

**UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS**

Prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European
Commission for use in the European Union

January 1, 2019 – March 31, 2019

Air France-KLM Group

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Air France-KLM Group

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

<i>In € millions</i>			
Period from January 1 to March 31	<i>Notes</i>	2019	2018
Sales	5	5,986	5,806
Revenues		5,986	5,806
External expenses	6	(3,751)	(3,519)
Salaries and related costs	7	(1,972)	(1,853)
Taxes other than income taxes		(52)	(49)
Other income and expenses	8	213	236
EBITDA		424	621
Amortization, depreciation and provisions		(727)	(739)
Income from current operations		(303)	(118)
Sales of aircraft equipment		13	(4)
Other non-current income and expenses	9	5	(43)
Income from operating activities		(285)	(165)
Cost of financial debt		(106)	(114)
Income from cash and cash equivalents		12	10
Net cost of financial debt		(94)	(104)
Other financial income and expenses	10	(71)	12
Income before tax		(450)	(257)
Income taxes		128	(6)
Net income of consolidated companies		(322)	(263)
Share of profits (losses) of associates		2	(6)
Net income from continuing operations		(320)	(269)
Net income for the period		(320)	(269)
<i>Net income - Group part</i>		<i>(320)</i>	<i>(269)</i>
Earnings per share – Equity holders of Air France-KLM (in euros)			
- basic		(0.76)	(0.64)
- diluted		(0.71)	(0.64)
Net income from continuing operations - Equity holders of Air France-KLM (in euros)			
- basic		(0.76)	(0.64)
- diluted		(0.71)	(0.64)

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

Air France-KLM Group

CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSES (UNAUDITED)

<i>In € millions</i>		
Period from January 1 to March 31	2019	2018
Net income for the period	(320)	(269)
Cash flow hedges and cost of hedging		
Effective portion of changes in fair value hedges and cost of hedging recognized directly in other comprehensive income	468	172
Change in fair value and cost of hedging transferred to profit or loss	(29)	(98)
Currency translation adjustment	-	1
Deferred tax on items of comprehensive income that will be reclassified to profit or loss	(130)	(20)
<i>Total of other comprehensive income that will be reclassified to profit or loss</i>	<i>309</i>	<i>55</i>
Remeasurements of defined benefit pension plans	108	88
Fair value of equity instruments revalued through OCI	(14)	(24)
Deferred tax on items of comprehensive income that will not be reclassified to profit or loss	(45)	(10)
<i>Total of other comprehensive income that will not be reclassified to profit or loss</i>	<i>49</i>	<i>54</i>
Total of other comprehensive income, after tax	358	109
Recognized income and expenses	38	(160)
- Equity holders of Air France-KLM	37	(160)
- Non-controlling interests	1	-

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

Air France-KLM Group

CONSOLIDATED BALANCE SHEET (UNAUDITED)

Assets		March 31,	December 31,
<i>In € millions</i>	<i>Notes</i>	2019	2018
Goodwill		217	217
Intangible assets		1,267	1,194
Flight equipment		10,279	10,165
Other property, plant and equipment		1,504	1,503
Right-of-use assets		5,051	5,243
Investments in equity associates		306	311
Pension assets	<i>11</i>	533	331
Other financial assets		1,542	1,487
Deferred tax assets		520	544
Other non-current assets		301	264
Total non-current assets		21,520	21,259
Other short-term financial assets		302	325
Inventories		686	633
Trade receivables		2,592	2,191
Other current assets		1,322	1,062
Cash and cash equivalents	<i>12</i>	4,162	3,585
Total current assets		9,064	7,796
Total assets		30,584	29,055

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

Air France-KLM Group

CONSOLIDATED BALANCE SHEET (AUNAUDITED) (continued)

Liabilities and equity		March 31,	December 31,
<i>In € millions</i>	<i>Notes</i>	2019	2018
Issued capital		429	429
Additional paid-in capital		4,139	4,139
Treasury shares		(67)	(67)
Perpetual		403	403
Reserves and retained earnings		(2,984)	(3,051)
Equity attributable to equity holders of Air France-KLM		1,920	1,853
Non-controlling interests		13	12
Total equity		1,933	1,865
Pension provisions	<i>11</i>	2,186	2,098
Return obligation liability and other provisions		3,126	3,035
Financial debt	<i>12</i>	6,014	5,733
Lease debt	<i>12</i>	3,426	3,546
Deferred tax liabilities		48	4
Other non-current liabilities		289	459
Total non-current liabilities		15,089	14,875
Return obligation liability and other provisions		509	492
Financial debt	<i>12</i>	815	826
Lease debt	<i>12</i>	989	988
Trade payables		2,463	2,460
Deferred revenue on ticket sales		4,298	3,153
Frequent flyer programs		836	844
Other current liabilities		3,616	3,547
Bank overdrafts	<i>12</i>	36	5
Total current liabilities		13,562	12,315
Total liabilities		28,651	27,190
Total equity and liabilities		30,584	29,055

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

Air France-KLM Group

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED)

<i>In € millions</i>	Number of shares	Issued capital	Additional paid-in capital	Treasury shares	Perpetual	Reserves and retained earnings	Equity attributable to holders of Air France-KLM	Non-controlling interests	Total equity
December 31, 2017	428,634,035	429	4,139	(67)	600	(2,693)	2,408	12	2,420
Gain / (loss) on cash flow hedges	-	-	-	-	-	54	54	-	54
Fair value of equity instruments through OCI	-	-	-	-	-	(24)	(24)	-	(24)
Remeasurements of defined benefit pension plans	-	-	-	-	-	78	78	-	78
Currency translation adjustment	-	-	-	-	-	1	1	-	1
<i>Other comprehensive income</i>	-	-	-	-	-	109	109	-	109
Net result for the period	-	-	-	-	-	(269)	(269)	-	(269)
Total of income and expenses recognized	-	-	-	-	-	(160)	(160)	-	(160)
Other	-	-	-	-	-	(2)	(2)	-	(2)
March 31, 2018	428,634,035	429	4,139	(67)	600	(2,855)	2,246	12	2,258
December 31, 2018	428,634,035	429	4,139	(67)	403	(3,051)	1,853	12	1,865
Gain / (loss) on cash flow hedges	-	-	-	-	-	308	308	1	309
Fair value of equity instruments through OCI	-	-	-	-	-	(14)	(14)	-	(14)
Remeasurements of defined benefit pension plans	-	-	-	-	-	63	63	-	63
<i>Other comprehensive income</i>	-	-	-	-	-	357	357	1	358
Net result for the period	-	-	-	-	-	(320)	(320)	-	(320)
Total of income and expenses recognized	-	-	-	-	-	37	37	1	38
OCEANE	-	-	-	-	-	35	35	-	35
Other	-	-	-	-	-	(5)	(5)	-	(5)
March 31, 2019	428,634,035	429	4,139	(67)	403	(2,984)	1,920	13	1,933

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

Air France-KLM Group

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

Period from January 1 to March 31	<i>Notes</i>	2019	2018
<i>In € millions</i>			
Net income from continuing operations		(320)	(269)
Amortization, depreciation and operating provisions		727	739
Financial provisions		43	26
Loss (gain) on disposals of tangible and intangible assets		(20)	4
Derivatives – non monetary result		27	13
Unrealized foreign exchange gains and losses, net		64	(24)
Share of (profits) losses of associates		(2)	6
Deferred taxes		(134)	1
Other non-monetary items		(21)	(6)
Financial capacity		364	490
(Increase) / decrease in inventories		(60)	(13)
(Increase) / decrease in trade receivables		(399)	(310)
Increase / (decrease) in trade payables		(34)	64
Change in other receivables and payables		1,299	1,066
Change in working capital requirement		806	807
Net cash flow from operating activities (A)		1,170	1,297
Acquisition of subsidiaries, of shares in non-controlled entities		-	(8)
Purchase of property plant and equipment and intangible assets (B)		(718)	(939)
Proceeds on disposal of subsidiaries, of shares in non-controlled entities		4	3
Proceeds on disposal of property plant and equipment and intangible assets (C)		40	26
Dividends received		3	3
Decrease (increase) in net investments, more than 3 months		22	(12)
Net cash flow used in investing activities		(649)	(927)
Increase of equity due to new convertible bond		54	-
Issuance of debt		454	24
Repayment on financial debt		(238)	(781)
Payments on lease debt (D)		(251)	(242)
New loans		(5)	(8)
Repayment on loans		4	42
Net cash flow from financing activities		18	(965)
Effect of exchange rate on cash and cash equivalents and bank overdrafts (net of cash acquired or sold)		7	(4)
Change in cash and cash equivalents and bank overdrafts		546	(599)
Cash and cash equivalents and bank overdrafts at beginning of period		3,580	4,667
Cash and cash equivalents and bank overdrafts at end of period		4,126	4,068

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

Air France-KLM Group

Period from January 1 to March 31	<i>Notes</i>	2019	2018
<i>in € millions</i>			
Net cash flow from operating activities	<i>A</i>	1,170	1,297
Purchase of property plant and equipment and intangible assets	<i>B</i>	(718)	(939)
Proceeds on disposal of property plant and equipment and intangible assets	<i>C</i>	40	26
Operating free cash flow	<i>12</i>	492	384
Payments on lease debt	<i>D</i>	(251)	(242)
Operating free cash flow adjusted (**)		241	142

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

(**) See note 3 in notes to the consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

Air France-KLM Group

1. BUSINESS DESCRIPTION

As used herein, the term "Air France-KLM" refers to Air France-KLM SA, a limited liability company organized under French law. The term "Group" is represented by the economic definition of Air France-KLM and its subsidiaries. The Group is headquartered in France and is one of the largest airlines in the world. The Group's core business is network activities which includes passenger transportation on scheduled flights and cargo activities. The Group's activities also include aeronautics maintenance, "low cost" passenger transportation (Transavia) and other air-transport-related activities.

The limited company Air France-KLM, 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) and Amsterdam (Euronext).

The presentation currency used in the Group's financial statements is the euro, which is also Air France-KLM's functional currency.

2. SIGNIFICANT EVENTS

2.1. Events that occurred in the period

Convertible bond (OCEANE) issued in 2019

On March 20, 2019, Air France-KLM issued 27,901,785 bonds convertible and/or exchangeable for new or existing Air France-KLM shares (OCEANE) with a maturity date fixed at March 25, 2026 for a total nominal amount of €500 million. Each bond has a nominal value of €17.92. The annual coupon amounts to 0.125 per cent. The conversion period of these bonds runs from May 4, 2019 to the seventh working day preceding the normal or early reimbursement date. The conversion ratio is one share for one bond.

Repayment at par, plus accrued interest, will be possible on March 25, 2024 on request of the bond holders. Air France-KLM can enforce the cash reimbursement of these bonds by exercising a call option running from April 15, 2022 if the share price exceeds 130 per cent of the nominal, amounting to €23.29, encouraging OCEANE bond holders to convert their bonds into Air France-KLM shares.

Upon issue of this convertible debt, Air France-KLM recorded a debt of €446 million, corresponding to the present value of future payments of interest and nominal 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. €500 million) and was recorded in equity.

2.2. Subsequent events

There have been no significant events since the closing of the period.

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3. ACCOUNTING POLICIES

3.1. Accounting principles

Accounting principles used for the consolidated financial statements

Pursuant to the European Regulation n° 1606/2002 of July 19, 2002, the consolidated financial statements of the Air France-KLM Group as of December 31, 2018 were established in accordance with the International Financial Reporting Standards (“IFRS”) as adopted by the European Commission on the date these consolidated financial statements were established.

The interim condensed consolidated financial statements as of March 31, 2019 are prepared in accordance with IFRS, as adopted by the European Union on the date these condensed consolidated financial statements were established, 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 on December 31, 2018.

The interim condensed consolidated financial statements as of March 31, 2019 have been established in accordance with the accounting principles used by the Group for the consolidated financial statements 2018, except for standards and interpretations adopted by the European Union applicable as from January 1, 2019.

The condensed consolidated financial statements were approved by the Board of Directors on May 2, 2019.

Change in accounting principles

- **IFRS standards which are applicable on a mandatory basis to the 2019 financial statements**

Amendment to IFRS 9 “Financial instruments”

This amendment deals with prepayment features with negative compensation.

IFRIC 23 “Uncertainty over Income Tax Treatments”

This interpretation of IAS 12 “Income Taxes” clarifies the treatment of any uncertainty situation regarding the acceptability of a tax treatment related to income taxes.

Amendment to IAS 28 “Long-term interests in an associate or joint venture”

This amendment is related to the measurement of other interests in an associate or a joint venture which would not be recognized by the equity method.

Amendment to IAS 19 “Employee benefits”

This amendment relates to the consequences of a plan amendment, curtailment or settlement on the current service cost and the net interest.

Amendment to IAS 12 “Income taxes”

This amendment outlines income tax consequences of payments on instruments classified as equity.

Amendment to IFRS 11 “Joint arrangements”

This amendment clarifies the accounting treatment of the interest’s acquisition in a joint operation;

Amendment to IAS 23 “Borrowing costs”

This amendment indicates borrowing costs eligible for capitalization;

- **Other texts potentially applicable to the Group, published by the IASB but not yet adopted by the European Union**

Amendment to IFRS 3 “Business Combinations”

(Effective for the accounting periods as of January 1, 2020)

This amendment clarifies the definition of a business.

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Amendments to IAS 1 “Presentation of financial statements” and IAS 8 “Accounting policies, changes in accounting estimates and errors”

(Effective for the accounting periods as of January 1, 2020)

This amendment defines the materiality.

3.2. Preparation of unaudited interim 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 from April 1 to September 30. 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 income before tax of the period the estimated annual average tax rate for the current year for each entity or fiscal group.

Retirement benefits

The net obligations concerning the defined-benefits schemes are revalued based on the discount rates and the fair-value of assets at interim closing dates. The net impact of these revaluations is recorded in other comprehensive income. Low discount rates can lead the Group to review other actuarial assumptions in order to keep a global consistency of the assumptions set.

3.3. Use of estimates

The preparation of the condensed consolidated financial statements in conformity with IFRS requires management to make estimates and use assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses. The significant areas of estimates described in the note 4 of the December 31, 2018 consolidated financial statements, concerned:

- Revenue recognition related to deferred revenue on ticket sales;
- Flying Blue frequent flyer program;
- Financial assets;
- Tangible and intangible assets;
- Lease contracts;
- Pension assets and provisions;
- Return obligation liability and provisions for leased aircraft and Other provisions;
- Current and deferred tax assets.

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 that provide the basis for these assumptions.

The consolidated financial statements for the period have thus been established on the basis of financial parameters available at the closing date. Concerning the non-current assets, the assumptions are based on a limited level of growth.

These accounting estimations are based upon the latest available, reliable information.

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

Air France-KLM Group

3.4. Aggregates used within the framework of financial communication

Operating free cash flow adjusted: this corresponds to operating free cash flow net of the payment of lease debts.

4. CHANGE IN THE CONSOLIDATION SCOPE

- **First quarter ended March 31, 2019**

No significant acquisition or disposal took place during the first quarter ended March 31, 2019

- **First quarter ended March 31, 2018**

No significant acquisition or disposal took place during the first quarter ended March 31, 2018

5. INFORMATION BY ACTIVITY AND GEOGRAPHICAL AREA

Business segments

The segment information is prepared on the basis of internal management data communicated to the Executive Committee, the Group's principal operational decision-making body.

The Group is organized around the following segments:

Network: Passenger network and Cargo operating revenues primarily come from passenger transportation services on scheduled flights with the Group's airline code (excluding Transavia), including flights operated by other airlines under code-sharing agreements. As from the end of 2017, the activities of JOON contributes to the performances of Network. 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.

The revenues also including income 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 and transportation of shipment on behalf of the Group by another airline.

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

Transavia: The revenues from this segment come from the "low cost" activity realized by Transavia.

Other: The revenues from this segment come from various services provided by the Group and not covered by the four segments mentioned above.

The results of the business segments 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 mainly correspond to the EBITDA, current operating income and to the income from operating activities. Other elements of the income statement are presented in the "non-allocated" column.

Inter-segment transactions are evaluated based on normal market conditions.

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Geographical segments

• Activity by origin of sales area

Group activities by origin of sale are broken down into eight geographical areas:

- Metropolitan France
- Benelux
- Europe (excluding France and Benelux)
- Africa
- Middle East, Gulf, India (MEGI)
- Asia-Pacific
- North America
- Caribbean, West Indies, French Guyana, Indian Ocean, South America (CILA)

Only segment revenue is allocated by geographical sales area.

• Activity by destination

Group activities by destination are broken down into seven geographic areas:

- Metropolitan France
- Europe (excluding France) and North Africa
- Caribbean, West Indies, French Guyana and Indian Ocean
- Africa (excluding North Africa), Middle East
- North America, Mexico
- South America (excluding Mexico)
- Asia and New Caledonia

Air France-KLM Group

5.1. Information by business segment

• Three-month period ended March 31, 2019

<i>In € millions</i>	Network	Maintenance	Transavia	Other	Non allocated	Total
Total sales	5,184	1,170	251	59	-	6,664
Intersegment sales	(9)	(616)	(2)	(51)	-	(678)
External sales	5,175	554	249	8	-	5,986
EBITDA	302	130	(15)	7	-	424
Income from current operations	(279)	47	(71)	-	-	(303)
Income from operating activities	(266)	47	(71)	5	-	(285)
Share of profits (losses) of associates	-	-	-	2	-	2
Net cost of financial debt and other financial income and expenses	-	-	-	-	(165)	(165)
Income taxes	-	-	-	-	128	128
Net income from continuing operations	(266)	47	(71)	7	(37)	(320)

• Three-month period ended March 31, 2018

<i>In € millions</i>	Network	Maintenance	Transavia	Other	Non allocated	Total
Total sales	5,099	1,076	236	60	-	6,471
Intersegment sales	(9)	(605)	(1)	(50)	-	(665)
External sales	5,090	471	235	10	-	5,806
EBITDA	505	112	(4)	8	-	621
Income from current operations	(86)	27	(58)	(1)	-	(118)
Income from operating activities	(132)	27	(59)	(1)	-	(165)
Share of profits (losses) of associates	-	-	-	(6)	-	(6)
Net cost of financial debt and other financial income and expenses	-	-	-	-	(92)	(92)
Income taxes	-	-	-	-	(6)	(6)
Net income from continuing operations	(132)	27	(59)	(7)	(98)	(269)

Air France-KLM Group

5.2. Information by geographical area

External sales by geographical area

- Three-month period ended March 31, 2019

<i>In € millions</i>	Metropo- litan France	Benelux	Europe (except France and Benelux)	Africa	Middle- Eastern gulf India (MEGI)	Asia Pacific	North America	West Indies Caribbean Guyana Indian Ocean South America (CILA)	Total
Network	1,510	558	1,127	227	125	443	625	279	4,894
Other network sales	98	48	53	16	4	38	12	12	281
Total network	1,608	606	1,180	243	129	481	637	291	5,175
Scheduled Transavia	103	115	17	1	2	1	1	-	240
Transavia - other sales	5	-	-	-	-	-	4	-	9
Total Transavia	108	115	17	1	2	1	5	-	249
Maintenance	325	198	4	-	-	1	26	-	554
Others	1	7	-	-	-	-	-	-	8
Total	2,042	926	1,201	244	131	483	668	291	5,986

- Three-month period ended March 31, 2018

<i>In € millions</i>	Metropo- litan France	Benelux	Europe (except France and Benelux)	Africa	Middle- Eastern gulf India (MEGI)	Asia Pacific	North America	West Indies Caribbean Guyana Indian Ocean South America (CILA)	Total
Network	1,462	554	1,161	225	124	419	586	305	4,836
Other network sales	95	36	49	14	4	29	17	10	254
Total network	1,557	590	1,210	239	128	448	603	315	5,090
Scheduled Transavia	92	113	17	-	2	-	1	-	225
Transavia - other sales	4	-	-	-	-	-	6	-	10
Total Transavia	96	113	17	-	2	-	7	-	235
Maintenance	252	193	4	-	-	-	22	-	471
Others	3	7	-	-	-	-	-	-	10
Total	1,908	903	1,231	239	130	448	632	315	5,806

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Traffic sales by geographical area of destination

- Year ended March 31, 2019

<i>In € millions</i>	Metropolitan France	Europe (except France) and North Africa	Caribbean, French Guyana, Indian Ocean	Africa (except North Africa) Middle East	North America, Mexico	South America, except Mexico	Asia, New Caledonia	Total
Network	379	990	453	675	955	542	900	4,894
Scheduled Transavia	3	212	-	25	-	-	-	240
Total	382	1,202	453	700	955	542	900	5,134

- Year ended March 31, 2018

<i>In € millions</i>	Metropolitan France	Europe (except France) and North Africa	Caribbean, French Guyana, Indian Ocean	Africa (except North Africa) Middle East	North America, Mexico	South America, except Mexico	Asia, New Caledonia	Total
Network	385	991	445	686	915	538	876	4,836
Scheduled Transavia	3	185	-	37	-	-	-	225
Total	388	1,176	445	723	915	538	876	5,061

6. EXTERNAL EXPENSES

<i>In € millions</i>	2019	2018
Period from January 1 to March 31		
Aircraft fuel	1,201	1,061
Chartering costs	134	130
Landing fees and air route charges	434	427
Catering	187	182
Handling charges and other operating costs	454	476
Aircraft maintenance costs	652	617
Commercial and distribution costs	250	232
Other external expenses	439	394
Total	3,751	3,519
<i>Excluding aircraft fuel</i>	<i>2,550</i>	<i>2,458</i>

Air France-KLM Group

7. SALARIES AND NUMBER OF EMPLOYEES

Salaries and related costs

<i>In € millions</i>	2019	2018
Period from January 1 to March 31		
Wages and salaries	1,352	1,280
Pension costs linked to defined contribution plans	157	148
Net periodic pension cost of defined benefit plans	66	55
Social contributions	270	265
Cost of temporary employees	62	56
Profit sharing	37	49
Other expenses	28	-
Total	1,972	1,853

The Group pays contributions to a multi-employer plan in France, the CRPN (public pension fund for crew). This multi-employer plan being assimilated with a French State plan, it is accounted for as a defined contribution plan in “pension costs linked to defined contribution plans”.

Average number of employees

Period from January 1 to March 31	2019	2018
Flight deck crew	8,271	7,828
Cabin crew	21,712	21,684
Ground staff	51,828	51,178
Temporary employees	2,980	3,072
Total	84,791	83,762

8. OTHER INCOME AND EXPENSES

<i>In € millions</i>	2019	2018
Period from January 1 to March 31		
Capitalized production	233	249
Joint operation of routes	(12)	(5)
Operations-related currency hedges	5	(19)
Other	(13)	11
Other income and expenses	213	236

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9. OTHER NON-CURRENT INCOME AND EXPENSES

<i>In € millions</i>	2019	2018
Period from January 1 to March 31		
Restructuring costs	(3)	(43)
Other	8	-
Other non-current income and expenses	5	(43)

- **Three-month period ended March 31, 2019**

Other

This line mainly includes the sale of Vilgénis school real estate in the Paris area.

- **Three-month period ended March 31, 2018**

Restructuring costs

This mainly includes a voluntary departure plan for KLM Cabin Crew.

10. OTHER FINANCIAL INCOME AND EXPENSES

<i>In € millions</i>	2019	2018
Period from January 1 to March 31		
Foreign exchange gains (losses), net	(51)	54
Financial instruments and change in fair value of hedged shares	25	(14)
Net (charge)/ release to provisions	(1)	(3)
Other financial income and expenses	(44)	(25)
Total	(71)	12

Foreign exchange gains (losses)

As of March 31, 2019, the foreign exchange losses mainly include an unrealized currency loss of €45 million on return obligation liabilities and provisions on aircraft in US dollars and an unrealized currency loss of €33 million on debt, of which €11 million relates to the debt in Japanese Yen and €19 million to the debt in US Dollar.

As of March 31, 2018, the foreign exchange gain mainly include an unrealized currency gain of €38 million on return obligation liabilities and provisions on aircraft in US dollars and an unrealized currency loss of €17 million on debt, of which € +23 million relates to the debt in Japanese Yen and € (31) million to the debt in US Dollar.

Financial instruments and change in fair value of hedged shares

As of March 31, 2019, this line mainly includes a gain on the hedged Amadeus shares of €24 million and a gain on the non-aligned time value of dissymmetrical options with barriers for an amount of €1 million.

As of March 31, 2018, it mainly includes a loss on the hedged Amadeus shares of € (1) million and a loss on the non-aligned time value of dissymmetrical options with barriers for an amount of € (13) million.

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Others

As of March 31, 2019 and 2018, this line comprises the accretion effect on long-term provisions amounting to € (42) million and € (24) million respectively.

11. PENSION ASSETS AND PROVISIONS

As of March 31, 2019, the discount rates used by companies to calculate the defined benefit obligations are the following:

	March 31, 2019	December 31, 2018
Euro zone – duration 10 to 15 years	1.05%	1.45%
Euro zone – duration 15 years and more	1.60%	1.85%

The impact in variations of discount rates on the defined benefit obligation has been calculated using sensitivity analysis of the pension defined benefit obligation. The sensitivity analysis is mentioned in note 29.2 of the annual financial statements as of December 31, 2018.

Over the same period, the fair value of the plan assets of the pension funds increased.

All these items have a cumulative impact resulting in:

- An increase of €173 million of the “pension assets” on the balance sheet (schemes with a net asset position) and
- An increase of €65 million of the “pension provisions” on the balance sheet (schemes with a net liability position).

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12. NET DEBT

<i>In € millions</i>	March 31, 2019	December 31, 2018
Financial debt	6,829	6,559
Lease debt	4,415	4,535
Accrued interest	(74)	(67)
Deposits related to financial debt ⁽¹⁾	(345)	(343)
Deposits related to lease debt	(90)	(85)
Derivatives impact on debt	(5)	7
Gross financial debt (I)	10,730	10,606
Cash and cash equivalents	4,162	3,585
Marketable securities ⁽¹⁾	51	74
Cash secured	265	265
Triple A bonds ⁽¹⁾	527	522
Others	-	1
Bank overdrafts	(36)	(5)
Net cash (II)	4,969	4,442
Net cash (I-II)	5,761	6,164

(1) Included in "others financial assets"

<i>In € millions</i>	March 31, 2019	December 31, 2018
Opening net debt	6,164	6,359
Operating free cash, cash flow excluding discontinued activities ⁽¹⁾	(492)	(1,087)
Oceane 2019 - Equity part	(54)	-
Perpetual	-	197
Coupons on perpetual paid	-	38
Disposal of subsidiaries, of shares in non-controlled entities	(4)	(6)
Acquisition of subsidiaries, of shares in non-controlled entities ⁽²⁾	-	9
New lease debts (new and renewed contracts)	76	439
Cancellation of lease contract	(4)	-
Unrealised exchange gains and losses on lease financial debts through OCI	40	121
Currency translation adjustment	33	66
Reclassification	5	3
Other	(3)	25
Closing net debt	5,761	6,164

(1) Cash flows statement : operating free cash flow

(2) Cash flows statement : acquisition of subsidiaries, of shares in non-controlled entities