

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS**

Prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Commission for use in the European Union

January 1, 2016 – March 31, 2016

Air France-KLM Group

Table of contents

CONSOLIDATED INCOME STATEMENT.....	- 3 -
CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSES.....	- 4 -
CONSOLIDATED BALANCE SHEET.....	- 5 -
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY.....	- 7 -
CONSOLIDATED STATEMENT OF CASH FLOWS.....	- 8 -
1. BUSINESS DESCRIPTION.....	- 11 -
2. RESTATEMENT OF ACCOUNTS 2015.....	- 11 -
Presentation of Servair Group as discontinued operation.....	- 11 -
3. SIGNIFICANT EVENTS.....	- 11 -
3.1. Events that occurred in the financial year.....	- 11 -
3.2. Subsequent events.....	- 12 -
4. ACCOUNTING POLICIES.....	- 12 -
4.1. Accounting principles.....	- 12 -
4.3. Use of estimates.....	- 13 -
5. CHANGE IN THE CONSOLIDATION SCOPE.....	- 13 -
6. INFORMATION BY ACTIVITY AND GEOGRAPHICAL AREA.....	- 14 -
6.1. Information by business segment.....	- 15 -
6.2. Information by geographical area.....	- 16 -
7. EXTERNAL EXPENSES.....	- 17 -
8. SALARIES AND NUMBER OF EMPLOYEES.....	- 18 -
9. OTHER INCOME AND EXPENSES.....	- 18 -
10. OTHER NON-CURRENT INCOME AND EXPENSES.....	- 19 -
11. OTHER FINANCIAL INCOME AND EXPENSES.....	- 20 -
12. NET INCOME FROM DISCONTINUED OPERATIONS.....	- 21 -
13. PENSION ASSETS AND PROVISIONS.....	- 21 -
14. NET DEBT.....	- 22 -

Air France-KLM Group

CONSOLIDATED INCOME STATEMENT

<i>In € millions</i>			
Period from January 1 to March 31	<i>Notes</i>	2016	2015 Restated^(*)
Sales	6	5,605	5,582
Other revenues		-	1
Revenues		5,605	5,583
External expenses	7	(3,448)	(3,771)
Salaries and related costs	8	(1,844)	(1,830)
Taxes other than income taxes		(49)	(46)
Other income and expenses	9	267	288
EBITDAR		531	224
Aircraft operating lease costs		(265)	(250)
EBITDA		266	(26)
Amortization, depreciation and provisions		(365)	(391)
Income from current operations		(99)	(417)
Sales of aircraft equipment		8	(1)
Other non-current income and expenses	10	(125)	161
Income from operating activities		(216)	(257)
Cost of financial debt		(84)	(107)
Income from cash and cash equivalents		14	17
Net cost of financial debt		(70)	(90)
Other financial income and expenses	11	82	(240)
Income before tax		(204)	(587)
Income taxes		54	36
Net income of consolidated companies		(150)	(551)
Share of profits (losses) of associates		(1)	(11)
Net income from continuing operations		(151)	(562)
Net income from discontinued operations	12	(1)	2
Net income for the period		(152)	(560)
<i>Non controlling interests</i>		3	(1)
<i>Net income - Group part</i>		<i>(155)</i>	<i>(559)</i>
Earnings per share – Equity holders of Air France-KLM (in euros)			
- basic and diluted		(0.54)	(1.89)
Net income from continuing operations - Equity holders of Air France-KLM (in euros)			
- basic and diluted		(0.54)	(1.90)
Net income from discontinued operations - Equity holders of Air France-KLM (in euros)			
- basic and diluted		-	0.01

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

^(*)See note 2 in notes to the condensed consolidated financial statements.

Air France-KLM Group

CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSES

<i>In € millions</i>		
Period from January 1 to March 31	2016	2015
Net income for the period	(152)	(560)
Fair value adjustment on available-for-sale securities		
Change in fair value recognized directly in other comprehensive income	(24)	68
Change in fair value transferred to profit or loss	-	(222)
Fair value hedges		
Effective portion of changes in fair value hedge recognized directly in other comprehensive income	(76)	(51)
Change in fair value transferred to profit or loss	-	-
Cash flow hedges		
Effective portion of changes in fair value hedge recognized directly in other comprehensive income	15	(86)
Change in fair value transferred to profit or loss	316	285
Currency translation adjustment	1	11
Deferred tax on items of comprehensive income that will be reclassified to profit or loss	(76)	(30)
<i>Total of other comprehensive income that will be reclassified to profit or loss</i>	<i>156</i>	<i>(25)</i>
Remeasurements of defined benefit pension plans	(1,016)	(341)
Deferred tax on items of comprehensive income that will not be reclassified to profit or loss	230	82
<i>Total of other comprehensive income that will not be reclassified to profit or loss</i>	<i>(786)</i>	<i>(259)</i>
Total of other comprehensive income, after tax	(630)	(284)
Recognized income and expenses	(782)	(844)
- Equity holders of Air France-KLM	(780)	(844)
- Non-controlling interests	(2)	-

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

Air France-KLM Group

CONSOLIDATED BALANCE SHEET

Assets		March 31,	December 31,
<i>In € millions</i>	<i>Notes</i>	2016	2015
Goodwill		217	247
Intangible assets		1,025	1,018
Flight equipment		9,081	8,743
Other property, plant and equipment		1,555	1,670
Investments in equity associates		73	118
Pension assets	13	909	1,773
Other financial assets		1,156	1,224
Deferred tax assets		825	702
Other non-current assets		216	295
Total non current assets		15,057	15,790
Assets held for sale	12	370	4
Other short-term financial assets		674	967
Inventories		569	532
Trade receivables		1,881	1,800
Other current assets		1,060	1,138
Cash and cash equivalents	14	3,501	3,104
Total current assets		8,055	7,545
Total assets		23,112	23,335

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

Air France-KLM Group

CONSOLIDATED BALANCE SHEET (continued)

Liabilities and equity		March 31,	December 31,
<i>In € millions</i>	<i>Notes</i>	2016	2015
Issued capital		300	300
Additional paid-in capital		2,971	2,971
Treasury shares		(86)	(85)
Perpetual		600	600
Reserves and retained earnings		(4,341)	(3,561)
Equity attributable to equity holders of Air France-KLM		(556)	225
Non-controlling interests		46	48
Total equity		(510)	273
Pension provisions	<i>13</i>	2,073	1,995
Other provisions		1,444	1,513
Long-term debt	<i>14</i>	6,958	7,060
Deferred tax liabilities		10	11
Other non-current liabilities		413	484
Total non-current liabilities		10,898	11,063
Liabilities relating to assets held for sale	<i>12</i>	245	-
Other provisions		878	742
Current portion of long-term debt	<i>14</i>	2,003	2,017
Trade payables		2,361	2,395
Deferred revenue on ticket sales		3,277	2,515
Frequent flyer programs		756	760
Other current liabilities		3,194	3,567
Bank overdrafts	<i>14</i>	10	3
Total current liabilities		12,724	11,999
Total liabilities		23,622	23,062
Total equity and liabilities		23,112	23,335

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

Air France-KLM Group

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

<i>In € millions</i>	Number of shares	Issued capital	Additional paid-in capital	Treasury shares	Perpetual	Reserves and retained earnings	Equity attributable to holders of Air France-KLM	Non-controlling interests	Total equity
December 31, 2014	300,219,278	300	2,971	(86)	-	(3,856)	(671)	39	(632)
Fair value adjustment on available for sale securities	-	-	-	-	-	(142)	(142)	-	(142)
Gain / (loss) on cash flow hedges	-	-	-	-	-	138	138	1	139
Gain / (loss) on fair value hedges	-	-	-	-	-	(33)	(33)	-	(33)
Remeasurements of defined benefit pension plans	-	-	-	-	-	(257)	(257)	(2)	(259)
Currency translation adjustment	-	-	-	-	-	9	9	2	11
Other comprehensive income	-	-	-	-	-	(285)	(285)	1	(284)
Net result for the period	-	-	-	-	-	(559)	(559)	(1)	(560)
Total of income and expenses recognized	-	-	-	-	-	(844)	(844)	-	(844)
March 31, 2015	300,219,278	300	2,971	(86)	-	(4,700)	(1,515)	39	(1,476)
December 31, 2015	300,219,278	300	2,971	(85)	600	(3,561)	225	48	273
Fair value adjustment on available for sale securities	-	-	-	-	-	(22)	(22)	-	(22)
Gain / (loss) on cash flow hedges	-	-	-	-	-	254	254	-	254
Gain / (loss) on fair value hedges	-	-	-	-	-	(77)	(77)	-	(77)
Remeasurements of defined benefit pension plans	-	-	-	-	-	(781)	(781)	(5)	(786)
Currency translation adjustment	-	-	-	-	-	1	1	-	1
Other comprehensive income	-	-	-	-	-	(625)	(625)	(5)	(630)
Net result for the period	-	-	-	-	-	(155)	(155)	3	(152)
Total of income and expenses recognized	-	-	-	-	-	(780)	(780)	(2)	(782)
Treasury shares	-	-	-	(1)	-	-	(1)	-	(1)
March 31, 2016	300,219,278	300	2,971	(86)	600	(4,341)	(556)	46	(510)

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

Air France-KLM Group

CONSOLIDATED STATEMENT OF CASH FLOWS

Period from January 1 to March 31	Notes	2016	2015
<i>In € millions</i>			Restated ^(*)
Net income from continuing operations		(151)	(562)
Net income from discontinued operations	12	(1)	2
Amortization, depreciation and operating provisions		370	396
Financial provisions		(23)	29
Loss (gain) on disposals of tangible and intangible assets		(34)	1
Loss (gain) on disposals of subsidiaries and associates	10	-	(223)
Derivatives – non monetary result		(38)	26
Unrealized foreign exchange gains and losses, net		(27)	143
Share of (profits) losses of associates		2	9
Deferred taxes		(16)	(47)
Other non-monetary items		136	62
Financial capacity		218	(164)
<i>Including discontinued operations</i>		2	1
(Increase) / decrease in inventories		(65)	(28)
(Increase) / decrease in trade receivables		(158)	(383)
Increase / (decrease) in trade payables		52	(10)
Change in other receivables and payables		695	885
Change in working capital requirement		524	464
Change in working capital from discontinued operations		1	12
Net cash flow from operating activities		743	312
Acquisition of subsidiaries, of shares in non-controlled entities		(3)	-
Purchase of property plant and equipment and intangible assets		(607)	(384)
Proceeds on disposal of subsidiaries, of shares in non-controlled entities		-	342
Proceeds on disposal of property plant and equipment and intangible assets		63	39
Dividends received		-	1
Decrease (increase) in net investments, more than 3 months		282	(207)
Net cash flow used in investing activities of discontinued operations		(1)	(5)
Net cash flow used in investing activities		(266)	(214)
Issuance of debt		208	195
Repayment on debt		(111)	(201)
Payment of debt resulting from finance lease liabilities		(146)	(264)
New loans		(3)	1
Repayment on loans		7	74
Net cash flow used in financing activities of discontinued operations		(2)	(2)
Net cash flow from financing activities		(47)	(197)
Effect of exchange rate on cash and cash equivalents and bank overdrafts		(12)	28
Effect of exchange rate on cash and cash equivalent and bank overdrafts of discontinued operations		-	1
Change in cash and cash equivalents and bank overdrafts		418	(70)
Cash and cash equivalents and bank overdrafts at beginning of period		3,073	2,902
Cash and cash equivalents and bank overdrafts at end of period		3,491	2,825
Change in cash of discontinued operations		-	7

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

^(*) See note 2 in notes to the condensed consolidated financial statements.

Air France-KLM Group

Period from January 1 to March 31	<i>Notes</i>	2016	2015
<i>in € millions</i>			Restated^(*)
Net cash flow from operating activities		743	312
Purchase of property plant and equipment and intangible assets		(607)	(384)
Proceeds on disposal of property plant and equipment and intangible assets		63	39
- Net cash flow from operating activities from discontinued operations		(3)	(13)
Operating free cash flow excluding discontinued activities	14	196	(46)

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

^(*) See note 2 in notes to the condensed consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

Air France-KLM Group

1. BUSINESS DESCRIPTION

As used herein, the term "Air France-KLM" refers to Air France-KLM SA, a limited liability company organized under French law. 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 on scheduled flights ("passenger network"). The Group's activities also include cargo, aeronautics maintenance, "low cost" passenger transportation (Transavia) and other air-transport-related activities including, principally, catering.

The limited company Air France-KLM, 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) and Amsterdam (Euronext).

The presentation currency used in the Group's financial statements is the euro, which is also Air France-KLM's functional currency.

2. RESTATEMENT OF ACCOUNTS 2015

Presentation of Servair Group as discontinued operation

Within the framework of a substantial consolidation in the catering business providing services to airlines, the Group studied various scenarios to ensure the development of its subsidiary Servair. After some months of study, the Group opted for the participation of another company in the share capital of Servair.

In March 2016, both Servair and Air France informed the representative bodies of their employees about this process of searching a partner to participate in the share capital of Servair.

Taken into consideration the offers already received by Air France, this should lead to a loss of control of Servair by Air France-KLM Group, as defined in IFRS 10 standard.

Servair currently constitutes the main cash-generating unit of the segment "Other".

The above elements have triggered the accounting treatment of the Servair Group in "discontinued operations" as of March 31, 2016, as defined in IFRS 5 standard.

The consolidated figures as at March 31, 2015 have consequently been restated for the purpose of comparison, except for the balance sheet.

Detailed information of net income from discontinued operations is presented in Note 12.

3. SIGNIFICANT EVENTS

3.1. Events that occurred in the financial year

Voluntary departure plan

During the meeting of the Corporate Works Council on February 26, 2016, the Air France management presented the voluntary departure plan for ground staff and cabin crew, aimed at the departure of approximately respectively 1,400 and 200 full time equivalents. The Group accordingly made a provision of €146 million to the income statement as of March 31, 2016 (see note 10). This provision is the best estimate of the costs involved in this voluntary departure plan.

Air France-KLM Group

3.2. Subsequent events

There has been no significant event since the closing of the period.

4. ACCOUNTING POLICIES

4.1. Accounting principles

Accounting principles used for the 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 December 31, 2015 were established in accordance with the International Financial Reporting Standards (“IFRS”) as adopted by the European Commission on the date these consolidated financial statements were established.

The interim condensed consolidated financial statements as of March 31, 2016 are prepared in accordance with IFRS, as adopted by the European Union on the date these condensed consolidated financial statements were established, and are presented according to IAS 34 “Interim financial reporting” and must be read in connection with the annual consolidated financial statements for the year ended on December 31, 2015.

The interim condensed consolidated financial statements as of March 31, 2016 have been established in accordance with the accounting principles used by the Group for the consolidated financial statements 2015, except for standards and interpretations adopted by the European Union applicable as from January 1, 2016.

The condensed consolidated financial statements were approved by the Board of Directors on May 3, 2016.

Change in accounting principles

- IFRS standards, amendments to the IFRS standards and IFRS IC interpretations which are applicable on a mandatory basis to the 2016 financial statements

- Amendment to IFRS 11 “Joint Arrangements”, effective for the period beginning January 1, 2016;
- Amendment to IAS 16 “Property, Plant and Equipment” and IAS 38 “Intangible Assets”, effective for the period beginning January 1, 2016;
- Amendment to IAS 1 “Presentation of Financial Statements”, effective for the period beginning January 1, 2016.

The Group does not expect any significant impact of the amendments mentioned above.

- Texts potentially applicable to the Group, published by the IASB but not yet adopted by the European Union

- Standard IFRS 9 “Financial Instruments”, effective for the period beginning January 1, 2018;
- Standard IFRS 15 “Revenue Recognition from Contracts with Customers”, effective for the period beginning January 1, 2018 and replacing the standards IAS 18 “Revenues”, IAS 11 “Construction Contracts” and IFRIC 13 “Customer Loyalty Programmes”;
- Standard IFRS 16 “Leases”, effective for the period beginning January 1, 2019;
- Amendment to IAS 7 “Cash Flow Statement”, effective for the period beginning January 1, 2017;
- Amendment to IAS 12 “Income tax”, effective for the period beginning January 1, 2017.

The Group will early adopt the amendment to IAS 7 as from 2016.

The Group does not expect any significant impact of the amendment to IAS 12.

Air France-KLM Group

The implementation of IFRS 9, IFRS 15 and IFRS 16 is followed as a project. For each standard, the Group has set up dedicated working groups with the individual business segment and department concerned. The initial aim is to identify the changes relative to the current standards, so as to be in a second step, in the position to evaluate the financial impacts.

4.2. Preparation of unaudited interim consolidated financial statements

Seasonality of the activity

Revenues and income from current operations are characterized by their seasonal nature related to a high level of activity from April 1 to September 30. 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 of the period the estimated annual average tax rate for the current year for each entity or fiscal group.

Retirement benefits

The net obligations concerning the defined-benefits schemes are revalued based on the discount rates and the fair-value of assets at interim closing dates. The net impact of these revaluations is recorded in other comprehensive income.

4.3. Use of estimates

The preparation of the condensed consolidated financial statements in conformity with IFRS requires management to make estimates and use assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses. The significant areas of estimates described in the note 4 of the December 31, 2015 consolidated financial statements, concerned:

- Revenue recognition related to deferred revenue on ticket sales;
- Flying Blue frequent flyer program;
- Financial assets;
- Tangible and intangible assets;
- Pension assets and provisions;
- Other provisions;
- Deferred tax assets.

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.

The consolidated financial statements for the financial year have thus been established on the basis of financial parameters available at the closing date. Concerning the non-current assets, the assumptions are based on a limited level of growth.

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

5. CHANGE IN THE CONSOLIDATION SCOPE

• First quarter ended March 31, 2016

No significant acquisition or disposal took place during the first quarter ended March 31, 2016.

Air France-KLM Group

• First quarter ended March 31, 2015

No significant acquisition or disposal took place during the first quarter ended March 31, 2015.

6. INFORMATION BY ACTIVITY AND GEOGRAPHICAL AREA

Business segments

The segment information is prepared on the basis of internal management data communicated to the Executive Committee, the Group's principal operational decision-making body.

The Group is organized around the following segments:

Passenger network: Passenger network operating revenues primarily come from passenger transportation services on scheduled flights with the Group's airline code (except Transavia), 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 worldwide.

Transavia: The revenues from this segment come from the "low cost" activity realized by Transavia.

Other: The revenues from this segment come from several services provided by the Group and not covered by the four other segment mentioned above.

The results of the business segments 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 mainly correspond to the EBITDAR, EBITDA, current operating income and to the income from operating activities. Other elements of the income statement are presented in the "non-allocated" column.

Inter-segment transactions are evaluated based on normal market conditions.

Geographical segments

• Activity by origin of sales area

Group activities by origin of sale are broken down into eight geographical areas:

- Metropolitan France
- Benelux
- Europe (excluding France and Benelux) and North Africa
- Africa (excluding North Africa)
- Middle East, Gulf, India (MEGI)
- Asia-Pacific
- North America
- Caribbean, West Indies, French Guyana, Indian Ocean, South America (CILA)

Only segment revenue is allocated by geographical sales area.

Air France-KLM Group

• Activity by destination

Group activities by destination are broken down into six geographic areas:

- Metropolitan France
- Europe (excluding France) and North Africa
- Caribbean, West Indies, French Guyana and Indian Ocean
- Africa (excluding North Africa), Middle East
- Americas and Polynesia
- Asia and New Caledonia

6.1. Information by business segment

• Three month period ended March 31, 2016

<i>In € millions</i>	Passenger network	Cargo	Maintenance	Transavia	Other	Non allocated	Total
Total sales	4,776	534	1,006	160	160	-	6,636
Intersegment sales	(303)	(5)	(575)	-	(148)	-	(1,031)
External sales	4,473	529	431	160	12	-	5,605
EBITDAR	507	(40)	85	(19)	(2)	-	531
EBITDA	277	(42)	85	(52)	(2)	-	266
Income from current operations	(18)	(50)	38	(63)	(6)	-	(99)
Income from operating activities	(121)	(57)	30	(63)	(5)	-	(216)
Share of profits (losses) of associates	(3)	-	2	-	-	-	(1)
Net cost of financial debt and other financial income and expenses	-	-	-	-	-	12	12
Income taxes	-	-	-	-	-	54	54
Net income from continuing operations	(124)	(57)	32	(63)	(5)	66	(151)

• Three month period ended March 31, 2015 (restated)

<i>In € millions</i>	Passenger network	Cargo	Maintenance	Transavia	Other	Non allocated	Total
Total sales	4,764	631	961	146	153	-	6,655
Intersegment sales	(343)	(6)	(581)	-	(143)	-	(1,073)
External sales	4,421	625	380	146	10	-	5,582
EBITDAR	212	(43)	85	(34)	4	-	224
EBITDA	(8)	(48)	85	(58)	3	-	(26)
Income from current operations	(322)	(63)	35	(69)	2	-	(417)
Income from operating activities	(146)	(70)	25	(69)	3	-	(257)
Share of profits (losses) of associates	(12)	-	1	-	-	-	(11)
Net cost of financial debt and other financial income and expenses	-	-	-	-	-	(330)	(330)
Income taxes	-	-	-	-	-	36	36
Net income from continuing operations	(158)	(70)	26	(69)	3	(294)	(562)

Air France-KLM Group

6.2. Information by geographical area

External sales by geographical area

- Three-month period ended March 31, 2016

<i>In € millions</i>	Metropo- litan France	Benelux	Europe (except France and Benelux) North Africa	Africa (except North Africa)	Middle- Eastern gulf India (MEGI)	Asia Pacific	North America	West Indies Caribbean Guyana Indian Ocean South America (CILA)	Total
Scheduled passenger	1,311	432	1,056	222	112	337	576	227	4,273
Other passenger sales	87	39	27	10	1	24	7	5	200
Total passenger	1,398	471	1,083	232	113	361	583	232	4,473
Scheduled cargo	88	57	145	34	6	71	55	36	492
Other cargo sales	8	3	8	4	-	4	7	3	37
Total cargo	96	60	153	38	6	75	62	39	529
Maintenance	259	137	8	-	-	-	27	-	431
Transavia	59	84	12	-	1	-	4	-	160
Others	2	8	2	-	-	-	-	-	12
Total	1,814	760	1,258	270	120	436	676	271	5,605

- Three-month period ended March 31, 2015 (restated)

<i>In € millions</i>	Metropo- litan France	Benelux	Europe (except France and Benelux) North Africa	Africa (except North Africa)	Middle- Eastern gulf India (MEGI)	Asia Pacific	North America	West Indies Caribbean Guyana Indian Ocean South America (CILA)	Total
Scheduled passenger	1,373	409	1,053	183	98	366	509	232	4,223
Other passenger sales	84	35	32	13	1	24	4	5	198
Total passenger	1,457	444	1,085	196	99	390	513	237	4,421
Scheduled cargo	84	61	171	37	14	108	72	40	587
Other cargo sales	8	1	9	3	1	5	8	3	38
Total cargo	92	62	180	40	15	113	80	43	625
Maintenance	238	112	6	-	-	-	24	-	380
Transavia	48	98	-	-	-	-	-	-	146
Others	3	7	-	-	-	-	-	-	10
Total	1,838	723	1,271	236	114	503	617	280	5,582

Air France-KLM Group

Traffic sales by geographical area of destination

- Three-month period ended March 31, 2016

<i>In € millions</i>	Metropolitan France	Europe (except France) North Africa	Caribbean, French Guyana, Indian Ocean	Africa (except North Africa) Middle East	Americas, Polynesia	Asia, New Caledonia	Total
Scheduled passenger	432	930	422	613	1,185	691	4,273
Scheduled cargo	1	8	36	111	206	130	492
Total	433	938	458	724	1,391	821	4,765

- Three-month period ended March 31, 2015

<i>In € millions</i>	Metropolitan France	Europe (except France) North Africa	Caribbean, French Guyana, Indian Ocean	Africa (except North Africa) Middle East	Americas, Polynesia	Asia, New Caledonia	Total
Scheduled passenger	437	933	404	583	1,141	725	4,223
Scheduled cargo	2	10	33	115	249	178	587
Total	439	943	437	698	1,390	903	4,810

7. EXTERNAL EXPENSES

<i>In € millions</i>	2016	2015 Restated
Period from January 1 to March 31		
Aircraft fuel	1,096	1,480
Chartering costs	102	107
Landing fees and air route charges	430	442
Catering	102	103
Handling charges and other operating costs	361	361
Aircraft maintenance costs	642	579
Commercial and distribution costs	231	228
Other external expenses	484	471
Total	3,448	3,771

Air France-KLM Group

8. SALARIES AND NUMBER OF EMPLOYEES

Salaries and related costs

<i>In € millions</i>	2016	2015
Period from January 1 to March 31		Restated
Wages and salaries	1,286	1,310
Pension costs linked to defined contribution plans	131	130
Net periodic pension cost of defined benefit plans	70	69
Social contributions	270	267
Cost of temporary employees	34	40
Other expenses	53	14
Total	1,844	1,830

The Group pays contributions to a multi-employer plan in France, the CRPN (public pension fund for crew). This multi-employer plan being assimilated with a French State plan, it is accounted for as a defined contribution plan in “pension costs linked to defined contribution plans”.

The line « Other » includes, as at March 31, 2016, an amount of €36 million of profit sharing expenses (against €3 million as at March 31, 2015).

Average number of employees

Period from January 1 to March 31	2016	2015
		Restated
Flight deck crew	7,688	7,914
Cabin crew	20,349	20,941
Ground staff	53,865	55,828
Temporary employees	2,090	2,336
Total	83,992	87,019

9. OTHER INCOME AND EXPENSES

<i>In € millions</i>	2016	2015
Period from January 1 to March 31		Restated
Capitalized production	229	233
Joint operation of routes	(12)	(18)
Operations-related currency hedges	54	82
Other	(4)	(9)
Other income and expenses	267	288

Air France-KLM Group

10. OTHER NON-CURRENT INCOME AND EXPENSES

<i>In € millions</i>	2016	2015
Period from January 1 to March 31		
Depreciation of CGU Cargo	-	(6)
Restructuring costs	(151)	(56)
Disposal of slots	26	-
Disposal of shares available for sale	-	221
Other	-	2
Other non-current income and expenses	(125)	161

- **Three-month period ended March 31, 2016**

Restructuring costs

As of March 31, 2016, this includes:

- €146 million relating to the voluntary departure plans announced by Air France in February 2016 (see note 3.1);
- €5 million relating to several voluntary departure plans initiated in the other Air France establishments located abroad.

Sale of slots

During the first quarter 2016, the Group transferred to two airlines two pairs of slots at London Heathrow airport. Concerning this operation, an amount of €26 million has been recorded as of March 31, 2016. The remaining part of this transaction will be recognized during the second quarter.

- **Three-month period ended March 31, 2015**

Disposal of shares available for sale

On January 15, 2015, the Group sold a block of 9,857,202 shares in the Spanish company Amadeus IT Holding S.A. ("Amadeus"), representing approximately 2.2 per cent of the company's share capital. As mentioned in note 3.1, this transaction generated:

- A positive result on the disposal of the shares amounting to €218 million in the "Other non-current income and expenses" part of the income statement;
- Cash proceeds of €327 million.

After this operation, the Group still holds 9.9 million of Amadeus shares. The value of these shares was fully hedged in a transaction concluded on November 25, 2014.

Restructuring costs

As of March 31, 2015, this line includes €56 million relating to the provision of the voluntary departure plans announced by Air France in February 2015.

Air France-KLM Group

11. OTHER FINANCIAL INCOME AND EXPENSES

<i>In € millions</i>	2016	2015
Period from January 1 to March 31		Restated
Foreign exchange gains (losses), net	33	(155)
Change in fair value of financial assets and liabilities	27	(56)
Net (charge)/ release to provisions	36	(15)
Other	(14)	(14)
Other financial income and expenses	82	(240)

Foreign exchange gains (losses)

As of March 31, 2016, the foreign exchange gain mainly include the unrealized revaluation on provisions denominated in a currency other than the Euro.

As of March 31, 2015, the foreign exchange loss mainly included the unrealized revaluation on debts and financial lease obligations denominated in a currency other than the Euro.

Change in fair value of financial instruments

The change in fair value of financial instruments is mainly due to:

- Fuel derivatives for €34 million as of March 31, 2016, against €(42) million as of March 31, 2015,
- Currency derivatives for €(6) million as of March 31, 2016, against €(29) million as of March 31, 2015,
- The total return swap on OCEANE for €(2) million as of March 31, 2016, against €13 million as of March 31, 2015.

Net (charge) / release to provisions

As of March 31, 2016, the Group released to the consolidated income statement the €41 million provision covering the accrued interest of the fine imposed concerning the litigation relating to anti-trust legislation in the air freight industry, as the European commission did not appeal before February 29, 2016 the decision taken by European Court.

As of March 31, 2015, the net addition to provisions comprises mainly the constitution of a provision on GOL shares.

Others

As of March 31 2016 and 2015, this line mainly comprises the effect of the accretion on long-term provisions.

Air France-KLM Group

12. NET INCOME FROM DISCONTINUED OPERATIONS

As of March 31, 2016 and 2015, the line « net income from discontinued operations » includes the result of Servair Group (see note 2), covering the following allocation:

<i>In € millions</i>	2016	2015
Period from January 1 to March 31		Restated
Revenues	95	74
EBITDAR	4	5
EBITDA	4	5
Income from current operations	(1)	-
Income from operating activities	(1)	-
Income before tax	(1)	-
Income taxes	1	-
Share of profits (losses) of associates	(1)	2
Net income from discontinued operations	(1)	2

In the context of this operation, the assets and liabilities of the Servair Group have been reclassified on the lines « assets held for sale » and « liabilities relating to assets held for sale », for respectively €369 million and €245 million as of March 31, 2016.

13. PENSION ASSETS AND PROVISIONS

As of March 31, 2016, the discount rates used by companies to calculate the defined benefit obligations are the following:

	March 31, 2016	December 31, 2015
Euro zone – duration 10 to 15 years	1.45%	1.80%
Euro zone – duration 15 years and more	2.00%	2.35%

The impact in variations of discount rates on the defined benefit obligation has been calculated using sensitivity analysis of the pension defined benefit obligation. The sensitivity analysis is mentioned in note 31.2 of the annual financial statements as of December 31, 2015.

Over the same period, the fair value of the plan assets of the pension funds increased.

All these items have a cumulative impact resulting in:

- A decrease of €863 million of the “pension assets” and
- An increase of €153 million of the “pension provisions”.

Following the current funding agreement, the low interest rates and the new Financial Assessment Framework on the KLM pilot pension scheme, the Group could be in situation, if all the parameters remain the same by year end, to have to make an additional contribution to reach the required coverage ratio for the Scheme to be able to grant indexation. The intention of the Group is to modify this funding agreement in order to avoid to make significant additional contributions to reach the required coverage ratio for the Scheme to be able to grant full indexation.

Air France-KLM Group

14. NET DEBT

<i>In € millions</i>	March 31,	December 31,
	2016	2015
Current and non-current financial debt ⁽¹⁾	8,961	9,077
Financial lease deposits (others)	(431)	(453)
Cash secured on OCEANE swap ^(*)	(393)	(393)
Currency hedge on financial debt	(29)	(40)
Accrued interest	(75)	(95)
Gross financial debt (I)	8,033	8,096
Cash and cash equivalents ⁽²⁾	3,501	3,104
Marketable securities	177	466
Cash secured (on other than OCEANE swap) ^(*)	25	18
Financial lease deposit (bonds)	196	204
Others	(17)	-
Bank overdrafts ⁽³⁾	(10)	(3)
Net cash (II)	3,872	3,789
Net debt (I-II)	4,161	4,307
(*) Cash secured	418	411
<i>(1) Liabilities : long term debt</i>		
<i>(2) Assets : cash and cash equivalents</i>		
<i>(3) Liabilities : bank overdrafts</i>		

<i>In € millions</i>	<i>Note</i>	March 31,	December 31,
		2016	2015
Opening net debt		4,307	5,407
Operating free cash, cash flow excluding discontinued activities ⁽¹⁾		(196)	(606)
Change in perpetual		-	(588)
Disposal of subsidiaries, of shares in non-controlled entities	10	-	(342)
Acquisition of subsidiaries, of shares in non-controlled entities ⁽²⁾		3	7
Non monetary variation of the debt		-	156
Currency translation adjustment		21	185
Amortization of OCEANE optional part		9	36
Reclassification		6	(4)
Change in scope		-	(8)
Other		11	64
Closing net debt		4,161	4,307

(1) Cash flows statement : operating free cash flow

(2) Cash flows statement : acquisition of subsidiaries, of shares in non-controlled entities