

AIR FRANCE KLM

Third Quarter Results 2007-08

14th February 2008



Highlights of the quarter

+ Market

- ▶ High oil price (\$88.7 per bbl) partly offset by strength of the Euro
- ▶ A benign economic environment despite the financial crisis

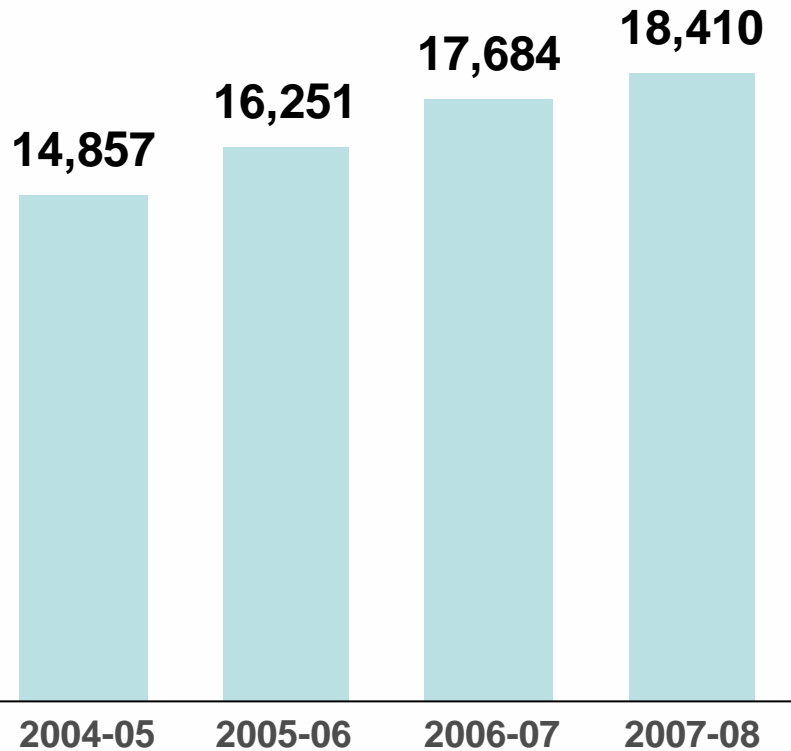
+ Air France-KLM

- ▶ Strong rise in operating income to €311 m (+23.4%)
- ▶ Good performance by the Passenger business
- ▶ Slight improvement in Cargo
- ▶ Air France activity impacted by strike action
- ▶ Green light from the Italian government to start exclusive negotiations between Air France-KLM and Alitalia

Further improvement in profitability

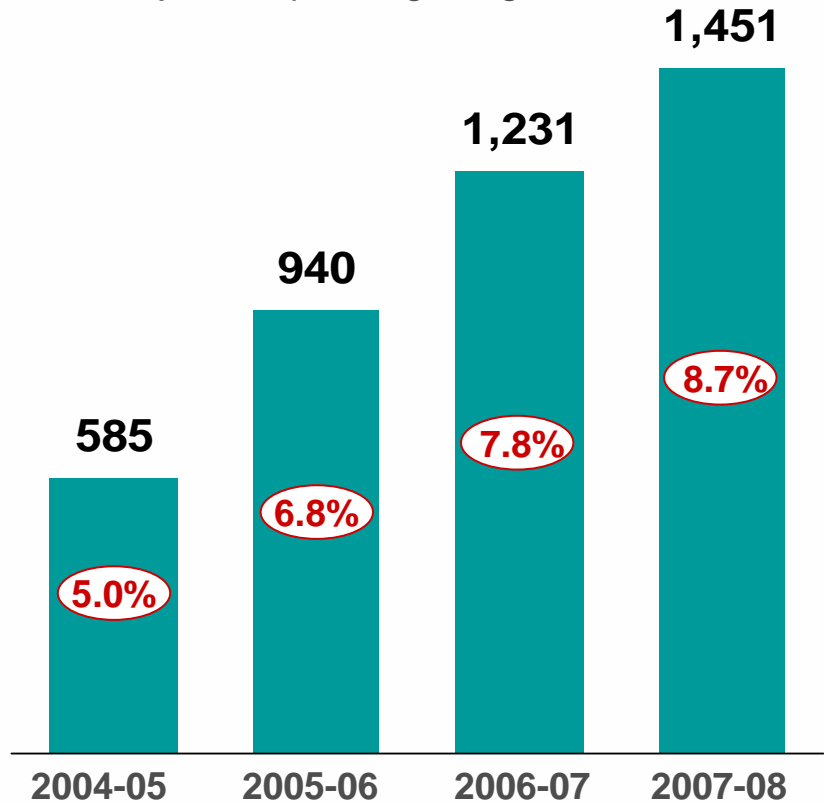
Nine months to December
€ millions

Revenues



Operating income

Adjusted operating margin*



*Operating income adjusted by the portion of operating leases corresponding to financial charges (34%)

AIR FRANCE **KLM**

Activity

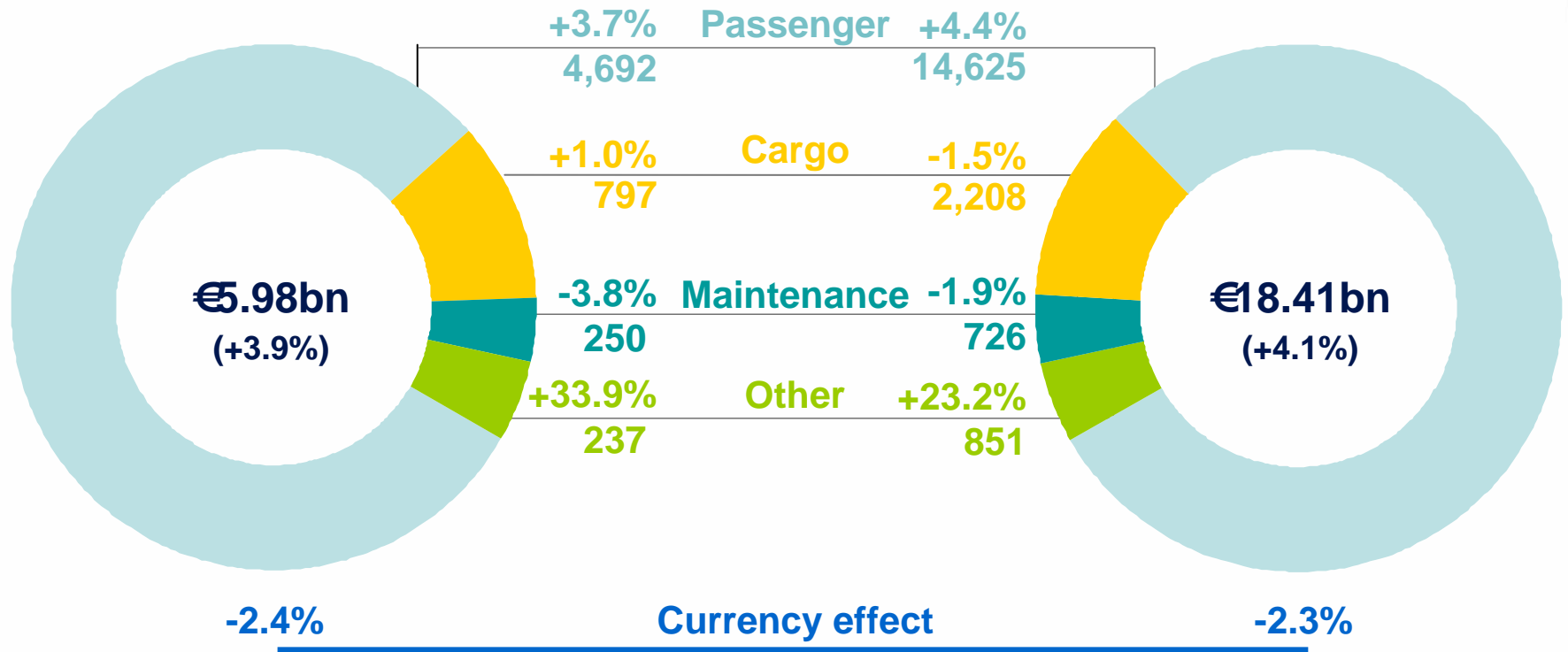
Pierre-Henri Gourgeon



Revenue growth limited by negative currency impact

Third Quarter 2007-08

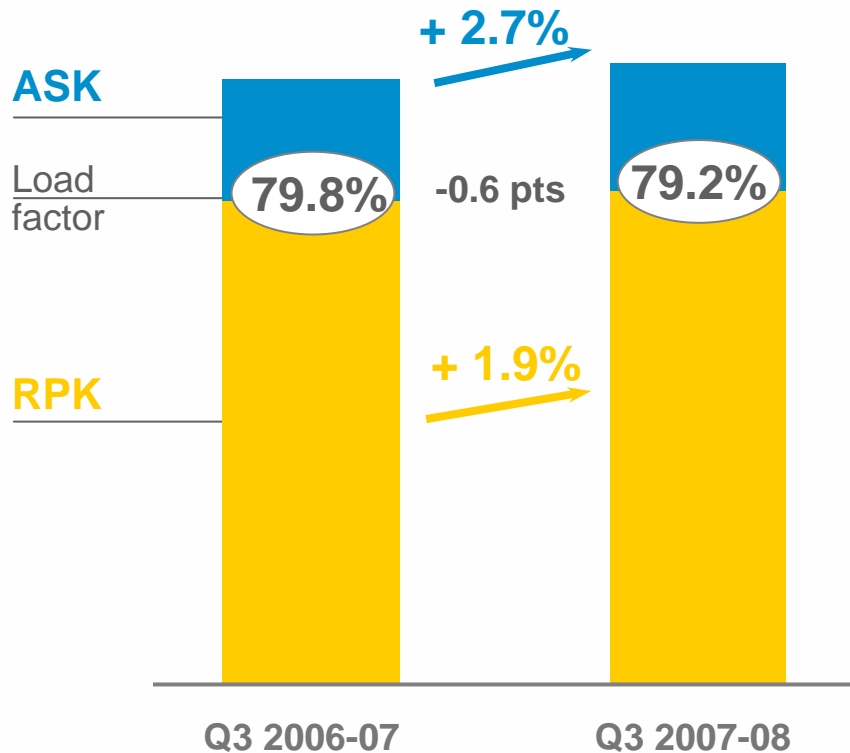
Nine months 2007-08



Passenger activity: Resilient despite impact of strikes in the Third Quarter

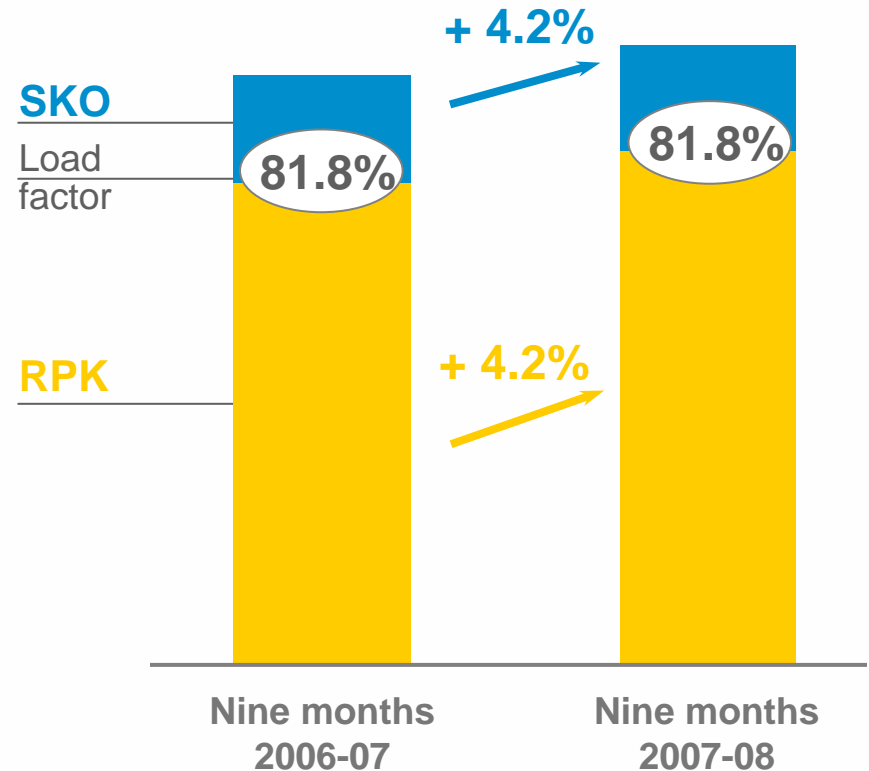
Third Quarter

17.9 million passengers (+0.2%)



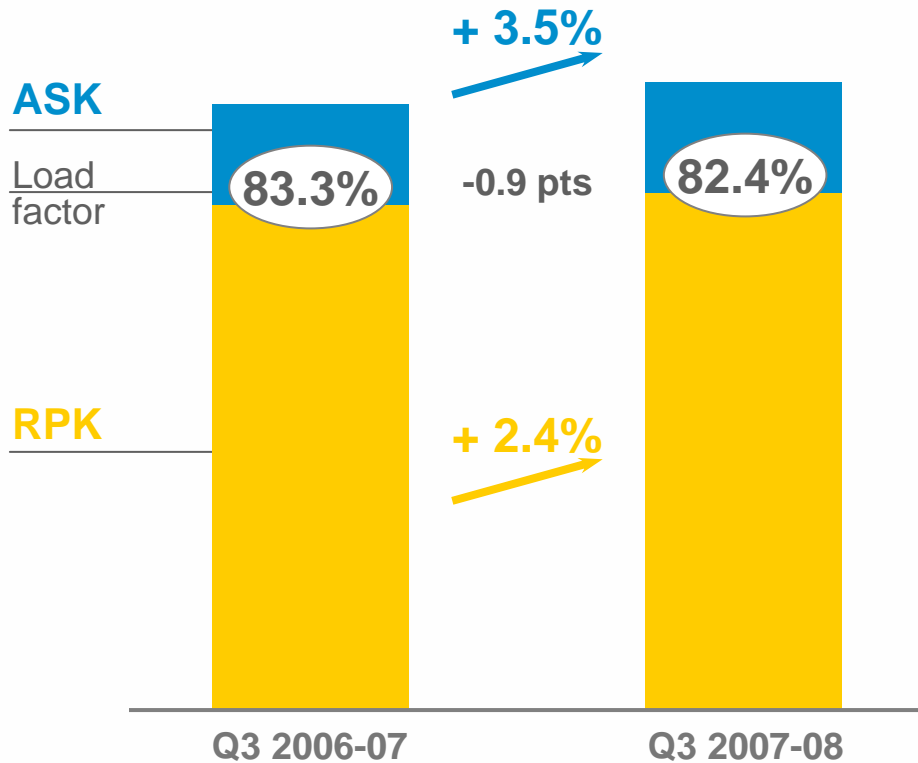
Nine months to December

57.7 million passengers (+2.1%)

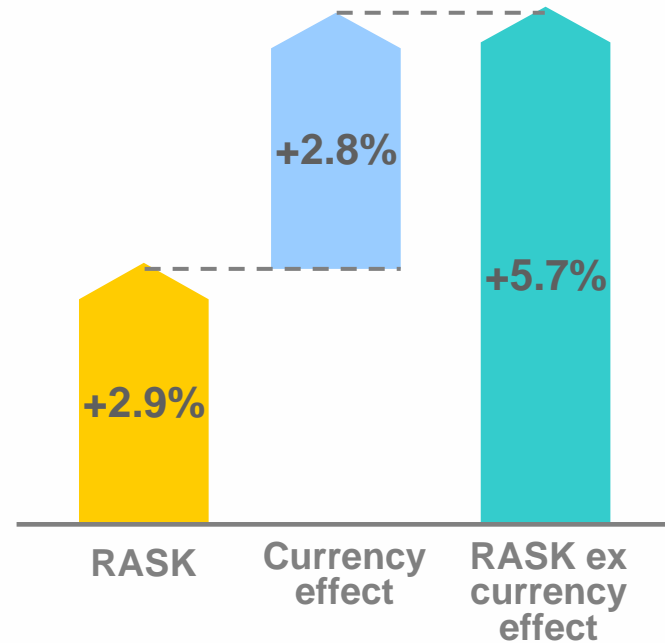


Strong rise in unit revenue in long-haul

Long-haul network
Third Quarter

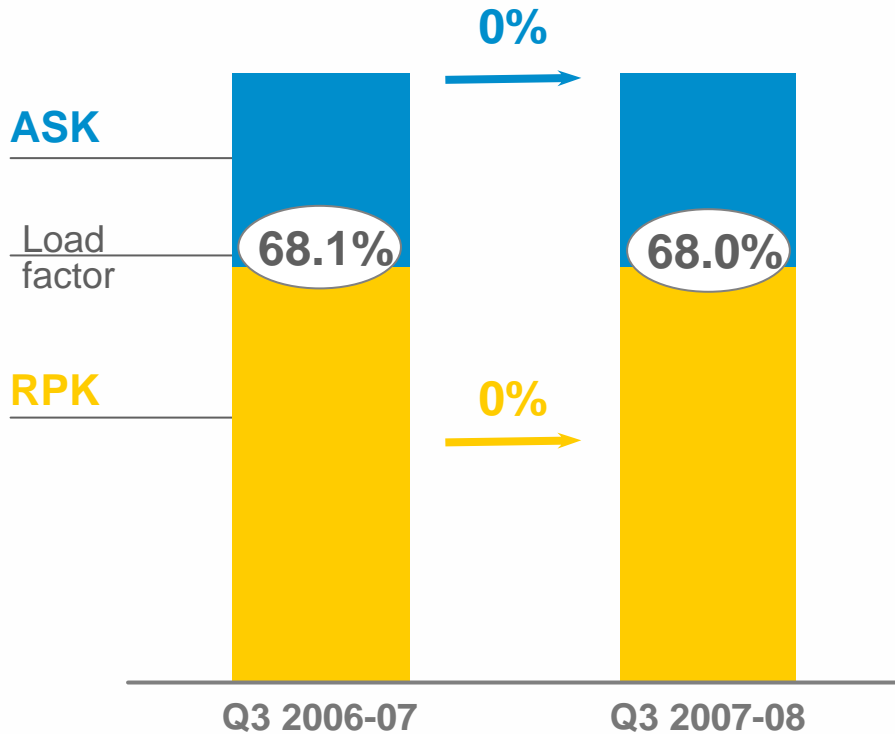


Long-haul RASK
Third Quarter

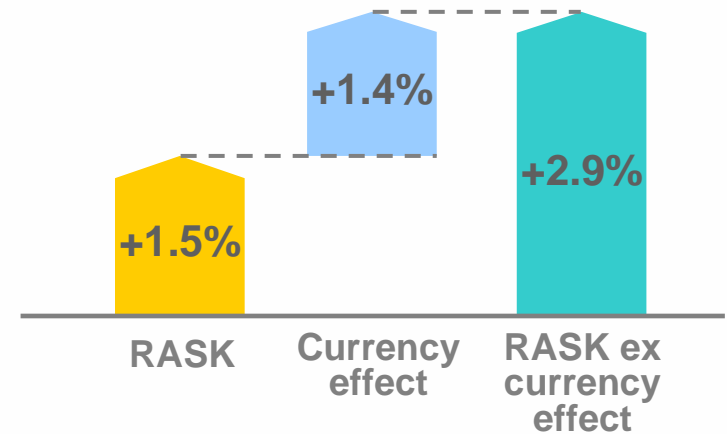


Resilient medium-haul activity

Medium-haul network
Third Quarter



Medium-haul RASK
Third Quarter

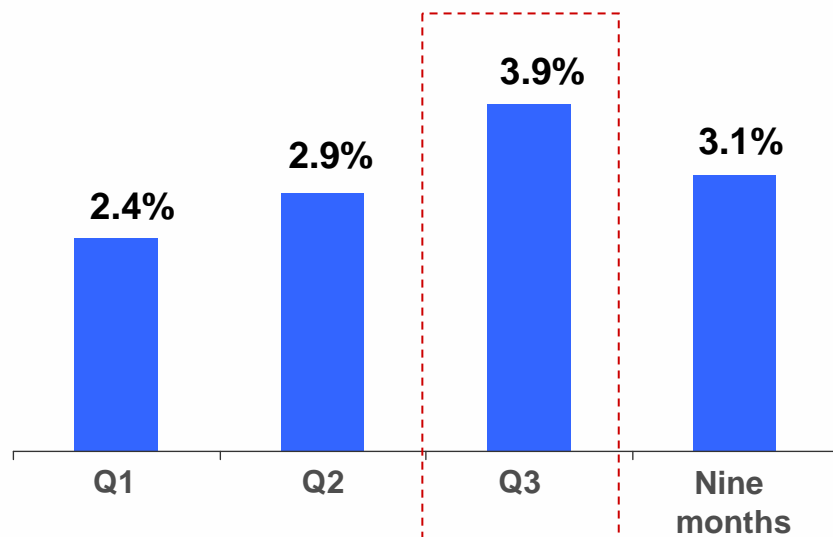


Further rise in unit revenues in all classes

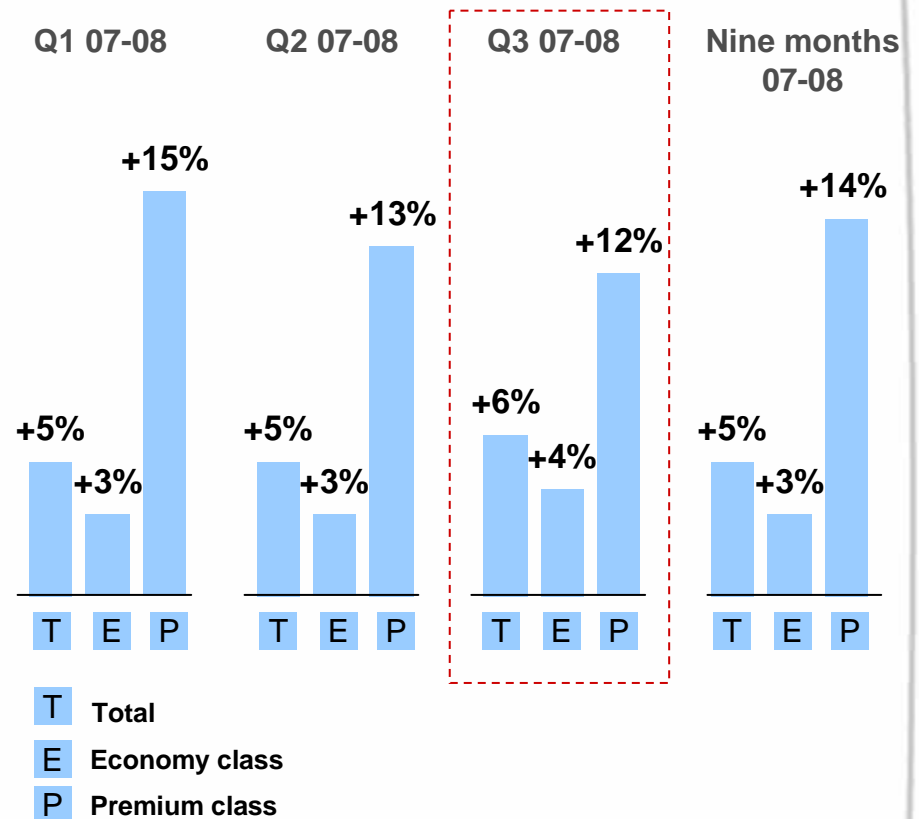
Third Quarter 2007-08

RASK: 7.11 €cts

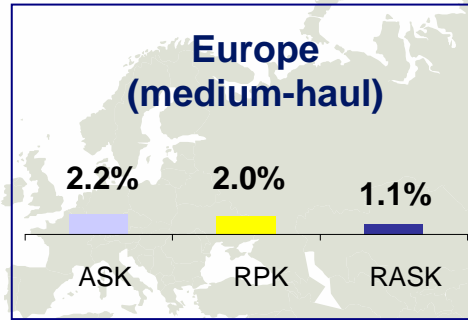
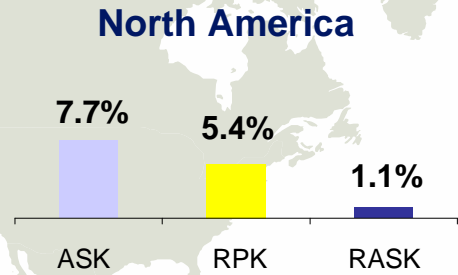
RASK excl. currency (total network)



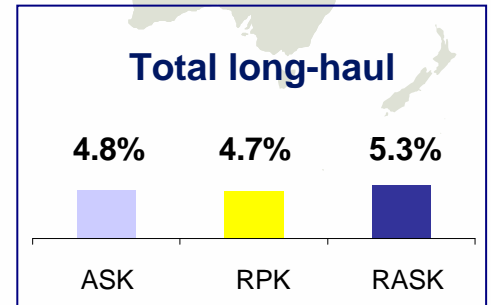
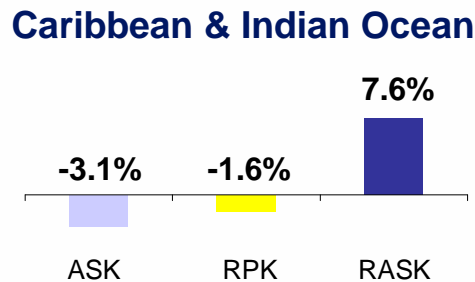
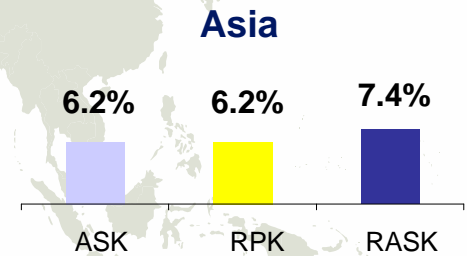
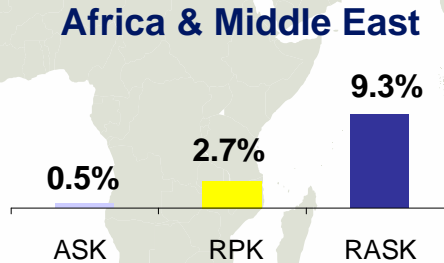
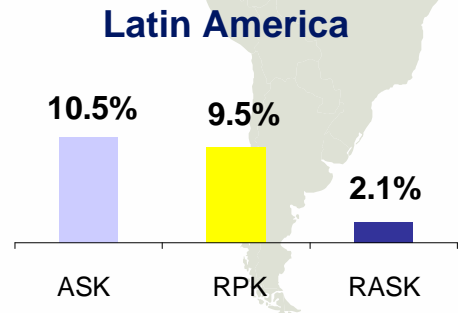
Long-haul RASK excl. currency



Growth in unit revenues in all geographic zones in the first nine months

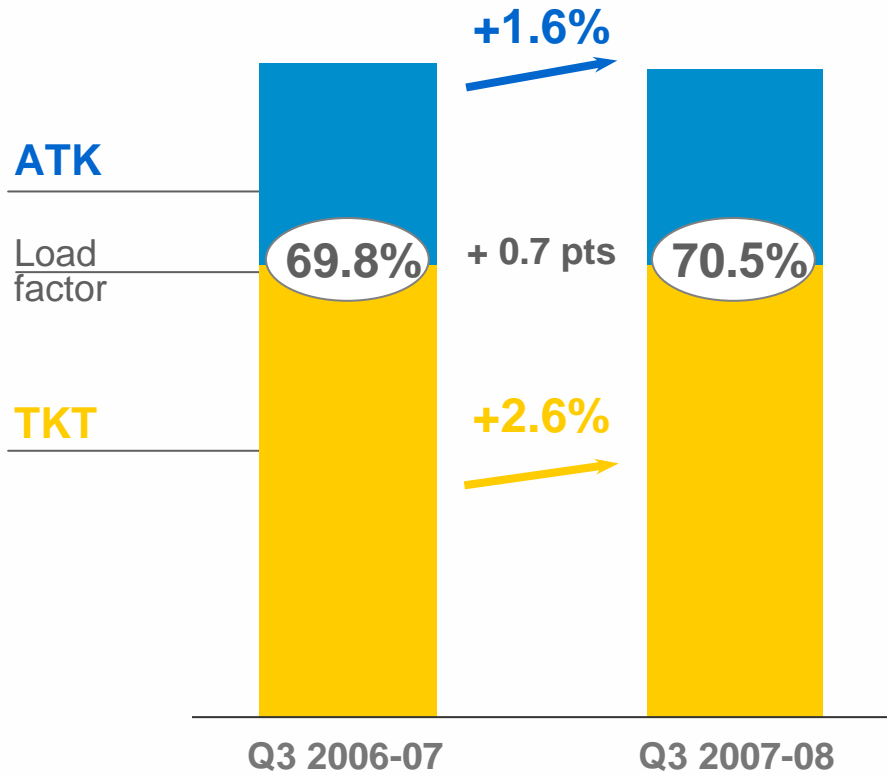


Nine months to Dec 2007
RASK excl. currency effect: 7.19 €cts

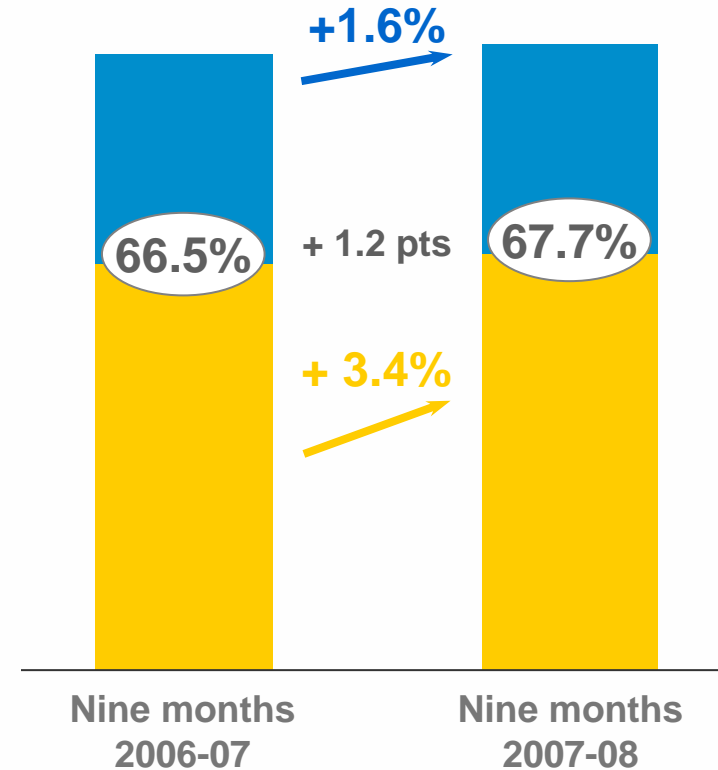


Cargo: Improvement in traffic...

Third Quarter

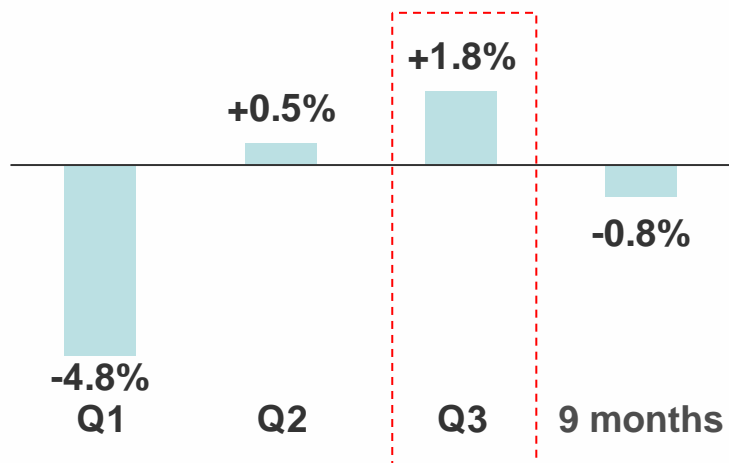


Nine months to Dec 2007



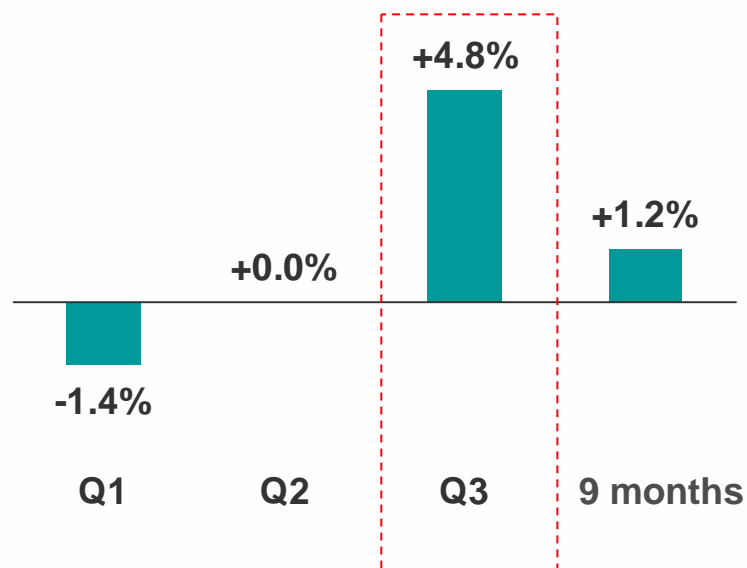
...revenues and unit revenues

Cargo revenues



Unit revenue per ATK excl. currency impact

Third Quarter 2007-08
RATK: 17.54 €cts



AIR FRANCE KLM

Results

Philippe Calavia



Strong rise in Q3 operating income

€ millions

	31 Dec 2007	31 Dec 2006	Change
Revenues	5,976	5,751	+3.9%
Operating costs	(5,665)	(5,499)	+3.0%
Operating income	311	252	+23.4%
<i>Operating margin</i>	5.2%	4.4%	+0.8 pts
<i>Adjusted operating margin*</i>	6.1%	5.3%	+0.8 pts

* Operating income adjusted by the portion of operating leases corresponding to financial charges (34%)

Q3 net income impacted by exceptional items

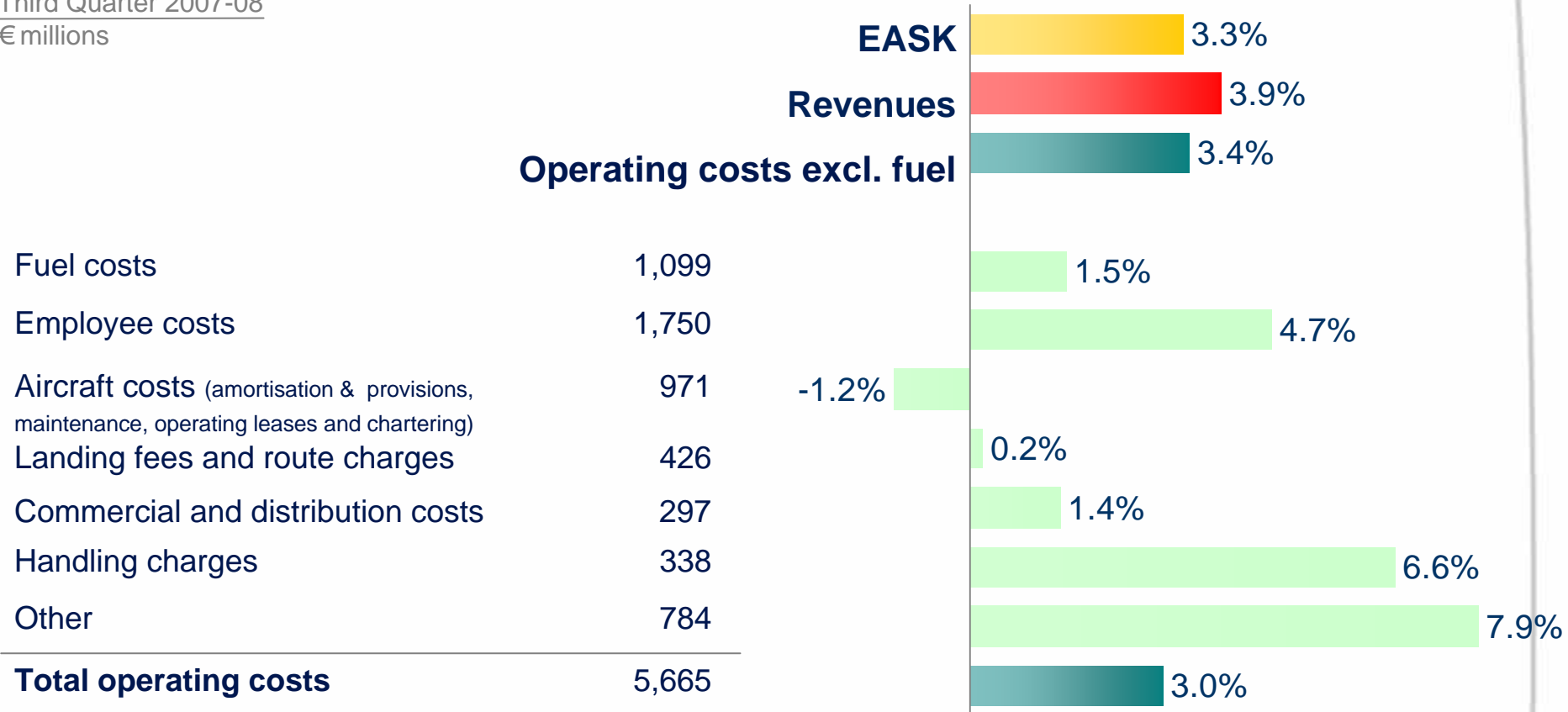
€ millions	31 Dec 2007	31 Dec 2006	Change
Operating income	311	252	+23.4%
Other non-current income and charges	17	10	nm
Income from operating activities	328	262	+25.2%
Net interest charge	(32)	(25)	+28.0%
Other financial income and charges	(85)	(21)	nm
<i>o/w effect of revaluation of financial instruments</i>	<i>(69)</i>	<i>(27)</i>	<i>nm</i>
Income tax	(63)	10	nm
<i>o/w effect of reduction in tax rate in the Netherlands</i>		<i>73</i>	
Other	(9)	3	nm
Net income, group share	139	229	-39.3%
Income before derivative and tax rate effects	208	183	+13.7%

* Operating income adjusted by the portion of operating leases corresponding to financial charges (34%)

Operating costs contained in Q3

Third Quarter 2007-08

€ millions



Excellent results for the first nine months

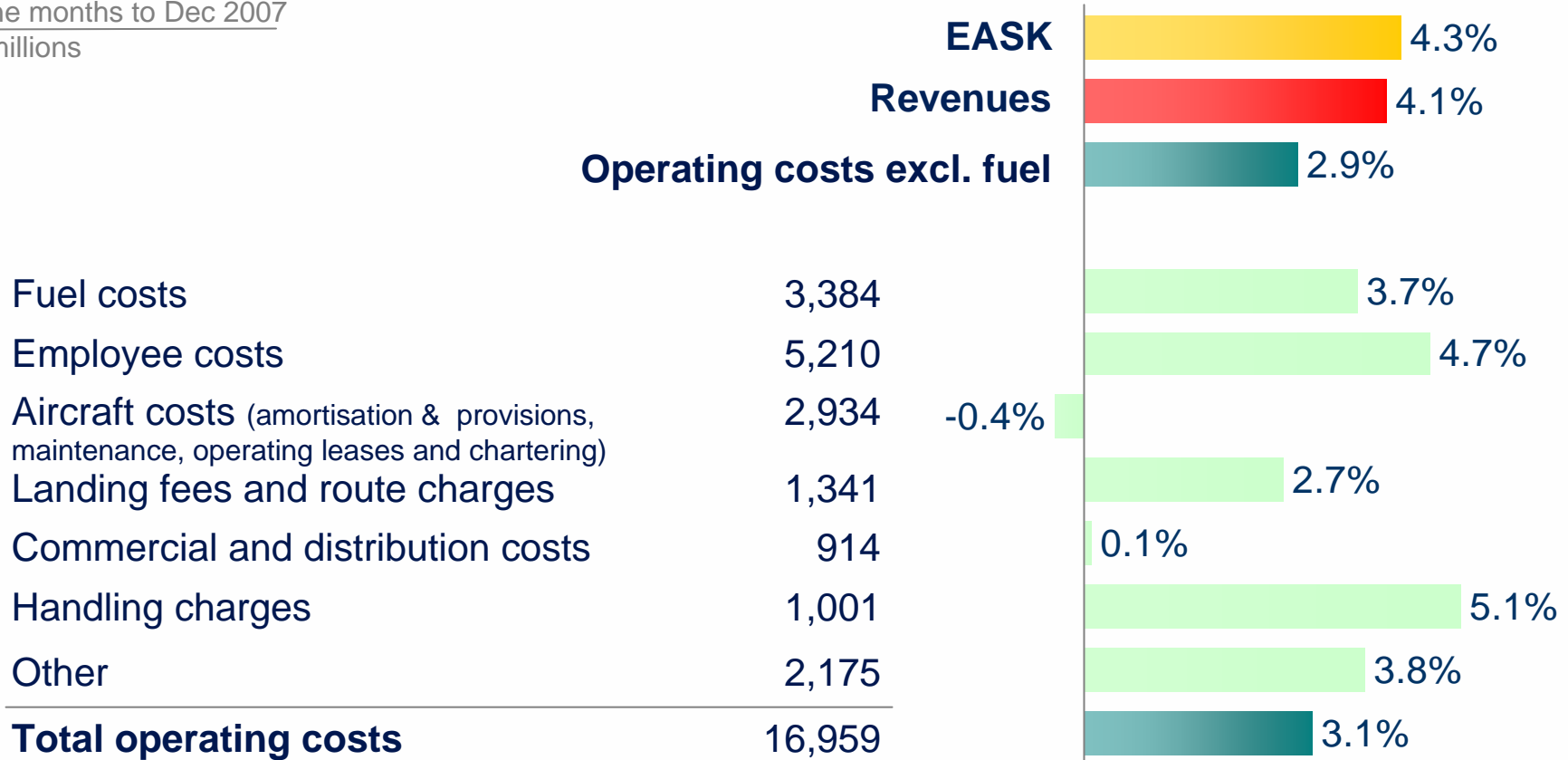
€ millions	31 Dec 2007	31 Dec 2006	Change
Revenues	18,410	17,684	+4.1%
Operating costs	(16,959)	(16,453)	+3.1%
Operating income	1,451	1,231	+17.9%
<i>Operating margin</i>	7.9%	7.0%	+0.9 pts
<i>Adjusted operating margin*</i>	8.7%	7.8%	+0.9 pts
Other non-current income and charges	353	(15)	nm
Income from operating activities	1,804	1,216	+48.4%
Net interest charge	(79)	(110)	-28.2%
Other	(26)	(31)	nm
Income tax	(409)	(228)	79.4%
Net income, group share	1,290	847	+52.3%

* Operating income adjusted by the portion of operating leases corresponding to financial charges (34%)

Operating costs under control in the first nine months

Nine months to Dec 2007

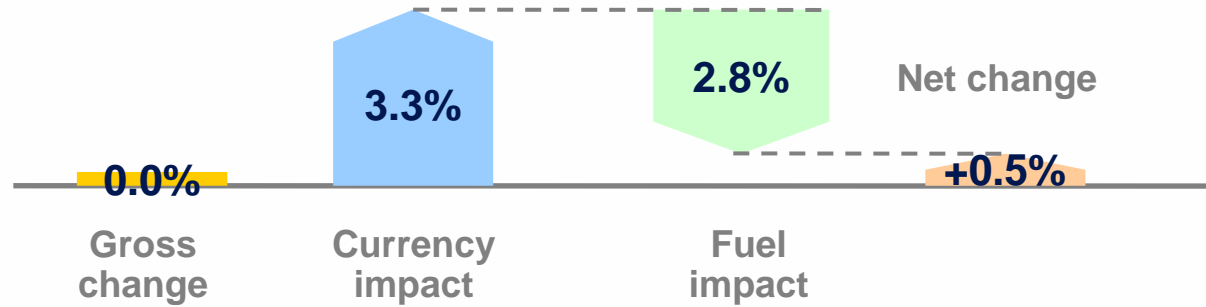
€ millions



Unit costs contained

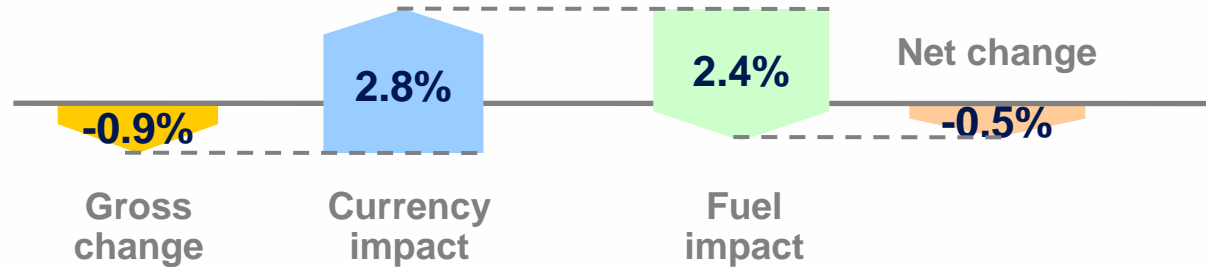
Third Quarter 2007-08

Unit costs per EASK: **6.47 €cents**

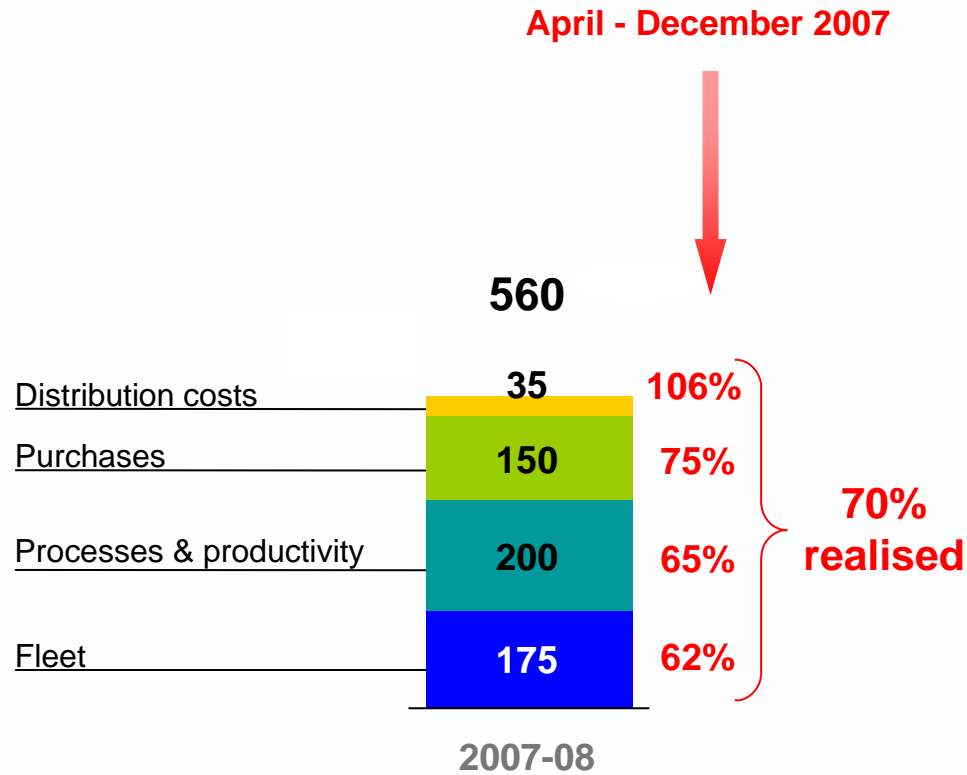


Nine months to Dec 2007

Unit costs per EASK: **6.26 €cents**



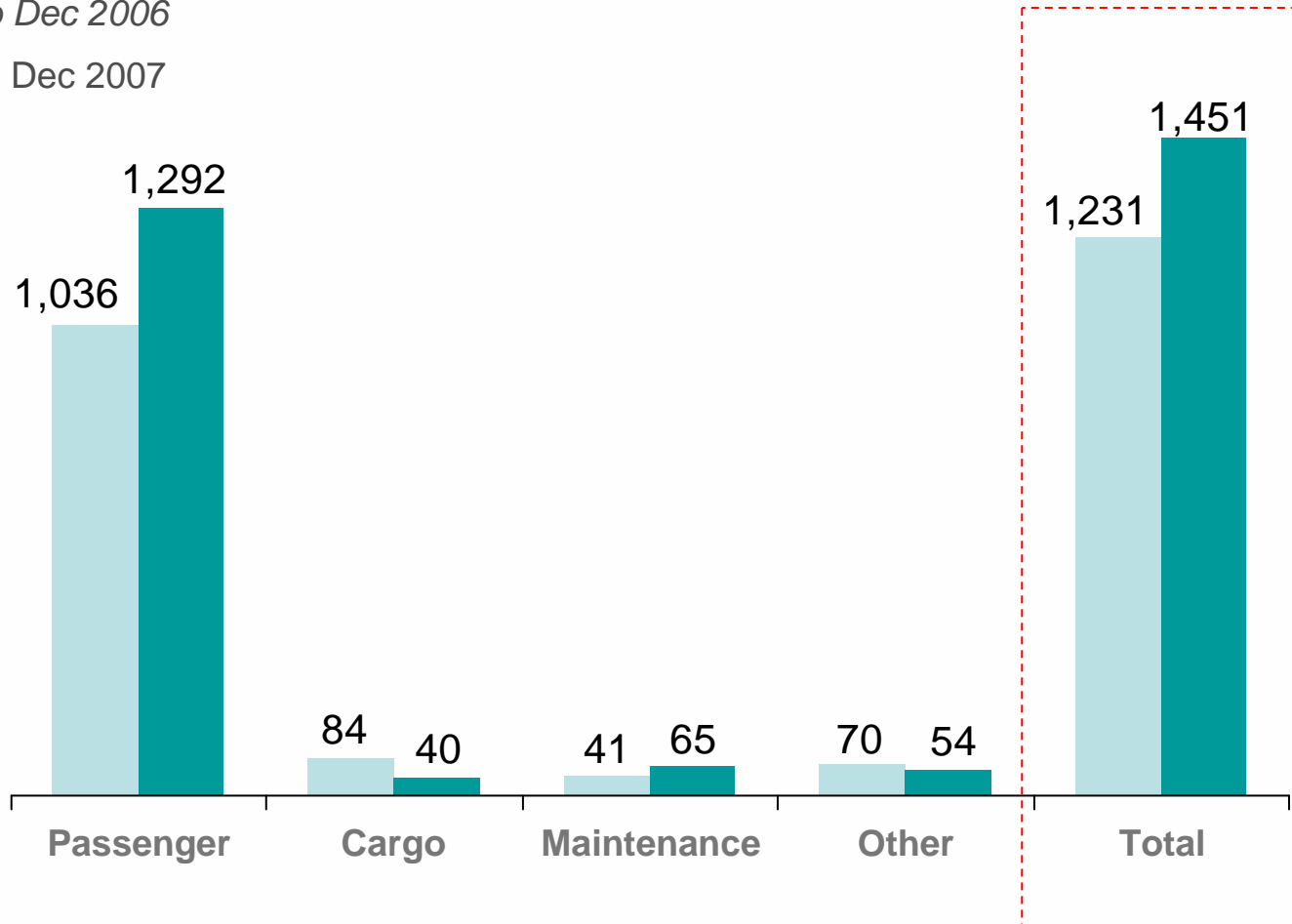
Update on 'Challenge 10' progress



Breakdown of operating income by activity

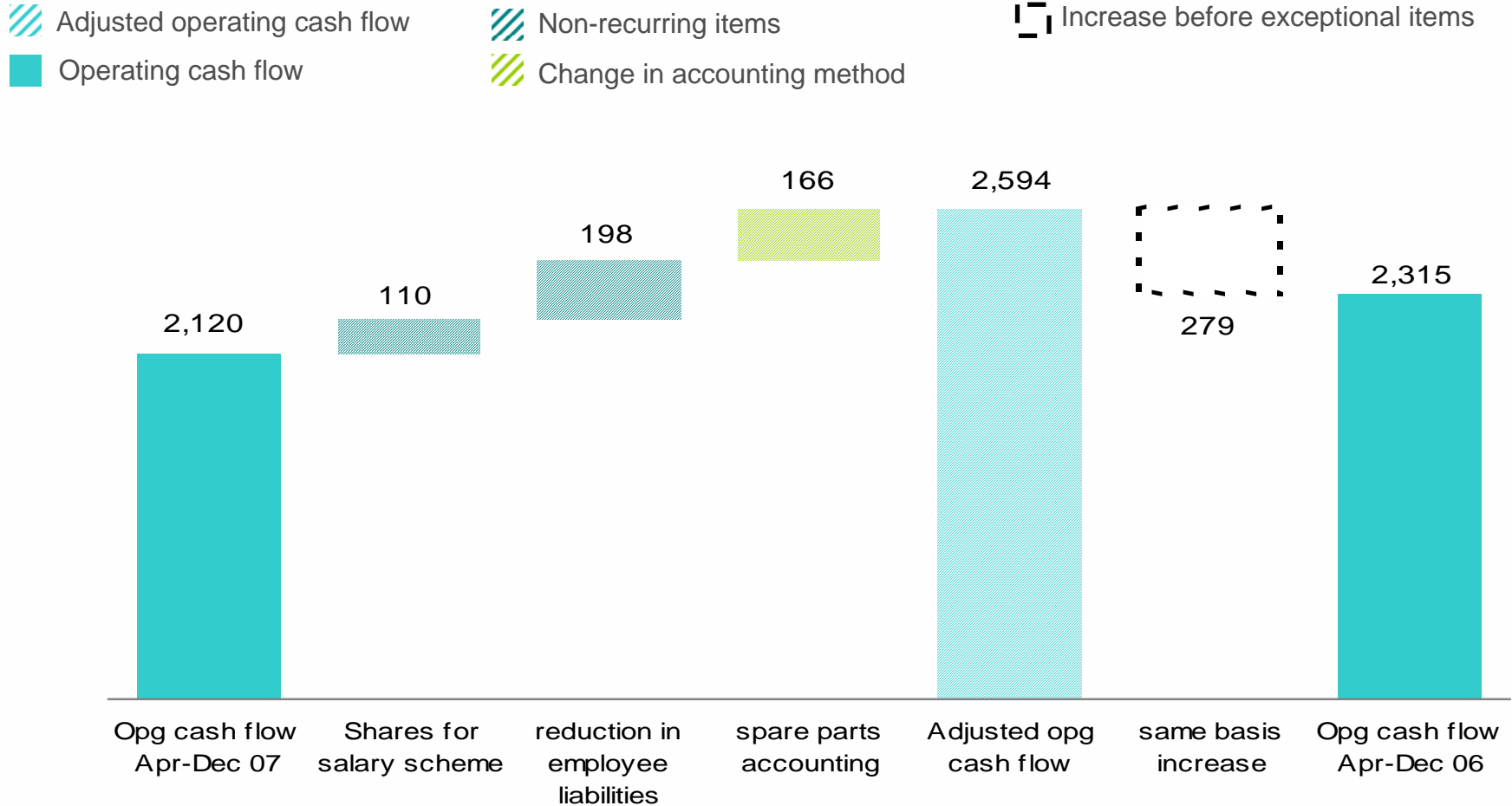
Operating income (€ millions)

■ *Nine months to Dec 2006*
■ *Nine months to Dec 2007*



Additional €279m of free cash flow excluding exceptional items

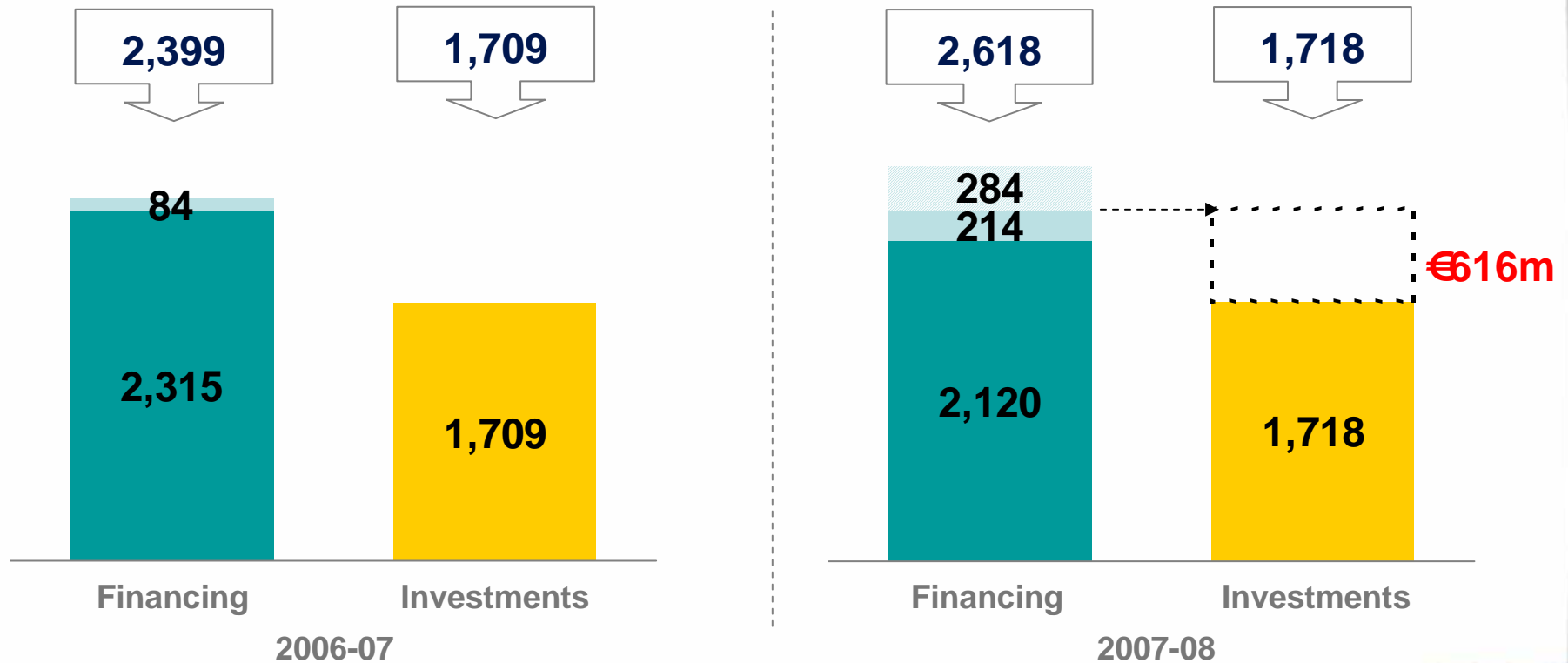
Apr-Dec 2007
€ millions



Free cash flow in excess of €600m

Nine months to Dec 2007 (€ millions)

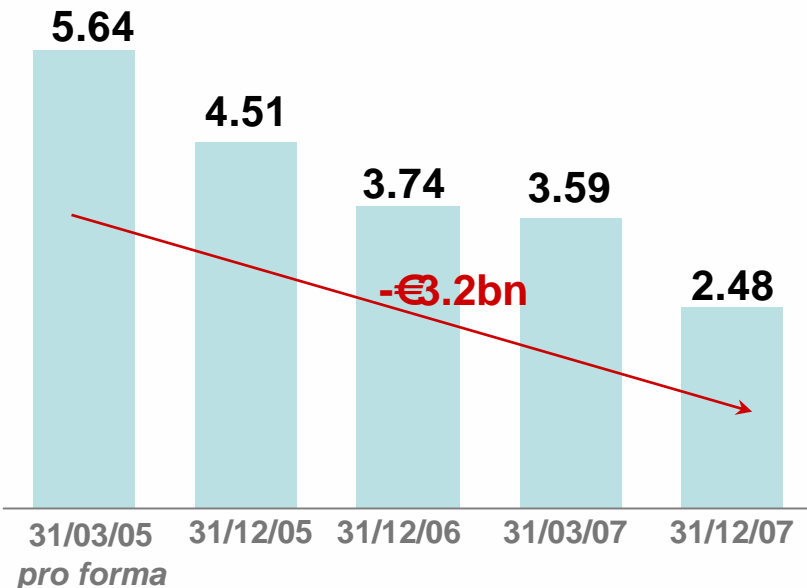
- Aircraft disposals
- ▨ Amadeus cash
- Operating cash flow
- Tangible and intangible investments



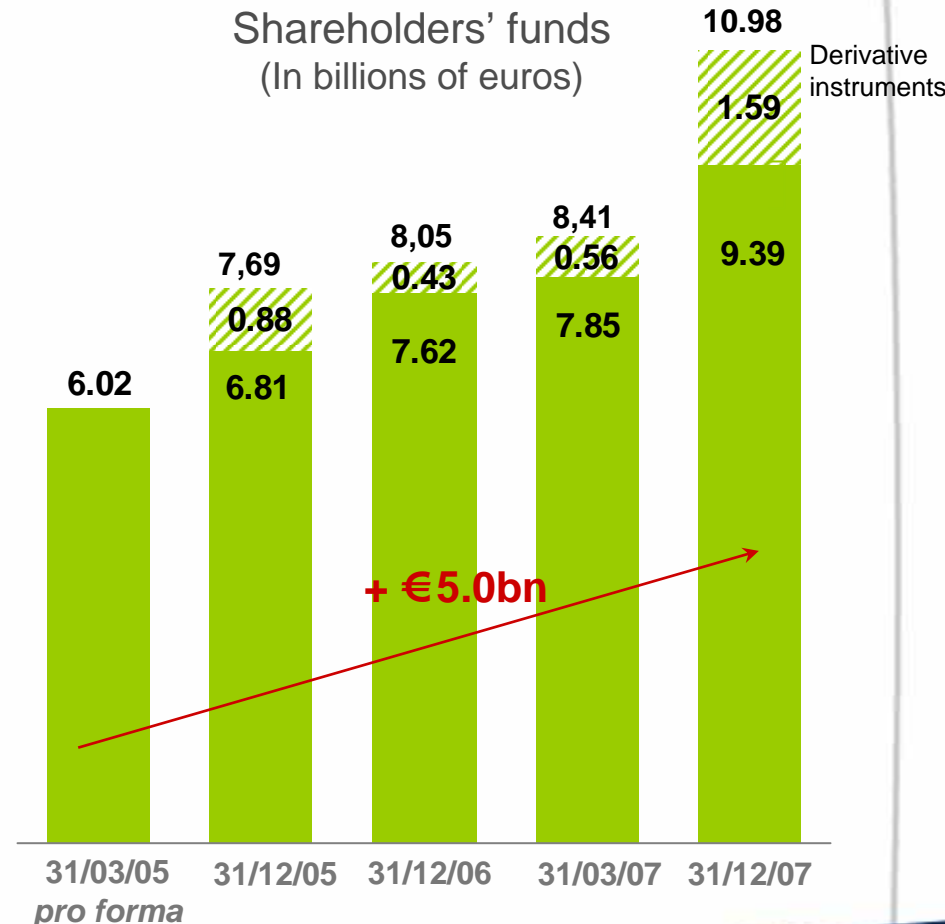
Balance sheet significantly reinforced

Gearing ratio at 31st Dec 2007: **0.23**
 (At 31st Mar 2007: **0.43**)

Net financial debt
 (In billions of euros)



Shareholders' funds
 (In billions of euros)



AIR FRANCE **KLM**

Outlook



Passenger activity

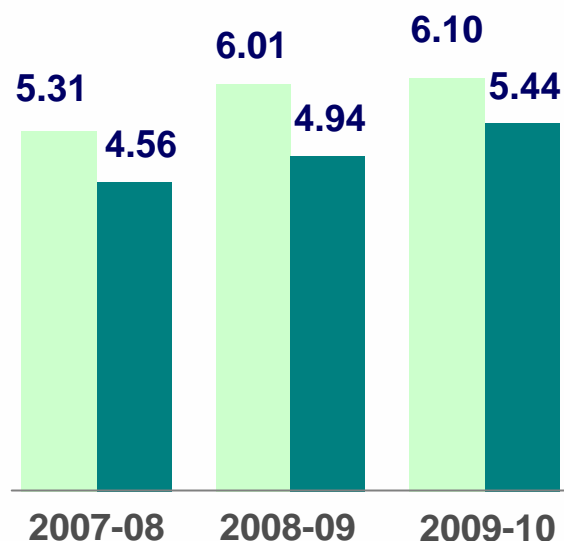
- ✦ Robust forward bookings in long-haul premium class
- ✦ Less dynamic forward bookings in low yield

Stable fuel bill in Q4

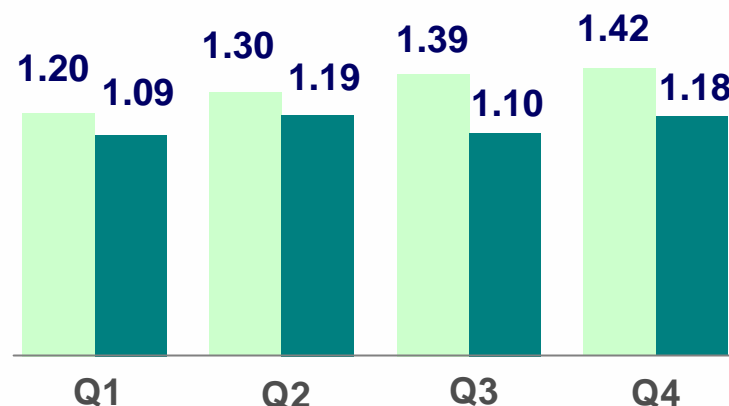
■ Fuel bill before hedging (€billions)

■ Fuel bill after hedging (€billions)

Annual fuel bill



Quarterly change 2007-08



Market price (\$/bbl)*	81	91	89
Hedged level	81%	75%	55%
Average hedged price (\$/bbl)	62	60	67
€/ \$ exchange rate	1.41	1.45	1.45

	69	75	89	92
	81%	75%	79%	87%
	59	61	61	66
	1.35	1.40	1.43	1.45

* Spot price at 8th February 2008

Objective for Financial Year 2007-08

The group confirms its target of a return on capital employed of 7% after tax for the full Financial Year 2007-08

AIR FRANCE KLM

Appendices



Calculation of net debt

€ millions

	31 Dec 07	31 Mar 07
Current and non-current financial debt	8,390	8,517
- Accrued interest not yet due	149	96
- Deposits on leased aircraft	854	933
+ Currency hedging instruments	199	0
= Gross financial debt	7,586	7,488
Cash and cash equivalents	4,863	3,497
+ Liquid assets over three months	332	533
- Bank current accounts	88	133
= Net cash	5,107	3,897
Net financial debt	2,479	3,591
Consolidated shareholders' funds	10,977	8,412
Net debt / Equity	0.23	0.43
<i>Net debt / Equity excluding derivative instruments</i>	<i>0.26</i>	<i>0.46</i>