AIRFRANCE KLM

Investor Day and First Half Results 2010-11

Setting the scene

Pierre-Henri Gourgeon
CEO, Air France-KLM

Our hard work of the past year

Long-haul	Medium-haul	Cargo
Launch of Premium Voyageur and Economy Comfort Network rationalization	Repositioning of the product Network rationalization	Reduction in capacity Focus on bellies and combis
Adapt ☑Accomplished	**Transform** ☑Accomplished and ongoing	**Restructure** ☑Accomplished

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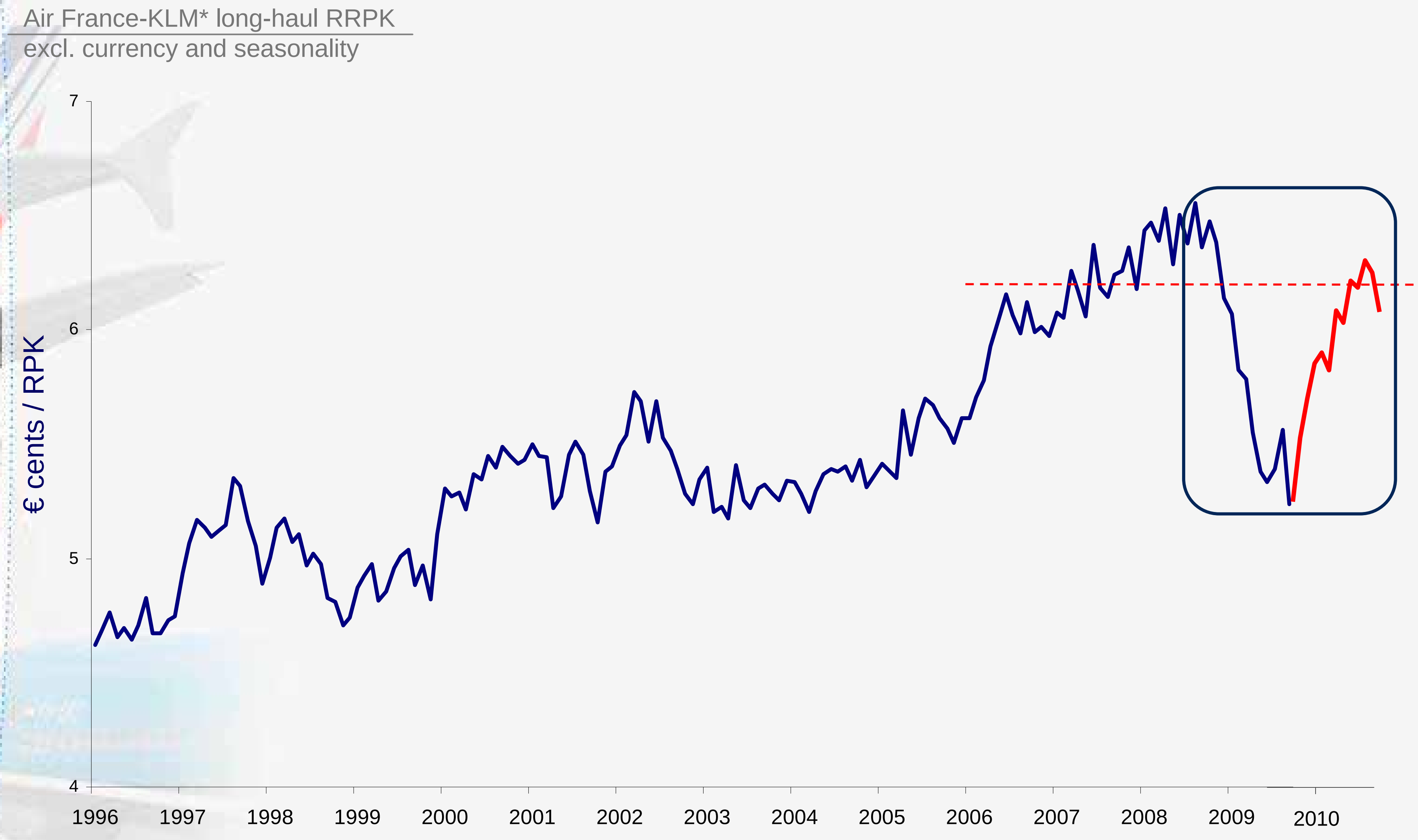
These measures, accompanied by economic recovery, led to a marked upturn in long-haul…



(*) Addition of Air France and KLM before 2004 merger

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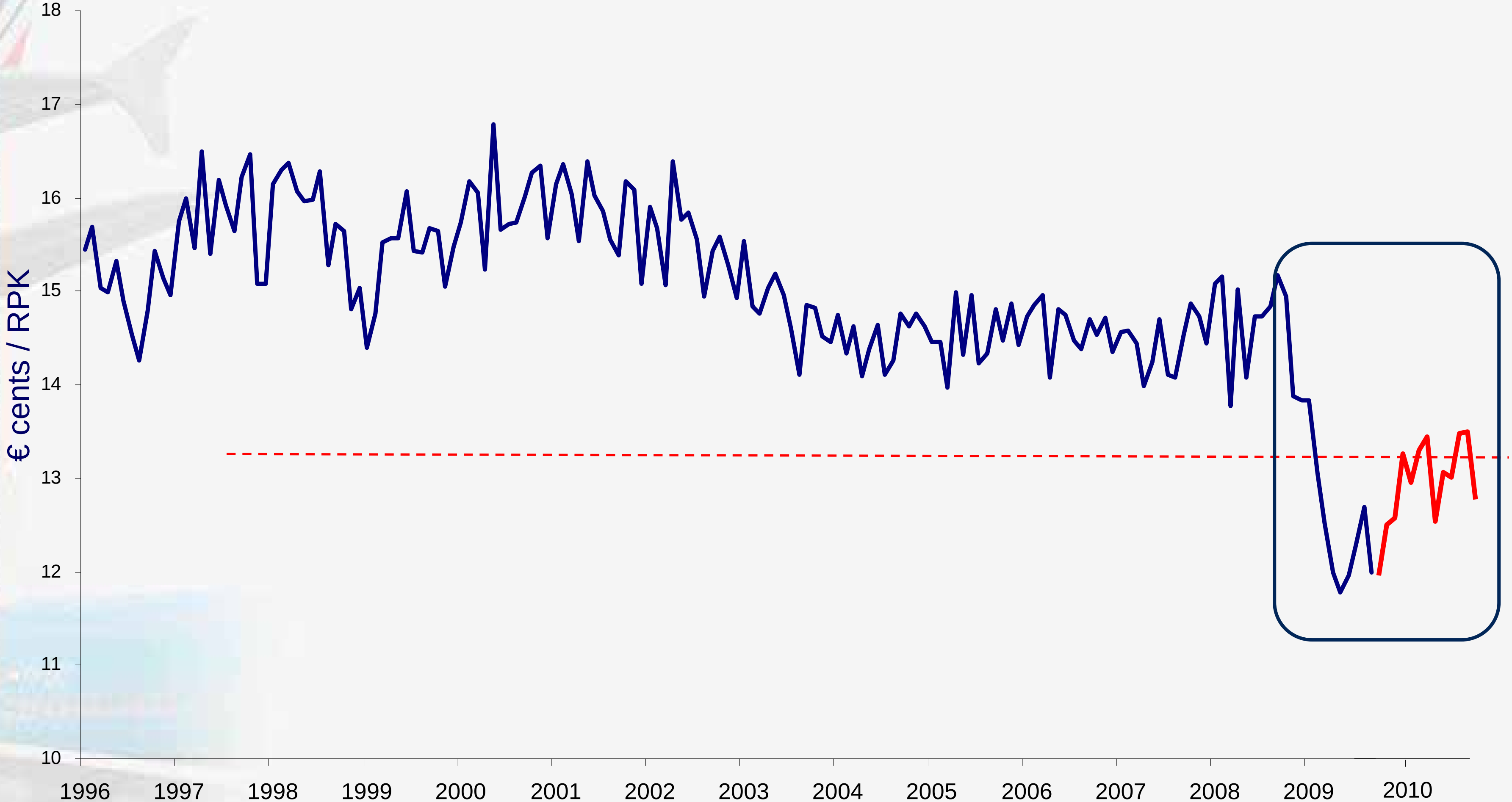
… as well as a partial recovery in medium-haul…

Air France-KLM* medium-haul RRPK
excl. currency and seasonality



(*) Addition of Air France and KLM before 2004 merger

...which are reflected in the H1 results

	Second Quarter 2010-11		Half Year 2010-11	
Revenues	€6.65bn	+18.6%	€12.37bn	+14.8%
EBITDAR	€1,232m	x2.2	€1,716m	x2.6
Operating income	€576m	+€623m	€444m	+€987m
Adjusted operating income*	€649m	+€663m	€585m	+€1,004m
Net income, group share After additional provision for cargo fine	€290m	+€437m	€1,026m	ns

(*) Adjusted for the share of financial costs within operating leases (34%)

A solid base for our ambitions

- Maintain our leadership in terms of network
- Reinforce our strong positions on growth markets
- Enhance the performance of all our businesses
- Return to a value-creating level of profitability

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First Half Results 2010-11

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Activity

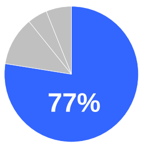
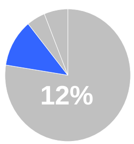
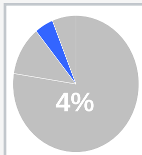
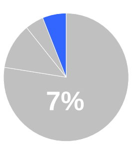
Peter Hartman
President and CEO, KLM

Strong recovery in the Second Quarter

- Strong improvement in passenger business
- Cargo recovery confirmed
- Maintenance dynamic

All businesses positive in Q2

Second Quarter
July-September 2010

			Revenues In €bn		Operating income In €m
	Passenger		5.12	+18.0%	453
	Cargo		0.79	+37.7%	7
	Maintenance		0.29	+20.0%	61
	Other		0.45	-0.4%	55

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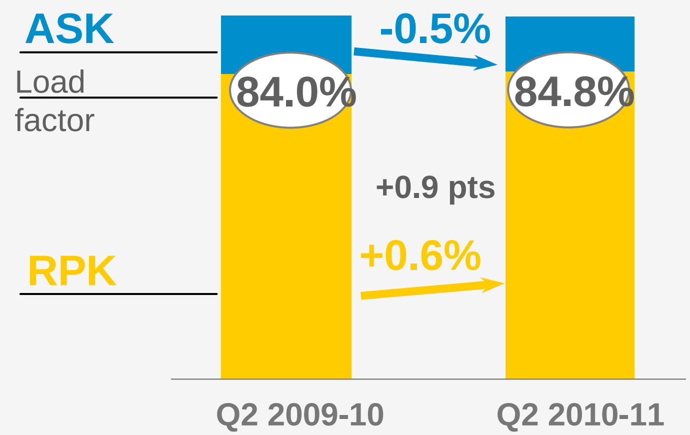
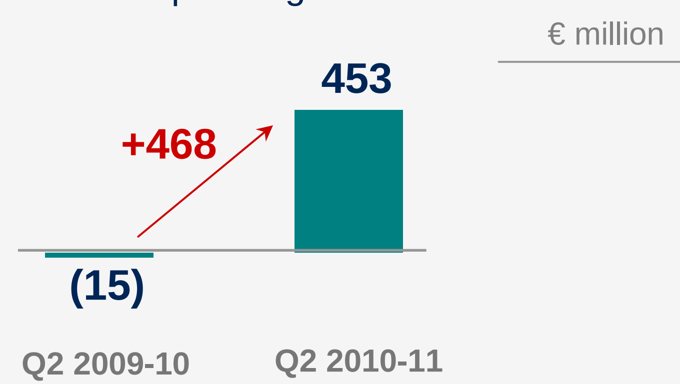
Passenger: robust level of activity in Q2

- Positive impact from economic recovery and adaptation measures
- Improvement in load factors
  - Long-haul: +0.3 points to 86.8%
  - Medium-haul: +2.5 points to 77.6%
- Increase in unit revenues
  - RASK: +18.9%
  - RRPK: +17.7%
- Strong rise in the operating result
  - Operating margin of 8.8%
  - 9.9% adjusted

19.7 million passengers (+0.2%)



Operating result



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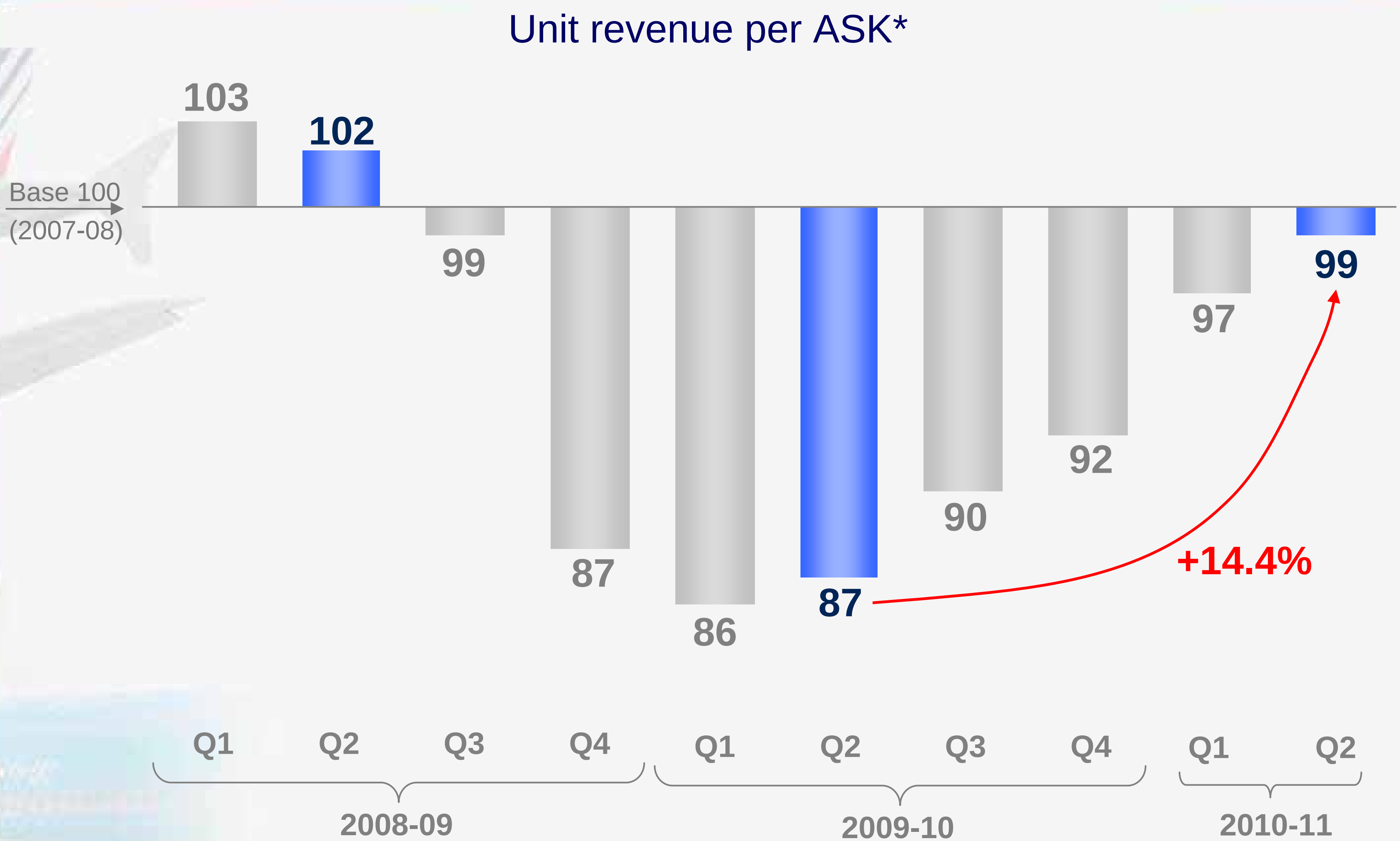
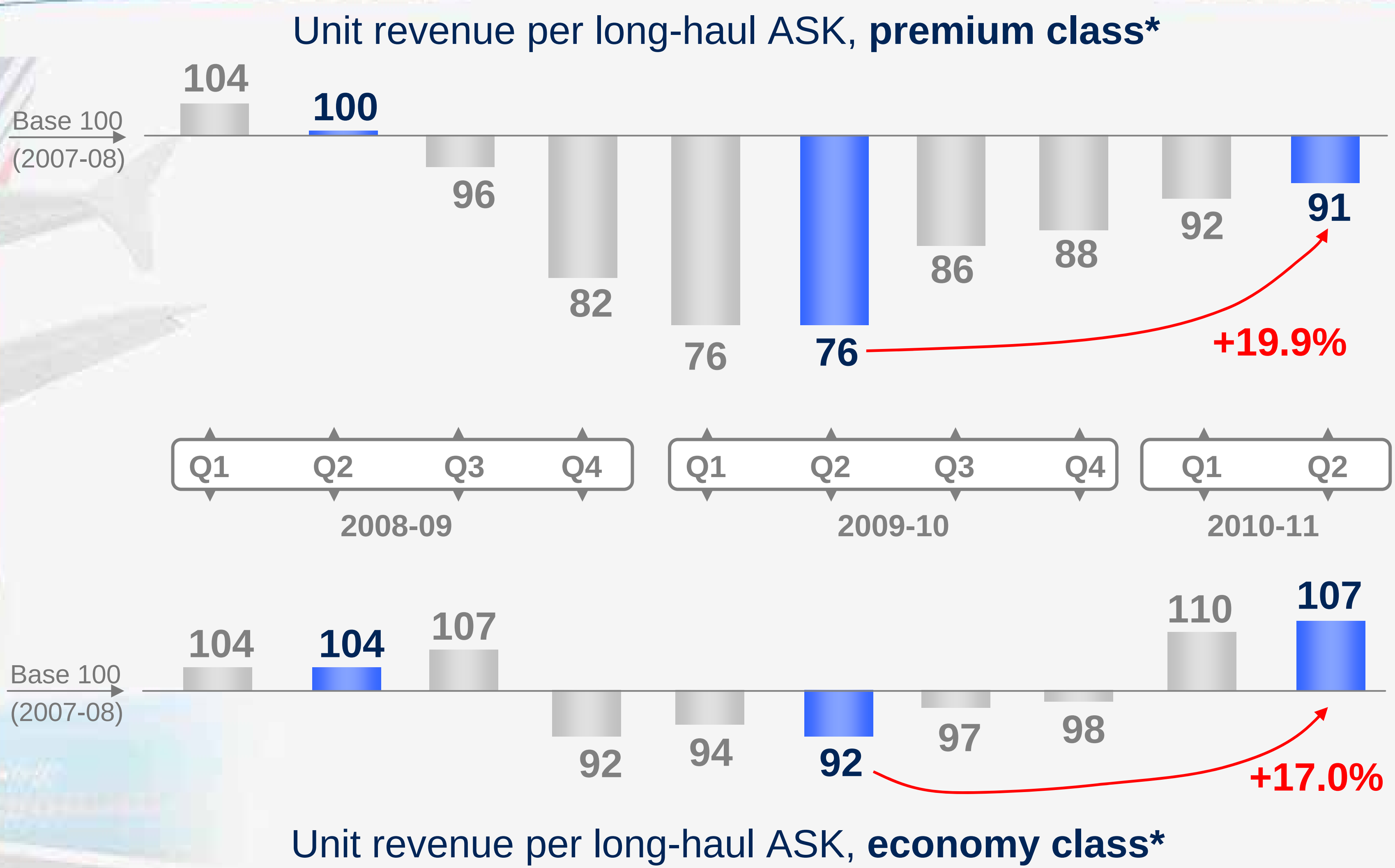
Unit revenue close to pre-crisis levels



(*) Ex currency

Strong recovery in premium yield but not yet back to pre-crisis levels



(*) Ex currency

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All the networks contribute to the recovery

Second Quarter
RASK ex currency

Domestic

ASK	RPK	RASK
-5.2%	-0.5%	8.5%

Europe

ASK	RPK	RASK
-3.4%	-0.7%	8.9%

Total medium-haul

ASK	RPK	RASK
-3.8%	-0.7%	8.7%

North America

ASK	RPK	RASK
-0.5%	-1.3%	23.5%

Latin America

ASK	RPK	RASK
-3.7%	-1.6%	27.4%

Africa & Middle-East

ASK	RPK	RASK
1.6%	1.7%	8.7%

Asia

ASK	RPK	RASK
1.3%	2.7%	25.6%

Total long-haul

ASK	RPK	RASK
0.5%	0.9%	18.2%

Caribbean and Indian Ocean

ASK	RPK	RASK
4.1%	3.8%	0.0%

Total

ASK	RPK	RASK
-0.5%	0.6%	14.4%

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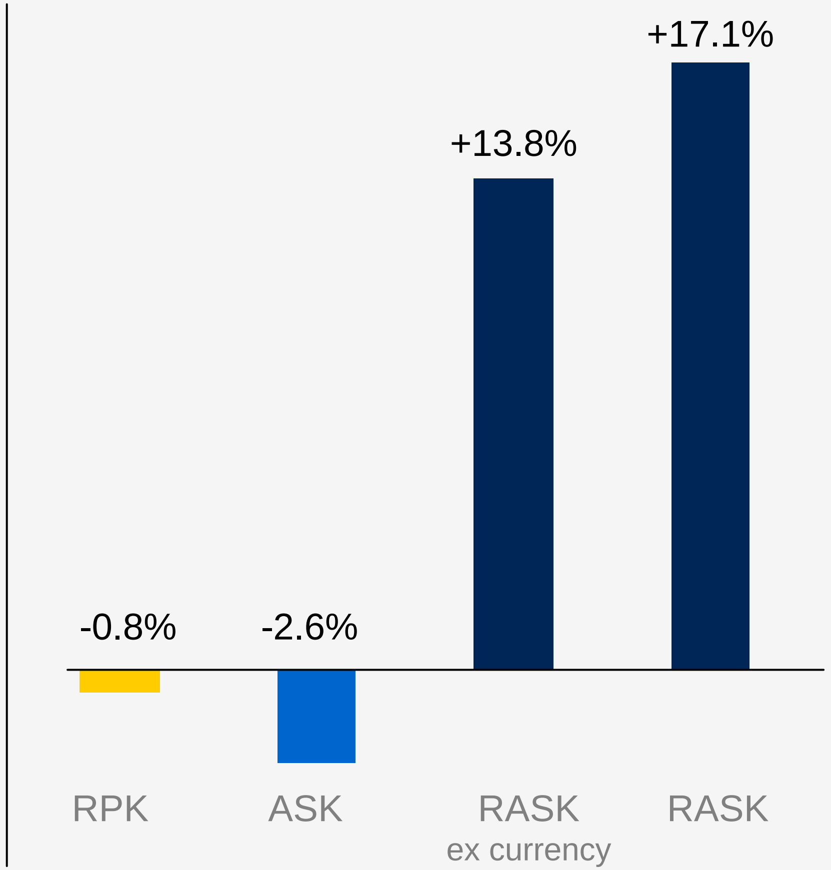
Passenger business in H1 driven by unit revenues

- Activity affected by ash cloud crisis
- Load factor up 1.5 points to 83.3%
  - Long-haul: 85.4% (+1.1 pts)
  - Medium-haul: 75.6% (+2.5 pts)
- Succes of the NEO plan in medium-haul
  - €160m improvement despite fuel price rise and air space closure
- Operating income of €311m
  - Margin of 3.3% and 4.4% adjusted

H1 2010-11



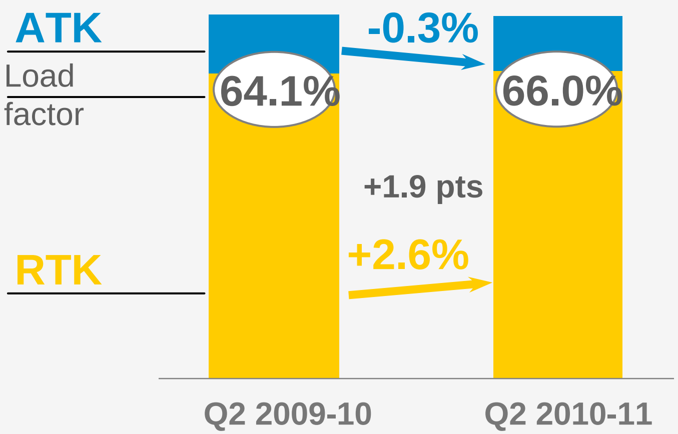
Cargo: an efficient restructuring plan

- Strict capacity management
  - Capacity still below 2008-09 level
- Priority on bellies and combi aircraft
  - 66% of capacity in bellies and combis
  - and 34% in full freighter aircraft
- Control of unit costs
  - Reduction in headcount: -13.5% versus September 2008
  - Cost-saving plan
- Increase in tariffs and contractual conditions revised

Objective of positive operating result at 31st March 2011

Cargo: robust level of activity in Q2

- Increase in load factors:
  - +5.3 points for bellies to 59.8%
  - +1.8 points for combis to 84.4%
  - +3.7 points for freighters to 74.7%
- Strong improvement in unit revenues:
  - RATK: +38%
  - RRTK: +34%
- Improvement in operating result for each type of capacity and for the two hubs



Operating result

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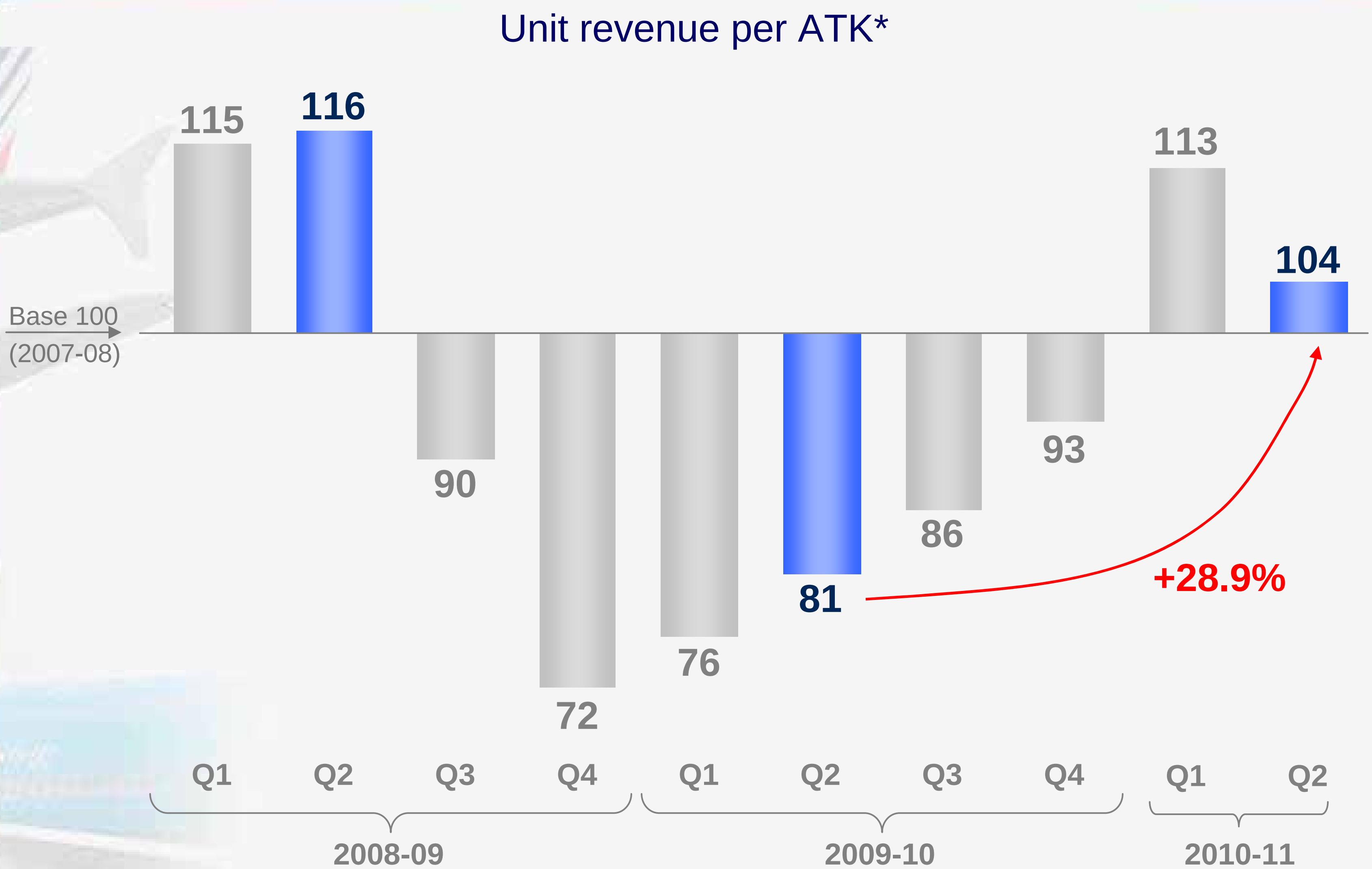
Unit revenues above pre-crisis levels

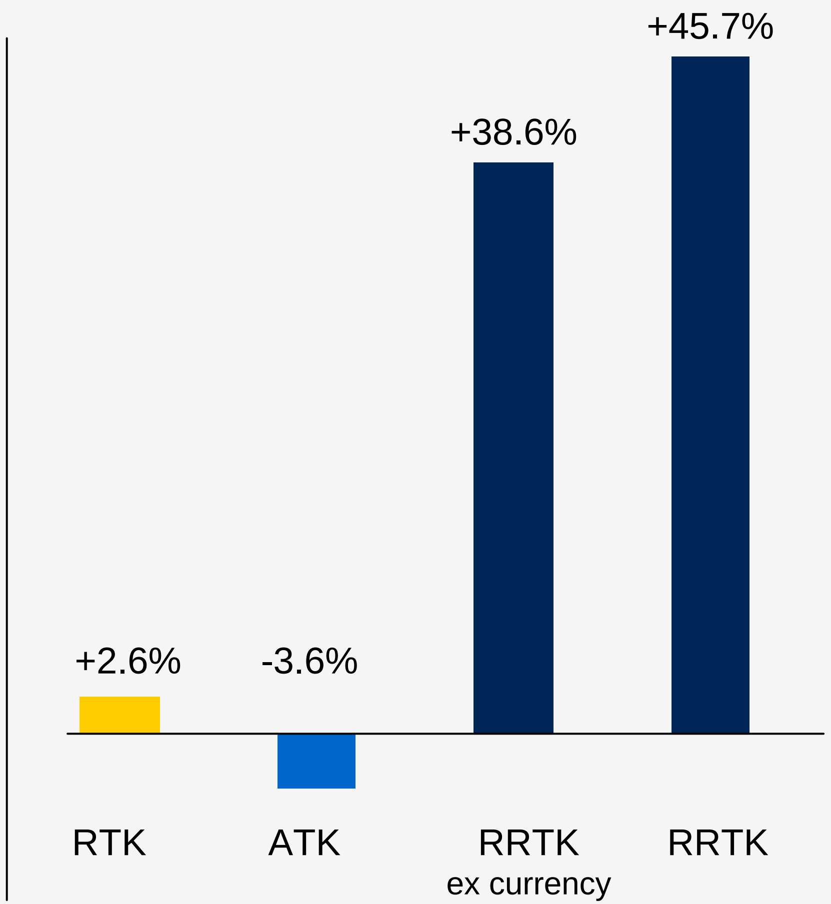


(*) Ex currency

Cargo business: recovery ahead of plan

H1 2010-11

- Load factor up 4.1 points to 67.7%
- Revenues up 40%
- Reduction in unit costs ex-fuel and currency (-0.4%)
- Operating income of €18m



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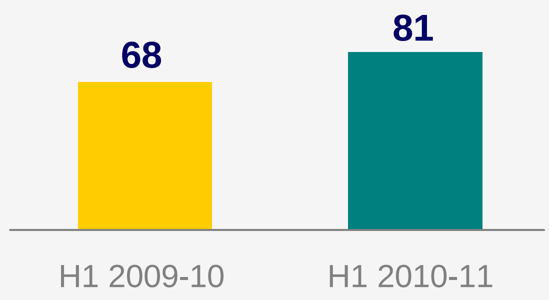
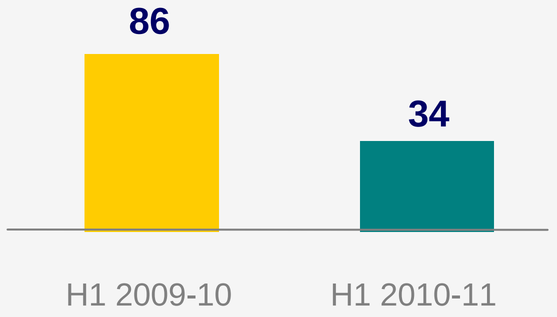
Maintenance and other activities in H1

- Maintenance: 19% increase in operating income due to engine and component support activities
- Other activities
  - Leisure
    - Some 4% drop in unit revenues due to a difficult tourist season
  - Catering
    - First Half profitability impacted by European air space closure

Maintenance operating income
(€ millions)



Operating income for Other activities
(€ millions)



Results

Philippe Calavia
Chief Financial Officer
Air France-KLM

Financial results

- Return to profitability
- Costs controlled despite capacity reduction
- Improvement in financial position
- Positive outlook

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Strong recovery in operating result

	Q2 2010-11	Change	H1 2010-11	Change
Revenues	**6,649**	**18.6%**	**12,370**	**14.8%**
o/w transport	**5,911**	**20.3%**	**11,053**	**16.7%**
Operating costs	(6,073)	**7.4%**	(11,926)	**5.4%**
EBITDAR	1,234	**x2.2**	1,718	**x2.6**
EBITDAR margin	18.6%	**+8.7 pts**	**13.9%**	**+8.5 pts**
Operating income	**576**	nm	**444**	nm
Adjusted operating income*	649	nm	**585**	nm
Adjusted operating margin*	9.7%	nm	4.7%	nm

(*) Adjusted for the share of financial costs within operating leases (34%)

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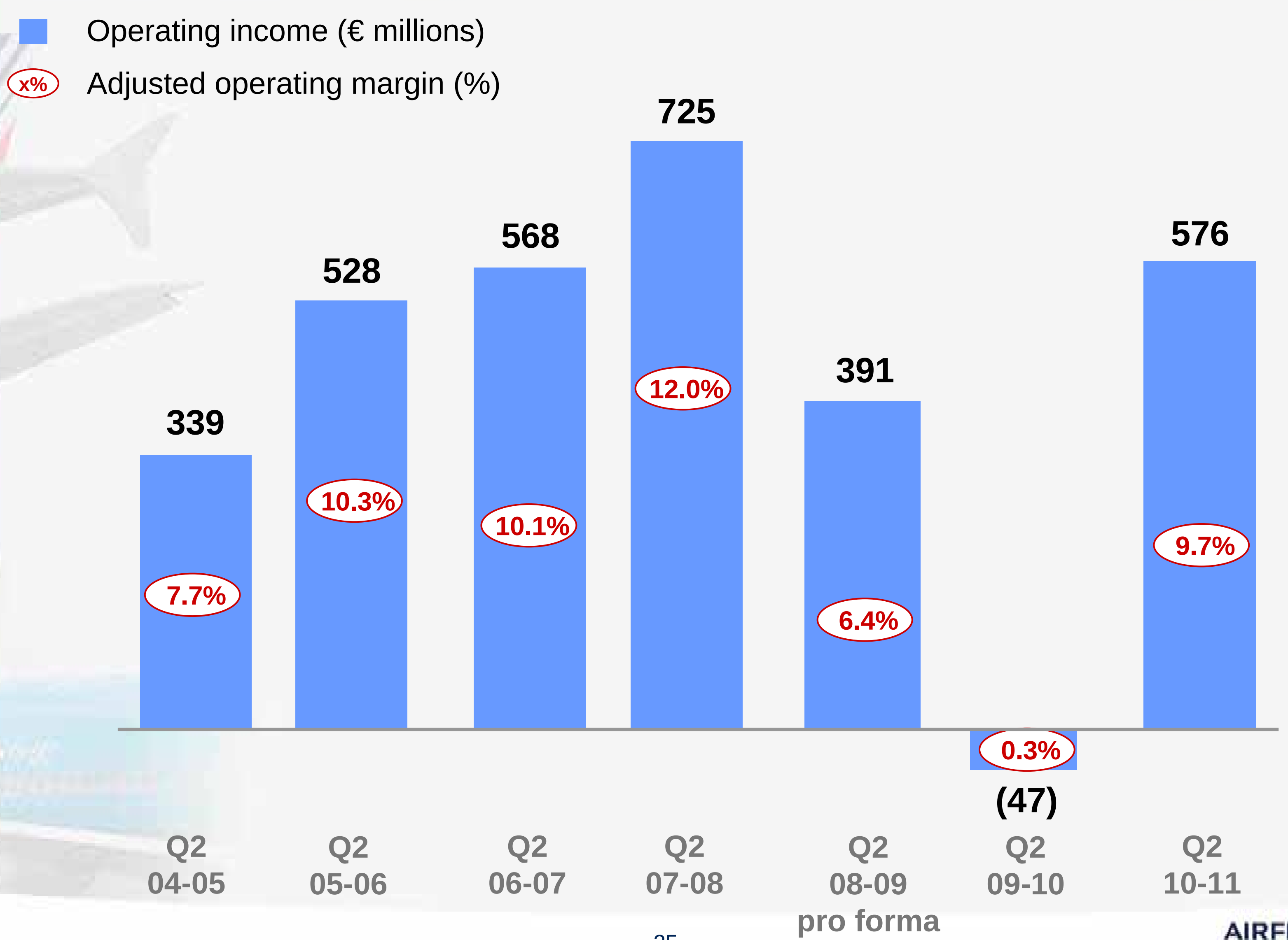
Q2 2010-11: high margin



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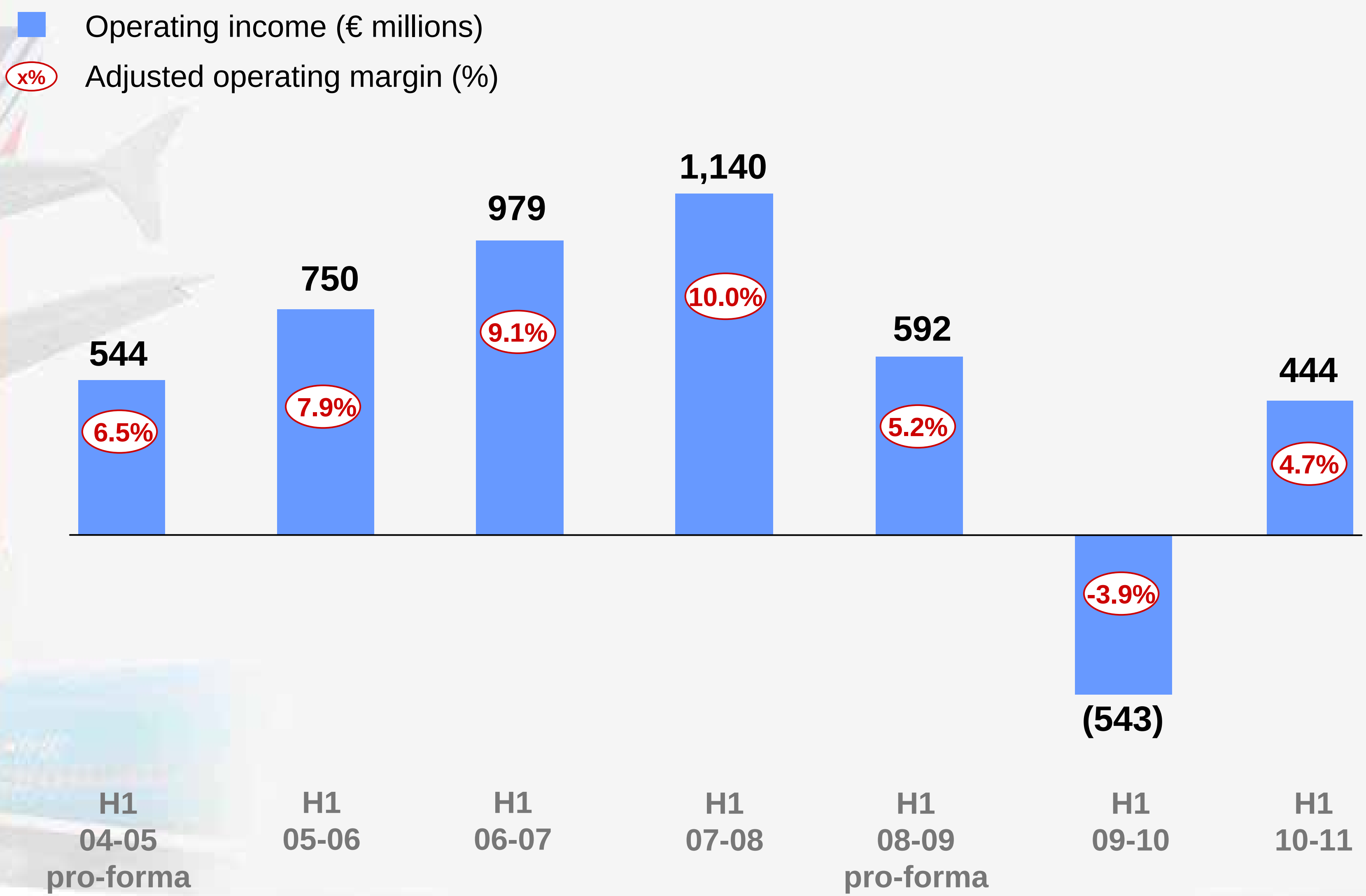
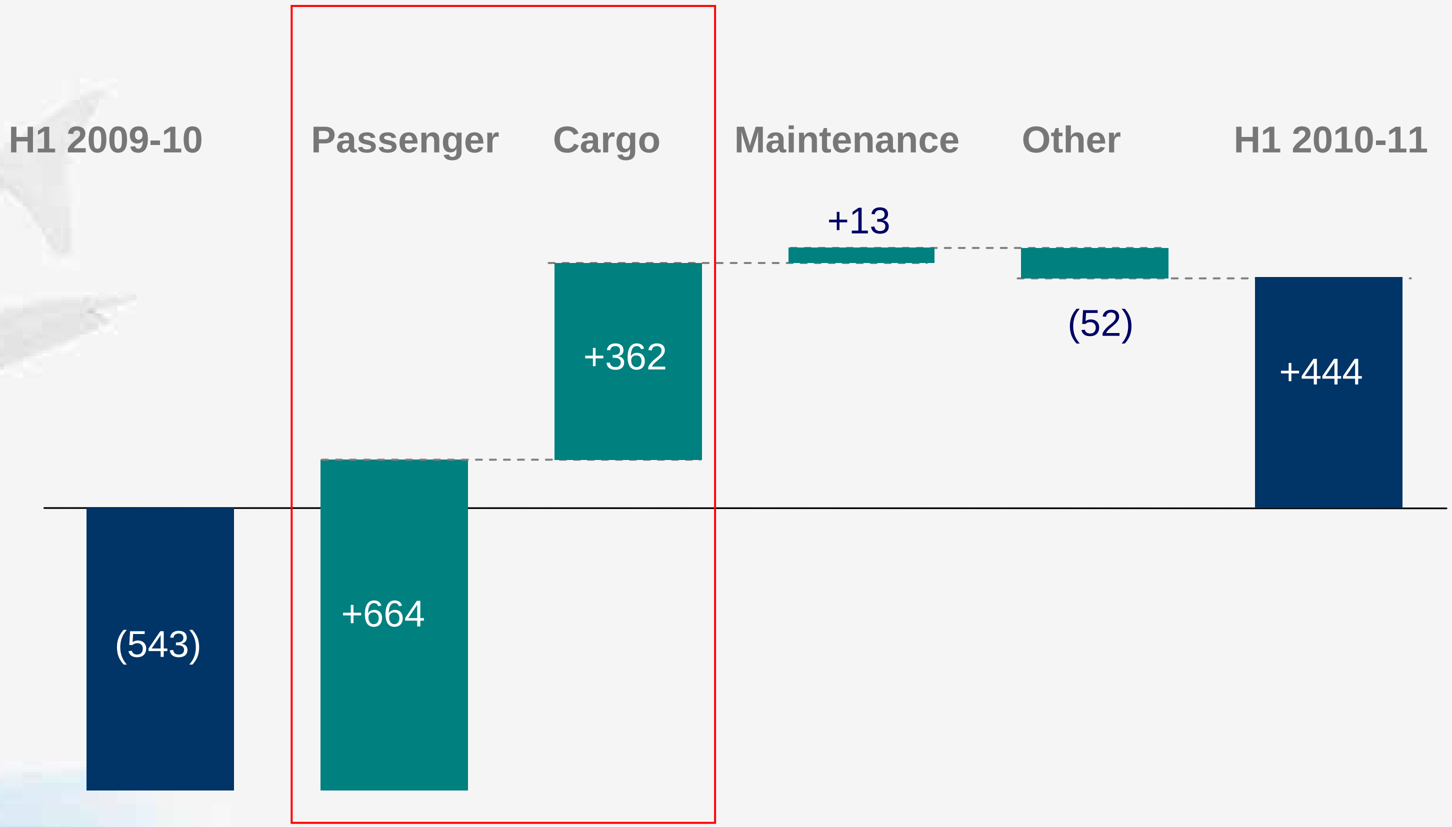
H1 results 2010-11 impacted by volcano crisis



Air transportation: over 1 billion euro improvement in H1



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H1 2010-11: net income of some 1.03 billion euros

	Q2 2010-11	H1 2010-11
Operating income	**576**	**444**
Non-recurring income and costs	(127)	883
o/w additional provision for cargo fine	*(127)*	*(127)*
o/w Amadeus	*-*	*1 030*
Result from operating activities	**449**	**1,327**
Net interest charges	**(93)**	**(189)**
Financial costs	*(112)*	*(231)*
Financial income	*19*	*42*
Other financial income and costs	41	(72)
Income tax	(103)	(10)
Other	(4)	(30)
Net income, group share	**290**	**1,026**

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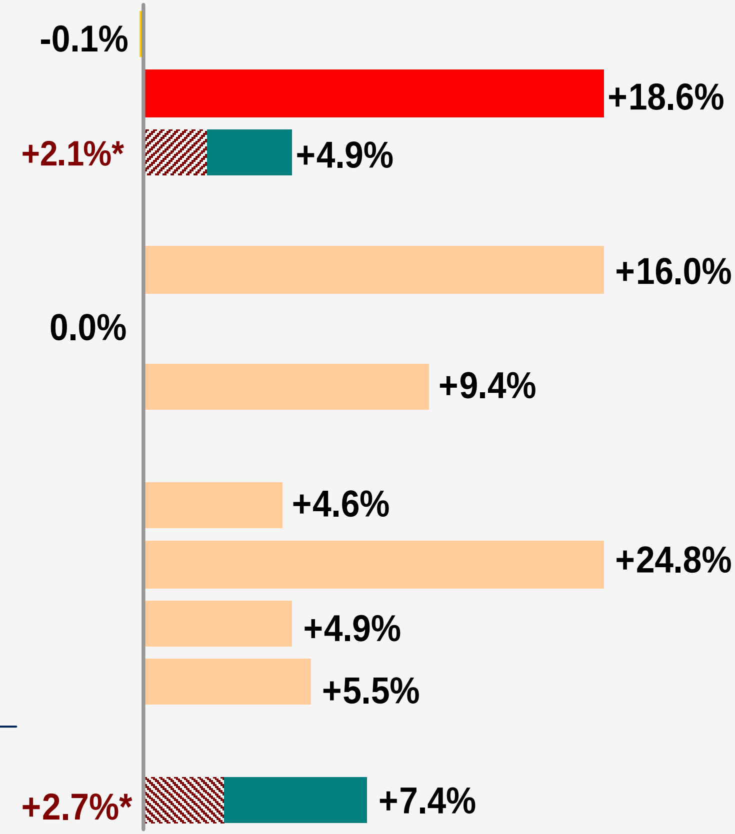
Financial results

- Return to profitability
- Costs controlled despite capacity reduction
- Improvement in financial position
- Positive outlook

Second Quarter operating costs

July-September 2010
€ million

EASK	
Revenues	
Operating costs excl. fuel	
Fuel	1,503
Employee costs	1,823
Aircraft costs (amortization and provisions, maintenance costs, operating leases and chartering)	1,093
Landing fees and route charges	475
Commercial and distribution costs	257
Handling charges	343
Other	579
Total operating costs	**6,074**



(*) Ex currency

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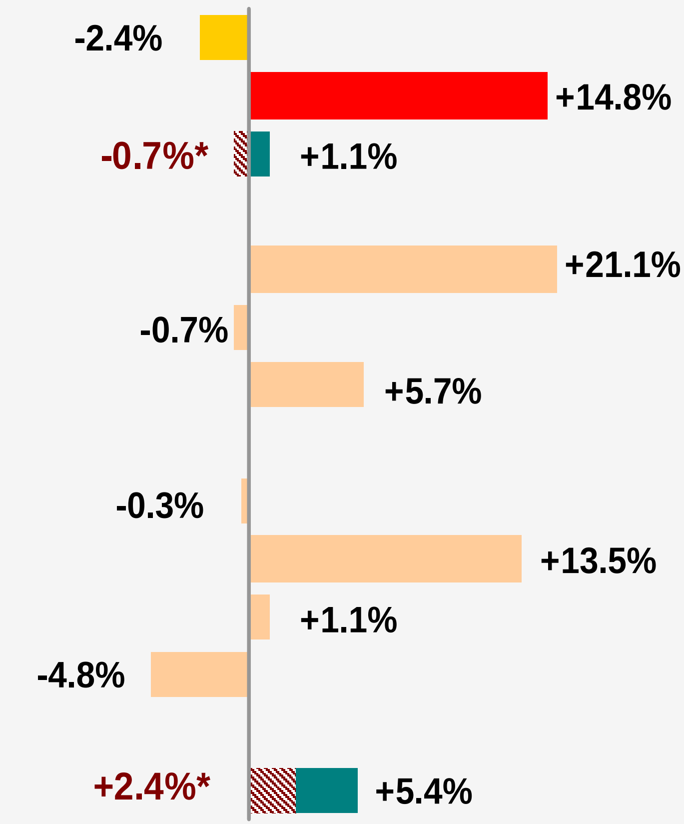
First Half operating costs

April-September 2010
€ million

	EASK	
	Revenues	
	Operating costs excl. fuel	
Fuel		2,944
Employee costs		3,690
Aircraft costs (amortization and provisions, Maintenance costs, operating leases and chartering)		2,112
Landing fees and route charges		901
Commercial and distribution costs		496
Handling charges		665
Other		1,118
Total operating costs		**11,926**



(*) Ex currency

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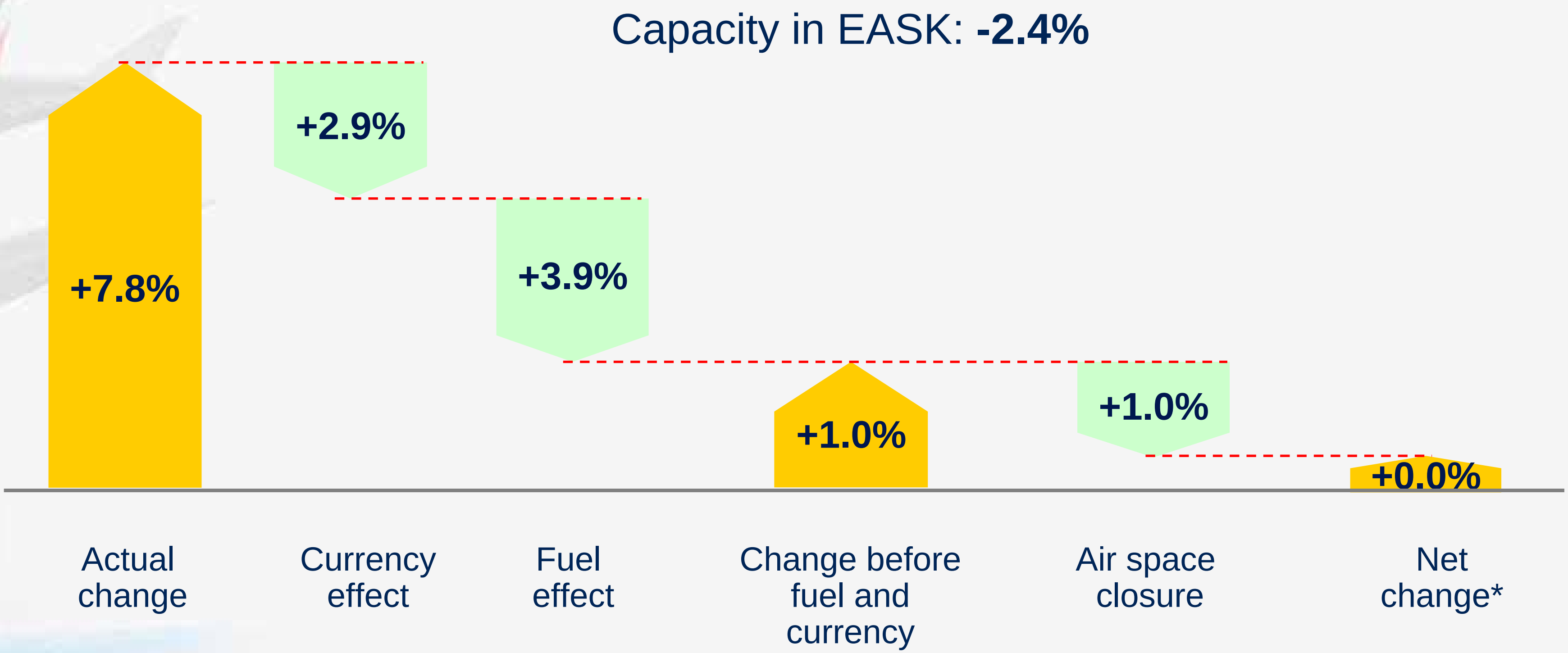
Stable H1 unit costs, excluding air space closure

April-September 2010

Unit cost per EASK: **€6.49 cts**

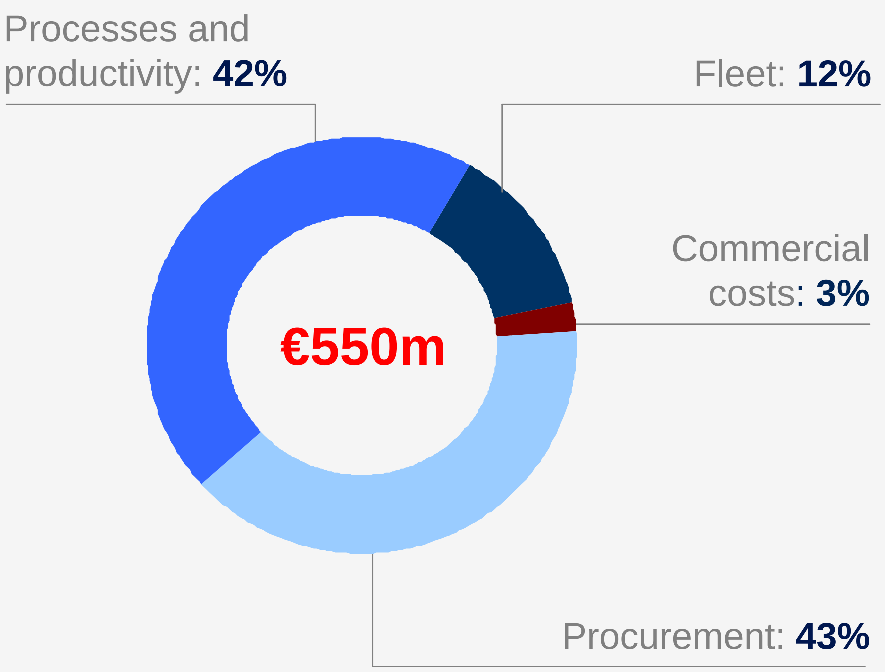


(*) Net change corrected for the impact of Premium Voyageur/Economy Comfort: -1.6%

Update on 'Challenge 12'

- **€156m** savings in Q2
- Total of **€287m** realised in H1
- Objective for FY 2010-11 revised up to **€550m**

Breakdown of savings in 2010-11

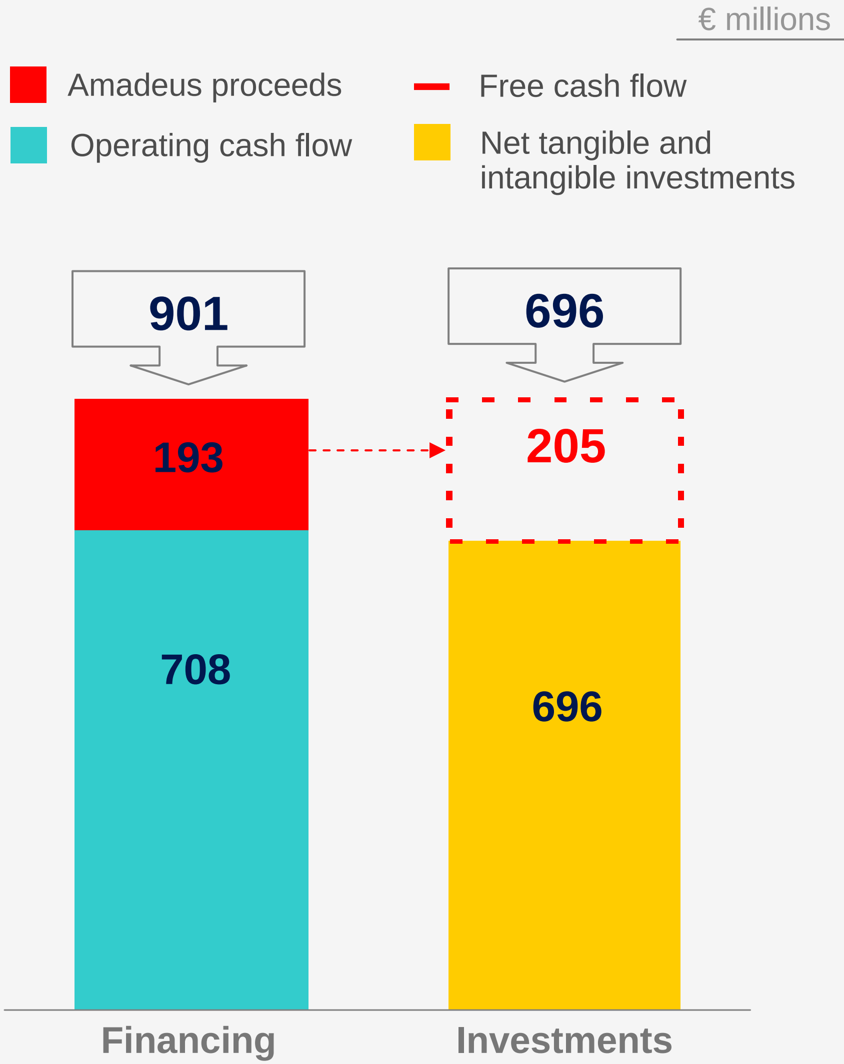


Financial results

- Return to profitability
- Costs controlled despite capacity reduction
- Improvement in financial position
- Positive outlook

Positive free cash flow of €205m at 30th Sept 2010

- Operating cash flow of €708m
- €193m cash generated by Amadeus operation
- Liquidity of €4.1bn at 30th September 2010
- Available credit lines of €1.3bn



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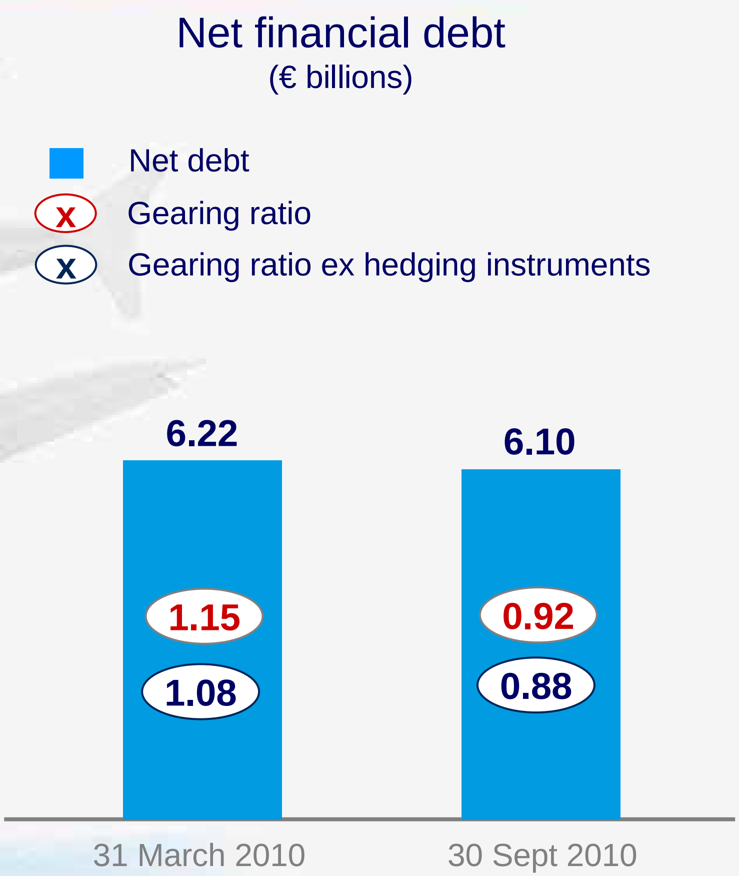
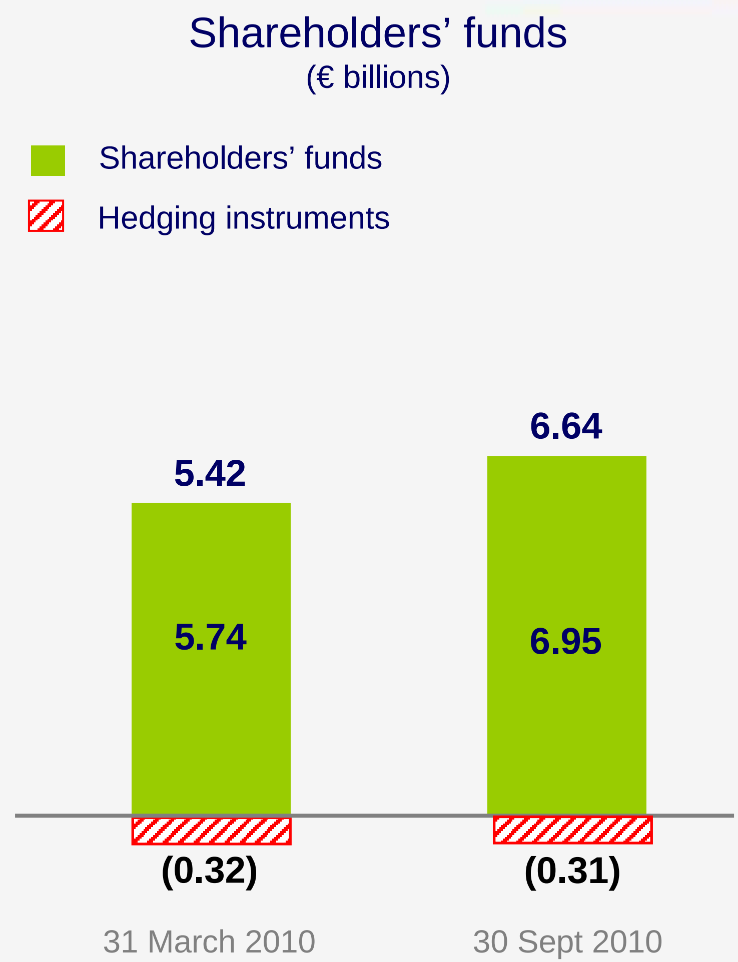
Strengthened financial position





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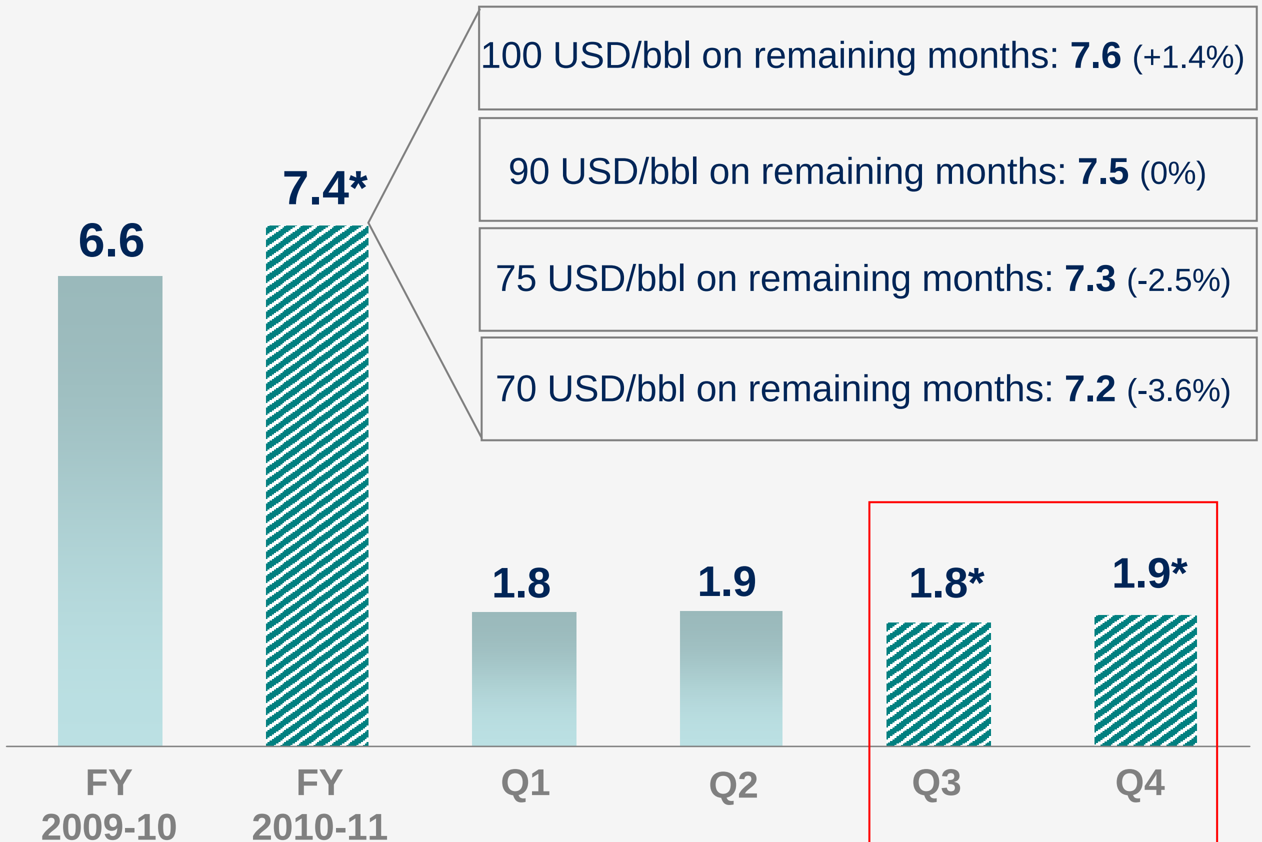
Financial results

- Return to profitability
- Costs controlled despite capacity reduction
- Improvement in financial position
- Positive outlook

Impact of rise in fuel price reduced by weaker dollar

Fuel cost after hedging

$ billions



	FY 2009-10	FY 2010-11	Q1	Q2	Q3	Q4
Market price (USD/bbl)	70	82	80	77	86	87
Percentage of consumption hedged	53%	60%				

(*) Forward curve at 12th November 2010

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Objective raised for FY 2010-11

At current market conditions, the group's objective is to generate Full Year 2010-11 operating income over €300m

(*) Published on Air France-KLM website at 9 November 2010, consensus range: -€156m to +€297m

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Q&A

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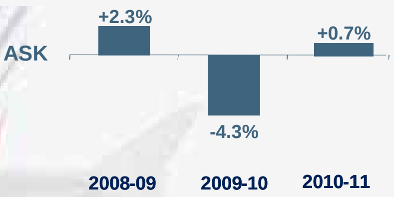
Passenger business

Numerous measures to face up to the crisis



AIRFRANCE KLM DELTA

neo
new european offer

Short haul seat

B2smallB

Economy Comfort

AFFAIRES

World Business Class

LA PREMIERE

Passenger business strategy: back to profitable growth

- Reinforce market leadership on Europe to long-haul flows by
  - expanding network portfolio, especially on fast growing emerging markets
  - developing North Atlantic Joint Venture with Delta and Alitalia
  - leveraging SkyTeam strengths and development

- Strengthen hub feeding and market presence in Europe through unit cost reduction and partnership development

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Update on medium-haul business

Bruno Matheu
EVP, Marketing, Revenue management and Network,
Air France-KLM

Our hard work of the past year

Long-haul

Launch of Premium Voyageur and Economy Comfort
Network rationalization

Adapt
☑Accomplished

Medium-haul

Repositioning of the product
Network rationalization

Transform
☑Accomplished and ongoing

Cargo

Reduction in capacity
Focus on bellies and combis

Restructure
☑Accomplished

First phase of medium-haul transformation plan: NEO

Restructure schedules

- Rationalize frequencies
- Optimize hub banks feeding
- Reconfigure some aircraft

€500m yearly EBIT improvement by 2011-12

Redefine commercial offer

- A clearer product offer, better adapted to traveler needs

Transform internal processes

- Review processes to reduce any costs not visible to the customer

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New Air France medium-haul offer…

Launched April 2010, adapted to the requirements
of corporates, business and leisure customers

VOYAGEUR

**Cheaper, simple product,
with Air France essential services
remaining free of charge**

PREMIUM

**All-inclusive product based on
efficiency, flexibility and time saving,
at more affordable prices
Eco: 6 abreast / Affaires: 4 abreast**

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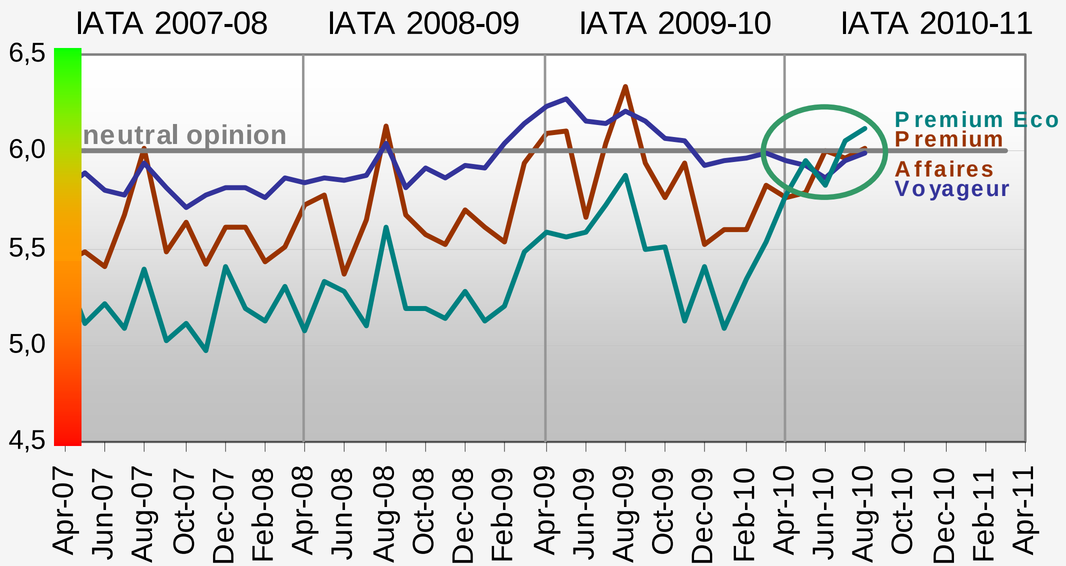
…meets with increased customer satisfaction…

How do you rate the value for money you received from this trip?

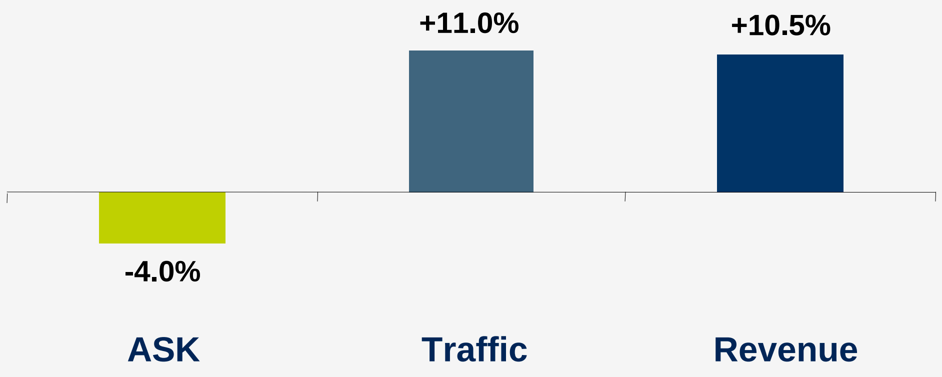


Six months after implementation, for the first time ever, our customers give a “neutral” value for money rating to our three products

...boosting Premium traffic and overall yields

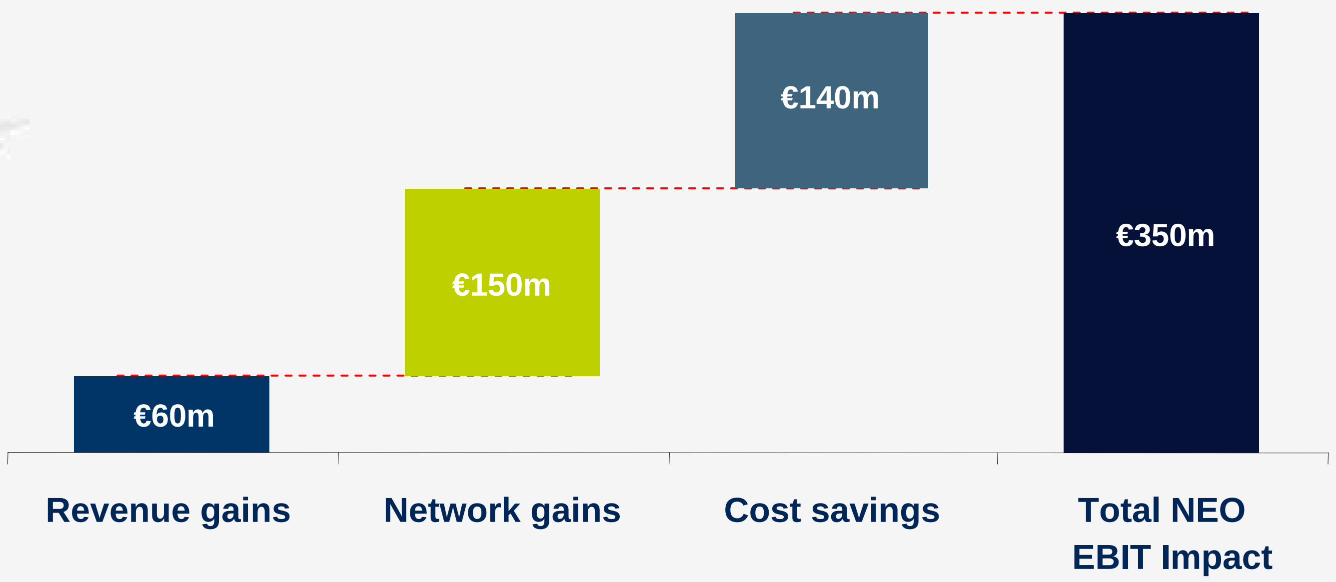
+56%

Premium ECO traffic…



Point to point year over year evolution
European network – May to September 2010
April non meaningful due to airspace closure

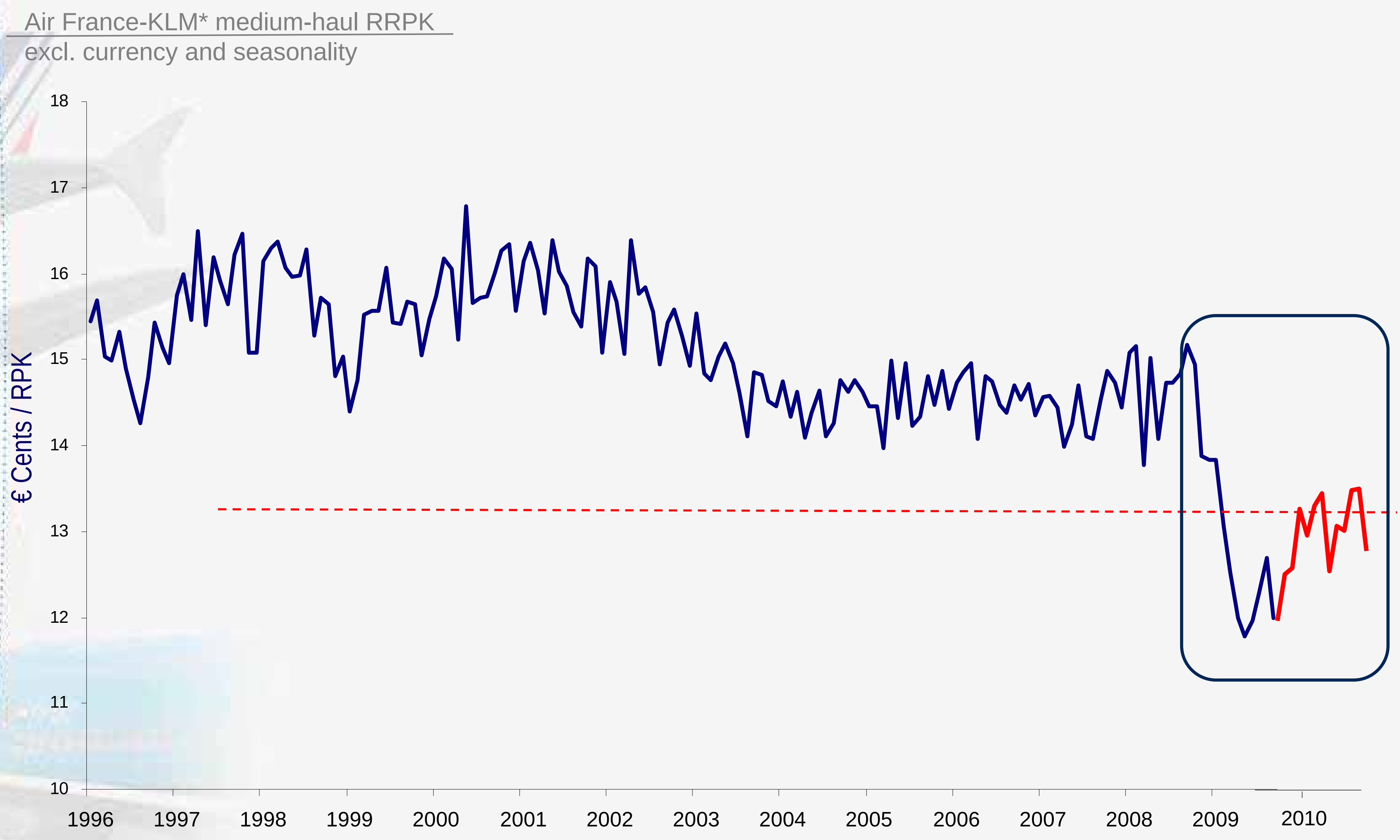
Clear positive impact on EBIT, in line with the business plan



Estimated NEO impact on EBIT over first 12 months

Remark: Adjusted operating income evolution excl curreny and fuel price

Medium-haul yields still well below pre-crisis levels



* Addition of Air France and KLM before 2004 merger

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Looking ahead: medium-haul plays two key roles within the Air France-KLM group

Feeding our intercontinental hubs of CDG and AMS	Developing our market presence, essential to our marketing tools - Flying Blue, corporate and trade contracts

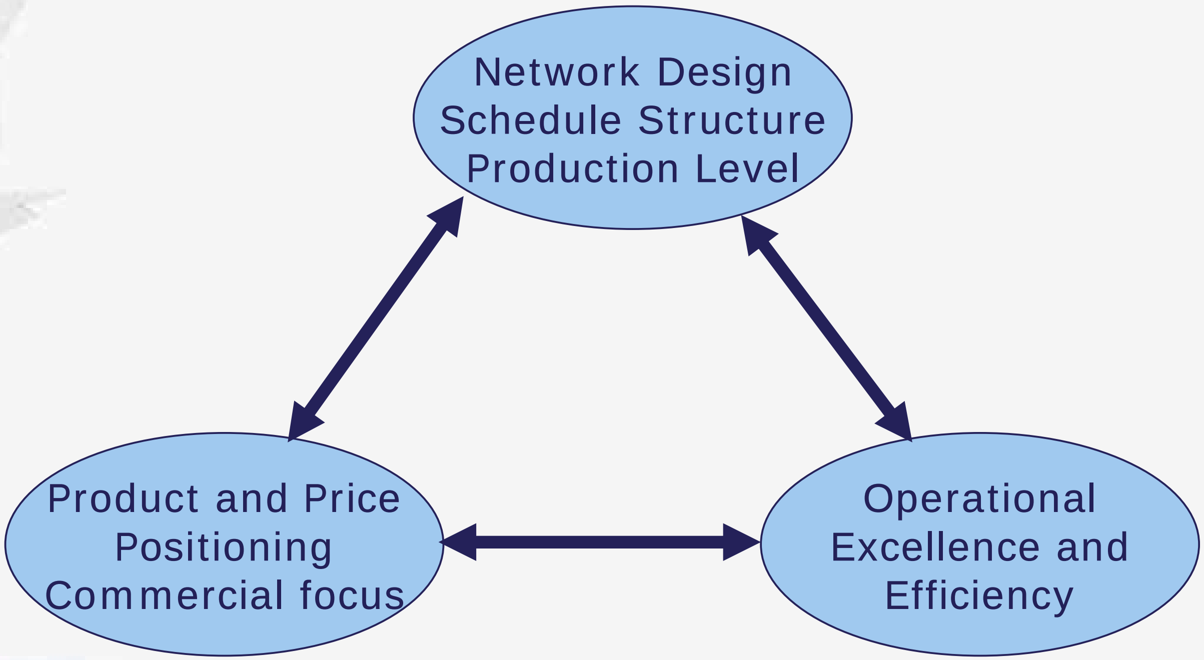
Feeding our intercontinental hubs of CDG and AMS:

- Capacity growth in line with long-haul development
- New partners in Europe
- New KLM product offering

Developing our market presence, essential to our marketing tools - Flying Blue, corporate and trade contracts:

- Base project to revitalize operations on point-to-point
- Review of Air France regional operations

New KLM European offer as of Summer 2011



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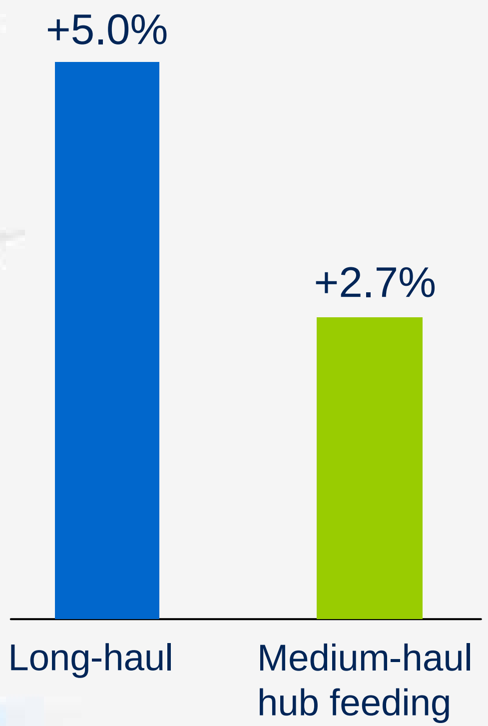
Development of capacities and partnerships to reinforce hub feeding and market presence



Air France-KLM CAGR in ASK 2011-13

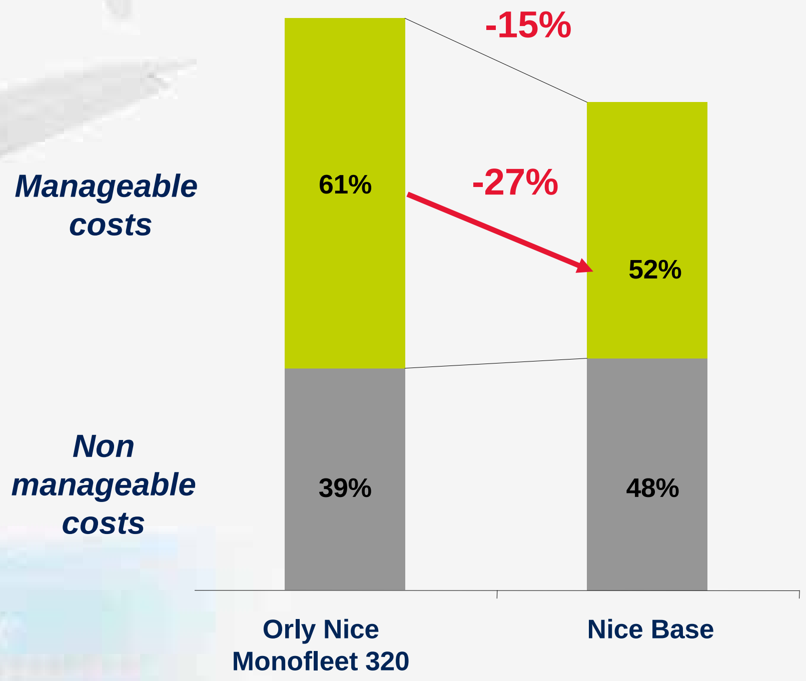
‘Base Project’ to revitalize operations on point to point routes…

- Create bases in the French provinces with lower production costs
  - High aircraft utilization: around 12 hours per day
  - Reduced turn around times: 30 min for A319s and 35 min for A320
  - 2 crew per aircraft per day
  - New crew remuneration rules based on “days on”
  - Crew assignment on a voluntary basis
  - Station costs aligned on “market cost” for any incremental seat
- Network design
  - Existing routes operated by Air France + regional subsidiaries and partners
  - New routes to Europe
- Product/branding/pricing: no change compared to current product
- Nice, Marseille, Bordeaux and Toulouse could be the first bases
  - Some 10 aircraft per base
- Concept could be extended to Orly and Lyon

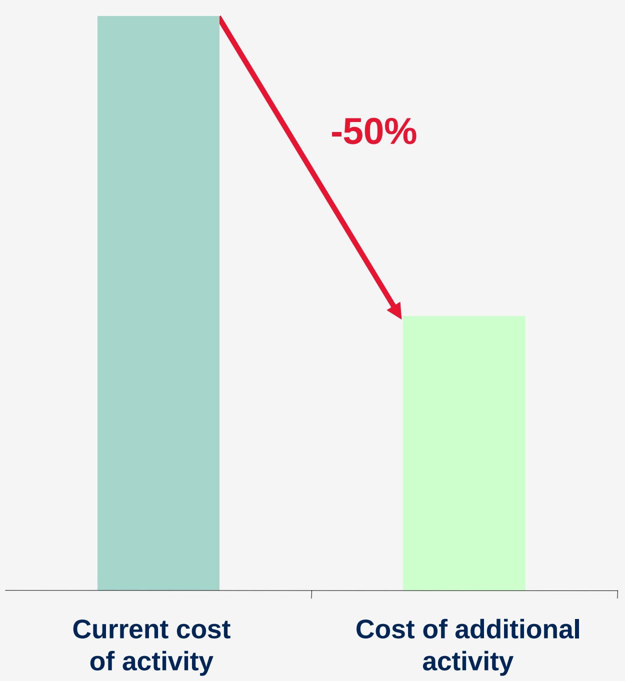
… reducing unit costs and creating potential to grow at marginal cost

Example: Nice base development

CASK reduction of 15%, of which 27% in manageable costs…



… enabling capacity growth at a marginal cost



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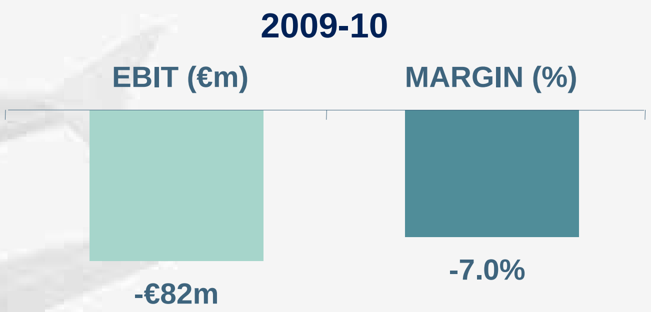
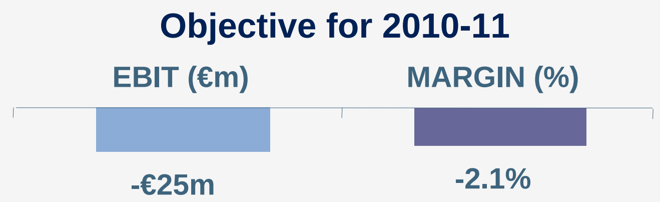
Air France regional carrier operations to be reviewed

- Strong EBIT improvement in 2010-11





- New Cityjet plan for London City implemented Winter 2010-11
  - Network, marketing, organization, costs structure have been reengineered
  - Objective: breakeven or above in 2011-12

- French regional model to be adapted
  - Base project will have an impact on regional operations
  - Lyon hub redesign under consideration
  - CDG feeding by regional carriers to be optimized

To sum up

- Successful measures to restore medium-haul economics already implemented with NEO
  - +€160m EBIT improvement in the First Half
  - +€500m yearly EBIT improvement by 2011-12
- KLM additional offer repositioning as of April 2011
- Capacity and partnership developments will reinforce hub feeding and market presence in Europe
- Air France “Base Project” to revive medium-haul point to point network

Transatlantic Joint Venture

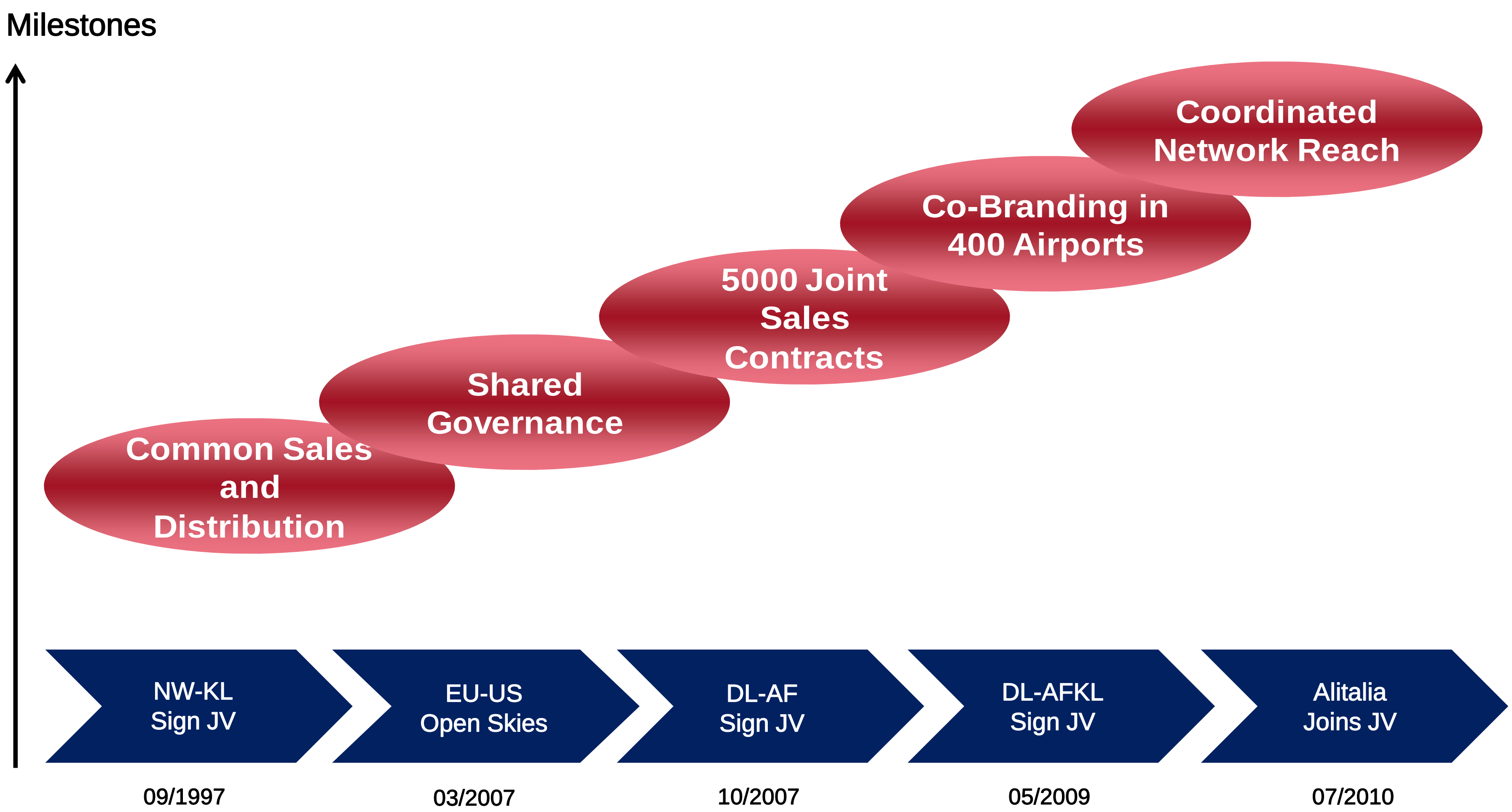
Air France-KLM Investor Day
November 2010

Perry Cantarutti - SVP EMEA, Delta

Summary

- The Air France / KLM / Delta / Alitalia joint venture is the first in the market place, and builds on years of JV experience from the Northwest - KLM and Delta - Air France joint ventures
- With equal sharing of capacity and profit, the partners are motivated to fully cooperate with each other
- Accomplishments have been impressive, and yet many opportunities lie ahead

Building on Successful History



Goals

- Leverage our strength to create the world's leading transatlantic JV that can:
  - Increase long-term sustainable profits and market share
  - Take advantage of global growth opportunities with our vast network
  - Create synergies and eliminate internal competition
  - Position JV to take first mover's advantage in a globally consolidated and competitive alliance market

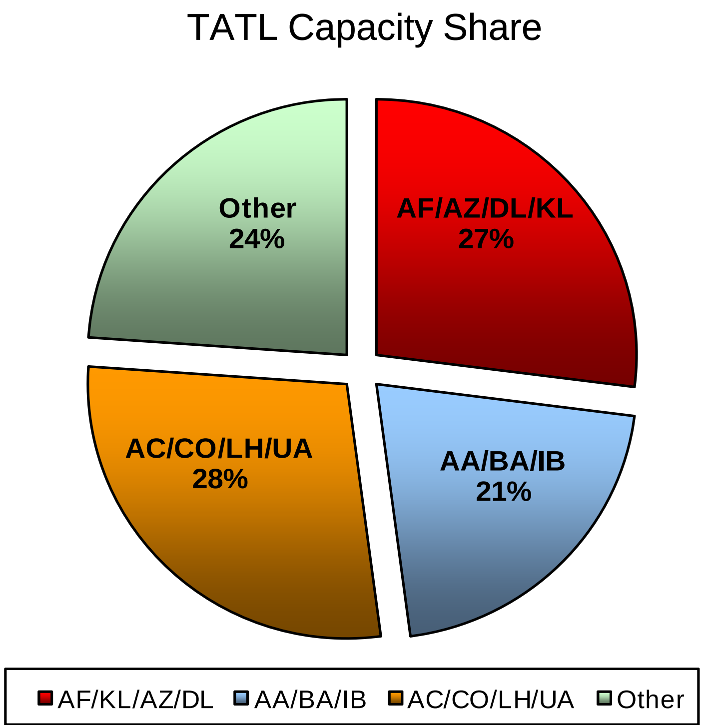
Strategies

- Coordinate commercial activities that drive value for the JV:
  - Network
  - Pricing and inventory management
  - Sales and distribution
  - Cost synergies
  - Loyalty programs
  - Customer experience

The Delta, Air France-KLM, Alitalia Joint Venture today is the most evolved model for successful international airline cooperation

Facts and Figures

- Over $10 billion in estimated annual revenues
- 250 daily transatlantic flights
- 27% of total transatlantic capacity
- Revenues and costs shared 50-50
- Geographical scope includes North America - EU, AMS-India, US-Tahiti, and a modified JV on North America-Middle East/Africa and EU-northern South America

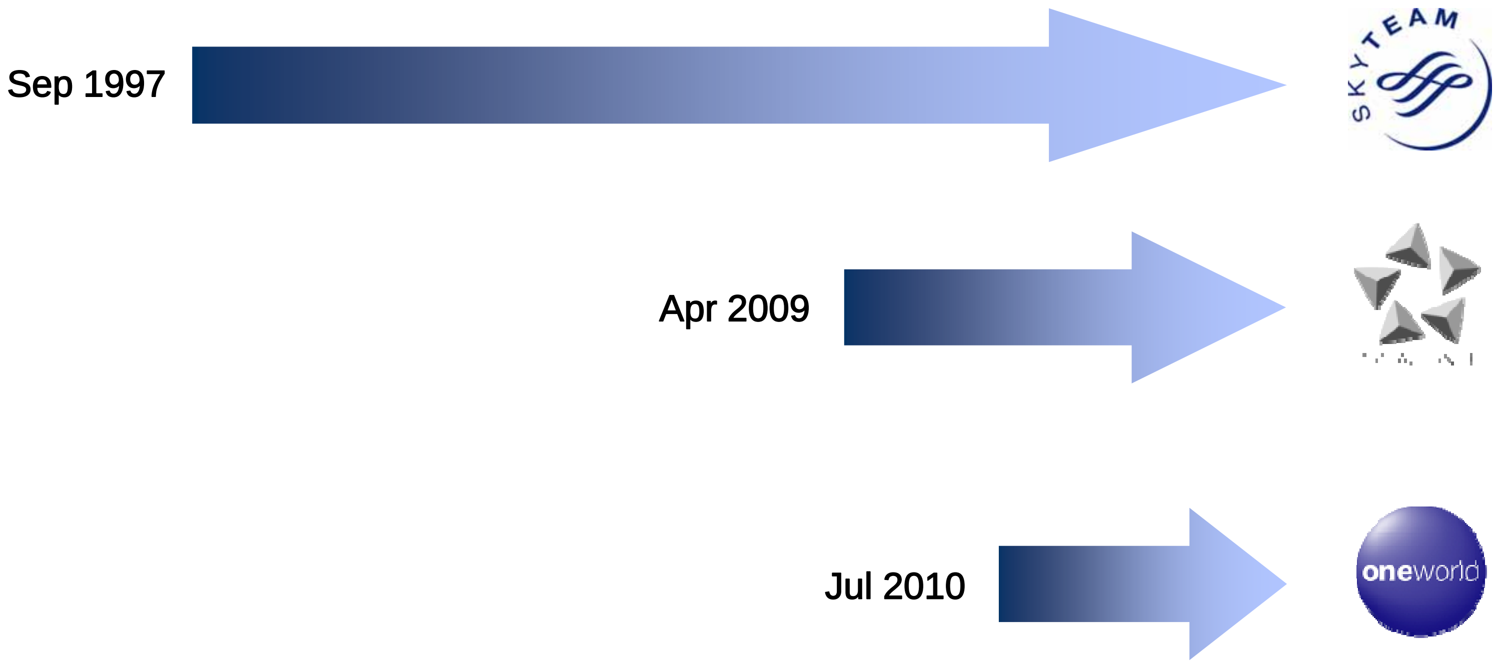


Organizational Structure

Staying Ahead of the Competition

JV has first mover's advantage

JV started in 1997, so employees bring extensive knowledge and experience of how to run the most successful JV in the industry



Accomplishments

Network

- Spread frequencies in shared city pairs and optimized connections at hubs to offer maximum schedule choices
- Increased network offerings due to strengths at both points of sale
- Optimized network with most efficient aircraft
- Enhanced slot portfolios

Revenue and Inventory Management

- Combined pricing and inventory management teams
- Harmonized pricing and tactical response

Sales and Distribution

- Delegated sales leadership to regional strength carriers
- Established 5,000+ joint sales and agency contracts
- Gained global corporate contracts

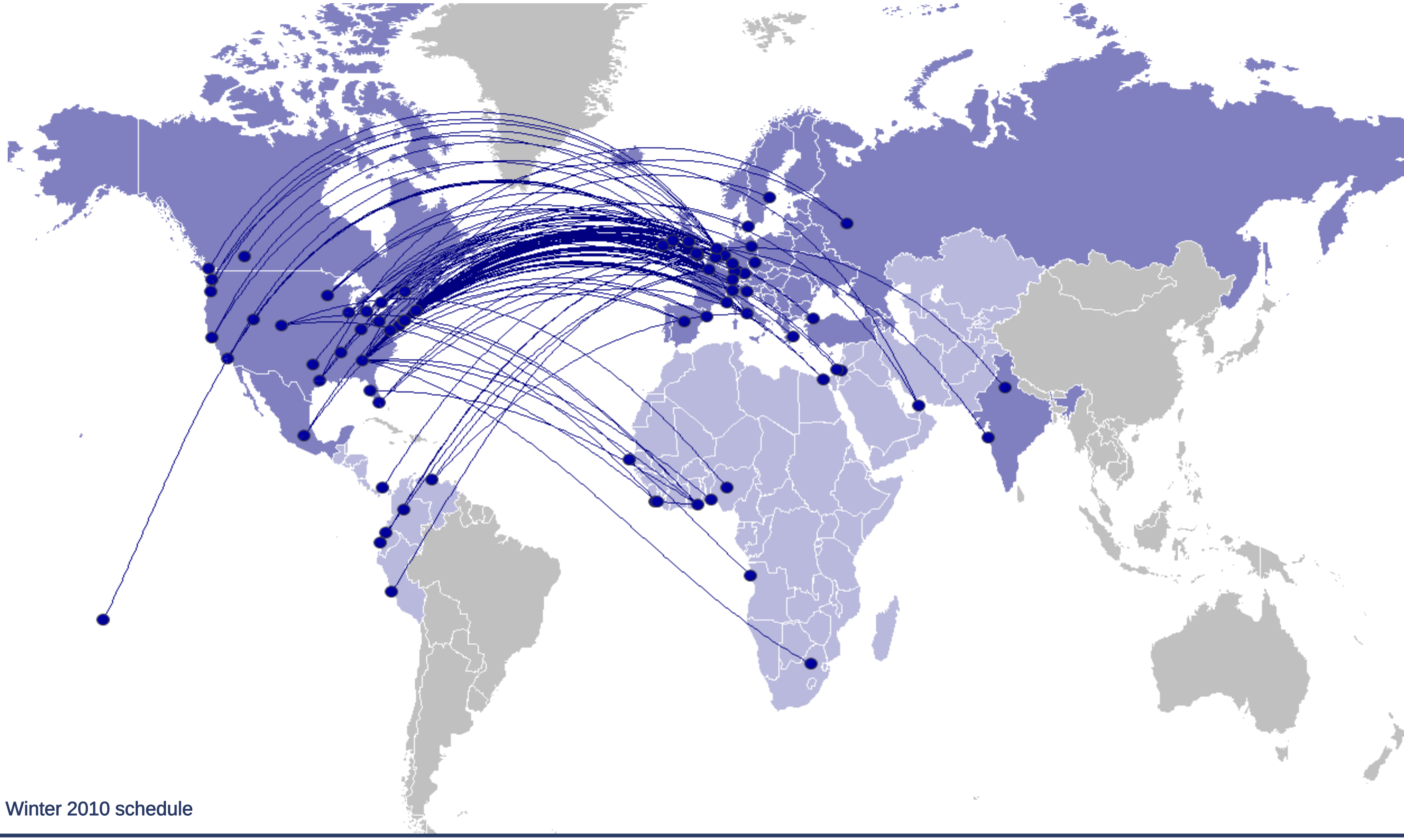
Cost Synergies

- Delegated call center responsibilities to home carriers and closed respective centers
- Joint offices in cities worldwide
- Ground handled each other at cost

Accomplishment Examples

- Paris to Salt Lake City (new flight)
- Paris to Philadelphia (optimal equipment)
- Atlanta to Amsterdam improved time channel offerings
- Optimization of London slots (short haul to long haul)
- Single pricing and inventory teams
- Seamless travel (matching policies and procedures)
- Delegated call center duties

JV Network

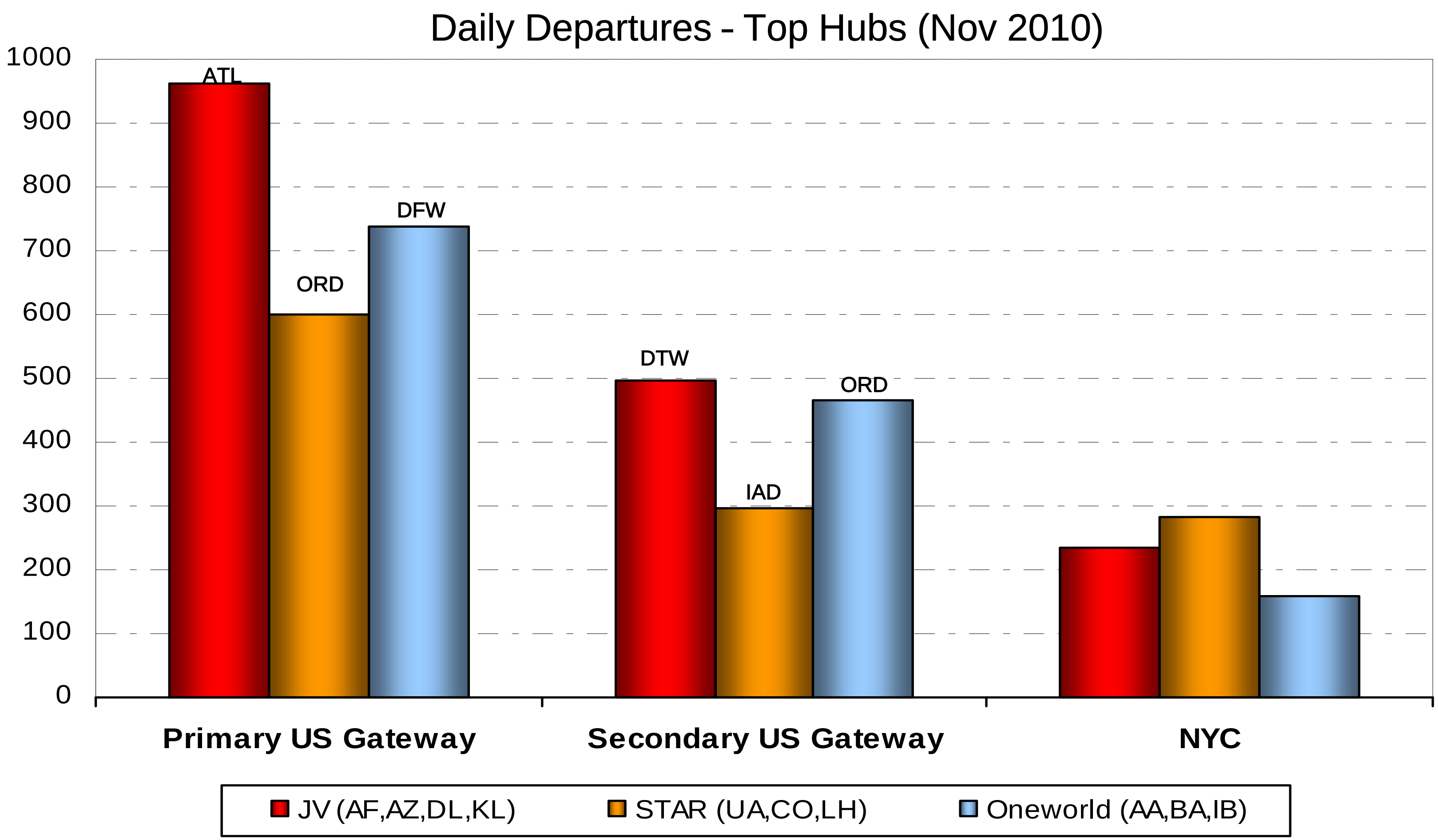


Winter 2010 schedule

Numerous US and European hubs and plentiful routes position the JV to increase premium market share

AIRFRANCE KLM DELTA Alitalia

Better Hub Connectivity



The JV US hubs provide more connectivity than competitors' US hubs

Future Actions

- **Strengthen Key Markets** → Win in NYC and benefit from AZ strength in Rome
- **Focus on competitive markets** → Continue to gain market share in high yield LHR routes
- **Capitalize on first mover advantage** → Enhance customer experience, align product
- **Extract value from strategic partnerships** → Benefit from regional accounts and loyalty programs
- **Enhance technology connections** → Maximize revenue and ensure seamless connections

AIRFRANCE KLM DELTA Alitalia

Air France-KLM
Investor Day

Marie Joseph Malé

Managing Director, SkyTeam

Agenda

Background

- Creation of airline alliances

1997 → 1998 → 1999 → 2000

1997: STAR ALLIANCE™

1999: oneworld

2000: SKYTEAM®

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Why alliance development? The drivers for consolidation

Liberalization

Globalization

Technology

75

Liberalization leads to fundamental changes

- Hub & spoke
- FFP
- CRS
- Competitive pricing
- Revenue management

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Globalization and technology examples

IATA interline program provided for multi-airline international itinerary through:

- single ticket
- prorating
- interline baggage program

No design for connectivity

Open for all IATA carriers

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A bit of history about SkyTeam

Background

2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010

2000

AEROMEXICO
AIR FRANCE
DELTA
KOREAN AIR

Form SkyTeam

2001

CZECH AIRLINES
Alitalia

2004

SKYTEAM CARGO

September

KLM, Northwest and Continental join the alliance

2006

Aeroflot joins the alliance

2007

Joining of Air Europa and Kenya Airways

Kenya Airways
AirEuropa

China Southern Airlines join the alliance

CHINA SOUTHERN

2010

June

TAROM and Vietnam Airlines join

78

SkyTeam facts and figures

	2010
Destinations	898
Countries	169
Daily Departures	12,613
Annual Passengers	395 m
Frequent Flyer Members	148 m
Number of Lounges	415+
Fleet	2,222 + 902*

Date: June 2010

(*) Subsidiary aircraft

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A strong alliance, partnering 13 airlines…

Assets

AEROFLOT Russian Airlines
AEROMEXICO.
AirEuropa
AIRFRANCE KLM
Alitalia
CHINA SOUTHERN
CSA CZECH AIRLINES
DELTA
Kenya Airways
KOREAN AIR
TAROM
Vietnam Airlines

80

…including the leading players in Europe, the US and China

AIRFRANCE
KLM
SKYTEAM

DELTA
SKYTEAM

CHINA SOUTHERN
SKYTEAM

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More members to come

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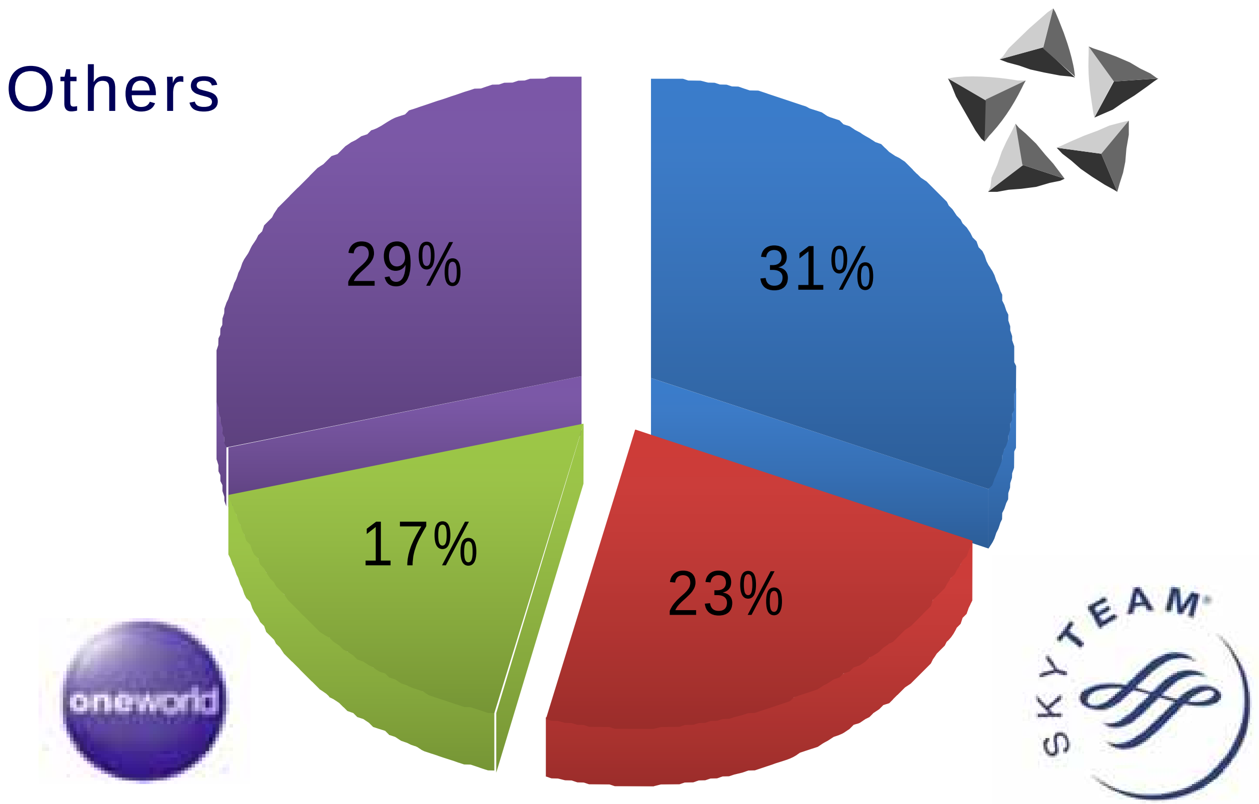
Co-location projects: London Heathrow lounge example

A fully dedicated and accountable organization

Total staff: 29
14 nationalities

84

The world's number two global alliance…

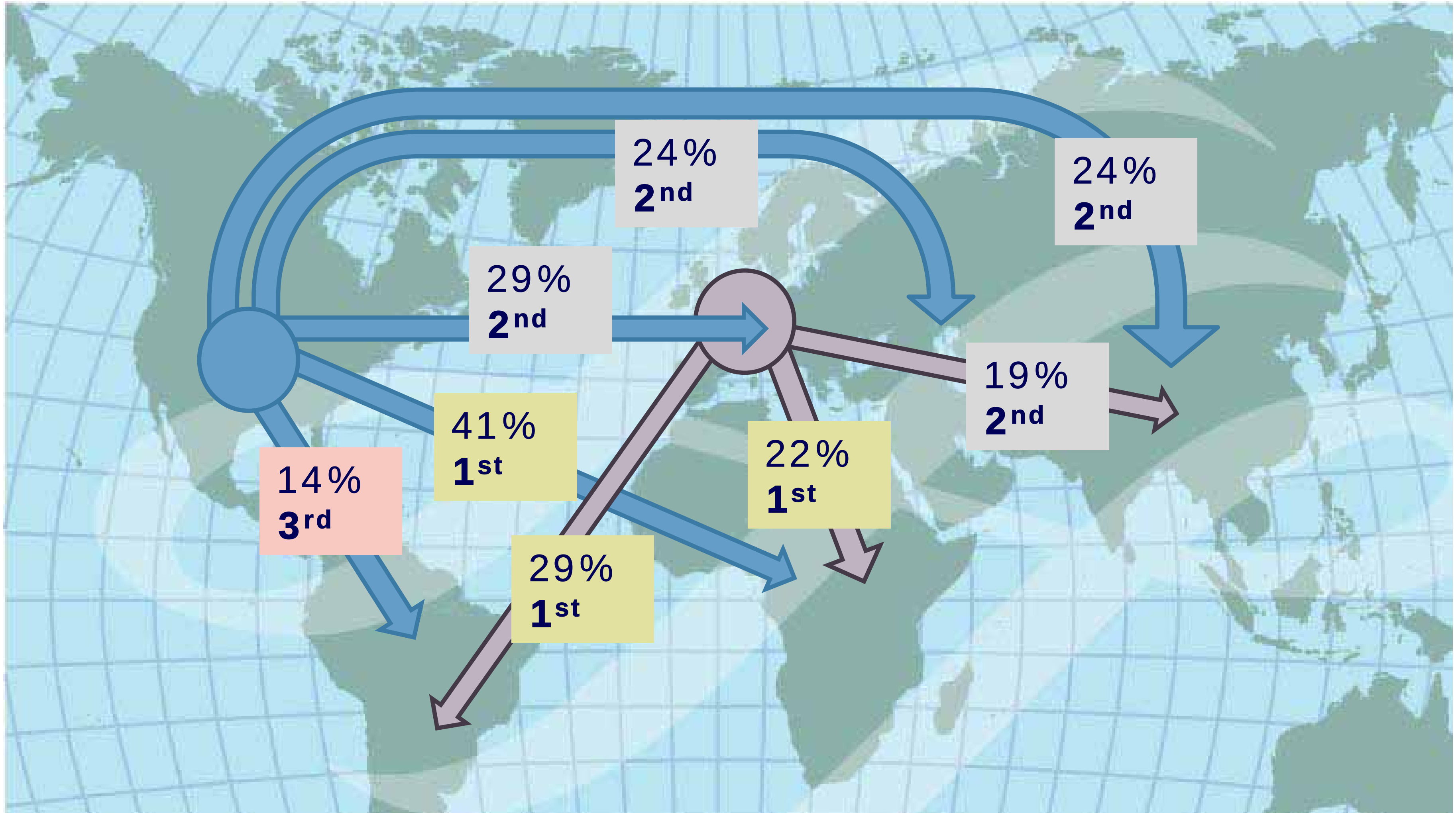


Worldwide market share

Source: Q3 2010 bookings

 85

…with a strong presence in all regions



Source: Q2 2010 bookings

A leading position in Asia-Pacific...

CHINA SOUTHERN

KOREAN AIR

Vietnam Airlines

中國東方航空
CHINA EASTERN

中華航空
CHINA AIRLINES

…with unrivalled presence in greater China

CHINA SOUTHERN
中國東方航空 CHINA EASTERN
中華航空 CHINA AIRLINES
上海航空公司 SHANGHAI AIRLINES

Taipei – Shanghai – Beijing – Guangzhou – Hong Kong

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Working on filling the network gaps

WHITE SPOTS

South America, India, South East Asia

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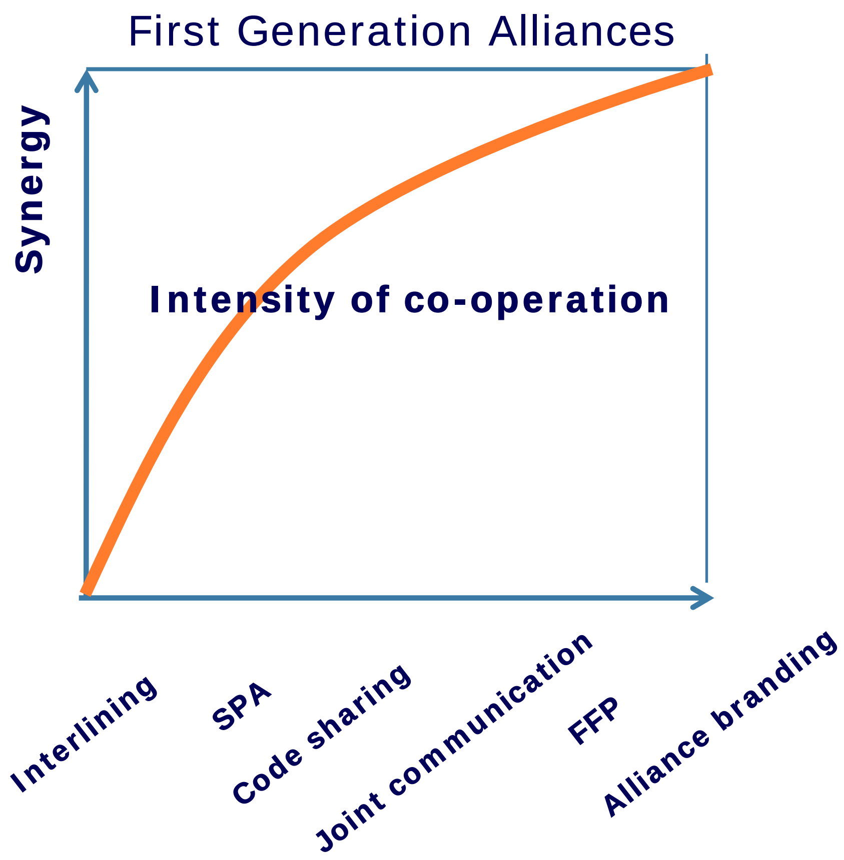
A decade of network and market based development



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Benefits for airlines and customers alike

Airline view	Customer view
Network breadth	More destinations
Network depth	More frequencies
Network density	More connectivity

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Alliance value-creation potential

Area of value creation	Larger airlines	Smaller airlines
Seek growth and strengthen position for bigger and increase presence for smaller	• Network enlargement • Value enhancement (frequencies ,FFP, customer benefits) • Hub connectivity	• Home market position improvement • Value enhancement (frequencies, FFP, customer benefits)
Seek efficiency and better use of resources	• Airport passenger services (co-location) • Joint ground handling • Lounge sharing	
Look for alternative to mergers	• JV implementation	
Increase and share knowledge	• Best practices sharing	• Best practices sharing

2011: five priorities

1. Continue to develop partnerships
2. Invest in communication
3. Continue systematic co-location projects
4. Develop a SkyTransfer proposition
5. Invest in IT integration to develop connectivity

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2. Invest in communication

- **Continue to invest in PR**
  - extra focus on China and Russia market
- **Maintain advertising presence**
  - special focus on China - maintain for min. 3 years

Current Ambition

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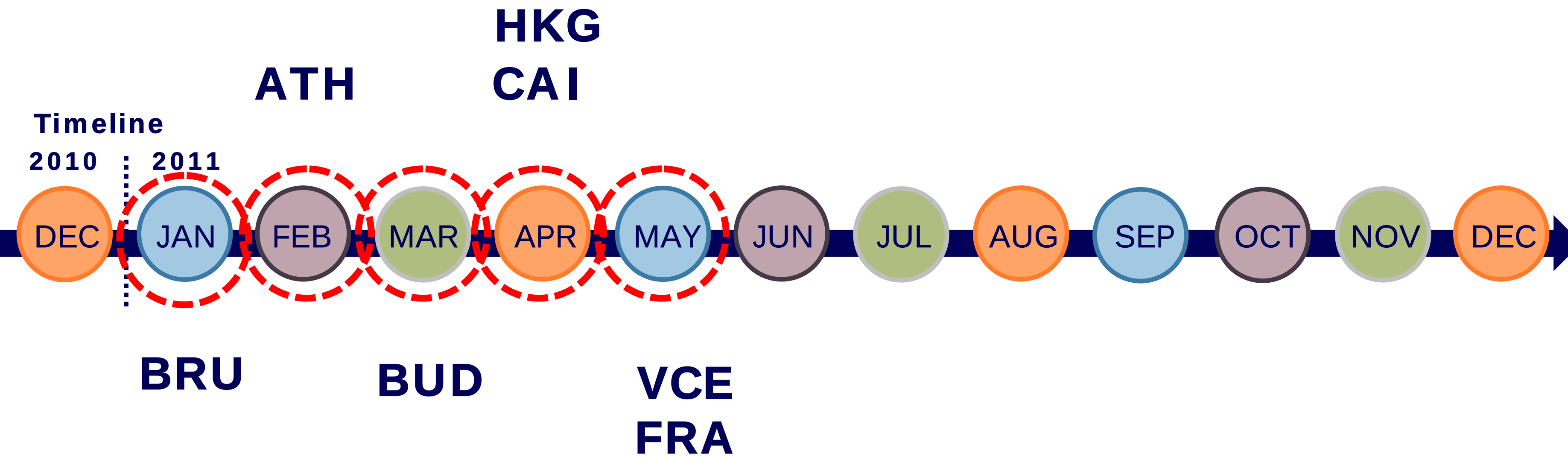
3. Continue systematic co-location projects…



- Seven airports approved in May 2010
- All carriers co-located at check-in – focus on automation
- A mix of lounge and Airport Ticket Office co-location – focus on cost reduction
- Six additional airports under consideration

Current Ambition

95

…with a focus on Greater China

- Three carriers

China Southern **China Eastern**

China Airlines

- Multiple airport projects in major cities

Beijing – Shanghai – Guangzhou – Hong Kong – Taipei

❑ SkyTeam manager responsible for Greater China to co-ordinate airport strategy between Alliance members and government authorities, and ensure central focus on customer service improvement, brand identity and cost efficiency

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4. Develop SkyTransfer proposition

Current Ambition

- Create seamless transfers of SkyTeam passengers and baggage between flights operated by two or more member airlines, focusing on the SkyTeam hubs

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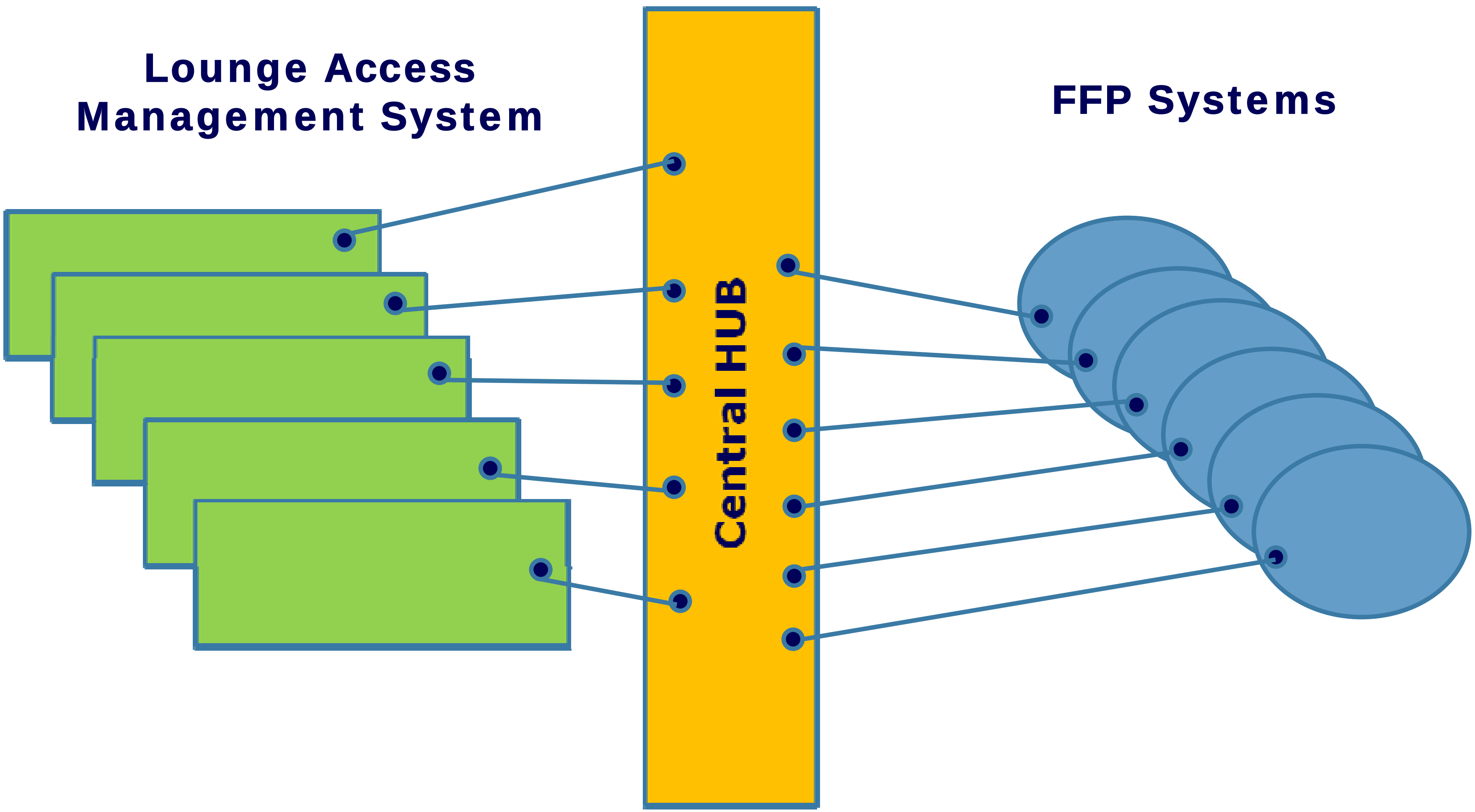
5. IT integration to develop connectivity



Current Ambition

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Conclusion

- A decade on, the alliance has proven its value-creation credentials
- The regulatory environment and the barriers to intercontinental mergers favor a further strengthening of alliances
- The cooperative framework, organizational backbone and governance have become more robust
- SkyTeam will focus on greater integration

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SKYTEAM 10 YEARS

Caring more about you™

AEROFLOT Russian Airlines · AEROMEXICO · AirEuropa · AIRFRANCE KLM · Alitalia · CHINA SOUTHERN · CSA CZECH AIRLINES · DELTA · Kenya Airways · KOREAN AIR · TAROM · Vietnam Airlines

Q&A

Strategy

Pierre-Henri Gourgeon
Chief Executive Officer
Air France-KLM

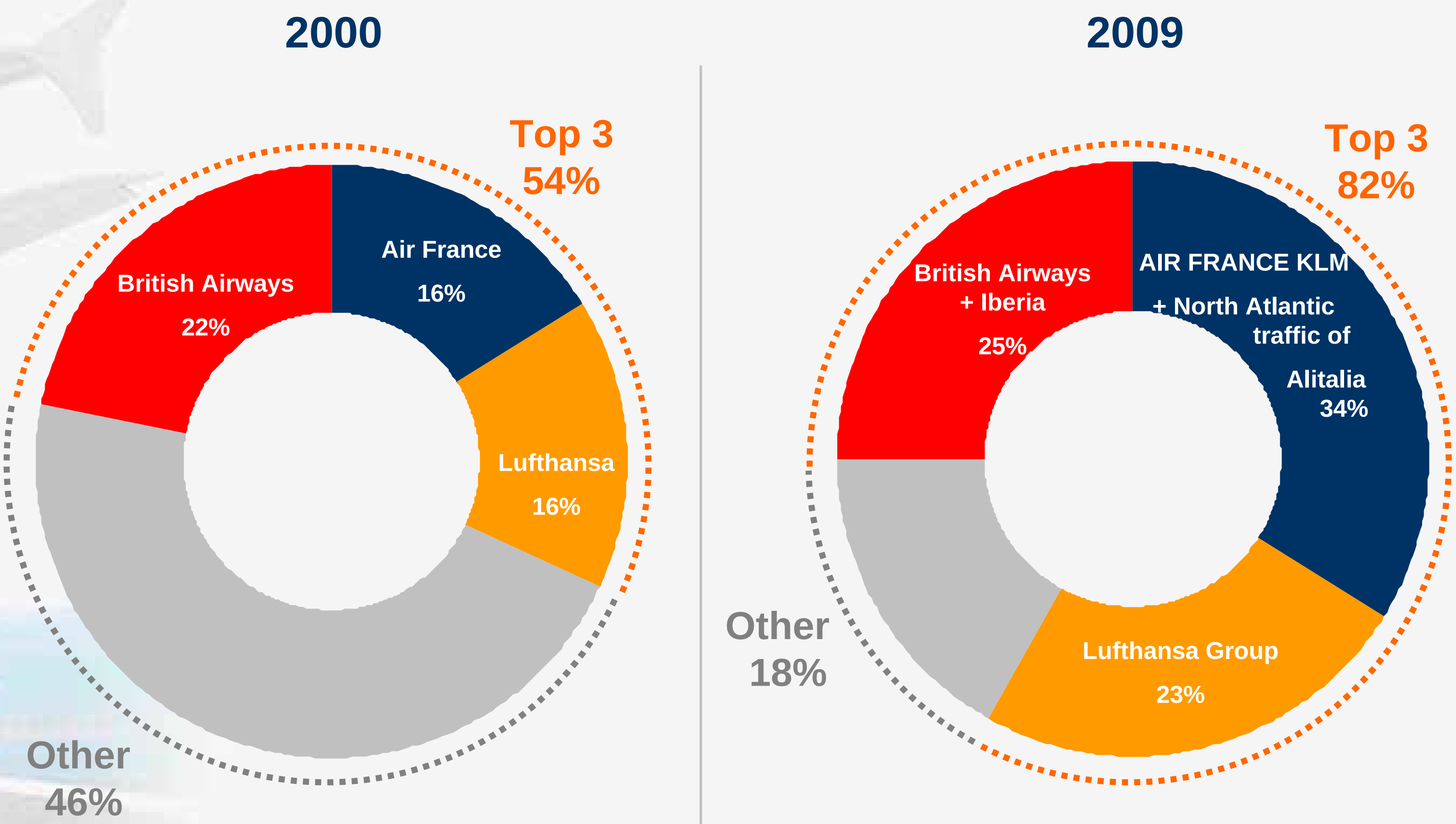
Air transport market today

- Economic crisis has led the sector to evolve
  - Acceleration of consolidation
  - Strengthening of global alliances
  - Market share gains by Gulf carriers

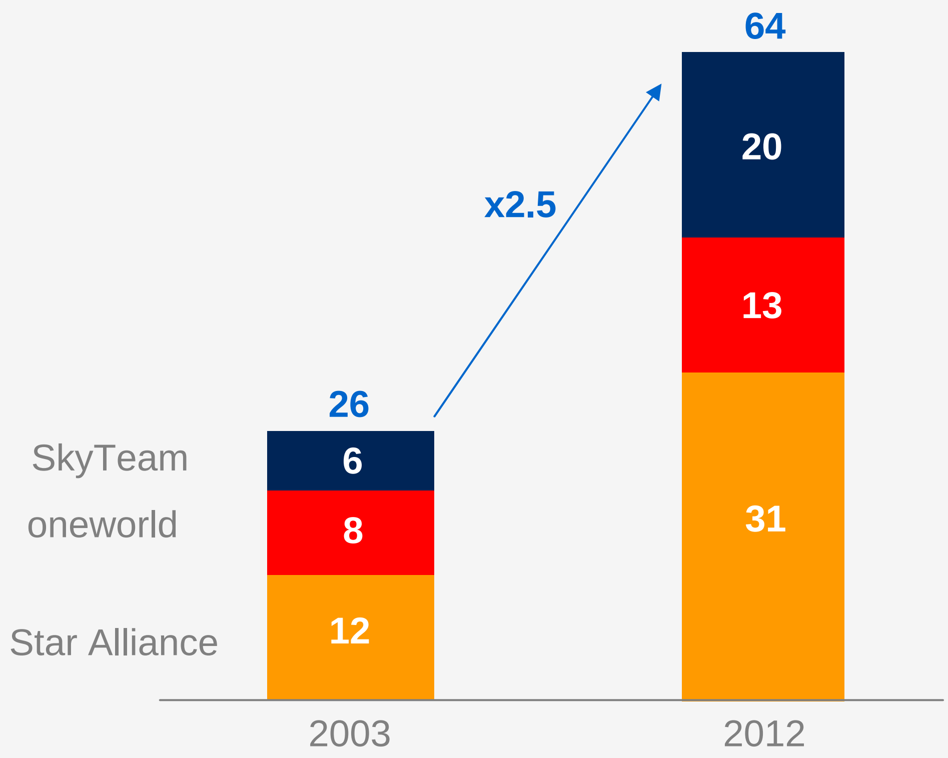
- Air transport remains fundamentally a growth market

Acceleration in European consolidation

Long-haul traffic (RPK) of European carriers



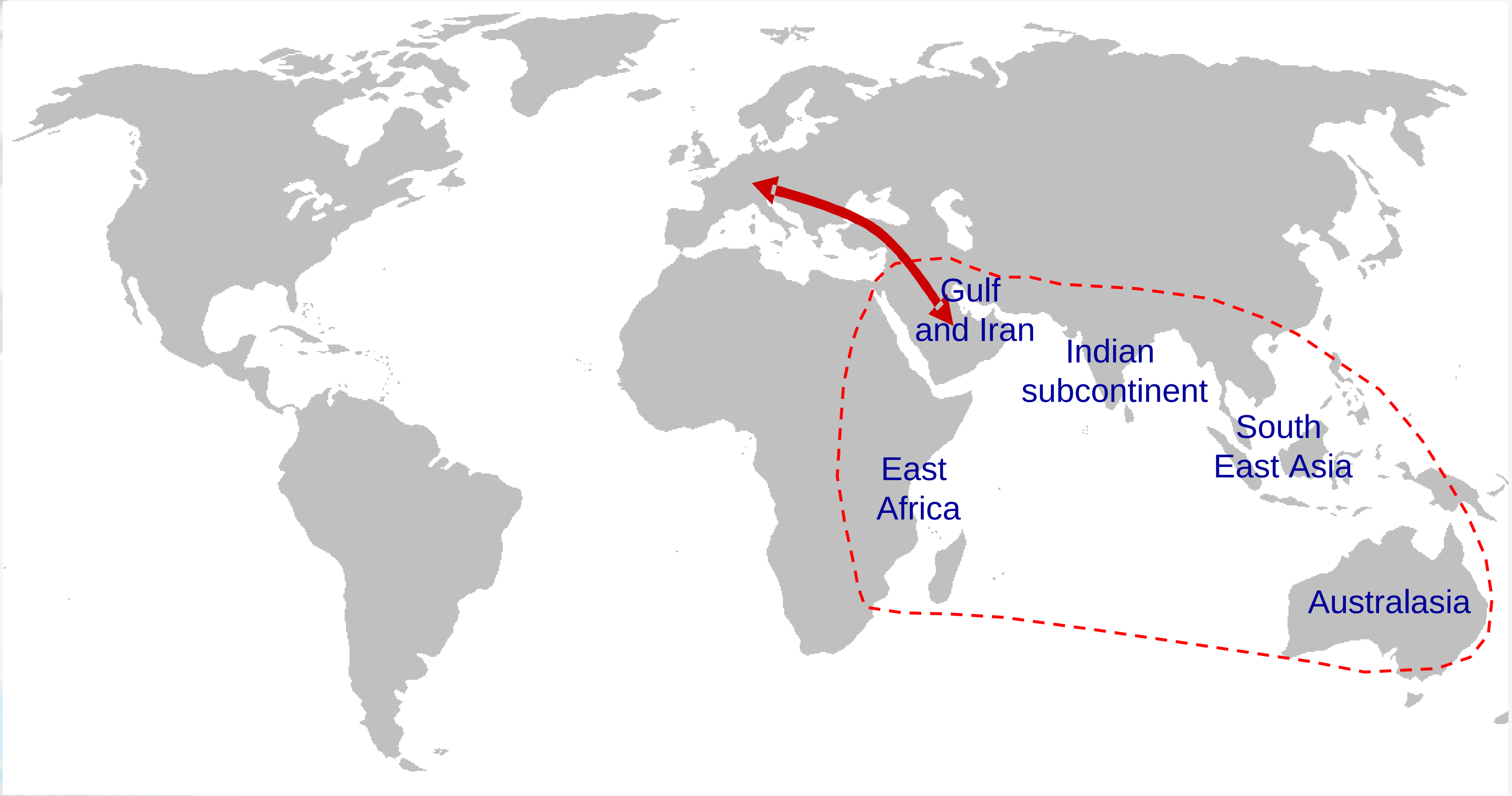
Strengthening of global alliances



Number of members in each alliance

Source: Publicly available information

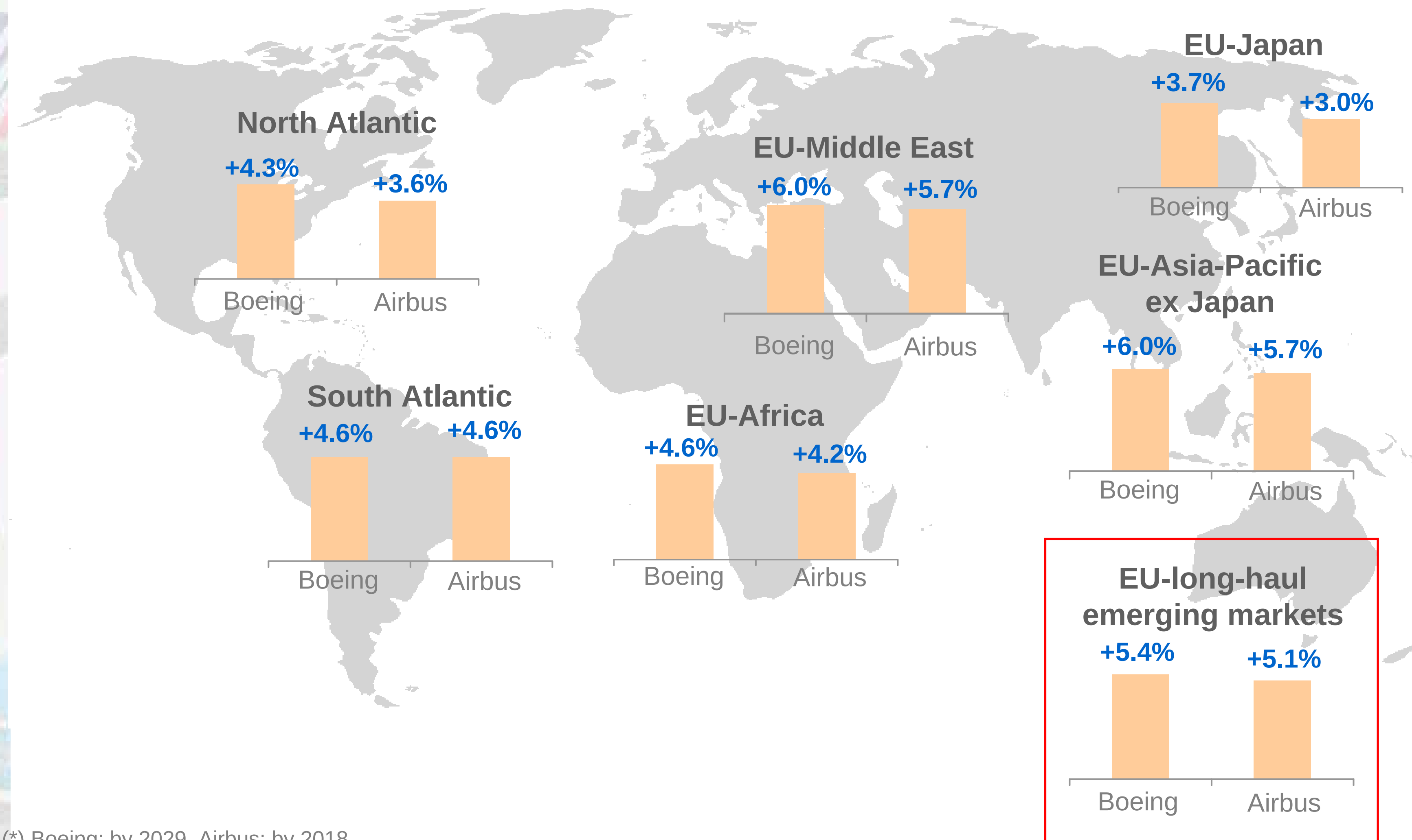
Market share gains by Gulf carriers on Europe-South East Asia/Australasia/East Africa routes



AIRFRANCE KLM

Globalization drives long term traffic growth

Long-haul traffic: annual growth estimates by aircraft manufacturers*



(*) Boeing: by 2029, Airbus: by 2018

Air France-KLM ambitions

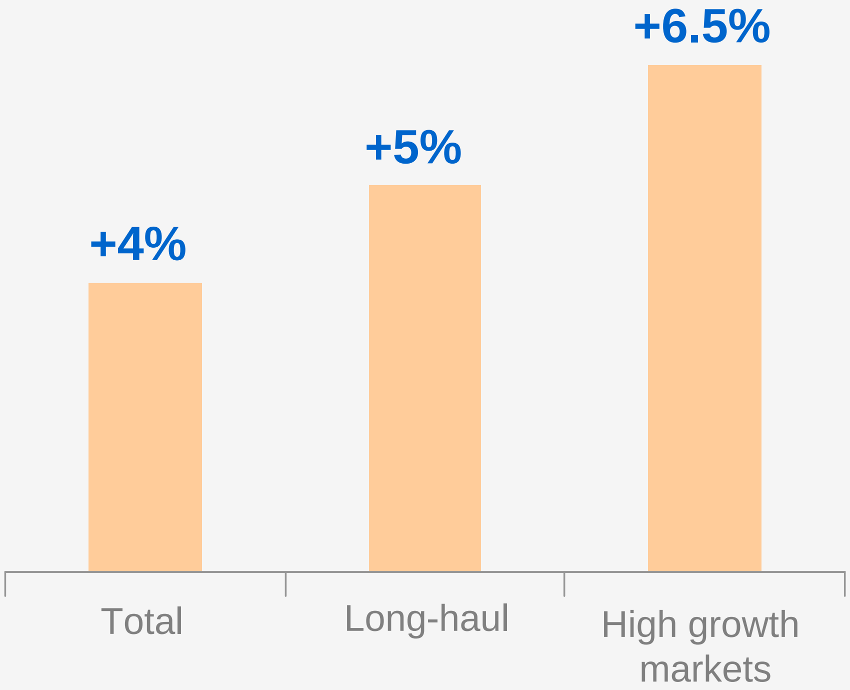
- Maintain our leadership in terms of network
- Reinforce our strong positions on growth markets
- Enhance the performance of all our businesses

Return to a value-creating level
of profitability within three years

Capacity focused on high growth regions

- High growth markets
  - Latin America, Africa and Asia ex-Japan
- Utilization of larger aircraft
- Flexibility maintained

Air France-KLM annual capacity growth 2010 to 2013



AIRFRANCE KLM

Europe’s most powerful long-haul network…

- 118 long-haul destinations*
  - 31 from both hubs
  - 87 from a single hub
  - 66% of the long-haul destinations served by AEA member carriers

- 147 direct long-haul flights per day

- 33 ‘unique’ destinations: 28% of our destinations served neither by Lufthansa Group nor IAG

(*) Including destinations served by Delta in the framework of the North Atlantic JV

...strengthened by the opening of new routes

	Americas Caribbean	Africa Middle East	Asia Indian Ocean
Today	• **46 destinations*** • 17 from both hubs	• **48 destinations** • 5 from both hubs	• **24 destinations** • 9 from both hubs
By 2013-14	• 1-2 new destinations • 2-3 from both hubs	• 4-5 new destinations • 3-4 from both hubs	• 4-5 new destinations • 1-2 from both hubs

(*) Including destinations served by Delta in the framework of the North Atlantic JV

AIRFRANCE KLM

Air France-KLM ambitions

- Maintain our leadership in terms of network
- Reinforce our strong positions on growth markets
- Enhance the performance of all our businesses
- Return to a value-creating level of profitability within three years

AIRFRANCE KLM

Development strategy by region

North America

- Development within the framework of the North Atlantic JV

Europe

- Priority to connecting traffic

Asia

- Opening of new routes
- Reinforcing partnerships
- Joint-ventures on key markets

Africa

- Opening of new routes

Latin America

- Increased frequencies
- Seeking partners

Partnerships in several growth markets

Top twelve growth markets by 2015 GDP

BRIC

☑	China	China Southern in SkyTeam, JV signed China Eastern joining SkyTeam, JV under negotiation
☑	India	*Under negotiation*
☐	Brazil	*Under study*
☑	Russia	Aeroflot in SkyTeam

Next 8

☑	South Korea	Korean Air in SkyTeam
☑	Mexico	AeroMexico in SkyTeam
☐	Turkey	
☑	Taiwan	China Airlines joining SkyTeam
☑	Indonesia	Garuda joining SkyTeam
☑	Saudi Arabia	*Under negotiation*
☐	South Africa	
☑	Argentina	Aerolineas Argentinas joining SkyTeam

Source: Global Insight

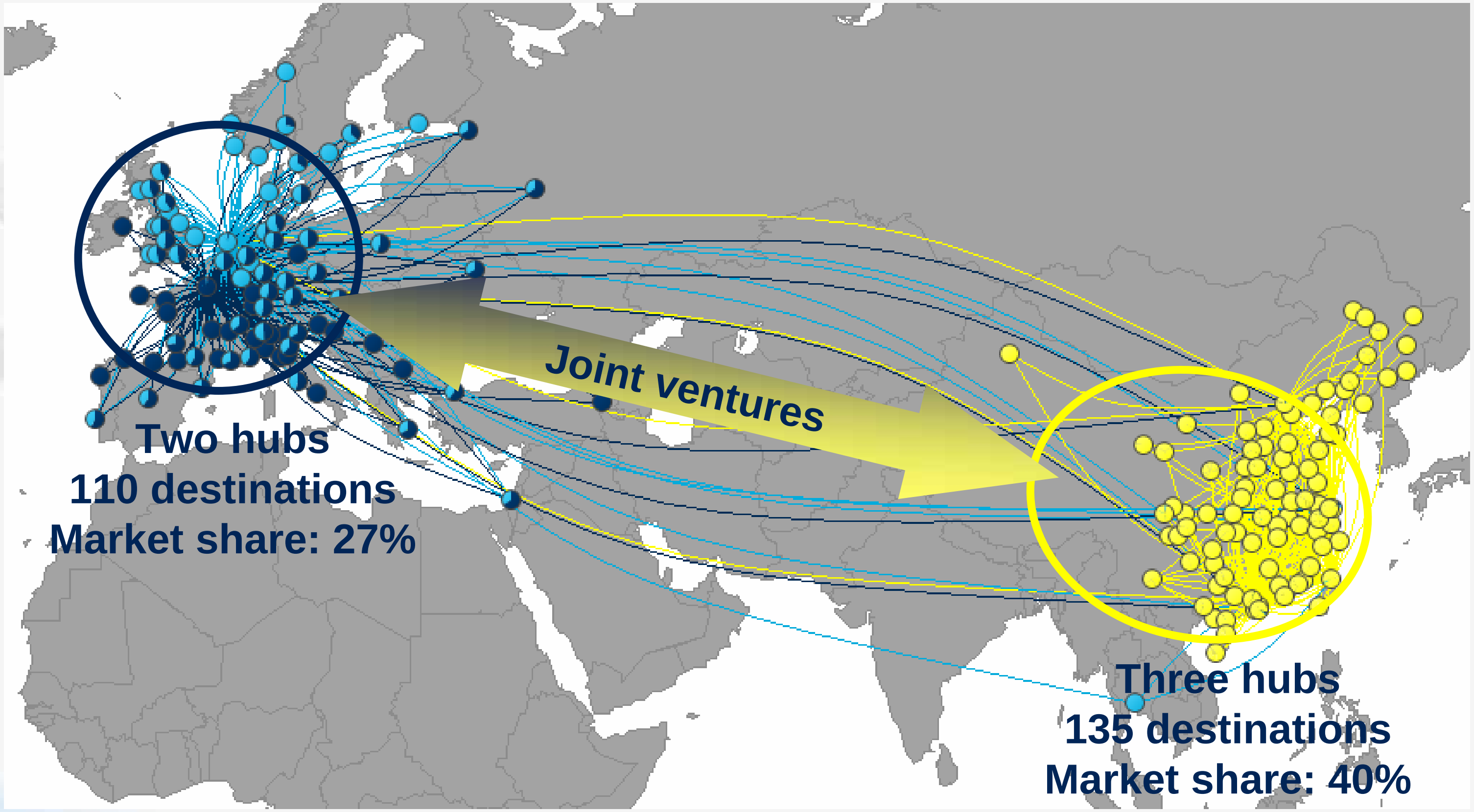
Our ambition in Asia

- Northern Asia: strong positions
  - Japan: reinforced by Alitalia
  - South Korea: Korean Air founding member of SkyTeam
- South East Asia: strong position
  - Reinforced by partnerships: Vietnam Airlines, Garuda
- India: seeking strategic partner
- China: unique position

Unique position in China

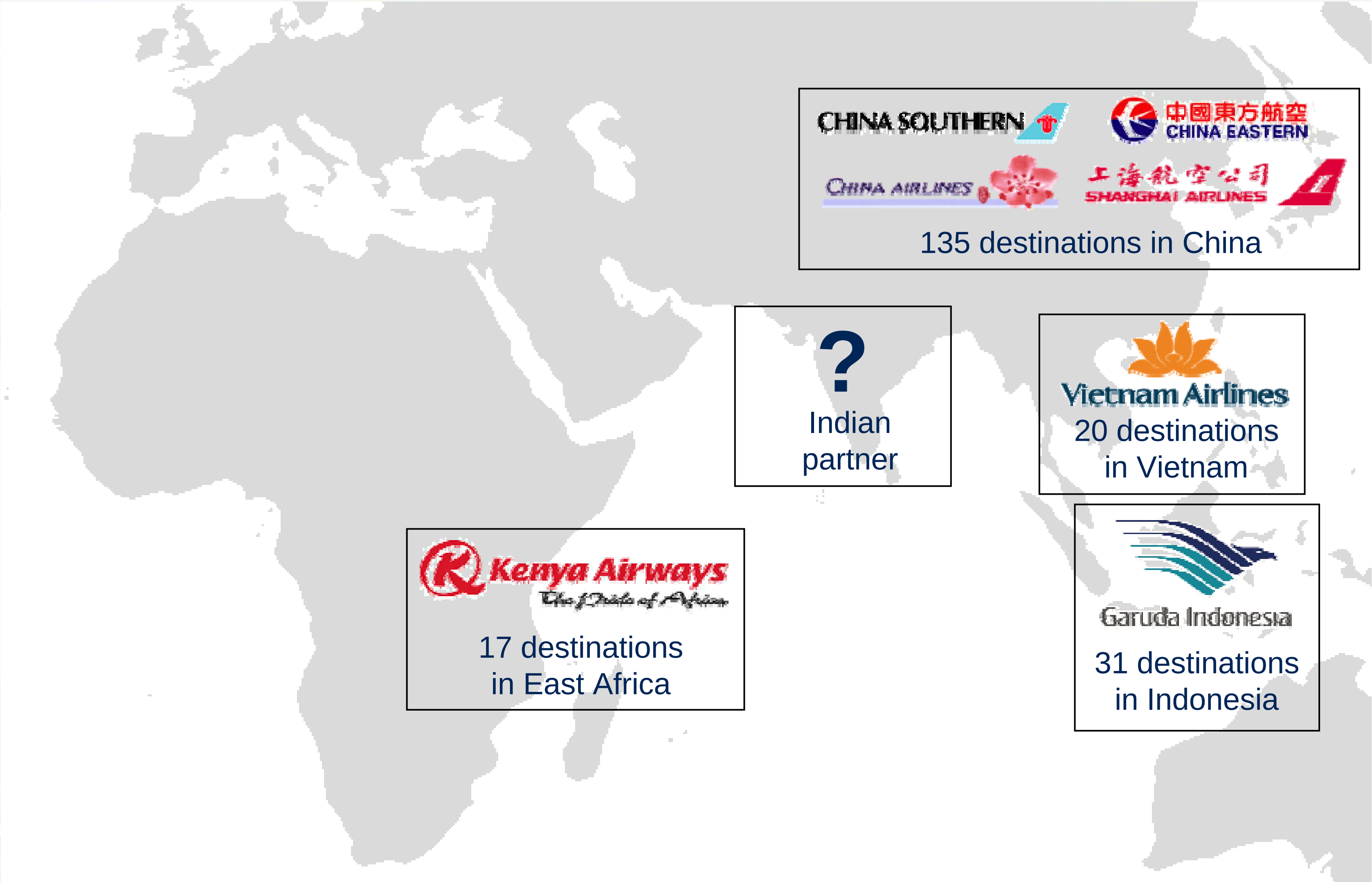
	2001	2010/2011	2014
Own network	 Four routes	 Seven routes	 Over 12 routes
SkyTeam member partners		CHINA SOUTHERN 中國東方航空 CHINA EASTERN 上海航空公司 SHANGHAI AIRLINES CHINA AIRLINES	CHINA SOUTHERN 中國東方航空 CHINA EASTERN 上海航空公司 SHANGHAI AIRLINES CHINA AIRLINES
Joint ventures		CHINA SOUTHERN 中國東方航空 CHINA EASTERN	CHINA SOUTHERN 中國東方航空 CHINA EASTERN

Europe-China: co-operation between leaders



Establish within ten years
the same position as on the North Atlantic

Partnerships represent a strong asset against Gulf carrier competition



Air France-KLM ambitions

- Maintain our leadership in terms of network
- Reinforce our strong positions on growth markets
- Enhance the performance of all our businesses
- Return to a value-creating level of profitability within three years

Medium-haul: further transformation underway

- Transformation project on track to meet objectives

- Growth driven by connecting traffic

- Further initiatives underway
  - Repositioning of KLM product
  - Development of bases in the French provinces
  - Seeking partnerships

AIRFRANCE KLM

Cargo: contributing to the productivity of the passenger fleet

- World's largest network of bellies and combis
  - Unit costs 30% below full freighters

- Full freighter fleet reduced to 14 aircraft
  - Operated to complement the fleet, based on destination and type of freight

- Development of SkyTeam cargo and partnerships

Maintenance: focused development

- Development on most profitable segments
  - Engines
  - Equipment

- Development of global network close to the customer
  - Own: in the US, China and Dubai
  - Via joint-ventures: agreement with Max Aerospace to create leader in India

Air France-KLM ambitions

- Maintain our leadership in terms of network
- Reinforce our strong positions on growth markets
- Enhance the performance of all our businesses

Return to a value-creating
level of profitability within three years

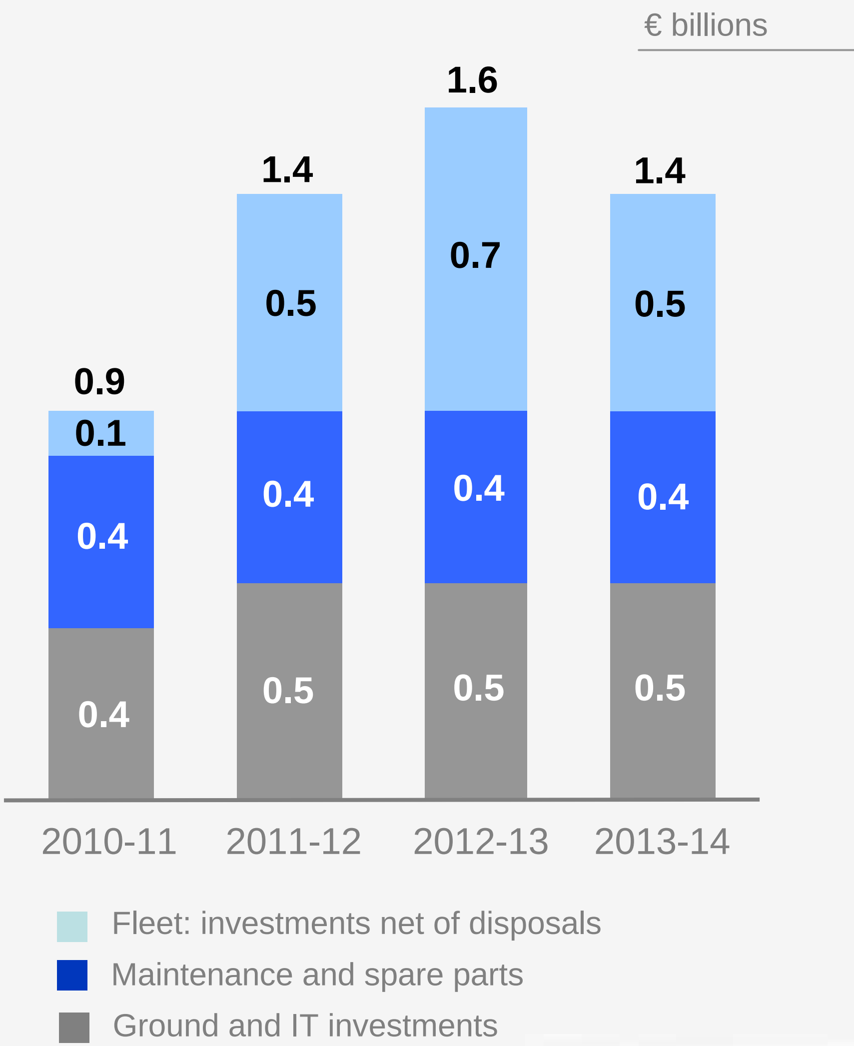
Strengthen financial position

- Free cash generation of over two billion euros over next three years
- Gearing target of 0.5 at end 2013-14
- Value of Amadeus stake close to one billion euros*

(*) 68,1 million shares

Adapted investment plan

- Passenger fleet
  - Development of highly efficient fleets (A380 and 777-300)
  - Replacement of 13 aircraft postponed to 2016
- Maintenance and spare parts
  - Capitalization of maintenance operations on existing fleet
  - Investment in third party maintenance
- €400m reduction in investments through 2010-11 and 2011-12



AIRFRANCE KLM

Ongoing unit cost reduction

- Within our different businesses:
  - Long-haul: increase in average size of aircraft
  - Medium-haul: development of regional bases
  - Cargo: focus business on bellies
  - Further operational productivity gains

- At corporate level:
  - Reorganization of support functions
  - Ongoing adaptation of resources to automate processes
  - Centralization of purchases

Unit costs*: -3% over three years

(*) At constant currency and fuel price

Value-creating three year objectives

2013-14 objectives

Reduce unit costs*:
-3% over three years

Adjusted operating margin
above 7%

Gearing reduced to
0.5 by end 2013-14

ROCE of 8%
after tax in 2013-14

(*) At constant currency and fuel price

AIRFRANCE KLM

Q&A