

**UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

April 1, 2008 – September 30, 2008

Air France – KLM Group

CONSOLIDATED INCOME STATEMENT (unaudited)

<i>In € millions</i>	<i>Notes</i>	2008	2007
Period from April 1 to September 30,			
Sales	4	12 983	12 434
Other revenues		2	3
Revenues		12 985	12 437
External expenses	5	(7 661)	(6 914)
Salaries and related costs	6	(3 682)	(3 460)
Taxes other than income taxes		(129)	(114)
Amortization and depreciation	7	(806)	(799)
Provisions	7	(66)	(35)
Other income and expenses	8	(2)	25
Income from current operations		639	1 140
Sales of aircraft equipment		6	7
Negative goodwill	9	16	-
Other non-current income and expenses	9	1	329
Income from operating activities		662	1 476
Cost of financial debt	10	(187)	(189)
Income from cash and cash equivalents	10	166	142
<i>Net cost of financial debt</i>		<i>(21)</i>	<i>(47)</i>
Other financial income and expenses	10	(427)	93
Income before tax		214	1 522
Income taxes	12	(19)	(346)
Net income of consolidated companies		195	1 176
Share of profits (losses) of associates	11	4	(11)
Net income from continuing operations		199	1 165
Net income from discontinued operations		-	-
Net income for the period		199	1 165
- Group		196	1 151
- Minority interest		3	14
Earnings per share – Group (in euros)			
- basic	13	0.66	4.13
- diluted	13	0.63	3.73

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

Air France – KLM Group

CONSOLIDATED BALANCE SHEET (unaudited)

Assets <i>In € millions</i>	<i>Notes</i>	September 30, 2008	March 31, 2008
Goodwill		380	377
Intangible assets		506	475
Flight equipment	14	12 128	12 280
Other property, plant and equipment	14	2 245	2 193
Investments in equity associates		197	177
Pension assets		2 358	2 245
Other financial assets (<i>including € 741 million of deposits related to financial leases as of September 30, 2008 and € 735 million as of March 31, 2008</i>)		937	956
Deferred tax assets		64	29
Other non-current assets	15	2 245	1 810
Total non-current assets		21 060	20 542
Other short term financial assets (<i>including € 553 million of deposits related to financial leases and investments between 3 months and 1 year as of September 30, 2008 and € 266 million as of March 31, 2008</i>)		596	303
Inventories		567	507
Trade accounts receivable		2 675	2 569
Income tax receivables		21	3
Other current assets		2 471	2 385
Cash and cash equivalents		4 103	4 381
Total current assets		10 433	10 148
Total assets		31 493	30 690

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

Air France – KLM Group

CONSOLIDATED BALANCE SHEET (unaudited) (continued)

Liabilities and equity <i>In € millions</i>	<i>Notes</i>	September 30, 2008	March 31, 2008
Issued capital	<i>16.1</i>	2 552	2 552
Additional paid-in capital		765	765
Treasury shares		(116)	(119)
Reserves and retained earnings	<i>16.2</i>	7 817	7 338
Equity attributable to equity holders of Air France-KLM		11 018	10 536
Minority interest		68	78
Total Equity		11 086	10 614
Provisions and retirement benefits	<i>17</i>	1 242	1 439
Long-term debt	<i>18</i>	7 152	6 914
Deferred tax		1 942	1 713
Other non-current liabilities		807	819
Total non-current liabilities		11 143	10 885
Provisions	<i>17</i>	477	441
Current portion of long-term debt	<i>18</i>	759	905
Trade accounts payable		2 418	2 218
Deferred revenue on ticket sales		2 300	2 279
Current tax liabilities		10	25
Other current liabilities		3 090	3 151
Bank overdrafts		210	172
Total current liabilities		9 264	9 191
Total liabilities		20 407	20 076
Total liabilities and equity		31 493	30 690

The accompanying notes are an integral part of these interim condensed 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	Reserves and retained earnings	Equity attributable to holders of Air France-KLM	Minority interests	Total equity
March 31, 2007	279 365 707	2 375	539	(30)	5 415	8 299	113	8 412
Fair value adjustment on available for sale securities	-	-	-	-	-	-	-	-
Gain / (loss) on cash flow hedges	-	-	-	-	128	128	2	130
Currency translation adjustment	-	-	-	-	(1)	(1)	(1)	(2)
Net income for the period	-	-	-	-	1 151	1 151	14	1 165
Total of income and expenses recognized	-	-	-	-	1 278	1 278	15	1 293
Stock based compensation (ESA) and stock options	-	-	-	-	16	16	-	16
Issuance of share capital	1 267 184	10	14	-	-	24	-	24
Dividends paid	-	-	-	-	(134)	(134)	(1)	(135)
Treasury shares	-	-	-	(13)	-	(13)	-	(13)
Other	-	-	-	-	-	-	-	-
September 30, 2007	280 632 891	2 385	553	(43)	6 575	9 470	127	9 597
March 31, 2008	300 219 278	2 552	765	(119)	7 338	10 536	78	10 614
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	-	-	-	-	196	196	3	199
Total of income and expenses recognized	-	-	-	-	635	635	10	645
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	300 219 278	2 552	765	(116)	7 817	11 018	68	11 086

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

Air France – KLM Group

CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSES (unaudited)

<i>In € millions</i>	September 30, 2008	September 30, 2007
Fair value adjustment on available for sale securities		
Change in fair value recognized directly in equity	(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	1 374	406
Change in fair value transferred to profit or loss	(739)	(226)
Currency translation adjustment	(3)	(1)
Tax on items taken directly to or transferred from equity		
Income / (expense) recognized directly in equity	(188)	(52)
Income and expenses directly recognized in equity attributable to holders of Air France-KLM	439	127
Net income for the period – Group	196	1 151
Total of income and expenses recognized for the period – Group	635	1 278
Total of income and expenses recognized for the period – Minority interest	10	15
Total recognized income and expenses for the period	645	1 293

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

Air France-KLM Group

CONSOLIDATED STATEMENT OF CASH FLOWS (unaudited)

In € millions

Period from April 1 to September 30,	<i>Notes</i>	2008	2007
Net income for the period – Group		196	1 151
Minority interests		3	14
Amortization, depreciation and operating provisions		872	834
Financial provisions		16	5
Gain on disposals of tangible and intangible assets		(23)	(9)
Loss / (gain) on disposals of subsidiaries and associates		(8)	(41)
Gain on WAM (ex Amadeus GTD) transaction	9	-	(284)
Reversal of provision for cargo investigation	17	(225)	-
Derivatives – non monetary results		361	(105)
Unrealized foreign exchange gains and losses, net		(3)	(5)
Negative goodwill	9	(16)	-
Share of (profits) losses of associates	11	(4)	11
Deferred taxes		2	238
Other non-monetary items		(91)	(45)
Subtotal		1 080	1 764
(Increase) / decrease in inventories		(58)	(47)
(Increase) / decrease in trade receivables		(66)	(109)
Increase / (decrease) in trade payables		136	29
Change in other receivables and payables		74	21
Net cash flow from operating activities before non-recurring items		1 166	1 658
Payment of the ESA 2003 balance		-	(110)
Additional contribution to pension fund		-	(198)
Net cash flow from operating activities		1 166	1 350
Acquisitions of subsidiaries and investments in associates, net of cash acquired		(11)	(8)
Purchase of property, plant and equipment and intangible assets		(1 120)	(1 275)
Proceeds on disposal of subsidiaries and investments in associates		4	80
Proceeds on WAM (ex Amadeus GTD) transaction	9	-	284
Proceeds on disposal of property, plant and equipment and intangible assets		123	37
Dividends received		3	4
Decrease (increase) in investments, net between 3 months and 1 year		(297)	(123)
Net cash used in investing activities		(1 298)	(1 001)
Increase in capital		-	218
Issuance of long-term debt		496	585
Repayments on long-term debt		(203)	(214)
Payment of debt resulting from finance lease liabilities		(357)	(397)
New loans		(22)	(32)
Repayments on loans		74	65
Dividends paid		(174)	(135)
Net cash flow from financing activities		(186)	90
Effect of exchange rate on cash and cash equivalents and bank overdrafts		2	(2)
Change in cash and cash equivalents and bank overdrafts		(316)	437
Cash and cash equivalents and bank overdrafts at beginning of period		4 209	3 364
Cash and cash equivalents and bank overdrafts at end of period		3 893	3 801
Income tax paid (flow included in operating activities)		(48)	(2)
Interest paid (flow included in operating activities)		(177)	(178)
Interest received (flow included in operating activities)		150	139

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, 2008 – September 30, 2008

Air France-KLM Group

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 word "Group" concerns the economic entity composed by 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 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) and Amsterdam (Euronext).

The Group's functional currency is the euro.

2. SIGNIFICANT EVENTS OF THE YEAR

No significant event has occurred during the period.

3. ACCOUNTING POLICIES

3.1. Accounting principles

Accounting principles used for the interim condensed consolidated financial statements as of September 30, 2008 are the same as those used as of March 31, 2008 and described in the consolidated financial statements of the year ended March 31, 2008.

The interim condensed consolidated financial statements as of September 30, 2008 are prepared in accordance with IAS 34 "Interim financial reporting" and must be read in connection with the annual consolidated financial statements for the year ended March 31, 2008. They have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Commission on the date of the preparation of these condensed consolidated financial statements.

New mandatory interpretations applicable from April 1, 2008, and some of which have yet to be adopted by the European Commission, do not have a material impact on the interim condensed consolidated financial statements as of September 30, 2008.

The condensed consolidated financial statements were approved by the Board of Directors on November 19, 2008.

3.2. Preparation of unaudited interim condensed consolidated financial statements

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.

For the interim 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.

Air France-KLM 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, 2008 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.

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

Air France-KLM Group

4. INFORMATION BY ACTIVITY AND GEOGRAPHICAL AREA

The Group's primary reporting format is business segmentation.

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.

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

The Group's secondary reporting format is geographical segmentation based on origin of sales. Only segment revenues are allocated by geographical sales area.

Business 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.

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

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4.1. Information by business segment

- Six month period ended September 30, 2008

<i>In € millions</i>	Passenger	Cargo	Maintenance	Other	Non allocated	Total
Total sales	10 693	1 554	1 420	1 098	-	14 765
Intersegment sales	(485)	(9)	(953)	(335)	-	(1 782)
External sales	10 208	1 545	467	763	-	12 983
Income from current operations	497	22	37	83	-	639
Income from operating activities	497	22	37	83	23	662
Share of profits (losses) of associates	-	-	-	-	4	4
Net cost of financial debt and other financial income and expenses	-	-	-	-	(448)	(448)
Income taxes	-	-	-	-	(19)	(19)
Net income from continuing operations	497	22	37	83	(440)	199

- Six month period ended September 30, 2007

<i>In € millions</i>	Passenger	Cargo	Maintenance	Other	Non allocated	Total
Total sales	10 350	1 419	1 424	934	-	14 127
Intersegment sales	(417)	(8)	(948)	(320)	-	(1 693)
External sales	9 933	1 411	476	614	-	12 434
Income from current operations	1 044	(29)	48	77	-	1 140
Income from operating activities	1 044	(29)	48	77	336	1 476
Share of profits (losses) of associates	-	-	-	-	(11)	(11)
Net cost of financial debt and other financial income and expenses	-	-	-	-	46	46
Income taxes	-	-	-	-	(346)	(346)
Net income from continuing operations	1 044	(29)	48	77	25	1 165

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4.2. Information by geographical area

Sales by geographical area

- Six month period ended September 30, 2008

<i>In € millions</i>	Europe, North Africa	Caribbean, French Guiana, Indian Ocean	Africa, Middle East	Americas, Polynesia	Asia, New Caledonia	Total
Scheduled passenger	6 559	217	620	1 526	810	9 732
Other passenger sales	362	24	21	29	40	476
Total passenger	6 921	241	641	1 555	850	10 208
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	8 885	271	747	1 760	1 320	12 983

- Six month period ended September 30, 2007

<i>In € millions</i>	Europe, North Africa	Caribbean, French Guiana, Indian Ocean	Africa, Middle East	Americas, Polynesia	Asia, New Caledonia	Total
Scheduled passenger	6 204	212	625	1 623	785	9 449
Other passenger sales	365	23	17	29	50	484
Total passenger	6 569	235	642	1 652	835	9 933
Scheduled cargo	597	17	90	169	441	1 314
Other cargo sales	62	2	4	14	15	97
Total cargo	659	19	94	183	456	1 411
Maintenance	472	-	-	-	4	476
Others	599	10	5	-	-	614
Total	8 299	264	741	1 835	1 295	12 434

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Traffic sales by geographical area of destination

- Six month period ended September 30, 2008

<i>In € millions</i>	Europe, North Africa	Caribbean, French Guiana, Indian Ocean	Africa, Middle East	Americas, Polynesia	Asia, New Caledonia	Total
Scheduled passenger	3 866	638	1 330	2 357	1 541	9 732
Scheduled cargo	33	97	210	457	659	1 456
Total	3 899	735	1 540	2 814	2 200	11 188

- Six month period ended September 30, 2007

<i>In € millions</i>	Europe, North Africa	Caribbean, French Guiana, Indian Ocean	Africa, Middle East	Americas, Polynesia	Asia, New Caledonia	Total
Scheduled passenger	3 754	594	1 263	2 334	1 504	9 449
Scheduled cargo	32	90	184	405	603	1 314
Total	3 786	684	1 447	2 739	2 107	10 763

5. EXTERNAL EXPENSES

<i>In € millions</i>	2008	2007
<i>Six month period ended September 30,</i>		
Aircraft fuel	2 972	2 285
Chartering costs	337	326
Aircraft operating lease costs	301	305
Landing fees and en route charges	930	915
Catering	250	238
Handling charges and other operating costs	686	663
Maintenance costs	539	498
Commercial and distribution costs	555	617
Other external expenses	1 091	1 067
Total	7 661	6 914

“Other external expenses” correspond mainly to rent and insurance costs.

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6. SALARIES AND NUMBER OF EMPLOYEES

Salaries and related costs

<i>In € millions</i>	2008	2007
<i>Six month period ended September 30,</i>		
Wages and salaries	2 701	2 550
Social contributions	879	819
Net periodic pension cost	72	42
Expenses related to share-based compensation	15	15
Other expenses	15	34
Total	3 682	3 460

Average number of employees

<i>Six month period ended September 30,</i>	2008	2007
Flight deck crew	8 579	8 185
Cabin crew	22 997	21 605
Ground staff	75 456	75 201
Total	107 032	104 991

7. AMORTIZATION, DEPRECIATION AND PROVISIONS

<i>In € millions</i>	2008	2007
<i>Six month period ended September 30,</i>		
Amortization and depreciation		
Intangible assets	23	22
Flight equipment	645	646
Other property, plant and equipment	138	131
	806	799
Provisions		
Inventories	-	8
Trade receivables	9	5
Risks and contingencies	57	22
	66	35
Total	872	834

8. OTHER INCOME AND EXPENSES

<i>In € millions</i>	2008	2007
<i>Six month period ended September 30,</i>		
Joint operation of routes	(16)	16
Operations-related currency hedges	(8)	1
Other	22	8
Total	(2)	25

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

- **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.

- **Six month period ended September 30, 2007**

During the six month period ended September 30, 2007, the Group sold its shares in Alpha recording a gain on disposal of €40 million. The company Alpha, previously held at 26%, was accounted for under the equity method in the Group's condensed consolidated financial statements.

The gain on the WAM (ex Amadeus GTD) transaction that amounts to €284 million, corresponds to the reimbursement of the shareholder capital for €202 million, of the shareholders' loan for an amount of €76 million and to a payment of interests for €6 million. The shares and the loan had been recognized at a value of nil in the operation of reinvestment of Air France-KLM within the LBO operation initiated in July 2005.

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

<i>In € millions</i>		
<i>Six month period ended September 30,</i>	2008	2007
Income from marketable securities	49	43
Other financial income	117	99
Income from cash and cash equivalents	166	142
Loan interests	(116)	(115)
Lease interests	(81)	(94)
Capitalized interests and other non monetary items	10	20
Cost of financial debt	(187)	(189)
Net cost of financial debt	(21)	(47)
Foreign exchange gains (losses), net	(49)	2
Change in fair value of financial assets and liabilities	(361)	105
Net (charge) release to provisions	(16)	(5)
Other	(1)	(9)
Other financial income and expenses	(427)	93

The interest rate used in the calculation of capitalized interest is 4.85% % for the six month period ended September 30, 2008 (4.96% for the six month period ended September 30, 2007).

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

As of September 30, 2007, net charge to provisions includes an unrealized loss on shares of Alitalia for an amount of €4 million, as a result of the stock price decreasing significantly during this six month period.

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

11. SHARE OF PROFITS (LOSSES) OF ASSOCIATES

- **Six month period ended September 30, 2007**

Share of profits (losses) of associates includes a new provision for risk recorded in the accounts of Martinair concerning the inquiry of the US Department Of Justice (DOJ) about an alleged conspiracy to fix the price of air shipping services. Because of the status of discussions with the US DOJ, Martinair has recorded a provision net of tax amounting to €23 million. The portion attributable to the Group is €11 million.

12. INCOME TAXES

12.1 Income tax charge

<i>In € millions</i>		
<i>Six month period ended September 30,</i>	2008	2007
Current tax (expense) / benefit	(17)	(108)
Charge for the period	(17)	(108)
Adjustment of previous current tax charges	-	-
Deferred tax income / (expense) from continuing operations	(2)	(238)
Change in temporary differences	(11)	(107)
Change in tax rates	-	-
(Use) / recognition of tax loss carryforwards	9	(131)
Income tax (expense) / income from continuing operations	(19)	(346)
Tax on the net income from discontinued operations	-	-
Total income tax (expense) / credit	(19)	(346)

The current tax charge relates to the amounts paid or payable in the short term to the tax authorities in respect of 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.

12.2 Deferred tax recorded directly in equity

Deferred tax directly recorded in equity amounts to a loss of €189 million as of September 30, 2008 against a loss of €53 million for the period ended September 30, 2007. These deferred taxes relate to the accounting of cash flow hedges.

13 EARNINGS PER SHARE

Reconciliation of income used to calculate earnings per share

<i>In € millions</i>		
<i>Six month period ended September 30,</i>	2008	2007
Income for the period – Group share	196	1 151
Dividends to be paid to priority shares	-	-
Income for the period – Group share	196	1 151
(used to calculate basic earnings per share)		
Impact of potential ordinary shares :		
- interest paid on convertible bonds (net of tax)	5	5
Income for the period – Group share	201	1 156
(used to calculate diluted earnings per share)		

Air France-KLM Group

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

<i>Six month period ended September 30,</i>	2008	2007
Weighted average number of:		
- Ordinary shares issued	300 219 278	280 164 858
- Treasury stock held regarding stock option plan	(1 674 919)	(1 616 586)
- Treasury stock held for the share buyback plan	(665 156)	(40 154)
- Other treasury stock	(2 968 679)	-
Number of shares used to calculate basic earnings per share	294 910 524	278 508 118
Weighted average number of ordinary shares:		
- Conversion of convertible bonds	22 609 143	22 609 230
- Conversion of warrants	-	8 083 123
- Exercise of stock options	127 333	633 978
Number of potential ordinary shares	22 736 476	31 326 331
Number of ordinary and potential ordinary shares used to calculate diluted earnings per share	317 647 000	309 834 449

14. TANGIBLE ASSETS

<i>In € millions</i>	As of September 30, 2008			As of March 31, 2008		
	Gross value	Depreciation	Net Value	Gross value	Depreciation	Net Value
Owned aircraft	9 409	3 089	6 320	8 946	2 548	6 398
Leased aircraft	4 141	1 048	3 093	4 287	1 151	3 136
Assets in progress	1 705	-	1 705	1 814	-	1 814
Other	1 734	724	1 010	1 637	705	932
Flight equipment	16 989	4 861	12 128	16 684	4 404	12 280
Land and buildings	2 373	1 053	1 320	2 274	993	1 281
Equipment and machinery	1 061	652	409	1 034	624	410
Assets in progress	231	-	231	221	-	221
Other	916	631	285	878	597	281
Other tangible assets	4 581	2 336	2 245	4 407	2 214	2 193
Total	21 570	7 197	14 373	21 091	6 618	14 473

The net value of tangible assets financed under capital lease amounts to €3 410 million as of September 30, 2008 and €3 417 million as of March 31, 2008.

15. OTHER NON-CURRENT ASSETS

The change in other non-current assets is explained by the variation of derivatives instruments from €1 807 million as of March 31, 2008 to €2 244 million as of September 30, 2008.

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16. EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF AIR FRANCE-KLM SA

Following the decision approved at the annual general shareholders' meeting held on July 10, 2008, a €171 million dividend was distributed during the period ending September 30, 2008.

16.1 Breakdown of stock and voting rights

As of September 30, 2008, the issued capital of Air France-KLM comprised 300 219 278 fully paid-up shares whose nominal value amounts to 8.50 euros. Each share is entitled to one vote.

The breakdown of stock and voting rights is as follows:

	As of September 30, 2008		As of March 31, 2008	
	Capital	Voting rights	Capital	Voting rights
French State	16%	16%	16%	16%
Employees and former employees	11%	11%	11%	11%
Treasury shares	2%	-	2%	-
Other	71%	73%	71%	73%
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.

16.2 Reserves and retained earnings

<i>In € millions</i>	As of September 30, 2008	As of March 31, 2008
Legal reserve	67	57
Distributable reserve	1 005	988
Derivatives and available for sale securities reserves	2 261	1 819
Other reserves	4 288	3 726
Net income (loss) – Group share	196	748
Total	7 817	7 338

17 PROVISIONS AND RETIREMENT BENEFITS

<i>In € millions</i>	As of September 30, 2008			As of March 31, 2008		
	Non current	Current	Total	Current	Non current	Total
Retirement benefits	756	-	756	740	-	740
Restitution of aircraft	312	145	457	273	129	402
Restructuring	-	6	6	-	8	8
Litigation	66	321	387	310	298	608
Other	108	5	113	116	6	122
Total	1 242	477	1 719	1 439	441	1 880

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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 air freight business

Air France and KLM have been involved, since February 2006 with twenty-five other airlines in anti-trust investigations conducted by several States' Competition Authorities about possible agreements and concerted practices between undertakings in air shipping services.

As of July 2008, Air France and KLM concluded a Plea Agreement settling the anti-trust procedure in the USA, against the disbursement of a USD 350 millions fee (USD 210 millions for Air France and USD 140 millions for KLM).

As of October 10, 2008, Air France and KLM concluded a Plea Agreement to settle the anti-trust procedure in Canada. These Plea agreements that must be definitively agreed by a court, plan the payment of CAD 9 million penalty.

As of September 30, 2008, all other procedures open respectively with the European Commission, Switzerland, Brazil, Australia, Korea and South Africa were still under way.

The provision recorded in the financial statements as of September 30, 2008 concerns the risk of the two entities of the Group being condemned by the European Commission and also the penalties expected from the Canadian plea agreements. Other procedures did not lead to a provision being recorded, as the Group is not able, given status of procedures, to assess the risks incurred. In appreciation of the revenue concerned, these risks are individually not significant.

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

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

The Group is unable to predict the outcome of these investigations by the European Commission. Aeronautical relationships between France and Japan on one hand, and the Netherlands and Japan on the other hand 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.

c) Civil actions related to air freight business

As of September 30, 2008, over 140 purported class action lawsuits were filed in the USA against air freight operators including Air France, KLM and other freighters.

Plaintiffs allege that defendants engaged in a conspiracy to fix the price of air shipping services since 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 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. As the other freighters, the two companies filed in July 2007 a motion to dismiss the claims of plaintiffs. As of September 30, 2008, the Court has not yet delivered its verdict on this motion.

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 related to passenger business

As of September 30, 2008, two purported class actions lawsuits were filed in the USA against several air carriers including Air France and KLM, respectively in Philadelphia and New-York.

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Plaintiffs allege that air carriers engaged in a conspiracy to fix surcharges or fares on routes between Europe and Japan for the civil action files in Philadelphia and on transatlantic routes for the civil action filed in New-York.

The Air France and KLM entities intend to defend themselves, for which they contest the validity. The Air France-KLM Group is not able to assess the outcomes of these procedures which are only at a preliminary stage.

OTHER LITIGATIONS

On July 20, 2006, Air France was indicted for (i) possible illegal employment practices and (ii) 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 US or other destinations following the September 11 terrorist attacks.

The company has immediately filed an appeal against the judge's decision. Although Air France's request was dismissed, Air France intends to dispute its indictment in this case.

To the Group's knowledge, there is no other litigation, arbitration or other threatened or pending disputes that could have or has had in the recent past a material impact on the financial position, earnings, business or holdings of the Group.

18 FINANCIAL DEBT

<i>In € millions</i>	As of September 30, 2008			As of March 31, 2008		
	Non current	Current	Total	Non current	Current	Total
Perpetual subordinated loan stock	457	-	457	457	-	457
OCEANE (convertible bonds)	391	-	391	389	-	389
Bonds	750	-	750	750	-	750
Capital lease obligations	3 387	469	3 856	3 441	524	3 965
Other long-term debt	2 167	196	2 363	1 877	310	2 187
Accrued interest	-	94	94	-	71	71
Total	7 152	759	7 911	6 914	905	7 819

19 LEASE COMMITMENTS

19.1 Capital leases

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

<i>In € millions</i>	September 30, 2008	March 31, 2008
As of		
Flight equipment	4 224	4 301
Buildings	378	310
Other	280	282
Total	4 882	4 893

19.2 Operating leases

The undiscounted amount of the future minimum operating lease payments for aircraft under operating lease totaled €2 849 million as of September 30, 2008 (€2 772 million at March 31, 2008).

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20 FLIGHT EQUIPMENT ORDERS

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

<i>In € millions</i>	As of September 30, 2008	As of March 31, 2008
Iata N + 1	642	999
Iata N + 2	1 468	1 292
Iata N + 3	1 661	945
Iata N + 4	636	706
Iata N + 5	28	133
> Iata N+5	-	-
Total	4 435	4 075

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, 2008 decreased by 4 units compared with March 31, 2008 to 101 units. The number of options decreased by one unit over the same period to reach 62 aircraft. These movements can be explained by:

- the delivery of 7 aircraft over the period;
- 4 new firm orders;
- the conversion of one option into firm order;
- the conversion of one firm order for one aircraft type to another aircraft type;
- the conversion of one option for one aircraft type to another aircraft type;
- the modification of the financing of the Embraer order which involves the decrease of two units in the backlog.

Long-haul fleet

Passenger

The Group took delivery of 2 Boeing B777. Concerning this aircraft type, the Group has ordered a firm order of 2 units, converted one option into firm order.

As of September 30, 2008, the Group's backlog for the long-haul fleet comprised firm orders for 12 Airbus A380s and 21 Boeing B777s. It comprised also 16 options: 2 Airbus A380s, 2 Airbus A330s and 12 Boeing B777s.

Cargo

The outstanding orders concerning the cargo long-haul fleet are stable with 8 Boeing B777F (5 firm orders and 3 options). The first deliveries will begin during the winter of 2008-2009.

Medium-haul fleet

The Group took delivery of 2 Boeing B737s and converted the firm order for one Airbus A320 into one Airbus A321.

As of September 30, 2008, the Group's backlog comprised 36 units equally shared between Airbus A320/A321s and Boeing B737s. The Group has options equally for 10 Airbus A320s and 11 Boeing B737s.

Regional fleet

The Group took delivery of one Embraer ERJ170 and converted one option for ERJ70 into one option for ERJ190. Two Embraer ERJ170 have disappeared because of change in financing. Moreover, the Group took delivery of two AVRO RJ85s and for this same aircraft type made two firm orders.

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As of September 30, 2008, the Group's backlog comprised 27 aircraft under firm orders (8 CRJ1000s, 6 ERJ170s, 11 ERJ190s and 2 AVRO RJ85s) and 22 options (8 CRJ1000s and 14 ERJ190).

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, 2008	Firm orders	1	-	2	8	-	-
		Options	-	-	-	-	8	2
	As of March 31, 2008	Firm orders	1	1	2	8	-	-
		Options	-	-	-	-	8	2
A 321	As of September 30, 2008	Firm orders	1	1	3	2	-	-
		Options	-	-	-	-	-	-
	As of March 31, 2008	Firm orders	1	-	2	3	-	-
		Options	-	-	-	-	-	-
A 330	As of September 30, 2008	Firm orders	-	-	-	-	-	-
		Options	-	-	-	2	-	-
	As of March 31, 2008	Firm orders	-	-	-	-	-	-
		Options	-	-	-	2	-	-
A 380	As of September 30, 2008	Firm orders	-	4	3	3	2	-
		Options	-	-	-	1	1	-
	As of March 31, 2008	Firm orders	-	5	3	-	-	-
		Options	-	-	-	1	1	-
B 737	As of September 30, 2008	Firm orders	2	3	7	4	2	-
		Options	-	-	-	1	3	7
	As of March 31, 2008	Firm orders	4	-	-	-	2	-
		Options	-	-	-	1	3	7
B 777	As of September 30, 2008	Firm orders	3	5	6	6	1	-
		Options	-	-	-	3	8	1
	As of March 31, 2008	Firm orders	5	5	5	-	1	-
		Options	-	-	-	4	8	1
B 777 F	As of September 30, 2008	Firm orders	3	2	-	-	-	-
		Options	-	-	2	1	-	-
	As of March 31, 2008	Firm orders	3	2	-	-	-	-
		Options	-	-	2	1	-	-
AVRO RJ85	As of September 30, 2008	Firm orders	2	-	-	-	-	-
		Options	-	-	-	-	-	-
	As of March 31, 2008	Firm orders	2	-	-	-	-	-
		Options	-	-	-	-	-	-
CRJ 1000	As of September 30, 2008	Firm orders	-	1	4	3	-	-
		Options	-	-	-	-	-	8
	As of March 31, 2008	Firm orders	-	1	4	3	-	-
		Options	-	-	-	-	-	8
Emb 170	As of September 30, 2008	Firm orders	1	3	2	-	-	-
		Options	-	-	-	-	-	-
	As of March 31, 2008	Firm orders	3	4	2	-	-	-
		Options	-	-	1	-	-	-
Emb 190	As of September 30, 2008	Firm orders	5	6	-	-	-	-
		Options	-	-	6	8	-	-
	As of March 31, 2008	Firm orders	5	6	-	-	-	-
		Options	-	-	5	8	-	-

21 RELATED PARTIES

During the six-month period ended September 30, 2008, relationships of the Group with its related parties have not changed significantly in terms of amounts and or scope.

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22 SUBSEQUENT EVENTS

There has been no significant event since the close of the period.