

14<sup>th</sup> February 2008

## FINANCIAL YEAR 2007-08

### STRONG INCREASE IN OPERATING INCOME IN THE THIRD QUARTER

- ▶ Revenues up 3.9% to 5.98 billion euros
- ▶ Operating income up 23.4% to 311 million euros
- ▶ Adjusted operating margin<sup>1</sup> up by 0.8 points to 6.1%

### NINE MONTHS TO 31st DECEMBER 2007

- ▶ Operating income of 1.45 billion euros (+17.9%)
- ▶ Adjusted operating margin<sup>1</sup> of 8.7%, a one point improvement
- ▶ Net income, group share up 52.3% to 1.29 billion euros

### OBJECTIVE OF ROCE OF 7% AFTER TAX FOR THE FULL YEAR CONFIRMED

The board of directors of Air France-KLM met on 13th February 2008 under the chairmanship of Jean-Cyril Spinetta to approve the accounts for the Third Quarter of the Financial Year 2007-08.

### Consolidated figures

Financial year 2007-08 In € millions (except for per share data in €)	Third Quarter to 31st December			Nine months to 31st December		
	2007	2006	Change	2007	2006	Change
Revenues	5,976	5,751	3.9%	18,410	17,684	4.1%
Operating income	311	252	23.4%	1,451	1,231	17.9%
Pre-tax income of fully integrated companies	211	216	-2.3%	1,733	1,046	65.7%
Net income, group share	139	229	-39.3%	1,290	847	52.3%
Net earnings per share	0.48	0.87	-44.8%	4.58	3.19	43.6%
Net earnings per share, fully diluted	0.46	0.79	-41,8%	4.26	2.93	45.4%

### Third Quarter: A further increase in operating income to 311 million euros (+23.4%)

The passenger activity saw a strong rise in unit revenues although the rise in traffic, impacted by strike action at Air France, was limited to 1.9%. The cargo business saw a slight improvement in a competitive environment which remained aggressive. The quarter was also characterised by ever-higher oil prices.

Total revenues progressed 3.9% after a negative currency effect of 2.4% to 5.98 billion euros for production measured in EASK (equivalent available seat kilometers) up by 3.3%. Unit revenue per EASK rose by 1.0% and by 3.4% excluding the currency effect. Operating costs rose by

<sup>1</sup> Operating income adjusted by the portion of operating leases corresponding to financial charges (34%)

3.0% to 5.67 billion euros. Unit cost per EASK was stable, and up by 0.5% on a constant currency and fuel price basis.

Operating income was up by 23.4% to 311 million euros (versus 252 million euros at 31st December 2006). The adjusted operating margin<sup>1</sup> progressed by 0.8 points to 6.1%.

Other financial income and charges went from a charge of 21 million euros at 31st December 2006 to a charge of 85 million euros at 31st December 2007, mainly due to a negative impact from the revaluation of derivative instruments.

Pre-tax income of fully integrated companies amounted to 211 million euros (216 million euros at 31st December 2006). Income tax amounted to 63 million euros compared to a tax credit of 10 million euros the previous year, linked to the write-back of 73 million euros in provisions for deferred tax due to a 4-point reduction in the corporate tax rate in the Netherlands. The contribution from associates was a negative -5 million euros versus a profit of 8 million euros at 31st December 2006. Net income, group share therefore amounted to 139 million euros (versus 229 million euros at 31st December 2006).

## Information by activity

### Passenger activity: 48% rise in operating income to 248 million euros

The passenger business, the most affected by the strike action, nevertheless achieved an excellent quarter, recording a slight rise in traffic (+1.9%), but a marked increase in unit revenues. With capacity up by 2.7%, the load factor reached the high level of 79.2% (-0.6 points). The group carried 17.8 million passengers (+0.2%).

Total passenger revenues increased by 3.7% after a negative currency effect of 2.1% to 4.69 billion euros. Operating income amounted to 248 million euros against 168 million euros a year earlier (+48%).

	Third Quarter to 31st December		
	2007	2006	Change
Total passenger revenues (€m)	4,692	4,525	3.7%
Revenues from scheduled passenger business (€m)	4,453	4,264	4.4%
Unit revenue per RPK (€cts)	8.98	8.76	2.5%
Unit revenue per ASK (€cts)	7.11	6.99	1.7%
Unit cost per ASK (€cts)	6.65	6.64	0.1%
Operating income (€m)	248	168	47.6%

On a constant currency basis, unit revenue per passenger kilometer (RRPK) rose by 4.7% and unit revenue per available seat kilometer (RASK) by 3.9%. Unit costs per ASK were up by 0.8% on a constant currency and fuel price basis.

### Cargo activity: Improvement in results

The cargo activity saw a moderate increase during the Third Quarter. Traffic was up 2.7% with capacity up by 1.6%, leading to a 0.7 point rise in load factor to 70.5%. The group carried 395,600 tonnes (+2.2%).

A negative currency effect of 4.5% limited the rise in total cargo revenues to 797 millions euros or 1.0%. However, operating income was up 11.3% to 69 million euros (versus 62 million euros at 31st December 2006), driven by an improvement in unit revenues and a reduction in unit costs, reflecting the first effects of the replacement of older aircraft.

<sup>1</sup> Operating income adjusted by the portion of operating leases corresponding to financial charges (34%)

	Third Quarter to 31st December		
	2007	2006	Change
Total cargo business revenues (€m)	797	789	1.0%
Revenues from the transportation of cargo (€m)	748	735	1.8%
Unit revenue per RTK (€cts)	24.90	25.10	-0.8%
Unit revenue per ATK (€cts)	17.54	17.51	0.2%
Unit cost per ATK (€cts)	15.77	15.89	-0.7%
Operating income (€m)	69	62	11.3%

On a constant currency basis, unit revenue per tonne kilometer (RRTK) progressed by 3.8% and unit revenue per available tonne kilometer (RATK) by 4.8%. Unit cost per ATK fell by 0.8% on a constant currency and fuel price basis.

#### **Maintenance activity**

Dollar weakness weighed on the maintenance activity which saw revenues down by 3.8% to 250 million euros (versus 260 million euros at 31st December 2006). Operating income amounted to 17 million euros against 27 million euros a year earlier.

#### **Other activities**

Revenues from other activities amounted to 237 million euros, a rise of 33.9% linked to strong progress at Servair as well as the full consolidation of a previously equity-accounted subsidiary, and the launch of transavia.com France. The catering activity generated revenues of 91 million euros of which 26 million euros from the change in consolidation scope. Revenues from the leisure activity totalled 128 million euros of which 11 million euros relating to transavia.com France. The seasonality of the leisure activity contributed to a decline in the operating result from a loss of 5 million euros at 31st December 2006 to a loss of 23 million euros at 31st December 2007.

### **Nine months to 31st December 2007: Operating income of 1.45 billion euros and adjusted operating margin<sup>1</sup> of 8.7% (+0.9 points)**

During the first nine months of Financial Year 2007-08, revenues progressed 4.1% after a negative currency effect of 2.3% to 18.41 billion euros for production measured in EASK (equivalent available seat kilometers) up by 4.3%. Unit revenue per EASK was stable, (+0.1%) but rose 2.5% on a constant currency basis. The rise in operating costs was limited to 3.1%, at 16.96 billion euros. Excluding fuel costs, the rise would have been limited to 2.9%. Unit cost per EASK was down by 0.9% and by 0.5% on a constant fuel and currency basis.

Operating income amounted to 1.45 billion euros, up 17.9% (versus 1.23 billion euros at 31st December 2006). The adjusted operating margin<sup>1</sup> gained 0.9 points to 8.7%.

After proceeds from disposals or financial operations of 329 million euros generated during the First Half and a reduction in net interest charges from 110 million euros at 31st December 2006 to 79 million euros at 31st December 2007, pre-tax income of fully integrated companies stood at 1.73 billion euros, a rise of 65.7%.

Income tax amounted to 409 million euros (versus 228 million euros a year earlier). Net income, group share rose by 52.3% to 1.29 billion euros. Earnings per share amounted to 4.58 euros and 4.26 euros on a fully diluted basis, up 43.6% and 45.4% respectively.

<sup>1</sup> Operating income adjusted by the portion of operating leases corresponding to financial charges (34%)

## Information by activity

### Passenger activity: Excellent performance

In the first nine months the passenger activity saw a rise in both traffic and capacity of 4.2%, leading the load factor to remain stable at the very high level of 81.8%. The group carried a record 57.7 million passengers (+2.1%).

Total passenger revenues rose by 4.4% after a negative 2.2% currency impact, to 14.62 billion euros against 14.01 billion euros at 31st December 2006. Operating income increased by 24.7% to 1.29 billion euros. The adjusted operating margin<sup>1</sup> amounted to 9.7% against 8.3% at 31st December 2006.

	Nine months to 31st December		
	2007	2006	Change
Total passenger revenues (€m)	14,625	14,011	4.4%
Revenues from scheduled passenger business (€m)	13,902	13,234	5.1%
Unit revenue per RPK (€cts)	8.79	8.71	0.9%
Unit revenue per ASK (€cts)	7.19	7.13	0.8%
Unit cost per ASK (€cts)	6.45	6.50	-0.8%
Operating income (€m)	1,292	1,036	24.7%

On a constant currency basis, unit revenue per RPK progressed by 3.2% and unit revenue per ASK by 3.1%. Unit cost per ASK was stable on a constant currency and fuel price basis (-0.1%).

### Cargo: Results penalised by weak revenues, especially in H1

Cargo traffic rose by 3.4% with capacity up by 1.6%. The load factor amounted to 67.7%, up 1.2 points. The group carried 1.1 million tonnes, a rise of 3.6%.

Total cargo revenues amounted to 2.21 billion euros against 2.24 billion euros at 31st December 2006, a decline of 1.5% after a negative currency effect of 3.5%. Operating income stood at 40 million euros against 84 million euros a year earlier.

	Nine months to 31st December		
	2007	2006	Change
Total cargo business revenues (€m)	2,208	2,242	-1.5%
Revenues from the transportation of cargo (€m)	2,062	2,078	-0.8%
Unit revenue per RTK (€cts)	23.87	24.86	-4.0%
Unit revenue per ATK (€cts)	16.15	16.53	-2.3%
Unit cost per ATK (€cts)	15.71	15.72	-0.1%
Operating income (€m)	40	84	-52.4%

On a constant currency basis unit revenues per tonne kilometer (RRTK) declined by 0.5% while unit revenue per available tonne kilometer (RATK) rose 1.2%. Unit cost was slightly up on a constant currency and fuel price basis (+0.2%).

### Maintenance activity: Strong improvement in operating income

The maintenance activity generated revenues of 726 million euros down 1.9% due to the impact of the dollar (740 million euros at 31st December 2006). Operating income, however, recorded a strong improvement to 65 million euros (+58.5%).

### Other activities

Revenues from other activities amounted to 851 million euros, up 23.2% on the back of a strong level of activity at the main subsidiaries and a change in consolidation scope (full consolidation of a Servair subsidiary, previously equity-accounted, and the launch of transavia.com France). The leisure activity posted revenues of 561 million euros of which 38 million euros relating to the

<sup>1</sup> Operating income adjusted by the portion of operating leases corresponding to financial charges (34%)

French subsidiary. The catering activity generated revenues of 237 million euros. The operating income from other activities stood at 54 million euros versus 70 million euros at 31st December 2006.

### **Financial position: free cash flow of over 600 million euros**

Tangible and intangible investments of the Air France-KLM group amounted to 1.72 billion euros, the same level as in the previous year. They were financed by operating cash flow of 2.12 billion euros after 308 million euros of exceptional payments<sup>1</sup> (versus 2.31 billion euros at 31st December 2006). The group's total cash position stood at 5.1 billion euros at 31st December 2007, a 1.2 billion euro increase compared with 31st March 2007. The exercise of warrants generated 403 million euros in cash. In addition the group has credit lines of 1.9 billion euros, of which 250 million euros negotiated during the last quarter.

Net debt was reduced by 1.1 billion euros in the first nine months of the year to 2.47 billion euros (3.59 billion euros at 31st March 2007). Shareholders' funds amounted to 10.98 billion euros of which 1.59 billion euros relating to the valuation of derivative instruments. The gearing ratio therefore fell from 0.43 at 31st March 2007 to 0.23 at 31st December 2007, and from 0.46 to 0.26 excluding the impact of derivatives.

### **Objective for Financial Year 2007-08**

The group confirms its target of return on capital employed of 7% after tax for the full Financial Year.

### **Agenda**

#### **Thursday, February 14<sup>th</sup> 2008:**

- ▶ Audio-web conference at 4:00 pm (CET)  
to connect to the conference call, please dial:
  - UK 00 44 207 162 0125 (password: AKH)
  - US 1 334 323 6203 (password: AKH)
  
- ▶ To see the presentation, go to the following website:  
**<http://airfranceklm.momentys.com> (password: AKHQ3)**
  
- ▶ For instant replay, please dial:
  - 020 7031 4064 (code: 758374)

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<sup>1</sup> 110 million euro payment to the State iro of the shares-for-salary scheme of 2005, and additional sum of 198 million euros to reduce the Air France pension commitment.

# Air France-KLM Group

FLEET AS OF 31 DECEMBRE 2007



## AIR FRANCE FLEET

Aircraft	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/07	12/31/07	3/31/07	12/31/07	3/31/07	12/31/07	3/31/07	12/31/07	3/31/07	12/31/07
B747-400	9	6			7	7	16	13	15	13
B747-300/200	4	3					4	3		
B777-200/300	25	30	4	4	15	15	44	49	44	49
A340-300	10	10	3	3	6	6	19	19	19	19
A330-200	6	6	1	1	9	9	16	16	16	16
<b>Long-haul fleet</b>	<b>54</b>	<b>55</b>	<b>8</b>	<b>8</b>	<b>37</b>	<b>37</b>	<b>99</b>	<b>100</b>	<b>94</b>	<b>97</b>
B747-400	2	5			4	5	6	10	6	10
B747-200	6	3			1		7	3	7	
<b>Cargo</b>	<b>8</b>	<b>8</b>			<b>5</b>	<b>5</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>10</b>
A321	11	11			3	4	14	15	14	15
A320	52	52			16	16	68	68	68	68
A319	19	19	4	4	22	23	45	46	45	46
A318	18	18					18	18	18	18
B737-500	2				2		4		4	
<b>Medium-haul fleet</b>	<b>102</b>	<b>100</b>	<b>4</b>	<b>4</b>	<b>43</b>	<b>43</b>	<b>149</b>	<b>147</b>	<b>149</b>	<b>147</b>
<b>Total Air France fleet</b>	<b>164</b>	<b>163</b>	<b>12</b>	<b>12</b>	<b>85</b>	<b>85</b>	<b>261</b>	<b>260</b>	<b>256</b>	<b>254</b>

## REGIONAL FLEET

### BRIT AIR

Aircraft	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/07	12/31/07	3/31/07	12/31/07	3/31/07	12/31/07	3/31/07	12/31/07	3/31/07	12/31/07
Canadair Jet 100	2	2	11	11	5	2	18	15	18	15
Canadair Jet 700	3	6	9	9			12	15	12	15
F100-100	5	5			8	8	13	13	13	13
<b>Total</b>	<b>10</b>	<b>13</b>	<b>20</b>	<b>20</b>	<b>13</b>	<b>10</b>	<b>43</b>	<b>43</b>	<b>43</b>	<b>43</b>

### CITY JET

Aircraft	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/07	12/31/07	3/31/07	12/31/07	3/31/07	12/31/07	3/31/07	12/31/07	3/31/07	12/31/07
BAE146-200/300*	5	5	1		14	5	20	10	20	8
AVRO RJ 85	13	13			1	8	14	21	3	18
<b>Total</b>	<b>18</b>	<b>18</b>	<b>1</b>		<b>15</b>	<b>13</b>	<b>34</b>	<b>31</b>	<b>23</b>	<b>26</b>

sub-leased by KLM

## REGIONAL

Aircraft	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/07	12/31/07	3/31/07	12/31/07	3/31/07	12/31/07	3/31/07	12/31/07	3/31/07	12/31/07
BEECH 1900-D	3	3	1	1	1	1	5	5		
EMB190					2	5	2	5	2	5
EMB145-EP/MP	2	2	17	17	9	9	28	28	28	28
EMB135-ER	2	2	3	3	4	4	9	9	9	9
EMB120-ER	8	6					8	6	8	6
F100-100	4	3			6	6	10	9	9	9
F70-70		5	5				5	5	5	5
<b>Total</b>	<b>19</b>	<b>21</b>	<b>26</b>	<b>21</b>	<b>22</b>	<b>25</b>	<b>67</b>	<b>67</b>	<b>61</b>	<b>62</b>

<b>Total Regional fleet</b>	<b>47</b>	<b>52</b>	<b>47</b>	<b>41</b>	<b>50</b>	<b>48</b>	<b>144</b>	<b>141</b>	<b>127</b>	<b>131</b>
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## OTHER FLEET

### TRANSAVIA FRANCE

Aircraft	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/07	12/31/07	3/31/07	12/31/07	3/31/07	12/31/07	3/31/07	12/31/07	3/31/07	12/31/07
B737 800						4		4		4
<b>Total</b>						<b>4</b>		<b>4</b>		<b>4</b>

<b>TOTAL Air France Group</b>	<b>211</b>	<b>215</b>	<b>59</b>	<b>53</b>	<b>135</b>	<b>137</b>	<b>405</b>	<b>405</b>	<b>383</b>	<b>389</b>
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## Air France-KLM Group

FLEET AS OF 31 DECEMBER 2007



### KLM FLEET

Aircraft	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/07	12/31/07	3/31/07	12/31/07	3/31/07	12/31/07	3/31/07	12/31/07	3/31/07	12/31/07
B747-400	11	11	11	11			22	22	22	22
B777-200			6	6	8	9	14	15	14	15
MD11	2	3	6	5	2	2	10	10	10	10
A330-200			6	6	2	3	8	9	8	9
B767-300					1		1			
<b>Long-haul fleet</b>	13	14	29	28	13	14	55	56	54	56
B747-400			3	3			3	3	3	3
<b>Cargo</b>			3	3			3	3	3	3
B737-900			2	2	3	3	5	5	5	5
B737-800			13	13	2	3	15	16	15	16
B737-400	6	6			7	7	13	13	13	13
B737-300	6	6	1	1	7	7	14	14	14	14
<b>Medium-haul fleet</b>	12	12	16	16	19	20	47	48	47	48
<b>Total</b>	25	26	48	47	32	34	105	107	104	107

### OTHER FLEET

#### TRANSAVIA Netherlands

Aircraft	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/07	12/31/07	3/31/07	12/31/07	3/31/07	12/31/07	3/31/07	12/31/07	3/31/07	12/31/07
B737-800	6	1	7	7	4	10	17	18	17	18
B737-700			5	5	5	5	10	10	10	10
<b>Total</b>	6	1	12	12	9	15	27	28	27	28

### REGIONAL FLEET

#### KLM Cityhopper

Aircraft	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/07	12/31/07	3/31/07	12/31/07	3/31/07	12/31/07	3/31/07	12/31/07	3/31/07	12/31/07
F100	9	9	11	11			20	20	20	20
F70	18	18	3	3			21	21	21	21
F50	6	6			8	8	14	14	14	14
<b>Total</b>	33	33	14	14	8	8	55	55	55	55

<b>Total Regional fleet</b>	39	34	26	26	17	23	82	83	82	83
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<b>TOTAL KLM Group</b>	64	60	74	73	49	57	187	190	186	190
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	Owned		Finance lease		Operating lease		TOTAL		In operation	
	3/31/07	12/31/07	3/31/07	12/31/07	3/31/07	12/31/07	3/31/07	12/31/07	3/31/07	12/31/07
<b>TOTAL Air France-KLM Group</b>	275	275	133	126	184	194	592	595	569	579

## INCOME STATEMENT FROM APRIL 1, 2007 TO DECEMBER 31, 2007

In € millions

	3 <sup>rd</sup> quarter (October to December)			9 months (April to December)		
	2007-08	2006-07	Variation	2007-08	2006-07	Variation
<b>SALES</b>	<b>5 976</b>	<b>5 751</b>	3,9%	<b>18 410</b>	<b>17 684</b>	4,1%
Other revenues	0	1	na	3	4	na
<b>EXTERNAL EXPENSES</b>	<b>-3 404</b>	<b>-3 306</b>	3,0%	<b>-10 318</b>	<b>-9 938</b>	3,8%
Aircraft fuel	-1 099	-1 083	1,5%	-3 384	-3 264	3,7%
Chartering costs	-162	-161	0,6%	-488	-491	-0,6%
Aircraft operating lease costs	-152	-148	2,7%	-457	-453	0,9%
Landing fees and en route charges	-426	-425	0,2%	-1 341	-1 306	2,7%
Catering	-118	-104	13,5%	-356	-319	11,6%
Handling charges and other operating costs	-338	-317	6,6%	-1 001	-952	5,1%
Aircraft maintenance costs	-242	-227	6,6%	-740	-661	12,0%
Commercial and distribution costs	-297	-293	1,4%	-914	-913	0,1%
Other external expenses	-570	-548	4,0%	-1 637	-1 579	3,7%
Salaries and related costs	-1 750	-1 672	4,7%	-5 210	-4 977	4,7%
Taxes other than income taxes	-72	-72	0,0%	-186	-201	-7,5%
Amortization and depreciation	-407	-446	-8,7%	-1 206	-1 316	-8,4%
Provisions	-8	-1	na	-43	-24	79,2%
Other income and expenses	-24	-3	na	1	-1	na
<b>INCOME FROM CURRENT OPERATIONS</b>	<b>311</b>	<b>252</b>	<b>23,4%</b>	<b>1 451</b>	<b>1 231</b>	<b>17,9%</b>
Sales of aircraft equipment	-1	5	na	6	10	-40,0%
Sales of subsidiaries	4	-1	na	45		na
Other non-current income and expenses	14	6	na	302	-25	na
<b>INCOME FROM OPERATING ACTIVITIES</b>	<b>328</b>	<b>262</b>	<b>25,2%</b>	<b>1 804</b>	<b>1 216</b>	<b>48,4%</b>
Income from cash and cash equivalents	80	66	21,2%	222	174	27,6%
Cost of financial debt	-112	-91	23,1%	-301	-284	6,0%
<i>Net cost of financial debt</i>	<i>-32</i>	<i>-25</i>	<i>28,0%</i>	<i>-79</i>	<i>-110</i>	<i>-28,2%</i>
Foreign exchange gains (losses), net	-21	14	na	-19	5	na
Change in fair value of financial assets and liabilities	-69	-27	na	36	-45	na
Other financial income and expenses	5	-8	na	-9	-20	-55,0%
<b>INCOME BEFORE TAX</b>	<b>211</b>	<b>216</b>	<b>-2,3%</b>	<b>1 733</b>	<b>1 046</b>	<b>65,7%</b>
Income taxes	-63	10	-730,0%	-409	-228	79,4%
<b>NET INCOME OF CONSOLIDATED COMPANIES</b>	<b>148</b>	<b>226</b>	<b>-34,5%</b>	<b>1 324</b>	<b>818</b>	<b>61,9%</b>
Share of profits (losses) of associates	-5	8	na	-16	23	na
<b>INCOME FROM CONTINUING OPERATIONS</b>	<b>143</b>	<b>234</b>	<b>-38,9%</b>	<b>1 308</b>	<b>841</b>	<b>55,5%</b>
Net income from discontinued operations						
<b>NET INCOME FOR THE PERIOD</b>	<b>143</b>	<b>234</b>	<b>-38,9%</b>	<b>1 308</b>	<b>841</b>	<b>55,5%</b>
Minority interest	-4	-5	-20,0%	-18	6	na
<b>NET INCOME FOR THE PERIOD - GROUP</b>	<b>139</b>	<b>229</b>	<b>-39,3%</b>	<b>1 290</b>	<b>847</b>	<b>52,3%</b>



## CONSOLIDATED BALANCE SHEETS

<b>Assets</b> <i>In € millions</i>	<b>December 31, 2007</b>	<b>March 31, 2007</b>
Goodwill	211	204
Intangible assets	458	424
Flight equipment	11 931	11 551
Other property, plant and equipment	2 184	2 007
Investments in equity associates	172	228
Pension assets	2 184	2 097
Other financial assets <sup>(1)</sup>	1 021	1 095
Deferred tax assets	30	26
Other non-current assets	1 723	604
<b>Total non current assets</b>	<b>19 914</b>	<b>18 236</b>
Other short term financial assets <sup>(2)</sup>	443	689
Inventories	510	360
Trade accounts receivable	2 253	2 610
Income tax receivables	-	7
Other current assets	1 838	1 271
Cash and cash equivalents	4 863	3 497
<b>Total current assets</b>	<b>9 907</b>	<b>8 434</b>
<b>Total assets</b>	<b>29 821</b>	<b>26 670</b>

<sup>(1)</sup> which includes € 794 million of deposits related to financial leases as of December 31, 2007 and € 835 million as of March 31, 2007

<sup>(2)</sup> which includes € 392 million of deposits related to financial leases and investments between 3 months and 1 year as of December 31, 2007 and € 631 million as of March 31, 2007

<b>Liabilities and equity</b> <i>In € millions</i>	<b>December 31, 2007</b>	<b>March 31, 2007</b>
Issued capital	2 552	2 375
Additional paid-in capital	765	539
Treasury shares	(110)	(30)
Reserves and retained earnings	7 641	5 415
<b>Equity attributable to equity holders of Air France-KLM</b>	<b>10 848</b>	<b>8 299</b>
Minority interest	129	113
<b>Total Equity</b>	<b>10 977</b>	<b>8 412</b>
Provisions and retirement benefits	1 217	1 387
Long-term debt	7 245	7 419
Deferred tax	1 637	891
Other non-current liabilities	628	401
<b>Total non-current liabilities</b>	<b>10 727</b>	<b>10 098</b>
Provisions	264	225
Current portion of long-term debt	1 145	1 098
Trade accounts payable	2 233	2 131
Deferred revenue on ticket sales	1 849	2 217
Current tax liabilities	121	21
Other current liabilities	2 417	2 335
Bank overdrafts	88	133
<b>Total current liabilities</b>	<b>8 117</b>	<b>8 160</b>
<b>Total liabilities</b>	<b>18 844</b>	<b>18 258</b>
<b>Total liabilities and equity</b>	<b>29 821</b>	<b>26 670</b>

## CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>In € millions</i>		
<b>Period from April 1 to December 31,</b>	<b>2007</b>	<b>2006</b>
Net income for the period – Group	1 290	847
Minority interests	18	(6)
Amortization, depreciation and operating provisions	1 249	1 340
Financial provisions	8	16
Gain on disposals of tangible and intangible assets	(32)	(16)
Loss / (gain) on disposals of subsidiaries and associates	(45)	(1)
Gain on WAM (Amadeus GTD) transaction	(284)	-
Derivatives – non monetary result	(36)	45
Unrealized foreign exchange gains and losses, net	1	(14)
Share of (profits) losses of associates – non monetary part	16	(23)
Deferred taxes	283	243
Other non-monetary items	(120)	(103)
<b>Subtotal</b>	<b>2 348</b>	<b>2 328</b>
(Increase) / decrease in inventories	(83)	(11)
(Increase) / decrease in trade receivables	413	84
Increase / (decrease) in trade payables	25	92
Change in other receivables and payables	(275)	(178)
Payment of the ESA 2003 soultte	(110)	-
Additional contribution to pension fund	(198)	-
<b>Net cash flow from operating activities</b>	<b>2 120</b>	<b>2 315</b>
Acquisitions of subsidiaries and investments in associates, net of cash acquired	(74)	(23)
Purchase of property, plant and equipment and intangible assets	(1 718)	(1 709)
Proceeds on disposal of subsidiaries and investments in associates	84	35
Proceeds on WAM (Amadeus GTD) transaction	284	-
Proceeds on disposal of property, plant and equipment and intangible assets	214	84
Dividends received	4	6
Decrease (increase) in investments, net between 3 months and 1 year	202	215
<b>Net cash used in investing activities</b>	<b>(1 004)</b>	<b>(1 392)</b>
Increase in capital	597	-
Decrease in capital	(10)	-
Issuance of long-term debt	707	1 085
Repayments on long-term debt	(329)	(449)
Payment of debt resulting from finance lease liabilities	(543)	(498)
New loans	(62)	(40)
Repayments on loans	68	50
Dividends paid	(137)	(82)
<b>Net cash flow from financing activities</b>	<b>291</b>	<b>66</b>
<b>Effect of exchange rate on cash and cash equivalents and bank overdrafts</b>	<b>4</b>	<b>(3)</b>
<b>Change in cash and cash equivalents and bank overdrafts</b>	<b>1 411</b>	<b>986</b>
Cash and cash equivalents and bank overdrafts at beginning of period	3 364	2 844
Cash and cash equivalents and bank overdrafts at end of period	4 775	3 830