

# Convening notice

## Combined Ordinary and Extraordinary Shareholders' Meeting

**Thursday July 7, 2011 at 14h30**

at the Carrousel du Louvre, 99, rue de Rivoli – 75001 Paris

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**Jean-Cyril Spinetta**  
Chairman of the Board of Directors  
Air France-KLM

Dear Shareholder,

I am delighted to invite you to the Combined Ordinary and Extraordinary Air France-KLM General Shareholders' Meeting, to be held at 14h30 on Thursday July 7, 2011 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, either by attending personally, or by arranging to be represented or by voting by mail. Alternatively, you may authorize the Chairman of the General Shareholders' Meeting to vote on your behalf.

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

Yours faithfully,

A handwritten signature in black ink, appearing to read 'JC Spinetta', written in a cursive style.

**Jean-Cyril Spinetta**  
Chairman of the Board of Directors  
Air France-KLM



## ► I. Ordinary business

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1. Approval of the company financial statements for the fiscal year ended March 31, 2011
2. Approval of the consolidated financial statements for the fiscal year ended March 31, 2011
3. Allocation of net income for the fiscal year ended March 31, 2011
4. Related party agreements and commitments
5. Renewal of the director's mandate of Mr. Pierre-Henri Gourgeon for a term of four years
6. Appointment of Mr. Jaap de Hoop Scheffer as a director for a term of four years
7. Authorization to be granted to the Board of Directors to perform operations in the company's shares

## ► II. Extraordinary business

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8. Delegation of authority to the Board of Directors to issue ordinary shares and other securities giving access to the company's share capital, **while maintaining preferential subscription rights for shareholders**
9. Delegation of authority to the Board of Directors to issue ordinary shares and other securities giving access to the company's share capital, by way of public offering, **without preferential subscription rights for shareholders but with an obligatory priority subscription right**
10. Delegation of authority to the Board of Directors to issue ordinary shares and other securities giving access to the company's share capital, by way of public offering, **without preferential subscription rights for shareholders and with an optional priority subscription right**
11. Authorization to be granted to the Board of Directors enabling it to proceed with a capital increase by capitalization of reserves, profits, premiums or other amounts eligible for capitalization
12. Authorization to be granted to the Board of Directors enabling it to proceed with capital increases reserved to members of a company or group savings scheme
13. Amendment of the opening and closing dates of the financial year and consequential amendment of Article 31 of the Articles of Incorporation
14. Amendment of Article 9 of the Articles of Incorporation
15. 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

**Every shareholder, irrespective of how many shares he or she holds, has the right to attend and to 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 Shareholder's Meeting on July 7, 2011, this date is thus **July 4, 2011 at 0h00** (Paris time).

## ► How to exercise voting rights

As a shareholder, 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;
- ◆ by being represented by another individual or corporate body of your choice.

## You wish to attend the Meeting in person

### If you hold your shares in bearer form

You must request an admission card from your financial intermediary, who will send to Société Générale – Service Assemblées – BP 81236 – 44312 Nantes Cedex 03, France a certificate proving that your shares were registered on the record date. If you sell the shares between the moment you indicate your intention to vote and the third business day before the meeting, i.e. July 4, 2011, your financial intermediary must notify Société Générale of the sale and forward the necessary information. After this date, no notification is necessary.

### If you hold your shares in registered form

To obtain your admission card, [you must check the box A](#) in the enclosed voting form and return it to Société Générale, Air France-KLM's agent, at the following address: Société Générale – Service Assemblées – BP 81236 – 44312 Nantes Cedex 03, France. If you forget to do this, you can still participate in the meeting providing you bring proof of identity.

**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).**

## If you are unable to attend the meeting personally, you should check box B in the voting form

### If you wish to give the Chairman the power to vote on your behalf

All you need do is [date and sign the form](#), filling nothing in. You thus give the Chairman of Air France-KLM the power to vote in favor of the resolutions presented by the Board of Directors.

The form must then be sent to Société Générale – Service Assemblées – BP 81236 – 44312 Nantes Cedex 03, France, to arrive no later than July 4, 2011. If you hold your shares in bearer form, your mail voting form will only be taken into account if it is accompanied by the certificate of shareholding provided by your financial intermediary.

### If you wish to vote by mail

All you need do is [check box 1 "I vote by mail"](#) and send the mail voting form, dated and signed, to arrive no later than July 4, 2011, to Société Générale – Service Assemblées – BP 81236 – 44312 Nantes Cedex 03, France. If you hold

your shares in bearer form, your mail voting form will only be taken into account if it is accompanied by the certificate of shareholding provided by your financial intermediary.

### If you wish to be represented by another individual or corporate body of your choice

All you need do is [check box 2 "I hereby appoint"](#), fill in the contact details of your representative at the meeting, then date and sign the form. Your representative may be another Air France-KLM shareholder, your spouse or civil partner, or any other person of your choice. Shareholders representing other shareholders need to send the proxies in their possession to Société Générale – Service Assemblées – BP 81236 – 44312 Nantes Cedex 03, France, to arrive no later than July 4, 2011, so that the company can note this on the attendance list. If you hold your shares in bearer form, your mail voting form will only be taken into account if it is accompanied by the certificate of shareholding provided by your financial intermediary.

Pursuant to the provisions of Article R. 225-79 of the French Commercial Code, notification of the designation or revocation of a representative may be communicated electronically, under the following conditions:

- ◆ for registered shareholders: shareholders must send an email incorporating an electronic signature obtained from a certifying third party, authorized pursuant to the legal and regulatory conditions in force, to the following email

address: [mail.assemblee.afklm@airfrance.fr](mailto:mail.assemblee.afklm@airfrance.fr), specifying their surname, first name, address and Société Générale login for direct registered shareholders (information available on the top left of the securities account statement) or the login issued by their financial intermediary if they hold their shares in administered registered form together with the surname and first name of the representative to be designated or revoked;

- ◆ for bearer shareholders: shareholders must send an email incorporating an electronic signature obtained from a certifying third-party, authorized pursuant to the legal and regulatory conditions in force, to the following email address: [mail.assemblee.afklm@airfrance.fr](mailto:mail.assemblee.afklm@airfrance.fr), specifying their surname, first name, address and bank details as well as the surname and first name of the representative to be designated or revoked. It is imperative that the shareholder then requests their financial intermediary to send written confirmation (by mail or fax) to Société Générale, Services Assemblées, BP 81236, 32 rue du Champ de Tir, 44312 Nantes Cedex 03, France.

## How to participate in the General Shareholders' Meeting

In order that the designations or revocations of representatives, duly signed and completed, may be properly taken into account, they must be received no later than:

- ◆ the day before the meeting, i.e. by 15h00 (Paris time) on July 6, 2011 at the latest, for notifications communicated electronically;

- ◆ at least three days before the date of the meeting, i.e. July 4, 2011, for notifications sent by mail.

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

**You can also download the mail voting form from the company's website: [www.airfranceklm-finance.com](http://www.airfranceklm-finance.com).**

**Note:** Shareholders who have already cast their votes by mail, forwarded proxies or requested admission cards or a certificate of shareholding 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. July 1, 2011, to be sent to Air France-KLM – DB-AJ – 45, rue de Paris – 95747 Roissy-CDG Cedex, France.

### ► How to request the documentation relating to the meeting?

The Reference Document (containing notably the corporate and consolidated financial statements and the management report of the Board of Directors) may be sent to any shareholder in the company. Just fill in the form provided on the last page and send it to Société Générale – Service Assemblées – BP 81236 – 44312 Nantes Cedex 03, France,

at least five days inclusive before the date of the meeting, i.e. July 2, 2011.

The Group's publications as well as, all the documents and information foreseen in Articles R. 225-73-1 of the French Commercial Code may also be consulted at the website:

[www.airfranceklm-finance.com](http://www.airfranceklm-finance.com)

**For any additional information, please contact us on +33 1 41 56 56 56.**

## ► 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, check the box **B**

### 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 this resolution in black.

To give the Chairman the power to vote on your behalf, just date and sign the form at the bottom.

To give another individual or corporate body the power to represent you at the Meeting and vote on your behalf, check the box **2** and enter the contact details of this individual or corporate body.

**IMPORTANT : avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso / Before selecting, please see instructions on reverse side.**  
**QUELLE QUE SOIT L'OPTION CHOISIE, DATER ET SIGNER AU BAS DU FORMULAIRE / WHICHEVER OPTION IS USED, DATE AND SIGN AT THE BOTTOM OF THE FORM**  
 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.  
 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 Eshault Pelletier  
 75007 PARIS - FRANCE  
 AU CAPITAL DE € 300 219 278  
 552 043 002 RCS Paris

**ASSEMBLÉE GÉNÉRALE MIXTE  
 DU JEUDI 7 / 07 / 2011 à 14 h 30  
 Au Carrousel du Louvre  
 99, rue de Rivoli - 75001 Paris**

**CADRE RÉSERVÉ / For Company's use only**  
 Identifiant / Account  
 Nombre d'actions / Number of shares  
 Nominatif Registered / VS / single vote  
 Porteur / Bearer / VD / double vote  
 Nombre de voix / Number of voting rights :

**1 JE VOTE PAR CORRESPONDANCE / I VOTE BY POST**  
 Cf. au verso renvoi (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 FOR all the draft resolutions approved by the Board of Directors EXCEPT those indicated by a shaded box - like this ■, for which I vote against or I abstain.  
 Sur les projets de résolutions non agréés par le Conseil d'Administration ou le Directoire ou la Gérance, je vote en noircissant comme ceci ■ la case correspondant à mon choix.  
 On the draft resolutions not approved by the Board of Directors, I cast my vote by shading the box of my choice - like this ■.

1	2	3	4	5	6	7	8	9	Oui/Yes	Non/No	Oui/Yes	Non/No
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A	<input type="checkbox"/>	F	<input type="checkbox"/>
10	11	12	13	14	15	16	17	18	B	<input type="checkbox"/>	G	<input type="checkbox"/>
19	20	21	22	23	24	25	26	27	C	<input type="checkbox"/>	H	<input type="checkbox"/>
28	29	30	31	32	33	34	35	36	D	<input type="checkbox"/>	J	<input type="checkbox"/>
37	38	39	40	41	42	43	44	45	E	<input type="checkbox"/>	K	<input type="checkbox"/>

**2 JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE**  
 Dater et signer au bas du formulaire, sans rien remplir  
 I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE MEETING  
 Date and sign at the bottom of the form without filling it  
 Cf au verso renvoi (3) - See reverse (3)

**2 JE DONNE POUVOIR A :** cf. au verso renvoi (3).  
 / I HEREBY APPOINT See reverse (3).  
 M. Mme ou Melle, 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 teneur de comptes.  
**CAUTION :** If it is about bearer securities, the present instructions will be valid only if they are directly returned to your account-keepers.

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

Pour être prise en considération, toute formule doit parvenir au plus tard le 04/07/2011 à :  
 In order to be considered, this completed form must be returned at the latest on 07/04/2011 to :  
 Société Générale - Services Assemblées - BP 81312 - Nantes Cedex 03

Date & Signature

**Reminder:** Only voting forms completed and received by Société Générale at least three days before the meeting and accompanied by the certificate of shareholding provided by your financial intermediary for bearer shareholders will be taken into account.

# The Air France-KLM group in 2010-11

## ► Brief presentation

### The 2010-11 financial year was characterized by:

- the economic recovery driven by the emerging countries and the effects of the strategic measures implemented over the past two years;
- a number of exceptional events of both a natural and political nature, which disrupted operations and weighed on transport demand to and from these regions;
- a €1.4 billion improvement in the operating result with income of €122 million at March 31, 2011 (a loss of €1.28 billion at March 31, 2010);
- net income of €613 million after a €1.03 billion gain on the disposal of one third of the shareholding in Amadeus which was the subject of an IPO in the Madrid stock market in April 2010.

The economic recovery underpinned activity despite the many exceptional events during the financial year. Furthermore, the strategic measures implemented since 2009 bore fruit. The cargo business returned to profit one year ahead of schedule and the passenger business staged a strong recovery by returning to virtually break even. The maintenance business continued its development and posted a significant increase in operating income.

### Activity

#### Passenger business

With a fleet of 534 passenger aircraft in operation including 181 regional aircraft, the Group operates 2,500 daily flights to 244 destinations, of which 123 are medium-haul and 121 long-haul. This network is organized around the powerful hubs of Paris CDG and Amsterdam Schiphol, linked by some dozen daily flights.

The passenger business recorded a 1.1% increase in traffic for stable capacity (-0.1%), enabling the load factor to gain one point to 81.6%. The Group carried 71.3 million passengers, generating revenues of €18.1 billion (+11.3% after a positive currency effect of 2.9%). The recovery in transport demand, the new medium-haul offering at Air France and the roll-out of the *Premium Voyageur* and *Economy Confort* classes in long-haul at, respectively, Air France and KLM all contributed to the recovery in the operating result for the passenger business despite the exceptional events arising during the financial year. The operating result thus moved from a loss of €918 million at March 31, 2010 to a loss of €44 million at March 31, 2011.

#### Cargo business

International trade flows recovered strongly in 2010 with global trade regaining its pre-crisis level.

The cargo business was relatively unscathed by the different crises. Supported by the dynamism of international trade, the restructuring measures implemented by the Group as of late 2009 enabled this business to return to growth and profitability a year earlier than planned. The cargo business now focuses on optimizing the bellies of passenger aircraft and combis, supplemented by 14 full-freighters for products and destinations that are not operated by the passenger aircraft.

Traffic increased by 2.5% for stable capacity (-0.3%), the load factor gaining 1.9 points to 68.4%. The Group transported 1.49 million tons of freight, generating revenues of €3.16 billion (+29.5% after a positive currency effect of 5.0%). After an operating loss of €436 million at March 31, 2010, the cargo business posted a positive operating result of €69 million at March 31, 2011.

#### Maintenance business

The maintenance business is responsible for maintaining the Group's fleet and those of 150 third-party clients.

Over the financial year, third-party revenues amounted to €1.03 billion (+7.6% after a positive currency impact of



5.0%). The high-added-value engine and components businesses were dynamic whereas airframes, while still in the red, managed to reduce its losses. Operating income stood at €143 million at March 31, 2011 (€81 million at March 31, 2010).

### **Other businesses**

The other activities mainly comprise the leisure businesses of the Transavia group and Martinair and Servair's catering business.

Over the financial year, revenues from the other activities were stable at €1.32 billion (€1.33 billion at March 31, 2010). The leisure business suffered from the shut-down of European airspace following the eruption of the Icelandic volcano and the political crises in Tunisia and Egypt. For revenues virtually unchanged at €915 million (-0.3%), this business posted an operating loss of €54 million versus a €23 million loss one year earlier.

The catering business generated total sales of €897 million (€903 million at March 31, 2010), of which €340 million in third-party revenues (€347 million at March 31, 2010). Despite this slight fall, operating income was stable at €18 million (€19 million at March 31, 2010).

### **The fleet**

At March 31, 2011, the Air France-KLM group's fleet comprised 609 aircraft of which 593 in operation versus a respective 625 and 594 aircraft at March 31, 2010.

The passenger fleet comprises 576 aircraft, of which 172 are long-haul (including four aircraft at Martinair), 227 are medium-haul including the 38 aircraft in the Transavia fleet and 181 are regional aircraft. The cargo fleet comprises 17 aircraft, of which 14 are in operation.

The fleet is 45% fully owned (274 aircraft), 19% (117 aircraft) under finance lease and 36% (218 aircraft) under operating lease. There were firm orders for 56 aircraft at March 31, 2011, including 13 orders for regional aircraft, and options on 53 aircraft including 21 regional aircraft.

## **Financial results**

Revenues amounted to €23.62 billion (+12.5%) while operating expenses increased by 5.4% to €23.49 billion. Excluding fuel, the increase was limited to 1.2% thanks to €595 million of savings realized within the framework of the *Challenge 12* cost-savings plan. The fuel bill was nearly €1 billion higher than in the previous year at €5.72 billion. Operating income stood at €122 million versus a loss of €1.28 billion one year earlier, an improvement of €1.41 billion.

The result from operating activities was positive to the tune of €886 million including, notably, a €1.03 billion gain generated by the Group on the IPO of Amadeus in the Madrid stock market in which the Group retains 15.2% of the share capital.

The net cost of financial debt amounted to €371 million (€304 million at March 31, 2010) under the effect of the increased cost of gross debt and the reduction in interest income due to the lower return on investments.

The net result, Group share was positive at €613 million at March 31, 2011 versus a loss of €1.56 billion at March 31, 2010.

## **Investments and financing**

Investments net of disposals amounted to €1.14 billion at March 31, 2011 (€1.04 billion at March 31, 2010). Operating cash flow stood at €1.35 billion and free cash flow at €400 million including €193 million of cash generated by the Amadeus transaction. At March 31, 2011, the Air France-KLM group had cash of €4.36 billion and credit facilities of €1.4 billion.

Stockholders' equity was €1.49 billion higher than its level of March 31, 2010 at €6.91 billion. Net debt was €330 million lower at €5.89 billion (€6.22 billion at March 31, 2010). The gearing ratio improved by 0.3 of a point to 0.85 (1.15 at March 31, 2010).

### **Air France-KLM parent company results**

As a holding company, Air France-KLM has no operating activity. Its revenues comprise royalties paid by the two operating subsidiaries for use of the Air France-KLM logo and its costs comprise financial communication expenses, Statutory Auditors' fees and expenses linked to the compensation of company officers. At March 31, 2011, the operating result was positive at €3.4 million. The net loss stood at €69.3 million due to the financial expenses on the two bond offerings realized in 2009-10.

### **Dividend**

The Board of Directors chose not to propose the payment of a dividend, prioritizing the continued reduction in debt.

### **Capital and shareholding structure**

At March 31, 2011, the Air France-KLM share capital comprised 300,219,278 fully paid-up shares with a nominal value of €1, 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.

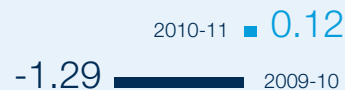
## ► Key figures

### Revenues (in € billion)



During the 2010-11 financial year, revenues were €2.6 billion higher (+12.5%) than in the previous financial year.

### Income/(loss) from current operations (in € billion)



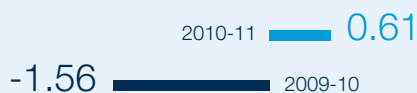
The operating result improved by €1.41 billion during the 2010-11 financial year thanks to the economic recovery and the strategic measures implemented in the passenger and cargo businesses since 2009.

### Information by business

	2010-11		2009-10	
	Revenues (in € billion)	Income/(loss) from current operations (in € million)	Revenues (in € billion)	Income/(loss) from current operations (in € million)
Passenger	18.10	(44)	16.27	(918)
Cargo	3.16	69	2.44	(436)
Maintenance	1.03	143	0.96	81
Others	1.32	(46)	1.33	(12)

Despite the numerous exceptional events arising over the course of the financial year, the Group's main businesses significantly improved their performance: a €874 million improvement in the passenger business and a €505 million improvement in the cargo business.

### Net income/(loss), Group share (in € billion)



The net result, Group share was positive to the tune of €613 million after a €1.03 billion gain realized on the IPO of Amadeus in the Madrid stock market in which the Group retains 15.2% of the share capital.

### Financial structure

(In € billion excluding gearing ratios)	2010-11	2009-10
Net debt	5.89	6.22
Consolidated stockholders' equity	6.91	5.42
Gearing ratio	0.85	1.15

### Investments and financing

(In € billion)	2010-11	2009-10
Gross investment in tangible and intangible assets	2.12	2.10
Financing	2.52	0.26
Free cash flow	0.40	(1.87)

Financing corresponded to operating cash flow, the proceeds on disposals of tangible and intangible assets and, for the 2010-11 financial year, the €193 million of cash generated on the Amadeus transaction.

# Parent company results over the past five financial years

Year ended March 31	2011	2010	2009	2008	2007
<b>1. Share capital at year end</b>					
Share capital <i>(in euros)</i>	300,219,278	2,551,863,863	2,551,863,863	2,551,863,863	2,374,608,509.5
Number of ordinary shares outstanding	300,219,278	300,219,278	300,219,278	300,219,278	279,365,707
Number of shares with a priority dividend					
Maximum number of shares that may be created:					
- By bond conversion	78,617,611	78,619,501	22,609,143	22,609,143	22,609,756
- By exercise of subscription rights	-	-	-	-	21,064,433
<b>2. Transactions and results for the year</b> <i>(in thousands of euros)</i>					
Sales	-	-	-	-	-
Net income/(loss) before income tax, employee profit sharing, net depreciation, amortization and provisions	(116,649)	(56,167)	105,885	228,076	158,721
Income tax	(3,712)	(5,601)	(6,767)	(5,496)	(4,465)
Employee profit-sharing for the year	0	0	0	0	0
Net income/(loss) after income tax and employee profit-sharing, net depreciation, amortization and provisions	(69,343)	(32,671)	62,639	198,183	157,744
Distributed net income		-	-	171,835	134,095
<b>3. Per share data</b> <i>(in euros)</i>					
Net income/(loss) after income tax and employee profit sharing but before net depreciation, amortization and provisions	(0.39)	(0.17)	0.37	0.78	0.58
Net income/(loss) after income tax, employee profit-sharing, net depreciation, amortization and provisions	(0.23)	(0.11)	0.21	0.66	0.56
Dividend per share	-	-	-	0.58	0.48
<b>4. Employees</b>					
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 March 31, 2011

At March 31, 2011, the Board of Directors comprises 15 members:

- ◆ 12 directors appointed by the Shareholders' Meeting (including 2 representatives of the employee shareholders);
- ◆ 3 representatives of the French State appointed by ministerial order.

Director	Age at March 31, 2011	Board of Directors experience		Professional experience	
		Date appointed to the Air France-KLM Board	Expiration date of term of office (Annual General Meeting)	Sector	Current main position
<b>Jean-Cyril Spinetta</b>	67 years	September 15, 2004	AGM 2014	Public Service, Air Transport (Air Inter and Air France)	Chairman of the Board of Directors of Air France-KLM and Air France
<b>Pierre-Henri Gourgeon</b>	64 years	January 20, 2005	AGM 2011	Aeronautics and Air Transport	Chief Executive Officer of Air France-KLM and Air France
<b>Leo van Wijk</b>	64 years	September 15, 2004	AGM 2012	Air Transport (KLM)	Vice-Chairman of the Air France-KLM Board of Directors
<b>Maryse Aulagnon*</b>	61 years	July 8, 2010	AGM 2013	Industry (CGE) Property and Finance (Affine group)	Chairman and CEO of Affine
<b>Patricia Barbizet*</b>	55 years	September 15, 2004	AGM 2014	Industry (Renault, Pinault group)	CEO and director of Artémis
<b>Frits Bolkestein*</b>	77 years	November 22, 2005	AGM 2011	Industry (Shell)/Public (Dutch Parliament and European Commission)	Member of the Supervisory Board of de Nederlandsche Bank
<b>Jean-Dominique Comolli</b>	62 years	December 14, 2010	AGM 2013	Industry (Seita and Altadis)/ Public Service	Director of the French Treasury State Holdings Agency
<b>Jean-François Dehecq*</b>	71 years	September 15, 2004	AGM 2012	Industry (SNPA and Sanofi)	Honorary Chairman of Sanofi-Aventis
<b>Jean-Marc Espalioux*</b>	59 years	September 15, 2004	AGM 2013	Services (CGE, Accor)	Chairman of Financière Agache Private Equity
<b>Claude Gressier</b>	67 years	September 15, 2004	AGM 2014	Public Service	Honorary General Public Works Engineer Director of the SNCF
<b>Peter Hartman</b>	61 years	July 8, 2010	AGM 2013	Air Transport (KLM)	President and Chief Executive Officer of KLM
<b>Philippe Josse</b>	50 years	May 16, 2006	AGM 2012	Public Service	Director of Budget
<b>Cornelis van Lede*</b>	68 years	September 15, 2004	AGM 2012	Industry (Shell, Akzo, Dutch Industry Federation), Consultancy (McKinsey & Company)	Chairman of the Supervisory Board of Heineken
<b>Christian Magne</b>	58 years	September 15, 2004	AGM 2014	Air Transport (Air France)	Finance executive
<b>Bernard Pédamon*</b>	49 years	July 8, 2010	AGM 2014	Air Transport (Air France)	Captain Boeing 777

\* Directors considered to be independent.

# Information about the directors whose **appointment/re-appointment** is proposed to the Shareholders' Meeting

## Re-appointment



**Pierre-Henri Gourgeon**  
Chief Executive Officer of Air France  
and Air France-KLM\*

- ◆ **First appointed as director:** January 20, 2005 (Air France-KLM).
- ◆ **Expiration date of current term of office:** Shareholders' Meeting called to approve the financial statements for the year ended March 31, 2011.
- ◆ **Number of shares held in the company's stock:** 44,097 shares.
- ◆ **Other directorships**

**French companies:** Chief Executive Officer of Air France and Permanent representative of Air France-KLM on the Board of Directors of Air France, Member of the Supervisory Board of Steria\*.

**Non-French companies:** Vice-Chairman of the Board of Directors of Amadeus IT group (Spain).
- ◆ **Directorships held in the last five years and having expired**

**French companies:** Deputy Chief Executive Officer of Air France-KLM\* until December 2008, Deputy Chief Executive Officer of Air France until December 2008, director of Autoroutes du Sud de la France until March 2006.

*Born April 28, 1946, Mr. Gourgeon is a graduate of the École Polytechnique and the École Nationale Supérieure de l'Aéronautique. He is also a graduate of the California Institute of Technology.*

## Appointment



**Jaap de Hoop Scheffer**  
Kooijmanchair for Peace, Justice  
and Security, Leiden University (Netherlands)

- ◆ **Directorships held in the last five years and having expired**  
Secretary General of NATO and Chairman of the North Atlantic Council from 2004 to 2009.

*Born April 3, 1948, Mr. Jaap de Hoop Scheffer, of Dutch nationality, is a graduate of Leiden University. He was also Chairman of the Christian Democratic Alliance from 1997 to 2001 and Minister of Foreign Affairs of the Netherlands from 2002 to 2003.*

\* Listed company.

# Presentation and proposed 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 July 7, 2011. The first section presents the resolutions to be submitted to the Ordinary General Meeting, and the second the resolutions to be submitted to the Extraordinary General Meeting.

The resolutions are preceded by an introductory paragraph explaining the reasons for each proposed resolution. All these introductory paragraphs comprise the report from the Board of Directors to the Shareholders' Meeting.

For more information on the Group situation since the beginning of the financial year, please refer to the press releases issued by Air France-KLM which are available on the website [www.airfranceklm-finance.com](http://www.airfranceklm-finance.com).

## ► I. Ordinary business

### APPROVAL OF THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED MARCH 31, 2011 (Resolutions 1 and 2)

#### **Aim of the resolution**

The first two resolutions submit to shareholders for approval the company and consolidated financial statements of Air France-KLM for the fiscal year ended March 31, 2011, recording a loss of €(69.34) million and a net income, Group share of €613 million respectively.

#### **First resolution**

##### **Approval of the company financial statements for the fiscal year ended March 31, 2011**

The Shareholders' Meeting, having examined the reports of the Board of Directors and of the Statutory Auditors, approves the entirety of the company's financial statements for the fiscal year ended March 31, 2011, as they were drawn up and presented, as well as the operations documented in these accounts and mentioned in these reports.

#### **Second resolution**

##### **Approval of the consolidated financial statements for the fiscal year ended March 31, 2011**

The Shareholders' Meeting, having examined the reports of the Board of Directors and of the Statutory Auditors, approves the entirety of the consolidated financial statements for the fiscal year ended March 31, 2011, as they were drawn up and presented, as well as the operations documented in these accounts and mentioned in these reports.

### ALLOCATION OF NET INCOME (Resolution 3)

#### **Aim of the resolution**

The purpose of the third resolution is to proceed with the allocation of income of the fiscal year ended March 31, 2011, which corresponds to a loss of €69.3 million.

The Board of Directors notes that the dividend paid amounted to €0.58 per share for the fiscal year ended March 31, 2008. No dividend was paid in respect of the fiscal years ended March 31, 2009 and March 31, 2010.

#### **Third resolution**

##### **Allocation of net income for the fiscal year ended March 31, 2011**

The Shareholders' Meeting, having examined the reports of the Board of Directors and of the Statutory Auditors, observes that the company recorded a net loss of €69,343,020.76 for the fiscal year ended March 31, 2011 and, on the recommendation of the Board of Directors, decides to appropriate this loss to retained earnings, which are thereby reduced from €59,068,619.21 to €-10,274,401.55.

Note that the dividend per share paid in respect of the three prior fiscal years amounted to:

<i>(In €)</i>	Net dividend per share
2007-08	0.58
2008-09	-
2009-10	-

## **RELATED PARTY AGREEMENTS AND COMMITMENTS (Resolution 4)**

### ***Aim of the resolution***

No related party agreements were authorized by the Board of Directors during the fiscal year 2010-11.

The agreements and commitments authorized in the course of prior fiscal years and which were still in force during the fiscal year 2010-11, are described in the Statutory Auditors' special report on related party 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 Article L. 225-38 *et seq.* of the French Commercial Code, and voting on this report, notes that no

agreement or commitment has been concluded or signed during the fiscal year ended March 31, 2011 and notes the information relating to the agreements and commitments concluded during previous years.

## **RENEWAL OF THE DIRECTOR'S MANDATE OF MR. PIERRE-HENRI GOURGEON (Resolution 5)**

### ***Aim of the resolution***

It is proposed to the Shareholders' Meeting that it renew the director's mandate of Mr. Pierre-Henri Gourgeon for a term of four years. Mr. Gourgeon joined the Air France group in 1993 and has been Chief Executive Officer of Air France-KLM since January 1, 2009.

### **Fifth resolution**

#### **Renewal of the director's mandate of Mr Pierre-Henri Gourgeon for a term of four years**

The General Shareholders' Meeting renews the director's mandate of Mr. Pierre-Henri Gourgeon for a period of four years, i.e. until the end of the General Shareholders' Meeting convened to approve the financial statements for the fiscal year ending

March 31, 2015 (or December 31, 2014 in case of the adoption of the thirteenth resolution relating to the amendment of the end of the fiscal year).

## **APPOINTMENT OF MR. JAAP DE HOOP SCHEFFER AS DIRECTOR (Resolution 6)**

### ***Aim of the resolution***

Directors of Air France-KLM must include a person chosen after consultation with, and on the recommendation of, the Dutch State as long as the French State has a representative on the Board of Directors.

Since Mr. Bolkestein did not request the renewal of his director's mandate, the Dutch State has proposed the appointment of Mr. Jaap de Hoop Scheffer as director of Air France-KLM to replace him, for a term of four years.

Born April 3, 1948, a Dutch national, Mr. Jaap de Hoop Scheffer, is a graduate of the University of Leiden (law). He began his career as a diplomat (1976-78) and then worked in the permanent representation of the Netherlands at the NATO in Brussels (1978-80). Having been Private secretary of the Minister of Foreign Affairs (1980-86), he was elected deputy for the Christian Democrats (CDA) in 1986 and Chairman of its parliamentary group in 1997 until 2001. He was then appointed Minister of Foreign Affairs (2002-03) and, in that capacity, Chairman in office of the Organization for Security and Cooperation in Europe (2003). He was General Secretary of NATO and Chairman of the North Atlantic Council from 2004 to 2009. He is now Kooijmanchair for Peace, Justice and Security, Leiden University (Netherlands).



### Sixth resolution

#### Appointment of Mr. Jaap de Hoop Scheffer as a director for a term of four years

The General Shareholders' Meeting, having noted the expiry of the term of office of Mr. Bolkestein, appoints Mr. Jaap de Hoop Scheffer as a director for a term of years, i.e. until the end of the General Shareholders Meeting convened to approve the

financial statements for the fiscal year ending March 31, 2015 (or December 31, 2014 in case of the adoption of the thirteenth resolution relating to the amendment of the end of the fiscal year).

## AUTHORIZATION TO PERFORM OPERATIONS IN THE COMPANY'S SHARES (*Resolution 7*)

### Aim of the resolution

The seventh resolution allows the company to repurchase 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 July 8, 2010 which expires in January 2012. The shareholders are therefore asked to grant the Board a new authorization.

Since July 8, 2010 (date of the last authorization granted by the Shareholders' Meeting), 640,034 shares have been bought back by the company at an average price of €12.88 per share and 1,620,034 shares have been sold at an average price of €12.27 per share, within the framework of the liquidity contract. As of March 31, 2011, the company held 3,433,492 shares directly representing 1.14% of the share capital.

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

- maximum purchase price per share: €30;
- maximum number of shares that can be acquired: 5% of the number of shares comprising the share capital (i.e. as of March 31, 2011, a maximum number of 15,010,963 shares for a theoretical maximum amount of €450,328,890);
- purposes of the programme: coordination of stock liquidity within the framework of the liquidity contract entered into with Rothschild & Cie Banque, allocation and sale of shares to the employees and seniors executive of the Group, retention and future remittance of the shares in exchange or in payment for an acquisition, implementing any market practices and realization of any operations in accordance with applicable laws and regulations;
- term of the authorization: 18 months.

### Seventh 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 *et seq.* of the French Commercial Code 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 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 and the implementation of any company savings scheme 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 applicable regulation;

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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 €30 per share, the maximum number of shares authorized for purchase not exceeding 5% of the share capital (i.e. at March 31, 2011, for information purposes, a maximum of 15,010,963 shares for a maximum amount of €450,328,890);
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 from this Shareholders' Meeting.

## ► II. Extraordinary business

The following table summarizes the proposed delegations in terms of financial authorizations which are submitted to approval to your General Meeting:

Resolution	Delegation	Period	Maximum amount for each resolution	Sub-maximum amount common to several resolutions	Maximum amount common to several resolutions
8	Capital increase while maintaining preferential subscription rights for shareholders	26 months	€120 million in nominal (i.e. 40% of the current share capital)	-	€120 million (i.e. 40% of the current share capital)
9	Capital increase without preferential subscription rights for shareholders but with an obligatory priority subscription right	26 months	€75 million in nominal (i.e. 25% of the current share capital)	€75 million (i.e. 25% of the current share capital)	
10	Capital increase without preferential subscription rights for shareholders and with an optional priority subscription right (authorization limited to issuance by the Company or one of its subsidiaries of securities giving access to the share capital and issuance of shares within the framework of public exchange offers)	26 months	€45 million in nominal (i.e. 15% of the current share capital)		
11	Capital increase by capitalization of reserves, profits, premiums or other amounts eligible for capitalization	26 months	€120 million in nominal (i.e. 40% of the current share capital)	-	-
12	Capital increases reserved for members of a company or group savings scheme	26 months	3% of the share capital on the date of each issue	-	-

These new delegations replace the delegations previously authorized by the Shareholders' Meeting, that continued to remain in force, it being specified that, at March 31, 2011, the company had not used any of these delegations.

## **AUTHORIZATION TO INCREASE THE SHARE CAPITAL WHILE MAINTAINING PREFERENTIAL SUBSCRIPTION RIGHTS (Resolution 8)**

### **Aim of the resolution**

By this resolution, the Board of Directors asks you to authorize it to proceed with one or more capital increases while maintaining preferential subscription rights, by the issuance of shares and securities giving access to the share capital.

The total amount of capital increases that may be realized immediately or in the future shall not be higher than €120 million in nominal, i.e. a maximum increase of 40% of the current share capital.

In the event of an issue of debt giving access to the Company's share capital, the total nominal amount of these securities shall not exceed €1 billion.

### **Eighth resolution**

#### **Delegation of authority to the Board of Directors to issue ordinary shares and other securities giving access to the Company's share capital, while maintaining preferential subscription rights for shareholders**

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 *et seq.* and Article L. 228-91 *et seq.* of the French Commercial Code:

1. hereby delegates to the Board of Directors, with the option of sub-delegation in accordance with applicable legal and regulatory conditions, the authority to decide on one or more capital increases through the issue in France and/or internationally of ordinary shares or securities giving access, through any and all means, immediately or in the future, to ordinary shares of the Company, which may be subscribed in cash or in consideration of certain, liquid and payable debts, or, in whole or in part, by incorporation of reserves, benefits or premiums;
2. decides that the total nominal amount of the capital increases which may be realized immediately and/or in the future under this delegation may not exceed a nominal amount of €120 million. To this maximum amount shall be added, as applicable, the nominal amount of any additional shares issued in the event of new financial transactions to protect the rights of the holders of securities giving access to the Company's capital, pursuant to applicable law and, as applicable, to contractual stipulations providing for other adjustments;
3. decides that the nominal amount of the bonds or other related securities giving access to the share capital of the company which may be issued under this delegation shall not exceed €1 billion on the date of the issue decision, or the equivalent value thereof in the case of an issue in a foreign currency or monetary unit established by reference to several currencies;
4. decides that the shareholders will have a preferential subscription right to the securities issued under this resolution in proportion to the number of their shares; the Board of Directors will fix the conditions and limits of exercise by the shareholders of their firm subscription entitlements (*souscriptions à titre irréductible*) and may create for the benefit of shareholders additional subscription entitlements (*souscriptions à titre réductible*), which they may exercise proportionally to the subscription rights they hold and, in any event, within the limit of their demands;
5. acknowledges and decides, whenever necessary, that this delegation will entail, to the benefit of the holders of securities giving access to the Company's capital that may be issued, the renunciation by the shareholders of their preferential subscription rights to the new shares to which these securities give rights;
6. decides that if the firm subscription entitlements and, if need be, additional subscription entitlements, have not absorbed the whole of an issue of ordinary shares or securities giving access to the share capital, the Board of Directors may use one or more of the rights below, in accordance with applicable law and in the order that it shall believe suitable:
  - ◆ to limit the increase in the share capital to the amount of the subscriptions, provided that the latter reaches at least three-quarters of the increase decided on,
  - ◆ to freely allocate all or some of the unsubscribed shares or securities giving access to the share capital,
  - ◆ to offer to the public, in France or abroad, all or some of the unsubscribed shares or securities giving access to the share capital;
7. decides that the issues of warrants to subscribe for ordinary shares of the Company, which will be realized pursuant to this resolution, can take place either by subscription for cash or by free allocation to the existing shareholders, noting that the Board of Directors may decide that the fractional rights will not be negotiable and that the corresponding securities shall be sold;

8. gives all powers to the Board of Directors, with the option of sub-delegation under the conditions set by law and the Articles of Incorporation, to implement this delegation and, notably, to set the issue conditions, the nature and characteristics of the securities giving access to the share capital, the terms of allocation of the shares to which these securities give rights as well as the dates on which the allocation rights may be exercised and, on its own initiative, charge the costs of the capital increases to the related premiums and deduct from this amount the amounts necessary for the allocation to the legal reserve, proceed with

all adjustments aimed at taking into account the incidence of operations on the Company's share capital, confirm the realization of the capital increases, make the related changes to the Articles of Incorporation, accomplish the required formalities, implement all agreements, notably to bring to fruition all the envisaged issues and generally do all that is necessary;

9. terminates any prior authorization granted for the same purpose.

This delegation is granted for a period of 26 months dating from this Shareholders' Meeting.

### **AUTHORIZATION TO INCREASE THE SHARE CAPITAL BY WAY OF PUBLIC OFFERING WITHOUT PREFERENTIAL SUBSCRIPTION RIGHT BUT WITH AN OBLIGATORY PRIORITY SUBSCRIPTION RIGHT** (Resolution 9)

#### **Aim of the resolution**

The Board of Directors' policy is, in the event that a capital increase is planned, to proceed preferably with a traditional capital increase maintaining preferential subscription rights for existing shareholders (Resolution 8). However, in certain circumstances the waiving of shareholders' preferential subscription rights may prove to be necessary.

In the event that the Board of Directors decides to proceed with a capital increase without preferential subscription rights for shareholders, it plans to enable the involvement of shareholders in such capital increase by granting them an obligatory priority subscription right, exercisable in proportion to the number of shares held by each shareholder.

The total amount of the capital increases that may be realized immediately or in the future shall not be higher than €75 million in nominal amount, i.e. a maximum increase of 25% of the current share capital. This maximum amount will be charged against the maximum amount of 40% set out in the eighth resolution.

In the case of an issue of debt securities giving access to the Company's share capital (such as bonds convertible into Air France-KLM shares), the global nominal amount of these securities shall not exceed €1 billion.

The issue price of the shares will be at least equal to the minimum authorized by applicable regulation, currently being the volume-weighted average price during the last three business days preceding its setting, applying, as the case may be, a maximum 5% discount.

#### **Ninth resolution**

#### **Delegation of authority to the Board of Directors to issue ordinary shares and other securities giving access to the Company's share capital, by way of public offering, without preferential subscription rights for shareholders but with an obligatory priority subscription right**

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 *et seq.*, Articles L. 225-135, L. 225-136, and L. 228-91 *et seq.* of the French Commercial Code:

1. hereby delegates to the Board of Directors, with the option of sub-delegation in accordance with legal and regulatory conditions, the authority to decide, subject to the limits set out below, on one or more capital increases through the issue in France and/or internationally, by way of public offering, of:

- ◆ ordinary shares or any securities giving rights by any and all means, immediately or in the future, to the allocation of ordinary shares of the Company's capital;

- ◆ shares of the Company to be issued, with its agreement, following the issue by the companies in which it holds directly or indirectly more than half the share capital, of any securities giving access by any and all means, immediately and in the future, to the allocation of securities in the Company which will be issued in representation of a portion of the Company's capital;

noting that the shares and other above-mentioned securities may be subscribed in cash or in consideration of certain, liquid and payable debts, or, in whole or in part, by incorporation of reserves, benefits or premiums;

2. decides that the total nominal amount of the capital increases that may be realized immediately and/or in the future under this delegation may not exceed an amount of €75 million. To this maximum amount shall be added, as applicable, the nominal amount of any additional shares to be issued in the event of financial transactions to protect the rights of the holders of securities giving access to the Company's capital, pursuant to applicable law and, as applicable, to the contractual stipulations providing for other adjustments. These maximum amounts will be charged against the maximum amount set in the eighth resolution;
3. decides that the nominal amount of bonds or related securities giving access to the share capital of the Company which may be issued under this delegation shall not exceed €1 billion on the date of the issue decision, or the equivalent value thereof in the case of an issue in a foreign currency or monetary unit established by reference to several currencies;
4. decides to waive the shareholders' preferential subscription rights on shares and securities to be issued pursuant to this resolution;
5. acknowledges and decides that this delegation will entail the renunciation by the shareholders of their preferential subscription rights on the new shares to which the securities that may be issued by virtue of this delegation give rights;
6. decides to grant shareholders an obligatory priority subscription right, not giving rise to the creation of negotiable rights, but such right will be exercisable in proportion to the number of shares held by each shareholder and, as the case may be, subject to reduction, and therefore delegates to the Board of Directors the power to fix its period and conditions in accordance with legal and regulatory provisions;
7. decides that the issue price will be at least equal to the minimum authorized by the applicable regulation;
8. decides that if the subscriptions have not absorbed the whole of an issue of ordinary shares or securities giving access to the share capital, the Board of Directors can use one or more of the rights below, in accordance with applicable law and in the order that it shall believe suitable:
  - ◆ to limit the increase in the share capital to the amount of the subscriptions, provided that the latter reaches at least three-quarters of the increase decided on;
  - ◆ to freely allocate all or some of the unsubscribed shares or securities giving access to the share capital;
  - ◆ to offer to the public, in France or abroad, all or some of the unsubscribed shares or securities giving access to the share capital;
9. gives all powers to the Board of Directors, with the option of sub-delegation under the conditions set by law and the Articles of Incorporation, to implement this delegation and, notably, to set the issue conditions, the nature and characteristics of the securities giving access to the share capital, the terms of allocation of the shares to which these securities give rights as well as the dates on which the allocation rights may be exercised and, on its own initiative, charge the costs of the capital increases to the related premiums and deduct from this amount the amounts necessary for the allocation to the legal reserve, proceed with all adjustments aimed at taking into account the incidence of operations on the Company's share capital, confirm the realization of the capital increases, make the related changes to the Articles of Incorporation, accomplish the required formalities, implement all agreements, notably to bring to fruition all the envisaged issues and generally do all that is necessary;
10. terminates any prior authorization granted for the same purpose.

This delegation is granted for a period of 26 months dating from this Shareholders' Meeting.

## **AUTHORIZATION TO INCREASE THE SHARE CAPITAL BY WAY OF PUBLIC OFFERING, WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS AND WITH AN OPTIONAL PRIORITY SUBSCRIPTION RIGHT** (Resolution 10)

### **Aim of the resolution**

In an extremely volatile stock market, it is important to be flexible because the speed at which the implementation of a transaction takes place may be a key factor in its success. That is the reason why the Board of Directors proposes that the Shareholders' Meeting authorize it to proceed to the issuance of securities without preferential subscription rights, in specific circumstances. In such a case, if circumstances allow, the Board of Directors will grant shareholders a priority subscription right, as was done in 2009 on the issuance of bonds convertible into Air France-KLM shares.

Capital increases without preferential subscription right that may be realized immediately or in the future, will be limited to the issuances by Air France-KLM or its subsidiaries of securities giving access to ordinary shares of the Company and to issuance of ordinary shares within the framework of public exchange offers.

The total amount of the capital increases that may be realized immediately or in the future shall not be higher than €45 million in nominal amount, i.e. a maximum increase of 15% of the current share capital. This maximum amount will be charged against the maximum amount of 40% set out in the eighth resolution and against the maximum amount of 25% set out in the ninth resolution.

In the event of an issue of debt securities giving access to of the Company's share capital, the global nominal amount of these securities shall not exceed €1 billion or its equivalent.

The issue price of the shares will be at least equal to the minimum authorized by applicable regulation.

### **Tenth resolution**

**Delegation of authority to the Board of Directors to issue ordinary shares and other securities giving access to the Company's share capital, by way of public offering, without preferential subscription rights for shareholders and with an optional priority subscription right**

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 *et seq.*, Articles L. 225-135, L. 225-136, and L. 228-91 *et seq.* of the French Commercial Code:

1. hereby delegates to the Board of Directors, with the option of sub-delegation in accordance with legal and regulatory conditions, the authority to decide, subject to the limits set out below, on one or more capital increases through the issue in France and/or internationally, by way of public offering, of:
  - ◆ any securities giving rights by any and all means, immediately or in the future, to the allocation of ordinary shares of the Company's capital;
  - ◆ shares of the Company to be issued, with its agreement, following the issue by the companies in which it holds directly or indirectly more than half the share capital, of any securities giving access by any and all means, immediately or in the future, to the allocation of securities in the Company which will be issued in representation of a portion of the company's capital;
  - ◆ ordinary shares and all securities giving rights, through any and all means, immediately or in the future, to ordinary shares of the Company in payment for shares tendered within a public exchange offer initiated by the Company on the shares of another company admitted for trading on a

regulated market, under the conditions and subject to the reservations stipulated in Article L. 225-148 of the French Commercial Code;

noting that the shares and other above mentioned securities may be subscribed in cash or in consideration of certain, liquid and payable debts, or, in whole or in part, by incorporation of reserves, benefits or premiums;

2. decides that the total nominal amount of the capital increases that may be realized immediately and/or in the future under this delegation may not exceed an amount of €45 million. To this maximum amount shall be added, as applicable, the nominal amount of any additional shares to be issued in the event of financial transactions to protect the rights of the holders of securities giving access to the Company's capital, pursuant to applicable law and, as applicable, to the contractual stipulations providing for other adjustments. These maximum amounts will be charged against the maximum amounts set in the eighth and ninth resolutions;
3. decides that the nominal amount of bonds or related securities giving access to the share capital of the Company which may be issued under this delegation shall not exceed €1 billion on the date of the issue decision, or the equivalent value thereof in the case of an issue in a foreign currency or monetary unit established by reference to several currencies;

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4. decides to waive the shareholders' preferential subscription rights on shares and securities to be issued pursuant to this resolution;
5. acknowledges and decides that this delegation will entail the renunciation by the shareholders of their preferential subscription rights on the new shares to which the securities that may be issued by virtue of this delegation give rights;
6. decides that the Board of Directors shall have the power to grant shareholders priority subscription rights on an irreducible and/or reducible basis during a period and in the conditions fixed by it, for all or part of the issue carried out pursuant to this resolution;
7. decides that the issue price will be at least equal to the minimum authorized by the applicable regulation;
8. decides that if the subscriptions have not absorbed the whole of an issue of ordinary shares or securities giving access to the share capital, the Board of Directors can use one or more of the rights below, in accordance with applicable law and in the order that it shall believe suitable:
  - ◆ to limit the increase in the share capital to the amount of the subscriptions, provided that the latter reaches at least three-quarters of the increase decided on;
  - ◆ to freely allocate all or some of the unsubscribed shares or securities giving access to the share capital;
- ◆ to offer to the public, in France or abroad, all or some of the unsubscribed shares or securities giving access to the share capital;
9. gives all powers to the Board of Directors, with the option of sub-delegation under the conditions set by law and the Articles of Incorporation, to implement this delegation and, notably, to set the issue conditions, the nature and characteristics of the securities giving access to the share capital, the terms of allocation of the shares to which these securities give rights as well as the dates on which the allocation rights may be exercised and, on its own initiative, charge the costs of the capital increases to the related premiums and deduct from this amount the amounts necessary for the allocation to the legal reserve, proceed with all adjustments aimed at taking into account the incidence of operations on the Company's share capital, confirm the realization of the capital increases, make the related changes to the Articles of Incorporation, accomplish the required formalities, implement all agreements, notably to bring to fruition all the envisaged issues and generally do all that is necessary;
10. terminates any prior authorization granted for the same purpose.

This delegation is granted for a period of 26 months dating from this Shareholders' Meeting.

### **AUTHORIZATION TO PROCEED WITH A CAPITAL INCREASE BY CAPITALIZATION OF RESERVES, PROFITS, PREMIUMS OR OTHER AMOUNTS (Resolution 11)**

#### ***Aim of the resolution***

The eleventh resolution authorizes the Board of Directors to proceed with a capital increase by capitalization of reserves, profits, premiums or other amounts eligible for capitalization up to the limit of €120 million in nominal.

#### **Eleventh resolution**

##### **Authorization to be granted to the Board of Directors enabling it to proceed with a capital increase by capitalization of reserves, profits, premiums or other amounts eligible for capitalization**

The Extraordinary Shareholders' Meeting, voting with the quorum and majority conditions required for Ordinary Shareholders' Meetings, having examined the report of the Board of Directors, and voting in accordance with the provisions of Articles L. 225-129 to L. 225-129.6 and L. 225-130 of the French Commercial Code:

1. hereby delegates to the Board of Directors, with the option of sub-delegation in accordance with legal and regulatory conditions, all powers to proceed with one or more capital increases through the capitalization of reserves, profits, premiums or other amounts eligible for capitalization by law and the Articles of Incorporation, either in the form of an allotment of free shares or an increase in the nominal value of the existing shares, or a combination of these two methods;
2. decides that the maximum nominal amount of the share capital increases mentioned above shall not exceed a value of €120 million. To this maximum amount shall be added, as applicable, the nominal amount of any additional shares to be issued in the event of new financial transactions to protect the rights of the holders of securities giving access to the Company's capital, pursuant to applicable law and, as applicable, to the contractual stipulations providing for other adjustments.



3. decides that in the event of allocation of new shares the Board of Directors may decide that fractional rights shall not be negotiable and that the corresponding shares shall be sold, the proceeds from the sale being allocated to the rights holders as provided by law;
4. grants all powers to the Board of Directors, with the option of sub-delegation under the conditions set by law and the Articles of Incorporation, to implement this delegation and, notably, to set the terms and conditions of the authorized transactions, decide the amount and nature of the sums to be capitalized or allocated to the legal reserve, set the number of shares to be issued or the amount by which the nominal value of the shares will be increased, set the retrospective or future date from which the new shares will rank for dividend and voting rights or the date on

which the increase in nominal value will be effective, charge the costs of the capital increases to the related premiums and deduct from this amount the amounts necessary for the allocation to the legal reserve, proceed with all adjustments aimed at taking into account the incidence of operations on the Company's share capital, confirm the realization of the capital increases, make the related changes to the Articles of Incorporation, accomplish the required formalities, implement all agreements, notably to bring to fruition all the envisaged transactions and, generally, do all that is necessary;

5. terminates any prior authorization granted for the same purpose.  
This delegation is granted for a period of 26 months dating from this Shareholders' Meeting.

## **ACCESS OF EMPLOYEES TO THE SHARE CAPITAL (Resolution 12)**

### ***Aim of the resolution***

This resolution reflects the Company's commitment to involve 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.

In addition, these delegations granted to the Board of Directors to increase the share capital imply a correlative legal obligation to submit to the Shareholders' Meeting a draft resolution allowing a potential capital increase reserved for employees.

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 group 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 3% of the Company's existing share capital at the time of each issue. The issue price of shares will be determined in accordance with the legal and regulatory conditions, with a maximum discount of 20%.

This authorization is granted for a period of 26 months dating from this meeting. It immediately terminates the authorization granted by the Shareholders' Meeting of July 8, 2010 in its twenty-fifth resolution.

As of March 31, 2011, the employees held 9.8% of the share capital.

### **Twelfth resolution**

#### **Authorization to be granted to the Board of Directors allowing it to proceed with capital increases reserved for members of a Company or group savings scheme**

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 French Commercial Code, and Articles L. 3332-18 *et seq.* of the French Labour Code:

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 French Labour Code, 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 French Commercial Code and Article L. 3344-1 of the French Labour Code 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 more 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 seventh 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 Article L. 225-180 of the French Commercial Code and L. 3344-1 of the Labour Code;

5. decides that the total maximum nominal amount of the share capital increases that may be realized under this delegation shall not exceed 3% of the share capital of the Company on the date of each issue;
6. decides that the maximum 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, fix the subscription price, the dates and time periods, the 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);

8. terminates any prior authorization granted for the same purpose.

This delegation is granted for a period of 26 months dating from this meeting.

## **CHANGE OF THE OPENING AND CLOSING DATE OF THE FINANCIAL YEAR AND CONSEQUENTIAL AMENDMENT OF ARTICLE 31 OF THE ARTICLES OF INCORPORATION (Resolution 13)**

### ***Aim of the resolution***

It is proposed to the Shareholders' Meeting to change the opening and closing dates of Air France-KLM financial year, which would no longer be the IATA year (April 1/31 March) but the calendar year.

This amendment would allow Air France-KLM to align itself with the practice of the majority of airline companies, thus facilitating the comparison of its results with those of the other major European, American, and Asian companies.

### **Thirteenth resolution**

#### **Amendment of the opening and closing dates of the financial year and consequential amendment of Article 31 of the Articles of Incorporation**

The Shareholders' Meeting, having examined the report of the Board of Directors:

1. decides to change the opening and closing date of the financial year which will be now, respectively, on January 1 and December 31 of each year;
2. notes that the current financial year, beginning on April 1, 2011, will present an exceptional period of nine months and will therefore end on December 31, 2011;

3. therefore decides to amend the Article 31 of the Articles of Incorporation which will be now drafted as follows:

*« The financial year of the company shall begin on January 1 and end on December 31 of each calendar year. »*

## AMENDMENT TO ARTICLE 9 OF THE ARTICLES OF INCORPORATION (*Resolution 14*)

### **Aim of the resolution**

The law of August 9, 2003 relating to airlines companies and in particular to the Company Air France-KLM allows airlines companies with shares admitted on a regulated market to include in their Articles of Incorporation the conditions in the event of which the Company may impose exclusive use of registered form for all shares in the Company.

Articles 9.3 and 9.4 of the Articles of Incorporation specify respectively that the Board of Directors must:

- lower the threshold for mandatory registration from 2% to 10,000 shares where the threshold of a holding of 40% of the capital or voting rights by shareholders other than French nationals is reached;
- impose exclusive use of the registered form for all shares in the Company where shareholders other than French nationals hold directly or indirectly, 45% of the share capital or voting rights.

Monitoring the crossing of these thresholds is enabled through the regular implementation of a procedure of identification of the holders of securities.

The amendments to Articles 9.3 and 9.4 which are proposed are intended, without reducing the efficiency of the procedure relating to the identification of shareholders of the Company, to give the Board of Directors greater flexibility to determine, as shareholdings fluctuate, whether to impose or not the exclusive use of the registered form for all shares in the Company, a decision that involves significantly higher costs for both shareholders and the Company and which is, moreover, difficult to reverse.

The implementation of the procedure of identification of the holders of securities showed in the past that the thresholds of 40% and 45% shareholding by shareholders other than French nationals, have been reached, for a short period, before falling to a lower level below these thresholds.

Thus under the amendments that are proposed, the Board of Directors:

- would have the right, but not the obligation, to lower the threshold for mandatory registration from 2% to 10,000 shares (Article 9.3). However, this decision could be taken only where the threshold of 40% of the share capital or voting rights has been reached and not below this threshold, as currently provided by the first paragraph of Article 9.3 of the Articles of Incorporation;
- will always have the right to decide to impose exclusive use of registered form for all shares in the Company in the event of the crossing of the threshold of 45% of the share capital or voting rights by shareholders other than French nationals, but only after being assured that this threshold is crossed for a long term period.

### **Fourteenth resolution**

#### **Amendment to Article 9 of the Articles of Incorporation**

The Shareholders' Meeting, having examined the report of the Board of Directors, decides to amend article 9 of the Articles of Incorporation relating to the form of shares and the identification of the holders of securities.

## Presentation and proposed resolutions

Therefore, the Articles 9.3 and 9.4 will be now drafted as follows:

Former wording	New wording
<p><b>9.3 Lowering the threshold for the requirement to register stock to 10,000 shares by decision of the Board of Directors</b></p> <p>The Board of Directors may at any time resolve, at its sole initiative and in the light of information available to it, to lower the threshold for obligatory registration of stock from 2% of share capital to 10,000 shares.</p> <p>Notwithstanding the above, 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, and provided that it has not made use of the power to which reference is made in the preceding paragraph, the Board of Directors must resolve to lower the threshold from 2% to 10,000 shares.</p> <p>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 [<i>Bulletin des Annonces légales et obligatoires</i>/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><b>9.3 Lowering the threshold for the requirement to register a holding of shares to 10,000 shares by decision of the Board of Directors</b></p> <p>Paragraph deleted</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 <b>may</b> resolve to lower the threshold for mandatory registration from 2% to 10,000 shares.</p> <p>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 [<i>Bulletin des Annonces légales et obligatoires</i>/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><b>9.4 Exclusive use of registered shares by decision of the Board of Directors</b></p> <p>Notwithstanding the provisions contained in Articles 9.2 and 9.3, the Board of Directors may resolve at any time, at its sole initiative and in the light of information available to it, to impose the exclusive use of the registered form for all shares in the company.</p> <p>However, where the company has published the announcement as provided by Article R. 360-2 of the Code of Civil Aviation in order to inform shareholders and the general public that shareholders other than French nationals in the meaning of Article 14 of the Articles of Incorporation hold, directly or indirectly, 45% or more of the share capital or voting rights in the company, and, subject to the reservation that it must not have used the power to which reference is made in the preceding paragraph, the Board of Directors must resolve to impose exclusive use of the registered form for all shares in the company.</p> <p>I/The extract from the minutes of meeting of the Board of Directors resolving to impose exclusive use of the registered form for all shares in the company shall be published in the BALO, in at least one financial publication in the French language and in at least one financial publication in the English language.</p> <p>II/Within fifteen days of the publication of the above decision in the BALO, holders of bearer shares must request conversion of their shares to the registered form. Such conversion shall be carried out in accordance with the provisions of decree 55-1595 of December 7, 1955, as amended.</p> <p>III/The extract from the minutes of meeting of the Board of Directors resolving to cease to impose the exclusive use of the registered form of shares in the company shall be published in the same manner.</p>	<p><b>9.4 Exclusive use of registered shares by decision of the Board of Directors</b></p> <p>Should the findings of a procedure of identification of the holders of securities, show that the threshold of 45% or more of the share capital or voting rights in the company held by shareholders other than French shareholders in the meaning of Article 14 of the Articles of Incorporation has been reached, the company will publish the announcement provided by Article R. 360-2 of the Code of Civil Aviation in order to inform shareholders and the general public that shareholders other than French nationals in the meaning of Article 14 of the Articles of Incorporation hold, directly or indirectly, 45% or more of the share capital or voting rights in the company.</p> <p>Should the findings of the same procedure, show that shareholders other than French nationals in the meaning of Article 14 of the Articles of Incorporation hold <b>on a long term basis</b>, directly or indirectly, more than 45% of the share capital or voting rights in the company, the Board of Directors <b>must</b> resolve to impose exclusive use of the registered form for all shares in the company.</p> <p>I/The extract from the minutes of meeting of the Board of Directors resolving to impose exclusive use of the registered form for all shares in the company shall be published in the BALO, in at least one financial publication in the French language and in at least one financial publication in the English language.</p> <p>II/Within fifteen days of the publication of the above decision in the BALO, holders of bearer shares must request conversion of their shares to the registered form. Such conversion shall be carried out in accordance with the provisions of decree 55-1595 of 7 December 1955, as amended.</p> <p>III/The extract from the minutes of meeting of the Board of Directors resolving to cease to impose the exclusive use of the registered form of shares in the company shall be published in the same manner.</p> <p>IV/Notwithstanding the provisions contained in the preceding paragraph, the Board of Directors may resolve at any time, at its sole initiative and in the light of information available to it, to impose the exclusive use of the registered form for all shares in the company.</p>

## **POWERS TO ACCOMPLISH FORMALITIES (Resolution 15)**

### ***Aim of the resolution***

The fifteenth resolution allows the accomplishment after the meeting of all formalities and disclosures required by law.

### **Fifteenth resolution**

#### **Powers to accomplish formalities**

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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 legal and administrative formalities,

together with all filing and publication requirements provided for by applicable law subsequent to the adoption of the foregoing resolutions.

# Statutory Auditors' reports

## ► Statutory Auditors' report on the financial statements

Year ended March 31, 2011

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 31 March 2011, 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 March 31, 2011 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

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- ◆ 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 of the financial statements and satisfied ourselves as to their correct application;
- ◆ Note 16 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 this note 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, May 31, 2011  
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 users. 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 March 31, 2011

To the Shareholders

In compliance with the assignment entrusted by your Annual General Meetings, we hereby report to you, for the year ended March 31, 2011, 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 March 31, 2011 and of the results of its operations for the year then ended in accordance with IFRSs as adopted by the EU.

Without qualifying the above opinion, we draw your attention to Note 3.1 to the consolidated financial statements relating to the implementation of new IFRS standards and interpretations effective April 1, 2010.

### 2. Justification of assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessment, we bring to your attention the following matters:

- ◆ Notes 3.2, 3.14 and 17 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 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 3.2, 3.6 and 3.7 to the consolidated financial statements. Our procedures consisted in analyzing the data used, assessing the assumptions made and reviewing the calculations performed;
- ◆ Notes 3.17 and 29.1 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 29.1 to the consolidated financial statements was appropriate. In addition, Note 3.17 to the consolidated financial statements outlines the accounting policies applied for the recognition of the pension fund surplus. We verified that this accounting treatment was appropriate;
- ◆ Note 29.2 and 29.3 to the consolidated financial statements describes the anti-trust litigations to which the company is exposed and the amount of the related provision accounted for. Our procedures consisted in analyzing the method used to determine these provisions, examining the data used and the assumptions made, based on information available to date, and verifying that the information as disclosed in Note 29.2 and 29.3 to the consolidated financial statements was appropriate.

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, May 31, 2011  
The Statutory Auditors

**KPMG Audit**  
Department 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' 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' report on regulated agreements and commitments

*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.*

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

We hereby inform you that we have not been advised of any agreement or commitment authorized during the year to be submitted to the approval of the Shareholders' Meeting pursuant to Article L. 225-38 of the French Commercial Code.

### Agreements and commitments previously approved by the Shareholders' Meeting

#### 1) Agreements and commitments approved in prior years which remained in force 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 in force during the year.

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

Pursuant to the authorization granted by your Board of Directors, in its meeting on June 17, 2009, Air France-KLM launched on June 18, 2009, an issue of bonds convertible and/or exchangeable for new or existing Air France-KLM shares (OCEANEs) for a nominal amount of €661 million, maturing on April 1, 2015. 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 all monetary amounts due by Air France-KLM in respect of 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.

At the end of March 2011, Société Air France invoiced your company a €6,538,072 guarantee commission.

Pursuant to the secondary agreement organizing the terms and conditions of the credit facility, at the end of March, Société Air France had drawn down €200 million, that was repaid in June 2010. In respect of this transaction, your company invoiced Société Air France interest in the amount of €1, 071,733.33 during fiscal year 2010-11.

#### b) Agreement relating to the issuance by Air France-KLM of bonds

Pursuant to the authorization granted by your Board of Directors, in its meeting on September 24, 2009, Air France-KLM launched on October 14, 2009, a seven-year €700 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 severally, unconditionally and irrevocably guarantee the payment of all monetary amounts due by Air France-KLM in respect of 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.

At the end of March 2011, Société Air France invoiced your company a €4,042,222 guarantee commission.

Pursuant to the secondary agreement organizing the terms and conditions of the credit facility, at the end of March 2011, Société Air France had drawn down €200 million, that was repaid in June 2010. In respect of this transaction, your company invoiced Société Air France interest in the amount of €855,044.45 during fiscal year 2010-11.

#### c) Agreement between Air France-KLM and Société Air France (Aéroports de Paris guarantee)

On November 21, 2007, your Board of Directors authorized an agreement under which Société Air France agreed to compensate Air France-KLM for guaranteeing rental payments granted by the latter to Aéroports de Paris for the benefit of Société Air France.

On November 19, 2008, your Board of Directors renewed the authorization of this agreement which was agreed on March 30, 2009.

During fiscal year 2010-11, your company invoiced Société Air France €54,000 with respect to this agreement.

#### d) Agreement entered into by Air France-KLM and Société Air France with respect to the issuance by Air France of bonds convertible and/or exchangeable for new or existing Air France-KLM shares

Air France-KLM and its subsidiary Société Air France entered into an agreement in 2005 for the purpose of organizing the financial and legal relations between the two companies with respect to the issuance by Société Air France of bonds convertible and/or exchangeable for new or existing Air France-KLM shares.

The terms of this agreement stipulate:

- ◆ the remuneration paid by Société Air France to Air France-KLM in consideration for the option granted to bondholders to request the conversion of their bonds into Air France-KLM shares;
- ◆ should this option be exercised by a bondholder, the conditions in which Air France-KLM shall hand over new or existing shares (or a combination of both), and deliver to the centralizing agent the corresponding number of shares;
- ◆ the terms and conditions covering the payment by Société Air France to Air France-KLM of the amount corresponding to the value of the bonds that are to be converted or exchanged.

This agreement was authorized by your Board of Directors on April 13, 2005.

During fiscal year 2010-11, your company invoiced Société Air France €6,494,056.97 with respect to this agreement.

#### e) Trademark licensing agreement between Air France-KLM and Société Air France

Air France-KLM and its subsidiary Société Air France entered into a licensing agreement for the "Air France-KLM" trademark.

This agreement was authorized by your Board of Directors on September 1, 2005.

During fiscal year 2010-11, your company invoiced Société Air France €10,290,082 with respect to this agreement.

#### f) Agreement relating to a portion of the remuneration paid to executive officers invoiced to Société Air France by Air France-KLM

The remuneration of Air France-KLM executive officers is invoiced to Société Air France based on the percentage of activity devoted to Société Air France.

This agreement was authorized by your Board of Directors on November 23, 2004.

On November 19, 2008, your Board of Directors renewed the authorization to invoice Société Air France for the remuneration paid to executive officers with a view to the separation of the Chairman and Chief Executive Officer functions as of January 1, 2009.

During fiscal year 2010-11, your company invoiced Société Air France €525,291.91 with respect to this agreement.

#### g) Service agreement between Air France-KLM and Société Air France

Air France-KLM and its subsidiary Société Air France entered into an agreement in 2004 for the purpose of defining the conditions under which Air France will provide, at the request of Air France-KLM, technical and administrative support services to Air France-KLM. These accounting, administrative, legal and IT related services are

invoiced at cost. They include a portion of the obligation relating to the supplementary collective pension scheme for the Chief Executive Officer based on the percentage of activity devoted to Air France-KLM, in accordance with your Board of Directors' decision on November 19, 2008.

This agreement was authorized by your Board of Directors on September 15, 2004.

During fiscal year 2010-11, Société Air France invoiced your company €2,865,679 with respect to this agreement.

#### **h) Domiciliation agreement between Air France-KLM and Société Air France**

Air France-KLM and its subsidiary Société Air France entered into an agreement for the domiciliation and use of the premises of the Air France-KLM registered office.

This agreement was authorized by your Board of Directors on September 15, 2004.

During fiscal year 2010-11, Société Air France invoiced your company €259,082.26 with respect to this agreement.

#### **2) Agreements and commitments approved in prior years not performed during the year**

In addition, we have been informed of the following agreements and commitments, previously approved by Shareholders' Meetings of prior years, which were not performed during the year.

#### **a) Commitment relating to the pension plan of the Chief Executive Officer of Air France-KLM**

In its deliberation of January 15, 2004, your Board of Directors approved a separate collective pension scheme for Air France principal executives, including executive officers.

This pension scheme aims to guarantee these executives, once they fulfill the particular conditions for eligibility (notably 7 years' service with Air France), an annual pension benefit of between 35% and 40% of their average annual remuneration during the last three years of employment, with the amount capped, on any assumption, at 40% of average remuneration during the last three years.

On November 19, 2008, in an express decision taken in application of the "Breton" law of July 26, 2005, your Board of Directors confirmed that Mr. Pierre-Henri Gourgeon, in his new capacity as Chief Executive Officer as of January 1, 2009, would benefit from this defined benefit pension scheme under the same terms and conditions as the other beneficiary executives.

#### **b) Cash agreement between Air France-KLM and Société Air France**

Air France-KLM and its subsidiary Société Air France entered into an agreement in order to provide Air France-KLM with a credit line. This cash agreement bears interest at EONIA + 60 points.

This agreement was authorized by your Board of Directors on September 15, 2004.

As of March 31, 2010, the amount payable by your company to Société Air France in respect of this cash agreement totaled €0.

During fiscal year 2010-11, your company recorded no interest expenses with respect to this agreement.

Paris La Défense and Neuilly-sur-Seine, May 31, 2011  
The Statutory Auditors

**KPMG Audit**  
Department of KPMG S.A.

*Valérie Besson*  
Partner

*Michel Piette*  
Partner

**Deloitte & Associés**

*Dominique Jumaucourt*  
Partner

## ► Statutory Auditors' report prepared in accordance with Article L. 225-235 of the French commercial law (*Code de commerce*) on the report prepared by the Chairman of the Board of Directors of Air France-KLM S.A.

Year ended March 31, 2011

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 law (*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 law (*Code de commerce*) for the year ended March 31, 2011.

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 law (*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 disclosures required by Article L. 225-37 of the French commercial law (*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 procedures 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 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 law (*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 law (*Code de commerce*).

Paris La Défense and Neuilly-sur-Seine, May 31, 2011  
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 a report issued in French and is provided solely for the convenience of English speaking users.*

*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' reports on the share capital transactions included in the 8<sup>th</sup>, 9<sup>th</sup>, 10<sup>th</sup> and 12<sup>th</sup> resolutions of the July 7, 2011 Combined Shareholders' Meeting

July 7, 2011 Combined Shareholders' Meeting

To the Shareholders,

In our capacity as Statutory Auditors of your company, and in compliance with the engagements covered by the French Commercial Code (*Code de commerce*), we hereby report to you on the proposed share capital transactions upon which you are called to vote.

### 1. Report on the issuance of shares and/ or other equity securities with or without shareholders' preferential subscription rights (8<sup>th</sup>, 9<sup>th</sup> and 10<sup>th</sup> resolutions)

In compliance with the engagement covered by the French Commercial Code, and in particular Articles L. 225-135, L. 225-136 and L. 228-92, we hereby report to you on the proposals to authorize the Board of Directors to decide on various issuances of ordinary shares and equity securities, upon which you are called to vote.

You are asked to authorize the Board of Directors, on the basis of its report, for a period of 26 months, to decide on the following transactions and to determine the final conditions thereof, and, if appropriate, to cancel your preferential subscription rights:

- ◆ issuance of ordinary shares and/or equity securities granting entitlement, to ordinary shares of your company, while maintaining preferential subscription rights (8<sup>th</sup> resolution);
- ◆ issuance, without shareholders' preferential subscription rights, within the framework of a public offering:
  - of ordinary shares and/or other equity securities granting entitlement, to ordinary shares of your company, with a mandatory subscription period (9<sup>th</sup> resolution),
  - of equity securities granting entitlement to ordinary shares of your company, with a facultative subscription period (10<sup>th</sup> resolution),
  - of ordinary shares of the company to be issued, in accordance with Article L. 228-93, following the issuance by the company in which it holds directly or indirectly more than half the share capital, of all securities giving access by any and all means, to the allocation of shares in the company which will be issued in representation of a portion of the company's capital (9<sup>th</sup> and 10<sup>th</sup> resolutions),

- of ordinary shares and/or other equity granting entitlement to ordinary shares of your company, mainly in payment for shares tendered within the framework of a public exchange offer initiated by your company on the shares of another company admitted for trading on a regulated market, under the conditions and subject to the reservations stipulated in Article L. 225-148 (10<sup>th</sup> resolution).

The total amount of the capital increases that may be carried out immediately or in future shall not exceed €120 million pursuant to the 8<sup>th</sup>, 9<sup>th</sup> and 10<sup>th</sup> resolutions, noting that it will be set off the maximum amount of the capital increases authorized to be decided by the Board of Directors and which shall not exceed:

- ◆ €75 million pursuant to the 9<sup>th</sup> resolution;
- ◆ €45 million pursuant to the 10<sup>th</sup> resolution, noting that the nominal value of shares that may be realized pursuant to the 9<sup>th</sup> resolution will be also set off against that amount.

The total amount of bonds or other related securities granting entitlement to your company's share capital which may be issued shall not exceed €1 billion on the date of the issue decision, or the equivalent value thereof in the case of an issue in a foreign currency or monetary unit established by reference to several currencies for each of the 8<sup>th</sup>, 9<sup>th</sup> and 10<sup>th</sup> resolutions.

It is the responsibility of your Board of Directors to prepare a report in accordance with Articles R. 225-113, R. 225-114 and R. 225-117 of the French Commercial Code. It is our responsibility to express our opinion on the fairness of quantitative information derived from the financial statements, on the proposed cancellation of the preferential subscription rights and on certain other information relating to the issue, 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 these transactions and the methods used to determine the issue price of the shares to be issued.

Subject to the subsequent review of the conditions governing any issues decided upon, we do not have any comment to make on the methods used to determine the issue price of shares to be issued presented in the Board of Directors' report pursuant to the 9<sup>th</sup> and 10<sup>th</sup> resolutions.

As your Board of Directors' report does not specify the methods used to determine the issue price of shares to be issued under the 8<sup>th</sup> resolutions, we do not express an opinion regarding the calculation of the issue price of the shares to be issued.

As the issue price has not yet been determined, we do not express an opinion on the final conditions under which the issuances will be carried out and, consequently, on the proposed cancellation of preferential subscription rights, as presented in the 9<sup>th</sup> and 10<sup>th</sup> resolutions.

In accordance with Article R. 225-116 of the French Commercial Code, we shall prepare a supplementary report, if need be, when the authorization to the issue ordinary shares with cancellation of preferential subscription rights and other equity securities granting entitlement to the company's capital is used by your Board of Directors.

## 2. Report on the issuance of shares and/ or other equity securities reserved for the employees of the company who are members of a company or group savings scheme in accordance with the French Commercial Code and Articles L. 3332-18 et seq. of the French Labor Code (*Code du travail*) (12<sup>th</sup> resolution)

In compliance with the engagement covered by Articles L. 225-135 et seq. and L. 225-92 of the French Commercial Code, 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 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 3% of the company's share capital on the date of each issue, upon which you are called to vote.

These share capital increases 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, R. 225-114 and R. 225-117 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 issue, 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, 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.

Subject to the subsequent review of the conditions of the capital increases decided upon, we have no comment to make on the methods used to determine the issue price 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, May 31, 2011  
The Statutory Auditors

**KPMG Audit**  
Department of KPMG S.A.

Valérie Besson  
Partner

Michel Piette  
Partner

**Deloitte & Associés**

Dominique Jumaucourt  
Partner

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# Request for documentation and information

**AIRFRANCE KLM**

To be taken into account, this request should reach Société Générale at least five days before the date of the meeting, i.e. July 2, 2011.

Société Générale  
Service Assemblées  
BP 81236  
44312 Nantes Cedex 03  
FRANCE

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 French Commercial Code (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) ..... 2011

(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 send them the documents and information referred to in Articles R. 225-81 and R. 225-83 of the Commercial Code on the occasion of future General Shareholders' Meetings. To take advantage of this, please check the following box:



# Notes

[www.airfranceklm-finance.com](http://www.airfranceklm-finance.com)

**AIRFRANCE KLM**

Société anonyme with share capital of €300,219,278  
552 043 002 RCS Paris (Trade and Company Register)  
Mailing address: 45, rue de Paris – 95747 Roissy-CDG Cedex – France