

17 February 2005

FISCAL YEAR 2004-05

THIRD QUARTER 2004-05

- ▶ Positive results against a backdrop of steep increases in oil prices
- ▶ Good performance of the passenger activity with a load factor of 77.7% (up 0.3 point)
- ▶ Strong recovery confirmed in the cargo activity
- ▶ Operating costs under control (excluding fuel)

YEAR TO DATE AT DECEMBER 31, 2004

- ▶ Significant Improvement of the results compared with last year
- ▶ half-point increase in operating margin
- ▶ Net group income share up 42.8%

The Board of Directors of Air France-KLM, which met on February 16, 2005 under the chairmanship of Jean-Cyril Spinetta, reviewed the accounts for the third quarter of 2004-05.

Consolidated Figures

Fiscal 2004-05 (in M€)	Quarter ending December 31			Year to date at December 31		
	2004	2003 pro forma	2003 published (1)	2004 (2) (3)	2003 ⁽²⁾ pro forma	2003 published (1)
Turnover	4,858	4,598	3,132	14,453	13,395	9,325
EBITDAR	647	719	468	2,262	2,098	1,414
Operating income before aircraft sales	29	153	61	480	371	148
Earnings before taxes and amortization of goodwill	61	72	44	445	285	137
Net group income	61	61	28	357	250	80
Net earnings per share (in €)	-	-	-	1.35	-	0.36

(1) Air France Group only

(2) Consolidation of the Air France group over 9 months (April-December) and the KLM group over 8 months (May-December)

(3) Consolidation of Servair over 12 months (January-December 2004)

Third quarter ended December 31, 2004: operating income before aircraft disposals of 29 million euros

The Air France-KLM group posted a satisfactory performance in terms of activity during the third quarter of fiscal 2004-05 particularly in its cargo business. However, the huge increase in oil prices negatively impacted the group's profitability.

Turnover was up 5.7% to 4.86 billion euros after a negative currency impact of 1.9%. Operating expenses grew 8.6% to 4.83 billion euros, after a 57.8% hike in the fuel item to 786 million euros (498 million at December 31, 2003) due to the combined effects of a 4.4% increase in volumes, a 64.2% increase in the price of fuel after hedge, and a positive dollar effect of 7.6%. Hedging saved 85 million euros, or approximately 11% of the oil bill. Excluding oil prices, operating expenses were up 2.4%, compared with production measured in equivalent available seat kilometers (EASK), which rose 5.8%.

Personnel costs rose 3.5% to 1.50 billion euros (1.45 billion at December 31, 2003), with a total work force of 102,252 employees (-1.1%).

Unit costs measured in equivalent available seat kilometers (EASK) were up 3.0%, but declined 2.3%, however, at constant currency and oil prices.

EBITDAR totaled 647 million euros (-10.0%). After gains on aircraft disposals of 2 million, operating income was 31 million euros (149 million euros at December 31, 2003).

Financial income rose sharply (-40 million euros at December 31, 2004, up from -87 million at December 31, 2003), due to a decline in net interest charges, currency gains (20 million euros), and net provision write-backs (7 million euros).

After taking into account net gains of 64 million (mainly from Air France's sale of its stake in Amadeus France to Amadeus GTD) and 15 million in income from the equity affiliates, earnings before taxes and amortization of goodwill totaled 61 million. After taxes and amortization of goodwill, net income group share was 61 million (61 million at December 31, 2003).

Sector information

Passenger activity

Over the quarter ended December 31, 2004, traffic grew 5.9% with an increase of 5.4% in capacities, resulting in a load factor that improved by 0.3 point to 77.7%.

Total turnover for the passenger business totaled 3.77 billion euros (+3.9%) after a negative currency impact of 1.8%. Under the impact of the hike in oil prices, which was partially offset by the fuel surcharges, the operating loss for passenger activity was 39 million euros versus operating income of 114 million at December 31, 2003.

	Quarter ended December 31		
	2004	2003	Change
Scheduled passenger turnover (in M€)	3,534	3,408	+3.7%
Unit revenue per ASK (in € cents)	6.52	6.63	-1.7%
Unit revenue per RPK (in € cents)	8.39	8.57	-2.1%
Unit cost per ASK (in € cents)	6.50	6.32	+2.9%

Unit revenue per available seat kilometer remained stable, excluding a negative currency effect of 1.8%. Passenger yield was down 0.3% on a constant currency basis. Unit costs per available seat kilometer were down 1.7% at constant currency and oil prices.

Cargo activity

The cargo activity continued the strong recovery that began in the second quarter, with a 10.3% increase in traffic for an 8.0% increase in capacities for the third quarter. The cargo load factor improved 1.5 points to 72.2%.

Total Cargo turnover grew 15.4% to 718 million euros despite a negative currency impact of 3.5%. Cargo operating income was up substantially to 63 million euros (34 million euros at December 31, 2003).

	Quarter ended December 31		
	2004	2003	Change
Cargo traffic turnover (in M€)	668	571	+17.0%
Unit revenue per ATK (in euro cents)	17.3	15.97	+8.1%
Unit revenue per RTK (in € cents)	23.91	22.57	+6.0%
Unit cost per ATK (in € cents)	15.42	14.81	+4.1%

Unit revenue per available tonne kilometer was up 12.4% excluding a negative currency impact of 4.3%. Unit costs per available tonne kilometer were down 3.4% at constant currency rates and oil prices.

Maintenance

The maintenance sector posted third-party sales of 189 million euros (up 3.8%). Operating income was 11 million euros compared with a loss of 5 million at December 31, 2003. This improvement is due to the first impact of the synergies between Air France and KLM.

Other activities

Revenues from other activities totaled 180 million euros (+9.1%), including 90.0 million in revenues from Transavia and 43.3 million in sales from the Servair group. The operating loss was 4 million euros (income of 6 million at December 31, 2003).

Earnings before taxes and amortization of goodwill of 445 million euros as of YTD at December 31, 2004 (285 million at December 31, 2003)

Turnover rose 7.9% to 14.45 billion euros. Operating expenses increased 7.3% to 13.97 billion euros under the impact of a 37.2% jump in the oil bill to 2.03 billion euros. Unit costs measured in equivalent available seat kilometers (EASK) were down 1.0%, and declined 4.0% at constant currency and oil prices.

Operating income before aircraft disposals was 480 million (371 million euros at December 31, 2003). The operating margin (the ratio of operating income before aircraft disposals to turnover) improved by a half point, rising from 2.8% at December 31, 2003 to 3.3% at December 31, 2004.

The financial result deteriorated slightly, increasing from a charge of 131 million to a charge of 156 million, which included net increases of 16 million in financial provisions, compared with net write-backs of 26 million one year earlier, and much lower foreign exchange gains (6 million at December 31, 2004 versus 31 million at December 31, 2003).

Earnings before taxes and amortization of goodwill was 445 million euros versus 285 million at December 31, 2003. After a tax charge of 136 million (80 million at December 31, 2003), net group income totaled 357 million euros, an increase of 42.8% (250 million at December 31, 2003). Earnings per share amounted to 1.35 euro.

For the year to date at December 31, 2004, the restatement of the KLM financial statements according to French standards and the accounting treatment of the acquisition price, which will only be finally fixed on 31 March 2005, had a positive impact of 78 million on operating income (80 million at December 31, 2003) and a positive impact of 107 million (95 million at December 31, 2003) on net income, including 69 million in positive goodwill amortization.

Sector information

Passenger activity

Passenger activity posted an increase of 9.7% with an 8.0% growth in capacities, resulting in a load factor that improved 1.2 points to 78.9%.

Total turnover for passenger activity rose 7.4% to 11.37 billion euros. Operating income for passenger operations totaled 310 million euros (+18.8%).

	Year to date at December 31 ⁽¹⁾		
	2004	2003	Change
Scheduled passenger turnover (in M€)	10,652	9,931	+7.3%
Unit revenue per ASK (in € cents)	6.60	6.66	-0.7%
Unit revenue per RPK (in € cents)	8.38	8.57	-2.2%
Unit cost per ASK (in € cents)	6.33	6.40	-1.0%

⁽¹⁾ Consolidation of the Air France group over 9 months (April-December) and the KLM group over 8 months (May-December)

Unit revenue per available seat kilometer was up 1.0% excluding a negative currency impact of 1.7%. Unit costs per available seat kilometer declined 3.5% at constant currency and oil prices.

Cargo activity

Cargo traffic was up 10.5% with capacities up 9.8% generating a gain of 0.4 point in the cargo load factor to 68.9%.

Turnover totaled 1.87 billion euros (+10.1%). Cargo operating income more than doubled from 37 million at December 31, 2003 to 76 million at December 31, 2004.

	Year to date at December 31 (1)		
	2004	2003	Change
Cargo traffic turnover (in M€)	1,730	1,553	+11.4%
Unit revenue per ATK (in € cents)	15.70	15.50	+1.5%
Unit revenue per RTK (in € cents)	22.83	22.65	+0.8%
Unit cost per ATK (in € cents)	14.85	14.95	-0.7%

⁽¹⁾ Consolidation of the Air France group over 9 months (April-December) and the KLM group over 8 months (May-December)

Unit revenues per available tonne kilometer rose 4.7% on a constant currency basis. Unit costs declined 5.0% at constant currency and oil prices.

Maintenance

The maintenance sector recorded third-party revenues of 566 million euros (up 4.0%). Operating income was 37 million compared with 32 million euros at December 31, 2003.

Other activities

Turnover for other activities totaled 654 million (+14.3%) including 12 months of Servair revenues. Excluding the Servair impact, the growth was 6.6%. Operating income improved to 65 million from 46 million at December 31, 2003. This increase was primarily driven by the strong performance of the charter operations of the KLM subsidiary Transavia and Servair during the first half.

Financial position: debt/equity ratio under control

The tangible and intangible investments of the Air France-KLM group totaled 1.62 billion euros at December 31, 2004. These investments include the capitalization of a portion of the maintenance costs for around 200 million euros. These investments were financed by operating cash flow of 1.56 billion euros and 260 million euros from sales of fixed assets.

The structure of the balance sheet again improved with net long-term debts of 5.33 billion (5.36 billion at September 30, 2004) and equity capital of 5.22 billion (5.15 billion at September 30, 2004). Thus, the gearing of the group improved from 1.04 at September 30 to 1.02 at December 31, 2004.

Outlook for the current financial year

The rollout of the synergies allows the Group to confirm that the amount of 90 million euros remains on track for completion in this fiscal year. Moreover, the two airlines continue to implement their cost-saving programs. In a context characterized by a historic high level of fuel prices but given the sustained activity at the beginning of this fourth quarter, the group confirms in its target of a higher operating income than last year.

Corporate governance

On December 9, 2004, the French State sold 17.7% of its stake in Air France-KLM through an accelerated book building. The Board of Directors was modified as a result. Messrs. Delahousse, Faréniaux, Guyard, Lambert and Samuel-Lajeunesse, directors representing the State, resigned. The Board appointed director Pierre-Henri Gourgeon, Deputy CEO of Air France.

Agenda

Thursday 17 February 2005:

- ▶ audio-web conference at 2:00 pm (London time)
- to connect to the conference call, please dial 00 44 207 162 0125 (password: Air France)
- to visualize the presentation, go to the following website:
<http://airfranceklm.momentys.com> (password: AKHQ3)
- for instant replay, please dial 00 44 207 031 4064 (code: 640829)

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's and KLM's Securities and Exchange Commission filings, including their Annual Reports on Form 20-F for the year ended March 31, 2004. 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

CONSOLIDATED INCOME STATEMENT

In € millions	Third quarter ended				April - December			
	12.31.2004	12.31.2003	12.31.2003	Variation	12.31.2004	12.31.2003	12.31.2003	Variation
	Proforma		Published		Proforma		Published	
Operating revenues								
Scheduled passenger	3 534	3 408	2 394	3,7%	10 652	9 931	7 173	7,3%
Other passenger revenues	237	221	199	7,2%	716	654	586	9,5%
Total Passenger	3 771	3 629	2 593	3,9%	11 368	10 585	7 759	7,4%
Cargo	668	571	341	17,0%	1 730	1 553	956	11,4%
Other cargo revenues	50	51	38	-2,0%	135	141	115	-4,3%
Total Cargo	718	622	379	15,4%	1 865	1 694	1 071	10,1%
Maintenance	189	182	117	3,8%	566	544	380	4,0%
Others	180	165	43	9,1%	654	572	115	14,3%
Total operating revenues	4 858	4 598	3 132	5,7%	14 453	13 395	9 325	7,9%
Operating charges								
Aircraft fuel	(786)	(498)	(317)	57,8%	(2 034)	(1 483)	(974)	37,2%
Chartering costs	(142)	(131)	(108)	8,4%	(410)	(368)	(301)	11,4%
Aircraft operating lease costs	(161)	(156)	(111)	3,2%	(477)	(468)	(350)	1,9%
Landing fees & en route charges	(371)	(353)	(233)	5,1%	(1 107)	(1 033)	(687)	7,2%
Catering	(94)	(97)	(75)	-3,1%	(304)	(288)	(229)	5,6%
Handling charges & other operating costs	(270)	(276)	(192)	-2,2%	(808)	(809)	(571)	-0,1%
Aircraft maintenance costs	(152)	(170)	(94)	-10,6%	(473)	(470)	(280)	0,6%
Commercial & distribution costs	(352)	(367)	(265)	-4,1%	(1 082)	(1 092)	(798)	-0,9%
Other external expenses	(482)	(477)	(304)	1,0%	(1 423)	(1 366)	(882)	4,2%
External expenses	(2 810)	(2 525)	(1 699)	11,3%	(8 118)	(7 377)	(5 072)	10,0%
Salaries & related costs	(1 504)	(1 453)	(1 023)	3,5%	(4 378)	(4 229)	(3 048)	3,5%
Taxes other than income tax	(58)	(57)	(53)	1,8%	(172)	(159)	(141)	8,2%
Gross operating result before aircraft operating lease costs	647	719	468	-10,0%	2 262	2 098	1 414	7,8%
Gross operating result	486	563	357	-13,7%	1 785	1 630	1 064	9,5%
Charge to depreciation/amortization, net	(413)	(385)	(283)	7,3%	(1 207)	(1 187)	(887)	1,7%
Charge to operating provisions, net	(34)	(17)	(25)	100,0%	(58)	(42)	(39)	38,1%
Other income and charges, net	(10)	(8)	12	25,0%	(40)	(30)	10	33,3%
Total operating charges	(4 829)	(4 445)	(3 071)	8,6%	(13 973)	(13 024)	(9 177)	7,3%
E.B.I.T	29	153	61	-81,0%	480	371	148	29,4%
Gain on disposal of flight equipment, net	2	(4)	0	-150,0%	8	5	1	60,0%
Operating income	31	149	61	-79,2%	488	376	149	29,8%
Restructuring costs	(9)	(6)	(6)	50,0%	(9)	(17)	(17)	-47,1%
Financial income	15	15	9	0,0%	81	42	29	92,9%
Financial expenses	(82)	(91)	(34)	-9,9%	(227)	(230)	(105)	-1,3%
Foreign exchange losses, net	20	(5)	7	-500,0%	6	31	32	-80,6%
Net (charge) release to provisions	7	(6)	(6)	-216,7%	(16)	26	14	-161,5%
Net financial charges	(40)	(87)	(24)	-54,0%	(156)	(131)	(30)	19,1%
Gain on disposals of subsidiaries and affiliates	64	1	1	6300,0%	64	13	1	392,3%
Pretax income (loss)	46	57	32	-19,3%	387	241	103	60,6%
Share in net income of equity affiliates	15	15	12	0,0%	58	44	34	31,8%
Amortization of goodwill	13	12	(3)	8,3%	55	55	(11)	0,0%
Income (loss) before income taxes and minority interests	74	84	41	-11,9%	500	340	126	47,1%
Income tax	(14)	(19)	(11)	-26,3%	(136)	(80)	(43)	70,0%
Income (loss) before minority interests	60	65	30	-7,7%	364	260	83	40,0%
Minority interests	1	(4)	(2)	-125,0%	(7)	(10)	(3)	-30,0%
NET INCOME (LOSS)	61	61	28	0,0%	357	250	80	42,8%

AIR FRANCE FLEET

Aircraft	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/04	12/31/04	3/31/04	12/31/04	3/31/04	12/31/04	3/31/04	12/31/04	3/31/04	12/31/04
B747-400	9	8	1	1	5	7	15	16	15	16
B747-300/200	7	7			2		9	7	9	7
B777-200/300	14	16	2	4	9	12	25	32	25	31
A340-300	8	8	6	6	8	8	22	22	22	22
A330-200	3	4	1	1	9	9	13	14	12	13
B767-300	1	1					1	1		
Long-haul fleet	42	44	10	12	33	36	85	92	83	89
B747-400	1	1			2	3	3	4	3	4
B747-200	5	5	1	1	4	2	10	8	10	8
Cargo	6	6	1	1	6	5	13	12	13	12
A321	8	11	2		2	2	12	13	12	13
A320	44	47	5	5	17	15	66	67	65	67
A319	17	18	4	4	18	21	39	43	39	43
A318	5	9					5	9	5	9
B737-300/500	6	4	3	3	16	11	25	18	23	18
Medium-haul fleet	80	89	14	12	53	49	147	150	144	150
Total Air France fleet	128	139	25	25	92	90	245	254	240	251

REGIONAL FLEET

BRIT AIR

Aircraft	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/04	12/31/04	3/31/04	12/31/04	3/31/04	12/31/04	3/31/04	12/31/04	3/31/04	12/31/04
Canadair Jet 100	2	2	11	11	6	6	19	19	19	19
Canadair Jet 700	1	1	9	9			10	10	10	10
F100-100	1	1			9	9	10	10	10	10
Total	4	4	20	20	15	15	39	39	39	39

CITY JET

Aircraft	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/04	12/31/04	3/31/04	12/31/04	3/31/04	12/31/04	3/31/04	12/31/04	3/31/04	12/31/04
BAE146-200/300*	1	5			14	12	15	17	15	17
Total	1	5			14	12	15	17	15	17

* including 3 aircraft sub-leased by KLM U.K. to CityJet □

REGIONAL

Aircraft	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/04	12/31/04	3/31/04	12/31/04	3/31/04	12/31/04	3/31/04	12/31/04	3/31/04	12/31/04
BEECH 1900	6	6	1	1	1	1	8	8		
EMB145-EP/MP	1	2	9	8	17	17	27	27	27	27
EMB135-ER	3	2	2	3	4	4	9	9	9	9
EMB120-ER	3	7	3	3	8	4	14	14	12	11
F100-100						6		6		6
F70-70					9	5	9	5	9	5
SAAB 2000					6	6	6	6	6	6
Total	13	17	15	15	45	43	73	75	63	64

Total Regional fleet	18	26	35	35	74	70	127	131	117	120
-----------------------------	-----------	-----------	-----------	-----------	-----------	-----------	------------	------------	------------	------------

Air Ivoire

Aircraft	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/04	12/31/04	3/31/04	12/31/04	3/31/04	12/31/04	3/31/04	12/31/04	3/31/04	12/31/04
F28			3	3			3	3	3	3
A321						1		1		1
Total			3	3		1	3	4	3	4

TOTAL Air France Group	146	165	63	63	166	161	375	389	360	375
-------------------------------	------------	------------	-----------	-----------	------------	------------	------------	------------	------------	------------

FLEET AS OF 31 DECEMBER 2004



KLM AND TRANSAVIA FLEET

Aircraft	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/04	12/31/04	3/31/04	12/31/04	3/31/04	12/31/04	3/31/04	12/31/04	3/31/04	12/31/04
B747-400	6	6	16	16			22	22	22	22
B777-200			3	4	3	5	6	9	6	9
MD11			8	8	2	2	10	10	10	10
A330-200										
B767-300					12	12	12	12	12	12
Long-haul fleet	6	6	27	28	17	19	50	53	50	53
B747-400			3	3			3	3	3	3
Cargo			3	3			3	3	3	3
B737-900			1	2	3	3	4	5	5	5
B737-800	6	7	19	19	4	4	29	30	29	30
B737-700			4	4	5	5	9	9	8	9
B737-400	5	6	2		7	7	14	13	14	13
B737-300	6	6	1	1	7	7	14	14	14	14
Medium-haul fleet	17	19	27	26	26	26	70	71	70	71
Total KLM fleet	23	25	57	57	43	45	123	127	123	127

REGIONAL FLEET

KLM Cityhopper

Aircraft	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/04	12/31/04	3/31/04	12/31/04	3/31/04	12/31/04	3/31/04	12/31/04	3/31/04	12/31/04
F70	16	18	1		3	3	20	21	20	21
F50			6	6	4	4	10	10	10	10
Total KLM Cityhopper	16	18	7	6	7	7	30	31	30	31

KLM Cityhopper UK

Aircraft	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/04	12/31/04	3/31/04	12/31/04	3/31/04	12/31/04	3/31/04	12/31/04	3/31/04	12/31/04
BAE 146 100/300					5	2	5	2	5	
F100	1	1	14	14			15	15	15	15
F50					6	6	6	6	6	6
Total KLM Cityhopper UK	1	1	14	14	11	8	26	23	26	21

Total Regional fleet	17	19	21	20	18	15	56	54	56	52
-----------------------------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------

TOTAL KLM Group	40	44	78	77	61	60	179	181	179	179
------------------------	-----------	-----------	-----------	-----------	-----------	-----------	------------	------------	------------	------------