

## AIR FRANCE-KLM

A French limited liability company (*société anonyme*) with capital of 2,374,608,510 euros

Registered office: 2, rue Robert Esnault Pelterie, 75007 Paris.

552 043 002 RCS Paris.

### **Description of Air France-KLM's share buyback program approved by the Combined Ordinary and Extraordinary Shareholders' General Meeting of July 12, 2007**

Pursuant to article L.241-2 of the AMF General Rules and Regulations (*Règlement Général de l'Autorité des marchés financiers*), this document is a description of the share buyback program approved by the combined ordinary and extraordinary shareholders' general meeting of July 12, 2007.

#### **1° Date of the shareholders' meeting called to authorize the share buyback program**

The share buyback program was submitted for approval to the combined ordinary and extraordinary shareholders' general meeting of July 12, 2007.

#### **2° Number of own shares and proportion of the share capital held directly or indirectly by Air France-KLM**

As at July 12, 2007, Air France-KLM directly or indirectly held 1,451,872 shares, representing 0.5% of the company's share capital, split as follows:

974 shares held directly, representing 0.0% of the share capital,

1,450,898 shares held indirectly, representing 0.5% of the share capital.

#### **3° Breakdown by purpose of shares held by the issuer as at July 12, 2007**

As at July 12, 2007, Air France-KLM held treasury shares allotted for the following purposes:

974 shares for coordinating secondary market and stock liquidity,

1,450,898 shares for the sale of shares to employees or directors, under conditions set forth by law,

#### **4° Aims of the new share buyback program**

Air France-KLM's aims for this new share buyback program are as follows, in order of priority:

- To allow an investment firm, Rothschild & Cie Banque, to coordinate secondary market or stock liquidity within the framework of a liquidity contract in compliance with the Compliance Charter of the French Association of Investment Firms (*AFEI*) and approved by the French Financial Markets Authority (*Autorité des marchés financiers, AMF*) in its decision of March 22, 2005, published in the French Official Bulletin (*BALO*) of April 1, 2005,
- To deliver shares, on exercise of the attached rights, to the holders of securities issued by the company or by companies in which it holds, directly or indirectly, more than half the share capital, and which give the right by conversion, exercise, repayment, exchange, presentation of a warrant or any other manner to the allocation of shares in the company,
- To grant or sell the aforementioned shares to employees and corporate executives of the Group, under conditions set forth by law,
- To hold shares with a view to their future use in an exchange offer or in payment for external growth transactions,
- To engage in any market practice that may be admissible by the French Financial Markets Authority (*Autorité des marchés financiers, AMF*), and more generally, to execute any compliant transaction.

**5° Maximum proportion of the share capital, maximum number and characteristics of shares that Air France-KLM may acquire, and maximum purchase price**

The securities that Air France-KLM proposes to buy are shares only.

Extract from the fifth resolution approved by the combined ordinary and extraordinary shareholders' general meeting of July 12, 2007:

"The general meeting sets the maximum price at 60 euros per share. The maximum number of shares acquired may not exceed 5% of the share capital".

At July 12, 2007 the share capital of Air France-KLM comprised 280,574,623 shares after the issuance of 1,451,872 share linked to the exercise of warrants and OCEANE since March 31, 2007.

**6° Duration of the new share buyback program**

Pursuant to article L.225-209 of the French Commercial Code and to the fifth resolution approved by the combined ordinary and extraordinary shareholders' meeting of July 12, 2007, this share buyback program is authorized for a period of 18 months, starting from the date of the combined ordinary and extraordinary shareholders' general meeting and ending on January 12, 2009.

**7° Declaration relating to the transactions realized by Air France-KLM on its own shares between July 13, 2006 and July 12, 2007**

Percentage of the capital held directly and indirectly as treasury stock	0,5 %
Number of shares cancelled during the last 24 months	None
Number of own shares in the portfolio	1,451,872
Book value of the shares in the portfolio	19,226,405 euros
Market value of the portfolio (at the closing share price of July 12, 2007)	49,915,359 euros

(In euros)	Aggregate movements		Open positions as at the publication date of this document			
	Purchases	Sales	Open buy positions		Open sale positions	
<b>Number of shares</b>	1,890,257	1,891,257	<i>Purchase options purchased</i>	<i>Forward purchases</i>	<i>Purchase options sold</i>	<i>Forward sales</i>
<b>Average maximum due date or maturity</b>	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Average transaction price</b>	28.18	28.45	N.A.	N.A.	N.A.	N.A.
<b>Average exercise price</b>	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Amounts</b>	53,271,844	53,806,207	N.A.	N.A.	N.A.	N.A.

Air France-KLM did not use derivatives in connection with its previous share buyback program.