



CONVENING NOTICE

COMBINED ORDINARY AND EXTRAORDINARY
SHAREHOLDERS' MEETING

TUESDAY MAY 20, 2014 AT 14H30

AT THE CARROUSEL DU LOUVRE
99, RUE DE RIVOLI - 75001 PARIS

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AIRFRANCE KLM

Message



" Thanks to its employees,
the Group is being
transformed to serve its
customers more effectively
and to the benefit of
shareholders. "

Dear Shareholder,


I am delighted to invite you to the Air France-KLM Combined Ordinary and Extraordinary General Shareholders' Meeting to be held at 14h30 on Tuesday May 20, 2014 at the Carrousel du Louvre, 99, rue de Rivoli, 75001 Paris, France.

Attended by the members of the Board of Directors and the Group's senior management, the General Shareholders' Meeting is the opportunity for sharing information, exchange and dialogue, and for you to vote on the resolutions submitted for the Meeting's approval.

I very much hope you will be able to participate by attending personally or arranging to be represented, or by voting by mail or internet. To encourage the widest-possible participation by shareholders in a simple, secure and rapid voting process, Air France-KLM has this year decided to offer you the option to vote via the internet.

Thank you for the consideration that you will give to these resolutions.

Alexandre de Juniac
Chairman and Chief Executive Officer of
Air France-KLM



Complete the meeting formalities by internet

e-convening notice ✦ e-vote

Whether you hold your shares in **registered or bearer** form or hold units in **employee FCPEs**, this year you have the option to complete the formalities required to participate in the Annual General Shareholders' Meeting in a few clicks, wherever you may be!

As of April 16, 2014, via a secure website, you will be able to:

- ✦ request then print your admission card,
- ✦ vote,
- ✦ grant a proxy to the Chairman, or
- ✦ grant a proxy to a third party.

A **SIMPLE, RAPID** and **SECURE** service to encourage maximum shareholder participation in voting.

Find all the information on the Annual General Shareholders' Meeting at

www.airfranceklm-finance.com



Respect for the environment is a key commitment in Air France-KLM's Corporate Social Responsibility policy. As a shareholder, you can contribute to this goal by choosing to receive your convening notice by email and/or voting by internet.



► I. ORDINARY BUSINESS

1. Approval of the statutory financial statements for the fiscal year ended December 31, 2013
2. Approval of the consolidated financial statements for the fiscal year ended December 31, 2013
3. Allocation of the results for the fiscal year ended December 31, 2013
4. Related party agreements and commitments
5. Ratification of the co-opting of Ms Isabelle Parize as a Board director
6. Re-appointment of Ms Isabelle Parize as a Board director for a term of four years
7. Re-appointment of Mr. Christian Magne as a Board director representing the employee shareholders for a term of four years (other than flight deck crew category of employees)
8. Appointment of Mr. Louis Jobard as a Board director representing the employee shareholders for a term of four years (flight deck crew category)
9. Renewal of KPMG's mandate as an incumbent Statutory Auditor
10. Appointment of KPMG Audit ID as a deputy Statutory Auditor
11. Advisory vote on the elements of compensation due or granted in respect of the 2013 fiscal year to Mr. Alexandre de Juniac (Chairman and Chief Executive Officer since July 1, 2013)
12. Advisory vote on the elements of compensation due or granted in respect of the 2013 fiscal year to Mr. Jean-Cyril Spinetta (Chairman and Chief Executive Officer until June 30, 2013)
13. Advisory vote on the elements of compensation due or granted in respect of the 2013 fiscal year to Mr. Leo van Wijk (Deputy Chief Executive Officer until June 30, 2013)
14. Authorization to be granted to the Board of Directors to perform operations in the Company's shares

► II. EXTRAORDINARY BUSINESS

15. Authorization to be given to the Board of Directors to allocate free existing shares, subject to performance conditions, to employees and company officers of the Group companies (excluding the company officers of the Company), within a limit of 2.5% of the share capital, for a period of 38 months
16. Delegation to be granted to the Board of Directors to proceed with capital increases reserved to members of a company or Group savings scheme waiving the preferential subscription right for shareholders in an amount limited to 2% of the share capital, for a period of 26 months
17. Amendment to Articles 9.2, 9.3, 9.6.3, 14, 15 and 16 of the Articles of Incorporation
18. Powers to accomplish formalities

This is an unofficial translation of the French Avis de convocation for the convenience of English-speaking shareholders. In the event of any discrepancy or ambiguity, the French version shall prevail.

How to participate in the General Shareholders' Meeting



► CONDITIONS FOR PARTICIPATING IN THE MEETING

The shareholders and unit-holders in the Aéropélican, Concorde and Majoractions FCPEs have the right to attend and vote in the General Shareholders' Meeting.

The right to participate in the Meeting is subject to the registration of the shares at least three business days prior to the date of the Meeting ("record date"). For the Air France-KLM Combined Ordinary and Extraordinary General Shareholders' Meeting on May 20, 2014, this record date will thus be **May 15, 2014 at 0h00** (Paris time).

► HOW TO EXERCISE YOUR VOTING RIGHT

As a shareholder or unit-holder in FCPEs, you have several ways to exercise your right to vote:

- ◆ by attending the meeting in person;
- ◆ by giving the Chairman the power to vote on your behalf;

◆ by voting by mail or internet;

◆ by being represented by another natural person or legal entity of your choice.

You can vote either *via* internet or by mail.

You wish to attend the Meeting in person

Shareholders or holders of FCPE units wishing to attend the meeting in person must request an admission card.

■ If you hold your shares in bearer form

You must request an admission card from your financial intermediary who will send a certificate proving that your shares were registered on the record date to Société Générale, Service Assemblées, CS

30812, 44308 Nantes Cedex 3, France. If you sell shares between the moment you indicate your voting intentions and the third business day before the Meeting, i.e. May 15, 2014, your financial intermediary must notify Société Générale of the sale and forward the necessary information. After this date, no notification is necessary.



As of 9h00 (Paris time) on April 16, 2014, you can also print your admission card directly by connecting, with your usual identifier and password, to the internet portal of the bank responsible for managing your securities account. To access the Votaccess website, you just need to click on the icon that will appear on the line corresponding to your Air France-KLM shares and follow the procedure indicated on the screen.

■ If you hold your shares in registered form

To obtain your admission card, you must check **box A** in the form which has been mailed to you and return it to Société Générale, Air France-KLM's agent, using the pre-paid envelope.

If you have forgotten to request an admission card, you can still participate in the Meeting provided you bring proof of identity.



As of 9h00 (Paris time) on April 16, 2014, you can also print your admission card directly by connecting, with your usual identifier and password, to the Nominet website at www.nominet.socgen.com: the access code figures in the information located in the "reserved box" of the mail or proxy voting form and the password was mailed to you when you were first in contact with Société Générale Securities Services.

Should you lose or forget this password, just go to the home page of the website and click on "Lost identifier/password".

Follow the instructions in your personal space by clicking on the "Shareholders' Meeting" link then on the relevant Meeting to print your admission card.

■ If you hold FCPE units



As of 9h00 (Paris time) on April 16, 2014, you can print your admission card directly from the website www.voteassemblee.com/airfranceklm, using the identifier and password which were mailed to you in early April, then by following the procedure indicated on the screen.

If you are unable to access the dedicated website you can request all the documentation required to participate in the Meeting before May 14, 2014 at the following address: Société Générale, Service

Assemblées, CS 30812, 44308 Nantes Cedex 3. To obtain your admission card, you must check **box A** in the voting form which you should have received by mail and return it to Société Générale.

If you are unable to attend the Meeting in person

■ If you wish to vote or grant a proxy by internet

If you hold your shares in bearer form



You just need to connect, with your usual identifier and password, to the internet portal of the bank responsible for managing your securities account, then click on the icon which will appear on the line corresponding to your Air France-KLM shares and follow the procedure indicated on the screen.

The Votaccess voting website will be open from 9h00 on April 16, 2014 until 15h00 (Paris time) on May 19, 2014.

If you hold your shares in registered form



You just need to connect to the Nominet website www.nominet.socgen.com, with your usual identifier and password: the access code figures in the "reserved box" of the mail or proxy voting form and the password was mailed to you when you were first in contact with Société Générale Securities Services.

Should you lose or forget this password, just go to the home page of the website and click on "Lost identifier/password".

Follow the instructions in your personal space by clicking on the "Shareholders' Meeting" link then on the relevant Meeting. You can then click on "Vote" to access the voting website.

This secure website which is dedicated to voting ahead of the Annual General Shareholders' Meeting will be open from 9h00 on April 16, 2014 until 15h00 (Paris time) on May 19, 2014.

If you hold FCPE units



You just need to connect to the voting website www.voteassemblee.com/airfranceklm, using the identifier and password which were mailed to you in early April, then follow the procedure indicated on the screen.

This secure website dedicated to voting ahead of the Annual General Shareholders' Meeting will be open from 9h00 on April 16, 2014 until 15h00 (Paris time) on May 19, 2014.

If you wish to vote or grant a proxy by mail

If you hold your shares in bearer form

You can obtain a mail voting form or proxy from your financial intermediary.

You then need to follow the instructions on page 10 of this document to complete the form, remembering to date and sign it at the bottom.

The mail voting form must then be sent to your financial intermediary who will forward it to Société Générale at least three calendar days prior to the Meeting, i.e. by May 17, 2014 at the latest, accompanied by a shareholding certificate.

If you wish to be represented by another natural person or legal entity, pursuant to Article R.225-79 of the *Code de Commerce* notification of the designation or revocation of a representative can be communicated electronically. By the day before the Meeting, i.e. May 19, 2014 before 15h00 (Paris time) at the latest, you must send an email incorporating an electronic signature obtained from a certifying third party pursuant to the legal and regulatory conditions in force, to the following email: mail.assemblee.afklm@airfrance.fr specifying your surname, first name, address and bank reference details together with the name and first name of the representative being either designated or revoked. It is imperative that you then ask the financial intermediary responsible for managing your securities account to send written confirmation (by mail or fax) to Société Générale, Service Assemblées, CS 30812, 44308 Nantes Cedex 3.

Only notifications of the designation or revocation of representatives should be sent to the aforementioned email address. Any requests or notifications on other matters cannot be taken into account and/or dealt with.

If you hold your shares in registered form

You just need to follow the instructions on page 10 of this document, remembering to date and sign the bottom of the voting form.

The voting form must arrive at Société Générale, by May 17, 2014 at the latest, with the help of the pre-paid envelope that has been sent to you.

If you wish to be represented by another natural person or legal entity, pursuant to Article R.225-79 of the *Code de Commerce*

notification of the designation or revocation of a representative can be communicated electronically. By the day before the Meeting, i.e. May 19, 2014 before 15h00 (Paris time) at the latest, you must send an email incorporating an electronic signature obtained from a certifying third party pursuant to the legal and regulatory conditions in force, to the following email: mail.assemblee.afklm@airfrance.fr specifying your surname, first name, address and Société Générale identifier if you hold your shares in direct registered form (information available on the top left of your account statement) or your identifier with your financial intermediary if you hold your shares in administered registered form, together with the name and first name of the representative to be designated or revoked.

Only notifications of the designation or revocation of representatives should be sent to the aforementioned email address. Any requests or notifications on other matters cannot be taken into account and/or dealt with.

If you hold FCPE units

If you are unable to access the dedicated website you can request all the documentation enabling you to vote or grant a proxy before May 14, 2014 at the following address: Société Générale, Service Assemblées, CS 30812, 44308 Nantes Cedex 3.

You then need to follow the instructions on page 10 of this document, remembering to date and sign the bottom of the voting form.

The voting form must arrive at Société Générale by May 17, 2014 at the latest, with the help of the pre-paid envelope that has been sent to you.

If you wish to be represented by another natural person or legal entity, pursuant to Article R.225-79 of the *Code de Commerce* notification of the designation or revocation of a representative can be communicated electronically. By the day before the Meeting, i.e. May 19, 2014 before 15h00 (Paris time) at the latest, you must send an email incorporating an electronic signature obtained from a certifying third party pursuant to the legal and regulatory conditions in force, to the following email: mail.assemblee.afklm@airfrance.fr specifying your surname, first name, address and identifier together with the name and first name of the representative to be designated or revoked.



In the event the admission card you have requested has not arrived three days before the General Shareholders' Meeting, you can find out about its status by contacting the Société Générale admission card call center from Monday to Friday between 8h30 and 18h00 Paris time on 0825 315 315 (from France: €0.125/minute excluding VAT) or 33 (0) 2.51.85.59.82 (from abroad).

Only notifications of the designation or revocation of representatives should be sent to the aforementioned email address. Any requests or notifications on other matters cannot be taken into account and/or dealt with.



NOTE: Shareholders who have already cast their votes by mail, forwarded proxies or requested admission cards or a shareholding certificate to attend the meeting personally may not opt for another voting method.

► HOW TO ASK A QUESTION DURING THE MEETING

The meeting is the opportunity for privileged access when you are able to put a question to the Chairman during the question and answer session preceding the vote on the resolutions. You may also submit a question in writing by registered letter, accompanied by a registration certificate for shares held either in registered or bearer form, at least four business days before the Shareholders' Meeting,

i.e. May 14, 2014, to be sent to Air France-KLM, AFKL.CH, 95737 Roissy Charles de Gaulle Cedex, France.

A single answer may be provided for questions addressing the same subjects. Note that the answers to questions in writing may be published on the company's www.airfranceklm-finance.com website in a Section dedicated to questions and answers and will then be deemed to have been given.

► HOW TO REQUEST THE DOCUMENTATION RELATING TO THE MEETING

To consult the Registration Document (containing notably the statutory and consolidated financial statements and the management report of the Board of Directors), you just need to:

- ◆ go to www.airfranceklm-finance.com where you can also access all the Group's other publications together with all the documents and information provided pursuant to Article R. 225-73-1 of the French *Code of Commerce*; or

- ◆ fill in the request form provided on the last page of this document and send it to Société Générale, Service Assemblées, CS 30812, 44308 Nantes Cedex 3.



■ For additional information, please contact the shareholder relations department at mail.actionnaires@airfranceklm.com

▶ HOW TO COMPLETE THE FORM

Stage 1

If you want to attend the Meeting and receive your admission card, check the box **A**

If you are not able to attend the Meeting and want to vote by mail or be represented, see Stage 2

Stage 2 (If you are unable to attend the Meeting)

To vote by mail, check the box **1**

- To vote YES to a resolution, leave the box corresponding to the number of this resolution empty.
- To vote NO to a resolution, fill the box corresponding to the number of the resolution in black.

To give the Chairman the power to vote in favor of the resolutions presented by the Board of Directors, just check the box **2**, then date and sign the form at the bottom.

To give another individual or legal entity the power to represent you at the Meeting and vote on your behalf, check the box **3** and enter the contact details of this individual or legal entity.

IMPORTANT : Avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso - Important : Before selecting please refer to instructions on reverse side
Quelle que soit l'option choisie, noircir comme ceci la ou les cases correspondantes, dater et signer au bas du formulaire - Whichever option is used, shade box(es) like this, date and sign at the bottom of the form.

A Je désire assister à cette assemblée et demande une carte d'admission - dater et signer au bas du formulaire. / I wish to attend the shareholder's meeting and request an admission card : date and sign at the bottom of the form.
 B. J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes / I prefer to use the postal voting form or the proxy form as specified below.

AIR FRANCE - KLM
 2, rue Robert Esnault Pelterie
 75007 PARIS - FRANCE
 AU CAPITAL DE € 300 219 278
 552 043 002 RCS Paris

ASSEMBLÉE GÉNÉRALE MIXTE
DU MARDI 20 / 05 / 2014 à 14 h 30
 Au Carrousel du Louvre
 99, rue de Rivoli - 75001 Paris

CADRE RÉSERVÉ À LA SOCIÉTÉ - FOR COMPANY'S USE ONLY

Identifiant - Account

Nombre d'actions / Number of shares

Nombre de voix - Number of voting rights

Nominatif / Registered VS / Single vote
 Porteur - Bearer VD / Double vote

1 **JE VOTE PAR CORRESPONDANCE / I VOTE BY POST**
 Cf. au verso (2) - See reverse (2)

Je vote OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directoire ou la Gérance, à l'EXCEPTION de ceux que je signale en noircissant comme ceci la case correspondante et pour lesquels je vote NON ou je m'abstiens.
 I vote YES all the draft resolutions approved by the Board of Directors, EXCEPT those indicated by a shaded box - like this, for which I vote NO or I abstain.

1	2	3	4	5	6	7	8	9
10	11	12	13	14	15	16	17	18
19	20	21	22	23	24	25	26	27
28	29	30	31	32	33	34	35	36
37	38	39	40	41	42	43	44	45

Si des amendements ou des résolutions nouvelles étaient présentés en assemblée / In case amendments or new resolutions are proposed during the meeting - Je donne pouvoir au Président de l'assemblée générale de voter en mon nom. / I appoint the Chairman of the general meeting to vote on my behalf.
 - Je m'abstiens (l'abstention équivaut à un vote contre). / I abstain from voting (it equivalet to vote NO).
 - Je donne procuration [cf. au verso renvoi (4)] à M., Mme ou Mlle, Raison Sociale pour voter en mon nom.
 / I appoint [see reverse (4)] M., Mrs or Miss, Corporate Name to vote on my behalf.

2 **JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE**
 Cf. au verso (3)

I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING
 See reverse (3)

3 **JE DONNE POUVOIR À :** Cf. au verso (4)

I HEREBY APPOINT: See reverse (4)

M. Mme ou Mlle, Raison Sociale / Mr, Mrs or Miss, Corporate Name

Adresse / Address

ATTENTION : s'il s'agit de titres au porteur, les présentes instructions ne seront valides que si elles sont directement retournées à votre banque.
CAUTION : if it is about bearer securities, the present instructions will be valid only if they are directly returned to your bank.

Nom, prénom, adresse de l'actionnaire (si ces informations figurent déjà), les vérifier et les rectifier éventuellement). Cf au verso (1)
 Surname, first name, address of the shareholder (if this information is already supplied, please verify and correct if necessary). See reverse (1)

Stage 3
 Enter your name, first name and address here or verify them if they already appear.

Stage 4
 No matter which option you choose, don't forget to sign and date the form here.

Date & Signature

à la BANQUE / to the Bank
 Société Générale - Services Assemblées - CS 30812 - 44308 Nantes Cedex 03



REMINDER: Only forms completed (whether a mail voting form, a proxy to give the Chairman the power to vote on your behalf or a proxy given to a third party) and received by Société Générale at least three days before the date of the Meeting and accompanied by the shareholding certificate provided by your financial intermediary for bearer shareholders will be taken into account.

The Air France-KLM Group in 2013



► BRIEF PRESENTATION



Fiscal year 2013

The 2013 fiscal year was characterized by the:

- implementation of the Transform 2015 plan to restore the Group's profitability
- return to a positive operating result
- continued reduction in net debt (-€618 million over the year)

In 2013, despite a continued difficult economic environment and the marked appreciation in the euro relative to other currencies, Air France-KLM significantly improved its results thanks to the action plans launched within the framework of the Transform 2015 plan.

Transform 2015

Covering the 2012-14 period, the Transform 2015 plan was announced in January 2012 in response to the objectives set by the Air France-KLM Group's Board of Directors: rapidly reducing debt, restoring the Group's competitiveness and restructuring the short- and medium-haul operations.

On the launch of the plan, the Group set itself a target of reducing debt by €2 billion between December 31, 2011 and December 31, 2014 (from €6.5 billion to €4.5 billion). With the economic environment continuing to weigh on demand, particularly in medium-haul and cargo, additional measures were launched in the autumn of 2013 in these two sectors. Since these new measures are only expected to produce their full effects in 2015, the Group maintained its debt reduction target but considered that it would only be realized in 2015.

The plan also provides for an improvement in the Group's competitiveness as the main lever in debt reduction, driven by a reduction in unit costs and the repositioning of the products more closely in line with customer expectations.

During 2012, the Group established solid foundations for its successful turnaround: in addition to the rapid implementation of cost-saving measures and a downwards revision in capacity and the investment plan, the Group finalized the:

- ♦ renegotiation of working conditions with the signature of new collective labor agreements for the three staff categories (Ground Staff, Flight Deck Crew, Cabin Crew);

- ♦ establishment of action plans for each of its businesses;
- ♦ definition of its new governance; and
- ♦ a number of measures to improve its financial situation.

2013 was principally a year of implementation for all the measures decided in 2012: modest capacity growth, lower investment, headcount reduction, the implementation of the new working agreements, an improvement in productivity and the launch of new brands and products.

All of the action plans underway should be reflected in a significant improvement in EBITDA. Having improved by nearly €500 million in 2013, EBITDA should again see a strong rise in 2014, the Group targeting an EBITDA in the region of €2.5 billion, subject to there being no reversal in current operating trends.

Activity

Passenger business

With CityJet expected to leave the Group during the first half of 2014, it has been reclassified as a discontinued operation in the Group's financial statements and is not included in the key figures below.

In the 2013 fiscal year, revenues for the passenger activity (passenger transportation) stood at €20.11 billion, up by 2.6% on a constant currency basis (+0.7% reported). At €174 million, the result from current operations generated by the passenger business returned to positive territory, rising by €434 million relative to 2012. Although there was a €180 million improvement, the medium-haul activity remained heavily loss-making.

The Group maintained its policy of strict control over capacity, which increased by only 1.6%. Traffic growth was 2.4% and the load factor gained 0.6 points to 83.8%. The Group carried 77.3 million passengers, a 2.1% increase on 2012. The unit revenue per available seat-kilometer (RASK) was up by 0.8% on a constant currency basis (-1.0% reported). The unit cost per available seat-kilometer (CASK) declined by 1.8% on a constant currency basis (-3.3% reported).

Cargo business

In 2013, air freight was affected by the weakness in global trade and the situation of structural overcapacity in the sector.

Cargo business revenues stood at €2.82 billion, down by 5.7% on a constant currency basis, and by 7.9% reported. The operating result improved by €28 million but remained a negative €202 million. The Group continued to scale back full freighter capacity with a 11.5% reduction relative to the 6% planned at the beginning of the year. In total though, capacity was reduced by only 2.7% including the small increase in belly space. Traffic declined by 4.6% leading to a 1.3 point drop in load factor to 63.2%. The unit revenue per available ton-kilometer (RATK) fell by 6.3% and by 4.2% on a constant currency basis. The good unit cost performance (-4.9% on a constant currency basis and -6.6% reported) was not sufficient to meaningfully reduce losses. Additional restructuring measures were announced in October 2013, and are currently being implemented.

Maintenance business

Thanks to a strong order book, the Group generated third-party revenues of €1.23 billion, growth of 15.1% on a constant currency basis (+11.8% reported). Income from current operations stood at €159 million, up by €19 million on the previous year. Total maintenance revenues progressed by 4.7% to €3.28 billion. The operating margin stood at 4.8%, a modest increase relative to 2012.

Other businesses

The main activities in this sector are the catering business and the leisure business, which operates under the Transavia brand in both the Netherlands and France.

In 2013, as planned within the framework of Transform 2015, Transavia activity saw strong growth. Traffic was up by 13.5% for an 11.6% increase in capacity of which +25.5% at Transavia France. Despite this strong growth, the unit revenue remained stable (-0.2%). Transavia's revenues amounted to €984 million, up by 10.7%, while the loss from current operations stood at €23 million (versus break-even in 2012), impacted by the political unrest in some Mediterranean destinations and the launch costs on certain routes.

The catering business generated total revenues of €915 million of which €341 million with third-parties (€355 million at December 31, 2012). The decline in revenues is explained by a scope effect following the disposal of Air Chef. Operating income stood at €24 million versus €7 million in the previous year.

Fleet

At December 31, 2013, the Air France-KLM Group fleet comprised 611 aircraft, of which 583 in operation (compared with respectively, 629 and 597 aircraft at December 31, 2012) including the 24 Airlinair aircraft which entered the consolidation scope in early 2013 and the aircraft of the CityJet and VLM subsidiaries which are in the disposal process.

The main operational fleet consisted of 401 aircraft (407 aircraft at December 31, 2012), of which 171 were long-haul aircraft (167 at December 31, 2012), 14 were cargo aircraft (15 aircraft at December 31, 2012) and 216 were medium-haul aircraft (225 at December 31, 2012) including 41 aircraft in the Transavia Group fleet (39 aircraft at December 31, 2012). The regional fleet in operation comprised 182 aircraft (190 at December 31, 2012 including the Airlinair aircraft).

At December 31, 2013, the average age of the fleet in operation was 10.6 years compared with 10.2 years at December 31, 2012 (after integration of the Airlinair aircraft).

There were firm orders outstanding for 64 aircraft at December 31, 2013, 21 more than at December 31, 2012, including 25 Boeing 787s and 25 Airbus A350s. Options stood at 85 aircraft (63 at December 31, 2012) of which 25 were for Boeing 787s and 25 for Airbus A350s.

Financial results

Consolidated revenues for the period amounted to €25.52 billion versus €25.42 billion in 2012, a 2.3% increase on a constant currency basis (+0.4% reported). The decline in unit costs (-2.0% like-for-like) was notably driven by a good performance on employee costs, ensuring stable operating expenses on a constant currency basis (-1.4% reported) while capacity in Equivalent Available Seat-Kilometers increased by 1.6%.

The operating result for the full year returned to positive territory at €130 million versus a loss of €336 million in 2012, i.e. a €466 million improvement.

The net loss, Group share stood at €1,827 million versus a loss of €1,225 million last year, reflecting the impairment of €937 million of deferred tax assets and the discontinued operations (CityJet). Restated for non-recurring items, the net loss amounted to €349 million, a €347 million improvement relative to 2012.

The improvement in operating cash flow combined with a good working capital performance enabled a significant reduction in net debt. Net debt stood at €5.35 billion at December 31, 2013, down by €618 million on its level of December 2012, and by €1.2 billion since the launch of the Transform 2015 plan (January 1, 2012).

At 2.9 as of December 31, 2013 against 4.3 as of December 31, 2012 and 4.9 as of December 31, 2011, the net debt/EBITDA ratio significantly improved under the combined effect of the increase in EBITDA and the reduction in net debt.

Air France-KLM parent company results

As a holding company, Air France-KLM has no operating activity. During the fiscal year, within the framework of the change in the Group's organization, the teams dedicated to the Air France-KLM holding company were reinforced and now amount to 46 full time equivalent staff. At December 31, 2013, the operating result was thus negative to the tune of €7 million. The net result was a €322 million loss, mainly due to the financial costs on bond issues.

Dividend

In view of the Group's results and the priority given to debt reduction, the Board of Directors opted not to propose the payment of a dividend in respect of the 2013 fiscal year.

Share capital and shareholding structure

At December 31, 2013, the Air France-KLM share capital comprised 300,219,278 fully paid-up shares with a nominal value of one euro, held in registered or bearer form according to shareholder preference.

Each share has one voting right attached and there are no specific rights attached to the shares. There are no securities not representing the share capital.

Governance

To accompany the deployment of the Transform 2015 Plan, the Group decided to implement new governance with the centralization not only of the corporate functions but also those relating to the three businesses like the network strategy, global sales and revenue management functions. This new organization is aimed at accelerating decision-making and capturing all the available synergies.

At the Air France-KLM Board of Directors' meeting of March 25, 2013, Mr. Jean-Cyril Spinetta and Mr. Leo van Wijk announced that they would be stepping down as, respectively, the Group's Chairman and Chief Executive Officer, and Vice-Chairman of the Board and Deputy Chief Executive Officer, on July 1, 2013, Mr. Spinetta also having decided to step down as a Board director as of the same date. Following the proposal of its Appointments Committee, the Board of Directors appointed Mr. Alexandre de Juniac to succeed Mr. Jean-Cyril Spinetta as Chairman and Chief Executive Officer of Air France-KLM as of July 1, 2013, and appointed Mr. Peter Hartman as Vice-Chairman of the Board from the same date.

The general managements of both Air France and KLM also changed on the same date: at Air France, Mr. Frédéric Gagey replaced Mr. Alexandre de Juniac as Chairman and Chief Executive Officer while, at KLM, Mr. Camiel Eurlings replaced Mr. Peter Hartman as President and Chief Executive Officer.

Key figures



Revenues

(in € billion)



* Restated for IAS19 Revised, CityJet reclassified as a discontinued operation
** Pro forma over 12 months

Revenues increased by 2.3% on a constant currency basis (+0.4% reported).

Income/(loss) from current operations

(in € million)



* Restated for IAS19 Revised, CityJet reclassified as a discontinued operation
** Pro forma over 12 months

The operating result improved by €466 million and returned to positive territory.

Information by business line

At December 31	2013		2012*		2011**	
	Revenues (In €bn)	Income/(loss) from current operations (In €m)	Revenues (In €bn)	Income/(loss) from current operations (In €m)	Revenues (In €bn)	Income/(loss) from current operations (In €m)
Passenger	20.11	174	19.98	(260)	18.83	(375)
Cargo	2.82	(202)	3.06	(230)	3.14	(60)
Maintenance	1.23	159	1.10	140	1.04	110
Other	1.37	(1)	1.29	14	1.35	(28)

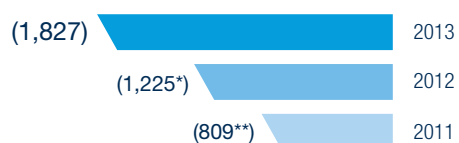
* Restated for IAS19 Revised, CityJet reclassified as a discontinued operation.

** Pro forma over 12 months.

In 2013, all sectors of activity benefited from the measures implemented within the framework of Transform 2015. The passenger business saw a strong results improvement in both long-haul and medium-haul. The air freight industry was affected by the weakness in global trade and structural industry overcapacity. The operating result from this business improved but remained a €202 million loss. The maintenance business continued its growth in high-value-added segments (engines and component support).

Net income/(loss), Group share

(in € million)

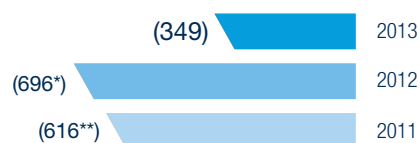


* Restated for IAS19 Revised, CityJet reclassified as a discontinued operation
** Pro forma over 12 months

In 2012 and 2013, the net result, Group share had included substantial restructuring provisions linked to the Transform 2015 plan. The 2013 result also suffered from the impact of the impairment of deferred tax assets.

Restated net income/(loss), Group share

(in € million)



* Restated for IAS19 Revised, CityJet reclassified as a discontinued operation
** Pro forma over 12 months

Restated for exceptional and non-recurring items, the net result, Group share improved by nearly €350 million.

Net debt

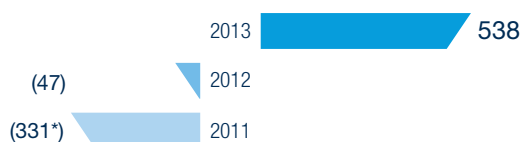
(in € billion, at December 31)



A reduction in net debt is one of the main objectives of the Transform 2015 plan. After two years of implementation, the Group has reduced its debt by €1.2 billion.

Operating free cash flow

(in € million)

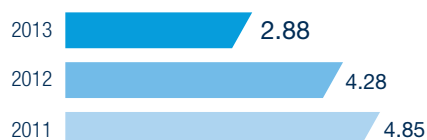


* Pro forma over 12 months

At €538 million in 2013, operating free cash flow after investments continued its strong improvement thanks to the measures launched within the framework of Transform 2015.

Cover ratio: net debt/EBITDA

(at December 31)



At 2.9 as of December 31, 2013, the net debt/EBITDA cover ratio saw a significant improvement under the combined effect of an EBITDA increase and the reduction in net debt.

Five-year results summary

Year ended 31	December 2013 12 months	December 2012 12 months	December 2011 9 months	March 2011 12 months	March 2010 12 months
1. Share capital at year end					
Share capital (In €)	300,219,278	300,219,278	300,219,278	300,219,278	2,551,863,863
Number of ordinary shares outstanding	300,219,278	300,219,278	300,219,278	300,219,278	300,219,278
Number of shares with a priority dividend	-	-	-	-	-
Maximum number of shares that may be created:					
By bond conversion	130,459,042	77,070,585	78,617,176	78,617,611	78,619,501
By exercise of subscription rights	-	-	-	-	-
2. Transactions and results for the year (In € thousand)					
Net revenues	-	-	-	-	-
Net income/(loss) before income tax, employee profit-sharing, net depreciation, amortization and provisions	(104,303)	(67,637)	(41,836)	(116,649)	(56,167)
Income tax	(3,779)	(4,947)	(3,938)	(3,712)	(5,601)
Employee profit-sharing for the year	-	-	-	-	-
Net income/(loss) after income tax, employee profit-sharing, net depreciation, amortization and provisions	(322,275)	(116,429)	(111,893)	(69,343)	(32,671)
Distributed net income	-	-	-	-	-
3. Per share data (In €)					
Net income/(loss) after income tax and employee profit-sharing but before net depreciation, amortization and provisions	(0.33)	(0.23)	(0.13)	(0.39)	(0.17)
Net income/(loss) after income tax, employee profit-sharing, net depreciation, amortization and provisions	(1.07)	(0.39)	(0.37)	(0.23)	(0.11)
Dividend per share					
4. Employees					
Average number of employees during the year					
Total payroll costs					
Employee welfare contributions and similar charges (Social Security, employee organizations, etc.)					

Composition of the Board of Directors at December 31, 2013

At December 31, 2013, the Board of Directors comprised 14 members:

- ◆ 11 Board directors appointed by the Shareholders' Meeting (including two representing the employee shareholders);
- ◆ three representatives of the French State appointed by ministerial order.

Board director (Age at December 31, 2013)	Functions within the Board of Directors	Date appointed to the Air France-KLM Board	Mandate expiry date	Principal current position
Alexandre de Juniac (51 years)	Chairman and Chief Executive Officer of Air France-KLM	January 11, 2012	2015 AGM	Chairman and Chief Executive Officer of Air France-KLM
Peter Hartman (64 years)	Vice-Chairman of the Board of Directors of Air France-KLM	July 8, 2010	2017 AGM	Vice-Chairman of the Board of Directors of Air France-KLM
Maryse Aulagnon (64 years)	Independent director Chair of the Audit Committee	July 8, 2010	2017 AGM	Chair and Chief Executive Officer of Affine
Patricia Barbizet⁽¹⁾ (58 years)	Independent director Member of the Appointments and Remuneration Committees	September 15, 2004	2014 AGM ⁽¹⁾	Chief Executive Officer and Director of Artémis
Isabelle Bouillot (64 years)	Independent director Member of the Remuneration Committee	May 16, 2013	2017 AGM	President of China Equity Links
Régine Bréhier⁽²⁾ (53 years)	Director representing the French State	March 22, 2013	March 2017	Director of Maritime Affairs
Jean-Dominique Comolli⁽³⁾ (65 years)	Director representing the French State Member of the Appointments and Remuneration Committees	December 14, 2010	January 2017	Honorary Civil Administrator
Jean-François Dehecq (73 years)	Independent director Chairman of the Appointments Committee and member of the Audit Committee	September 15, 2004	2016 AGM	Vice-Chairman of the National Industry Council
Jaap de Hoop Scheffer (65 years)	Independent director Member of the Remuneration Committee	July 7, 2011	2015 AGM	Professor, Leiden University (Netherlands)
Cornelis van Lede (71 years)	Independent director Member of the Audit and Appointments Committees	September 15, 2004	2016 AGM	Company director
Solenne Lepage⁽⁴⁾ (41 years)	Director representing the French State Member of the Audit Committee	March 21, 2013	March 2017	Deputy director, Transport and Audiovisual, at the Agency for State Shareholdings
Christian Magne (61 years)	Director representing the employee shareholders Member of the Audit Committee	September 15, 2004	2014 AGM	Executive
Bernard Pédamon (52 years)	Director representing the employee shareholders Member of the Audit Committee	July 8, 2010	2014 AGM	Boeing 777 Flight Captain
Leo van Wijk (67 years)	Board director Chairman of the Remuneration Committee	September 15, 2004	2016 AGM	Chairman of SkyTeam

(1) Resigned on December 31, 2013.

(2) Appointed by ministerial order on March 22, 2013 replacing Claude Gressier who resigned on February 22, 2013.

(3) Appointed by ministerial order on December 14, 2010 and January 30, 2013 (interruption in mandate between October 1, 2012 and January 29, 2013 inclusive) replacing Marie-Christine Saragosse who resigned on January 29, 2013.

(4) Appointed by ministerial order on March 21, 2013 replacing David Azéma who resigned on February 20, 2013.

Information about the Board director

whose **co-opting** is submitted to the General Shareholders' Meeting for **ratification**



Isabelle Parize
Independent Board director

Born June 16, 1957

◆ **First appointed as a Board director:** March 27, 2014. This appointment is submitted to the General Shareholders' Meeting of May 20, 2014 for ratification.

◆ **Expertise and professional experience**

Isabelle Parize is a graduate of the Ecole Supérieure de Commerce de Paris. Having occupied various positions within Procter & Gamble between 1980 and 1993 including, notably, that of Marketing manager, Health and Beauty Care, Ms. Parize joined Henkel Group in 1994. She was Managing Director of Schwarzkopf, Henkel France, from 1994 until 1998, then Corporate Vice-President in charge of strategic marketing for Europe, Middle East and Africa and International Category Manager (based in Germany) from 1998 to 2001. She served as the Managing Director of Canal+ Distribution and as Chief Executive Officer of CanalSatellite as of 2001. She then became President of the Fragrance Division at Quest International (2005-2007) and Managing Director then Vice-Chair of the company Betclic (2007-2011).

Isabelle Parize has been **Chief Executive Officer of Nocibé** since 2011.

◆ **Other directorships and offices**

French companies:

Mandates within the governance bodies of various Nocibé Group entities
Director of Sofipost SA

Others:

Director of the Invest in France Agency (Agence Française pour les Investisseurs Internationaux - AFII)

Information about the candidates for Board directors representing the employee shareholders

whose **re-appointment** is proposed to the General Shareholders' Meeting

whose **appointment** is proposed to the General Shareholders' Meeting



Christian Magne

Candidate for the Board director representing the ground staff and cabin crew shareholders

Born August 20, 1952

- ◆ **First appointed as a Board director:** September 15, 2004*
- ◆ **Number of shares held in the company's stock:** 156 shares and 392 FCPE units.
- ◆ **Expertise and professional experience:**

Christian Magne joined Air France in 1974 and occupied various positions linked to crew management, the establishment of rosters and flight plans, the establishment of budgets and management control, the establishment of cost prices and the monitoring of IT methods and applications. He has also exercised numerous functions linked to defending the interests of Air France employees. He is currently an **Executive**.

- ◆ **Other directorships and offices:**

Titular member (elected) of the Supervisory Board of the Aeropelican employee shareholder FCPE

Alternate member (elected) of the Supervisory Board of the Concorde employee shareholder FCPE

Member (elected) of the Supervisory Boards of three dedicated diversified savings funds (titular member of the *Horizon Épargne Mixte* and *Horizon Épargne Taux* funds and alternate member of the *Horizon Épargne Action* fund)

* Date of first appointment as a Board director at Société Air France: September 14, 2001



Louis Jobard

Candidate for the Board director representing the flight deck crew shareholders

Born August 19, 1959

- ◆ **First appointed as a Board director:** May 20, 2014
- ◆ **Number of shares held in the company's stock:** 43,386 shares and 22,653 FCPE units
- ◆ **Expertise and professional experience:**

Louis Jobard holds a degree in Economic Sciences and Business Administration from Tours University (1979). Having been notably a private pilot instructor and commercial aviation pilot, Mr. Jobard joined Air France in March 1986 as a co-pilot on the Boeing 737-200, then on the Boeing 747. He became a Flight Captain on the Boeing 737-500 in 1995, then on the Airbus A310, Airbus A340 and the Airbus A330. He has been a **Boeing 747-400 Flight Captain** since 2007.

- ◆ **Other directorships and offices:**

Titular member (elected) of the Supervisory Boards of the Concorde employee shareholder FCPE

Vice-Chairman of the *Association de prévoyance du personnel navigant*.

APPENDIX

Candidates for Board directors representing the employee shareholders (resolutions 7 and 8)

Pursuant to the Air France-KLM Articles of Incorporation, the candidates having obtained, either in the first or second rounds, the absolute majority of the votes cast in each of the two electoral

colleges (flight deck crew and other employees), their appointment as Board directors representing the employee shareholders, is proposed to the General Shareholders' Meeting.

Extract from the minutes established by Mr. Didier Richard, electoral official, on January 27, 2014 present at the vote count for the election of Board directors representing the employee shareholders in the Air France-KLM Board of Directors

Final count

■ Other employees category (ground staff and cabin crew)

- ◆ **Mr. Christian Magne** 79% of the votes cast in the first round
[potential substitute Mr. François Robardet]

■ Flight deck crew category

- ◆ **Mr. Louis Jobard** 67% of the votes cast in the first round
[potential substitute Mr. Michel Delli-Zotti]

Proposed resolutions and aim of the resolutions

Please find below the proposed resolutions to be submitted to Air France-KLM shareholders at the forthcoming Combined Ordinary and Extraordinary General Shareholders' Meeting to be held on May 20, 2014.

The resolutions are preceded by an introductory paragraph explaining the reasons for each proposed resolution. All of these

introductory paragraphs comprise the report from the Board of Directors to the Shareholders' Meeting.

For more information on the Group's situation since the beginning of the fiscal year, please refer to the press releases issued by Air France-KLM which are available on the website www.airfranceklm-finance.com.

Ordinary business

APPROVAL OF THE STATUTORY FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013 *(Resolutions 1 and 2)*

Aim of the resolutions

The first two resolutions submit to shareholders for approval the statutory and consolidated financial statements of Air France-KLM for the fiscal year ended December 31, 2013 recording, respectively, a loss of €322 million and a net loss, Group share of €1,827 million.

First resolution

Approval of the statutory financial statements for the fiscal year ended December 31, 2013

The Shareholders' Meeting, having examined the reports of the Board of Directors and the Statutory Auditors, approves the entirety of the statutory financial statements for the fiscal year ended December 31, 2013, as they were drawn up and presented, as well as the operations documented in these financial statements and mentioned in these reports.

Second resolution

Approval of the consolidated financial statements for the fiscal year ended December 31, 2013

The Shareholders' Meeting, having examined the reports of the Board of Directors and the Statutory Auditors, approves the entirety of the consolidated financial statements for the fiscal year ended December 31, 2013, as they were drawn up and presented, as well as the operations documented in these financial statements and mentioned in these reports.

ALLOCATION OF THE RESULTS *(Resolution 3)*

Aim of the resolution

The purpose of the third resolution is to proceed with the allocation of the results for the fiscal year ended December 31, 2013, which corresponds to a loss of €322,275,395.29.

The Board of Directors reminds the Shareholders' Meeting that no dividends were paid in respect of the fiscal years ended March 31, 2011, December 31, 2011 and December 31, 2012.

Third resolution

Allocation of the results for the fiscal year ended December 31, 2013

The Shareholders' Meeting, having examined the reports of the Board of Directors and the Statutory Auditors, notes that the net loss for the fiscal year ended December 31, 2013 amounted to €322,275,395.29 and, on the recommendation of the Board of

Directors, decides to appropriate this loss to retained earnings, which thus move from €-238,596,553.09 to €-560,871,948.38.

No dividends were paid in respect of the fiscal years ended March 31, 2011, December 31, 2011 and December 31, 2012.

RELATED PARTY AGREEMENTS AND COMMITMENTS *(Resolution 4)*

Aim of the resolution

The fourth resolution concerns the approval of the related party agreements and commitments (referred to in Articles L. 225-38 and seq. of the *Code de Commerce*) authorized by the Board of Directors during the fiscal year ended December 31, 2013 and described in the Statutory Auditors' special report on related party agreements and commitments.

On March 20, 2013, pursuant to the authorization granted by the Board of Directors on March 18, 2013, Air France-KLM launched an issue of bonds convertible and/or exchangeable into Air France-KLM shares maturing on February 15, 2023, raising €550 million and with Air France and KLM as guarantors. To this end, the Board of Directors authorized the signature, between the companies Air France-KLM, Air France and KLM, of a guarantee agreement, an agreement in consideration for the grant of this guarantee, an agreement on the credit facility and an underwriting agreement covering the aforementioned issue.

Furthermore, in parallel with the granting to Mr Spinetta of the title of Honorary Chairman of Air France-KLM from July 1, 2013, the Board of Directors decided, during its meeting of June 24, 2013, to entrust Mr Spinetta, for a period of 24 months dating from July 1, 2013, with a representation mission for Air France-KLM and the Air France-KLM Group on an unpaid basis, putting resources at his disposal (office, secretary, chauffeur-driven car) for this purpose.

These agreements, together with the one authorized during previous fiscal years whose execution continued during the 2013 fiscal year, are described in the Statutory Auditors' report on the regulated agreements and commitments.

Fourth resolution

Related party agreements and commitments

The Shareholders' Meeting, having heard the special report of the Statutory Auditors on the related party agreements and commitments referred to in Articles L. 225-38 and seq. of the *Code de Commerce*,

and voting on this report, approves the agreements and commitments authorized during the fiscal year ended December 31, 2013 to which it refers.

RATIFICATION OF THE CO-OPTING OF MS. ISABELLE PARIZE AS A BOARD DIRECTOR AND RE-APPOINTMENT FOR A TERM OF FOUR YEARS

(Resolutions 5 and 6)

Aim of the resolutions

Ms. Patricia Barbizet having stepped down as a Board director on December 31, 2013 after almost 12 years within the Board of Directors of Air France, then Air France-KLM, it is proposed that the General Shareholders' Meeting ratify the co-opting of Ms. Isabelle Parize as a director. This co-opting was decided by the Board of Directors at its meeting on March 27, 2014 and reflects the wish expressed by the Board to encourage the diversification of profiles among its members.

Born June 16, 1957, Isabelle Parize is a graduate of the Ecole Supérieure de Commerce de Paris. Having occupied various positions within Procter & Gamble between 1980 and 1993 including, notably, that of Marketing Manager, Health and Beauty Care, Ms. Parize joined Henkel Group in 1994. She was Managing Director of Schwarzkopf, Henkel France, from 1994 until 1998, then Corporate Vice-President in charge of Europe, Middle East and Africa and International Category Manager (based in Germany) from 1998 to 2001. She served as the Managing Director of Canal+ Distribution and as Chief Executive Officer of CanalSatellite as of 2001. She then became President of the Fragrance Division at Quest International (2005-2007) and Managing Director then Vice-Chair of the company Betclac (2007-2011).

Ms. Parize has been Chief Executive Officer of Nocibé since 2011.

She is deemed to be independent on the basis of the criteria established by the AFEP-MEDEF Code of Corporate Governance.

Fifth resolution

Ratification of the co-opting of Ms. Isabelle Parize as a Board director

The Shareholders' Meeting, having examined the report of the Board of Directors, ratifies the co-opting of Ms. Isabelle Parize as a Board director, replacing Ms. Patricia Barbizet who resigned on December 31, 2013, for her predecessor's remaining term of office, i.e. until the end of the Shareholders' Meeting convened to approve the financial statements for the fiscal year ended December 31, 2013.

Sixth resolution

Re-appointment of Ms. Isabelle Parize as a Board director for a term of four years

The Shareholders' Meeting decides to re-appoint Ms. Isabelle Parize as a Board director for a term of four years, i.e., until the end of the Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2017.

MANDATES OF BOARD DIRECTORS REPRESENTING THE EMPLOYEE SHAREHOLDERS *(Resolutions 7 and 8)*

Aim of the resolutions

The mandates of the two Board directors representing employee shareholders expire at the end of this Shareholders' Meeting. In accordance with the company's Articles of Incorporation, the two candidates whose appointment is submitted to the Shareholders' Meeting (and their potential substitutes in the event of a vacancy due to death, resignation, retirement or termination of employment contract) were selected following a vote by employee shareholders in January 2014.

The candidates designated by the employee shareholders with an absolute majority of the votes cast and proposed to the Shareholders' Meeting are:

- ✦ Board director representing the employee shareholders other than flight deck crew: Mr Christian Magne (substitute, Mr François Robardet), elected with a majority of 79% of the votes cast by the other than flight deck crew category of employee shareholders;
- ✦ Board director representing the flight deck crew shareholders: Mr Louis Jobard (substitute, Mr Delli-Zotti), elected with a majority of 67% of the votes cast by employee shareholders belonging to the flight deck crew electoral college.

Born August 19, 1959, Mr Louis Jobard holds a degree in Economic Sciences and Business Administration from Tours University (1979). Having been notably a private pilot instructor and commercial aviation pilot, Mr Jobard joined Air France in March 1986 as a co-pilot on the Boeing 737-200, then on the Boeing 747. He became a Flight Captain on the Boeing 737-500 in 1995, then on the Airbus A310, Airbus A340 and the Airbus A330. He has been a Boeing 747-400 Flight Captain since 2007.

Seventh resolution

Renewal of the mandate of Mr. Christian Magne, the Board director representing the employee shareholders other than flight deck crew category

The Shareholders' Meeting, having duly noted the proposal of the employee shareholders referred to in Article L. 225-102 of the French *Code de Commerce* and noting also that the mandate of the Board director representing employee shareholders (employee shareholders other than flight deck crew category) expires at the end of this General Shareholders' Meeting, renews the mandate of Mr. Christian Magne (substitute, Mr. François Robardet) for a term of four years, i.e., until the close of the Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2017.

Eighth resolution

Appointment of Mr. Louis Jobard as Board director representing the employee shareholders in the flight deck crew category

The Shareholders' Meeting, having duly noted the proposal of the employee shareholders referred to in Article L. 225-102 of the French *Code de Commerce* and also noting that the mandate of Mr. Bernard Pédamon, Board director representing employee shareholders in the flight deck crew category expires at the end of this Shareholders' Meeting, appoints Mr. Louis Jobard as the Board director representing the employee shareholders (substitute Mr. Michel Delli-Zotti) for a term of four years, i.e., until the close of the Shareholders' Meeting convened to approve the financial statements for the fiscal year ending December 31, 2017.

MANDATES OF THE STATUTORY AUDITORS *(Resolutions 9 and 10)*

Aim of the resolutions

The ninth and tenth resolutions relate to the renewal of KPMG's mandate as an incumbent Statutory Auditor, and the appointment of KPMG Audit ID as a deputy Statutory Auditor, for a six-year period. KPMG's current mandate and that of its deputy expire at the end of the Shareholders' Meeting convened to approve the financial statements for the fiscal year ending on December 31, 2013.

Following a deliberation on this subject in July 2013, the Audit Committee recommended that the Board of Directors propose to the Shareholders' Meeting the renewal of KPMG's mandate.

Ninth resolution

Renewal of KPMG's mandate as an incumbent Statutory Auditor

The Shareholders' Meeting, noting that KPMG's mandate as an incumbent Statutory Auditor expires at the end of this Meeting, decides to renew this mandate for a period of six fiscal years, i.e., until the Shareholders' Meeting convened to approve the financial statements for the fiscal year ending on December 31, 2019.

Tenth resolution

Appointment of KPMG Audit ID as a deputy Statutory Auditor

The Shareholders' Meeting, noting that Mr. Denis Marangé's mandate as a deputy Statutory Auditor expires at the end of this Meeting, decides to appoint KPMG Audit ID as deputy Statutory Auditor for a period of six fiscal years, i.e. until the Shareholders' Meeting convened to approve the financial statements for the fiscal year ending on December 31, 2019.

ELEMENTS OF COMPENSATION DUE OR GRANTED TO THE EXECUTIVE DIRECTORS IN RESPECT OF THE 2013 FISCAL YEAR *(Resolutions 11, 12 and 13)*

Aim of the resolutions

Pursuant to the provisions in §24.3 in the AFEP-MEDEF Corporate Governance Code revised in June 2013, the elements of compensation due or granted to the executive directors in respect of the 2013 fiscal year are submitted to the shareholders' advisory vote.

Three resolutions are submitted to the shareholders' advisory vote in respect of the 2013 fiscal year in that Mr Spinetta and Mr van Wijk were executive directors of Air France-KLM until June 30, 2013 and Mr de Juniac has been an executive director since July 1, 2013.

► Elements of compensation due or granted in respect of the 2013 fiscal year to Mr. Alexandre de Juniac, Chairman and Chief Executive Officer since July 1, 2013

Elements of compensation due or granted in respect of the 2013 fiscal year (period from July 1 to December 31)	Amounts or accounting value submitted to the vote	Presentation
Fixed compensation	€300,000 for the period from July 1, until December 31, 2013	Mr. de Juniac's annual fixed compensation in his capacity as Chairman and Chief Executive Officer was set at €600,000 by the Board of Directors during its meeting of June 24, 2013, as proposed by the Remuneration Committee. The amount was paid <i>pro rata temporis</i> (€300,000), Mr. de Juniac having been appointed Chairman and Chief Executive Officer of Air France-KLM effective July 1, 2013. This compensation is unchanged on the amount granted until that date in his capacity as Chairman and Chief Executive Officer of Air France.
Variable compensation	€75,000 for the period from July 1, 2013 to December 31, 2013	<p>During its meeting of June 24, 2013, as proposed by the Remuneration Committee, the Board of Directors decided to maintain the magnitude of the variable portion of Mr. de Juniac's compensation at the same level as that set by the Air France Board of Directors in November 2011 with a target value of 80% of his fixed compensation and a maximum of 100% of this compensation. In addition, the Air France-KLM Board of Directors decided to retain the same quantitative and qualitative performance criteria but over the Group scope.</p> <p>The amount of Mr. de Juniac's variable compensation in his capacity as Chairman and Chief Executive Officer from July 1, 2013 was set at €150,000 by the Board of Directors during its meeting of February 19, 2014, as proposed by the Remuneration Committee. This amount corresponds to:</p> <ul style="list-style-type: none"> ◆ 25% of his fixed compensation in respect of the quantitative performance: 0% in respect of the operating result (the latter being significantly improved but below budget) and 25% in respect of the reduction in net debt (reduced from €5.97 billion at December 31, 2012 to €5.35 billion at December 31, 2013); ◆ 25% of his fixed compensation in respect of the qualitative performance, evaluated with regard to the Chairman and Chief Executive's overall performance for the period taking into account the turnaround in the Group's results and the implementation of the Transform 2015 plan in a difficult economic context. <p>Note that Mr. de Juniac's variable compensation was set at €150,000 in his capacity as Chairman and Chief Executive Officer of Air France for the period from January 1 to June 30, 2013, i.e. total variable compensation of €300,000 for the 2013 fiscal year. As he had done last year, to participate in the recovery efforts across the Group, Mr. de Juniac waived half of his variable compensation in respect of the 2013 financial year. He thus received total variable compensation of €150,000 in respect of 2013, of which €75,000 in his capacity as Chairman and Chief Executive Officer of Air France-KLM for the period from July 1 to December 31, 2013.</p>
Multi-year variable compensation	N/A	Mr. de Juniac does not qualify for multi-year variable compensation.
Extraordinary compensation	N/A	Mr. de Juniac does not qualify for extraordinary compensation.
Stock options, performance shares and any other element of long-term compensation	N/A	No grant of this type took place during the 2013 fiscal year. Mr. de Juniac does not benefit from any elements of long-term compensation.
Directors' fees	N/A	Mr. de Juniac does not qualify for directors' fees.
Any other benefits	N/A	It is not, in practice, possible to separate the material resources put at Mr. de Juniac's disposal from the exercise of his executive director functions.
Elements of compensation due or granted in respect of the 2013 fiscal year which are put or have been put to the Shareholders' Meeting advisory vote with regard to the regulated agreements and commitments procedure	Amounts submitted to the vote	Presentation
Departure indemnity	N/A	Mr. de Juniac does not qualify for a departure indemnity.
Non-compete indemnity	N/A	Mr. de Juniac does not qualify for a non-compete indemnity.
Supplementary pension scheme	N/A	Mr. de Juniac does not qualify for a supplementary pension scheme established for the benefit of Air France senior executives.

Eleventh resolution

Advisory vote on the elements of compensation due or granted to Mr. Alexandre de Juniac (Chairman and Chief Executive Officer since July 1, 2013) in respect of the 2013 fiscal year

The Shareholders' Meeting, consulted in application of the recommendation in §24.3 in the AFEP-MEDEF Corporate Governance Code of June 2013, issues a positive opinion on the elements of compensation due or granted to Mr. Alexandre de Juniac (Chairman and Chief Executive Officer since July 1,

2013) in respect of the fiscal year ended December 31, 2013, as figuring in the Board of Directors' report to the Shareholders' Meeting on the draft resolutions, available notably on the website www.airfranceklm-finance.com (Annual General Meeting, Shareholders section).

Proposed resolutions and aim of the resolutions

► Elements of compensation due or granted in respect of the 2013 fiscal year to Mr. Jean-Cyril Spinetta, Chairman and Chief Executive Officer until June 30, 2013

Elements of compensation due or granted in respect of the 2013 fiscal year (period from January 1 to June 30)	Amounts or accounting value submitted to the vote	Presentation
Fixed compensation	€100,000 for the period from January 1 to June 30, 2013	Mr. Jean-Cyril Spinetta's annual fixed compensation in his capacity as Chairman and Chief Executive Officer had been set at €200,000 (unchanged on the compensation he received between 2009 and October 2011 in his capacity as Chairman of the Board of Directors). The amount was paid <i>pro rata temporis</i> (€100,000), Mr. Spinetta having stepped down as Chairman and Chief Executive Officer on June 30, 2013.
Variable compensation	N/A	Mr. Spinetta did not qualify for variable compensation.
Multi-year variable compensation	N/A	Mr. Spinetta did not qualify for multi-year variable compensation.
Extraordinary compensation	N/A	Mr. Spinetta did not qualify for extraordinary compensation.
Stock options, performance shares and any other element of long-term compensation	N/A	No grant of this type took place during the 2013 fiscal year. Mr. Spinetta did not qualify for any elements of long-term compensation.
Directors' fees	N/A	Mr. Spinetta did not qualify for directors' fees.
Any other benefits	N/A	It was not, in practice, possible to separate the material resources put at Mr. Spinetta's disposal from the exercise of his executive director functions.

Elements of compensation due or granted in respect of the 2013 fiscal year which are put or have been put to the Shareholders' Meeting advisory vote with regard to the regulated agreements and commitments procedure	Amounts submitted to the vote	Presentation
Departure indemnity	N/A	Mr. Spinetta did not qualify for a departure indemnity.
Non-compete indemnity	N/A	Mr. Spinetta did not qualify for a non-compete indemnity.
Supplementary pension scheme	N/A	Mr. Spinetta started to receive payments from his pension schemes on January 1, 2009. Since that date, the company's commitments in his regard have ceased and no longer figure in the Group's financial statements, the capital on which the income is generated having been transferred to an insurance company which guarantees the payments. He benefits from the supplementary pension scheme established for the benefit of Air France senior executives pursuant to a decision taken by the Board of Directors on January 15, 2004. Until July 1, 2013, this pension scheme had guaranteed Air France senior executives, once they fulfill the specific eligibility conditions (notably seven years' service with Air France) an annual pension benefit of between 35% and 40% of their average annual compensation during their last three years in office, the amount being capped on any assumption at 40% of the average remuneration of the last three years. This scheme is closed to new members; only the individuals eligible on the closing date and potential beneficiaries of rights remain beneficiaries (for indicative purposes, 25 individuals at December 31, 2013).

Twelfth resolution

Advisory vote on the elements of compensation due or granted to Mr. Jean-Cyril Spinetta (Chairman and Chief Executive Officer until June 30, 2013) in respect of the 2013 fiscal year.

The Shareholders' Meeting, consulted in application of the recommendation in §24.3 in the AFEP-MEDEF Corporate Governance Code of June 2013, issues a positive opinion on the elements of compensation due or granted to Mr. Jean-Cyril Spinetta (Chairman and Chief Executive Officer until June 30, 2013) in respect of the fiscal

year ended December 31, 2013, as figuring in the Board of Directors' report to the Shareholders' Meeting on the draft resolutions, available notably on the website www.airfranceklm-finance.com (Annual General Meeting, Shareholders section).

Proposed resolutions and aim of the resolutions

► Elements of compensation due or granted in respect of the 2013 fiscal year to Mr. Leo van Wijk, Deputy Chief Executive Officer until June 30, 2013

Elements of compensation due or granted in respect of the 2013 fiscal year (period from January 1 to June 30)	Amounts or accounting value submitted to the vote	Presentation
Fixed compensation	€75,000 for the period from January 1 to June 30, 2013	Mr. van Wijk's annual fixed compensation in his capacity as Deputy Chief Executive Officer had been set at €150,000 (unchanged since October 2011). The amount was paid <i>pro rata temporis</i> (€75,000), Mr. van Wijk having stepped down as Deputy Chief Executive Officer on June 30, 2013.
Variable compensation	N/A	Mr. van Wijk did not qualify for variable compensation.
Multi-year variable compensation	N/A	Mr. van Wijk did not qualify for multi-year variable compensation.
Extraordinary compensation	N/A	Mr. van Wijk did not qualify for extraordinary compensation.
Stock options, performance shares and any other element of long-term compensation	N/A	No grant of this type took place during the 2013 fiscal year. Mr. van Wijk did not qualify for any elements of long-term compensation.
Directors' fees	N/A	Mr. van Wijk did not qualify for directors' fees in his capacity as Deputy Chief Executive Officer. After stepping down as Deputy CEO, he received directors' fees amounting to €18,077 for the period from July 1 to December 31, 2013 in his capacity as a Board director.
Any other benefits	N/A	It was not, in practice, possible to separate the material resources put at Mr. van Wijk's disposal from the exercise of his executive director functions.

Elements of compensation due or granted in respect of the 2013 fiscal year which are put or have been put to the Shareholders' Meeting advisory vote with regard to the regulated agreements and commitments procedure	Amounts submitted to the vote	Presentation
Departure indemnity	N/A	Mr. van Wijk did not qualify for a departure indemnity.
Non-compete indemnity	N/A	Mr. van Wijk did not qualify for a non-compete indemnity.
Supplementary pension scheme	N/A	Mr. van Wijk, who started to receive payments from his pension schemes on January 1, 2009, benefits from a pension scheme for members of the KLM Managing Board established in 2002. This pension scheme guarantees the beneficiaries an annual pension corresponding to a maximum of 65% of their last year of compensation. This scheme is closed to new members; only the individuals eligible on the closing date and potential beneficiaries of rights remain beneficiaries. Since 2009, there has been no expense booked in respect of this commitment to Mr. van Wijk in the Group's financial statements.

Thirteenth resolution

Advisory vote on the elements of compensation due or granted to Mr. Leo van Wijk (Deputy Chief Executive Officer until June 30, 2013) in respect of the 2013 fiscal year.

The Shareholders' Meeting, consulted in application of the recommendation in §24.3 in the AFEP-MEDEF Corporate Governance Code of June 2013, issues a positive opinion on the elements of compensation due or granted to Mr. Leo van Wijk (Deputy Chief Executive Officer until June 30, 2013) in respect of the

fiscal year ended December 31, 2013, as figuring in the Board of Directors' report to the Shareholders' Meeting on the draft resolutions, available notably on the website www.airfranceklm-finance.com (Annual General Meeting, Shareholders section).

AUTHORIZATION TO PERFORM OPERATIONS IN THE COMPANY'S SHARES *(Resolution 14)*

Aim of the resolution

The fourteenth resolution allows the Company to buy back its own shares within the limits determined by the shareholders and in accordance with the applicable laws. It replaces the authorization granted by the Shareholders' Meeting on May 16, 2013 which expires in November 2014. The shareholders are therefore invited to grant the Board a new authorization.

Since May 16, 2013 (date of the last authorization granted by the Shareholders' Meeting) no shares have been bought back or sold by the Company. Given the trading activity in the secondary market and the good stock liquidity, Air France-KLM suspended its liquidity contract (which could be reactivated were the market trading criteria or the stock liquidity to require it) on March 1, 2012. As of December 31, 2013, the Company held 4,179,804 shares directly representing 1.4% of the share capital.

The buyback program proposed to the shareholders this year would have the following characteristics:

- ◆ maximum purchase price per share: €15;
- ◆ maximum number of shares that can be acquired: 5% of the number of shares comprising the share capital (i.e., as of December 31, 2013, a maximum number of 15,010,963 shares for a theoretical maximum amount of €225,164,445);
- ◆ purposes of the program: coordination of stock liquidity within the framework of the liquidity contract, allocation of shares upon exercise of the rights attached to securities giving access to shares, allocation or sale of shares to the employees and senior executives of the Group, retention and future remittance of the shares in exchange or payment for an acquisition, engagement in any market practices and the realization of any operations in accordance with the applicable laws and regulations;

Maximum duration of the authorization: 18 months.

Fourteenth resolution

Authorization to be granted to the Board of Directors to perform operations in the Company's shares

The Shareholders' Meeting, having examined the report of the Board of Directors, voting pursuant to the provisions of Articles L. 225-209 and seq. of the *Code de Commerce* and the provisions of Regulation no.2273/2003 of the European Commission:

1. authorizes the Board of Directors, with the option of sub-delegation in accordance with the applicable legal and regulatory conditions, to perform operations on the Company's own shares subject to the conditions and limits set forth by the documentation and market practices accepted by the French Financial Markets Authority (*Autorité des Marchés Financiers*);
2. decides that the purpose of this authorization is to enable the Company to conduct transactions in its own shares as provided for by law, for the following purposes, in order of priority:
 - ◆ to allow an investment firm to coordinate stock liquidity within the framework of a liquidity contract in compliance with the Compliance Charter recognized by the French Financial Markets Authority,
 - ◆ to allocate shares upon exercise of the rights to shares attached to securities issued by the Company or by companies in which it holds, directly or indirectly, more than half of the share capital and which give the right by conversion, exercise, repayment, exchange, presentation of a warrant or any other manner to the allocation of shares in the Company,
 - ◆ to grant or sell the shares to employees and senior executives of the Group, in respect of their participation in the benefits of the company's growth, the implementation of any company savings scheme or the grant of free shares under the conditions provided for by the law,
 - ◆ to hold the shares with a view to using them in the future in respect of payment or in an exchange offer within the framework of external growth transactions,
 - ◆ to engage in any market practice that may be admissible by the French Financial Markets Authority and, more generally, to execute any transaction in compliance with the applicable regulations;
3. decides that, within the limits provided by applicable regulation, the shares may be acquired, sold, exchanged or transferred by any and all means, on the market or over the counter, including through the acquisition of blocks of shares. These include the use of any derivative financial instrument, traded on a regulated market or over the counter, and the use of option strategies (sale or acquisition of put and call options, and any other combinations) under the conditions authorized by the competent market authorities;

4. sets the maximum purchase price at €15 per share, the maximum number of shares authorized for purchase not exceeding 5% of the share capital (i.e. at December 31, 2013, for indicative purposes, a maximum of 15,010,963 shares for a maximum amount of €225,164,445);
5. grants all powers to the Board of Directors to proceed with adjustments to the maximum purchase price and the maximum number of shares to be acquired in proportion to the change in the number of shares or their nominal value resulting from possible financial transactions by the Company;
6. grants all powers to the Board of Directors, with the option of sub-delegation, to implement this authorization, conclude all agreements, prepare the buyback program summary, carry out all formalities and declarations with respect to the French Financial Markets Authority and any other bodies and, in general, to do all that is necessary;
7. terminates any prior authorization having the same purpose.

This authorization is granted for a period of 18 months dating from this Shareholders' Meeting.

Extraordinary business

AUTHORIZATION TO ALLOCATE FREE EXISTING SHARES, SUBJECT TO PERFORMANCE CONDITIONS, TO EMPLOYEES AND EXECUTIVE DIRECTORS OF THE GROUP COMPANIES (EXCLUDING THE EXECUTIVE DIRECTORS OF THE COMPANY AIR FRANCE-KLM) *(Resolution 15)*

Aim of the resolution

Air France-KLM currently has no authorizations allowing it to allocate free shares or grant share subscription and purchase options.

Allotment policy

The Board of Directors submits to you a proposal to authorize it, for a period of 38 months, to allocate free existing shares, subject to performance conditions, to employees and Executive Directors of the Group companies (excluding the Executive Directors of the company Air France-KLM), in order to pursue the two following aims:

- ◆ allow a broad allocation of shares to employees holding an employment contract under French law and, where applicable, to employees holding an employment contract under Dutch law in order to associate them to the results of the Transform 2015 Plan and strengthen adherence to the Group;
- ◆ associate certain employees and executives with the Group's medium-term performance, thus aligning their interests with those of the shareholders and supplement the existing compensation and employee loyalty mechanisms.

The allocated free shares would only be existing shares.

Any allocation of free shares will be decided by the Board of Directors upon the proposals of the Remuneration Committee. Each year, the Registration Document will report on the allocations decided by the Board and the level of achievement of the performance conditions.

Maximum amounts

The maximum number of free shares to be allocated would not exceed 2.5% of the share capital as of the date where the Board of Directors decides to allocate the shares, it being specified that the number of free shares allocated during a single fiscal year would not exceed 1% of the share capital as of the date where the Board of Directors decides to allocate the shares.

Vesting and conservation periods

The allocation of free shares to their beneficiaries would become definitive, either at the end of a vesting period of at least two years, in which case the beneficiaries would be required to hold the shares for an additional minimum conservation period of two years, or at the end of a minimum vesting period of four years, in which case no minimum conservation period shall apply thereafter.

Performance conditions

All allocations of shares will be fully subject to performance conditions compliant with the Group's strategy, such conditions to be set by the Board of Directors in accordance with the below requirements:

Conditions for individual allocations below 100 shares	Conditions for individual allocations equal or exceeding 100 shares	Conditions for allocations to members of the Group Executive Committee (excluding the Executive Directors of the Company*)
over a minimum two-year period	over a minimum three-year period	
Evolution of an average index relating to regularity and punctuality of flights and customers' satisfaction	<p>performance of the total revenue of the Air France-KLM share ("total shareholder return") as compared to the same index calculated for a European reference panel**</p> <p>Evolution of the Group's ROCE (return on capital employed) as compared to evolution of the ROCE for a European reference panel**</p>	<p>performance of the total revenue of the Air France-KLM share ("total shareholder return") as compared to the same index calculated for a European reference panel**, in accordance with the below criteria</p> <p>Evolution of the Group's ROCE (return on capital employed) as compared to evolution of the ROCE for a European reference panel**, in accordance with the below criteria</p>
No share will be definitively vested absent any increase of operating result over the relating period	No share will be definitively vested absent any increase of operating result and of the average index relating to regularity and punctuality of flights and customers' satisfaction over the relating period	

* Since the proposed resolution excludes them from benefiting from the allocations of free shares.

** European reference panel including IAG (for 35%), Lufthansa (for 35%), Easyjet (for 20%) and Ryanair (for 10%).

The final number of vested shares may therefore vary between 0% and 100% of the total number of shares allocated by the Board of Directors.

Specific conditions relating to allocations in favor of members of the Group's Executive Committee (notwithstanding the number of shares allocated):

◆ For 50%, a condition relating to the measurement of the total shareholder return (TSR) of the Air France-KLM share as compared to the evolution of the same indicator for a European reference panel:

TSR of the Air France-KLM share as compared to the average TSR for the panel	Final vesting in % of the initial allocation	Reference panel
Air France-KLM TSR \geq average TSR for the panel + 50%	100%	
Average TSR for the panel < Air France-KLM TSR < average TSR for the panel + 50%	Varies on a straight-line basis from 25% to 100%	IAG (for 35%), Lufthansa (for 35%), EasyJet (for 20%) and Ryanair (for 10%)
Air France-KLM TSR = average TSR for the panel	25%	
Air France-KLM TSR < average TSR for the panel	0%	

- ♦ For 50%, a condition of economic performance relating to the measure of the evolution of the Group's ROCE (return on capital employed) as compared to the evolution of the ROCE of the above panel:

Evolution of the Air France-KLM ROCE as compared to the evolution of the average panel ROCE	Final vesting in % of the initial allocation	Reference panel
Evolution of the Air France-KLM ROCE \geq evolution of the average panel ROCE + 4%	100%	
Evolution of the average panel ROCE < evolution of the Air France-KLM ROCE < evolution of the average panel ROCE + 4%	Varies on a straight-line basis from 25% to 100%	IAG (for 35%), Lufthansa (for 35%), Easyjet (for 20%) and Ryanair (for 10%)
Evolution of the Air France-KLM ROCE = evolution of the average panel ROCE	25%	
Evolution of the Air France-KLM ROCE < evolution of the average panel ROCE	0%	

No share will be vested in favor of members of the Group's Executive Committee absent any increase of the operating result and of the index relating to regularity and punctuality of flights and customers' satisfaction over the related period.

Presence condition

Once the performance conditions met, the final vesting will be subject to the condition that the beneficiary will still be part of the Group upon expiry of the vesting period. This condition will be waived in case of death, disability, economic dismissal or retirement of the said beneficiary.

Fifteenth resolution

Authorization to be given to the Board of Directors to allocate free existing shares, subject to performance conditions, to employees and Company officers of the Group companies (excluding the company officers of the Company), within a limit of 2.5% of the share capital, for a period of 38 months

In accordance with Articles L. 225-197-1 and seq. of the French Commercial Code, the General Meeting, having reviewed the Board of Directors' report and the Statutory Auditors' special report:

- authorizes the Board of Directors to allocate, either once or on several occasions, free existing shares of the Company, subject to performance conditions;
- decides that the beneficiaries may be employees of the Company or companies or groups that are related to it within the meaning of Article L. 225-197-2 of the French Commercial Code, as well as company officers of the companies or groups that are related to it and which comply with the conditions set out in Article L. 225-197-1, II of this Code, or some of them, excluding the company officers of the Company;
- decides that the Board of Directors shall determine the identity of the beneficiaries of such allocations, the number of shares to be allocated to each such beneficiary, as well as the performance conditions for the allocation of shares;
- decides that the maximum total number of free existing shares allocated under this resolution shall not exceed 2.5% of the share capital as of the date where the Board of Directors decides to allocate the shares, it being specified that the maximum number of free shares allocated during a single fiscal year shall not exceed 1% of the share capital as of the date where the Board of Directors decides to allocate the shares;
- decides that these shares will only vest at the end of a vesting period either of at least two years, in which case the beneficiary will be required to hold the shares for an additional minimum conservation period of two years from the date on which they vest, or, of at least four years, in which case there will be no minimum conservation period thereafter, it being specified that the shares shall be deemed vested prior to the end of the vesting period where the beneficiaries suffer a disability mentioned in Article L.225-197-1 of the French Commercial Code and that such shares shall be freely transferable where the beneficiaries suffer a disability mentioned in Article L.225-197-1 of the French Commercial Code, or any equivalent in foreign legislation;
- grants all powers to the Board of Directors, with the option to sub-delegate under applicable legal conditions, to implement the authorization, to determine the identity of the beneficiaries of such allocations and the number of shares to be allocated to each beneficiary, to determine the conditions for the allocation of shares, to complete all acts, formalities and declarations, to adjust, where applicable, the number of free shares that may be allocated as a result of transactions over the share capital of the Company, in order to preserve the rights of the beneficiaries, (it being specified that the shares allocated in accordance with these adjustments shall be considered to have been allocated on the same day as the shares initially allocated), to provide if necessary for acquisition and holding periods in excess of the minimum periods set forth above, and, more generally, to take all necessary measures for the implementation of this authorization.

This authorization is granted for a period of 38 months as from the date of this Shareholders' Meeting.

EMPLOYEE ACCESS TO THE SHARE CAPITAL *(Resolution 16)*

Aim of the resolution

This resolution reflects the company's commitment to involving all the employees of the Air France-KLM Group in its development, while creating a feeling of unity and seeking to align their interests with those of the company's shareholders.

By voting in favour of this resolution, you will give the Board of Directors the option of increasing the share capital, on one or more occasions, to the benefit of the members of a Company or associated companies savings scheme who fulfil the conditions that may be set by the Board of Directors.

The total maximum nominal amount of the capital increases that may be realized pursuant to this authorization shall not be higher than 2% of the company's existing share capital at the time of this Meeting. The issue price of the shares will be determined in accordance with the legal and regulatory conditions (i.e. a maximum of the average share price for the twenty trading days preceding the day of the decision setting the subscription period opening date) potentially reduced by a maximum discount of 20%.

This authorization is granted for a period of 26 months dating from this Meeting.

As of March 31, 2014, within the meaning of Article L. 225-102 of the *Code de Commerce*, the employees and former employees held 7.0% of the share capital (through FCPE units). The voting rights in Shareholders' Meetings are exercised directly by employees.

Sixteenth resolution

Delegation to be granted to the Board of Directors to proceed with capital increases reserved to members of a company or Group savings scheme waiving the preferential subscription right for shareholders, in an amount limited to 2% of the share capital, for a period of 26 months

The Shareholders' Meeting, having examined the report of the Board of Directors and the special report of the Statutory Auditors, and voting in accordance with the provisions of Articles L. 225-129-6 and L. 225-138-1 of the *Code de Commerce*, and Articles L. 3332-18 and seq. of the *Code du travail*:

1. delegates to the Board of Directors, with the option of sub-delegation in accordance with legal and regulatory conditions, the powers necessary to increase the share capital, on one or more occasions, by issuing new shares to be paid in cash and, if applicable, by granting free shares, within the limits set forth by Article L. 3332-21 of the *Code du travail*, or other securities giving rights to the share capital under the conditions set by law, reserved for the benefit of the employees participating in a company savings scheme;
2. decides that the beneficiaries of the share capital increases hereby authorized shall be members of a company or group savings scheme with the company or associated companies as defined by Article L. 225-180 of the *Code de Commerce* and Article L. 3344-1 of the *Code du travail* and which also fulfil the conditions which may be set by the Board of Directors;
3. decides to waive, in favour of the members of the company savings schemes mentioned above, the preferential subscription rights for shareholders;
4. authorizes the Board of Directors to sell, on one or several occasions, the shares or other securities giving access to the Company's share capital, acquired by the Company pursuant to the share buyback program authorized by this Combined Ordinary and Extraordinary Shareholders' Meeting in its fourteenth resolution (or in any subsequent resolution having the same purpose), within the limits set forth in this program, to the members of a company or group savings scheme with the company or associated companies as defined by Articles L. 225-180 of the *Code de Commerce* and L. 3344-1 of the *Code du travail* ;
5. decides that the total maximum nominal amount of the share capital increases that may be realized under this delegation shall not exceed 2% of the share capital of the Company on the date of this Meeting;
6. decides that the maximum subscription price for the shares issued under this authorization and to be paid by the beneficiaries referred to above may not exceed the average of the opening prices quoted for Air France-KLM shares on the Euronext Paris market during the twenty trading days preceding the Board of Director's decision setting the opening date of the subscription period, and the minimum price may not be below said average less the maximum discount authorized by law on the date of the decision;

7. decides to grant the Board of Directors all powers, with the option of sub-delegation under the legal limits, to implement this authorization and more specifically to:
- ◆ set all the terms and conditions of the planned transaction(s) and notably:
 - ◆ determine the scope of the issues realized under this authorization,
 - ◆ set the characteristics of the securities to be issued or sold, determine the amounts to be offered for subscription or sold, set the subscription price, dates and time periods, subscription terms and conditions, sale, paying up, delivery
 - ◆ and ranking for dividend and voting rights of the securities, and more generally, all the terms and conditions of each issue,
 - ◆ based on its decisions, after each capital increase, charge the costs of the capital increases against the related premiums, and charge against this amount the sums required to take the legal reserve to one tenth of the new share capital,
 - ◆ carry out any and all transactions and formalities required to realize and complete the share capital increase(s).
- This delegation is granted for a period of 26 months dating from this Meeting.

AMENDMENT TO ARTICLES 9.2, 9.3, 9.6.3, 14, 15 AND 16 OF THE ARTICLES OF INCORPORATION *(Resolution 17)*

Aim of the resolution

The proposed amendment to Article 14 aims to bring the company's Articles of Incorporation into line with European Union law by assimilating French national shareholders, both natural persons and legal entities, with shareholders who are nationals of the other European Union Member States (and States party to the European Economic Area agreement) for the purposes of evaluating changes in the composition of the company's shareholder register and, as required, implementing the procedures to protect the share capital. These procedures foresee, in particular, the option for the company's management body to issue formal demands to certain of its shareholders requiring them to sell their shares were there to be a threat to the company's air transport operating licence or traffic rights in the event of a change in Air France-KLM's shareholder register.

In the current text of the Articles, shareholders who are nationals of the European Union Member States and States party to the European Economic Area agreement are deemed to be foreign shareholders for the application of the procedures to protect the share capital and may, thus, unlike French shareholders, be the subject of a formal demand to assign, first and foremost, their shares and, if necessary, a mandatory sale proceeding. This different treatment constitutes a limitation on the exercise of the fundamental freedoms guaranteed by the Treaty governing the functioning of the European Union and could lead to disputes in the event that the procedures to protect the share capital were to be implemented.

Far from weakening the procedures to protect the company's share capital, the proposed amendment is designed to reinforce them by eliminating a potential source of dispute.

Furthermore, the introduction since 2002 / 2003 of the concept of an EC carrier into most bilateral agreements, either at the initiative of the European Commission or the French State, based on a holding in the share capital which is now perceived to be EC as opposed to national previously, has significantly reduced the risk of a loss of traffic rights.

With the exception of Articles 9.2 and 9.3 of the Articles of Incorporation, which increase from 2% to 5% the threshold triggering the mandatory requirement for shares to be held in registered form, the other proposed amendments to Articles 9.6.3, 15 and 16 are pure formalities replacing the previous reference to the Code of Civil Aviation with the new reference to the Code of Transport.

Seventeenth resolution

Amendment of Articles 9.2, 9.3, 9.6.3, 14, 15 and 16 of the Articles of Incorporation

The Shareholders' Meeting, having examined the report of the Board of Directors, decides to amend the wording of Articles 9.2, 9.3 and 14 of the Articles of Incorporation relating to the information published and disseminated by the Company concerning the

holdings in the share capital, together with Articles 9.6.3, 15 and 16 of the Articles of Incorporation to replace the references to the Code of Civil Aviation with references to the Code of Transport.

As a result, the Articles will henceforth be worded as follows:

FORMER TEXT	NEW TEXT
<p>9.2 - Shares must be registered in the names of the holders where the threshold of 2% of the share capital or voting rights is reached.</p> <p>Any shareholder, whether alone or acting in conjunction with others, who comes to hold a number of shares or voting rights in the Company equal to or greater than 2% of the total number of shares or voting rights must, within five trading days from the date that the above equity threshold is reached, request that its stock be entered as registered shares. This obligation of registration applies to all shares already held and to those which may be acquired subsequently above the aforementioned threshold, for so long as the shareholder continues to hold equity at or above the threshold.</p> <p>A copy of the request to register the shares in the name of the holder, including the information stipulated in Article 10 hereof, shall be submitted by letter sent by registered or certified mail, return receipt requested, to the Company within fifteen days of the date on which the 2% threshold is reached.</p> <p>Any shareholder whose equity holding falls below the threshold of 2% to which reference is made hereinabove is also bound to inform the Company of this fact within the same period of fifteen days, using the same means.</p>	<p>9.2 - Shares must be registered in the names of the holders where the threshold of 5% of the share capital or voting rights is reached.</p> <p>Any shareholder, whether alone or acting in conjunction with others, who comes to hold a number of shares or voting rights in the Company equal to or greater than 5% of the total number of shares or voting rights must, within five trading days from the date that the above equity threshold is reached, request that its stock be entered as registered shares. This obligation of registration applies to all shares already held and to those which may be acquired subsequently above the aforementioned threshold, for so long as the shareholder continues to hold equity at or above the threshold.</p> <p>A copy of the request to register the shares in the name of the holder, including the information stipulated in Article 10 hereof, shall be submitted by letter sent by registered or certified mail, return receipt requested, to the Company within fifteen days of the date on which the 5% threshold is reached.</p> <p>Any shareholder whose equity holding falls below the threshold of 5% to which reference is made hereinabove is also bound to inform the Company of this fact within the same period of fifteen days, using the same means.</p>
<p>9.3 - Lowering the threshold for the requirement to register stock to 10,000 shares by decision of the Board of Directors.</p> <p>Where the threshold of 40% of share capital or voting rights is reached by shareholders other than French shareholders in the meaning of Article 14 of the Articles of Incorporation, the Board of Directors may resolve to lower the threshold for mandatory registration from 2% to 10,000 shares. The obligation to impose mandatory registration of stock shall apply subject to the provisions of Article 9.2.</p> <p>The extract from the minutes of meeting of the Board of Directors resolving to lower the threshold to 10,000 shares shall be published in the BALO [Bulletin des Annonces Légales et Obligatoires/Bulletin for judicial and mandatory notices], in at least one financial publication in the French language and in at least one financial publication in the English language.</p>	<p>9.3 - Lowering the threshold for the requirement to register stock to 10,000 shares by decision of the Board of Directors.</p> <p>Where the threshold of 40% of share capital or voting rights is reached by shareholders other than French shareholders in the meaning of Article 14 of the Articles of Incorporation, the Board of Directors may resolve to lower the threshold for mandatory registration from 5% to 10,000 shares. The obligation to impose mandatory registration of stock shall apply subject to the provisions of Article 9.2.</p> <p>The extract from the minutes of meeting of the Board of Directors resolving to lower the threshold to 10,000 shares shall be published in the BALO [Bulletin des Annonces Légales et Obligatoires/Bulletin for judicial and mandatory notices], in at least one financial publication in the French language and in at least one financial publication in the English language.</p>
<p>14 - Information published and disseminated by the Company</p> <p>Through an announcement published in the BALO [Bulletin des Annonces Légales et Obligatoires/Bulletin for judicial and mandatory notices], and a press release in the form of a financial notice published in a journal with national coverage and in an English-language financial publication, the Company shall inform the shareholders and the general public when 45% of the share capital or voting rights are held, directly or indirectly, by shareholders other than French nationals in the meaning of the present Article, and when the share in the equity or voting rights held by such shareholders falls below this level.</p> <p>For the purposes of implementation of the present Articles of Incorporation, the following are considered to be French nationals:</p> <ul style="list-style-type: none"> ◆ Private individuals with French nationality, ◆ Legal entities or other entities and groups whose equity is not held in the majority or effectively controlled by foreign private individuals or interests. <p>This notice shall specify the share of equity or voting rights thus held, directly or indirectly, by shareholders other than French nationals. It shall also indicate whether the Company is envisaging the use of the formal demand procedure for which Article L. 360-2 of the Code of Civil Aviation provides.</p>	<p>14 - Information published and disseminated by the Company</p> <p>Through an announcement published in the BALO [Bulletin des Annonces Légales et Obligatoires/Bulletin for judicial and mandatory notices], and a press release in the form of a financial notice published in a journal with national coverage and in an English-language financial publication, the Company shall inform the shareholders and the general public when 45% of the share capital or voting rights are held, directly or indirectly, by shareholders other than French nationals in the meaning of the present Article, and when the share in the equity or voting rights held by such shareholders falls below this level.</p> <p>For the purposes of implementation of the present Articles of Incorporation, the following are considered to be French nationals:</p> <ul style="list-style-type: none"> ◆ Private individuals with French nationality or citizens of the European Union Member States and States party to the European Economic Area Agreement or any other agreement having the same significance in matters of air transportation, ◆ Legal entities or other entities and groups whose equity is not held in the majority or effectively controlled, directly or indirectly, by private individuals other than French nationals in the meaning of this Article. <p>This notice shall specify the share of equity or voting rights thus held, directly or indirectly, by shareholders other than French nationals. It shall also indicate whether the Company is envisaging the use of the formal demand procedure for which Article L. 360-2 of the Code of Civil Aviation provides.</p>

FORMER TEXT	NEW TEXT
<p>9.6.3 - Sanctions</p> <p>Failing provision to the Company of the information specified in Articles 9.6.1 and 9.6.2, or in the event that the information provided is incomplete or incorrect, the sanctions for which Article L. 228-3-3 of the Code of Commercial Law provides may be applied.</p> <p>Disqualification of stock for voting and entitlement to dividend payments as provided in Article L.228-3-3 of the Code of Commercial Law shall become effective on expiry of a period of 15 days following the request to rectify the situation submitted by registered letter or certified mail, return receipt requested, or by any equivalent means, to the address shown in the share register or, where applicable, to the address where domicile has been elected in compliance with Article L. 360-1 of the Code of Civil Aviation.</p> <p>Prior to the recording of proxies or votes in a general meeting of shareholders, intermediaries registered on behalf of other parties are bound, at the request of the Company, to supply a list of the non-resident owners of the shares to which the voting rights attach.</p> <p>Votes or proxies entered by an intermediary which is either not declared as such or which has not disclosed the identities of the owners of the stock under the terms and conditions laid down in the previous paragraphs cannot be included in any count.</p>	<p>9.6.3 - Sanctions</p> <p>Failing provision to the Company of the information specified in Articles 9.6.1 and 9.6.2, or in the event that the information provided is incomplete or incorrect, the sanctions for which Article L. 228-3-3 of the Code of Commercial Law provides may be applied.</p> <p>Disqualification of stock for voting and entitlement to dividend payments as provided in Article L.228-3-3 of the Code of Commercial Law shall become effective on expiry of a period of 15 days following the request to rectify the situation submitted by registered letter or certified mail, return receipt requested, or by any equivalent means, to the address shown in the share register or, where applicable, to the address where domicile has been elected in compliance with Article L. 6411-4 of the Code of Transport.</p> <p>Prior to the recording of proxies or votes in a general meeting of shareholders, intermediaries registered on behalf of other parties are bound, at the request of the Company, to supply a list of the non-resident owners of the shares to which the voting rights attach.</p> <p>Votes or proxies entered by an intermediary which is either not declared as such or which has not disclosed the identities of the owners of the stock under the terms and conditions laid down in the previous paragraphs cannot be included in any count.</p>
<p>Article 15 - Formal demand for assignment following registration of shares</p> <p>The Company is authorised, subject to the conditions and time limits specified by Articles L. 360-2 to L. 360-4 and R.360-1 to R.360-5 of the Code of Civil Aviation, to issue formal demands to certain of its shareholders requiring the assignment of all or part of their stock. Such entitlement to issue formal demands relates first and foremost to shareholders other than nationals of Member States of the European Community and States party to the agreement on the European Economic Area or any other agreement whose scope is equivalent in terms of air transport.</p> <p>The shares covered by such formal demands shall be determined by their chronological order of registration in the name of the holder, following application of the priority criterion specified in the preceding paragraph and beginning with the most recently registered.</p> <p>In the event that, following application of the rules defined in the preceding two paragraphs, several shareholders hold a number of shares registered at the same date in the books of the Company and exceeding the balance of the shares to which the same formal demand procedure is to be applied, such balance shall be split between those shareholders in proportion to the shares concerned.</p> <p>The formal demand for assignment of stock may be implemented in one or more phases for so long as, in the light of the information available to the Company and the assignments already effected, the fraction of the share capital or voting rights held by shareholders other than French nationals in the meaning of Article 14 continues to stand at 45% or more.</p> <p>A formal demand shall be deemed to have been duly issued when sent by letter sent registered or certified mail, return receipt requested, or by any equivalent means to the holder appearing in the registers of the Company, including cases where the stock is registered in the name of an intermediary on behalf of the owner of the stock, and to the address appearing in this register or, where applicable, to the address where domicile has been elected.</p> <p>The formal demand shall include a restatement of the provisions of Articles L. 360-1 to L. 360-4 and R. 360-1 to R. 360-5 and the information given pursuant to Article R. 360-2 of the Code of Civil Aviation. It shall indicate the number of shares which the shareholder is required to assign to others and contains a reminder of the time limit of fifteen days following publication of the notice for which Article R. 360-2 provides, specifying that the Company is envisaging use of the formal demand procedure.</p> <p>Shareholders receiving such formal demands shall inform the Company without delay of the execution of the assignments required of them.</p>	<p>Article 15 - Formal demand for assignment following registration of shares</p> <p>The Company is authorised, subject to the conditions and time limits specified by Articles L. 360-2 of the Code of Civil Aviation, L.6411-7 and L.6411-8 of the Code of Transport and R.360-1 to R.360-5 of the Code of Civil Aviation to issue formal demands to certain of its shareholders requiring the assignment of all or part of their stock. Such entitlement to issue formal demands relates first and foremost to shareholders other than nationals of Member States of the European Community and States party to the agreement on the European Economic Area or any other agreement whose scope is equivalent in terms of air transport.</p> <p>The shares covered by such formal demands shall be determined by their chronological order of registration in the name of the holder, following application of the priority criterion specified in the preceding paragraph and beginning with the most recently registered.</p> <p>In the event that, following application of the rules defined in the preceding two paragraphs, several shareholders hold a number of shares registered at the same date in the books of the Company and exceeding the balance of the shares to which the same formal demand procedure is to be applied, such balance shall be split between those shareholders in proportion to the shares concerned.</p> <p>The formal demand for assignment of stock may be implemented in one or more phases for so long as, in the light of the information available to the Company and the assignments already effected, the fraction of the share capital or voting rights held by shareholders other than French nationals in the meaning of Article 14 continues to stand at 45% or more.</p> <p>A formal demand shall be deemed to have been duly issued when sent by letter sent registered or certified mail, return receipt requested, or by any equivalent means to the holder appearing in the registers of the Company, including cases where the stock is registered in the name of an intermediary on behalf of the owner of the stock, and to the address appearing in this register or, where applicable, to the address where domicile has been elected.</p> <p>The formal demand shall include a restatement of the provisions of Articles L. 360-2 of the Code of Civil Aviation, L.6411-7 and L.6411-8 of the Code of Transport and R.360-1 to R. 360-5, and the information given pursuant to Article R. 360-2 of the Code of Civil Aviation. It shall indicate the number of shares which the shareholder is required to assign to others and contains a reminder of the time limit of fifteen days following publication of the notice for which Article R.360-2 provides, specifying that the Company is envisaging use of the formal demand procedure.</p> <p>Shareholders receiving such formal demands shall inform the Company without delay of the execution of the assignments required of them.</p>

FORMER TEXT	NEW TEXT
<p>Article 16 – Sale or assignment of excess stock</p> <p>In the event that a shareholder does not assign his stock within two months of the date of the formal demand sent in the manner and within the time limits specified by Articles L. 360-2, L. 360-3, R. 360- and R. 360-3 of the Code of Civil Aviation, the Chairman of the Board of Directors may issue a writ of summons for injunctive relief in the High Court [<i>Tribunal de Grande Instance</i>] of Paris, seeking the appointment by the Court of a body for which provision is made in Article L. 531-1 of the Monetary and Financial Code with the task of carrying out the sale or assignment in the manner specified in Article L. 360-4 of the Code of Civil Aviation.</p> <p>The writ of summons shall be deemed to have been duly served at the address of the shareholder or shareholders concerned as shown in the register of shareholders or, where applicable, at the address at which domicile has been elected in compliance with Article L. 360-1 of the Code of Civil Aviation.</p> <p>The writ must be accompanied by a copy of the notices specified in R. 360-2 of the Code of Civil Aviation, a copy of the formal demand, and a certified copy of an extract from the register of shareholders showing that the shares concerned have not been assigned despite expiry of the time limit of two months stipulated in the first paragraph of the present Article. As from the date of designation of the body specified in the first paragraph of the present Article, the stock in the possession of the holder in breach may no longer be sold or assigned other than under the conditions laid down in Article L. 360-4 of the Code of Civil Aviation, and they shall be stripped of the voting rights normally attaching to them.</p>	<p>Article 16 - Sale or assignment of excess stock</p> <p>In the event that a shareholder does not assign his stock within two months of the date of the formal demand sent in the manner and within the time limits specified by Articles L. 360-2 of the Code of Civil Aviation, L.6411-7 of the Code of Transport and R.360-2 and R.360-3 of the Code of Civil Aviation, the Chairman of the Board of Directors may issue a writ of summons for injunctive relief in the High Court (<i>Tribunal de Grande Instance</i>) of Paris, seeking the appointment by the Court of a body for which provision is made in Article L. 531-1 of the Monetary and Financial Code with the task of carrying out the sale or assignment in the manner specified in Article L.6411-7 of the Code of Transport.</p> <p>The writ of summons shall be deemed to have been duly served at the address of the shareholder or shareholders concerned as shown in the register of shareholders or, where applicable, at the address at which domicile has been elected in compliance with Article L. 6411-4 of the Code of Transport.</p> <p>The writ must be accompanied by a copy of the notices specified in R.360-2 of the Code of Civil Aviation, a copy of the formal demand, and a certified copy of an extract from the register of shareholders showing that the shares concerned have not been assigned despite expiry of the time limit of two months stipulated in the first paragraph of the present Article. As from the date of designation of the body specified in the first paragraph of the present Article, the stock in the possession of the holder in breach may no longer be sold or assigned other than under the conditions laid down in Article L.6411-8 of the Code of Transport, and they shall be stripped of the voting rights normally attaching to them.</p>

POWERS TO ACCOMPLISH FORMALITIES *(Resolution 18)*

Aim of the resolution

The eighteenth resolution allows the accomplishment after the Shareholders' Meeting of all formalities and disclosures required by law.

Eighteenth resolution

Powers to accomplish formalities

The Shareholders' Meeting grants full powers to the Board of Directors, to the Chairman of the Board of Directors, to the bearer of an original, a copy or an extract from the minutes of this Meeting, to carry out all the legal and administrative formalities, together with all the filing and publication requirements provided for by the applicable law subsequent to the adoption of the foregoing resolutions.

Statutory Auditors' reports



▶ STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Year ended December 31, 2013

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meetings, we hereby report to you, for the year ended December 31, 2013, on:

- ◆ the audit of the accompanying financial statements of Air France-KLM S.A.;
- ◆ the justification of our assessments;
- ◆ the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1 Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities, and of the financial position of the company as at December 31, 2013 and of the results of its operations for the year then ended in accordance with the accounting rules and principles applicable in France.

2 Justification of our assessments

The accounting estimates used in the preparation of the financial statements were made in a context of an economic downturn raising certain difficulties to apprehend future economic perspectives. Such is the context in which we made our own assessments that we bring to your attention in accordance with the requirements of Article L. 823-9 of the French commercial Code ("*Code de Commerce*");

- ◆ Note 1 to the financial statements outlines the accounting rules and methods relating to the recognition and measurement of long-term investments. As part of our assessment of the company's accounting policies, we verified the appropriateness of the aforementioned accounting methods and the information provided in Notes 7, 12 and 13 to the financial statements and satisfied ourselves as to their correct application;
- ◆ Notes 16 and 17 to the financial statements describes the nature of the anti-trust litigations to which Air France-KLM is exposed. Our work consisted in verifying that the information disclosed in these notes was appropriate.

These assessments were made as part of our audit of the financial statements, taken as a whole and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3 Specific verifications and information

We have also performed the specific verifications required by French law, in accordance with professional standards applicable in France.

We have no matters to report regarding the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the French commercial Code ("*Code de Commerce*") relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements and, when applicable, with the information obtained

by your Company from companies controlling your Company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Paris La Défense and Neuilly-sur-Seine, February 24, 2014

The Statutory Auditors

KPMG Audit

Division of KPMG S.A.

Valérie Besson
Partner

Michel Piette
Partner

Deloitte & Associés

Dominique Jumaucourt
Partner

This is a free translation into English of the Statutory Auditors' report on the financial statements issued in the French language and is provided solely for the convenience of English speaking user. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures. This report also includes information relating to the specific verifications of information given in the management report and in the document addressed to the shareholders. This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

► STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2013

To the Shareholders,

In compliance with the assignment entrusted by your Annual General Meetings, we hereby report to you, for the year ended December 31, 2013, on:

- ◆ the audit of the accompanying consolidated financial statements of Air France-KLM S.A.;
- ◆ the justification of our assessments;
- ◆ the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1 Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2013 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the Note 2.1 to the consolidated financial statements which sets out the change in accounting policy relating to the application of IAS 19 revised "Employee Benefits" effective as from January 1st, 2013.

2 Justification of assessments

The accounting estimates used in the preparation of the consolidated financial statements were made in a context of an economic downturn raising certain difficulties to apprehend future economic perspectives. These conditions are described in Note 4.2 to the consolidated financial statements. Such is the context in which we made our own assessments that we bring to your attention in accordance with the requirements of Article L. 823-9 of the French Commercial Code (*Code de commerce*):

- ◆ the company recognized deferred tax assets based on the future taxable income determined based on medium and long term business plans as described in Notes 4.2, 4.22 and 13 to the consolidated financial statements. Our procedures consisted in analyzing the data and assumptions used by Air France-KLM's management in order to verify the recoverability of these deferred tax assets;
- ◆ notes 4.2, 4.17 and 31.1 to the consolidated financial statements specify the accounting policies for employee benefits. These benefits and obligations were evaluated by external actuaries. Our procedures consisted in examining the data used, assessing the assumptions made and verifying that the information included in Note 31.1 to the consolidated financial statements was appropriate. In addition, we verified that the accounting policy used for the recognition of the pension fund surplus as outlined in Note 4.17 to the consolidated financial statements was appropriate. Lastly, as mentioned in the first part of this report, Note 2.1 to the consolidated financial statements describes the change in the accounting policy done this year relating to the accounting of employee benefits. As part of assessment of accounting principles applied by your company, we have verified the correct application of this change in the accounting policy and the information disclosed on it;
- ◆ Air France-KLM's management is required to adopt judgment and estimates concerning determination of the provisions for risk and charges which are described in Notes 3.1, 11, 31.2, 31.3 and 31.4 to the consolidated financial statements. We have examined particularly the estimates and the assumptions used regarding the restructuring provision booked in 2013 and linked to the Transform 2015 plan and the provisions accounted for the anti-trust litigations to which the company is exposed. We have also verified that the information as disclosed in the notes to the consolidated financial statements was appropriate;

- ◆ notes 4.2, 4.14 and 19 to the consolidated financial statements describe the estimates and assumptions that Air France-KLM's management was required to make regarding the impairment tests of tangible and intangible assets. We have examined the data and assumptions on which these impairment tests were based as well as the procedures for implementing impairment tests, as described in the notes.
- ◆ Air France-KLM's management is required to make estimates and assumptions relating to the recognition of revenue arising from issued but unused tickets and its Frequent Flyer Program, in accordance with the terms and conditions described in Notes 4.2, 4.6 and 4.7 to the consolidated financial statements. Our procedures consisted in analyzing the data used, assessing the assumptions made and reviewing the calculations performed.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3 Specific procedures

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris La Défense and Neuilly-sur-Seine, February 24, 2014

The Statutory Auditors

KPMG Audit

Division of KPMG S.A.

Valérie Besson
Partner

Michel Piette
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This is a free translation into English of the Statutory Auditors' reports on the consolidated financial statements issued in the French language and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such report, whether qualified or not. This information is presented below the audit opinion on consolidated financial statements and includes explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements. This report also includes information relating to the specific verification of information given in the Group's management report. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

► STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2013.

To the Shareholders,

In our capacity as Statutory Auditors of your company, we hereby present to you our report on regulated agreements and commitments.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments brought to our attention or which we may have discovered during the course of our audit, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements and commitments, if any. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code (*Code de commerce*), to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R. 225-31 of the French Commercial Code relating to the implementation during the past year of agreements and commitments previously approved by the Shareholders' Meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux comptes*) relating to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

Agreements and commitments submitted to the approval of the Shareholders' Meeting

Agreements and commitments authorized during the year

Pursuant to Article L. 225-40 of the French Commercial Code, we have been informed that the following agreements and commitments were previously authorized by your Board of Directors.

a. Agreements relating to the issuance by Air France-KLM of bonds convertible and/or exchangeable for new or existing Air France-KLM shares

■ Directors concerned:

Mutual executive directors to Air France-KLM, Société Air France and KLM at the authorization date of the agreements and until June 30, 2013: Mr. Alexandre de Juniac and Mr. Peter Hartman.

■ Nature, purpose and terms and conditions:

Pursuant to the authorization granted by your Board of Directors, in its meeting on March 18, 2013, Air France-KLM launched on March 20, 2013, an issuance of bonds convertible and/or exchangeable for new or existing Air France-KLM shares (OCEANES) for a nominal amount of €550 million, maturing on February 15, 2023.

To this effect, the Board of Directors approved the signature of:

- ◆ an agreement under the terms of which Société Air France and KLM severally and not jointly, unconditionally and irrevocably guarantee the payment of 60% and 40% respectively, of all monetary amounts due by Air France-KLM in relation to these bonds;
- ◆ a secondary agreement organizing the terms of remuneration paid by Air France-KLM to Société Air France and KLM in consideration for the grant of this guarantee;
- ◆ a secondary agreement organizing the terms and conditions of the credit facility granted by Air France-KLM to Société Air France and KLM;
- ◆ an underwriting agreement covering the aforementioned issue, between Air France-KLM, Société Air France, KLM and a banking syndicate.

During the financial year ended December 31, 2013, Société Air France and KLM invoiced Air France-KLM €3,169,636 and €2,113,091 respectively with regards to the guarantee commission.

With regards to the secondary agreement for the credit facilities, Société Air France and KLM respectively drew down €148.5 million and €198 million on June 14, 2013. During the financial year ended December 31, 2013, Air France-KLM respectively invoiced Société Air France and KLM interest in the amount of €1,674,750 and €2,244,165, with regards to this agreement. In addition, a commission for the non-utilization of the undrawn funds was invoiced by Air France-KLM to Société Air France in the amount of €577,500.

b. Agreement relating to the assignment to Mr. Spinetta of an Air France-KLM representation role and related means put at his disposal

■ Director concerned:

Mr. Jean-Cyril Spinetta, Chief Executive Officer of Air France-KLM at the authorization date of the agreement and until June 30, 2013.

■ **Nature, purpose and terms and conditions:**

At the same time Mr. Spinetta was granted the title of Air France-KLM Honorary Chairman from July 1, 2013, your Board of Directors decided in its meeting of June 24, 2013 to entrust to Mr. Spinetta an unpaid 24 month representation role for Air France-KLM and Air France KLM Group, with means (an office, a personal assistant and a chauffeur driven car) put at his disposal.

Agreements and commitments previously approved by the Shareholders' Meeting

Agreements and commitments approved in prior years which remained current during the year

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements and commitments, previously approved by Shareholders' Meetings of prior years, have remained current during the year.

a. Agreements relating to the issuance by Air France-KLM of bonds

■ **Director concerned:**

Mutual executive directors to Air France-KLM, Société Air France and KLM at the authorization date of the agreements and until June 30, 2013: Mr. Alexandre de Juniac and Mr. Peter Hartman.

■ **Nature, purpose and terms and conditions:**

Pursuant to the authorization granted by your Board of Directors, in its meeting on October 30, 2012, Air France-KLM launched on

October 6, 2012, a five-year €500 million bond issue. To this effect, the Board of Directors approved the signature of:

- ◆ an agreement under the terms of which Société Air France and KLM jointly, unconditionally and irrevocably guarantee the payment of 60% and 40% respectively, of all monetary amounts due by Air France-KLM in relation to these bonds;
- ◆ a secondary agreement organizing the terms of remuneration paid by Air France-KLM to Société Air France and KLM in consideration for the grant of this guarantee;
- ◆ a secondary agreement organizing the terms and conditions of the credit facility granted by Air France-KLM to Société Air France and KLM;
- ◆ an underwriting agreement covering the aforementioned issue, between Air France-KLM, Société Air France, KLM and a banking syndicate.

During the financial year ended December 31, 2013, Société Air France and KLM invoiced Air France-KLM €3,311,725 (including €3,164,344 for 2013 and €147,381 for 2012) and €2,207,816 (including €2,109,563 for 2013 and €98,523 for 2012) respectively with regards to the guarantee commission.

With regards to the secondary agreement for the credit facilities, Société Air France and KLM drew down €135 million and €90 million respectively on December 20, 2012. During the financial year ended December 31, 2013, Air France-KLM respectively invoiced Société Air France and KLM interest in the amount of €8,695,313 (including €8,437,500 for 2013 and €257,813 for 2012) and €5,812,500 (including €5,625,000 for 2013 and €187,500 for 2012) with regards to this agreement.

In addition, a commission for non-utilization of the undrawn funds was invoiced by Air France-KLM to Société Air France and KLM in the amount of €2,782,500 (including €2,700,000 for 2013 and €82,500 for 2012) and €1,860,000 (including €1,800,000 for 2013 and €60,000 for 2012), respectively.

Paris La Défense and Neuilly-sur-Seine, February 24, 2014

The Statutory Auditors

KPMG Audit

Division of KPMG S.A.

Valérie Besson
Partner

Michel Piette
Partner

Deloitte & Associés

Dominique Jumaucourt
Partner

This is a free translation into English of the Statutory Auditors' special report on regulated agreements and commitments with third parties that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements and commitments should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

► **STATUTORY AUDITORS' REPORT PREPARED IN ACCORDANCE WITH ARTICLE L.225-35 OF THE FRENCH COMMERCIAL CODE (CODE DE COMMERCE) ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF AIR FRANCE-KLM S.A.**

Year ended December 31, 2013

To the Shareholders,

In our capacity as Statutory Auditors of Air France-KLM S.A. and in accordance with Article L. 225-235 of the French Commercial Code (*Code de Commerce*), we hereby report on the report prepared by the Chairman of your company in accordance with Article L. 225-37 of the French Commercial Code (*Code de Commerce*) for the year ended December 31, 2013.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the company and containing the other disclosures required by Article L. 225-37 of the French Commercial Code (*Code de Commerce*), particularly in terms of the Corporate Governance measures.

It is our responsibility:

- ◆ to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, and
- ◆ to attest that this report contains the other information required by Article L. 225-37 of the French Commercial Code (*Code de Commerce*), it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- ◆ obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;
- ◆ obtaining an understanding of the work involved in the preparation of this information and the existing documentation;
- ◆ determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with Article L. 225-37 of the French Commercial Code (*Code de Commerce*).

Other disclosures

We hereby attest that the Chairman's report includes the other disclosures required by Article L. 225-37 of the French Commercial Code (*Code de Commerce*).

Paris La Défense and Neuilly-sur-Seine, February 24, 2014

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► STATUTORY AUDITORS' REPORT ON THE AUTHORIZATION TO GRANT, FOR NO CONSIDERATION, EXISTING SHARES MATCHED TO CERTAIN PERFORMANCE CONDITIONS TO EMPLOYEES AND EXECUTIVE DIRECTORS OF THE AIR FRANCE-KLM GROUP ENTITIES, EXCLUDING AIR FRANCE-KLM S.A. EXECUTIVE DIRECTORS (15TH RESOLUTION)

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in accordance with the engagement provided by Article L. 225-197-1 of the French Commercial Code (*Code de commerce*), we hereby present our report on the proposed authorization to grant, for no consideration, existing shares matched to certain performance conditions to employees and executive directors of Air France-KLM S.A. and affiliated companies within the meaning of Article L. 225-197-2 of the French Commercial Code (excluding Air France-KLM S.A. executive directors), or to certain categories of them, a transaction on which you are asked to vote.

The total amount of existing shares granted for no consideration shall not exceed 2.5% of the Air France-KLM S.A share capital as of the date of the Board of Directors' decision, it being specified that the number of shares granted for no consideration during the same fiscal year shall not represent more than 1% of the Air France-KLM S.A share capital as of the date on which the Board of Directors will make their decision.

Based on its report, your Board of Directors asks you that you authorize, for a period of 38 months, the grant of existing shares for no consideration.

The Board of Directors is responsible for preparing a report on the transaction that it wishes to carry out. Our role is to inform you of our comments, if any, on the information thus given to you on the proposed transaction.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this engagement. These procedures consisted in verifying that the proposed terms and conditions presented in the Board of Directors' Report comply with the provisions provided for by law.

We have no comments on the information given in the Board of Directors' report in connection with the proposed grant of shares for no consideration.

Paris La Défense and Neuilly-sur-Seine, March 31, 2014

The Statutory Auditors

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Division of KPMG S.A.

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► **STATUTORY AUDITORS' REPORT ON THE INCREASE IN SHARE CAPITAL RESERVED FOR THE EMPLOYEES OF THE COMPANY WHO ARE MEMBERS OF A COMPANY OR GROUP SAVINGS SCHEME (16TH RESOLUTION)**

To the Shareholders,

In our capacity as statutory auditors of your Company, and in compliance with the engagement covered by Articles L.225-135 et seq. and L.225-92 of the French Commercial Code (*Code de Commerce*), we hereby report to you on the proposal to authorize the Board of Directors to increase share capital, on one or more occasions, by issuing new ordinary shares to be paid in cash and if applicable, by granting free shares, within the limits set forth by Article L.3332-21 of the French Labor Code (*Code du Travail*), or other equity securities granting entitlement to capital, with cancellation of preferential subscription rights, reserved for members of a company or group savings scheme of the company or related companies within the meaning of Article L.225-180 of the French Commercial Code, for a total maximum amount of 2% of the company's share capital on the date of each issue, upon which you are called to vote.

These issues are subject to your approval in compliance with Article L.225-129-6 of the French Commercial Code and Articles L.3332-18 et seq. of the French Labor Code.

You are asked to authorize the Board of Directors, on the basis of its report, for a period of 26 months, to increase the share capital on one or more occasions, and to waive your preferential subscription rights. Insofar as necessary, the Board shall be authorized to determine the final terms and conditions of such issues.

It is the responsibility of the Board of Directors to issue a report, in accordance with Articles R.225-113 et seq. of the French Commercial code. It is our responsibility to express our opinion on the fairness of the quantitative information derived from the financial statements, on the proposed cancellation of the preferential subscription rights and on certain other information relating to the issues, presented in this report.

We performed the procedures we considered necessary in accordance with professional guidance issued by the French National Institute of Statutory Auditors (*Compagnie nationale des Commissaires aux comptes*), relating to this engagement. Our work consisted in verifying the contents of the Board of Directors' report relating to this transaction and the methods used to determine the issue price of the equity securities to be issued.

Subject to the subsequent review of the conditions of the issues decided upon, we have no comment to make on the methods used to determine the issue price of the equity securities to be issued presented in the Board of Directors' report.

As the issue price has not yet been determined, we do not express an opinion on the final conditions under which the capital increases would be performed and, consequently, on the proposed cancellation of preferential subscription rights.

In accordance with Article R.225-116 of the French Commercial Code, we shall prepare a supplementary report, if need be, when this authorization is used by your Board of Directors.

Paris La Défense and Neuilly-sur-Seine, March 31, 2014

The Statutory Auditors

KPMG Audit

Division of KPMG S.A.

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Requests for documentation and information

AIR FRANCE KLM

To be taken into account, this request must reach:

Société Générale
Service Assemblées
CS 30812
44308 Nantes Cedex 3

or using the pre-paid envelope enclosed for registered shareholders

I, the undersigned,

Surname (or company name):

First name (or type of company):

Address (or registered office):

Holder* of shares in Air France-KLM,

hereby request ** the information referred to in Articles R. 225-81 and R. 225-83 of the Code de Commerce (notably, the statutory and consolidated financial statements and the management report of the Board of Directors), other than that contained in this report.

Signed in (city): on (date): 2014

Signature :



* Requests for documentation by holders of shares in bearer form must include a registration certificate stating that their shares have been recorded in the register held by the securities account-holding intermediary as proof that they are shareholders on the date the request is made.

** Pursuant to Article R. 225-88 of the Commercial Code, the holders of registered shares may ask the company to automatically send them the documents and information referred to in Articles R. 225-81 and R. 225-83 of the Code de Commerce on the occasion of future General Shareholders' Meetings. To take advantage of this, please check the following box:

AIRFRANCE KLM

www.airfranceklm.com

