

AIR FRANCE-KLM

Public Limited company with registered capital of 300,219,278 euros
Head office: 2 Rue Robert Esnault Pelterie - 75007 Paris
Registered with the Paris Companies Trade Register No. 552 043 002

STATUTORY FINANCIAL STATEMENTS **Year ending March 31, 2011**

AIR FRANCE – KLM

INCOME STATEMENT

Period from April 1 to March 31	Notes	2011	2010
<i>In € millions</i>			
Expenses capitalization	3		13
Other income	2	17	15
Total operating income		17	28
External expenses	3	(12)	(27)
Taxes and related payments			
Salaries and related costs		(1)	
Other expenses		(1)	
Total operating expenses		(14)	(27)
Income from current operations		3	1
Financial income		34	32
Financial expenses		(109)	(68)
Net financial income	4	(75)	(36)
Earnings before tax and extraordinary items		(72)	(35)
Non-recurring income		42	
Non-recurring expenses		(43)	(3)
Extraordinary income (loss)	5	(1)	(3)
Income tax	6	4	6
Net earnings		(69)	(33)

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BALANCE SHEET

Assets	<i>Notes</i>	March 31, 2011	March 31, 2010
<i>In € millions</i>			
Long-term investments	7	4,236	4,234
Loan & receivable linked to long term investment	7-10	386	786
Fixed assets		4,622	5,020
Trade receivables	11	11	10
Miscellaneous receivables	11	1	8
Marketable securities	8	1,025	898
Cash		51	100
Prepaid expenses		1	1
Current assets		1,089	1,017
Capitalized expenses to amortize		9	12
Bond redemption premium		4	5
Total Assets		5,724	6,054

AIR FRANCE – KLM

Liabilities & equity	notes	March 31, 2011	March 31, 2010
<i>In € millions</i>			
Capital	<i>9.1</i>	300	2,552
Additional paid-in capital		2,971	719
Legal reserve		70	70
Reserves		1,032	1,065
Income for the year		(69)	(33)
Shareholders' equity	<i>9.2</i>	4,304	4,373
Financial debt	<i>10</i>	1,414	1,656
Accounts payable:		3	20
including trade payables and related accounts		2	19
Other accounts payable		1	1
Miscellaneous debts		3	5
Liabilities	<i>11</i>	1,420	1,681
Total Liabilities & equity		5,724	6,054

AIR FRANCE – KLM

NOTES

The information hereafter constitutes the notes to the financial statements for the year ended March 31, 2011.

It is an integral part of the financial statements.

The financial period covered 12 months from April 1, 2010 to March 31, 2011.

Air France-KLM is listed in France and in the Netherlands.

Air-France-KLM establishes consolidated financial statements.

AIR FRANCE – KLM

1. ACCOUNTING POLICIES AND PROCEDURES

Generally accepted accounting policies were applied, consistent with the prudence principle and in accordance with the legal and regulatory provisions applicable in France and the basic assumptions in order to provide a true and faithful representation of the company:

- going concern;
- consistent accounting methods from year to year;
- independence of financial periods;

and in accordance with the general rules for establishing and presenting annual financial statements.

The basic method used to value items recorded in the financial statements is the historical cost method.

MAIN METHODS USED

Long-term investments

Companies' equity investments are presented on the balance sheet at their acquisition cost net of impairment, if any. A provision for impairment is constituted as soon as the fair value is below the acquisition value. The fair value of securities corresponds to the value in use for the Company. It is determined by taking into account the share of shareholders' equity, the outlook for profitability and the stock market values that can be used as a reference.

Transfer taxes, fees or commissions and legal fees related to the acquisition of securities are expensed, according to the option offered by the regulations.

Treasury shares are not allocated to employees or to a capital decrease and are shown at the lower of their acquisition cost and fair value. The fair value is determined based on the last month average market price at the end of the financial year.

Accounts receivable

Accounts receivable are valued at their nominal value. They are valued on a case-by-case basis and a provision is set up as required based on the assessed risks.

Marketable securities

Marketable securities are shown on the balance sheet at the lower of their acquisition cost and their market value. In the case of listed shares, this market value is determined based on the market price at the end of the financial year.

Treasury shares invested as part of a liquidity agreement are valued at the lower of their acquisition price and fair value. The fair value is determined based on the last month average market price at the end of the financial year.

Foreign currency transactions

Current expense and income transactions in foreign currencies are recognised at the average exchange rate for each month concerned.

Accounts payable and receivable in foreign currencies are valued at the exchange rate in effect at March 31, 2011.

Unrealised losses and gains are recognised as assets and liabilities on the balance sheet. Provisions are established for unrealised losses, except for the following cases:

- transactions where the currency and the term contribute to a global positive exchange position and,
- exchange hedging contracts involving the payment of future investment deliveries.

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Debts

Debts are valued at their nominal amount.

Dividends received

Dividends are recognised as earnings when they are approved by the companies' competent bodies (i.e.; the Board of Directors or the General Shareholders' Meeting depending on the local regulations).

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2. OTHER INCOME

This primarily involves royalties of €15 million paid by Air France and KLM at March 31, 2011 to use the “Air France-KLM” brand.

3. EXTERNAL EXPENSES

In € millions

Period from April 1 to March 31,	2011	2010
Lawyers & advisors fees	-	1
Capitalized bonds issuing expenses	-	13
Statutory auditor fees	2	2
Insurance	2	2
Subcontracting re-invoiced by Air France and KLM	4	5
Financial communication expenses	3	3
Other (less than 1 million euros)	1	1
Total	12	27

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4. FINANCIAL INCOME

This section groups interest paid or received, exchange losses and gains, and allocations and write-backs of financial provisions. It breaks down as follows below.

In € millions

Period from April 1, to March 31,	2011	2010
Interests on loans ⁽¹⁾	(107)	(67)
<i>including related companies</i>	(21)	(14)
Interests received on loans	13	
<i>including related companies</i>	13	
Other financial income ⁽²⁾	17	14
<i>including related companies</i>	6	7
Amortization of bond redemption premium & capitalized expenses		
Reversal of provisions ⁽³⁾	4	18
Deficit on treasury shares sale	(2)	(1)
Total	(75)	(36)

⁽¹⁾ including interests on OCEANE €(33) million, on bond €(46) million, on credit line €(3) million and commission on guaranty delivered by Air France and KLM €(21) million.

⁽²⁾ including €10 million generated from the investment in mutual funds and deposit certificates (see note 8) .

⁽³⁾ Reversal of provisions on treasury shares

5. EXTRAORDINARY INCOME

It includes as non-recurring expenses, mainly the loss on transfer of shares of former Alitalia company for €(42) million and as non-recurring income the reversal of provision on these shares for €42 million. (see note 7.2)

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6. INCOME TAX

Air France-KLM has benefited from the tax consolidation scheme since April 1, 2002.

The consolidation scope, where Air France-KLM is the parent company, primarily includes Air France-KLM, Air France, regional French companies and, since January 1, 2005, Servair and its subsidiaries.

The tax consolidation agreement is based on the so-called neutrality method and places each member company of the tax group in the situation that it would have been in without consolidation.

The tax consolidation group benefits from tax losses that can be infinitely carried forward.

The subsidiaries that are beneficiaries of the tax consolidation scope paid Air France-KLM a tax consolidation bonus of €4 million for the financial year ended March 31, 2011.

7. LONG-TERM INVESTMENTS

7.1. NET BOOK VALUE

In € millions

	Beginning of year	Acquisitions Capital increases	Transfers or sales	Provision Variation	End of year
Equity investments	4,242		42		4,200
Loan & receivable linked to long term investment	786		400		386
Other long term investments	75				75
Gross total	5,103		442		4,661
Depreciation	83			(44)	39
Net total	5,020		442	(44)	4,622

Loan & receivable linked to long term investment are loans granted, at market interest rate, to Air France for €400 million and KLM for €386 million. Air France reimbursed its loan during fiscal year (see note 10).

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7.2. EQUITY INVESTMENTS

In € millions

COMPANIES	Gross value at beginning of year	Acquisitions	Transfers or Sales	Gross value at end of year
Air France	3,060	-	-	3,060
KLM	817	-	-	817
Alitalia	42	-	42	0
Compagnia Aerea Italiana SpA	323			323
Total	4,242		42	4,200

In € millions

COMPANIES	Provisions at beginning of year	Allocations	Reversal	Provisions at end of year
Alitalia	42		42	0
Impairment	42		42	0
Net Value	4,200		0	4,200

Former Alitalia company is in liquidation process and its shares are fully depreciated. Shareholders were proposed to transfer their shares to the Italian State with a compensation in an Italian bond for a maximum amount of €50 000. It is a zero interest bond with a maturity date on December 31, 2012. This transfer to the Italian State occurred at the beginning of January 2011.

7.3. OTHER FINANCIAL INVESTMENTS

In € millions

	Gross value at beginning of year	Acquisitions	Sales	Gross value at end of year
Treasury shares	75	-	-	75
	Provision at beginning of year	Allocation	Reversal	Provision at end of year
Impairment on treasury shares	41		2	39
Net Value	34		2	36

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8. MARKETABLE SECURITIES

<i>In € millions</i>	March 31,2011	March 31,2010
	Net carrying amount	Net carrying amount
Treasury shares invested as part of the liquidity agreement subscribed with a bank	4	14
Mutual funds & deposit certificates	1,006	880
Money market fund ⁽¹⁾	15	4
Total	1,025	898

⁽¹⁾ Cash invested as part of a liquidity agreement, subscribed with a bank.

Net carrying amount is market value

9. SHAREHOLDERS' EQUITY

9.1. DISTRIBUTION OF SHARE CAPITAL AND VOTING RIGHTS

At March 31,	<i>% of capital</i>		<i>% of voting rights</i>	
	2011	2010	2011	2010
French government	16%	16%	16%	16%
Employees and former employees ⁽¹⁾	10%	12%	10%	12%
Shares held by the Group	2%	2%	-	-
Public	72%	70%	74%	72%
Total	100%	100%	100%	100%

⁽¹⁾ Personnel and former employees identified in the fund or by a Sicovam code

On March 31, 2011 the share capital distributed above is fully paid-up and comprised of 300,219,278 shares with a nominal value that decreased from €8.50 to €1. The amount of this capital decrease - not generated by losses - was allocated to Additional paid-in capital, based on General Meeting decision dated July 8th 2010. Each share confers one voting right.

In April 2005, Air France issued a 15 years - €450 million « Obligation à Option de Conversion et / ou d'Echange en actions Air France-KLM Nouvelles ou Existantes » (OCEANE). During the financial year, no OCEANE were converted. Between April 2007 and March 2008 510 OCEANE were converted into 525 shares. As of March 31, 2010, the conversion ratio is 1.03 Air France-KLM shares for one bond.

As of June 26, 2009, Air France-KLM issued a bond with an option of conversion and/or exchange for new or existing Air France-KLM shares (OCEANE) with a maturity date fixed at April 1, 2015. 56,016,949 bonds were issued for a total amount of €61 million (see note 10). As of March 31, 2011, 8,481 OCEANE were converted into 8,481 existing shares, including 1,890 regarding fiscal year 2010-2011. The conversion ratio is one Air France-KLM share for one bond.

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9.2. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In € millions

Source of movements	Capital	Additional paid-in capital	Reserves	Earnings for the year	Shareholders' equity
At March 31, 2009	2,552	719	1,072	63	4,406
Allocation of earnings			63	(63)	-
Earnings for the period				(33)	(33)
At March 31, 2010	2,552	719	1,135	(33)	4,373
Decrease of share nominal value (see note 9.1)	(2,252)	2,252	-	-	-
Allocation of earnings			(33)	33	-
Earnings for the period				(69)	(69)
At March 31, 2011	300	2,971	1,102	(69)	4,304

10. FINANCIAL DEBT

<i>In € millions</i>		
Year ended March 31,	2011	2010
Non current financial debt		
OCEANE (convertible bond)	661	661
Bond	700	700
Other debt		
Total non current debt	1,361	1,361
Current Financial debt		
Other debt	0	250
Accrued interest	53	45
Total current debt	53	295
Total	1,414	1,656

As of June 26, 2009, Air France-KLM issued a bond with an option of conversion and/or exchange for new or existing Air France-KLM shares (OCEANE) with a maturity date fixed at April 1, 2015. 56,016,949 bonds were issued for a total amount of €661 million. Each bond has a nominal value of €1.80. The annual coupon amounts to 4.97%.

As of October 27, 2009, Air France-KLM issued bonds for a total amount of €700 million, maturing on October 27, 2016 and with an interest rate of 6.75%.

A part of the bonds was lent, at the end of March 2010 at market interest rate, to Air France for €400 million and to KLM for €86 million. Air France reimbursed its loan during fiscal year.

The credit line subscribed in October 2007 with a bank for €250 million and that was fully drawn, has been reimbursed in September 2010.

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11. MATURITY OF ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE

At March 31, 2011

In € millions

Accounts receivable	Gross amount	Up to one year	More than one year	Related companies
Non current assets				
Loans and receivable linked to long term investment	386	-	386	386
Current assets				
Trade receivables and related accounts	11	11	-	11
Miscellaneous receivables (including tax receivables)	1	1		1
Total	398	12	386	398

In € millions

Accounts payable	Gross amount	Up to one year	More than one year	Related companies
Financial debt ⁽¹⁾	1,414	53	1,361	
Trade payables and related accounts	2	2	-	1
Taxes and social contributions due	1	1	-	-
Miscellaneous payables	3	3	-	2
Total	1,420	59	1,361	3

(1) see note 10

This amount includes €3 million of accrued interests

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12. LIST OF SUBSIDIARIES AND EQUITY INVESTMENTS

In € millions

Companies or Groups of companies	Capital	Shareholders' equity other than capital after earnings	Share of capital held	Carrying amount of shares held		Loans & advances granted and not reimbursed	Amount of security and guarantees given	Revenues (excl. tax) for last financial year	Net profit or loss for last financial year	Dividends cash during the past financial year
				Gross	Net					

Detailed information about each investment whose gross value exceeds € 15 million

1. Subsidiaries (held at more than 50%)

Société Air France (France) ⁽¹⁾	1,901	(632)	100%	3,060	3,060	-	-	13,769	(868)	-
KLM (Netherlands) ⁽¹⁾	94	2,587	99.1%	817	817	386	-	8,651	147	-

2. Equity investments (held at less than 50%)

Compagnia Aerea Italiana SpA ⁽²⁾	668	(120)	25%	323	323	-	-	3,393	(168)	-
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⁽¹⁾ Statutory financial statements at March 31, 2011

⁽²⁾ consolidated financial statements in Italian Gaap at December 31, 2010

13. ESTIMATED VALUE OF THE PORTFOLIO

<i>In € millions</i>	Amount at beginning of year			Amount at end of year		
	gross carrying amount ⁽¹⁾	net carrying amount	estimated value ⁽²⁾	gross carrying amount ⁽¹⁾	net carrying amount	estimated value ⁽³⁾
Portfolio fractions valued						
Air France	3,060	3,060	2,172	3,060	3,060	3,460
KLM	817	817	2,218	817	817	2,657
Compagnia Aerea Italiana SpA	323	323	188	323	323	148

⁽¹⁾ at cost

⁽²⁾ Based for Air France and for KLM on net equity share in statutory financial statements at March 31, 2010 and for Compagnia Aerea Italiana SpA on IFRS net equity share at December 31, 2009

⁽³⁾ Based and for Compagnia Aerea Italiana SpA on IFRS net equity share at December 31, 2010 and for Air France and KLM, as of March 31, 2011, on IFRS net equity shares at March 31, 2011

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14. ITEMS CONCERNING RELATED COMPANIES

In € millions

			Amount
Trade receivables & related accounts			11
including	Air France	10	
	KLM	1	
Miscellaneous receivables			1
Trade payables and related accounts			1
Miscellaneous payables			2

15. COMMITMENTS

▪ **KLM shares**

During the business combination of the Air France and KLM groups, the Dutch government undertook to reduce its stake in KLM proportionally to any reduction by the French government of its stake in Air France-KLM's capital. To this end, the Dutch government will sell its cumulative A preferred shares to Air France-KLM or to a Dutch foundation in the name of and on behalf of Air France-KLM, if the transfer occurs during the first three years following the business combination.

In the latter case, the foundation will issue, to the benefit of Air France-KLM, share certificates corresponding to the cumulative A preferred shares transferred to the foundation. These share certificates will confer to Air France-KLM all of the economic rights attached to the said shares, the voting rights attached to the said shares being exercised by the foundation until Air France exchanges the share certificates against the said shares.

At the end of the initial three-year period, Air France-KLM had the option to exchange the share certificates against the cumulative A preferred shares, which it could hold directly. As Air France-KLM decided in 2007 to maintain SAK I and SAK II foundations, Air France-KLM did not carry out this exchange.

Moreover, the Dutch government has the right to sell to Air France-KLM at any time as many cumulative A preferred shares as it wants.

After the sale of 5,103,885 shares to Air France-KLM in April 2005 for €11.6 million, the acquisition price of the 3,708,615 cumulative A preferred shares still held by the Dutch government amounts to €8.4 million (for a unit price of €2.27 per cumulative A preferred share, which has to be paid pro rata during any sale or transfer under the conditions above).

▪ **Other**

Since January 2009, Air France-KLM guarantees Societe Air France commitments towards Aéroport de Paris regarding civil leases.

The guaranty has an absolute limitation of €18 million.

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16. LITIGATION

a) In the air-freight industry

a.1) Investigation of the anti-trust authorities

Air France, KLM and Martinair, a wholly-owned subsidiary of KLM since January 1, 2009, have been involved, since February 2006, with twenty-five other airlines in investigations initiated by the anti-trust authorities in several countries, with respect to allegations of anti-competitive agreements or concerted action in the air-freight industry.

The proceedings initiated in the United-States, Australia and Canada resulted, during financial year 2008-09, in Plea Agreements made by Air France, KLM and Martinair with the appropriate agencies, and the payment of fines putting an end to those proceedings. As of March 31, 2011 discussions were on going with the Competition Commission of South Africa to conclude a settlement agreement which would result in the payment by the group of a penalty of 1.8 million euros.

In Europe, the European Commission announced, on November 9, 2010, its decision to impose fines on 14 airlines including Air France, KLM and Martinair related to anti-competition practices - mainly concerning fuel surcharges. The commission imposed an overall fine of 340 million euros on the group companies.

This fine exceeds, by €127 million, the provisions already made by the group in its accounts. Consequently, an additional "non current expense" has been recorded by Air France, KLM and Martinair in the fiscal year first half.

As the group's parent company Air France-KLM was considered by the European Commission to be jointly and severally liable for the unlawful practices of which Air France and KLM were found guilty.

On January 24 and 25, 2011, the group companies have filed an appeal against the decision before the General Court of European Union.

Because the appeal does not suspend the payment of the fines, the group companies have chosen not to make immediate payment of the fines as permitted, but to provide bank guarantees until a definitive judgement by the European Courts.

In South Korea on November 29, 2010, the Korean antitrust authority (KFTC) imposed on Air France-KLM (for unlawful practices before September 2004), Air France (for same practices after this date) and KLM a total fine of €8.6 million.

Based on Contribution agreement dated September, 15 2004, Air France is liable for the fine imposed on Air France KLM.

The group companies have filed an appeal before the competent Court.

The procedures in Switzerland and Brazil, which are still under way as of March 31, 2011, have not been provided against, as the group is unable, in the current state of the proceedings, to evaluate its exposure. With regard to the revenues involved, these risks are not individually significant.

a.2) Civil suits

Pursuant to the initiation in February 2006 of the various competition authorities' investigations, class actions were brought by forwarding agents and air-freight shippers in the United States and Canada against Air France, KLM and Martinair, and the other freight carriers. In addition civil suits have been filed in Europe by shippers following the European Commission's decision of November 9, 2010.

UNITED STATES

In the United States, the group concluded a settlement agreement with the representatives of the class action in July 2010. The Settlement Agreement, under which the group accepted to pay USD 87 million, brings to a close all claims, lawsuits and legal proceedings in the past, present or future by plaintiffs seeking to obtain financial compensation from the Air France-KLM Group for unlawful practices in freight transportation to, from or within the United States. The terms of the Settlement Agreement have been preliminarily approved by the Eastern District Court of New York.

The Settlement has no impact on the group's results, given the provisions already made by Air France, KLM and Martinair to cover this risk.

On March 14, 2011, the Court issued an order granting final approval of the Air France-KLM settlement with the class action plaintiffs. Prior to that time, pursuant to procedures established by the Court, 36 entities elected to be excluded from the

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settlement, which permits them to separately pursue claims, but only four of those were customers of Air France, KLM or Martinair. In addition, a number of additional parties, including potentially one AF-KLM customer, filed a late exclusion notice and the Court has established a process to determine whether exclusion of those parties will be permitted.

With respect to those AF-KLM customers who have chosen to be excluded, a portion of the settlement proportional to the revenue AF-KLM received from those parties for a specified period as compared with Air France-KLM's overall revenue for that period will be segregated in a separate escrow. If claims by those parties, including written demands, are made against AF-KLM, then the portion of the separate escrow attributable to the claiming parties will be transferred to AF-KLM.

To date, the Group is unable to measure the financial impact of these probable individual civil claims.

CANADA

As of March 31, 2011, the Group remains exposed in relation to class actions brought in Canada with regard to the revenues involved, the risk is not significant.

NETHERLANDS

In the Netherlands, KLM, Martinair and Air France have been summoned to appear before the District Court of Amsterdam in a civil suit brought by a company named Equilib which states that it has purchased claims from seventy purchasers of airfreight services who have allegedly suffered losses as a result of an antitrust infringement in the European market between 2000 and 2006.

Equilib seeks to obtain a declaratory judgment confirming that the group companies have been guilty of unlawful conduct and are jointly and severally liable, along with other carriers, for the losses suffered by the airfreight purchasers. Equilib currently estimates its claims at €400 million but does not substantiate that figure.

The group companies have served a contribution writ of summons to the other airlines fined by the European Commission on November 9th 2010.

UNITED KINGDOM

In the United Kingdom, a civil suit has been filed with the competent court in the UK against British Airways by two flower importers. British Airways issued contribution proceedings against all the airlines fined by the European Commission including entities of the group.

The group companies will firmly resist all claims brought against them.

Civil suits in Netherlands and United Kingdom have not been provisioned given that the group is unable, in the current state of these proceedings to evaluate its exposure.

b) In the air transport industry (passengers)

b.1) Investigation of the European Commission of the air transport industry (passengers) between Europe and Japan

Air France and KLM, like other air carriers, were subject on March 11, 2008 to searches and seizures in connection with an investigation by the European Commission into possible anti-competitive agreements or concerted practices in the area of air transport services (passengers) between the States parties to the agreement on the European Economic Area and Japan.

On February 13, 2009, Air France and KLM replied to a questionnaire from the Commission pointing out the background of air traffic relations between France and the Netherlands, on the one hand, and Japan on the other hand. These relations are governed by bilateral agreements requiring the approval of fares by the civil aviation authorities in the States concerned after agreement among the air carriers designated pursuant to such agreements.

A second questionnaire was sent to the group by the European Commission on October 1, 2009. To date, the Group is unable to state an opinion regarding the action that will be taken in connection with such enquiries by the European Commission.

b.2) Civil actions

During 2009, Air France and KLM were subpoenaed in a class action involving all the airlines working transpacific routes between the United States and Asia/Oceania, on the basis of allegations of price-fixing on such routes.

Air France which has only one transpacific route between the USA and Tahiti and KLM which is not involved on these routes strongly deny these allegations. Both airlines accordingly filed motions to dismiss.

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OTHER LITIGATION

The group is involved into several governmental and legal procedures for which provisions have not been necessarily recorded in the financial statements.

a) KLM minority shareholders

On 22 January 2008, the association VEB and Emarcy BV served KLM and Air France-KLM before the Amsterdam Civil Court claiming that KLM and Air France-KLM be ordered to pay out a higher dividend than the 0.58 euro per ordinary share paid for fiscal year 2007-2008.

On September 1, 2010 the Court dismissed the case on the grounds that the dividend resolution met the test of reasonableness and fairness. VEB and Emarcy have appealed the Amsterdam Court decision.

b) Rio-Paris AF447 flight

Pursuant to the crash of the Rio-Paris AF447 flight in the South Atlantic, various legal actions have been brought in the USA and Brazil by the victims' heirs.

All these proceedings are aimed at receiving damages as reparation for the losses suffered by the heirs of the passengers who died in the crash. The civil consequences of the crash are covered by Air France's third-party liability insurance policy.

In the USA, all the proceedings have been consolidated in California before the Northern district Court.

On October 4, 2010 the District judge granted the defendants' motion for dismissal on grounds of "forum non convenience" and proposed them to claim in France. The civil consequences of the crash are covered by Air France's third-party liability insurance policy.

On March 17 and 18, 2011 respectively, Airbus and Air France were indicted for manslaughter by the investigating magistrate. Air France intends to challenge its implication in this case.

To the best of Air France-KLM's knowledge, there is no other litigation, arbitration or non-recurring event that could have or has had in the recent past a significant impact on the Group's financial position, earnings or assets and liabilities.

Other than the points indicated in this note, the company is not aware of any governmental, judicial or arbitration proceedings (including any proceedings of which the issuer is aware, or that are pending or threatened against it) that could have or have recently had a significant impact on the issuer's and/or Group's financial position or profitability, during a period including at least the past twelve months.

17. SUBSEQUENT EVENTS

None