

First Quarter 2012 Results



4 May 2012

Overview of the Quarter

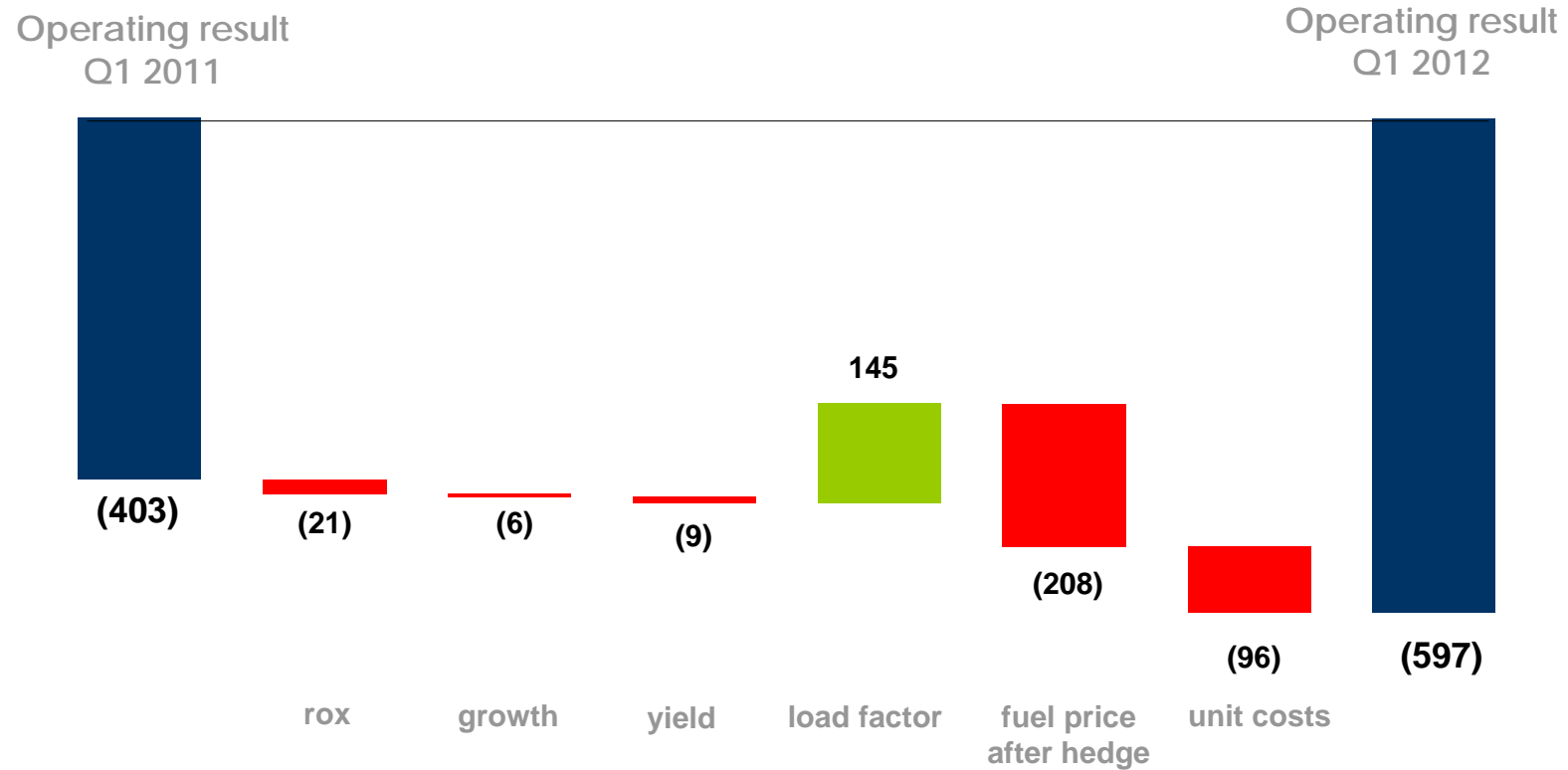
- ✦ A difficult first quarter, in line with our expectations
 - ▶ Strict capacity control
 - ▶ Improved passenger unit revenues, but decline in cargo
 - ▶ Unit revenues insufficient to offset higher costs, notably fuel
- ✦ 'Transform 2015' plan on schedule, framework and methodology agreements signed
- ✦ Objectives for Full Year 2012 unchanged

Key data for the quarter (January-March 2012)

- ✦ Revenues: €5.65bn
- ✦ Operating result: -€597m
- ✦ EBITDAR: €37m
- ✦ Net result: -€368m
- ✦ Free cash flow: €38m including Amadeus cash
- ✦ Net debt of €6.4bn at March 31, 2012

Operating result evolution

January to March



Agenda

- + Activity
- + Results
- + Financial situation
- + Outlook

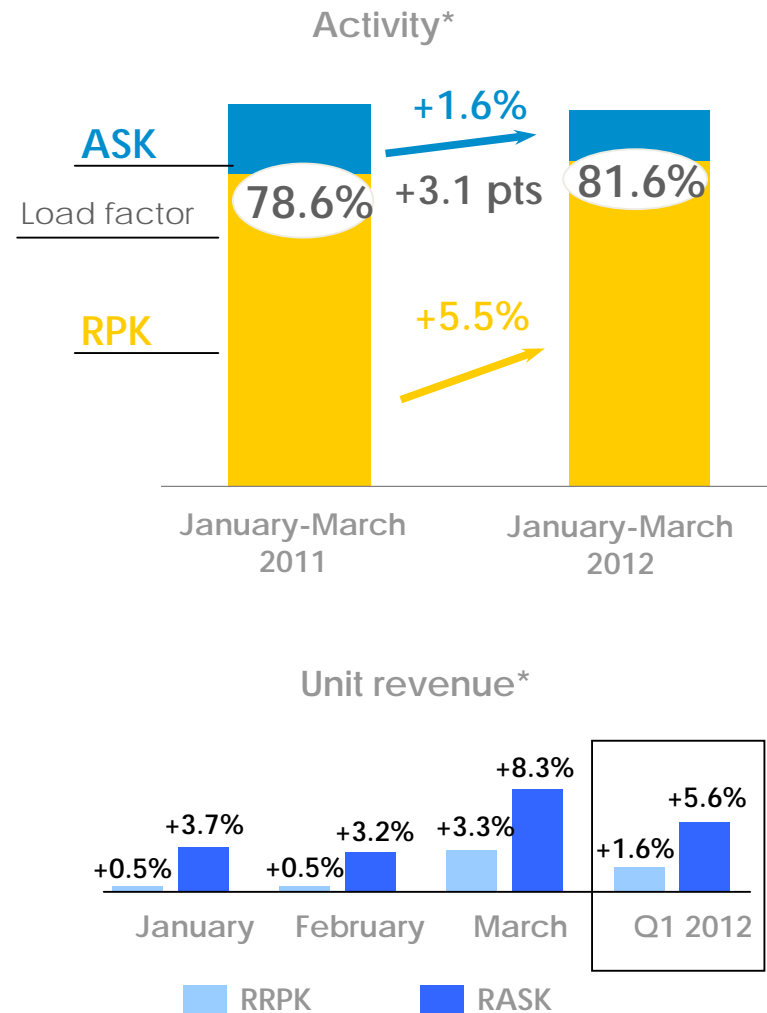
Key data by business

January-March

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

Passenger: revenues supported by volumes

- + Limited capacity growth
- + A good level of activity
 - ▶ Ivory Coast and Japan: higher level than before the crisis
 - ▶ Ongoing weakness in traffic towards politically unstable countries
- + Higher RASK thanks to
 - ▶ Volume effect in January and February
 - ▶ Volume effect plus higher yields in March
- + Long-haul: resilient revenues in all classes:
 - ▶ Premium RASK : +9.1% (+7.7% ex-currency)
 - ▶ Economy RASK : +7.0% (+5,7% ex-currency)

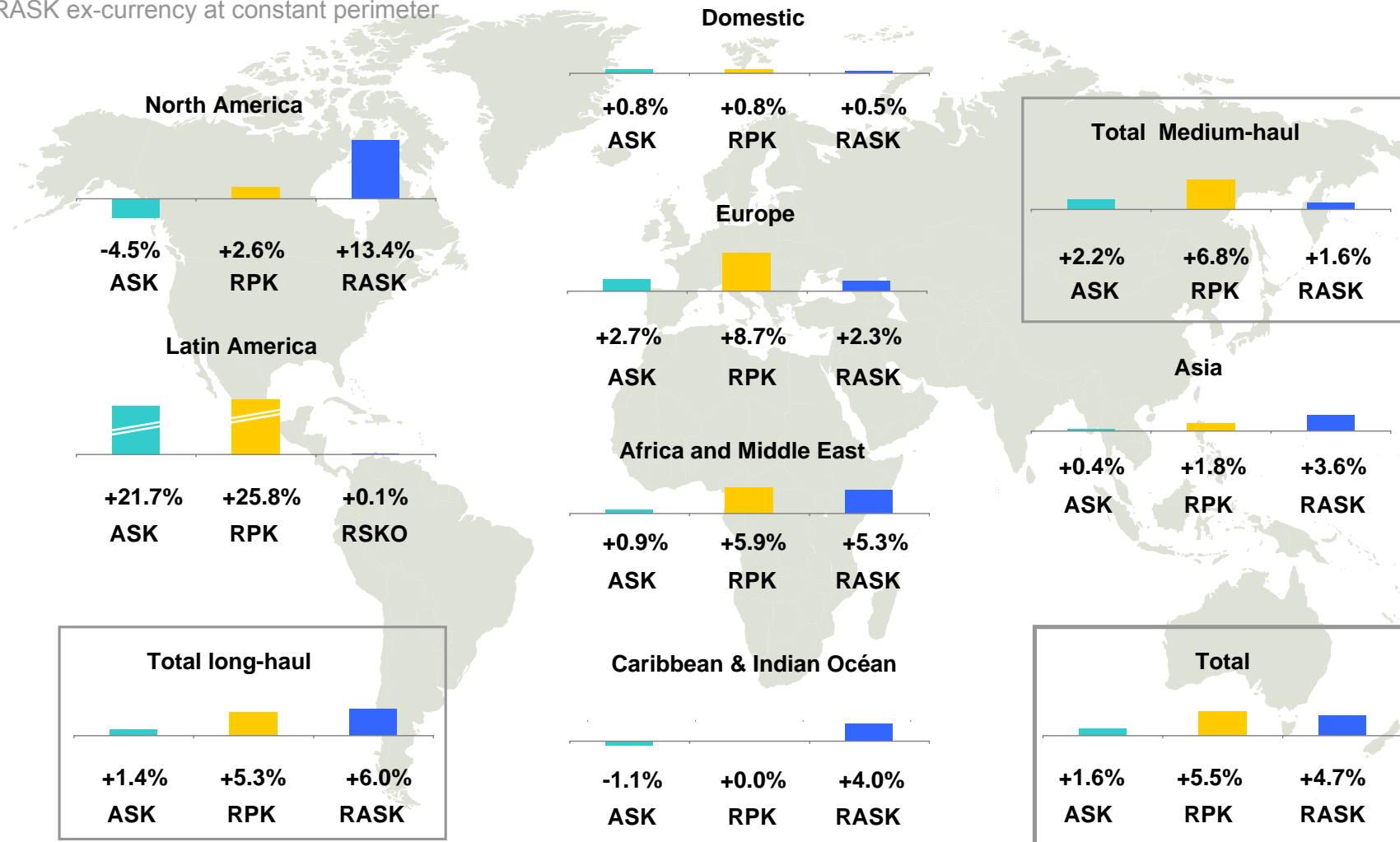


* At constant perimeter: including Martinair's passenger activity in 2011

Unit revenues by region

January-March 2012

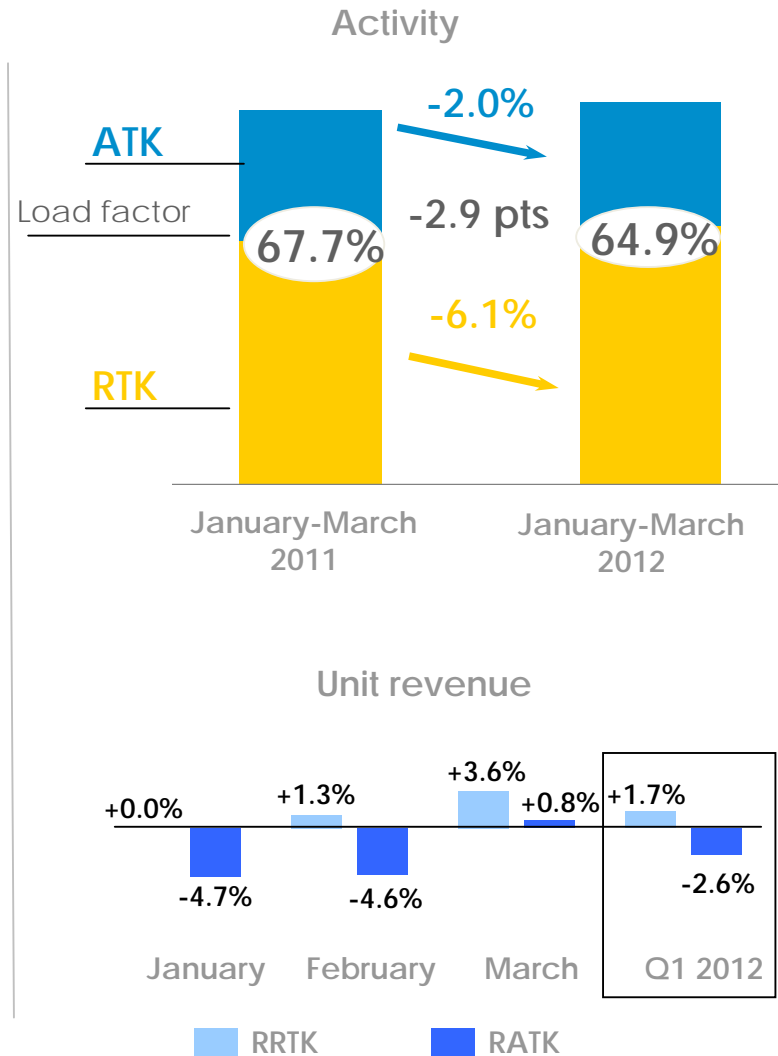
RASK ex-currency at constant perimeter



Cargo: ongoing weakness of global trading

- + Weakness in global trade
 - ▶ +3.7% forecast in 2012 (+5% in 2011 and +13.8% in 2010)*
- + An adjustment in capacity
 - ▶ Bellies and combis: -1.0%
 - ▶ Full freighter: -4.2%
- + Improved yield over the quarter but weak volumes affect RATK

* source : WTO



Maintenance

	January-March 2012	January-March 2011	Change
€m			
Total revenues	772	752	+3.0%
Third-party revenues	258	233	+10.7%
EBITDA	89	91	-2.2%
Operating result	16	26	-38.5%
<i>Operating margin</i>	<i>2.1%</i>	<i>3.5%</i>	<i>-1.4 pt</i>

- + Good level of activity in the engines and component businesses

Other businesses

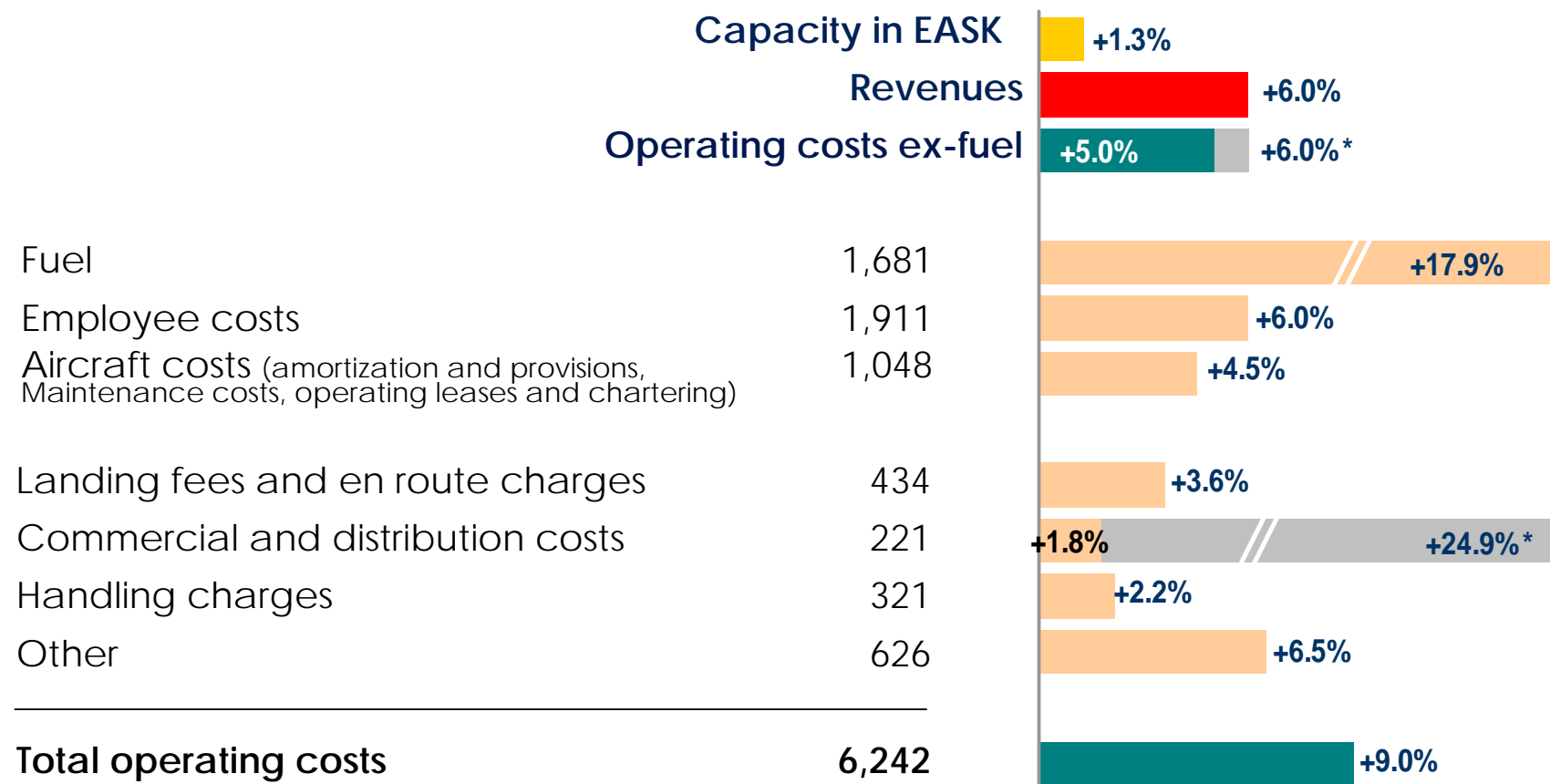
	January-March 2012	January-March 2011	Change
€m			
Third-party revenues	213	252	-15.5%
o/w leisure	117	141	-17.0%
o/w other	96	111	-13.5%
EBITDA	-5	-9	ns
Operating result	-41	-56	ns
o/w leisure	-45	-41	ns

✦ Leisure business: decline in revenues linked to the transfer of the Martinair activity; 9% rise on a comparable basis

Breakdown of operating costs

January-March 2012

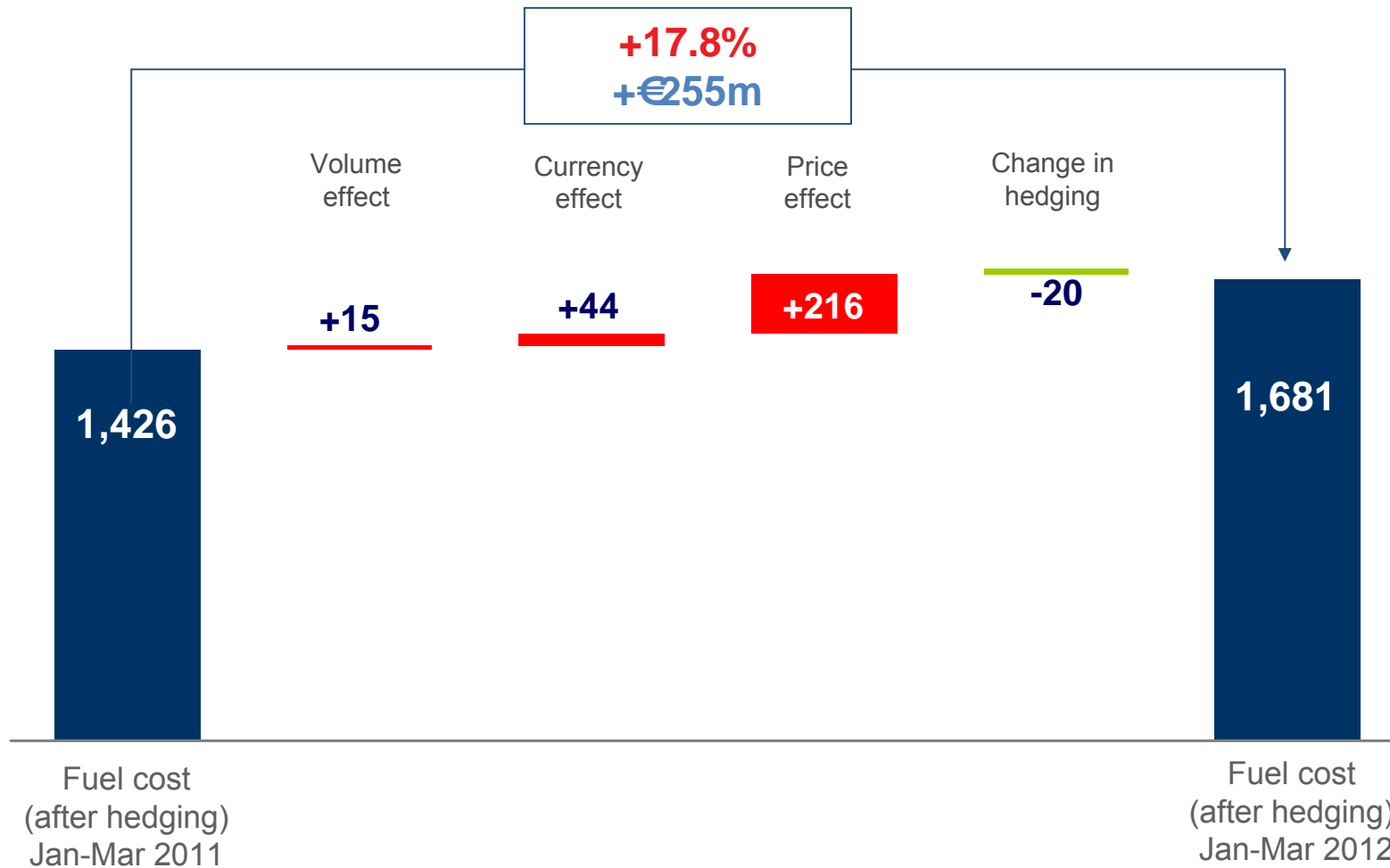
€ million pro forma



* Increase due to suppression of interline commissions between AFKL and Delta recognized as of March 31, 2011 for the whole year, offset by interline revenues (€40m)

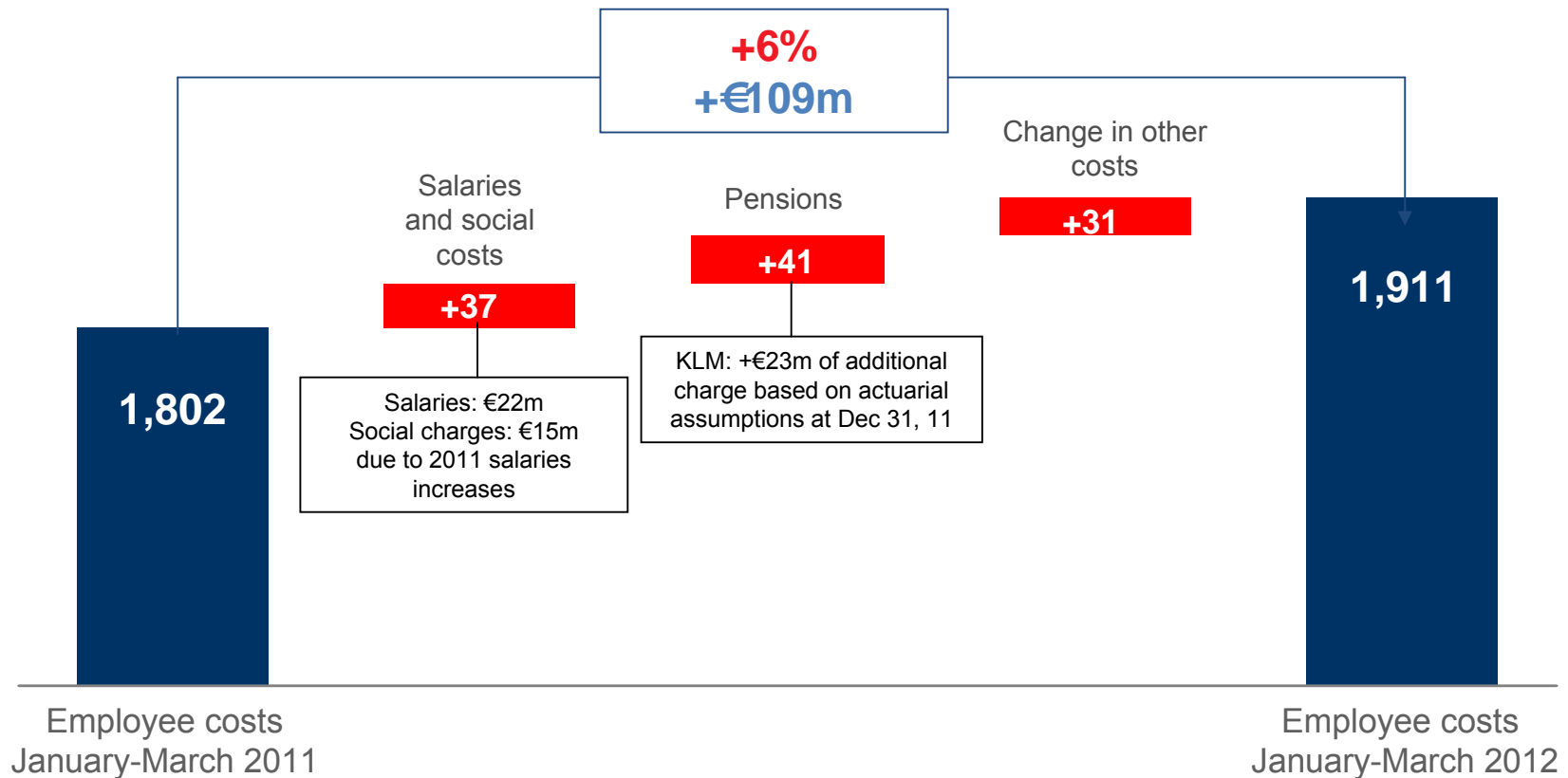
Analysis of fuel bill increase

In € million



Analysis of employee cost increase

In € million



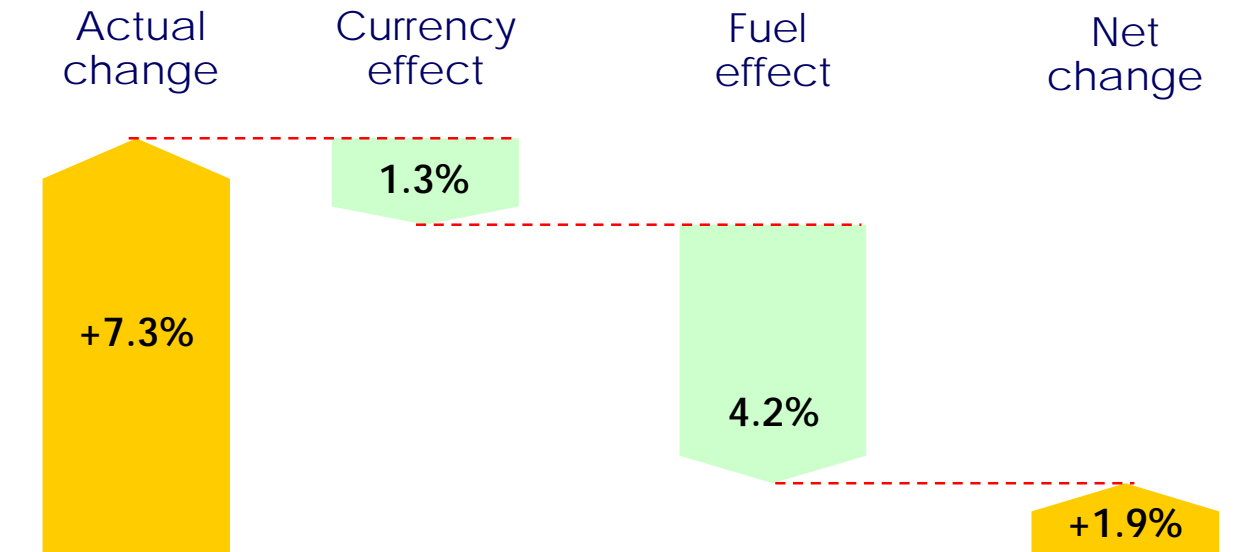
Full Year 2012 objective: +2% (+3% including €80m additional pension charge)

Unit costs

January-March 2012

Unit cost per EASK: €7.34 cts

Capacity in EASK: +1.3%



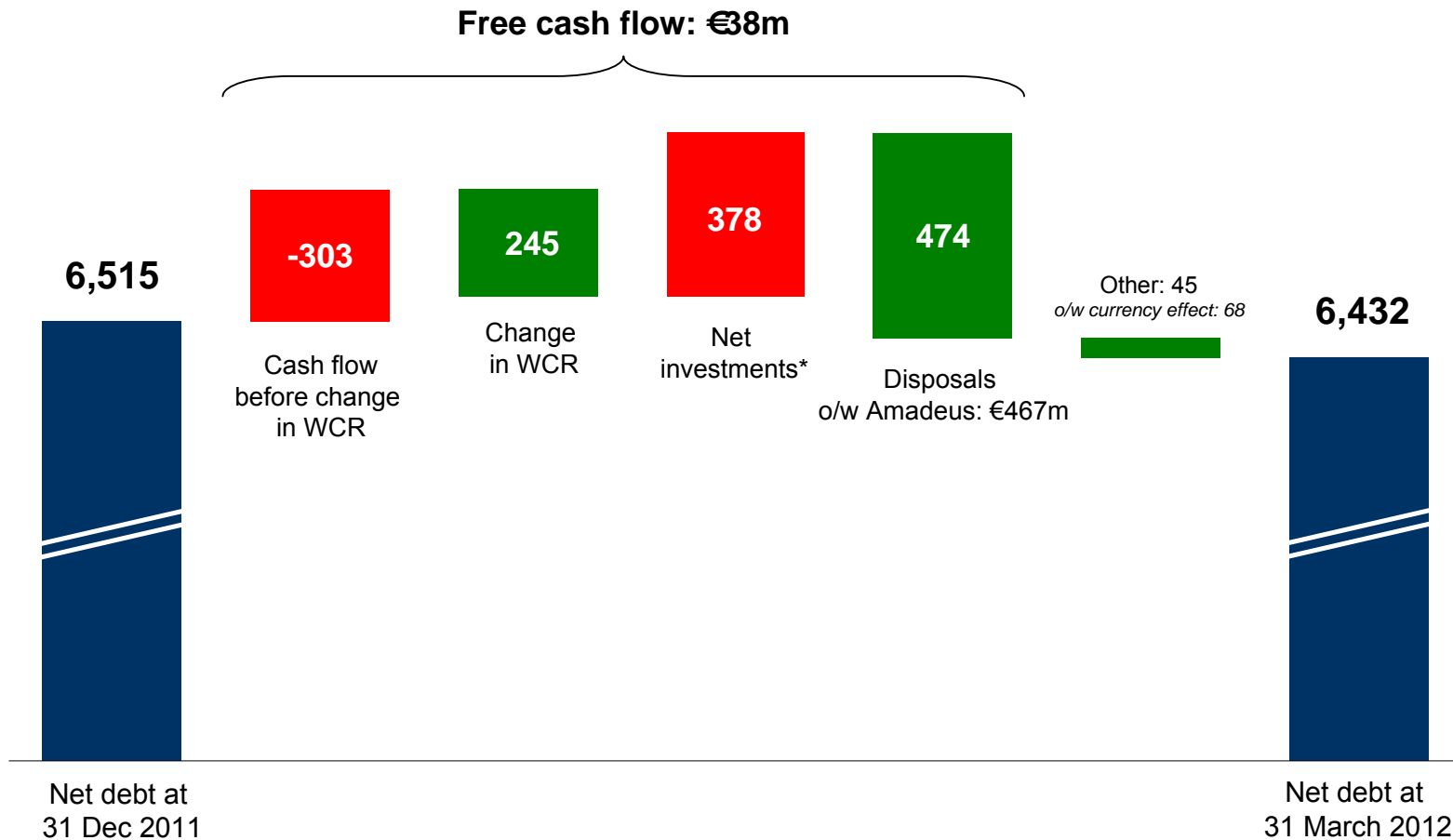
Full Year 2012 objective: **slight decrease** at constant fuel and currency

Group results

€m	January-March 2012	January-March 2011	Change
Revenues	5,645	5,326	+6.0%
EBITDAR	37	205	-82.0%
EBITDA	-188	-2	nm
Income from current operations	-597	-403	nm
Adjusted operating result	-521	-333	nm
<i>Adjusted operating margin</i>	-9.2%	-6.2%	-3 pts
Non current income and expenses	95	-103	nm
<i>o/w Amadeus operation</i>	98	-	nm
Income from operating activities	-502	-506	ns
Net cost of financial debt	-82	-91	nm
Net foreign exchange	54	70	nm
Change in fair value of financial assets and liabilities	220	-2	nm
Income taxes	-22	170	nm
Other (o/w share of profit/(losses) of associates, minority interest)	-36	-7	nm
Net result, Group share	-368	-367	nm

Change in net debt

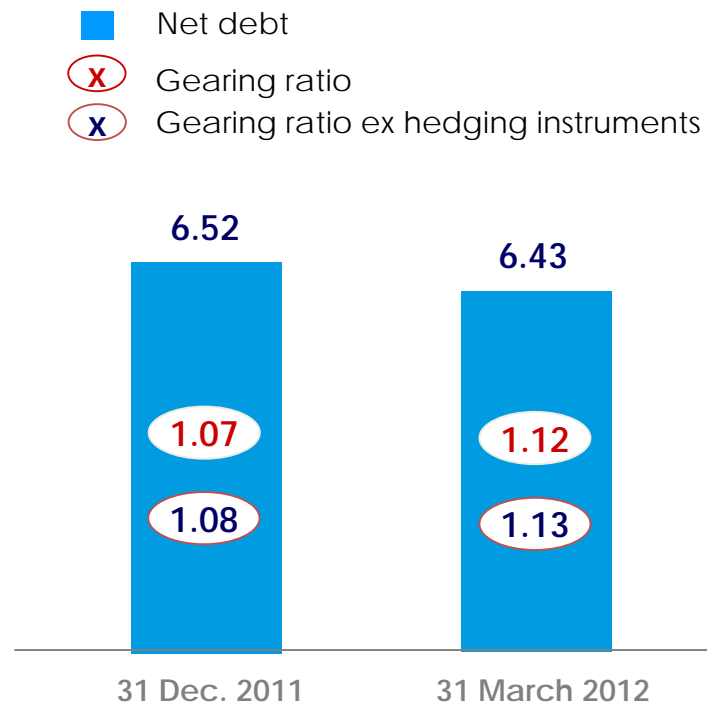
€ millions



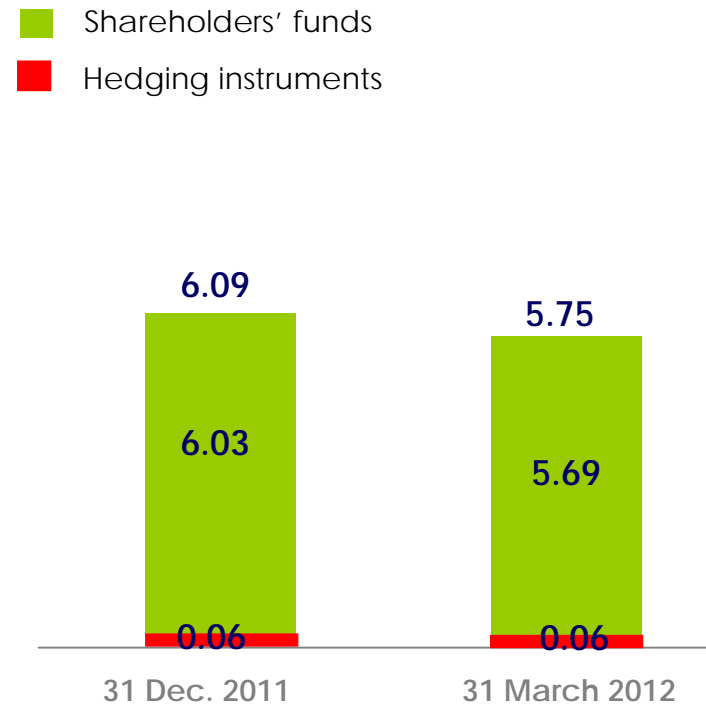
* Gross investments incl. financial: €416m, disposals and dividends: €38m, sale and lease backs: €0m

Financial position

Net financial debt (€ billions)



Shareholders' funds (€ billions)



Comfortable level of liquidity

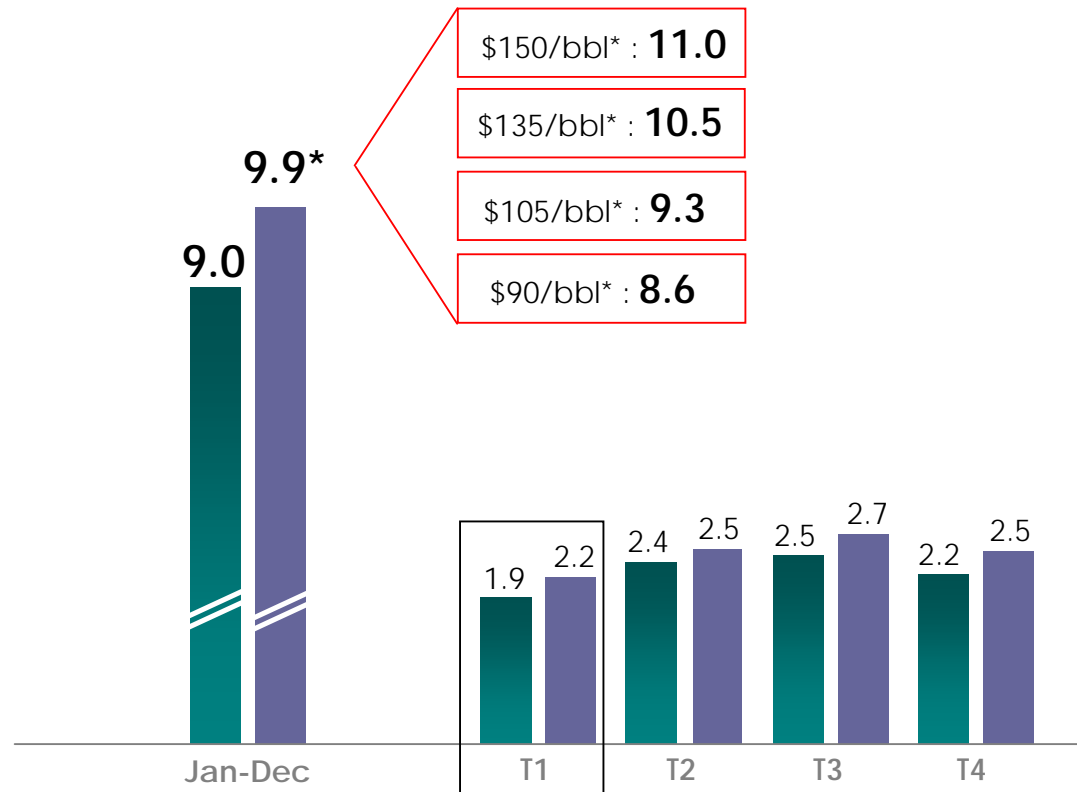
- + Cash of €2.86bn at 31st March 2012
- + Undrawn credit lines of €1.85bn
 - ▶ Air France: €1.06bn until 2016
 - ▶ KLM: €540m until 2016
 - ▶ Air France-KLM: €250m until 2017

Update on the fuel bill

Fuel bill after hedging

In \$bn

■ 2011
■ 2012*



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

* Over remainder of the year

**Forward curve at 26 April 2012: Realized + forward prices

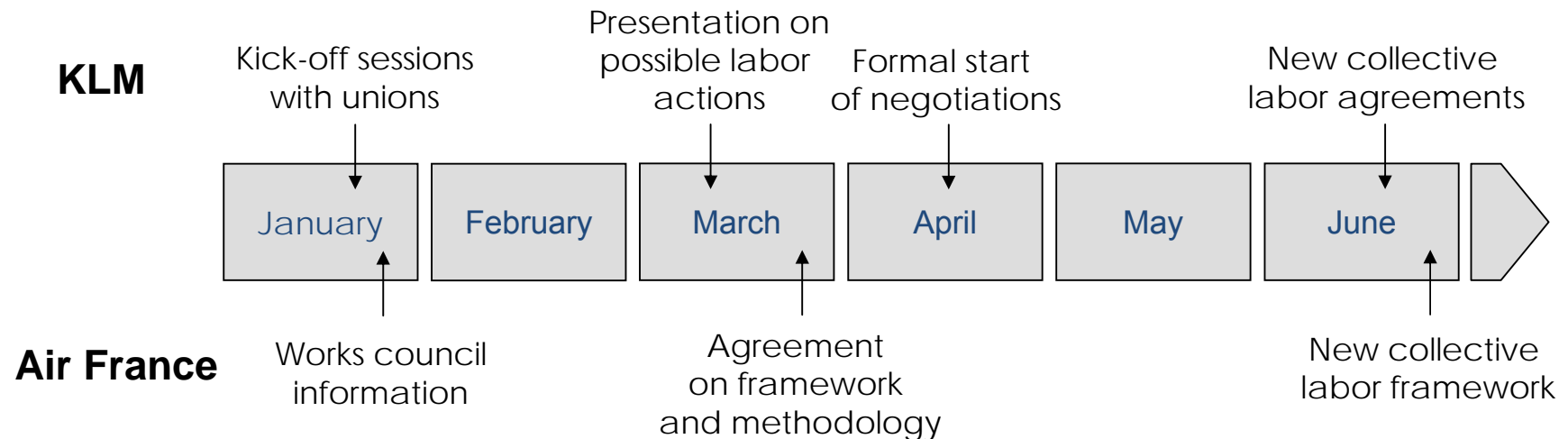
Reminder: framework agreements signed late March

Air France

- ▶ Target: +20% economic efficiency improvement in 2014
- ▶ Several levers: productivity, flexibility in operating modes, operating efficiency

KLM

- ▶ Transitional CLAs concluded in October 2011 for interim period
- ▶ Negotiations launched in April



Outlook for 2012 Financial Year

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

Appendices



Net debt calculation

In € million

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