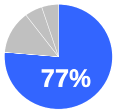
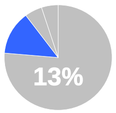
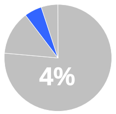
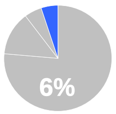
AIRFRANCE KLM

Information meeting

September 2011

Full Year 2010-11 key data

April 2010-March 2011

			Revenues in € billions		Operating result in € millions	
	Passenger		18.10	+11.3%	-44	+874
	Cargo		3.16	+29.5%	+69	+505
	Maintenance		1.03	+7.6%	+143	+62
	Other		1.32	-0.6%	-46	-34

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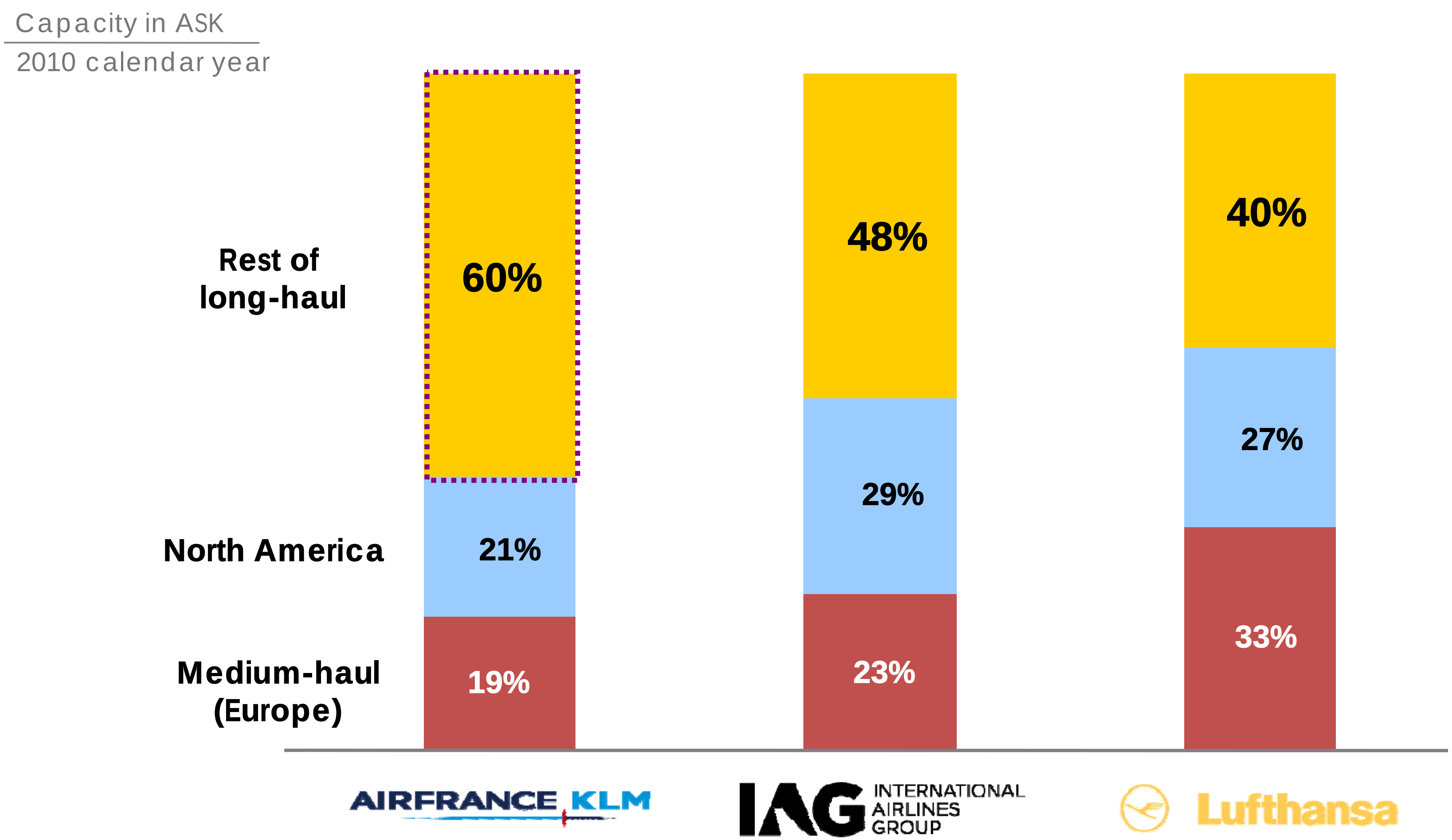
Reinforced strategic advantages and ongoing actions

- Strengthening our strategic advantages
  - **Positions in high growth markets, especially China**
  - **Transatlantic JV**
  - **Cargo repositioning**

- Addressing current challenges
  - **Medium-haul transformation**
  - **Cost reduction**
  - **Strict capacity management**
  - **Balance sheet gearing**
  - **Fuel price volatility**

Air France-KLM: leading exposure to high growth markets…



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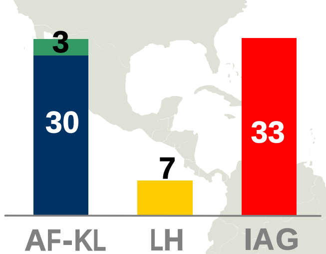
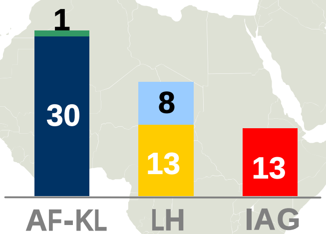
…with a strong presence in all key regions

Latin America
& Caribbean
33 daily flights
23 gateways
in 17 countries



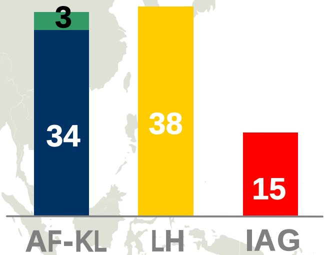
Brazil: 6 daily flights
Mexico: 4 daily flights
Caribbean: 14 daily flights

Africa
31 daily flights
39 gateways
in 31 countries



Nigeria: 4 daily flights
South Africa: 3 daily flights
Kenya: 1 daily flight
(+2 operated by partner Kenya Airways)

Asia
37 daily flights
25 gateways
in 13 countries



China: 13 daily flights
Japan: 8 daily flights
India: 5 daily flights

- Air France-KLM
- Alitalia
- Lufthansa (incl. Swiss and Austrian)
- SN Brussels
- IAG (British Airways and Iberia)

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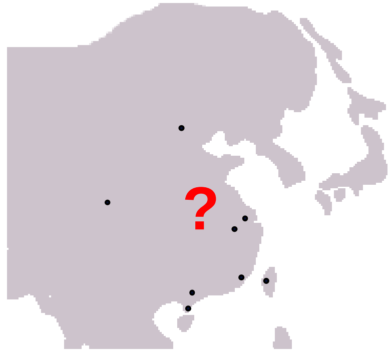
Unique position in China

<table>
<tr><th></th><th>2005</th><th>2011</th><th>2014</th></tr>
<tr><td>Own network</td><td>
Five routes</td><td>
Eight routes</td><td>
Over 12 routes</td></tr>
<tr><td>SkyTeam member partners</td><td></td><td>CHINA SOUTHERN
中國東方航空 CHINA EASTERN
上海航空公司 SHANGHAI AIRLINES
CHINA AIRLINES</td><td>CHINA SOUTHERN
中國東方航空 CHINA EASTERN
上海航空公司 SHANGHAI AIRLINES
CHINA AIRLINES</td></tr>
<tr><td>Joint ventures</td><td></td><td>CHINA SOUTHERN
中國東方航空 CHINA EASTERN</td><td>CHINA SOUTHERN
中國東方航空 CHINA EASTERN</td></tr>
</table>

Transatlantic Joint Venture with Delta: a unique asset

- The number one operator on the North Atlantic
  - **Revenues of €8.5 billion**
  - **27% of capacity**
  - **266 daily flights**
  - **27 gateways in North America and Mexico, 33 in Europe**

- KLM ‘economy comfort’ product adopted by Delta

- Reinforced governance
  - **Coordinated 7 to 9% reduction in capacity for Winter 2011**

Cargo restructuring accomplished

- World's largest network of bellies and combis
  - **Full freighter fleet reduced to 14 aircraft**
  - **67% of capacity in bellies and combis**
  - **33% in full freighter aircraft, operated as complement**

- Strict capacity management
  - **Capacity up 2.9% in April-June 2011, excluding April 2010 airspace closure**
  - **Yield still resilient, up 1.5% in April-June 2011**

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Reinforced strategic advantages and ongoing actions

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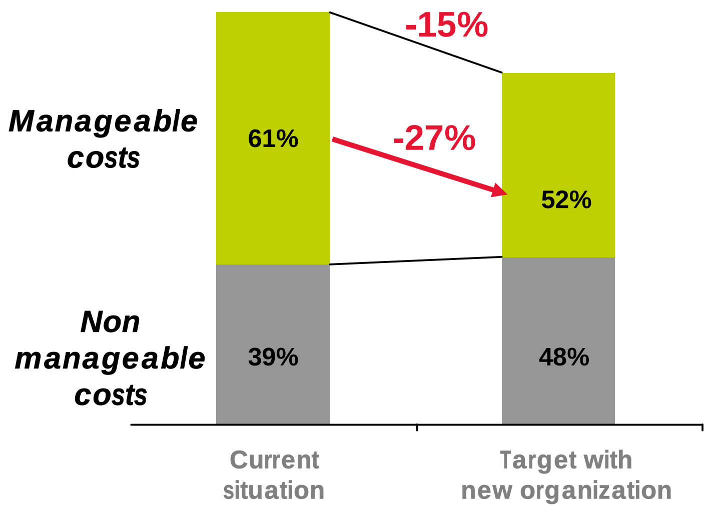
  - **Transatlantic JV**
  - **Cargo repositioning**

- Addressing current challenges
  - **Medium-haul transformation**
  - **Cost reduction**
  - **Strict capacity management**
  - **Balance sheet gearing**
  - **Fuel price volatility**

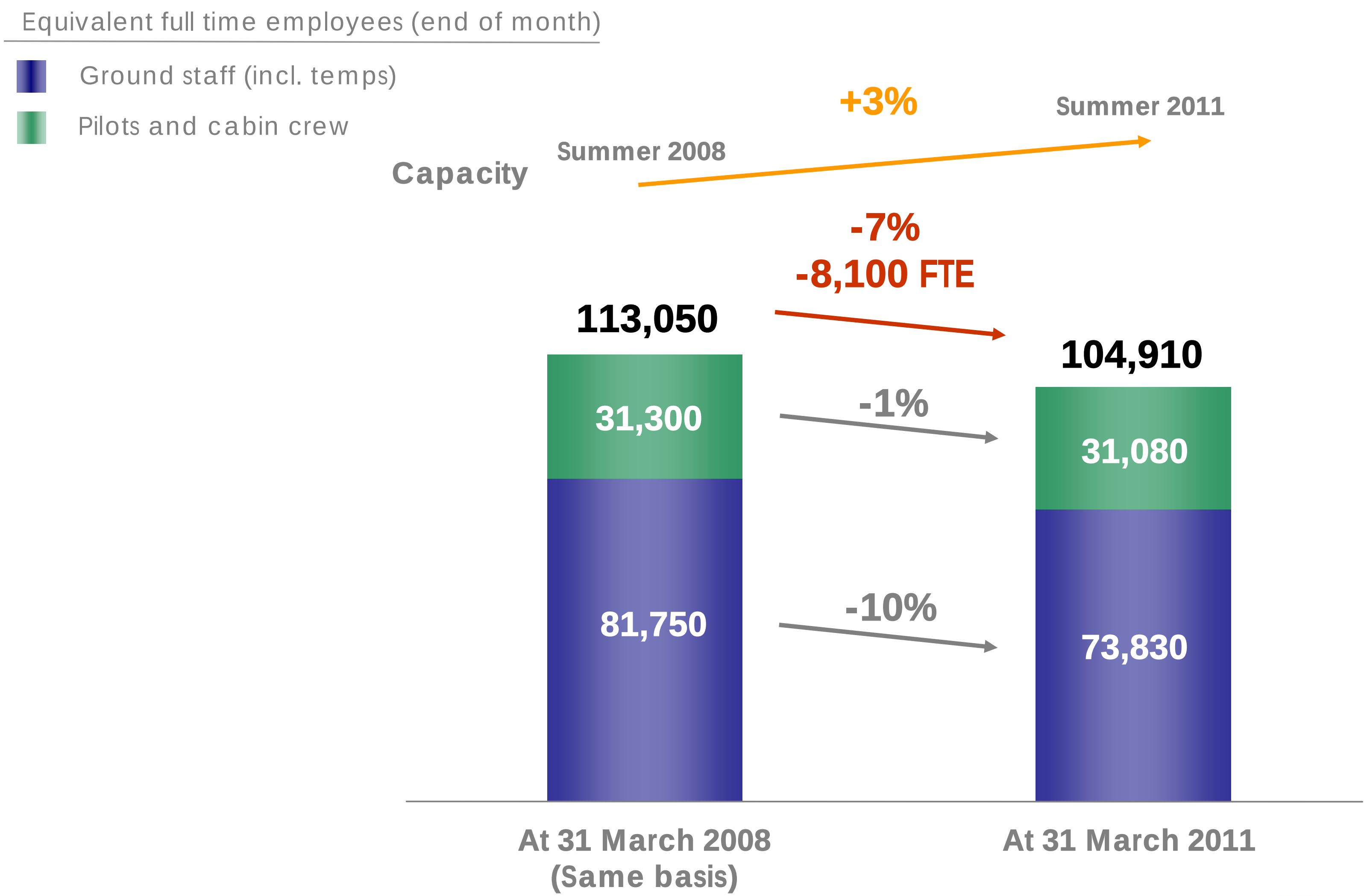
Medium-haul: ongoing transformation

- Second year of NEO transformation plan
  - Target: €500m operating income improvement over two years, of which more than €200m cost savings
  - Product overhauled
  - Network and fleet adjustments

- "Provincial bases" project: a new model for regional cities
  - Significant cost reduction
  - High aircraft utilization
  - Launch in Marseilles in October, with Toulouse, Nice and Bordeaux following in 2012
  - Concept could be extended to Orly and Lyon



Significant headcount adaptation through crisis



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Renewed focus on cost reduction

- Challenge 12 cost saving plan
  - **€500m for calendar year 2011**
- Additional measures recently decided
  - **Reduction of capacity growth for winter 2011 and summer 2012 schedules**
  - **Pursuit of recruitment freeze and strict control of temporary hiring**
  - **Review of the organization model and production processes to structurally reduce costs and increase flexibility**

Prudent capacity growth in coming months

- Winter 2011-12: long-haul capacity growth reduced from +5.1% to +2.7%*
  - **Productive growth**
    - **Use of larger or densified aircraft (A380, B777-300)**
  - **Selective growth**
    - **Opening of seasonal routes: +3.4%**
    - **Reduction in frequencies: -2.7%**
    - **Opening of new routes: +2.0%**
    - **Transatlantic Joint Venture reducing capacity 7 to 9%**
- Summer 2012 & Winter 2012-13: long-haul capacity growth reduced from +5.3% to +3.0%
- Flexibility maintained

(*) Including Martinair activity previously included in leisure

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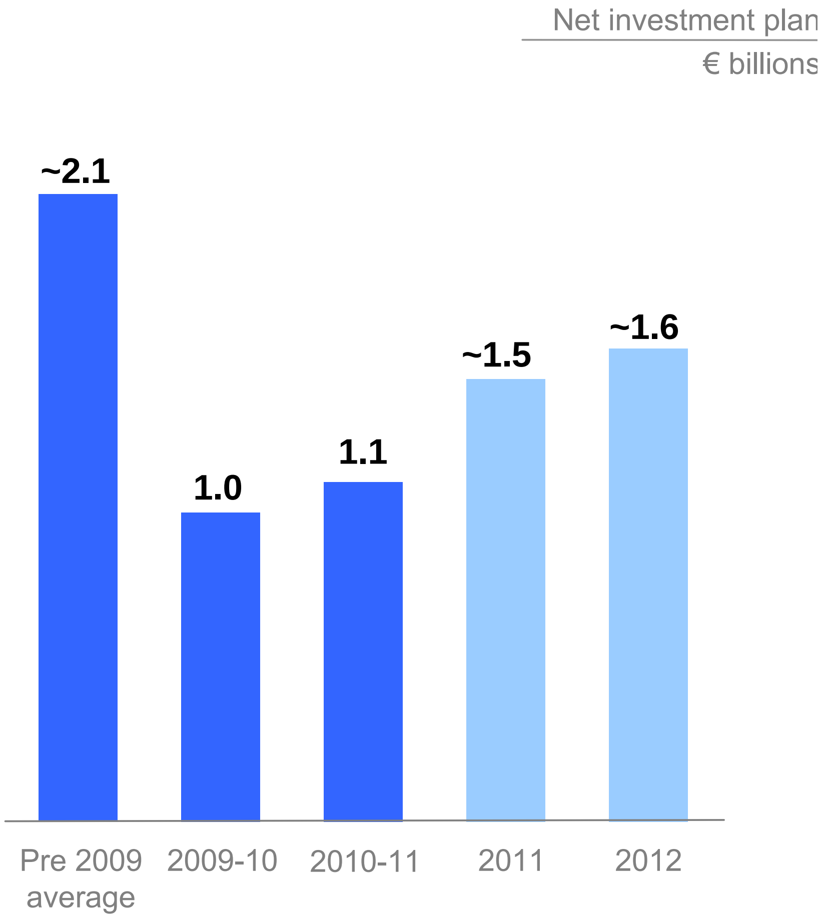
Focus on free cash flow generation to bring gearing down to 0.5

- Adapted investment plan
  - **Replacement of 13 aircraft postponed after 2016**
  - **Young fleet (average age: 10 years)**
- 110 wide-body aircraft ordered
  - **50 firm orders and 60 options**
  - **Deliveries between 2016 and 2026**
  - **Primarily for replacement of ageing aircraft**
- Debt reduction will be the primary use for cash
  - **Net debt: €6.04b at 30 June 2011**
  - **Gearing ratio: 0.92**



Healthy cash position

- Strong level of cash: €5.72bn
  - ► Cash on balance sheet at 30 June 2011: €3.87bn
  - ► Undrawn credit lines: €1.85bn
    - ► €1.6bn renewed in 2011 for 5 years

- Balanced debt structure
  - ► 75% secured by assets, 25% bonds
  - ► €566m* of perpetual debt
  - ► 71% of debt at fixed rate, more than 85% in euros

- Smooth debt repayment profile

- Holding in Amadeus
  - ► Current market value above 800 million euros

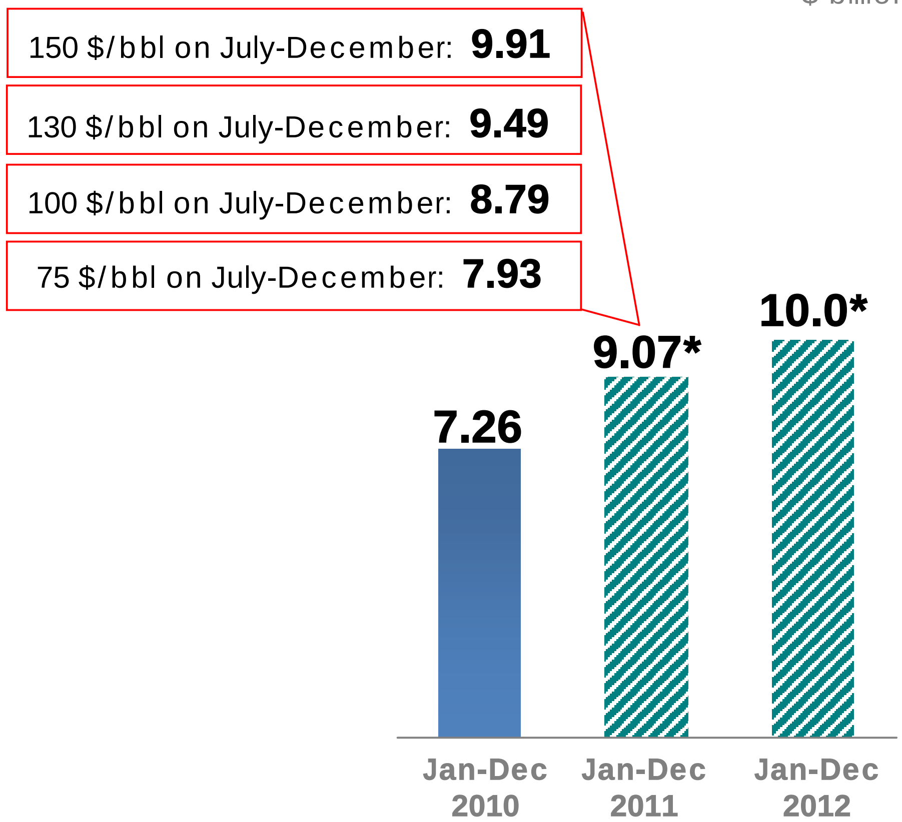
(*) At 31 March 2011

Fuel hedging policy designed to handle higher jet fuel volatility

- Hedging horizon and volumes reduced
  - **From 4 years to 2 years**
  - **From 2 years of consumption to 85% of one year of consumption**
- Portfolio includes more capped instruments in case of oil price fall
- Tracking of 'value at risk' indicator
  - **Evolution may trigger portfolio restructuring**

Fuel cost after hedging

$ billions



	Jan-Dec 2010	Jan-Dec 2011	Jan-Dec 2012
Market price ($/bbl)*	80	112	109
Percentage hedged	59%	54%	48%

(*) Forward curve at 2 September 2011

Outlook for calendar year 2011

- Operating environment remains uncertain
  - **Japan, Africa and Middle East markets continue to be affected by the crises**
  - **Uncertainty created by Eurozone crisis**
  - **Fuel prices at high levels and Euro volatility**

- The group continues to target a positive operating result in calendar year 2011

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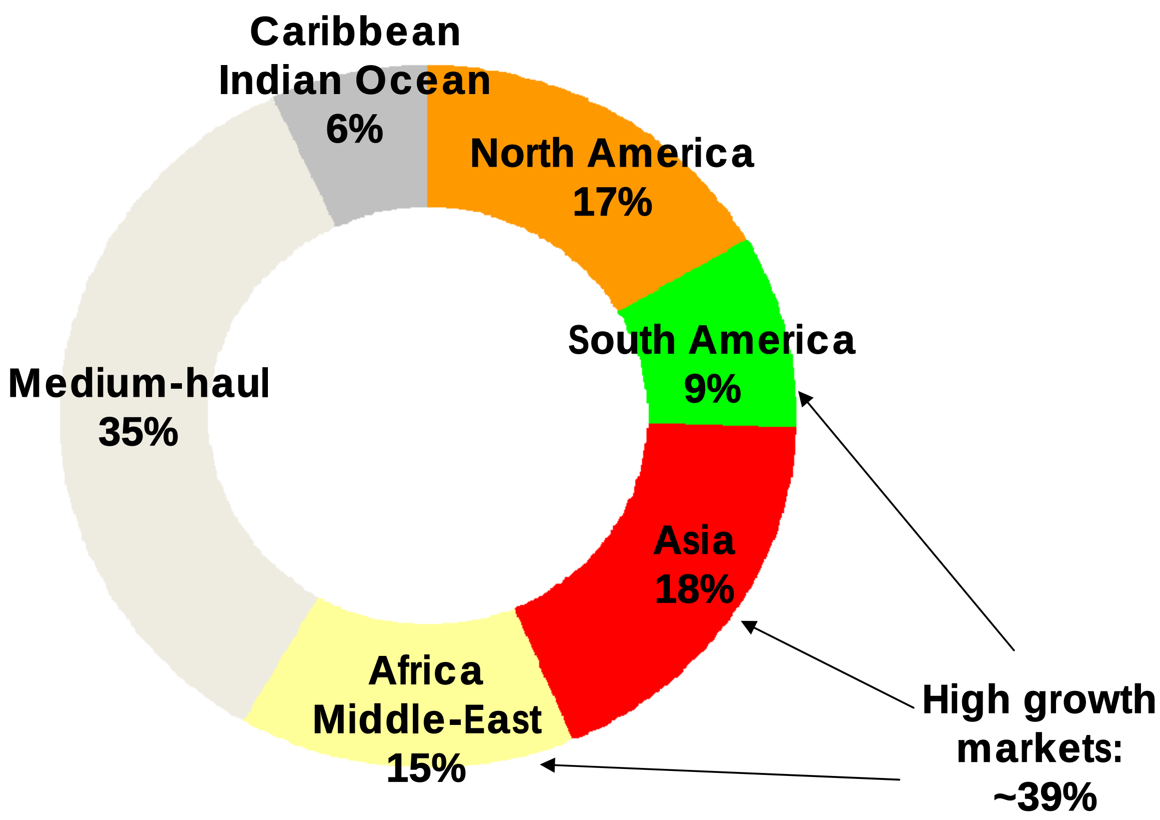
Appendix

Passenger revenue per destination – 12m 2010-11



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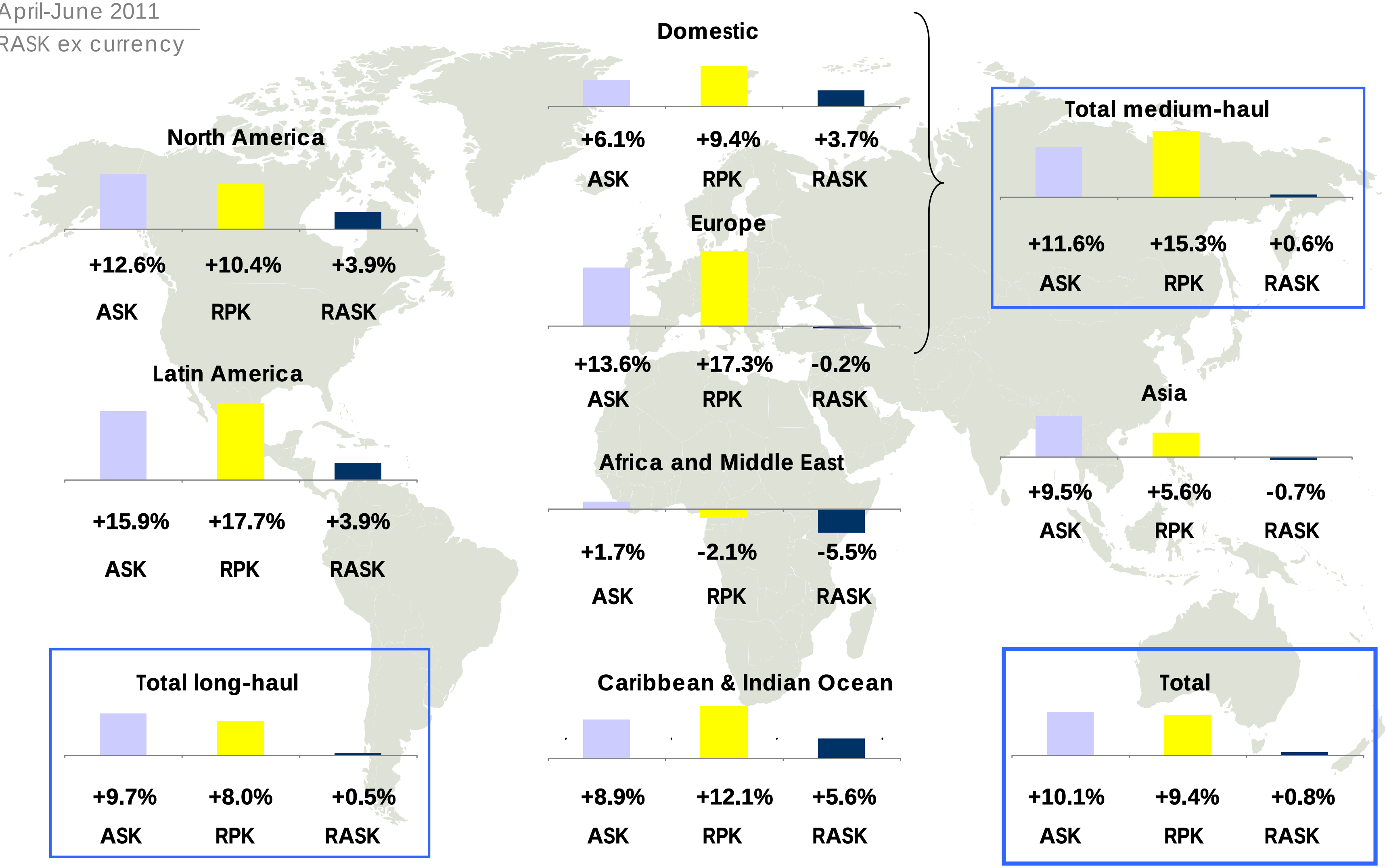
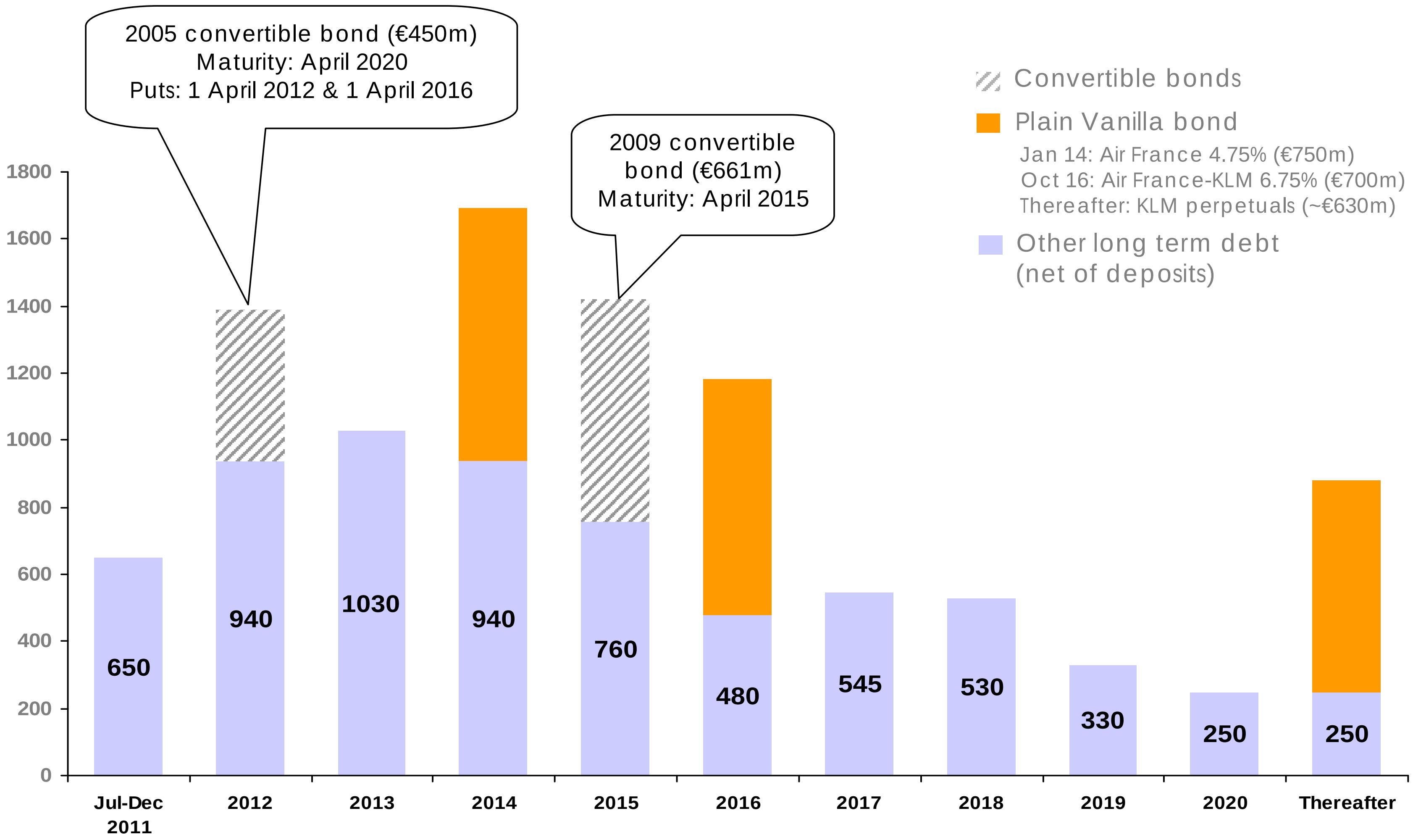
Key passenger data by network, April-June 2011

April-June 2011
RASK ex currency



Debt repayment schedule at 30 June 2011*



(*) In € millions, net of deposits on financial leases

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Calculation of net debt

€ millions	30 June 2011	31 March 2011
Current and non current financial debt	10,482	10,788
Deposits on leased aircraft	(516)	(455)
Currency hedges on debt	38	36
Interest not yet due	(100)	(119)
= Total financial debt	**9,904**	**10,250**
Cash and cash equivalents	3,221	3,717
Investments of over three months	574	574
Triple A deposits	171	197
Bank overdrafts	(100)	(129)
= Net cash	**3,866**	**4,359**
Net financial debt	**6,038**	**5,891**
Consolidated shareholders' funds	**6,594**	**6,906**
Net debt / Shareholders' funds	**0.92**	**0.85**
Net debt / Shareholders' funds ex hedging instruments	***0.94***	***0.90***