

Roissy, 9 April 2020

Air France-KLM Group, Air France and KLM are holding in-depth discussions with their respective governments and financial institutions

From the start of the COVID-19 crisis, the Group has implemented adequate measures to protect its passengers and staff, as well as to preserve its financial sustainability.

In view of increasingly strict measures taken by many countries, including restrictions on travel opportunities or border closures, the Air France-KLM Group has drastically reduced its flight activity, which over the next few months should be less than 10% of last year's level.

The Group has implemented strong measures since the beginning of the crisis which include, amongst others:

- Negotiation with governments of payment deferral for taxes (civil aviation, solidarity...), social contribution and various charges;
- Negotiation with lessors and airports of payment deferral;
- Cost reduction measures, estimated at this stage at €500 million in 2020, an increase of €300 million compared to previous announcements ;
- The possibility of early retirement of certain sub-fleets of aircraft;
- Implementation by Air France of partial activity measures and application by KLM for the 'Temporary Emergency Bridging Measure for Sustained Employment' (NOW), with an impact estimated at this stage at around €1.1 billion for 2020;
- Review of the investment plan to reduce the capital expenditure plan by €700 million in 2020, an increase of €350 million compared to previous announcements, to which will be added the impact of the decline in own and third-party activity on the amount of maintenance investments.

In solidarity with the all employee groups, the Air France-KLM Board members, Chair and CEO will also participate in the effort in line with the measures applicable to the employees of the Group, with a similar reduction of their remuneration.

As the crisis continues, the conditions for a recovery remain uncertain, both in terms of our air operations, but more generally in terms of the timetable for economic and demand recovery.

Our current best estimates, incorporating the above-mentioned measures, show that in the absence of additional financing, a liquidity requirement is expected in the third quarter of 2020.

As a result, the Air France-KLM Group, Air France and KLM, have entered into in-depth discussions with their respective governments and financial institutions in order to grant the resources that will enable them to secure and sustain adequate levels of liquidity by all means, notably within the framework of the European Commission's Temporary Framework on State Aid in force published on 19 March 2020.

At this stage, given the various options currently being considered and the quality of the discussions with the two States and financial institutions, the Air France-KLM Group is confident that it will be able to obtain additional financing to meet all its future financial obligations and enable it to ensure the recovery of its activity beyond the current crisis.

"We are facing an unprecedented crisis affecting without exception the airline industry, which is causing a great deal of uncertainty about the outlook for air transport," said Benjamin Smith, Chief Executive Officer of Air France-KLM. "Since the beginning of this crisis, the Air France-KLM Group has done everything possible to ensure the health safety of its employees and customers and, on the financial side, to preserve its short-term liquidity and prepare for the future. Emergency measures have been rapidly implemented to reduce our costs and investments. I salute the exceptional commitment of our employees, who are giving their best in these difficult times, particularly the operational teams who are enabling the repatriation flights of our fellow citizens, as well as the transport of medical equipment to France and the Netherlands. It is now clearer than ever that support from our both Dutch and French governments is needed to meet our cash requirements and enable us to continue our operations once the crisis is over. Discussions with them and financial partners are ongoing,

and I am confident in their willingness to support us and the future of the Air France-KLM Group, a key player for employment and the greater economies of our two nations, whose flags our airlines fly around the world. "

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