AIRFRANCEKLM GROUP

Results presentation

Results at 30 June 2020

31 July 2020

Q2 2020 highlights

Benjamin Smith
Chief Executive Officer
Air France-KLM

Covid-19 crisis has unprecedented impact on the industry, the Group is to accelerate transformation plan

- EBITDA loss minimalized to an average of €260m[1] per month thanks to quick and effective measures, compared to the estimation of €400m per month

- Demand shows some signs of recovery, mainly in Europe, but demand ramp up very uncertain

- €14.2bn cash available after financing supports from the French (€7bn) and Dutch (€3.4bn) states

- In the context of the Covid-19 crisis the Group vows to accelerate its key transformation initiatives. Thereby the Group has to balance managing its liquidity level and optimization of Capex investments with achieving increased competitiveness and sustainability targets.

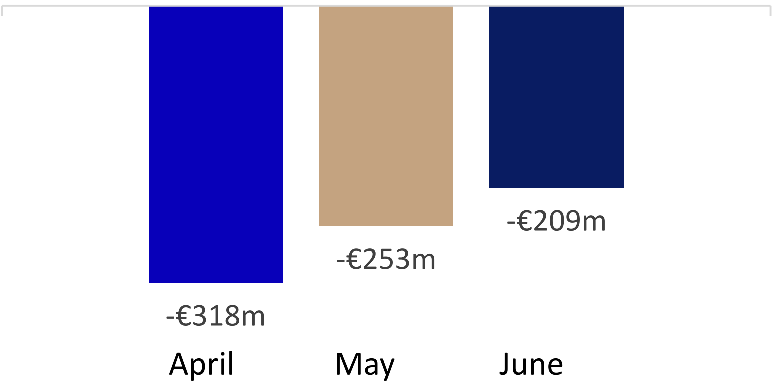
(1) See p15 of the press release for the reconsolidation between EBITDA, cash impact on operating result and Financial capacity
(2) 2019 results restated for LLP componentization accounting change and EU passenger compensation reclassification between revenues and external expenses

Results at 30 June 2020

Frédéric Gagey
Chief Financial Officer
Air France-KLM

Quick and swift cash preservation measures in place during Q2

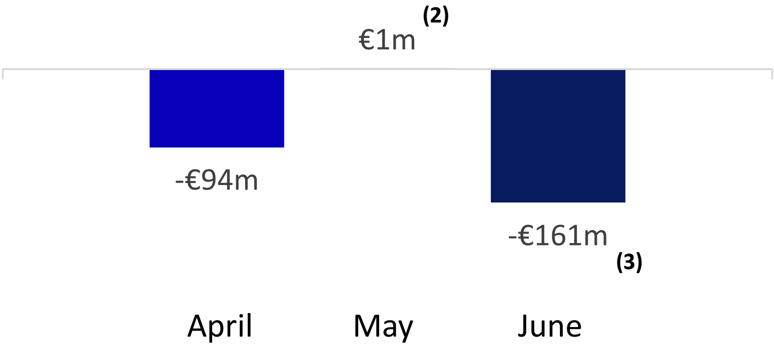
EBITDA loss at an average of €260m per month (1)



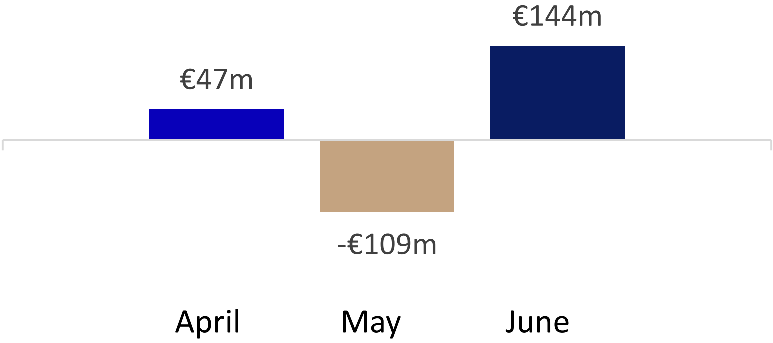
Net capex strongly reduced & deferrals of aircraft deliveries

Capex Q2 20: -€254m

Capex Q2 19: -€735m



Positive change in working capital: Ability to negotiate deferral for suppliers payables, refunds not yet reflected



(1) See p15 of the press release for the reconsolidation between EBITDA, cash impact on operating result and Financial capacity
(2) Net capex including Sales & lease back operation (+110m€) during May
(3) Including investment of one aircraft with financing arrangement finalized. Payment to be received

Passenger activity: Skeleton network operation to key cities and routes with high cargo demand in April and May 2020, slow resumption of traffic in June 2020 after lockdown easing across Europe

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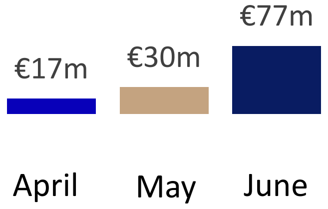
AIRFRANCE KLM **Network Passenger activity**

Monthly scheduled revenue in m€

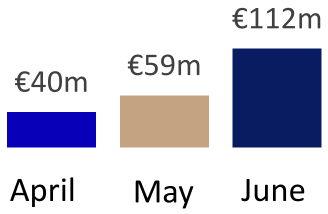
<u>Short and Medium-haul</u> leisure demand slightly picking up in June

- *~€600m per month in Q2 2019*



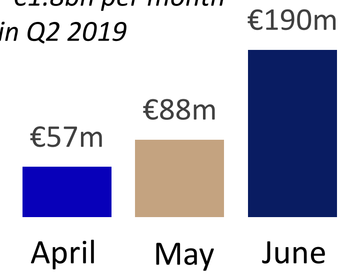
<u>Long-haul</u> skeleton network in April and May, awaiting development of market demand and government policies

- *~€1.2bn per month in Q2 2019*

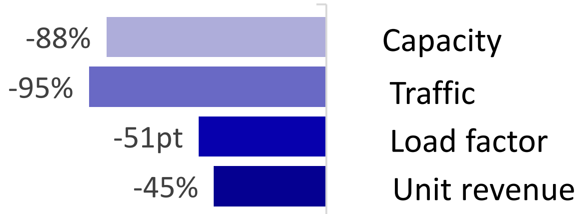


<u>Passenger network:</u> Skeleton operations in April and May to connect key city pairs, slow resumption of activity in June with reduced frequencies on a substantial part of the network routes

- *~€1.8bn per month in Q2 2019*



Q2 YoY evolution



transavia

Monthly scheduled revenue in m€

<u>Transavia</u> no activity until June

- *~€170m per month in Q2 2019*

Strong Cargo yields due to industry decrease of capacity, Covid-19 severely impacting all other businesses

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- Q2 2020

		Capacity [1]	Unit Revenue [2] Constant Curr.	Revenues (€ m)	Change	Operating result [3] (€ m)	Change [3]	Operating margin	Change [3]
Network	AIRFRANCE KLM	-88.4%	-45.1%	372	-93.2%	-1123	-1,438m	-302%	-307 pt
	AIRFRANCE KLM Martinair CARGO	-56.3% [5]	+145.7%	566	+6.0%				
Transavia	transavia	-97.1%	+4.4%	17	-96.6%	-111	-164m	-665%	-676 pt
Maintenance	AIRFRANCE INDUSTRIES KLM Engineering & Maintenance			222	-57.8%	-318	-370m [4]	-63%	-68 pt
Group	AIRFRANCE KLM GROUP	-89.4%	+27.3%	1,182	-83.2%	-1,553	-1,976m	-131%	-137 pt

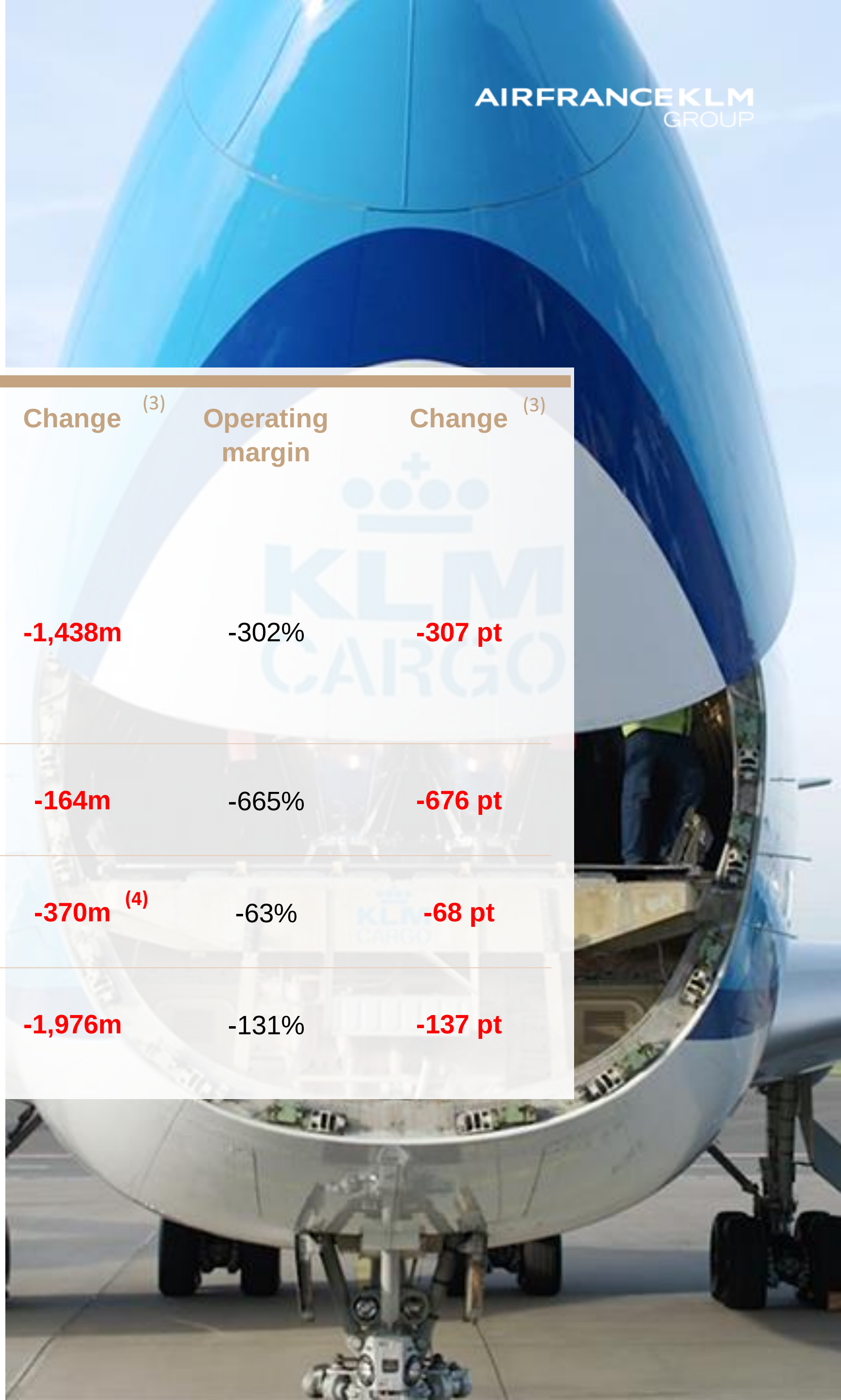
(1). Capacity is defined as Available Seat Kilometers (ASK), except for Network Cargo capacity which is Available Ton Kilometers (ATK). Group capacity is defined as Passenger ASK (Network Passenger ASK + Transavia ASK)

(2). Unit revenues = revenue per ASK, Cargo unit revenues = Cargo revenue per ATK, Group unit revenue = (Network traffic revenues + Transavia traffic revenues) / (Network Passenger ASK + Transavia ASK).

(3) 2019 results restated for LLP componentization accounting change and EU passenger compensation reclassification between revenues and external expenses

(4) Maintenance activity Q2 2020 operating result Impacted by around €210m of provision, mainly coming from doubtful receivables and surplus of spare parts after the crisis

(5) Capacity of passenger aircraft used for cargo only, is based on theoretical payload without passengers



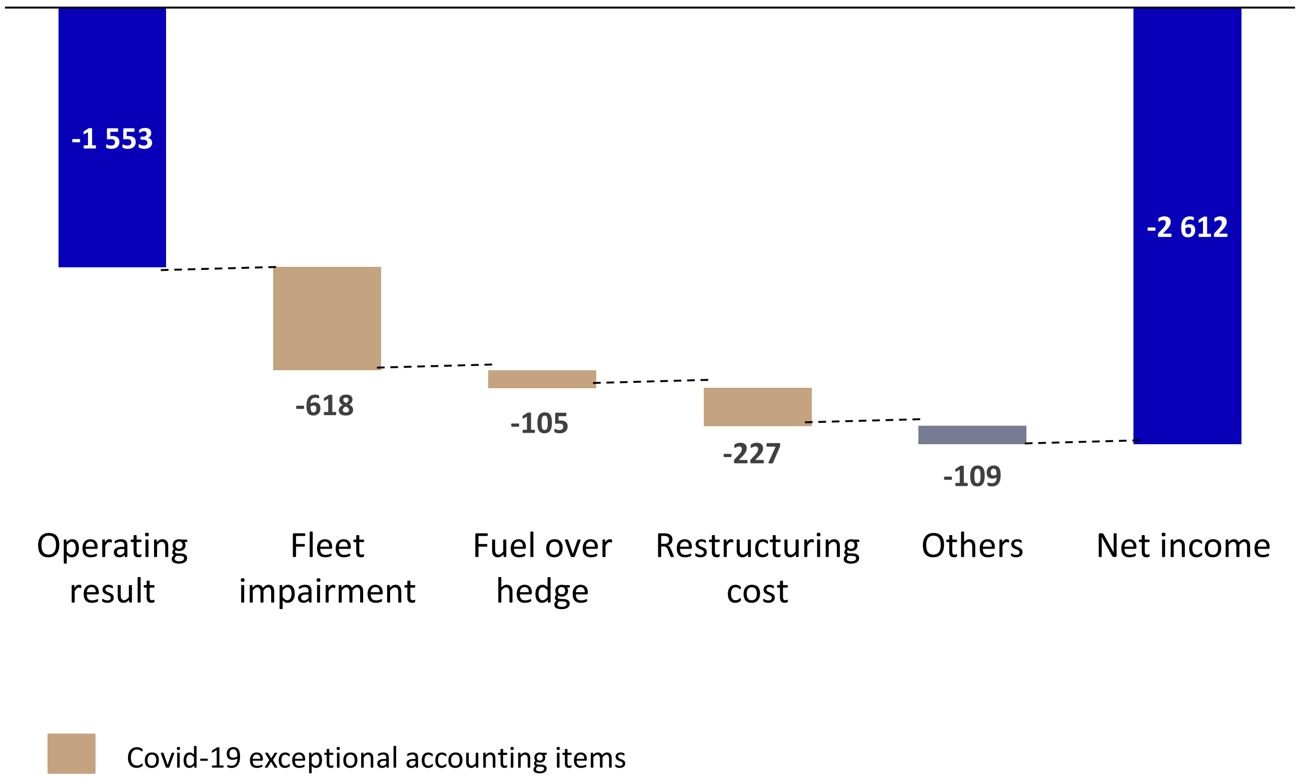
Covid-19 severely hampering all industry financial metrics in Q2 2020

	Q2 2020	Q2 2019	Change	Change *at constant currency*
Revenues (€ m)	**1,182**	7,021	-5,839m	-5,893m
Fuel expenses (€ m)	**213**	1,404	-1,191m	-1,142m
EBITDA (€ m) (1)	**-780**	1,167	-1,947m	-1,942m
Operating result (€ m)	**-1,553**	423	-1,976m	-1,972m
Operating margin (2)	**-131%**	6.0%	-137.4 pt	-137.3 pt
Net income - Group part (€ m)	**-2,612**	97	-2,709m	
Adjusted operating free cash flow (€ m) (3)	**-1,501**	108	-1,609m	
ROCE *12 months sliding*	**-10.2%**	10.3%	-20.5 pt	
	30 June 2020	31 Dec 2019	Change	
Net debt (€ m)	**7,973**	6,147	+1,826m	
Net debt/EBITDA *12 months sliding*	**4.8x**	1.5x	+3.3x	

(1) 2019 results restated for LLP componentization accounting change and EU passenger compensation reclassification between revenues and external expenses
(2) See page 9 of this presentation for further details
(3) The definition of ROCE has been revised to take into account the seasonal effects of the activity, see detail in press release

Q2 2020 net income includes ~-€950m of Covid-19 exceptional accounting items

Q2 2020 Net income evolution



Fleet impairment -€618m incl.:
Acceleration of the Airbus 380 phase-out -€520m
Phase-out of Airbus 340 -€72m

Impact of fuel "Over hedge" -€105m:
As in Q1, fuel over-hedge has been recycled to "Other financial income and expenses".
The amount of -€105m is a combination of higher fuel prices and adjusted capacity.
(End June 2020 estimate for the remainder of 2020)

Restructuring cost -€227m incl.:
Provision for KLM Voluntary Departure Plan -€188m
Provision for Air France pilots Voluntary Departure Plan -€37m

Others -€109m incl.:
Cost of debt -€113m

Both airlines results negatively impacted by Covid-19

Q2 2020	Capacity change	Revenues (€ m)	Change YoY	Operating result[1]	Change YoY	Operating margin[1]	Change YoY
AIRFRANCE	-92%	558	-87%	-1,058	-1,212	-189%	-193 pt
KLM	-85%	701	-76%	-493	-763	-70%	-80 pt
AIRFRANCEKLM GROUP	-89%	1,182	-83%	-1,553	-1,976	-131%	-137 pt

H1 2020	Capacity change	Revenues (€ m)	Change YoY	Operating result[1] (€ m)	Change YoY	Operating margin[1]	Change YoY	Net debt (€ m)	Change 31 Dec 2019	Net debt / EBITDA	Change 31 Dec 2019
AIRFRANCE	-54%	3,574	-55%	-1594	-1,500	-45%	-43 pt	5,143	+1,202	7.9x	+6.1pt
KLM	-50%	2,841	-46%	-768	-991	-27%	-31 pt	2,760	+235	2.8x	+1.5pt
AIRFRANCEKLM GROUP	-53%	6,201	-52%	-2,368	-2,505	-38%	-39 pt	7,973[2]	+1,826	4.8x	+3.3pt

(1) 2019 results restated for LLP componentization accounting change and EU passenger compensation reclassification between revenues and external expenses
(2) Net Debt / EBITDA: 12 months sliding, see calculation in press release

Net debt up €1.8bn and leverage ratio at 4.8x[1]

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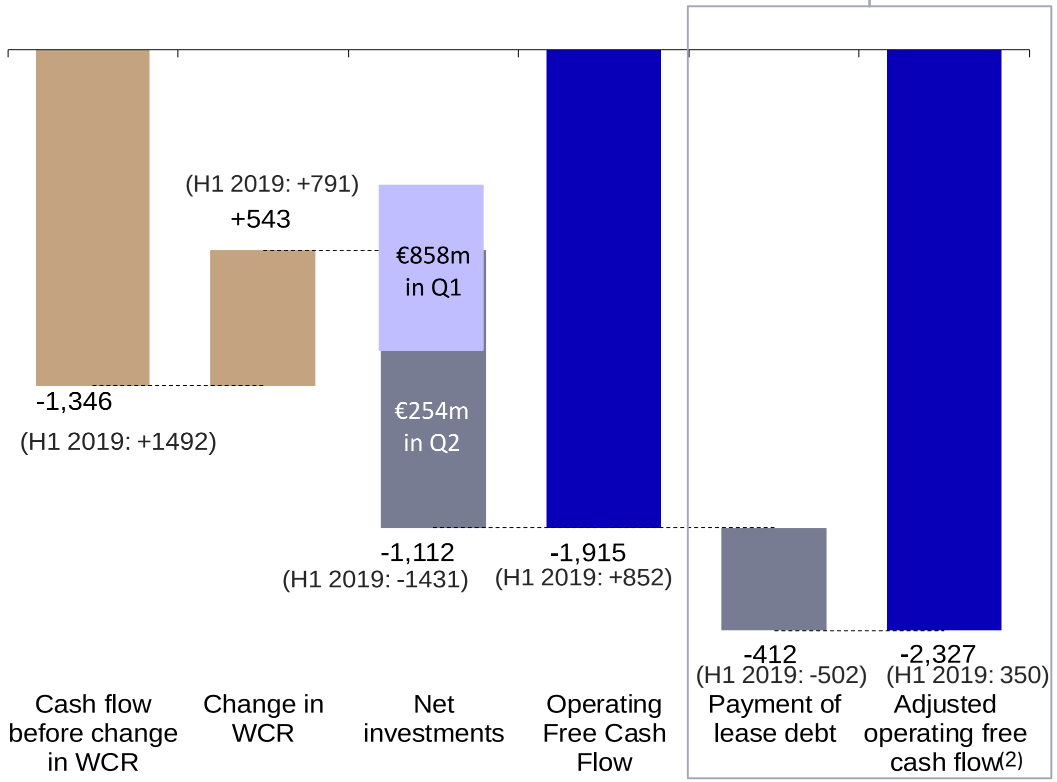
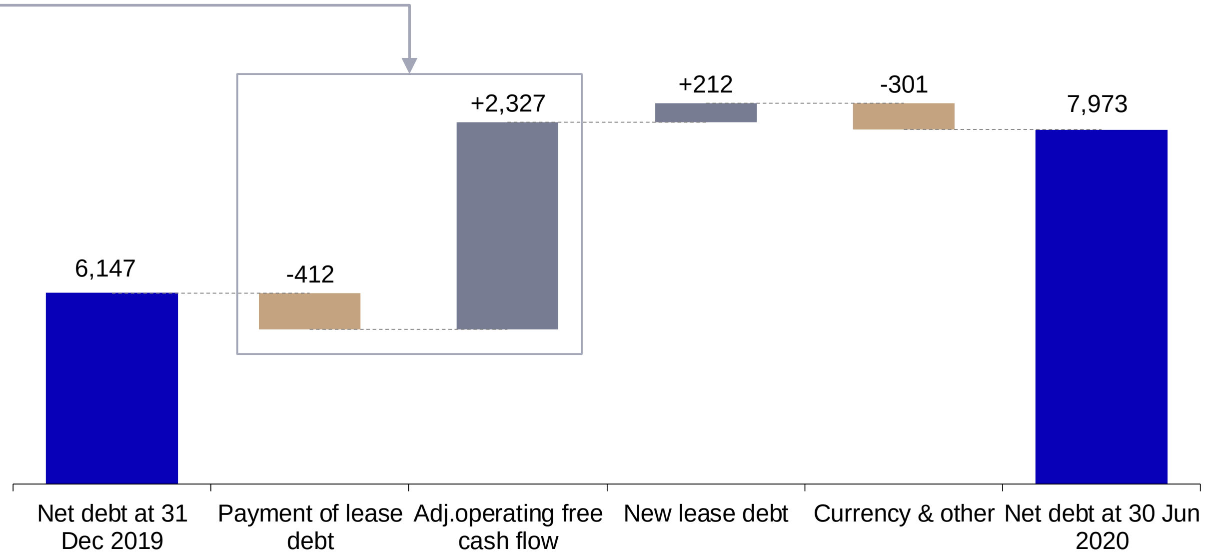
H1 2020 Free cash flow evolution

In € m



Net debt

In € m



(1) Net Debt / EBITDA: 12 months sliding, see calculation in press release

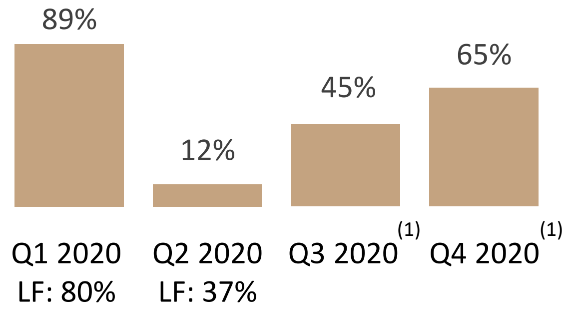
(2) Adjusted operating free cash flow = Operating free cash flow after repayment of lease debt

2020 Outlook

Results at 30 June 2020

Network passenger capacity outlook: High level of uncertainty on the duration of the Covid-19 crisis and impact on the macro-economic environment

Network Passenger capacity in ASK versus 2019

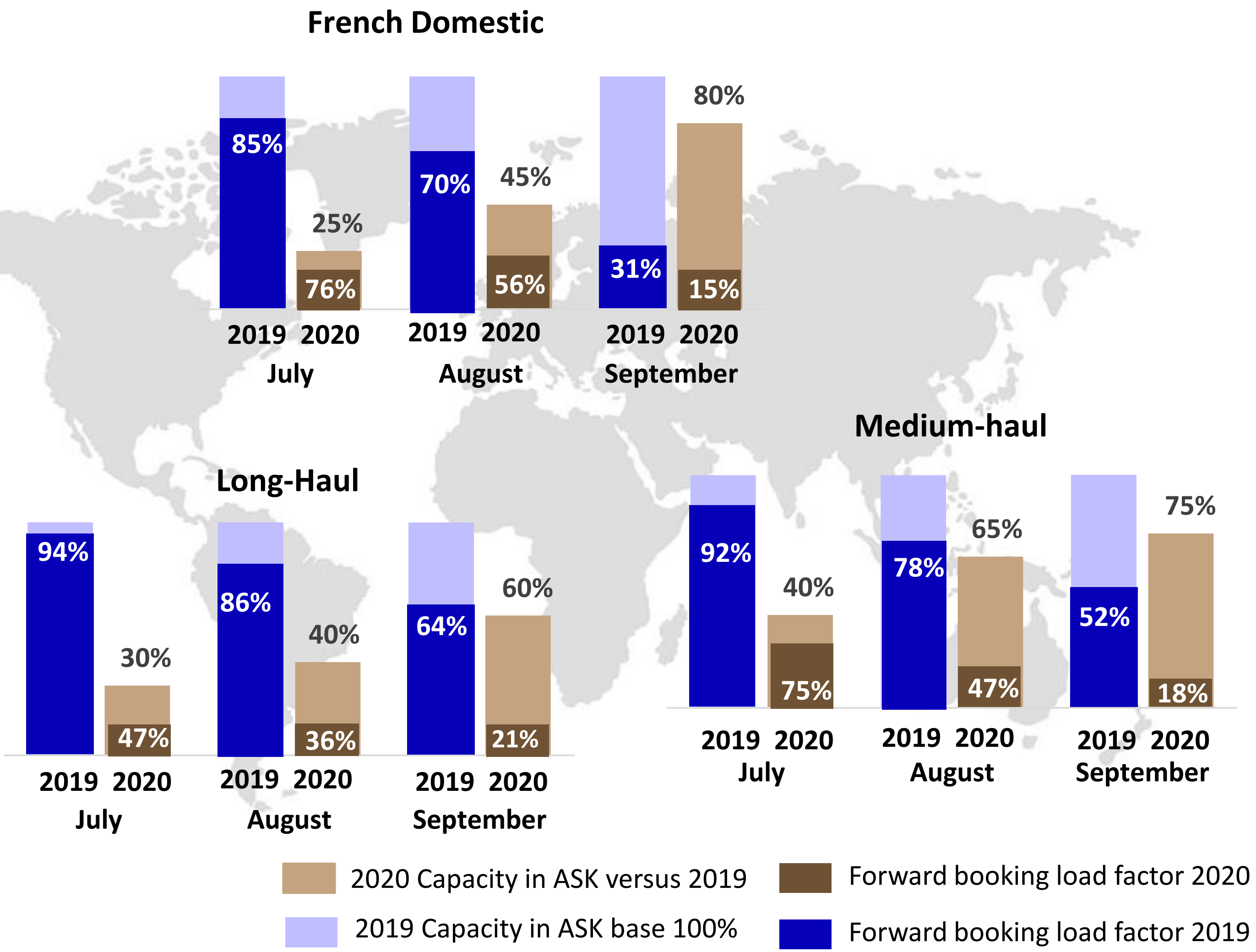


- All flights currently operated manage to be incrementally cash positive
- Demand ramp up uncertain as customers are currently booking much later than before
- Expected negative unit revenues for Q3 2020 due to delayed recovery of business activity and overall load factors to remain below levels of last year

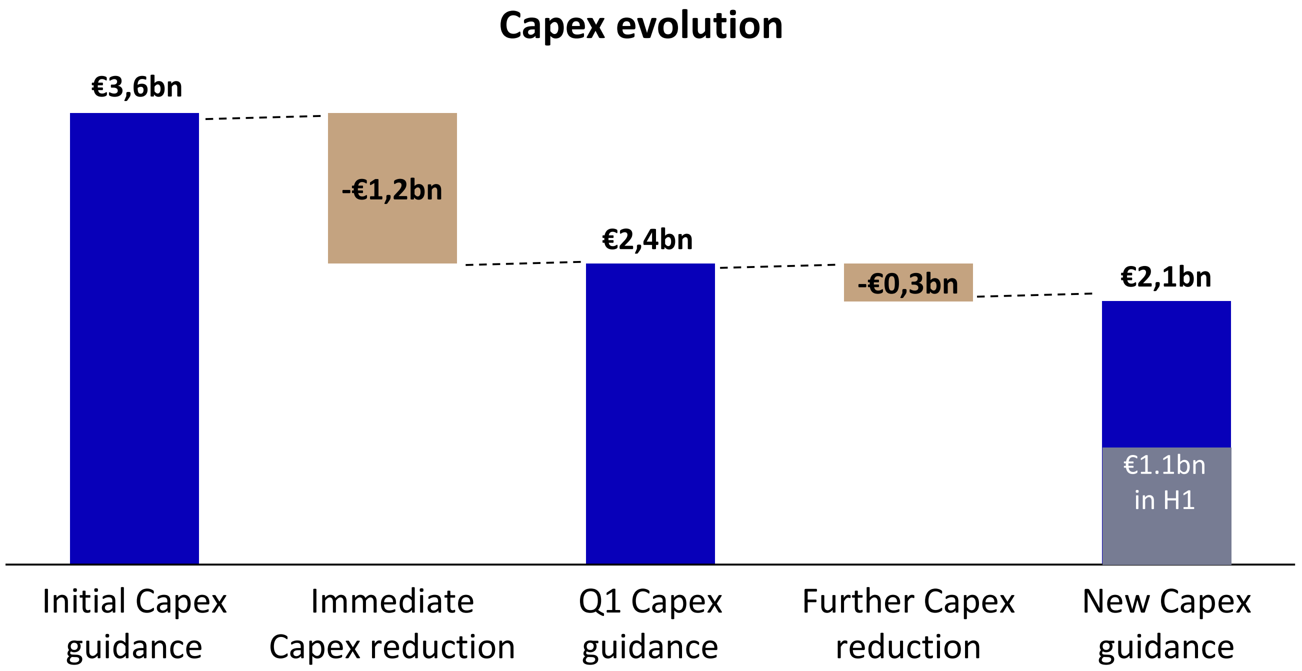
(1) Expected capacity for the next quarters, subject to the evolution of the Covid-19 situation. See page 25 of this presentation for the current assumptions

Network Passenger capacity and booking

Snapshot of the 30 July 2020 and 2019



Full year 2020 outlook: Further reduction of Capex and negative EBITDA

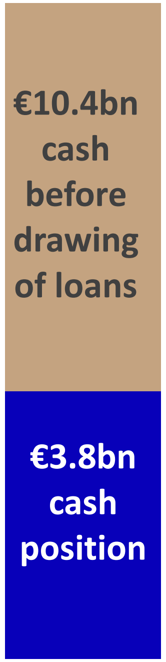


- The Group foresees **significantly negative EBITDA** in the second half year 2020

€14.2bn cash at hand to weather the crisis and restructure the business

€14.2bn cash at hand

end of Q2 2020



Liquidity requirements foreseen in H2 2020:

- Working Capital risk due to cash refunds of pre-paid ticket revenues estimated at €1.6bn, after having restored our normal reimbursement policy
- Capex spending at ~€1.0bn. Continuing to be active in the financing market: 3 A350-900 and 2 B787-10 financed on the market (Jolco) in March-July
- Repayment of KLM drawn revolving credit facilities €0.7bn
- Hybrid bond €0.4bn is intended to be repaid in full, the Group is considering refinancing options

Conclusion: Emergency measures required to face the Covid-19 crisis, and now Air France-KLM vows to accelerate its key transformation initiatives

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Covid-19 severely hampering all industry financial metrics in Q2 2020

State aid schemes contributed to release cash constraints. Air France-KLM in contact with main shareholders

High uncertainty for the rest of 2020, with booking coming much later than before

Continued discussions on the plan to strengthen equity and quasi-equity capital

Strategic review

Benjamin Smith
Chief Executive Officer
Air France-KLM

Group's go-forward plan started delivering results in 2019, 2020 was on track until onset of Covid-19

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	AIRFRANCE		KLM	
Passengers carried[1]	**+2.5%** FY 19 vs. FY 18	**+0.5%** Jan-Feb 20 vs. 19	**+3.0%** FY 19 vs. FY 18	**+1.4%** Jan-Feb 20 vs. 19
Total revenues	**+4.6%** FY 19 vs. FY 18	**+0.8%** Jan-Feb 20 vs. 19	**+1.7%** FY 19 vs. FY 18	**+5.4%** Jan-Feb 20 vs. 19
Unit Cost[2]	**-2.0%** FY19 vs. FY18	**-2.9%** Jan-Feb 20 vs. 19	**+0.8%** FY19 vs. FY18	**+0.5%** Jan-Feb 20 vs. 19
Labour	**40+** agreements signed in 2019		**3** CLAs signed in 2019 (all staff categories)	
Fleet restructuring	**Airbus A380 phase-out**		**Boeing 747 phase-out**	
NPS	**+13 pts** Jan 20 vs. 19		**+8 pts** Jan 20 vs. 19	
On-time performance	**80%** FY 19 vs. 74% FY 18		**79%** FY 19 vs. 85% FY 18	

Sustainability: **1st place** in Dow Jones **Sustainability** ranking

1) Scope is network and leisure; including Transavia France for Air France and Transavia Netherlands for KLM.
2) Change at constant currency and fuel price basis, 2018 impacted by strike

Covid-19 crisis has unprecedented impact on the industry

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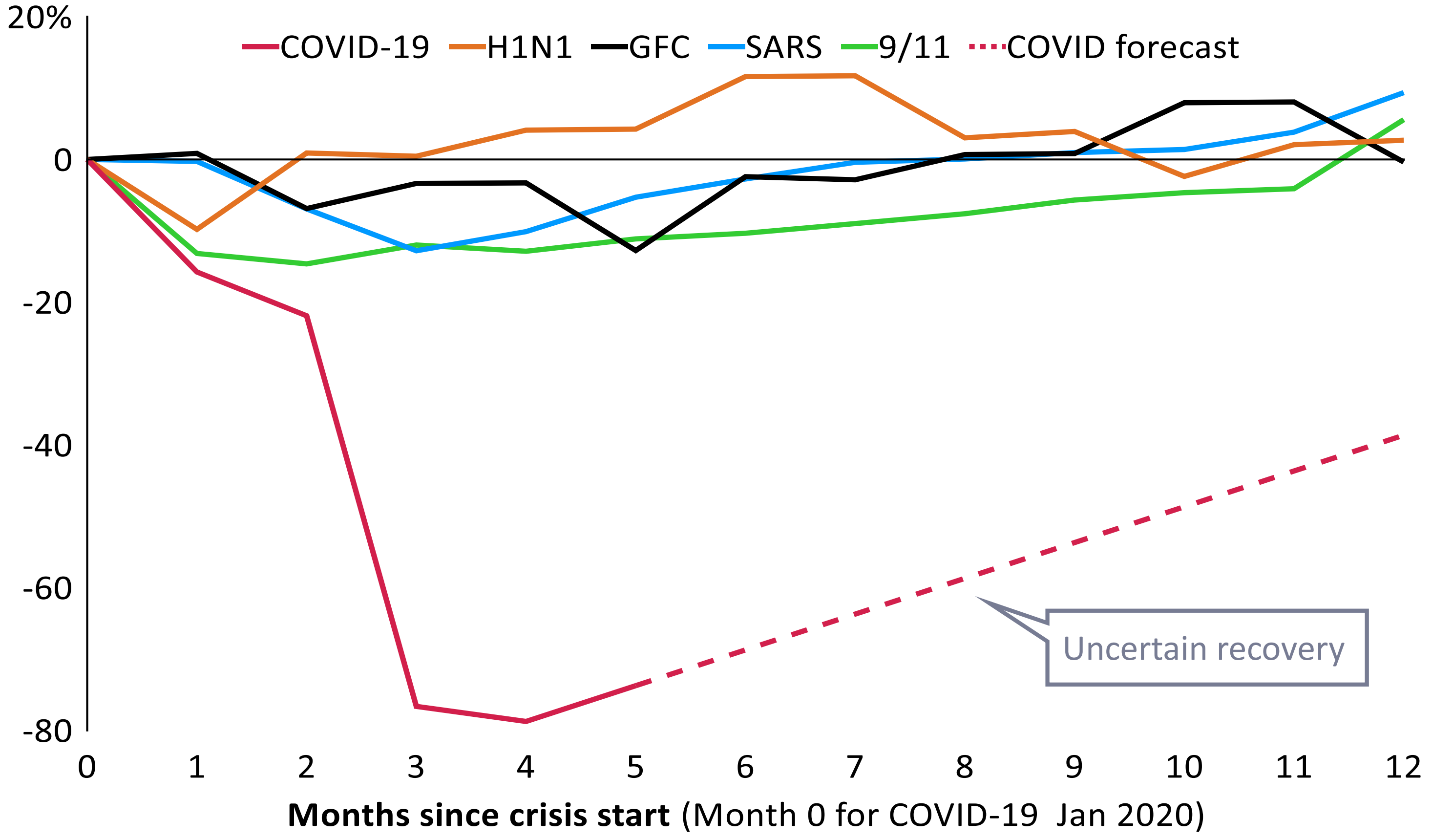
Global economy: Covid-19 impact far more severe

	Global Financial Crisis[2]	Vs.	Covid-19 (to date)[3]
Global GDP (YoY)		x4	
Unemployment (YoY %pts)		x3.5	
G-20 Fiscal stimulus		x5	

Air transport industry : Capacity development after crisis start

Global ASK evolution vs. **crisis start ASK**, from crisis start[1], %



1) SARS: Feb 2003; 9/11: Sept 2001; GFC: Sept 2008; H1N1: Jan 2009; Covid-19: Jan 2020. 2) Actuals. 3) Estimates for 2020 global GDP and unemployment rates as of June 2020, rest actuals.
Source: DiiO, IATA Market IS, IMF, OECD, GDP (recovery) forecasts, Country-based Covid-19 lockdown and border closure data, Customer sentiment surveys

Due to Covid-19, Air France & KLM seat capacity decreased by 95% in April, while bookings were almost nil

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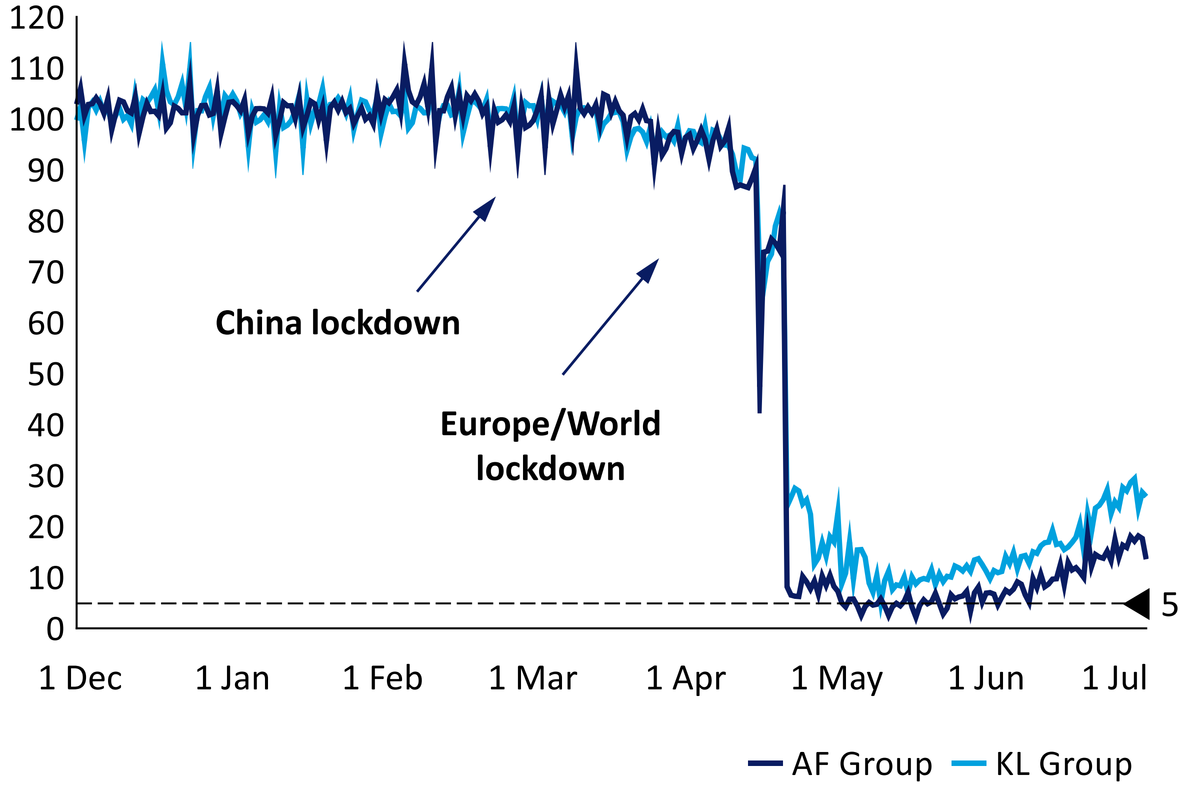
ASK evolution

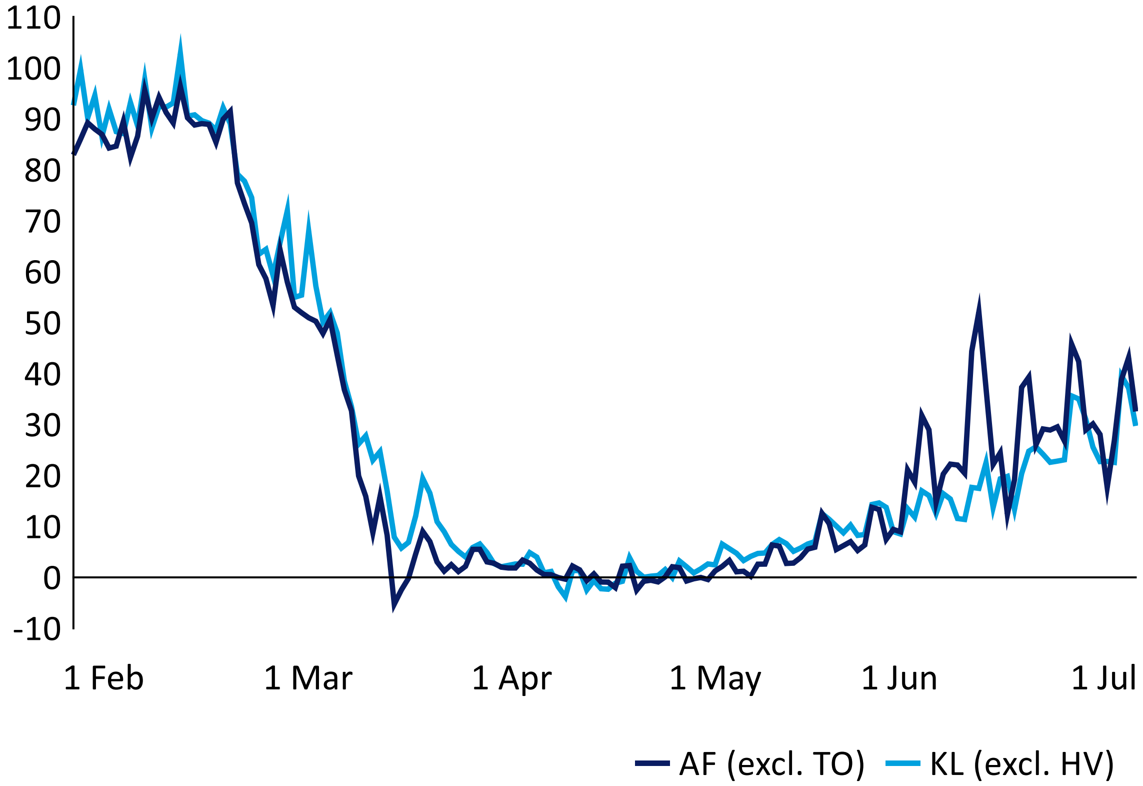
(Dec 2019 – Jun 2020, Base 100 = same day previous year)



Notes: Air France Group includes AF, A5, TO – KLM Group includes KL, HV, WA.
Negative indexes caused by refunds.

Bookings variation in number of passengers

(Bookings between Feb and July for travel between March and October, Base 100 = same day previous year)



To overcome crisis, French and Dutch states have provided financial package to Air France-KLM with conditions attached

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	AIRFRANCE	KLM
Financing	**€7B** €3B direct loan €4B bank loan guaranteed at 90%	**€3.4B** €1B direct loan €2.4B bank loan guaranteed at 90%
Conditions	• Achieve unit cost reductions to be in line with peers (e.g.. LH, BA) • Wage moderation: freeze on salary increases for all employees in 2021 and 2022 • Commit to restricted environmental conditions attached to financial package – Stop routes where <2.5h train option available – Reducing CO_2 emissions/ PAX/ km by -50% in 2030 (vs. 05) – Accelerating biofuel development	• Reduce manageable costs by 15% • Adjustment of labor conditions for employees who earn above a certain threshold is conditional to the full drawing of State financing. These adjustments are under discussion with labor representatives • Contribute to sustainability by reducing number of night flights and CO_2 emissions

Group's go-forward plan remains unchanged: reinforce competitive position by leveraging strengths

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Commitment to global environmental sustainability

AIRFRANCE

Leverage unique assets to build a successful model, one step at a time

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Optimize group businesses & support functions

KLM

Re-shape current business model to adapt to new reality

transavia

Fully leverage brand power and new flexibility

Group’s sustainability commitments centred around 4 pillars anticipating customer expectations

1. Investments into future fleet and technologies
2. Efficiency increase in operations and infrastructure
3. Increased use of sustainable aviation fuel
4. CO_2 offset through economic measures

Goal to reduce CO_2 emissions per passenger by 50% vs. 2005

The Group to adapt with agility its capacity and commercial approach to cope with uncertain demand ramp up

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Crisis changed **customer behaviour and booking trends**

- Very late booking
- Strong shift to online channels
- Business traffic longer to recover than leisure
- Need to capture ethnic and leisure traffic, which starts coming back

Risks

- Uncertainty of booking increase later in the year, especially on Long Haul
- Recovery pattern not linear (with ups and downs)
- General ramp up of industry capacity faster than demand recovery
- High risk of negative spiral effects on yields

Commercial approach to be adapted to the new situation and be very agile: anticipate new developments and act fast

AFKL Group to reduce capacity by a minimum of -20% in 2021 to cope with new reality

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Demand development expectations

- **Long Haul**
  - Traffic growing from index 20 for July to index 50 by the end of 2020; gradually increasing to index 75 in 2021
  - Pressure on yield by lagging demand and change in Business/Economy mix
- **Short Medium Haul**
  - Delayed recovery of business motive traffic, a more optimistic view on Leisure traffic increase. Overall traffic expectation at index 65 by the end of 2020, and gradually increasing towards index 85 by the end of 2021
  - Pressure on yield levels

=> A prolonged negative impact on passenger demand, not expected to recover to pre-crisis levels before several years

Capacity adjustments (ASK)

- **2021: -20% (vs. 2019)**
- Recovery to pre-crisis capacity level expected to be reached by 2024

In the post-COVID world, Air France-KLM Group must balance medium/ long term focus areas to ensure strong competitive position

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Balancing strategic focus areas…	…through 5 key levers: 1 Labour	2 Increase productivity	3 Network	4 Fleet	5 Manage costs
Manage liquidity risk	✓	✓		✓	✓
Optimize CAPEX investments				✓	✓
Achieve sustainability targets			✓	✓	
Increase competitiveness	✓	✓	✓	✓	✓

Significant FTE reductions to adjust to lower demand

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1 LABOUR

Overall target

-17%

FTE reduction

	Group Functions	AIRFRANCE	KLM
FTE reduction	• 1,900 Group FTE	• 7,500 FTE	• 4,500-5,000 FTE
Levers	• Streamline organization • Simplify process • Break-down silos • Optimize between internal/ external FTEs	• Further levers applied – End of the use of temporary staff – End of recruitments – No use of seasonal fixed-term contracts	• No extension of fixed-term contracts • Minimized external FTEs • Restructuring plan to resize and reshape organization

Levers

Each airline will focus on further reducing labour costs

1 LABOUR

	AIRFRANCE	KLM
Furlough/ Wage support programs	• 'Activité partielle' as of March 2020 – Between 16-25% net pay reduction (incl. variable crew pay) – State financed until Sept., ongoing discussion for next steps	• All employees continue working at 100% • No salary impact for employees – Mar.-May: State paid 67.5%, KLM topped up – Jun.-Sept.: State pays 58.5%, KLM tops up
Other levers	• Avoid involuntary layoffs – Mobility options, early retirement arrangements – Voluntary departure plans preferred • Wage freezes – Freeze of profit-sharing scheme until 2023 – No salary increases in 2021/22 except relating to seniority and promotion • Ongoing discussions with the goal to negotiate productivity agreements to achieve CASK parity with peers (e.g. BA, LH)	• Adjustment of labor conditions for employees who earn above a certain threshold is conditional to the full drawing of State financing. These adjustments are under discussion with labor representatives.

3 key measures implemented to increase productivity

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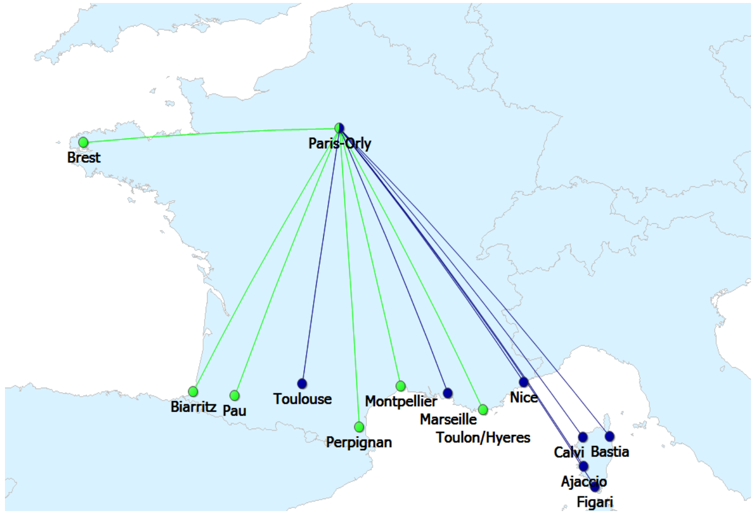
2 INCREASE PRODUCTIVITY



1

Labour renegotiations will achieve more flexible workforce

2

French domestic network restructuring, incl. benefit from lower cost Transavia platform (1)

3

Network optimization and improvement of aircraft utilization

Increased productivity strongly contribute to competitive improvement

1) Project subject to lifting of constraints.

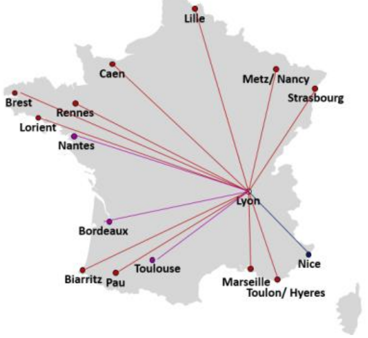
Air France on Navette, HOP! refocus on Lyon, and Transavia deployment on domestic…

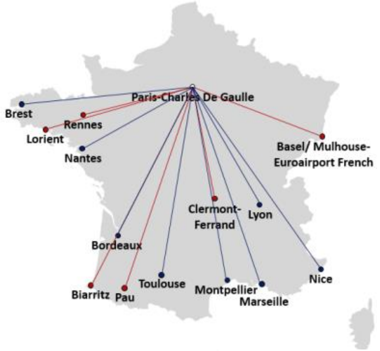
Orly

Lyon Hub

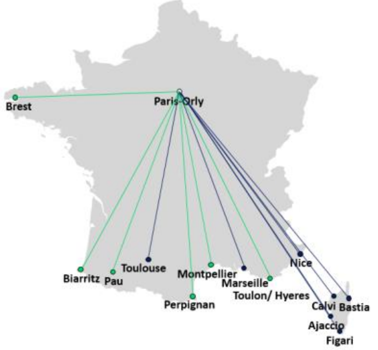
Roissy CDG Hub

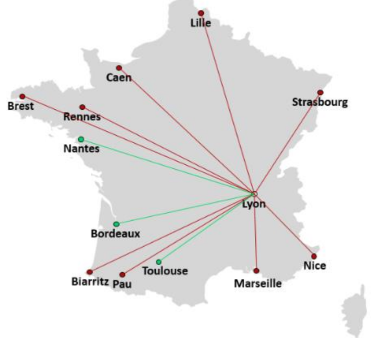
Current situation





Post restructure (2023)





Orly

- **Air France** on Navettes historical routes
- **Transavia** deployment on remaining domestic radials[1], complementary to the continued development towards Europe
- **Closure** of roads with <2h30 train alternatives, as well as unprofitable routes

Lyon Hub

- Air France offer operated by **HOP!** on small flows
- **Transavia** takes over the flow with the largest flows[1]

Transversals except Lyon Hub:
Transavia on the flow with enough demand, to maintain presence in regions against Low Costs carriers

Roissy CDG Hub

In parallel, maintaining **a dense network** between the Hub of **Roissy CDG and the French regions**

Legend

- Air France
- Mix AF/ HOP!
- HOP!
- Transavia
- Chartered from FlyAmelia
- PSO project

1) Project subject to lifting of constraints.

Future competitiveness, sustainability, and CAPEX investments largely linked to network and fleet decisions

3
NETWORK/ FLEET
4

	Network		Fleet	
	AIRFRANCE	KLM	AIRFRANCE	KLM
Starting point	• Unprofitable domestic network (-€200M in 2019) under continuous development since '00 (-38% capacity) • Low utilization on narrow-body/ regional (e.g. Paris Orly)	• Highest aircraft utilization vs. key European competitors • Strengthening leadership at Schiphol	• Lack of historic investment led to high avg. fleet age and uncompetitive hard product • High unit cost due to older fleet	• Similar fleet age to FSCs[1] but much older than LCC[2] competitors • *KLM Fleet plan will be detailed in October, with full rebound plan*
Transformation	• **Domestic restructuring** – Transavia growth – Elimination of loss making routes and those with a competitive train connection	• **Continued growth while maintaining high aircraft utilization** • **Maintain SPL leadership position**	• **Exit aircraft as planned to avoid CAPEX due to life extension** • **Optimize current fleet (e.g. LOPA)** • **Introduce committed new aircraft, in line with existing fleet plan**	

Continuing to invest in new aircraft will support future competitiveness and sustainability commitments

1) Full-service carriers. 2) Low-cost carriers.

Continuing to introduce new aircraft is key to ensure future competitiveness and sustainability

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4 FLEET

	Wide-body: AIRFRANCE	Wide-body: KLM	Narrow-body: AIRFRANCE	Narrow-body: KLM
Short term actions	• Short-term postponement of Airbus A350-900 deliveries	• Postponement of committed and uncommitted Boeing 787-10 purchase	• Transavia : Additional short-term lease of Boeing 737-800	• Accelerated replacement of Boeing 737-700 by E195-E2 • Introduction of new gen aircraft postponed until 2024
Aircraft purchase choices	• Airbus A350-900	• Boeing 787-9 /-10	• Airbus A220-300	• *Options to replace 737 NG phase-in under study*
Increase Competitiveness	• Fuel savings (-18%[1] A350-900 vs. 777-200ER) • Maintenance cost (€85M CAPEX/aircr. to keep A380)	• Fuel savings (-20%[1] 787-10 vs A330-300)	• Fuel savings (-22%[1] vs. A319) • Maintenance cost (25% lower at maturity vs. A319)	• Fuel savings (-20%[1] vs. 737-700)
Improve Sustainability	• -18%[1] CO_2 emission vs. previous gen aircraft • -40% noise emission vs. previous gen aircraft	• -20%[1] CO_2 emission vs. previous gen aircraft • -60% noise emission vs. previous gen aircraft	• -22%[1] CO_2 emission vs. previous gen aircraft • -50% noise emission vs. previous gen aircraft	• -20%[1] CO_2 emission vs. previous gen aircraft • -60% noise emission vs. previous gen aircraft

1) Savings per seat. Other notes: CAPEX investments to be continuously reviewed in light of COVID-19 recovery

Group focuses on improving efficiency to support airlines competitiveness

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5 MANAGE COSTS

Commercial

- Re-focus corporate, leveraging strong home markets
- Further develop FB program leveraging non-air partnerships
- Leverage customer data

E&M

- Reduce costs and improve operational performance
- Develop new products, integrated customer experience
- Develop parts repair and risk-sharing partnerships

Cargo

- Digitize operations
- Transform hub and global field organization
- Develop new products, grow existing high-value ones

IT

- Reduce costs
- Simplify organization (incl. # of locations) and processes
- Focus on creating optimal value for the businesses while securing quality of service and cyber resilience

Support functions

- Negotiate with suppliers to reduce costs
- Implement strict cost control to minimize all non-operational expenses

Reduce unit costs and non-essential Capex investment spend

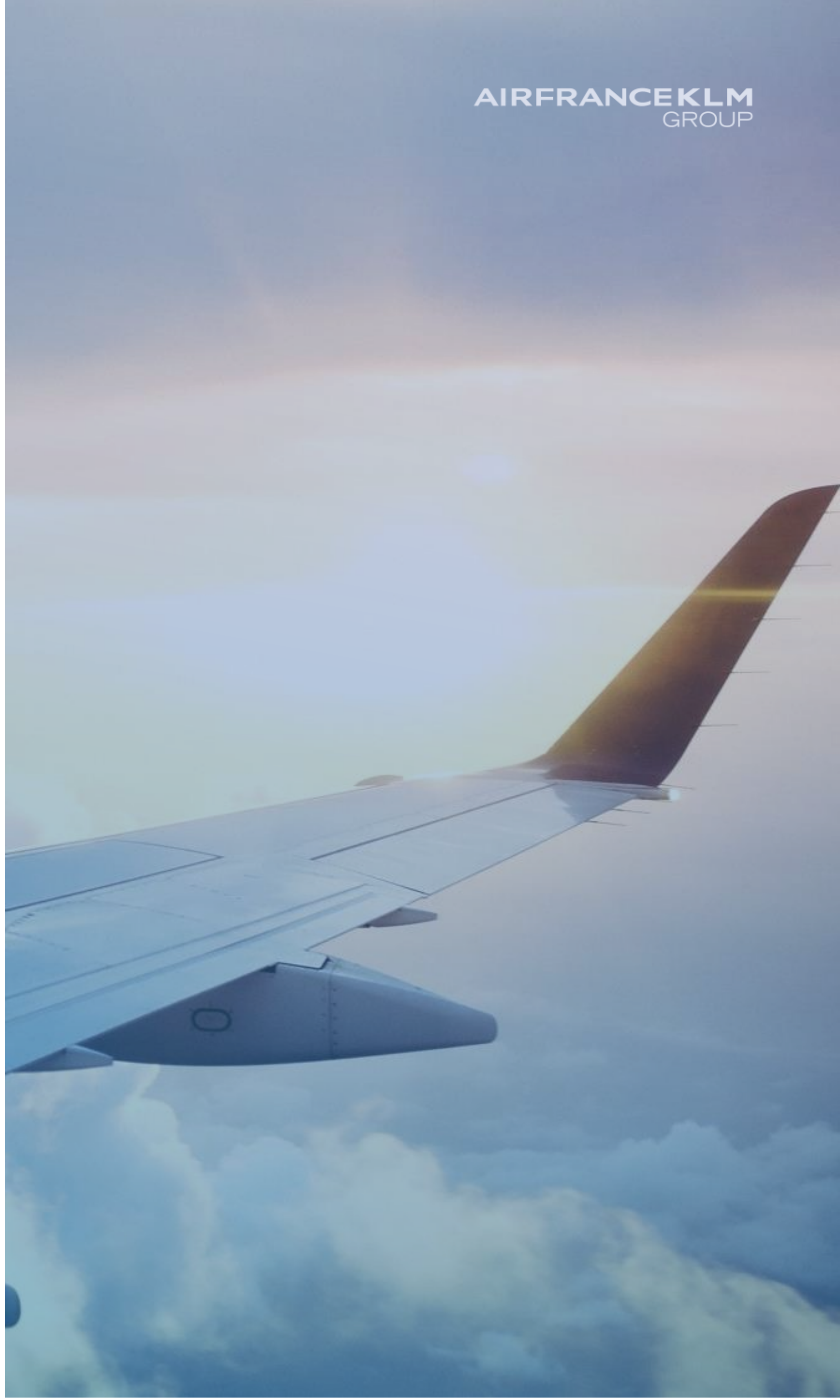
- Stop/delay non-essential non-fleet Capex investments
- Hiring freeze external FTEs
- Identification new transform projects
- Control tower on external expenses

Air France-KLM Group medium term operating margin objective unchanged but delayed to 2025

Guidance elements

AIRFRANCEKLM GROUP

- Capacity (vs 2019) 2020 -40%, 2021 -20%
- Capex 2020 €2.1bn, 2021-24 < €3.0bn
- Operating margin mid-cycle at 7-8% in 2025
- Adjusted Operating Free Cash Flow positive in 2023
- Net debt / EBITDA at ~3x by end 2024 *(before finance operations)*



Concluding remarks

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1

Covid-19 crisis has unprecedented impact on the industry

✓The 2019 market will not return for several years

2

The Group adapts with agility in its capacity and commercial approach to cope with uncertain demand ramp up

✓Capacity in ASK 2021 min.-20% vs 2019

3

Exit from the crisis driven by:

✓Restructuring -14,000 FTE & acceleration of transformation

✓Fleet renewal and simplification

4

Fly responsibly will be key to the future

✓Anticipating customer expectations

✓Reasserted and reinforced targets & goals

Q&A

Results at 30 June 2020

AIRFRANCEKLM GROUP

Appendix

Results at 30 June 2020

All networks severely impacted by the Covid-19 crisis
during Q2 2020

Q2 2020

	ASK	RPK	RASK ex cur.
Total	-88.4%	-95.1%	-45.2%
French domestic	-98.6%	-98.9%	110.2%
Medium-haul hubs	-91.5%	-94.4%	-5.6%
Total short & medium-haul	-92.7%	-95.0%	-3.3%
North America	-86.5%	-95.5%	-58.6%
Caribbean & Indian Ocean	-85.5%	-92.2%	-26.1%
Asia	-84.2%	-95.5%	-64.9%
Latin America	-88.9%	-95.1%	-47.6%
Africa & Middle East	-94.5%	-96.3%	-9.8%
Total long-haul	-87.3%	-95.2%	-52.8%

RASK ex cur.

Premium	Economy
-67.9%	-37.5%

Covid-19 severely hampering all industry financial metrics in H1 2020

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	H1 2020	H1 2019	Change	Change *at constant currency*
Revenues (€ bn)	**6.20**	12.96	-52.2%	-52.6%
Fuel expenses (€ bn)	**1.40**	2.61	-46.4%	-48.1%
EBITDA (€ m)	**-840**	1,610	-2,451m	-2,481m
Operating result (€ m) (1)	**-2,368**	137	-2,505m	-2,537m
Operating margin	**-38.2%**	1.1%	-39.2 pt	-39.5 pt
Net income - Group part (€ m) (2)	**-4,398**	-227	-4,171m	
Adjusted operating free cash flow (€ m)	**-2,332**	350	-2,682m	
ROCE *12 months sliding* (3)	**-10.2%**	10.3%	-20.5 pt	

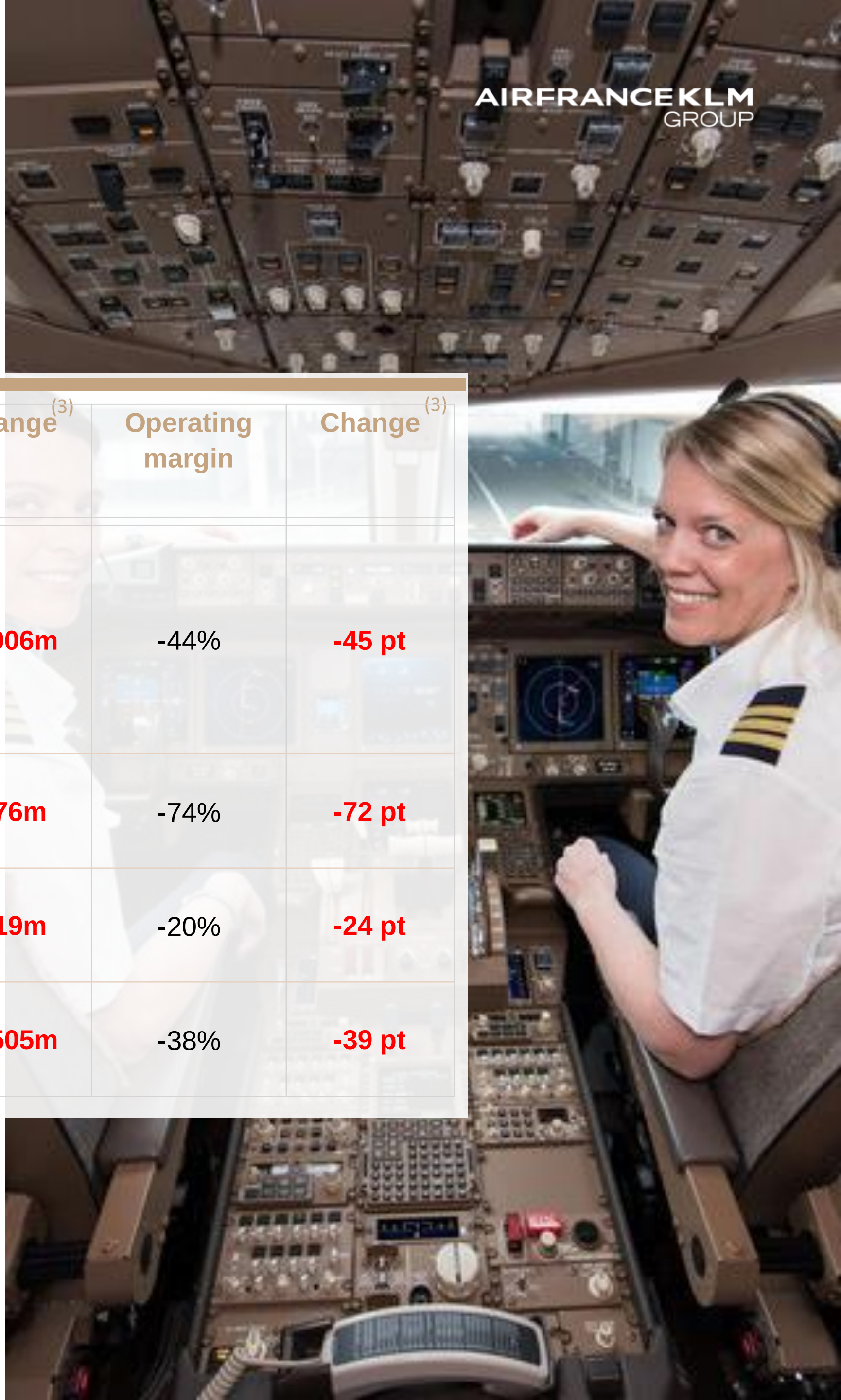
	30 June 2020	31 Dec 2019	Change
Net debt (€ m)	**7,973**	6,147	+1,826m
Net debt/EBITDA *12 months sliding*	**4.8x**	1.5x	+3.3x

(1) 2019 results restated for LLP componentization accounting change and EU passenger compensation reclassification between revenues and external expenses
(2) See page 9 of this presentation for further details
(3) The definition of ROCE has been revised to take into account the seasonal effects of the activity, see detail in press release

Strong Cargo yields due to industry decrease of capacity, Covid-19 severely impacting all other businesses

H1 2020

		Capacity [1]	Unit Revenue [2] Constant Curr.	Revenues (€ m)	Change	Operating result [3] (€ m)	Change [3]	Operating margin	Change [3]
Network	AIRFRANCE KLM	-51.1%	-15.9%	4,183	-58.4%	-1,852	-1,906m	-44%	-45 pt
	AIRFRANCE KLM Martinair CARGO	-32.6%	+40.8%	1,032	-4.5%				
Transavia	transavia	-66.3%	-1.9%	259	-65.0%	-193	-176m	-74%	-72 pt
Maintenance	AIRFRANCE INDUSTRIES KLM Engineering & Maintenance			716	-33.8%	-321	-419m	-20%	-24 pt
Group	AIRFRANCEKLM GROUP	-52.5%	-5.2%	6,201	-52.2%	-2,368	-2,505m	-38%	-39 pt



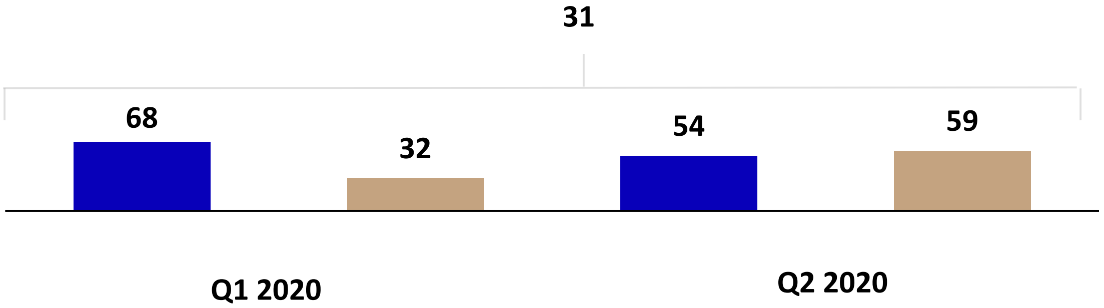
(1). Capacity is defined as Available Seat Kilometers (ASK), except for Network Cargo capacity which is Available Ton Kilometers (ATK). Group capacity is defined as Passenger ASK (Network Passenger ASK + Transavia ASK)

(2). Unit revenues = revenue per ASK, Cargo unit revenues = Cargo revenue per ATK, Group unit revenue = (Network traffic revenues + Transavia traffic revenues) / (Network Passenger ASK + Transavia ASK).

(3) 2019 results restated for LLP componentization accounting change and EU passenger compensation reclassification between revenues and external expenses

Currency impact
on operating result

Currency impact
on revenues and costs
In € m



- Currency impact on revenues
- Currency impact on costs, including hedging
- **XX** | Currency impact on operating result

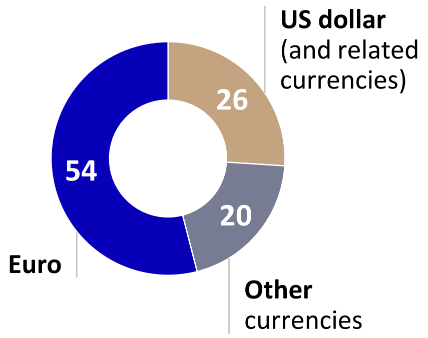
FY 2020 guidance suspended due to uncertainty Covid-19 crisis

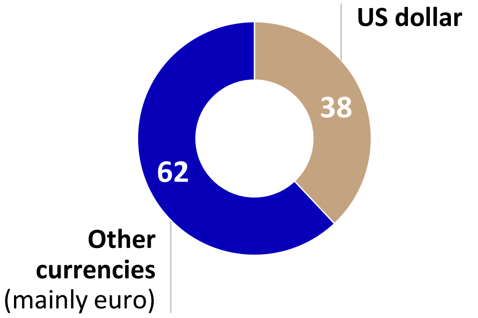
Net operational exposure hedging **based on 2019:**

USD ˜58% **JPY ˜57%** **GBP ˜69%**

Revenues and costs per country
FY 2019

REVENUES	**COSTS**

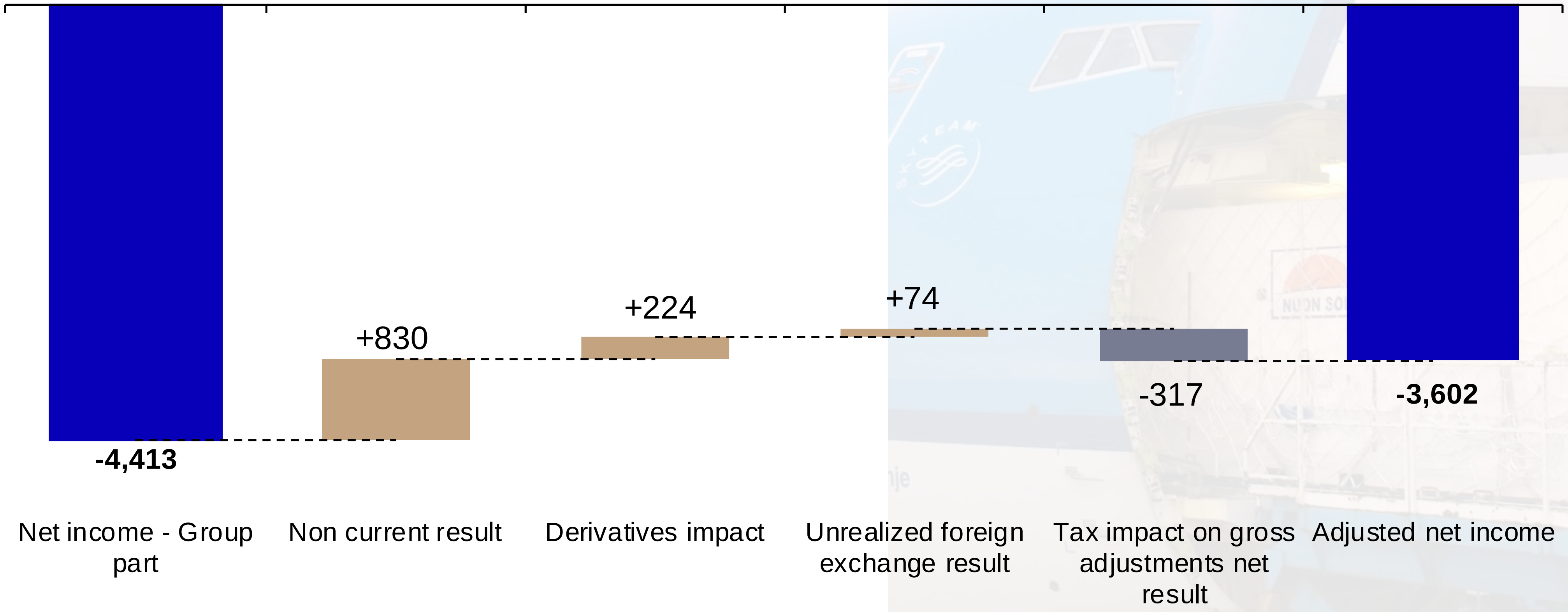




Adjusted net income of the Group

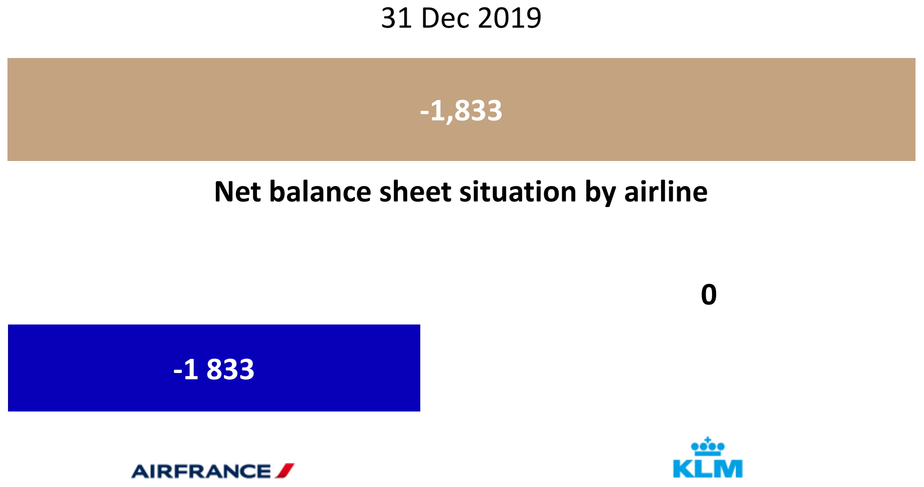
H1 2020

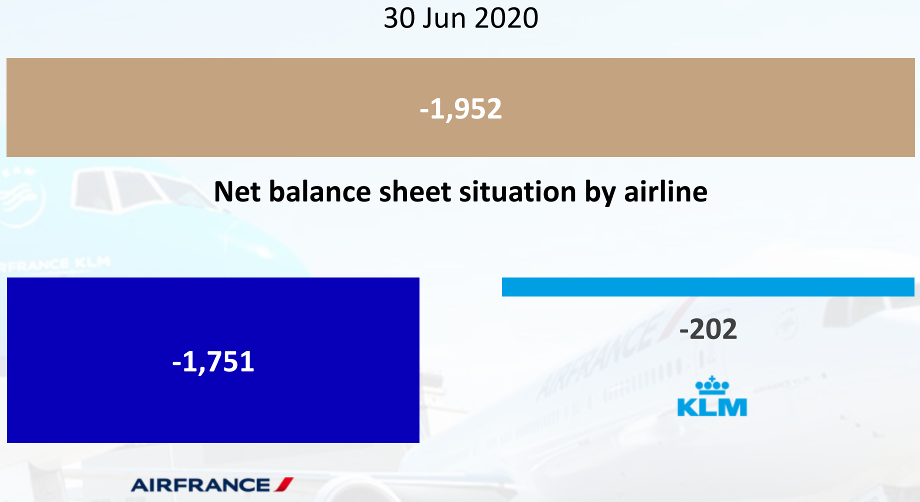
In € m



Pension details
at 30 June 2020

In € m





Air-France

France end of service benefit plan (ICS): pursuant to French regulations and the company agreement, every employee receives an end of service indemnity payment on retirement (no mandatory funding requirement). ICS represents the main part of the Air France position

Air France pension plan (CRAF): related to ground staff affiliated to the CRAF until 31 December 1992

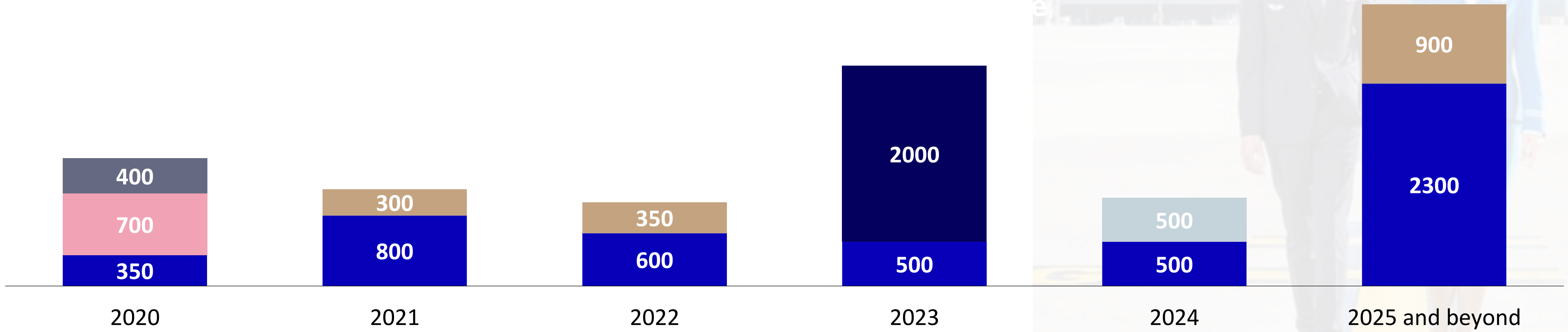
KLM

Defined benefit schemes for Ground Staff

Debt reimbursement **profile at 30 June 2020**

Debt reimbursement profile(1)

In € m



Bonds issued by Air France-KLM

June 2021: AFKL 3.875% (€300m)

January 2025 AFKL 1.875% (€750m)

October 2022: AFKL 3.75% (€350m)

December 2026: AFKL 4.35% ($145m)

Air-France KLM Hybrid Unsecured Bond:

AFKL 6.25% Perp Call 2020 (€403m)

Other Long-term Debt : AF and KLM Secured Debt, mainly "Asset-backed" (Net Deposits)

Air France-KLM convertible bond

March 2024 AFKL 0.125%

(€500m, Convertible « Océane »)

KLM revolving credit facility

Bank loan guaranteed by the French State

(1) Excluding operating lease debt payments and KLM perpetual debt.
Air France RCF of €1.1bn was repaid during Q2 2020, KLM RCF of €0.7bn will be repaid during H2 2020
Air France drew €2.0bn out of the bank loan guaranteed by the French State