

Press release

Air France-KLM launches a tender offer to repurchase three series of existing notes subject to the success of a new issue of notes

Roissy (France), 6 January 2020 – Air France-KLM (the “**Company**”) (Euronext Paris: FR0000031122) announces today the launch of a tender offer to repurchase the following three series of existing notes in cash:

- €600,000,000 3.875 per cent. Notes due 18 June 2021 (ISIN: FR0011965177) (of which €600,000,000 is currently outstanding) (the “**2021 Notes**”),
- €400,000,000 3.750 per cent. Notes due 12 October 2022 (ISIN: FR0013212958) (of which €400,000,000 is currently outstanding) (the “**2022 Notes**”), and
- €600,000,000 6.250 per cent. Undated Deeply Subordinated Fixed Rate Resetable Notes Callable in October 2020 (ISIN: FR0012650281) (of which €403,300,000 is currently outstanding) (the “**Undated Notes**”, and together with the 2021 Notes and the 2022 Notes, the “**Existing Notes**”) (the “**Tender Offer**”).

The Tender Offer is conditional upon the settlement of a new issue of senior fixed rate benchmark notes denominated in euros (the “**New Notes**”) which would be launched concurrently with the Tender Offer and the net proceeds of which would be used to fund all or part of the Tender Offer and for general corporate purposes.

This transaction is part of the Company’s ongoing dynamic management of its balance sheet structure. The Tender Offer, combined with the new issue of senior notes, will contribute to reduce the overall cost of debt and extend its maturity profile.

The indicative date for the expiration of the Tender Offer is scheduled for 13 January 2020.

Investor Relations

Olivier Gall
+33 1 49 89 52 59
olgall@airfranceklm.com

Wouter van Beek
+33 1 49 89 52 60
Wouter-van.Beek@airfranceklm.com

Press

+33 1 41 56 56 00

Disclaimer

This press release does not constitute an offer to subscribe the New Notes nor an invitation to participate in the Tender Offer in or from any country or jurisdiction to whom or in which such offer would be unlawful under the applicable laws and regulations. The Tender Offer is made under the terms and conditions set out in the Tender Offer Memorandum dated January 6, 2020.

*This press release is not a prospectus for the purposes of the Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”).*

The New Notes are not being subject to a public offering in any country or jurisdiction, including in France, to any person other than qualified investors. Tenders of Existing Notes for purchase pursuant to the Tender Offer from qualifying holders shall not be accepted in any circumstances where such offer or solicitation is unlawful. The Company does not make any recommendation as to whether or not qualifying holders should participate in the Tender Offer.

The distribution of this press release may be restricted by law in certain jurisdictions. Persons into whose possession this press release comes should inform themselves about and observe any applicable legal and regulatory restrictions.

Prohibition of sales to EEA retail investors

*The New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold, or otherwise made available to any retail investors in the European Economic Area (the “**EEA**”). For these purposes, a retail investor means a person who is one (or more) of:*

- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU as amended (“**MiFID II**”); and/or*
- (ii) a customer within the meaning of Directive 2016/97/EU as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.*

France

This press release is only directed at qualified investors as defined in Article 2 point (e) of the Prospectus Regulation and in accordance with Article L. 411-2, 1° of the French Code monétaire et financier.

United Kingdom

*This press release is only directed at qualified investors who are (i) persons having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order, or (iii) other persons to whom it may otherwise be lawfully communicated.*

United States

*This press release does not constitute or form a part of any offer or solicitation to purchase or subscribe for notes nor of any offer or solicitation to sell notes in the United States. The notes have not been and will not be registered under the Securities Act of 1933, as amended (the “**Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered, sold, pledged or otherwise transferred within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S of the Securities Act (each a “**U.S. Person**”)), directly or indirectly. The notes are being offered and sold only outside the United States to non-U.S. Persons in compliance with Regulation S under the Securities Act.*

The Tender Offer is not being made and will not be made directly or indirectly in or into, to owners of notes who are located in the United States as defined in Regulation S of the Securities Act and such Existing Notes may not be tendered in the Tender Offer by any such use, means, instrumentality or facility from or within the United States, by persons located or resident in the United States or by U.S. Persons. Accordingly, copies of this press release are not being, and must not be,

directly or indirectly, mailed or otherwise transmitted, distributed or forwarded in or into the United States or to any such person. Any purported offer to sell in response to the Tender Offer resulting directly or indirectly from a violation of these restrictions will be invalid, and offers to sell made by a person located in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States or any U.S. Person will not be accepted.