

11 December 2014

Approval of the agreement on the development of Transavia in France

Air France-KLM welcomes the approval by the SNPL (French National Union of Airline Pilots) union council of the draft agreement relating to the temporary secondment of Air France pilots to Transavia France.

"I'm pleased by this validation. We can now begin a new phase of the Group's growth with the development, as from summer 2015, of the leading French low cost carrier at Paris-Orly. This project meets a very strong demand from our leisure customers and is perfectly integrated into our strategic plan Perform 2020" declared Alexandre de Juniac, Air France-KLM Chairman and CEO.

This approval follows a consultation of all Air France pilots, with a very high participation; 53% of Air France pilots approved the agreement, reaching 60% for the members of the majority union SNPL.

Thanks to this agreement, the accelerated development plan of Transavia in France is now ensured over the next five years:

- Continued strong growth in Summer 2015: 21 aircraft in operation versus 16 in Summer 2014, Transavia to become the number one low cost carrier at Paris-Orly by Summer 2015.
- 37 Boeing 737s in operation by 2019, operating flights potentially from multiple French airports excluding the Paris-CDG hub, including on destinations already served by Air France.
- Transavia to maintain its own operating and remuneration conditions, which are key to achieving its unit cost and operating flexibility objectives.

Integrated pilot career management is implemented between Air France and Transavia including, in particular, a single seniority list.

This development responds to one of the pilots' key demands and enables any overstaffing at Air France to be more easily managed by organizing temporary secondments to Transavia. On a temporary basis, a bonus will be granted to some categories of pilots volunteering to fly for Transavia.

By 2017, thanks to this agreement, Transavia should operate at least 60 aircraft. As planned within the framework of the new strategic plan Perform 2020, this business should contribute an additional €100 million of EBITDAR¹ in 2017, with no change to the principal financial objectives of Transform 2020: EBITDAR up by 8 to 10% per year between 2013 and 2017, and an adjusted net debt¹/EBITDAR ratio below 2.5 in 2017. With the ongoing strong growth weighing on profitability, the Group's objective is for Transavia to reach breakeven in 2017 and operating profitability by 2018.

Investor relations

Bertrand Delcaire

+33 1 49 89 52 59

bedelcaire@airfranceklm.com

www.airfranceklm-finance.com

Dirk Voermans

+33 1 49 89 52 60

divoermans@airfranceklm.com

Press relations

France: +33 1 41 56 56 00

Netherlands: +31 20 649 45 45

www.airfranceklm.com

¹ See definitions in the Perform 2020 press release of 11 September 2014