



Analyst and Investor Day



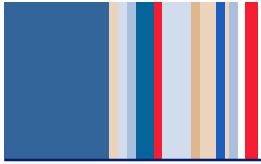
20th January 2003

Current Issues

2003, the Year of Privatisation



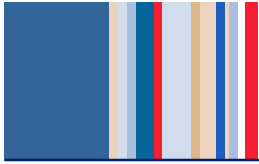
Philippe Calavia
Chief Financial Officer



Privatisation of Air France

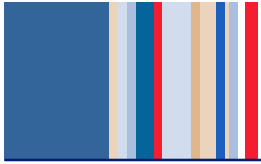
/// An operation

- ▶ decided by the French Government in July 2002, in agreement with Air France
- ▶ a logical extension of the 1999 IPO
- ▶ requiring accompanying legislation



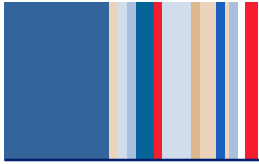
A Draft Law in 4 Parts

1. Protecting Air France's air transport licence and traffic rights
2. Providing a two-year transition period for the transfer of collective agreements from public to private status
3. Composition of the Board of Directors
4. Extending the shares-for-wage concessions scheme



A Draft Law in 4 Parts

1. Protecting Air France's air transport licence and traffic rights
2. Providing a two-year transition period for the transfer of collective agreements from public to private status
3. Composition of the Board of Directors
4. Extending the shares-for-wage concessions scheme

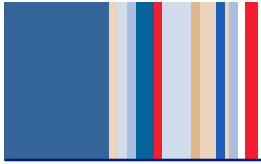


Current Legal Framework

- ⚡ EU Council Regulation No.240792 governing air transport licences
- ⚡ Bilateral inter-governmental agreements



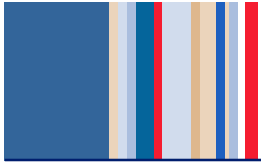
Current legislation limits degree of foreign airline ownership



Shareholder Control Mechanisms in Europe

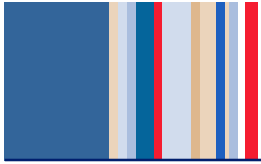
- /// Compulsory sale of shares
 - ▶ Lufthansa
 - ▶ British Airways
 - ▶ Iberia

- /// Specific share/Golden Share
 - ▶ KLM
 - ▶ Iberia



Shareholder Control Mechanisms for Air France

- ⚡ Shareholder monitoring mechanism
- ⚡ Mechanism for alerting shareholders
- ⚡ Mechanism for compulsory sale of shares

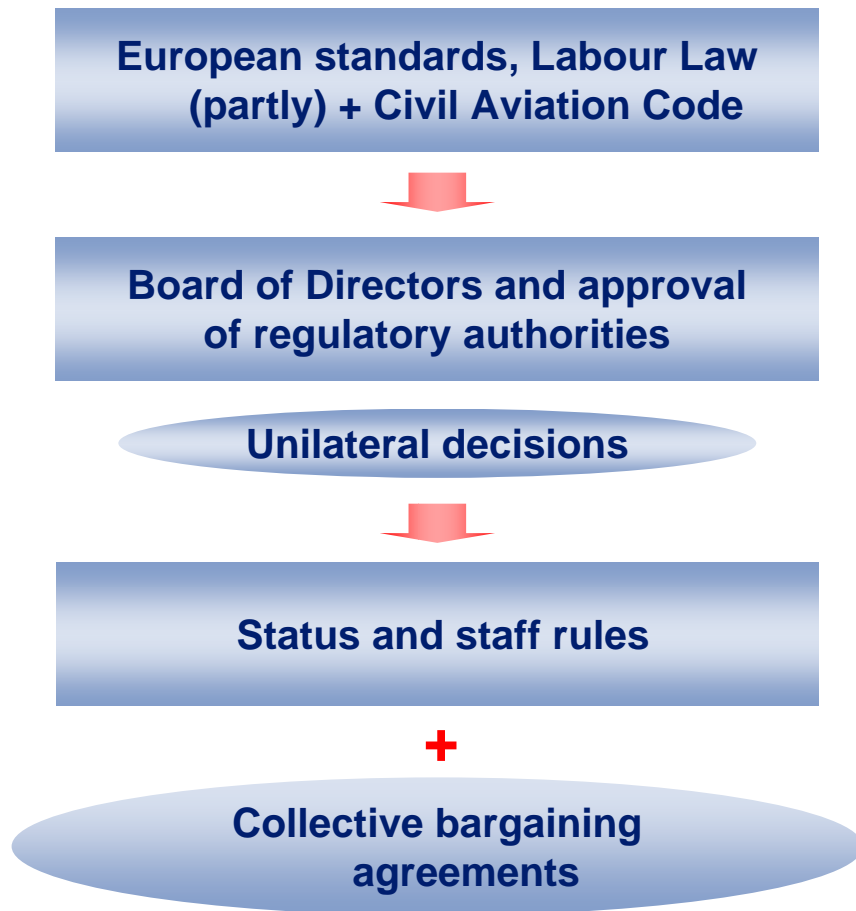


A Draft Law in 4 Parts

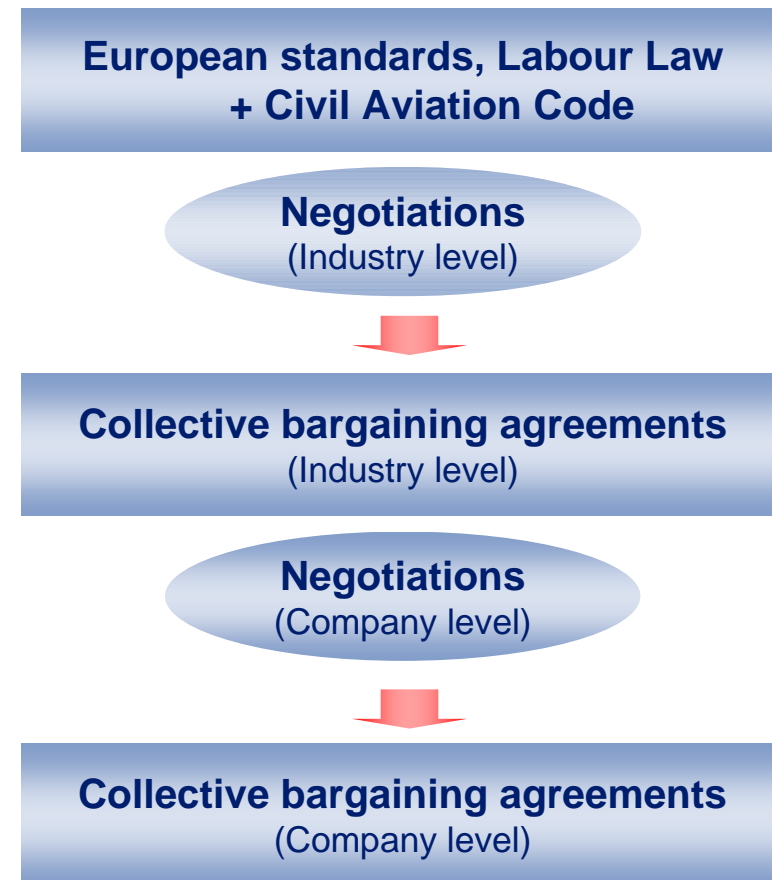
1. Protecting Air France's air transport licence and traffic rights
2. Providing a two-year transition period for the transfer of collective agreements from public to private status
3. Composition of the Board of Directors
4. Extending the shares-for-wage concessions scheme

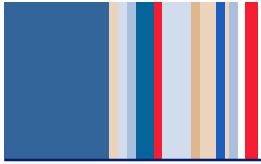
Status and Collective Bargaining Agreements: Decision-Making

Current system



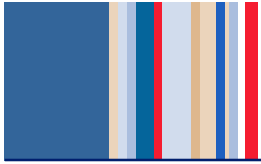
Future system





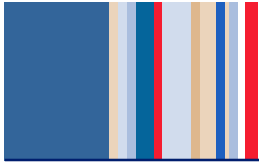
Change of Employee Status

- ⚡ Current employee status maintained for two-year period...
- ⚡ ... to enable management and unions to negotiate the transposing of current rules into future collective bargaining agreements



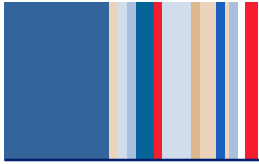
A Draft Law in 4 Parts

1. Protecting Air France's air transport licence and traffic rights
2. Providing a two-year transition period for the transfer of collective agreements from public to private status
- 3. Composition of the Board of Directors**
4. Extending the shares-for-wage concessions scheme



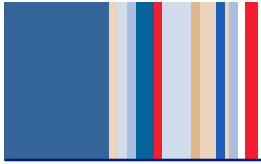
Current Board of Directors

- /// 6 State representatives
 - ▶ appointed by decree
- /// 5 “qualified individuals”
 - ▶ appointed by decree
- /// 2 representatives of shareholders other than the French State and employees
 - ▶ appointed by the Shareholders’ General Meeting
- /// 2 employee shareholder representatives
 - ▶ appointed by the Shareholders’ General Meeting
- /// 6 employee representatives
 - ▶ 1 manager
 - ▶ 3 non-managerial staff
 - ▶ 1 flight deck crew member
 - ▶ 1 cabin crew member



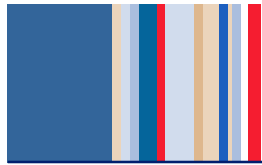
Post-Privatisation Board

- /// Continued employee representation
 - ▶ 6 employee representatives
 - *1 manager*
 - *3 non-managerial staff*
 - *1 flight deck crew member*
 - *1 cabin crew member*
 - ▶ 2 employee shareholder representatives
 - *including 1 flight deck crew member*
- /// Board of Directors appointed by the Shareholders' General Meeting
- /// Current Board composition maintained until Shareholders' General Meeting confirms transfer of shares



A Draft Law in 4 Parts

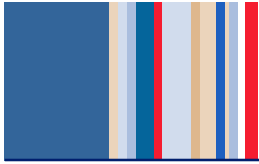
1. Protecting Air France's air transport licence and traffic rights
2. Providing a two-year transition period for the transfer of collective agreements from public to private status
3. Composition of the Board of Directors
4. Extending the shares-for-wage concessions scheme



Employee Investment in 1999 IPO

	General Employee Offering	Shares-for-salary concession scheme*
Subscribing employees	46,900	2,800
Participation rate	>72%	79%
Shares requested (in million)	17	14
Subscription rate	2.5 times	nm

* pilots only



Future Employee Access to Share Capital Scheme

- /// General Employee Offering
 - ▶ open to all employees...
 - ▶ limited to 15% of the global offering

- /// Share-for-wage concessions scheme
 - ▶ open to all employees...
 - ▶ limited to 6% of Air France's equity



Legal Process and Timeframe

July 2002: privatisation project announced



Adoption by the Government

18 December 2002



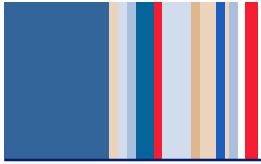
Examination by Parliament

As from 12 February 2003
+ “debate by both Houses”
~ 10 weeks



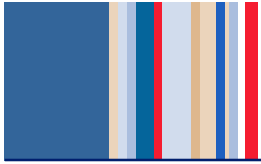
**Passing of legislation and issuance
of application decrees**

~ March-April 2003

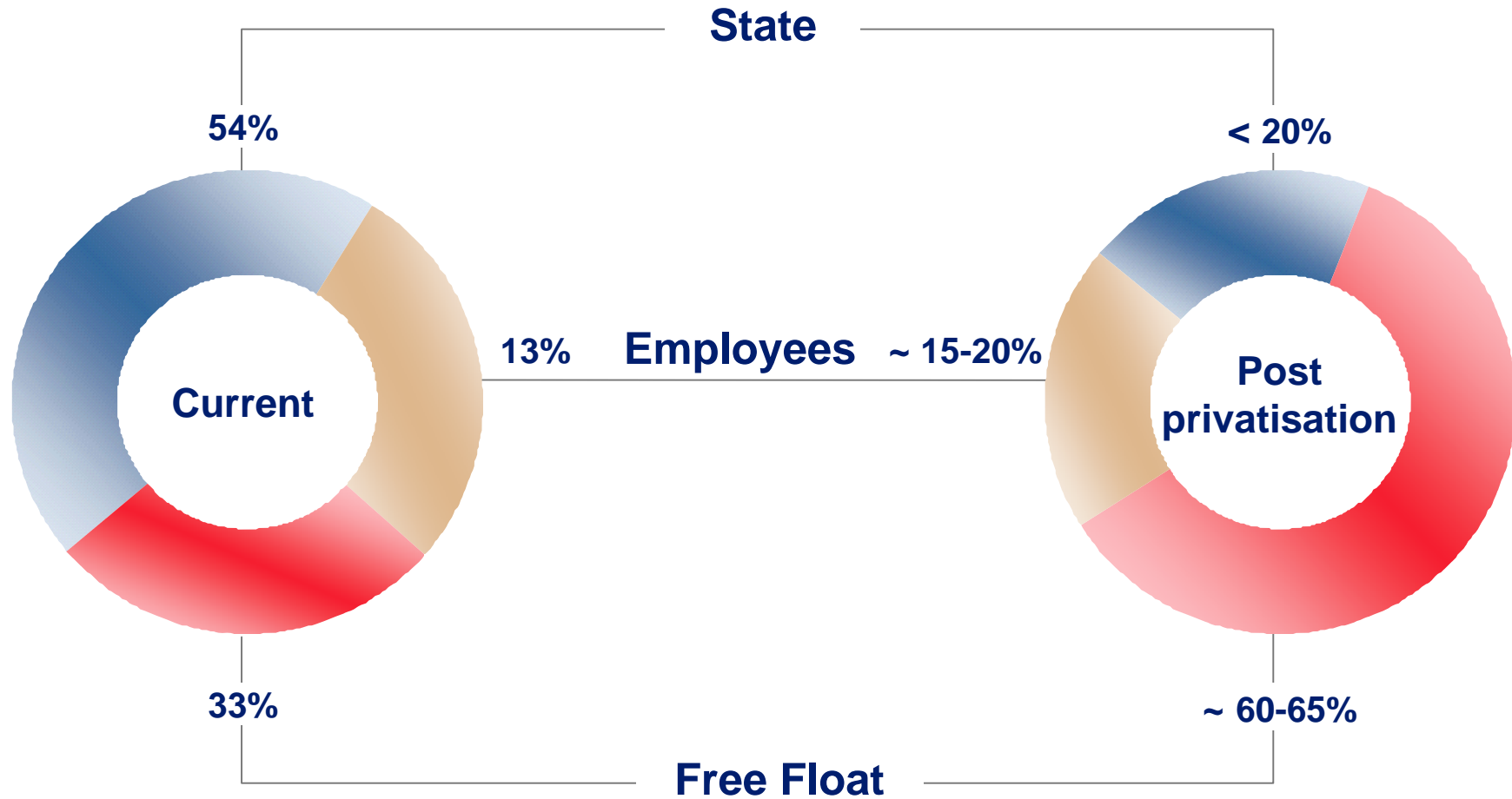


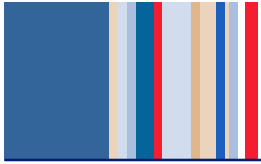
Terms of Offering

- /// The share offering will be open to:
 - ▶ Institutional investors
 - *International Offering*
 - ▶ Individual investors
 - *Public Retail Offering*
 - ▶ Employees
 - *Employee Offering*
 - *Shares-for-wage concession scheme*



Changes in Shareholder Structure





Conclusion

- ∕ Freedom to forge equity partnerships
- ∕ Access to financial markets



Business Focus

Route Profitability Analysis: Revenue and Cost Considerations



Jean Sanlaville

Vice President Corporate Controlling



Route Profitability Analysis: A Key Tool

Global Company P&L

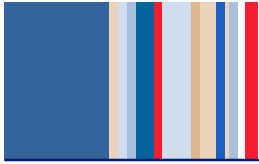
- /// Overall economic and financial results
- /// Global cost structure

Detailed Profitability Analysis

- /// Individual product profitability
- /// Detailed economic results broken down by category of product (long-haul/medium-haul, First / Business / Economy, etc.)

Unique database allowing:

- ▶ strategic orientations
- ▶ simulation work



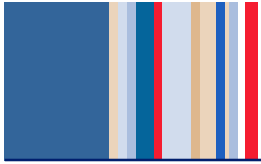
Air France Economic Management: Two Basic Options

Business Unit Performance Monitoring

- Year-on-year and on-going vs. budget measurements
- Business entity performance contract: unit cost management
- Major expenses monitoring (e.g. labour costs)

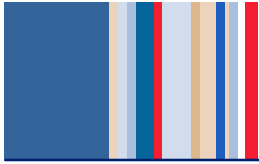
Route Profitability Analysis

- Management of individual route economy
- Visibility of high margin and unprofitable routes
- Decision tool for targeted actions (e.g. commercial policy, discontinuation of routes, etc.)



Air France Route Profitability Analysis Principles

- /// The Air France route profitability analysis system has been built around some basic principles
 - ▶ Consistency with Company economic data
 - ▶ Availability of data at the requested level from the flight number/day to the total business scope
 - ▶ Visibility of the cost breakdown and cost allocation rules
 - ▶ Use of a pre-established set of unit costs

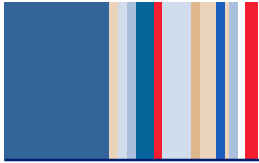


From Air France Economics to Route Profitability

First step

- ⚡ Company breakdown by key business
 - ▶ Passenger
 - ▶ Cargo
 - ▶ Maintenance and overhaul
 - ▶ Other

- ⚡ Economic data by key business includes
 - ▶ Specific external revenues by key business
 - ▶ Internal revenues / costs in key businesses
 - ▶ Special external costs by key business
 - ▶ External overhead costs to be split by key business



From Air France Economics to Route Profitability

	Pax	Cargo	MRO
External revenues	●	●	●
Internal revenues	○		○
Internal costs	○	○	
Specific external costs	●	●	●
Allocated external costs	●	●	●

➡ Allocation to cargo business of passenger aircraft operating costs relative to the carriage of freight

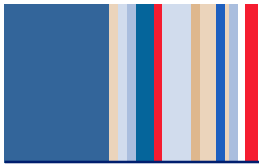
➡ Maintenance costs billed to pax (passenger aircrafts) and cargo (freighter aircraft)



From Air France Economics to Route Profitability

Second step Breakdown of key-business P&L items

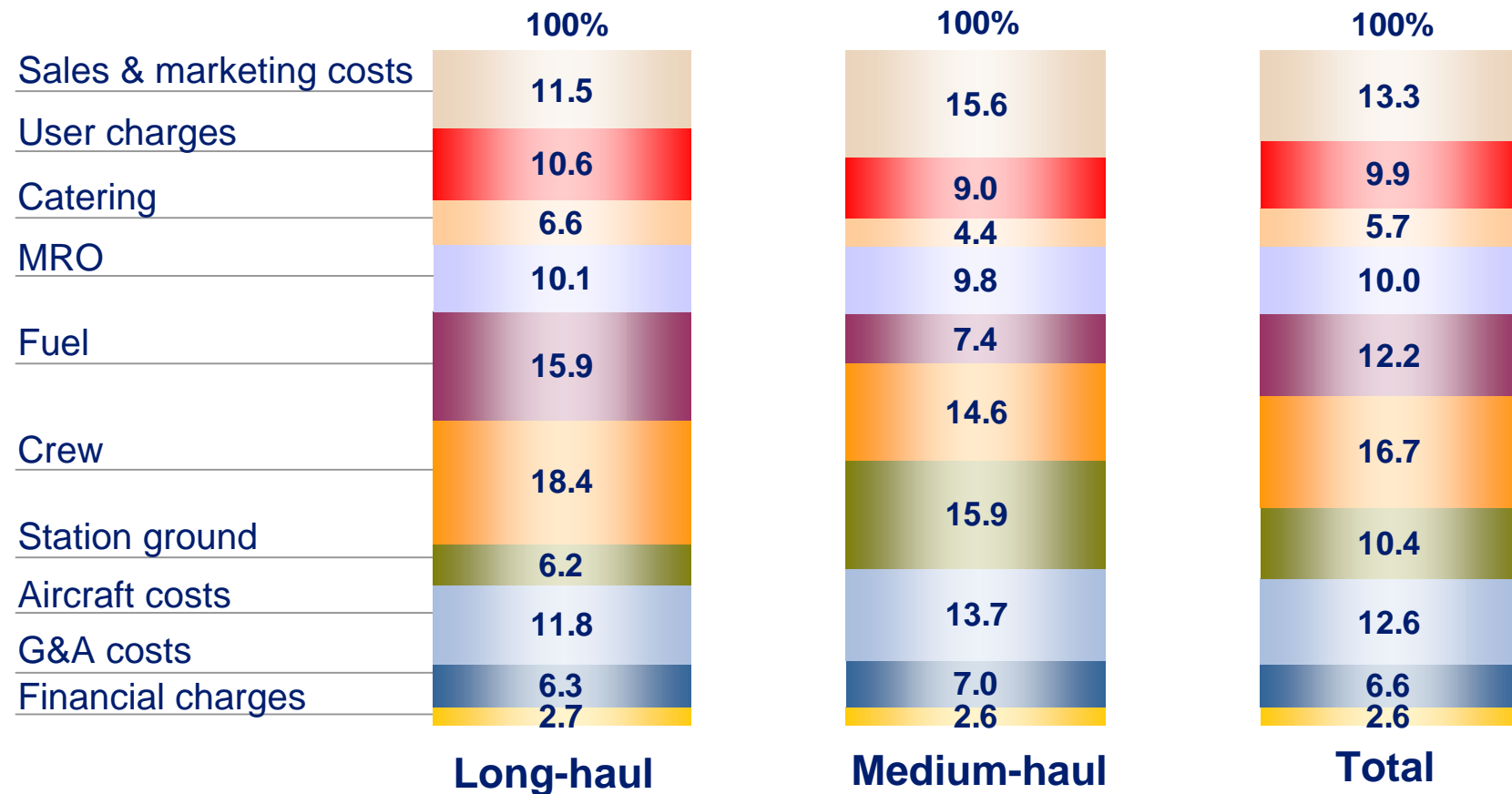
- ∥ Passenger
 - ▶ Non core-business revenue / costs (ground OPS)
 - ▶ Passenger transport business analyzed by route
- ∥ Cargo
 - ▶ Non core-business revenue / costs
 - ▶ Freight carriage on passenger aircraft by route and by customer
 - ▶ Freight carriage on freighters by route and by customer
- ∥ MRO
 - ▶ Economic analysis by order and by product range

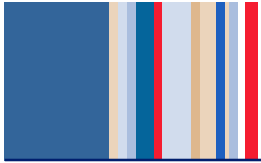


Cost Breakdown

Passenger business: route profitability analysis format

Cost breakdown by key expense

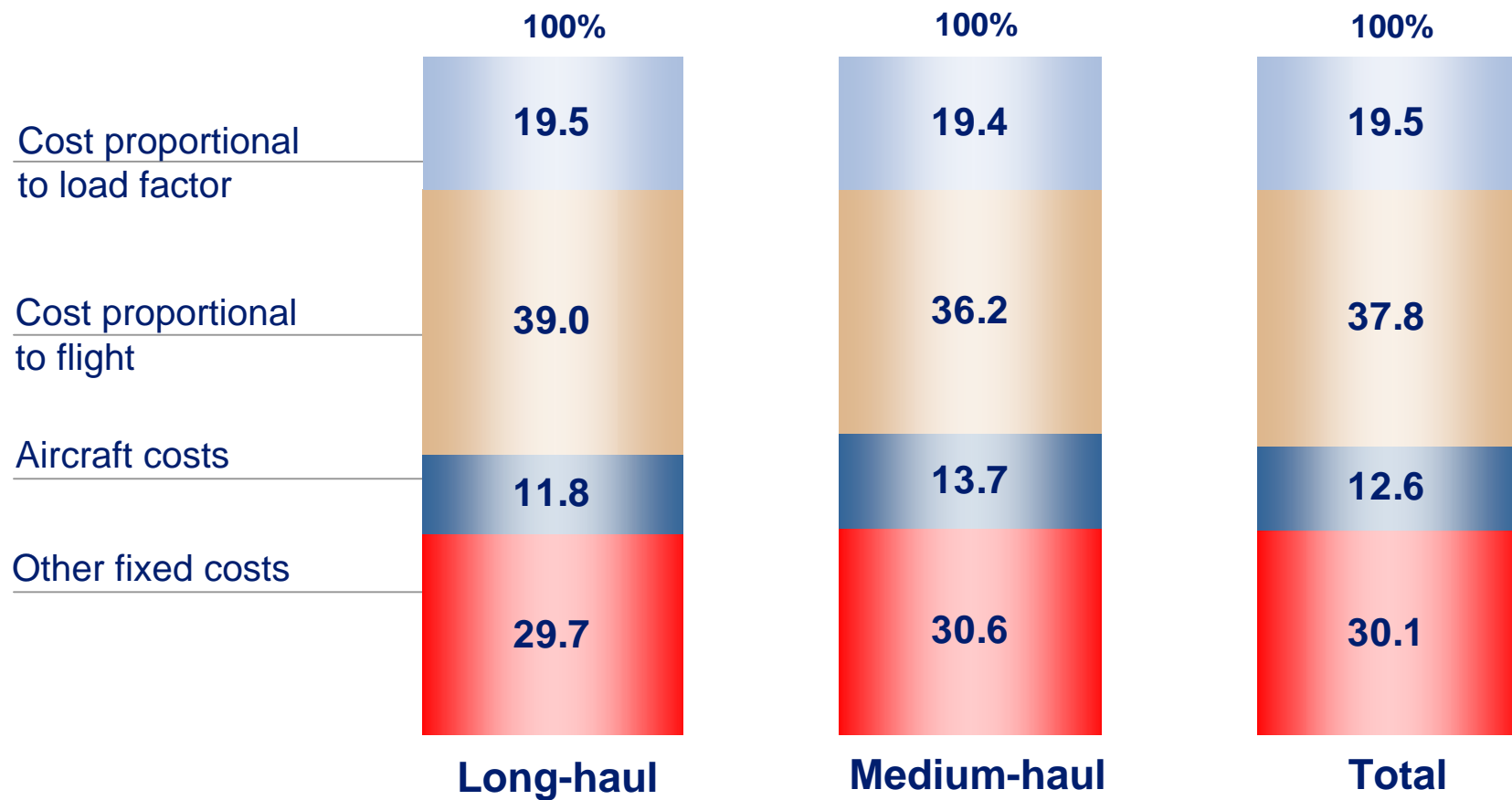




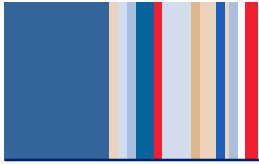
Cost Breakdown

Passenger business: route profitability analysis format

Cost breakdown by variable/fixed item

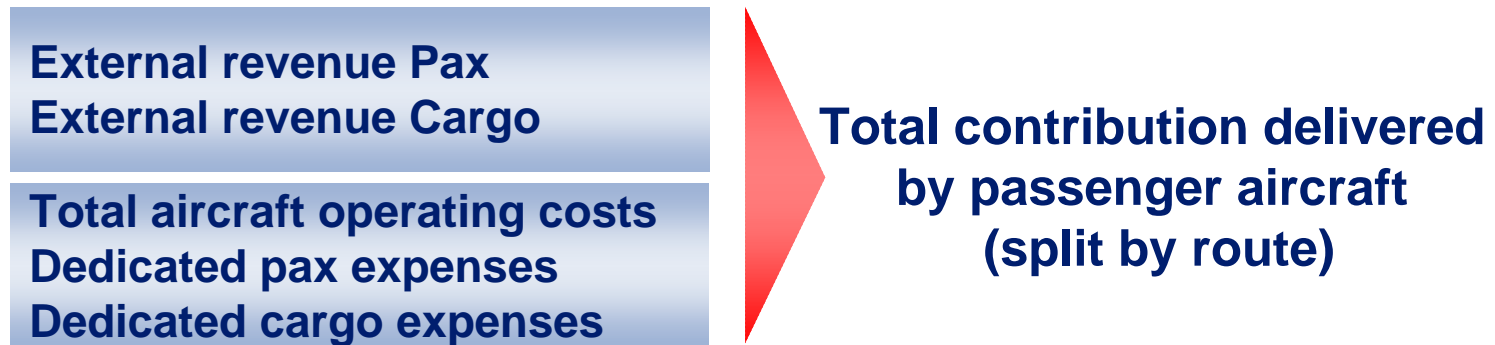


ARA 2002 summer season



Route Profitability Analysis

- Transparent pax-cargo analysis for passenger aircraft



- Network factor

- ▶ Profitability computed by route, not by each origin/destination item
- ▶ Contribution to network to be added to a specific route result

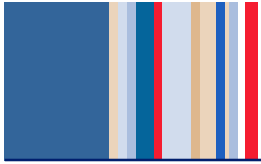
Business Focus

Route Profitability Analysis: Revenue and Cost Considerations



Bernard Peiron

Vice President Network Planning & Scheduling



The ARA System

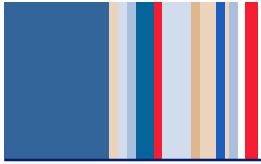
- /// A unique monitoring tool for the company:
 - ▶ Same global vision and figures shared between the different actors
 - ▶ Performance assessment per business unit
 - ▶ Transversal analysis (fleet, regions, alliance profitability)



From Global to Specific Issues

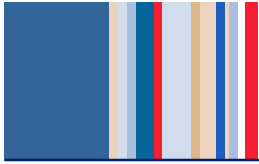
/// An answer for each need

- ▶ High-vision level
 - *Global network profitability*
- ▶ Transversal level
 - *Fleet profitability*
 - *Long-haul / short-haul activity monitoring*
 - *Performance by region*
 - *Operating / marketing*
 - ...
- ▶ Detailed level
 - *Route profitability per*
 - Aircraft,
 - Flight number,
 - Cabin
 - ...



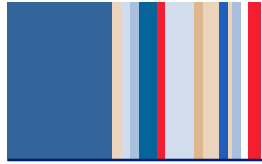
Decisions and Actions to Be Taken

- ⚡ For the network planning and scheduling activity
 - ▶ Reactivity and accuracy
- ⚡ On the long/medium-term
 - ▶ Network planning activity
 - *future schedule patterns, fleet plan, route development, aircraft capacity...*
- ⚡ On the short-term
 - ▶ Scheduling activity
 - *fleet assignment, current schedule pattern scenarios ...*
- ⚡ During the operational phase
 - ▶ Regulating activity
 - *Adaptation to ad-hoc situations*



Periodicity and Delay

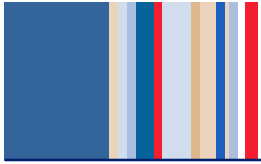
- /// Accumulated monthly results within a short time allow
 - ▶ On-going analysis of route performance
 - *Revenue: unit revenue (RRPK, RASK), load factor...*
 - *Costs: fixed and variable costs*
 - *Operating margin*
 - ▶ Quick feed-back and action
 - ▶ Network planning decision models updated with accurate and reliable data



Route Analysis Complexity: Revenue/Costs Assignment Accuracy

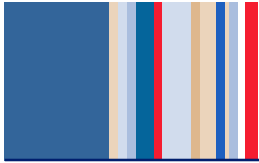
- /// In a hub structure network
 - ▶ How to split revenues between the feeding and the continuing routes?
 - ▶ How to differentiate point-to-point from connecting traffic?
 - ▶ How to breakdown aircraft costs between routes using the same fleet?
 - ▶ How to split costs between a “peak time” and an “off-peak time” flight using the same aircraft?

- /// Within the alliance, how to isolate revenues and costs regarding each partnership agreement?



Route Analysis Complexity: Global Network Optimisation

- ⚡ Feeding routes (short-haul) may not be profitable by their own...
- ⚡ ...but improve long-haul profitability by adding high contribution
 - ▶ Network contribution ratio
- ⚡ Global margin improvement doesn't result from the sum of local optimisation
 - ▶ To maximize the global performance, fleet assignment may penalize one specific route



Example of a European Route: CDG XXX

ARA results

Gross revenues	48.6 M€
Pax related costs	9.5 M€
Legs related costs	21.7 M€
Other direct costs	9.2 M€
Ownership costs	4.2 M€
Overhead costs	3.5 M€
EBIT	- 1.4 M€
Profitability	0.972
Total pax	257,771
Connecting pax	107,363
Connecting rate	42%
Network contribution	25.9 M€

- /// 25% of this network contribution is not substitutable
- /// Without connecting passengers the loss of revenue on other routes would be 4.1 M€ (3 times the deficit of the route)



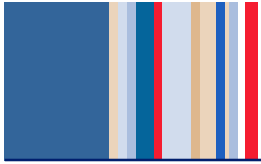
The Hub

Air France's Hub Strategy



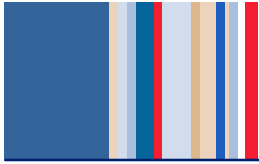
Pascal de Izaguirre

Executive Vice President Ground Operations

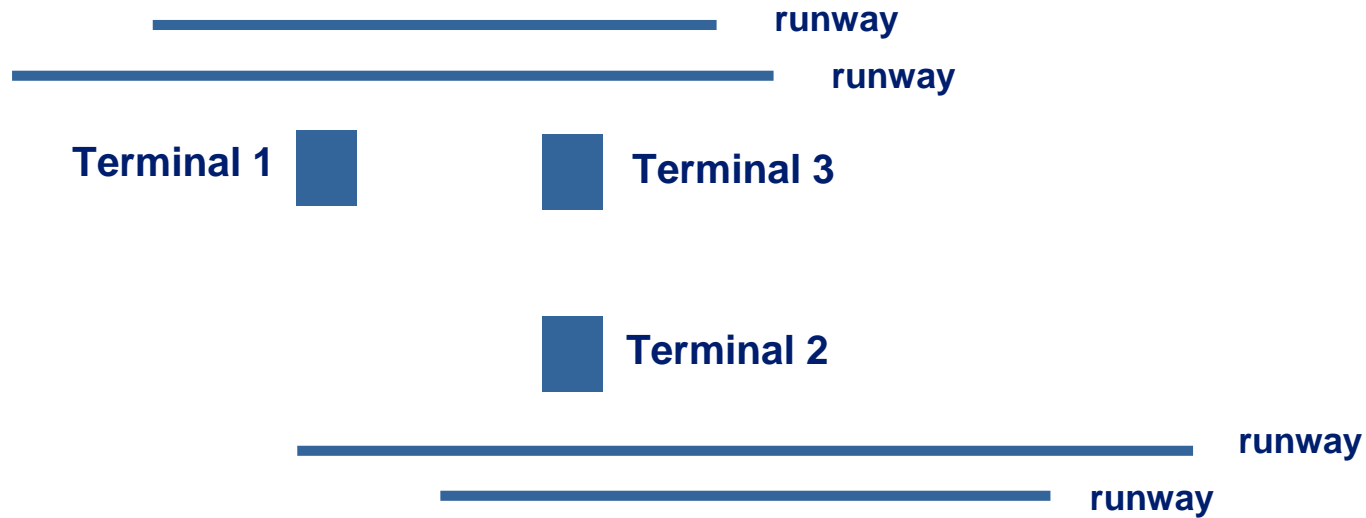


Air France's Hub Strategy

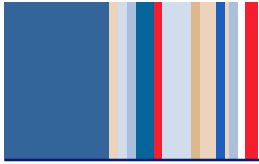
- /// **Current situation**
- /// Current issues
- /// Future developments



CDG Today



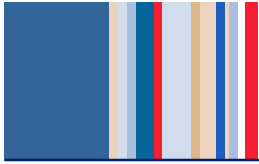
- A system of dual runways which is considered the most efficient concept, as can be seen at the Atlanta hub in the United States
- And unique land development potential for the building of new terminals



2002 Airport Traffic Comparison

- /// **CDG: 48.3 million passengers**
 - ▶ Terminal 1: 10.4 million passengers
 - ▶ Terminal 2: 34.8 million passengers
 - *including 30.9 million for Air France and partners*
 - ▶ Terminal 3: 3.1 million passengers

- /// **Orly: 23.1 million passengers**
 - *including 13 million for AF*



CDG Capacity

Current situation

- > 4 runways: 3 runways simultaneously operational
- > Reorganization of terminal airspace (April 02)
 - Decongestion of airspace for CDG arrivals
 - Improved on-time performance



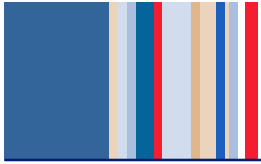
Current capacity (Summer 02) = 101 mvts/hr at peak times
501,550 movements a year in 2002 including 58% by Air France and its partners

Short-term improvements

- > New control tower (Summer 04) enabling the fourth runway to go into operation

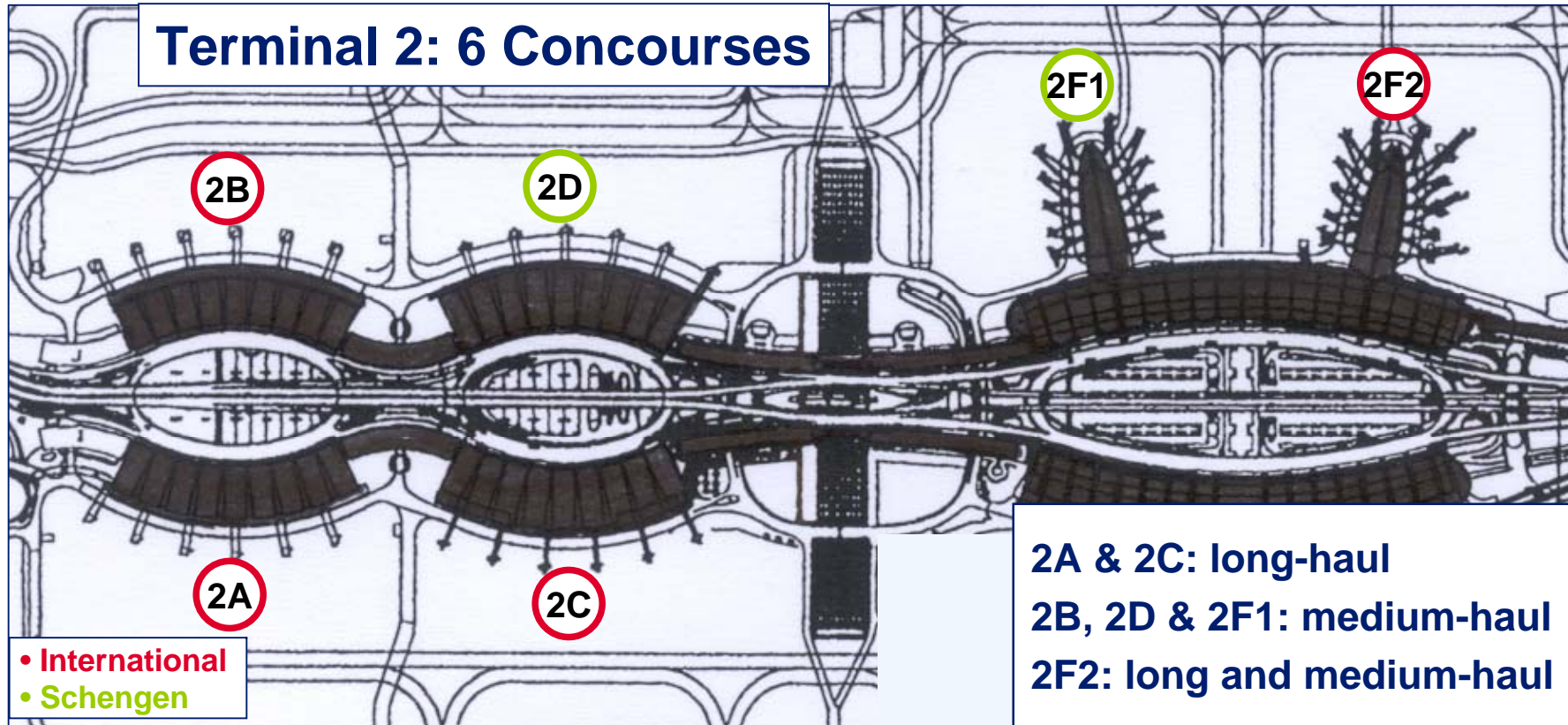
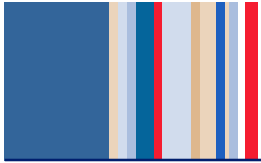


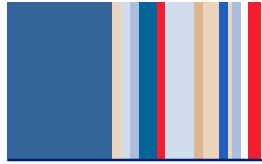
Announced capacity = 120 mvts/hr by summer 2004 at the earliest



Key Dates in CDG Development

- 1974: Opening of CDG1
- 1981→1982: Opening of Terminal 2B
- 1982: Opening of Terminal 2A
- 1989→1991: Opening of Terminal 2D
- 1993: Opening of Terminal 2C
- 1994: Opening of TGV station
- 1998: Opening of Terminal 2F1
- 1999: Opening of Terminal 2F2

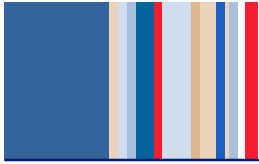




Division of Roles Between ADP and Air France

- /// Terminal 2 is owned by the Paris Airports Authority (ADP)
 - ▶ ADP makes all the necessary investments for the development of this terminal
 - ▶ ADP carries out all basic maintenance of equipment and provides cleaning services for all facilities
 - ▶ ADP is responsible for the implementation of security measures for both passengers and baggage

- /// Air France is responsible for its ground services:
 - ▶ check-in, boarding,
 - ▶ ramp handling,
 - ▶ connections,
 - ▶ passenger transfers to planes...



CDG2 Hub Staffing

- ⚡ Customer services (*reception, sales, check-in, etc*)
 - ▶ about 3,400 AF agents and 1,100 subcontracted staff

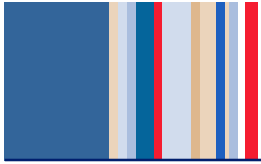
- ⚡ Ramp services and baggage systems (*excl. catering and cleaning*)
 - ▶ about 2,000 AF agents and 1,800 subcontracted staff

- ⚡ Passenger and baggage connections
 - ▶ about 1,450 AF agents and 900 subcontracted staff

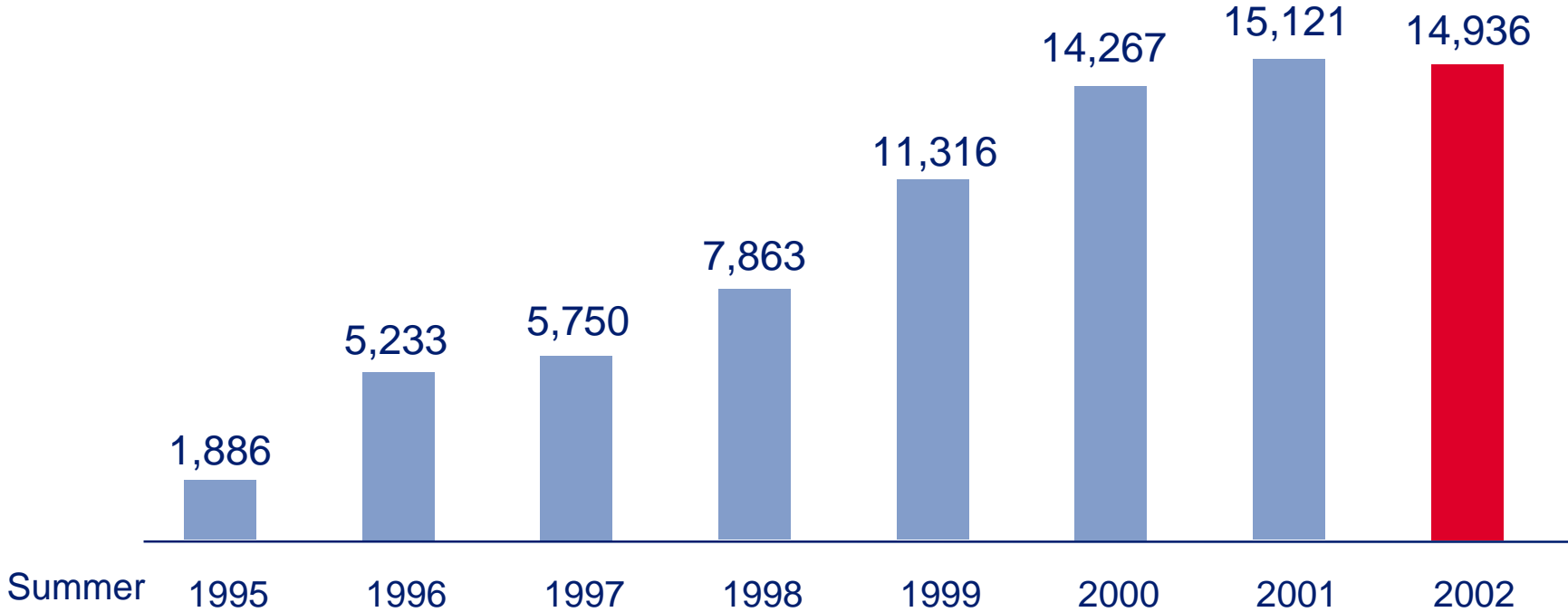
- ⚡ Coordination, traffic, loading preparation (*holds, fuel, cabin*)
 - ▶ about 450 AF agents



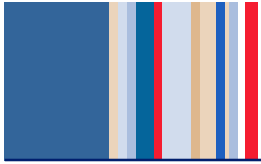
**In total: more than 7,300 AF staff
and 3,800 subcontracted personnel**



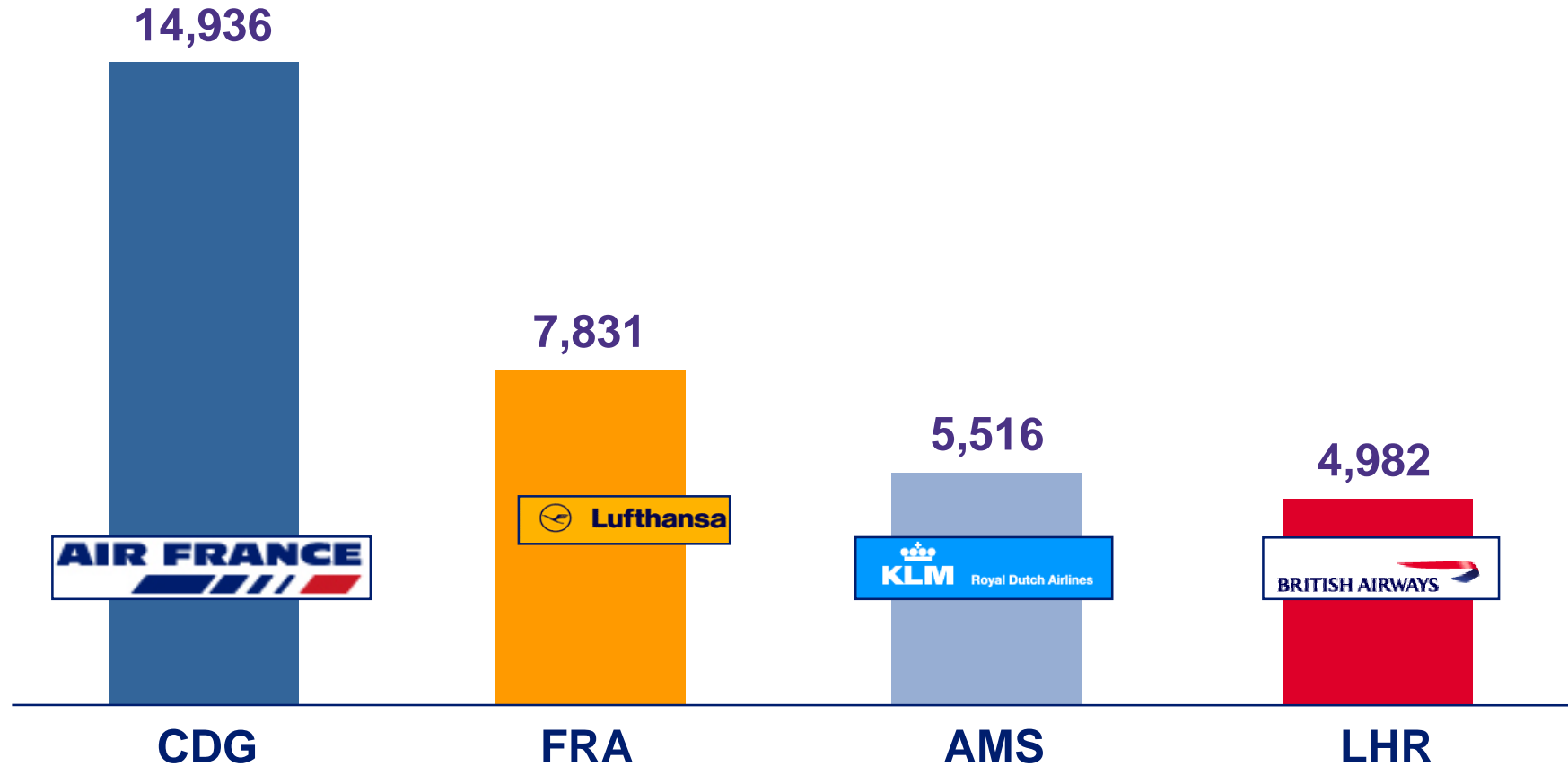
Considerable Growth in Connecting Opportunities



Weekly connections – both ways –
in less than 2 hours medium-haul – long-haul

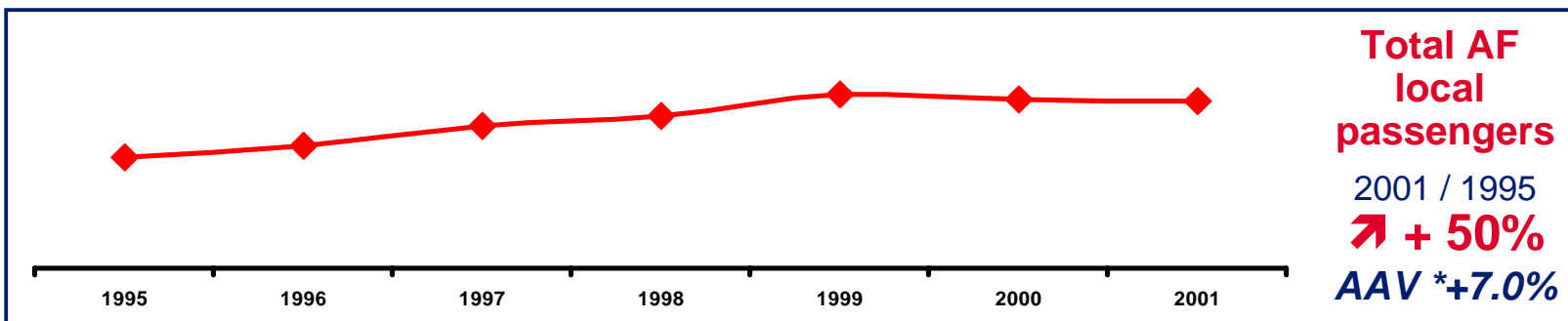
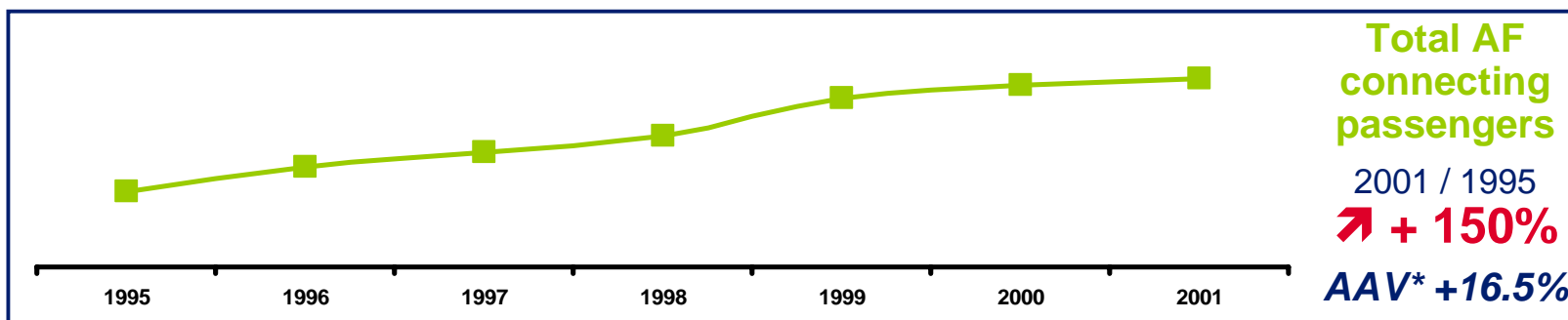
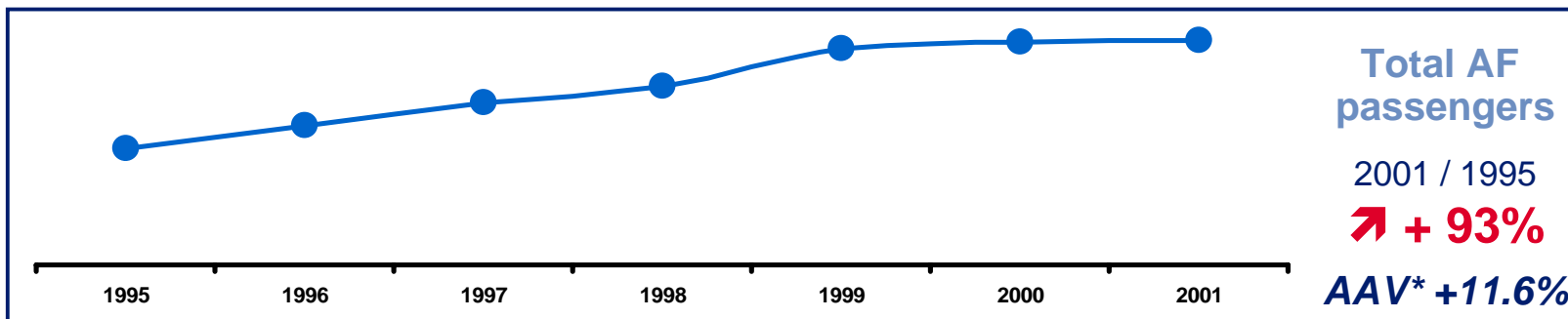


The Most Powerful Hub in Europe



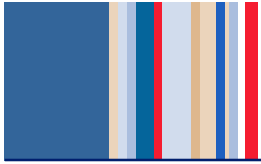
Weekly connections – both ways –
in less than 2 hours medium-haul – long-haul

Increase in Connecting Passengers



*AAV: average annual value

All information on IATA years (April to March)



AF Hub at CDG2: Highlights

803 flights handled

88,472 customers

53.4% connecting passengers

Summer 2002
daily figures
(AF and partners)

**Some
record
figures**

875 flights handled

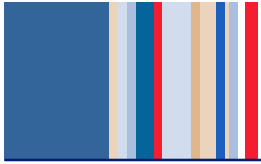
June 8, 2001

103,390 customers

April 6, 2001

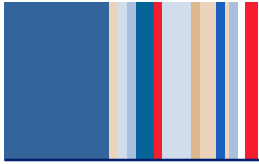
68% connecting passengers

October 12, 2002

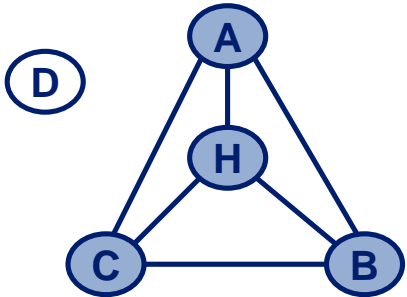


Air France's Hub Strategy

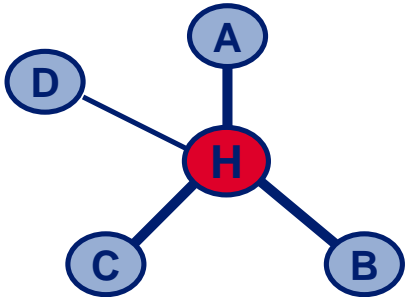
- /// Current situation
- /// **Current issues**
- /// Future developments



Principles of a Hub

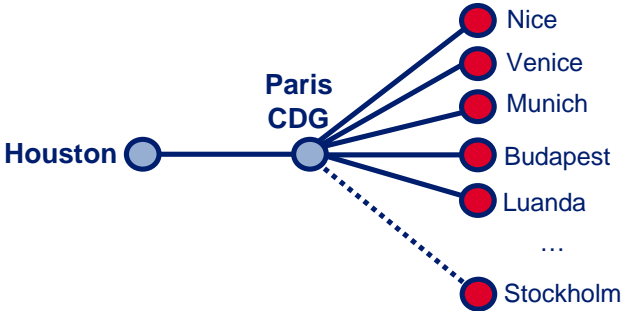


To link up 4 airports with direct services, you need to operate 6 routes



Three routes are enough if connections are organized at one of the airports: the Hub. The number of flights can then be increased or new services introduced for the benefit of customers.

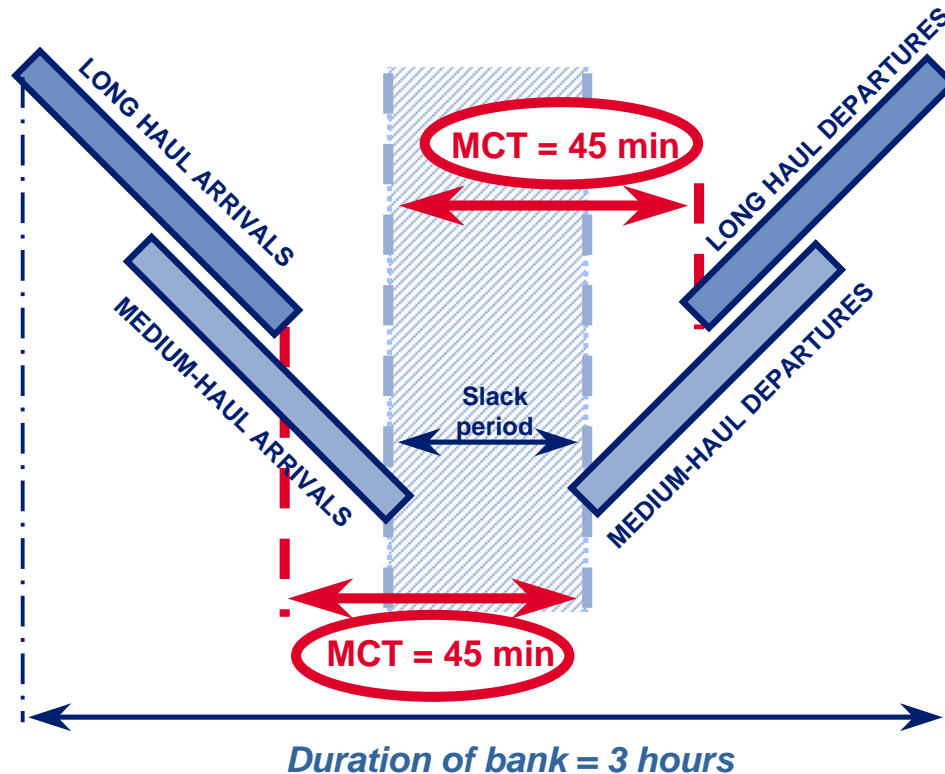
This organization enables AF to increase connecting opportunities. Each flight is fed by several markets which contribute to boosting the load factor and consequently the economic performance of the routes concerned.



Passengers on board an Air France long-haul flight come from an average of 40 origins

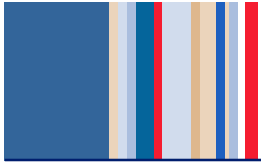
Structure of a Connecting Bank at CDG2

Air France Hub at CDG2 is based on long-haul ↔ medium-haul connections

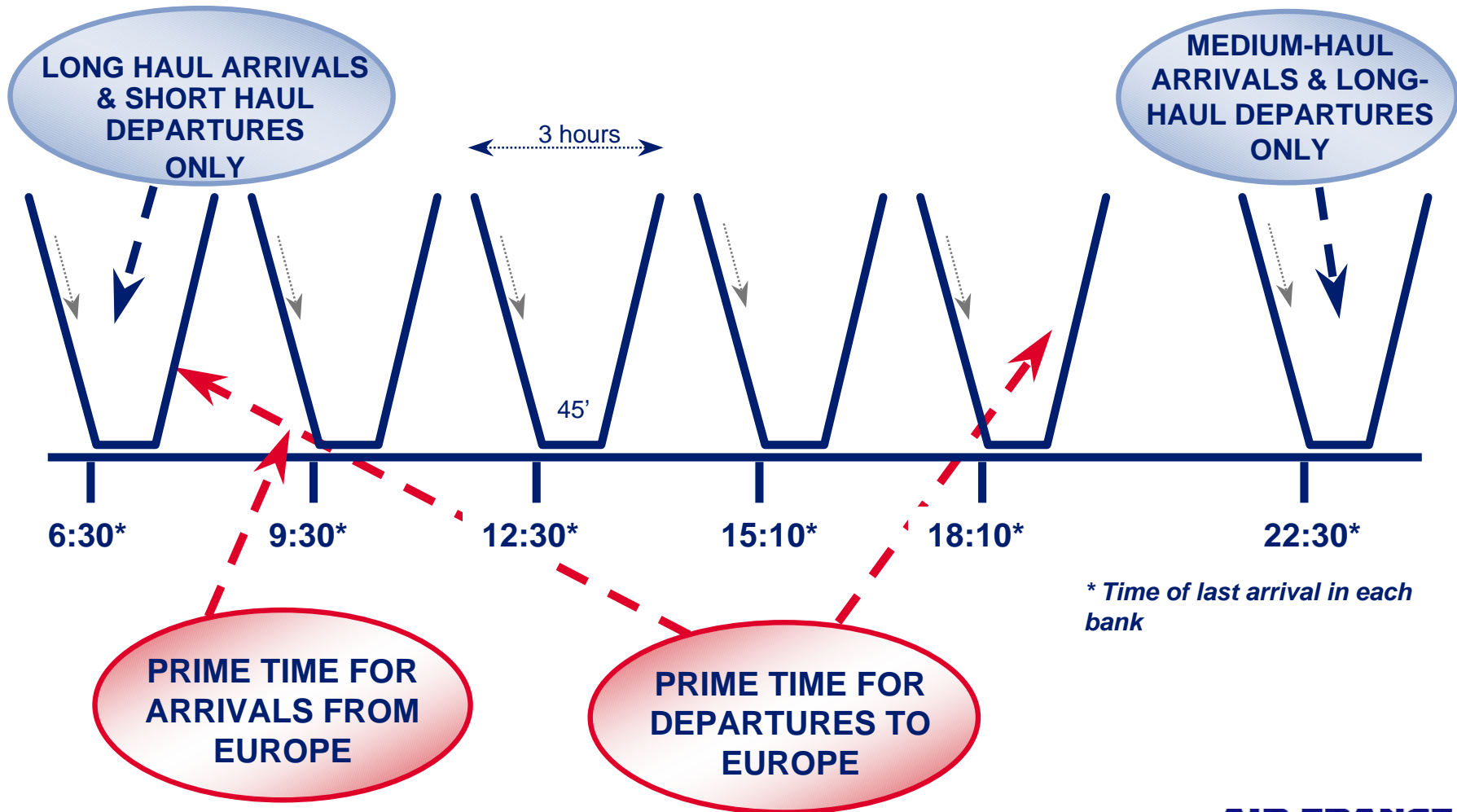


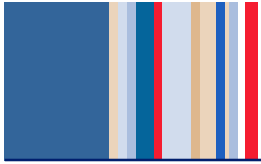
Each of the Hub's connecting banks is organized to guarantee a maximum connecting time of 45 min between:

- the last long-haul arrival and the first medium-haul departure
- the last medium-haul arrival and the first long-haul departure



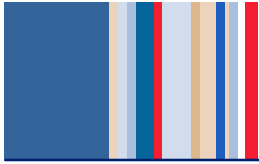
Overview of CDG2 Banks





Insufficiencies to Be Overcome

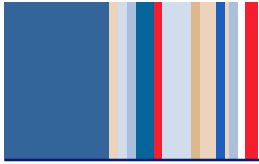
- ⚡ Facilities that are no longer optimum for hub growth without detracting from its efficiency
- ⚡ Lack of contact stands facilities which adversely affects on-time performance
- ⚡ Current baggage system lacking sufficient performance and capacity



On-Time Performance: A Priority Issue for Air France

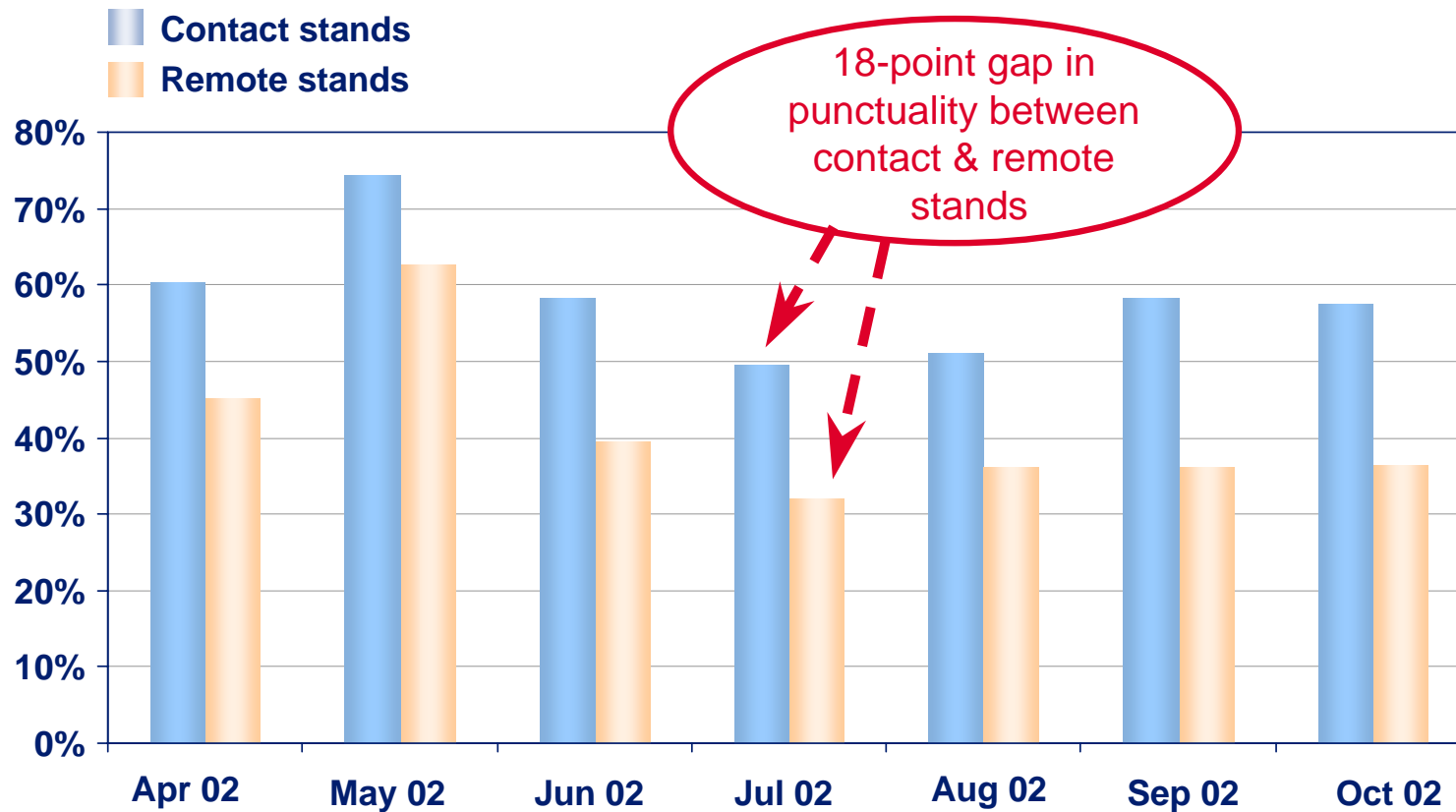
- /// Total performance rating from 1/4/02 to 31/12/02 of 82%
 - ▶ 3rd/4th ranking among AEA airlines

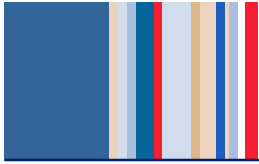
- /// Disparities depending on the destination
 - ▶ Excellent results on domestic routes, with close to 90% punctuality on the shuttle service
 - ▶ Very strong performance on long-haul routes on departure from international airports, and also on medium-haul routes
 - ▶ Progress to be made on long-haul services from CDG



On-Time Performance on Long-haul Routes from CDG

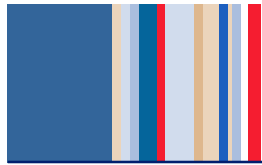
- On departure from CDG, long-haul flights are the first to suffer, in terms of punctuality, from the shortage of contact stands and saturated facilities





Hub Performance

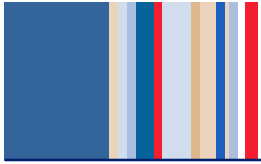
- /// A dedicated Air France organization to guarantee successful connections for our customers, even in the case of delayed arrivals
 - ▶ fast handling teams are available
 - 100 « *jetway* » transfer agents for passengers
 - 420 « *tail-to-tail* » transfer agents for baggage



Baggage Transfers: Impact of New Security Measures

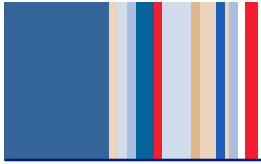
- /// Introduction of new security measures...
 - ▶ Since 31 December 2002, CDG and Orly have been the only major European airports, together with London, to offer 100% hold baggage screening with new-generation Explosive Detection Systems
 - ▶ In addition, Air France is testing different biometric technologies to further improve flight security

- /// ... in a context of increased connecting traffic
 - ▶ An average of nearly 27,500 pieces of baggage a day (summer 2002)
 - ▶ A record of 34,810 pieces of baggage on 31 August 2002



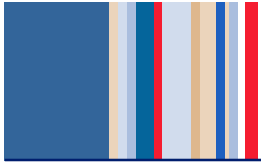
Air France's Hub Strategy

- /// Current situation
- /// Current issues
- /// **Future developments**



Air France Hub Challenges

- /// Leverage hub's development potential to absorb future expansion and fully integrate the SkyTeam alliance dimension
- /// Remedy current deficiencies in infrastructure to improve performance, productivity and customer satisfaction

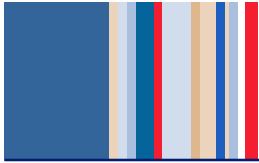


Solutions Provided by Opening of Terminal 2E

- ⚡ Increased contact stands
- ⚡ A baggage handling system adapted to hub operations

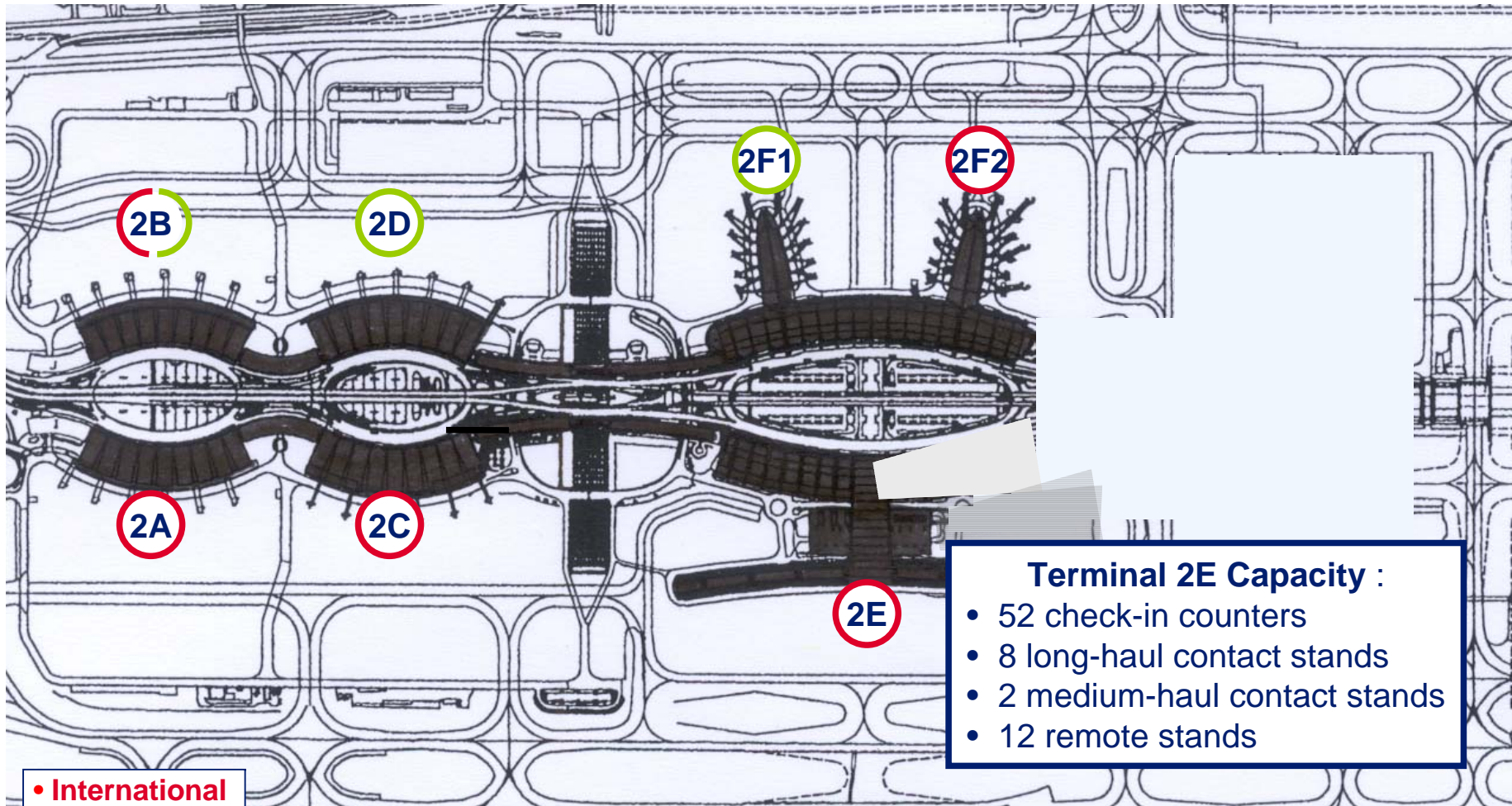


- Improved punctuality
- Increase in the successful connection rate
- Reduced operating costs
- Enhanced customer service quality



17 June 2003:

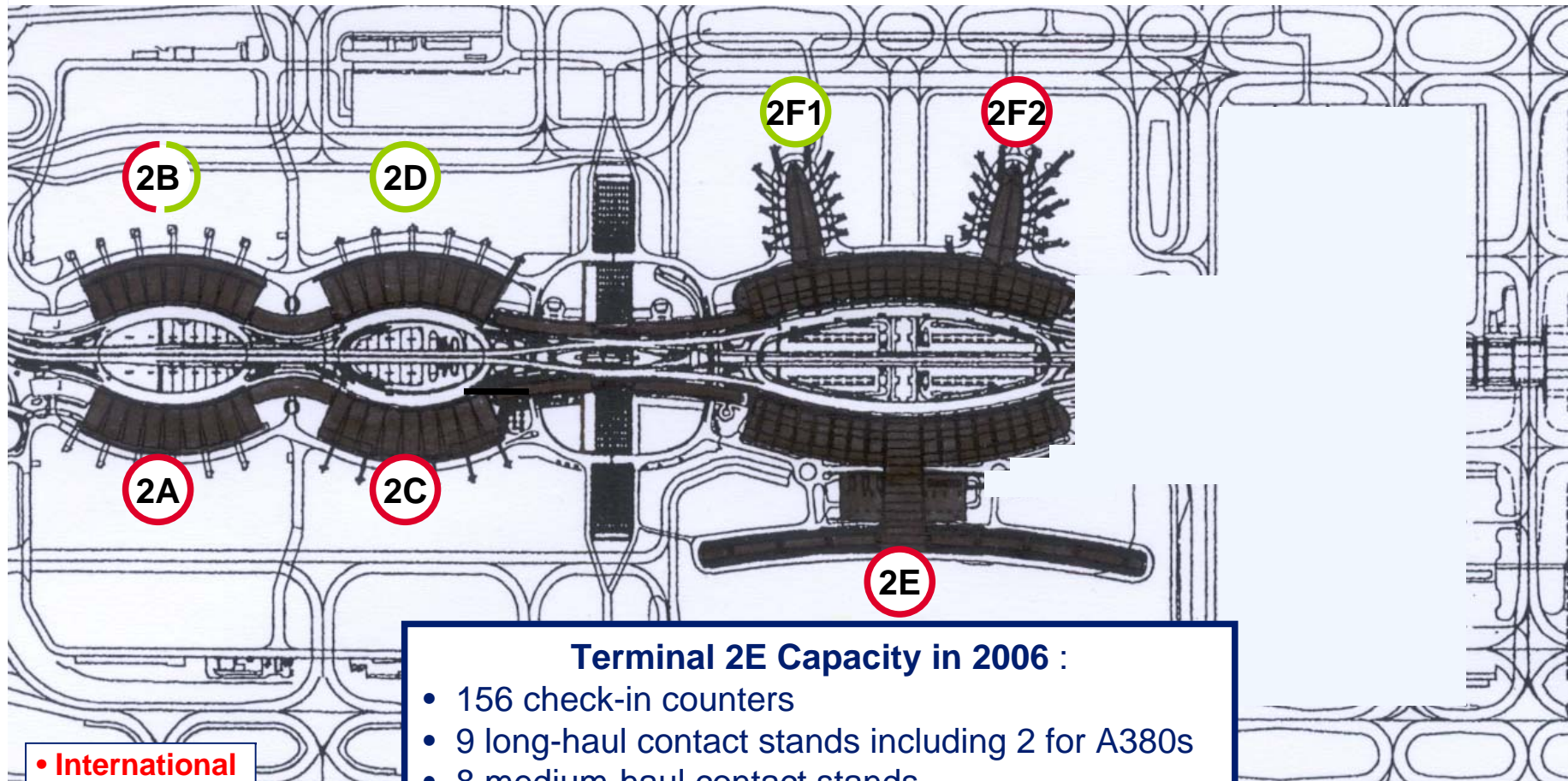
Partial Opening of Terminal 2E



- International
- Schengen

Gradual Phasing-In of Terminal 2E

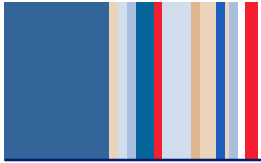
Gradual expansion of check-in and boarding facilities in Terminal 2E
between June 2003 and April 2006



- International
- Schengen

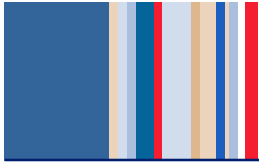
Terminal 2E Capacity in 2006 :

- 156 check-in counters
- 9 long-haul contact stands including 2 for A380s
- 8 medium-haul contact stands
- 5 remote stands



Terminal 2E in 2006

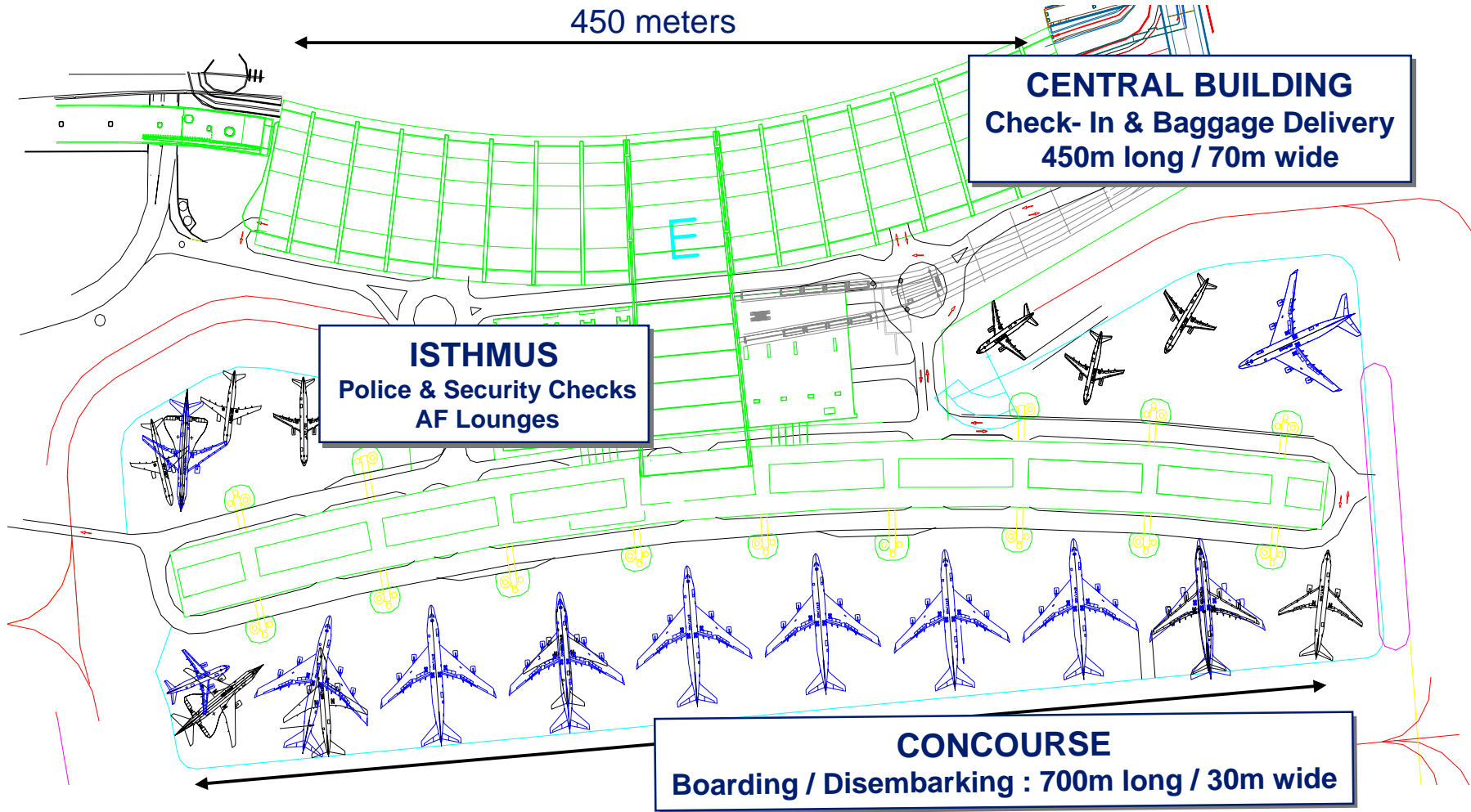


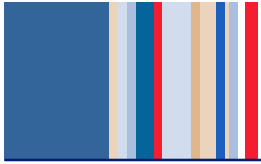


Terminal 2E

A bright, spacious terminal, designed to facilitate passenger flows and fully integrate security requirements

450 meters





Terminal 2E Will Offer Space & Fluidity

Boarding Concourse – West section





Terminal 2E Will Offer Space & Fluidity

- ⚡ Our “l’Espace” customers will benefit from enhanced services, with dedicated handling areas for check-in, connections and baggage delivery.
- ⚡ In addition, a new brand image for lounges will be launched, together with the introduction of new services → 60% increase in seating capacity



T2E: New Features for Our Customers

Modern communication channels for informing passengers using TFT (Thin Film Transistor) screens:

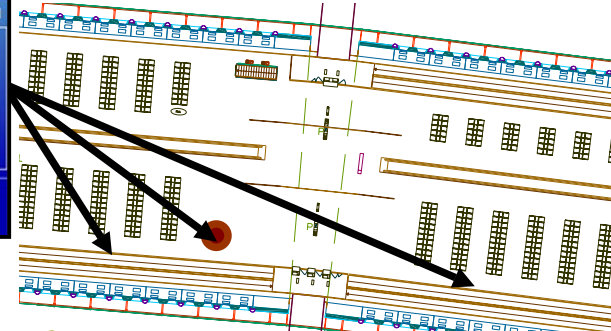
- ▶ In arrival jetways to display connections for the flight concerned
- ▶ In boarding areas for operational and commercial information
- ▶ In baggage delivery areas

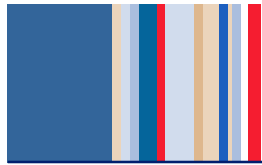
The diagram shows a cross-section of an arrival jetway. Passengers are walking through the jetway. A TFT screen is mounted on the wall, displaying flight information. The screen is titled 'Correspondances courtes / Short connections :'. Below the title is a table with columns: Destination, Heure / Time, Vol / Flight, Terminal, and a small icon. The time '16:12' is displayed in the top right corner. Below the table, there is a note: 'Pour les autres vols, veuillez consulter les affichages à la correspondance / For other flights, please consult the displays by the transfer desk'. To the right of the diagram, there is another TFT screen displaying flight information for 'AF 010 New York 15h55'. The screen is titled 'A l'heure' and contains a list of passenger names and their corresponding flight details. Below the list, there is a note: 'Les passagers suivants sont priés de se présenter au comptoir Air France : / Would these passengers please go to the Air France desk :'. At the bottom of the screen, there is a note: 'Embarquement rangs 1 à 20 / Boarding seats 1 to 20'.

Destination	Heure / Time	Vol / Flight	Terminal	Icon	16:12
Abidjan	11 :55	AF702	2F	F86	
Barcelone	11 :45	AF1548	2F	F88	
Beyrouth	13 :40	AF568	2E	E86	
Conakry	11 :00	AF766	2E	E25	
Francfort	13 :05	AF1918	2F	F44	
Londres	11 :00	AF1470	2F	F12	
Madrid	12 :35	AF1600	2D	D39	

The screen displays flight information for 'AF 010 New York 15h55'. The status is 'A l'heure'. Below the title, there is a section for arrival information: 'Horaire d'arrivée : 17h55', 'Durée du vol : 08h00', and 'Décalage horaire à l'arrivée : -6h00'. There is also a weather icon and the text 'Météo à destination : En ce moment : 26°C > Beau temps'. Below that, there is a section for languages: 'Langues parlées à bord : Anglais, Français, Allemand, Italien, Espagnol'. At the bottom, there is a section for the cabin crew: 'Commandant de bord : Mme Di Corato'. At the very bottom, there is a note: 'Embarquement rangs 1 à 20 / Boarding seats 1 to 20'.

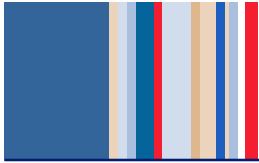
The screen displays meal and entertainment information for 'AF 010 New York 15h55'. The status is 'On time'. Below the title, there is a section for meals: 'Meals and beverages in Tempo Class : Hot breakfast, Hot meal, Service of drinks, Cold snack'. There is also a note: 'Other meals and beverages will be served in l'Espace class'. Below that, there is a section for boarding gate: 'Press at boarding gate'. At the bottom, there is a section for in-flight entertainment: 'Inflight entertainment : Géovision, The News, Video games, Landscape camera'. There is also a small image of a man and a woman, and the text 'La musique de mon coeur / The music of my heart'. At the bottom, there is a note: 'Embarquement rangs 1 à 20 / Boarding seats 1 to 20'.





2E/2F System More Efficient for our Connections

- ⚡ Terminals 2E and 2F offer simpler passenger circuits
- ⚡ Enabling us to optimize flight assignments at these terminals so as to:
 - ▶ Offer short connections to a maximum number of customers...
 - ▶ ... and the fastest, most efficient connecting circuits

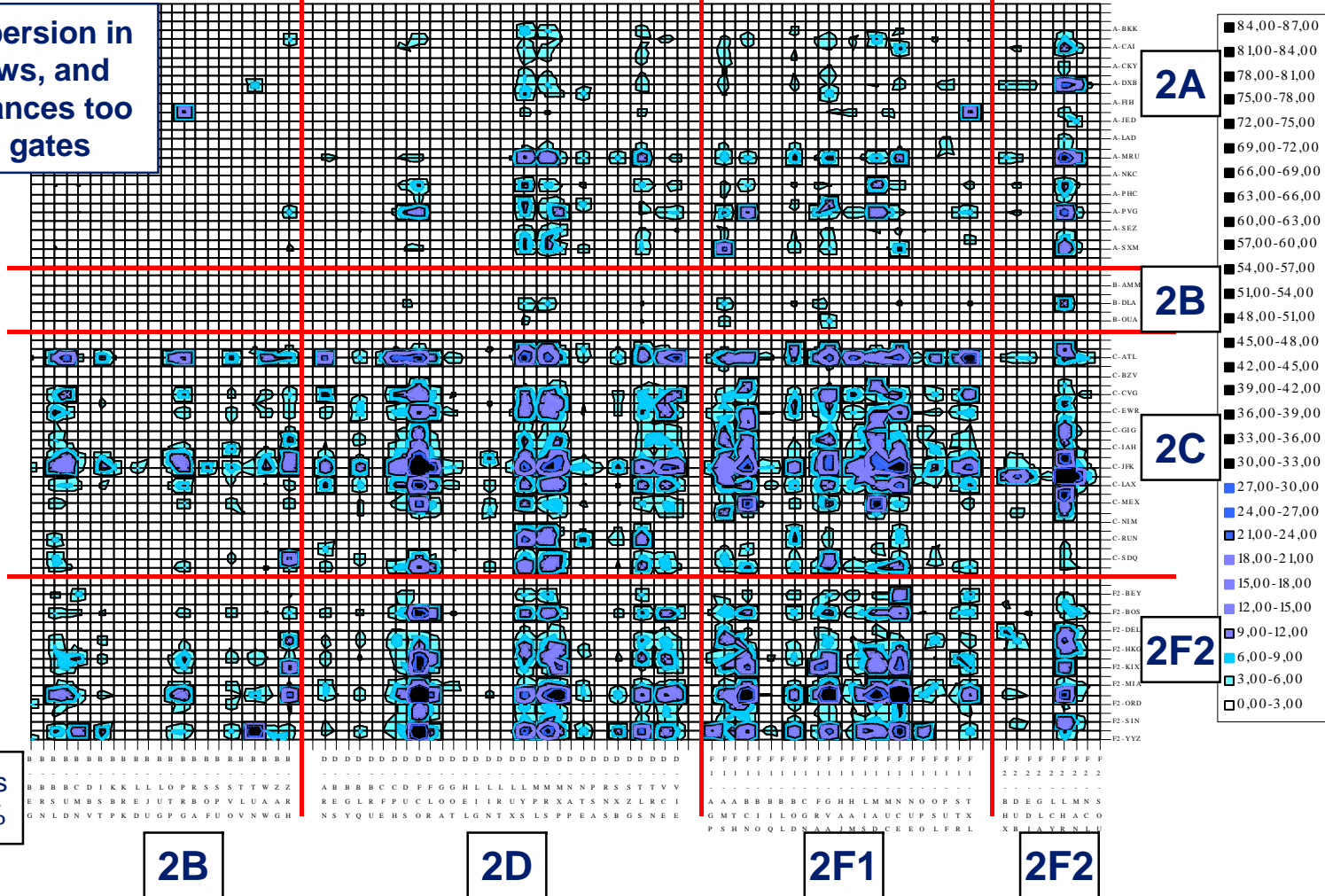


Improved Connecting Flows...

Map of long-haul/medium-haul connecting flows in **Summer 2002**

Carte des Correspondances LC-MC S02 (moyenne journalière sur avril - aout 02)

A degree of dispersion in connecting flows, and sometimes distances too long between gates



Proportion of flows represented: 67%

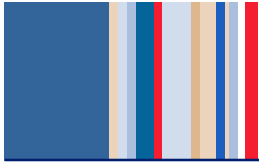




Organization of Terminal 2E at Opening

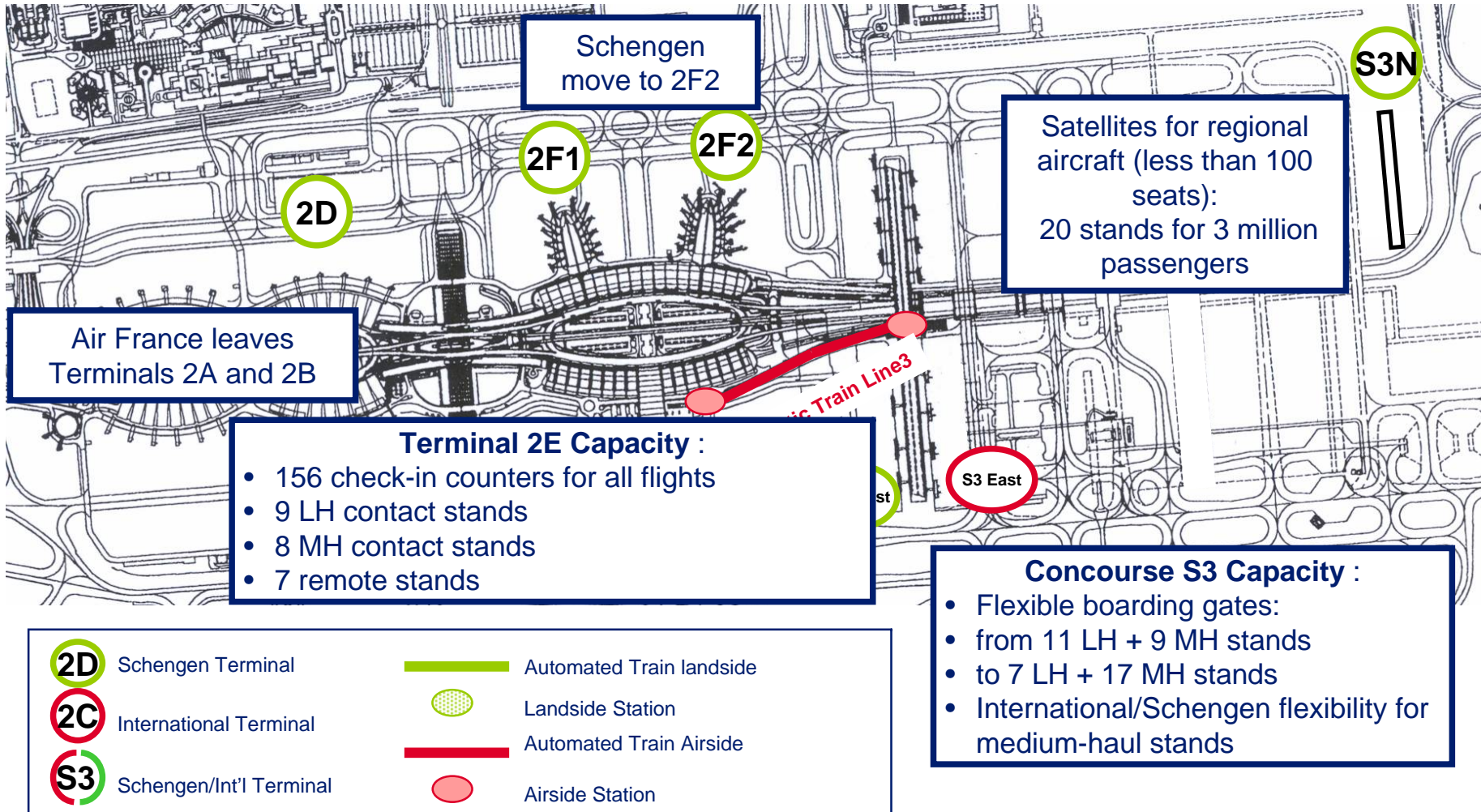
- /// In June 2003, the 2E/2F system will focus on Skyteam activity
 - ▶ International airlines in Terminal 2E
 - *Aeromexico, Air France, CSA, Delta Airlines and Korean Air*
 - ▶ Schengen airlines in Terminal 2F
 - *Air France and Alitalia*

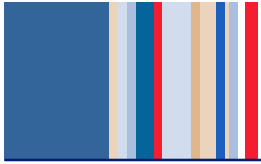
- /// After Summer 2003, Terminal 2E will have the necessary capacity to accommodate new partners



Air France Hub at CDG2 in 2006...

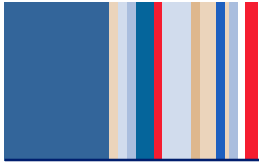
Summer 2006 : An efficient system which will maximize gate-parking ...



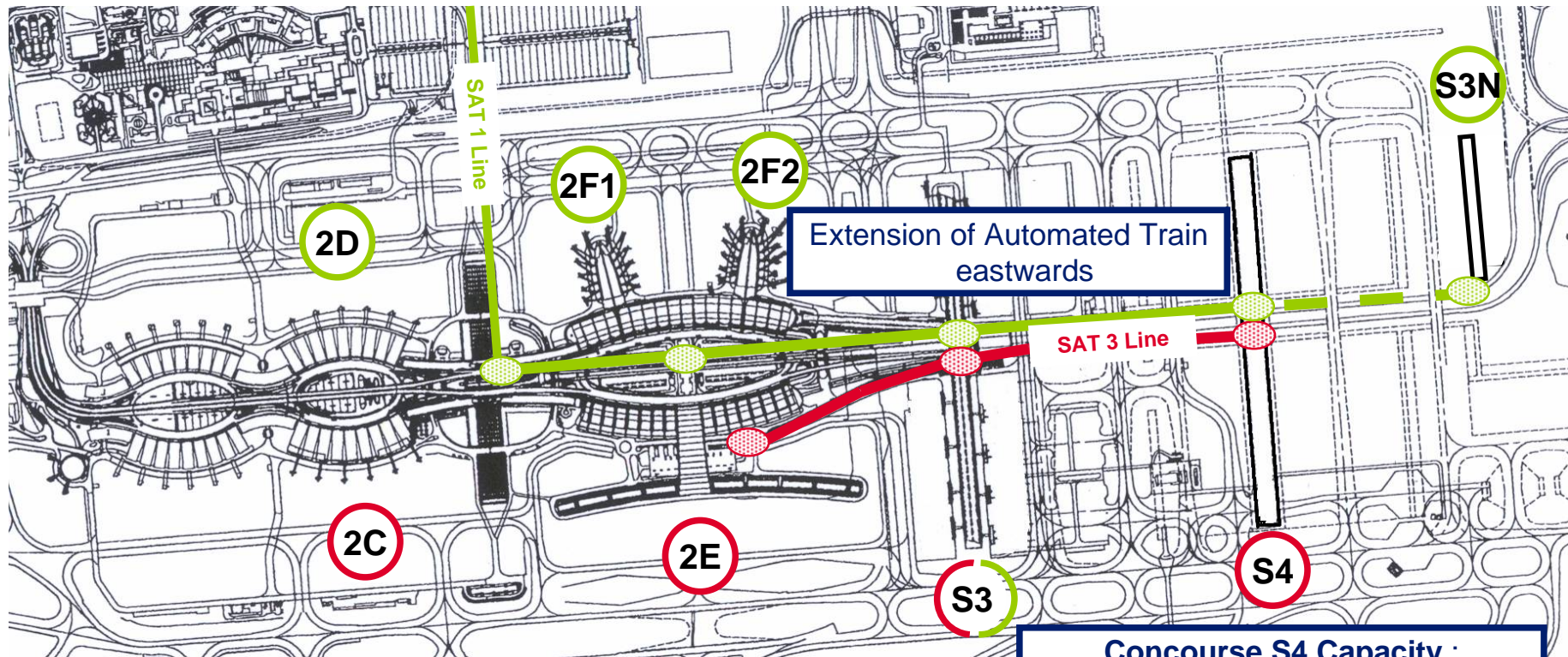


Air France CDG2 Hub in 2006





Future development for 2008-2009

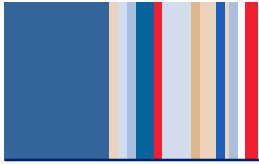


Extension of Automated Train eastwards

Concourse S4 Capacity :

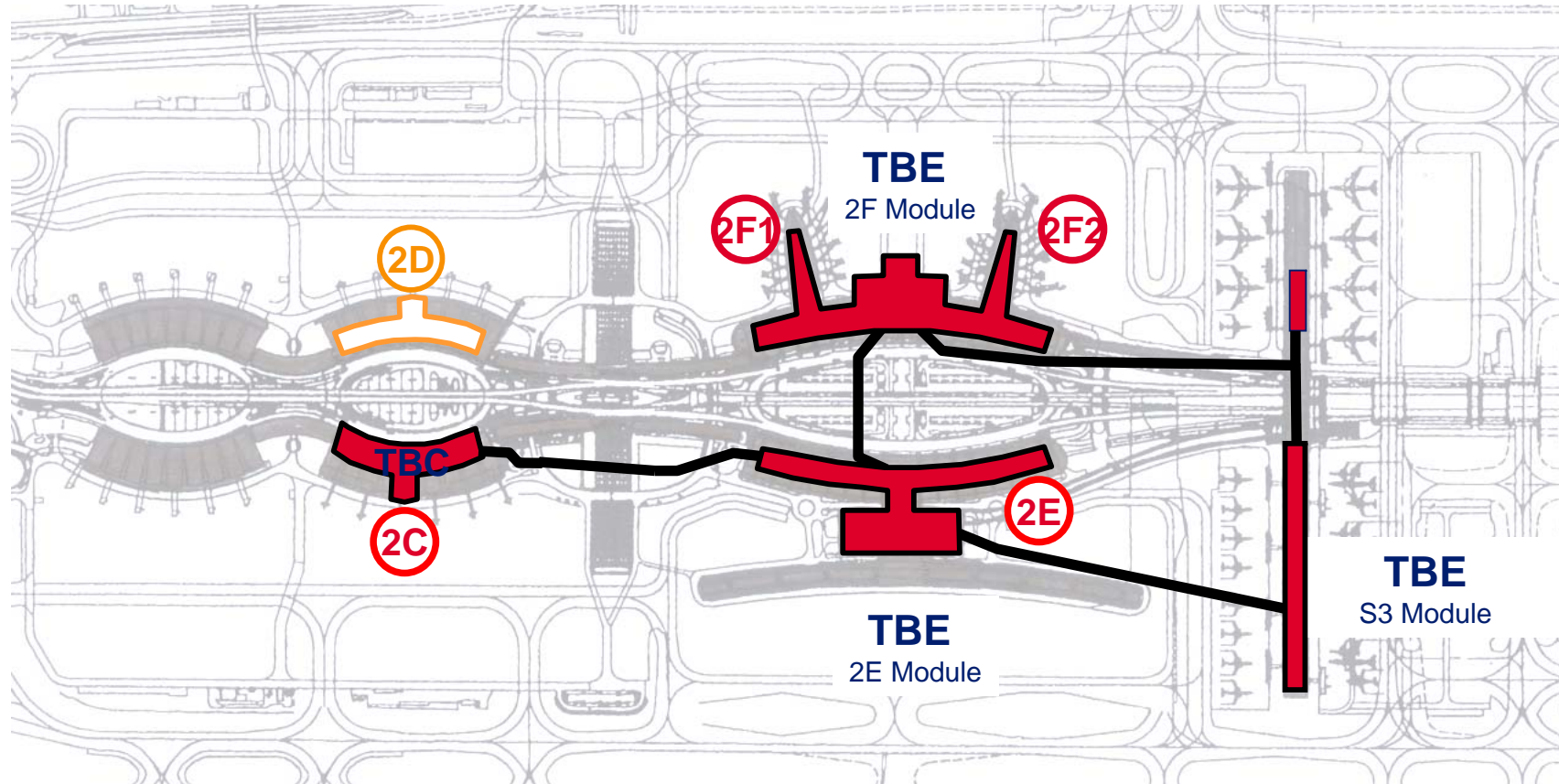
- Boarding gates dedicated to long-haul flights
- 17 stands

- | | |
|-----------------------------------|--------------------------|
| 2D Schengen Terminal | Automated Train landside |
| 2C International Terminal | Landside Station |
| S3 Schengen/Int'l Terminal | Automated Train Airside |
| | Airside Station |



Efficient Baggage Sorting System

Move from several separate baggage systems today (capacity: 6,400 pieces of baggage per hour) to a single system made up of interconnected modules (capacity of 12,800 pieces of baggage per hour)



Handling areas:

-  Local baggage
-  Standard connection & local baggage



Expected Gains

- /// These new facilities will enable Air France:
 - ▶ To gradually improve the contact stand rate for its planes
 - *Over 80% gate-parking with Satellite S3 and S3N*
 - *Over 90% gate-parking with Satellite S4*
 - ▶ To improve its successful connections rate for both passengers and baggage...
 - ▶ ... and service quality for customers
 - ▶ To have sufficient capacity for its development with:
 - *the doubling of passenger capacity once Satellite S4 opens*
 - *the capability of accommodating the A380 when it enters the fleet in Winter 2006*
 - *the possibility of accommodating new SkyTeam partners*
 - ▶ To improve its economic performance...
 - *... thereby containing staff numbers (+ 4% between 2002 and 2006)*
- /// For a global investment by the Paris Airports Authority (ADP) of €1.5 bn (*for Terminal 2E, satellites, baggage handling system and various modules, and Automated Train line No.3*)