UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

April 1, 2009 – September 30, 2009

CONSOLIDATED INCOME STATEMENT (unaudited)

In € millions **Period from April 1 to September 30,**	***Notes***	**2009**	**2008 (adjusted)**
Sales	***6***	**10 775**	**12 959**
Other revenues		3	2
Revenues		**10 778**	**12 961**
External expenses	***7***	(6 794)	(7 661)
Salaries and related costs	***8***	(3 691)	(3 682)
Taxes other than income taxes		(124)	(129)
Amortization and depreciation	***9***	(833)	(806)
Provisions	***9***	(13)	(66)
Other income and expenses	***10***	134	(2)
Income from current operations		**(543)**	**615**
Sales of aircraft equipment		2	6
Negative goodwill	***11***	-	16
Other non-current income and expenses	***11***	(77)	1
Income from operating activities		**(618)**	**638**
Cost of financial debt	***12***	(186)	(187)
Income from cash and cash equivalents	***12***	60	166
Net cost of financial debt		***(126)***	***(21)***
Other financial income and expenses	***12***	(51)	(427)
Income before tax		**(795)**	**190**
Income taxes	***13***	241	(12)
Net income of consolidated companies		**(554)**	**178**
Share of profits (losses) of associates	***14***	(19)	4
Net income from continuing operations		**(573)**	**182**
Net income for the period		**(573)**	**182**
- Group		**(573)**	**179**
- Minority interest		-	3
Earnings per share – Group (in euros)			
- basic	***15***	(1.95)	0.61
- diluted	***15***	(1.95)	0.58

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSES (unaudited)

In € millions	September 30, 2009	September 30, 2008 (adjusted)
Net income for the period	**(573)**	**182**
Fair value adjustment on available-for-sale securities		
Change in fair value recognized directly in equity	6	(5)
Change in fair value transferred to profit or loss	-	-
Cash flow hedges		
Effective portion of changes in fair value hedge recognized directly in equity	726	1 380
Change in fair value transferred to profit or loss	452	(741)
Items of the recognized income and expenses of equity shares	**10**	**3**
Currency translation adjustment	**(3)**	**(2)**
Tax on items taken directly to or transferred from equity		
Income / (expense) recognized directly in equity	(360)	(189)
Total of other comprehensive income included in the recognized income and expenses	**831**	**446**
Recognized income and expenses	**258**	**628**
- Group	**255**	**618**
- Minority interest	**3**	**10**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

CONSOLIDATED BALANCE SHEET (unaudited)

Assets *In € millions*	***Notes***	**September 30, 2009**	**March 31, 2009**
Goodwill		400	400
Intangible assets		582	559
Flight equipment	***16***	11 947	12 125
Other property, plant and equipment	***16***	2 286	2 313
Investments in equity associates		446	446
Pension assets		2 609	2 499
Other financial assets *(including € 679 million of deposits related to financial leases as of September 30, 2009 and € 740 million as of March 31, 2009)*		875	938
Deferred tax assets		748	811
Other non-current assets		489	629
Total non-current assets		**20 382**	**20 720**
Assets held for sale		103	93
Other short term financial assets *(including € 302 million of deposits related to financial leases and investments between 3 months and 1 year as of September 30, 2008 and € 538 million as of March 31, 2009)*		338	580
Inventories		574	527
Trade accounts receivable		2 115	2 038
Income tax receivables		-	2
Other current assets		835	1 065
Cash and cash equivalents		3 615	3 748
Total current assets		**7 580**	**8 053**
Total assets		**27 962**	**28 773**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

CONSOLIDATED BALANCE SHEET (unaudited) (continued)

Liabilities and equity *In € millions*	***Notes***	**September 30, 2009**	**March 31, 2009**
Issued capital	***17.1***	2 552	2 552
Additional paid-in capital		765	765
Treasury shares		(110)	(124)
Reserves and retained earnings	***17.2***	2 767	2 429
Equity attributable to equity holders of Air France-KLM		**5 974**	**5 622**
Minority interest		56	54
Total Equity		**6 030**	**5 676**
Provisions and retirement benefits	***18***	1 326	1 334
Long-term debt	***19***	8 448	7 864
Deferred tax		418	339
Other non-current liabilities	***20***	1 464	2 170
Total non-current liabilities		**11 656**	**11 707**
Liability related to assets held for sale		3	7
Provisions	***18***	550	480
Current portion of long-term debt	***19***	1 687	1 353
Trade accounts payable		1 911	1 887
Deferred revenue on ticket sales		2 011	2 131
Frequent flyer programs		867	917
Current tax liabilities		12	11
Other current liabilities	***20***	3 121	4 322
Bank overdrafts		114	282
Total current liabilities		**10 276**	**11 390**
Total liabilities		**21 932**	**23 097**
Total liabilities and equity		**27 962**	**28 773**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (unaudited)

In € millions	Number of shares	Issued capital	Additional paid-in capital	Treasury shares	Reserves and retained earnings	Equity attributable to holders of Air France-KLM	Minority interest	Total equity
March 31, 2008 (adjusted)	**300 219 278**	**2 552**	**765**	**(119)**	**6 702**	**9 900**	**75**	**9 975**
Fair value adjustment on available for sale securities	-	-	-	-	(5)	**(5)**	-	**(5)**
Gain / (loss) on cash flow hedges	-	-	-	-	447	**447**	6	**453**
Currency translation adjustment	-	-	-	-	(3)	**(3)**	1	**(2)**
Net income for the period	-	-	-	-	179	**179**	3	**182**
Total of income and expenses recognized	-	-	-	-	**618**	**618**	**10**	**628**
Stock based compensation (ESA) and stock options	-	-	-	-	15	**15**	-	**15**
Dividends paid	-	-	-	-	(171)	**(171)**	(3)	**(174)**
Treasury shares	-	-	-	3	-	**3**	-	**3**
Change in scope	-	-	-	-	-	-	(17)	**(17)**
September 30, 2008 (adjusted)	**300 219 278**	**2 552**	**765**	**(116)**	**7 164**	**10 365**	**65**	**10 430**
March 31, 2009	**300 219 278**	**2 552**	**765**	**(124)**	**2 429**	**5 622**	**54**	**5 676**
Fair value adjustment on available for sale securities	-	-	-	-	6	**6**	-	**6**
Gain / (loss) on cash flow hedges	-	-	-	-	825	**825**	3	**828**
Currency translation adjustment	-	-	-	-	(3)	**(3)**	-	**(3)**
Net income for the period	-	-	-	-	(573)	**(573)**	-	**(573)**
Total of income and expenses recognized	**-**	**-**	**-**	-	**255**	**255**	**3**	**258**
Stock based compensation (ESA) and stock options	-	-	-	-	14	14	-	**14**
Dividends paid				-	-	-	(1)	**(1)**
OCEANE	-	-	-	-	69	**69**	-	**69**
Treasury shares	-	-	-	14	-	**14**	-	**14**
September 30, 2009	**300 219 278**	**2 552**	**765**	**(110)**	**2 767**	**5 974**	**56**	**6 030**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (unaudited)

In € millions **Period from April 1 to September 30,**	***Notes***	**2009**	**2008 (adjusted)**
Net income for the period – Group		(573)	179
Minority interest		-	3
Amortization, depreciation and operating provisions		846	872
Financial provisions		7	16
Gain on disposals of tangible and intangible assets		-	(23)
Loss / (gain) on disposals of subsidiaries and associates		(1)	(8)
Reversal of provision for cargo investigation	***18***	-	(225)
Derivatives – non monetary results		(14)	361
Unrealized foreign exchange gains and losses, net		(48)	(3)
Negative goodwill	***11***	-	(16)
Share of (profits) losses of associates		19	(4)
Deferred taxes		(239)	(5)
Other non-monetary items		(24)	(91)
Subtotal		**(27)**	**1 056**
(Increase) / decrease in inventories		(62)	(58)
(Increase) / decrease in trade receivables		(106)	(66)
Increase / (decrease) in trade payables		63	136
Change in other receivables and payables		(613)	98
Net cash flow from operating activities		**(745)**	**1 166**
Acquisitions of subsidiaries and investments in associates, net of cash acquired		(15)	(11)
Purchase of property, plant and equipment and intangible assets		(1 095)	(1 120)
Proceeds on disposal of subsidiaries and investments in associates		-	4
Proceeds on disposal of property, plant and equipment and intangible assets		523	123
Dividends received		3	3
Decrease (increase) in investments, net between 3 months and 1 year		241	(297)
Net cash used in investing activities		**(343)**	**(1 298)**
Issuance of long-term debt		1 449	496
Repayments on long-term debt		(110)	(203)
Payment of debt resulting from finance lease liabilities		(234)	(357)
New loans		(31)	(22)
Repayments on loans		54	74
Dividends paid		(1)	(174)
Net cash flow from financing activities		**1 127**	**(186)**
Effect of exchange rate on cash and cash equivalents and bank overdrafts		**(4)**	**2**
Change in cash and cash equivalents and bank overdrafts		**35**	**(316)**
Cash and cash equivalents and bank overdrafts at beginning of period		3 466	4 209
Cash and cash equivalents and bank overdrafts at end of period		3 501	3 893
Income tax paid (flow included in operating activities)		5	(48)
Interest paid (flow included in operating activities)		(167)	(177)
Interest received (flow included in operating activities)		49	150

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

April 1, 2009 – September 30, 2009

1. BUSINESS DESCRIPTION

As used herein, the term "Air France–KLM" refers to Air France-KLM S.A., a limited liability company organized under French law excluding its consolidated subsidiaries.
The Group is headquartered in France and is one of the largest airlines in the world. The Group's core business is passenger transportation. The Group's activities also include cargo, aeronautics maintenance and other air-transport related activities, including principally catering and charter services.
The limited company Air France-KLM SA, domiciled at 2 rue Robert Esnault-Pelterie 75007 Paris – France, is the parent company of the Air France-KLM group. Air France-KLM is listed for trading in Paris (Euronext), Amsterdam (Euronext).
The Group's functional currency is the euro.

2. SIGNIFICANT EVENTS OF THE YEAR

As of June 26, 2009, Air France-KLM issued 56 016 949 bonds with an option of conversion and/or exchange for new or existing Air France-KLM shares (OCEANE) for a total amount of € 661 million. Characteristics of this OCEANE are described in note 19.

3. ACCOUNTING POLICIES

3.1. Accounting principles

Accounting principles used for the interim condensed consolidated financial statements

Pursuant to the European Regulation 1606/2002 of July 19, 2002, the consolidated financial statements of the Air France-KLM Group have been established in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Commission at the date of these consolidated financial statements drawing up.

The interim condensed consolidated financial statements as of September 30, 2009 are prepared in accordance with the IFRS, as adopted by the European Union at the date of the preparation of these condensed consolidated financial statements, and are presented according to IAS 34 "Interim financial reporting" and must be read in connection with the annual consolidated financial statements for the year ended March 31, 2009.

The interim condensed consolidated financial statements as of September 30, 2009 are prepared in accordance with the accounting principles used by the Group for consolidated financial statements for the year 2008-09 but with the exception of the standards and interpretations adopted by the European Union applicable for the Group started April 1, 2009.

The condensed consolidated financial statements were approved by the Board of Directors on November 18, 2009.

Change in accounting principles

The standard IFRS 8 "Operating Segments" is applied for the first time as of September 30, 2009. The application of this rule has no impact on the Group consolidated accounts, segments previously presented according to IAS 14 being compliant with the definition of operating segments identified and grouped according to IFRS 8. The Group presents its segment information based on "passenger", "cargo", "maintenance" and "other" segments. Moreover it has been considered useful to maintain information by geographical area.

The standard IAS 1 revised is also applied for the first time as of September 30, 2009. The Group has chosen the option to present the performance in two statements: a consolidated income statements and a consolidated statement of recognized income and expenses. Information of previous period presented has been restated in order to be compliant with the revised standard.

3.2. Preparation of unaudited interim condensed consolidated financial statements

Seasonality of the activity

Revenues and income from current operations are characterized by their seasonal nature related to a high level of activity during the first half of the fiscal year. This phenomenon varies in magnitude depending on the year. In accordance with IFRS, revenues and the related expenses are recognized over the period in which they are realized and incurred respectively.

Income taxes

For the interim financial statements, the tax charge (current and deferred) is calculated by applying to the book income for the period the estimated annual average tax rate for the current year for each entity or tax group.

3.3. Use of estimates

The preparation of the condensed consolidated financial statements requires management to make estimates and use assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses. The significant areas of estimations described in note 3 of the March 31, 2009 consolidated financial statements, concerned:

- Revenue recognition related to deferred revenue on ticket sales
- Tangible and intangible assets
- Financial assets
- Deferred tax assets
- Flying Blue frequent flyer program
- Provisions

The Group's management makes these estimates and assessments continuously on the basis of its past experience and various other factors considered to be reasonable.

Then, consolidated accounts of the six-month period have been closed taking into account the current economical and financial crisis and are based on financial parameter available at the closing date. The immediate effects of the crisis have been taken into account, in particular the valuation of current assets and liabilities. Concerning the more long-term assets, i.e. the long-term assets, assumption has been taken that the crisis would have a limited duration.

Actual results could differ from these estimates depending on changes in the assumptions used or different conditions.

4. ADJUSTMENT OF CONSOLIDATED ACCOUNTS AS OF SEPTEMBER 30, 2008

The Group applied IFRIC 13 « Loyalty programs » for the annual consolidated accounts as of March 31, 2009. Because this text must be retrospectively applied, consolidated accounts as of September 30, 2008 have been adjusted in order to allow the comparison.

5. CHANGE IN SCOPE

Consolidated income statement of the six-month period ended September 30, 2008, included Martinair Group by equity for 50%.

Following to the acquisition of the additional 50% as of December 31, 2008, consolidated income statement of the six-month period ended September 30, 2009 comprises 100% of Martinair Group.
In order to allow the comparison, a pro forma consolidated income statement of the six-month period ended September 30, 2008 included Martinair Group, is presented below:

In € millions **Period from April 1 to September 30,**	**2008** **(pro forma)**
Revenues	**13 447**
External expenses	(8 057)
Salaries and related costs	(3 754)
Taxes other than income taxes	(129)
Amortization and depreciation	(847)
Provisions	(66)
Other income and expenses	(2)
Income from current operations	**592**
Sales of aircraft equipment	6
Negative goodwill	16
Other non-current income and expenses	18
Income from operating activities	**632**
Net cost of financial debt and other financial income and expenses	(458)
Income before tax	**174**
Income taxes	(2)
Net income of consolidated companies	**172**
Share of profits (losses) of associates	7
Net income from continuing operations	**179**
Net income for the period	
- Group	**176**
- Minority interest	3

6. INFORMATION BY ACTIVITY AND GEOGRAPHICAL AREA

Information by business segments

The Group is organized with the following segments:

Passenger: Passenger operating revenues primarily come from passenger transportation services on scheduled flights with the Group's airline code, including flights operated by other airlines under code-sharing agreements. They also include commissions paid by SkyTeam alliance partners, code-sharing revenues, revenues from excess baggage and airport services supplied by the Group to third party airlines and services linked to IT systems.

Cargo: Cargo operating revenues come from freight transport on flights under the companies' codes, including flights operated by other partner airlines under code-sharing agreements. Other cargo revenues are derived principally from sales of cargo capacity to third parties.

Maintenance: Maintenance operating revenues are generated through maintenance services provided to other airlines and customers globally.

Other: The revenues from this segment come primarily from catering supplied by the Group to third-party airlines and to charter flights operated primarily by Transavia.

Business segments' results are those that are either directly attributable or that can be allocated on a reasonable basis to these business segments. Amounts allocated to business segments correspond to the income from current operations. Other elements of the income statement are presented in the "non allocated" column.

Information by geographical segments

Group activities are broken down into five geographical regions:

- Europe and North Africa
- Caribbean, French Guiana and Indian Ocean
- Africa, Middle East
- Americas, Polynesia
- Asia and New Caledonia

Only segment revenues are allocated by geographical sales area.

6.1. Information by business segment

- **Six month period ended September 30, 2009**

In € millions	**Passenger**	**Cargo**	**Maintenance**	**Other**	**Non allocated**	**Total**
Total sales	8 795	1 122	1 488	1 135	-	12 540
Intersegment sales	(438)	(7)	(1 002)	(318)	-	(1 765)
External sales	**8 357**	**1 115**	**486**	**817**	**-**	**10 775**
Income from current operations	**(353)**	**(344)**	**68**	**86**	**-**	**(543)**
Income from operating activities	(353)	(344)	68	86	(75)	(618)
Share of profits (losses) of associates	-	-	-	-	(19)	(19)
Net cost of financial debt and other financial income and expenses	-	-	-	-	(177)	(177)
Income taxes	-	-	-	-	241	241
Net income from continuing operations	**(353)**	**(344)**	**68**	**86**	**(30)**	**(573)**

The external sales include the sales of Martinair Group for an amount of € 268 million. It is divided up as €190 million on the cargo business, € 3 million on the maintenance business, € 75 million on the other business.
The income from current operations includes the income from current operations of Martinair Group for an amount of € (50) million. It is divided up as € (42) million on the cargo business, € 3 million on the maintenance business and € (11) million on the other business.
The income from operating activities includes the income from operating activities of Martinair Group for an amount of € (101) million. It is divided up as € (42) million on the cargo business, € 3 million on the maintenance business and € (11) million on the other business, an amount of € (51) million being as "non allocated".

- **Six month period ended September 30, 2008 (adjusted)**

In € millions	Passenger	Cargo	Maintenance	Other	Non allocated	Total
Total sales	10 669	1 554	1 420	1 098	-	14 741
Intersegment sales	(485)	(9)	(953)	(335)	-	(1 782)
External sales	**10 184**	**1 545**	**467**	**763**	**-**	**12 959**
Income from current operations	**473**	**22**	**37**	**83**	**-**	**615**
Income from operating activities	473	22	37	83	23	638
Share of profits (losses) of associates	-	-	-	-	4	4
Net cost of financial debt and other financial income and expenses	-	-	-	-	(448)	(448)
Income taxes	-	-	-	-	(12)	(12)
Net income from continuing operations	**473**	**22**	**37**	**83**	**(433)**	**182**

6.2. Information by geographical area

Sales by geographical area

- **Six month period ended September 30, 2009**

In € millions	Europe, North Africa	Caribbean, French Guiana, Indian Ocean	Africa, Middle East	Americas, Polynesia	Asia, New Caledonia	Total
Scheduled passenger	5 204	192	577	1 320	659	7 952
Other passenger sales	298	5	31	27	44	405
Total passenger	**5 502**	**197**	**608**	**1 347**	**703**	**8 357**
Scheduled cargo	474	14	98	181	284	1 051
Other cargo sales	29	2	5	15	13	64
Total cargo	**503**	**16**	**103**	**196**	**297**	**1 115**
Maintenance	465	-	-	21	-	486
Others	792	12	13	-	-	817
Total	**7 262**	**225**	**724**	**1 564**	**1 000**	**10 775**

The sales by geographical area of the Martinair Group on the cargo business is divided up as € 79 million on the "Europe, North Africa" area, € 2 million on the "Caribbean, French Guiana, Indian Ocean" area, € 25 million on the "Africa, Middle East" area, € 51 million on the "Americas, Polynesia" area and € 33 million on the "Asia, New Caledonia" area.
The sales by geographical area of the Martinair Group on the maintenance business is divided up as € 3 million on the "Europe, North Africa" area.
The sales by geographical area of the Martinair Group on the others business is divided up as € 75 million on the "Europe, North Africa" area.

- **Six month period ended September 30, 2008 (adjusted)**

In € millions	Europe, North Africa	Caribbean, French Guiana, Indian Ocean	Africa, Middle East	Americas, Polynesia	Asia, New Caledonia	Total
Scheduled passenger	6 538	217	619	1 525	809	9 708
Other passenger sales	362	24	21	29	40	476
Total passenger	**6 900**	**241**	**640**	**1 554**	**849**	**10 184**
Scheduled cargo	706	16	94	191	449	1 456
Other cargo sales	53	2	4	14	16	89
Total cargo	**759**	**18**	**98**	**205**	**465**	**1 545**
Maintenance	462	-	-	-	5	467
Others	743	12	8	-	-	763
Total	**8 864**	**271**	**746**	**1 759**	**1 319**	**12 959**

Traffic sales by geographical area of destination

- **Six month period ended September 30, 2009**

In € millions	**Europe, North Africa**	**Caribbean, French Guiana, Indian Ocean**	**Africa, Middle East**	**Americas, Polynesia**	**Asia, New Caledonia**	**Total**
Scheduled passenger	3 106	566	1 202	1 901	1 177	7 952
Scheduled cargo	29	77	216	352	377	1 051
Total	**3 135**	**643**	**1 418**	**2 253**	**1 554**	**9 003**

The traffic sales by geographical area of destination of Martinair Group included in the "scheduled cargo" is divided up as € 3 million on the "Europe, North Africa" area, € 6 million on the "Caribbean, French Guiana, Indian Ocean" area, € 55 million on the "Africa, Middle East" area, € 89 million on the "Americas, Polynesia" area and € 32 million on the "Asia, New Caledonia" area.

- **Six month period ended September 30, 2008 (adjusted)**

In € millions	**Europe, North Africa**	**Caribbean, French Guiana, Indian Ocean**	**Africa, Middle East**	**Americas, Polynesia**	**Asia, New Caledonia**	**Total**
Scheduled passenger	3 849	637	1 329	2 354	1 539	9 708
Scheduled cargo	33	97	210	457	659	1 456
Total	**3 882**	**734**	**1 539**	**2 811**	**2 198**	**11 164**

7. EXTERNAL EXPENSES

In € millions ***Six month period ended September 30,***	**2009**	**2008**
Aircraft fuel	2 432	2 972
Chartering costs	252	337
Aircraft operating lease costs	364	301
Landing fees and en route charges	904	930
Catering	248	250
Handling charges and other operating costs	658	686
Maintenance costs	531	539
Commercial and distribution costs	437	555
Other external expenses	968	1 091
Total	**6 794**	**7 661**
Excluding aircraft fuel	*4 362*	*4 689*

"Other external expenses" correspond mainly to rent and insurance costs.

The external expenses of the Martinair Group for the six-month period ended September 30, 2009 amount to € 207 million including € 89 million of aircraft fuel cost.

8. SALARIES AND NUMBER OF EMPLOYEES

Salaries and related costs

In € millions ***Six month period ended September 30,***	**2009**	**2008**
Wages and salaries	2 712	2 701
Social contributions	877	879
Net periodic pension cost	157	72
Expenses related to share-based compensation	14	15
Other expenses	(69)	15
Total	**3 691**	**3 682**

The "other expenses" comprise the capitalization of salaries costs on the aircraft and engine overhaul.

The salaries and related costs of the Martinair Group for the six-month period ended September 30, 2009 amount to € 67 million.

Average number of employees

Six month period ended September 30,	**2009**	**2008**
Flight deck crew	8 924	8 579
Cabin crew	22 917	22 997
Ground staff	74 281	75 456
Total	**106 122**	**107 032**

The average number of employees of the Martinair Group for the six-month period ended September 30, 2009 is 1 826 full time equivalents.

9. AMORTIZATION, DEPRECIATION AND PROVISIONS

In € millions ***Six month period ended September 30,***	**2009**	**2008**
Amortization and depreciation		
Intangible assets	27	23
Flight equipment	662	645
Other property, plant and equipment	144	138
	833	**806**
Provisions		
Inventories	5	-
Trade receivables	4	9
Risks and contingencies	4	57
	13	**66**
Total	**846**	**872**

The amortization, depreciation and provisions of the Martinair Group for the six-month period ended September 30, 2009 amount to € 30 million.

10.OTHER INCOME AND EXPENSES

In € millions ***Six month period ended September 30,***	**2009**	**2008**
Joint operation of routes	37	(16)
Operations-related currency hedges	100	(8)
Other	(3)	22
Total	**134**	**(2)**

11. NEGATIVE GOODWILL AND OTHER NON-CURRENT INCOME AND EXPENSES

- **Six month period ended September 30, 2009**

The "other non-current income and expenses" include the impact of the fair value adjustments of 15 Fokker 100 for an amount of € (15) million and a provision of € 49 million corresponding to the indemnities to be paid for two cargo aircraft that will not be used anymore.

- **Six month period ended September 30, 2008**

During the second quarter of the year 2008-09, the Group acquired an additional 0.35% of the share capital of KLM. After this acquisition Air France-KLM held 99.10% of the common shares representing 49% of KLM voting rights. This operation involved a negative goodwill amounting to € 16 million that has been directly recognized as an operating profit.

12. NET COST OF FINANCIAL DEBT AND OTHER FINANCIAL INCOME AND EXPENSES

In € millions ***Six month period ended September 30,***	**2009**	**2008**
Income from marketable securities	8	49
Other financial income	52	117
Income from cash and cash equivalents	**60**	**166**
Loan interests	(123)	(116)
Lease interests	(61)	(81)
Capitalized interests and other non monetary items	(2)	10
Cost of financial debt	**(186)**	**(187)**
Net cost of financial debt	**(126)**	**(21)**
Foreign exchange gains (losses), net	56	(49)
Change in fair value of financial assets and liabilities	(99)	(361)
Net (charge) release to provisions	(7)	(16)
Other	(1)	(1)
Other financial income and expenses	**(51)**	**(427)**

The net cost of financial debt and other financial income and expenses of the Martinair Group for the six-month period ended September 30, 2009 amount to € 2 million.

The interest rate used in the calculation of capitalized interest is 4.19% for the six month period ended September 30, 2009 (4.85% for the six month period ended September 30, 2008).

The change in fair value of financial assets and liabilities recorded as of September 30, 2009 and 2008 comes mainly from the variation of the ineffectiveness of fuel derivatives.

As of September 30, 2008, net charge to provisions includes an impairment on Alitalia shares for an amount of € 12 million, the company Alitalia is under controlled management with insolvency declaration. This additional provision involves 100% depreciation of the held shares.

13. INCOME TAXES

13.1 Income tax charge

In € millions *Six month period ended September 30,*	2009	2008 (adjusted)
Current tax (expense) / benefit	**2**	**(17)**
Charge for the period	1	(17)
Adjustment of previous current tax charges	1	-
Deferred tax income / (expense) from continuing operations	**239**	**5**
Change in temporary differences	(171)	(4)
Change in tax rates	-	-
(Use) / recognition of tax loss carryforwards	410	9
Income tax (expense) / income from continuing operations	**241**	**(12)**

The current tax charge relates to the amounts paid or payable in the short term to the tax authorities in respect to the financial period, in accordance with the regulations prevailing in various countries and any applicable treaties.

During the six-month period ended September 30, 2008, the Group has recognized a deferred tax asset amounting to € 47 million which corresponds to previous fiscal losses of two of its subsidiaries because of their realized profits and perspectives of recoverability.

13.2 Deferred tax recorded directly in equity

Deferred tax directly recorded in equity amounts to a loss of € 396 million as of September 30, 2009 against a loss of € 189 million for the period ended September 30, 2008.
For the six month period ended September 30, 2009, these deferred taxes relate to the accounting of cash flow hedges for € 360 million and to the accounting of the optional part of the OCEANE issued in June 2009 for € 36 million.
For the six month period ended September 30, 2008, these deferred taxes related to the accounting of cash flow hedges.

14 SHARE OF PROFITS (LOSSES) OF ASSOCIATES

The "share of profits (losses) of associates" for the six month period ended September 30, 2009 includes mainly the part of the loss amounting to € 16 million of Alitalia Group. It corresponds to the activity from April 1 to

June 30, 2009, the company being including in the scope since March 31, 2009 and its annual closing date being December 31.

15 EARNINGS PER SHARE

Reconciliation of income used to calculate earnings per share

In € millions ***Six month period ended September 30,***	**2009**	**2008 (adjusted)**
Income for the period – Group share	(573)	179
Dividends to be paid to priority shares	-	-
Income for the period – Group share (used to calculate basic earnings per share)	**(573)**	**179**
Impact of potential ordinary shares :		
- interest paid on convertible bonds (net of tax)	-	5
Income for the period – Group share (used to calculate diluted earnings per share)	**(573)**	**184**

Reconciliation of the number of shares used to calculate earnings per share

Six month period ended September 30,	**2009**	**2008**
Weighted average number of:		
- Ordinary shares issued	300 219 278	300 219 278
- Treasury stock held regarding stock option plan	(1 780 782)	(1 674 919)
- Treasury stock held for the share buyback plan	(1 179 249)	(665 156)
- Other treasury stock	(2 968 203)	(2 968 679)
Number of shares used to calculate basic earnings per share	**294 291 044**	**294 910 524**
Weighted average number of ordinary shares:		
- Conversion of convertible bonds	-	22 609 143
- Exercise of stock options	-	127 333
Number of potential ordinary shares	**-**	**22 736 476**
Number of ordinary and potential ordinary shares used to calculate diluted earnings per share	**294 291 044**	**317 647 000**

16 TANGIBLE ASSETS

In € millions	As of September 30, 2009			As of March 31, 2009		
	Gross value	**Depreciation**	**Net Value**	**Gross value**	**Depreciation**	**Net Value**
Owned aircraft	10 250	4 201	6 049	10 690	4 100	6 590
Leased aircraft	4 707	1 158	3 549	4 115	1 022	3 093
Assets in progress	1 246	-	1 246	1 355	-	1 355
Other	1 905	802	1 103	1 854	767	1 087
Flight equipment	**18 108**	**6 161**	**11 947**	**18 014**	**5 889**	**12 125**
Land and buildings	2 499	1 172	1 327	2 456	1 113	1 343
Equipment and machinery	1 182	719	463	1 117	685	432
Assets in progress	210	-	210	237	-	237
Other	894	608	286	944	643	301
Other tangible assets	**4 785**	**2 499**	**2 286**	**4 754**	**2 441**	**2 313**
Total	**22 893**	**8 660**	**14 233**	**22 768**	**8 330**	**14 438**

The net value of tangible assets financed under capital lease amounts to € 3 878 million as of September 30, 2009 and € 3 399 million as of March 31, 2009.

17 EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF AIR FRANCE-KLM SA

17.1 Breakdown of stock and voting rights

As of September 30, 2009, the issued capital of Air France-KLM comprised 300 219 278 fully paid-up shares whose nominal value amounts to € 8.50. Each share is entitled to one vote.

The breakdown of stock and voting rights is as follows:

	As of September 30, 2009		**As of March 31, 2009**	
	Capital	Voting rights	Capital	Voting rights
French State	16%	16%	16%	16%
Employees and former employees	12%	12%	12%	12%
Treasury shares	2%	-	2%	-
Other	70%	72%	70%	72%
Total	**100%**	**100%**	**100%**	**100%**

The item “Employees and former employees” includes shares held by employees and former employees identified in funds or by a Sicovam code.

17.2 Reserves and retained earnings

In € millions	**As of September 30, 2009**	**As of March 31, 2009**
Legal reserve	70	67
Distributable reserve	1 064	1 005
Derivatives and available for sale securities reserves	(671)	(1 503)
Other reserves	2 877	3 674
Net income (loss) – Group share	(573)	(814)
Total	**2 767**	**2 429**

18 PROVISIONS AND RETIREMENT BENEFITS

In € millions	As of September 30, 2009			As of March 31, 2009		
	Non current	**Current**	**Total**	**Non current**	**Current**	**Total**
Retirement benefits	857	-	857	799	-	799
Restitution of aircraft	326	179	505	368	173	541
Restructuring	-	7	7	-	10	10
Litigation	32	315	347	67	292	359
Other	111	49	160	100	5	105
Total	**1 326**	**550**	**1 876**	**1 334**	**480**	**1 814**

CONTINGENT LIABILITIES

The group is involved into several governmental and legal procedures for which provisions have not been necessarily recorded in financial statements.

Litigations concerning anti-trust laws

a) Investigation of the Competition Authorities into the airfreight business

Air France and KLM are involved, since February 2006, with twenty-five other airlines in anti-trust investigations conducted by the competition authorities of a number of countries about possible agreements and for concerted practices between undertakings in air shipping services.

In July 2008, Air France and KLM concluded a Plea Agreement ending the anti-trust procedure in the United States, against the payment of a USD 350 million fine (USD 210 million for Air France and USD 140 million for KLM), corresponding to € 221 million.

During the second Semester of the 2008-09 period, Air France and KLM concluded agreements ending anti-trust procedures in Canada and Australia. The agreement in Australia entailed the payment over the same period of a 6 million Australian dollars fine, i.e. € 3.6 million (3 million Australian dollars for Air France and 3 million Australian dollars for KLM). The agreement in Canada entailed the payment of a 9 million Canadian dollars fine, i.e. €5.6 million, which was paid on July 13, 2009 (4 million Canadian dollars for Air France and 5 million Canadian dollars for KLM).

Martinair, a subsidiary wholly owned by KLM since January 1, 2009 is also involved in the investigation of competition authorities in the United States, Europe, Canada, Australia and South Africa.
Martinair concluded a Plea Agreement in the United States for USD 42 million (i.e. € 28.4 million) in June 2008 and partially paid for USD 4.7 million as well as an agreement in Australia for 5 million Australian dollars in February 2009 (i.e. € 2.5 million) and for 1 million Canadian dollars in Canada (€ 0.7 million). The procedure under way in Europe gave rise to the booking of provisions for € 24 million. Regarding South Africa, Martinair did not book any provision, as the amount of possible incurred penalty is not deemed significant.

A fining decision procedure has been initiated by the EU Commission in September, 2009. A decision is expected in the last quarter of the 2009 calendar year. The provision recorded in the books as of March 31, 2008 to face the risk of the fines by the EU Commission still represents the best estimation of the risk supported as of September 30, 2009.

As the mother company of the Group, Air France-KLM is considered by the EU Commission as jointly and severally responsible for illicit practices for which Air France, KLM and Martinair should be responsible.

Procedures in Switzerland, Brazil, South Korea and South Africa are also still under way as of September 30, 2009. They do not give rise to the constitution of provisions, as the Group is not able at this stage of procedures to determine the risks supported, which as regards the concerned sales, are not individually significant.

b) Investigation of the European Commission into the passenger business between Europe and Japan

Air France and KLM, as other airlines, were subject, on March 11, 2008, to a dawn-raid and professional documents were seized within the framework of an European Commission investigation into possible agreements or concerted practices between undertakings in the air transportation business between the States concerned by the EEC agreement and Japan.

As of February 13, 2009, Air France and KLM answered a questionnaire from the Commission recalling the context of air political relationships between France and the Netherlands on one side, and Japan on the other side. These relationships are regulated by bilateral agreements that indicate that fares must be approved by the civil aviation regulators of the two States after agreement between the air carriers named in these agreements.

A second questionnaire was sent to the Group by the European Commission on October 1, 2009. The Group is unable to predict the outcome of these investigations by the European Commission.

c) Civil actions relating to airfreight business

As of March 31, 2009, more than 140 purported class action lawsuits had been filed in the United States against air freight operators including Air France, KLM, Martinair and other cargo carriers.

The plaintiffs allege that the defendants engaged in a conspiracy to fix the price of air shipping services as of January 1, 2000 including miscellaneous surcharges in air freight services in violation of antitrust laws. They consequently seek compensatory damages and treble monetary damages in unspecified amounts, costs and lawyers' fees, as well as injunctive relief amounting to triple the amount of compensatory damages.

Most of these actions have been transferred and pooled before the US District Court of the Eastern District of New-York. The Group intends to defend these cases. As the other cargo carriers, in July 2007 Air France, KLM and Martinair filed a motion to dismiss the claims of plaintiffs.
As of September 26, 2008, the Magistrate Judge recommended the District Judge to decide to dismiss the plaintiffs, but to allow them to file new requests based on the breach of anti-trust federal laws / Sherman Act claims ("dismissal without prejudice"). On the contrary, if this recommendation should be adopted, the plaintiffs that had based their demands on the breach of European competition rights and/or anti-trust law adopted individually by each of the states of the United States would not be allowed to file new requests to the Court ("dismissal without prejudice").
In a ruling dated August 21, 2009, the District Judge accepted most of the recommendations but reversed the Magistrate Judge on the Sherman Act claims permitting them to move forward without the need to replead. Consequently the Group will have to submit a formal response to the complaint.

At this stage, Air France-KLM Group is unable to predict the outcome of these investigations or the amount of penalties and compensatory damages which could be due.

d) Civil actions relating to air passenger business

As of September 30, 2008, two purported class action lawsuits had been filed in the United States against air passenger operators including Air France, KLM and Air France-KLM, respectively in Philadelphia ("Mc Lafferty") and in New-York ("La Flamme"). The plaintiffs allege that the defendants engaged in a conspiracy to fix the price of air fares or surcharges on relationships between Europe and Japan and transatlantic relationships. The Court dismissed the Mc Lafferty complaint case on October 20th, 2009.
A third lawsuit has been filed in California by other plaintiffs with respect to an alleged conspiracy on transpacific routes.

Air France, KLM and Air France-KLM intend to defend these cases, which they judge illegitimate. At this stage, Air France and KLM filed or intend to file a motion to dismiss the claims of plaintiffs. The Air France-KLM group is unable to predict the outcome of these procedures which are only at a preliminary stage.

Other litigations

a) Pretory

On July 20, 2006, Air France was indicted for possible illegal employment practices and being a possible accessory to misappropriation of funds by Pretory, a company that supplied on board safety guards to Air France for flights to the United States or other destinations following the September 11 terrorist attacks.

The company immediately filed an appeal against the judge's decision. In its decision the Court of Appeal dismissed Air France's request to cancel this indictment. Air France has lodged an appeal in the High Court against this decision. Air France intends to defend this case vigorously.

b) KLM minority shareholders

The Dutch association Vereniging van Effectenbezitters (VEB) together with an individual KLM shareholder have served Air France-KLM (in its capacity of priority shareholder) and KLM with a claim that KLM be ordered to acknowledge entitlement of minority shareholders of KLM to a higher dividend over the fiscal year 2007-08 and pay the same, claiming that the dividend that was declared is unfair and not equitable and that the special rights of minority shareholders have not been observed.
Proceedings have been brought before the Amsterdam court. Proceedings are in the phase of exchange of a second round of legal statements. No hearings have taken place, the court has not rendered any (intern) decision as of yet. It is still too early to assess the outcome of these proceedings.

c) AF 447

A civil lawsuit has been filed on September 30, 2009 in Houston Court against Air France, Airbus, Honeywell International Inc, Rockwell Collins Inc. and Thalès by the administrators of the estate of two passengers who died in the accident of flight AF 447 from Rio to Paris.
This action seeks damages for the two deaths arising out of the June 1, 2009, aircraft accident.
Air France's liability is covered by its aviation general liability insurance policy.

To Air France-KLM's knowledge, there is no other litigation, arbitration or exceptional fact that could have or have had in the recent past a material impact on the financial position, the profitability or patrimony of the group.

Other than the points indicated in this note, to the Group's knowledge, there is no other litigation, arbitration or other threatened or pending disputes that could have or has had, for a period covering at least the last twelve months, a material impact on the financial position or the profitability of the issuer and/or the Group

19 FINANCIAL DEBT

In € millions	**As of September 30, 2009**			**As of March 31, 2009**		
	Non current	**Current**	**Total**	**Non current**	**Current**	**Total**
Perpetual subordinated loan stock	495	-	495	505	-	505
OCEANE (convertible bonds)	955	-	955	393	-	393
Bonds	750	-	750	750	-	750
Capital lease obligations	3 535	543	4 078	3 381	512	3 893
Other long-term debt	2 713	1 044	3 757	2 835	761	3 596
Accrued interest	-	100	100	-	80	80
Total	**8 448**	**1 687**	**10 135**	**7 864**	**1 353**	**9 217**

As of June 26, 2009, Air France-KLM issued a bond with an option of conversion and/or exchange for new or existing Air France-KLM shares (OCEANE) with a maturity date fixed at April 1, 2015. 56 016 949 bonds were issued for a total amount of € 661 million. Each bond has a nominal value of € 11.80. The annual coupon amounts to 4.97%.
Upon issue of this convertible debt, Air France-KLM recorded a debt of € 556 million, corresponding to the present value of future payments for interest discounted at the rate of a similar bond without a conversion option. The option value was evaluated by deducting this debt value from the total nominal amount (i.e. € 661 million) and was recorded in equity.

20 OTHER LIABILITIES

The decrease of "other liabilities" is mainly explained by the decrease of the fair value of the fuel derivatives.

21 LEASE COMMITMENTS

21.1 Capital leases

The breakdown of total future minimum lease payments related to capital lease is as follows:

In € millions **As of**	**September 30, 2009**	**March 31, 2009**
Flight equipment	4 372	4 228
Buildings	278	293
Other	242	274
Total	**4 892**	**4 795**

21.2 Operating leases

The undiscounted amount of the future minimum operating lease payments for aircraft under operating lease totaled € 3 882 million as of September 30, 2009 (€ 3 946 million at March 31, 2009).

22 FLIGHT EQUIPMENT ORDERS

Due dates for commitments in respect of flight equipment orders are as follows:

In € millions	**As of September 30, 2009**	**As of March 31, 2009**
IATA N + 1	710	1 441
IATA N + 2	996	1 473
IATA N + 3	1 105	1 128
IATA N + 4	586	456
IATA N + 5	335	-
> IATA N+5	-	-
Total	**3 732**	**4 498**

These commitments relate to amounts in US dollars, converted into euros at the closing date exchange rate. Furthermore these amounts are hedged.

The number of aircraft on firm order as of September 30, 2009 decreased by 14 units compared with March 31, 2009 to 88 units. The number of options has not changed during the period with 58 aircraft. Evolution of the backlog can be analysed as follows:

- the delivery of 14 aircraft over the period;
- the conversion of 4 firm orders on an aircraft type on another aircraft type.

Long-haul fleet

Passenger

The Group took delivery of 6 Boeing B777s. Concerning this aircraft type, the Group did not place any firm order and convert any option into firm orders.

As of September 30, 2009, the Group's backlog for the long-haul fleet comprised firm orders for 12 Airbus A380s, 16 Boeing B777s. It also comprised options: 2 Airbus A380s, 2 Airbus A330s and 12 Boeing B777s.

Cargo

The Group has not taken any delivery.

As of September 30, 2009, the Group's backlog for the long-haul cargo fleet comprised 6 Boeing B777Fs (3 firm orders and 3 options).

Medium-haul fleet

The Group took delivery of 1 Boeing B737s. It has converted 3 firm orders A321 on A320.

As of September 30, 2009, the Group's backlog comprised firm orders 13 Airbus A320s, 3 Airbus A321s and 15 Boeing B737s. The Group also has options: 10 Airbus A320s and 11 Boeing B737s.

Regional fleet

The Group took delivery of 3 Embraer 170 and 4 Embraer 190. It has converted 1 firm order Embraer 190 on Embraer 170.

As of September 30, 2009, the Group's backlog comprised 14 Embraer 170 (including 10 options), 14 Embraer 190 (including 6 options) and 16 CRJ 1000 (including 2 options).

The Group's commitments concern the following aircraft:

Aircraft type		To be delivered in	IATA N+1	IATA N+2	IATA N+3	IATA N+4	IATA N+5	Beyond IATA N+5
A 320	As of September 30, 2009	Firm orders	-	2	11	-	-	-
		Options	-	-	-	*8*	*2*	-
	As of March 31, 2009	Firm orders	-	1	9	-	-	-
		Options	-	-	-	*8*	*2*	-
A 321	As of September 30, 2009	Firm orders	1	-	2	-	-	-
		Options	-	-	-	-	-	-
	As of March 31, 2009	Firm orders	1	2	3	-	-	-
		Options	-	-	-	-	-	-
A 330	As of September 30, 2009	Firm orders	-	-	-	-	-	-
		Options	-	-	*1*	*1*	-	-
	As of March 31, 2009	Firm orders	-	-	-	-	-	-
		Options	-	-	*1*	*1*	-	-
A 380	As of September 30, 2009	Firm orders	3	1	2	3	3	-
		Options	-	-	*1*	*1*	-	-
	As of March 31, 2009	Firm orders	3	4	3	2	-	-
		Options	-	-	*1*	*1*	-	-
B 737	As of September 30, 2009	Firm orders	2	7	4	2	-	-
		Options	-	-	*1*	*3*	*5*	*2*
	As of March 31, 2009	Firm orders	3	7	4	2	-	-
		Options	-	-	*1*	*3*	*4*	*3*
B 777	As of September 30, 2009	Firm orders	-	4	4	6	2	-
		Options	-	-	-	*6*	*4*	*2*
	As of March 31, 2009	Firm orders	6	6	6	4	-	-
		Options	-	-	*4*	*6*	*2*	-
B 777 F	As of September 30, 2009	Firm orders	2	-	1	-	-	-
		Options	-	-	-	*1*	*2*	-
	As of March 31, 2009	Firm orders	2	1	-	-	-	-
		Options	-	-	-	*1*	*2*	-
CRJ 1000	As of September 30, 2009	Firm orders	2	4	4	4	-	-
		Options	-	*2*	-	-	-	-
	As of March 31, 2009	Firm orders	2	4	4	4	-	-
		Options	-	*2*	-	-	-	-
Emb 170	As of September 30, 2009	Firm orders	4	-	-	-	-	-
		Options	*1*	*1*	*7*	*1*	-	-
	As of March 31, 2009	Firm orders	4	2	-	-	-	-
		Options	-	*2*	*7*	*1*	-	-
Emb 190	As of September 30, 2009	Firm orders	4	4	-	-	-	-
		Options	-	*3*	*1*	*2*	-	-
	As of March 31, 2009	Firm orders	8	5	-	-	-	-
		Options	-	*1*	*3*	*2*	-	-

23 RELATED PARTIES

During the six-month period ended September 30, 2009, relationships of the Group with its related parties have not changed significantly in terms of amounts and or scope with the exception of these with Alitalia Group, related party since March 25, 2009.
During the six month period ended September 30, 2009, the Group made sales of € 53 million and incurred costs of € 4 million with Alitalia Group.

24 SUBSEQUENT EVENTS

As of October 14, 2009, Air France-KLM issued a € 700 million bond with 7-year duration. The annual coupon amounts to 6.75%.

During the October month, the Group has launched a voluntary social plan for its subsidiary Air France. The perimeter as well as the modalities are currently studied with consultation of the trade unions and should be finalized soon. At this stage, without a plan sufficiently detailed, the Group is not able to evaluate the cost of this plan.

Regarding the antitrust investigation in South Korea, in the cargo sector, the Air France-KLM holding as well as companies Air France and KLM received from this State's competition authorities as of October 29, 2009 a Statement of Objections, written in Korean and currently under analysis by the group's counsels.
The three entities of the Group involved in the Statement of Objections intend to answer in the coming weeks, pointing out various legal and factual arguments.