

The background of the slide features a close-up, low-angle view of the tails and wings of several aircraft. The top tail is Air France, with its characteristic blue and white stripes and a red chevron. Below it is another tail, and at the bottom is a KLM tail with a blue crown logo and the letters 'KLM' in blue. The aircraft are white with blue and red accents.

AIRFRANCE **KLM**

Information meeting

Third quarter 2010-11
results

March 2011

Agenda

- ✦ 2010-11: recovery in activity and return to profitability
- ✦ Current issues
- ✦ Air France-KLM ambitions for the next three years

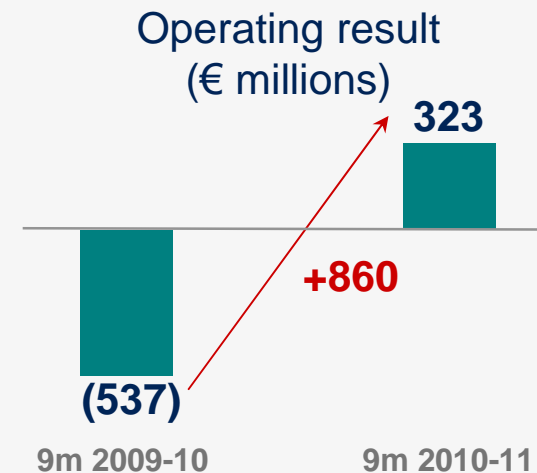
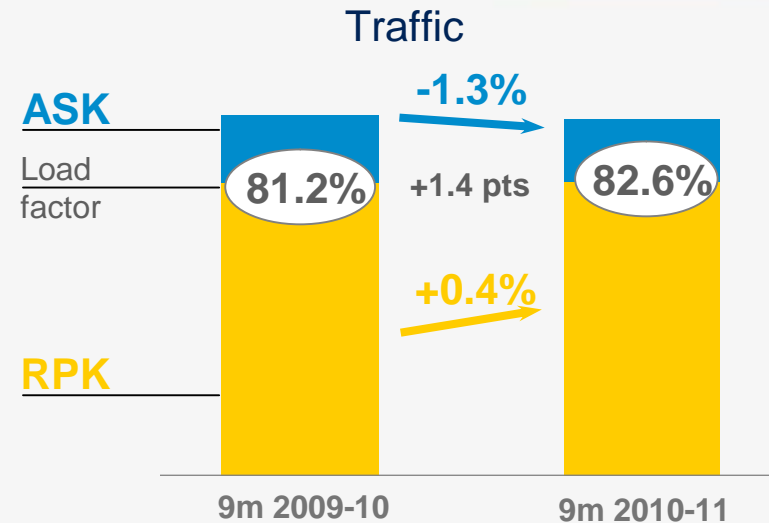
All businesses positive over nine months

Nine months
April-December 2010

		Revenues In € billions	Operating result In € millions
		14.0 +13%	+323 +860
		2.4 +35%	+78 +451
		0.8 +10%	+117 +37
		1.1 -2%	+7 -35

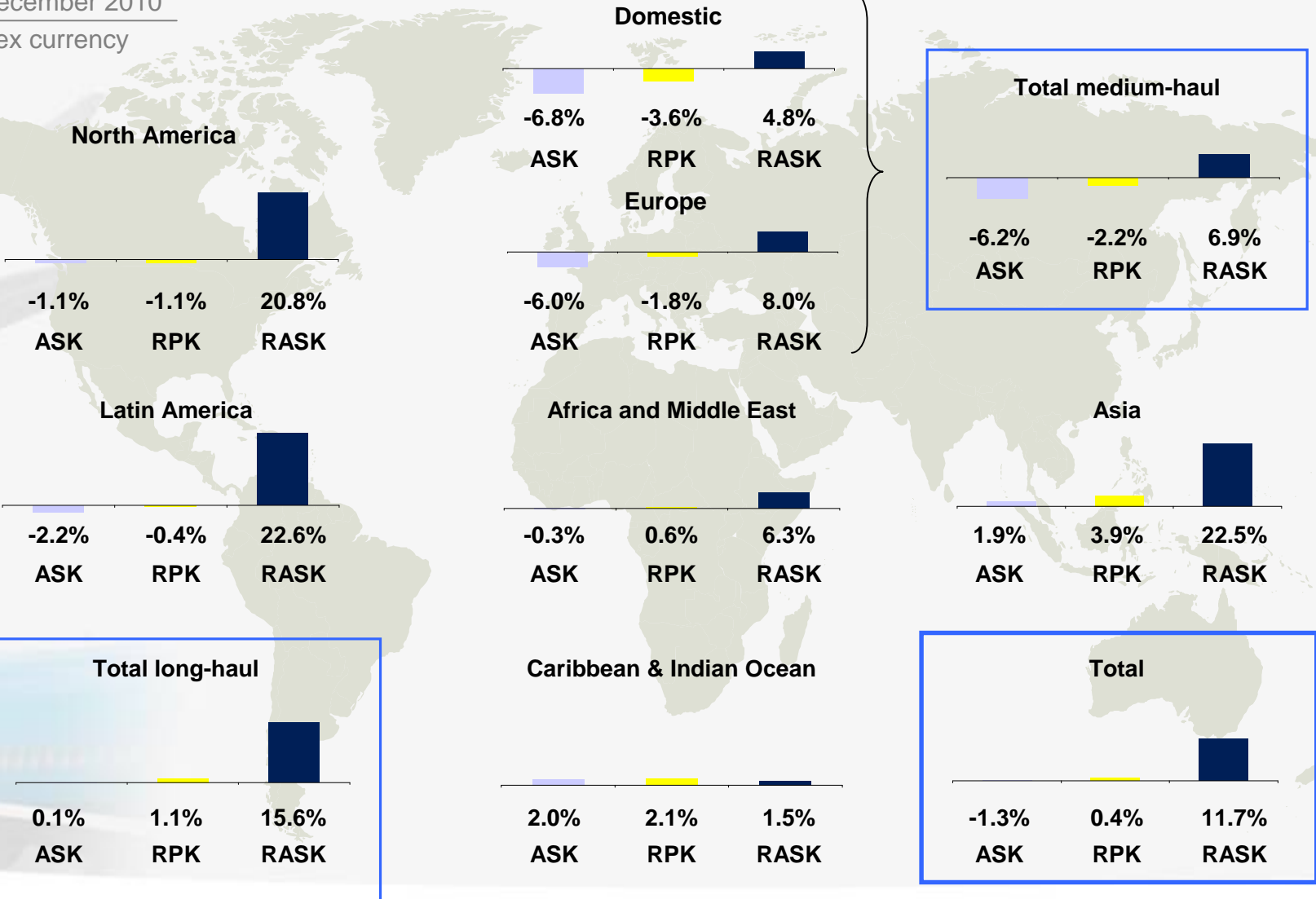
Passenger: large improvement in operating result despite strong disruptions

- + Strong disruptions from European air space closure, snow and air traffic control strikes
 - Loss of revenues: ~ €370m
 - Impact on operating result: ~€240m
- + Improvement in load factor
- + Return of small capacity growth in third quarter
- + Unit revenues up strongly
 - RRPK: +13%
 - RASK: +15%
- + Operating result up by €860m to €323m



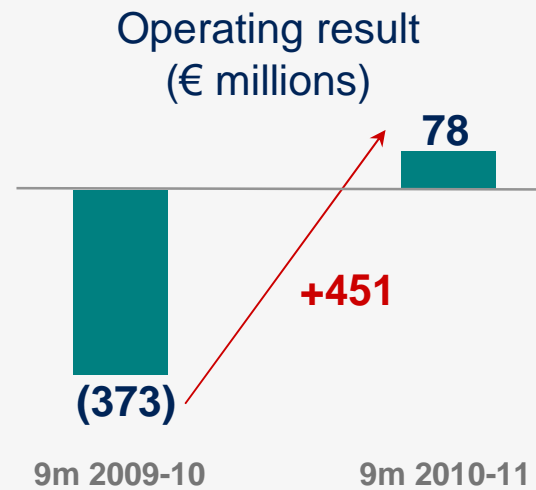
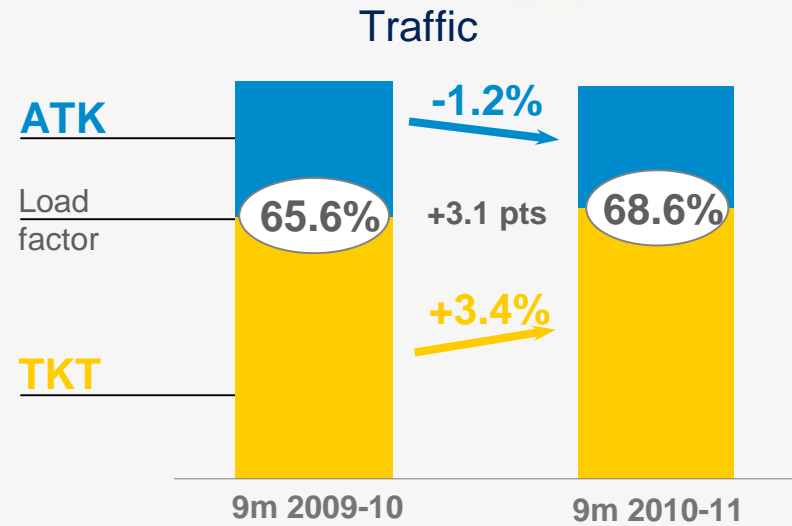
Rise in unit revenues, especially on long-haul

April-December 2010
RASK ex currency



Cargo continues its strong recovery

- + Increase in load factor, particularly in bellies and combis
- + Strong unit revenue improvement
 - RRTK: +31%
 - RATK: +37%
- + Control of unit costs
- + Operating result up by €451m to €78m

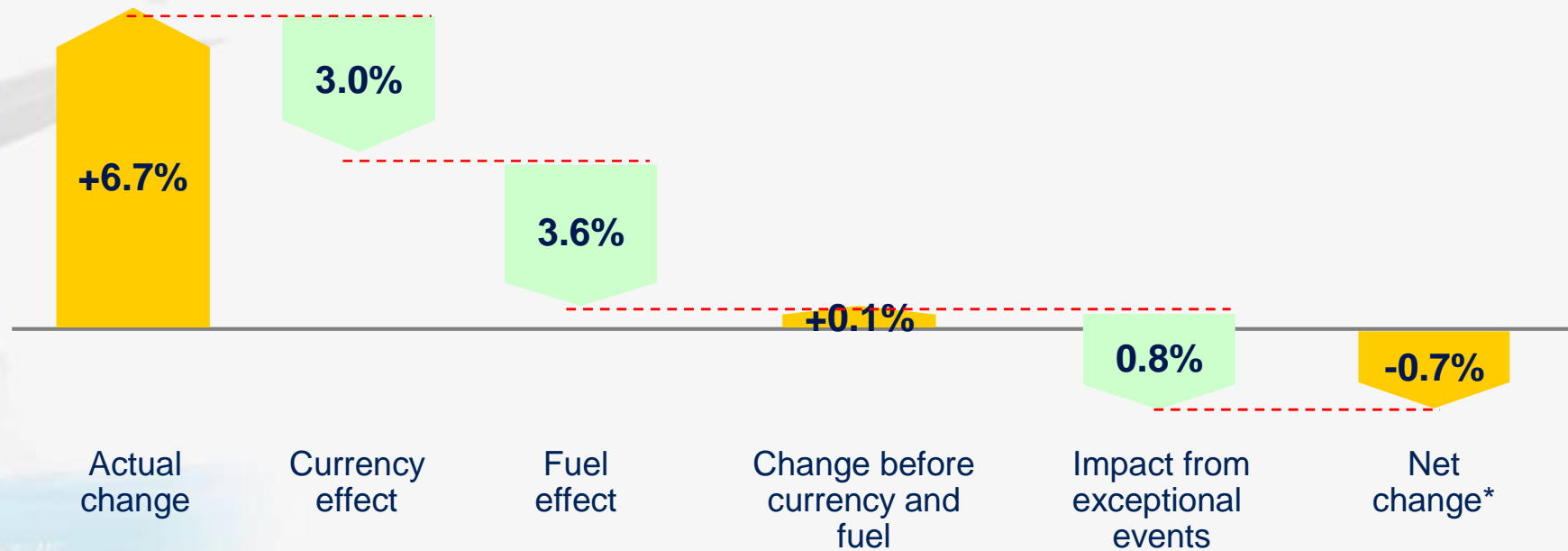


Stable unit costs over 9 months, despite exceptional events

April-December 2010

Unit cost per EASK: 6.53 € cts

Capacity in EASK: -1.0%

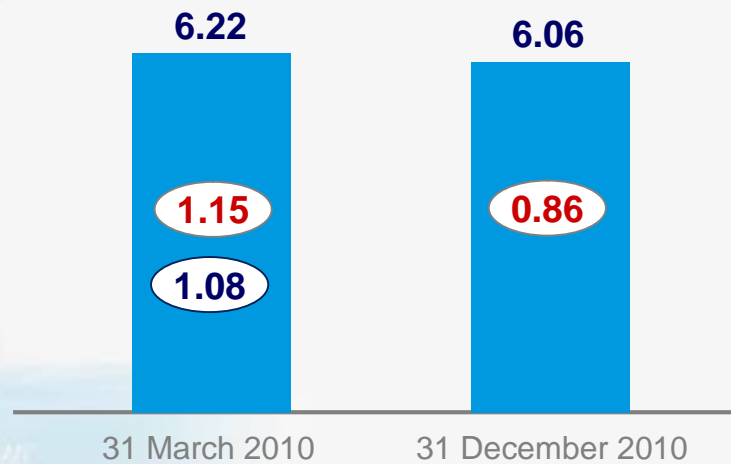


(*) Corrected for the impact of Premium Voyageur/Economy comfort : -2,3%

Strengthened financial position

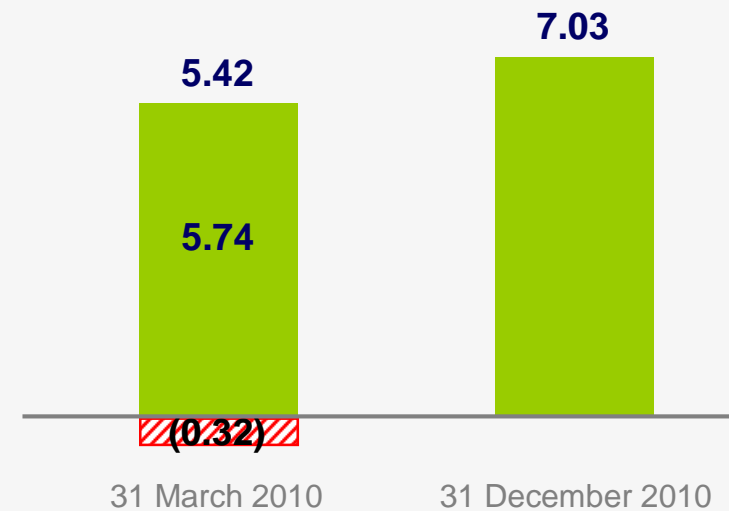
Net financial debt
(€ billions)

- Net debt
- ~~Gearing ratio~~
- ~~Gearing ratio ex-derivatives~~



Shareholders' equity
(€ billions)

- Shareholders' equity
- Derivative instruments



Fiscal Year 2010-11 objective

- ✦ Fourth Quarter unit revenues affected by negative context
 - ▶ Adverse weather conditions
 - ▶ Security issues in a number of destinations
 - ▶ January and February unit revenues impacted by overcapacity

- ✦ Objective of a positive operating result, but below previous target of over €300m

- ✦ Good quality of forward bookings from mid-March and for subsequent months

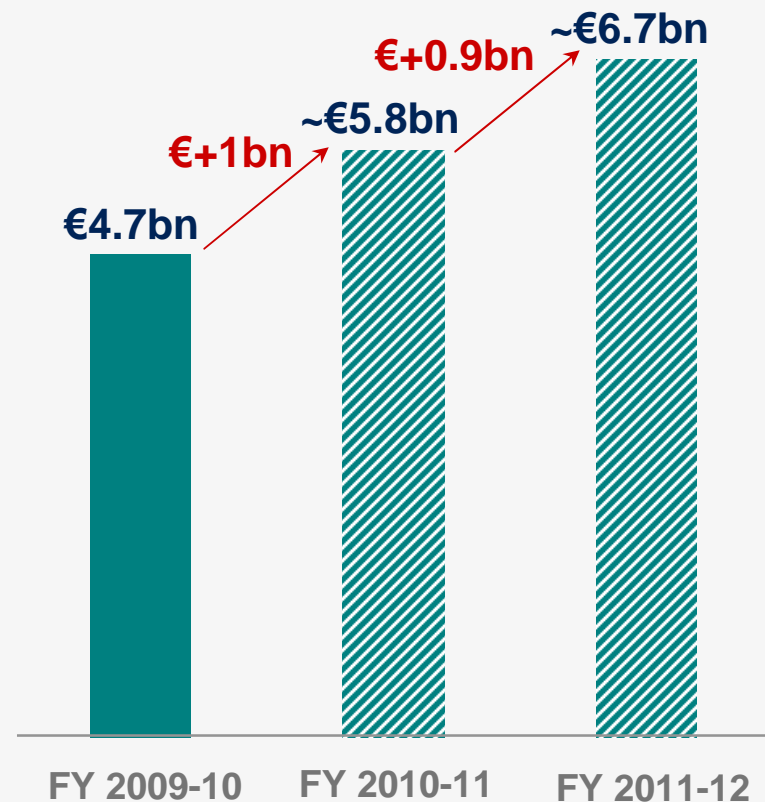
Agenda

- ✦ 2010-11: recovery in activity and return to profitability
- ✦ **Current issues**
- ✦ Air France-KLM ambitions for the next three years

Update on fuel bill

- ✦ FY 2010-11: fuel bill of €5.8bn*
 - ▶ Increase contained at +22% y-o-y, despite 25% rise in jet fuel market price and 1% increase in volume
- ✦ FY 2011-12: fuel bill of €6.7bn*
 - ▶ Increase contained at +16% y-o-y, despite 23% rise in jet fuel market price and 5% increase in volume
 - ▶ Weakening of USD mitigates increase of bill in euro
 - ▶ Y-o-y increase includes ~€300m due to capacity addition
 - ▶ Net year-on-year increase of €600m represents 2-3% of FY 2010-11 revenues

Fuel bill after hedging



(*) Based on 18th February 2011 forward curve:
Q4 2010-11: jet fuel at 918\$/t, USD/EUR at 1.34
FY 2011-12: jet fuel at 970\$/t, USD/EUR at 1.36

Highly productive Summer 2011 growth plans...

✦ Utilization of larger aircraft

- ▶ Introduction of 5th and 6th A380, of additional B777-300s
- ▶ Increased seating in 11 B777-200

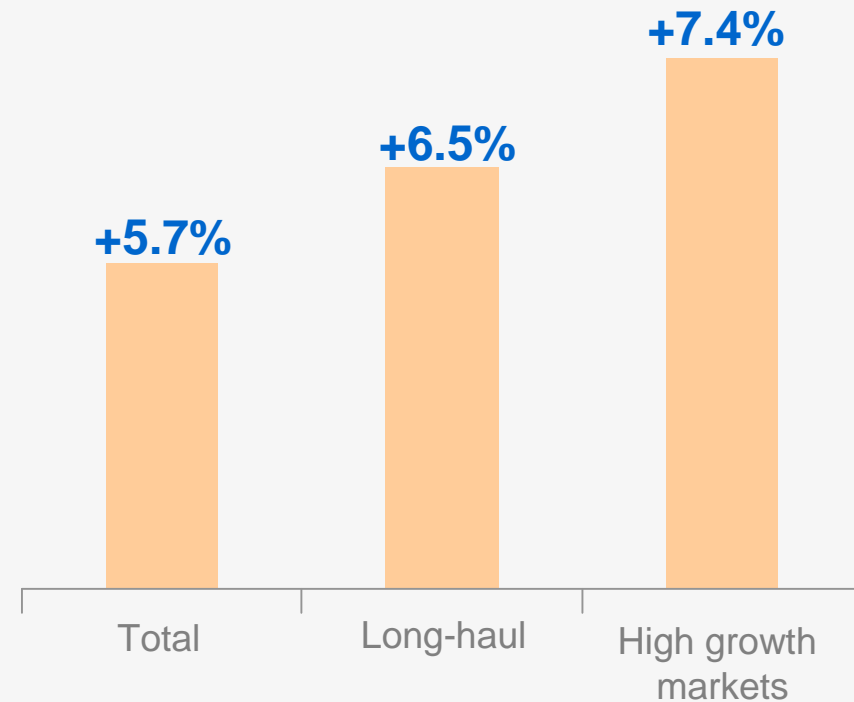
✦ Extension of long-haul network

- ▶ Opening of Xiamen (China), Phnom Penh, Freetown, Monrovia, Bata, Orlando

✦ Only 2,6% above pre-crisis level of Summer 2008

✦ Flexibility maintained

Air France-KLM Summer 2011 capacity growth



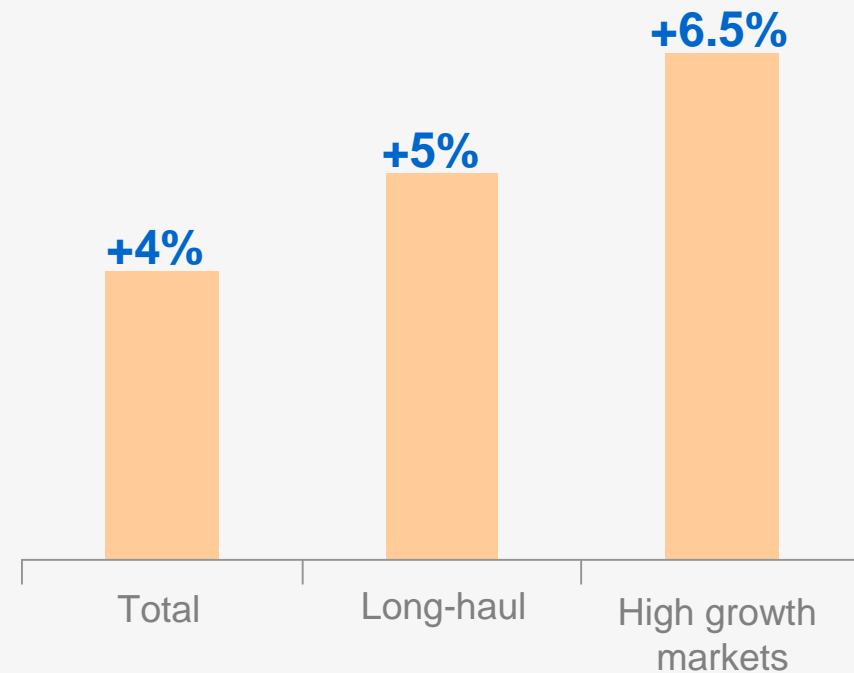
NB: Reported year-on-year growth will be higher because of the April 2010 European airspace closure

High growth markets: Asia ex Japan, Latin America, Africa & Middle East

...in framework of focused three-year capacity plans

- ✦ Increase leadership on high growth markets
 - ▶ Latin America, Africa and Asia ex-Japan
- ✦ Addition of 9 to 12 destinations to long-haul network
- ✦ Utilization of larger aircraft

Air France-KLM
annual capacity growth
2010 to 2013



Agenda

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Development strategy by region



Medium-haul: transformation continues

✦ Success of NEO

- ▶ Improvement in line with plan, excluding disruptions
- ▶ Objective of €500m improvement in operating result in 2011-12 confirmed

✦ Further initiatives underway

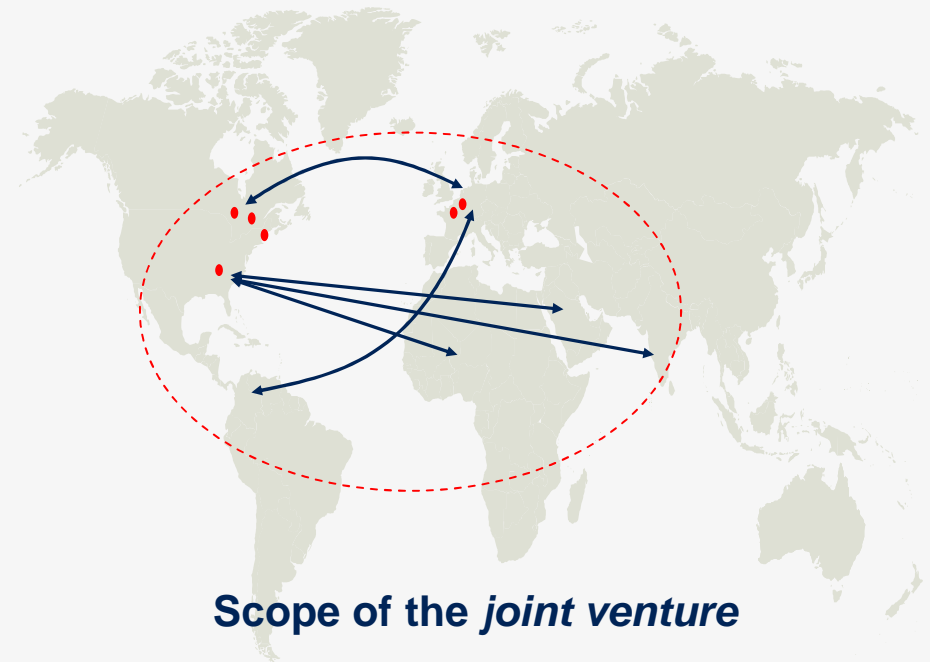
- ▶ Development of Air France bases in the provinces
- ▶ Repositioning of KLM product

✦ Development of European partnerships to reinforce connecting traffic

Long-haul: unique organization on the North Atlantic

- + Largest operator on North Atlantic
 - 28% of capacity
 - 250 flights every day
- + 50-50 share of revenues and costs
- + Joint capacity management
- + Single Revenue Management team
- + Integrated sales teams
- + Common contracts with 4,000 companies and 1,400 travel agents
- + Alitalia joining since April 1st, 2010

AIRFRANCE / KLM  DELTA 



At least **€150m** contribution by
2011-12 of which **€50m** in 2010-11

Partnerships in growth markets: seven new members in SkyTeam by the end of 2012

Top twelve growth markets by 2015 GDP

BRIC

- | | |
|--|--|
| <input checked="" type="checkbox"/> China | China Southern in SkyTeam, JV signed
China Eastern (incl. Shanghai Airlines) joining SkyTeam,
JV under negotiation |
| <input checked="" type="checkbox"/> India | <i>Under negotiation</i> |
| <input type="checkbox"/> Brazil | <i>Under study</i> |
| <input checked="" type="checkbox"/> Russia | Aeroflot in SkyTeam |

Next 8

- | | |
|--|--|
| <input checked="" type="checkbox"/> South Korea | Korean Air in SkyTeam |
| <input checked="" type="checkbox"/> Mexico | AeroMexico in SkyTeam |
| <input type="checkbox"/> Turkey | |
| <input checked="" type="checkbox"/> Taiwan | China Airlines joining SkyTeam |
| <input checked="" type="checkbox"/> Indonesia | Garuda joining SkyTeam |
| <input checked="" type="checkbox"/> Saudi Arabia | Saudi Arabian Airlines joining SkyTeam |
| <input type="checkbox"/> South Africa | |
| <input checked="" type="checkbox"/> Argentina | Aerolineas Argentinas joining SkyTeam |

Source: Global Insight

Unique position in China

Own network

2001



Four routes

SkyTeam member partners

2010/2011



Eight routes



Joint ventures

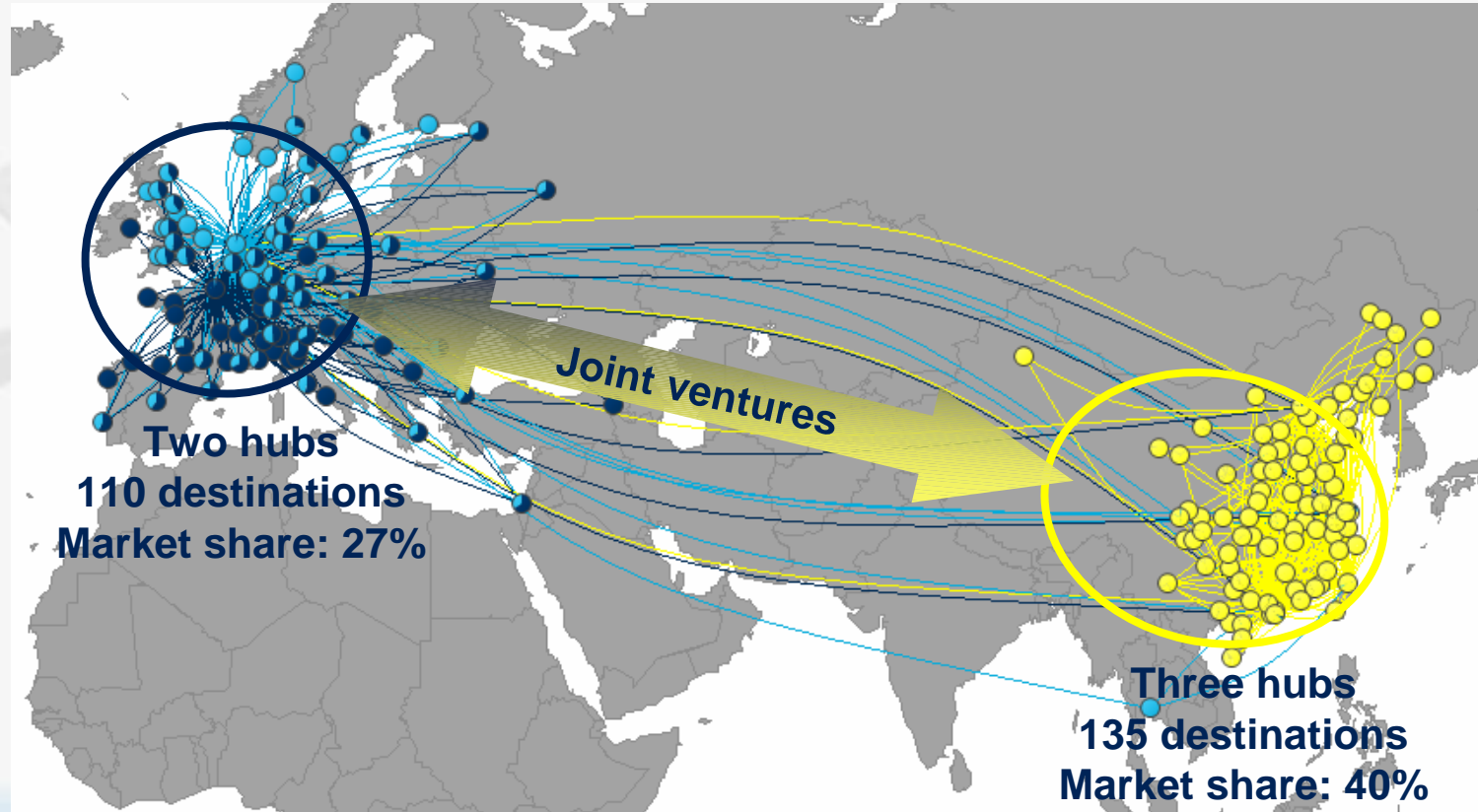
2014



Over 12 routes



Europe-China: co-operation between leaders



Establish within ten years
the same position as on the North Atlantic

Our partnerships are a strong asset against Gulf carrier competition




Strengthen financial position

- ✦ Investment plan lowered to €900m in 2010-11, €1.4bn in 2011-12, €1.6bn in 2012-13 and €1.4bn in 2013-14
- ✦ Free cash generation of over two billion euros over next three years
- ✦ Gearing target of 0.5 at end 2013-14
- ✦ Value of Amadeus stake close to one billion euros*

(*) 68,1 million shares

Ongoing unit cost reduction

- ✦ Within our different businesses:
 - ▶ Long-haul: increase in average size of aircraft
 - ▶ Medium-haul: development of regional bases
 - ▶ Cargo: focus business on bellies
 - ▶ Further operational productivity gains
- ✦ At corporate level:
 - ▶ Reorganization of support functions
 - ▶ Ongoing adaptation of resources to automate processes
 - ▶ Centralization of purchases



Unit costs
-3%* over three years

* At constant currency and fuel prices

Value-creating three year objectives

2013-14 objectives

Reduce unit costs by 3%*
over three years

Adjusted operating margin
above 7%

Gearing reduced to
0.5 by end 2013-14

ROCE of 8%
after tax in 2013-14

* At constant currency and fuel prices

AIRFRANCE **KLM**

Appendices



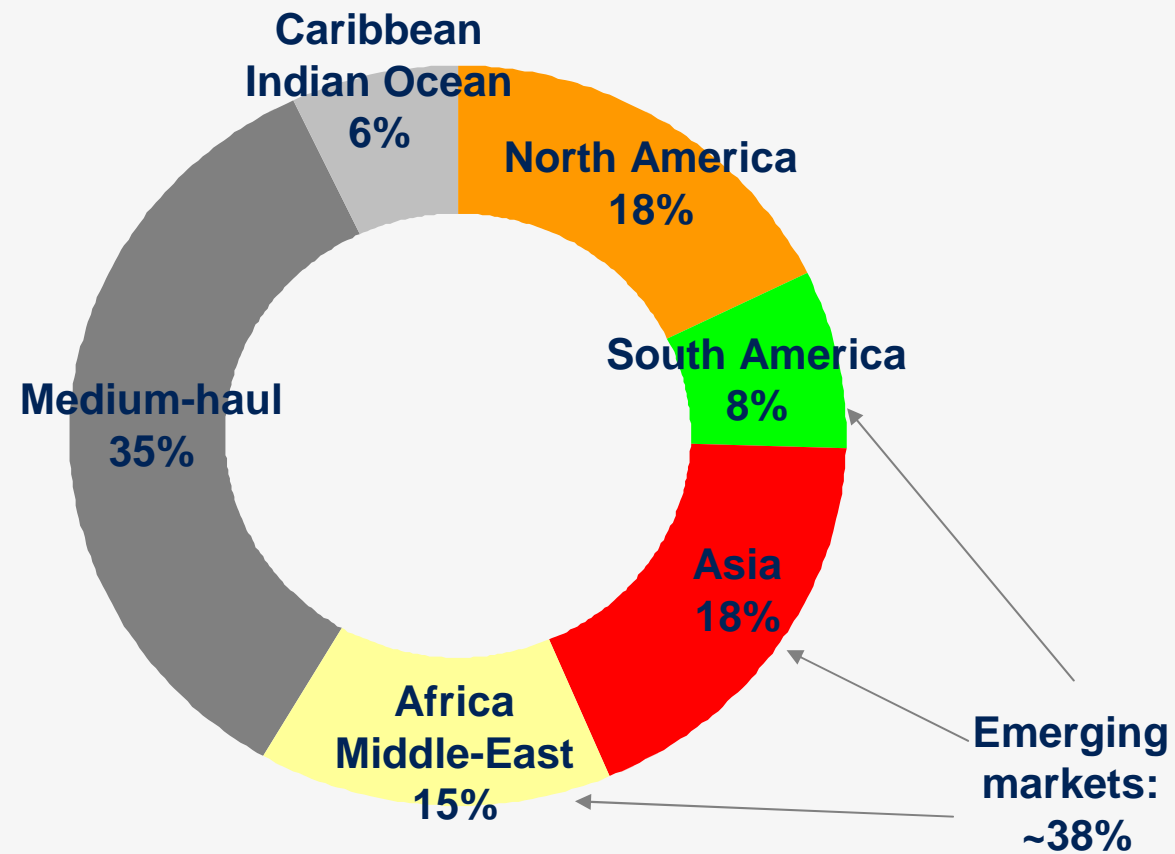
Results: key data

€ millions

	Q3 2010-11	Change	9 months 2010-11	Change
Revenues	5,919	13.9%	18,289	14.5%
o/w transportation	5,368	14.7%	16,421	16.0%
Operating costs	(5,838)	7.3%	(17,764)	6.0%
EBITDAR	708	x1.9	2,424	x2.3
EBITDAR margin	12.0%	+4.9 pts	13.3%	+6.8 pts
Operating result	81	+326	525	+1,313
Adjusted operating result*	152	+338	737	+1,342
Adjusted operating margin	2.6%	nm	4.0%	nm
Net result	(46)	+249	980	+1,848

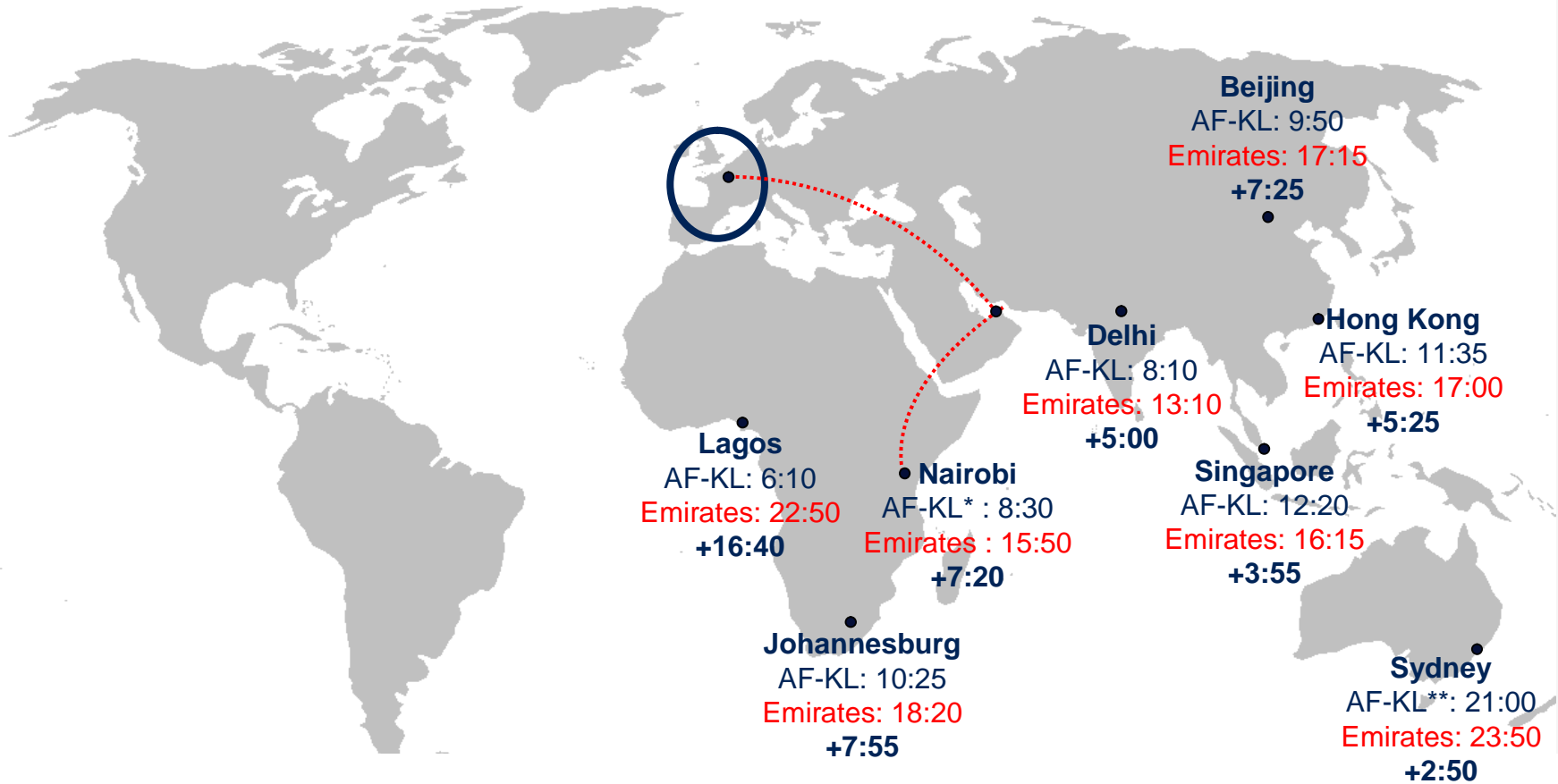
* Adjusted for the portion of operating leases corresponding to financial costs (34%)

Passenger revenue per destination – 9M 2010-11



Efficient hubs and network an advantage in the face of Gulf carrier competition

Comparative travel times, Paris-RoW



Departure 19th November 2010

xx:xx Journey on Air France-KLM

xx:xx Journey on Emirates via Dubai

+xx:xx Additional travel time

(*) Flight operated by Kenya Airways

(**) Singapore-Sydney operated by Qantas