

AIR FRANCE-KLM

GENERAL SHAREHOLDERS' MEETING, MONDAY 4 SEPTEMBER 2017

ANSWERS TO THE QUESTIONS IN WRITING FROM SHAREHOLDERS

Preliminary remark

Note that, to be admissible, questions in writing must:

- Relate to the agenda for the Shareholders' Meeting.
- Be sent to the Chairman by registered letter with acknowledgement of receipt no later than four business days before the Meeting.
- Be accompanied by a securities account registration certificate.

To devote more time to questions from shareholders attending the Meeting, the answers to questions in writing are posted on our www.airfranceklm.com website prior to the Meeting in a special section pursuant to law. Article L.225-108 of the French Code of Commerce stipulates that "*the answer to a question in writing is deemed to have been given when it figures on the company's website*". Shareholders may request a copy of the answers posted on our website from the Secretary of the Meeting.

In the same spirit, the questions have been summarized (without altering their meaning) whenever their full wording is not required for the purposes of proper understanding.

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Organization of the General Shareholders' Meeting

Mr Auffret, noting that the date, time and place chosen for the General Meeting of Shareholders on 4 September 2017 are very different from those habitually chosen for Air France-KLM's Annual General Meetings would like to know why they were chosen.

The date chosen for the combined General Shareholders' Meeting, 4 September 2017, complies with the timetable of the transactions announced on 27 July 2017 and is the same as that specified in the transaction memorandum assigned AMF number 17-441. Because the General Shareholders' Meeting has been called in extraordinary session, the place and time chosen for the meeting are of necessity different to those chosen for Annual General Meetings, whose venue is decided two years in advance. The Pullman Paris Centre Bercy Hotel, the venue chosen for the 4 September General Shareholders' Meeting, perfectly meets the technical and safety criteria required by Air France-KLM when organizing an event of this nature.

Reserved rights issue for China Eastern and Delta Airlines

Mr Auffret raises a question about the conditions under which China Eastern and Delta Airlines are acquiring an equity interest in Air France-KLM and why the airlines are not taking their inspiration from the recent history of foreign operators acquiring equity interests in companies where the French state is a minority shareholder. In particular, he cites the example of the transaction initiated by PSA in April-May 2014 which allowed Dongfeng Motor (and the French state) to acquire equity interests while leaving scope for "non-institutional" shareholders, by means of a rights issue with preferential subscription rights and an issue of warrants. He also adds that a classic rights issue, i.e., one extended to all AFKLM shareholders, would help to regenerate AFKLM's share capital more broadly and with no dilution, in the interests of all parties, including employee shareholders.

Conditions governing China Eastern and Delta Airlines acquisition of equity interests

The Air France-KLM Board of Directors has weighed up the Group's strategic alternatives in detail. The planned rights issue is a new major stage in the strengthening of Air France-KLM's strategic partnerships. From a strategic angle, Air France-KLM will benefit from privileged access to the fast-growing Chinese market and the strengthening of its transatlantic joint venture with Delta Air Lines to generate greater synergies, reinforced in the longer term by capital ties, and to create long-term value for shareholders.

The share purchase price was valued in detail by the Board of Directors from the angle of the value creation delivered by strategic partnerships; it represents a premium relative to the long-term Air France-KLM share price (a premium of 42% relative to the weighted average of share prices in the twelve months to 26 July 2017).

We consequently consider that this transaction is beneficial for Air France-KLM shareholders.

Choice of a reserved rights issue

The planned reserved rights issue is part of a wider transaction designed to bolster the long-term outlook for Air France-KLM and for this reason offers benefits that are both strategic (privileged access to the fast-growing Chinese and a strengthening of its transatlantic joint venture with Delta Air Lines) and financial. This operation constitutes a priority for the group in order to promote the consolidation of our shareholding in connection with the reinforcement of our strategic alliances (the transatlantic partnership with Delta being very profitable for the Air France-KLM group, with a very significant impact of hundreds of millions of euros on the operational result).

Existing Air France-KLM shareholders will be able to benefit from the value-creating advantages.

Relations between Air France and KLM

Noting that mutual distrust between Air France and KLM seems to have been growing for some time, Mr Allaguillemette asks whether, ultimately, a divorce between the two airlines may be considered, given the lack of understanding between the French and the Dutch.

A “divorce” between Air France and KLM is out of the question. The media recently reported on “difficulties” between staff at both airlines, in a clearly exaggerated manner, following the publication of a study by two sociologists, one French, the other Dutch. Initiatives are constantly being deployed to improve the quality of relations between teams where necessary. These are bearing fruit and there has never been any question of querying the merger between the two airlines, which, furthermore, no-one desires or is requesting.

Servair

Mr Allaguillemette, referring back to the answer to his question concerning the sale of 49.99% of Servair’s share capital to gategroup, provided at the time of the last Annual General Meeting on 16 May 2017, which said that the disposal would allow Servair to obtain the resources needed for its future growth thanks to an industrial partnership with a leading market player, refers to media reports on 21 July 2017 to the effect that US banks had decided to stop financing the HNA Group, owner of gategroup. He asks whether the strategists at Air France may have lacked foresight.

Air France, concentrating its resources on its core business, found itself unable to finance the independent development of Servair, which could have required over a hundred million euros, not to mention the implementation lead-times. As a result, Servair’s future was pinned on its membership of a large industrial group in the sector or else a financial group able to rapidly devote the resources necessary to its independent development.

The sale of a 49.99% interest in Servair to gategroup was a perfect match for that objective as it:

- has now helped to create **the leading global catering group**, with coverage able to meet the requirements of the major airlines,
- benefits from **the totally complementary activities of Gategroup and Servair**, with only one overlapping kitchen in Brazil (which was in fact a recent, relatively modest Servair creation).

In this transaction between sector players the financing capability criterion becomes less of a priority than the complementary nature of their businesses and their global coverage, since Gategroup’s kitchens exist, already have a customer base, and no longer need expanding to respond to global calls for tender. Servair’s future is now less risky, and is even assured, as part of the world’s leading Catering group without having worries with respect to seeking financing for external growth.

This rationale would have been different if the transaction had been carried out directly with HNA alone, without the presence of Gategroup, since HNA’s catering operations are restricted to China. Financing capacity would again have become the priority criterion. But this is not the case, as the Servair transaction was carried out with Gategroup, between firms that are fully complementary, and will allow the new group to cover every major airport worldwide and to respond to the requirements of its client airlines.

Other

Mr Allaguillemette refers to a letter sent to the Chairman of Air France and expresses his surprise that the Chairman was unaware of the reply sent in his name.

A reply to a letter sent on 19 January 2017 relative to a request for a favour concerning the premises used by the Friends of the UTA Museum (Amicale Musée UTA) was initially provided by the Group Secretary General and then by the Air France Vice President, Real Estate. For many years, it has been

customary at Air France for certain specific questions raised with the Chairman to be dealt with by the managers concerned. In such cases, the Chairman delegates his powers to them to do so.