Air France-KLM Group

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

January 1, 2013 – June 30, 2013

Air France-KLM Group

CONSOLIDATED INCOME STATEMENT (unaudited)

In € millions	*Notes*	01.01.2013 06.30.2013 (6 months)	01.01.2012 06.30.2012 (6 months) Proforma (*)
Sales	*6*	**12 301**	**12 145**
Other revenues		1	9
Revenues		**12 302**	**12 154**
External expenses	*7*	(7 942)	(8 020)
Salaries and related costs	*8*	(3 863)	(3 907)
Taxes other than income taxes		(91)	(94)
Amortization	*9*	(771)	(778)
Depreciation and Provisions	*9*	(76)	(65)
Other income and expenses	*10*	(10)	20
Income from current operations		**(451)**	**(690)**
Sales of aircraft equipment		(4)	4
Other non-current income and expenses	*11*	(39)	(274)
Income from operating activities		**(494)**	**(960)**
Cost of financial debt	*12*	(240)	(210)
Income from cash and cash equivalents	*12*	39	40
Net cost of financial debt		***(201)***	***(170)***
Other financial income and expenses	*12*	(89)	(178)
Income before tax		**(784)**	**(1 308)**
Income taxes	*13*	72	91
Net income of consolidated companies		**(712)**	**(1 217)**
Share of profits (losses) of associates	*14*	(78)	(60)
Net income from continuing operations		**(790)**	**(1 277)**
Net income for the period		**(790)**	**(1 277)**
- Equity holders of Air France – KLM		**(793)**	**(1 276)**
- Non-controlling interests		3	(1)
Earnings per share – Equity holders of Air France – KLM (in euros)			
- basic	*15*	(2.68)	(4.32)
- diluted	*15*	(2.68)	(4.32)

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

(*) See note 2 in notes to the consolidated financial statements.

Air France-KLM Group

CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSES (unaudited)

In € millions	**01.01.2013 06.30.2013 (6 months)**	**01.01.2012 06.30.2012 (6 months) Proforma(*)**
Net income for the period	**(790)**	**(1 277)**
Fair value adjustment on available-for-sale securities		
Change in fair value recognized directly in other comprehensive income	194	189
Change in fair value transferred to profit or loss	-	(98)
Cash flow hedges		
Effective portion of changes in fair value hedge recognized directly in other comprehensive income	58	54
Change in fair value transferred to profit or loss	(55)	(124)
Fair value hedges		
Effective portion of changes in fair value hedge recognized directly in other comprehensive income	(23)	-
Items of the recognized income and expenses of equity shares	7	(8)
Currency translation adjustment	**2**	**5**
Tax on items of comprehensive income that will be reclassified to profit or loss	**1**	**24**
Total of other comprehensive income that will be reclassified to profit or loss	***184***	***42***
Remeasurements of defined benefit pension plans	**(154)**	**(1 495)**
Remeasurements of defined benefit pension plans of equity shares	**(2)**	**-**
Tax on items of comprehensive income that will not be reclassified to profit or loss	**32**	**394**
Total of other comprehensive income that will not be reclassified to profit or loss	***(124)***	***(1 101)***
Total of other comprehensive income, after tax	**60**	**(1 059)**
Recognized income and expenses	**(730)**	**(2 336)**
- Equity holders of Air France-KLM	**(731)**	**(2 326)**
- Non-controlling interests	**1**	**(10)**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

(*) See note 2 in notes to the consolidated financial statements.

CONSOLIDATED BALANCE SHEET (unaudited)

Assets *In € millions*	*Notes*	**June 30, 2013**	**December 31, 2012 Proforma (*)**	**January 1, 2012 Proforma (*)**
Goodwill		238	252	426
Intangible assets		868	842	774
Flight equipment	***16***	9 757	10 048	10 689
Other property, plant and equipment	***16***	1 877	1 932	2 055
Investments in equity associates		309	381	422
Pension assets	***17***	2 329	2 477	2 336
Other financial assets(**)		1 988	1 665	2 015
Deferred tax assets		1 379	1 392	1 322
Other non-current assets		97	152	168
Total non-current assets		**18 842**	**19 141**	**20 207**
Assets held for sale	***18***	48	7	10
Other short term financial assets(**)		780	933	751
Inventories		534	521	585
Trade accounts receivables		2 396	1 859	1 774
Income tax receivables		36	11	10
Other current assets		883	828	995
Cash and cash equivalents		4 053	3 420	2 283
Total current assets		**8 730**	**7 579**	**6 408**
Total assets		**27 572**	**26 720**	**26 615**

(*) See note 2 in notes to the consolidated financial statements.

(**) Including:

In € millions	**June 30, 2013**	**December 31, 2012**	**January 1, 2012**
Deposits related to financial debt	816	806	656
Marketable securities (included cash secured)	903	956	987

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

CONSOLIDATED BALANCE SHEET (unaudited) (continued)

Liabilities and equity *In € millions*	*Notes*	**June 30, 2013**	**December 31, 2012 Proforma (*)**	**January 1, 2012 Proforma (*)**
Issued capital	***19.1***	300	300	300
Additional paid-in capital		2 971	2 971	2 971
Treasury shares		(84)	(85)	(89)
Reserves and retained earnings	***19.2***	(257)	403	1 775
Equity attributable to equity holders of Air France-KLM		**2 930**	**3 589**	**4 957**
Non-controlling interests		40	48	47
Total equity		**2 970**	**3 637**	**5 004**
Provisions and retirement benefits	***17 - 20***	3 084	3 158	2 692
Long-term debt	***21***	8 950	9 565	9 228
Deferred tax liabilities		62	149	223
Other non-current liabilities		362	384	321
Total non-current liabilities		**12 458**	**13 256**	**12 464**
Liabilities linked to assets held for sale	***18***	41	-	-
Provisions	***20***	602	555	156
Current portion of long-term debt	***21***	2 224	1 434	1 174
Trade accounts payables		2 594	2 219	2 599
Deferred revenue on ticket sales		3 275	2 115	1 885
Frequent flyer programs		749	770	784
Current tax liabilities		1	3	6
Other current liabilities		2 615	2 474	2 386
Bank overdrafts		43	257	157
Total current liabilities		**12 144**	**9 827**	**9 147**
Total liabilities		**24 602**	**23 083**	**21 611**
Total liabilities and equity		**27 572**	**26 720**	**26 615**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

(*) See note 2 in notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (unaudited)

In € millions	Number of shares	Issued capital	Additional paid-in capital	Treasury shares	Reserves and retained earnings	Equity attributable to holders of Air France-KLM	Non-controlling interests	Total equity
January 1, 2012	**300 219 278**	**300**	**2 971**	**(89)**	**2 858**	**6 040**	**54**	**6 094**
First application of IAS 19 revised "Employee Benefits" (note 2)	-	-	-	-	(1 083)	**(1 083)**	(7)	**(1 090)**
January 1, 2012 (Proforma) (*)	**300 219 278**	**300**	**2 971**	**(89)**	**1 775**	**4 957**	**47**	**5 004**
Fair value adjustment on available for sale securities	-	-	-	-	94	**94**	-	**94**
Gain / (loss) on cash flow hedges	-	-	-	-	(57)	**(57)**	-	**(57)**
Remeasurements of defined benefit pension plans	-	-	-	-	(1 092)	**(1 092)**	(9)	**(1 101)**
Currency translation adjustment	-	-	-	-	5	**5**	-	**5**
Other comprehensive income	-	-	-	-	***(1 050)***	***(1 050)***	***(9)***	***(1 059)***
Net result for the period	-	-	-	-	(1 276)	**(1 276)**	(1)	**(1 277)**
Total of income and expenses recognized	-	-	-	-	**(2 326)**	**(2 326)**	**(10)**	**(2 336)**
Stock based compensation (ESA) and stock options	-	-	-	-	2	**2**	-	**2**
Dividends paid	-	-	-	-	-	-	(1)	**(1)**
Treasury shares	-	-	-	7	-	**7**	-	**7**
Change in consolidation scope	-	-	-	-	1	**1**	-	**1**
June 30, 2012 (Proforma) (*)	**300 219 278**	**300**	**2 971**	**(82)**	**(548)**	**2 641**	**36**	**2 677**
December 31, 2012 (Proforma) (*)	**300 219 278**	**300**	**2 971**	**(85)**	**403**	**3 589**	**48**	**3 637**
Fair value adjustment on available for sale securities	-	-	-	-	186	**186**	-	**186**
Gain / (loss) on cash flow hedges	-	-	-	-	11	**11**	-	**11**
Gain /(loss) on fair value hedges	-	-	-	-	(15)	**(15)**	-	**(15)**
Remeasurements of defined benefit pension plans	-	-	-	-	(123)	**(123)**	(2)	**(125)**
Currency translation adjustment	-	-	-	-	3	**3**	-	**3**
Other comprehensive income	-	-	-	-	***62***	***62***	***(2)***	***60***
Net result for the period	-	-	-	-	(793)	**(793)**	3	**(790)**
Total of income and expenses recognized	-	-	-	-	**(731)**	**(731)**	**1**	**(730)**
Stock based compensation (ESA) and stock options	-	-	-	-	1	**1**	-	**1**
OCEANE	-	-	-	-	70	**70**	-	**70**
Treasury shares	-	-	-	1	-	**1**	-	**1**
Dividends paid	-	-	-	-	-	-	(2)	**(2)**
Change in consolidation scope	-	-	-	-	-	-	(7)	**(7)**
June 30, 2013	**300 219 278**	**300**	**2 971**	**(84)**	**(257)**	**2 930**	**40**	**2 970**

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

(*) See note 2 in notes to the consolidated financial statements.

Air France-KLM Group

CONSOLIDATED STATEMENT OF CASH FLOWS (unaudited)

In € millions	*Notes*	01.01.2013 06.30.2013 (6 months)	01.01.2012 06.30.2012 (6 months) Proforma(*)
Net income for the period – Equity holders of Air France-KLM		(793)	(1 276)
Non-controlling interests		3	(1)
Amortization, depreciation and operating provisions	*9*	847	843
Financial provisions		8	(7)
Gain on disposals of tangible and intangible assets		3	(8)
Loss/ (gain) on disposals of subsidiaries and associates	*11*	(9)	(97)
Derivatives – non monetary results		111	135
Unrealized foreign exchange gains and losses, net		(54)	19
Share of (profits) losses of associates		78	60
Deferred taxes	*13.1*	(88)	(110)
Other non-monetary items		(29)	348
Subtotal		**77**	**(94)**
(Increase) / decrease in inventories		(20)	47
(Increase) / decrease in trade receivables		(552)	(574)
Increase / (decrease) in trade payables		277	(183)
Change in other receivables and payables		1 257	1 265
Net cash flow from operating activities		**1 039**	**461**
Acquisition of subsidiaries, of shares in non-controlled entities		(18)	(38)
Purchase of property, plant and equipment and intangible assets		(636)	(1 023)
Proceeds on disposal of subsidiaries, of shares in non-controlled entities	*11*	26	466
Proceeds on disposal of property, plant and equipment and intangible assets		160	598
Dividends received		7	14
Decrease (increase) in investments		54	(31)
Net cash flow used in investing activities		**(407)**	**(14)**
Disposal of subsidiaries without loss of control, of owned shares		-	7
Issuance of debt		1 214	627
Repayment on debt		(663)	(425)
Payment of debt resulting from finance lease liabilities		(311)	(287)
New loans		(91)	(23)
Repayment on loans		86	66
Dividends paid		(2)	(1)
Net cash flow from financing activities		**233**	**(36)**
Effect of exchange rate on cash and cash equivalents and bank overdrafts		**(18)**	**9**
Change in cash and cash equivalents and bank overdrafts		**847**	**420**
Cash and cash equivalents and bank overdrafts at beginning of period		3 163	2 126
Cash and cash equivalents and bank overdrafts at end of period		4 010	2 546
Income tax (paid) / reimbursed (flow included in operating activities)		(43)	(23)
Interest paid (flow included in operating activities)		(225)	(230)
Interest received (flow included in operating activities)		21	24

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

(*) See note 2 in notes to the consolidated financial statements.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

January 1 – June 30, 2013

1. BUSINESS DESCRIPTION

As used herein, the term "Air France–KLM" refers to Air France-KLM S.A., a limited liability company organized under French law excluding its consolidated subsidiaries.

The term "Group" is represented by the economic definition of Air France-KLM and its subsidiaries. The Group is headquartered in France and is one of the largest airlines in the world. The Group's core business is passenger transportation. The Group's activities also include cargo, aeronautics maintenance and other air-transport related activities, including principally catering and charter services.

The limited company Air France-KLM S.A., domiciled at 2 rue Robert Esnault-Pelterie 75007 Paris – France, is the parent company of the Air France-KLM Group. Air France-KLM is listed for trading in Paris (Euronext) and Amsterdam (Euronext).
The presentation currency used in the Group's financial statements is the euro, which is also Air France-KLM's functional currency.

2. RESTATEMENTS OF ACCOUNTS 2012

Since the 1st of January 2013, the standard IAS 19 revised "Employee Benefits", published by IASB in June 2011 is applicable. The main modifications for the Group are as follows:
- The option used until then by the Group allowing the amortization of actuarial differences with the method "corridor" has been deleted. The actuarial gain and losses are now recognized immediately in other comprehensive income,
- The non-vested past service costs, previously amortized, are fully recognized in the income statement,
- The return on assets, previously determined from an expected rate of return, is now assessed on the basis of the discount rate used to value the benefit obligations.

The consolidated accounts as of June 30, 2012 have been restated in order to allow the comparison. The restated balance sheet as of January 1, 2012 and as of December 31, 2012 are also presented.

Impacts of the revision of the standard are summarized below:

Impacts on the consolidated income statement

In € millions	**Yearly closing December 31, 2012**	**Six-month period ended June 30, 2012**
Salaries and related costs	(53)	(27)
Other non-current income and expenses	13	12
Income taxes	7	2
Net income for the period	**(33)**	**(13)**
- *Equity holders of Air France-KLM*	*(33)*	*(13)*
- *Non-controlling interests*	-	-
Earnings per share – Equity holders of Air France-KLM (in euros)		
- *basic*	*(0.11)*	*(0.04)*
- *diluted*	*(0.11)*	*(0.04)*

Impacts on the consolidated statement of recognized income and expenses

In € millions	**Yearly closing December 31, 2012**	**Six-month period ended June 30, 2012**
Net income for the period	**(33)**	**(13)**
Remeasurements of defined benefit pension plans	(312)	(1 495)
Items of the recognized income and expenses of equity shares	(2)	-
Tax on items of other comprehensive income that will not be reclassified to profit or loss	95	394
Recognized income and expenses	**(252)**	**(1 114)**
- *Equity holders of Air France-KLM*	*(251)*	*(1 105)*
- *Non-controlling interests*	*(1)*	*(9)*

Impacts on the consolidated balance sheet

In € millions	**January 1, 2012**	**December 31, 2012**
Investments in equity associates	-	(2)
Pension assets	(881)	(993)
Deferred tax assets	179	241
Provisions and retirement benefits	631	871
Deferred tax liabilities	(243)	(282)
Net impacts on equity	(1 090)	(1 343)
- *Equity holders of Air France-KLM*	*(1 083)*	*(1 335)*
- *Non-controlling interests*	*(7)*	*(8)*

3. SIGNIFICANT EVENTS

3.1 Arising during the accounting period

The Board of Directors of Alitalia, which took place on February 14, 2013, approved the implementation of a convertible shareholder loan amounting to €95 million. Air France-KLM contributed in accordance with its 25% stake, i.e €23.8 million.

Under the project Transform 2015, the Air France Group decided to combine its French regional activities Britair, Régional, Airlinair under a holding called *HOP!* (see note 5).

On March 28, 2013, Air France-KLM issued 53,398,058 bonds convertible and / or exchangeable for new or existing Air France-KLM shares (OCEANE) with a maturity date fixed at February 15, 2023 for an amount of €550 million. The characteristics of this bond are described in note 21.

On June 19, 2013, the Group endorsed the firm order of 25 Airbus A350s, initiated by letter of intention of September 15, 2011, but up to now suspended to the conclusion of an agreement with Rolls Royce concerning the maintenance of engines.

3.2 Subsequent events

There have been no significant events subsequent to the period.

4. ACCOUNTING POLICIES

4.1 Accounting principles

Accounting principles used for the interim condensed consolidated financial statements

Pursuant to the European Regulation 1606/2002 of July 19, 2002, the consolidated financial statements of the Air France-KLM Group as of December 31, 2012 were established in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Commission on the date these consolidated financial statements were drawn up.

The interim condensed consolidated financial statements as of June 30, 2013 have been prepared in accordance with IFRS, as adopted by the European Union on the date these condensed consolidated financial statements were drawn up, and are presented according to IAS 34 "Interim financial reporting". They must be read in connection with the annual consolidated financial statements for the year ended December 31, 2012.

The interim condensed consolidated financial statements as of June 30, 2013 have been prepared in accordance with the accounting principles used by the Group for consolidated financial statements for the year 2012 with the exception of the standards and interpretations adopted by the European Union applicable for the Group starting January 1, 2013.

The condensed consolidated financial statements were approved by the Board of Directors on July 25, 2013.

Change in accounting principles

The revised standards IAS 19 "Employee benefits", IFRS13 "Fair Value Measurement" and the amendment to IAS 1 "Presentation of Items of Other Comprehensive Income" were applied for the first time as of March 31, 2013. The impacts of IAS 19 Revised on the consolidated financial statements of the Group are detailed in the note 2 « Restatements of accounts 2012 ». The impacts linked to the application of the other standards are not significant.

The standards applicable on a mandatory basis to the Group from January 1, 2014 are the following:

- Standard IFRS 10 "Consolidated Financial Statements" which will replace IAS 27 "Consolidated and Separate Financial Statements" for the part concerning the consolidated financial statements and also SIC 12 "Consolidation – Special Purpose Entities"
- Standard IFRS 11 "Joint Arrangements" which will replace IAS 31 "Interests in Joint Ventures" and also the interpretation SIC 13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers"
- Standard IFRS 12 "Disclosure on Interests in Other Entities"
- Standard IAS 28 (2011) "Investments in Associates"
- Amendment to IAS 32 "Offsetting Financial assets and Financial liabilities"

The other standards potentially applicable to the Group, published by the IASB but not yet endorsed by the European Union, are described below. Subject to their endorsement by the European Union, these standards will have to be applied:

- Interpretation IFRIC 21 "Levies", for the accounting periods starting January 1, 2014
- Amendment to IAS 36 "Recoverable Amount Disclosures for Non-Financial Assets", for the accounting periods starting January 1, 2014
- Standard IFRS 9 "Financial instruments - Classification and measurement of financial assets and liabilities", for the accounting periods starting January 1, 2015

The application of IFRS 10 and IFRS 11 is currently being considered. Nevertheless, the Group doesn't expect any significant change in its consolidation perimeter.
The impacts of the interpretation IFRIC 21 are also currently being considered.

4.2 Preparation of the unaudited interim consolidated financial statements

Seasonality of the activity

Revenues and income from current operations are characterized by their seasonal nature given the high level of activity between April 1 and September 30. This phenomenon varies in magnitude depending on the year. In accordance with IFRS, revenues and the related expenses are recognized over the period in which they are respectively realized and incurred.

Income taxes

For the interim financial statements, the tax charge (current and deferred) is calculated by applying the estimated annual average tax rate for the current year for each entity or tax group to the income before tax for the period.

4.3 Use of estimates

The preparation of the condensed consolidated financial statements requires management to make estimates and use assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses. The significant areas of estimations described in note 4 of the December 31, 2012 consolidated financial statements concerned:

- Revenue recognition related to deferred revenue on ticket sales
- Tangible and intangible assets
- Financial instruments
- Deferred tax
- Flying Blue frequent flyer program
- Provisions (including Employee benefits)

The Group's management makes these estimates and assessments continuously on the basis of its past experience and various other factors considered to be reasonable.

The interim consolidated financial statements for the financial year have been established taking into account the current economic and financial crisis unfolding since 2008 and on the basis of financial parameters available at the closing date. The immediate effects of the crisis have been taken into account, in particular the valuation of current assets and liabilities. Concerning the longer-term assets, i.e. the non-current assets, the assumption was that the crisis would be of limited duration.

The future results could differ from these estimates depending on changes in the assumptions used or different conditions.

5. CHANGE IN CONSOLIDATION SCOPE

Under the constitution of *HOP!*, the Group has acquired Airlinair. This operation was performed as follows:
- the sale, on February 28, 2013, of the shares owned in Financière LMP (39.86%), which owned Airlinair (see note 11),
- the acquisition, on February 28, 2013, of 100% of the shares Airlinair for €17 million. The goodwill relating to this operation amounts to €3 million.

The Group sold on May 15, 2013 its Italian subsidiary Servair Airchef, specialized in catering. The profit made on this operation amounts to €15 million.

6. INFORMATION BY ACTIVITY AND GEOGRAPHICAL AREA

Business segments

The segment information by activity and geographical area presented below is prepared on the basis of internal management data communicated to the Executive Committee, the Group's principal operational decision-making body.

The Group is organized around the following segments:

Passenger: Passenger operating revenues primarily come from passenger transportation services on scheduled flights with the Group's airline code, including flights operated by other airlines under code-sharing agreements. They also include commissions paid by SkyTeam alliance partners, code-sharing revenues, revenues from excess baggage and airport services supplied by the Group to third-party airlines and services linked to IT systems.

Cargo: Cargo operating revenues come from freight transport on flights under the companies' codes, including flights operated by other partner airlines under code-sharing agreements. Other cargo revenues are derived principally from sales of cargo capacity to third parties.

Maintenance: Maintenance operating revenues are generated through maintenance services provided to other airlines and customers globally.

Other: The revenues from this segment come primarily from catering supplied by the Group to third-party airlines and to charter flights operated primarily by Transavia.

The results of the business segments are those that are either directly attributable or that can be allocated on a reasonable basis to these business segments. Amounts allocated to business segments mainly correspond to the income from operating activities.
Other elements of the income statement are presented in the "non-allocated" column.

Inter-segment transactions are evaluated based on normal market conditions.

Geographical segments

The Group's activities are broken down into six geographical regions:

- Metropolitan France
- Europe except France and North Africa
- Caribbean, French Guiana and Indian Ocean
- Africa, Middle East
- Americas, Polynesia
- Asia and New Caledonia

Only segment revenue is allocated by geographical sales area.

6.1 Information by business segment

- **Six-month period ended June 30, 2013**

In € millions	Passenger	Cargo	Maintenance	Other	Non allocated	Total
Total sales	10 373	1 421	1 633	925	-	14 352
Intersegment sales	(724)	(16)	(1 012)	(299)	-	(2 051)
External sales	**9 649**	**1 405**	**621**	**626**	**-**	**12 301**
Income from current operations	**(354)**	**(100)**	**57**	**(54)**	**-**	**(451)**
Income from operating activities	(393)	(115)	53	(39)	-	(494)
Share of profits (losses) of associates	(79)	-	1	-	-	(78)
Net cost of financial debt and other financial income and expenses	-	-	-	-	(290)	(290)
Income taxes	-	-	-	-	72	72
Net income from continuing operations	**(472)**	**(115)**	**54**	**(39)**	**(218)**	**(790)**

- **Six-month period ended June 30, 2012 (proforma)**

In € millions	Passenger	Cargo	Maintenance	Other	Non allocated	Total
Total sales	10 304	1 521	1 573	848	-	14 246
Intersegment sales	(744)	(13)	(1 050)	(294)	-	(2 101)
External sales	**9 560**	**1 508**	**523**	**554**	**-**	**12 145**
Income from current operations	**(572)**	**(134)**	**53**	**(37)**	**-**	**(690)**
Income from operating activities	(777)	(174)	25	(34)	-	(960)
Share of profits (losses) of associates	(62)	1	1	-	-	(60)
Net cost of financial debt and other financial income and expenses	-	-	-	-	(348)	(348)
Income taxes	-	-	-	-	91	91
Net income from continuing operations	**(839)**	**(173)**	**26**	**(34)**	**(257)**	**(1 277)**

6.2 Information by geographical area

Sales by geographical area

- **Six-month period ended June 30, 2013**

In € millions	Metropolitan France	Europe (except France) North Africa	Caribbean, French Guiana, Indian Ocean	Africa, Middle East	Americas, Polynesia	Asia, New Caledonia	Total
Scheduled passenger	2 901	3 053	154	556	1 618	901	9 183
Other passenger sales	194	155	8	26	33	50	466
Total passenger	**3 095**	**3 208**	**162**	**582**	**1 651**	**951**	**9 649**
Scheduled cargo	188	521	13	95	230	262	1 309
Other cargo sales	27	18	2	7	23	19	96
Total cargo	**215**	**539**	**15**	**102**	**253**	**281**	**1 405**
Maintenance	372	232	-	-	17	-	621
Others	202	375	17	32	-	-	626
Total	**3 884**	**4 354**	**194**	**716**	**1 921**	**1 232**	**12 301**

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- **Six-month period ended June 30, 2012**

In € millions	Metropolitan France	Europe (except France) North Africa	Caribbean, French Guiana, Indian Ocean	Africa, Middle East	Americas, Polynesia	Asia, New Caledonia	Total
Scheduled passenger	2 889	3 048	157	566	1 532	912	9 104
Other passenger sales	186	148	6	30	30	56	456
Total passenger	**3 075**	**3 196**	**163**	**596**	**1 562**	**968**	**9 560**
Scheduled cargo	181	540	13	107	263	312	1 416
Other cargo sales	28	22	2	5	19	16	92
Total cargo	**209**	**562**	**15**	**112**	**282**	**328**	**1 508**
Maintenance	331	174	-	-	18	-	523
Others	181	332	13	28	-	-	554
Total	**3 796**	**4 264**	**191**	**736**	**1 862**	**1 296**	**12 145**

Traffic sales by geographical area of destination

- **Six-month period ended June 30, 2013**

In € millions	Metropolitan France	Europe (except France) North Africa	Caribbean, French Guiana, Indian Ocean	Africa, Middle East	Americas, Polynesia	Asia, New Caledonia	Total
Scheduled passenger	962	2 222	685	1 196	2 504	1 614	9 183
Scheduled cargo	3	23	72	285	535	391	1 309
Total	**965**	**2 245**	**757**	**1 481**	**3 039**	**2 005**	**10 492**

- **Six-month period ended June 30, 2012**

In € millions	Metropolitan France	Europe (except France) North Africa	Caribbean, French Guiana, Indian Ocean	Africa, Middle East	Americas, Polynesia	Asia, New Caledonia	Total
Scheduled passenger	991	2 230	677	1 200	2 407	1 599	9 104
Scheduled cargo	3	24	71	295	566	457	1 416
Total	**994**	**2 254**	**748**	**1 495**	**2 973**	**2 056**	**10 520**

7. EXTERNAL EXPENSES

In € millions	01.01.2013 06.30.2013 (6 months)	01.01.2012 06.30.2012 (6 months)
Aircraft fuel	3 408	3 568
Chartering costs	233	276
Aircraft operating lease costs	469	464
Landing fees and air route charges	906	901
Catering	290	285
Handling charges and other operating costs	707	658
Maintenance costs	647	546
Commercial and distribution costs	437	441
Other external expenses	845	881
Total	**7 942**	**8 020**
Excluding aircraft fuel	*4 534*	*4 452*

8. SALARIES AND NUMBER OF EMPLOYEES

8.1. Salaries and related costs

In € millions	**01.01.2013 06.30.2013 (6 months)**	**01.01.2012 06.30.2012 (6 months) Proforma**
Wages and salaries	2 756	2 788
Social contributions	890	899
Net periodic pension cost	211	186
Expenses related to share-based compensation	2	2
Other expenses	4	32
Total	**3 863**	**3 907**

The "other expenses" comprise the capitalization of salary costs on aircraft and engine overhaul.

8.2. Average number of employees

	01.01.2013 06.30.2013 (6 months)	**01.01.2012 06.30.2012 (6 months)**
Flight deck crew	8 387	8 464
Cabin crew	22 096	22 412
Ground staff	67 809	70 398
Total	**98 292**	**101 274**

9. AMORTIZATION, DEPRECIATION AND PROVISIONS

In € millions	**01.01.2013 06.30.2013 (6 months)**	**01.01.2012 06.30.2012 (6 months)**
Amortization		
Intangible assets	36	33
Flight equipment	605	611
Other property, plant and equipment	130	134
	771	**778**
Depreciation and provisions		
Inventories	1	(1)
Trade receivables	3	(1)
Risks and contingencies	72	67
	76	**65**
Total	**847**	**843**

10. OTHER INCOME AND EXPENSES

In € millions	**01.01.2013 06.30.2013 (6 months)**	**01.01.2012 06.30.2012 (6 months)**
Joint operation of routes	(39)	(7)
Operations-related currency hedges	39	49
Other	(10)	(22)
Total	**(10)**	**20**

11. OTHER NON-CURRENT INCOME AND EXPENSES

In € millions	**01.01.2013 06.30.2013 (6 months)**	**01.01.2012 06.30.2012 (6 months) Proforma**
Restructuring costs	(4)	(360)
Disposals of subsidiaries and affiliates	9	97
Other	(44)	(11)
Other non-current income and expenses	**(39)**	**(274)**

- **Six-month period ended June 30, 2013**

As of June 30, 2013, the line "Disposals of subsidiaries and affiliates" includes:
- the sale of the shares owned in Financière LMP (39.86%). The sale price of the transaction amounted to €7 million, generating a loss on disposal of €6 million (see note 5),
- the sale of the shares owned in Servair Airchef (50%). The sale price of the transaction amounted to €28 million, generating a gain on disposal of €15 million (see note 5).

As of June 30, 2013, within the framework of the valuation of its Irish and Belgium airlines, the Group has recorded an additional provision amounting to €29 million, included in the line "Other", to bring back the net asset of the group Cityjet and VLM to zero.

- **Six-month period ended June 30, 2012 (proforma)**

The "disposals of subsidiaries and affiliates" line included an amount of €97 million corresponding to the gain on disposal realised by the Group on March 1, 2012 concerning a private placement of Amadeus IT Holding SA share, whose sale proceeds amounted to €466 million.

The Group has initiated a restructuring plan concerning the company Air France and its regional affiliates in France. This plan mainly comprised two parts: an adjustment in the fleet and a plan to reduce staff.
The plan's conditions have been presented to the bodies officially representing the Air France staff on June 2012. For subsidiaries, the discussion process continued during the third half year of 2012.
Concerning the resizing of the fleet, the modalities resulted in the disposal, sale, dismantling or termination of operating lease contracts.
Concerning the staff reduction plan which concerns 5 122 positions, it included assistance for voluntary retirement and a voluntary departure plan whose period of application started from the 4th quarter of 2012.
In these conditions, the Group made its best estimation of the costs involved by the plan and recorded a provision for restructuring amounting to €358 million as of June 30, 2012.

12. NET COST OF FINANCIAL DEBT AND OTHER FINANCIAL INCOME AND EXPENSES

In € millions	**01.01.2013 06.30.2013 (6 months)**	**01.01.2012 06.30.2012 (6 months)**
Income from marketable securities	13	15
Other financial income	26	25
Income from cash and cash equivalents	**39**	**40**
Loan interests	(143)	(138)
Lease interests	(40)	(45)
Capitalized interests and other non-monetary items	5	9
Other financial expenses	(62)	(36)
Gross cost of financial debt	**(240)**	**(210)**
Net cost of financial debt	**(201)**	**(170)**
Foreign exchange gains (losses), net	34	(32)
Change in fair value of financial assets and liabilities	(115)	(152)
Net (charge) release to provisions	(2)	7
Other	(6)	(1)
Other financial income and expenses	**(89)**	**(178)**

Finance costs relating to gross financial indebtedness include as of June 30, 2013 an amount of €17 million corresponding to the difference between the nominal interest rate and the effective interest rate (after split accounting) of the OCEANE bonds issued (€11 million as of June 30, 2012).
The interest rate used in the calculation of capitalized interest is 3.86% for the six-month period ended June 30, 2013 (3.83% for the six-month period ended June 30, 2012).
The change in fair value of financial assets and liabilities recorded as of June 30, 2013 and June 30, 2012 arose mainly from the variation in the ineffective portion of fuel derivatives.

13. INCOME TAXES

13.1. Income tax charge

In € millions	**01.01.2013 06.30.2013 (6 months)**	**01.01.2012 06.30.2013 (6 months) Proforma**
Charge for the period	(16)	(19)
Adjustement of previous current tax charges	-	-
Deferred tax income / (expense)	**(16)**	**(19)**
Change in temporary differences	15	(15)
CVAE impact	2	2
(Use) / recognition of tax loss carryforwards	71	123
Deferred tax income / (expense) from continuing operations	**88**	**110**
Total	**72**	**91**

The current tax charge relates to the amounts paid or payable in the short term to the tax authorities for the period, in accordance with the regulations prevailing in various countries and any applicable treaties.

As of June 30, 2013, the Group recognized deferred tax assets on fiscal losses amounting to €71 million, relating to the Dutch fiscal Group.

In France, deficits are carried forward indefinitely. However, the 2011 and 2012 Finance Act introduced a limit on the amount of tax loss allowed to be recognized each year (amounting to only 50% of the profit of the period beyond the first million). This measure has the effect of lengthening the recovery period. They led the Group to limit, since October 1, 2011, the recognition of deferred tax assets linked to the Air France-KLM Group's tax loss carryforwards.

The limitation of deferred tax assets as of June 30, 2013 has an impact of €(170) million on the tax charge, against €(341) million as of June 30, 2012.

13.2. Deferred tax recorded directly in equity

In € millions	**01.01.2013 06.30.2013 (6 months)**	**01.01.2012 06.30.2013 (6 months) Proforma**
OCEANE	37	-
Comprehensive income that will be reclassified to profit or loss	1	24
Comprehensive income that will not be reclassified to profit or loss	32	394
Total	**70**	**418**

14. SHARE OF PROFITS (LOSSES) OF ASSOCIATES

- **Six-month period ended June 30, 2013**

The "share of profits (losses) of associates" includes mainly the share of Alitalia Group losses, amounting to €(65) million. This share of losses has been calculated using an estimated result for the second quarter, the meeting of the Board of Alitalia which will approve the financial accounts as of June 30, 2013, will take place in August.
Given the negative contributions from Alitalia in recent years, the value of the goodwill will be the subject of an impairment test based on the new medium-term plan which will be finalized in the second half of 2013 by the Alitalia management.

- **Six-month period ended June 30, 2012**

The "share of profits (losses) of associates" included mainly the share of Alitalia Group losses, amounting to €(55) million.

15. EARNINGS PER SHARE

Reconciliation of income used to calculate earnings per share

In € millions	**01.01.2013 06.30.2013 (6 months)**	**01.01.2012 06.30.2012 (6 months) Proforma**
Net income for the period – Equity holders of Air France-KLM	(793)	(1 276)
Dividends to be paid to priority shares	-	-
Net income for the period – Equity holders of Air France-KLM (used to calculate basic earnings per share)	**(793)**	**(1 276)**
Impact of potential ordinary shares :		
- interest paid on convertible bonds dilutive (net of tax)	-	-
Net income for the period – Equity holders of Air France-KLM (used to calculate diluted earnings per share)	**(793)**	**(1 276)**

Reconciliation of the number of shares used to calculate earnings per share

	01.01.2013 06.30.2013 (6 months)	**01.01.2012 06.30.2012 (6 months)**
Weighted average number of:		
- Ordinary shares issued	300 219 278	300 219 278
- Treasury stock held regarding stock option plan	(1 116 420)	(1 229 714)
- Treasury stock held for the share buyback plan	-	(321 179)
- Other treasury stock	(3 071 876)	(2 959 753)
Number of shares used to calculate basic earnings per share	**296 030 982**	**295 708 632**
Weighted average number of ordinary shares:		
- Conversion of convertible bonds dilutive	-	-
- Exercise of stock options dilutive	-	-
Number of potential ordinary shares	**296 030 982**	**295 708 632**
Number of ordinary and potential ordinary shares used to calculate diluted earnings per share	**296 030 982**	**295 708 632**

16. TANGIBLE ASSETS

In € millions	As of June 30, 2013			As of December 31, 2012		
	Gross value	**Depreciation**	**Net Value**	**Gross value**	**Depreciation**	**Net Value**
Owned aircraft	10 007	5 799	4 208	9 821	5 488	4 333
Leased aircraft	6 092	2 054	4 038	6 183	2 047	4 136
Assets in progress	367	-	367	347	-	347
Other	1 879	735	1 144	2 135	903	1 232
Flight equipment	**18 345**	**8 588**	**9 757**	**18 486**	**8 438**	**10 048**
Land and buildings	2 815	1 601	1 214	2 742	1 523	1 219
Equipment and machinery	1 320	919	401	1 326	896	430
Assets in progress	70	-	70	55	-	55
Other	874	682	192	925	697	228
Other tangible assets	**5 079**	**3 202**	**1 877**	**5 048**	**3 116**	**1 932**
Total	**23 424**	**11 790**	**11 634**	**23 534**	**11 554**	**11 980**

The net value of tangible assets financed under capital lease amounts to €4 538 million as of June 30, 2013 (€4 618 million as of December 31, 2012).

17. PENSION ASSETS

- **Six-month period ended June 30, 2013**

For the six months ended June 30, 2013 the discount rates used by companies for defined benefit obligations are the following:

	As of June 30, 2013	As of December 31, 2012
Euro zone - Duration 10 to 15 years	3.00%	3.00%
Euro zone - Duration 15 years and more	3.75%	3.65%

The impact of variations of discount rates on the obligation has been calculated using the sensitivity of the pension defined benefit obligation to variations in the discount rate, as mentioned in note 30.1 to the annual financial statements as of December 31, 2012.
Over the same period, the fair value of pension funds decreased.
Both items have a cumulative impact of €(233) million on "pension assets" and €(79) million on "Provisions for retirement benefits".

- **Six-month period ended June 30, 2012**

For the six months ended June 30, 2012 the discount rates used by companies for defined benefit obligations were the following:

	As of June 30, 2012	As of December 31, 2011
Euro zone - Duration 10 to 15 years	3.70%	4.75%
Euro zone - Duration 15 years and more	4.30%	5.00%

The impact of variations of discount rates on the obligation has been calculated using the sensitivity of the pension defined benefit obligation to variations in the discount rate, as mentioned in note 30.1 to the annual financial statements as of 31 December 2011.
Over the same period, the fair value of pension funds increased significantly.
Both items had a cumulative impact of €(1 229) million on "pension assets" and €266 million on "Provisions for retirement benefits".

18. ASSETS HELD FOR SALE AND LIABILITIES RELATING TO ASSETS HELD FOR SALE

As of June 30, 2013, the lines "Assets held for sale" and "Liabilities related to assets held for sale" correspond, for €41 million, to the assets and liabilities of the Group Cityjet held for sale (see note 11).

Moreover, the line "Assets held for sale" also includes the fair value of 6 aircraft held for sale for an amount of €7 million.

19. EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF AIR FRANCE-KLM SA

19.1. Breakdown of stock and voting rights

As of June 30, 2013, the issued capital of Air France-KLM comprised 300 219 278 fully paid-up shares with a nominal value of €1. Each share is entitled to one vote.

The breakdown of stock and voting rights is as follows:

	As of June 30, 2013		**As of December 31, 2012**	
	Capital	Voting rights	Capital	Voting rights
French State	16%	16%	16%	16%
Employees and former employees	9%	9%	10%	10%
Treasury shares	1%	-	1%	-
Other	74%	75%	73%	74%
Total	**100%**	**100%**	**100%**	**100%**

The item "Employees and former employees" includes shares held by employees and former employees identified in funds or by a Sicovam code.

19.2. Reserves and retained earnings

In € millions	**As of June 30, 2013**	**As of December 31, 2012 Proforma**
Legal reserve	70	70
Distributable reserves	734	850
Derivatives reserves	(47)	(43)
Available for sale securities reserves	439	253
Defined benefit pensions reserves	(1 326)	(1 203)
Other reserves	666	1 701
Net income (loss) – Equity holders of Air France-KLM	(793)	(1 225)
Total	**(257)**	**403**

20. PROVISIONS AND RETIREMENT BENEFITS

In € millions	As of June 30, 2013			As of December 31, 2012 Proforma		
	Non current	**Current**	**Total**	**Non current**	**Current**	**Total**
Retirement benefits	1 892	-	1 892	1 965	-	1 965
Restitution of aircraft	560	137	697	545	96	641
Restructuring	5	396	401	4	424	428
Litigation	420	41	461	429	10	439
Other	207	28	235	215	25	240
Total	**3 084**	**602**	**3 686**	**3 158**	**555**	**3 713**

20.1. Provisions

Retirement benefits

See note 17.

Provision for litigation with third parties

An assessment of litigation risks with third parties was carried out with the Group's attorneys and provisions have been recorded whenever circumstances rendered it necessary.
Provisions for litigation with third parties also include provisions for tax risks. Such provisions are set up when the Group considers that the tax authorities could challenge a tax position adopted by the Group or one of its subsidiaries.

In the normal course of its activities, the Air France-KLM Group and its subsidiaries Air France and KLM (and their subsidiaries) are involved in litigation, some of which may be significant.

Provision for restructuring

See note 11.

Litigation concerning anti-trust laws

In the air-freight industy

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

The proceedings initiated in the United States, Australia and Canada resulted in Plea Agreements made by Air France, KLM and Martinair with the appropriate agencies, and the payment of settlement amounts putting an end to those proceedings. As of July 2012, a settlement negotiation was finalized between the Competition Ccommission of South Africa and Air France and KLM resulting in a settlement amount of €1.8 million, which the Competition Tribunal has confirmed as a consent order on October 17, 2012. A similar settlement was finalized by Air France and KLM on 20 February 2013 with the Competition Authority of Brazil resulting in a total settlement amount of €4.6 million.

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

As the Group's parent company, Air France-KLM was considered by the European Commission to be jointly and severally liable for the anti-competitive practices of which the Group companies were found guilty.
On January 24 and 25, 2011, the Group companies filed an appeal against the decision before the General Court of the European Union.
Since the appeal does not suspend the payment of the fines, the Group companies chose not to pay the fine immediately, but to provide bank guarantees until a definitive ruling by the European Courts.

In South Korea on November 29, 2010, the Korean antitrust authority (KFTC) imposed on Air France-KLM, Air France and KLM a total fine of €8.8 million already paid, for anti-competitive practices prior to September 2004. The Group companies filed an appeal before the competent Seoul High Court in December 2010.

On May 16, 2012 the 6th chamber of the Seoul High Court vacated the KFTC's decision against Air France-KLM on the ground that Air France-KLM was not engaged in the air freight transportation business after it converted in a holding company on September 15, 2004. Accordingly this decision, which was issued after the expiration of the statute of limitations, was illegal. With regard to the appeals of Air France and KLM, the Court found in favour of the KFTC. Appeal filings against the Court decisions were submitted to the Supreme Court by both Air France and KLM. Generally, the Supreme Court appeal process will tale 1-2 years to conclude.

As of June 30, 2013, one antitrust investigation is still pending in Switzerland. Provisions are recorded in the financial accounts of Air France and KLM for this procedure.

The total amount of provisions as of June 30, 2013 amounts to €409 million for the whole proceedings, which have not yet been concluded by a final decision.

Other provisions

Other provisions are mainly provisions for power-by-hour contracts (maintenance activity of the Group), provisions for parts of CO2 emission not covered by free allowance of quotas and provisions for dismantling buildings.

20.2. CONTINGENT LIABILITIES

The Group is involved in a number of governmental, legal and arbitrage procedures for which provisions have not been recorded in the financial statements.

Litigations concerning anti-trust laws

These litigations have not been provisioned given that the Group is unable, given the current status of proceedings, to evaluate its exposure.

Pursuant to the initiation in February 2006 of the various competition authority investigations, class actions were brought by forwarding agents and air-freight shippers in several countries against Air France, KLM and Martinair, and the other freight carriers. In addition, civil suits have been filed in Europe by shippers following the European Commission's decision of November 9, 2010. The Group companies intend to vigorously oppose all such civil actions.

United States
In the United States, the Group concluded a Settlement Agreement with the representatives of the class action in July 2010. The Settlement Agreement, under which the Group accepted to pay USD 87 million, brings to a close all claims, lawsuits and legal proceedings in the past, present or future by plaintiffs seeking to obtain financial compensation from the Air France-KLM Group for unlawful practices in freight transportation to, from or within the United States.
On March 14, 2011, the Court issued an order granting final approval of the Air France-KLM settlement with the class action plaintiffs. Prior to that date, pursuant to procedures established by the Court, 36 entities elected to be excluded from the settlement, which permits them to separately pursue claims.

With respect to those Air France and KLM customers who have chosen to be excluded, a portion of the settlement proportional to the revenue Air France and KLM received from those parties for a specified period as compared with Air France and KLM's overall revenue for that period will be segregated in a separate escrow. The parties who opted out are free to sue Air France, KLM and Martinair individually.
In 2011, written demands were made to Air France and KLM by two customers. Consequently a portion of the escrow amount attributable to those customers, was repaid to Air France and KLM and the repaid amount was included as a provision.

Netherlands
In the Netherlands, KLM, Martinair and Air France were summoned on September 30, 2010, to appear before the District Court of Amsterdam in a civil suit brought by a company named Equilib.
Equilib currently states that it has purchased claims from at least 175 indirect purchasers of airfreight services who allegedly suffered losses as a result of an anti-trust infringement in the European market between 2000 and 2006.

Equilib is seeking to obtain a declaratory judgment confirming that the Group companies have been guilty of unlawful conduct and are jointly and severally liable, along with other carriers, for the losses suffered by the airfreight purchasers. Equilib initially estimates its claims at €400 million. So far it has not substantiated its claim.
The proceedings are still in a preliminary stages and it is not expected that the matter will soon be dealt with in substance as the Amsterdam District Court ruled on March 7, 2012 that the proceedings should be stayed until the pending appeals against the European Commission's decision of November 9, 2010 have fully run their course. Equilib appealed this judgment and proceedings are currently pending before the Amsterdam Court of Appeal.
The Group companies served a contribution writ of summons on the other airlines fined by the European Commission on November 9, 2010 and simultaneously a claim to make these airlines join the proceedings to ensure that if the Amsterdam Court ultimately decides that the Group companies are liable, the burden will be shared amongst all responsible parties.

Air France and KLM, as well as other airlines, were also summoned on February 2012 to appear before the District Court of Amsterdam in a similar civil suit by a company named East West debt BV. In its writ, East West Debt claims to represent eight recipients of airfreight services that allegedly suffered loss in relation to an anti-trust infringement in the European market between 2000 and 2006.
East West debt currently estimates its claim at €27.9 million. So far, however, its claim has not been substantiated.
On November 7, 2012, the Amsterdam Court issued a similar ruling as that on Equilib and stayed the proceedings. East West Debt is appealing the Amsterdam District Court decision to stay. The Group companies have filed contribution proceedings against the other addressees of the European Commission decision to ensure that if the Amsterdam Court ultimately decides that the Group companies are liable, the burden will be shared amongst all responsible parties. In the contribution proceedings, the Amsterdam Court has not yet decided on whether to stay the proceedings.

United Kingdom
In the United Kingdom, a civil suit has been filed with the competent court in the UK against British Airways by two flower importers. British Airways issued contribution proceedings against all the airlines fined by the European Commission including entities of the Group. To date, British Airways has neither quantified nor substantiated its purported claims. These contribution proceedings have been stayed. In the main proceedings, the plaintiffs were granted permission to add parties to the proceedings, resulting in 267 plaintiffs.

Australia
Within the context of ongoing class action proceedings instituted in 2007 against seven airlines (excluding the Air France-KLM group) in the Australian Federal Court, cross claims have been filed against Air France, KLM and Martinair by Singapore Airlines (August 15, 2011), Cathay Pacific (August 15, 2011), Lufthansa (November 4, 2011), Air New Zealand (December 5, 2011) and British Airways (December 19, 2011). In the cross claims, the respondent airlines claim that if, despite their denial of the claims of wrongdoing in the class action, they are ordered to pay damages, they will seek contribution from the cross respondents. The Group have filed defences to these cross claims in which they deny that the respondent airlines are entitled to any contribution from them, particularly since they did not operate direct flights to or from Australia during the relevant period. It is unlikely that any trial in the class action proceeding will occur during 2013.
The Group companies intend to vigorously oppose all such civil actions.

Norway
On May 25, 2012, a civil suit was filed by a company named Marine Harvest before the Norwegian court on the grounds of allegedly additional costs caused by anticompetitive practices. Companies of the Group brought an action before the Tribunal to suspend this procedure.

Other litigations

a) Pretory

Company Air France, as a legal entity, was placed under investigation on July 20, 2006 on charges of concealed employment and as an accessory to misuse of corporate assets in connection with a judicial investigation initiated against the officers of Pretory, a company with which Air France, pursuant to the September 2001 attacks, had entered into an agreement for the provision of safety officers on certain flights.
Despite a non prosecution decision by the Public Prosecutor, the investigating magistrate has decided on February 7, 2012 to bring the case to a court on charges of concealed employment. Other charges were dropped.

On July 9, 2013, the Court has sentenced the Company to a 150 000 euros fine. Air France has filed an appeal against this decision which it considers ungrounded.

b) KLM minority shareholders

On January 2008, the association Vereniging van Effectenbezitters (VEB) served KLM and Air France-KLM before the Amsterdam Civil Court claiming that KLM and Air France-KLM be ordered to pay to minority shareholders a higher dividend than the €0.58 per ordinary share paid for fiscal year 2007-2008.
On September 1, 2010 the Court dismissed the case on the grounds that the dividend resolution met the test of reasonableness and fairness. VEB have appealed the Amsterdam Court decision.
On November 15, 2011 the Amsterdam Court of appeals upheld the decision. Claimants have filed for cassation with the Netherlands Supreme Court on February 15, 2012. The Advocate General on April 12, 2013 rendered its conclusion, being that the appeal of the claimants should be rejected. The Supreme Court scheduled the date of September 13, 2013 for rendering its final decision.

c) Rio-Paris AF447 flight

Following to the crash of the Rio-Paris AF447 flight in the South Atlantic, a number of legal actions have been brought in the United States and Brazil and, more recently, in France by the victims' heirs.
All these proceedings are aimed at receiving damages as reparation for the losses suffered by the heirs of the passengers who died in the crash.
In the United States, all the proceedings have been consolidated in California before the Northern District Court.
On October 4, 2010, the District judge granted the defendants' motion for dismissal on grounds of "forum non convenience" and suggested that they pursue their claim in France.
On March 17 and 18, 2011 respectively, Airbus and Air France were indicted for manslaughter by the investigating magistrate and incur the penalties of fines prescribed by law. Air France intends to challenge its implication in this case. These penalties should not have a material effect on the financial situation of Air France.
The damages as reparation for the losses suffered by the heirs of the passengers who died in the crash are covered by Air France's third-party liability insurance policy.

Except for the matters specified under the paragraphs 20.1 and 20.2, the Group is not aware of any dispute or governmental, judicial and arbitration proceedings (including any proceedings of which the issuer is aware, or that are pending or threatened against it) that could have or have recently had a significant impact on the Group's financial position, earnings, assets, liabilities or profitability, during a period including at least the past twelve months.

21. FINANCIAL DEBT

In € millions	As of June 30, 2013			As of December 31, 2012		
	Non current	Current	Total	Non current	Current	Total
Perpetual subordinated loan stock	577	-	577	603	-	603
OCEANE (convertible bonds)	1 454	-	1 454	988	-	988
Bonds	1 200	750	1 950	1 950	-	1 950
Capital lease obligations	3 833	645	4 478	3 919	588	4 507
Other long-term debt	1 886	725	2 611	2 105	734	2 839
Accrued interest	-	104	104	-	112	112
Total	**8 950**	**2 224**	**11 174**	**9 565**	**1 434**	**10 999**

On March 28, 2013, Air France-KLM issued 53,398,058 bonds convertible and / or exchangeable for new or existing Air France-KLM shares (OCEANE) with a maturity date fixed at February 15, 2023 for a nominal amount of €550 million. These bonds have a nominal value of €10.30, with an annual coupon of 2.03%.
The conversion period of these bonds runs from May 7, 2013 to the seventh working day preceding the normal or early reimbursement date. The conversion ratio is one share for one bound.
A refund including accrued interest will be possible on February 15, 2019, on request of holders.
Air France-KLM can impose the cash reimbursement of these bonds by exercising a call as of September 28, 2016 if the price of the share exceeds 130% of the nominal value, i.e. €13.39, encouraging OCEANE owners to convert their bonds into Air France-KLM shares.
Upon issue of this convertible debt, Air France-KLM recorded a debt of €443 million, corresponding to the present value of future payments of interest and nominal discounted at the rate of a similar bond without a conversion option. The option value was evaluated by deducting this debt value from the total nominal amount (i.e. €550 million) and was recorded in equity for €107 million before deferred tax.

As of June 30, 2013, the financial liabilities with a fair value significantly different from their book value are the following:

In € millions	Net book value	Estimated market value
Perpetual subordinated loan stock	577	275
OCEANE (convertible bonds)	1 454	1 633
Bonds	1 950	2 034
Total	**3 981**	**3 942**

22. LEASE COMMITMENTS

22.1. Capital leases

The breakdown of total future minimum lease payments related to capital lease is as follows:

In € millions	As of June 30, 2013	As of December 31, 2012
Flight equipment	5 082	4 591
Buildings	581	481
Other	138	141
Total	**5 801**	**5 213**

22.2. Operating leases

The undiscounted amount of the future minimum operating lease payments for aircraft under operating lease totaled €5 222 million as of June 30, 2013 (€5 022 million as of December 31, 2012).

23. FLIGHT EQUIPMENT ORDERS

Due dates for commitments in respect of flight equipment orders are as follows:

In € millions	As of June 30, 2013	As of December 31, 2012
2nd semester Y (6 months)	147	-
Y + 1	422	511
Y + 2	535	431
Y + 3	440	434
Y + 4	426	354
> Y + 4	5 298	2 410
Total	**7 268**	**4 140**

These commitments relate to amounts in US dollars, converted into euros at the closing date exchange rate. Furthermore these amounts are hedged.

The number of aircraft on firm order as of June 30, 2013 increased by 22 units compared with December 31, 2012 to 65 units. These changes in the backlog are explained by 25 new firm orders, the delivery of 4 aircraft and the transfer of one option into firm order over the period.

Long-haul fleet

Passenger

The Group ordered 25 Airbus A350s.
The Group took delivery of one Airbus A330 and one Boeing B777.
Moreover, a Boeing B777 in option has been transformed into firm order.

Cargo

The Group did not take any deliveries.

Medium-haul fleet

The Group took delivery of 2 Boeing B737s.

Regional fleet

The Group did not take any deliveries.

The Group's commitments concern the following aircraft:

Aircraft type	To be delivered in	Y (6 months)	Y+1	Y+2	Y+3	Y+4	Beyond Y+4	Total
Long-haul fleet – passenger								
A380	As of June 30, 2013	1	1	-	-	-	2	**4**
	As of December 31, 2012	-	2	2	-	-	-	**4**
A350	As of June 30, 2013	-	-	-	-	-	25	**25**
	As of December 31, 2012	-	-	-	-	-	-	-
A330	As of June 30, 2013	-	-	-	-	-	-	-
	As of December 31, 2012	-	1	-	-	-	-	**1**
B787	As of June 30, 2013	-	-	-	3	3	19	**25**
	As of December 31, 2012	-	-	-	-	3	22	**25**
B777	As of June 30, 2013	-	-	4	1	-	-	**5**
	As of December 31, 2012	-	1	-	3	1	-	**5**
Medium-haul fleet								
A320	As of June 30, 2013	-	-	3	-	-	-	**3**
	As of December 31, 2012	-	-	-	3	-	-	**3**
B737	As of June 30, 2013	-	2	-	-	-	-	**2**
	As of December 31, 2012	-	2	2	-	-	-	**4**
Regional fleet								
CRJ 1000	As of June 30, 2013	-	-	1	-	-	-	**1**
	As of December 31, 2012	-	-	-	1	-	-	**1**

24. RELATED PARTIES

The Group's relationships with its related parties did not changed significantly in terms of amounts and/or scope.