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ANNUAL REPORT

AIRFRANCE KLM



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of Air France-KLM

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Cover photo: Kuala Lumpur, Malaysia
Access the Group's Annual Report,
Corporate Social Responsibility Report and
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Air France-KLM is engaged in a vast transformation plan to reduce its costs and regain competitiveness. Launched in 2012, this plan dubbed Transform 2015 continues to be deployed across all the Group's businesses: passenger transportation, cargo transportation and aeronautics maintenance.

In 2013, the Group is pursuing its strategic investment to offer innovative products and services which are adapted to evolving customer needs. It is also developing strategic partnerships and further extending its long-haul network, the leading network on departure from Europe.

The Group's employees are driving this transformation by enabling the implementation of new working conditions and action plans, thereby building the future of Air France-KLM.

In an environment of highly complex balances of power, Air France-KLM plans to reinforce its leadership position within the air transport industry. This implies both returning to profitability and developing its strengths to be able to affirm its positions at global level.



JEAN-CYRIL SPINETTA
CHAIRMAN AND CHIEF EXECUTIVE OFFICER
OF THE AIR FRANCE-KLM GROUP

A SPIRIT OF CONQUEST

The European air transport industry is facing some major challenges. The heart of our market is currently seeing a geographical shift towards Asia, Africa and South America, accompanying the exponential growth of the emerging countries. These are all new customers that we need to win over.

Furthermore, competition is very cut-throat, particularly in Europe. Fares for domestic and European flights have collapsed under the effect of the low cost carriers and high speed rail while the Gulf State airlines are experiencing unprecedented growth, particularly on the flows between Asia and Africa. European and international regulations are also increasingly onerous for the industry. All these factors are, moreover, coinciding within a context of economic slowdown where the crisis is eroding travel budgets.

This is why the so-called "major" airlines are currently focused on two complementary strategies.



JEAN-CYRIL SPINETTA
CHAIRMAN AND CHIEF EXECUTIVE OFFICER
OF THE AIR FRANCE-KLM GROUP

Firstly, over the past decade, we have seen a trend towards concentration in the sector. Back in 2004, Air France-KLM was a pioneer in this European consolidation which is now virtually complete.

Secondly, the airlines are increasingly entering into partnerships to extend their networks through code sharing. Our recent cooperation with Etihad Airways is a good example in that it opens new markets which we would not have been able to develop alone.

In this context of highly complex balances of power, it is vital for the Air France-KLM group to reinforce its leadership position within the air transport industry. This implies both returning to profitability to give us the means to pursue our ambitions, continuing to develop the network and defending our positions by making our voice heard at global level.

To this end, we have launched two inseparable projects. The first involves achieving a successful transformation so that we are more competitive. Our target is to improve productivity and reduce our manageable costs by 20%, something on which the two airlines are currently working via the Transform 2015 plan. Air France-KLM is targeting a €2 billion reduction in debt between 2012 and 2014 by cutting costs and curtailing investment in both companies. This is now well under way and I would like to pay tribute to the remarkable achievements of all our staff.

In parallel, we have also decided to move to the next stage in the integration of Air France and KLM. It is now key to have a much more integrated Group structure with a very clear demarcation of responsibilities at both Group and subsidiary level.

The 2004 merger opened the way to an initial three-year period during which the principle of coordination

prevailed. After an intermediary phase launched in 2007, we are well on the way towards the integration of all the strategic functions, from the commercial and maintenance activities to a number of common functions such as IT. This primarily reflects a rationale based on economic efficiency. The aim is to capture all the synergies in terms of both costs and revenues.

The second fundamental aspect of this integration is adaptation to the changes in our industry. If the Europeans want to remain present in the major alliances they themselves created and continue to be fully fledged sector players, they will need to be more organized about making their voice heard more effectively and defending their common interests.

This is why we have been working, in recent months, on a new coherent and efficient organization to be up and running by July this year which will give us the means to achieve these ambitions.

The task entrusted to me by the Board of Directors in October 2011 was to ensure the Group's economic and financial recovery and to introduce a new, more-integrated organization. Air France-KLM is now embarked on the path to recovery through a reduction in both its costs and debt. A new management team can now take over and ensure that the Group remains a leading airline and, together with employees, build on its strengths.

The time has now come to hand over the baton: on July 1, I shall step down from my positions as Chairman and Chief Executive Officer of Air France-KLM with Alexandre de Juniac as my successor.

I firmly believe that this new stage in governance will give the Air France-KLM group the means to reaffirm the leadership position that is its natural place within the air transport industry.

ACHIEVEMENTS



SHORT AND MEDIUM HAUL

Revamped offers to respond to new travel developments

Within the framework of the Transform 2015 plan, Air France and KLM are offering new, more competitive prices on their short and medium-haul network. With the launch of its Mini fares, Air France enables customers to choose between the all-inclusive Classic offer and the Mini range, a simplified product without checked baggage and Flying Blue miles at fares starting from €49 including taxes to 58 destinations in France and across Europe. KLM is offering new fares on its medium-haul network with more than 30 European destinations accessible from €99 including taxes. The Group is also investing in its regional subsidiaries. Air France is launching a new company under the HOP! brand, regrouping its three Brit Air, Regional and Airlinair subsidiaries. HOP! now offers a new proposition which is better attuned to the customer need for mobility and autonomy. Transavia France is developing its "leisure" destinations and expanding its fleet with the arrival of three new Boeing B737-800s in 2013.



HUBS

More rapidity and simplicity at Amsterdam-Schiphol and Paris-Charles de Gaulle

The opening of Hall M, a new boarding satellite in Paris-Charles de Gaulle's Terminal 2E, has enabled Air France to regroup its operations to the east of the airport. Terminal 2E now welcomes the international flights, with 2F exclusively for flights arriving from or bound for the Schengen space and 2G for the regional flights. This regrouping of operations together with the opening of faster, more convenient connecting channels simplifies transit through the airport. Ninety per cent of customers arriving from the Schengen space now benefit from streamlined circuits meaning they no longer have to queue for security checks during their stopover in Paris. Furthermore, KLM and Amsterdam-Schiphol airport are investing together to optimize

the handling of checked baggage. The new system, deployed in a series of phases and finalized in 2012, improves the speed at which connecting baggage is transferred at Amsterdam-Schiphol. KLM now handles this transfer for customers in a dedicated, fully-automated area. This system will be able to handle up to 70 million pieces of baggage per year, ensuring that both KLM and Amsterdam-Schiphol airport are ready for the future.



Designer Hella Jongerius

UPGRADES

A best-in-class Business customer proposition

The Air France-KLM group is investing for its premium customers. KLM is engaged in a comprehensive upgrade to its World Business Class with wider, more comfortable seats as of July 2013, together with a brand-new cabin interior which has been completely remodelled by Dutch designer Hella Jongerius. Air France has also announced an investment of several hundred million euros to reposition its products and services in line with the best in class thereby demonstrating its commitment to making customer satisfaction a key element of its transformation plan. In June 2012, for example, Air France inaugurated the largest Business lounge in its network at Paris-Charles de Gaulle. As conceived by French designer Noé Duchaufour-Lawrance, this lounge aims to turn the airport experience into an opportunity to relax and experience a moment of pure well-being.

"By choosing to work with Hella Jongerius, KLM is opting to engage a top Dutch designer to help make our World Business Class passengers feel at home on board."

ERIK VARWIJK Managing Director of KLM.



SKYTEAM ALLIANCE

1,000 destinations!

The SkyTeam global alliance now has 19 members and, in 2012 thanks to four new members, it crossed the 1,000 destination mark in 187 countries. The membership of Xiamen Airlines confirms the alliance's number one position in Greater China. The alliance also welcomed its first Middle Eastern carriers, Saudia and Middle East Airlines, and a first South American airline, Aerolíneas Argentinas, adding 40 new destinations to the network.

PARTNERSHIPS

Servair signs a partnership agreement with Royal Air Maroc

In early 2013, Air France's airline catering subsidiary, Servair, signed a strategic partnership agreement with Royal Air Maroc. Servair now supplies the catering for the aircraft at the latter's three units based in Casablanca, Marrakech and Agadir. Servair is currently number three globally in the sector, with operations in 22 countries and 60 airports across four continents.



Minneapolis - Montevideo - Ålesund

NETWORK

Six new destinations in Summer 2013

The Air France-KLM group will be offering new destinations for the Summer 2013 schedule. It is now possible to fly with KLM to Fukuoka in Japan, Ålesund in Norway and Manston in the United Kingdom. Air France is also launching three destinations: Minneapolis in the United States, Kuala Lumpur in Malaysia and Montevideo in Uruguay. The Group is strengthening its offer particularly in Africa. Since October 2012, KLM has been the first European airline to serve Harare, the capital of Zimbabwe, in combination with Lusaka in Zambia. Air France is also increasing its offer in the Ivory Coast, Gabon and Nigeria.

Air France-KLM partnering Etihad Airways

Air France-KLM has signed a new commercial partnership with Etihad Airways, enabling a wider choice of destinations for customers. Thanks to the signature of mutual code-share agreements, the services between Europe and Abu Dhabi are being intensified. KLM customers have the opportunity to travel every day between Amsterdam-Schiphol and Abu Dhabi on flights operated by Etihad Airways while Air France passengers have a choice of two daily flights operated by Etihad Airways between Paris-Charles de Gaulle and Abu Dhabi. Inversely,

Etihad Airways customers can now travel on board seven weekly flights operated by KLM between Amsterdam-Schiphol and Abu Dhabi. In addition to these hubs, this code-share agreement gives Air France passengers access to seven destinations with a further ten destinations for KLM passengers in Asia and Australia. Etihad Airways passengers also gain access to twenty-three European destinations on flights operated by Air France and KLM.



CARGOBUS

Towards a common, harmonized vision

Thanks to the deployment of a harmonized IT tool for Air France-KLM-Martinair Cargo, customers will benefit from a more transparent commercial offer and a single reservation system. The sales team will have real-time visibility on all capacity available for sale which should also enable more profitability. This major project launched in 2012 saw its first commercial system remodeling phase initiated in early 2013. This program, known as "Cargobus", is notably aimed at better management of the air freight capacity across the three companies.

APPOINTMENTS EFFECTIVE JULY 1, 2013

Camiel Eurlings has been appointed KLM's President and Chief Executive Officer by the company's Supervisory Board. He will take over from Peter Hartman.

Frédéric Gagey has been appointed Chairman and Chief Executive Officer of Air France. He will succeed Alexandre de Juniac, who has been appointed Chairman and Chief Executive Officer of Air France-KLM.



MAINTENANCE

A new engine test cell dubbed Zéphyr

In November 2012, Air France Industries KLM Engineering & Maintenance (AFI KLM E&M) inaugurated a new engine test cell at Paris-Charles de Gaulle. Representing an investment of €43 million, this facility known as ZÉPHYR enables the testing of 300 engines each year by offering an optimized service to customers in terms of both processes and costs. This test cell can handle all the maintenance processes on multiple engines such as the power-plants equipping the Airbus A380s and those which will equip future generations of aircraft. The deployment of a new engine test cell enables the Group to reaffirm its position as a major player in the multi-product aircraft maintenance market and propose a competitive offering for engine products, one of the priorities of the Transform 2015 plan.



I AMSTERDAM 2013

KLM the event's official partner

KLM is the partner and official carrier of "I Amsterdam 2013", an event which this year celebrates a number of significant milestones for the city's institutions, including 400 years of the Amsterdam canals, the 125th anniversary of the Royal Concertgebouw Orchestra, the 40th anniversary of the Van Gogh museum and the reopening of the Rijksmuseum.

SUSTAINABLE DEVELOPMENT

Air France-KLM the global air transport leader in 2012

The Dow Jones Sustainability index (DJSI), the principal international index evaluating companies based on their sustainable development credentials, ranked Air France-KLM air transport leader for 2012, the eighth year running. Thanks to its performance, the Group also heads the "Transport and Leisure" sector for the fourth year. This distinction is awarded to the 19 most responsible companies in the world, each in their sector of activity.



INNOVATIVE TECHNOLOGIES

Digital at the service of safety

Safety has been further reinforced thanks to new technologies. Air France is the first major European airline to equip its 4,100 pilots with iPad digital tablets known as "Pilot Pads". This tool simplifies access to information, particularly the consultation of regulatory documentation, and facilitates communication within the company. Air France is thus pursuing its policy of an ongoing improvement in flight safety.

"In its transformation plan, Air France has systematically asserted that investment in flight safety would be preserved. With this "Pilot Pad", we are favoring innovation and simplicity to reach the highest possible standards of flight safety."

ÉRIC SCHRAMM

Executive Vice President, Flight Operations, Air France.

In 2012

TOTAL REVENUES

25.63

**BILLION EUROS
GENERATED**

79%

BY THE PASSENGER BUSINESS

or 77.4 million passengers carried
an aircraft load factor of 83.1%

12%

BY THE CARGO BUSINESS

or 1.4 million tons
of cargo transported



573

AIRCRAFT

The leading long-haul network on departure from Europe with some 900 long-haul flights a week (Summer 2013 schedule)

5%

BY THE OTHER BUSINESSES

including Servair and Transavia

243

DESTINATIONS

SUMMER 2013

4%

BY THE MAINTENANCE BUSINESS

or 1,300 aircraft handled



A TURNAROUND UNDER WAY

Within a continued very difficult context, Air France-KLM's annual results showed the first effects of the Transform 2015 plan.

Revenues: €25.63 billion, up by 5.2%

Operating loss reduced to €-300 million (€-353 million* in 2011)

Net result: €-1.19 billion

Net debt reduced to €5.97 billion versus €6.52 billion at the end of 2011

*pro forma

TRANSFORM 2015

Targets: €2 billion of cost savings over three years at Group level

- 10% reduction in the unit cost (on a constant currency and fuel price basis)

- net debt reduced to €4.5 billion by the end of 2014

Building the future

BEING A LEADER
MEANS ADAPTING
TO NEW TRAVEL
DEVELOPMENTS.

14

**ALEXANDRE
DE JUNIAC**
Chairman and
Chief Executive
Officer of Air France

PETER HARTMAN
President and
Chief Executive
Officer of KLM

The Group is experiencing a period of transformation but your customers are also changing... How are you adapting to the new trends in consumption?

Peter Hartman - It is true that, in the past few years, customers have been demonstrating new needs and behaving differently. Above all, customers are looking for more control over their travel which entails managing every detail from A to Z, from the choice of route to the different options. They also want to be kept informed at every stage of their trip to be able to anticipate any changes. This is now possible thanks to the development of mobile technologies enabling them to remain constantly in touch wherever they may be. This is why we have made substantial investment in these new technologies and consolidated our presence on the social media. This enables us to inform our customers in a personalized way, rapidly and directly. It is a guarantee of efficiency.

Alexandre de Juniac - These new travel dimensions have

been reflected in our new organization. Since January 2013, Air France has been structured around a number of autonomous activities, with a more customer centric organization. A new Digital Division centralizes all the Company's initiatives to respond to changes in customer behaviour linked, in part, to more widespread use of the internet and mobile services. This new organization is aimed at accelerating the decision-making process, and getting closer to our customers and their needs.

The information that we provide to individual customers is also strategic. It is vital to maintain a direct link with customers since, without this, you become just an anonymous carrier. This is why we are continuously developing new customer relations tools such as a new website and innovative applications for smartphones, tablets, etc.



Beyond this proximity to customers, how are Air France and KLM responding to the low cost offensive?

A_D_J : Personal relationships are a real differentiating factor vis-à-vis the low cost carriers. We want to offer individual customers more service, more attention and more excellence. I firmly believe that, while our fares obviously need to be competitive, the service must never be seen as secondary.

We are permanently engaged in a dynamic to improve our products and services. Upgrading our offers on board the medium-

haul flights to position them closer to the long-haul service is just one example of this customer-focused rationale. Similarly, Air France has shown that it listens to customers by launching Mini, a new price structure offering flights across France and Europe at very competitive fares. We have launched our own commercial offensive to win back customers.

P_H : Our ambition is an offer aimed at both the most discerning passengers, with high-end

positioning in the premium cabins, and at passengers seeking the most competitive fares. To this end, in 2013, we have launched a new fare strategy making Europe even more accessible to everyone.

The density of our network, the choice of flight times and the quality of our offer also make us stand out relative to the low cost companies.

We have talked a lot about customer relationships but how are employee relations going within the framework of the Transform 2015 plan, launched in 2012?

P_H : In December 2012, KLM signed a new collective labor agreement with all the unions through to 2015, focused on increasing productivity and reducing costs. KLM's management and the unions agreed a series of measures aimed at keeping the family together. These measures include an increase in the number of days

worked for all staff.

A_D_J : At Air France, the Transform 2015 plan aims to improve Air France's performance in three key areas: competitiveness, by reducing our costs and increasing productivity, customers, by improving the quality of our services, and organization, which we have already started to simplify so that

we can react more rapidly.

We discussed this road map with the different categories of personnel and all have subsequently signed framework agreements to enable us to achieve our objectives. It is clear that, without the commitment and mobilization of employees around these three dimensions, nothing would be possible.

More generally, where are you in terms of the commitments made within the framework of Transform 2015?

A_D_J : We have made significant progress in terms of revised working conditions with the signature of new collective labor agreements at both Air France and KLM. We now need to continue our efforts with the roll out of the action plans in each of our businesses.

P_H : In the passenger business, this implies reorganizing ourselves to increase the use

of our fleet and gain productivity at all levels while investing in customer service. The loss-making air freight business common to Air France and KLM also requires us to continue to adjust our fleet and products to demand. In the maintenance business, we are pursuing our growth objectives.

A_D_J : At Air France, one of the key turning points of 2013

is the in-depth reorganization of the short and medium-haul network with the creation of the company HOP! and the development of Transavia. 2013 will be a crucial year for the success of Transform 2015 and we are going to have to mobilize to remain on the right course.



You are both about to assume new functions within Air France-KLM. What will be your priorities in terms of building the future of the Group?

A_D_J : Jean-Cyril Spinetta has made Air France-KLM a global giant, on a par with the greatest. He has also established the framework for a new common organization.

My role as the Group's new Chairman and Chief Executive Officer will be to continue the turnaround by developing the particular strengths of each airline while we embark on a new phase in the construction of Air France-KLM. Our Transform plan is on the right path and most of the action plans are being rolled out. The priority for the years ahead

will be to generate the financial room for manoeuvre we need to ensure we once more become a leader in every area and continue to invest in our products and services, in the fleet and in training. Air France-KLM will need to be a major player in the emerging global consolidation process.

P_H : For my part, I am going to succeed Leo van Wijk as Vice Chairman of the Group's Board of Directors. Leo was one of the architects of Air France-KLM having worked on the initial plans with Jean-Cyril Spinetta.

He actively participated in establishing the new integration phase for Air France and KLM and I am going to put all my knowledge of KLM and the air transport industry at the service of this same ambition. Since January 2012, Alexandre de Juniac and I have been working together to ensure the success of the Transform 2015 plan at Air France and KLM respectively. This collaboration has been fruitful and we are going to continue down this path of recovery and winning back customers.

○ THERE'S A FACE BEHIND
EVERY ONE OF YOUR
E-ACTIVITIES.

For the Group's 2012 Annual Report our Twitter followers were invited to put questions to Alexandre de Juniac and Peter Hartman.



@mdial : How do you contend with the level of Asian competition in terms of in-flight service?

P_H : With our customers – and particularly frequent flyers – we are seeing growing interest in an all-inclusive high-end service in line with ever-improved international standards. At KLM, this is what guided our approach to developing a new long-haul full-flat Business seat. This is, of course, accompanied by a service which is constantly being upgraded to satisfy even the most demanding customers. For

example, we invest significant amounts in in-flight gastronomy by offering our customers the opportunity to taste dishes prepared by internationally-renowned chefs.

A_D_J : We have always said that Air France's investment would be reduced in all areas, bar two. The first is flight safety where our ambition is to reach the highest-possible standard. The second is customer service. We have

thus deployed an investment plan amounting to several hundred million euros to offer our customers the best in terms of comfort and service. We are also investing in training so that our welcome to customers is as personalized and attentive as possible.



@Benchmarksky : An upgrade of the premium cabins is planned. Will the same be true for economy?

A_D_J : Within the framework of our investment for customers, we have decided to redesign the cabins starting in 2014 for all travel classes. In the Economy cabin, this will be reflected in new seats with more leg-room. We are also working on the improvement and upgrading of the flight entertainment systems. Premium Economy customers will soon also be able to benefit from more

comfortable seats.

P_H : We have already launched a number of initiatives to improve the comfort of economy class passengers, notably with Economy Comfort. Since October 2012, passengers travelling in Economy on European flights can choose a seat offering more leg-room which reclines further. We had already introduced these Economy Comfort seats on

intercontinental flights. The success of this program is proof of the strong demand from customers for greater differentiation. This is consistent with our aim of offering more choice of products and services.

Follow Air France and KLM on the social media:
Twitter on @AirFrance, @AFNewsroom, @klm
Facebook at www.facebook.com/airfrance, www.facebook.com/KLM

THE CAPACITY TO SERVE YOU

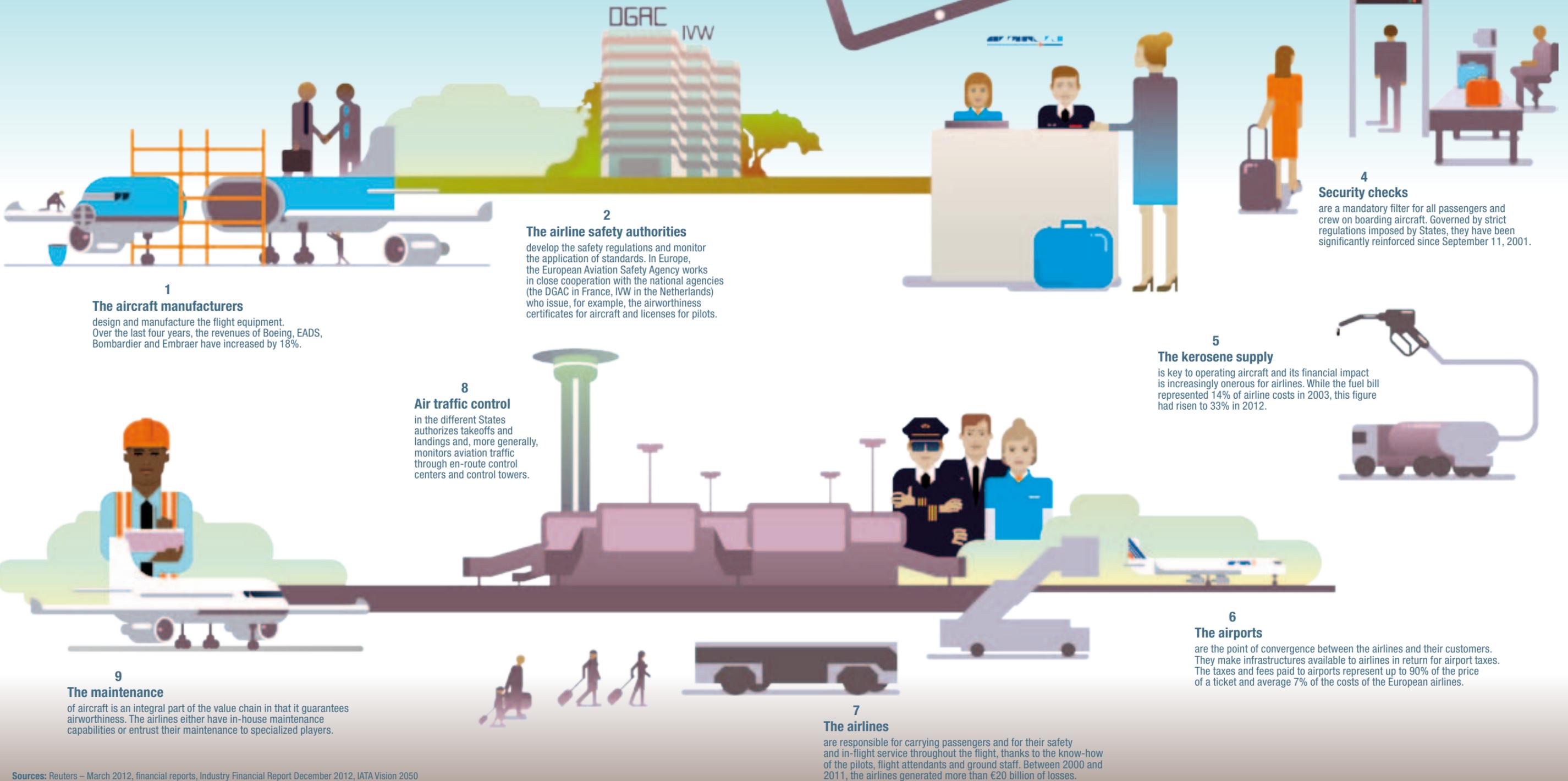
www.afklcargo.com
www.martinaircargo.com



The air transport players

Alongside the airlines, multiple players compete for a share of the value added.

Air transport drives growth and development by connecting people and goods. Via 35,000 routes, air transport generates, directly and indirectly, 56 million jobs and US\$2.2 trillion of economic activity. In 2013, some 3.1 billion passengers are expected to travel by air, growth of 24% in five years.



WITHIN A STILL-FRAGILE GLOBAL ECONOMIC ENVIRONMENT, AIR FRANCE-KLM IS PURSUING THE STRATEGY ENGAGED BY TRANSFORM 2015 AND HAS OPTED TO FOCUS ON GROWTH MARKETS.

ADDITIONAL CAPACITY IN ASIA, AFRICA AND LATIN AMERICA

The route openings and increases in the offer introduced in 2013 are a good illustration of this targeted deployment of capacity in that they are mainly focused on Asia, Africa and Latin America. In these regions, demand has seen steady growth over the past few years. In Asia, Air France has inaugurated its Kuala Lumpur (Malaysia) service with three flights a week. The opening of this route illustrates the Group's strategy of reinforcing capacity for flights on departure from Europe to high-growth regions. Thanks to its dual hub, the Group can leverage the complementarity of the Air France and KLM networks to link Europe to the rest of the world more effectively.





In Japan, KLM is the first airline to operate a non-stop flight between Fukuoka and Europe as of the Summer 2013 season. With the launch of this new route, the Group will offer a total of 42 weekly flights bound for Japan this summer, thereby responding to the growing demand in this market.

Africa is an important growth market for the Group. Air France, which has been present in this continent for more than 75 years, is consolidating its offer with additional frequencies to the most-rapidly-developing areas. Libreville, in Gabon, now has a daily service and the granting of additional traffic rights to Abidjan increases the weekly service to the Ivory Coast to ten flights. Air France also inaugurated the Abuja service in June 2012, increasing the destinations served by the Group between Paris, Amsterdam and Nigeria to three including Lagos and Port Harcourt. The opening of Luanda by KLM enables the Angolan capital to be served on departure from both Paris and Amsterdam. With the Harare (Zimbabwe) and Lusaka (Zambia) services, KLM is reinforcing its presence in East Africa.

In Latin America, another growth market, Air France-KLM is deploying new capacity. Air France is opening the Montevideo service with five flights a week while KLM continues to fly to the new destinations, Havana, Buenos Aires and Rio de Janeiro, opened during the Winter 2012 season.



MAMADOU BAMBA
Chief Executive Officer
of Orange, Ivory Coast.

Air France has one of the densest networks in Africa which is a real advantage.

“ For safety reasons, I frequently transfer flights via the Roissy hub to link some African capitals. The regional service is sometimes inadequate and it would be an additional

asset for Air France to multiply its technical partnerships and equity interests in the African airlines. Africa is a major future growth market where many companies from various sectors are currently investing. /

P22/23. KUALA LUMPUR, MALAYSIA.
P24. LIBREVILLE, GABON.
P25. MAINTENANCE ON A BOEING B777 ENGINE.

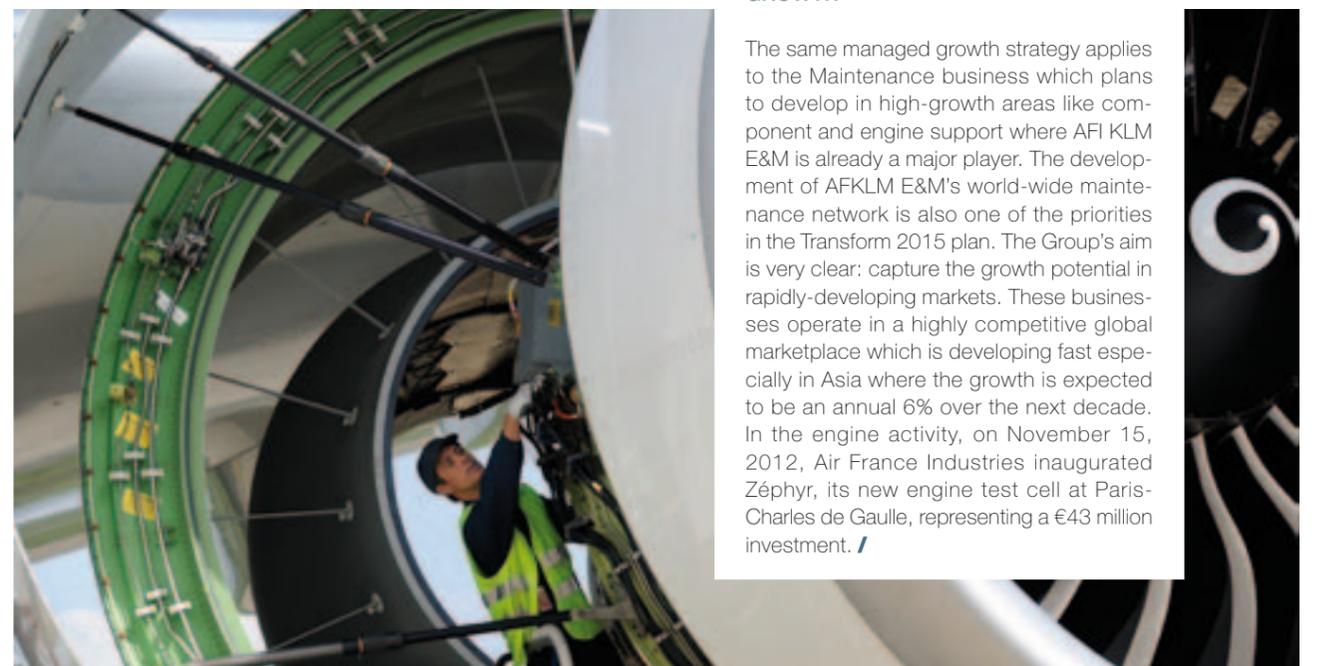


A BALANCED NETWORK
Revenue breakdown by destination for Air France-KLM scheduled flights



THE GROUP'S DEVELOPMENT ACROSS ALL ITS BUSINESSES REFLECTS A STRATEGY OF MANAGED GROWTH

The same managed growth strategy applies to the Maintenance business which plans to develop in high-growth areas like component and engine support where AFI KLM E&M is already a major player. The development of AFKLM E&M's world-wide maintenance network is also one of the priorities in the Transform 2015 plan. The Group's aim is very clear: capture the growth potential in rapidly-developing markets. These businesses operate in a highly competitive global marketplace which is developing fast especially in Asia where the growth is expected to be an annual 6% over the next decade. In the engine activity, on November 15, 2012, Air France Industries inaugurated Zéphyr, its new engine test cell at Paris-Charles de Gaulle, representing a €43 million investment. /



P27. THE NEW AIR FRANCE
BUSINESS LOUNGE
AT PARIS-CHARLES DE GAULLE

Customers are changing and the Group is following suit

Within the framework of the Transform 2015 plan, the Group is implementing a profound reorganization

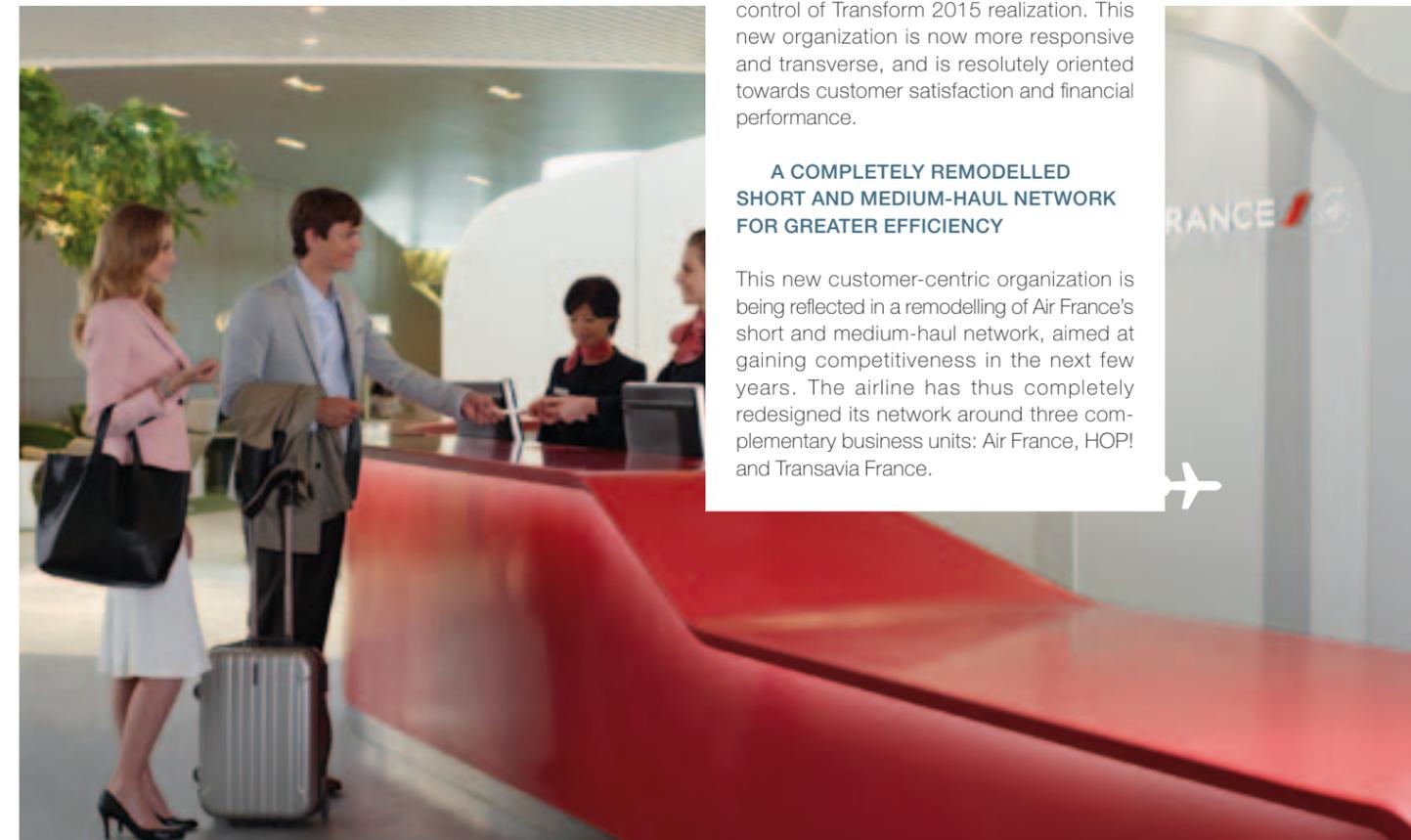
at both Air France and KLM to underpin greater efficiency aimed at an improved, more personalized service for customers. Air France has reflected these objectives by streamlining its entire organization to gain responsiveness and make it more focused on the customer. Since January 1, 2013, the Air France group has thus been structured around eight business units : long haul, medium haul transfers at Paris-Charles de Gaulle, Paris-Orly and the French stations, HOP!, Transavia France, cargo, maintenance and Servair.

Each of these activities is responsible for the economic performance within its scope, particularly through the management of costs and the monitoring and control of Transform 2015 realization. This new organization is now more responsive and transverse, and is resolutely oriented towards customer satisfaction and financial performance.

A COMPLETELY REMODELLED SHORT AND MEDIUM-HAUL NETWORK FOR GREATER EFFICIENCY

This new customer-centric organization is being reflected in a remodelling of Air France's short and medium-haul network, aimed at gaining competitiveness in the next few years. The airline has thus completely redesigned its network around three complementary business units: Air France, HOP! and Transavia France.

In its other businesses, the Group deploys the same strategy. In 2013, Air France subsidiary Servair, which is specialized in airline catering and logistics, signed a strategic partnership agreement with Royal Air Maroc. With 120 airline clients, this subsidiary is steady developing its international operations.



JAMES HOGAN
President and
Chief Executive
Officer of Etihad
Airways.

Our deal with
Air France-KLM
marks a momentous
milestone for both
airline groups.

It offers countless opportunities to develop an unrivalled commercial relationship. It reflects the core elements of Etihad Airways' 10-year master plan, driven by organic network growth, combined with the forging of strategic codeshare partnerships and minority equity investments in other airlines. For our passengers, it also opens up many new markets in Europe and reinforces the importance of strategic commercial partnerships as one of the key enablers for accelerated growth of our network. /

Partnership agreements: win-win development

Air France and KLM enter into partnerships with numerous airlines

to offer their customers more flight destinations and frequencies and develop their networks. The relevant flights are operated by one or other airline and sold under the flight numbers of the two carriers.

HIGHLY DIVERSE PARTNERSHIPS

Since the Group is not able to develop every destination on a profitable basis, it enters into different types of partnerships. This principle is, for example, behind the SkyTeam alliance to which both Air France and KLM belong, together with 17 other airlines. With more than 15,500 daily flights to over 1,000 destinations in 187 countries, the SkyTeam network offers more destinations and connections to all the Group's customers on departure from the largest hubs in the world.

Similarly, Air France-KLM signs bilateral agreements with numerous airlines to increase the offer of flights and destinations for its customers. In October 2012, the Group thus announced the signature of a commercial code-sharing agreement with Etihad Airways, extending the Air France-KLM offer to some fifteen new destinations in Asia and Australia.

AIR FRANCE-KLM, DELTA AND ALITALIA OPERATE THE LARGEST TRANS-ATLANTIC JOINT-VENTURE

On the trans-Atlantic axis, Air France-KLM has had a joint-venture agreement in place since 2007, the most advanced form of commercial partnership. As the largest trans-Atlantic joint-venture it covers the common operations together with the sharing of revenues and costs on 250 daily flights operated by Air France, KLM, Delta and Alitalia.

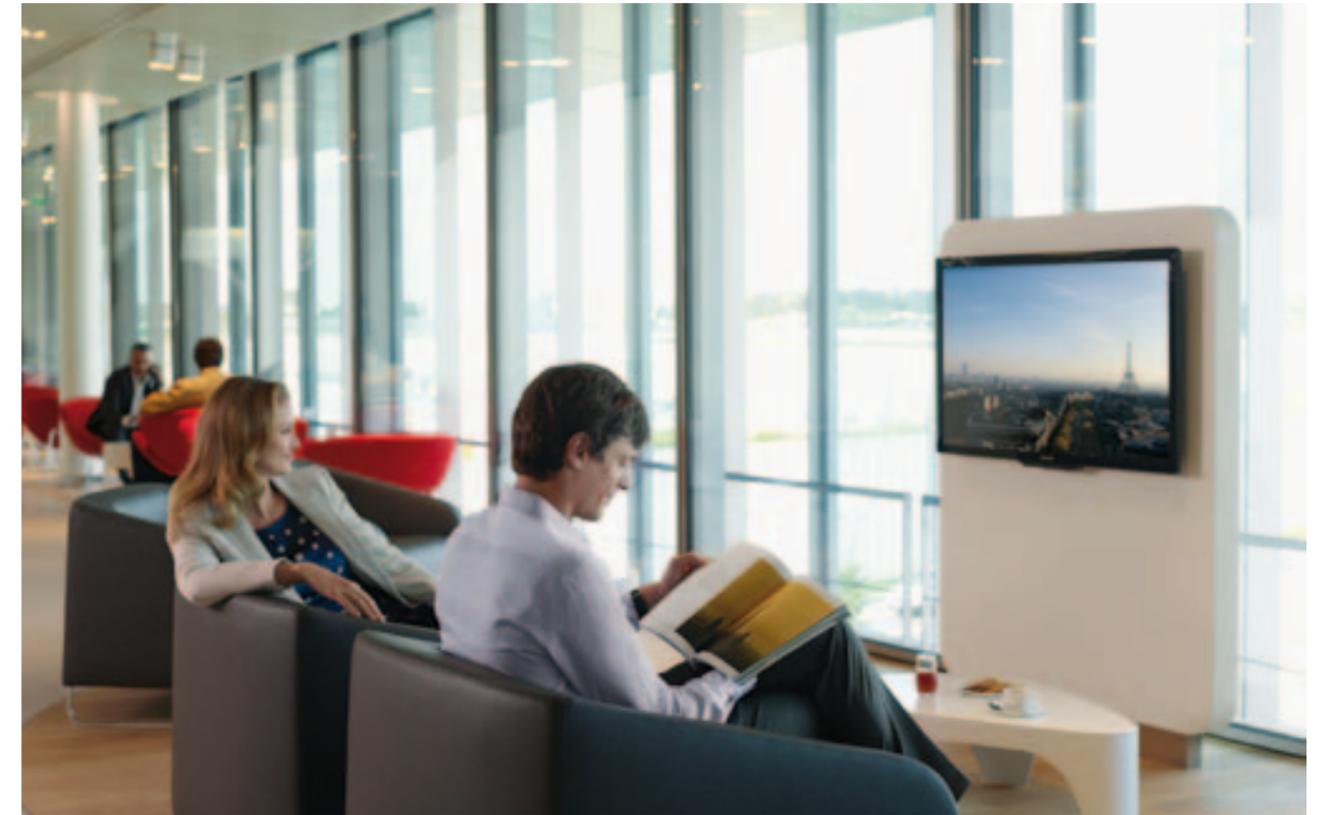
P28. HOP!, AIR FRANCE'S NEW REGIONAL AIRLINE.
P29. RELAXATION AND TV SPACE IN HALL M
AT PARIS-CHARLES DE GAULLE.

The short and medium-haul activity operated by Air France in its own aircraft comprises the flights feeding the long-haul hub at Paris-Charles de Gaulle, the routes across France and Europe with a high proportion of Business passengers, the point-to-point flights on departure from Paris-Orly together with the flights on departure from the provincial bases in Marseilles, Toulouse and Nice.

The French regional division, launched in January 2013 under the HOP! brand, regroups the companies Regional, Brit Air and Airlinair. Since March 31, 2013, the latter have been operating the flights on board 48 to 100-seater aircraft to the Paris-Charles de Gaulle hub on behalf of Air France, together with point-to-point flights on departure from Paris-Orly and the French regions to destinations in France and across Europe.

The "leisure" division, comprising Transavia France, operates flights to European destinations and the Mediterranean rim on departure from Paris-Orly and French regional capitals like Nantes and Lyons. By 2015-16, Transavia France should be operating 20 to 22 aircraft.

These three business units enable Air France to highlight the attractiveness of its proprietary brand, its frequencies, loyalty program and network, and to optimize the organization of its regional activity while taking advantage of the growth in the "leisure" segment with Transavia France.



AUGUSTIN DE ROMANET
Chairman and Chief Executive
Officer of Aéroports de Paris.

There is no such thing as captive customers since we compete directly with the large European hubs.

REDOUBLING EFFORTS FOR THE CARGO BUSINESS

Since it operates in a very difficult environment, the cargo business is pursuing and redoubling its efforts of the past three years to reduce costs and improve its revenues and quality of service, notably by deploying a new commercial strategy, optimizing the schedule and capacity, and adapting its processes and organization. These measures should enable the cargo business to make a positive contribution to revenues on the Group's medium and long-haul aircraft.

[[Making customers our complete focus is key to adapting to their needs and improving their experience at both commercial and emotional level. Changes in the behaviour of our customers means that we need to adapt by creating new services and by innovating. Aéroports de Paris and Air France, and thus all their employees, have been working closely together on the execution

of "Hub 2012". We have an extensive portfolio of joint projects aimed at moving closer towards a service-oriented, quality-focused culture. The passenger airport experience – one of the high points of any trip – should not be a time of anxiety. Passenger transit must be as seamless as possible and the overall atmosphere reassuring, whether on arrival, departure or transferring flights. /



OPERATIONAL EFFICIENCY A GUARANTEE OF COMPETITIVENESS

As a factor in customer satisfaction and a guarantee of the Group's competitiveness, operational efficiency is at the heart of the Transform 2015 plan. To this end, Air France and KLM are deploying multiple initiatives to facilitate and improve the airport experience for customers.

At Paris-Charles de Gaulle, jointly with Aéroports de Paris, Air France has invested in a project to both reinforce the quality of the service offered to customers and the competitiveness of Paris-Charles de Gaulle airport. This project has already enabled the opening of a new boarding satellite (M gates in Terminal 2E) on June 28, 2012, creating new passenger-handling capacity. On this occasion, Air France also inaugurated the largest Business lounge in its network.

The introduction of new connecting channels has made transfers faster and more fluid with 90% of passengers no longer having to pass a second security check during their stopover in Paris, meaning a saving of up to ten minutes on flight connection times.

Air France and KLM have also introduced measures to accelerate the turn-around of aircraft. At the two Paris platforms, aircraft use is going to increase by 10% reflected in increased staff productivity and a reduction in production costs.

At Amsterdam-Schiphol, KLM Cityhopper has reduced the turn-around time on its Embraer aircraft to 35 minutes. By enabling the operation of more flights with the same number of aircraft, these new procedures lead to productivity gains and enable the generation of additional revenues. /

LOADING A KLM AIRCRAFT
AT AMSTERDAM-SCHIPHOL.



BTEC Société Air France - 420 495 178 RCS Boulogne - 45 rue de Paris - 95017 Boulogne - CDD CEDEX



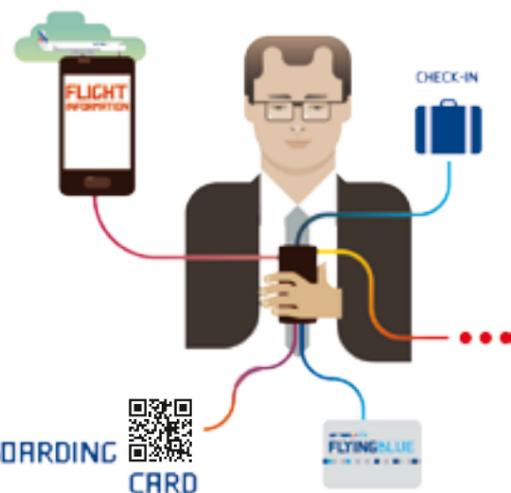
法国航空

携手荷兰皇家航空公司及天合联盟的合作伙伴，我们为您提供全球超过990个目的地的强大飞行网络，您的旅途从此无界。

Adapting to the new travel trends



**MORE AUTONOMY
WITH MOBILE SERVICES**



In today's world, being competitive increasingly means listening to customers.

This has very much been Air France and KLM's focus in developing products and services to respond to changes in customer behavior. Two principles guide this approach: offer more choice and personalization to all customers while upgrading products and services in line with the best industry standards.

AIR FRANCE AND KLM HAVE DESIGNED OFFERS SO PASSENGERS CAN FIND THE ONE BEST SUITED TO THEIR NEEDS

Firstly, the two airlines are adapting to the new forms of purchasing. Thanks to the internet and mobile technologies, customers are increasingly able to compare offers, and are looking for the solution which mostly perfectly suits their needs. The purchase of à la carte products is emerging as an underlying trend in evolving consumer behavior. To meet this need, Air France and KLM have both launched offers designed to adapt to customer requirements. For example, customers on medium-haul flights can now travel at lower fares thanks to a simplified offer with, for example, no checked baggage.

In parallel, Air France and KLM want to reinforce their services for premium customers.

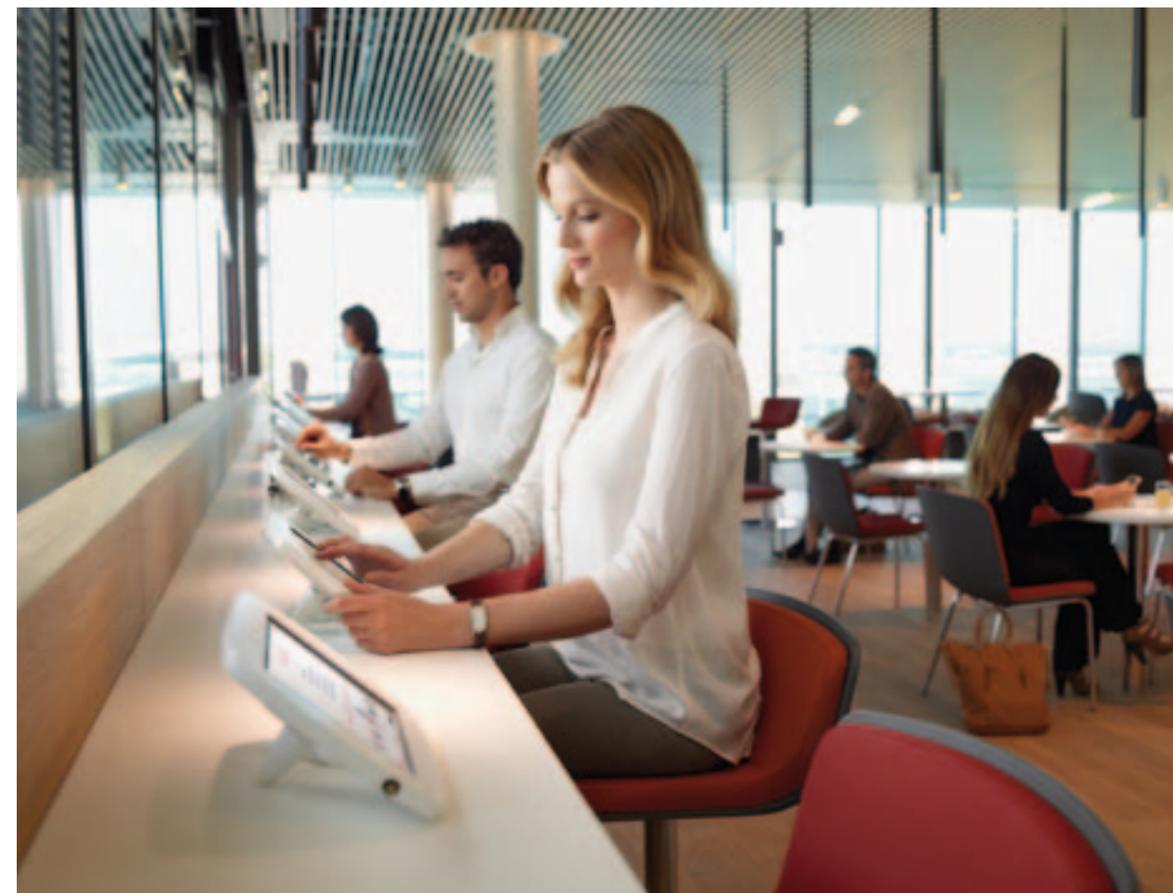
From the in-flight catering service to the cabin interior and innovation deployed to enhance the overall travel experience, everything contributes to offering ever-more comfort and refinement whether on the ground or in the air.

Air France is thus aiming to position the La Première and Business classes in line with the best international standards by working on all the components of the offer. For example, this will be reflected in a more personalized service which is better attuned to individual needs, and improved services and investment in new La Première and Business cabins for the Boeing B777s and Airbus A380s starting from 2014. In Economy class, an important source of

growth for the airline, this ambition will also be reflected in new in-flight entertainment systems.

In March 2013, KLM also presented its new full-flat Business seat to be deployed on board its fleet in July 2013.

Another asset highlighted during the Group's dialogue with customers is the Flying Blue frequent flyer program. With its 21 million-strong membership, and bringing together more than 30 airlines (including SkyTeam members) and over 100 non-airline partners, Flying Blue is the most powerful loyalty program in Europe making it all the more attractive. To meet the needs of customers more effectively and welcome new members, the Flying Blue website has been completely redesigned and rebranded as flyingblue.com, with improved information and e-services. /



TOP PICTURE:
FREE USE OF A
TOUCH-SCREEN TABLET
IN THE AIR FRANCE
BUSINESS LOUNGE
AT PARIS-CHARLES
DE GAULLE.

BOTTOM PICTURE:
ON BOARD AIR FRANCE'S
LA PREMIÈRE.

Destinations in 2013

243 destinations

103 countries

More than 300 flights a week to Africa

More than 200 flights a week to Asia

125 flights a week to Latin America



● Destination operated by Air France, KLM or HOP! in Summer 2013

● Air France-KLM hub

New network destination in 2013

● Air France

● KLM

All the Transavia destinations at



DEVELOPED WITH YOU IN MIND

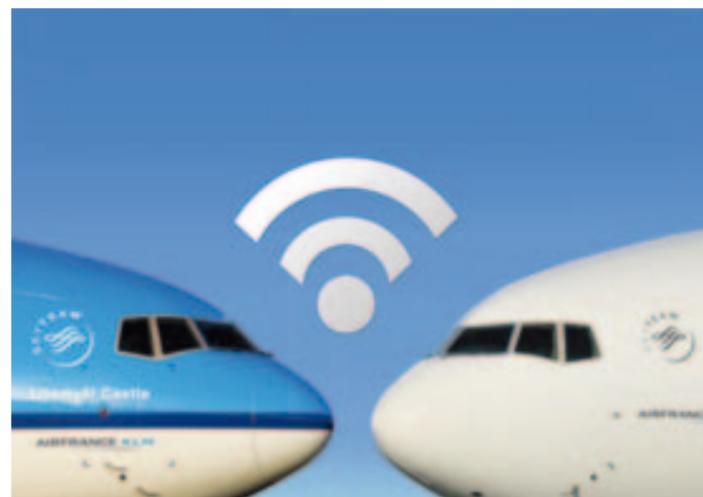
Air France and KLM are attentive to the needs of customers and the ways in which travel is changing. They adapt to passenger expectations by offering ever-more-comfortable cabin interiors and a constantly-evolving product range. They also continue to surprise passengers with innovative services both on the ground and in the air.

Remaining connected on board!



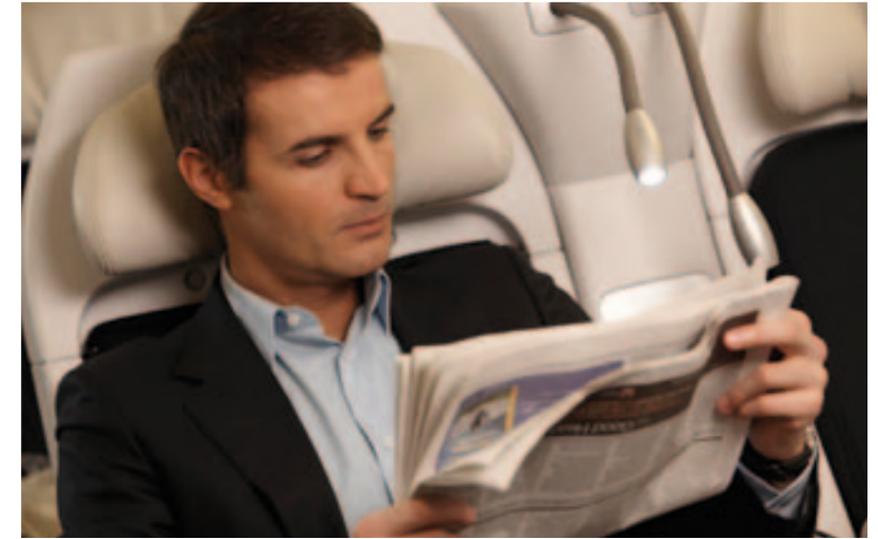
NEW SERVICES

To make the journey more enjoyable, internet browsing is now possible on board Air France and KLM long-haul flights. In 2013, the two airlines are launching an in-flight connectivity trial phase in partnership with Panasonic Avionics. This initial phase will take place on two Boeing B777-300 aircraft, one operated by each airline. During this period, travellers will be able to hook up to the internet via their Wi-Fi enabled smartphone, laptop or tablet PC at a fixed rate, as well as use their mobile phone for sms or e-mail, whatever their travel class. Customers will be encouraged to provide feedback, along with their expectations and suggestions on improving these new services. This project will, in time, enable customers to stay connected across the world through text messages or emails as well as internet connection and ultimately through live broadcasts of TV programmes.



Premium Economy: more comfort at competitive prices

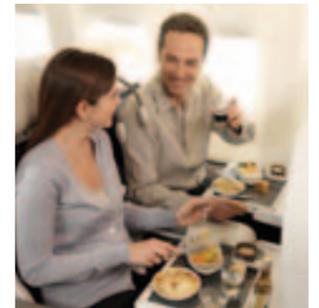
Since late 2009, on board its long-haul aircraft, Air France has offered a Premium Economy cabin, located between Business and Economy. This intermediate cabin class offers customers a calm space with increased comfort, as well as the privacy of a fixed-shell seat offering 40% more room than a seat in the Economy cabin. In June 2012, a differentiated in-flight service was introduced including an improved menu with the starters and desserts inspired by meals served in the Business cabin plus a selection of fine chocolates. Premium Economy has proved popular with both business and leisure customers and, as a competitive value proposition, perfectly complements Air France's range of services. The quality of service on the ground and on board with special touches inspired by Business class is contributing to the success of this product.



The growth of this cabin across the airline industry is undeniable: in three years, our Premium Economy cabin has achieved its objectives and been well-received by customers.



EUGÉNIE AUDEBERT
Head of the Premium Economy product, Air France.



The social media, playing a key role in customer relations

The two airlines are strengthening their direct contact with customers by responding 7/7 on Facebook and Twitter to travel-related questions. KLM replies to internet-connected customers around the clock in seven languages while Air France currently has a service in five languages. Passengers can also choose a seat, change or cancel a reservation or request the departure time of their flights via the social media. The airlines make every effort to reply to questions in under an hour and find solutions within 24 hours. Furthermore, socialbakers.com, the industry benchmark and analysis website, has ranked Air France the leading French company for its response to customer and user requests and the company best able to respond on the social media. More than five million internet users currently follow Air France on Facebook and Twitter.



Communicating with customers in this fashion opens the way to service creativity and innovation while personalization is a response to a global trend.

EMMANUELLE SIDEM
President of ConnexConsulting



Unveiling my gourmet creations on board an Air France flight was a truly exceptional interlude.

MICHEL ROTH
French Michelin-starred chef.



A top-of-the-range gourmet offer

MICHELIN-STARRED CHEFS ON BOARD

In the Air France Business and KLM World Business Class cabins, two Michelin-starred chefs are currently showcasing their gourmet creations.

On long-haul flights the two airlines serve the best of French and Dutch cuisine. Since December 1, 2012, top international chef Richard Ekkebus has offered refined, bold dishes inspired by the standards of excellence achieved in his renowned Hong Kong restaurant.

For the February 1, 2013 launch of the new signature dishes, Michelin-starred chef Michel Roth unveiled his gourmet creations in an exclusive for Business customers on board an Air France flight to Montreal. Customers were able to taste veal simmered with verbena, glazed duckling with rare peppercorns and citrus honey, and a duo of shrimp and squid.

This is all part of Air France's ambition to surprise and delight its customers and to serve as an ambassador for French gastronomy and the art of fine living.

CHOOSING YOUR À LA CARTE MENU

Air France and KLM now offer à la carte menus in economy class in addition to the free meal service included in the price of the ticket. These menus are the opportunity to embark on a varied and international culinary excursion on board long-haul flights. For example, from reservation of their flight to the night before departure, customers can order a "Tradition" menu specially designed for Air France by the famous Lenôtre culinary institute at airfrance.fr or an Indonesian meal at klm.com.

A new full-flat seat in KLM's World Business Class



In March 2013, KLM unveiled its new World Business Class cabin interior, with more comfort and privacy for passengers. The airline now offers a full-flat seat which can be transformed into a real bed during the flight.

The ample storage and wrap-around design of the seats together with their cabin configuration give an impression of well-being and space, accentuated by the contemporary atmosphere created by the top Dutch designer Hella Jongerius.

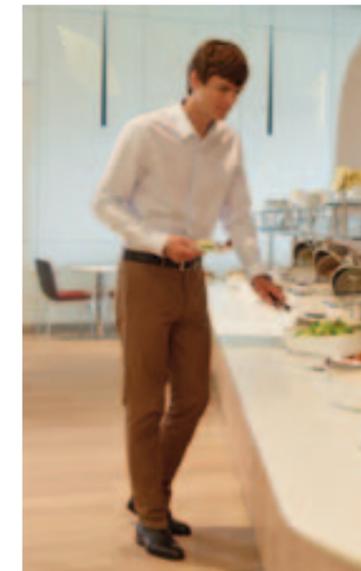
As of July 2013, KLM's long-haul fleet will progressively be equipped with this new cabin, starting with the Boeing B747-400s where the number of seats will be reduced from 42 to 35 to offer more space to each customer. KLM thus continues to invest in responding to customer expectations by offering them an exceptional in-flight product based on ever-higher standards.

The largest Air France Business lounge at Paris-Charles de Gaulle

This Business lounge at Paris-Charles de Gaulle is a real asset in that it is ideal for relaxing and I can stay connected with Asia and South America while in Europe. This saves precious time.



JUAN PABLO CAVELLIER
President of the "Sustainable Food Pavilion" (SFP), 2015 Universal Exposition in Milan.



Since the summer of 2012, Air France has welcomed Business passengers at the largest lounge in its network, situated in Hall M of Terminal 2E at Paris-Charles de Gaulle. As conceived by designer Noé Duchaufour-Lawrance, this space offers more than 3,000 square meters dedicated to well-being, enabling passengers to make the best use of the time prior to boarding or between flights. In this haven of peace, a hot meal service has been added to the existing offer of cold snacks and drinks available in all Air France lounges. A Clarins well-being area invites passengers to relax and enjoy a free massage before a flight, while Wi-Fi access and touch-screen digital tablets and computers are available if they wish to work in peace. Customers can also freshen up and take a shower.

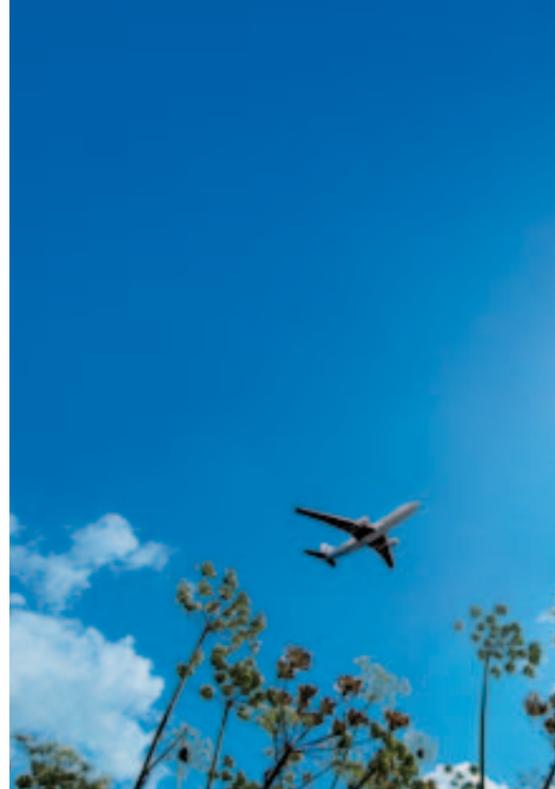


Committed

INNOVATION AT THE SERVICE OF SUSTAINABLE DEVELOPMENT

In 2012, Air France-KLM was ranked leader of the "Transport and Leisure" sector by the Dow Jones Sustainability Index (DJSI), a distinction which recognizes the 19 most responsible companies globally, each in their sector of activity.

Air France-KLM's ambition is to set the standard in Corporate Social Responsibility and to maintain its leadership position within the airline industry. The Group places corporate social responsibility at the heart of its strategy and mobilizes around four key priorities: reducing its environmental footprint, offering customers innovative products and high standards of service, implementing a responsible human resources policy and contributing to the territories where it has a presence. This commitment is recognized by the DJSI, the leading international index evaluating companies on their sustainability performance. As the airline leader for the eighth year running, the Group also heads the broader "Transport and Leisure" sector. The DJSI ranking is based on the evaluation of the RobecoSAM rating agency which appraises companies according to their economic, environmental and CSR performance.



DANIEL WILD
Head of Research,
RobecoSAM.

The most responsible companies are those which will be the most successful in the long run.

For each of the sustainable development themes, we seek to identify the best practices and encourage companies to improve their performance. Despite having to contend with increasing economic pressure, Air France-KLM is recording exceptional performances on the criteria specific to the airline sector. The company has played a key role in the adoption

of sustainable development principles within the air transport industry by, for example, promoting the production of sustainable next-generation biofuels, developing flight optimization procedures and supporting the introduction of new regulations aimed at ensuring the development of European aviation. /

Air France-KLM's commitment to corporate social responsibility is reflected in innovation and the development of products and services for customers.

The Group invests and leverages its innovative capabilities to serve its customers more effectively and continue to factor sustainability into its products and services. This approach is based on listening to customers and including environmental and CSR principles in the supplier selection process to encourage them to adopt sustainable development best practices throughout the service chain. From the eco-design of products to the development of responsible in-flight catering, everyone needs to be committed to reducing the environmental impact of the on-board service while improving its quality standards. During 2012, innovative initiatives included Air France and KLM organizing the collection of old uniforms which were subsequently recycled and transformed into insulation fiber and baggage tags at specialized recycling facilities. Air France also recycles 80% of the equipment used during in-flight service with, for example, meal trays being reused to manufacture blankets.



A real market for biofuel-powered flights

As of 2013, KLM has offered companies the opportunity to become a partner of the Biofuel program and travel on flights running on biofuel. KLM has been operating scheduled flights using biofuel between Amsterdam and New York since March 8, 2013. This type of innovative partnership is an airline first with customers like Accenture, Nike and Philips participating in the project launch. Through this initiative, KLM aims to demonstrate that there is a real market for biofuel-powered flights in air transportation and ensure the long-term development of this technology.



Welcoming eco-design on board

Since May 2012, Air France has been distributing new noise-reducing head-sets in the Economy cabin on long-haul flights, offering improved listening quality. An environmental and CSR approach was adopted as of the design phase. The headsets are reusable and are collected, cleaned and repackaged by a company in the sheltered sector based near Paris-Charles de Gaulle. This initiative has resulted in a better service for customers, the creation of 50 jobs for workers with disabilities and a 400-ton reduction in annual waste.

20 YEARS OF ACTION TO SUPPORT CHILDREN

Since its creation in 1992, the Air France Foundation has supported projects to support sick, disabled and vulnerable children and young people in France and the other countries where the airline is present.

Key figures

861 projects supported by the Foundation. 630 concern vulnerable children and 231 sick or disabled children.

The Foundation provides numerous associations and non-governmental organizations with financial, technical and human support. For some projects, it acts in partnership with other foundations but also with public institutions and international bodies.



“Aïna, Enfance et Avenir” supported by the Air France Foundation

This association works in Madagascar to offer street-children shelter, balanced nutrition, medical care and someone who is prepared to listen.

For International Women’s Day on March 8, 2013, at the initiative of Valérie Loëvenbruck, a flight captain and member of the Friends of the Foundation, an all-women crew operated a flight to Madagascar. On arrival, the plan was to meet with representatives of the “Aïna, Enfance et Avenir”, and “SOS villages d’enfants” associations.

The Foundation finances these two associations and has donated educational toys and school supplies to the children.

The Friends of the Foundation network

In 2004, the involvement of Air France employees enabled the creation of a Friends of the Foundation network. This active network of 2,100 employees is key to communicating the Foundation’s work to their colleagues throughout the company. Each of the members commits to volunteering with partner associations and during events organized by the Foundation. This adoption of the numerous projects supported has become a real driver of social cohesion within Air France.



CÉCILE VIC
Managing Director of the Air France Foundation.

[[The Air France Foundation enables children in difficult situations to build new lives, gain access to education and regain the prospect of a better future. Over time it has adapted to changes in the humanitarian sector as well as to its needs and challenges. The Foundation has become increasingly professional to enable us to select the projects presented by other partner associations more effectively. Every year, France represents some 25% of the overall Foundation budget devoted to financing projects. /

The Air France Foundation Award

The Air France Foundation Award was created in 2009 to recognize exemplary men and women working with sick, disabled and vulnerable children and young people. In 2012, on the occasion of its twenty year anniversary of its commitment to supporting children, the Foundation Award was won by Nathaly Charbonnier Andriananteina and Isabelle Boursier, the two founders of the “Aïna, Enfance et Avenir” association in recognition of their work helping vulnerable children in Madagascar.



Amongst other good causes, the Air France Foundation supports the French “Vaincre l’Autisme” association which aims to improve the well-being of autistic children.

The many projects supported by the Foundation aim to improve access to a normal education for vulnerable children. For the Foundation, this also means helping the associations which promote access to culture. It has thus established an extensive network of in-field partners to be able to act in all territories and thus educate, raise sensitivity and stimulate children’s interest in culture and the arts.



“KLM Takes Care”, a new platform launched in 2012 to regroup the corporate social responsibility and sustainability initiatives.

In June 2012, to increase their visibility, KLM brought together its many Corporate Social Responsibility initiatives under a single banner. The “KLM Takes Care” logo can thus be found on the menus distributed on board aircraft to clearly show that KLM serves sustainable products, and on the electrically-powered ramp vehicles. To take this further, KLM has launched an interactive platform, www.klmtakescare.com, regrouping all the news regarding the CSR activities and enabling internet users to message and engage in an online dialogue about sustainability with KLM.



We're on a journey to sustainability

At KLM, we're always on the hunt for new insights and opportunities to strengthen our sustainable efforts. We believe that if we keep persevering, we can make a difference. Read all about our journey to sustainability and feel free to add your thoughts on klmtakescare.com



Governance

THE GROUP

*Executive
Committee*

As of March 31, 2013

Philippe Calavia,
Executive Vice President,
Finance,
Air France-KLM

Pieter Bootsma,
Executive Vice President,
Marketing, Revenue
Management and Network,
Air France-KLM

Jean-Christophe Lalanne,
Executive Vice President,
Information Systems,
Air France-KLM

Christian Boireau,
Executive Vice President,
French Sales,
Air France-KLM

Franck Turner,
Executive Vice President,
Strategy and Commercial
Engineering & Maintenance,
Air France-KLM

Wim Kooijman,
Executive Vice President,
Management Development,
Air France-KLM

Bertrand Lebel,
Secretary to the Group
Executive Committee
in charge of Corporate Strategy,
Air France-KLM



Leo van Wijk,
Deputy Chief Executive
Officer of Air France-KLM

Peter Hartman,
President and Chief Executive
Officer of KLM

Alexandre de Juniac,
Chairman and Chief Executive
Officer of Air France

Jean-Cyril Spinetta,
Chairman and Chief Executive
Officer of Air France-KLM

Frédéric Gagey,
Executive Vice President,
Fleet Management and
Purchasing, Air France-KLM
and Chief Financial Officer
of Air France

Camiel Eurlings,
Executive Vice President,
Air France-KLM Cargo and
Managing Director of KLM

Alain Bassil,
Chief Operating Officer
of Air France

Erik Varwijk,
Managing Director of KLM

Patrick Alexandre,
Executive Vice President,
International Sales and
the Netherlands,
Air France-KLM

Pieter Elbers,
Managing Director and
Chief Operating Officer
of KLM

LISTENING TO *shareholders*

In the past few years, the Air France-KLM group has made a determined effort to encourage shareholders to become more involved in its corporate governance and to make an active contribution.

THE SHAREHOLDERS' CLUB

gives access to all the company's general and financial information, as well as multiple opportunities to meet and exchange ideas. Some 6,000 members strong, this Club is open to any Air France-KLM shareholder owning at least 50 shares in bearer or registered form. Members are invited to company presentations in the French regions and can participate in site visits. In 2012, for example, they were able to gain a behind-the-scenes insight into the Roissy-Charles de Gaulle hub.

If you hold more than 50 shares, you can become a member of the Air France-KLM Shareholders' Club by sending a certificate of shareholding proving that you hold at least 50 shares to: mail.actionnaires@airfranceklm.com or to the following mailing address: Air France-KLM - Relations Actionnaires, Roissypôle Ouest/Immeuble Altaï, Service AFKL-FI, 10-14 rue de Rome, 93290 Tremblay-en-France.

THE INDIVIDUAL SHAREHOLDERS' COMMITTEE

At December 31, 2012, this Committee comprised twelve members:

René Chateauneuf
Mason

Michel Martin
Lawyer

Laurent Dap
Self-employed professional

Philippe Millet
Company director

Jean-Louis Dervin
Engineer

Arnaud Moustié
Civil servant

Michel Guerillot
Consultant

Huguette Rolet
Retired

Gilbert Le Dain
Retired

Christian Samson
Designer

Fabrice Lelong
Accountant

Anne Somborn
Retired

INSTITUTIONAL INVESTORS

On the occasion of the half-year and annual results, the Group's senior executives participate in road-shows to meet with institutional investors in Europe and the United States. They also participate in other meetings and international conferences on air transportation. The Investor Relations team maintains an on-going dialogue with financial analysts and institutional investors, and organizes conference calls and information meetings dedicated to the financial community.



ARNAUD MOUSTIÉ
Member of the Individual Shareholders' Committee.

The Group is redoubling its efforts to communicate with shareholders and encourage them to participate in its strategy.

[[In addition to a dedicated website offering comprehensive, interactive content and a quarterly newsletter, there is a special department responsible for answering questions from individual shareholders. Air France-KLM also has an Individual Shareholders' Committee to which I currently belong, comprising twelve members from very different backgrounds who represent all the individual shareholders to the Group's management bodies. Our aim is to communicate the needs of individual shareholders particularly

in terms of financial communication. We are responsible for passing on their questions, suggestions and requests during meetings of the Committee but also at the Annual General Shareholders' Meeting in which we all participate. This meeting is "the" key event in corporate democracy during which shareholders have the opportunity to express themselves directly and to meet and put questions to the Group's senior management and directors. An event not to be missed! /

Online services

www.airfranceklm-finance.com and www.airfranceklm-finance.mobi, online documentation, agenda, email alerts, mail.actionnaires@airfranceklm.com: the department dedicated to relations with individual shareholders handles any questions and requests for copies of publications.



Action'Air
the Group's quarterly newsletter.

Regional meetings

are an opportunity to learn more about the Group's strategy, results and issues surrounding the sector. In 2012, meetings were held in Lille, Bordeaux and Nice.



The Shareholders' Club, some 6,000 members to maintain a regular, constructive dialogue with the Group.

The Annual General Shareholders' Meeting, the major annual assembly of all shareholders.



The Individual Shareholders' Committee, ensuring that the voices of individual shareholders are heard.

Contact: <http://www.airfranceklm-finance.com>

THE MEMBERS OF THE BOARD OF DIRECTORS AT MARCH 31, 2013

The Board of Directors determines the orientations of the company's activity and ensures their implementation. At March 31, 2013, the Board of Directors comprised 15 members, of whom 12 were appointed by the Shareholders' Meeting (including two representatives of the employee shareholders) and three representatives of the French State appointed by ministerial order.

Jean-Cyril Spinetta

Chairman and Chief Executive Officer of Air France-KLM

Leo van Wijk

Vice-Chairman of the Board of Directors and Deputy Chief Executive Officer of Air France-KLM

Maryse Aulagnon

Chair and Chief Executive Officer of Affine

Patricia Barbizet

Chief Executive Officer and Director of Artémis

Régine Brehier

Director of Maritime Affairs at the Ministry of Ecology, Sustainable Development and Energy

Jean-Dominique Comolli

Honorary Civil Administrator

Jean-François Dehecq

Honorary Chairman of Sanofi-Aventis

Jean-Marc Espalioux

Partner and Executive Chairman of Montefiore Investment

Peter Hartman

President and Chief Executive Officer of KLM

Jaap de Hoop Scheffer

Kooijmanschair for Peace, Justice and Security, Leiden University (Netherlands)

Alexandre de Juniac

Chairman and Chief Executive Officer of Air France

Cornelis J. A. van Lede

Chairman of the Heineken Supervisory Board

Solenne Lepage

Deputy Director, Transport and Audiovisual, Agency for State Shareholdings, Ministry for the Economy and Finance

Christian Magne

Representing the Cabin Crew and Ground Staff shareholders, Finance Executive

Bernard Pédamon

Representing the Flight Deck Crew shareholders, Boeing B777 Flight Captain

SUMMARY CONSOLIDATED *Financial Statements*

Consolidated balance sheet

ASSETS

In € million

31/12/2012

31/12/2011

Goodwill	252	426
Intangible assets	842	774
Flight equipment	10,048	10,689
Other property, plant and equipment	1,932	2,055
Investments in equity associates	383	422
Pension assets	3,470	3,217
Other financial assets	1,665	2,015
Deferred tax assets	1,151	1,143
Other non-current assets	152	168
TOTAL NON-CURRENT ASSETS	19,895	20,909
Assets held for sale	7	10
Other short-term financial assets	933	751
Inventories	521	585
Trade accounts receivables	1,859	1,774
Income tax receivables	11	10
Other current assets	828	995
Cash and cash equivalents	3,420	2,283
TOTAL CURRENT ASSETS	7,579	6,408
TOTAL ASSETS	27,474	27,317

LIABILITIES AND EQUITY

In € million

31/12/2012

31/12/2011

Issued capital	300	300
Additional paid-in capital	2,971	2,971
Treasury shares	(85)	(89)
Reserves and retained earnings	1,738	2,858
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF AIR FRANCE-KLM	4,924	6,040
Non-controlling interests	56	54
TOTAL EQUITY	4,980	6,094
Provisions and retirement benefits	2,287	2,061
Long-term debt	9,565	9,228
Deferred tax liabilities	431	466
Other non-current liabilities	384	321
TOTAL NON-CURRENT LIABILITIES	12,667	12,076
Provisions	555	156
Current portion of long-term debt	1,434	1,174
Trade accounts payables	2,219	2,599
Deferred revenue on ticket sales	2,115	1,885
Frequent flyer programs	770	784
Current tax liabilities	3	6
Other current liabilities	2,474	2,386
Bank overdrafts	257	157
TOTAL CURRENT LIABILITIES	9,827	9,147
TOTAL LIABILITIES	22,494	21,223
TOTAL LIABILITIES AND EQUITY	27,474	27,317

Consolidated income statement

In € million, period from January 1 to December 31

	2012	2011
Sales	25,633	24,363
Other revenues	16	39
External expenses	(16,432)	(15,517)
<i>Aircraft fuel</i>	<i>(7,328)</i>	<i>(6,438)</i>
<i>Chartering costs</i>	<i>(556)</i>	<i>(571)</i>
<i>Aircraft operating lease costs</i>	<i>(957)</i>	<i>(848)</i>
<i>Landing fees and en route charges</i>	<i>(1,862)</i>	<i>(1,818)</i>
<i>Catering</i>	<i>(595)</i>	<i>(577)</i>
<i>Handling charges and other operating costs</i>	<i>(1,389)</i>	<i>(1,342)</i>
<i>Aircraft maintenance costs</i>	<i>(1,151)</i>	<i>(1,172)</i>
<i>Commercial and distribution costs</i>	<i>(876)</i>	<i>(847)</i>
<i>Other external expenses</i>	<i>(1,718)</i>	<i>(1,904)</i>
Salaries and related costs	(7,660)	(7,460)
Taxes other than income taxes	(184)	(191)
Amortization and depreciation	(1,591)	(1,642)
Provisions	(157)	(55)
Other income and expenses	75	110
INCOME FROM CURRENT OPERATIONS	(300)	(353)
Sales of aircraft equipment	7	16
Sales of subsidiaries	97	1
Other non-current income and expenses	(684)	(144)
INCOME FROM OPERATING ACTIVITIES	(880)	(480)
Net cost of financial debt	(353)	(371)
<i>Income from cash and cash equivalents</i>	<i>83</i>	<i>92</i>
<i>Cost of financial debt</i>	<i>(436)</i>	<i>(463)</i>
Foreign exchange gains (losses), net	62	(116)
Change in fair value of financial assets and liabilities	62	(66)
Other financial income and expenses	15	2
INCOME BEFORE TAX	(1,094)	(1,031)
Income taxes	(27)	245
NET INCOME OF CONSOLIDATED COMPANIES	(1,121)	(786)
Share of profits (losses) of associates	(66)	(19)
INCOME FROM CONTINUING OPERATIONS	(1,187)	(805)
Net income from discontinued operations	-	-
NET INCOME FOR THE PERIOD	(1,187)	(805)
Non-controlling interests	(5)	(4)
NET INCOME FOR THE PERIOD - GROUP	(1,192)	(809)

Consolidated statement of cash flows

In € million, period from January 1 to December 31

	2012	2011
Net income for the period – Equity holders of Air France-KLM	(1,192)	(809)
Non-controlling interests	5	4
Amortization, depreciation and operating provisions	1,748	1,697
Financial provisions	(15)	(2)
Gain on disposals of tangible and intangible assets	(24)	(6)
Loss / (gain) on disposals of subsidiaries and associates	-	(2)
Gain on WAM (ex Amadeus) operation	(97)	-
Derivatives – non-monetary result	(86)	(8)
Unrealized foreign exchange gains and losses, net	(94)	95
Share of (profits) losses of associates	66	19
Deferred taxes	(14)	(266)
Other non-monetary items	505	(369)
SUBTOTAL	802	353
(Increase) / decrease in inventories	65	15
(Increase) / decrease in trade receivables	(140)	(49)
Increase / (decrease) in trade payables	(307)	690
Change in other receivables and payables	431	(75)
NET CASH FLOW FROM OPERATING ACTIVITIES	851	934
Acquisition of subsidiaries, of shares in non-controlled entities	(39)	(30)
Purchase of property, plant and equipment and intangible assets	(1,472)	(2,433)
Proceeds on Amadeus transaction	466	-
Proceeds on disposal of subsidiaries and investments in associates	1	-
Proceeds on disposal of property, plant and equipment and intangible assets	745	1,168
Dividends received	24	28
Decrease (increase) in investments, net between 3 months and 1 year	30	(562)
NET CASH FLOW USED IN INVESTING ACTIVITIES	(245)	(1,829)
Increase in capital	-	6
Purchase of non-controlling interests, of owned shares	-	(21)
Disposal of subsidiaries without loss of control, of owned shares	7	2
Issuance of debt	1,780	1,414
Repayment on debt	(847)	(990)
Payment of debt resulting from finance lease liabilities	(514)	(838)
New loans	(90)	(145)
Repayment on loans	100	265
Dividends paid	(2)	(4)
NET CASH FLOW FROM FINANCING ACTIVITIES	434	(311)
EFFECT OF EXCHANGE RATE ON CASH AND CASH EQUIVALENTS AND BANK OVERDRAFTS	(3)	(19)
CHANGE IN CASH AND CASH EQUIVALENTS AND BANK OVERDRAFTS	1,037	(1,225)
Cash and cash equivalents and bank overdrafts at beginning of period	2,126	3,351
Cash and cash equivalents and bank overdrafts at end of period	3,163	2,126

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Contributors

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