

**UNAUDITED INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS**

**April 1, 2011 – September 30, 2011**

# Air France-KLM Group

## CONSOLIDATED INCOME STATEMENT (unaudited)

<i>In € millions</i>		<b>2011</b>	<b>2010</b>
	<i>Notes</i>		
<b>Period from April 1 to September 30,</b>			
<b>Sales</b>	<b>4</b>	<b>13 009</b>	<b>12 370</b>
Other revenues		26	5
<b>Revenues</b>		<b>13 035</b>	<b>12 375</b>
External expenses	<b>5</b>	(8 052)	(7 431)
Salaries and related costs	<b>6</b>	(3 792)	(3 690)
Taxes other than income taxes		(100)	(90)
Amortization and depreciation	<b>7</b>	(817)	(812)
Provisions	<b>7</b>	(31)	(44)
Other income and expenses	<b>8</b>	9	136
<b>Income from current operations</b>		<b>252</b>	<b>444</b>
Sales of aircraft equipment		9	6
Other non-current income and expenses	<b>9</b>	(10)	877
<b>Income from operating activities</b>		<b>251</b>	<b>1 327</b>
Cost of financial debt	<b>10</b>	(230)	(231)
Income from cash and cash equivalents	<b>10</b>	48	42
<b>Net cost of financial debt</b>		<b>(182)</b>	<b>(189)</b>
Other financial income and expenses	<b>10</b>	(297)	(72)
<b>Income before tax</b>		<b>(228)</b>	<b>1 066</b>
Income taxes	<b>11</b>	72	(10)
<b>Net income of consolidated companies</b>		<b>(156)</b>	<b>1 056</b>
Share of profits (losses) of associates	<b>12</b>	(24)	(32)
<b>Net income from continuing operations</b>		<b>(180)</b>	<b>1 024</b>
<b>Net income for the period</b>		<b>(180)</b>	<b>1 024</b>
- Equity holders of Air France – KLM		<b>(183)</b>	<b>1 026</b>
- Non-controlling interests		3	(2)
Earnings per share – Equity holders of Air France – KLM (in euros)			
- basic	<b>13</b>	(0,62)	3,48
- diluted	<b>13</b>	(0,62)	2,81

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

## Air France-KLM Group

### CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSES (unaudited)

<i>In € millions</i>	September 30, 2011	September 30, 2010
<b>Net income for the period</b>	<b>(180)</b>	<b>1 024</b>
<b>Fair value adjustment on available-for-sale securities</b>		
Change in fair value recognized directly in equity	(106)	174
Change in fair value transferred to profit or loss	-	-
<b>Cash flow hedges</b>		
Effective portion of changes in fair value hedge recognized directly in equity	(323)	(117)
Change in fair value transferred to profit or loss	(230)	149
<b>Items of the recognized income and expenses of equity shares</b>	<b>1</b>	<b>(8)</b>
<b>Currency translation adjustment</b>	<b>(2)</b>	<b>(4)</b>
<b>Tax on items recognized directly in or transferred from equity</b>		
Income / (expense) recognized directly in equity	153	(16)
<b>Total of other comprehensive income included in the recognized income and expenses</b>	<b>(507)</b>	<b>178</b>
<b>Recognized income and expenses</b>	<b>(687)</b>	<b>1 202</b>
- Equity holders of Air France – KLM	(689)	1 204
- Non-controlling interests	2	(2)

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

# Air France-KLM Group

## CONSOLIDATED BALANCE SHEET (unaudited)

<b>Assets</b> <i>In € millions</i>	<i>Notes</i>	<b>September 30, 2011</b>	<b>March 31, 2011</b>
Goodwill		421	422
Intangible assets		744	695
Flight equipment	<b>14</b>	10 894	11 040
Other property, plant and equipment	<b>14</b>	2 051	2 111
Investments in equity associates		401	422
Pension assets		3 143	2 995
Other financial assets <i>(including €569 million of deposits related to financial leases and €150 million of investments over one year as of September 30, 2011, compared to €503 million of deposits related to financial leases as of March 31, 2011)</i>		1 785	1 654
Deferred tax assets		1 140	933
Other non-current assets		116	156
<b>Total non-current assets</b>		<b>20 695</b>	<b>20 428</b>
Assets held for sale		21	21
Other short term financial assets <i>(including €95 million of deposits related to financial leases and €359 million of investments between 3 months and 1 year as of September 30, 2011, compared respectively to €149 million and €574 million as of March 31, 2011)</i>		482	751
Inventories		595	558
Trade accounts receivables		2 140	1 938
Income tax receivables		5	6
Other current assets		922	1 550
Cash and cash equivalents		2 879	3 717
<b>Total current assets</b>		<b>7 044</b>	<b>8 541</b>
<b>Total assets</b>		<b>27 739</b>	<b>28 969</b>

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

# Air France-KLM Group

## CONSOLIDATED BALANCE SHEET (unaudited) (continued)

Liabilities and equity <i>In € millions</i>	<i>Notes</i>	September 30, 2011	March 31, 2011
Issued capital	<i>15.1</i>	300	300
Additional paid-in capital		2 971	2 971
Treasury shares		(87)	(94)
Reserves and retained earnings	<i>15.2</i>	2 990	3 675
<b>Equity attributable to equity holders of Air France-KLM</b>		<b>6 174</b>	<b>6 852</b>
Non-controlling interests		53	54
<b>Total equity</b>		<b>6 227</b>	<b>6 906</b>
Provisions and retirement benefits	<i>16</i>	2 006	1 930
Long-term debt	<i>17</i>	8 676	8 980
Deferred tax liabilities		462	511
Other non-current liabilities		319	272
<b>Total non-current liabilities</b>		<b>11 463</b>	<b>11 693</b>
Liabilities related to assets held for sale		-	-
Provisions	<i>16</i>	174	287
Current portion of long-term debt	<i>17</i>	1 822	1 808
Trade accounts payables		2 338	2 211
Deferred revenue on ticket sales		2 217	2 440
Frequent flyer programs		784	806
Current tax liabilities		6	3
Other current liabilities		2 549	2 686
Bank overdrafts		159	129
<b>Total current liabilities</b>		<b>10 049</b>	<b>10 370</b>
<b>Total liabilities</b>		<b>21 512</b>	<b>22 063</b>
<b>Total liabilities and equity</b>		<b>27 739</b>	<b>28 969</b>

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

# Air France-KLM Group

## CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (unaudited)

<i>In € millions</i>	Number of shares	Issued capital	Additional paid-in capital	Treasury shares	Reserves and retained earnings	Equity attributable to holders of Air France-KLM	Non controlling interests	Total equity
<b>March 31, 2010</b>	<b>300 219 278</b>	<b>2 552</b>	<b>719</b>	<b>(106)</b>	<b>2 198</b>	<b>5 363</b>	<b>55</b>	<b>5 418</b>
Fair value adjustment on available for sale securities	-	-	-	-	171	171	-	171
Gain / (loss) on cash flow hedges	-	-	-	-	11	11	-	11
Currency translation adjustment	-	-	-	-	(4)	(4)	-	(4)
Net income for the period	-	-	-	-	1 026	1 026	(2)	1 024
<b>Total of income and expenses recognized</b>	-	-	-	-	<b>1 204</b>	<b>1 204</b>	<b>(2)</b>	<b>1 202</b>
Stock based compensation (ESA) and stock options	-	-	-	-	12	12	-	12
Dividends paid	-	-	-	-	-	-	(2)	(2)
Capital decrease	-	(2 252)	2 252	-	-	-	-	-
Treasury shares	-	-	-	8	-	8	-	8
<b>September 30, 2010</b>	<b>300 219 278</b>	<b>300</b>	<b>2 971</b>	<b>(98)</b>	<b>3 414</b>	<b>6 587</b>	<b>51</b>	<b>6 638</b>
<b>March 31, 2011</b>	<b>300 219 278</b>	<b>300</b>	<b>2 971</b>	<b>(94)</b>	<b>3 675</b>	<b>6 852</b>	<b>54</b>	<b>6 906</b>
Fair value adjustment on available for sale securities	-	-	-	-	(119)	(119)	-	(119)
Gain / (loss) on cash flow hedges	-	-	-	-	(385)	(385)	(1)	(386)
Currency translation adjustment	-	-	-	-	(2)	(2)	-	(2)
Net income for the period	-	-	-	-	(183)	(183)	3	(180)
<b>Total of income and expenses recognized</b>	-	-	-	-	<b>(689)</b>	<b>(689)</b>	<b>2</b>	<b>(687)</b>
Stock based compensation (ESA) and stock options	-	-	-	-	4	4	-	4
Dividends paid	-	-	-	-	-	-	(2)	(2)
Capital decrease	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	7	-	7	-	7
Other variations	-	-	-	-	-	-	(1)	(1)
<b>September 30, 2011</b>	<b>300 219 278</b>	<b>300</b>	<b>2 971</b>	<b>(87)</b>	<b>2 990</b>	<b>6 174</b>	<b>53</b>	<b>6 227</b>

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

# Air France-KLM Group

## CONSOLIDATED STATEMENT OF CASH FLOWS (unaudited)

<i>In € millions</i>		<b>2011</b>	<b>2010</b>
<b>Period from April 1 to September 30,</b>	<i>Notes</i>		
Net income for the period – Equity holders of Air France-KLM		(183)	1 026
Non-controlling interests		3	(2)
Amortization, depreciation and operating provisions		848	856
Financial provisions		(1)	(8)
Gain on disposals of tangible and intangible assets		(15)	(8)
Gain on Amadeus operation	<b>9</b>	-	(1 030)
Derivatives – non monetary results		107	(14)
Unrealized foreign exchange gains and losses, net		136	61
Share of (profits) losses of associates		24	32
Deferred taxes		(94)	(4)
Other non-monetary items		(225)	(67)
<b>Subtotal</b>		<b>600</b>	<b>842</b>
(Increase) / decrease in inventories		(36)	(23)
(Increase) / decrease in trade receivables		(159)	(229)
Increase / (decrease) in trade payables		48	253
Change in other receivables and payables		(190)	(135)
<b>Net cash flow from operating activities</b>		<b>263</b>	<b>708</b>
Acquisition of subsidiaries and investments in associates, net of cash acquired		(6)	(6)
Purchase of property, plant and equipment and intangible assets		(1 423)	(1 128)
Proceeds on Amadeus transaction	<b>9</b>	-	193
Proceeds on disposal of property, plant and equipment and intangible assets		680	432
Dividends received		26	6
Decrease (increase) in investments, net between 3 months and 1 year		65	(76)
<b>Net cash flow used in investing activities</b>		<b>(658)</b>	<b>(579)</b>
Purchase of non-controlling interests, of shares in non-controlled entities		(2)	(3)
Disposal of subsidiaries without loss of control, of shares in non-controlled entities		-	10
Issuance of long-term debt		510	297
Repayment on long-term debt		(778)	(435)
Payment of debt resulting from finance lease liabilities		(276)	(258)
New loans		(33)	(43)
Repayment on loans		112	107
Dividends paid		(2)	(2)
<b>Net cash flow from financing activities</b>		<b>(469)</b>	<b>(327)</b>
<b>Effect of exchange rate on cash and cash equivalents and bank overdrafts</b>		<b>(4)</b>	<b>(3)</b>
<b>Change in cash and cash equivalents and bank overdrafts</b>		<b>(868)</b>	<b>(201)</b>
Cash and cash equivalents and bank overdrafts at beginning of period		3 588	3 635
Cash and cash equivalents and bank overdrafts at end of period		2 720	3 434
Income tax paid (flow included in operating activities)		(20)	(16)
Interest paid (flow included in operating activities)		(216)	(194)
Interest received (flow included in operating activities)		31	20

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

**NOTES TO THE UNAUDITED INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS**

**April 1, 2011 – September 30, 2011**



# Air France-KLM Group

## 1. BUSINESS DESCRIPTION

As used herein, the term "Air France-KLM" refers to Air France-KLM S.A., a limited liability company organized under French law excluding its consolidated subsidiaries.

The term "Group" is represented by the economic definition of Air France-KLM and its subsidiaries. The Group is headquartered in France and is one of the largest airlines in the world. The Group's core business is passenger transportation. The Group's activities also include cargo, aeronautics maintenance and other air-transport related activities, including principally catering and charter services.

The limited company Air France-KLM SA, domiciled at 2 rue Robert Esnault-Pelterie 75007 Paris – France, is the parent company of the Air France-KLM Group. Air France-KLM is listed for trading in Paris (Euronext), Amsterdam (Euronext).

The Group's functional currency is the euro.

## 2. SIGNIFICANT EVENTS OF THE YEAR

By decision of the General Shareholders' Meeting held on July 7, 2011, the opening and closing dates of the financial year have been changed, the IATA year having been replaced by the calendar year. This change allows the Group to come into line with the practice of the majority of airlines, hereby facilitating comparison. The current financial year which opened on April 1, 2011 will exceptionally be of nine months' duration, closing on December 31, 2011.

## 3. ACCOUNTING POLICIES

### 3.1. Accounting principles

#### Accounting principles used for the interim condensed consolidated financial statements

Pursuant to the European Regulation 1606/2002 of July 19, 2002, the consolidated financial statements of the Air France-KLM Group as of March 31, 2011 have been established in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Commission on the date of these consolidated financial statements were drawn up.

The interim condensed consolidated financial statements as of September 30, 2011 are prepared in accordance with IFRS, as adopted by the European Union on the date these condensed consolidated financial statements were drawn up, and are presented according to IAS 34 "Interim financial reporting". They must be read in connection with the annual consolidated financial statements for the year ended March 31, 2011.

The interim condensed consolidated financial statements as of September 30, 2011 are prepared in accordance with the accounting principles used by the Group for consolidated financial statements for the year 2010-11 with the exception of the standards and interpretations adopted by the European Union applicable for the Group starting April 1, 2011.

The condensed consolidated financial statements were approved by the Board of Directors on November 9, 2011.

#### Change in accounting principles

IFRS standards, Amendments and IFRIC's interpretations applicable effective April 1, 2011 have no significant impact on the Group's interim consolidated financial statements as of September 30, 2011.

Standards potentially applicable to the Group, published by the IASB, but not adopted by the European Union are described below. They will have to be applied, subject to their approbation by the European Union, to the accounting periods started January 1, 2013.

## Air France-KLM Group

- Standard IFRS 10 “Consolidated Financial Statements” which will replace IAS 27 “Consolidated and Separate Financial Statements” for the part concerning the consolidated financial statements and also SIC 12 “Consolidation – Special Purpose Entities”
- Standard IFRS 11 “Joint Arrangements” which will replace IAS 31 “Interests in Joint Ventures” and also the interpretation SIC 13 “Jointly Controlled Entities – Non-Monetary Contributions by Venturers”
- Standard IFRS 12 “Disclosure on Interests in Other Entities”
- The revision of standards IAS 27 “Consolidated and Separate Financial Statements” and IAS 28 “Investments in Associates”
- Standard IFRS 13 “Fair Value Measurement”
- Standard IFRS 9 “Financial instruments - Classification and measurement of financial assets and liabilities”
- The revision of the standard IAS 19 “Employee Benefits”

The impact analysis of these standards on the Group’s financial statements is currently under way, including those resulting from the amendment to IAS 19, whose consequence is mainly the removal of the corridor method currently used by the Group.

The following texts will also be applicable on a mandatory basis if approved by the European Union:

- Amendment to IFRS 7 "Disclosure in the transfer of financial assets" (application is mandatory for fiscal years beginning on or after July 1, 2011)
- Amendment to IAS 1 on presentation of other comprehensive income (applicable on a mandatory basis to fiscal years beginning on or after July 1, 2012).

### 3.2. Preparation of unaudited interim consolidated financial statements

#### Seasonality of the activity

Revenues and income from current operations are characterized by their seasonal nature given the high level of activity during the first half of the fiscal year. This phenomenon varies in magnitude depending on the year. In accordance with IFRS, revenues and the related expenses are recognized over the period in which they are realized and incurred respectively.

#### Income taxes

For the interim financial statements, the tax charge (current and deferred) is calculated by applying to the income before tax for the period the estimated annual average tax rate for the current year for each entity or tax group.

### 3.3. Use of estimates

The preparation of the condensed consolidated financial statements requires management to make estimates and use assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses. The significant areas of estimations described in note 3 of the March 31, 2011 consolidated financial statements concerned:

- Revenue recognition related to deferred revenue on ticket sales
- Tangible and intangible assets
- Financial assets
- Deferred tax assets
- Flying Blue frequent flyer program
- Provisions

The Group’s management makes these estimates and assessments continuously on the basis of its past experience and various other factors considered to be reasonable.

Actual results could differ from these estimates depending on changes in the assumptions used or different conditions.

## 4. INFORMATION BY ACTIVITY AND GEOGRAPHICAL AREA

### Information by business segments

The Group is organized with the following segments:

**Passenger:** Passenger operating revenues primarily come from passenger transportation services on scheduled flights with the Group's airline code, including flights operated by other airlines under code-sharing agreements. They also include commissions paid by SkyTeam alliance partners, code-sharing revenues, revenues from excess baggage and airport services supplied by the Group to third party airlines and services linked to IT systems.

**Cargo:** Cargo operating revenues come from freight transport on flights under the companies' codes, including flights operated by other partner airlines under code-sharing agreements. Other cargo revenues are derived principally from sales of cargo capacity to third parties.

**Maintenance:** Maintenance operating revenues are generated through maintenance services provided to other airlines and customers globally.

**Other:** The revenues from this segment come primarily from catering supplied by the Group to third-party airlines and to charter flights operated primarily by Transavia.

Business segments' results are those that are either directly attributable or that can be allocated on a reasonable basis to these business segments. Amounts allocated to business segments correspond to the income from current operations. Other elements of the income statement are presented in the "non allocated" column.

### Information by geographical segments

Group activities are broken down into six geographical regions:

- Metropolitan France
- Europe except France and North Africa
- Caribbean, French Guiana and Indian Ocean
- Africa, Middle East
- Americas, Polynesia
- Asia and New Caledonia

Only segment revenues are allocated by geographical sales area.

#### 4.1. Information by business segment

- Six month period ended September 30, 2011

<i>In € millions</i>	Passenger	Cargo	Maintenance	Other	Non allocated	Total
Total sales	10 652	1 583	1 564	1 149	-	14 948
Intersegment sales	(574)	(11)	(1 030)	(324)	-	(1 939)
<b>External sales</b>	<b>10 078</b>	<b>1 572</b>	<b>534</b>	<b>825</b>	-	<b>13 009</b>
<b>Income from current operations</b>	216	(51)	41	46	-	252
Income from operating activities	216	(51)	41	46	(1)	251
Share of profits (losses) of associates	-	-	-	-	(24)	(24)
Net cost of financial debt and other financial income and expenses	-	-	-	-	(479)	(479)
Income taxes	-	-	-	-	72	72
<b>Net income from continuing operations</b>	<b>216</b>	<b>(51)</b>	<b>41</b>	<b>46</b>	<b>(432)</b>	<b>(180)</b>

# Air France-KLM Group

- Six month period ended September 30, 2010

<i>In € millions</i>	Passenger	Cargo	Maintenance	Other	Non allocated	Total
Total sales	10 027	1 568	1 553	1 087	-	14 235
Intersegment sales	(534)	(8)	(1 021)	(302)	-	(1 865)
<b>External sales</b>	<b>9 493</b>	<b>1 560</b>	<b>532</b>	<b>785</b>	-	<b>12 370</b>
Income from current operations	311	18	81	34	-	444
Income from operating activities	311	18	81	34	883	1 327
Share of profits (losses) of associates	-	-	-	-	(32)	(32)
Net cost of financial debt and other financial income and expenses	-	-	-	-	(261)	(261)
Income taxes	-	-	-	-	(10)	(10)
<b>Net income from continuing operations</b>	<b>311</b>	<b>18</b>	<b>81</b>	<b>34</b>	<b>580</b>	<b>1 024</b>

## 4.2. Information by geographical area

### Sales by geographical area

- Six month period ended September 30, 2011

<i>In € millions</i>	Metropolitan France	Europe except France, North Africa	Caribbean, French Guiana, Indian Ocean	Africa, Middle East	Americas, Polynesia	Asia, New Caledonia	Total
Scheduled passenger	3 005	3 025	206	648	1 760	997	9 641
Other passenger sales	177	143	6	30	27	54	437
<b>Total passenger</b>	<b>3 182</b>	<b>3 168</b>	<b>212</b>	<b>678</b>	<b>1 787</b>	<b>1 051</b>	<b>10 078</b>
Scheduled cargo	174	592	14	104	254	352	1 490
Other cargo sales	24	17	2	5	19	15	82
<b>Total cargo</b>	<b>198</b>	<b>609</b>	<b>16</b>	<b>109</b>	<b>273</b>	<b>367</b>	<b>1 572</b>
Maintenance	299	216	-	-	19	-	534
Others	245	546	9	25	-	-	825
<b>Total</b>	<b>3 924</b>	<b>4 539</b>	<b>237</b>	<b>812</b>	<b>2 079</b>	<b>1 418</b>	<b>13 009</b>

- Six month period ended September 30, 2010

<i>In € millions</i>	Metropolitan France	Europe except France, North Africa	Caribbean, French Guiana, Indian Ocean	Africa, Middle East	Americas, Polynesia	Asia, New Caledonia	Total
Scheduled passenger	2 750	2 868	196	664	1 694	889	9 061
Other passenger sales	173	146	6	33	35	39	432
<b>Total passenger</b>	<b>2 923</b>	<b>3 014</b>	<b>202</b>	<b>697</b>	<b>1 729</b>	<b>928</b>	<b>9 493</b>
Scheduled cargo	152	494	13	123	252	441	1 475
Other cargo sales	27	16	2	4	19	17	85
<b>Total cargo</b>	<b>179</b>	<b>510</b>	<b>15</b>	<b>127</b>	<b>271</b>	<b>458</b>	<b>1 560</b>
Maintenance	304	207	-	-	21	-	532
Others	214	548	11	12	-	-	785
<b>Total</b>	<b>3 620</b>	<b>4 279</b>	<b>228</b>	<b>836</b>	<b>2 021</b>	<b>1 386</b>	<b>12 370</b>

# Air France-KLM Group

## Traffic sales by geographical area of destination

- Six month period ended September 30, 2011

<i>In € millions</i>	Metropolitan France	Europe except France, North Africa	Caribbean, French Guiana, Indian Ocean	Africa, Middle East	Americas, Polynesia	Asia, New Caledonia	Total
Scheduled passenger	1 051	2 407	638	1 236	2 655	1 654	9 641
Scheduled cargo	2	25	78	302	586	497	1 490
<b>Total</b>	<b>1 053</b>	<b>2 432</b>	<b>716</b>	<b>1 538</b>	<b>3 241</b>	<b>2 151</b>	<b>11 131</b>

- Six month period ended September 30, 2010

<i>In € millions</i>	Metropolitan France	Europe except France, North Africa	Caribbean, French Guiana, Indian Ocean	Africa, Middle East	Americas, Polynesia	Asia, New Caledonia	Total
Scheduled passenger	973	2 217	575	1 333	2 405	1 558	9 061
Scheduled cargo	3	23	72	295	535	547	1 475
<b>Total</b>	<b>976</b>	<b>2 240</b>	<b>647</b>	<b>1 628</b>	<b>2 940</b>	<b>2 105</b>	<b>10 536</b>

## 5. EXTERNAL EXPENSES

<i>In € millions</i>	2011	2010
<i>Six month period ended September 30,</i>		
Aircraft fuel	3 390	2 944
Chartering costs	301	245
Aircraft operating lease costs	421	416
Landing fees and air route charges	948	901
Catering	297	285
Handling charges and other operating costs	689	665
Maintenance costs	614	595
Commercial and distribution costs	461	496
Other external expenses	931	884
<b>Total</b>	<b>8 052</b>	<b>7 431</b>
<i>Excluding aircraft fuel</i>	<i>4 662</i>	<i>4 487</i>

“Other external expenses” correspond mainly to rent and insurance costs.

## 6. SALARIES AND NUMBER OF EMPLOYEES

### Salaries and related costs

<i>In € millions</i>	2011	2010
<i>Six month period ended September 30,</i>		
Wages and salaries	2 766	2 721
Social contributions	923	886
Net periodic pension cost	116	99
Expenses related to share-based compensation	3	12
Other expenses	(16)	(28)
<b>Total</b>	<b>3 792</b>	<b>3 690</b>

The “other expenses” comprise the capitalization of salary costs on aircraft and engine overhaul.

# Air France-KLM Group

## Average number of employees

<i>Six month period ended September 30,</i>	<b>2011</b>	<b>2010</b>
Flight deck crew	8 567	8 716
Cabin crew	23 097	22 648
Ground staff	70 852	71 097
<b>Total</b>	<b>102 516</b>	<b>102 461</b>

## 7. AMORTIZATION, DEPRECIATION AND PROVISIONS

<i>In € millions</i>	<b>2011</b>	<b>2010</b>
<i>Six month period ended September 30,</i>		
<b>Amortization and depreciation</b>		
Intangible assets	34	27
Flight equipment	645	643
Other property, plant and equipment	138	142
	<b>817</b>	<b>812</b>
<b>Provisions</b>		
Inventories	(2)	9
Trade receivables	5	1
Risks and contingencies	28	34
	<b>31</b>	<b>44</b>
<b>Total</b>	<b>848</b>	<b>856</b>

## 8. OTHER INCOME AND EXPENSES

<i>In € millions</i>	<b>2011</b>	<b>2010</b>
<i>Six month period ended September 30,</i>		
Joint operation of routes	32	2
Operations-related currency hedges	(17)	113
Other	(6)	21
<b>Total</b>	<b>9</b>	<b>136</b>

## 9. OTHER NON-CURRENT INCOME AND EXPENSES

<i>In € millions</i>	<b>2011</b>	<b>2010</b>
<i>Six month period ended September 30,</i>		
Amadeus operation	-	1 030
Other	(10)	(153)
<b>Other non-current income and expenses</b>	<b>(10)</b>	<b>877</b>

- **Six month period ended September 30, 2010**

On April 29, 2010, the company Amadeus was the subject of an Initial Public Offering (IPO) on the Spanish stock exchange. This operation was executed in two stages:

1. A capital increase reserved to the market, to which the Group did not subscribe,
2. The concomitant sale of a part of the shares held by the Group.

## Air France-KLM Group

After the operation, the Group's holding decreased from 22% to 15%. At the same time, the governance of Amadeus was changed. These two items involved the loss of significant influence for the Group as well as a change in the valuation method of the shares held.

As a consequence, according to IFRS, since April 29, 2010, the date of the IPO, the shares held by the Group have been valued at their market value (market price).

The total profit recorded in the income statement for an amount of €1 030 million breaks down as follows:

- gain on disposal of shares: €280 million, including €193 million of cash received
- valuation of shares held by the Group: €750 million.

After this operation, the Amadeus shares held by the Group were reclassified in "assets available for sale" (in "other financial assets non current"). The value of the shares is updated at each closing period according to the stock exchange price. The counterpart of this revaluation is recorded under other comprehensive income.

The "Others" line mainly included an additional provision of €127 million related to the fines imposed by the European Commission on the Air France, KLM and Martinair entities with respect to anti competitive agreements in the air freight industry (cf. note 16) as well as an additional provision of €15 million related to the Air France voluntary redundancy plan which was extended.

## 10. NET COST OF FINANCIAL DEBT AND OTHER FINANCIAL INCOME AND EXPENSES

<i>In € millions</i>		
<i>Six month period ended September 30,</i>	<b>2011</b>	<b>2010</b>
Income from marketable securities	17	6
Other financial income	31	36
<b>Income from cash and cash equivalents</b>	<b>48</b>	<b>42</b>
Loan interests	(149)	(148)
Lease interests	(43)	(48)
Capitalized interests and other non monetary items	(38)	(35)
<b>Cost of financial debt</b>	<b>(230)</b>	<b>(231)</b>
<b>Net cost of financial debt</b>	<b>(182)</b>	<b>(189)</b>
Foreign exchange gains (losses), net	(158)	(54)
Change in fair value of financial assets and liabilities	(140)	(26)
Net (charge) release to provisions	1	8
Other	-	-
<b>Other financial income and expenses</b>	<b>(297)</b>	<b>(72)</b>

The interest rate used in the calculation of capitalized interest is 4.26% for the six-month period ended September 30, 2011 (3.71% for the six-month period ended September 30, 2010).

The change in fair value of financial assets and liabilities recorded as of September 30, 2011 arose mainly from the variation in the ineffective portion of fuel and foreign currency exchange derivatives.

## 11. INCOME TAXES

### 11.1 Income tax charge

<i>In € millions</i>		
<i>Six month period ended September 30,</i>	<b>2011</b>	<b>2010</b>
<b>Current tax (expense) / benefit</b>	<b>(24)</b>	<b>(14)</b>
Charge for the period	(26)	(14)
Adjustment of previous current tax charges	2	-
<b>Deferred tax income / (expense) from continuing operations</b>	<b>96</b>	<b>4</b>
Change in temporary differences	(54)	(138)
CAVE impact	2	3
(Use) / recognition of tax loss carryforwards	148	139
<b>Income tax (expense) / income from continuing operations</b>	<b>72</b>	<b>(10)</b>

The current tax charge relates to the amounts paid or payable in the short term to the tax authorities for the period, in accordance with the regulations prevailing in various countries and any applicable treaties.

### 11.2 Deferred tax recorded directly in equity

Deferred tax recorded directly in equity amounts to revenue of €153 million as of September 30, 2011 against a loss of €16 million for the period ended September 30, 2010.

For the six-month periods ended September 30, 2011 and 2010 these deferred taxes related to the accounting of cash flow hedges.

## 12 SHARE OF PROFITS (LOSSES) OF ASSOCIATES

The “share of profits (losses) of associates” includes mainly the share of Alitalia Group losses, amounting to €33 million as of September 30, 2011. The share of losses was €35 million as of September 30, 2010. It corresponds to the activity from January 1 to June 30, the annual closing date being December 31.



## 13 EARNINGS PER SHARE

### Reconciliation of income used to calculate earnings per share

<i>In € millions</i>		
<i>Six month period ended September 30,</i>	<b>2011</b>	<b>2010</b>
<b>Net income for the period – Equity holders of Air France-KLM</b>	(183)	1 026
Dividends to be paid to priority shares	-	-
<b>Net income for the period – Equity holders of Air France-KLM</b>	<b>(183)</b>	<b>1 026</b>
(used to calculate basic earnings per share)		
Impact of potential ordinary shares :		
- interest paid on convertible bonds (net of tax)	-	22
<b>Net income for the period – Equity holders of Air France-KLM</b>	<b>(183)</b>	<b>1 048</b>
(used to calculate diluted earnings per share)		

### Reconciliation of the number of shares used to calculate earnings per share

<i>Six month period ended September 30,</i>	<b>2011</b>	<b>2010</b>
<b>Weighted average number of:</b>		
- Ordinary shares issued	300 219 278	300 219 278
- Treasury stock held regarding stock option plan	(1 229 714)	(1 438 337)
- Treasury stock held for the share buyback plan	(292 057)	(1 172 666)
- Other treasury stock	(2 959 933)	(2 961 608)
<b>Number of shares used to calculate basic earnings per share</b>	<b>295 737 574</b>	<b>294 646 667</b>
<b>Weighted average number of ordinary shares:</b>		
- Conversion of convertible bonds	-	78 618 766
- Exercise of stock options	-	-
<b>Number of potential ordinary shares</b>	<b>-</b>	<b>78 618 766</b>
<b>Number of ordinary and potential ordinary shares used to calculate diluted earnings per share</b>	<b>295 737 574</b>	<b>373 265 433</b>

## 14 TANGIBLE ASSETS

<i>In € millions</i>	As of September 30, 2011			As of March 31, 2011		
	Gross value	Depreciation	Net Value	Gross value	Depreciation	Net Value
Owned aircraft	10 557	5 434	5 123	10 622	5 203	5 419
Leased aircraft	5 489	1 649	3 840	4 788	1 341	3 447
Assets in progress	726	-	726	969	-	969
Other	2 138	933	1 205	2 107	902	1 205
<b>Flight equipment</b>	<b>18 910</b>	<b>8 016</b>	<b>10 894</b>	<b>18 486</b>	<b>7 446</b>	<b>11 040</b>
Land and buildings	2 648	1 389	1 259	2 642	1 328	1 314
Equipment and machinery	1 281	835	446	1 270	803	467
Assets in progress	97	-	97	67	-	67
Other	893	644	249	901	638	263
<b>Other tangible assets</b>	<b>4 919</b>	<b>2 868</b>	<b>2 051</b>	<b>4 880</b>	<b>2 769</b>	<b>2 111</b>
<b>Total</b>	<b>23 829</b>	<b>10 884</b>	<b>12 945</b>	<b>23 366</b>	<b>10 215</b>	<b>13 151</b>

The net value of tangible assets financed under capital lease amounts to € 265 million as of September 30, 2011 (€ 826 million as of March 31, 2011).

## 15 EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF AIR FRANCE-KLM SA

### 15.1 Breakdown of stock and voting rights

As of September 30, 2011, the issued capital of Air France-KLM comprised 300 219 278 fully paid-up shares with a nominal value of €1. Each share is entitled to one vote.

The breakdown of stock and voting rights is as follows:

	As of September 30, 2011		As of March 31, 2011	
	Capital	Voting rights	Capital	Voting rights
French State	16%	16%	16%	16%
Employees and former employees	10%	10%	10%	10%
Treasury shares	2%	-	2%	-
Other	72%	74%	72%	74%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

The item "Employees and former employees" includes shares held by employees and former employees identified in funds or by a Sicovam code.

## 15.2 Reserves and retained earnings

<i>In € millions</i>	<b>As of September 30, 2011</b>	<b>As of March 31, 2011</b>
Legal reserve	70	70
Distributable reserve	962	1 032
Derivatives reserves	(22)	363
Available for sale securities reserves	54	173
Other reserves	2 109	1 424
Net income (loss) – Equity holders of Air France-KLM	(183)	613
<b>Total</b>	<b>2 990</b>	<b>3 675</b>

## 16 PROVISIONS AND RETIREMENT BENEFITS

<i>In € millions</i>	<b>As of September 30, 2011</b>			<b>As of March 31, 2011</b>		
	<b>Non current</b>	<b>Current</b>	<b>Total</b>	<b>Non current</b>	<b>Current</b>	<b>Total</b>
Retirement benefits	1 040	-	1 040	986	-	986
Restitution of aircraft	429	140	569	414	142	556
Restructuring	-	11	11	-	122	122
Litigation	379	17	396	382	19	401
Other	158	6	164	148	4	152
<b>Total</b>	<b>2 006</b>	<b>174</b>	<b>2 180</b>	<b>1 930</b>	<b>287</b>	<b>2 217</b>

### 16.1 Provisions

#### Provision for litigation with third parties

An assessment of litigation risks with third parties was carried out with the Group's attorneys and provisions have been recorded whenever circumstances rendered it necessary.

Provisions for litigation with third parties also include provisions for tax risks. Such provisions are set up when the Group considers that the tax authorities could challenge a tax position adopted by the Group or one of its subsidiaries.

In the normal course of its activities, the Air France-KLM Group and its subsidiaries Air France and KLM (and their subsidiaries) are involved in litigation, some of which may be significant.

#### Provision for restructuring

As of September 30, 2011 and March 31, 2011, the provision for restructuring mainly includes the provision for the Air France voluntary redundancy plan.

# Air France-KLM Group

## Litigation concerning anti-trust laws

### **In the air-freight industry**

#### a) Investigation of the anti-trust authorities

Air France, KLM and Martinair, a wholly-owned subsidiary of KLM since January 1, 2009, have been involved, since February 2006, with up to twenty-five other airlines in investigations initiated by the anti-trust authorities in several countries, with respect to allegations of anti-competitive agreements or concerted action in the air-freight industry.

The proceedings initiated in the United States, Australia and Canada resulted, during financial year 2008-09, in Plea Agreements made by Air France, KLM and Martinair with the appropriate agencies, and the payment of fines putting an end to those proceedings. As of September 30, 2011 discussions are underway with the Competition Commission of South Africa to conclude a settlement agreement which would result in the payment by the Group of a penalty of €1.8 million.

In Europe, the European Commission announced, on November 9, 2010, its decision to impose fines on 14 airlines including Air France, KLM and Martinair related to anti-competition practices - mainly concerning fuel surcharges. The Commission imposed an overall fine of €340 million on the Air France-KLM Group companies.

As the Group's parent company, Air France-KLM was considered by the European Commission to be jointly and severally liable for the anti-competitive practices of which the Group companies were found guilty.

On January 24 and 25, 2011, the Group companies filed an appeal against the decision before the General Court of European Union.

Since the appeal does not suspend the payment of the fines, the Group companies chose not to pay the fine immediately, but to provide bank guarantees until a definitive ruling by the European Courts.

In South Korea on November 29, 2010, the Korean antitrust authority (KFTC) imposed on Air France-KLM, Air France and KLM a total fine of €8.6 million. The Group companies have filed an appeal before the competent Court.

This fine will not impact the financial statements of the Group given that provisions have already been booked.

#### b) Civil actions

On September 19, 2011 the Group companies entered into a Settlement agreement with the Canadian plaintiffs achieving a final resolution of all claims in Canada. Under the settlement agreement the Group companies have accepted to pay an amount of CAD 6.5 million (€4.6 million). This agreement is subject to the approval of the Ontario court.

The total amount of provisions as of September 30, 2011 amounts to €54 million for the whole proceedings.

## Other provisions

Other provisions are mainly provisions for power-by-hour contracts (maintenance activity of the Group).

## **16.2 Contingent liabilities**

The Group is involved in a number of governmental, legal and arbitration procedures for which provisions have not been recorded in the financial statements.

## Litigations concerning anti-trust laws

These litigations have not been provisioned given that the Group is unable, given the current status of proceedings, to evaluate its exposure.

# Air France-KLM Group

## a) In the air-freight industry

### a1) Investigation of the anti-trust authorities

The proceedings in Switzerland and Brazil are still ongoing as of September 30, 2011. With regard to the revenues involved, these risks are not individually significant.

### a2) Civil suits

Pursuant to the initiation in February 2006, of the various competition authority investigations, class actions were brought by forwarding agents and air-freight shippers in the United States and Canada against Air France, KLM and Martinair, and the other freight carriers. In addition, civil suits were filed in Europe by shippers following the European Commission's decision of November 9, 2010.

#### *United States*

In the United States, the Group concluded a Settlement Agreement with the representatives of the class action in July 2010. The Settlement Agreement, under which the Group accepted to pay USD 87 million, brings to a close all claims, lawsuits and legal proceedings in the past, present or future by plaintiffs seeking to obtain financial compensation from the Air France-KLM Group for unlawful practices in freight transportation to, from or within the United States.

On March 14, 2011, The Court issued an order granting final approval of the Air France-KLM settlement with the class action plaintiffs. Prior to that date, pursuant to procedures established by the Court, 36 entities elected to be excluded from the settlement, which permits them to separately pursue claims although only four were customers of Air France, KLM or Martinair.

With respect to those Air France-KLM customers who chose to be excluded, a portion of the settlement proportional to the revenue Air France-KLM received from those parties for a specified period as compared with Air France-KLM's overall revenue for that period will be segregated in a separate escrow. If claims by those parties, including written demands, are made against Air France-KLM, then the portion of the separate escrow attributable to the claiming parties will be transferred to Air France-KLM.

#### *Netherlands*

In the Netherlands, KLM, Martinair and Air France were summoned on September 30, 2010, to appear before the District Court of Amsterdam in a civil suit brought by a company named Equilib which states that it has purchased claims from 145 purchasers of airfreight services who allegedly suffered losses as a result of an anti-trust infringement in the European market between 2000 and 2006.

Equilib is seeking to obtain a declaratory judgment confirming that the Group companies have been guilty of unlawful conduct and are jointly and severally liable, along with other carriers, for the losses suffered by the airfreight purchasers. Equilib currently estimates its claims at €400 million but does not substantiate that figure.

The Group companies served a contribution writ of summons on the other airlines fined by the European Commission on November 9, 2010.

In April 2011, the Group companies have filed a claim against Equilib with the Commercial Court of Paris requesting that Equilib be declared a fictitious company and, as such, be deemed as invalid.

#### *United Kingdom*

In the United Kingdom, a civil suit has been filed with the competent court in the UK against British Airways by two flower importers. British Airways issued contribution proceedings against all the airlines fined by the European Commission including entities of the Group.

The Group companies intend to vigorously oppose all such civil actions.

# Air France-KLM Group

## b) In the air transport industry (passengers)

b.1) Investigation of the European Commission into the air transport industry (passengers) between Europe and Japan

Air France and KLM, like other air carriers, were subject on March 11, 2008 to searches and seizures in connection with an investigation by the European Commission into possible anti-competitive agreements or concerted practices in the area of air transport services (passengers) between the States parties to the agreement on the European Economic Area and Japan.

On February 13, 2009, Air France and KLM replied to a questionnaire from the Commission pointing out the background of air traffic relations between France and the Netherlands, on the one hand, and Japan on the other hand. These relations are governed by bilateral agreements requiring the approval of fares by the civil aviation authorities in the States concerned after agreement among the air carriers designated pursuant to such agreements.

A second questionnaire was sent to the Group by the European Commission on October 1, 2009. The last request was received in June 2011. To date, the Group is unable to state an opinion regarding the action that will be taken in connection with such enquiries by the European Commission.

b.2) Civil actions

During 2009, Air France and KLM were subpoenaed in a class action involving all the airlines operating transpacific routes between the United States and Asia/Oceania, on the basis of allegations of price-fixing on such routes.

Air France, which has only one transpacific route between the United States and Tahiti, and KLM, which is not involved on these routes, strongly deny these allegations.

## **Other litigations**

### a) Pretory

Company Air France, as a legal entity, was placed under investigation on July 20, 2006 on charges of concealed employment and as an accessory to misuse of corporate assets in connection with a judicial investigation initiated against the officers of Pretory, a company with which Air France, pursuant to the September 2011 attacks, had entered into an agreement for the provision of safety officers on certain flights.

Company Air France challenges its implication in this case.

### b) KLM minority shareholders

On January 2008, the association Vereniging van Effectenbezitters (VEB) served KLM and Air France-KLM before the Amsterdam Civil Court claiming that KLM and Air France-KLM be ordered to pay to minority shareholders a higher dividend than the €0.58 per ordinary share paid for fiscal year 2007-2008.

On September 1, 2010 the Court dismissed the case on the grounds that the dividend resolution met the test of reasonableness and fairness. VEB have appealed the Amsterdam Court decision.

### c) Rio-Paris AF447 flight

Following to the crash of the Rio-Paris AF447 flight in the South Atlantic, a number of legal actions have been brought in the United States and Brazil by the victims' heirs.

All these proceedings are aimed at receiving damages as reparation for the losses suffered by the heirs of the passengers who died in the crash.

In the United States, all the proceedings have been consolidated in California before the Northern district Court. On October 4, 2010, the District judge granted the defendants' motion for dismissal on grounds of "forum non convenience" and suggested that they pursue their claim in France. The damages as reparation for the losses suffered by the heirs of the passengers who died in the crash are covered by Air France's third-party liability insurance policy.

## Air France-KLM Group

On March 17 and 18, 2011 respectively, Airbus and Air France were indicted for manslaughter by the investigating magistrate and incur the penalties of fines prescribed by law. Air France intends to challenge its implication in this case.

To the best of Air France-KLM's knowledge, there is no other dispute, arbitration or non-recurring event that could have or has had in the recent past a significant impact on the Group's financial position, earnings or assets and liabilities.

Except for the matters specified under the paragraphs 16.1 and 16.2, the company is not aware of any governmental, judicial or arbitration proceedings (including any proceedings of which the issuer is aware, or that are pending or threatened against it) that could have or have recently had a significant impact on the issuer's and/or Group's financial position or profitability, during a period including at least the past twelve months.

## 17 FINANCIAL DEBT

<i>In € millions</i>	As of September 30, 2011			As of March 31, 2011		
	Non current	Current	Total	Non current	Current	Total
Perpetual subordinated loan stock	611	-	611	566	-	566
OCEANE (convertible bonds)	520	475	995	984	-	984
Bonds	1 450	-	1 450	1 450	-	1 450
Capital lease obligations	3 543	703	4 246	3 059	695	3 754
Other long-term debt	2 552	520	3 072	2 921	994	3 915
Accrued interest	-	124	124	-	119	119
<b>Total</b>	<b>8 676</b>	<b>1 822</b>	<b>10 498</b>	<b>8 980</b>	<b>1 808</b>	<b>10 788</b>

## 18 LEASE COMMITMENTS

### 18.1 Capital leases

The breakdown of total future minimum lease payments related to capital lease is as follows:

<i>In € millions</i>	September 30, 2011	March 31, 2011
<b>As of</b>		
Flight equipment	4 745	3 926
Buildings	438	300
Other	134	140
<b>Total</b>	<b>5 317</b>	<b>4 366</b>

### 18.2 Operating leases

The undiscounted amount of the future minimum operating lease payments for aircraft under operating lease totaled €4 961 million as of September 30, 2011 (€4 650 million as of March 31, 2011).

## 19 FLIGHT EQUIPMENT ORDERS

Due dates for commitments in respect of flight equipment orders are as follows:

*In € millions*

	<b>As of September 30, 2011</b>	<b>As of March 31, 2011</b>
IATA Y (6 months)	227	N/A
IATA Y + 1	837	1 050
IATA Y + 2	483	742
IATA Y + 3	347	334
IATA Y + 4	99	328
IATA Y + 5	-	90
<b>Total</b>	<b>1 933</b>	<b>2 544</b>

These commitments relate to amounts in US dollars, converted into euros at the closing date exchange rate. Furthermore these amounts are hedged.

The number of aircraft on firm order as of September 30, 2011 decreased by 16 units compared with March 31, 2011 to 40 units. This change in the backlog is explained as follows:

- the delivery of 21 aircraft over the period;
- the conversion of 4 option into firm order
- and a new order.

### **Long-haul fleet**

#### *Passenger*

The Group took delivery of 2 Airbus A380s and 3 Boeing B777s. It also ordered a Boeing B777.

#### *Cargo*

The Group took delivery of a Boeing B777F. On delivery, this aircraft was immediately sold.

### **Medium-haul fleet**

The Group took delivery of 6 Boeing B737s and converted 4 options for this aircraft type. It also took delivery of 5 Airbus A320s.

### **Regional fleet**

The Group took delivery of 4 CRJ1000s.



## Air France-KLM Group

The Group's commitments concern the following aircraft:

Aircraft type	To be delivered in IATA	Y (6 months)	Y+1	Y+2	Y+3	Y+4	Y+5	Beyond Y+5	Total
<b><u>Long-haul fleet – passenger</u></b>									
A380	As of September 30, 2011	-	2	2	2	-	-	-	6
	As of March 31, 2011	N/A	2	2	2	2	-	-	8
A330	As of September 30, 2011	-	-	1	-	-	-	-	1
	As of March 31, 2011	N/A	-	1	-	-	-	-	1
B777	As of September 30, 2011	-	5	1	1	3	-	-	10
	As of March 31, 2011	N/A	3	5	-	1	3	-	12
<b><u>Long-haul fleet – cargo</u></b>									
B777F	As of September 30, 2011	-	-	-	-	-	-	-	-
	As of March 31, 2011	N/A	1	-	-	-	-	-	1
<b><u>Medium-haul fleet</u></b>									
A320	As of September 30, 2011	1	5	-	-	-	-	-	6
	As of March 31, 2011	N/A	6	5	-	-	-	-	11
A321	As of September 30, 2011	1	-	-	-	-	-	-	1
	As of March 31, 2011	N/A	1	-	-	-	-	-	1
B737	As of September 30, 2011	1	2	4	-	-	-	-	7
	As of March 31, 2011	N/A	7	2	-	-	-	-	9
<b><u>Regional fleet</u></b>									
EMB190	As of September 30, 2011	-	5	-	-	-	-	-	5
	As of March 31, 2011	N/A	2	3	-	-	-	-	5
CRJ 1000	As of September 30, 2011	3	1	-	-	-	-	-	4
	As of March 31, 2011	N/A	7	1	-	-	-	-	8

These commitments do not include the order of 110 aircraft approved by the Board of Directors of the Air-France KLM Group on September 15, 2011, given that the contract is not yet finalized.

## 20 RELATED PARTIES

As of September 30, 2011 and 2010, the Group's relationships with its related parties had not changed significantly in terms of amounts and or scope.

## 21 SUBSEQUENT EVENTS

There have been no significant events since the close of the period.