

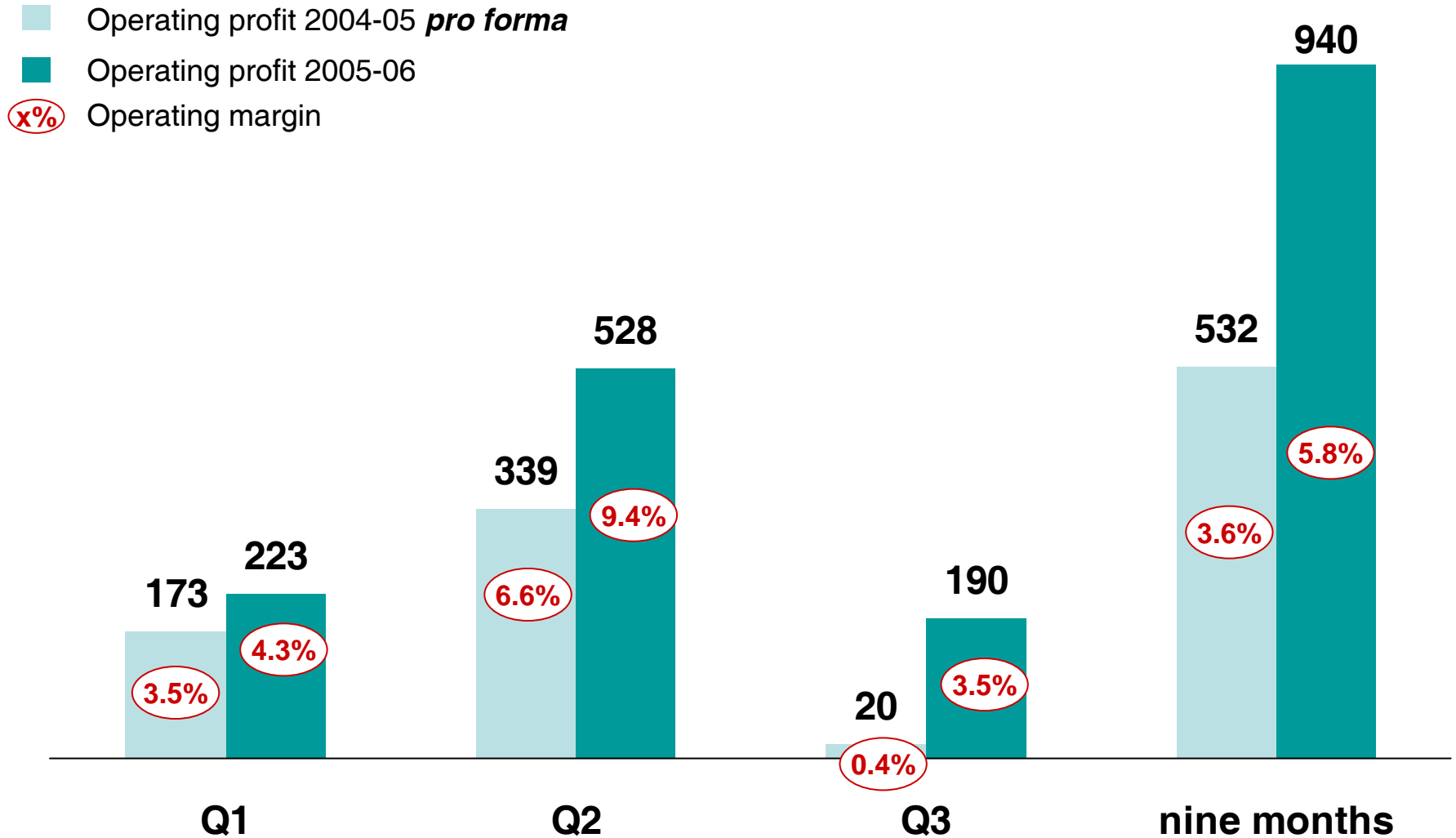
**AIR FRANCE KLM**

# Third Quarter Results 2005-06

February 16, 2006



# A strong rise in results



**AIR FRANCE KLM**

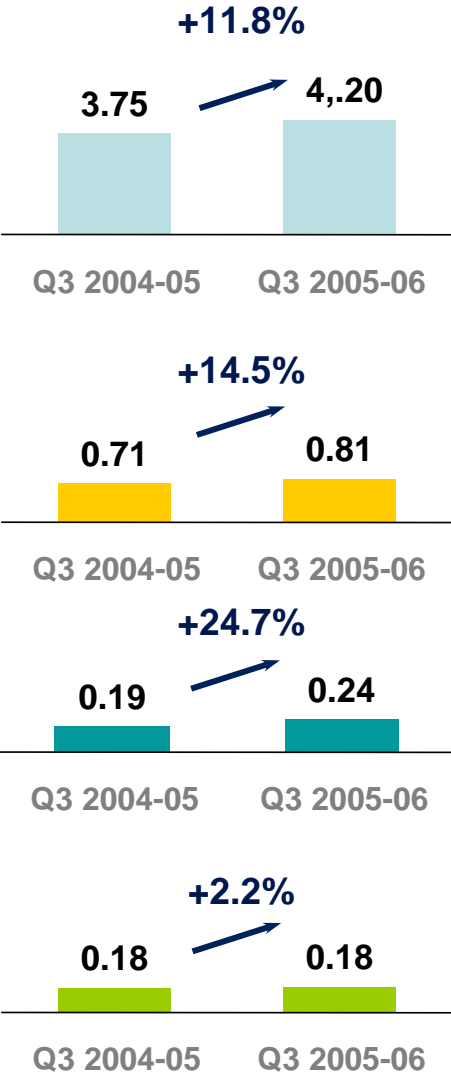
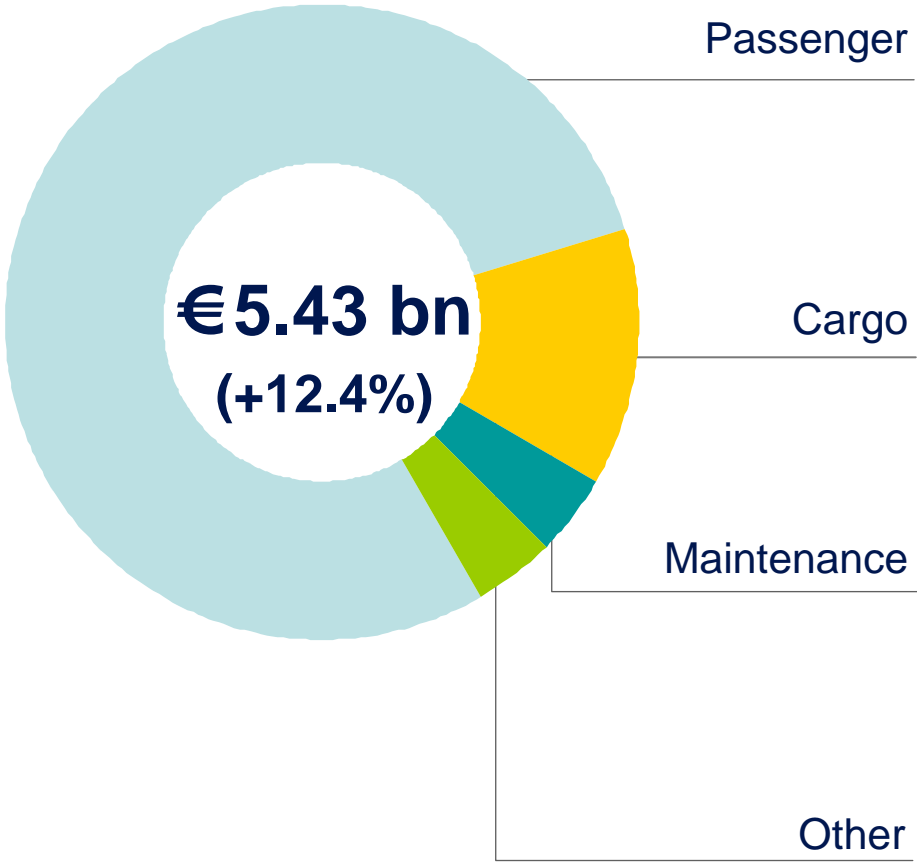
**Activity remains dynamic**

**Pierre-Henri Gourgeon**



# Increased activity across all businesses

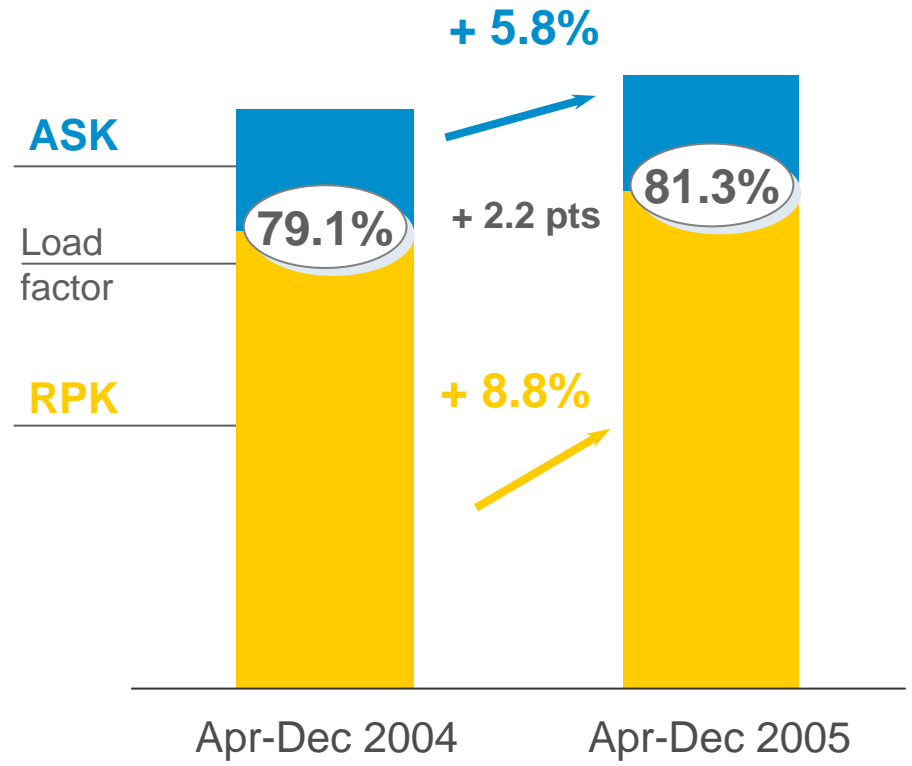
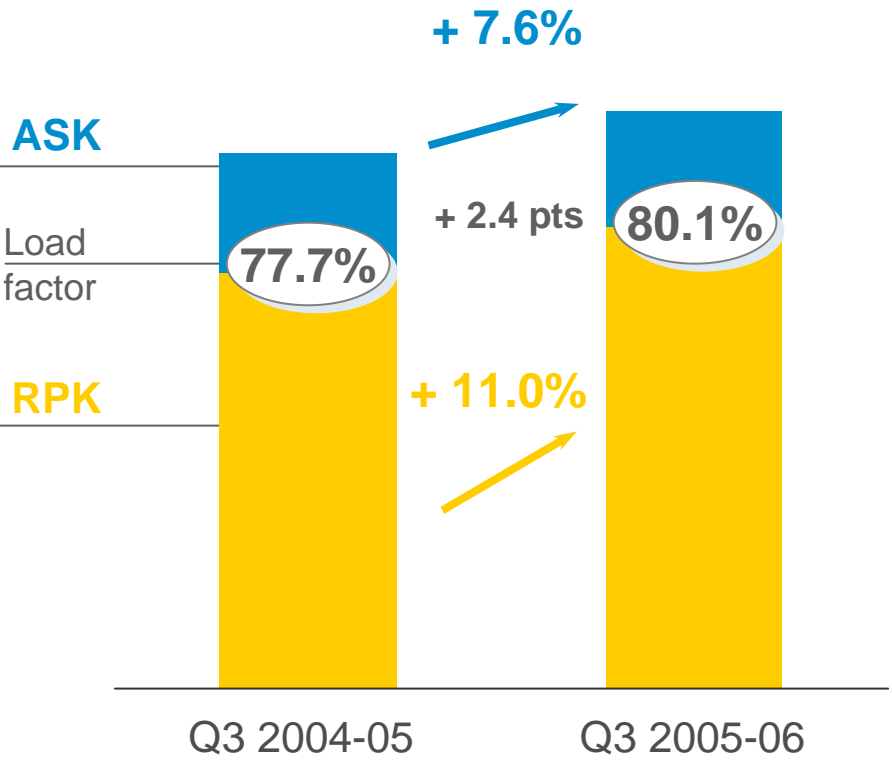
Turnover in €bn  
Q3 2005-06



# Passenger: acceleration in growth and load factors at record levels

### 3<sup>rd</sup> quarter

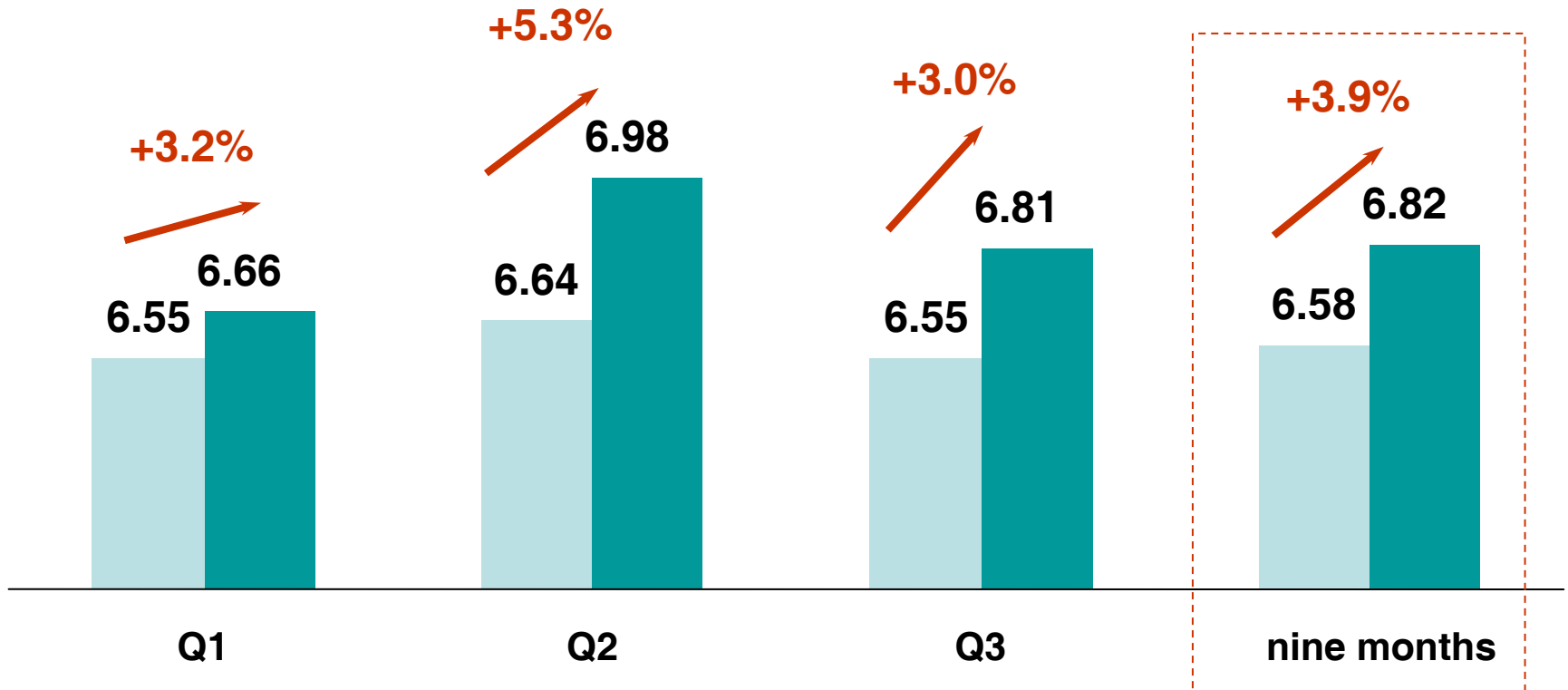
### Nine months to 31<sup>st</sup> Dec



# Increase in unit revenue excluding currency impact

Unit revenue per ASK (total network)

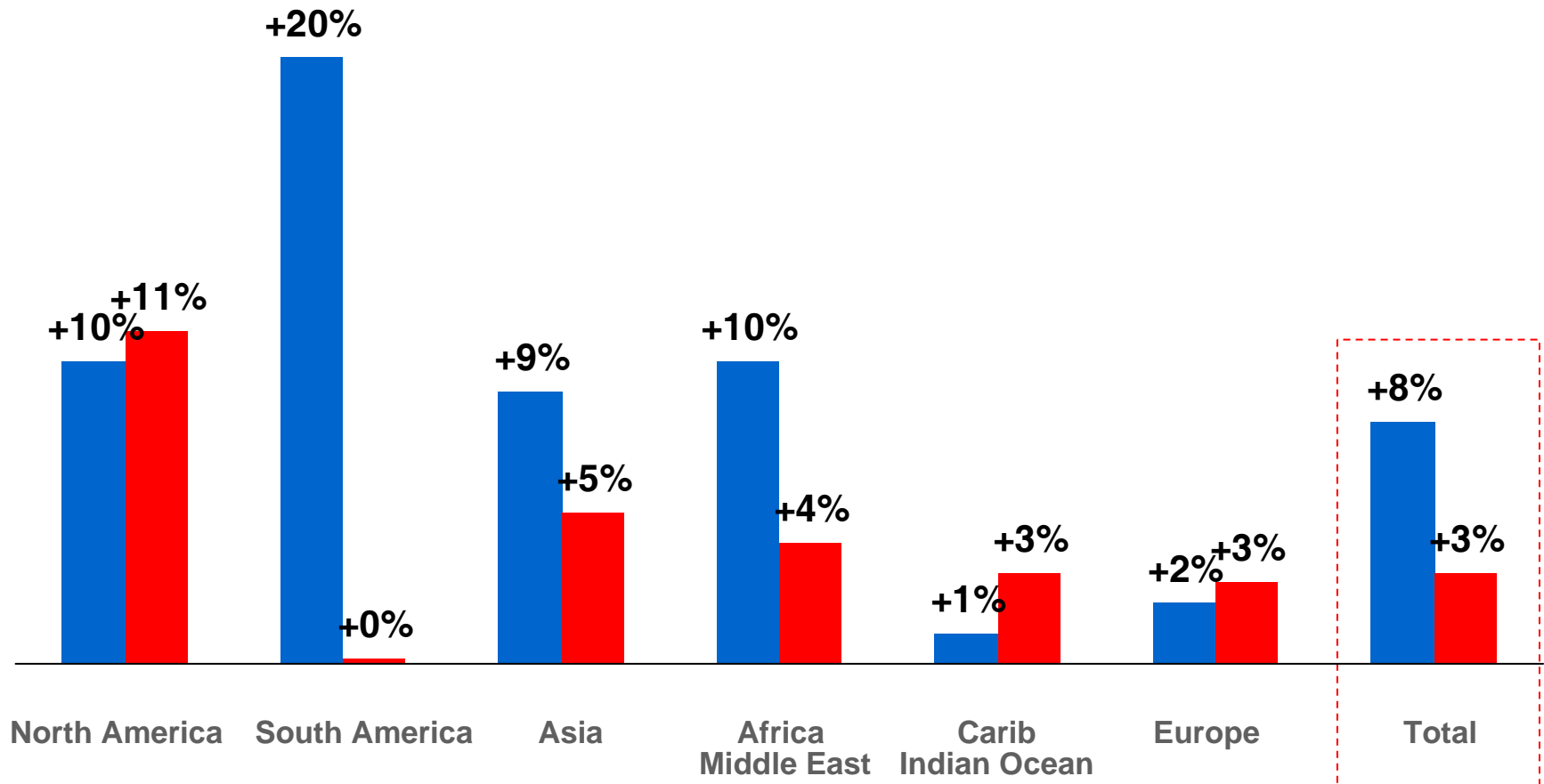
■ 2004-05  
■ 2005-06    **x%** change excl. currency effect



# Good performance across all destinations

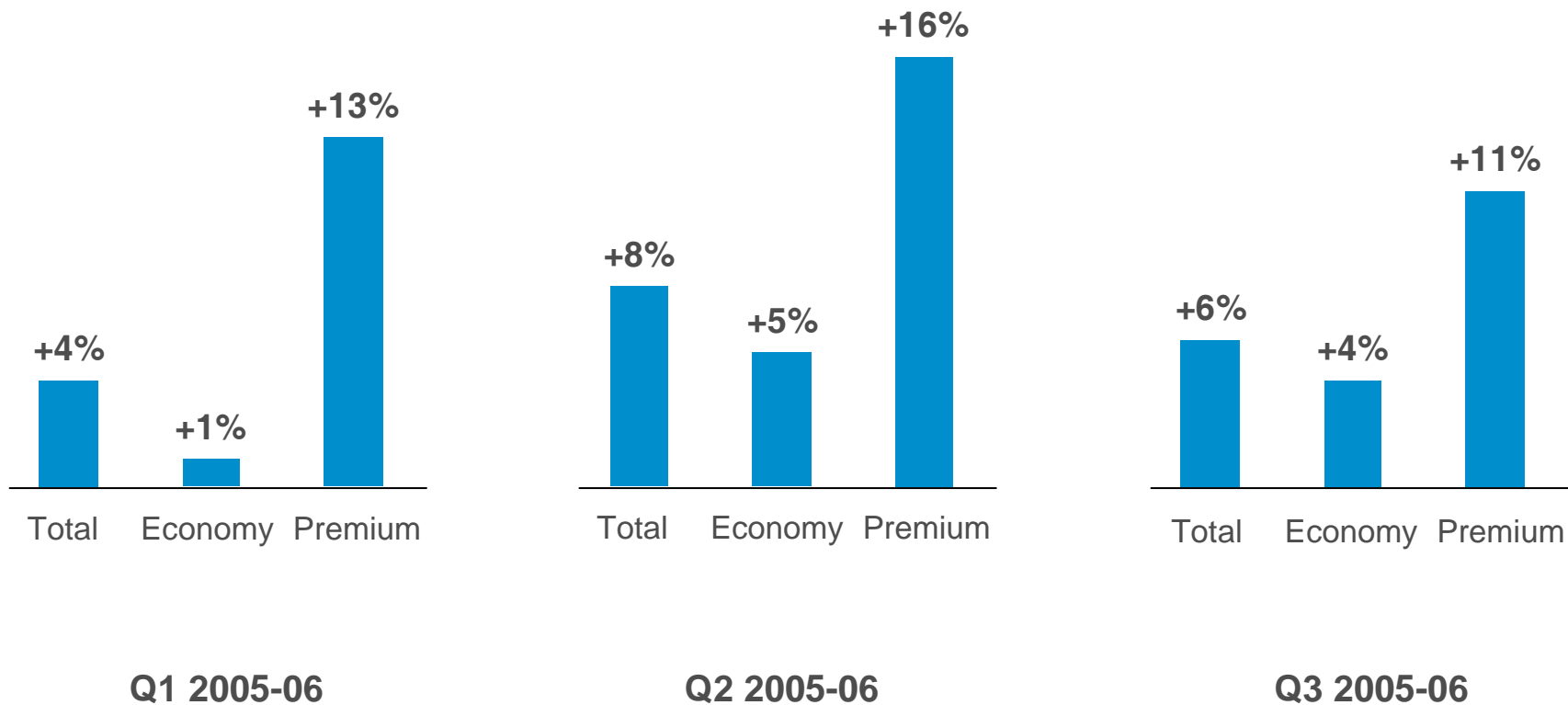
Q3 2005-06

ASK RASK excl. currency effect



# Increase in unit revenue underpinned by premium traffic

■ RASK excl. currency (long-haul network)

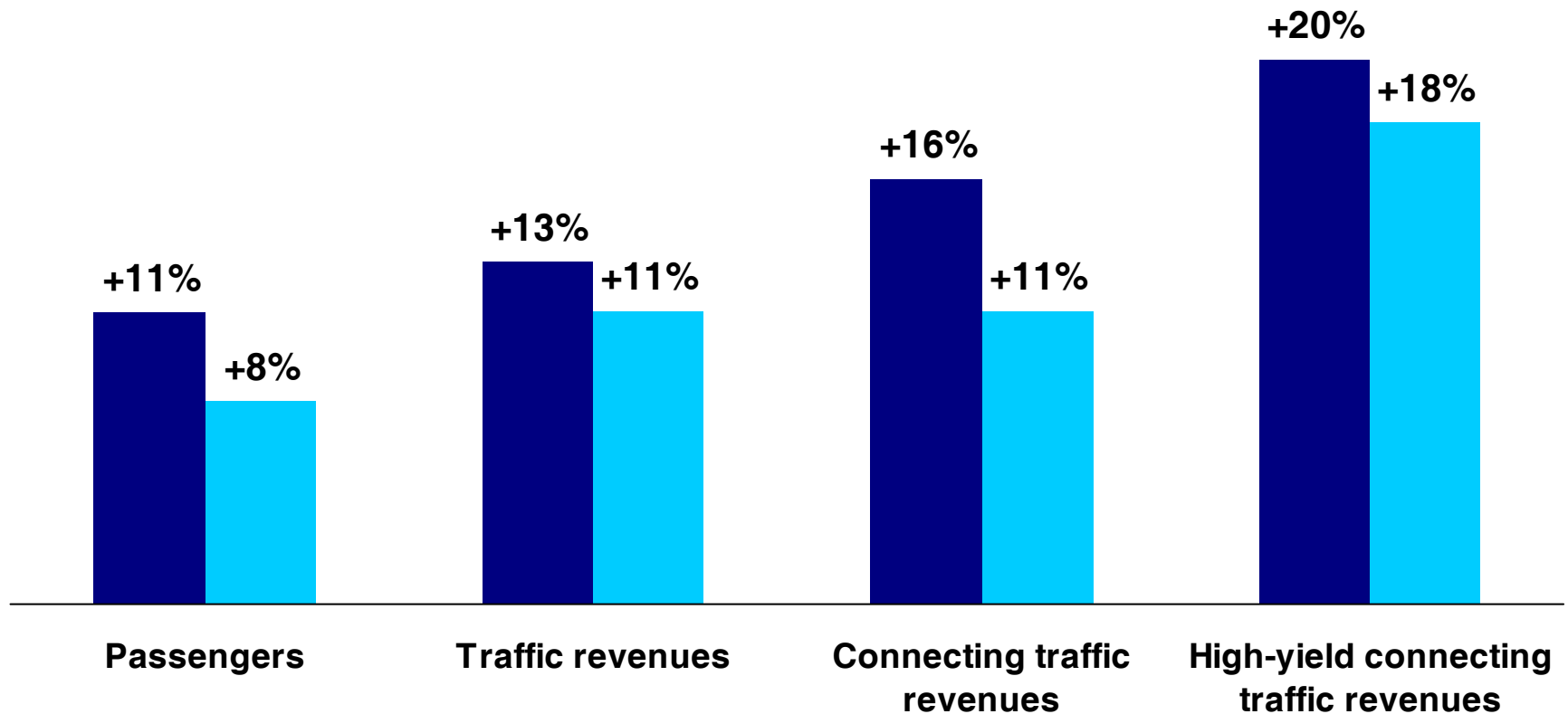




# Strong increase in connecting premium

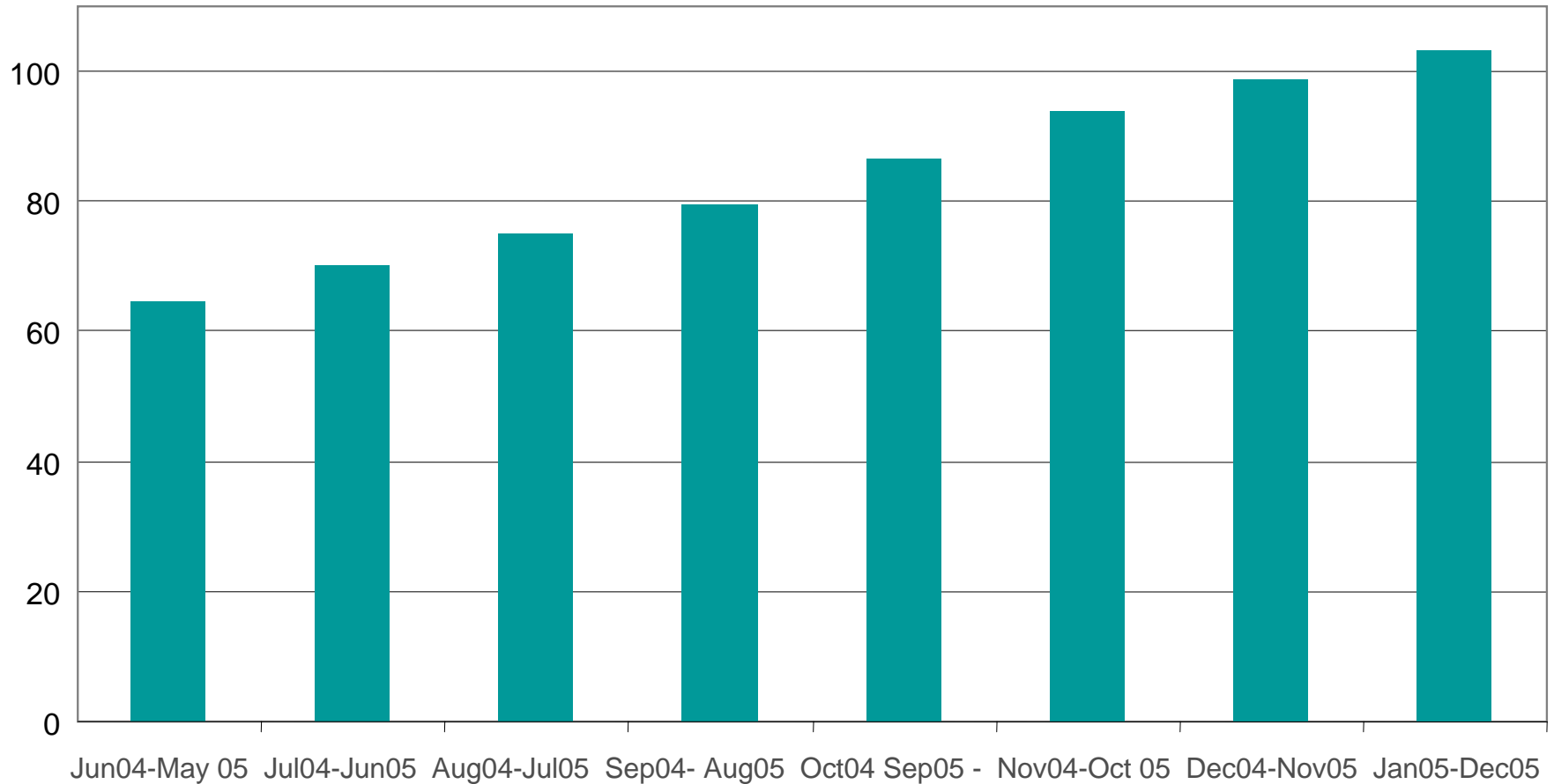
Long-haul traffic at CDG and Amsterdam  
(April-December 2005-06)

■ Air France  
■ KLM

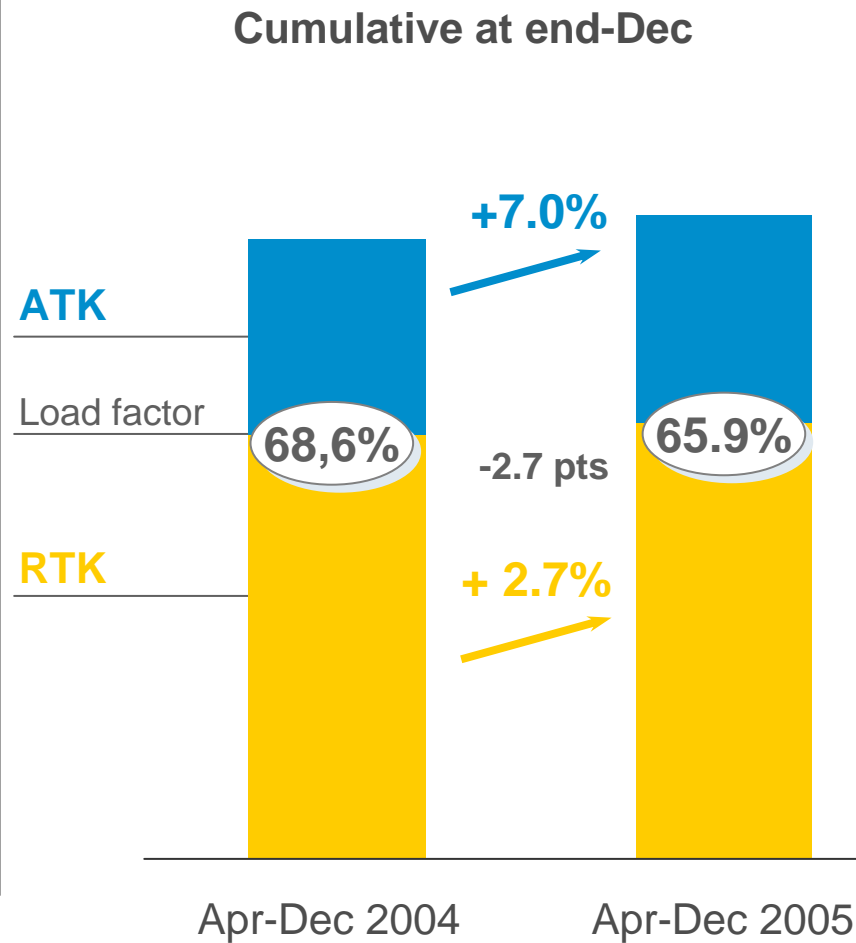
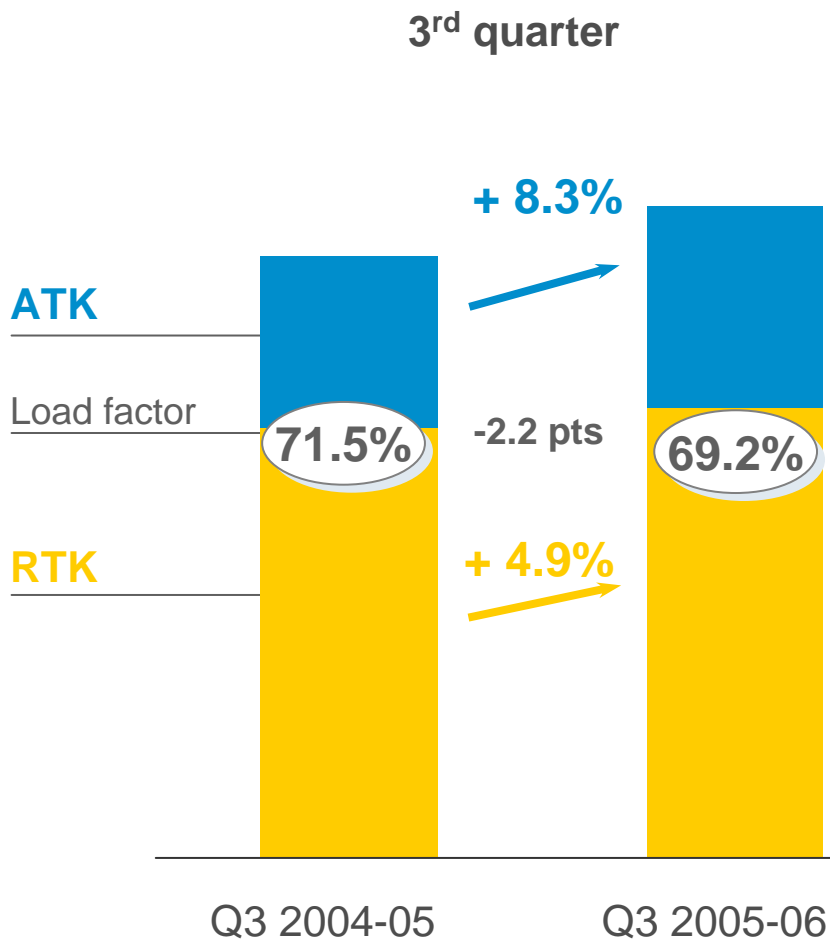


# Fare combination: optimization of the multi-hub strategy

Fare combination revenues in €m  
12 rolling months

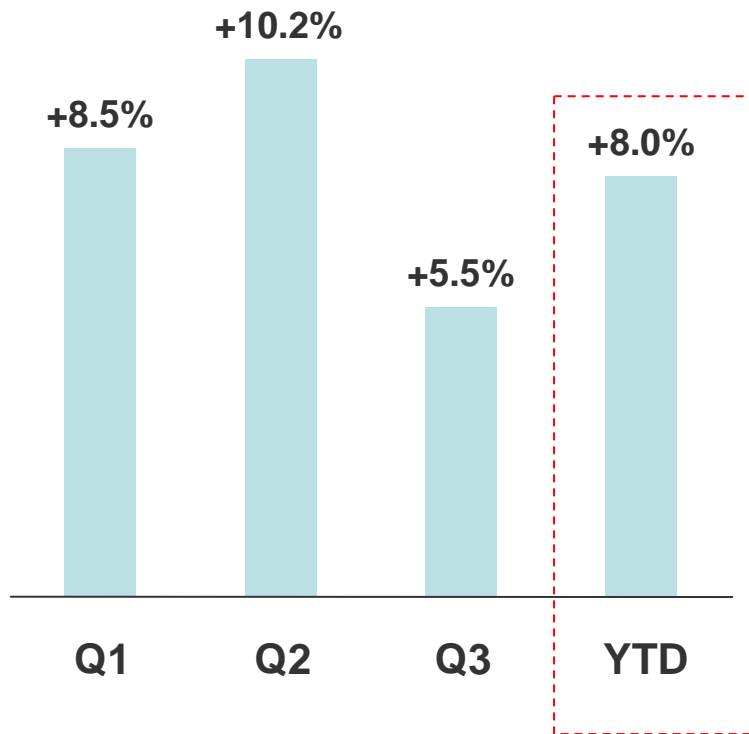


# Cargo: recovery in Q3...

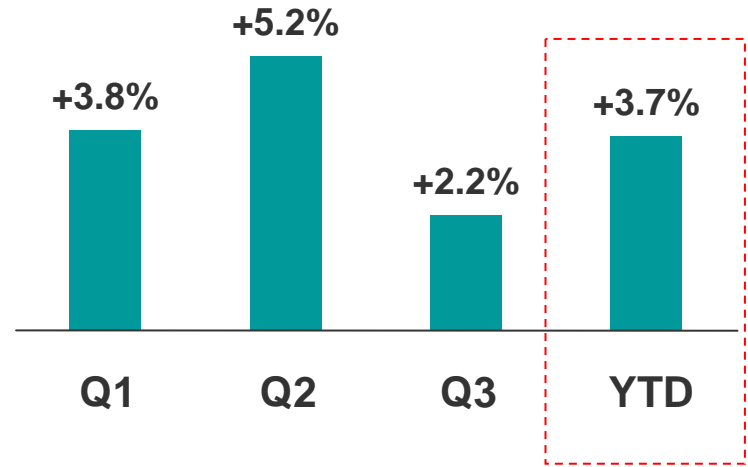


...with a strong rise in yield

Unit revenue per RTK excl. currency



Unit revenue ATK excl. currency



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**A significant rise in results**

**Philippe Calavia**



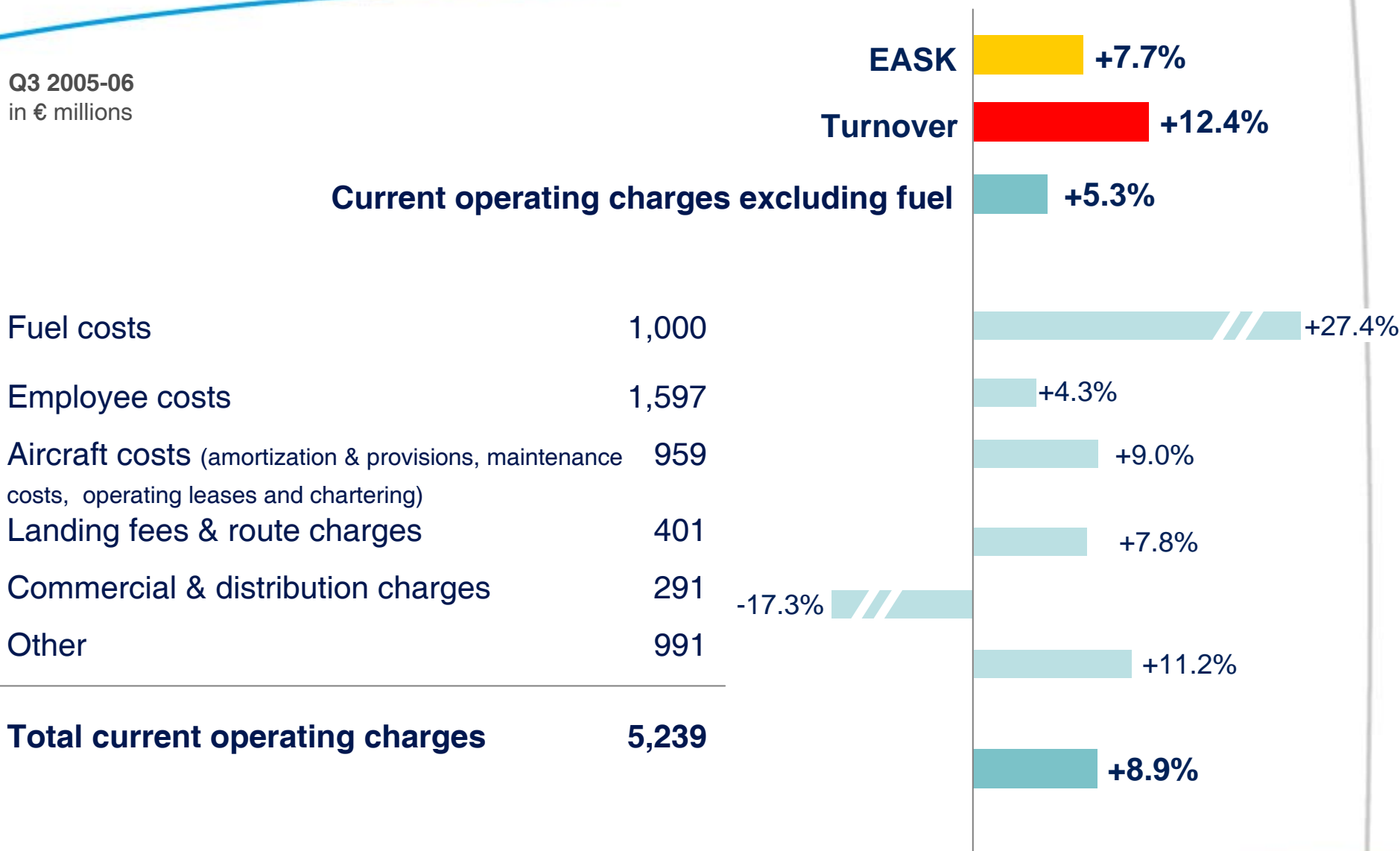
# Third quarter results

In € millions	31 Dec 2005	31 Dec 2004	Change
<b>Turnover</b>	<b>5,429</b>	<b>4,831</b>	<b>+12.4%</b>
Current operating charges	(5,239)	(4,811)	+8,9%
<b>Operating income</b>	<b>190</b>	<b>20</b>	<b>nm</b>
<i>Operating margin</i>	<i>3.5%</i>	<i>0.4%</i>	<i>+3.1 pts</i>
<i>Adjusted operating margin*</i>	<i>4.5%</i>	<i>1.4%</i>	<i>+3.1 pts</i>
Other non-current income and charges	(11)	57	nm
<b>Income from operating activities</b>	<b>179</b>	<b>77</b>	<b>nm</b>
Net interest charge	(57)	(66)	
Income tax	(36)	(29)	
<b>Net income, group share</b>	<b>77</b>	<b>23</b>	<b>nm</b>

\* Adjusted by the share of financial charges in operating leases (34%)

# Containment of operating charges

Q3 2005-06  
in € millions



# Nine months to 31<sup>st</sup> December

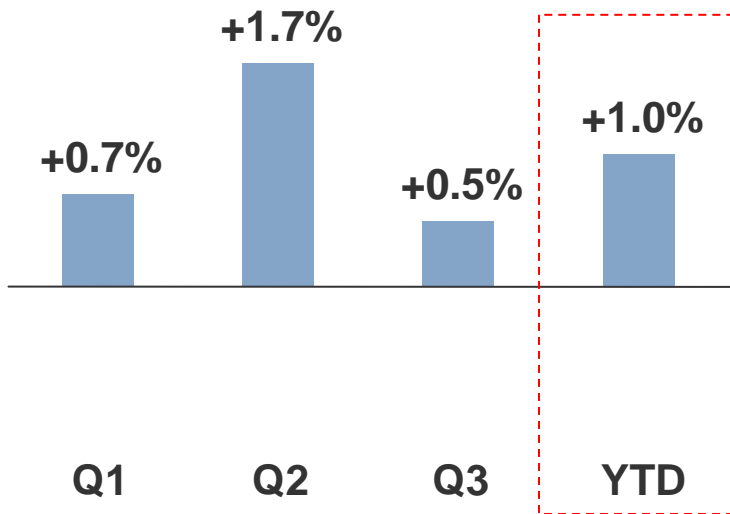
In € millions	31 Dec 2005	31 Dec 2004	variation
<b>Turnover</b>	<b>16,251</b>	<b>14,857</b>	<b>+9.4%</b>
Current operating charges	(15,311)	(14,325)	+6.9%
<b>Operating income</b>	<b>940</b>	<b>532</b>	<b>+76.7%</b>
<i>Operating margin</i>	<i>5.8%</i>	<i>3.6%</i>	<i>+2.2 pts</i>
<i>Adjusted operating margin*</i>	<i>6.8%</i>	<i>4.6%</i>	<i>+2.2 pts</i>
Other non-current income and charges	528	521	+1.3%
<b>Income from operating activities</b>	<b>1,468</b>	<b>1,053</b>	<b>+39.4%</b>
Net interest charge	(171)	(177)	
Income tax	(328)	(210)	
<b>Net income, group share</b>	<b>906</b>	<b>731</b>	<b>+23.9%</b>

\* Adjusted by the share of financial charges in operating leases (34%)

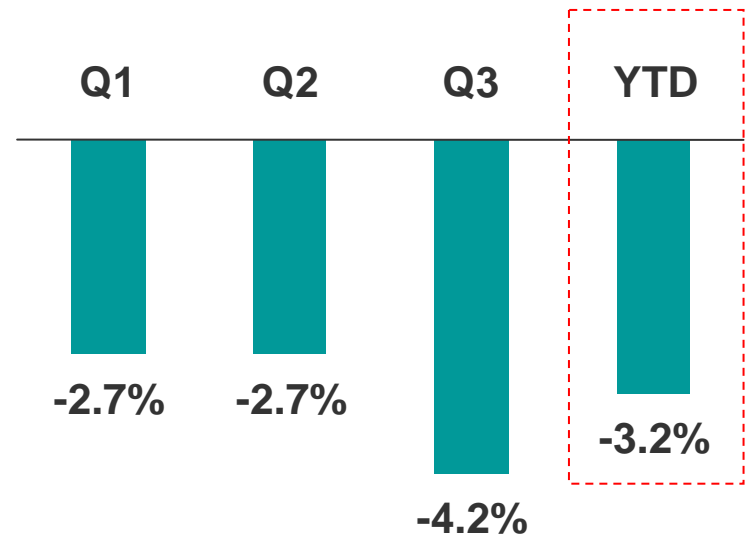


# Decrease in unit costs on a constant currency and fuel cost basis

### Unit costs per EASK



### Unit costs per EASK (Excl. Currency and fuel cost impact)

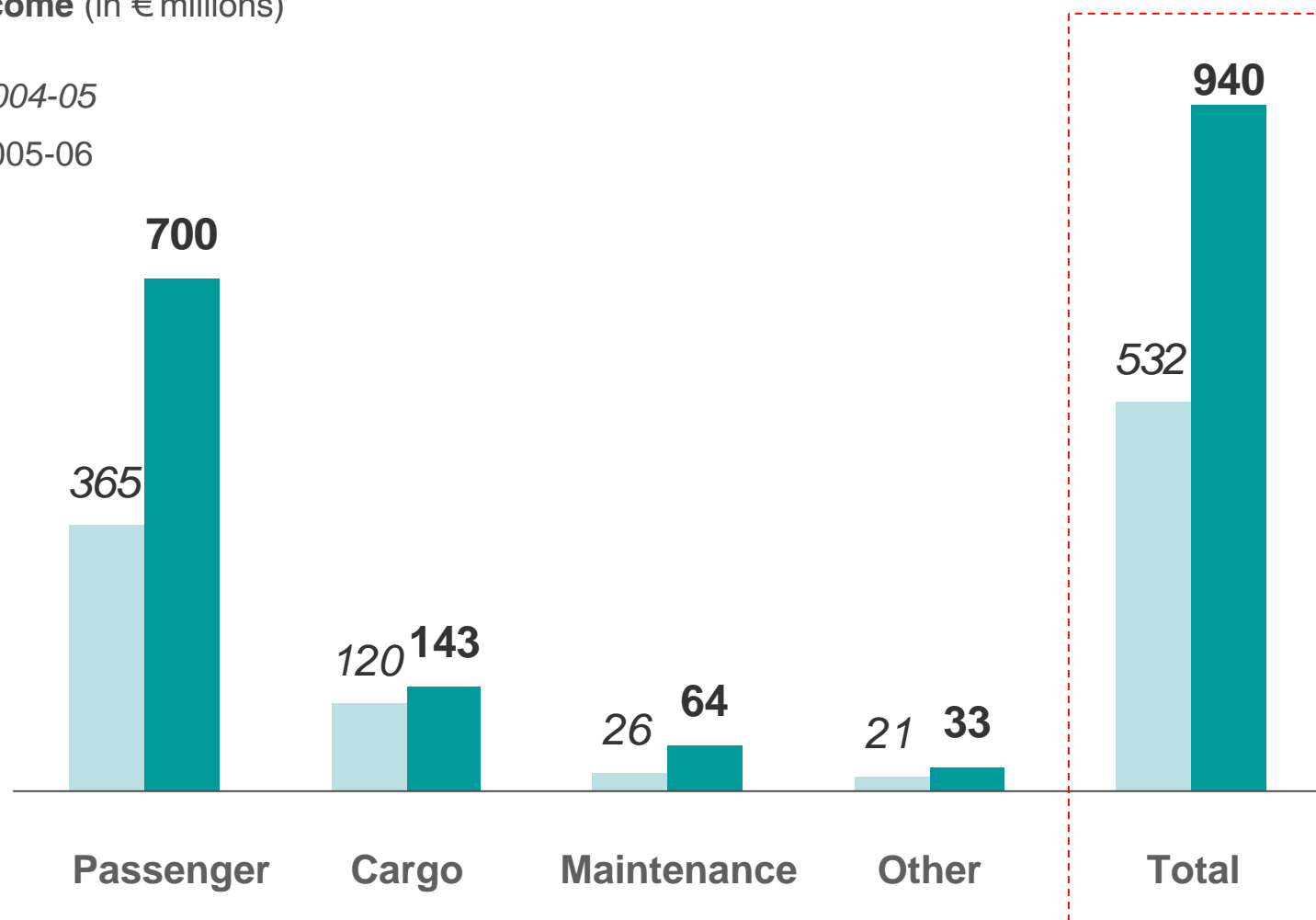


# Positive contribution from all the businesses

Operating income (in € millions)

■ Apr-Dec 2004-05

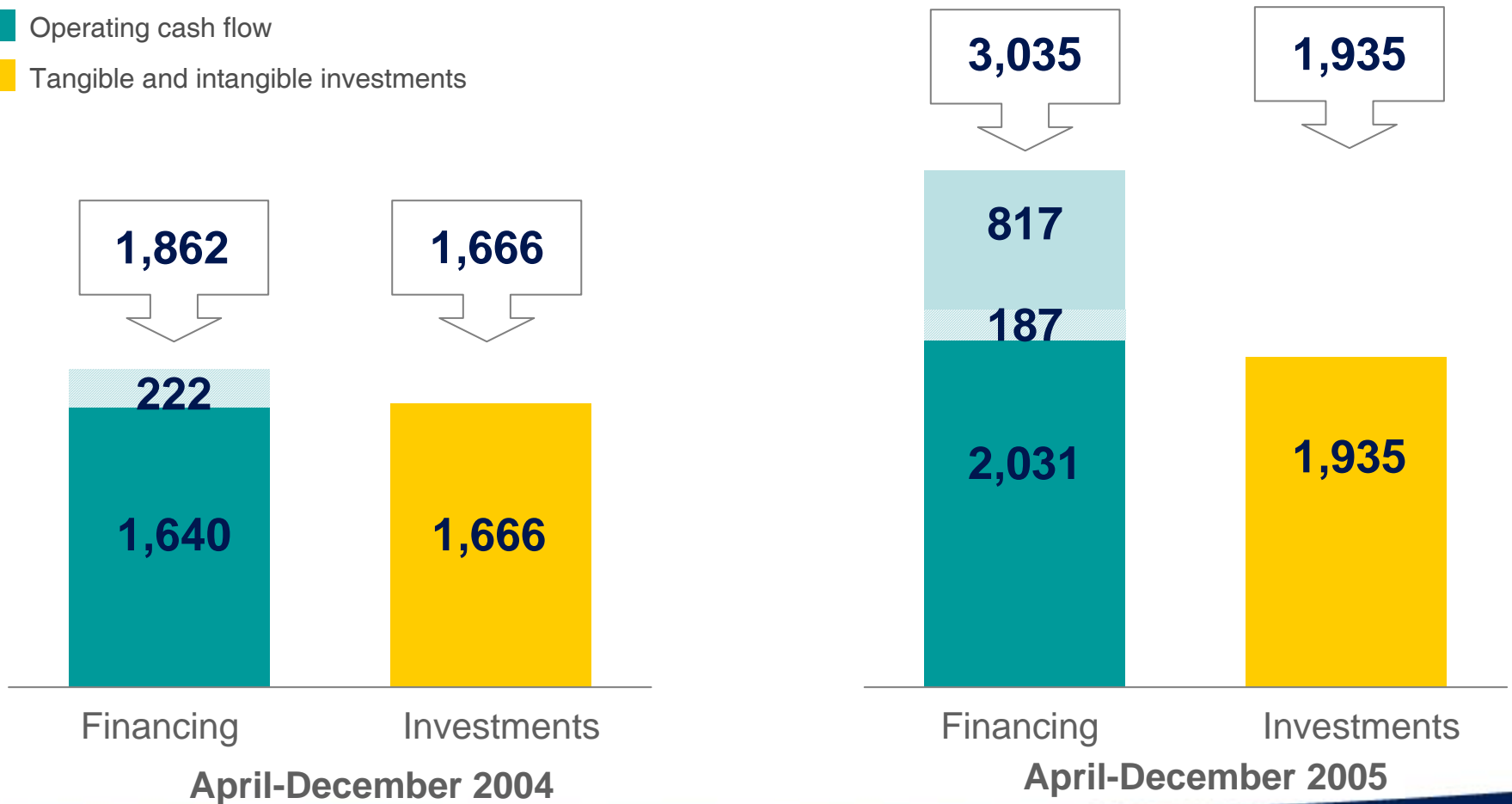
■ Apr-Dec 2005-06



# Investments self-financed

April – December (in €m)

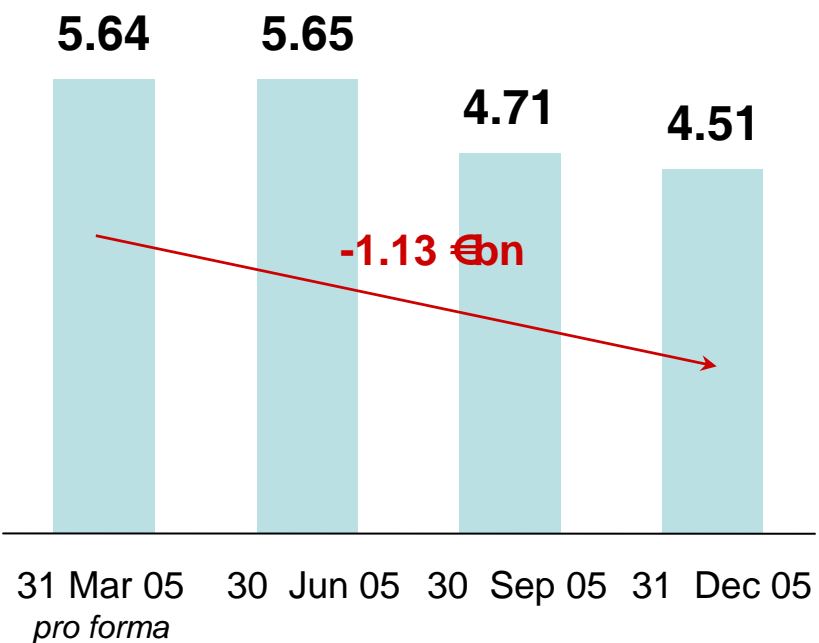
- Net cash from Amadeus
- Aircraft disposals
- Operating cash flow
- Tangible and intangible investments



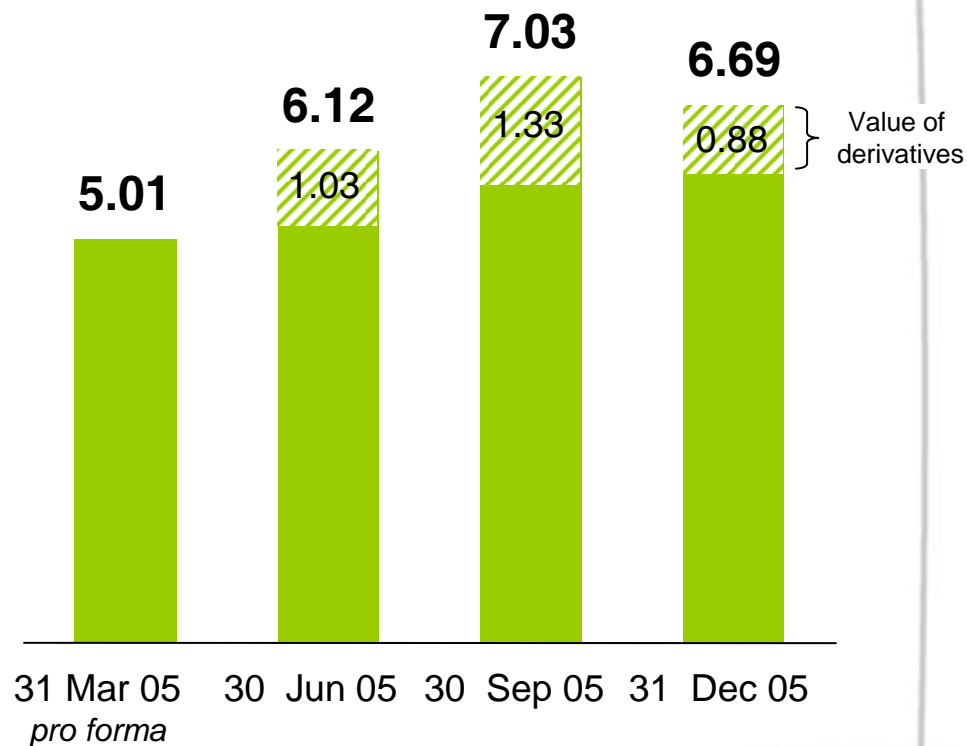
# A further reduction in net debt

Gearing ratio  
at 31 December 2005 : **0.67**

Net debt  
(in €bn)



Shareholders' funds  
(in €bn)



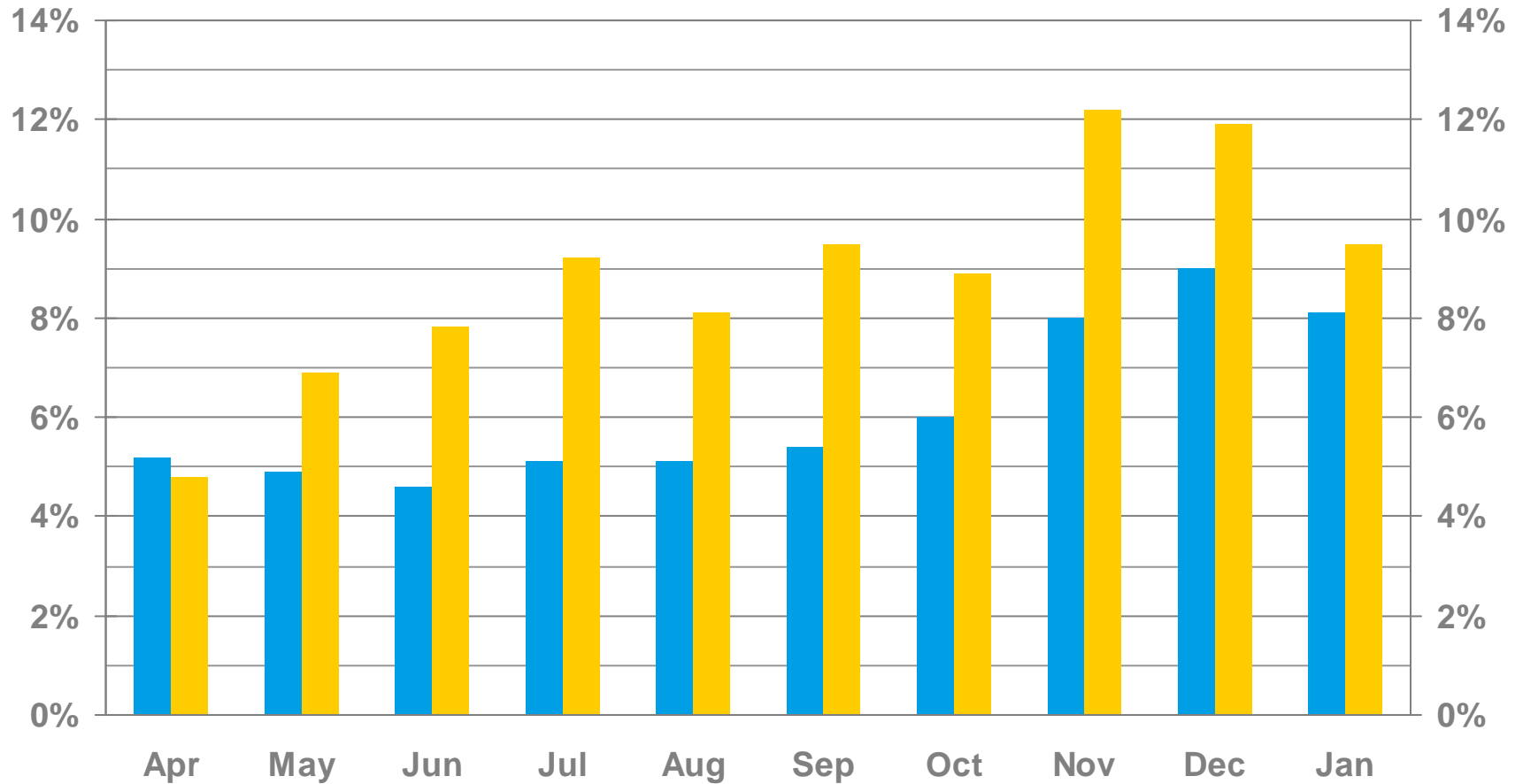
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# Outlook for FY 2005-06



# Traffic remains buoyant

Capacity Traffic



# Hedging policy remains efficient

	<b>hedged consumption</b>	<b>average hedge price in \$ per bbl</b>	<b>Future price* (in \$/bbl)</b>
<b>2005-06</b>	<b>84%</b>	<b>\$39</b>	<b>\$59</b>
o/w 4 <sup>th</sup> quarter	84%	\$42	\$64
<b>2006-07</b>	<b>62%</b>	<b>\$47</b>	<b>\$66</b>
<b>2007-08</b>	<b>34%</b>	<b>\$50</b>	<b>\$66</b>

\* Based on forward curve as at 3<sup>rd</sup> February 2006

# Outlook for 2005-06

- ✦ The seasonality of our business traditionally weighs on the fourth quarter results. Traffic in march will additionally be affected by the fact that Easter week falls in April this year.
- ✦ Nevertheless, if current market conditions are maintained, Air France-KLM has an objective of operating income for the full year of over 900 million euros



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# Annexes



# Net debt calculation

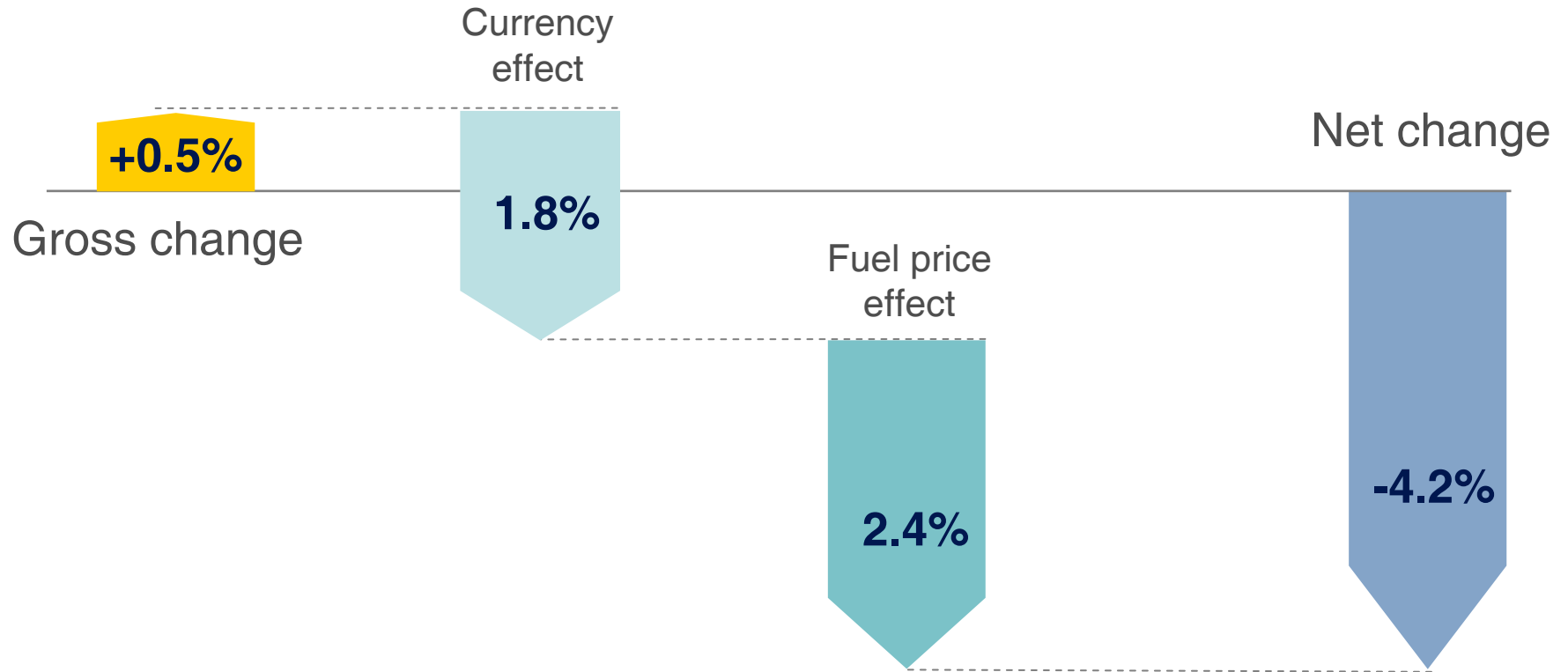
in €m

	<b>31 Dec 05</b>	<b>31 March 05</b>
Current & non current financial debts	9,336	8,933
- Accrued interest not yet due	129	79
- Deposits on finance leased aircraft	973	900
+ Currency derivatives on debt	65	75
<b>= Gross financial debt</b>	<b>8,229</b>	<b>8,030</b>
Cash & cash equivalent	3,840	2,500
+ Cash over 3 months	45	162
- Short term bank facilities	95	262
<b>= Net cash</b>	<b>3,790</b>	<b>2,390</b>
<b>Net financial debt</b>	<b>4,509</b>	<b>5,640</b>
<b>Consolidated equity</b>	<b>6,686</b>	<b>5,012</b>
<b>Gearing ratio</b>	<b>0.67</b>	<b>1.13</b>

# Unit costs – 3<sup>rd</sup> quarter

3<sup>rd</sup> quarter 2005-06

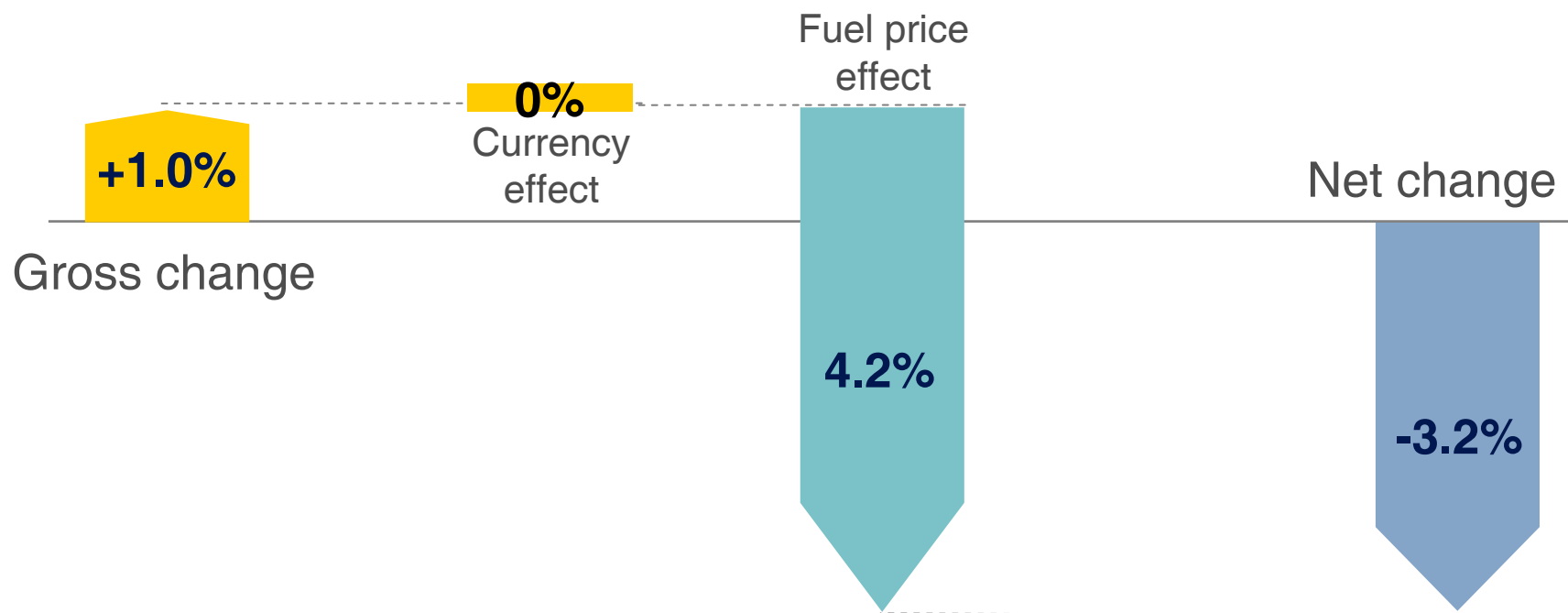
Unit costs per EASK: €6.50 cts



# Unit costs – 9 months at 31 December

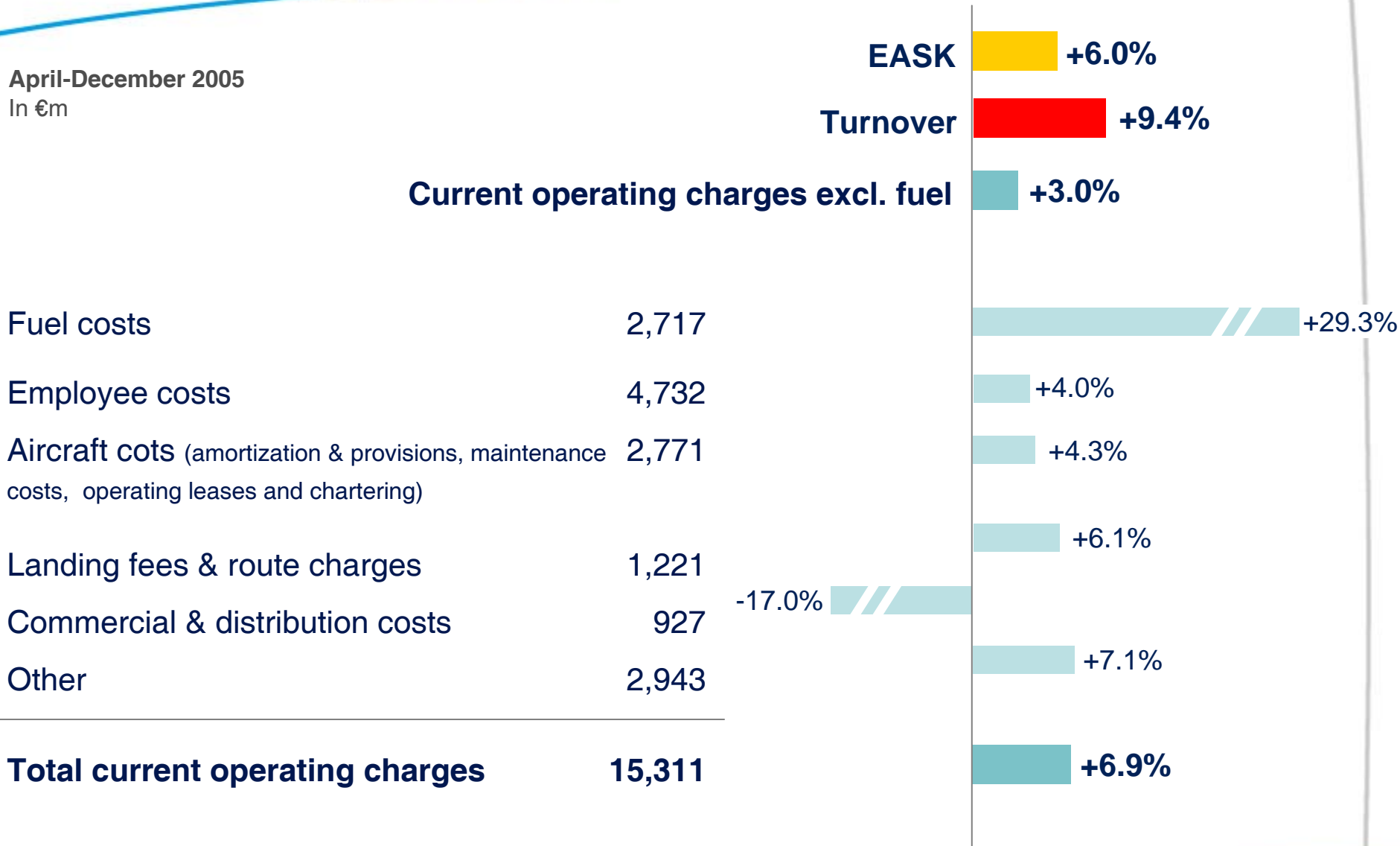
April-December 2005

Unit costs per EASK: 6.23 cts d'€



# Containment of operating charges

April-December 2005  
In €m



# Forward-looking statements

The information herein contains forward-looking statements about Air France-KLM and its business. These forward-looking statements, which include, but are not limited to, statements concerning the financial condition, results of operations and business of Air France-KLM are based on management's current expectations and estimates. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside of Air France KLM's control and are difficult to predict, that may cause actual results to differ materially from any future results expressed or implied from the forward-looking statements. These statements are not guarantees of future performance and involve risks and uncertainties including, among others: the expected synergies and cost savings between Air France and KLM may not be achieved; unanticipated expenditures; changing relationships with customers, suppliers and strategic partners; increases in aircraft fuel prices; and other economic, business, competitive and/or regulatory factors affecting the businesses of Air France and KLM generally. Additional information regarding the factors and events that could cause differences between forward-looking statements and actual results in the future is contained in Air France-KLM's Securities and Exchange Commission filings, including its Annual Reports on Form 20-F for the year ended March 31, 2005. Air France-KLM undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

THIS FORM 6-K REPORT IS HEREBY INCORPORATED BY REFERENCE INTO THE PROSPECTUS CONTAINED IN AIR FRANCE-KLM'S REGISTRATION STATEMENT ON FORM F-3 (REGISTRATION STATEMENT NO. 333-114188), AND SHALL BE A PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS FURNISHED, TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OR FURNISHED.