

22<sup>nd</sup> November 2007

## FINANCIAL YEAR 2007-08

### EXCELLENT SECOND QUARTER

- ▶ Operating income up 27.6% to 725 million euros
- ▶ Adjusted<sup>1</sup> operating margin of 12%, up 2 points
- ▶ Net income up 97% to 736 million euros

### STRONG FIRST HALF

- ▶ Revenues up 4.2% to 12.43 billion euros
- ▶ Operating income up 16.4% to 1.14 billion euros
- ▶ Adjusted<sup>1</sup> operating margin of 10%, up almost 1 point

### OBJECTIVE MAINTAINED FOR THE FULL YEAR

The board of directors of Air France-KLM met on 21st November 2007 under the chairmanship of Jean-Cyril Spinetta to approve the accounts for the First Half of financial year 2007-08.

Jean-Cyril Spinetta made the following comment on the results: *"Robust global growth continues to underpin demand, especially on long-haul where our strong network remains a major advantage. A feature of our trading environment in the past six months has been the rise in oil prices to record levels. These excellent first half results therefore also reflect ongoing group-wide efforts to contain costs. This ability to control costs remains a key factor as we pursue our global development while respecting our environmental commitments."* The chairman added: *"Taking account of dynamic market conditions we confirm our objectives of a further rise in operating income and a return on capital employed of 7% after tax for the full year, up from 6.5% last year. "*

### Consolidated figures

Financial year 2007-08	Second Quarter to 30th September			First Half to 30th September		
	2007	2006	Change	2007	2006	Change
In € millions (except for per share data in €)						
Revenues	6,489	6,131	+5.8%	12,434	11,933	+4.2%
Operating income	725	568	+27.6%	1,140	979	+16.4 %
Pre-tax income of fully integrated companies	919	520	+76.7%	1,522	830	+83.4%
Net income, group share	736	374	+96.8%	1,151	618	+86.2%
Net earnings per share	2.64	1.41	+87.2%	4.13	2.33	+77.3%
Net diluted earnings per share	2.31	1.30	+77.7%	3.73	2.16	+72.7%

<sup>1</sup> Operating income adjusted by the portion of financial costs of operating leases (34%)

## Excellent Second Quarter: 725 million euros in operating income (+27.6%) and an adjusted<sup>1</sup> operating margin of 12%

The passenger activity was dynamic during the second quarter, still driven by long-haul. In cargo, the recovery in traffic levels of the end of the first quarter was confirmed, but unit revenues remain under pressure.

Total revenues rose 5.8% to 6.49 billion euros after a negative currency effect of 2.1% for production measured in EASK (equivalent available seat kilometers) up 5.9%. Unit revenue per EASK was virtually stable (+0.2%) but rose 2.3% excluding the currency impact. Operating costs rose 3.6% to 5.77 billion euros. The efficiency of our hedging measures and the decline in the dollar enabled us to contain the rise in our fuel bill to just 1.8% during the quarter. Unit cost per EASK was down 2.1% and by 0.9% on a constant currency and fuel price basis.

Operating income rose 27.6% to 725 million euros (568 million euros at 30th September 2006). The adjusted<sup>1</sup> operating margin therefore stood at 12%, up 2 points year-on-year.

After an additional gain of 202 million euros on WAM (Amadeus) and a significant reduction in net interest charges (-59.0%), the pre-tax income of fully integrated companies was up by 76.7% to 919 million euros.

Income tax amounted to 172 million euros (151 million euros at 30th September 2006). The contribution from associates was -2 million euros against a positive contribution of 15 million euros a year earlier. Net income, group share amounted to 736 million euros (374 million euros at 30th September 2006), up 96.8%. Net diluted earnings per share was 2.31 euros versus 1.30 euros at 30th September 2006.

### Information by activity

#### Passenger activity: 28.3% rise in operating income

During the second quarter to 30th September 2007, traffic and capacity rose 6.4% and 5.7% respectively, leading to a slight increase in load factor to the high level of 84.6%. The group carried 20.5 million passengers (+4.4%).

Total passenger revenues rose 6.1% to 5.17 billion euros. Operating income rose significantly from 505 million euros at 30th September 2006 to 648 million euros, a rise of 28.3%. The passenger activity generated an adjusted<sup>1</sup> operating margin of 13.4% during the quarter.

	Second Quarter to 30th September		
	2007	2006	Change
Total passenger revenues (€m)	5,171	4,873	+6.1%
Revenues from scheduled passenger business (€m)	4,929	4,625	+ 6.6%
Unit revenue per RPK(€ cts)	8.65	8.63	+0.2%
Unit revenue per ASK (€ cts)	7.32	7.26	+0.8%
Unit cost per ASK (€ cts)	6.29	6.40	-1.7%
Operating income (€m)	648	505	+28.3%

On a constant currency basis, unit revenue per RPK and unit revenue per ASK rose by 2.3% and 2.9% respectively. Unit cost per available seat kilometer declined slightly, by 0.3% on a constant currency and fuel price basis.

<sup>1</sup> Operating income adjusted by the portion of financial costs of operating leases (34%)

**Cargo activity: environment remains difficult**

Despite an upturn in traffic during the second quarter, the cargo activity continued to encounter a difficult operating environment. Traffic rose by 6.1% with capacity up by 2.9%, leading to a 2 point improvement in load factor to 65.5%. However, total cargo revenues declined slightly, by 0.3% to 722 million euros, reflecting ongoing pressure on unit revenues. Nevertheless, relative to the first quarter, the decline in unit revenues was more limited.

	Second Quarter to 30th September		
	2007	2006	Change
Total cargo business revenues (€m)	722	724	-0.3%
Revenues from the transportation of cargo (€m)	672	669	+0.5%
Unit revenue per RTK (€ cts)	23.48	24.79	-5.3%
Unit revenue per ATK (€ cts)	15.37	15.75	-2.4%
Unit cost per ATK (€ cts)	15.49	15.65	-1.0%
Operating income (€m)	(12)	(6)	nm

On a constant currency basis, unit revenue per tonne kilometer (RRTK) declined by 3.0% while unit revenue per available tonne kilometer (RATK) was stable. Unit cost per ATK rose by 0.5% on a constant currency and fuel price basis.

**Maintenance activity: strong improvement in results**

Third party maintenance revenues amounted to 233 million euros, against 249 million euros at 30th September 2006, a decline of 6.4%, mainly attributable to the dollar impact. Operating income, however, tripled to 35 million euros, against 11 million euros in the previous year.

**Other activities: successful launch of transavia.com France**

Revenues from other activities amounted to 363 million euros, up 27.4%, on the back of the full consolidation of a company previously accounted under the equity method into Servair and the successful launch of transavia.com France. The catering activity generated revenues of 107 million euros, of which 22 million euros from the new associate, while the leisure activity saw revenues of 256 million euros of which 24 million euros from transavia.com France. Operating income from other activities amounted to 54 million euros against 58 million euros at 30th September 2006.

**First Half to 30th September 2007: 1.14 billion euros in operating income (+16.4%) and an adjusted operating margin of 10% (+0.9 points)**

During the first half, revenues rose by 4.2%, after a negative currency impact of 2.3%, to 12.43 billion euros for production measured in EASK (equivalent available seat kilometers) up 4.8%. Unit revenue per EASK declined slightly (-0.3%) but rose by 2.0% excluding the currency impact. Operating charges rose 3.1% to 11.29 billion euros. The increase was limited to 2.7% excluding fuel costs. Unit cost per EASK was down by 1.4% and by 1.0% on a constant currency and jet fuel price basis, in line with the objective set out in "Challenge 10".

The main operating charges evolved in line with levels of activity, including the fuel charge which rose just 4.8% thanks to efficient hedging and the weakness of the dollar.

Operating income stood at 1.14 billion euros, a rise of 16.4% (979 million euros at 30th September 2007). The adjusted<sup>1</sup> operating margin showed a further strong improvement, rising from 9.1% at 30th September 2006 to 10.0% at 30 September 2007.

After additional gains in respect of WAM (Amadeus) totalling 284 million euros, income from operating activities amounted to 1.48 billion euros versus 954 million euros a year earlier. Pre-tax income of fully integrated companies stood at 1.52 billion euros (830 million euros at 30th September 2006). Net income, group share, was 1.15 billion euros against 618 million euros a year earlier, up 86.2%.

Net earnings per share stood at 4.13 euros against 2.33 euros at 30<sup>th</sup> September 2006. Net diluted earnings per share was 3.73 euros against 2.16 euros.

## Information by activity

### Passenger activity

Passenger activity rose by 5.2% during the first half, with a 5.0% increase in capacity, leading to a 0.2 point improvement in the load factor to the record level of 83.0%. The group carried 39.8 million passengers, up 3.0%.

The profitability of Air France-KLM's core business improved again during the first half. Total passenger activity revenues rose by 4.7% after a negative currency effect of 2.3% to 9.93 billion euros (9.49 billion euros at 30th September 2006). Operating income rose by 20.3% to reach 1.04 billion euros for the first time (868 million euros at 30th September 2006). The adjusted<sup>1</sup> operating margin amounted to 11.4% versus 10.1% at 30th September 2006.

	First Half to 30th September		
	2007	2006	Change
Total passenger revenues (€m)	9,933	9,486	+4.7%
Revenues from scheduled passenger business (€m)	9,449	8,970	+5.3%
Unit revenue per RPK (€ cts)	8.70	8.69	+0.1%
Unit revenue per ASK (€ cts)	7.23	7.20	+0.4%
Unit cost per ASK (€ cts)	6.36	6.43	-1.1%
Operating income (€m)	1,044	868	+20.3%

On a constant currency basis, unit revenue per RPK and unit revenue per ASK rose by 2.4% and 2.6% respectively. Unit cost per available seat kilometer declined by 0.5% on a constant currency and fuel price basis.

### Cargo activity

During the first half to 30th September 2007, cargo traffic progressed by 3.8% with capacity up by 1.5%, leading to a 1.4 point improvement in the load factor to 66.3%. Tonnes transported increased by 4.4% to 751,000 tonnes.

This recovery in traffic, however, was not accompanied by an improvement in unit revenues. Total cargo activity revenues amounted to 1.41 billion euros against 1.45 billion euros at 30th September 2006 (-2.9% after a negative currency effect of 3.0%). Operating income was -29 million euros versus a profit of 22 million euros at 30th September 2006.

	First Half to 30th September		
	2007	2006	Change
Total cargo business revenues (€m)	1,411	1,453	-2.9%
Revenues from the transportation of cargo (€m)	1,314	1,343	-2.1%
Unit revenue per RTK (€ cts)	23.32	24.74	-5.7%
Unit revenue per ATK (€ cts)	15.46	16.04	-3.6%
Unit cost per ATK (€ cts)	15.65	15.61	+0.3%
Operating income (€m)	(29)	22	ns

On a constant currency basis, unit revenue per tonne kilometer (RRTK) declined by 2.9% and unit revenue per available tonne kilometer (RATK) by 0.7%. Unit cost per ATK rose by 0.8% on a constant currency and fuel price basis.

<sup>1</sup> Operating income adjusted by the portion of financial costs of operating leases (34%)

### **Maintenance activity**

The first half was a good one for the maintenance activity. Although third party revenues of 476 million euros were down 0.8% year-on-year, mainly on the back of the weaker dollar, operating income was sharply ahead, rising from 14 million euros at 30th September 2006 to 48 million euros at 30th September 2007.

### **Other activities**

The main businesses in this segment the catering activity and the leisure activity of transavia.com and third party catering activities. Revenues from these businesses amounted to 614 million euros against 514 million euros a year earlier, reflecting good levels of activity as well as changes in the consolidation scope. Operating income stood at 77 million euros against 75 million euros a year earlier.

## **Financial position: Free cash flow of almost 500 million euros**

Tangible and intangible investments by the Air France-KLM group amounted to 1.28 billion euros, compared with 1.11 billion euros at 30th September 2006. They were financed by operating cash flow of 1.35 billion euros after the payment of a sum of 110 million euros to the State in respect of the shares-for-salary scheme of 2003 and a voluntary payment of 198 million euros to reduce the group's pension commitments. The proceeds from various financial operations, notably WAM (Amadeus) amounted to 401 million euros. The group's cash position stood at 4.5 billion euros at 30th September 2007. The group still has 1.7 billion euros in available credit facilities.

The balance sheet was further reinforced during the year with a 480 million euro reduction in net debt since 31<sup>st</sup> March 2007 to 3.11 billion euros. Shareholders' funds amounted to 9.60 billion euros (8.41 billion euros at 31<sup>st</sup> March 2007), of which the value of derivative instruments represented 668 million euros.

The gearing ratio therefore stood at 0.32 at 30<sup>th</sup> September 2007 against 0.43 at 31st March 2007.

## **ROCE objective maintained for Financial Year 2007-08**

Taking into account the level of forward bookings for the coming months and integrating the impact of the Air France cabin crew strike, estimated at 60 million euros, we confirm our objectives for the full financial year 2007-08 of a return on capital employed of 7% after tax as well as a further increase in operating income.

## **Share capital**

At the end of the period for the exercise of the warrants issued during the exchange of KLM shares, 99.3% (or 44.8 million out of a total of 45.1 million issued) of these had been converted into Air France-KLM shares. The total subscription resulting from these exchanges is 597 million euros. 30.8 million shares have been created, of which 19.6 million on 15<sup>th</sup> November 2007, which started to trade as of 20<sup>th</sup> November. The share capital of Air France-KLM thus stands at 300,219,278 million shares.

Finally, on the recommendation of the Board, Air France-KLM will delist its ADRs from the New York Stock exchange and deregister with the SEC.

## Agenda

### Thursday 22nd November 2007:

First Half results presentation at 15.00h CET

Pavillon Gabriel  
5, avenue Gabriel  
75008 Paris

- ▶ Audio-web conference at 3:00 pm (CET)  
to connect to the conference call, please dial:
  - UK 00 44 207 162 0125 (password: AKH)
  - US 1 334 323 6203 (password: AKH)
  
- ▶ To see the presentation, go to the following website:  
**<http://airfranceklm.viewontv.com> (password: AKHH1)**
  
- ▶ To listen to a recording of the conference in English, dial 44 (0) 207 031 4064 (UK) or  
1 954 334 0342 (US) (code: 758370)

## 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, 2007. 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.

FLEET AS OF 30 SEPTEMBER 2007



AIR FRANCE FLEET

Aircraft	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/07	9/30/07	3/31/07	9/30/07	3/31/07	9/30/07	3/31/07	9/30/07	3/31/07	9/30/07
B747-400	9	7			7	7	16	14	15	13
B747-300/200	4	3					4	3		
B777-200/300	25	30	4	4	15	14	44	48	44	48
A340-300	10	10	3	3	6	6	19	19	19	19
A330-200	6	6	1	1	9	9	16	16	16	16
<b>Long-haul fleet</b>	<b>54</b>	<b>56</b>	<b>8</b>	<b>8</b>	<b>37</b>	<b>36</b>	<b>99</b>	<b>100</b>	<b>94</b>	<b>96</b>
B747-400	2	4			4	5	6	9	6	8
B747-200	6	4			1		7	4	7	4
<b>Cargo</b>	<b>8</b>	<b>8</b>			<b>5</b>	<b>5</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>12</b>
A321	11	11			3	4	14	15	14	15
A320	52	52			16	16	68	68	68	68
A319	19	19	4	4	22	23	45	46	45	46
A318	18	18					18	18	18	18
B737-500	2	2			2		4	2	4	
<b>Medium-haul fleet</b>	<b>102</b>	<b>102</b>	<b>4</b>	<b>4</b>	<b>43</b>	<b>43</b>	<b>149</b>	<b>149</b>	<b>149</b>	<b>147</b>
<b>Total Air France fleet</b>	<b>164</b>	<b>166</b>	<b>12</b>	<b>12</b>	<b>85</b>	<b>84</b>	<b>261</b>	<b>262</b>	<b>256</b>	<b>255</b>

REGIONAL FLEET

BRIT AIR

Aircraft	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/07	9/30/07	3/31/07	9/30/07	3/31/07	9/30/07	3/31/07	9/30/07	3/31/07	9/30/07
Canadair Jet 100	2	2	11	11	5	4	18	17	18	17
Canadair Jet 700	3	6	9	9			12	15	12	15
F100-100	5	5			8	8	13	13	13	13
<b>Total</b>	<b>10</b>	<b>13</b>	<b>20</b>	<b>20</b>	<b>13</b>	<b>12</b>	<b>43</b>	<b>45</b>	<b>43</b>	<b>45</b>

CITY JET

Aircraft	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/07	9/30/07	3/31/07	9/30/07	3/31/07	9/30/07	3/31/07	9/30/07	3/31/07	9/30/07
BAE146-200/300*	5	5	1		14	11	20	16	20	15
AVRO RJ 85	13	13			1	5	14	18	3	12
<b>Total</b>	<b>18</b>	<b>18</b>	<b>1</b>		<b>15</b>	<b>16</b>	<b>34</b>	<b>34</b>	<b>23</b>	<b>27</b>

sub-leased by KLM

REGIONAL

Aircraft	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/07	9/30/07	3/31/07	9/30/07	3/31/07	9/30/07	3/31/07	9/30/07	3/31/07	9/30/07
BEECH 1900-D	3	3	1	1	1	1	5	5		
EMB190					2	4	2	4	2	4
EMB145-EP/MP	2	2	17	17	9	9	28	28	28	28
EMB135-ER	2	2	3	3	4	4	9	9	9	9
EMB120-ER	8	7					8	7	8	7
F100-100	4	3			6	6	10	9	9	9
F70-70		3	5	2			5	5	5	5
<b>Total</b>	<b>19</b>	<b>20</b>	<b>26</b>	<b>23</b>	<b>22</b>	<b>24</b>	<b>67</b>	<b>67</b>	<b>61</b>	<b>62</b>

<b>Total Regional fleet</b>	<b>47</b>	<b>51</b>	<b>47</b>	<b>43</b>	<b>50</b>	<b>52</b>	<b>144</b>	<b>146</b>	<b>127</b>	<b>134</b>
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OTHER FLEET

TRANSAVIA FRANCE

Aircraft	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/07	9/30/07	3/31/07	9/30/07	3/31/07	9/30/07	3/31/07	9/30/07	3/31/07	9/30/07
B737 800						4		4		4
<b>Total</b>						<b>4</b>		<b>4</b>		<b>4</b>

<b>TOTAL Air France Group</b>	<b>211</b>	<b>217</b>	<b>59</b>	<b>55</b>	<b>135</b>	<b>140</b>	<b>405</b>	<b>412</b>	<b>383</b>	<b>393</b>
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FLEET AS OF 30 SEPTEMBER 2007



KLM FLEET

Aircraft	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/07	9/30/07	3/31/07	9/30/07	3/31/07	9/30/07	3/31/07	9/30/07	3/31/07	9/30/07
B747-400	11	11	11	11			22	22	22	22
B777-200			6	6	8	9	14	15	14	15
MD11	2	3	6	5	2	2	10	10	10	10
A330-200			6	6	2	3	8	9	8	9
B767-300					1		1			
<b>Long-haul fleet</b>	<b>13</b>	<b>14</b>	<b>29</b>	<b>28</b>	<b>13</b>	<b>14</b>	<b>55</b>	<b>56</b>	<b>54</b>	<b>56</b>
B747-400			3	3			3	3	3	3
<b>Cargo</b>			<b>3</b>	<b>3</b>			<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
B737-900			2	2	3	3	5	5	5	5
B737-800			13	13	2	2	15	15	15	15
B737-400	6	6			7	7	13	13	13	13
B737-300	6	6	1	1	7	7	14	14	14	14
<b>Medium-haul fleet</b>	<b>12</b>	<b>12</b>	<b>16</b>	<b>16</b>	<b>19</b>	<b>19</b>	<b>47</b>	<b>47</b>	<b>47</b>	<b>47</b>
<b>Total</b>	<b>25</b>	<b>26</b>	<b>48</b>	<b>47</b>	<b>32</b>	<b>33</b>	<b>105</b>	<b>106</b>	<b>104</b>	<b>106</b>

REGIONAL FLEET

KLM Cityhopper

Aircraft	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/07	9/30/07	3/31/07	9/30/07	3/31/07	9/30/07	3/31/07	9/30/07	3/31/07	9/30/07
F100	9	9	11	11			20	20	20	20
F70	18	18	3	3			21	21	21	21
F50	6	6			8	8	14	14	14	14
<b>Total</b>	<b>33</b>	<b>33</b>	<b>14</b>	<b>14</b>	<b>8</b>	<b>8</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>

OTHER FLEET

TRANSAVIA Netherlands

Aircraft	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/07	9/30/07	3/31/07	9/30/07	3/31/07	9/30/07	3/31/07	9/30/07	3/31/07	9/30/07
B737-800	6	6	7	7	4	5	17	18	17	18
B737-700			5	5	5	5	10	10	10	10
<b>Total</b>	<b>6</b>	<b>6</b>	<b>12</b>	<b>12</b>	<b>9</b>	<b>10</b>	<b>27</b>	<b>28</b>	<b>27</b>	<b>28</b>

<b>TOTAL KLM Group</b>	64	65	74	73	49	51	187	189	186	189
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	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/07	9/30/07	3/31/07	9/30/07	3/31/07	9/30/07	3/31/07	9/30/07	3/31/07	9/30/07
<b>TOTAL Air France-KLM Group</b>	275	282	133	128	184	191	592	601	569	582



## INCOME STATEMENT (unaudited)

In € millions

	2nd quarter (July to September)			P&L for the semester (April to September)		
	2007-08	2006-07	Variation	2007-08	2006-07	Variation
<b>SALES</b>	<b>6 489</b>	<b>6 131</b>	<b>5,8%</b>	<b>12 434</b>	<b>11 933</b>	<b>4,2%</b>
Other revenues	3	3	0,0%	3	3	0,0%
<b>EXTERNAL EXPENSES</b>	<b>-3 543</b>	<b>-3 390</b>	<b>4,5%</b>	<b>-6 914</b>	<b>-6 632</b>	<b>4,3%</b>
Aircraft fuel	-1 192	-1 171	1,8%	-2 285	-2 181	4,8%
Chartering costs	-166	-164	1,2%	-326	-330	-1,2%
Aircraft operating lease costs	-154	-149	3,4%	-305	-305	0,0%
Landing fees and en route charges	-472	-448	5,4%	-915	-881	3,9%
Catering	-128	-112	14,3%	-238	-215	10,7%
Handling charges and other operating costs	-341	-316	7,9%	-663	-635	4,4%
Aircraft maintenance costs	-234	-233	0,4%	-498	-434	14,7%
Commercial and distribution costs	-311	-299	4,0%	-617	-620	-0,5%
Other external expenses	-545	-498	9,4%	-1 067	-1 031	3,5%
Salaries and related costs	-1 731	-1 644	5,3%	-3 460	-3 305	4,7%
Taxes other than income taxes	-57	-65	-12,3%	-114	-129	-11,6%
Amortization and depreciation	-412	-446	-7,6%	-799	-870	-8,2%
Provisions	-24	-17	41,2%	-35	-23	52,2%
Other income and expenses		-4		25	2	na
<b>INCOME FROM CURRENT OPERATIONS</b>	<b>725</b>	<b>568</b>	<b>27,6%</b>	<b>1 140</b>	<b>979</b>	<b>16,4%</b>
Sales of aircraft equipment	7	-1	na	7	5	40,0%
Sales of subsidiaries	1	-1	na	41	1	na
Other non-current income and expenses	206		na	288	-31	na
<b>INCOME FROM OPERATING ACTIVITIES</b>	<b>939</b>	<b>566</b>	<b>65,9%</b>	<b>1 476</b>	<b>954</b>	<b>54,7%</b>
Income from cash and cash equivalents	77	57	35,1%	142	108	31,5%
Cost of financial debt	-93	-96	-3,1%	-189	-193	-2,1%
<i>Net cost of financial debt</i>	<i>-16</i>	<i>-39</i>	<i>-59,0%</i>	<i>-47</i>	<i>-85</i>	<i>-44,7%</i>
Foreign exchange gains (losses), net	-9	3	na	2	-9	na
Change in fair value of financial assets and liabilities	11	-7	na	105	-18	na
Other financial income and expenses	-6	-3	na	-14	-12	16,7%
<b>INCOME BEFORE TAX</b>	<b>919</b>	<b>520</b>	<b>76,7%</b>	<b>1 522</b>	<b>830</b>	<b>83,4%</b>
Income taxes	-172	-151	13,9%	-346	-238	45,4%
<b>NET INCOME OF CONSOLIDATED COMPANIES</b>	<b>747</b>	<b>369</b>	<b>102,4%</b>	<b>1 176</b>	<b>592</b>	<b>98,6%</b>
Share of profits (losses) of associates	-2	15	na	-11	15	na
<b>INCOME FROM CONTINUING OPERATIONS</b>	<b>745</b>	<b>384</b>	<b>94,0%</b>	<b>1 165</b>	<b>607</b>	<b>91,9%</b>
Net income from discontinued operations						
<b>NET INCOME FOR THE PERIOD</b>	<b>745</b>	<b>384</b>	<b>94,0%</b>	<b>1 165</b>	<b>607</b>	<b>91,9%</b>
Minority interest	-9	-10	-10,0%	-14	11	na
<b>NET INCOME FOR THE PERIOD - GROUP</b>	<b>736</b>	<b>374</b>	<b>96,8%</b>	<b>1 151</b>	<b>618</b>	<b>86,2%</b>

## AIR FRANCE KLM GROUP

## CONSOLIDATED BALANCE SHEETS (unaudited)

In € millions

<b>Assets</b>	<b>September 30, 2007</b>	<b>March 31, 2007</b>
Goodwill	211	204
Intangible assets	446	424
Flight equipment	11 994	11 551
Other property, plant and equipment	2 050	2 007
Investments in equity associates	177	228
Pension assets	2 153	2 097
Other financial assets <sup>(1)</sup>	1 023	1 095
Deferred tax assets	24	26
Other non-current assets	911	604
<b>Total non current assets</b>	<b>18 989</b>	<b>18 236</b>
Other short term financial assets <sup>(2)</sup>	752	689
Inventories	479	360
Trade accounts receivable	2 757	2 610
Income tax receivables		7
Other current assets	1 307	1 271
Cash and cash equivalents	4 089	3 497
<b>Total current assets</b>	<b>9 384</b>	<b>8 434</b>

<sup>(1)</sup> of which € 805 million of deposits related to financial leases as of September 30, 2007 and € 835 million as of March 31, 2007

<sup>(2)</sup> of which € 708 million of deposits related to financial leases and investments between 3 months and 1 year as of September 30, 2007 and € 631 million as of March 31, 2007

<b>Total assets</b>	<b>28 373</b>	<b>26 670</b>
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<b>Liabilities and equity</b>	<b>September 30, 2007</b>	<b>March 31, 2007</b>
Issued capital	2 385	2 375
Additional paid-in capital	553	539
Treasury shares	-43	-30
Reserves and retained earnings	6 575	5 415
<b>Equity attributable to equity holders of Air France-KLM</b>	<b>9 470</b>	<b>8 299</b>
Minority interest	127	113
<b>Total Equity</b>	<b>9 597</b>	<b>8 412</b>
Provisions and retirement benefits	1 205	1 387
Long-term debt	7 219	7 419
Deferred tax	1 178	891
Other non-current liabilities	608	401
<b>Total non-current liabilities</b>	<b>10 210</b>	<b>10 098</b>
Provisions	261	225
Current portion of long-term debt	1 133	1 098
Trade accounts payable	2 170	2 131
Deferred revenue on ticket sales	2 062	2 217
Current tax liabilities	127	21
Other current liabilities	2 525	2 335
Bank overdrafts	288	133
<b>Total current liabilities</b>	<b>8 566</b>	<b>8 160</b>
<b>Total liabilities</b>	<b>18 776</b>	<b>18 258</b>
<b>Total liabilities and equity</b>	<b>28 373</b>	<b>26 670</b>

## STATEMENT OF CONSOLIDATED CASH FLOW (unaudited)

In € millions

Period from April 1 to September 30,	2007	2006
Net income for the period – Group	1 151	618
Minority interests	14	-11
Amortization, depreciation and operating provisions	834	893
Financial provisions	5	18
Gain on disposals of tangible and intangible assets	-9	-7
Loss / (gain) on disposals of subsidiaries and associates	-41	-1
Gain on Amadeus GTD transaction	-284	-
Derivatives – non monetary result	-105	18
Unrealized foreign exchange gains and losses, net	-5	-9
Share of (profits) losses of associates – non monetary part	11	-15
Deferred taxes	238	255
Other non-monetary items	-45	-62
<b>Subtotal</b>	<b>1 764</b>	<b>1 697</b>
(Increase) / decrease in inventories	-47	-20
(Increase) / decrease in trade receivables	-109	-272
Increase / (decrease) in trade payables	29	161
Change in other receivables and payables	21	61
Payment of the ESA 2003 soulte	-110	-
Additional contribution to pension fund	-198	-
<b>Net cash flow from operating activities</b>	<b>1 350</b>	<b>1 627</b>
Acquisitions of subsidiaries and investments in associates, net of cash acquired	-8	-27
Purchase of property, plant and equipment and intangible assets	-1 275	-1 114
Proceeds on disposal of subsidiaries and investments in associates	80	15
Proceeds on Amadeus GTD transaction	284	-
Proceeds on disposal of property, plant and equipment and intangible assets	37	60
Dividends received	4	2
Decrease (increase) in investments, net between 3 months and 1 year	-123	-93
<b>Net cash used in investing activities</b>	<b>-1 001</b>	<b>-1 157</b>
Increase in capital	218	-
Issuance of long-term debt	585	942
Repayments on long-term debt	-214	-223
Payment of debt resulting from finance lease liabilities	-397	-282
New loans	-32	-27
Repayments on loans	65	24
Dividends paid	-135	-82
<b>Net cash flow from financing activities</b>	<b>90</b>	<b>352</b>
<b>Effect of exchange rate on cash and cash equivalents and bank overdrafts</b>	<b>-2</b>	<b>-1</b>
<b>Change in cash and cash equivalents and bank overdrafts</b>	<b>437</b>	<b>821</b>
Cash and cash equivalents and bank overdrafts at beginning of period	3 364	2 844
Cash and cash equivalents and bank overdrafts at end of period	3 801	3 665