Information meeting

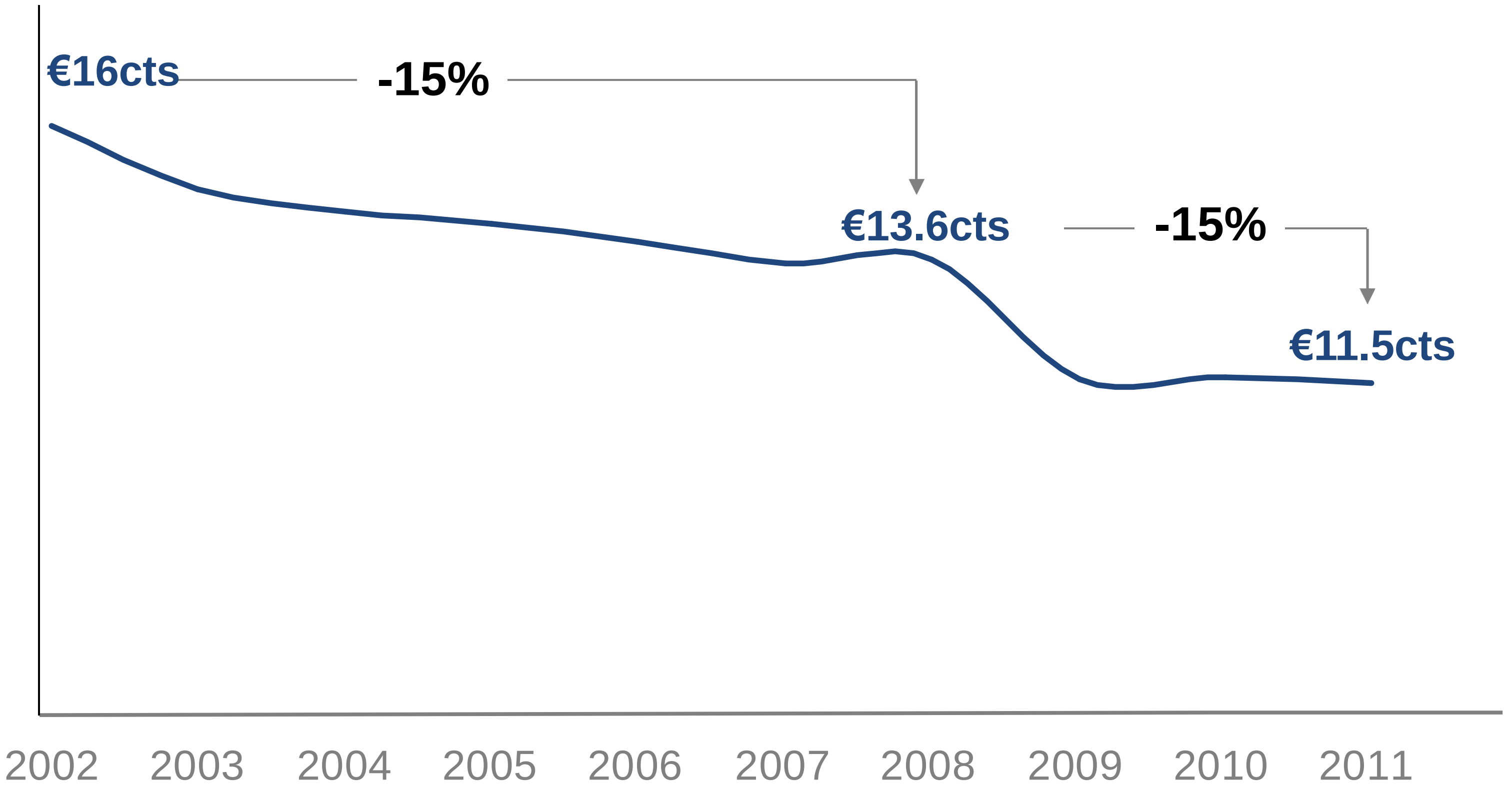
Highly challenging context for European airlines…

- Weak European economies and high oil price
- Shift in consumer behavior
- Intensified competition from new players
- Increasingly restrictive European and international regulatory framework

…especially impacting medium-haul

Medium-haul yield

European airlines (AEA)



Air France-KLM: a robust business model

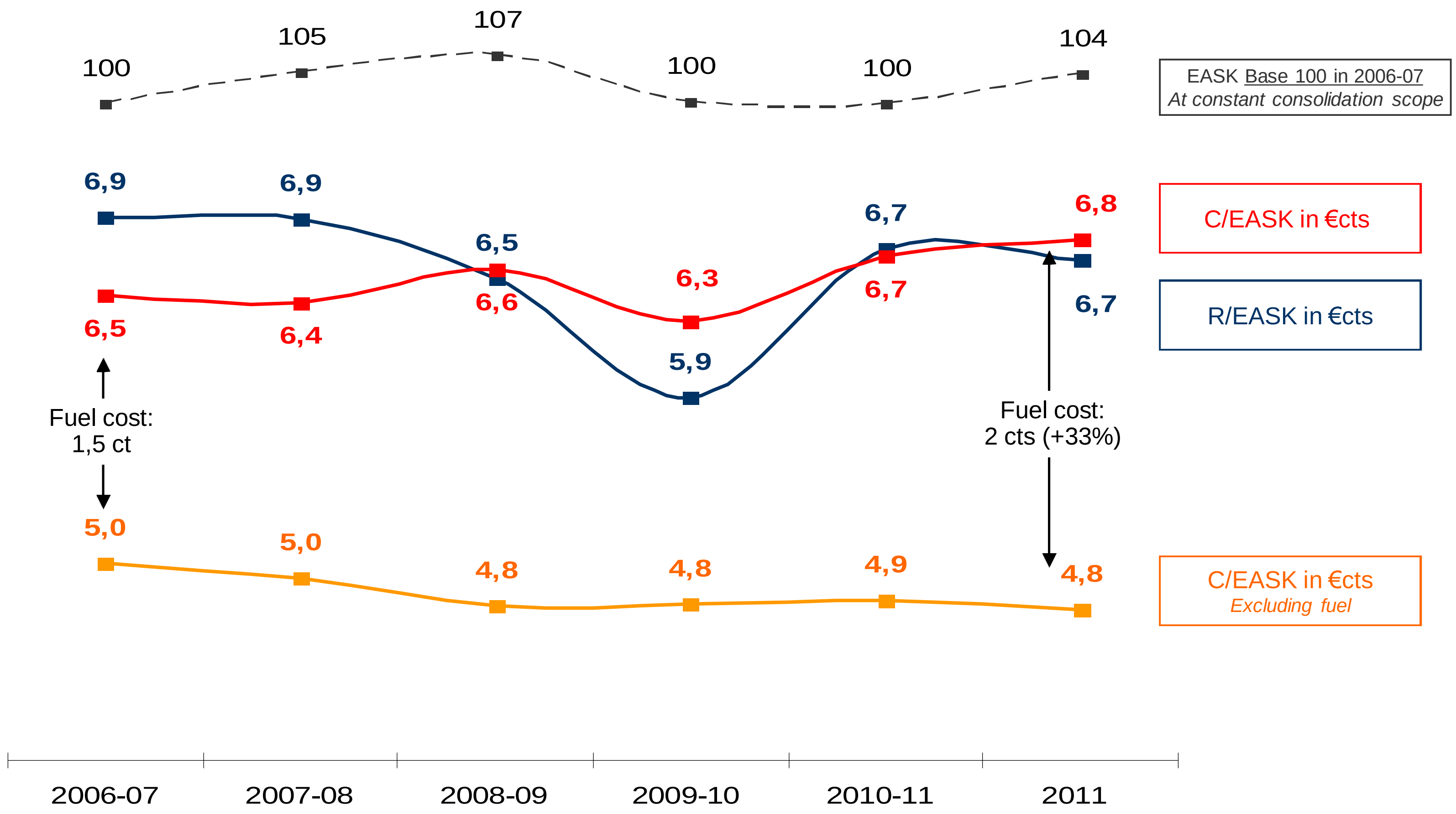
- Strategy based on strong competitive advantages…
- …but cost structure not adapted to the change in the environment

AIRFRANCE KLM

Strong competitive advantages...

- Combination of point-to-point and connecting traffic, organized around two of Europe's most powerful hubs
- Strong long-haul network reinforced by the SkyTeam alliance
- Joint-ventures with our North American and Chinese partners
- Strong footprint in emerging economies

...but unit costs are too high



Transform 2015

Transform 2015

Phase **1**

Immediate measures

- Limited capacity growth
- Investments revised down
- Immediate cost savings

Phase **2**

Structural transformation plan

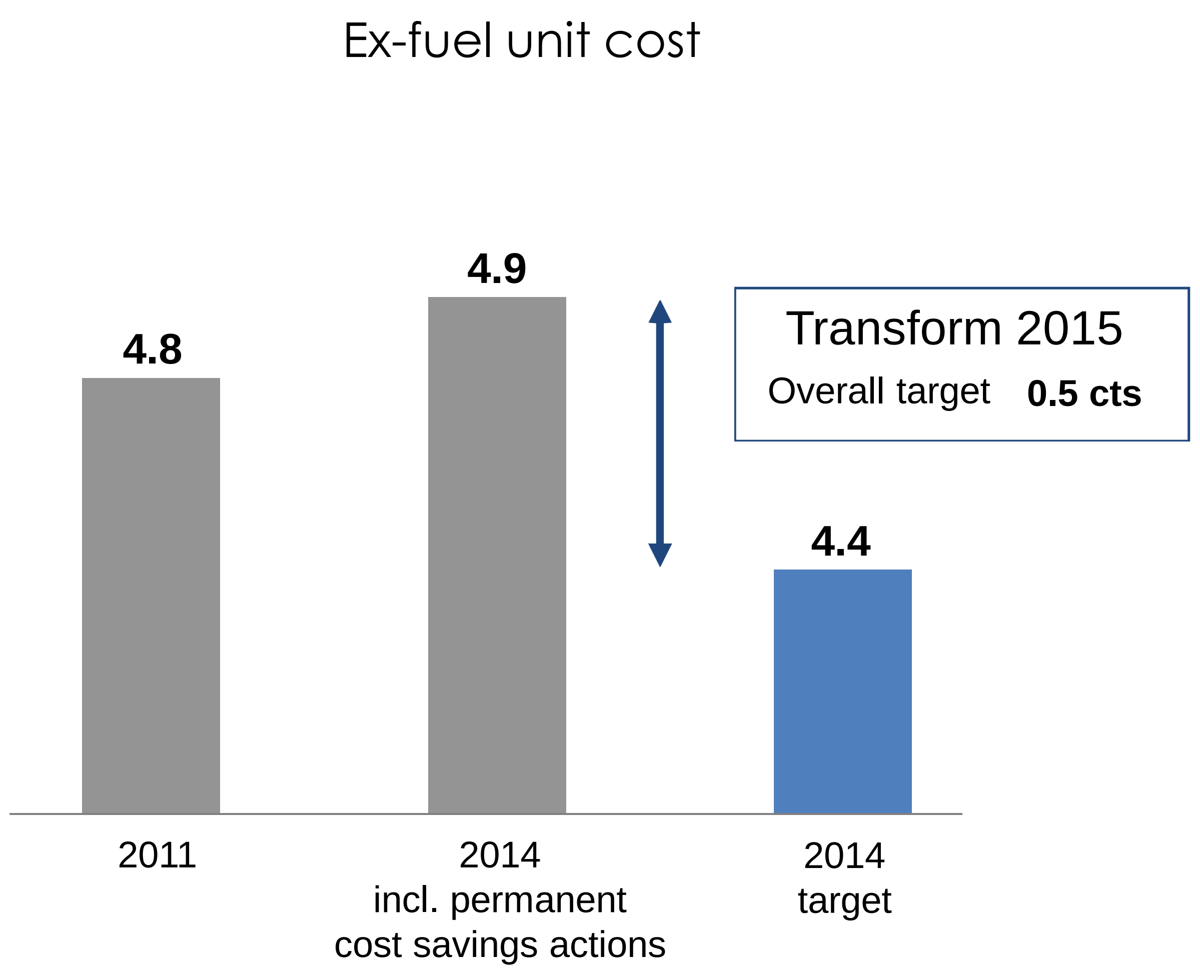
- Renegotiation of collective labor agreements
- Transformation projects

Targets end-2014

Debt reduced by €2bn
Net debt/EBITDA ratio below 2
Ex-fuel unit cost reduced by 10%

Target: 10% reduction in unit costs

€ cts per EASK



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Achievements at 22nd May 2012

Phase 1

- Limited capacity growth ☑
- Investment program revised down ☑
- Immediate cost savings ☑

Phase 2

- Collective labor agreement renegotiations opened ☑
- Agreements on framework and metho-dology signed ☑
- Launch of transformation projects ☑

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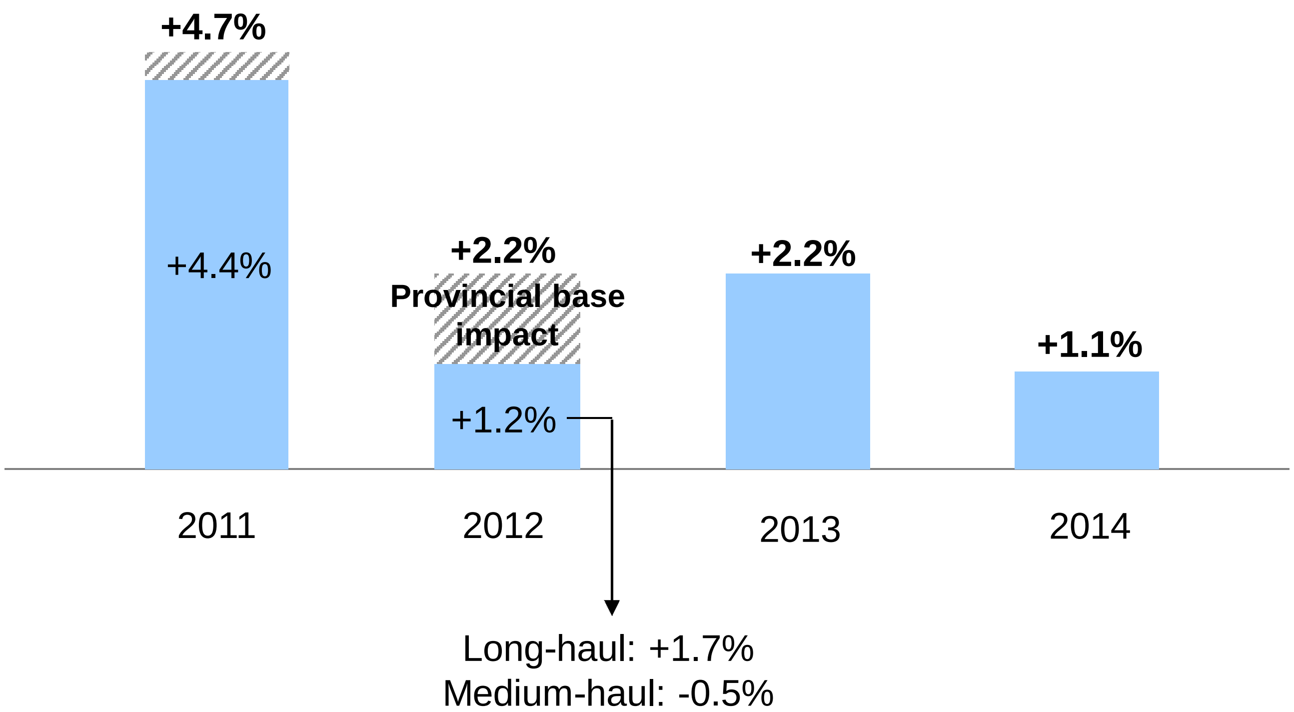
Limited capacity growth

Phase **1**

Capacity in ASK



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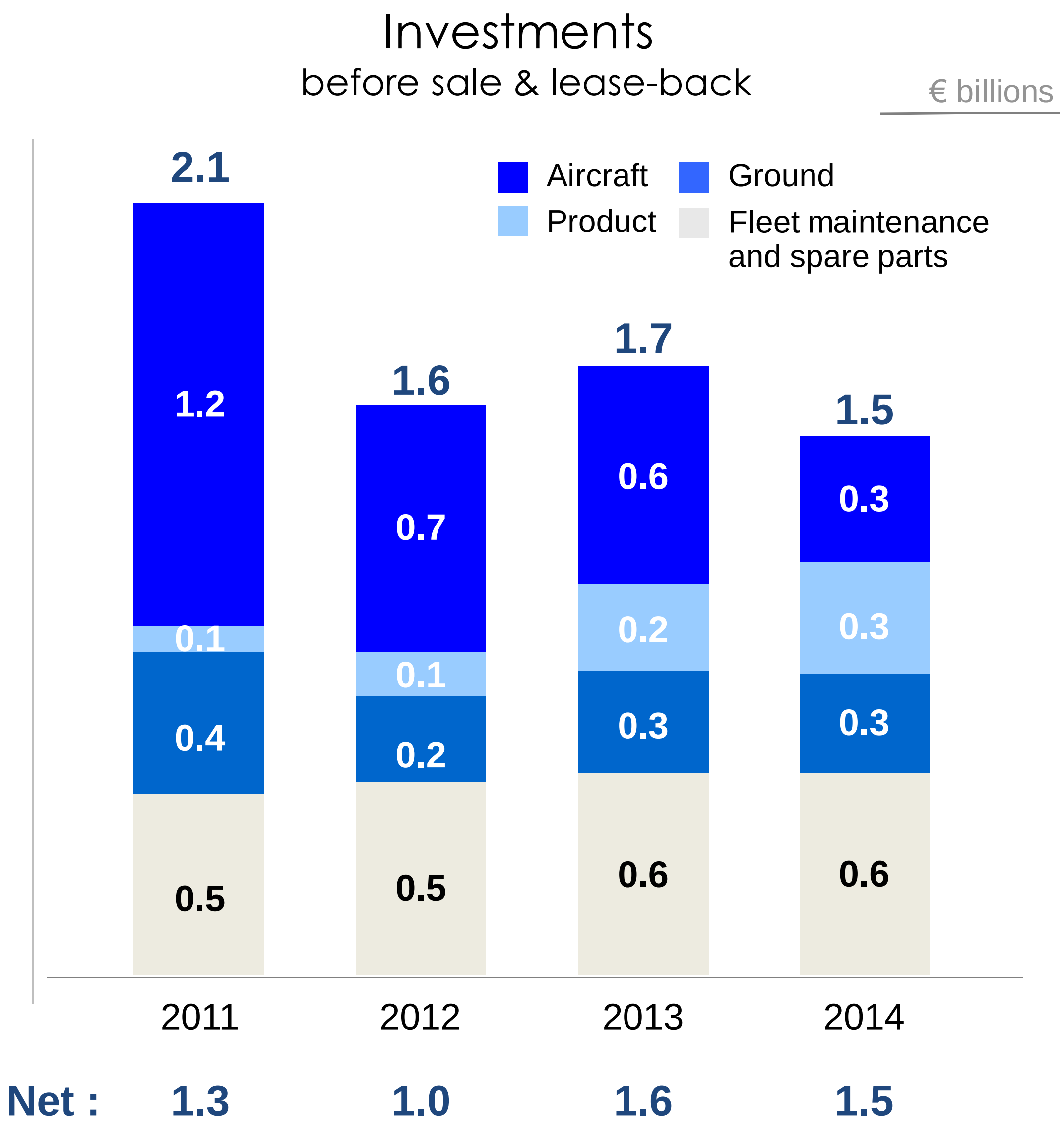
Investment program revised down

Phase **1**

- Sharp reduction in aircraft investments
- Investments in the product stepped up
- Ground investments under review
- Fleet maintenance investments maintained



Immediate cost savings

Phase **1**

€ millions

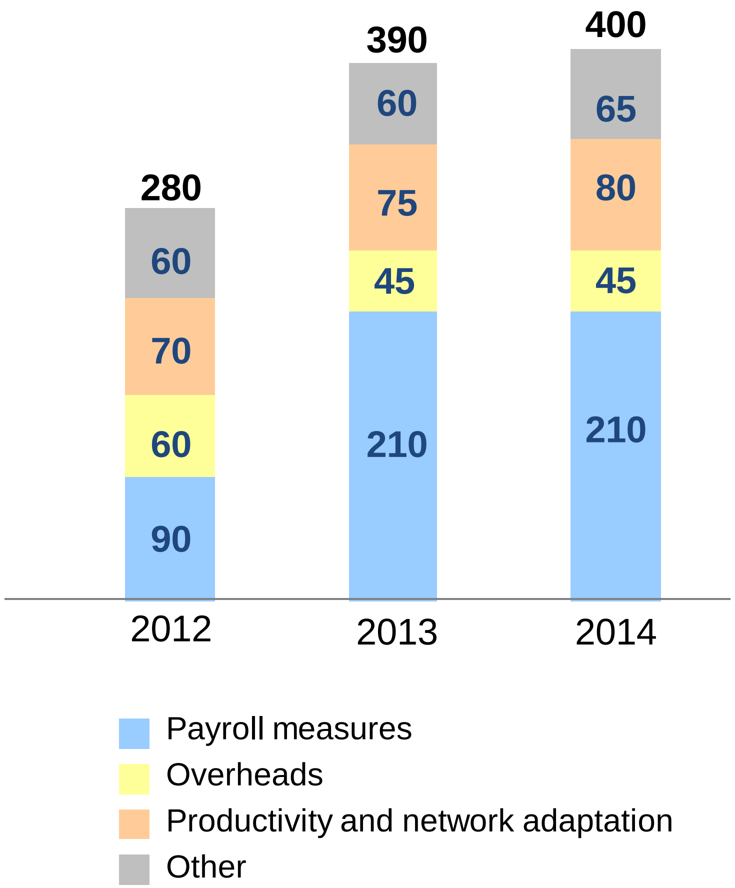
Main measures

- Payroll measures: more than €500m
- Overheads: €150m
- Productivity and network adaptation: €200m

Target

Over €1bn over 3 years

Impact 2012-14



Structural transformation plan

Phase **2**

Three targets

Medium-haul return to break-even
Cargo turnaround
Improvement in profitability at long-haul and maintenance

One key lever

Significant improvement in productivity by 2014

Collective labor agreements renegotiations underway

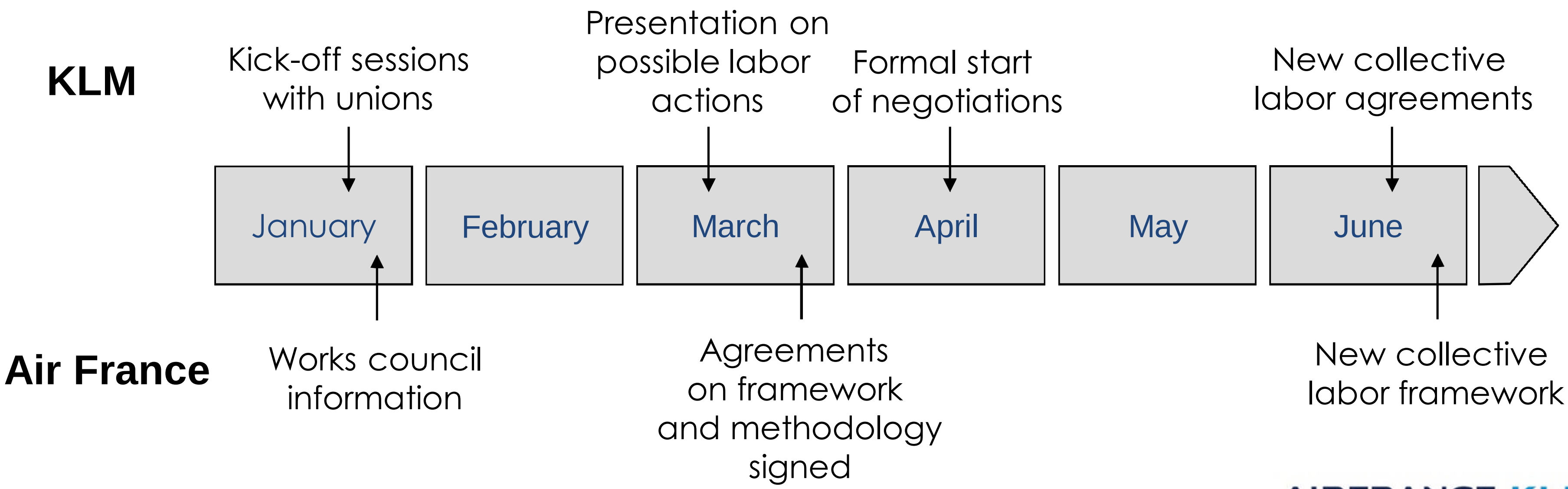
Phase **2**

Air France

- Target: +20% economic efficiency improvement in 2014
- Several levers: productivity, flexibility in operating modes, operating efficiency
- Agreements on framework and methodology signed

KLM

- Transitional CLAs concluded in October 2011 for interim period
- Program for discussions with the unions launched in January 2012



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Transformation projects: medium-haul

Phase **2**

- 2011: Operating loss of €700m

- Projects under consideration
  - Network restructuring
  - Extension of "provincial bases" production model to entire point-to-point network
  - Regional activity rationalization

- 2014 target: return to break-even
  - Point to point network at breakeven in 2013, and profitable in 2014
  - Significant reduction of losses on hub-feeding networks

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Transformation projects: other businesses

Phase **2**

- Long-haul: improvement in profitability
  - Product positioning, especially for leisure travel
  - Investment in product, conditional on success of labor negotiations
- Cargo: turnaround
  - Sizing and organization of full-freighter fleet
  - Streamlining of product portfolio
  - Cost reduction
- Maintenance: improvement in profitability
  - Sub-contracting of certain airframe activities

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Transform 2015 calendar

Phase **2**

	End March	April-June
Employee measures	Preparatory negotiations at Air France and KLM	Collective agreement renegotiation
Transformation projects	Conclusions and first actions	Finalization of transformation projects

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Our competitive advantages

A powerful long-haul network

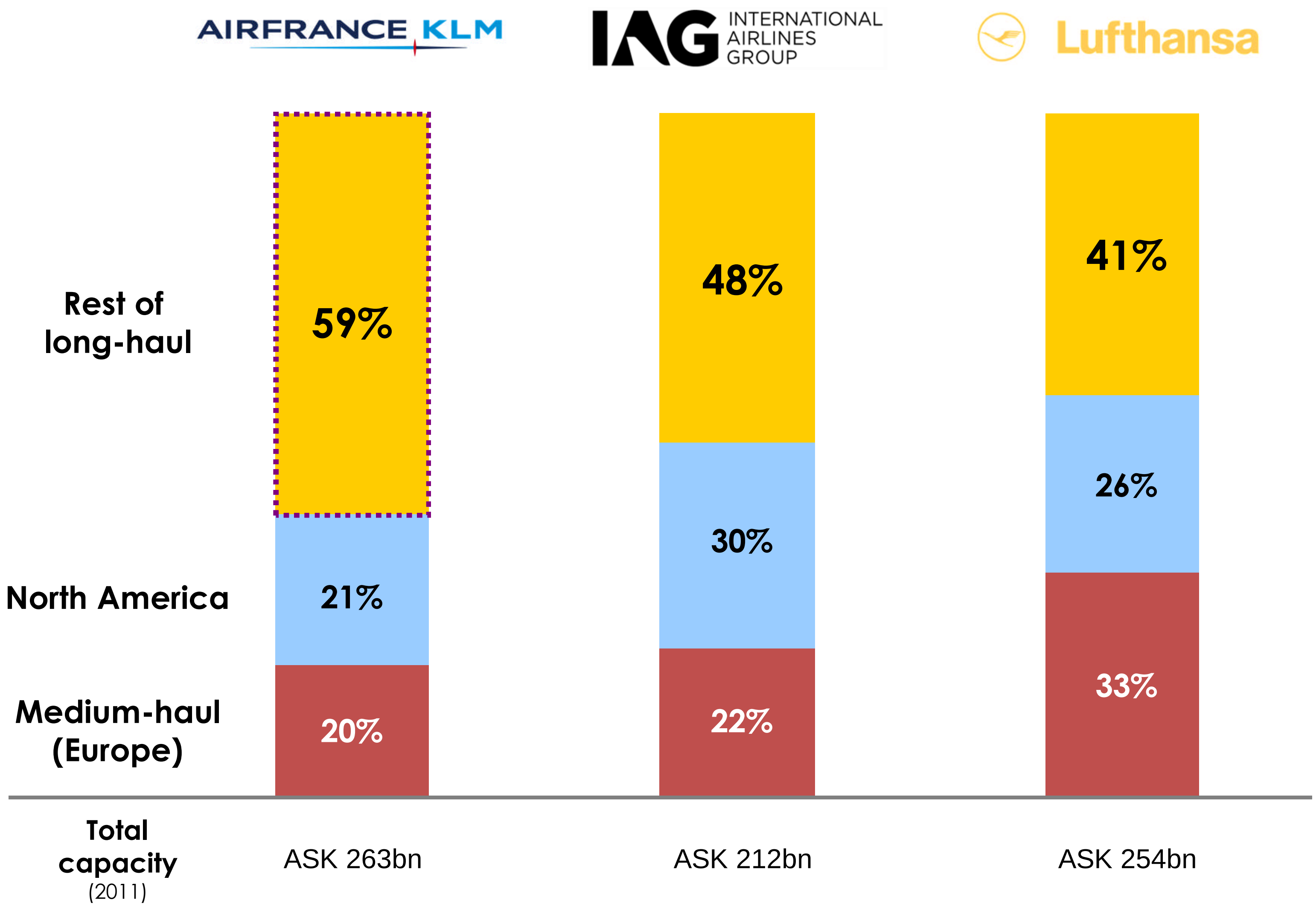
- 124 long-haul destinations*
  - 35 from both hubs
  - 89 from a single hub
  - 66% of the long-haul destinations served by AEA member carriers

- 143 direct long-haul flights per day

- 34 'unique' destinations: 27% of our destinations served neither by Lufthansa Group nor IAG

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

Leading exposure to high growth markets…



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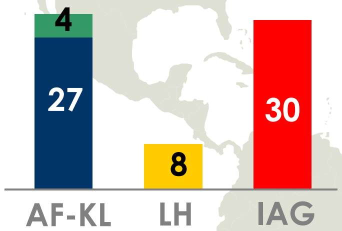
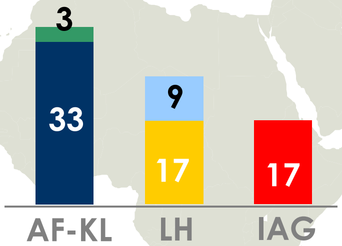
…with strong presence in all key regions

Latin America
& Caribbean
31 daily flights
21 gateways
in 17 countries



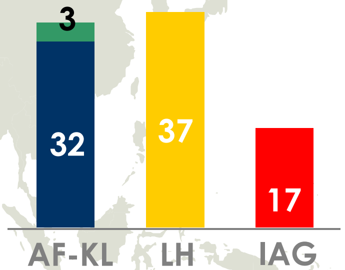
Brazil: 5 daily flights
Mexico: 3 daily flights
Caribbean: 10 daily flights

Africa
36 daily flights
40 gateways
in 33 countries



Nigeria: 5 daily flights
South Africa: 3 daily flights
Kenya: 1 daily flight
(+2 operated by partner Kenya Airways)

Asia
35 daily flights
23 gateways
in 13 countries



China: 14 daily flights
Japan: 8 daily flights
India: 4 daily flights

Air France-KLM
Alitalia
Lufthansa (incl. Swiss and Austrian)
SN Brussels
IAG (British Airways and Iberia)

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Unique position in China

	2001	2012
Own network	 **Four cities**	 **Nine cities**
SkyTeam member partners		CHINA AIRLINES 中國東方航空 CHINA EASTERN CHINA SOUTHERN 上海航空公司 SHANGHAI AIRLINES 厦門航空 XIAMEN AIRLINES
Joint ventures		中國東方航空 CHINA EASTERN CHINA SOUTHERN

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Transatlantic Joint Venture with Delta

- The number one operator on the North Atlantic
  - Revenues of €8.5 billion
  - 27% of capacity
  - 266 daily flights
  - 27 gateways in North America and Mexico, 33 in Europe
  - 17 million passengers in 2011
- Revenue and cost sharing
- Reinforced governance
  - Coordinated 6% reduction in capacity at Summer 2012

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SkyTeam reinforces the strength of our network

20 members in 2012
14,500 daily flights
900 destinations in 173 countries

25

Conclusion

The Air France-KLM group is focused on
the success of Transform 2015,
which will allow it to regain
its leadership position.

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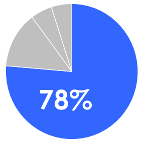
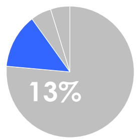
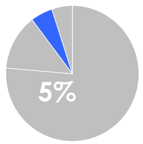
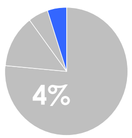
2012 key figures

Key data by business

January-March

			Revenues		Operating result	
			2012 (€bn)	% Ch.	2012 (€m)	2011 (€m)
	**Passenger**		4.43	+8.8%	-504	-367
	**Cargo**		0.74	-3.3%	-68	-9
	**Maintenance**		0.26	+10.7%	16	26
	**Others**		0.22	-15.5%	-41	-53
	Total		5.65	+6.0%	-597	-403

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Group results

€m	January-March 2012	January-March 2011	Change
Revenues	**5,645**	**5,326**	**+6.0%**
EBITDAR	37	205	-82.0%
EBITDA	-188	-2	ns
Income from current operations	**-597**	**-403**	**ns**
Adjusted operating result	-521	-333	ns
Adjusted operating margin	-9.2%	-6.2%	-3 pts
Net result, group share	-368	-367	ns
Operating cash flow before change in WCR	-303	-292	ns
Change in WCR	245	668	ns
Investment in tangible and intangible assets	416	561	-26.0%
Disposal proceeds and dividends	-38	-306	Ns
Free cash flow	-436	121	ns
Free cash flow incl. Amadeus	**38**	**121**	**-79.3%**
Net debt at beginning of period	6,515	6,065	
Net debt at end of period	6,432	5,891	

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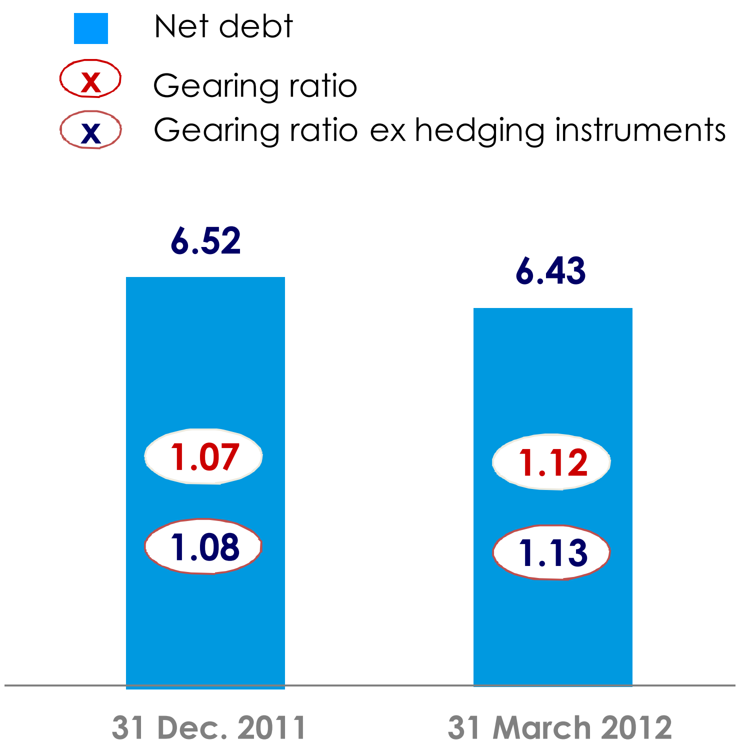
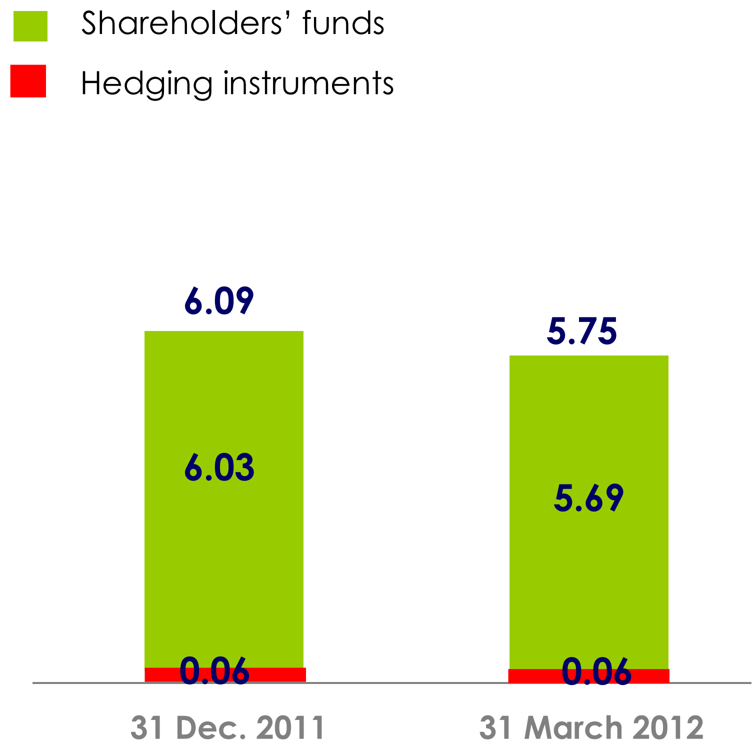
Financial position

Net financial debt
(€ billions)



Shareholders' funds
(€ billions)



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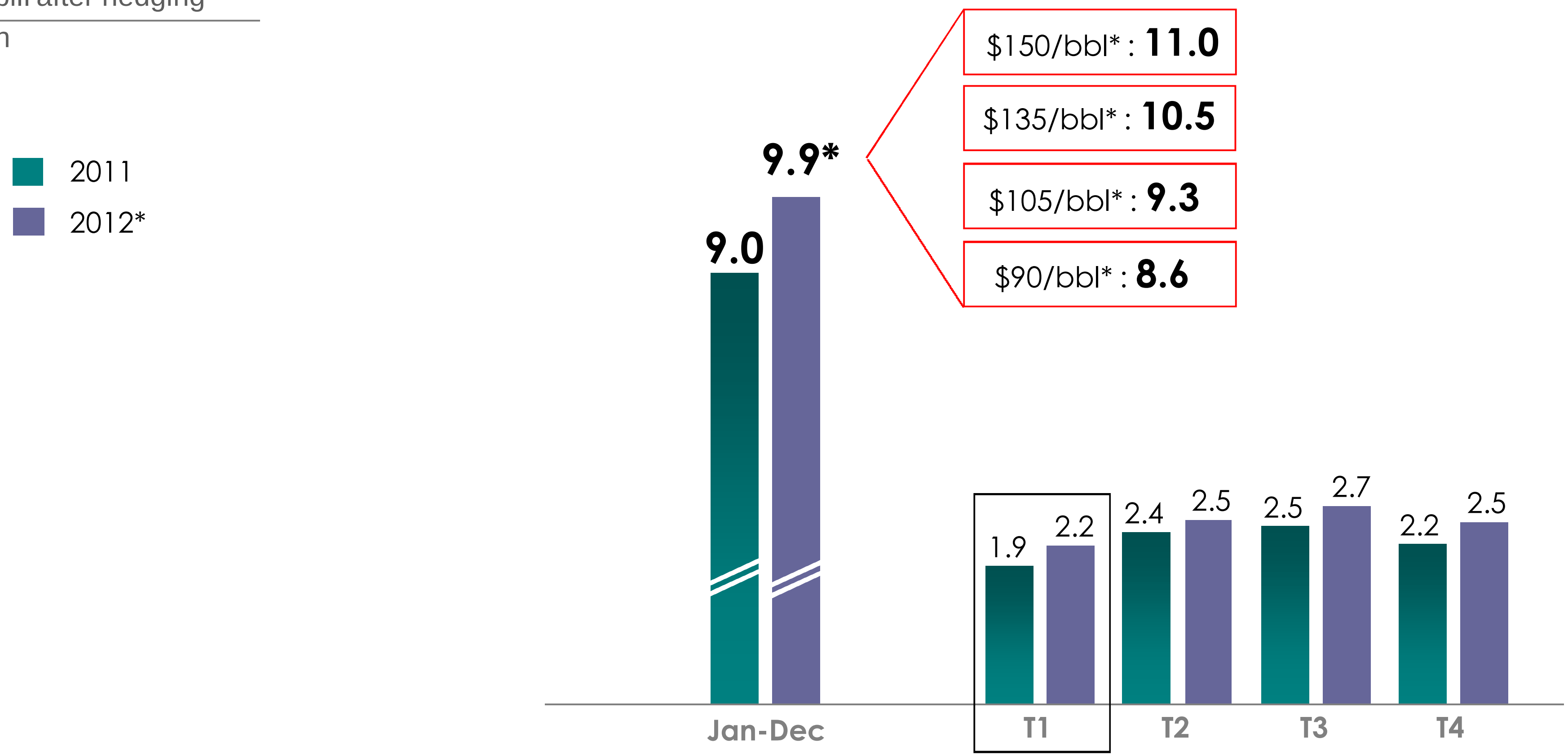
Update on fuel bill

Fuel bill after hedging
In $bn



		Jan-Dec	T1	T2	T3	T4
Market price	Brent IPE ($ per barrel)**	118	118	119	118	117
Jetfuel ($/mt)	1,075	1,060	1,081	1,081	1,078	
% of consumption already hedged		55%	57%	60%	53%	50%

* Over remainder of the year
**Forward curve at 26 April 2012: Realized + forward prices

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Outlook for 2012 Financial Year

- First Quarter results lead the group to maintain its objectives for 2012
  - Reduction in unit cost at constant currency and fuel price
  - Net debt of maximum €6.5bn at year end
- First Half: operating result likely below previous year's level
- Second Half: impact of first 'Transform 2015' measures

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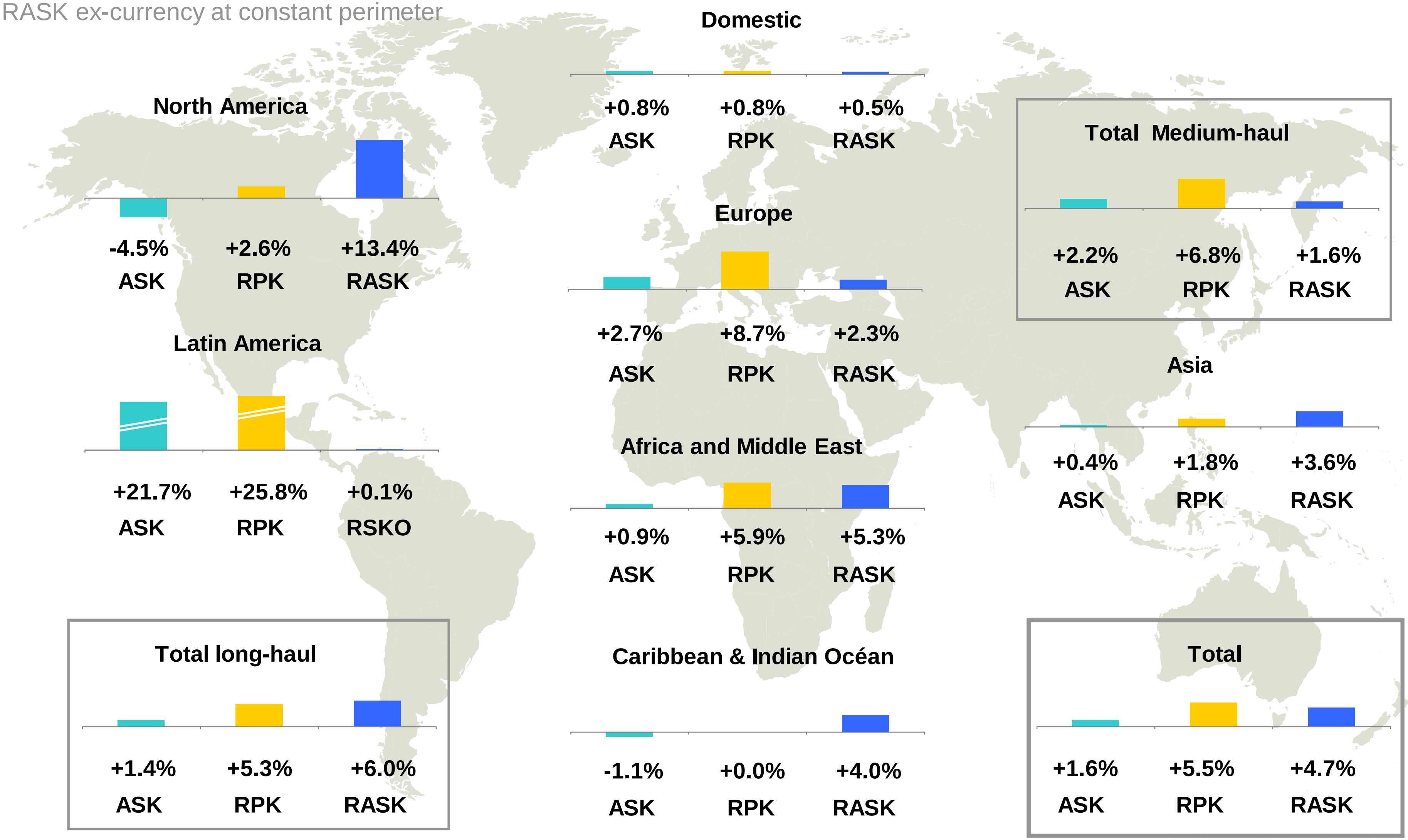
Appendices

Q1-2012: passenger unit revenues by region

January-March 2012

RASK ex-currency at constant perimeter



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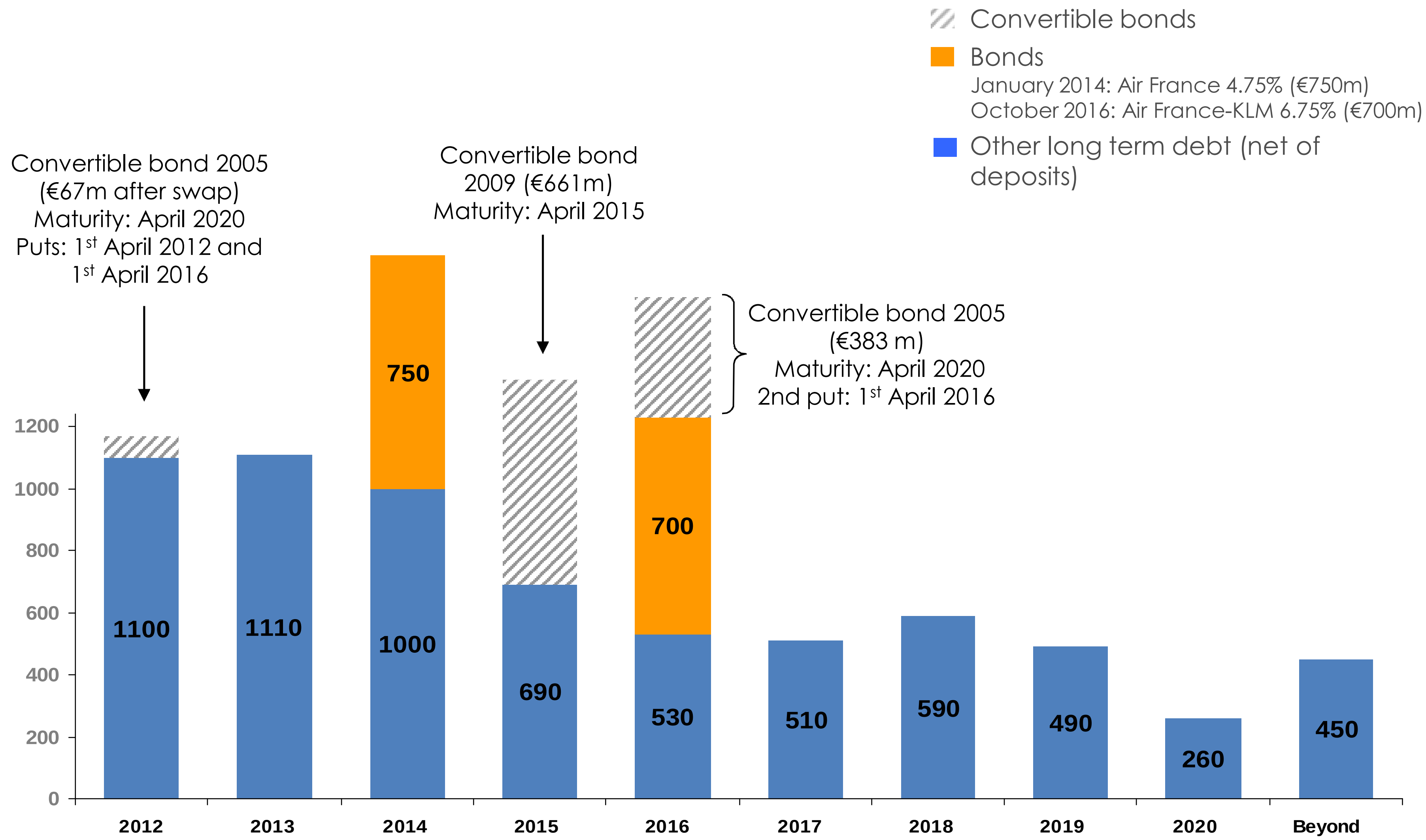
Net debt calculation

In € million

	31 March 2012	31 Dec. 2011
Current and non-current financial debt	10,281	10,402
Deposits on lease aircraft	(521)	(491)
Financial assets pledged (OCEANE swap)	(393)	(393)
Currency hedge on financial debt	12	4
Accrued interest	(91)	(122)
= Financial debt	**9,288**	**9,400**
Cash and cash equivalents	2,424	2,283
Marketable securities	248	359
Available cash pledged	232	235
Deposits (Triple A)	115	165
Bank overdrafts	(163)	(157)
= Net cash	**2,856**	**2,885**
Net debt	**6,432**	**6,515**
Consolidated shareholders' funds	**5,752**	**6,094**
Net debt/shareholders' funds	**1.12**	**1.07**
Net debt/shareholders' funds excluding derivatives	***1.13***	***1.08***

Debt reimbursement profile at 1st January 2012*



* In million euros, net of deposits on financial leases and excluding KLM perpetual debt (€625 m)

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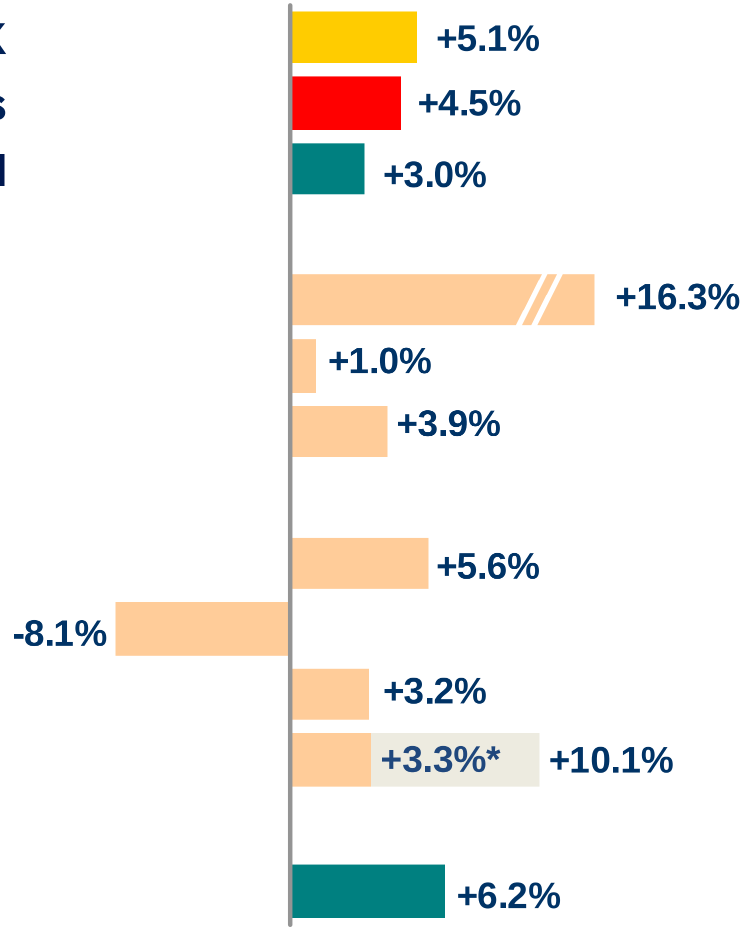
FY 2011: change in operating costs

January-December 2011
€ million pro-forma

Capacity in EASK
Revenues
Operating costs ex fuel

Fuel	6,438
Employee costs	7,460
Aircraft costs (amortization and provisions, maintenance costs, operating leases and chartering)	4,288
Landing fees and en route charges	1,818
Commercial and distribution costs	847
Handling charges	1,342
Other	2,523
Total operating costs	**24,716**



* Excluding currency hedging

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