



Summary minutes of the
Combined Ordinary and Extraordinary Shareholders' Meeting
of May 21, 2015

The Combined Ordinary and Extraordinary General Shareholders' Meeting of May 21, 2015, chaired by Alexandre de Juniac, Chairman and Chief Executive Officer, assembled more than 500 people at the Carrousel du Louvre, in the presence of the members of the Board of Directors. The quorum for the Meeting reached 58.589%, i.e. 173,464,076 votes of a total of 296,068,882 shares with voting rights, each share conferring the right to one vote. In total, the 13,475 shareholders present or represented adopted, in the Ordinary part of the Shareholders' Meeting, all resolutions submitted to their vote and rejected, in the Extraordinary part, resolutions 14 to 22 relating to the financial delegations of authority that could be used within the context of public tender offer periods together with resolution 25 aimed at introducing within the Articles of Incorporation a clause maintaining the principle of "one share – one vote". The remainder of the resolutions were adopted.

The scrutineer functions were fulfilled by the French Agency for State Shareholdings (represented by Ms. Juliette d'Aboville) and by Mr. Louis Jobard (pilot employee shareholder), the two members present at the Shareholders' Meeting with the most votes.

The live broadcast of the Meeting was available on the website www.airfranceklm.com.

Results of the voting on the resolutions

		For	Against	Abstention
1	Approval of the statutory financial statements for 2014	99.26%	0.45%	0.29%
2	Approval of the consolidated financial statements for 2014	99.25%	0.47%	0.28%
3	Allocation of the results for 2014	99.46%	0.27%	0.27%
4	Renewal of Mr. Alexandre de Juniac's Board director mandate for a four-year term of office	94.21%	5.49%	0.30%
5	Renewal of Mr. Jaap de Hoop Scheffer's Board director mandate for a four-year term of office	89.44%	10.25%	0.31%
6	Appointment of Mr. Patrick Vieu as a Board director for a four-year term of office	82.54%	16.06%	1.40%
7	Appointment of Mr. Jean-Dominique Comolli as a Board director for a four-year term of office	82.61%	16.00%	1.39%
8	Advisory vote on the elements of compensation due or granted in respect of the 2014 fiscal year to Mr. Alexandre de Juniac, Chairman and Chief Executive Officer	96.07%	2.53%	1.40%
9	Authorization to be granted to the Board of Directors to perform operations in the Company's shares	99.08%	0.64%	0.28%
10	Capital increase (outside the context of a public tender offer) while maintaining preferential subscription rights	87.31%	12.58%	0.11%
11	Capital increase (outside the context of a public tender offer) without preferential subscription rights but with a mandatory priority subscription period	84.74%	15.14%	0.12%

		For	Against	Abstention
12	Capital increase (<u>outside the context of a public tender offer</u>) without preferential subscription rights but with an optional priority subscription period (authorization to be limited to the issuance by the Company and one of its subsidiaries of securities conferring rights to capital securities to be issued and issues of shares within the framework of public exchange offers)	81.51%	18.19%	0.30%
13	Capital increase (<u>outside the context of a public tender offer</u>) by way of a private placement with qualified or a limited circle of investors	80.03%	19.86%	0.11%
14	Increase in the number of shares to be issued in the event of a capital increase (<u>outside the context of a public tender offer</u>) with or without preferential subscription rights ('greenshoe')	76.77%	22.93%	0.30%
15	Capital increase (<u>outside the context of a public tender offer</u>) to compensate contributions in kind granted to the company	82.65%	17.25%	0.10%
16	Capital increase (<u>outside the context of a public tender offer</u>) via the capitalization of reserves, profits, premiums or other amounts eligible for capitalization	96.82%	3.07%	0.11%
17	Capital increase (<u>within the context of a public tender offer</u>) while maintaining preferential subscription rights	56.16%	42.64%	1.20%
18	Capital increase (<u>within the context of a public tender offer</u>) without preferential subscription rights but with a mandatory priority subscription period	54.58%	45.28%	0.14%
19	Capital increase (<u>within the context of a public tender offer</u>) without preferential subscription rights but with an optional priority subscription period (authorization to be limited to the issuance by the Company and one of its subsidiaries of securities conferring rights to capital securities to be issued and issues of shares within the framework of public exchange offers)	54.64%	45.24%	0.12%
20	Capital increase (<u>within the context of a public tender offer</u>) by way of a private placement with qualified or a limited circle of investors	54.13%	45.76%	0.11%
21	Increase in the number of shares to be issued in the event of a capital increase (<u>within the context of a public tender offer</u>) with or without preferential subscription rights ('greenshoe')	54.34%	44.44%	1.22%
22	Capital increase (<u>within the context of a public tender offer</u>) to compensate contributions in kind granted to the company	54.70%	44.08%	1.22%
23	Capital increase (<u>within the context of a public tender offer</u>) via the capitalization of reserves, profits, premiums or other amounts eligible for capitalization	60.10%	38.67%	1.23%
24	Capital increases reserved to members of a company or Group savings scheme	99.46%	0.45%	0.09%

		For	Against	Abstention
25	Inclusion of a new Article 9.7 in the Articles of Incorporation to maintain single voting rights	56.63%	43.27%	0.10%
26	Amendments to Article 17 of the Articles of Incorporation relating to the representation of employees and employee shareholders within the Board of Directors	99.49%	0.37%	0.14%
27	Amendment to Article 30 of the Articles of Incorporation relating to the conditions governing shareholder participation in Shareholders' Meetings	99.54%	0.35%	0.11%
28	Powers to accomplish formalities	99.65%	0.29%	0.06%

At the beginning of the Shareholders' Meeting, the Chairman and Chief Executive Officer, Mr. Alexandre de Juniac, gave a brief presentation on the results of a survey of individual shareholders, highlighting their desire to prioritize more detailed information on the market outlook, the growth relays for the Group, its medium and long-term prospects and the new strategic plan, Perform 2020. The Chairman said that these topics would be addressed in the different presentations and thanks to the questions that would be posed by shareholders in the Q&A session.

Governance

Composition of the Board of Directors

The Chairman of the Appointments Committee, Mr. Dehecq gave a presentation on the Board of Directors and changes to the Board during the 2014 financial year.

Mr. Alexandre de Juniac's Board director mandate was renewed for a four-year term of office and the Board of Directors reappointed him as the Group's Chairman and Chief Executive Officer. Mr. Jaap de Hoop Scheffer and Mr. Jean-Dominique Comolli were confirmed in their Board director functions. Mr. Patrick Vieu was appointed as a Board director following his proposed candidature by the French State. He replaces Ms. Régine Bréhier whose mandate expired at the end of the Meeting. As a reminder, The meeting was reminded that, by an order dated May 15, 2015, Ms. Solenne Lepage was designated as the French State's representative within the Board of Directors effective May 21, 2015. At the end of the Meeting, the number of members of the Board of Directors is thus maintained at fourteen.

Compensation

Mr. van Wijk, Chairman of the Remuneration Committee outlined, notably, the compensation policy for the Chairman and Chief Executive Officer, and the aims of resolution 24 (capital increase reserved to employees).

In respect of 2014, the fixed compensation for Air France-KLM's Chairman and Chief Executive Officer had been maintained at €600,000 and the latter waived half of his variable remuneration to participate in the Group's turnaround and wage restraint efforts. In view of this fact, the variable remuneration he received in respect of 2014 was reduced to €45,000.

These amounts were put to an advisory vote by shareholders, pursuant to the AFEP-MEDEF Corporate Governance Code.

Presentation of the 2014 financial year

(See also the Registration Document and the Annual Report available on the website www.airfranceklm.com or on request by mail)

Pierre-François Riolacci, Air France-KLM's Chief Financial Officer, gave a presentation on the activity and financial results for the 2014 financial year.

Key figures

Having given a presentation on the key figures for the financial year which had been impacted, notably, by the September Air France pilots' strike, Mr. Riolacci highlighted how the results improvement of the past three years had been particularly marked in the passenger transportation business, whereas the cargo business remained loss-making:

- Revenues: €24.912 billion (€25.40 billion excluding the pilots' strike)
- EBITDA: €1,589 million (€2,014 million excluding the pilots' strike)
- Operating result : -€129 million (€296 million excluding the pilots' strike)
- Net result, Group share: -€198 million
- Restated net result: -€535 million
- Operating free cash flow: -€164 million
- Net debt at the end of the period: €5,407 million

Activity

The improvement in the company's profitability was driven by the passenger transportation and maintenance businesses.

The operating result for the **Passenger networks** business, which improved by €115 million, stood at €289 million¹. The restructuring of the network enabled a 0.9-point improvement in load factor to 84.7%. The increased competitive pressure was reflected in a 0.6% fall in unit revenue on a like-for-like basis², particularly during the second half. The results improvement was solely due to the efforts made on unit costs (down by 1.7% like-for-like) implemented within the framework of the Transform 2015 plan.

As foreseen in the Transform 2015 plan, **Transavia's** growth accelerated during 2014, with revenues for the first time exceeding €1 billion while the operating result approached break-even (€36 million loss). With the transition from 11 to 16 aircraft, Transavia France increased its capacity by 21%.

For its part, the **cargo** business continued to suffer from the economic environment and structural industry overcapacity. Despite significant efforts to reduce unit costs (-1.9% excluding currency), the operating result only improved by €14 million in 2014 since unit revenues also continued to decline (-0.9% excluding currency).

The **maintenance** business saw growth of 3.5% and generated an operating result of €196 million excluding the pilots' strike. At March 31, 2015, the order book reached a new record level of €5.9 billion, a significant increase relative to December 2013.

Analysis of the trend in the operating result between 2013 (+ €130 million) and 2014 (+ €296 million³) shows that the improvement was exclusively due the efforts directed at the reduction in unit costs (€304 million). The effects of the trading environment neutralized each other, between a negative currency effect and a positive fuel price effect, The difficult competitive environment was reflected in a unit revenue, all businesses combined, down by 0.8% (- €180 million).

Financial results of Transform 2015

The 2014 financial year, the final full year of Transform 2015 which had been rigorously executed, had seen significant cost savings. In just three years, the costs per EASK (equivalent available seat-kilometer), excluding fuel, had been reduced by 8%, i.e. more than €1 billion of savings. Thanks to the plan, the Group's main financial aggregates had shown a marked improvement: EBITDA had increased by €670 million, while the operating cash flow before change in WCR and voluntary departure plans had progressed by €960 million in three years.

Combined with strict control over the investment plan, which had averaged an annual €1.3 billion over the 2012-2014 period, these efforts enabled the Group to significantly deleverage. Taking into account

¹ Adjusted for the impact of the strike: -€425 million

² Like-for-like: excluding currency and the impact of the pilots' strike

³ Adjusted for the €425 million negative impact of the strike. Reported result: €(129) million

the hybrid issue realized in early April 2015, net debt stood at €4.68 billion at March 31, 2015, compared with €6.52 billion at December 31, 2011, i.e. a reduction of €1.8 billion. The financial ratios thus saw a strong improvement, the net debt/EBITDA ratio falling from 4.8x at December 31, 2011 to 2.3x at March 31, 2015.

Highlights of the 2015 first quarter

Mr. Riolacci then gave a brief account of the highlights of the 2015 first quarter.

The economic environment remained broadly unchanged on 2014, namely difficult with a significant level of currency volatility impacting the results accompanied, however, by a sharply lower fuel price. Within this context, the “passenger networks” business benefited from strict capacity discipline which limited the decline in unit revenues despite the capacity/demand imbalance in a number of markets. Investment in the move up-market continued: as of March 31, 2015, 37 long-haul aircraft had been equipped with the new products.

The fall in the fuel bill was relatively limited due to a negative currency effect and losses on fuel hedging.

In the 2015 first quarter, the Group’s liquidity was considerably reinforced by a series of transactions, and notably by the disposal of part of the shareholding in Amadeus and a €600 million hybrid bond issue. At March 31, 2015, Air France-KLM had cash of €3.5 billion.

Stock price and relations with individual shareholders

To conclude his presentation, Mr. Riolacci stressed the numerous initiatives implemented in favor of individual shareholders which had resulted in Air France-KLM being awarded 2nd place in the Annual General Meeting Grand Prix in July 2014 and, in December 2014, the Silver Super Award for Shareholder Relations.

He commented on the stock price trend since 2012, highlighting the significant volatility, together with his disappointment with respect to the stock’s performance since the 2014 second half linked to the downturn in the market and the Air France pilots’ strike. He nonetheless remained very confident as to the direction of the stock price over the next few years thanks to the implementation of all the initiatives in the Perform 2020 plan.

Strategy

Alexandre de Juniac took the floor to introduce his presentation with a film on the Group’s multi-brand strategy. Before outlining a number of major strategic orientations, the Chairman shared his vision of the market which he sees facing three challenges:

- **A growth market but in which growth is migrating towards the east**
In 2014, the air transport market grew by 5.9%. The global economic outlook points to a prolongation in this trend over the coming years, although growth is likely to migrate eastwards in that it is expected to be much stronger in the emerging countries (whether Asia or the Gulf States) than in Europe. The European market should, however, also continue to grow, particularly in the leisure market which is served more by the low cost carriers.
- **Increased competition which is sometimes inequitable**
Competition in the industry again increased during the 2014 financial year. It is intense and tough since it is sometimes inequitable. This results from the development of new players such as the Gulf State airlines, who are forcing the European carriers to lobby the authorities to establish a level playing field. These companies operate within highly favorable fiscal, social and regulatory environments: one might even say that these are governmental strategies to promote the development of a local airline sector.
- **A necessary change in the regulatory framework**
The Group is counting on the public authorities to re-establish more equitable market conditions. It is legitimate to support, protect and promote the air transport industry.
While Air France-KLM will naturally pursue its efforts, projects and creativity, a relaxation in the regulations and fiscal conditions specific to the air transport industry along the lines of the ‘Le

Roux' report must be implemented. At European level, to promote the competitiveness of the European air space, the Group is asking for the limitation of regulations imposing additional costs. Secondly, it would like to see an effective and homogeneous legal framework together with a reduction in social charges, along the lines of sea transportation.

Lastly, the European Union should acquire the instruments needed to mount an effective commercial defense against foreign carriers.

Mr. de Juniac then mentioned the Group's strategy to contend with market developments. He started with an update on the Perform 2020 plan, reminding shareholders of its fundamental growth pillars:

- **'Go look for growth where it can be found': in maintenance**

'Let's begin with the maintenance business. As you know, this business is experiencing rapid growth with the order book increasing by 28% in 2014. It has an operating margin above 5%. These are very high added-value businesses in which both Air France and KLM have an extremely high degree of technical capability in France and the Netherlands, with some modest exposure in the United Kingdom, and in which we are global number two world-wide. In view of global fleet development, Air France-KLM needs to pursue its investment to win contracts not only in Europe but also in North America, by far the world's largest maintenance market, over the next fifteen years, and also in Asia which is set to become, but not before another fifteen years, the leading global market. Its development will also involve partnerships and targeted acquisitions.'

- **Long-term partnerships: Skyteam, Delta, GOL**

'The first partnership, the one you all know, is the SkyTeam alliance. It dates back 15 years and is functioning very well in that it is focused on the customer and customer satisfaction, and on facilitating the travel experience for passengers.

Every day, the alliance works to reinforce the links between its airline members. This means SkyPriority for passengers transiting airports, and the SkyTeam lounges which as you know already exist in London and Istanbul, and we are going to open lounges in Dubai, Beijing and Hong Kong, all equipped with the same shared standards of comfort and amenities at the service of passengers. This is one of the key elements that the SkyTeam alliance offers its members for the pleasure and satisfaction of passengers.

The second element of partnership, in the passenger segment: reinforce what already exists and what works. A reminder of our partnership with Delta: the joint-venture we have with Delta, which started with KLM and Northwest some fifteen years ago, represents US\$13 billion of revenues. That is the equivalent of one of our European competitors. It means 25 points of access in North America, 28 in Europe, 300 on-bound destinations in North America, 200 destinations in Europe, Asia and Latin America, 16 million passengers and seven hubs. As you can see, it is a formidably effective tool with a significant level of profitability and a unit revenue which is up, something which in this difficult environment, is remarkable.

The third illustration of partnerships which we are trying to replicate: the partnership with GOL, one of the two major Brazilian carriers, in South America. This is an agreement which was put in place very rapidly, especially since the Brazilian economy is in a difficult situation and the implementation of this agreement can help offset, at least partially, the difficulties we may encounter in Brazil given the economic downturn. This thus means exclusive access to the GOL network, the extension of code sharing with the sale of trans-Atlantic flights with Air France and KLM, through the GOL sales forces and website, thus an extremely fruitful partnership.'

- **Short and medium-haul: Development of Transavia**

'Developing our Transavia low-cost offer, which represents the right tool to address this leisure market in Europe, where there has been a shift in growth. As you know, in 2014, the growth of the low cost carriers was significantly higher than that of the legacy carriers. Low cost market share in Europe will soon exceed 45%. Transavia is a good tool with which to address this market since it is competitive: five euro cents per seat/km. This is comparable with its main low cost competitors. Transavia is a company which, as we outlined earlier, is growing rapidly: we are opening 14 new destinations in 2015.'

In the Summer 2015 season, Transavia France will thus be the leading low cost carrier on departure from Orly. Transavia Netherlands has undergone a very rapid transformation, from a company which had been more oriented towards tour operators to the traditional low cost model. We have ordered 20 Boeing 737s of which 17 under firm order to expand the fleet. The aim is to create one of the largest low cost carriers in Europe with a result at break-even in 2017 and an operating margin which should, in time, reach 5%.

Mr. de Juniac then outlined the main points of Perform 2020's strategy aimed at winning back market share:

- **Move up-market**

'Why are we engaged in a move up-market? Not just for fun but because we operate out of a high-cost country. If we were to embark on a race with our competitors who offer high-quality services purely and simply on the basis of costs I think that we would find winning very difficult.

Know simply that the first satisfaction surveys on this very considerable level of investment show a doubling in the satisfaction indicators at both Air France and KLM. We were at 4.5/10, which is let's say, mediocre and are now at 8.2/10 for Air France and KLM, which is very good, 7.5/10 being the threshold moving into the top category.'

- **Creation and regrouping of HOP! Air France**

'The second element in this quest to win back customers in the French domestic networks, is the creation and regrouping of HOP! Air France for all our destinations either on departure from Orly or on departure from the French provincial cities, for domestic and regional flights, towards Paris or towards neighboring European countries. Here too you will no doubt have seen a launch campaign which has been running since late March 2015. We have relaunched the HOP! Air France product to compete with the other modes of transportation with which you are familiar and which are developing: car pooling, rail and soon coach services. To make the aircraft a form of transportation in France and in neighboring European countries which is extremely comfortable and appreciated by passengers. Currently, for those who arrive from or live in the French provinces, you are going to see HOP! Air France teams travel the length and breadth of France to explain how comfortable, enjoyable and easy it is to fly in France.'

Before concluding the section on Perform 2020, Mr. de Juniac highlighted the four key priorities of the third dimension of the plan, cost savings:

- **Cost reduction targets**

'To improve our competitiveness so that we can weather the storm we are traversing and rise to the competitive challenges, we have set ourselves a target of reducing our costs by an annual 1.5%, i.e. 4.5% by 2017. This is a minimum. It is a level that we have set ourselves for the whole Group. This target corresponds to an effort along the lines of the Transform 2015 plan and applies to all the activities in both companies: passenger transportation, cargo, maintenance, long-haul, short and medium-haul. Clearly this concerns all of our activity.'

- **A collaborative approach with employees**

'Firstly we have begun to realize benchmarking exercises that we have circulated to all staff. Next we brought employees together, business by business, in some 500 workshops involving around 10,000 participants, to welcome their suggestions, ideas and proposals. 20,000 ideas were submitted of all kinds on all subjects: streamlining of the processes, industrial standardization, development of the client-centric culture, abolition of hierarchical layers, and improvement in service quality. All the ideas and all the areas were covered. All these proposals will be factored into the cost-saving measures that we shall propose and that we have already started to put on the table within the framework of the Perform 2020 plan.'

- **Social approach**

'We plan to build the Perform 2020 plan on a dialogue similar in nature to the one we engaged with Transform 2015 which had been the approach adopted by my predecessors. There can be no Perform 2020 plan without the strong commitment of all the Group's staff and without an equitable, open and rigorous negotiation with the employee representatives. We are committed to this and we are sure that these representatives will understand the efforts which need to be made and the aims of the negotiations we have to undertake.'

I'd like to take this opportunity of an update on the workplace dialogue to mention the industrial unrest with the Air France pilots last September. As you know, this unfortunate event gave rise to one of the longest and most costly strikes in the company's history. We were not about, and the Board of Directors gave us their full backing on this, to see Transavia (which was the subject of this dispute) embark on an adventure which would have led to disaster and thus send the Group, along with you its shareholders, on a venture with no future. It is for this reason that we did not want Transavia's growth to be based on the Air France conditions. And despite this dispute which was hard-fought, I wanted to stress the fact that workplace dialogue was pursued contrary to what I have read here and there. Since scarcely two months after the end of this dispute, as of early December, we had negotiated an agreement with the pilots' representatives. This was put to the vote by the Air France pilots' community and was approved. Thus, the workplace dialogue, which had effectively suffered a hard blow at the time of the dispute, never stopped and continued to produce its effects, including during and after the strike with all the categories of staff.'

- **Calendar**

'For KLM, negotiations began in late December given the limited duration of the collective labor agreements governing KLM. A first period of agreements covers the eighteen-month period between January 1, 2015 and June 30, 2016. This negotiation has begun to bear fruit with the ground staff and is on-going with the pilots and cabin crew.'

For Air France, negotiations began in early May due to the professional elections which took place in March, and should continue until September or October when, depending on the results, a decision point will be established. It is very important that this workplace dialogue and these negotiations unfold in the best possible conditions, neither too slowly (we don't have time) nor too fast so as to leave time to negotiate and implement an effective and competitive set of agreements.'

Mr. de Juniac then concluded the strategy section as follows:

'As you have seen, we are facing some very difficult, not to say immense challenges. Our goals in the face of these challenges are ambitious: remain amongst the world's leading airlines, obviously, with an international foothold, intercontinental, a very strong network and European foundations but with, as you will have seen and understood, even more determination to succeed and to implement, under the supervision of your Board of Directors, a strategy that we believe to be win-win.'

Dialogue with shareholders

Accompanied by Mr. Elbers (President and CEO of KLM), Mr. Gagey (Chairman and Chief Executive Officer of Air France), Mr. Riolacci (Chief Financial Officer) and Le Pape (Corporate Secretary), Alexandre de Juniac then opened the dialogue with shareholders attending the Meeting in person, the answers to the questions in writing having been posted online at the www.airfranceklm.com website as of the start of the Meeting, pursuant to law.

The themes addressed in this dialogue lasting one hour were mainly the Group's strategy and its sustainable development policy. A number of employees and former employees took advantage of the Shareholders' Meeting to question the management on the workplace negotiations. 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 relating to the human resources strategy within the framework of the Perform 2020 plan, and more specifically on any compulsory redundancies.

Alexandre de Juniac said that the Perform 2020 plan was the successor to Transform 2015. The Group is currently engaged in negotiations with the unions to achieve a reduction in costs, as mentioned in the Strategy section of the presentation. When these negotiations have arrived at a stage which is sufficiently precise, the Group's employees and their representatives will be the first to be informed. It is not possible to communicate on the detailed measures at this stage, as the negotiations are still under way.

Question relating to the strategy adopted by the Group with regard to Alitalia following the recent increase in the Etihad shareholding.

Alexandre de Juniac reminded those present that the Group had held 25% of the Alitalia share capital until the autumn of 2013, the date on which Air France-KLM decided not to participate in the capital increases which were vital to ensuring Alitalia's survival. Since then the Abu Dhabi-registered company has acquired a 49% stake in Alitalia. Air France-KLM's remaining shareholding is currently below 1%.

Secondly, Alitalia has publically stated its view that the partnerships concluded with Air France-KLM might have limited its ability to expand, and that it may terminate them as of January 1, 2017. Negotiations are thus under way with the Italian company to see to what extent Air France-KLM might maintain, develop or terminate the partnerships it has with Alitalia.

Question relating to the choice of the US manufacturer's Boeing aircraft for the Transavia low cost subsidiary to the detriment of Airbus and, consequently, the European economy.

Alexandre de Juniac stipulated, firstly, that the Group's low cost subsidiary, Transavia, is effectively equipped with Boeing 737-700s and 737-800s. He stressed that one fundamental criterion of the low cost business model is to have a homogeneous fleet to minimize operating and maintenance costs. Once the company has a fleet in a certain model, it is very costly to change this since you would have to replace the entire fleet. It is for this reason that the Group chose to pursue Transavia's growth based on the Boeing 737, which had been the model used by Transavia Netherlands, and had been adopted for Transavia France.

Question on the stock's disappointing stock market performance over the past year despite the promise of a serene future.

Alexandre de Juniac said that he had not promised a 'serene' future but 'an extremely difficult period with adaptation measures which would have to be tough and courageous'. The targets in the Transform 2015 plan had been reached in terms of the company's turnaround. However, the

environment has become a good deal more difficult and a second stage, the Perform 2020 plan, now needs to be realized: with reference to Mr. Riolacci's presentation, Mr. de Juniac explained that an improvement in the share price should follow a results improvement.

Pierre-François Riolacci supplemented this answer by stipulating that the rise in the stock price would only build on the confirmation of the Group's ability to adapt to this difficult environment, through the implementation of the Perform 2020 plan.

Sustainable development

Question from the Dutch association VBDO: According to our understanding, by 2020 KLM plans to offer only products which are derived from sustainable and fair trade sources on board flights on departure from Amsterdam. As regards the suppliers, does the 'fair trade' appellation also cover the social aspects?

Pieter Elbers said that KLM's goal is effectively to offer 100% sustainable catering on flights on departure from Amsterdam by 2020. This project has four main points: a choice of responsible and equitable products, a reduction in packaging, a reduction in the energy consumed in production and, lastly, particular attention to be paid to high standards of animal husbandry. Mr. Elbers stressed that KLM already pays particular attention to its sourcing of fish, palm oil and soya-based products. This is why KLM is a member of a round table on palm oil and 'responsible soya' to be able to offer certified products on board its aircraft. KLM will naturally continue to work with all food industry bodies to achieve its objective by 2020.

Digital revolution

Question relating to the place the digital revolution occupies in the Group's strategy and the Perform 2020 plan.

Alexandre de Juniac stressed that digital is effectively a key factor in the transformation of many companies, and particularly Air France-KLM. The Group is investing massively in this area, to both modernize its IT tools and upgrade its websites, and in developing and training the teams who work on the social media. Around 150 people are, for example, responsible for Twitter and Facebook to be able to respond to more than a million 'followers'.

Pieter Elbers then mentioned KLM's a substantial investment in this universe: the equipping of flight crews with iPads. This tool enables them to handle various problems and find appropriate solutions when the customer is still on board, to secure customer loyalty and sell add-on options such as upgrades on board. KLM also offers a customer service in 12 languages on the social media, available 24/7, with a commitment to responding within the hour.

Concerning Air France, **Frédéric Gagey** stipulated that the ground experience (automated check-in, obtaining baggage tags, etc.) is also experiencing a 'digital transformation.' He highlighted the importance of visibility for the company on the internet: specialized teams are permanently at work to ensure Air France's positioning in search engines. He added: *'For all of us, digital is absolutely everywhere. This is a major preoccupation across the whole Air France-KLM group.'*