



Summary minutes of the
Shareholders' Meeting on May 16, 2013

The Combined Ordinary and Extraordinary General Shareholders' Meeting on May 16, 2013, chaired by Jean-Cyril Spinetta, Chairman and Chief Executive Officer, brought together some 600 people in the Carrousel du Louvre, in the presence of the members of the Board of Directors. The quorum for the Meeting reached 48.04%, i.e. 142,218,928 votes of a total of 296,029,873 shares with voting rights, each share conferring the right to one vote. In total, the 13,582 shareholders present or represented adopted 13 of the 14 resolutions submitted to the vote.

The scrutineer functions were fulfilled by the French Government Shareholding Agency (APE), represented by Solène Lepage and Bernard Pédamon, the two members present at the Shareholders' Meeting with the most votes.

The retransmission of the Meeting is available on the website www.airfranceklm-finance.com.

Results of the voting on the resolutions

		For	Against	Abstention
1	Approval of the Company financial statements for 2012	99.27%	0.67%	0.06%
2	Approval of the consolidated financial statements for 2012	99.26%	0.70%	0.04%
3	Allocation of the results for 2012	99.53%	0.42%	0.05%
4	Related party agreements and commitments	99.50%	0.44%	0.06%
5	Renewal of Maryse Aulagnon's Board director mandate	71.59%	28.25%	0.16%
6	Renewal of Peter Hartman's Board director mandate	72.24%	27.67%	0.09%
7	Appointment of Isabelle Bouillot as a Board director	99.03%	0.85%	0.12%
8	Authorization to be granted to the Board of Directors to perform operations in the Company's shares	98.69%	1.23%	0.08%
9	Capital increase maintaining preferential subscription rights for shareholders	98.82%	1.05%	0.13%
10	Capital increase without preferential subscription rights for shareholders but with an obligatory priority subscription right	86.01%	12.18%	1.81%
11	Capital increase without preferential subscription rights for shareholders but with an optional priority subscription right	82.94%	15.25%	1.81%
12	Authorization granted to the Board of Directors to increase the amount of the initial issue in the event of a capital increase without preferential subscription rights	81.56%	16.60%	1.84%

13	Capital increase by capitalization of reserves, profits, premiums or other amounts eligible for capitalization	99.14%	0.78%	0.08%
14	Capital increase reserved for members of a company or group savings scheme waiving preferential subscription rights for shareholders	65.58%	34.28%	0.14%
15	Power to accomplish formalities	99.53%	0.33%	0.14%

Governance

Composition of the Board of Directors

The Board of Directors at December 31, 2012 and the changes to its composition since that date were presented to the Shareholders' Meeting together with the new composition of the three Committees. The mandates of Ms. Maryse Aulagnon and Mr. Peter Hartman were renewed and Ms. Isabelle Bouillot was appointed as a Board director. These three mandates have a four-year duration. At the end of the Shareholders' Meeting, the Board of Directors comprised 15 members, five of whom were women.

Remuneration

In 2012, the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer received fixed annual remuneration of €200,000 and €150,000 respectively, whose amount was set by the Board of Directors, with the exclusion of any other form of remuneration.

Resolutions

The Chairman presented all the resolutions submitted to the vote by shareholders.

Presentation of the 2012 financial year

(See also the Registration Document and the Annual Report available on the website and on request)

Philippe Calavia, Executive Vice President Finance of the Air France-KLM group, presented the activity, financial results for the financial year and an update on the Transform 2015 plan.

Activity

Having presented the key figures by activity and reminded the Meeting that the Group had retained its number four position world-wide by revenue, Philippe Calavia gave an overview of the businesses.

The **passenger** business recorded an increase in load factor thanks to traffic growth (+2.1%) comfortably above that of capacity (+0.6%). The long-haul network performed well while the medium-haul network experienced a deterioration in results due to the weakness of the French economy and the difficult start for the provincial bases. The passenger business significantly reduced its operating loss. Lastly, Mr. Calavia reminded the Meeting that the Group generated more than 60% of its sales outside its domestic markets (France and the Netherlands).

For its part, the **cargo** business had to contend with the ongoing weakness in global trade. Despite the continued reduction in its capacity, this business posted unit revenues that were too low leading to an operating loss higher than that of 2011.

The **maintenance** business, positioned in engine and component support, increased its revenues and significantly improved its operational performance.

2012 was a positive year for the **leisure** business. Transavia increased its revenues and reached break-even at the operating level on departure from France and the Netherlands.

The **catering** business had to contend with a more difficult situation in 2012 since third-party airline customers were reducing their costs, explaining the reduction in its results. This business also launched a restructuring plan.

Financial results

Key figures

Revenues: €25.633 billion	Net result: €-1.19 billion
EBITDAR: €2.41 billion	Free cash flow: €-66 million
Operating result: €-300 million	Net debt: €5.97 billion

Philippe Calavia began by highlighting the beginning of a results improvement during the 2012 second half and the reduction in net debt. These were the first signs of the Transform 2015 plan. This improvement was clearly visible quarter by quarter with either a reduction in losses or an improvement in profitability. This trend continued during the 2013 first quarter.

He then reviewed the change in the operating result which moved from €-353 million to €-300 million despite an €90 million increase in the fuel bill. Restructuring charges and various provisions (€644 million) led to a deterioration in the net result which amounted to a €1.2 billion loss. However, operational cash flow remained positive at €850 million since numerous accounting charges did not lead to immediate cash outflows.

Furthermore, the reduction in investment and the cash generated on the disposal of part of the Amadeus shareholding enabled a €550 million reduction in net debt. At December 31, 2012, the Group had a good level of liquidity with €3.9 billion of cash and €1.85 billion of available credit lines. Mr. Calavia reiterated that the Group had launched two transactions in the bond market, one at the end of 2012 and the other in March 2013.

Outlook

Mr. Calavia continued the presentation with a reminder of the 2013 road map devoted to the implementation of the decisions prepared and negotiated in 2012: ongoing control over capacity and investment, implementation of the new collective agreements and industrial projects and, lastly, deployment of a new governance framework to achieve the objectives: a €2 billion reduction in net debt and EBITDA of between €2.5 billion and €3 billion by the end of 2014.

Some examples were given to illustrate the plan's main orientations in 2013 and 2014: capacity growth limited to 1.5% in 2013 and 2014 and a continued reduction in investment given the low number of new aircraft deliveries. A new social framework was negotiated in 2012 for implementation in 2013 to enable an improvement in productivity. Furthermore, a freeze on general salary increases was also accepted for 2013.

Philippe Calavia reiterated that the industrial projects should enable an improvement in long-haul and maintenance profitability and a turnaround in medium haul and cargo. He added that the turnaround in medium haul was a major project for the future of Air France-KLM, and particularly for Air France given its weight in the company's activity. The main priorities of this project are productivity, the

reorganization of the brands and companies, and the commercial strategy. He also gave some examples of initiatives to win back customers, particularly in long-haul, before moving on to a rapid presentation of some of the Group's strengths: the alliance, the hubs, the young fleet and the partnerships.

Lastly, he mentioned the share price performance since the 2011 Shareholders' Meeting. He concluded the presentation with the following comments: *“This doubling (in the share price) shows that investors recognize the efforts made by the company and that we should continue down this path. It is encouraging for the Board of Directors and the management, and particularly for the future management team.”*

New governance

The Chairman, Jean-Cyril Spinetta, then took the floor to address his departure. Before introducing the new management team, he spoke about the future of air transportation. He reminded everyone of the various changes and crises with which the sector has been confronted since 1998 and summarized, in four questions, the future of this economic sector: is the liberalization of air transport likely; are the slowdown in global growth and the European recession going to affect the industry's growth; how will Air France-KLM be able to take advantage of the industry's growth and, lastly, what type of organization is required to support the Group's strategic objectives?

The Chairman concluded his comments on the first question by reiterating the following points:

- *The regulatory environment applying to our industry has yet to stabilize, necessarily implying more changes and perhaps even upheavals in our professions and organization.*
- *In economic terms, those who benefit from an increasingly open world are those who are more competitive than their principal competitors.*
- *Perhaps the most important point is that we must not try to prevent or defer a clearly identified trend; this would, it seems to me, be counterproductive. It is clear-sightedness and anticipation which best protects a company and its employees and not the rejection and attempted postponement of an inevitable process.*

The Chairman then talked about the outlook for the air transport industry:

“At this stage, continued strong growth in global air passenger traffic seems, in my view a highly probable assumption. Whether it be the rise in the fuel price, the legitimate growth in environmental constraints or the development of information technologies facilitating long-distance communication, nothing has changed the desire and need to travel. The growth outlook for our industry remains considerable and Europe will probably continue, over the next twenty years, to play a central role in the global air transportation landscape.”

Jean-Cyril Spinetta raised the question of the conditions required for the Air France-KLM group to be able to benefit from the growth outlook for the industry.

“If we want to benefit from the opening of markets and our industry's growth potential, we must reduce our costs and restore our competitiveness. It is clear that the crisis we have faced since 2009 is not a model-based crisis but one of competitiveness. We will need to maintain permanent strict control over our costs, particularly in short and medium-haul, but we have no choice: our battle to reduce our costs, restore competitiveness and reduce debt is vital. Failure isn't an option.

All our efforts are directly towards a single objective: enable Air France-KLM to continue to play a leadership role in the inevitable consolidation of our industry at global level. To this end, we must return to profitability and implement a new organization.”

The Chairman concluded his presentation on the Group's new organization by giving some key examples of this new governance.

“It involves moving from a model based on cooperation between the two airlines to the model of a Group comprising several airlines. The cooperation and coordination-based model was the only model possible to launch the merger between our two companies... but it doesn't always enable the implementation of decisions in the Group's interest.”

“As shareholders of Air France-KLM, you are legitimately attached to the success of our Group. It is thus clear that the organization of our business needs to reflect this priority. This new governance aims to create a team which will always prioritize the interests of the Group. The members of the Group Executive Committee will therefore step down from all their functions in one or other company.”

The Chairman then introduced the new management team.

“I would like to take this opportunity to pay the homage which is due to Leo van Wijk. Without his impressive strategic vision the merger between Air France and KLM would not have been possible. His experience, wisdom and strong leadership ensured the success of this merger and enabled the change in governance I have just outlined.

I know I can also speak for Leo van Wijk when I say that my decision to stand down this coming July was easier to take now that the new management team is ready to take over.

Alexandre de Juniac already has an in-depth understanding of our industry and his successful launch of Transform 2015 within Air France commands respect. It is enough to recall the scepticism prevailing in early 2012 as to Air France's ability to change to see how far we have come.

Frédéric Gagey, who will succeed him at the helm of Air France, acquired the makings of an exceptional senior executive during the seven years he spent as number two at KLM. He joined the Air France group some twenty years ago and has a truly remarkable knowledge of the air transport industry.

Peter Hartman will also step down on July 1 after six years heading KLM. During an extraordinarily difficult economic period, he demonstrated impressive management skills. If you renew your confidence in him as a Board director of our Group, you will continue to benefit from his experience and extensive knowledge of our industry in the role of Vice-Chairman of our Board.

Camiel Eurlings, who is succeeding Peter Hartman having joined KLM two years ago, has rapidly assimilated all the fundamentals of our industry and demonstrated outstanding leadership skills.

I have also been able to measure the quality of the understanding between these three senior executives. We thus have a united, rejuvenated team which is well prepared and stands ready to take over at the helm of our Group in a few weeks.

I would like to close by expressing my confidence in the future of our Group. A growth sector, an efficient industrial model, a trajectory to restore our competitiveness, a new organization; the strengths of our Group are considerable. There will shortly be a return to operational break-even and profitability will follow.

By the end of our Transform 2015 plan, I have no doubt that these realities will have become apparent to everyone. Our industrial future is solid and I am convinced that this will also be reflected in the financial valuation of our Group.

Clearly it is with no little emotion that I am preparing to leave a company I have served with all my energy for the past sixteen years. It goes without saying that the passion for our Group, our two companies, the men and women who work there and the aircraft which bear its colors will always remain in my heart. Like you, it is as a shareholder that I shall now be following the ongoing recovery in our company and continuing to demonstrate my full confidence in the new management team.

Dialogue with shareholders

The Chairman opened the dialogue with the shareholders attending the meeting by noting that, pursuant to law, the answers to questions in writing had been posted on the www.airfranceklm-finance.com website as of the beginning of the Meeting.

The themes addressed in this dialogue lasting one hour were mainly the Group's strategy, the competition and the Group's sustainable development policy. Given the large number of questions, the questions and answers figuring below are those which provide the best summary of the different exchanges.

Strategy

Question: Do you expect the Group's future development to involve mergers with other companies? What is the specific strategy in this area, particularly for Asia and China?

Jean-Cyril Spinetta

It will be up to others to answer these questions but I can make a few comments. Consolidation is currently happening before our eyes within the alliance system. I could mention the case of Delta Airlines which has acquired a significant shareholding in Aeromexico, a SkyTeam member, but also in the Brazilian carrier, Gol, the leading airline in the Brazilian domestic market. It has just acquired a 49% stake in Virgin Atlantic to reinforce its presence on the traffic flows between the United Kingdom, and particularly London, and the US east coast. These are just a few examples of a form of consolidation that is currently taking place at the share capital level.

Air France-KLM's new management teams will have to evaluate, on a case by case basis, whether or not it is in Air France-KLM's interest to participate in this capitalistic consolidation phase to reinforce the Group's presence in all the large markets which will be key to our future. I am convinced that we need to do this but it will only be possible if we can generate the required financial resources. This is a fundamental priority for the Group's future in the next few years.

Question: I would like some additional information on Alitalia

Jean-Cyril Spinetta

The strategic problem is to know how we can maintain and even reinforce our market shares in the Italian market which is the fourth largest air transport market in Europe after the United Kingdom, Germany and France. It is an extremely important market, particularly in long haul. We currently have market shares in Italian high contribution, and 10.6% of the Italian market. Will we be able to maintain and reinforce these substantial market shares which contribute a significant proportion of annual revenues irrespective of whether we continue our relationship with Alitalia? I don't know the answer. But it is the way in which the question should be asked. We are going to have to establish a position on this issue, through our governance bodies and notably the Board of Directors, in the next few months.

Competition

Question: In the press, I have read that Emirates has been talking about having 100 or even 120 Airbus A380s in the long term. What can the airlines do to contend with the deployment of so much capacity?

Jean-Cyril Spinetta

These aircraft orders are considerable. Emirates generates just 10% of its US\$19 billion revenues in the Gulf States zone and the entire Arab world, 30% in Europe and not far from 40% in Asia. The balance is divided between America and Africa. Air France-KLM generates more than 60% of its revenues in Europe. We thus have airlines which have a massive presence primarily in markets which are not their domestic markets but which are ours. If these aircraft orders come to fruition and the traffic rights they demand are granted, these airlines will increase their share of the European market to the detriment of the European, Asian and American carriers. We hope that this dimension will be increasingly understood in Brussels and at the level of national governments.

Before any new traffic rights are granted, we are asking for the conditions governing competition with the European players to be equitable.

Sustainable development

Question: Good afternoon, I represent VBDO, the Dutch association of investors for sustainable development. As in past years, we would like to know if the volatility seen in Air France-KLM shares traded on the Amsterdam stock market and the losses of the past few years are reasons to revisit your environmental and social policies, including those relating to biodiversity and human rights.

Jean-Cyril Spinetta

What we are doing in terms of environmental and social responsibility is not, in the main, guided by the need to limit share price volatility but rather by how we understand corporate responsibility, something which the company needs to assume independently of the positive or negative consequences for the share price.

In terms of the environmental and social policy, you have highlighted that we are amongst those European and global airlines whose action is unanimously and permanently recognized through our ongoing presence in the principal sustainability indices.

I would like to say, and here I am going to speak on behalf of Peter Hartman, Alexandre de Juniac, Frédéric Gagey and Camiel Eurlings, that the Group will continue to set standards of excellence in the environmental and corporate social responsibility areas.

Question: Could biofuel be a solution to the issue of CO₂ emissions and what progress has been made on the development of efficient biofuels?

Peter Hartman

Even if biofuels are significantly more expensive than fuel of fossil origin, we have to be very proactive in reducing the price of these fuels which are now fully certified and have shown, through the test flights undertaken by KLM and other airlines, that they are safe.

At end of this dialogue, the Shareholders Meeting voted on the resolutions before being closed by the Chairman.