

FINANCIAL YEAR 2007-08

2007-08 OBJECTIVES ACHIEVED

- ▶ Record level of operating income, up 13.3% to 1.41 billion euros
- ▶ A further rise in operating margin¹ to 6.7% (+0.4 points)
- ▶ RoCE of 7.1% (+0.6 points)
- ▶ A dividend of 0.58 euros (+21%)

FINANCIAL YEAR 2008-09: OBJECTIVE OF OPERATING INCOME COMFORTABLY IN PROFIT IN THE REGION OF 1 BILLION EUROS

The Board of Directors of Air France-KLM convened under the chairmanship of Jean-Cyril Spinetta to approve the accounts for the Financial Year 2007-08. During the meeting, Mr Spinetta made the following comments:

"I must start by highlighting the excellent quality of our results, which met all our objectives. The Financial Year 2007-08 nevertheless witnessed a deterioration in the economic environment during the second half, linked to the crisis in the financial sector and the sharp rise in the oil price. We also booked a provision of 530 million euros on the basis of the current status of the investigation by the European and US competition authorities into the air cargo industry." The Chairman added: "The current year is set to be challenging, with the oil price and the global economy creating significant uncertainty. We believe however that our strategic advantages and the efficiency of our fuel hedging, combined with a tough stance on costs and further potential synergies made possible by the new, more integrated organisation between Air France and KLM, will ensure that we remain comfortably in profit. Under these conditions, and based on an oil price of \$120/bbl, our objective is of operating income in the region of 1 billion euros."

In consequence, the Board of Directors voted to propose a dividend of 0.58 euros, up 21%.

Consolidated key figures

In € millions (except for per share data in €)	Fourth Quarter to 31st March			Full Year to 31st March		
	2008	2007	Change	2008	2007	Change
Revenues	5,704	5,389	+5.8%	24,114	23,073	4.5%
Operating income	(46)	9	nm	1,405	1,240	13.3%
Pre-tax income of fully integrated companies	(584) ⁽¹⁾	72	nm	1,149	1,118	2.8%
Net income, group share	(542)	44	nm	748	891	(16.0%)
Net income, group share excluding exceptional items	(49) ⁽²⁾	44	nm	987 ⁽³⁾	891	10.8%
Net earnings per share	(1.84)	0.16	nm	2.63	3.35	(21.5)%
Diluted earnings per share	(1.84)	0.15	nm	2.47	3.05	(19.0)%

(1) After provision of 530 million euros iro of cargo investigation

(2) Excluding cargo provision

(3) Excluding cargo provision and Amadeus gain

¹ Operating income adjusted by the portion of financial costs of operating leases (34%)

Fourth Quarter to 31st March 2008

The operating environment worsened in the fourth quarter with a slowdown in global economic growth and a sharp rise in oil prices. The group's passenger business was impacted by calendar effects in March which weighed on revenue per available seat kilometer (RASK), while cargo continued its recovery. Revenues were up 5.8% after a negative currency impact of 2.3% to 5.70 billion euros, for production measured in equivalent available seat kilometer (EASK) up 6.4%. Unit revenue per EASK declined by 0.8% but was up by 1.6% excluding the currency effect.

Operating costs rose by 6.9% but by only 3.3% excluding fuel. Unit cost per EASK rose slightly by 0.3% and was down by 2.1% on a constant currency and fuel price basis. The main change in costs was the fuel bill which rose by 19.5% to 1.19 billion euros (versus 994 million euros at 31 March 2007) under the combined effect of a rise in volumes of 4%, a rise in fuel costs after hedging of 26% and a positive currency effect of 11%.

The operating result was negative by 46 million euros, compared with a profit of 9 million euros at 31st March 2007.

Taking account of the current status of the investigation by the European and US competition authorities into the cargo activities of the airlines, the group booked a provision of 530 million euros pre-tax (493 million euros after tax), mostly non tax-deductible. As a consequence, we recorded a net loss, group share, of 542 million euros. Excluding this provision, the loss would have been 49 million euros against a positive result of 44 million euros a year earlier.

Information by business

Passenger business

In the last quarter, the passenger business experienced slower growth, but this was offset by a resilient yield. Traffic increased 3.0% with a 5.8% rise in capacity. The load factor stood at 78.0% (-2.1 points). The group carried 17.1 million passengers (+0.7%) generating revenues of 4.53 billion euros (+4.0% after a negative currency impact of 2.1%). Operating income was close to break-even, compared with a positive 31 million euros at 31st March 2007.

	Fourth Quarter to 31st March		
	2008	2007	Change
Total passenger revenues (€m)	4,531	4,355	4.0%
Revenues from scheduled passenger business (€m)	4,284	4,107	4.3%
Unit revenue per RPK(€ cts)	8.73	8.62	1.3%
Unit revenue per ASK (€ cts)	6.81	6.90	(1.4)%
Unit cost per ASK (€ cts)	6.74	6.78	(0.6)%
Operating income (€m)	(1)	31	nm

At constant exchange rates, unit revenue per passenger kilometer (RRPK) and per available seat kilometer (RASK) progressed by 3.5% and 0.7% respectively. Unit costs per ASK declined by 2.8% on a constant currency and fuel price basis.

Cargo business

The recovery observed midway through the year was confirmed in the Fourth Quarter. Traffic picked up and unit revenues rose strongly. Traffic progressed by 3.7% with capacity up 4.0%, leading to a stable load factor of 66.9% (-0.2 points). The group transported 363,000 tonnes. Total revenues rose 8.0% after a negative currency impact of 3.8%. Operating income improved sharply from a loss of 22 million euros last year to almost break-even (-1 million euros).

	Fourth Quarter to 31st March		
	2008	2007	change
Total cargo business revenues (€m)	720	667	8.0%
Revenues from the transportation of cargo (€m)	677	613	10.4%
Unit revenue per RTK (€ cts)	24.81	23.31	6.4%
Unit revenue per ATK (€ cts)	16.59	15.64	6.0%
Unit cost per ATK (€ cts)	16.45	16.03	2.6%
Operating income (€m)	(1)	(22)	95.5%

At constant exchange rates, unit revenue per tonne kilometer (RRTK) rose 10.6% and unit revenue per available tonne kilometer (RATK) by 10.3%. Unit costs fell 1.1% on a constant currency and fuel price basis.

Maintenance business

Maintenance continued to be penalised by US dollar weakness, and recorded a 2.5% increase in revenues to 243 million euros and an operating loss of 2 million euros (versus income of 3 million euros at 31 March 2007).

Other activities

The main businesses in this segment are leisure (transavia.com) and catering (mainly Servair). Total revenues from other activities amounted to 210 million euros with an operating loss of 42 million euros (-3 million euros a year earlier). The catering business generated revenues of 79.5 million euros (+72.7%) and operating income of 4.7 million euros. This performance was linked to good levels of activity at Servair as well as the full consolidation of a subsidiary previously accounted under the equity method. Leisure also progressed strongly with the launch of transavia.com France. Revenues amounted to 112 million euros (+37.5%) with an operating loss of 40.9 million euros.

Financial Year 2007-08: Operating income of 1.41 billion euros (+13.3%) with an adjusted operating margin of 6.7%, up 0.4 points.

Revenues increased 4.5% after a negative currency impact of 2.3% to 24.11 billion euros, for production measured in equivalent available seat kilometer (EASK) up 4.8%. Unit revenue per EASK was stable (-0.1%) but rose 2.3% on a constant currency basis.

Operating costs rose 4.0% to 22.71 billion euros. The rise was limited to 3.2% excluding fuel costs. Unit costs per EASK declined by 0.6% and by 1.0% at a constant currency and fuel price basis, thereby meeting the objective set by the 'Challenge 10' cost-saving plan. The fuel bill for the year rose by 7.4% to 4.57 billion euros after a volume effect of 3%, a price effect after hedging of 14% and a favourable currency effect of 9%. Employee costs rose 4.9% to 7.0 billion euros for headcount up 1.6% to 104,659 employees (+0.9% on a constant basis).

Operating income amounted to 1.41 billion euros against 1.24 billion euros a year earlier, a rise of 13.3%. Strikes at Air France during the Autumn had a negative impact of 75 million euros. The adjusted operating margin¹ amounted to 6.7% (+0.4 points).

Income from operating activities rose 3.2% to 1.27 billion euros (versus 1.23 billion euros a year earlier). Excluding exceptional items (cargo provision and proceeds from Amadeus), it would have increased by 23.0%.

Interest charges declined further, from 140 million euros at 31 March 2007 to 99 million euros at 31st March 2008 (-29.3%).

Pre-tax income of fully integrated companies amounted to 1.15 billion euros. After a tax charge of 358 million euros (248 million euros at 31st March 2007) and a negative contribution of 24

¹ Operating income adjusted by the portion of financial costs of operating leases (34%)

million euros from associates, net income, group share stood at 748 million euros compared with 891 million euros a year earlier, down 16.0%. Excluding exceptional items it would have risen by 10.8%.

Earnings per share amounted to 2.63 euros against 3.35 euros at 31st March 2007. Diluted earnings per share was 2.47 euros, (3.05 euros at 31st March 2007).

Information by business

Passenger business

The passenger business had a good year with a further increase in traffic (+3.9%). The impact of last Autumn's strikes at Air France reduced growth by 0.6%. Capacity was increased by 4.6% and the load factor remained high at 80.8% (-0.6 points). The group carried 74.8 million passengers (+0.7%) generating revenues of 19.16 billion euros, up 4.3% despite a negative currency impact of 2.2%. Operating income was up 21.0% to 1.29 billion euros.

	Full year to 31st March		
	2008	2007	Change
Total passenger revenues (€m)	19,156	18,366	4.3%
Revenues from scheduled passenger business (€m)	18,186	17,341	4.9%
Unit revenue per RPK (€ cts)	8.78	8.69	1.0%
Unit revenue per ASK (€ cts)	7.09	7.08	0.3%
Unit cost per ASK (€ cts)	6.52	6.57	(0.7)%
Operating income (€m)	1,291	1,067	21.0%

At constant exchange rates, unit revenue per RPK and per ASK increased by 3.2% and 2.5% respectively. Unit cost per ASK declined by 0.9% on a constant currency and fuel price basis.

Cargo business

The performance of the cargo business improved markedly in the second half. In the first half traffic declined by 1.2% on stable capacity (+0.3%) with an operating loss of 29 million euros, whereas in the second half traffic rose 3.1% with a 2.7% increase in capacity and operating income of 68 million euros. In addition to robust unit revenues in the second half, the improvement also stemmed from the renewal of the fleet. For the year as a whole, the business generated revenues of 2.93 billion euros (+0.7%) and operating income of 39 million euros.

	Full year to 31st March		
	2008	2007	Change
Total cargo business revenues (€m)	2,928	2,909	0.7%
Revenues from the transportation of cargo (€m)	2,739	2,691	1.8%
Unit revenue per RTK (€ cts)	24.09	24.49	(1.6)%
Unit revenue per ATK (€ cts)	16.26	16.32	(0.4)%
Unit cost per ATK (€ cts)	15.89	15.80	0.6%
Operating income (€m)	39	62	(37.1)%

At constant exchange rates, unit revenue per tonne kilometer (RRTK) rose 2.0% and unit revenue per available tonne kilometer (RATK) by 3.3%. Unit costs were stable on a constant currency and fuel price basis (-0.1%).

Maintenance business

The weak US dollar affected third party maintenance revenues, which were virtually flat at 969 million euros versus 977 million euros at 31 March 2007 after a negative currency impact of 6.0%. However operating income surged by 43% to 63 million euros (44 million euros a year earlier).

Other activities

The main businesses in this segment are leisure (transavia.com) and catering (mainly Servair). Revenues from these businesses amounted to 1.1 billion euros against 821 million the previous year (+29.2%). This improvement was due to a good level of activity at Servair as well as the full consolidation of a subsidiary previously accounted under the equity method, and the launch of transavia.com France in May 2007. Operating income totalled 12 million euros versus 67 million euros a year earlier, including 27.4 million euros for catering and 1.6 million euros for leisure which was impacted by the launch costs of the French business.

Financial position: free cash flow of 820 million euros

Tangible and intangible investments amounted to 2.34 billion euros, the same level as last year. These were financed by operating cash flow of 2.59 billion euros after 308 million euros of exceptional expenditures¹ (2.85 billion euros at 31st March 2007). The proceeds from asset disposals amounted to 282 million euros (160 million euros at 31st March 2007). Free cash flow amounted to 820 million euros, 188 million euros more than the previous year.

The group's cash position stood at 4.39 billion euros, up by some 500 million euros. In addition the group still has credit facilities of 1.95 billion euros.

The balance sheet was further strengthened over the year, with net debt down by 1.1 billion euros to 2.69 billion euros and shareholders' funds of 10.61 billion euros of which the value of derivative instruments represented 1.82 billion euros. The gearing ratio therefore fell from 0.45 at 31st March 2007 to 0.25 at 31st March 2008, and from 0.48 to 0.31 without derivatives.

Dividend

A dividend per share of 0.58 euros will be proposed at the Annual General Meeting, up 21% on the previous year. The dividend will be paid on 17th of July 2008.

Financial Year 2008-09

For the current year, Air France-KLM plans a modest and flexible increase in its capacity and will continue the proactive management of its fuel surcharges. On the basis of an oil price at \$120/bbl, the fuel bill will rise in the region of 1 billion euros taking account of the efficiency of our hedging policies and a euro/\$ rate of 1.56. Moreover, the group is working on new sources of synergies which will be generated by the further integration of the two companies as well as additional cost savings which should increase in the efficiency of the 'Challenge 10' programme. On this basis, with an average oil price of \$120/bbl and equivalent market conditions, the group's objective is to be comfortably in profit with operating income in the region of 1 billion euros.

Agenda

Thursday 22nd May 2008:

Full year results presentation at 15.00h CET
Pavillon Gabriel
5, avenue Gabriel – 75008 Paris

- ▶ Audio-web conference at 15:00h (CET)
to connect to the conference call, please dial:
 - UK 00 44 207 162 0125 (password: AKH)
 - US 1 334 323 6203 (password: AKH)
- ▶ To see the presentation, go to the following website:
<http://airfranceklm.viewontv.com> (password: AKHFY)
- ▶ To listen to a recording of the conference in English, dial 44 (0) 207 031 4064 (UK) or 1 954 334 0342 (US) (code: 796859)

¹ 110 million euros relating to the 2005 shares-for-salary scheme and additional payment of 198 million euros to the Air France retirement indemnity fund.

AIR FRANCE FLEET

Aircraft	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/07	3/31/08	3/31/07	3/31/08	3/31/07	3/31/08	3/31/07	3/31/08	3/31/07	3/31/08
B747-400	9	6			7	7	16	13	15	13
B747-300/200	4	3					4	3		
B777-200/300	25	30	4	4	15	15	44	49	44	49
A340-300	10	10	3	3	6	6	19	19	19	19
A330-200	6	6	1	1	9	9	16	16	16	16
Long-haul fleet	54	55	8	8	37	37	99	100	94	97
B747-400	2	5			4	5	6	10	6	10
B747-200	6	3			1		7	3	7	
Cargo	8	8			5	5	13	13	13	10
A321	11	11			3	9	14	20	14	20
A320	52	50			16	17	68	67	68	65
A319	19	19	4	4	22	22	45	45	45	45
A318	18	18					18	18	18	18
B737-500	2				2		4		4	
Medium-haul fleet	102	98	4	4	43	48	149	150	149	148
Total Air France fleet	164	161	12	12	85	90	261	263	256	255

REGIONAL FLEET

BRIT AIR

Aircraft	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/07	3/31/08	3/31/07	3/31/08	3/31/07	3/31/08	3/31/07	3/31/08	3/31/07	3/31/08
Canadair Jet 100	2	2	11	11	5	2	18	15	18	15
Canadair Jet 700	3	6	9	9			12	15	12	15
F100-100	5	5			8	8	13	13	13	13
Total	10	13	20	20	13	10	43	43	43	43

CITY JET

Aircraft	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/07	3/31/08	3/31/07	3/31/08	3/31/07	3/31/08	3/31/07	3/31/08	3/31/07	3/31/08
BAE146-200/300*	5	5	1		14	2	20	7	20	6
AVRO RJ 85	13	14			1	9	14	23	3	22
Total	18	19	1		15	11	34	30	23	28

* including 2 aircraft sub-leased by KLM U.K. to CityJet

REGIONAL

Aircraft	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/07	3/31/08	3/31/07	3/31/08	3/31/07	3/31/08	3/31/07	3/31/08	3/31/07	3/31/08
BEECH 1900-D	3	3	1	1	1	1	5	5		
EMB190					2	6	2	6	2	6
EMB145-EP/MP	2	4	17	17	9	7	28	28	28	28
EMB135-ER	2	3	3	3	4	3	9	9	9	9
EMB120-ER	8	6					8	6	8	6
F100-100	4	3			6	6	10	9	9	9
F70-70		5	5				5	5	5	5
Total	19	24	26	21	22	23	67	68	61	63
Total Regional fleet	47	56	47	41	50	44	144	141	127	134

OTHER FLEET

TRANSAVIA FRANCE

Aircraft	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/07	3/31/08	3/31/07	3/31/08	3/31/07	3/31/08	3/31/07	3/31/08	3/31/07	3/31/08
B737 800						5		5		5
Total						5		5		5

VLM AIRLINES

Aircraft	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/07	3/31/08	3/31/07	3/31/08	3/31/07	3/31/08	3/31/07	3/31/08	3/31/07	3/31/08
Fokker 50 *		15				3		18		18
Total		15				3		18		18

* Including 10 aircraft fully owned by Air France Finance

Total Other Fleet		15				8		23		23
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TOTAL Air France Group	211	232	59	53	135	142	405	427	383	412
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KLM FLEET

Aircraft	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/07	3/31/08	3/31/07	3/31/08	3/31/07	3/31/08	3/31/07	3/31/08	3/31/07	3/31/08
B747-400	11	13	11	9			22	22	22	22
B777-300		2						2		2
B777-200			6	6	8	9	14	15	14	15
MD11	2	6	6	2	2	2	10	10	10	10
A330-200			6	6	2	4	8	10	8	10
Long-haul fleet	13	21	29	23	12	15	54	59	54	59
B747-400			3	3			3	3	3	3
Cargo			3	3			3	3	3	3
B737-900			2	2	3	3	5	5	5	5
B737-800			13	13	2	5	15	18	15	18
B737-400	6	6			7	7	13	13	13	13
B737-300	6	6	1	1	7	7	14	14	14	14
Medium-haul fleet	12	12	16	16	19	22	47	50	47	50
Total	25	33	48	42	31	37	104	112	104	112

REGIONAL FLEET

KLM Cityhopper

Aircraft	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/07	3/31/08	3/31/07	3/31/08	3/31/07	3/31/08	3/31/07	3/31/08	3/31/07	3/31/08
F100	9	9	11	11			20	20	20	20
F70	18	18	3	3			21	21	21	21
F50	6	6			8	8	14	14	14	14
Total	33	33	14	14	8	8	55	55	55	55

OTHER FLEET

TRANSAVIA Netherlands

Aircraft	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/07	3/31/08	3/31/07	3/31/08	3/31/07	3/31/08	3/31/07	3/31/08	3/31/07	3/31/08
B737-800	6	1	7	7	4	10	17	18	17	18
B737-700			5	5	5	5	10	10	10	10
Total	6	1	12	12	9	15	27	28	27	28

TOTAL KLM Group	64	67	74	68	48	60	186	195	186	195
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Aircraft	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/07	3/31/08	3/31/07	3/31/08	3/31/07	3/31/08	3/31/07	3/31/08	3/31/07	3/31/08
TOTAL Air France-KLM Group	275	299	133	121	183	202	591	622	569	607

INCOME STATEMENT FROM APRIL 1, 2007 TO MARCH 31, 2008
In € millions

	4th quarter (January to March)			12 months (April to March)		
	2007-08	2006-07	Variation	2007-08	2006-07	Variation
SALES	5 704	5 389	5,8%	24 114	23 073	4,5%
Other revenues	1	0	na	4	4	na
EXTERNAL EXPENSES	-3 496	-3 162	10,6%	-13 814	-13 100	5,5%
Aircraft fuel	-1 188	-994	19,5%	-4 572	-4 258	7,4%
Chartering costs	-170	-155	9,7%	-658	-646	1,9%
Aircraft operating lease costs	-154	-147	4,8%	-611	-600	1,8%
Landing fees and en route charges	-414	-399	3,8%	-1 755	-1 705	2,9%
Catering	-114	-100	14,0%	-470	-419	12,2%
Handling charges and other operating costs	-330	-280	17,9%	-1 331	-1 232	8,0%
Aircraft maintenance costs	-298	-233	27,9%	-1 038	-894	16,1%
Commercial and distribution costs	-262	-288	-9,0%	-1 176	-1 201	-2,1%
Other external expenses	-566	-566	0,0%	-2 203	-2 145	2,7%
Salaries and related costs	-1 808	-1 712	5,6%	-7 018	-6 689	4,9%
Taxes other than income taxes	-64	-62	3,2%	-250	-263	-4,9%
Amortization and depreciation	-400	-466	-14,2%	-1 606	-1 782	-9,9%
Provisions	26	16	na	-17	-8	112,5%
Other income and expenses	-9	6	na	-8	5	na
INCOME FROM CURRENT OPERATIONS	-46	9	na	1 405	1 240	13,3%
Sales of aircraft equipment	3	3	na	9	13	-30,8%
Sales of subsidiaries	1	1	na	46	1	na
Negative goodwill	40		na	40		na
Other non-current income and expenses	-530	4	na	-228	-21	na
INCOME FROM OPERATING ACTIVITIES	-532	17	na	1 272	1 233	3,2%
Income from cash and cash equivalents	66	93	-29,0%	288	267	7,9%
Cost of financial debt	-86	-123	-30,1%	-387	-407	-4,9%
<i>Net cost of financial debt</i>	<i>-20</i>	<i>-30</i>	<i>-33,3%</i>	<i>-99</i>	<i>-140</i>	<i>-29,3%</i>
Foreign exchange gains (losses), net	-52	-8	na	-71	-3	na
Change in fair value of financial assets and liabilities	29	88	na	65	43	na
Other financial income and expenses	-9	5	na	-18	-15	20,0%
INCOME BEFORE TAX	-584	72	na	1 149	1 118	2,8%
Income taxes	51	-20	na	-358	-248	44,4%
NET INCOME OF CONSOLIDATED COMPANIES	-533	52	na	791	870	-9,1%
Share of profits (losses) of associates	-8	-6	na	-24	17	na
INCOME FROM CONTINUING OPERATIONS	-541	46	na	767	887	-13,5%
Net income from discontinued operations						
NET INCOME FOR THE PERIOD	-541	46	na	767	887	-13,5%
Minority interest	-1	-2	na	-19	4	na
NET INCOME FOR THE PERIOD - GROUP	-542	44	na	748	891	-16,0%

CONSOLIDATED BALANCE SHEET

Assets <i>In € millions</i>	March 31, 2008	March 31, 2007	March 31, 2006
Goodwill	377	204	208
Intangible assets	475	424	428
Flight equipment	12 280	11 551	11 017
Other property, plant and equipment	2 193	2 007	1 955
Investments in equity associates	177	228	204
Pension assets	2 245	2 097	1 903
Other financial assets <i>(including € 735 million of deposits related to financial leases as of March 31, 2008, € 835 million as of March 31, 2007 and € 895 million as of March 31, 2006)</i>	956	1 095	1 182
Deferred tax assets	29	26	7
Other non-current assets	1 810	604	1 082
Total non-current assets	20 542	18 236	17 986
Other short-term financial assets <i>(including € 266 million of deposits related to financial leases and investments between 3 months and 1 year as of March 31, 2008, € 631 million as of March 31, 2007, € 889 million as of March 31, 2006)</i>	303	689	932
Inventories	507	360	340
Trade accounts receivable	2 569	2 610	2 518
Income tax receivables	3	7	1
Other current assets	2 385	1 271	1 756
Cash and cash equivalents	4 381	3 497	2 946
Total current assets	10 148	8 434	8 493
Total assets	30 690	26 670	26 479
Liabilities and equity <i>In € millions</i>	March 31, 2008	March 31, 2007	March 31, 2006
Issued capital	2 552	2 375	2 290
Additional paid-in capital	765	539	430
Treasury shares	(119)	(30)	(58)
Reserves and retained earnings	7 338	5 415	5 072
Equity attributable to equity holders of Air France-KLM	10 536	8 299	7 734
Minority interests	78	113	119
Total Equity	10 614	8 412	7 853
Provisions and retirement benefits	1 439	1 387	1 453
Long-term debt	6 914	7 419	7 826
Deferred tax	1 713	891	839
Other non-current liabilities	819	401	417
Total non-current liabilities	10 885	10 098	10 535
Provisions	441	225	192
Current portion of long-term debt	905	1 098	1 260
Trade accounts payable	2 218	2 131	2 039
Deferred revenue on ticket sales	2 279	2 217	2 062
Current tax liabilities	25	21	167
Other current liabilities	3 151	2 335	2 269
Bank overdrafts	172	133	102
Total current liabilities	9 191	8 160	8 091
Total liabilities	20 076	18 258	18 626
Total liabilities and equity	30 690	26 670	26 479

CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>In € millions</i>			
Period from April 1 to March 31,	2008	2007	2006
Net income for the period – Group	748	891	913
Minority interests	19	(4)	8
Amortization, depreciation and operating provisions	1 623	1 790	1 728
Financial provisions	17	10	24
Gain on disposals of tangible and intangible assets	(43)	(44)	(46)
Loss / (gain) on disposals of subsidiaries and associates	(46)	(1)	(2)
Gain on WAM (ex Amadeus GTD) transactions	(284)	(16)	(504)
Derivatives – non monetary result	(65)	(43)	(6)
Unrealized foreign exchange gains and losses, net	27	(5)	8
Negative goodwill	(40)	-	(5)
Share of (profits) losses of associates	24	(17)	23
Deferred taxes	261	244	98
Other non-monetary items	214	(112)	(182)
Subtotal	2 455	2 693	2 057
(Increase) / decrease in inventories	(70)	(20)	(18)
(Increase) / decrease in trade receivables	69	(184)	(215)
Increase / (decrease) in trade payables	118	228	96
Change in other receivables and payables	330	133	736
Net cash flow from operating activities before non-recurring items	2 902	2 850	2 656
Payment of the ESA 2003 balance	(110)	-	-
Additional contribution to pension fund	(198)	-	-
Net cash flow from operating activities	2 594	2 850	2 656
Acquisitions of subsidiaries and investments in associates, net of cash acquired	(272)	(25)	(58)
Purchase of property, plant and equipment and intangible assets	(2 340)	(2 378)	(2 544)
Proceeds on disposal of subsidiaries and investments in associates	84	43	35
Proceeds on WAM (ex Amadeus GTD) transactions	284	-	817
Proceeds on disposal of property, plant and equipment and intangible assets	282	160	227
Dividends received	5	6	10
Decrease (increase) in investments, net between 3 months and 1 year	349	331	(294)
Net cash used in investing activities	(1 608)	(1 863)	(1 807)
Increase in capital	597	-	-
Issuance of long-term debt	681	1 240	1 410
Repayments on long-term debt	(414)	(714)	(523)
Payment of debt resulting from finance lease liabilities	(886)	(866)	(580)
New loans	(53)	(89)	(155)
Repayments on loans	79	52	97
Dividends paid	(137)	(88)	(41)
Decrease in equity	(10)	-	-
Net cash flow from financing activities	(143)	(465)	208
Effect of exchange rate on cash and cash equivalents and bank overdrafts	2	(2)	2
Change in cash and cash equivalents and bank overdrafts	845	520	1 059
Cash at beginning of period	3 364	2 844	1 785
Cash at end of period	4 209	3 364	2 844
Income tax paid (flow included in operating activities)	(96)	(309)	(4)
Interest paid (flow included in operating activities)	(410)	(451)	(364)
Interest received (flow included in operating activities)	288	299	154