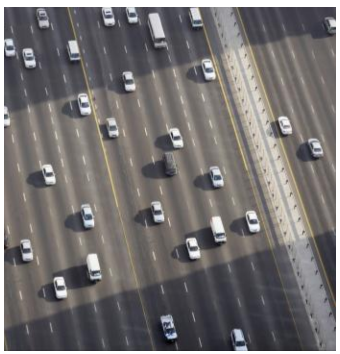


Third Quarter 2013 Results

31 October 2013

Results

Increasing effects of Transform 2015

Highlights of the Third Quarter

- A difficult global economic environment
- Transform 2015 plan roll-out on track
  - Strict capacity discipline
  - Significant reduction in investment
  - Further reduction in unit costs
- Significant currency impact
- Further improvement in operating result

Key data

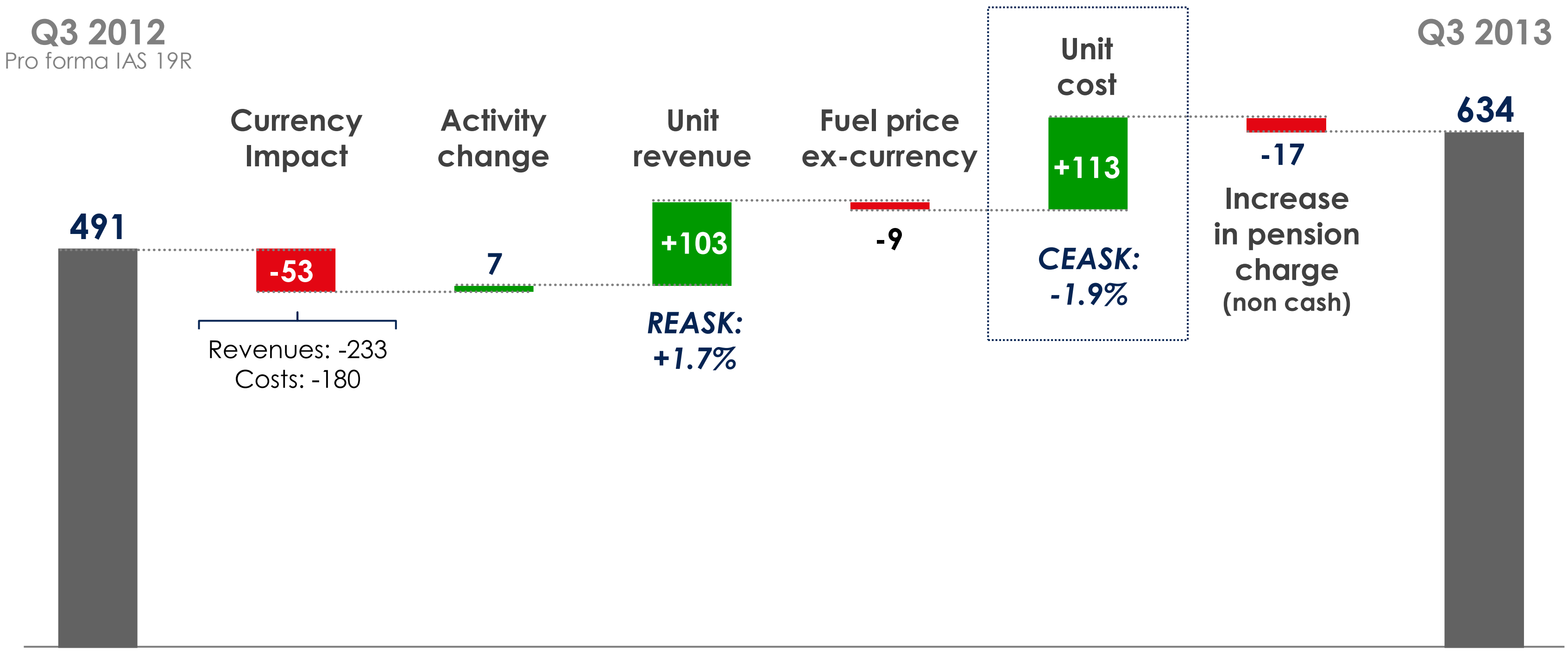
In € millions	**Q3 2013**	Q3 2012*	Change	**9m 2013**	9m 2012*	Change
Revenues	**7,212**	7,184	+0.4%	**19,513**	19,329	+1.0%
Operating income	**634**	491	+143	**183**	-199	+382
Operating margin	***8.8%***	*6.8%*	*+2.0 pt*	***0.9%***	*-1.0%*	*+2.0 pt*
Adjusted operating margin**	**712**	577	+135	**420**	45	+375
Net income, group share	**144**	296	-152	**-649**	-980	+331
Operating free cash flow				**498**	-73	+572
Net debt at end of period				**5,405**	6,022	-617

* Pro forma IAS 19R

** Income from current operations adjusted by the portion of financial costs within operating leases (34%)

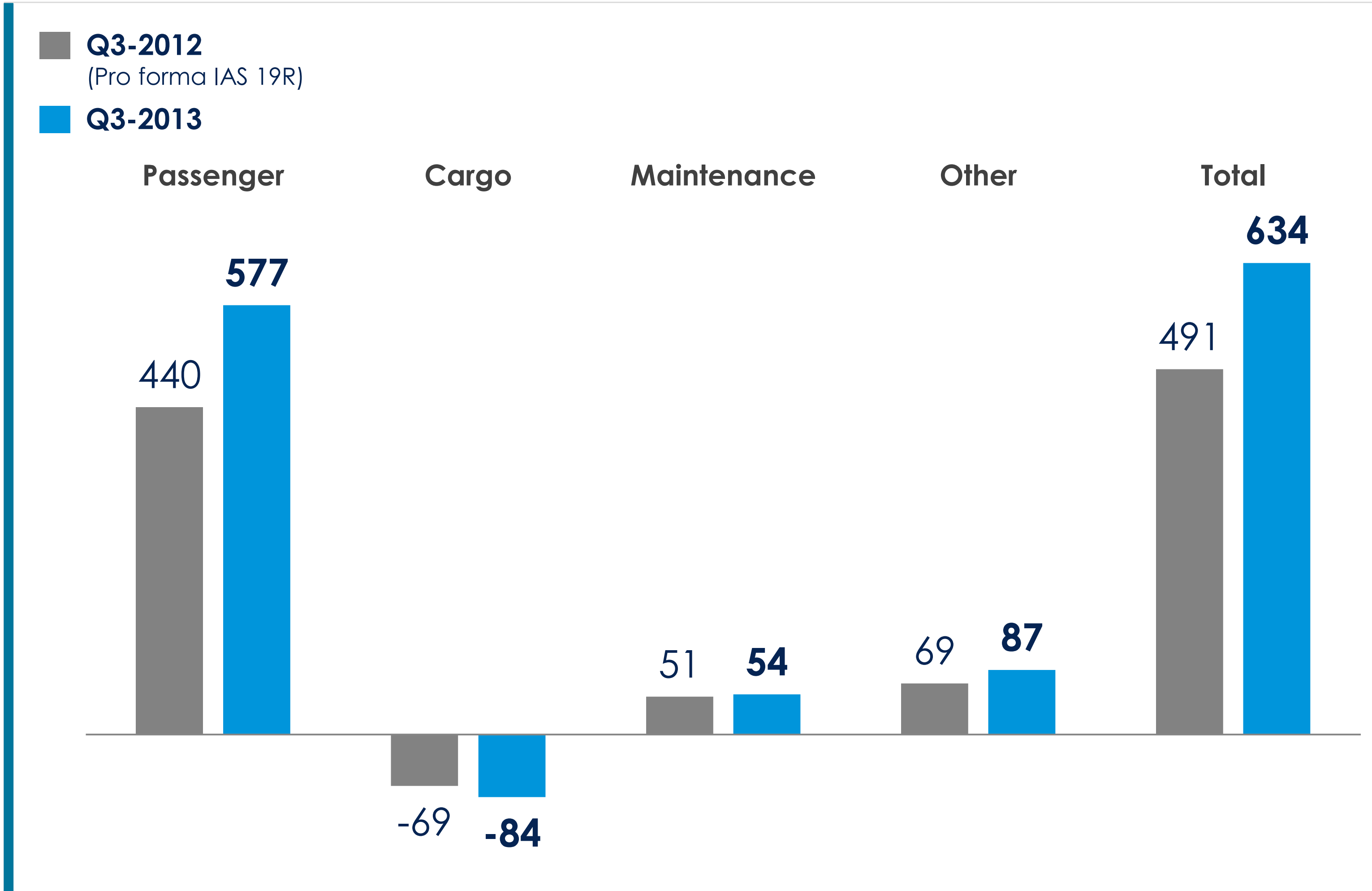
Third Quarter: analysis of change in operating result

In € millions

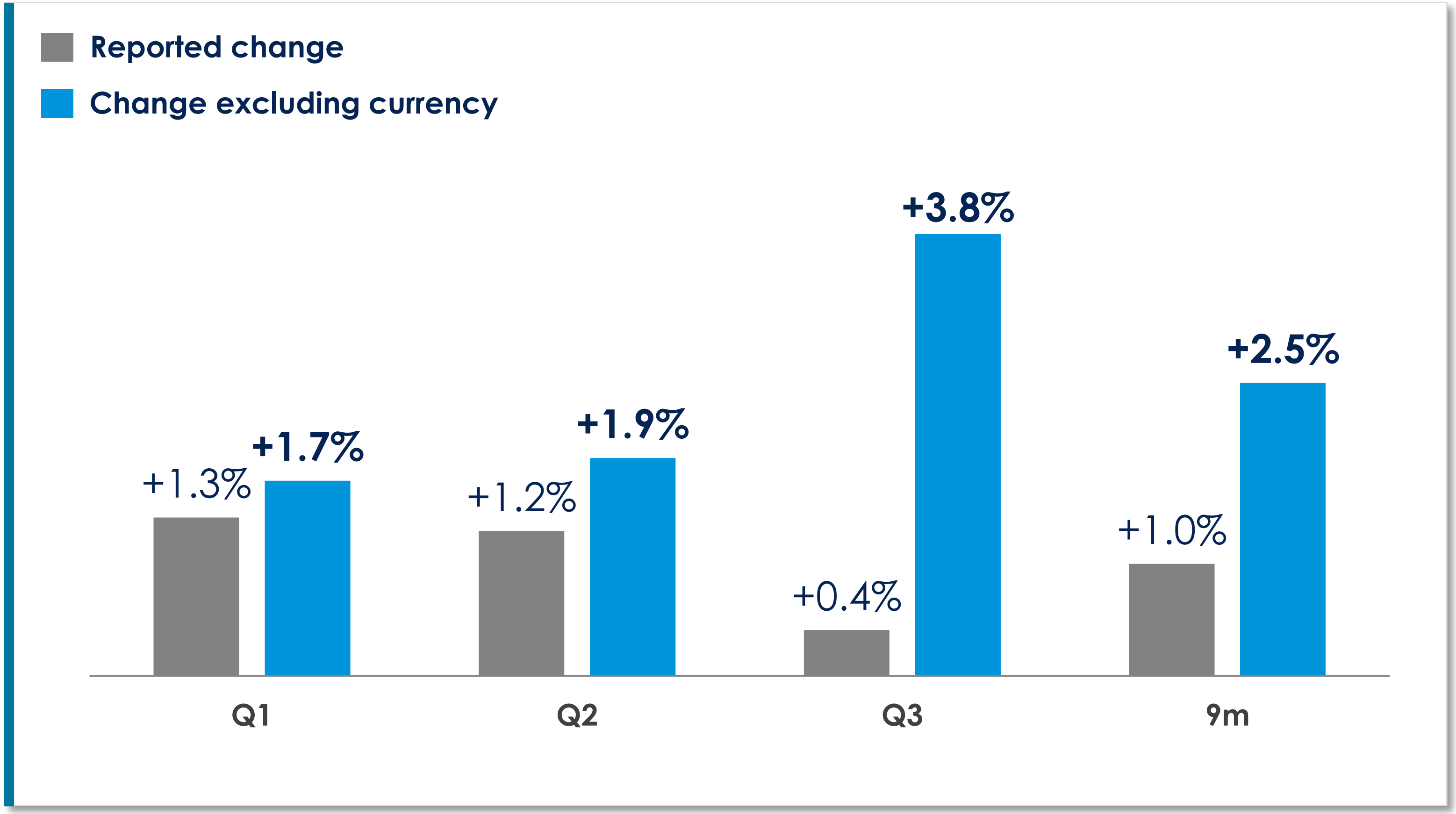


Third Quarter: operating result by business

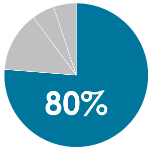
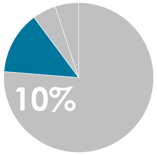
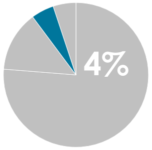
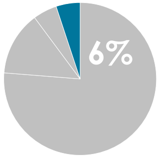
In € millions



Strong impact of currency on revenues



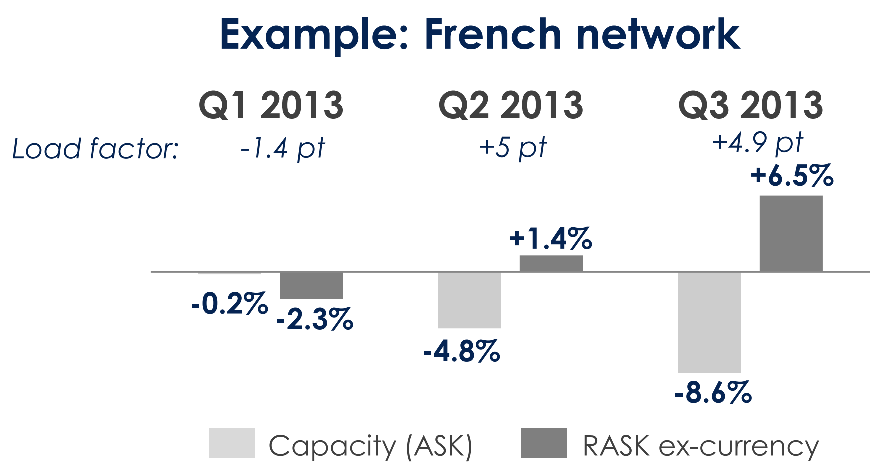
Third Quarter: revenue trend by business

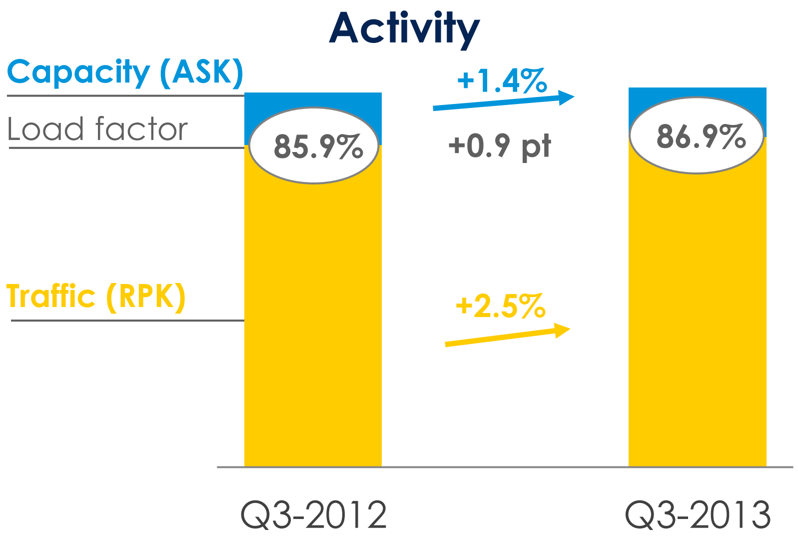
		Q3 2013 (€ bn)	Change	Change ex-currency
		5.74	+0.7%	+4.1%
		0.69	-9.4%	-5.3%
		0.31	+19.5%	+27.7%
		0.48	+1.7%	+1.4%
	Total	**7.21**	+0.4%	+3.8%

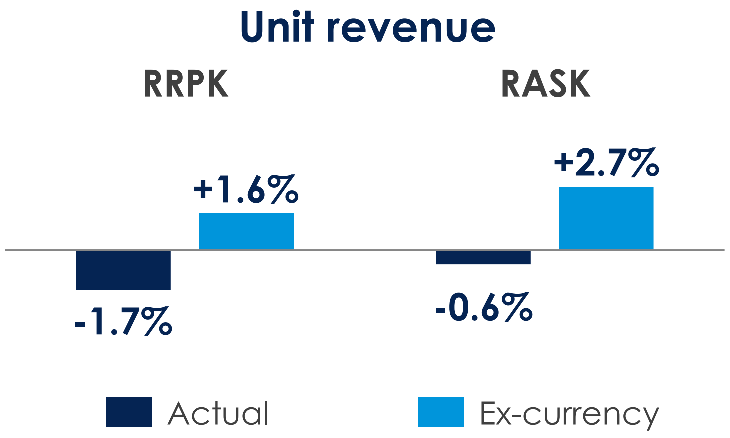
Passenger: dynamic ex-currency RASK in Third Quarter

- Long-haul unit revenue up +2.9%*
  - Premium: -0.2%*
  - Economy: +4.1%*

- Medium-haul network reacts positively to capacity reduction

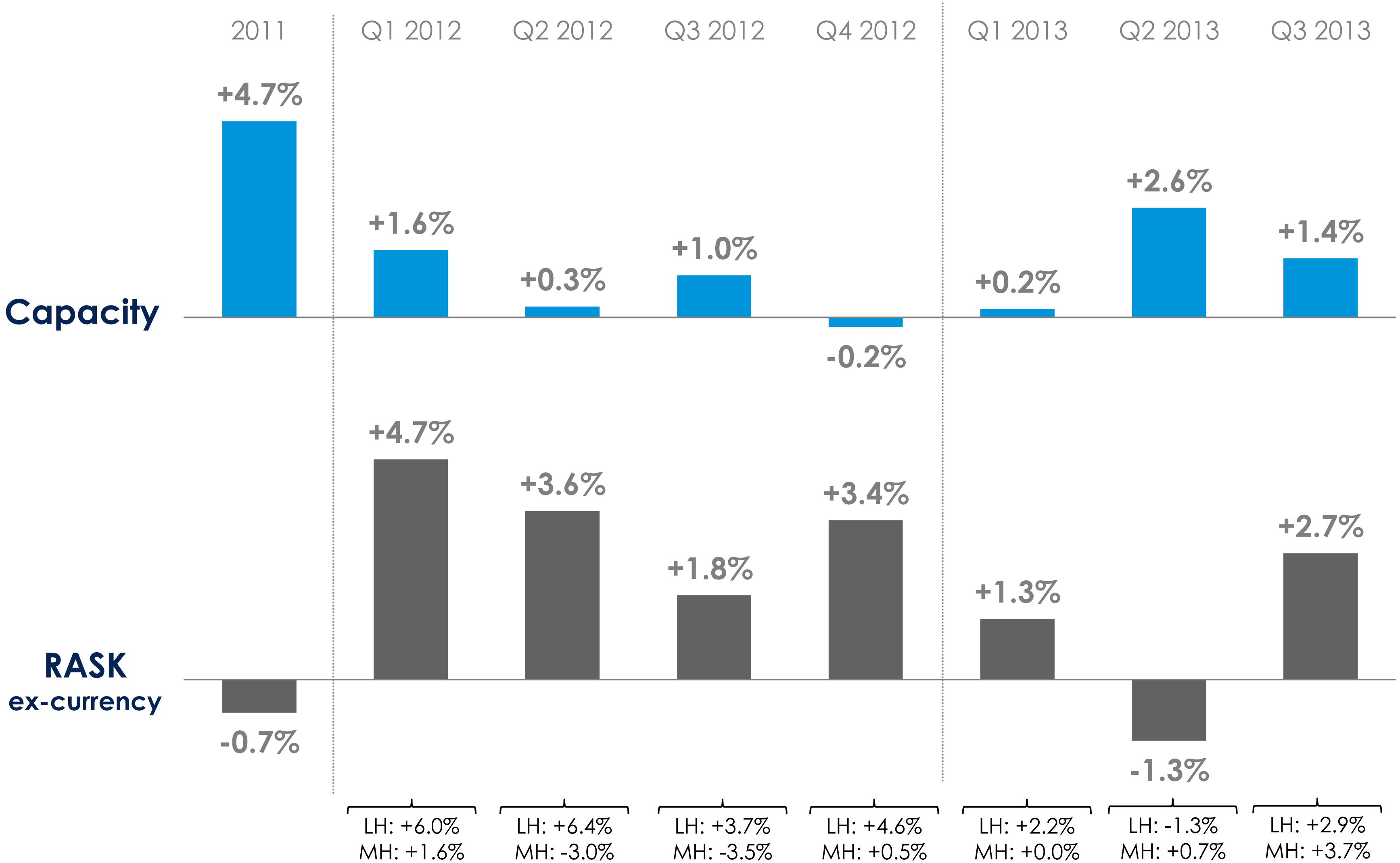






* Ex-currency

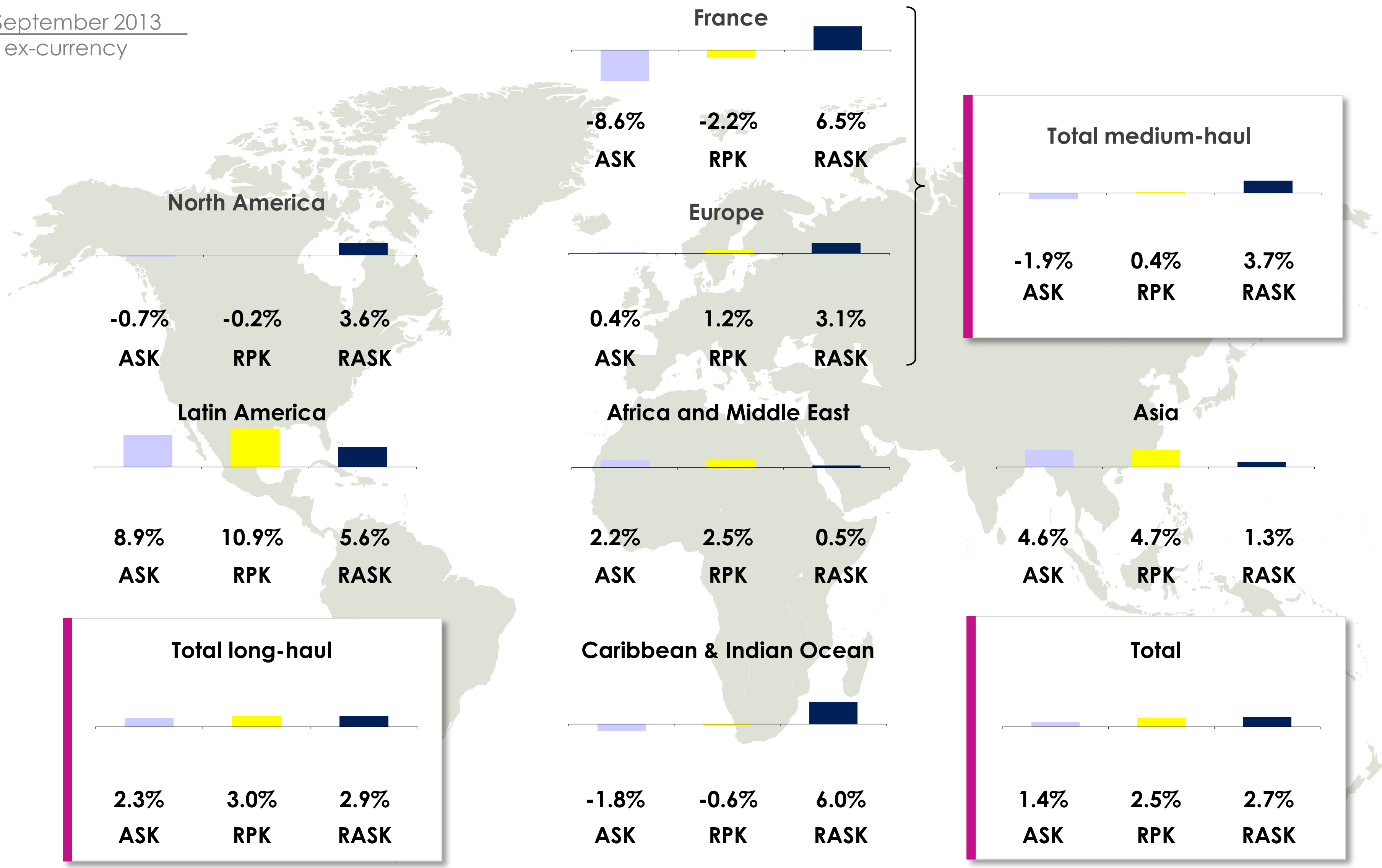
Passenger activity and unit revenue per quarter



NB: LH = Long-haul, MH = Medium-haul

Passenger: unit revenue by network

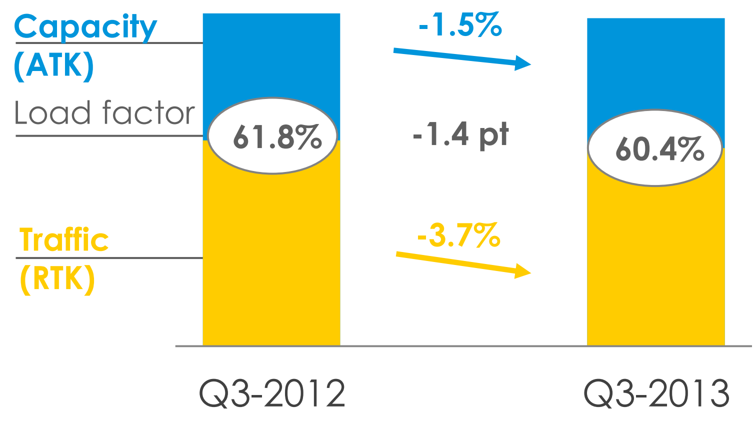
July-September 2013
RASK ex-currency



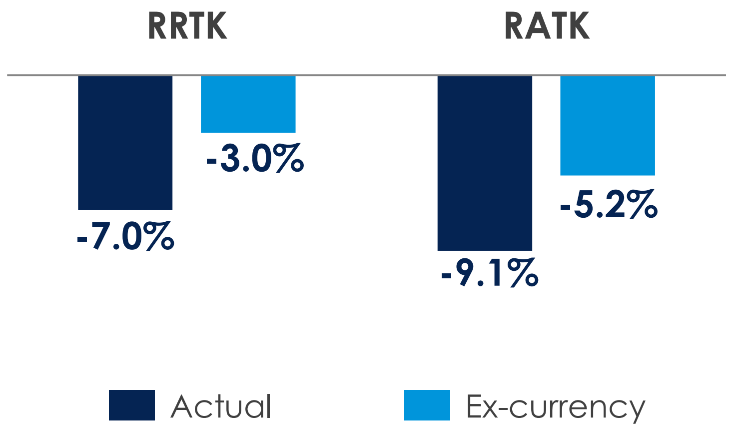
Cargo: capacity and cost reduction limit impact of depressed demand situation

- Context unchanged: weak global trade and industry overcapacity
- Full freighter capacity further reduced: -11% in quarter
- Good cost performance insufficient to offset deeply depressed revenue
  - CATK ex-currency and at constant fuel price: -3.2%

Activity



Unit revenue



Maintenance

In € millions	**Q3-13**	Q3-12*	Change	**9m-13**	9m-12*	Change
Total revenue	**827**	759	+9.0%	**2,461**	2,332	+5.5%
Third party revenue	**306**	256	+19.5%	**927**	779	+19.0%
Operating result	**54**	51	+3	**111**	104	+7
Operating margin	***6.5%***	*6.7%*	*-0.2 pt*	***4.5%***	*4.5%*	*+0.1 pt*

* Pro forma IAS19R

- Strong growth in third party engine revenues due to new contracts and higher volume of activity within GE contract
- Development of component activity driven by new contracts

Other businesses

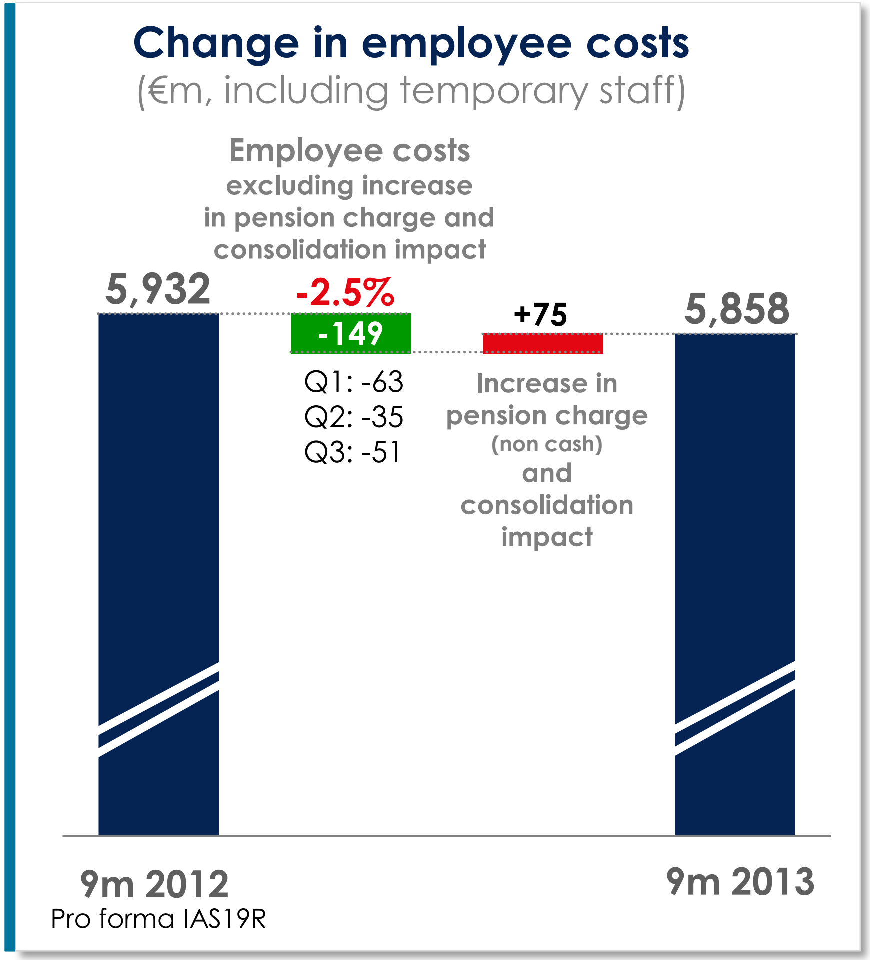
Transavia	Q3-13	Q3-12*	Change	9m-13	9m-12	Change
Transport revenue (€m)	**388**	358	+8.4%	**786**	702	+12.0%
Operating result (€m)	**66**	70	-4	**12**	24	-12
Capacity (bn ASK)	**7.1**	6.6	+8.0%	**15.9**	14.2	+11.7%
RASK (€ cents per ASK)	***5.46***	*5.44*	*+0.4%*	***4.95***	*4.93*	*+0.3%*
Catering (Servair)						
Third party revenue (€m)	**77**	96	-19.3%	**264**	261	+1.2%
Operating result (€m)	**17**	14	+3	**19**	4	+15

* Pro forma IAS19R

- Transavia: stable unit revenue up despite strong growth in activity (3 more aircraft at Transavia France)
- Catering: revenue stable excluding impact of sale of a subsidiary

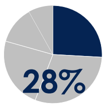
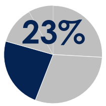
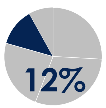
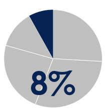
Employee costs reduced, in line with Full Year target

- Reduction in headcount
  - -3,500 FTEs in September 2013 compared to September 2012[1]
- Freeze in general pay rises at both Air France and KLM
- Confirming target of reduction in annual employee costs: over €200m[2] in 2013 compared to 2012



(1) At constant scope
(2) Excluding increase in pension charges and consolidation impact

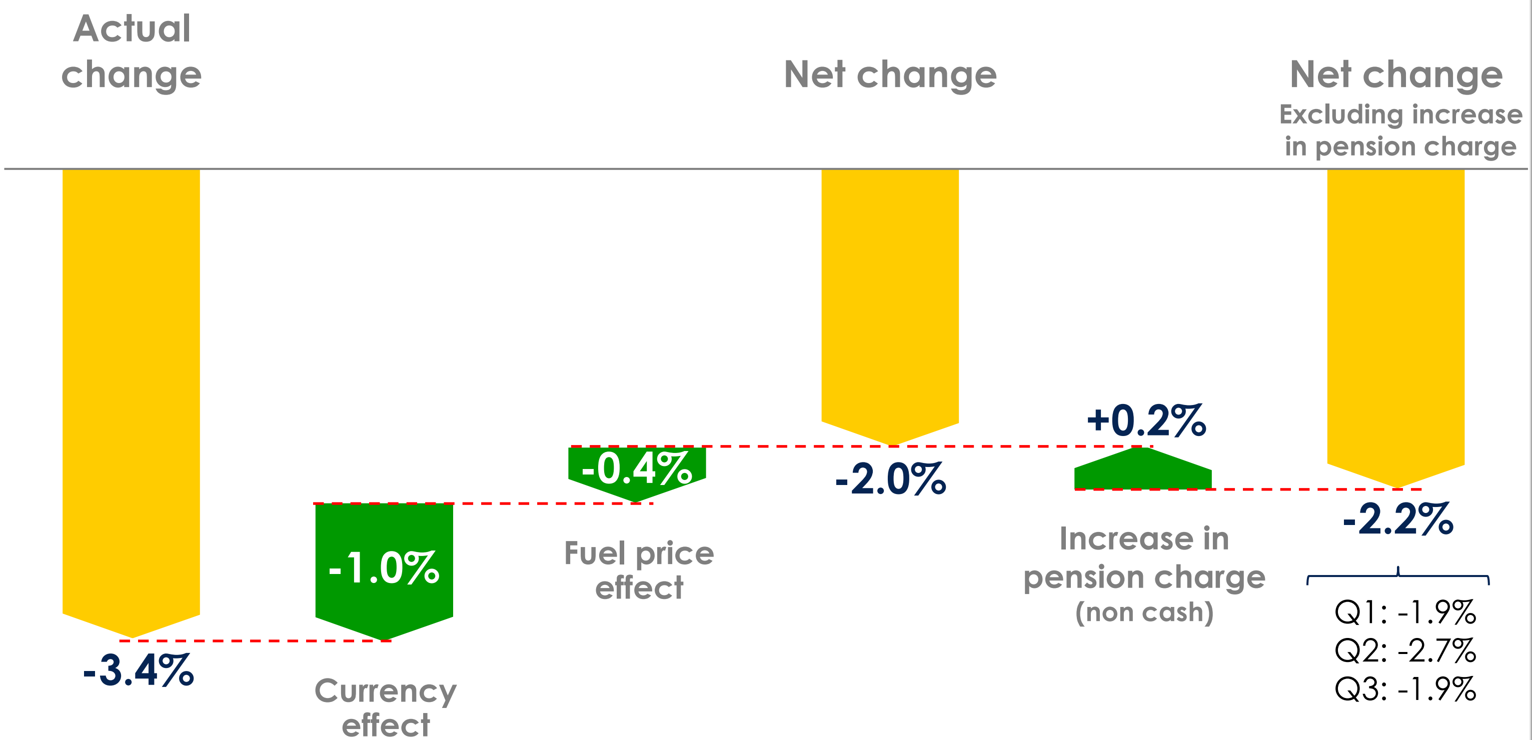
Change in other operating costs

	9m-2013	€m	Actual change	Ex-currency change
 28%	**Fuel**	5,271	-4.8%	-2.4%
 23%	**Manageable external costs[(1)]**	4,455	+4.4%	+5.8%
	Excluding purchasing of maintenance services and parts	*3,462*	*+0.8%*	*+1.8%*
 12%	**Other costs linked to capacity[(2)]**	2,339	-4.4%	-2.7%
 8%	**Non manageable external costs[(3)]**	1,548	-0.2%	+1.1%
	Grand total of operating costs[(4)]	**19,330**	**-1.0%**	**+0.2%**
	Operating costs ex-fuel	**14,059**	**+0.5%**	**+1.1%**
	Excluding purchasing of maintenance services and parts	*13,066*	*-0.7%*	*-0.2%*
	Capacity (EASK)			*+1.4%*

(1) Catering, handling charges, maintenance, commercial and distribution, and other external expenses
(2) Chartering (capacity purchases), aircraft operating leases, amortization, depreciation and provisions
(3) Landing fees and air-route charges, other taxes
(4) Including fuel, employees, other revenues and other income and expenses

Further reduction in unit costs

9m 2013
Net cost: €17,215m (-2.0%)
Capacity in EASK: 252,995m (+1.4%)
Unit cost per EASK: €6.80 cents



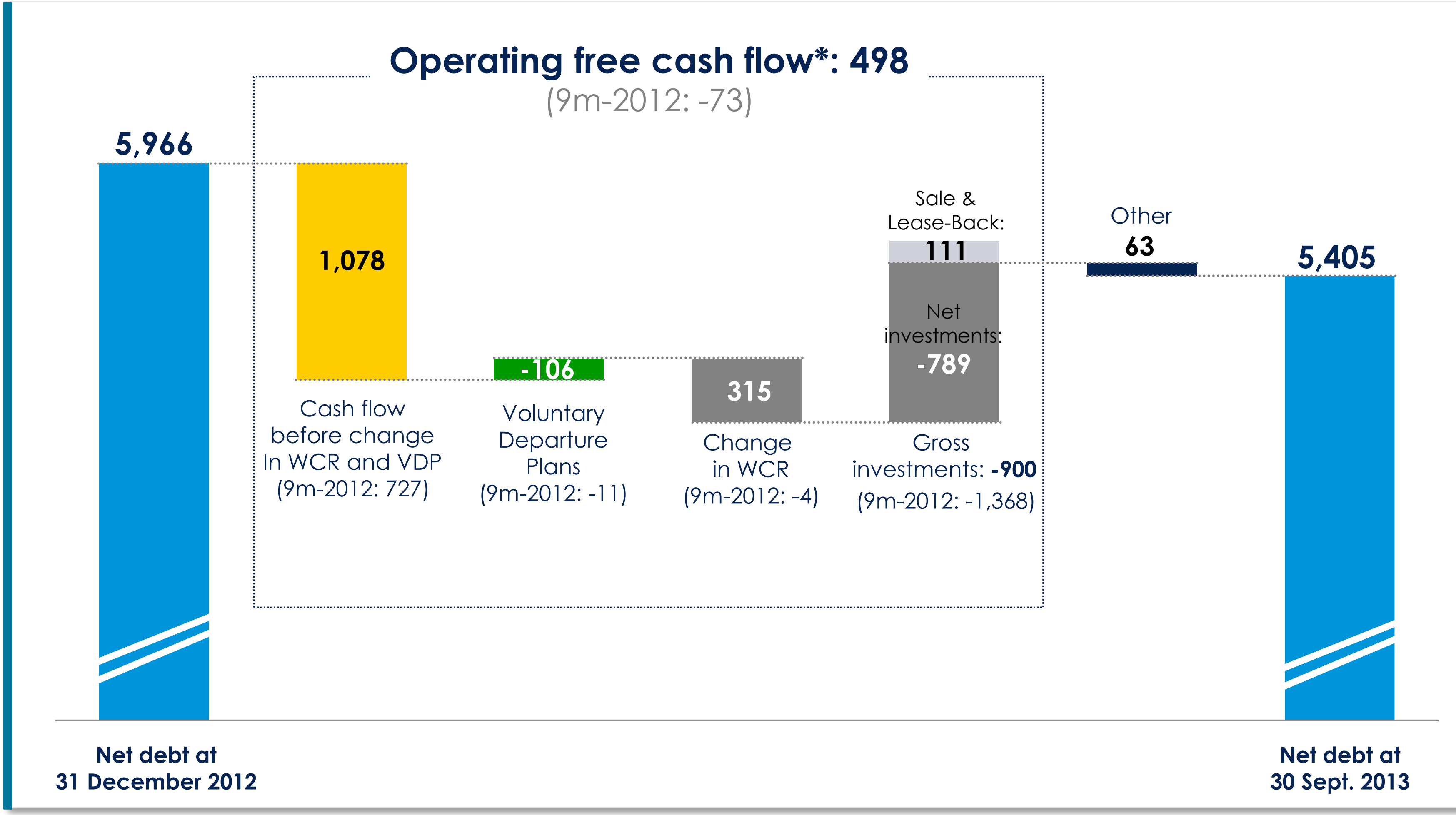
Net result

In € millions	Q3 2013	Q3 2012*	9m 2013	9m 2012*
Operating income	**634**	491	**183**	-199
Restructuring charges	**-216**	-168	**-231**	-528
Other non-current income and expenses	**-7**	-12	**-35**	78
Income from operating activities	**411**	311	**-83**	-649
Net cost of financial debt	**-98**	-94	**-299**	-264
Net foreign exchange	**10**	3	**44**	-29
Change in fair value of financial assets and liabilities (mainly derivatives)	**100**	210	**-15**	58
Other financial income and expenses	**-2**	3	**-10**	9
Income taxes	**-140**	-144	**-68**	-53
Impairment of Alitalia shares	**-119**	0	**-119**	0
Share of profit (losses) of associates, minority interests	**-18**	7	**-99**	-52
Net income, group share	**144**	296	**-649**	-980

* Pro forma IAS19R

Significant improvement in Nine Month operating free cash flow

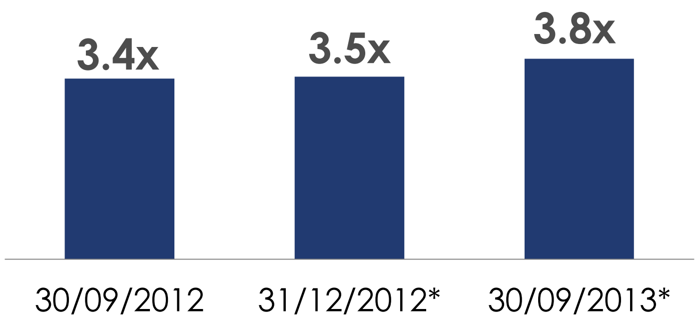
In € millions



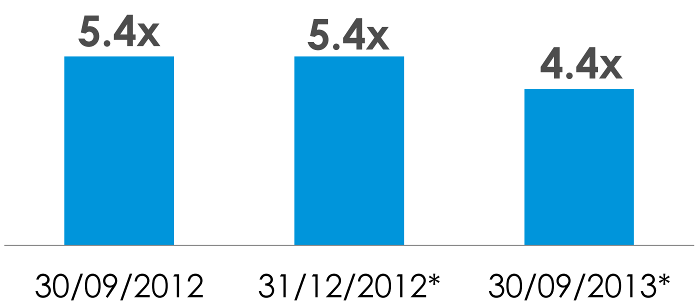
* Net cash flow from operating activities less net capex on tangibles and intangibles.

Improved financial ratios at 30 September 2013[1]

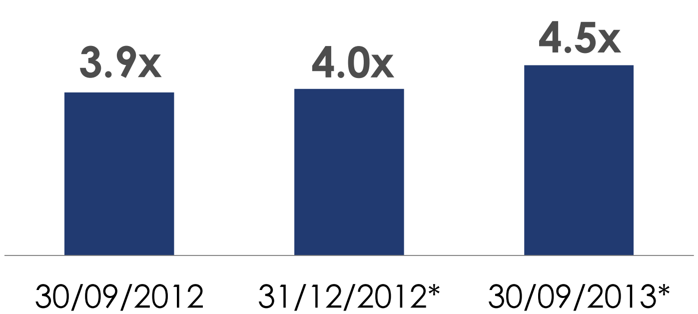
EBITDAR / adjusted net interest costs[2]



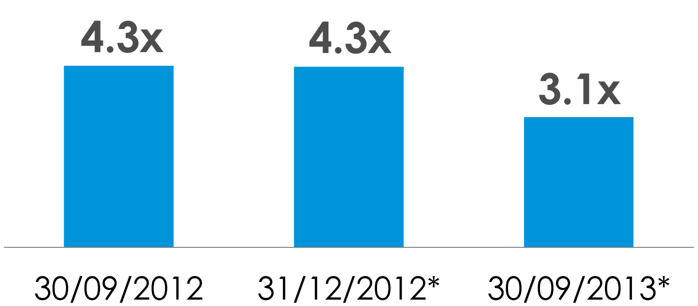
Adjusted net debt[3] / EBITDAR



EBITDA / net interest costs



Net debt / EBITDA



* Pro forma IAS 19R
(1) Over a sliding 12 months
(2) Adjusted by the portion of financial costs within operating leases (34%)
(3) Adjusted for the capitalization of operating leases (7x yearly charge)

Good level of liquidity

- Cash of €4.3 billion at 30 September 2013

- Undrawn credit lines of €1.8bn
  - Air France: €1.06bn until 2016
  - KLM: €540m until 2016
  - Air France-KLM: €200m until 2017

Outlook for Full Year 2013

- Uncertain economic environment
- High currency and fuel price volatility
- Continuing impact of Transform 2015 measures
- Confirming Full Year objectives:
  - Reduction in unit costs*
  - Reduction in net debt compared to 31 December 2012
  - H2 operating results improvement in line with that of H1

* On a constant currency and fuel price basis

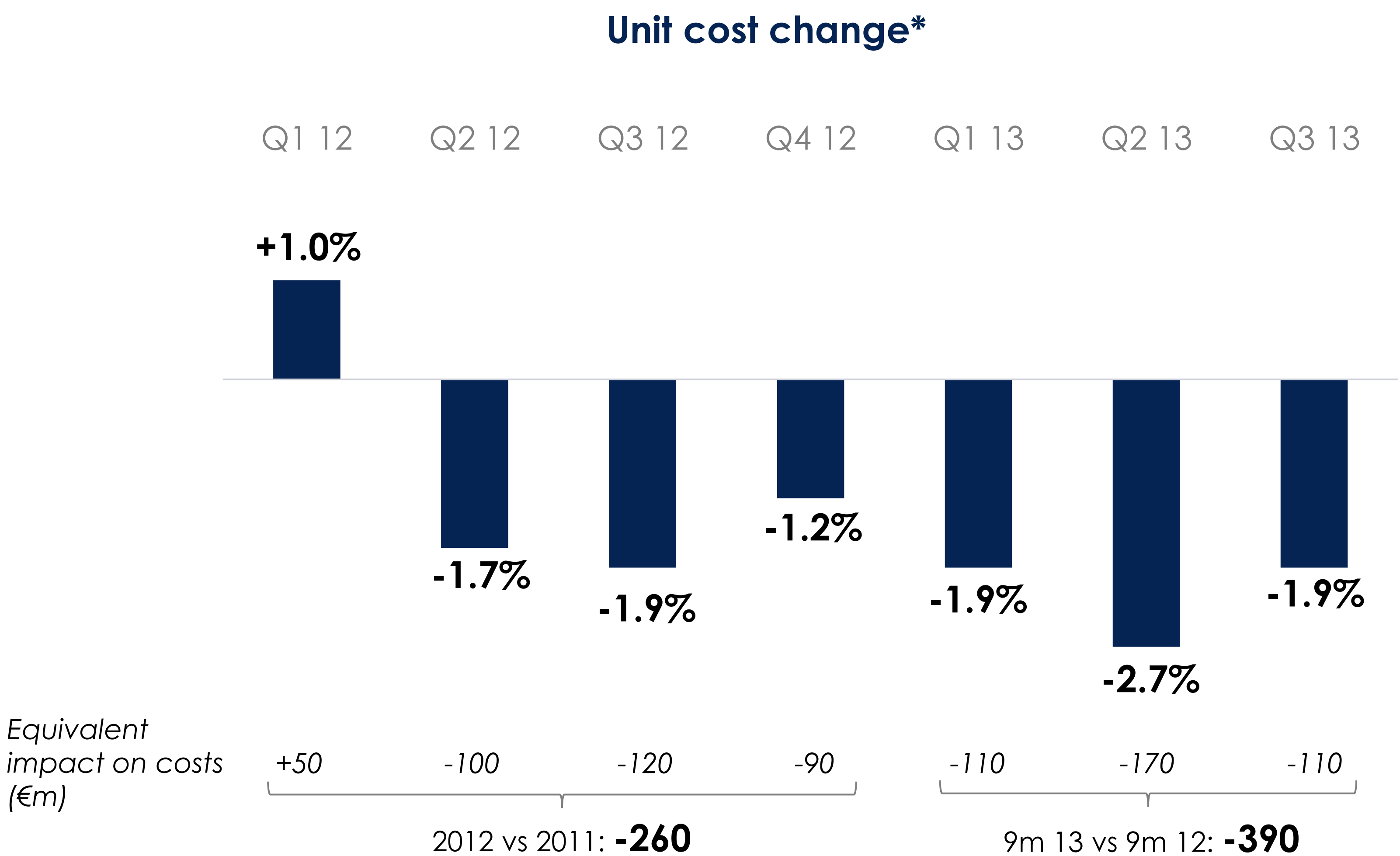
Transform 2015

Additional measures

Where we are today

- We have executed on time our plan
  - New collective agreements and headcount reduction
  - Industrial projects
  - Unit cost reduction
- The external environment remains challenging, especially in Europe
- As a result, the turnaround in medium-haul and cargo is insufficient, leading us to implement additional measures
- The full impact of these additional measures will be in 2015
- Target of a €2bn reduction in net debt is maintained and pushed out to 2015

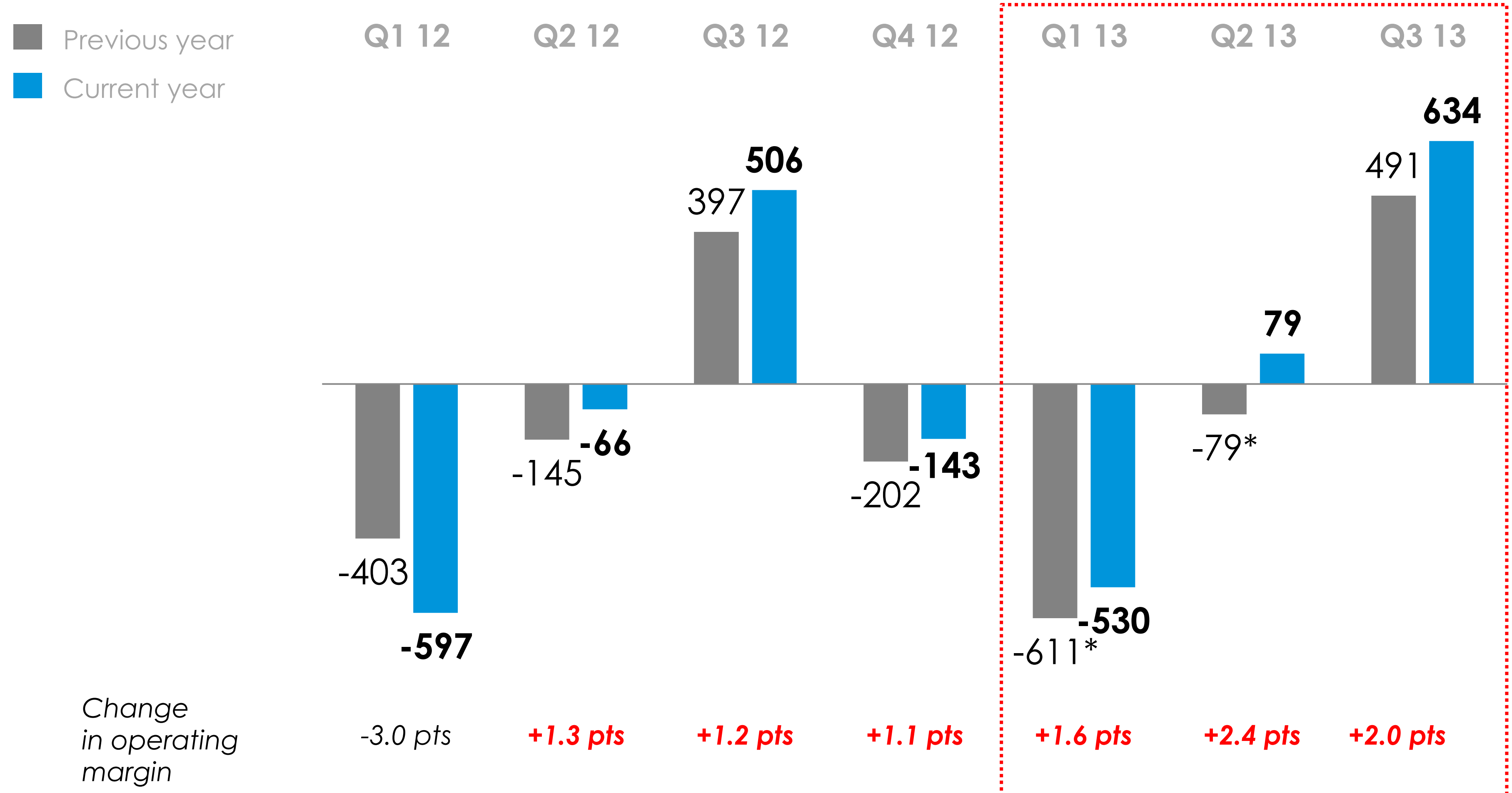
Successful unit cost reduction…



* Net unit cost per EASK in € cents, at constant currency, fuel price and excluding (non cash) pension charge impact

…underpinning an operating margin improvement

In € millions



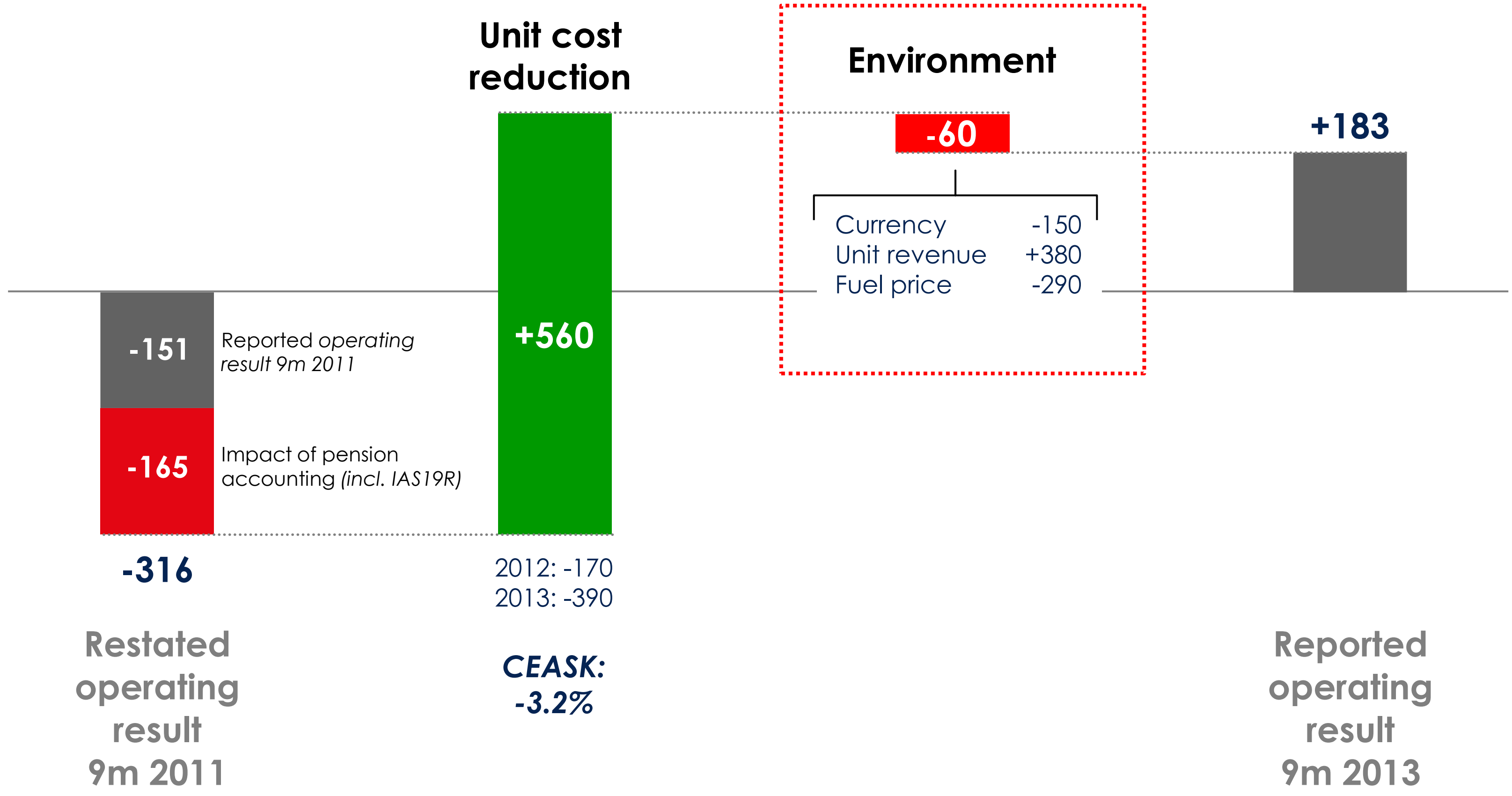
* Pro forma IAS 19R

Challenging operating environment

In € millions

Analysis of change in operating result

Reported 9m 2013 vs reported 9m 2011

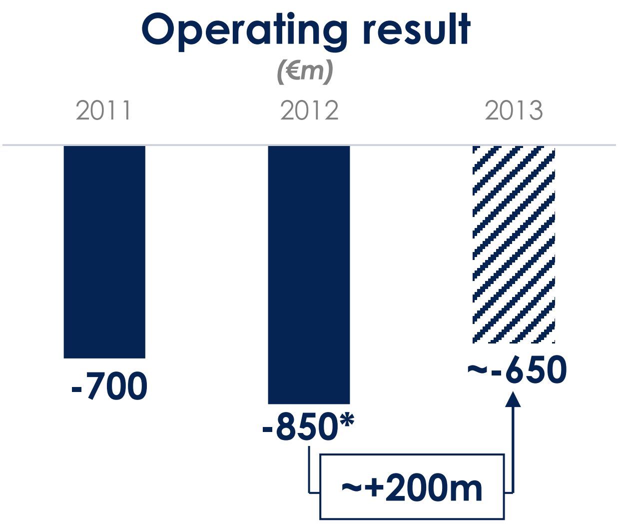


Insufficient improvement in results at medium-haul and cargo

Medium-haul

- Losses expected to be reduced by only €200m vs 2012
- Strong improvement at KLM, targeting close to breakeven in 2015

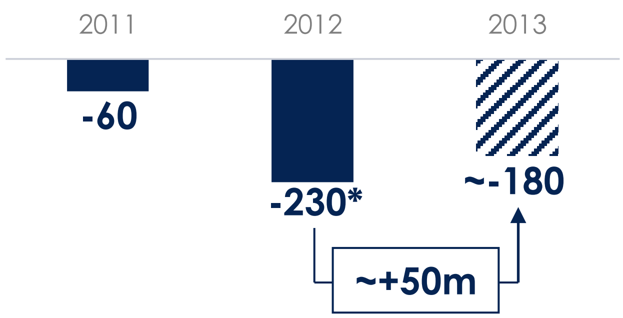
Requires additional measures at Air France



Cargo

- Reduction in costs insufficient to offset weak revenues
- €140m package of measures expected to deliver only €50m of results improvement

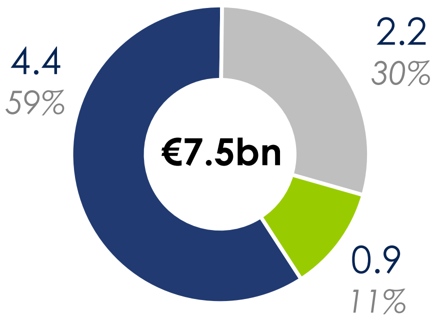
Requires additional measures across the whole group



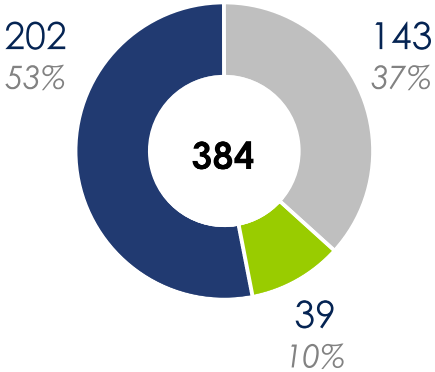
* Pro forma IAS 19R

Medium-haul: a key component of our passenger business

Medium-haul revenue
(2012, €bn)



Medium-haul operating fleet
(Summer 2012 schedule)



Hub feeding
- Vital feed to long-haul

AIRFRANCE KLM

French point-to-point
- Essential to maintain market presence
- Most affected by economic crisis in Europe and market shift

AIRFRANCE HOP! CITYJET

Leisure
- Developed to capture growth in the leisure market
- Market leader in the Netherlands
- Ramping up in France

transavia.com

Additional measures to adapt Air France Medium-Haul

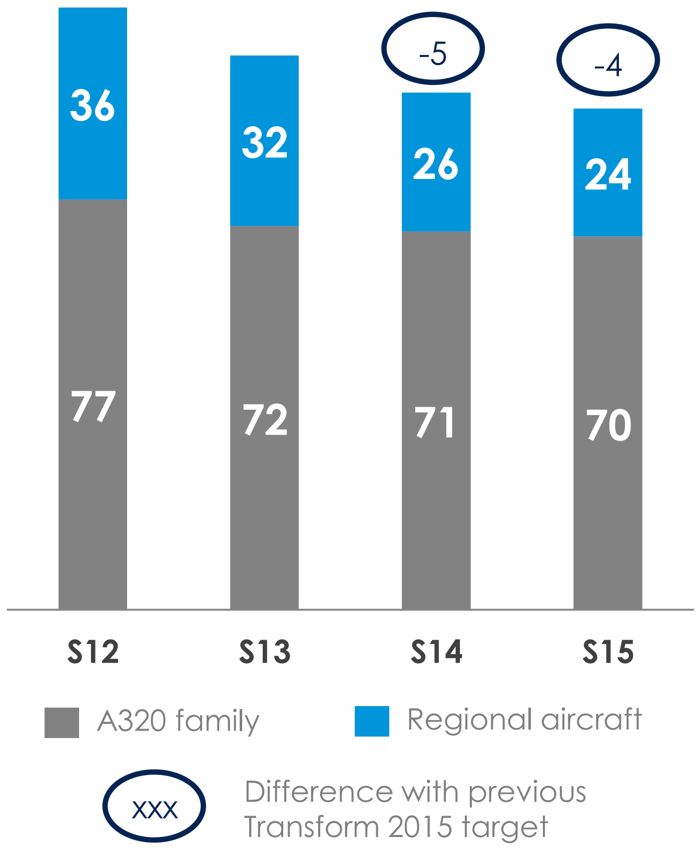
Hub feeding	Targeting a further productivity improvement at Paris-CDG
French point-to-point	Significant capacity cuts at Orly and at the regional bases
Leisure	Source of growth Accelerated development in Paris

Hub feeding: measures at Paris-CDG focused on productivity improvements and additional fleet reduction

- New voluntary departure plan targeting 580 FTEs
- Better adaptation of working conditions to demand seasonality
- Additional capacity adjustment concentrated on regional fleet
- Increased schedule seasonality
- Development of medium-haul to medium-haul connections

Paris-CDG medium-haul fleet plan

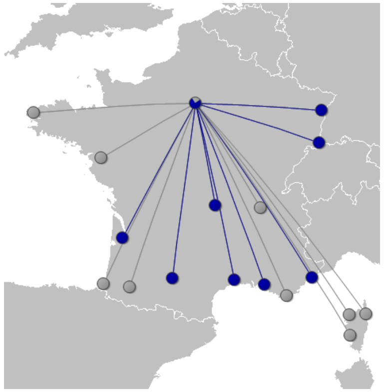
(Summer schedules)



French point-to-point: reduction of activity and restructuring of stations

- Reduction of activity on multi-frequency domestic routes
  - With limited impact on revenues
- Further reduction of narrowbody fleet based in Orly
  - Reduction by 5 aircraft instead of 3
  - 17 aircraft in Summer 2015
- Further cost reduction mainly focused on stations
- New voluntary departure plan targeting 180 FTEs at Orly and 220 FTEs in other French stations*

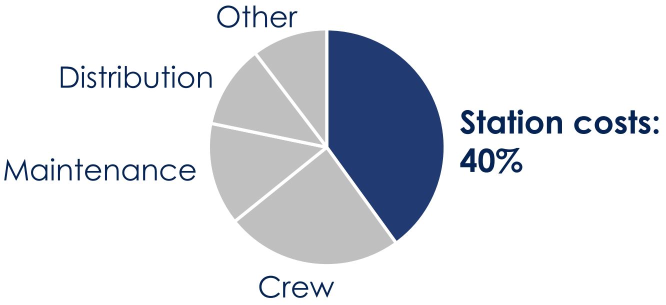
Very dense French network



Number of flights per day per direction (2013)

Paris-Toulouse:	27
Paris-Nice:	21
Paris-Marseille:	18
Paris-Bordeaux:	14
Paris-Montpellier:	8
…	

Point-to-point manageable cost structure



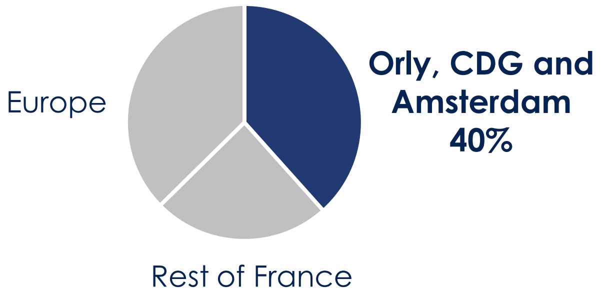
* Excluding regional bases in Marseille, Toulouse and Nice covered in the next slide

French point-to-point: resizing of regional bases

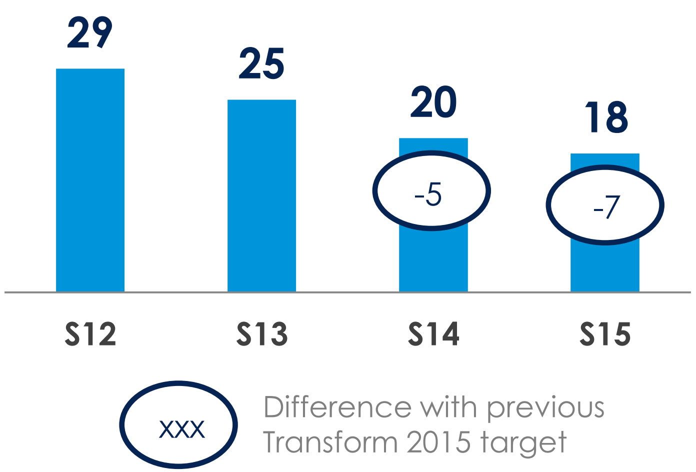
- 40% of regional base activity serves main bases
- Losses are concentrated in new routes to rest of France and Europe
- Summer 2013 adaptation led to a significant revenue improvement
  - RASK up more than 20% in Q3

- Additional fleet reduction
- Closure or move to seasonal flights
- Voluntary departure plan in the 3 bases targeting 370 FTEs

Capacity breakdown at regional bases
(2012 ASK)



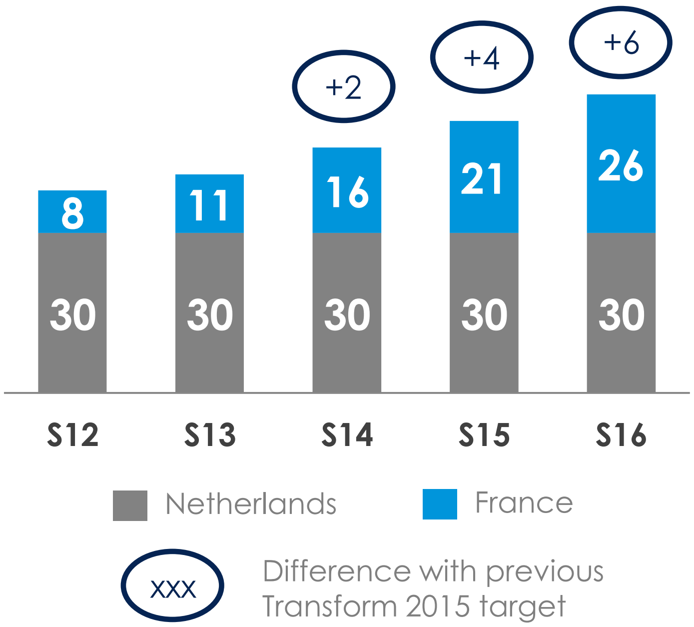
Fleet plan at regional bases
(Summer schedules)



Transavia: capturing growth opportunities in the leisure market

- Accelerated development focused on Paris-Orly
  - Development plan increased from 3 to 5 aircraft per year
  - Operation by both Air France and Transavia on selected large leisure markets
- Aim to achieve critical size in Paris market by 2016
- Targeting 5%+ operating margin in the medium-term

Transavia fleet plan



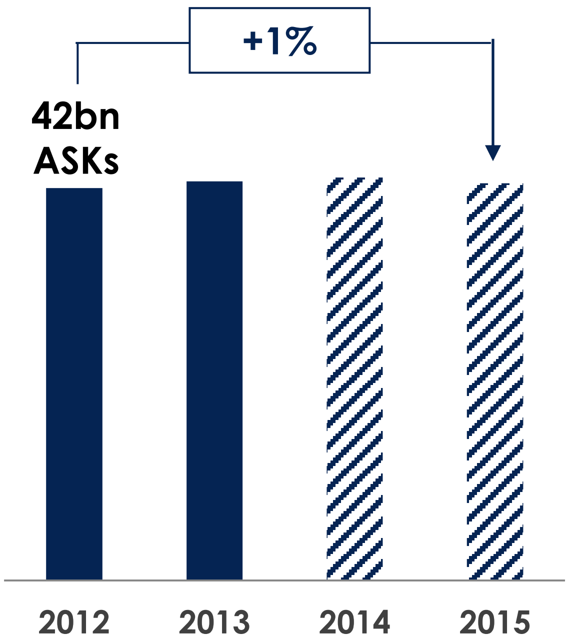
KLM: encouraging rebound in Amsterdam hub results

- Transform 2015 measures already delivering a strong rebound in results
  - Losses expected to be below €75m in 2013, a ~€100m improvement vs 2012
  - Targeting close to breakeven in 2015
- Cabin densification and shorter turnaround times lead to significant increase in asset utilization
  - Medium-haul capacity expected up 11% between 2012 and 2015 with same number of aircraft
- Successful product enhancements
  - Development of ancillary revenues

Impact of Transform 2015 on medium-haul capacity, after additional measures

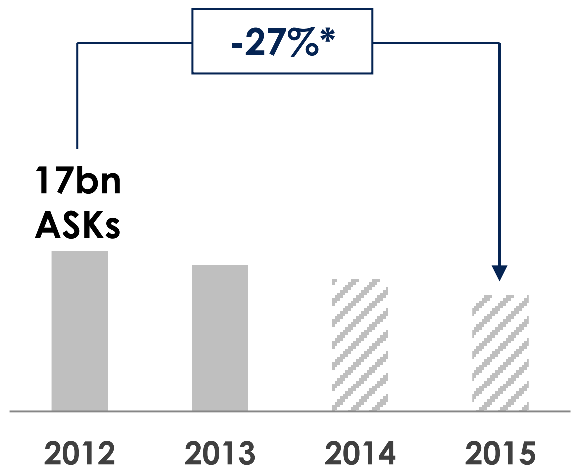
Hub feeding

(Paris-CDG and Amsterdam)



Fleet reduced by 21 aircraft
Aircraft productivity significantly up

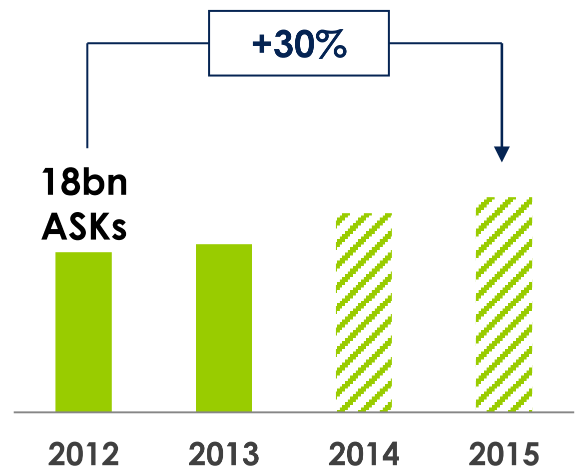
French point-to-point



Fleet reduced by 42* aircraft
Aircraft productivity slightly up

Leisure

(Netherlands & France)



Fleet increased by 13 aircraft
Stable aircraft productivity

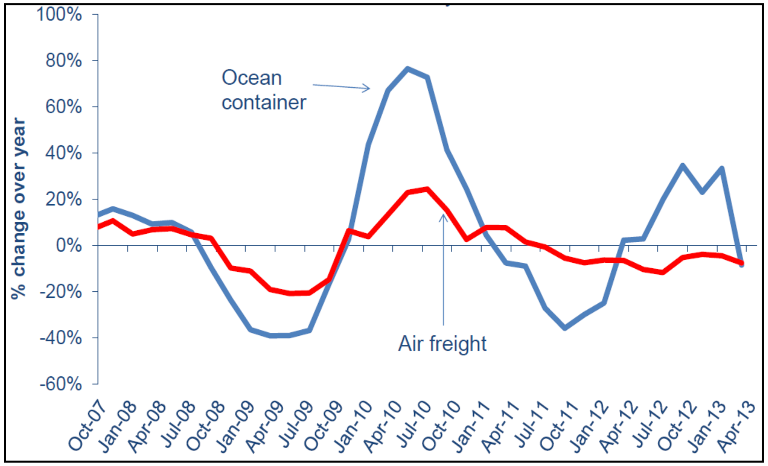
* After planned sale of CityJet

Cargo: facing major challenges

- Ongoing challenges
  - Slow recovery in world trade
  - High oil price
- Structural challenges
  - Persistent overcapacity partly due to new-generation passenger aircraft geometry (large bellies)
  - Increased competition from sea shipping

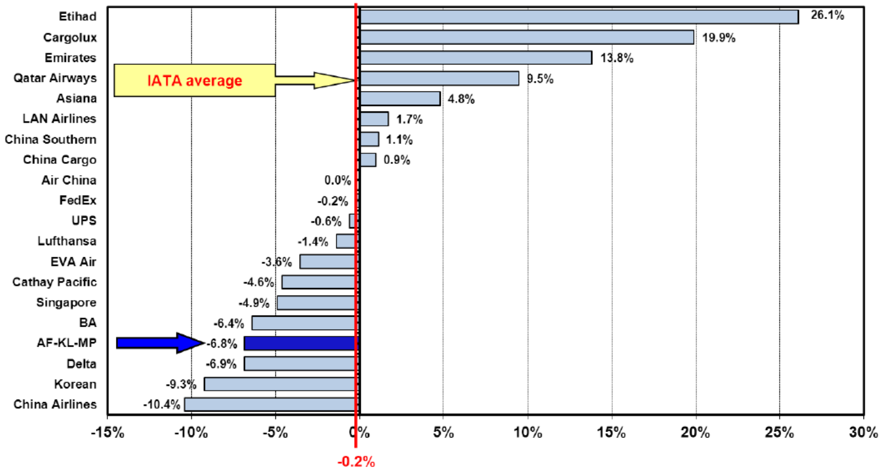
Trend in air and sea cargo traffic

(Source: IATA)



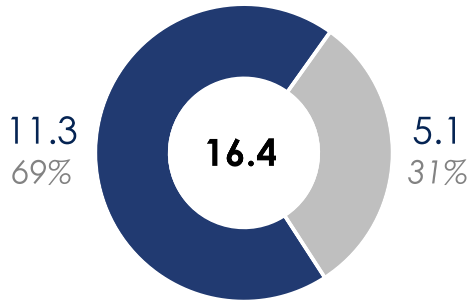
Change in air cargo capacity – top 20 carriers

(H1 2013 vs H1 2012)

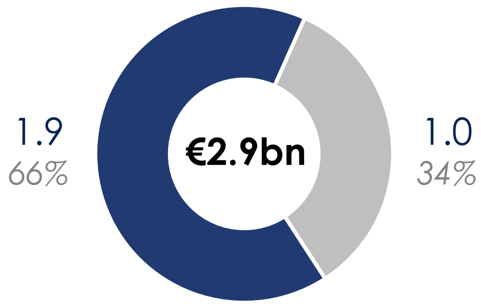


Air France-KLM: majority of cargo transported in passenger aircraft bellies

Cargo capacity
(2012, billion ATK)



Cargo revenue
(2012, €bn)



Bellies of passenger aircraft

- By-product of passenger activity
- Cargo contributing significantly to passenger aircraft profitability

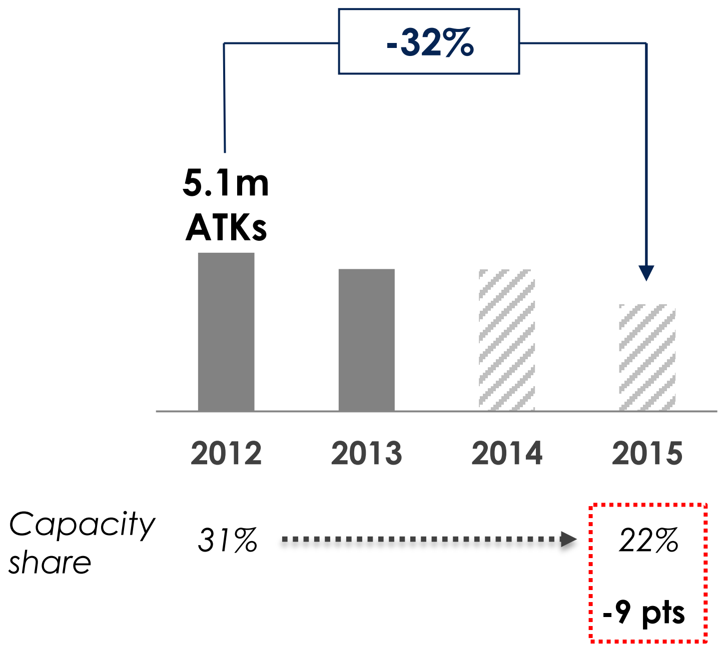
Full-freighter aircraft

- Complementing bellies to address particular customer, product and destination markets
- Unit costs 20% higher than bellies

Additional measures: further full-freighter capacity reduction

- New target for full-freighter fleet: 10 aircraft in 2015
  - Reduction of 4 aircraft vs. previous Transform 2015 target
- Retirement of least efficient aircraft
  - CDG: retirement of 2 B747s
  - Amsterdam: retirement of one B747 and one MD11
- Further cost reduction and productivity increase
  - Voluntary departure plan targeting 280 FTEs
  - Adaptation of CDG ground-handling operations
  - Outsourcing of Orly hangar

Full-freighter capacity



Where we are today

- We have executed our plan on time
  - New collective agreements and headcount reduction
  - Industrial projects
  - Unit cost reduction
- The external environment remains challenging, especially in Europe
- As a result, the turnaround in medium-haul and cargo is insufficient, leading us to implement additional measures
- The full impact of these additional measures will be in 2015
- Target of a €2bn reduction in net debt is maintained but pushed out to 2015

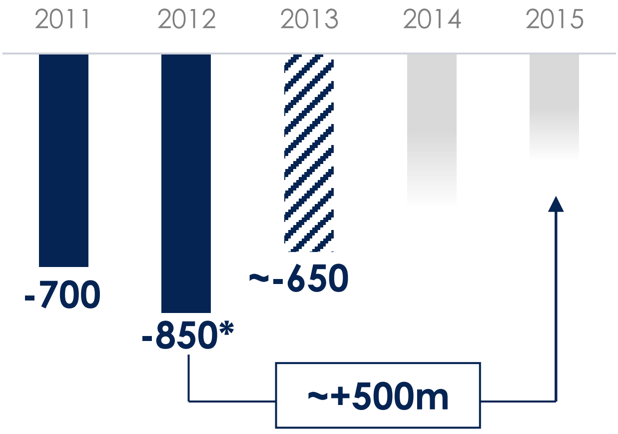
Revised targets for medium-haul and cargo

Medium-haul

- Major restructuring while preserving integrity of group operations
- Target: €500m improvement over 3 years
- Under current low levels of economic activity, still loss-making in 2015

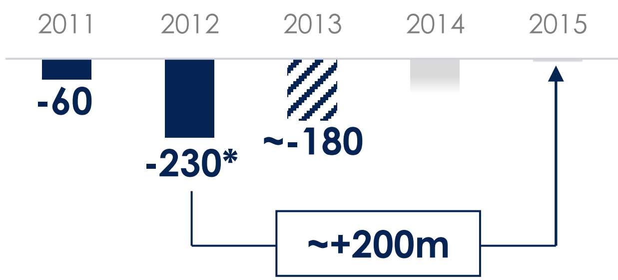
Operating result

(€m)



Cargo

- Large reduction in full-freighter fleet
- Target: €200m improvement over 3 years
- Aiming at breakeven in 2015

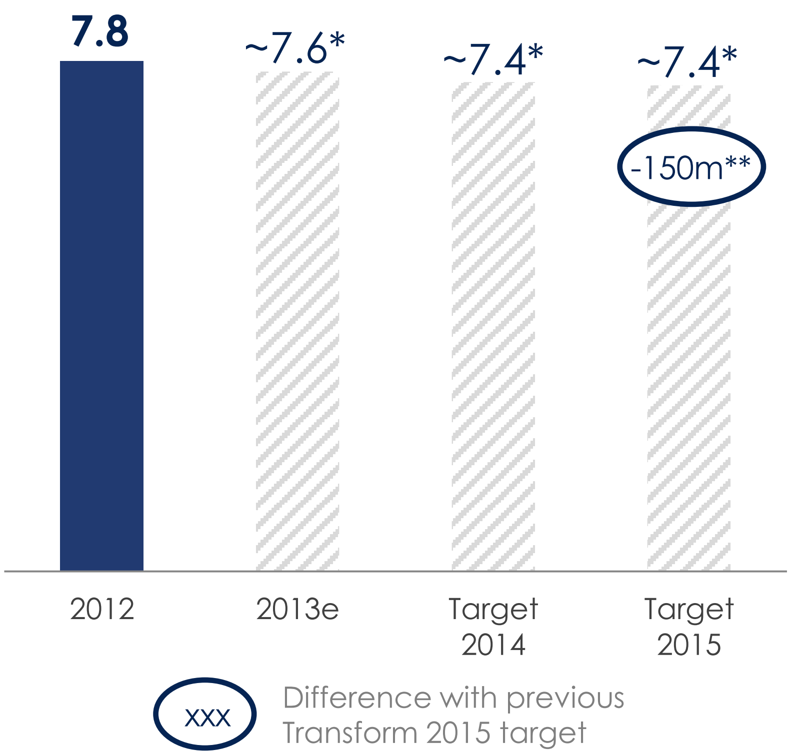


* Pro forma IAS 19R

Additional measures to contain employee costs

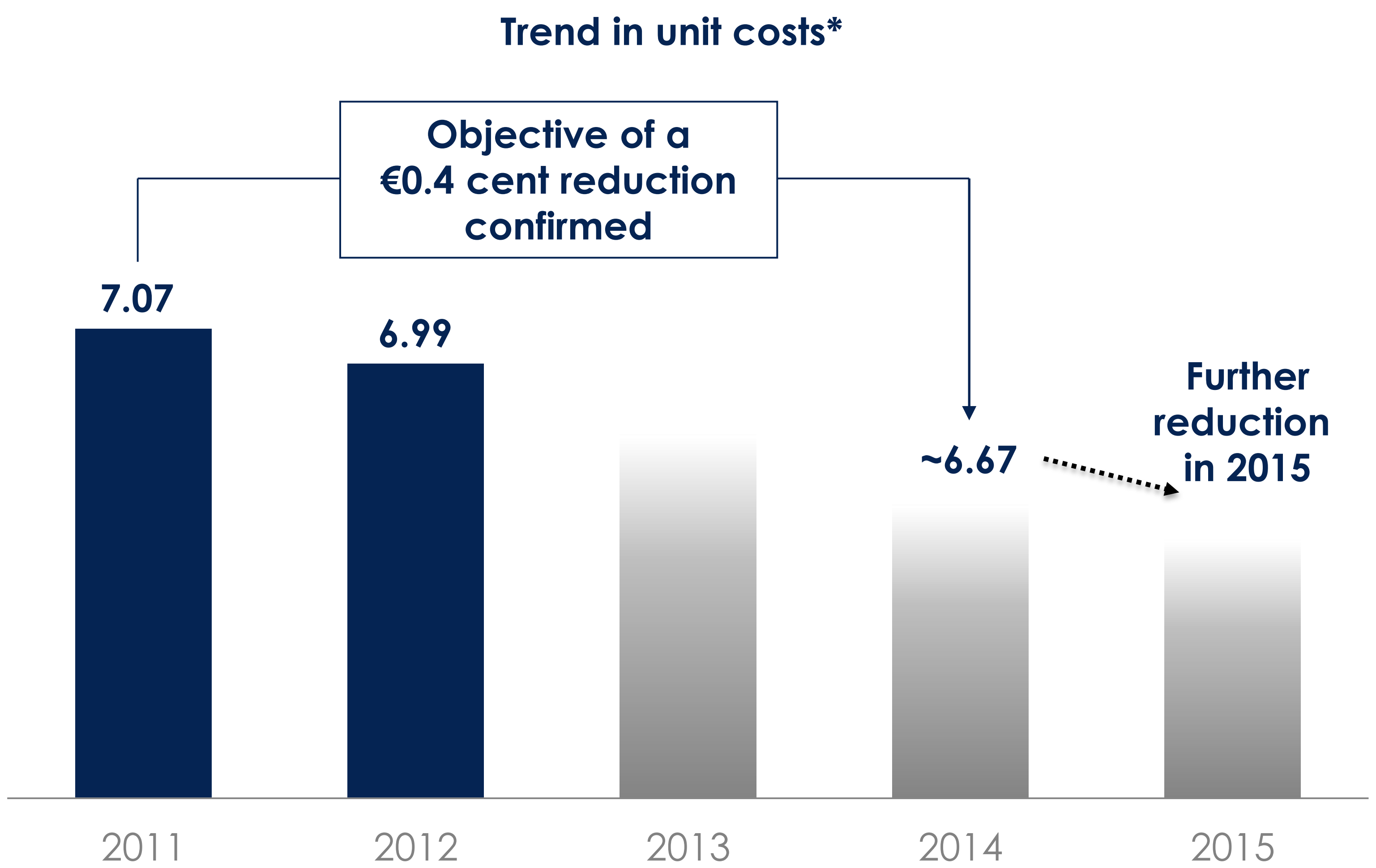
- New voluntary departure plan to address ground overstaffing
  - Target: 1,830 jobs, o/w 240 outside of medium-haul and cargo
  - Departures between the end of February 2014 and the end of December 2014
  - Restructuring provision included in September 2013 financial statements
- Wage moderation measures
- Full year impact on employee costs: ~€150m
- Pilot (350 FTEs) and cabin crew (700 FTEs) over-staffing to be addressed in 2014 through other measures

Employee costs
(including temps, €bn)



* Like-for-like: excluding non-cash increase in pension charge (~€120m) and integration of Airlinair (~€50m)
** Ground staff voluntary departure plan and wage moderation measures

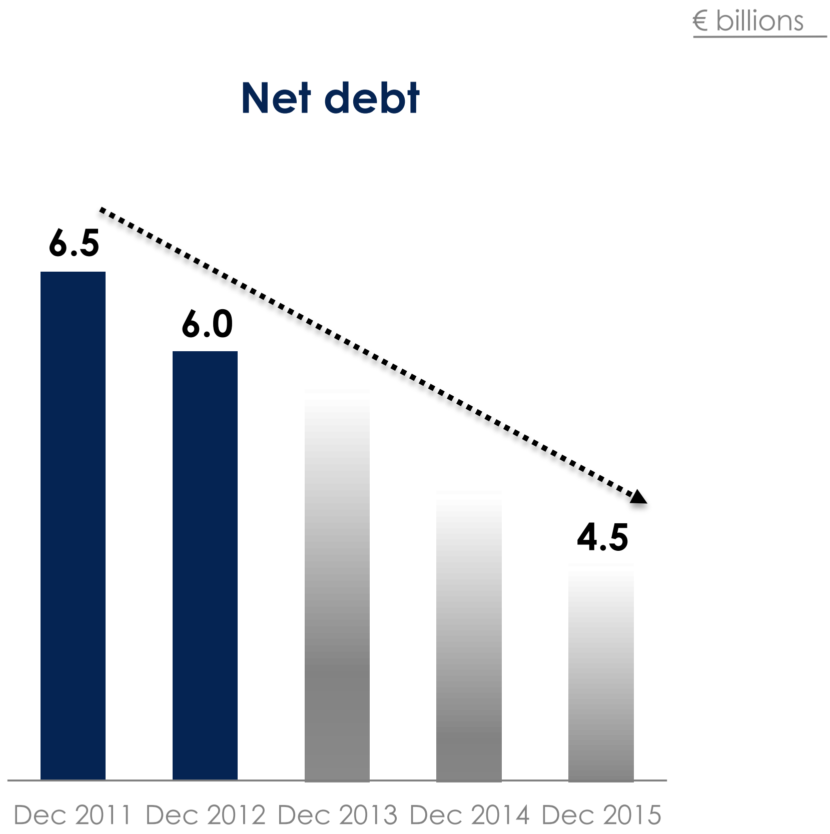
Further unit cost reduction expected in 2015



* Net unit cost per EASK in € cents, at constant currency, fuel price and excluding (non cash) pension charge impact

Target of a €2bn reduction in net debt is maintained and pushed out to 2015

- Operating environment expected to remain weak in 2014
- High currency and fuel price volatility
- Full impact of additional measures in 2015
- 2014 EBITDA of around €2.5bn
- As a result, target of €2bn reduction in net debt is maintained and pushed out to 2015

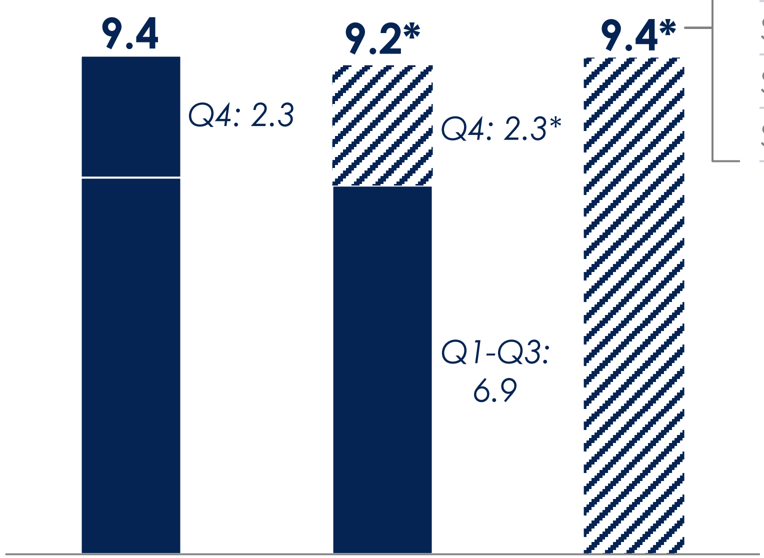


Appendices

Update on fuel bill

In $ billions

Fuel bill after hedging

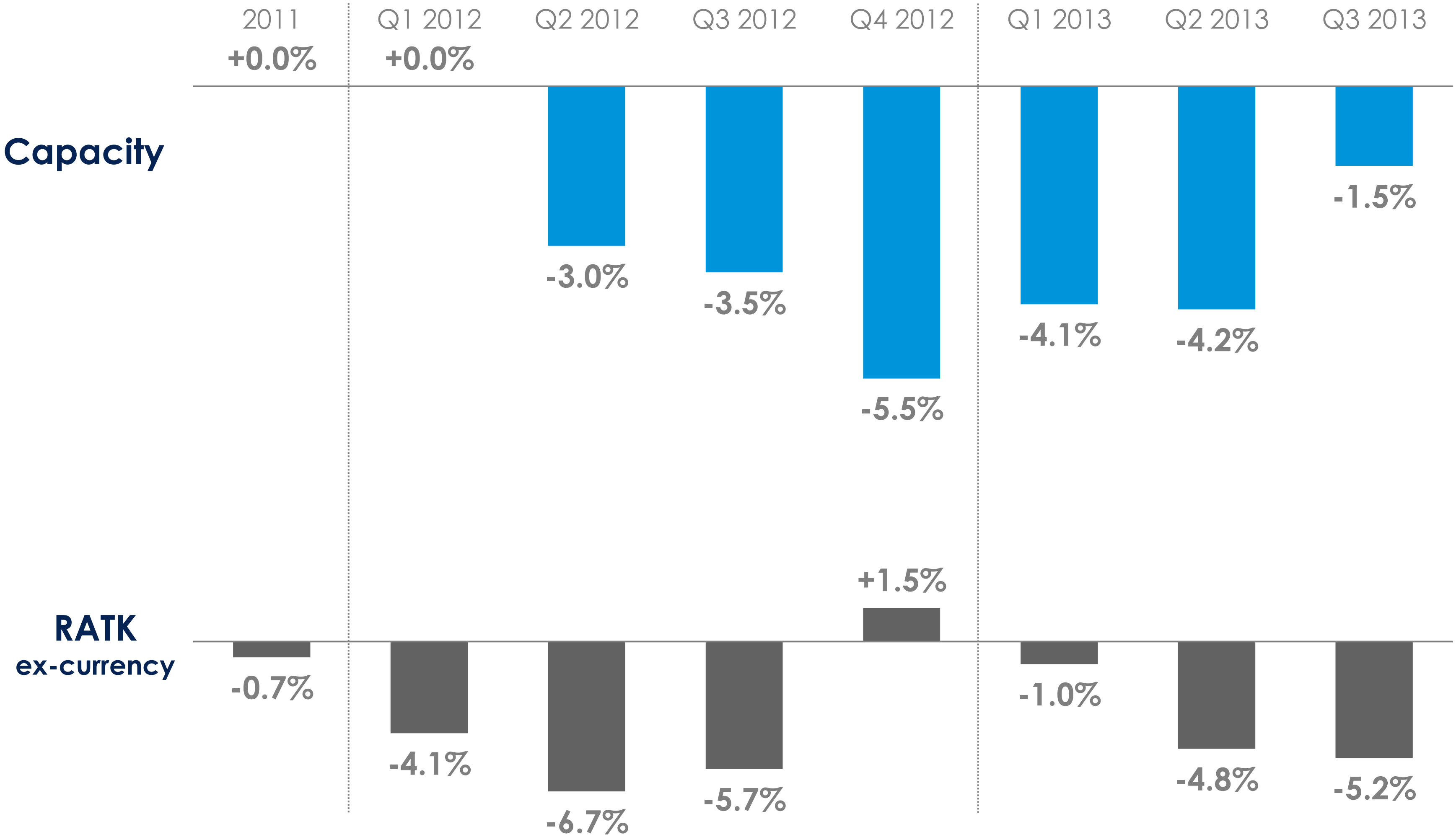


$130/bbl	**10.5**
$120/bbl	**10.0**
$110/bbl	**9.6**
$100/bbl	**9.0**
$90/bbl	**8.4**

	2012	2013	2014
Market price - Brent ($ per bbl)*	112	**109**	**106**
Jet fuel ($ per metric ton)*	1,030	**990**	**985**
% of consumption already hedged		**Q4: 79%**	**53%**

* 9m as reported + forward curve at 18 October 2013

Cargo activity and unit revenue per quarter



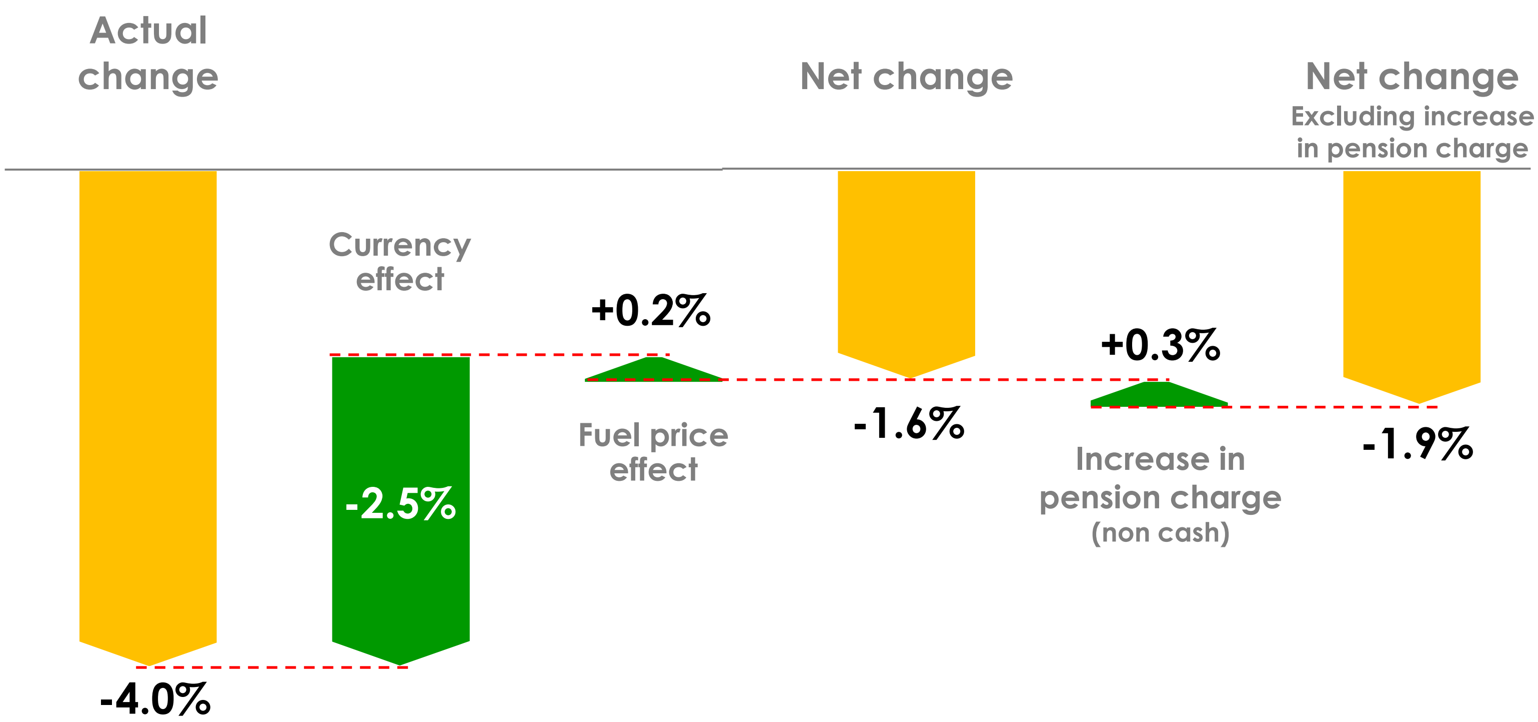
Third Quarter: change in operating costs

Q3-2013		€m	Actual change	Ex-currency change
28%	**Fuel**	1,863	-5.5%	+0.9%
28%	**Employee costs**	1,865	-1.7%	-1.3%
23%	**Manageable external costs(1)**	1,529	+5.0%	+8.1%
	Excluding purchasing of maintenance services and parts	*1,183*	*+0.5%*	*+2.8%*
12%	**Other costs linked to capacity(2)**	790	-8.5%	-5.1%
8%	**Non manageable external costs(3)**	551	-0.9%	+1.7%
	Grand total of operating costs(4)	**6,579**	**-1.7%**	**+1.0%**
	Operating costs ex-fuel	**4,716**	**-0.1%**	**+1.1%**
	Excluding purchasing of maintenance services and parts	*4,369*	*-1.7%*	*-0.8%*
	Capacity (EASK)			*+1.5%*

(1) Catering, handling charges, maintenance, commercial and distribution, and other external expenses
(2) Chartering (capacity purchases), aircraft operating leases, amortization, depreciation and provisions
(3) Landing fees and air-route charges, other taxes
(4) Including fuel, employees, other revenues and other income and expenses

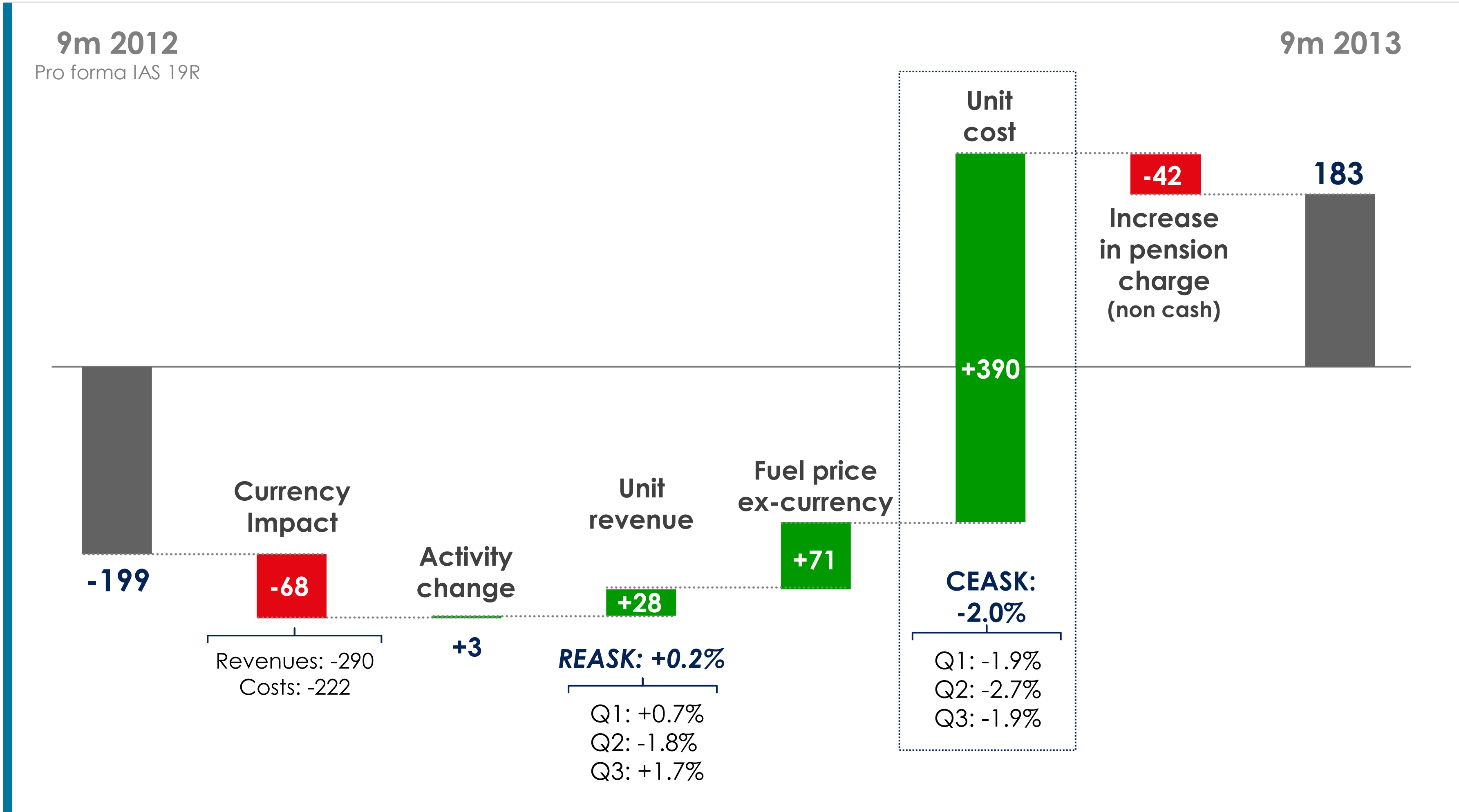
Third Quarter: further unit cost reduction

Net cost: €5,875m (-2.5%)
Capacity in EASK: €91,219m (+1.5%)
Unit cost per EASK: €6.44 cents

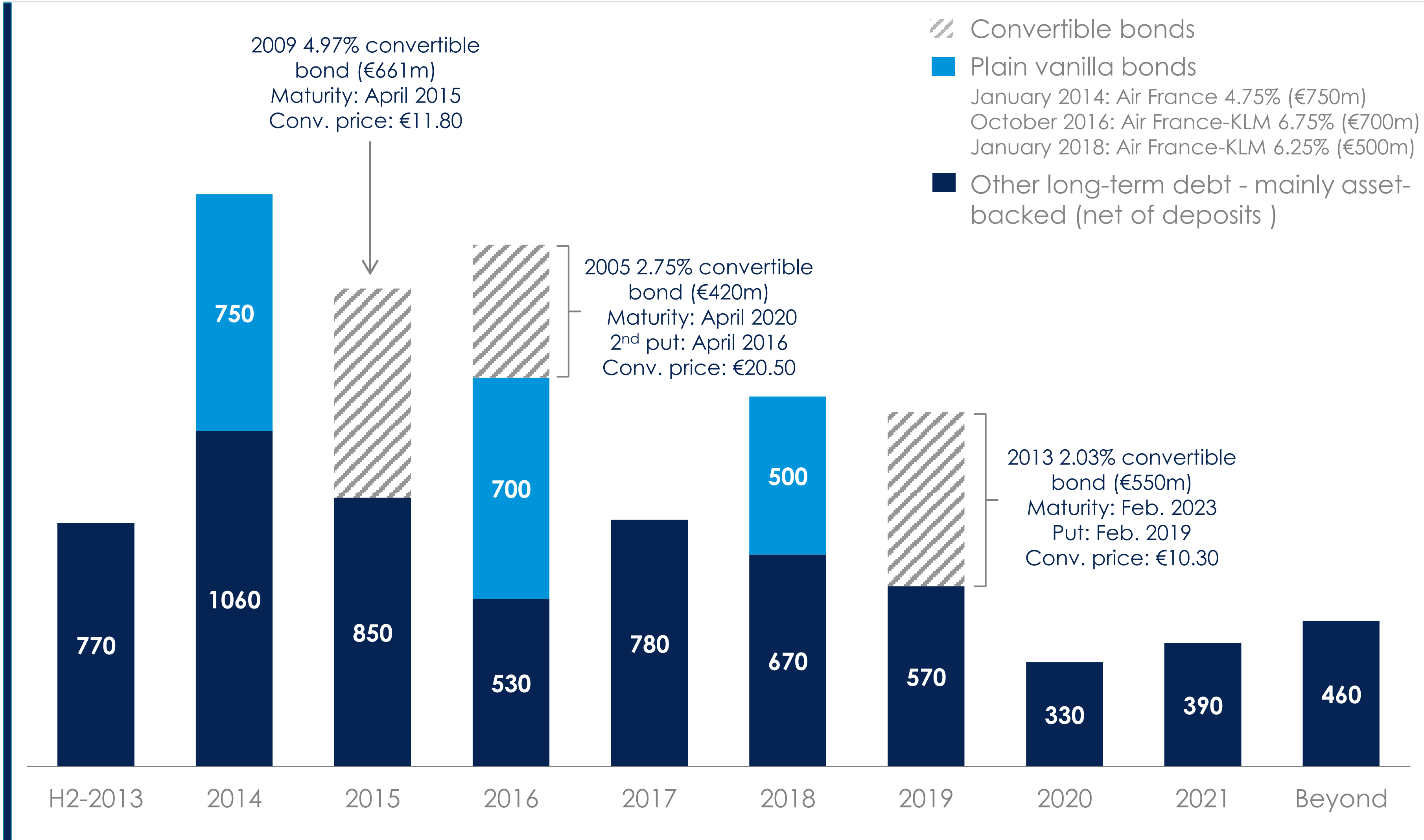


Nine Months: analysis of change in operating result

In € millions



Debt reimbursement profile at 30 June 2013*



* In € millions, net of deposits on financial leases and excluding KLM perpetual debt (€580m)

Net debt calculation

In € millions	30 September 2013	31 Dec. 2012
Current and non-current financial debt	10,931	10,999
Deposits linked to financial debt	(650)	(650)
Financial assets pledged (OCEANE swap)	(393)	(393)
Currency hedge on financial debt	6	4
Accrued interest	(140)	(112)
= Financial debt	**9,754**	**9,848**
Cash and cash equivalents	3,716	3,420
Marketable securities	126	328
Available cash pledges	387	235
Deposits (Triple A bonds)	177	156
Bank overdrafts	(57)	(257)
= Net cash	**4,349**	**3,882**
Net debt	**5,405**	**5,966**
Consolidated shareholders' funds	3,231	3,637*
Net debt / shareholders' funds	**1.67**	**1.64**
EBITDA (sliding twelve months)	1,752*	1,395*
Net debt / EBITDA ratio	**3.09**	**4.28**

* 2012 pro forma IAS19R

Breakdown of operating free cash flow

In € millions	9m 2013	9m 2012*	Change
EBITDA	**1,469**	**1,112**	**+357**
Cash out from net financial debt	-264	-254	-10
Pension cash out	-51	-53	+2
Other cash impacts	-76	-78	+2
Cash flow before change in WCR and voluntary departure plans	**1,078**	**727**	**+351**
Voluntary departure plans	-106	-11	-95
Cash flow before change in WCR	**972**	**716**	**+256**
Change in WCR	315	-4	+319
Operating cash flow (A)	**1,287**	**712**	**+575**
Investments before sale & lease-backs	-900	-1,368	+468
Sale & lease-backs	111	583	-472
Net investments (B)	**-789**	**-785**	**-4**
Operating free cash flow (A+B)	**498**	**-73**	**+571**

* 2012 pro forma IAS19R

Computation of net cost per EASK

In € millions		Q3 2013	Q3 2012*	9m 2013	9m 2012*
Scheduled passenger revenue		5,485	5,448	14,668	14,552
+ Scheduled cargo revenue		636	710	1,945	2,126
+ Transavia transport revenue		388	358	786	702
= Total transport revenue	**A**	**6,509**	**6,516**	**17,399**	**17,380**
- Operating result	B	634	491	183	(199)
= Net cost	**A – B = C**	**5,875**	**6,025**	**17,216**	**17,579**
Activity expressed in EASK	D	91,219	89,846	252,995	249,498
Net cost per EASK (€ cents)	**C / D**	**6.44**	**6.71**	**6.80**	**7.05**
Actual change		-4.0%		-3.4%	
Currency effect on net costs			-151		-185
Fuel price effect			9		-71
Change at constant currency and fuel price		**-1.6%**		**-2.0%**	
Increase in pension charge (non cash)			+17		+42
Net change		**-1.9%**		**-2.2%**	

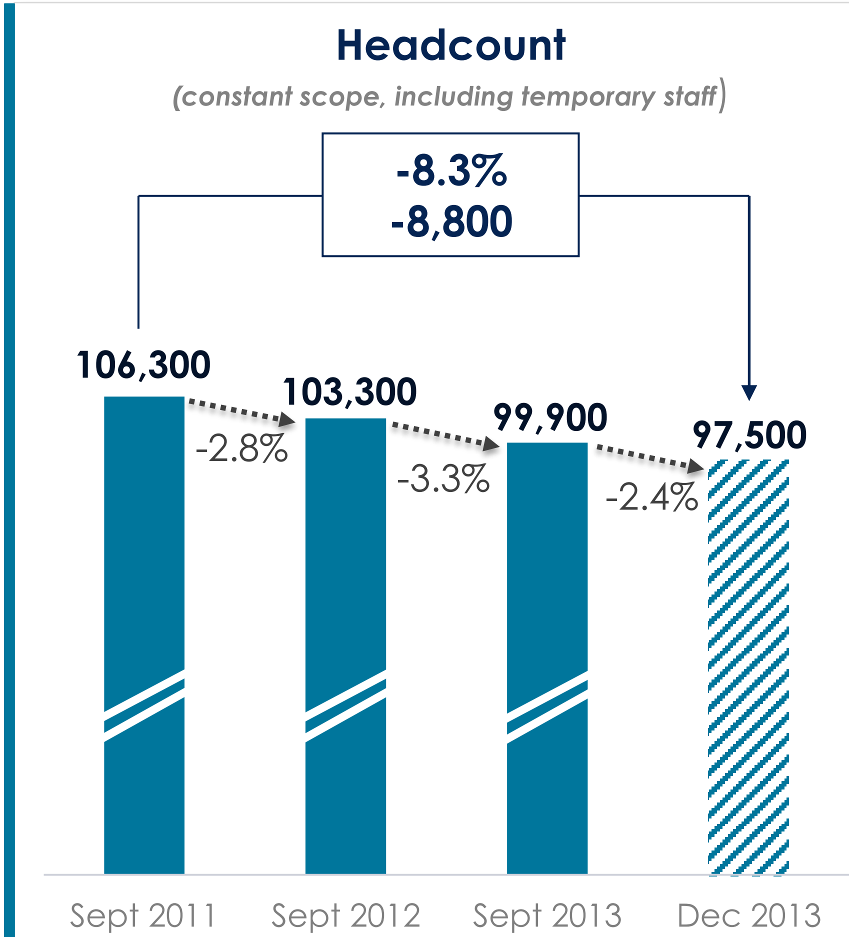
* 2012 pro forma IAS19R

Implementation of new collective agreements and headcount reduction measures

- New working conditions
  - Secured by new collective agreements
- Freeze in general salary increases
- Ongoing voluntary departure measures at Air France

Staff category	Close of plan	Target	Approved	Departures at 30/09/13
Ground staff	March 2013	2,770	2,880	2,700
Pilots	January 2013	300	270	180
Cabin crew	Nov. 2013	500	390	220

- Reduction in temporary staff and short-term contracts



Industrial projects have been rolled-out in every activity

Long-haul

- Increased productivity thanks to new collective agreements
- Network optimization
- Increased ‘customer’ investment

Maintenance

- Focus on most profitable activities: engines and components
- Increased productivity thanks to new collective agreements
- Reduction in some unprofitable heavy maintenance activities

Medium-haul

- Increased aircraft productivity
- Aircraft densification
- Development of ancillary revenues
- Reorganization of French regional operations (Hop!)
- Regional base project adapted
- Growth of Transavia France

Cargo

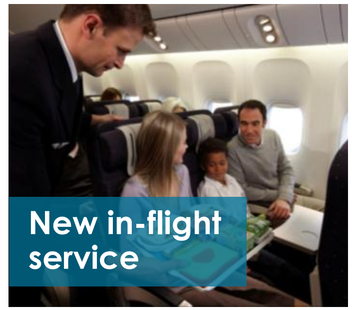
- Full-freighter capacity reduction
- Reduction in unused aircraft
- Impact of Transform 2015 on manageable costs
- New commercial policy

Ongoing initiatives to reconquer customer base

April 2012

June 2012

October 2012



July 2013

Summer 2014

Best & Beyond

Air France long-haul cabin redesign project

- Upgrading of CDG passenger experience
  - New terminals, new lounge
  - Improvement in satisfaction index
- New commercial initiatives
  - Air France Mini fares
  - Changes to medium-haul products: new in-flight service at Air France (October 2012), introduction of Economy Comfort at KLM (December 2012)
  - Successful launch of Hop!
- New long-haul cabins
  - July 2013: new KLM business class
  - Summer 2014: new cabins at Air France