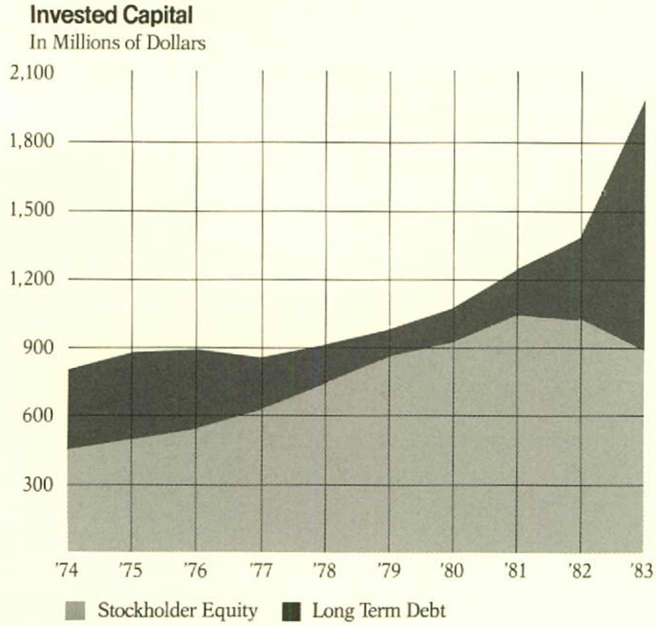
In June, 1983, the Company negotiated two new credit agreements to provide interim financing for the LaGuardia Flight Center. The first provided borrowings of $50 million from Mellon Bank, N.A. in the form of a variable interest note due 400 days after demand for payment. The interest rate is 8/10% above the Average National Federal Funds Rate. The second agreement with Manufacturers Hanover Trust Company provides for unsecured borrowings of up to $50 million on a revolving basis to June 30, 1984, at which time the outstanding balance will be converted to a term loan payable in installments to June 30, 1985. The interest rate during the revolving period is, at Delta's election, an adjusted domestic certificate of deposit rate plus 3/4%, the Eurodollar rate plus 3/4%, or the prime rate, as defined, plus 3/8%. Concurrent with the completion of these agreements, Delta borrowed $50 million under the Mellon agreement and $28 million under the Manufacturers agreement. The Company will be reimbursed for construction of the Flight Center from the proceeds of Special Project Bonds to be issued by the Port Authority of New York and New Jersey in late August, 1983, and this reimbursement will be used to prepay the $78 million borrowings.

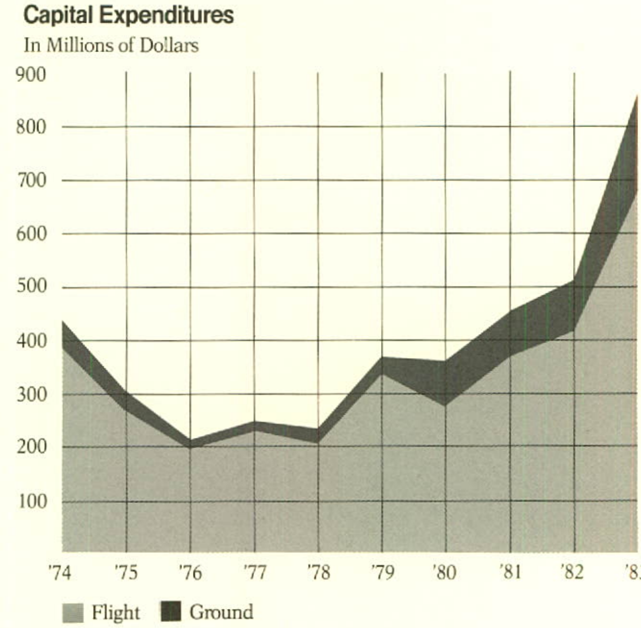
At June 30, 1983, working capital had a negative balance of $220.8 million, an improvement of $35 million from last year's negative balance of $255.8 million. A negative working capital position is normal for Delta and for the airline industry in general and does not indicate a lack of liquidity. At the end of fiscal 1983, the Company's cash balance was $55.2 million, up $9.7 million from a year ago. Short-term notes payable were $55 million, down from $146.4 million last year.

"The Company has agreed to purchase 33 Boeing B-737-200 aircraft with deliveries scheduled to begin in the December 1983 quarter and continue through calendar year 1984. Delta intends to assign its rights to purchase the B-737's to third-party lessors and then to lease these aircraft under 15-year operating leases."

Outstanding purchase commitments for aircraft and engines at the end of fiscal 1983, adjusted for changes in the aircraft delivery schedule negotiated subsequent to June 30, 1983, totaled $3.1 billion and included approximately $230 million for expenditures during fiscal year 1984. Other anticipated fiscal 1984 capital expenditures, including aircraft and engine modifications, spare parts, and ground property, are expected to total approximately $270 million. The Company expects internally generated funds to be the principal source of financing for capital expenditures, supplemented by intermediate-term loans during the periods of peak cash requirements. The Company believes that these traditional sources of funds or the issuance of additional debt securities, should market conditions warrant, will provide sufficient capital, at reasonable interest rates, for Delta to meet its future commitments.

For a discussion of the impact of inflation and changing prices on the Company's financial results, see Note 10 to the Financial Statements on pages 22 and 23.





Flight Equipment and Purchase Commitments

During fiscal 1983, Delta accepted delivery of four Lockheed L-1011-1 aircraft and ten Boeing B-767-200 aircraft. The L-1011 deliveries were the last in a series of purchases which began in 1973 and totaled 44 aircraft, including three long-range L-1011-500's. The B-767-200 deliveries were the first of a planned purchase of 42 of these aircraft. Also during the year, the Company completed the sale and delivery of 11 Boeing B-727-200 aircraft and returned two leased B-727-200 aircraft to the lessor. At June 30, 1983, Delta's fleet totaled 219 aircraft, all of which were owned, as follows: 3 Lockheed L-1011-500 and 41 L-1011-1 aircraft; 10 Boeing B-767-200 aircraft; 5 Douglas DC-8-61 and 8 DC-8-71 aircraft; 116 Boeing B-727-200 aircraft; and 36 Douglas DC-9-32 aircraft.

During the past year, the Company continued its program to re-engine its Douglas DC-8-61 aircraft with the technologically advanced General Electric/SNECMA CFM56 engines. In addition to bringing the aircraft into compliance with federal noise standards, the new engines increase fuel efficiency by approximately 20%. During fiscal 1983, Delta placed five additional re-engined aircraft, now designated DC-8-71's, into revenue service. The remainder of the fleet will be completed by January, 1984. Also in fiscal 1983, Delta began modifying the engines on 85 B-727-200 aircraft, which modification will provide a 5.5% savings in fuel consumption on the affected aircraft. As of June 30, 1983, 39 engines, or the equivalent of 13 aircraft, had been converted. In July, 1983, Delta began a second modification to the B-727 engines which is expected to increase fuel efficiency by an additional 0.8%.

Continuing progress was made during the year on Delta's program to increase the seating capacity on all of its aircraft types except the L-1011-500. Seating on the L-1011-500's, which are used primarily in transatlantic service, was reduced to accomodate sleeperette seats. The modification program is currently scheduled for completion in the second quarter of fiscal 1985. The table below summarizes the seating configuration as of June 30, 1983:

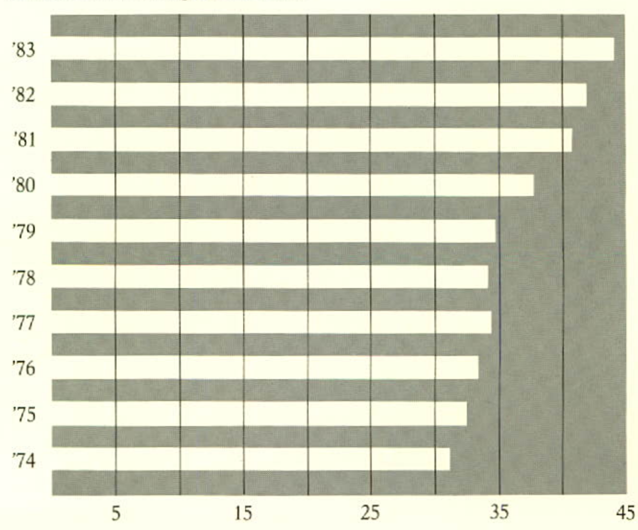
	Seating Configuration		*Number of Aircraft*	
Aircraft Type	*Old*	*New*	*Completed*	*Remaining*
L-1011-500	253	243	3	—
L-1011-1	293	302	30	11
B-767-200	—	210	10	—
DC-8-61	198	212	2	3
DC-8-71	198	212	8	—
B-727-200	137	148	86	30
DC-9-32	88	98	1	35
Total			140	79

The Company believes that its commitment to have the world's most technologically advanced and fuel efficient fleet is critical to its success in the decades ahead. For this reason, Delta continued its efforts to stimulate airframe and engine manufacturers into building a fuel efficient, high-technology, short-haul jet aircraft with approximately 150 seats, which has been called the "Delta III". However, the recent recession and its effects on the airline industry have delayed the production of such an aircraft. Therefore, on April 22, 1983, Delta completed an agreement with The Boeing Company to provide an interim aircraft, primarily for operations in Delta's short-haul markets, pending development of the Delta III. The Company has agreed to purchase 33 Boeing B-737-200 aircraft with deliveries scheduled to begin in the December 1983 quarter and continue through calendar year 1984. Delta intends to assign its rights to purchase the B-737's to third-party lessors and then to lease these aircraft under 15-year operating leases. It has been agreed between Boeing and Delta that Delta's obligations under these leases will, at Delta's election, be assumed by Boeing or the leases will be terminated at Boeing's expense at any time after eight years if Delta acquires certain aircraft not currently on order or option. Arrangements with the third-party lessors mentioned above are being negotiated.

The introduction of the B-737-200 aircraft into the fleet plan required that the Company revise the scheduled delivery dates of the other aircraft currently on order. Subsequent to June 30, 1983, Delta executed an agreement with The Boeing Company to reschedule the delivery of five Boeing B-767 aircraft and the first 30 Boeing B-757 aircraft. The delivery dates will be delayed by an average of 17 months for the B-767's and 10 months for the B-757's, although the initial introduction of the B-757 aircraft into service is still scheduled for late 1984. These changes will result in the deferral of approximately $360 million in capital expenditures from fiscal years 1984 through 1986 to fiscal years 1987 through 1989. Concurrent with the completion of the above agreement, Delta rescheduled the deliveries of the second 30 Boeing B-757 aircraft which are subject to reconfirmation by Delta. The revised delivery schedule moves the delivery dates for the second 30 reconfirmable B-757 aircraft from fiscal years 1987 through 1991 to fiscal years 1989 through 1994. The following table

Fuel Efficiency

Available Seat Miles per Fuel Gallon



shows Delta's new aircraft purchase commitments subsequent to the changes in delivery dates:

Year Ending June 30,	*Boeing B-767-200*	*Boeing B-757-200*	*Boeing B-737-200*
1984	5	—	20
1985	—	8	13
1986	3	8	—
1987	2	6	—
1988	—	7	—
After 1988	—	31	—
Total	10	60	33

During fiscal 1983, the Company completed an agreement to sell 11 of its older Lockheed L-1011-1 aircraft during fiscal years 1984 and 1985. Subsequent to the end of the year, Delta completed an agreement to sell an additional 14 Boeing B-727-200 aircraft with deliveries during calendar year 1984. The agreement also provides for the sale of five spare engines and a B-727 flight simulator.

"The people who make up the Delta family must now turn their attention away from the disappointing results of fiscal 1983 to face the challenges and opportunities of fiscal 1984. We start the new year better equipped than we have ever been."

Personnel

At June 30, 1983, the team of Delta Professionals numbered 37,553 (including 2,029 temporary and part-time employees) compared to 36,897 (including 1,270 temporary and part-time employees) at June 30, 1982. Direct salaries totaled $1.23 billion, an increase of 7%. Salary related costs, including payroll taxes, pensions, employee insurance, and employee travel expenses, increased 16% to $358 million. Employee-related expenditures totaled $1.59 billion, an increase of 9% over last year, and amounted to 44¢ of each revenue dollar compared to 40¢ in fiscal 1982.

The true spirit of Delta's Professionals was never more evident than was demonstrated in fiscal 1983. In response to the Company's commitment to its policy of stable employment for all its permanent personnel, the vast majority of Delta people demonstrated their gratitude to the Company by voluntarily taking temporary wage reductions. The purpose of the reductions was to assist the Company with its extensive capital expenditure program. The active personnel were joined by retired members of the Delta family and others, and funds were made available to purchase Delta's first Boeing B-767-200 aircraft. The Company appreciatively acknowledged this unprecedented act of generosity and named this airplane "The Spirit of Delta".

During the year, Mr. Dickey C. Lee, Assistant Vice President—Internal Auditing, retired after 38 years of service. Mr. W. L. Miller, Assistant Vice President—Materiel Services, will retire effective September 1, 1983, after 37 years of service. Effective October 1, 1983, Mr. A. C. Ford, Assistant Vice President—Long Range Planning, will retire after serving Delta 38 years in numerous capacities. Mr. W. Allen Reed resigned his position as Assistant Treasurer—Investment Management, effective September 1, 1983.

Subsequent to the end of the year, Mr. Robert H. Cowart was appointed Vice President—Information Services, in charge of most of the Company's various computer activities. Mr. Cowart had previously been Vice President—Management Services.

Mrs. Mary Johnston Head was elected as a new director at the October, 1982 stockholders' meeting. Mr. George D. Busbee, former Governor of Georgia, was appointed to Delta's Board of Directors during the year to fill the unexpired term of Mr. Richard W. Courts. Mr. Courts, a valued member of Delta's Board of Directors for 35 years, retired as an active director effective January 31, 1983. He continues to serve the Company as an Advisory Director.

Mr. George M. Snellings, Jr. has announced that he will not stand for reelection this fall to Delta's Board of Directors. Mr. Snellings' service to Delta has spanned more than 23 years.

Marketing

During fiscal 1983, Delta moved to strengthen its competitive position in a number of ways. In addition to improvements in the aircraft fleet, passenger facilities, and passenger services, the Company added new cities and new nonstop markets, implemented a new automated reservations system designed principally for travel agencies, and added new equipment and computer support to improve its reservations services.

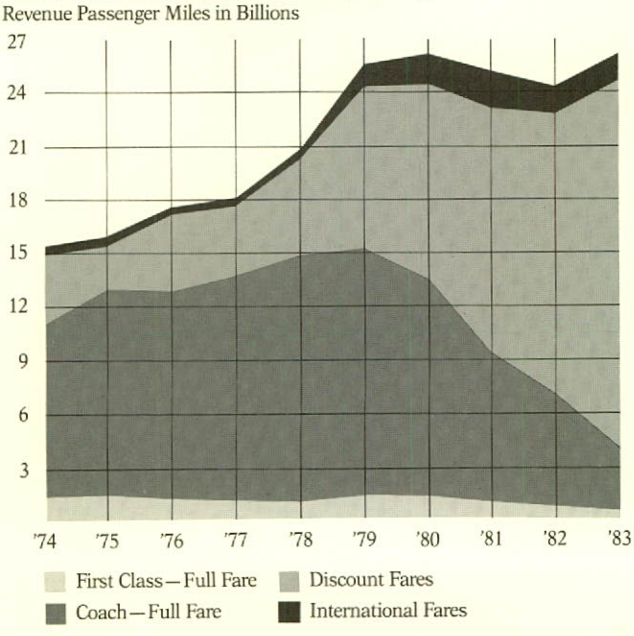
Delta added during the year three new cities to its route system, Oklahoma City, Albuquerque, and Norfolk/Virginia Beach/Williamsburg. New nonstop services were added in 15 city pair markets as Delta continued to develop traffic-gathering networks around its major hub cities, to add point-to-point service in a number of smaller city pair markets, and to tie together cities which have significant common interests.

The FAA continued to increase the capacity of the air traffic control system throughout the year. By the end of the year, flight scheduling was virtually unconstrained except at those airports which were controlled prior to the controllers' strike in fiscal 1982. Delta increased its scheduled plane miles 2% over last year but was able to increase available seat miles by 6% due to its program of increasing the seating density on the aircraft fleet. Traffic grew slightly over 7%, raising the load factor to 54.46% for the year. However, due largely to the unprecedented level of deep discounting of fares throughout the year, Delta's breakeven load factor jumped to 57.84% from 53.91% in fiscal 1982.

In the first half of the year, carriers introduced a variety of deep discount fares in an effort to stimulate traffic depressed by the economy, to skim traffic away from nonstop carriers to multistop carriers, and to divert traffic from traditional seasonal vacation patterns. Many of these fares bore no relationship to distance the passenger traveled or, in many cases, even to the out-of-pocket costs associated with carrying the passenger. After 15 of the largest airlines in the country suffered losses in the March 1983 quarter, a more rational approach to discount fares began to emerge in the industry's pricing. While discount fares heavily influenced Delta's results in the June 1983 quarter, these changes in the fare structure should result in improved yields for the coming year.

Distribution of Passenger Traffic by Fare Type

Revenue Passenger Miles in Billions



Computer systems have become extremely important in airline marketing efforts. Delta significantly increased its staff of computer related personnel in fiscal 1983, and it has continued to purchase the most advanced computer hardware. Delta's commitment to this aspect of marketing is evidenced by the rapid development of several very successful new systems.

During the year, Delta began marketing its unbiased automated reservations system, DATAS II, and the response by the travel agency industry was very enthusiastic. By the end of the fiscal year, almost 1,500 agencies had purchased Delta's system. In addition, Delta concluded agreements with American, United, and TWA which provide that Delta's flights will be displayed in their automated reservations systems on a level equal to that of Delta's other major competitors.

To complement DATAS II, the Company established a subsidiary corporation, DATASLINK, to market an automated travel agency business system. That system has also been enthusiastically received by the travel agency industry.

Early in fiscal 1984, Delta will implement an advanced seat selection and boarding pass system. Using this system, the passenger can select the seating accommodations desired at the time the reservation is made and will receive boarding passes for the entire trip at the time the ticket is issued.

Subsequent to the end of fiscal 1983, Delta announced that it would begin service to four new cities in the December 1983 quarter. The new cities are Mobile, Alabama and Melbourne, Pensacola, and Tallahassee, Florida. Part of the resources to serve these new cities will be made available by the discontinuance of service to Reno, Nevada and Alexandria, Louisiana.

Airlines can no longer count on traditional strategies to assure growth and development. Deregulation and the attendant explosive growth in competition require new approaches to identify and attract customers. During the year, Delta initiated a number of innovative efforts to attract large groups, convention travelers, frequent business travelers, and specific types of vacation travelers. The Company expects good results to continue to come from these efforts and programs for many years.

Delta fully understands the importance of customer service and the role of marketing in the deregulated environment. In order to return to profitability and continue its position of industry leadership, the Company will spare no effort to insure that these objectives are realized.

"In June 1983, Delta began operations from its new terminal, named the Flight Center, at New York's LaGuardia Airport. This 230,000 square foot facility houses all the ticketing, baggage, and gate functions required to serve Delta's passengers."

Facilities

The Company continued to improve its passenger, operating, and administrative facilities in fiscal 1983 as it spent more than $179 million on facilities and ground equipment. In June, 1983, Delta began operations from its new terminal, named the Flight Center, at New York's LaGuardia Airport. This 230,000 square foot facility houses all the ticketing, baggage, and gate functions required to serve Delta's passengers. Delta will occupy six of the nine gate positions for the exclusive use of Delta's flights, with the remaining gates being subleased to other airlines. This facility greatly enhances Delta's competitive situation at this important airport.

During the year, construction was begun on a new Delta terminal at Chicago's O'Hare Field. Scheduled for completion in fiscal 1985, Delta's new Chicago terminal will, like the Flight Center, provide the facilities to support Delta's growth and expansion in this critical market for many years. Construction began during the year to expand Delta's passenger terminal at Dallas/Ft.Worth and is expected to be complete early in fiscal 1985. A new terminal project in Ft.Lauderdale also got under way during the year. Delta occupied terminal facilities in three new cities during the year, Oklahoma City, Albuquerque, and Norfolk/Virginia Beach/Williamsburg. New or expanded terminal facilities were opened in Fort Myers, Austin, Cleveland, and Charlotte.

New aircraft fuel storage facilities, which increase the Company's flexibility in its fuel purchasing arrangements, were completed during the year in several cities. During fiscal 1983, Delta began construction of a new maintenance facility in Tampa and an enlargement of its overhaul base at Dallas/Ft.Worth. In addition, the expansion of the Technical Operations Center in Atlanta continued during the year. In January, 1983, the Company began construction of a 620,000 square foot Administrative Center at the Atlanta General Office Complex. The five story facility will house Information Services, Finance and various other departments. Completion and occupancy is anticipated in early fall, 1984.

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

A comparison of the results of operations for fiscal 1983 and 1982 and a discussion of liquidity and capital resources and the effects of inflation on Delta's operations can be found on pages 4 through 8 and in Note 10 to the Consolidated Financial Statements. The following is a discussion of these items as they relate to 1982 and 1981.

Net income for fiscal 1982 was $20.8 million ($.52 per share), a decrease of 86% from the record income of $146.5 million ($3.68 per share) earned in fiscal 1981.

Delta's operating revenues increased 2% while operating expenses increased 8%, producing a loss from operations totaling $8.2 million.

Total operating revenues for fiscal 1982 increased 2% to $3.62 billion. Passenger revenues from scheduled operations also increased 2% to $3.35 billion, on a 6% rise in the average passenger mile yield and a 4% drop in revenue passenger miles. The decline in traffic resulted from the continuing recession, increased competition and service disruptions caused by the Professional Air Traffic Controllers Organization strike.

The 6% increase in the average passenger mile yield to 13.80¢ was obtained despite fare increases implemented during fiscal 1982 totaling approximately 19%. These increases, plus those implemented in fiscal 1981, should have produced a much greater improvement in the yield. However, passenger miles flown on discount fares comprised 69% of total domestic traffic compared to 60% in fiscal 1981. International operations also experienced a rise in discount traffic, increasing to 83% of the total from 80% during the previous year.

Freight and express revenues increased 7% as revenue ton miles rose 6% and the average yield per ton mile grew 1%. Tariff rate increases on freight and express implemented during fiscal 1982 and late in fiscal 1981 were virtually offset by heavy competitive discounting in many major markets. Mail revenues increased 10%, as both revenue ton miles and yield per ton mile rose 5%. All other revenues increased $2.4 million.

Total operating expenses grew $266.5 million or 8% over fiscal 1981, to $3.63 billion. Increases in salaries and related costs, passenger commissions and depreciation and amortization comprised $208.4 million, or 78%, of the total increase in operating expenses. As a result of the PATCO strike early in the year and its effect on flight operations, operating capacity was down 1% to 45.15 billion available seat miles, while revenue plane miles decreased 3%.

The rise in salaries and related costs of 12% resulted principally from wage increases granted during the year and higher employee benefit costs and payroll taxes. During the year the Company maintained its policy of providing stable employment for permanent personnel in spite of the lower levels of traffic and operations. The 1% decline in the level of employment for the year reflected normal attrition.

Passenger commissions expense continued to grow, rising 13% to \$177.4 million, primarily the result of a higher percent of total sales generated by travel agents. The commission rate also increased late in fiscal 1981.

Aircraft fuel expense increased 1% as the average price per gallon rose 4% to 99.97¢, and fuel consumption declined 39.9 million gallons or 4%. The average price in the June 1982 quarter was 95.03¢, down 10% from the average price in the June 1981 quarter. Delta's continuing conservation efforts and strike-related capacity reductions produced the decline in fuel consumption.

Aircraft maintenance materials and repairs were down 4%, the result of strong cost controls and the decrease in plane miles. Rental expenses grew 19%, reflecting rental rate increases and the occupancy of new and expanded facilities during fiscal 1982 and a full year's expenses for facilities added in fiscal 1981. Landing fee expense rose 9%, as the decline in operations was more than offset by rate increases imposed by airport authorities to cover rising operating costs and the cost of airport improvements.

Passenger food and related supplies increased 5% despite a 4% decline in traffic, the result of food price increases imposed during the year. Large rate hikes late in fiscal 1981 and during fiscal year 1982 caused communication and utility expenses to soar 32% and 20%, respectively. Advertising expense rose 15% due to the promotion of new services implemented during the year and the additional advertising required by the numerous discount fare programs implemented by other airlines and matched by Delta. All other cash costs were up 7%, while depreciation and amortization expenses rose 14%, the result of the introduction of new aircraft.

Other income was down \$55.7 million. Of this amount, net interest expense increased \$14.7 million, reflecting a higher level of outstanding debt, which was partially offset by an increase in capitalized interest. Gains on aircraft sales were down \$28.5 million and gains on foreign currency translation decreased \$3.9 million. Miscellaneous income also declined \$8.6 million, principally the result of a \$5.3 million drop in interest income and \$3.0 million earned on the sale of a leasehold interest in fiscal 1981.

The \$15.2 million loss before taxes for the current year was reduced by a \$9.7 million negative tax provision. This provision was recorded as a credit in the Statement of Income and as refundable income taxes on the Balance Sheet, since the loss can be carried back to prior years and recovered from taxes previously paid. Fiscal 1982 net income was increased by the amortization of \$26.4 million of investment tax credits.

Capital expenditures during fiscal 1982 totaled \$510.9 million, consisting of \$417.1 million for flight equipment additions, modifications and advances and \$93.8 million for ground equipment and facilities. The most significant flight equipment expenditures were advance payments on the twenty Boeing B-767-200 and sixty Boeing B-757-200 aircraft on order, delivery payments on five Lockheed L-1011 aircraft and modification costs associated with the re-engining of the Douglas DC-8-61/71 fleet. Also during the year, Delta purchased three Boeing B-727-200 aircraft, two of which it had previously leased. These capital expenditures were financed primarily by internally generated funds of \$276.6 million, a net increase in long-term debt of \$166.0 million and \$56.1 million from working capital.

At June 30, 1982, working capital had a negative balance of \$255.8 million compared to a negative balance of \$199.7 million at June 30, 1981. Cash and short-term securities at the end of fiscal 1982 totaled \$45.5 million, up \$38.6 million from the previous year.

Long-term debt was \$371.3 million at June 30, 1982, including \$8.5 million in current maturities, up from the \$209.5 million balance at the end of fiscal 1981. Delta increased its borrowings under the 1980 Bank Credit Agreement from \$100 million at June 30, 1981 to \$150 million at December 31, 1981, with borrowings of \$25 million each in the September and December quarters. On March 12, 1982, Delta completed the 1982 Bank Credit Agreement with 25 participating banks. The 1982 Bank Credit Agreement provided for unsecured borrowings of up to \$350 million on a revolving basis to June 30, 1986, at which time the outstanding balance becomes a term loan payable in installments through June 30, 1990. The interest rate during the revolving period is, at Delta's election, an adjusted certificate of deposit rate plus 3/8%, the Eurodollar rate plus 3/8%, or the prime rate as defined. Upon conversion to a term loan, the interest rate options are an adjusted certificate of deposit rate plus 5/8%, the Eurodollar rate plus 5/8%, or the prime rate as defined plus 1/4%. Concurrent with completion of the 1982 Bank Credit Agreement, the Company borrowed \$225 million. From that amount, \$150 million was used to pay the outstanding balance and terminate the 1980 Bank Credit Agreement.

Stockholders' equity at June 30, 1982, was \$1.02 billion or \$25.75 per share, a decrease of 1.6% from the \$26.17 per share at the end of fiscal 1981. At the end of fiscal 1982, long-term debt was equal to 36% of stockholder equity compared to 20% at the close of fiscal 1981.

Consolidated Balance Sheets June 30, 1983 and 1982

ASSETS	1983	1982
	(In Thousands)	
Current Assets:		
Cash	$ 55,246	$ 45,549
Accounts receivable, net of allowance for uncollectible accounts	322,849	318,506
Refundable income taxes (Note 7)	78,126	53,043
Maintenance and operating supplies, at average cost	40,772	47,493
Prepaid expenses and other current assets	26,205	23,607
Total current assets	523,198	488,198
Property and Equipment (Note 2):		
Flight equipment	3,648,751	2,993,595
Less—Accumulated depreciation	1,557,883	1,364,541
	2,090,868	1,629,054
Ground property and equipment	699,559	541,821
Less—Accumulated depreciation	245,503	226,414
	454,056	315,407
Advance payments for new equipment	130,314	197,596
	2,675,238	2,142,057
Other Assets:		
Funds held by bond trustees	23,075	11,679
Other	25,449	15,946
	48,524	27,625
	$3,246,960	$2,657,880

LIABILITIES AND STOCKHOLDERS' EQUITY	1983	1982
	(In Thousands)	
Current Liabilities:		
Current maturities of long-term debt (Note 3)	**$ 6,527**	$ 8,526
Short-term notes payable (Note 5)	**55,000**	146,357
Commercial paper outstanding (Note 5)	**123,996**	124,400
Accounts payable and miscellaneous accrued liabilities	**202,830**	151,390
Air traffic liability	**252,815**	232,711
Accrued vacation pay	**69,541**	62,311
Transportation tax payable	**33,323**	18,298
Total current liabilities	**744,032**	743,993
Long-Term Debt (Note 3)	**1,092,364**	362,774
Deferred Credits:		
Deferred income taxes (Note 7)	**287,778**	409,255
Unamortized investment tax credits	**149,550**	88,696
Manufacturers' credits (Note 1)	**73,521**	26,468
Other	**2,555**	3,043
	513,404	527,462
Commitments and Contingencies (Notes 2, 4, 7 and 8)		
Stockholders' Equity:		
Common stock, par value $3.00 per share— Authorized 100,000,000 shares; outstanding 39,761,154 shares (Note 6)	**119,283**	119,283
Additional paid-in capital	**80,088**	80,088
Retained earnings	**697,789**	824,280
	897,160	1,023,651
	$3,246,960	$2,657,880

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

Consolidated Statements of Income For the years ended June 30, 1983, 1982 and 1981

	1983	1982	1981
	(In Thousands, Except Per Share Amounts)		
Operating Revenues:			
Passenger	**$3,347,014**	$3,352,173	$3,287,511
Cargo	**227,146**	230,597	213,431
Other, net	**42,253**	34,753	32,384
Total operating revenues	**3,616,413**	3,617,523	3,533,326
Operating Expenses:			
Salaries and related costs	**1,590,645**	1,464,321	1,306,359
Aircraft fuel	**999,154**	1,078,048	1,070,057
Aircraft maintenance materials and repairs	**68,268**	73,383	76,631
Rentals and landing fees	**123,645**	112,291	98,530
Passenger service	**148,356**	126,473	121,502
Passenger commissions	**220,935**	177,439	157,710
Other cash costs	**366,504**	342,023	307,364
Depreciation and amortization	**306,240**	251,701	220,979
Total operating expenses	**3,823,747**	3,625,679	3,359,132
Operating Income (Loss)	**(207,334)**	(8,156)	174,194
Other Income (Expense):			
Interest expense	**(92,892)**	(60,438)	(23,135)
Less—Interest capitalized	**29,398**	38,154	15,539
	(63,494)	(22,284)	(7,596)
Gain on disposition of flight equipment	**28,229**	1,570	30,078
Realized and unrealized gain on foreign currency translation, net (Note 3)	**1,898**	2,385	6,227
Miscellaneous income, net	**14,000**	11,280	19,917
	(19,367)	(7,049)	48,626
Income (Loss) Before Income Taxes	**(226,701)**	(15,205)	222,820
Income Taxes Credited (Provided) (Note 7)	**109,642**	9,652	(101,447)
Amortization of Investment Tax Credits	**30,329**	26,367	25,101
Net Income (Loss)	**$ (86,730)**	$ 20,814	$ 146,474
Net Income (Loss) Per Common Share	**$(2.18)**	$0.52	$3.68

The accompanying notes are an integral part of these statements.

Consolidated Statements of Retained Earnings

For the years ended June 30, 1983, 1982 and 1981

	1983	1982	1981
		(In Thousands)	
Balance at Beginning of Year	**$824,280**	$900,881	$782,239
Add (Deduct):			
Net income (loss)	**(86,730)**	20,814	146,474
Cash dividends—$1.00 per share in 1983, $.95 per share in 1982 and $.70 per share in 1981	**(39,761)**	(37,773)	(27,832)
Transfer to common stock in connection with a 2-for-1 stock split	**—**	(59,642)	—
Balance at End of Year	**$697,789**	$824,280	$900,881

The accompanying notes are an integral part of these statements.

Auditors' Report

ARTHUR ANDERSEN & CO.
ATLANTA, GEORGIA

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

We have examined the consolidated balance sheets of DELTA AIR LINES, INC. (a Delaware corporation) and subsidiaries as of June 30, 1983 and 1982, and the related consolidated statements of income, retained earnings and changes in financial position for each of the three years in the period ended June 30, 1983. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Delta Air Lines, Inc. and subsidiaries as of June 30, 1983 and 1982, and the results of its operations and the changes in its financial position for each of the three years in the period ended June 30, 1983, in conformity with generally accepted accounting principles applied on a consistent basis.

Arthur Andersen & Co.

August 12, 1983

Report of Management

The integrity and objectivity of the information presented in this Annual Report is the responsibility of Delta management. The financial statements contained in this report have been examined by Arthur Andersen & Co., independent public accountants. Their report, shown on this page, expresses an informed judgment as to whether management's financial statements present fairly, in conformity with generally accepted accounting principles, the Company's financial position and operating results.

Delta maintains a system of internal financial controls and a program of internal audits. These controls include the selection and training of its 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 and are appropriately recorded to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability of assets.

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. They meet periodically with the independent auditors, the internal auditors and representatives of management to discuss internal accounting control, auditing and financial reporting matters.

David C. Garrett Jr. — R. Oppenlander

DAVID C. GARRETT, JR.
President and Chief Executive Officer

ROBERT OPPENLANDER
Senior Vice President — Finance

Consolidated Statements of Changes in Financial Position

For the years ended June 30, 1983, 1982 and 1981

	1983	1982	1981
		(In Thousands)	
Funds Provided By:			
Net income (loss)	**$ (86,730)**	$ 20,814	$ 146,474
Add (deduct) items not affecting working capital—			
Depreciation and amortization	**306,945**	251,729	221,016
Deferred income taxes (Note 7)	**(121,476)**	49,188	30,925
Unrealized gain on translation of long-term portion of debt payable in pounds sterling	**(959)**	(1,614)	(4,425)
Investment tax credits, net of amortization	**60,854**	(6,757)	7,500
Other	**(284)**	(549)	(536)
Total from operations	**158,350**	312,811	400,954
Long-term financing	**917,252**	325,000	69,000
Decrease (increase) in funds held by bond trustees	**(11,396)**	7,783	(1,343)
Disposition of property and equipment (book value)	**33,208**	1,590	7,081
Manufacturers' credits	**47,053**	8,698	17,246
Other	**349**	754	(10,479)
	1,144,816	656,636	482,459
Funds Used For:			
Property and equipment additions—			
Flight equipment, including advances	**688,767**	417,035	371,581
Ground property and equipment	**179,155**	93,824	85,424
	867,922	510,859	457,005
Reduction of long-term debt, net of unrealized foreign currency gains and losses	**186,721**	159,024	14,064
Cash dividends	**39,761**	37,773	27,832
Other	**15,451**	5,047	2,219
	1,109,855	712,703	501,120
Increase (Decrease) in Working Capital	**$ 34,961**	$ (56,067)	$ (18,661)
Changes in Working Capital Components:			
Increase (decrease) in—			
Cash	**$ 9,696**	$ 38,650	$ (31,165)
Accounts receivable, net	**4,344**	10,337	25,129
Refundable income taxes	**25,083**	53,043	—
Other current assets	**(4,123)**	(2,356)	25,062
Decrease (increase) in—			
Current maturities of long-term debt	**1,999**	2,611	4,088
Short-term notes payable	**91,357**	(146,357)	—
Commercial paper outstanding	**403**	(79,913)	(13,553)
Accounts payable and accrued liabilities	**(73,695)**	55,050	(46,474)
Air traffic liability	**(20,103)**	12,868	18,252
Increase (Decrease) in Working Capital	**$ 34,961**	$ (56,067)	$ (18,661)

The accompanying notes are an integral part of these statements.

Notes to Consolidated Financial Statements
June 30, 1983, 1982 and 1981

1. Summary of Accounting Policies:

Basis of Presentation—The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Epsilon Trading, Inc. and Dataslink Business Systems, Inc. All significant intercompany accounts and transactions have been eliminated in consolidation.

Passenger Revenue—Passenger ticket sales are recorded as revenue when the transportation is used. The value of unused tickets is included in current liabilities in the financial statements.

Depreciation and Amortization—Substantially all of the Company's flight equipment is being depreciated on a straight-line basis to residual values (10% of cost) over a ten-year period from dates placed in service. Ground property and equipment is depreciated on a straight-line basis over its estimated service life (various lives ranging from three to 30 years). Leased properties under capital leases are amortized on a straight-line basis over the life of the lease.

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 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.

Foreign Currency Transactions—Realized and unrealized foreign exchange transaction adjustments are included in income on a current basis.

Income Taxes—Income taxes are provided (credited) by applying the applicable statutory tax rates to book income (loss) before income taxes. Deferred income taxes are provided for all significant items (principally depreciation and other property items) where there is a timing difference in recording such items for financial reporting purposes and for income tax purposes. Investment tax credits are amortized over seven years. (See Note 7.)

Earnings Per Share—Net income per common share is computed based on the weighted average number of outstanding shares during the year.

Deferred Manufacturers' Credits—In connection with the acquisition of certain new generation aircraft and engines, the Company is receiving various introductory credits. These credits are being deferred until the aircraft and engines are delivered, at which time they will be applied on a pro rata basis as a reduction of the acquisition costs resulting in reduced future depreciation expense.

Retirement Plans—All of the Company's permanent employees are covered under its noncontributory trusteed plans providing for retirement, disability and survivor benefits, and certain employees meeting age and service requirements are eligible to participate in a contributory trusteed savings plan. The total expense under these plans amounted to approximately $147,434,000 in 1983, $125,563,000 in 1982 and $102,482,000 in 1981. The Company's policy is to fund each year's accrued costs under the plans. Costs under the noncontributory plans include amortization of prior service costs over varying periods up to 30 years.

As of June 30, 1982 (date of the most recent actuarial study) and June 30, 1981, the actuarial present value of accumulated plan benefits and the net assets available for plan benefits under the Company's defined benefit pension plans were as follows:

	1982	1981
	(In Thousands)	
Actuarial present value of accumulated plan benefits—		
Vested	$819,801	$692,263
Nonvested	22,814	19,611
	$842,615	$711,874
Net assets available for plan benefits	$756,837	$689,603

The weighted average assumed rate of return used in determining the actuarial present value of accumulated plan benefits was 8%.

2. Aircraft Purchase and Sale Commitments:

At June 30, 1983, the status of the Company's current fleet and aircraft purchase commitments was as follows:

Aircraft Type	Current Fleet	Orders	Options
L-1011-1/200	41	—	—
L-1011-500	3	—	—
B-727-200	116	—	—
B-757-200	—	60	10
B-767-200	10	10	22
DC-9-32	36	—	—
DC-8-61/71	13	—	—
B-737-200	—	33	—
	219	103	32

The orders for 60 Boeing B-757-200 aircraft include 30 aircraft which are subject to reconfirmation by the Company.

On April 22, 1983, the Company completed an agreement with Boeing to provide for certain of the Company's aircraft needs on an interim basis pending development of a new generation, new technology aircraft with approximately 150 seats. Under this agreement, the Company has agreed to purchase 33 Boeing B-737-200 aircraft, with deliveries to begin in the December 1983 quarter and continue through calendar year 1984. The Company intends to assign its rights to purchase these aircraft to third party lessors, and then to lease the aircraft under 15-year operating leases. Boeing has agreed to assist the Company in arranging for such transactions. Additionally, it has been agreed between Boeing and the Company, subject to various conditions, that the Company's obligations under these leases will, at the Company's request, be assumed by Boeing or terminated at Boeing's expense at any time after eight years if the Company acquires certain aircraft not currently on order or option.

The Company also has an outstanding agreement to re-engine five Douglas DC-8-61 aircraft during fiscal year 1984.

Subsequent to June 30, 1983, the Company executed an agreement with Boeing to reschedule the delivery of five Boeing B-767-200 aircraft and 30 Boeing B-757-200 aircraft. Concurrent with the completion of this agreement, the Company rescheduled the deliveries of the 30 Boeing B-757-200 aircraft which are subject to reconfirmation by the Company.

Future expenditures for the aircraft and engine commitments, adjusted for the revised deliveries explained above (excluding option aircraft and the Boeing B-737-200 aircraft) are estimated to be approximately $3.1 billion, as follows:

	Amount *(In Thousands)*
1984	$ 229,600
1985	327,100
1986	364,600
1987	268,500
1988	253,100
After 1988	1,698,500
	$3,141,400

The Company presently anticipates financing these commitments from internally generated funds, supplemented as required by borrowings.

The Company has entered into an agreement to sell 11 Lockheed L-1011-1 aircraft with deliveries scheduled for fiscal years 1984 and 1985. Subsequent to June 30, 1983, the Company completed an agreement to sell 14 Boeing B-727-200 aircraft with deliveries during calendar year 1984.

3. Long-Term Debt:

At June 30, 1983 and 1982, the Company's long-term debt and capitalized lease obligations (including current maturities) were as follows:

	1983 *(In Thousands)*	1982
1982 Bank Credit Agreement, providing for unsecured borrowings up to $450 million on a revolving basis to June 30, 1986, at which time the outstanding balance converts to a term loan payable in installments through June 30, 1990. Interest during the revolving period is, at the Company's election, an adjusted domestic certificate of deposit rate plus 3/8%, the Eurodollar rate plus 3/8%, or the prime rate as defined	$ 450,000	$ 225,000
1983 Bank Credit Agreement, providing for unsecured borrowings up to $250 million on a revolving basis to December 31, 1986, at which time the outstanding balance converts to a term loan payable in installments through December 31, 1990. Interest during the revolving period is, at the Company's election, an adjusted domestic certificate of deposit rate plus 3/4%, the Eurodollar rate plus 3/4%, or the prime rate as defined plus 3/8%	250,000	—
11.35% Notes, unsecured, due April 1, 1993, redeemable at the Company's option on or after April 1, 1990	$125,000	$ —
Mellon Bank unsecured Corporate Variable Interest Note, payable 400 days after demand. Interest is at the Average National Federal Funds Rate plus 8/10%	50,000	—
1982 PruFunding, Inc. Credit Agreement, providing for unsecured borrowings up to $100 million on a revolving basis through September 29, 1985, at which time the outstanding balance converts to a term loan payable in installments through September 29, 1990. Interest during the revolving period is at 1⅜% above the rate on 30-day dealer-placed commercial paper	50,000	—
1981 PruFunding, Inc. Credit Agreement	—	50,000
Development Authority of Fulton County, unsecured loan agreement, repayable in installments beginning on November 1, 1991 and continuing through 2012. Interest ranges from 9⅝% to 11% over the life of the loan	38,912	—
Development Authority of Fulton County, 6⅞% unsecured loan agreement	—	29,000
Development Authority of Clayton County, 11% unsecured loan agreement, repayable in annual installments beginning in the year 2003 and continuing through 2012	47,296	—
Development Authority of Clayton County, 6⅝% unsecured loan agreement, repayable in installments beginning in the year 2000, with the remaining balance payable in 2011	35,000	35,000
Manufacturers Hanover Trust Company Credit Agreement, providing for unsecured borrowings up to $50 million on a revolving basis to June 30, 1984, at which time the outstanding balance converts to a term loan payable in installments through June 30, 1985. Interest during the revolving period is, at the Company's election, an adjusted domestic certificate of deposit rate plus 3/4%, the Eurodollar rate plus 3/4% or the prime rate as defined plus 3/8%	28,000	—
Convertible Subordinated Debentures, unsecured, 6½%, maturing August 1, 1986	10,921	10,921

	1983	1982
	(In Thousands)	
Lazard Brothers & Co., Limited, 5½%, 6% and 7½% unsecured notes, repayable in pounds sterling in semiannual installments to 1986 ($5,722,000 payable in fiscal 1984)—		
At original exchange rates	$ 14,775	$ 24,154
Unrealized gain on—		
Current maturities	2,998	2,497
Long-term portion	1,919	3,494
At fixed contractual exchange rates in 1983	9,858	18,163
Other unsecured notes, with various interest rates and maturity dates ($176,000 payable in fiscal 1984)	3,239	640
Capitalized lease obligations ($629,000 payable in fiscal 1984)	665	2,576
Total	1,098,891	371,300
Less—Current maturities	6,527	8,526
Total long-term debt	$1,092,364	$ 362,774

At June 30, 1983, the annual maturities of long-term debt and capitalized lease obligations for the next five fiscal years were as follows:

	Amount (In Thousands)
1984	$ 6,527
1985	32,301
1986	1,791
1987	127,001
1988	140,000

The Company's debt agreements include limitations on indebtedness and other obligations. In connection with the 1982 Bank Credit Agreement, the Company has informally agreed to maintain on deposit with the lending banks average balances (including normal working balances) equal to 7½% of the average daily outstanding borrowings, with the average balances and borrowings being computed over the term of the agreement. At June 30, 1983, there were no restrictions in the agreements as to the payment of cash dividends.

The $50 million Mellon Bank unsecured Corporate Variable Interest Note and the $28 million Manufacturers Hanover Trust Company Credit Agreement provide unsecured interim financing for the Company's construction of the New York-LaGuardia Flight Center. The Company will be reimbursed for construction of the LaGuardia Flight Center from the proceeds of Special Project Bonds to be issued by the Port Authority of New York and New Jersey in August 1983. The Company will use this reimbursement to prepay the Mellon Bank unsecured Corporate Variable Interest Note and the Manufacturers Hanover Trust Company Credit Agreement.

During the March 1983 quarter, the Company entered into forward exchange contracts to contractually fix the U.S. dollar obligation for all future principal and interest payments due Lazard Brothers & Co., Limited under the unsecured loan agreement.

4. Operating Lease Obligations:

At June 30, 1983, the Company leased certain airport terminal and maintenance facilities, ticket offices, and other property and equipment under agreements with terms of more than one year. Amounts charged to rental expense for operating leases were $65,178,000 in 1983, $57,357,000 in 1982 and $48,070,000 in 1981.

At June 30, 1983, the Company's minimum rental commitments under noncancelable operating leases with initial or remaining terms of more than one year were as follows:

Payable for Fiscal Year	Amount (In Thousands)
1984	$ 74,876
1985	124,418
1986	168,403
1987	142,513
1988	141,627
After 1988	1,720,205
Total	$2,372,042

Future minimum rental commitments include lease payments under certain terminal and maintenance facility agreements negotiated during fiscal 1983 including facilities at the Chicago, New York, Dallas-Fort Worth and Tampa airports.

The Company is negotiating lease agreements for 33 Boeing B-737-200 aircraft. Future minimum rental commitments include expected payments under these leases.

5. Short-Term Borrowings:

Interim financing of operations is obtained through the issuance of commercial paper and the use of short-term bank borrowings. At June 30, 1983, outstanding commercial paper totaled $123,996,000 at interest rates ranging from 8½% to 9⅝%, and short-term bank notes totaled $55,000,000 at interest rates ranging from 9¾% to 10%. In connection with the issuance of the commercial paper, the Company obtained lines of credit totaling $150,000,000.

The average interest rate and average and maximum outstanding balances of short-term borrowings during 1983 and 1982 were as follows:

	1983	1982
	(In Thousands)	
Maximum amount of borrowings outstanding at any month-end	$284,932	$270,757
Average daily borrowings during period	203,444	154,440
Weighted average interest rate on borrowings during period	10.06%	15.10%

6. Common Stock:

At June 30, 1983, the Company had 87,368 common shares reserved for conversion (at $125 per share) of the Convertible Subordinated Debentures which mature August 1, 1986.

7. Income Taxes:

Provisions for income taxes in 1983, 1982 and 1981 consisted of:

	1983	1982	1981
		(In Thousands)	
Current taxes	$ 81,287	$ 50,967	$ (37,921)
Deferred taxes	(42,030)	(22,902)	(30,925)
Reversal of deferred taxes	161,200	—	—
Investment tax credits	(90,815)	(18,413)	(32,601)
Income taxes credited (provided)	$109,642	$ 9,652	$(101,447)

Total income taxes as a percent of book income (loss) before taxes amounted to 48% in 1983, 63% in 1982 and 46% in 1981. The percent in 1983 and 1982 differed from the statutory rate of 46% because of state income taxes and the amortization of the reduction in deferred taxes resulting from the federal tax rate reduction in fiscal 1979. For financial reporting purposes, the tax provision for losses incurred was recorded as a credit in the statement of income and as refundable income taxes or a reduction in deferred income taxes in the balance sheet. These losses can be carried back to prior years and recovered from taxes previously paid or used to reduce taxes that become payable during the period these losses may be carried forward for use on future federal income tax returns.

For financial reporting purposes, the Company has recognized all available investment tax credit benefits (none of which can be utilized on its federal income tax return for fiscal 1983) as an increase in unamortized investment tax credits and as a reduction of deferred income taxes. Such benefits can be used to reduce taxes that become payable during the period these benefits may be carried forward for use on future federal income tax returns.

At June 30, 1983, deferred income taxes had been reduced by approximately $62.3 million of fiscal 1983 net operating loss carryforward and approximately $98.9 million of investment tax credit carryforward. Approximately $23 million of investment tax credit carryforwards expire in 1997, and the remaining investment tax credit and net operating loss carryforwards expire in 1998. Deferred income taxes will be restored by a charge to income as these carryforwards are utilized.

The Company's federal income tax returns for fiscal years 1976 through 1980 are presently under review by the Internal Revenue Service. Various potential adjustments are under consideration in connection with this review. In the opinion of management, the final outcome of this review will not have a material adverse effect on the Company's financial condition.

8. Contingencies:

The Company is a defendant in certain legal actions relating to environmental problems (primarily noise), alleged employment discrimination practices, other matters concerning past and present employees, disputes concerning the Company's liability for payment of fees and charges for certain airport facilities, and other matters related to the Company's business. Given the unsettled status of the law in many of the areas involved, the outcome of these actions is difficult to predict. In the opinion of management, the disposition of these matters is not likely to have any material adverse effect on the Company's financial condition.

9. Quarterly Financial Data (Unaudited):

	Three Months Ended			
	Sept.30	Dec.31	Mar.31	June 30
	(In Millions, Except Per Share Amounts)			
Fiscal 1983				
Operating revenues	$876.5	$899.1	$904.8	$936.0
Operating income (loss)	$(39.2)	$(35.6)	$(81.6)	$(50.9)
Net income (loss)	$(16.1)	$ (5.6)	$(39.5)	$(25.5)
Net income (loss) per share	$(0.41)	$(0.14)	$ (.99)	$ (.64)
Fiscal 1982				
Operating revenues	$891.3	$894.6	$881.3	$950.3
Operating income (loss)	$ .6	$ 2.1	$(45.7)	$ 34.8
Net income (loss)	$ 7.6	$ 8.5	$(18.4)	$ 23.1
Net income (loss) per share	$ .19	$ .21	$ (.46)	$ .58

10. Constant Dollar and Current Cost Data (Unaudited):

The Financial Accounting Standards Board (FASB) Statement No.33, Financial Reporting and Changing Prices, requires that certain historical financial data be restated utilizing two different approaches to measure the impact of changing prices: (1) the "constant dollar" approach, which reflects the effect of general inflation on the purchasing power of the dollar; and (2) the "current cost" approach, which reflects the changes in relative prices for specific goods and services.

Data developed in compliance with Statement No.33 is of an experimental nature and should be viewed with caution. Calculations derived from the application of Statement No.33 involve a substantial number of assumptions and estimates, and may not reflect the most accurate reporting of the effects of inflation on the Company.

Under the constant dollar concept, the historical cost at June 30, 1983, of property and equipment was aged by year of acquisition. This historical cost was restated in average fiscal 1983 dollars by the application of the U.S. Government Consumer Price Index for All Urban Consumers (CPI-U). The CPI-U is a widely used measure of inflation and is the specific index selected by the FASB to measure the effect of general inflation. Depreciation and amortization were recalculated on a straight-line method, using historical depreciation rates applied to the constant dollar cost.

The gain from the decline in purchasing power was determined by calculating the changes in monetary assets and liabilities in 1983 constant dollars. In times of inflation, there is a purchasing power loss in holding monetary assets such as cash and receivables and a purchasing power gain in holding monetary liabilities such as debt and payables.

For flight equipment, current cost (specific prices) was determined by utilizing the purchase price information for current production aircraft types as furnished by the Air Transport Association and current market values for nonproduction aircraft as published in various industry sources. For spare engines and components, the current cost was determined by applying the historical ratio of the cost of spare engines and components to the current cost of the related aircraft fleets. For ground property and equipment, the current cost was computed in the same manner as the constant dollar information. Current cost depreciation expense was computed by multiplying the historical rates by the current costs determined above.

Current tax laws do not recognize deductions for current cost of depreciation and amortization expense; therefore, income taxes provided are reported in historical dollars as required by Statement No.33.

Consolidated Statement of Income Adjusted for Changing Prices (Unaudited)
For the year ended June 30, 1983

	As Reported in the Financial Statements (Historical Cost)	Adjusted for General Inflation (Average Fiscal 1983 Constant Dollars)	Adjusted for Change in Specific Prices (Current Cost)
	(In Thousands, Except Per Share Data)		
Operating revenues	$3,616,413	$3,616,413	$3,616,413
Depreciation and amortization expense	306,240	366,551	458,787
Operating expenses (excluding depreciation and amortization)	3,517,507	3,517,507	3,517,507
Gain on disposition of flight equipment	(28,229)	(20,164)	(37,247)
Other expense (income), net	47,596	47,596	47,596
Income taxes provided (credit)	(109,642)	(109,642)	(109,642)
Amortization of investment tax credits	(30,329)	(38,494)	(38,494)
Total expenses	3,703,143	3,763,354	3,838,507
Net loss	$ 86,730	$ 146,941	$ 222,094
Net loss per share	$ 2.18	$ 3.70	$ 5.59
Gain from decline in purchasing power of net amounts owed		$ 31,164	$ 31,164
Effect on property and equipment of:			
Increase in specific prices (current cost)*			$ 144,730
Increase in general price level (constant dollar)			89,748
Excess of increase in specific prices over the increase in general price level			$ 54,982

*At June 30, 1983, owned and leased property and equipment, stated at current cost, net of adjusted accumulated depreciation from date of acquisition, was $3.72 billion compared with the historical depreciated cost of $2.68 billion.

Five-Year Comparison of Selected Supplementary Consolidated Financial Data (Unaudited)
Stated in Average Fiscal 1983 Dollars

	For the Year Ended June 30				
	1983	1982	1981	1980	1979
	(In Thousands, Except Per Share Data)				
Operating revenues	$3,616,413	$3,772,798	$4,000,619	$3,739,123	$3,478,494
Historical cost information adjusted for general inflation—					
Net income (loss)	(146,941)	(97,524)	50,036	9,399	—
Net income (loss) per share	(3.70)	(2.45)	1.26	0.24	—
Net assets	1,538,897	2,083,066	2,083,055	2,034,490	—
Historical cost information adjusted for specific prices—					
Net loss	(222,094)	(165,484)	(17,524)	(22,733)	—
Net loss per share	(5.59)	(4.16)	(0.44)	(0.57)	—
Excess of increase in specific prices over increase in the general price level	54,982	39,847	359,597	64,332	—
Net assets	1,784,423	2,293,396	2,445,983	2,252,451	—
Depreciation and amortization	458,787	460,666	448,512	401,797	—
Gain from decline in purchasing power of net amounts owed	31,164	52,977	53,167	79,599	—
Cash dividends paid per common share	1.00	.99	.79	.76	.75
Market price per common share at year-end	42.50	35.46	40.38	24.82	28.74
Average consumer price index (1967 = 100)	294.0	281.9	259.4	232.5	205.2

Consolidated Summary of Operations For the years ended June 30
(Dollars expressed in thousands except per share figures)

	1983	1982	1981
Operating revenues:			
Passenger	**$3,347,014**	$3,352,173	$3,287,511
Cargo	**227,146**	230,597	213,431
Other, net	**42,253**	34,753	32,384
Total operating revenues	**3,616,413**	3,617,523	3,533,326
Operating expenses	**3,823,747**	3,625,679	3,359,132
Operating income (loss)	**$ (207,334)**	$ (8,156)	$ 174,194
Interest expense, net[1]	**(63,494)**	(22,284)	(7,596)
Miscellaneous income, net	**14,000**	11,280	19,917
Gain on disposition of flight equipment	**28,229**	1,570	30,078
Realized and unrealized gain (loss) on foreign currency translation	**1,898**	2,385	6,227
Income (loss) before income taxes	**$ (226,701)**	$ (15,205)	$ 222,820
Income taxes credited (provided)	**109,642**	9,652	(101,447)
Amortization of investment tax credits	**30,329**	26,367	25,101
Net income (loss)	**$ (86,730)**	$ 20,814	$ 146,474
Net income (loss) per share*	**$(2.18)**	$0.52	$3.68
Dividends paid	**$ 39,761**	$ 37,773	$ 27,832
Dividends paid per share*	**$1.00**	$0.95	$0.70
[1]Has been reduced by interest capitalized of	**$ 29,398**	$ 38,154	$ 15,539

Other Financial and Statistical Data For the years ended June 30

	1983	1982	1981
Long-term debt	**$1,092,364**	$ 362,774	$ 198,411
Stockholders' equity	**$ 897,160**	$1,023,651	$1,040,611
Stockholders' equity per share*	**$ 22.56**	$ 25.75	$ 26.17
Shares of common stock outstanding*	**39,761,154**	39,761,154	39,761,154
Revenue passengers enplaned	**35,666,116**	34,169,927	36,743,214
Available seat miles (000)	**47,915,817**	45,154,885	45,428,277
Revenue passenger miles (000)	**26,096,996**	24,284,804	25,192,531
Passenger load factor	**54.46%**	53.78%	55.46%
Breakeven load factor	**57.84%**	53.91%	52.52%
Available ton miles (000)	**6,202,910**	5,937,817	6,037,476
Revenue ton miles (000)	**2,951,119**	2,773,337	2,845,425
Passenger revenue per passenger mile	**12.83¢**	13.80¢	13.05¢
Operating expenses per available seat mile	**7.98¢**	8.03¢	7.39¢
Operating expenses per available ton mile	**61.64¢**	61.06¢	55.64¢

*Adjusted for 2-for-1 stock split distributed December 1, 1981.

1980	1979	1978	1977	1976	1975	1974
$2,733,820	$2,213,024	$1,861,100	$1,575,642	$1,406,417	$1,271,720	$1,124,759
190,490	167,904	153,233	114,800	100,626	85,388	86,685
32,650	46,918	36,578	29,203	21,899	19,922	15,683
2,956,960	2,427,846	2,050,911	1,719,645	1,528,942	1,377,030	1,227,127
2,864,323	2,218,814	1,845,816	1,578,464	1,411,333	1,282,000	1,070,043
$ 92,637	$ 209,032	$ 205,095	$ 141,181	$ 117,609	$ 95,030	$ 157,084
(11,062)	(9,461)	(17,313)	(23,061)	(31,387)	(31,281)	(17,465)
10,687	9,069	7,640	4,825	2,284	2,297	3,088
36,091	20,514	32,689	29,403	7,680	7,944	18,607
(3,735)	(7,110)	(3,339)	2,699	13,357	5,855	—
$ 124,618	$ 222,044	$ 224,772	$ 155,047	$ 109,543	$ 79,845	$ 161,314
(54,433)	(104,429)	(109,296)	(76,362)	(53,949)	(39,324)	(78,953)
22,973	19,129	15,651	13,695	14,613	11,359	8,288
$ 93,158	$ 136,744	$ 131,127	$ 92,380	$ 70,207	$ 51,880	$ 90,649
$2.34	$3.44	$3.30	$2.32	$1.77	$1.30	$2.28
$ 23,857	$ 20,875	$ 14,911	$ 13,916	$ 11,928	$ 11,928	$ 11,926
$0.60	$0.53	$0.38	$0.35	$0.30	$0.30	$0.30
$ 10,790	$ 6,717	$ 4,794	$ 2,922	$ 3,247	$ 6,099	$ 10,810

1980	1979	1978	1977	1976	1975	1974
$ 147,901	$ 125,483	$ 167,331	$ 237,497	$ 350,968	$ 390,437	$ 345,119
$ 921,969	$ 852,668	$ 736,799	$ 620,583	$ 542,112	$ 483,833	$ 443,826
$ 23.19	$ 21.44	$ 18.53	$ 15.61	$ 13.63	$ 12.17	$ 11.16
39,761,154	39,761,154	39,761,154	39,761,154	39,761,154	39,761,154	39,761,154
39,713,904	39,360,368	33,007,670	28,811,966	27,996,665	25,831,631	25,565,208
43,217,372	39,826,891	35,135,046	32,614,260	30,389,761	29,497,234	28,417,679
26,171,197	25,518,520	20,825,722	18,042,339	17,621,247	15,916,860	15,445,891
60.56%	64.07%	59.27%	55.32%	57.98%	53.96%	54.35%
58.51%	58.02%	52.74%	50.36%	53.14%	49.93%	46.76%
5,748,143	5,357,995	4,743,778	4,478,038	4,145,183	4,030,116	3,847,226
2,934,375	2,916,585	2,426,265	2,113,798	2,034,848	1,822,574	1,800,400
10.45¢	8.67¢	8.94¢	8.73¢	7.98¢	7.99¢	7.28¢
6.63¢	5.57¢	5.25¢	4.84¢	4.64¢	4.35¢	3.77¢
49.83¢	41.41¢	38.91¢	35.25¢	34.05¢	31.81¢	27.81¢

Board of Directors

R. W. ALLEN	*Senior Vice President — Administration and Personnel*
KARL D. BAYS	*Chairman of the Board and Chief Executive Officer, American Hospital Supply Corporation, Evanston, Illinois*
W. T. BEEBE	*Chairman of the Board*
B. W. BIEDENHARN	*Chairman of the Board and Director, Ouachita Coca-Cola Bottling Co., Biedenharn Realty Co., Inc., and Ouachita Candy Co., Monroe, Louisiana*
GEORGE D. BUSBEE	*Partner of law firm of King & Spalding, Atlanta, Georgia*
C. H. DOLSON	*Chairman of the Executive Committee*
R. W. FREEMAN	*Chairman of the Personnel and Compensation Committee and Finance Committee; Chairman of the Board and Director, Louisiana Coca-Cola Bottling Co., Ltd., New Orleans, Louisiana*
DAVID C. GARRETT, JR.	*President and Chief Executive Officer*
EDWARD H. GERRY	*Partner of Gerry Brothers & Co., Investment Management, New York, New York*
MARY JOHNSTON HEAD	*Director of various corporations*
JESSE HILL, JR.	*President, Chief Executive Officer and Director, Atlanta Life Insurance Company, Atlanta, Georgia*
BILL MICHAELS	*Chairman of the Audit Committee; Chairman of the Executive Committee and Director, Storer Communications, Inc., Miami, Florida*
T. M. MILLER	*Retired Senior Vice President — Marketing*
ROBERT OPPENLANDER	*Senior Vice President — Finance*
JOHN G. PHILLIPS	*Chairman of the Board and Chief Executive Officer, The Louisiana Land and Exploration Company, New Orleans, Louisiana*
CARLETON PUTNAM	*Private Investments*
GEORGE M. SNELLINGS, JR.	*Member of the law firm of Snellings, Breard, Sartor, Inabnett & Trascher, Monroe, Louisiana*

AUDIT COMMITTEE
BILL MICHAELS, *Chairman*
B. W. BIEDENHARN
GEORGE D. BUSBEE
C. H. DOLSON
MARY JOHNSTON HEAD
CARLETON PUTNAM

PERSONNEL AND COMPENSATION COMMITTEE
R. W. FREEMAN, *Chairman*
KARL D. BAYS
W. T. BEEBE
T. M. MILLER
GEORGE M. SNELLINGS, JR.

COMMITTEE ON DIRECTORS
W. T. BEEBE, *Chairman*
KARL D. BAYS
R. W. FREEMAN
DAVID C. GARRETT, JR.
EDWARD H. GERRY
GEORGE M. SNELLINGS, JR.

EXECUTIVE COMMITTEE
C. H. DOLSON, *Chairman*
R. W. ALLEN
DAVID C. GARRETT, JR.
ROBERT OPPENLANDER

FINANCE COMMITTEE
R. W. FREEMAN, *Chairman*
KARL D. BAYS
W. T. BEEBE
EDWARD H. GERRY
JESSE HILL, JR.
T. M. MILLER
JOHN G. PHILLIPS
GEORGE M. SNELLINGS, JR.

Officers

DAVID C. GARRETT, JR.	*President & Chief Executive Officer*
R. W. ALLEN	*Senior Vice President — Administration and Personnel*
JAMES W. CALLISON	*Senior Vice President — General Counsel and Secretary*
J. A. COOPER	*Senior Vice President — Marketing*
HOLLIS L. HARRIS	*Senior Vice President — Passenger Service*
D. P. HETTERMANN	*Senior Vice President — Technical Operations*
ROBERT OPPENLANDER	*Senior Vice President — Finance*
FRANK F. ROX	*Senior Vice President — Flight Operations*
R. G. CALDWELL	*Vice President — Personnel Administration*
ROBERT H. COWART	*Vice President — Information Services*
JOHN P. DAVIS	*Vice President — Maintenance*
M. E. DULLUM	*Vice President — Government Affairs*
J. D. DUNN	*Vice President — Purchasing*
R. LAMAR DURRETT	*Vice President — Facilities and Technical Operations Administration*
M. O. GALLOWAY	*Vice President — Finance*
R. L. GIBSON	*Vice President — Traffic*
RUSSELL H. HEIL	*Vice President — Personnel*
JOHN HUME	*Vice President — In-Flight Service*
C. J. MAY	*Vice President — Engineering*
REX A. McCLELLAND	*Vice President — Properties*
R. A. McKINNON	*Vice President — Marketing*
FOY PHILLIPS	*Vice President — Passenger Service*
C. A. SMITH	*Vice President — Flight Operations*
C. A. THOMPSON	*Vice President — Stations*
FRANK S. CHEW	*Treasurer*
JULIUS P. GWIN	*Comptroller*
DON M. ADAMS	*Assistant Vice President — Law and Assistant Secretary*
J. K. BURNETTE	*Assistant Vice President — Quality Control*
ROBERT S. HARKEY	*Assistant Vice President — Law and Assistant Secretary*
W. WHITLEY HAWKINS	*Assistant Vice President — Marketing*
H.M. JOHNSON	*Assistant Vice President — Employment*
HENRY ROSS	*Assistant Vice President — Marketing Services*
EUGENE H. STEWART	*Assistant Vice President — Corporate Security*
C. G. SWEAZEA	*Assistant Vice President — Public Affairs*
SUSAN Q. DOWNER	*Assistant Secretary*
IKE LASSETER	*Assistant Secretary*
LAWSON ROLLINS	*Assistant Comptroller — Revenue Accounting*
AUDLY TOLLER, JR.	*Assistant Treasurer — Treasury*

Transfer Agent and Registrar for Common Stock
The Citizens and Southern National Bank
P.O. Box 105555
Atlanta, Georgia 30399

Trustee for Debentures
Shawmut Bank of Boston, N.A.
One Federal Street
Boston, Massachusetts 02211

Auditors
Arthur Andersen & Co.
133 Peachtree Street, N.E.
Atlanta, Georgia 30303

Annual Meeting
October 27, 1983, Monroe, Louisiana

Common Stock
Listed on the New York Stock Exchange

Number of Stockholders
18,202 as of August 19, 1983

Market Prices and Dividends*

Fiscal Year 1983	*Market Price Range of Common Stock on New York Stock Exchange*		*Cash Dividends Paid Per Share*
Quarter Ended:	*High*	*Low*	
September 30	35	25⅜	$.25
December 31	47	27	.25
March 31	51	38¾	.25
June 30	49	40⅝	.25
Fiscal Year 1982			
Quarter Ended:			
September 30	35⅝	26¾	$.20
December 31	31⅝	24⅛	.25
March 31	32⅞	22⅝	.25
June 30	35¼	29⅜	.25

*Adjusted for 2-for-1 stock split distributed December 1, 1981

Availability of Form 10-K
The Company will supply, upon written request and without charge, a copy of the Company's annual report for the fiscal year 1983 on Form 10-K to any person beneficially owning or owning of record any of the common stock of the Company on September 6, 1983. Requests for the report should be directed to James W. Callison, Secretary, Delta Air Lines, Inc., Hartsfield Atlanta International Airport, Atlanta, Georgia 30320.

Notice to the Stockholders of Delta Air Lines, Inc.
Part 245 of the Economic Regulations of the Civil Aeronautics Board provides that: (1) any person who either owns, as of December 31st of the year preceding issuance of this annual report, or subsequently acquires, beneficially or as trustee, more than 5%, in the aggregate, of any class of the capital stock or capital of Delta Air Lines, Inc., shall file with the Board a report containing the information required by Section 245.12 of Subpart 245, on or before April 1, as to the capital stock or capital owned as of December 31 of the preceding year, and, in case of the stock subsequently acquired, a report under Section 245.13, within 10 days after such acquisition, unless such person has otherwise filed with the Board a report covering such acquisition or ownership; (2) any bank or broker covered by (1), to the extent that it holds shares as trustee on the last day of any quarter of a calendar year, shall file with the Board, within 30 days after the end of the quarter, a report in accordance with the provisions of Section 245.14; and (3) any person required to report under this subpart who grants a security interest in more than 5% of any class of the capital stock or capital of Delta Air Lines, Inc. shall within 30 days after granting such security interest file with the Board a report containing the information required in Section 245.15. Any stockholder who believes that he may be required to file such a report may obtain further information by writing to the Director, Bureau of Domestic Aviation, Civil Aeronautics Board, Washington, D.C. 20428.

Delta Air Lines System Route Map

At June 30, 1983, Delta provided scheduled air transportation to 85 domestic cities in 33 states, the District of Columbia, and six cities in six foreign countries. During fiscal 1983, Delta initiated service to three new cities: Okahoma City, Albuquerque, and Norfolk/Virginia Beach/Williamsburg. In addition, Delta continued to develop its route system by adding new nonstop services in 15 markets between cities on its existing route system.

Delta Air Lines, Inc.
General Offices, Hartsfield Atlanta International Airport
Atlanta, Georgia 30320