First Half 2014 Results
25 July 2014
AIRFRANCE KLM
Highlights of the Second Quarter

Operating environment

- Economic environment remains weak
- Further significant currency impact on revenues
- Stable fuel price after decline in Q1
- Industry overcapacity on certain long-haul routes, notably North America and Asia
- Slower than expected recovery in cargo demand

Air France-KLM

- Robust passenger revenue performance thanks to strict capacity discipline
- Ongoing unit cost reduction: -1.7%*, in line with Q1
- Further improvement in operating result, up €155 million
- Full-freighter exposure to be further reduced: €106 million impairment charge booked in Q2
- Launch of new Air France long-haul product
- Successful €600 million bond issue

* Like-for-like
Results
### Key data

<table>
<thead>
<tr>
<th></th>
<th>Q2 2014</th>
<th>Q2 2013⁽¹⁾</th>
<th>Change</th>
<th>H1 2014</th>
<th>H1 2013⁽¹⁾</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>6,451</td>
<td>6,541</td>
<td>-1.4%</td>
<td>12,005</td>
<td>12,222</td>
<td>-1.8%</td>
</tr>
<tr>
<td><strong>Change like-for-like⁽³⁾</strong></td>
<td></td>
<td></td>
<td>+1.7%</td>
<td></td>
<td></td>
<td>+1.0%</td>
</tr>
<tr>
<td><strong>EBITDA⁽²⁾</strong></td>
<td>641</td>
<td>510</td>
<td>+131m</td>
<td>591</td>
<td>394</td>
<td>+197m</td>
</tr>
<tr>
<td><strong>Operating result</strong></td>
<td>238</td>
<td>84</td>
<td>+154m</td>
<td>-207</td>
<td>-448</td>
<td>+241m</td>
</tr>
<tr>
<td><strong>Net result, group share</strong></td>
<td>-6</td>
<td>-158</td>
<td>+152m</td>
<td>-614</td>
<td>-799</td>
<td>+185m</td>
</tr>
<tr>
<td><strong>Adjusted net result⁽²⁾</strong></td>
<td>143</td>
<td>-34</td>
<td>+177m</td>
<td>-342</td>
<td>-686</td>
<td>+344m</td>
</tr>
<tr>
<td><strong>Operating free cash flow⁽²⁾</strong></td>
<td>181</td>
<td>528</td>
<td>-347m</td>
<td>95</td>
<td>566</td>
<td>-471m</td>
</tr>
<tr>
<td><strong>Net debt at end of period⁽²⁾</strong></td>
<td></td>
<td></td>
<td></td>
<td>5,414</td>
<td>5,348⁽⁴⁾</td>
<td>+66</td>
</tr>
</tbody>
</table>

⁽¹⁾2013 restated for IFRIC 21, CityJet reclassified as discontinued operation  
⁽²⁾See definition in press release  
⁽³⁾Like-for-like: change at constant currency and scope  
⁽⁴⁾Net debt at 31st December 2013
**Significant currency impact**

### Revenues (% change)
- **Q1 2014**: -2.2%
- **Q2 2014**: -1.4%
- **H1 2014**: -1.8%
  
  - **Like-for-like**: +1.7%
  - **Reported change**: +0.2%

### Operating result (€m improvement)
- **Q1 2014**: +87
- **Q2 2014**: +154
- **H1 2014**: +241
  
  - **Like-for-like**: +114
  - **Reported change**: +176

**Legend**
- **Reported change**
- **Like-for-like**: change at constant currency and scope

**First Half 2014 results**
## Second Quarter: Contribution by business segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>Revenue (€bn)</th>
<th>Reported change (%)</th>
<th>Change Like-for-like (1) (%)</th>
<th>Op. result (€m)</th>
<th>Reported change (€m)</th>
<th>Change Like-for-like (1) (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Passenger</strong></td>
<td>5.11</td>
<td>-0.2%</td>
<td>+2.4%</td>
<td>255</td>
<td>+159</td>
<td>+178</td>
</tr>
<tr>
<td><strong>Cargo</strong></td>
<td>0.67</td>
<td>-5.1%</td>
<td>-1.9%</td>
<td>-45</td>
<td>+5</td>
<td>+8</td>
</tr>
<tr>
<td><strong>Maintenance</strong></td>
<td>0.29</td>
<td>-10.3%</td>
<td>-7.2%</td>
<td>30</td>
<td>-7</td>
<td>-2</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>0.38</td>
<td>-2.9%</td>
<td>+4.6%</td>
<td>-2</td>
<td>-2</td>
<td>-8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6.45</td>
<td>-1.4%</td>
<td>+1.7%</td>
<td>238</td>
<td>+155</td>
<td>+176</td>
</tr>
</tbody>
</table>

(1) Like for Like: At constant currency and scope
Passenger activity in Second Quarter

- Disciplined capacity growth
- Load factor up 1.5 points
- Unit revenue up 1.3%*
  - Long-haul up +1.6%*
  - Premium: +3.5%*
  - Economy: +2.0%*
  - Positive impact of capacity reduction on medium-haul
- Unit cost reduced by 2.3%*
- Profitability improvement in all regions except Latin America
  - Impact of Venezuela

€159m improvement in operating result

### Activity

- **Capacity (ASK)**
  - Load factor
    - Q2 2013: 83.3%
    - Q2 2014: 84.8%
    - +1.0% ➔ +1.5 pt

- **Traffic (RPK)**
  - Q2 2013: 7
  - Q2 2014: 7
  - +2.8%

### Unit revenue

<table>
<thead>
<tr>
<th>RRPK</th>
<th>RASK</th>
<th>CASK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported</td>
<td>Like-for-like</td>
<td>Reported</td>
</tr>
<tr>
<td>-2.9%</td>
<td>1.3%</td>
<td>-4.4%</td>
</tr>
<tr>
<td>-0.4%</td>
<td>-1.1%</td>
<td>-2.3%</td>
</tr>
</tbody>
</table>

* Like for like

First Half 2014 results
Passenger unit revenue by network in Second Quarter

**Short and medium-haul point-to-point**

- **North America**
  - 3.6% ASK
  - 4.1% RPK
  - 3.0% RASK

- **Latin America**
  - 6.9% ASK
  - 5.3% RPK
  - 2.1% RASK

- **Short and medium-haul hubs**
  - 13% ASK
  - 32% RPK
  - -0.9% RASK

- **Africa and Middle East**
  - 0.0% ASK
  - 3.8% RPK
  - 4.1% RASK

- **Asia**
  - -1.9% ASK
  - -0.4% RPK
  - -0.5% RASK

- **Caribbean & Indian Ocean**
  - 0.6% ASK
  - 5.7% RPK
  - 3.1% RASK

**Total short and medium-haul**

- -0.7% ASK
- 1.6% RPK
- 1.7% RASK

**Total long-haul**

- 1.5% ASK
- 3.1% RPK
- 1.6% RASK

**Total**

- 1.0% ASK
- 2.8% RPK
- 1.3% RASK
Cargo activity in Second Quarter

- Slower than expected recovery
  - Load factor up +0.3 point
  - Slight improvement in yield
- Full-freighter capacity further reduced: -8.6%
- Slight improvement in profitability, but remains insufficient

Further reduction of full-freighter exposure; €106m impairment charge booked in Q2

<table>
<thead>
<tr>
<th>Activity</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traffic (RTK)</td>
<td>62.9%</td>
<td>63.2%</td>
</tr>
<tr>
<td>Load factor</td>
<td>+0.3 pt</td>
<td>-1.6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Unit revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>RRTK</td>
</tr>
<tr>
<td>RATK</td>
</tr>
<tr>
<td>CATK</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Unit cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported</td>
</tr>
<tr>
<td>RRTK</td>
</tr>
<tr>
<td>RATK</td>
</tr>
<tr>
<td>CATK</td>
</tr>
</tbody>
</table>
Maintenance activity in Second Quarter

- Third party revenue: -7.2%*
  - Reflects tough comps vs Q2-13 boosted by high volume from GE engine contract
- Revenue pick-up expected in H2
- Lower operating result reflecting weaker dollar and one-off items
- Development of higher margin activities to support improvement in operating profitability

<table>
<thead>
<tr>
<th>In € millions</th>
<th>Q2-14</th>
<th>Q2-13</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue</td>
<td>810</td>
<td>846</td>
<td>-4.0%</td>
</tr>
<tr>
<td>Third party revenue</td>
<td>286</td>
<td>320</td>
<td>-10.3%</td>
</tr>
<tr>
<td>at constant currency</td>
<td></td>
<td></td>
<td>-7.2%</td>
</tr>
<tr>
<td>Operating result</td>
<td>30</td>
<td>37</td>
<td>-7</td>
</tr>
<tr>
<td>Operating margin</td>
<td>3.7%</td>
<td>4.4%</td>
<td>-0.7 pt</td>
</tr>
</tbody>
</table>

* At constant currency
Other businesses in Second Quarter: Transavia

- Ramp-up of Transavia France on track
  - Capacity up 10% in Q2 with load factor above 85% on newly opened routes
  - H2 capacity targeted up 30% with good bookings for Summer

- Transavia Netherlands accelerating shift to LCC model
  - Scheduled capacity up 12% in Q2
  - Charter capacity down 6% in Q2

- Strong development of ancillary revenues on scheduled activity

- All-time-high load factor in spite of capacity growth

### Transavia activity

<table>
<thead>
<tr>
<th></th>
<th>Q2 2013</th>
<th>Q2 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traffic (RPK)</td>
<td>89.8%</td>
<td>90.7%</td>
</tr>
<tr>
<td>Load factor</td>
<td>+0.9 pt</td>
<td></td>
</tr>
<tr>
<td>Capacity (ASK)</td>
<td>+4.8%</td>
<td></td>
</tr>
</tbody>
</table>

### In € millions

<table>
<thead>
<tr>
<th></th>
<th>Q2-14</th>
<th>Q2-13</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue</td>
<td>296</td>
<td>282</td>
<td>+5.0%</td>
</tr>
<tr>
<td>RRPK (€ cts per RPK)</td>
<td>5.18</td>
<td>5.32</td>
<td>-2.8%</td>
</tr>
<tr>
<td>RASK (€ cts per ASK)</td>
<td>4.70</td>
<td>4.78</td>
<td>-1.7%</td>
</tr>
<tr>
<td>CASK (€ cts per ASK)</td>
<td>4.80</td>
<td>4.84</td>
<td>-0.8%</td>
</tr>
<tr>
<td>Operating result</td>
<td>-6</td>
<td>-3</td>
<td>-3</td>
</tr>
</tbody>
</table>
## Second Quarter: Change in operating costs

<table>
<thead>
<tr>
<th>Description</th>
<th>€m</th>
<th>Reported change</th>
<th>Change at constant currency</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total employee costs including temps</strong></td>
<td>1,934</td>
<td>-3.4%</td>
<td>-3.2%</td>
</tr>
<tr>
<td><strong>Supplier costs</strong>&lt;sup&gt;(1)&lt;/sup&gt; excluding fuel and purchasing of maintenance services and parts</td>
<td>1,546</td>
<td>-2.0%</td>
<td>-0.4%</td>
</tr>
<tr>
<td><strong>Aircraft costs</strong>&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>726</td>
<td>-6.4%</td>
<td>-3.2%</td>
</tr>
<tr>
<td><strong>Purchasing of maintenance services and parts</strong></td>
<td>323</td>
<td>-2.7%</td>
<td>+2.5%</td>
</tr>
<tr>
<td><strong>Operating costs ex-fuel</strong>&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>4,578</td>
<td>-3.1%</td>
<td>-2.2%</td>
</tr>
<tr>
<td><strong>Fuel</strong></td>
<td>1,636</td>
<td>-5.6%</td>
<td>+0.2%</td>
</tr>
<tr>
<td><strong>Grand total of operating costs</strong></td>
<td>6,214</td>
<td>-3.8%</td>
<td>-1.5%</td>
</tr>
<tr>
<td><strong>Capacity (EASK)</strong></td>
<td></td>
<td></td>
<td>+0.9%</td>
</tr>
</tbody>
</table>

<sup>(1)</sup>Catering, handling charges, commercial and distribution, landing fees and air-route charges, other external expenses, excluding temps

<sup>(2)</sup>Chartering (capacity purchases), aircraft operating leases, amortization, depreciation and provisions

<sup>(3)</sup>Including other taxes, other revenues, other income and expenses

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**First Half 2014 results**
Update on employee costs

- Further headcount reduction in Q2: -1,200 FTEs

- General pay freeze at both Air France and KLM

- On track to achieve targeted labor cost reduction in 2014
  - Tougher comps in H2

Change in total employee costs (€m, including temporary staff)

- Net change: -2.3%
- Q2 2013: 2,002
- Q2 2014: 1,934
- H1: -106
- Pension expense and consolidation impact: -47, -21
Second Quarter: Further reduction in unit costs

Net Costs: € 5,554m (-2.9%)
Capacity in EASK: 85,807m (+0.9%)
Unit cost per Equivalent Available-Seat Kilometer (EASK): €6.47 cents

<table>
<thead>
<tr>
<th>Net change</th>
<th>Change at constant currency</th>
<th>Reported change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excluding change in pension expense</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-1.7%</td>
<td>-0.2%</td>
<td>-2.1%</td>
</tr>
<tr>
<td>Change in pension expense (non cash)</td>
<td>-0.0%</td>
<td></td>
</tr>
<tr>
<td>Fuel price effect</td>
<td>-1.9%</td>
<td></td>
</tr>
<tr>
<td>Currency effect</td>
<td></td>
<td>-4.0%</td>
</tr>
</tbody>
</table>
Operating result up €154 million driven by improvement in both unit revenue and unit cost

Operating result, in million euros

<table>
<thead>
<tr>
<th>Q2 2013*</th>
<th>Q2 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues:</td>
<td>$84</td>
</tr>
<tr>
<td>Costs:</td>
<td>-168</td>
</tr>
<tr>
<td>Activity change</td>
<td>+1</td>
</tr>
<tr>
<td>Unit revenue ex-currency</td>
<td>+68</td>
</tr>
<tr>
<td>Fuel price</td>
<td>+2</td>
</tr>
<tr>
<td>Unit cost</td>
<td>+94</td>
</tr>
<tr>
<td>Change in pension expense (non cash)</td>
<td>+9</td>
</tr>
<tr>
<td>REASK:</td>
<td>+1.1%</td>
</tr>
<tr>
<td>CEASK:</td>
<td>-1.7%</td>
</tr>
<tr>
<td>REASK:</td>
<td>+68</td>
</tr>
</tbody>
</table>

* Restated for IFRIC 21, CityJet reclassified as discontinued operation
Second Quarter: Significantly positive adjusted net result

Calculation of Second Quarter adjusted net result, in million euros

Net result, group share

-7

Discontinued operations (CityJet)
-122

Non current expenses

Value of hedging portfolio
+26

Asset valuation
-61

o/w cargo deferred tax assets: -26

Cargo impairment: -106, Other: -16

Adjusted net result
142

First Half 2014 results
Operating free cash flow in First Half

Analysis of change in net debt through First Half 2014, in million euros

Operating free cash flow*: +95
(H1 2013: +566)

Cash flow before VDP, and change in WCR (H1 2013**: 132)
Voluntary Departure Plans (H1 2013: -56)
Change in WCR (H1 2013: +964)
Gross Investments -808
(H1 2013: -585)
Sale & Lease-Back +33
Net investments -775
Other including provision on cash held in Venezuela -161

Net debt at 31 December 2013 5,348
+364
-144
Net debt at 30 June 2014 5,414

FY 2014 expected impact: -€160m

* Net cash flow from operating activities less net capex on tangibles and intangibles.
All amounts excluding discontinued operations. See definition in press release.
** 2013 restated for IFRIC 21, CityJet reclassified as discontinued operation.
Financial ratios at 30 June 2014, sliding 12 months

**EBITDAR / adjusted net interest costs**

<table>
<thead>
<tr>
<th>Date</th>
<th>31/12/2012*</th>
<th>30/06/2013**</th>
<th>31/12/2013**</th>
<th>30/06/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>3.5x</td>
<td>3.7x</td>
<td>3.9x</td>
<td>4.3x</td>
</tr>
</tbody>
</table>

**Adjusted net debt\(^{(2)}\) / EBITDAR**

<table>
<thead>
<tr>
<th>Date</th>
<th>31/12/2012*</th>
<th>30/06/2013**</th>
<th>31/12/2013**</th>
<th>30/06/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>5.4x</td>
<td>4.6x</td>
<td>4.2x</td>
<td>4.0x</td>
</tr>
</tbody>
</table>

**EBITDA / net interest costs**

<table>
<thead>
<tr>
<th>Date</th>
<th>31/12/2012*</th>
<th>30/06/2013**</th>
<th>31/12/2013**</th>
<th>30/06/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>4.0x</td>
<td>4.3x</td>
<td>4.6x</td>
<td>5.3x</td>
</tr>
</tbody>
</table>

**Net debt / EBITDA**

<table>
<thead>
<tr>
<th>Date</th>
<th>31/12/2012*</th>
<th>30/06/2013**</th>
<th>31/12/2013**</th>
<th>30/06/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>4.3x</td>
<td>3.2x</td>
<td>2.9x</td>
<td>2.6x</td>
</tr>
</tbody>
</table>

* Restated for IAS19

** Restated for IFRIC 21, CityJet reclassified as discontinued operation

(1) Adjusted by the portion of financial costs within operating leases (34%)

(2) Adjusted for the capitalization of operating leases (7x yearly expense)
Good level of liquidity and active debt management

- Cash of €3.9 billion at 30 June 2014

- Undrawn credit lines of €1.80 billion
  - Air France: €1.06 billion until 2016
  - KLM: €540 million until 2016
  - Air France-KLM: €150 million until 2017

- Active debt refinancing program
  - Repayment of €700 million bond in January
  - Successful €600 million bond issue in June
  - Bonds representing €94 million euros repurchased in framework of tender offer

- Amadeus shares worth more than €900 million
Outlook for Full Year 2014

- Positive effects of Transform 2015
  - Initial measures fully delivering
  - Additional measures will deliver as of H2 2014

- Operating environment remains tough
  - Persistently weak cargo demand
  - Challenging situation in Venezuela
  - Impact of industry overcapacity on certain long-haul routes

- EBITDA expected between €2.2bn and €2.3bn

- Net debt reduction on track towards 2015 objective of €4.5bn
Agenda

- Update on Transform 2015
- Key considerations for next strategic plan
Where we are today

- Transform 2015 has fully delivered on structural cost reduction leading to a significant improvement in the financial situation.
- Short and medium-haul restructuring back on track thanks to additional measures announced in October 2013.
- Development of Transavia France accelerated as a key component of short and medium-haul strategy.
- Successful roll-out of new long-haul products underpinning upscaling strategy.
- Cargo measures on track but absence of market recovery.
Transform 2015 has delivered on unit cost reduction...

Net unit cost per EASK in € cents, at constant currency, fuel price and pension expense

Change in unit cost

<table>
<thead>
<tr>
<th>Q1 12</th>
<th>Q2 12</th>
<th>Q3 12</th>
<th>Q4 12</th>
<th>Q1 13</th>
<th>Q2 13</th>
<th>Q3 13</th>
<th>Q4 13</th>
<th>Q1 14</th>
<th>Q2 14</th>
<th>Q3 14</th>
<th>Q4 14</th>
</tr>
</thead>
<tbody>
<tr>
<td>+1.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-1.7%</td>
<td>-1.9%</td>
<td>-1.2%</td>
<td></td>
<td>-1.9%</td>
<td>-1.8%</td>
<td>-1.8%</td>
<td></td>
<td>-1.7%</td>
<td>-1.7%</td>
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Equivalent impact on costs (€m)

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>+50 -100 -120 -90</td>
<td>-100 -160 -110 -100</td>
<td>-90 -94</td>
</tr>
<tr>
<td>-€260m</td>
<td>-€470m</td>
<td>-€300 to €400m</td>
</tr>
</tbody>
</table>

Costs reduced by over €1 billion in 3 years
...leading to a strong improvement in financial situation

**Reported Half-Year EBITDA**

<table>
<thead>
<tr>
<th></th>
<th>H1 2010</th>
<th>H1 2011</th>
<th>H1 2012</th>
<th>H1 2013</th>
<th>H1 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>178</td>
<td>290</td>
<td>152</td>
<td>394</td>
<td>591</td>
</tr>
</tbody>
</table>

H1 2014 vs H1 2010: +€410m

**Half-Year Operating cash flow**

- before change in WCR and Voluntary Departure Plans

<table>
<thead>
<tr>
<th></th>
<th>H1 2010</th>
<th>H1 2011</th>
<th>H1 2012</th>
<th>H1 2013</th>
<th>H1 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-197</td>
<td>-133</td>
<td>-85</td>
<td>133</td>
<td>294</td>
</tr>
</tbody>
</table>

H1 2014 vs H1 2010: +€490m

**Net debt/EBITDA ratio**

- sliding 12 months

<table>
<thead>
<tr>
<th></th>
<th>Dec 2011</th>
<th>Dec 2012</th>
<th>Dec 2013</th>
<th>June 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4.9</td>
<td>4.3</td>
<td>2.9</td>
<td>2.6</td>
</tr>
</tbody>
</table>

June 2014 vs Dec 2011: almost halved
Short and medium-haul restructuring on track

- New measures announced in October 2013 all deployed
  - Paris-CDG hub: additional fleet reduction and productivity improvements
  - Amsterdam hub: further actions to increase asset utilization
  - Point-to-point: capacity cuts, new offers for business travelers
  - Success of Voluntary Departure Plan

**Ongoing operating result improvement**

**Short and medium-haul fleet evolution** (number of aircraft)

- June 2011: 191
- June 2012: 190
- June 2013: 182
- June 2014: 177

- 23
- 23
- 181
- 145

- Narrowbody fleet (Air France+KLM)
- Regional fleet (Hop!, KLM Cityhopper, CityJet until sale)
- Regional fleet of Airlinair, integrated in 2013
Accelerated development and repositioning of Transavia

- Transavia France opening 19 new routes during Summer 2014
- Investing in future brand positioning on home markets
  - Brand awareness in Paris up 11 points
  - Transavia Netherlands accelerating shift to LCC model
  - Development of new distribution channels
- Leveraging group assets
  - Access to Orly slots
  - Link with Flying Blue
  - Air France-KLM sales and distribution
  - Tools to handle disruptions

Transavia fleet plan
(number of aircraft)

<table>
<thead>
<tr>
<th></th>
<th>Summer 2012</th>
<th>Summer 2013</th>
<th>Summer 2014</th>
<th>Summer 2015</th>
<th>Summer 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands (incl. summer lease)</td>
<td>34</td>
<td>34</td>
<td>35</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td>France (incl. summer wet lease from Air France)</td>
<td>11</td>
<td>14</td>
<td>19</td>
<td>24</td>
<td>29</td>
</tr>
</tbody>
</table>

First Half 2014 results
Long-haul product upgrade well underway

New World Business Class already deployed on 22 KLM aircraft
- B777 fleet to follow as of next September

First Air France 777 equipped with new cabins launched in June 2014
- Strongly positive qualitative feedback

New Air France La Première suite launch in September 2014
- On top of “Best first-class lounge in the world” Skytrax award
Cargo: reduced exposure to full-freighter activity

- New measures announced in October 2013 on track
  - H1 full-freighter capacity down 7.2%, planning similar reduction in H2
  - Orly warehouse subcontracted as of 15 July
  - 210 departures in framework of Voluntary Departure Plan
- Investigating further scenarios
  - Partnership/Joint Venture/Partial sale
  - More radical downsizing of full-freighter fleet
  - Protect belly and remaining full-freighter businesses

Minimal exposure to full-freighter activity by 2016

---

Net full-freighter cargo capacity (billion ATKs)

<table>
<thead>
<tr>
<th>Year</th>
<th>Capacity (billion ATKs)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008/09</td>
<td>9.1</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>5.6</td>
<td>-38%</td>
</tr>
<tr>
<td>2010</td>
<td>4.5</td>
<td>-20%</td>
</tr>
<tr>
<td>2011</td>
<td>4.5</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>4.5</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>4.5</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>4.5</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>4.5</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>4.5</td>
<td></td>
</tr>
</tbody>
</table>

First Half 2014 results
Agenda

♦ Update on Transform 2015

♦ Key considerations for next strategic plan
Key considerations for next strategic plan

- Growth opportunities, but tough competition
- Enhanced competitiveness and business de-risking as conditions for growth
- Reinforcing long-haul development levers
  - Adapted product offer and more effective marketing
  - Strengthening of hubs
  - Partnerships with focus on Asia
- Further segmentation of medium-haul including accelerated development in low cost segment
- Cargo: reducing exposure to full-freighter activity, protecting the belly business
- Portfolio development: low cost, maintenance and catering
Growth opportunities, but tough competition

Example: H2 2014 long-haul passenger industry supply and demand

- **Total Europe-Long-Haul**: ~ +3% ~ +6%
- **North America**: ~ +3% ~ +7%
- **Latin America**: ~ +2% ~ +3%
- **Sub-Saharan Africa**: ~ +3% ~ +3%
- **Asia-Pacific**: ~ +2%* ~ +6%
- **Middle-East and India**: ~ +4%* ~ +7%

* Underlying demand to/from Europe based on GDP forecasts
* Industry capacity development
* Demand adjusted for diversion through Gulf
Two prerequisites: competitiveness and further de-risking of group profile

♦ Competitors continue to improve their cost positions

♦ Further improvement in our competitiveness is essential
  ♦ Addressing all uncompetitive activities and underperforming assets
  ♦ Further unit cost reduction

♦ Further de-risking of group profile
  ♦ More balanced business mix
  ♦ Improved credit ratios
Reinforcing long-haul development levers

**Upgraded product offer**
- Further investments in product and services
- Stepping up marketing initiatives
- Evolution of sales and distribution

**Strengthening of hubs**
- Ongoing improvement of feeding network
- Stronger relationship with hub airports

**Long-haul partnerships**
- Building joint-ventures and strategic partnerships on all key markets
- Ongoing focus on Asia
Effective segmentation of short and medium-haul point-to-point

Leisure/price driven segment
- Basic offer
- Low prices, comparable to competitors

Business/network driven segment
- High network quality: destinations, schedule, frequency ...
- Simple offer with innovative features
- Attractive prices, especially to catch non-business traffic

Transavia development
- Offensive strategy to seize development opportunity in home markets
- Pan-European ambition
- Essential to maintain low cost structure

Further adaptation
- Capacity reduction
- Cost reduction, addressing activities where costs remain significantly above competitors
- Single business unit regrouping Air France point-to-point and Hop
Portfolio development: maintenance and catering

- **Clear growth opportunities**
  - Long-term global maintenance market growth: 4% per year
  - Air France-KLM positioned on higher growth segments: very large engines, repairs, components

- **Robust Air France-KLM positions**
  - Investments in new facilities and international network of shops
  - Leveraging link with large airline group
  - Strong increase in order book
  - Consistently profitable

- **Development opportunities in catering**

**Maintenance external revenue breakdown**
- Engines 49%
- Components 36%
- Airframe 15%

**Maintenance order book by region**
(€5.1 bn at 30 June 2014)
- Europe 34%
- Americas 24%
- Asia 33%
- Middle-East 9%
Air France-KLM in 2020

PERFORM 2020

- Long-haul operations at the center of a global network of world class partners
- A strong brand portfolio addressing all customer segments
- An efficient short and medium-haul business including a strengthened low-cost operation
- A more balanced portfolio of service activities around the air transport industry: cargo, maintenance and catering
- A de-risked business and a deleveraged balance sheet, delivering healthy ROCE
- Delivering growth and remuneration to shareholders
PERFORM 2020
Investor day

on

11 September 2014

Paris
Morning: presentations
Afternoon: visit Grand Palais exhibition
“Air France, France is in the air”
on new Air France products and services
Appendix
Update on fuel bill

Fuel bill after hedging, in billion dollars

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan-Dec</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>9.2</td>
<td>2.2</td>
<td>2.3</td>
<td>2.2</td>
<td>2.2</td>
</tr>
<tr>
<td>2014</td>
<td>9.0</td>
<td>2.1</td>
<td>2.2</td>
<td>2.5</td>
<td>2.2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Market price</th>
<th>Brent ($ per bbl)(^{(1)})</th>
<th>108</th>
<th>108</th>
<th>110</th>
<th>108</th>
<th>107</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jet fuel ($ per metric ton)(^{(1)})</td>
<td>965</td>
<td>975</td>
<td>969</td>
<td>957</td>
<td>958</td>
</tr>
</tbody>
</table>

% of consumption already hedged

- 2013: 65%
- 2014: 66%, 68%, 63%, 64%

\(^{(1)}\)Forward curves as of 18 July 2014

Sensitivity computation based on July-December 2014 fuel price
Other businesses in Second Quarter: Catering

- Increase in third party revenues excluding impact of disposal of Air Chef
  - Development in Africa and French Caribbean
  - Impact of recent contract wins

- Improvement in profitability while continuing to reduce cost for internal customers

- Launch of operations in Brazil serving GOL from Rio and Sao

<table>
<thead>
<tr>
<th>Catering</th>
<th>Q2-14</th>
<th>Q2-13</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue</td>
<td>222</td>
<td>247</td>
<td>-9.0%</td>
</tr>
<tr>
<td>Third party revenue</td>
<td>77</td>
<td>103</td>
<td>-25.2%</td>
</tr>
<tr>
<td>At constant scope*</td>
<td></td>
<td></td>
<td>+6.9%</td>
</tr>
<tr>
<td>Operating result</td>
<td>5</td>
<td>2</td>
<td>+3</td>
</tr>
</tbody>
</table>

* Q2 2013 restated for sale of Air Chef
### First Half: Contribution by business segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>Revenue (€ bn)</th>
<th>Report Change (%)</th>
<th>Change Like for like(^{(1)}) (%)</th>
<th>Op. result (€m)</th>
<th>Change (€m)</th>
<th>Change Like for like(^{(1)}) (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger</td>
<td>9.48</td>
<td>-1.0%</td>
<td>+1.4%</td>
<td>-123</td>
<td>+228</td>
<td>+268</td>
</tr>
<tr>
<td>Cargo</td>
<td>1.34</td>
<td>-4.3%</td>
<td>-1.6%</td>
<td>-79</td>
<td>+21</td>
<td>+25</td>
</tr>
<tr>
<td>Maintenance</td>
<td>0.58</td>
<td>-7.2%</td>
<td>-3.4%</td>
<td>52</td>
<td>-5</td>
<td>+4</td>
</tr>
<tr>
<td>Other</td>
<td>0.61</td>
<td>-2.9%</td>
<td>+5.2%</td>
<td>-57</td>
<td>-3</td>
<td>-7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12.01</strong></td>
<td><strong>-1.8%</strong></td>
<td><strong>+1.0%</strong></td>
<td><strong>-207</strong></td>
<td><strong>+241</strong></td>
<td><strong>+290</strong></td>
</tr>
</tbody>
</table>

\(^{(1)}\)Like-for-Like: At constant currency and scope
First Half: Change in operating costs

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>€m</th>
<th>Reported change</th>
<th>Change at constant currency</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total employee costs including temps</strong></td>
<td>3,780</td>
<td>-3.6%</td>
<td>-3.4%</td>
</tr>
<tr>
<td><strong>Supplier costs</strong> (1) excluding fuel and purchasing of maintenance services and parts</td>
<td>3,054</td>
<td>-0.8%</td>
<td>+0.6%</td>
</tr>
<tr>
<td><strong>Aircraft costs</strong> (2)</td>
<td>1,436</td>
<td>-6.6%</td>
<td>-4.3%</td>
</tr>
<tr>
<td><strong>Purchasing of maintenance services and parts</strong></td>
<td>643</td>
<td>+1.1%</td>
<td>+5.3%</td>
</tr>
<tr>
<td><strong>Operating costs ex-fuel</strong> (3)</td>
<td>9,024</td>
<td>-2.7%</td>
<td>-1.8%</td>
</tr>
<tr>
<td><strong>Fuel</strong></td>
<td>3,189</td>
<td>-5.9%</td>
<td>-1.5%</td>
</tr>
<tr>
<td><strong>Grand total of operating costs</strong></td>
<td>12,213</td>
<td>-3.6%</td>
<td>-1.7%</td>
</tr>
<tr>
<td><strong>Capacity (EASK)</strong></td>
<td></td>
<td></td>
<td>+1.0%</td>
</tr>
</tbody>
</table>

(1) Catering, handling charges, commercial and distribution, landing fees and air-route charges, other external expenses, excluding temps
(2) Chartering (capacity purchases), aircraft operating leases, amortization, depreciation and provisions
(3) Including other taxes, other revenues, other income and expenses
Debt reimbursement profile at 30 June 2014*

* In € millions, net of deposits on financial leases and excluding KLM perpetual debt (€570m)

2009 4.97% convertible bond (€661m)
Maturity: April 2015
Conv. price: €11.80

2005 2.75% convertible bond (€420m)
Maturity: April 2020
2nd put: April 2016
Conv. price: €20.50

2013 2.03% convertible bond (€550m)
Maturity: Feb. 2023
Put: Feb. 2019
Conv. price: €10.30

October 2016: Air France-KLM 6.75% (€700m)
January 2018: Air France-KLM 6.25% (€500m)
June 2021: Air France-KLM 3.875% (€600m)

Convertible bonds
Plain vanilla bonds
Other long-term debt - mainly asset-backed (net of deposits)