

RESULTS AS AT 30 SEPTEMBER 2019
Resilient operating result at 900 million euros in a challenging macro-economic context
THIRD QUARTER 2019

- Passenger growth up 2.1% and load factor up 0.2 point.
- Passenger unit revenue slightly down by -0.6%, as a consequence of the macro-economic context.
- Unit costs slightly increase by 0.4% at constant currency and fuel, on track for full year guidance.
- Operating result at 900 million euros, down by 165 million euros compared to the third quarter 2018, with revenues up 2% and fuel expenses up 135 million euros.
- Net income at 366 million euros, down by 420 million euros compared to last year impacted by a stronger dollar end of September and Airbus A380 phase-out financial impact of 100 million euros.
- Reduction in Group net debt, down by 253 million euros to 5.9 billion euros and Net debt/EBITDA ratio at 1.5x, stable compared to 31 December 2018.

OUTLOOK 2019

- Based on the current data for the Passenger network:
 - ✓ Long-haul forward booking load factors from November to March are on average ahead compared to last year.
 - ✓ Network passenger unit revenue for the fourth quarter 2019 at constant currency expected to be slightly down compared to last year.
- Full year guidance update:
 - ✓ The Group will pursue initiatives to reduce unit costs, with a targeted 2019 reduction of between -1% and 0% at constant currency and fuel price.
 - ✓ The 2019 fuel bill is expected to increase by 600 million euros compared to 2018 to 5.5 billion euros, based on the forward curve of 25 October 2019.
 - ✓ Net debt/ EBITDA ratio at/below 1.5x.

“Air France-KLM Group’s performance in the third quarter showed resilience amid geopolitical uncertainties and softening macro-economic environment.” said Benjamin Smith, CEO of Air France-KLM Group. “Operationally, we achieved a solid performance during the Summer peak travel period. Air France and KLM ranked in the top European legacy carriers in terms of punctuality. Based on long-haul forward bookings on average ahead of last year and renewed commitment to a strict cost discipline, we are confident that we can deliver on our annual objectives of reduced unit cost and stable leverage ratio. All the Group’s employees are mobilized to ensure the success of our strategic ambitions, which we will further outline on the occasion of the upcoming Investor Day next week.”

| Air France-KLM Group | Third quarter | | Nine months | |
|---|---------------|--------|-------------|--------|
| | 2019 | Change | 2019 | Change |
| Passengers (thousands) | 29,119 | +2.1% | 79,593 | +3.4% |
| Passenger Unit revenue per ASK ¹ (€ cts) | 7.08 | -0.6% | 6.69 | -0.5% |
| Operating result (€m) | 900 | -165 | 997 | -295 |
| Net income – Group part (€m) | 366 | -420 | 126 | -501 |
| Adj. operating free cash flow (€m) | -235 | -221 | 116 | -11 |
| Net debt at end of period (€m) | | | 5,911 | -253 |

¹ Passenger unit revenue is the aggregate of Passenger network and Transavia unit revenues, change at constant currency

Third quarter 2019 business review

Network: Softer Passenger demand, Cargo industry still under pressure

| Network | Third quarter | | | Nine months | | |
|-------------------------|---------------|--------|--------------------------|-------------|--------|--------------------------|
| | 2019 | Change | Change constant currency | 2019 | Change | Change constant currency |
| Total revenues (€m) | 6,460 | +0.5% | -0.7% | 17,651 | +2.5% | +1.4% |
| Scheduled revenues (€m) | 6,151 | +0.9% | -0.4% | 16,752 | +2.6% | +1.3% |
| Operating result (€m) | 649 | -161 | -180 | 660 | -300 | -249 |

Third quarter 2019 revenues decreased by -0.7% at constant currency to 6.5 billion euros, mostly impacted by cargo industry pressure. The operating result amounted to 649 million euros, a 180 million euro decrease at constant currency compared to last year, mainly explained by rise of fuel expenses besides revenue pressure.

Passenger network: French domestic unit revenue lifted by capacity reduction, and Long-Haul impacted by trading environment and a high year on year comparison base

| Passenger network | Third quarter | | | Nine months | | |
|-----------------------------------|---------------|---------|--------------------------|-------------|---------|--------------------------|
| | 2019 | Change | Change constant currency | 2019 | Change | Change constant currency |
| Passengers (thousands) | 23,627 | +1.1% | | 66,278 | +2.7% | |
| Capacity (ASK m) | 79,443 | +1.6% | | 224,889 | +2.6% | |
| Traffic (RPK m) | 71,317 | +1.8% | | 198,558 | +3.1% | |
| Load factor | 89.8% | +0.2 pt | | 88.3% | +0.4 pt | |
| Total passenger revenues (€m) | 5,947 | +1.4% | +0.3% | 16,057 | +3.2% | +2.1% |
| Scheduled passenger revenues (€m) | 5,714 | +1.9% | +0.6% | 15,388 | +3.3% | +2.1% |
| Unit revenue per ASK (€ cts) | 7.19 | +0.3% | -0.9% | 6.84 | +0.7% | -0.5% |

Third quarter 2019 capacity increased moderately by 1.6%, mainly driven by the South American, North Atlantic and Asian networks, with respective growth of 4.2%, 4.1% and 3.0%.

- The North American network posted negative unit revenue at -1.8% compared to last year, caused by an environment of lower booking-volumes and high competitive pressure. Yield development in point to sale USA is still positive and stronger than yield development in point of sale Europe.
- The Asian network unit revenue was down by 2.8% in the third quarter 2019, notably impacted by weak China and Hong-Kong traffic.
- The Caribbean & Indian Ocean network posted a continuing strong result with unit revenue at +5.3%, supported by peak period leisure demand.
- The Africa & Middle East network saw an unit revenue improvement of 1.9%, underpinned by West African oil and gas countries solid performance combined with improvement thanks to network rationalizations in the Middle East.
- The unit revenue pressure in the Latin American network remains ongoing for the time-being due to the current economic context in Argentina and Brazil.

The medium-haul hubs showed a resilient performance despite a strong capacity increase. French domestic network posted unit revenue up 4.0%, lifted by capacity reductions in the route network.

Cargo network: Unit revenue still impacted by a challenging airfreight market

| Cargo business | Third quarter | | | Nine months | | |
|-------------------------------|---------------|---------|--------------------------|-------------|---------|--------------------------|
| | 2019 | Change | Change constant currency | 2019 | Change | Change constant currency |
| Tons (thousands) | 274 | -5.3% | | 823 | -1.3% | |
| Capacity (ATK m) | 3,816 | +0.8% | | 10,895 | +1.5% | |
| Traffic (RTK m) | 2,091 | -5.1% | | 6,259 | -1.2% | |
| Load factor | 54.8% | -3.4 pt | | 57.4% | -1.6 pt | |
| Total Cargo revenues (€m) | 514 | -9.3% | -10.7% | 1,594 | -3.6% | -5.5% |
| Scheduled cargo revenues (€m) | 437 | -11.0% | -12.3% | 1,364 | -4.9% | -6.8% |
| Unit revenue per ATK (€ cts) | 11.44 | -11.8% | -13.1% | 12.52 | -6.3% | -8.2% |

Airfreight capacity is for another quarter significantly higher than the demand development, putting pressure on load factor and yield.

The demand is suffering from weakness in global trade, resulting in unit revenue down -13.1% at constant currency. The Group's Cargo strategy is focused on maintaining and increasing load factors where possible and taking a pro-active approach to new revenue opportunities.

Transavia: High capacity growth and positive unit revenue

| Transavia | Third quarter | | Nine months | |
|-------------------------------|---------------|---------|-------------|---------|
| | 2019 | Change | 2019 | Change |
| Passengers (thousands) | 5,492 | +6.4% | 13,315 | +6.7% |
| Capacity (ASK m) | 10,874 | +7.9% | 26,227 | +9.1% |
| Traffic (RPK m) | 10,117 | +8.1% | 24,239 | +9.2% |
| Load factor | 93.0% | +0.2 pt | 92.4% | +0.1 pt |
| Total passenger revenues (€m) | 683 | +11.1% | 1,431 | +9.9% |
| Unit revenue per ASK (€ cts) | 6.28 | +3.0% | 5.43 | +1.1% |
| Unit cost per ASK (€ cts) | 4.69 | +8.4% | 4.84 | +4.9% |
| Operating result (€m) | 173 | -5 | 154 | -27 |

Strong capacity growth of 7.9% in the third quarter 2019. The third quarter operating margin stands at a level of 25.3%, with an absolute operating result of 173 million euros, 5 million euros down compared to last year. The unit revenue was up by 3.0% compared to last year, supported by a strong demand throughout the network and a good ancillary revenue performance. Unit cost in the third quarter at +8.4% compared to last year, +6.0% at constant fuel and currency, explained by temporary increased fleet- and non-performance expenditures.

Maintenance: Strong third-party revenue growth and operating result stable

| Maintenance | Third quarter | | | Nine months | | |
|---------------------------|---------------|---------|--------------------------|-------------|---------|--------------------------|
| | 2019 | Change | Change constant currency | 2019 | Change | Change constant currency |
| Total revenues (€m) | 1,163 | +9.6% | | 3,453 | +9.9% | |
| Third-party revenues (€m) | 543 | +11.0% | +7.2% | 1,623 | +13.5% | +7.4% |
| Operating result (€m) | 75 | -2 | -6 | 177 | 28 | 13 |
| Operating margin (%) | 6.4% | -0.8 pt | -1.0 pt | 5.1% | +0.4 pt | +0.1 pt |

Maintenance revenues increased compared to last year with third-party revenues up by 11.0% and 7.2% at constant currency, a continuation of the growth trend underpinned by the inflow of new contracts. The Maintenance order book stood at 11.5 billion dollars at 30 September 2019, stable compared to 31 December 2018.

The operating margin expressed as a percentage of total revenues stood at 6.4%, a decrease of 0.8 point impacted by airlines bankruptcies.

Air France-KLM Group: Operating result at 900 million euros with revenues up 2% and fuel expenses up 135 million euros

| | Third quarter | | | Nine months | | |
|--|---------------|---------|--------------------------|-------------|---------|--------------------------|
| | 2019 | Change | Change constant currency | 2019 | Change | Change constant currency |
| Capacity (ASK m) | 90,323 | +2.3% | | 251,116 | +3.2% | |
| Traffic (RPK m) | 81,434 | +2.6% | | 222,798 | +3.7% | |
| Passenger unit revenue per ASK (€ cts) | 7.08 | +0.5% | -0.6% | 6.69 | +0.6% | -0.5% |
| Group unit revenue per ASK (€ cts) | 7.57 | -0.5% | -1.6% | 7.24 | -0.1% | -1.3% |
| Group unit cost per ASK (€ cts) at constant fuel | 6.57 | +1.4% | +0.4% | 6.84 | +0.8% | -0.7% |
| Revenues (€m) | 7,696 | +2.0% | +0.8% | 20,732 | +3.8% | +2.3% |
| EBITDA (€m) | 1,647 | -7.0% | -8.2% | 3,218 | -6.5% | -5.3% |
| Operating result (€m) | 900 | -15.5% | -17.4% | 997 | -22.8% | -20.5% |
| Operating margin (%) | 11.7% | -2.4 pt | -2.6 pt | 4.8% | -1.7 pt | -1.4 pt |
| Net income - Group part (€m) | 366 | -420 | | 126 | -501 | |

In the third quarter 2019, the Air France-KLM Group posted an operating result of 900 million euros, down by 165 million euros compared to last year, impacted by trading environment and fuel bill increase.

Net income amounted for 366 million euros in the third quarter 2019, a decrease of 420 million euros compared to last year, including non-operating cost impact related to Airbus A380 phase-out of 100 million euros and effects on currency hedge portfolio related to a stronger US dollar and Japanese Yen.

The fuel bill including hedging amounted to 1,512 million euros for the third quarter 2019, up 135 million euros. This increase is mainly explained by a hedging loss of 50 million euros in this quarter compared to a hedging gain of 100 million euros last year, and a negative currency effect on the fuel bill of 48 million euros due to a stronger dollar.

Currencies had a positive 92 million euro impact on revenues and a negative 20 million euro effect on costs (ex-fuel) including currency hedging.

Third quarter 2019 unit cost at +0.4%, annual unit cost result on track for full year guidance

On a constant currency and fuel price basis, unit costs were up +0.4% in the third quarter 2019. The Group had a ramp up of Pilots hiring over the past 12 months, supporting the 2020 capacity growth plan.

Group net employee costs were up 5.0% in the quarter compared to last year, explained by additional hires in response to the capacity growth and the impact of wage agreement implementation for Air France and KLM staff. The average number of FTEs (Full-time equivalent) in the third quarter 2019 increased by 1,600 compared to last year, including an additional 600 Pilots and 850 Cabin Crew. However, productivity measured in ASK per FTE increased by 0.4% in the third quarter 2019.

Net debt down, leverage ratio stable, on track for full year guidance at/below 1.5x

| In € million | Third quarter | | Nine months | |
|--|---------------|-------------|--------------|------------|
| | 2019 | Change | 2019 | Change |
| Cash flow before change in WCR and Voluntary Departure Plans, continuing operations (€m) | 1,514 | -80 | 2,979 | -49 |
| Cash out related to Voluntary Departure Plans (€m) | -22 | -10 | -33 | +100 |
| Change in Working Capital Requirement (WCR) (€m) | -715 | +108 | 72 | +62 |
| Net cash flow from operating activities (€m) | 777 | 18 | 3,018 | 113 |
| Net investments * (€m) | -765 | -211 | -2,154 | -112 |
| Operating free cash flow (€m) | 12 | -193 | 864 | 1 |
| Repayment of lease debt | -247 | -28 | -748 | -12 |
| Adjusted operating free cash flow ** | -235 | -221 | 116 | -11 |

* Sum of 'Purchase of property, plant and equipment and intangible assets' and 'Proceeds on disposal of property, plant and equipment and intangible assets' as presented in the consolidated cash flow statement.

** The "Adjusted operating free cash flow" is operating free cash flow with deduction of the repayment of lease debt.

A lease debt reduction of 247 million euros and an adjusted operating free cash flow negative at -235 million euros

The Group generated a negative adjusted operating free cash flow of -235 million euros, a decrease of 221 million euros compared to last year, explained by higher capex in the third quarter 2019.

The year-to-date lease debt amounted for 4,399 million euros, down by 136 million euros compared to the end of 2018.

Leverage on track with full year guidance at/below 1.5x

| In € million | 30 Sep 2019 | 31 Dec 2018 |
|---|--------------|--------------|
| Net debt | 5,911 | 6,164 |
| EBITDA trailing 12 months | 3,994 | 4,217 |
| Net debt/EBITDA trailing 12 months | 1.5 x | 1.5 x |

The Group reduced its net debt to 5,911 million euros at 30 September 2019 compared to 6,164 million euros at 31 December 2018, this 253 million euro reduction is driven by the repayment of lease debt. The net debt/EBITDA ratio stood at 1.5x at 30 September 2019, a stable situation, explained by the reduction in net debt and EBITDA.

Air France and KLM both impacted by lower unit revenues and rise in fuel costs

| | Third quarter | | Nine months | |
|---|---------------|---------|-------------|---------|
| | 2019 | Change | 2019 | Change |
| Air France Group Operating result (€m) | 383 | -110 | 270 | -58 |
| Operating margin (%) | 8.2% | -2.5 pt | 2.1% | -0.6 pt |
| KLM Group Operating result (€m) | 512 | -61 | 714 | -246 |
| Operating margin (%) | 16.2% | -2.2 pt | 8.5% | -3.1 pt |

Outlook

The global economic and geopolitical context remains uncertain and the Group operates in a highly competitive marketplace.

Based on the current data for the Passenger network:

- ✓ October 2019 load factor is expected to remain stable compared to last year.
- ✓ Long-haul forward booking load factors from November to March are on average ahead compared to last year.
- ✓ Network passenger unit revenue for the fourth quarter 2019 at constant currency expected to be slightly down compared to last year.

Capacity growth update:

- ✓ The growth of Transavia France adjusted slightly downwards, Transavia is expected to grow at a sustainable pace of 6% to 8% for full year 2019.
- ✓ Passenger network plan remains unchanged to moderately grow capacity by 2% to 3% for the full year 2019 compared to last year.

Full year guidance update:

- ✓ The Group will pursue initiatives to reduce unit costs¹, with a targeted 2019 reduction between -1% to 0% at constant currency and fuel price.
- ✓ The 2019 fuel bill is expected to increase by 600 million euros compared to 2018 to 5.5 billion euros², based on the forward curve of 25 October 2019.
- ✓ The Group plans capital expenditure of 3.3 billion euros for 2019, slightly higher compared to the previous guidance including a change in accounting treatment for some assets, pre-delivery payment of Airbus A220 and acquire instead of leasing spare engines.
- ✓ Air France-KLM is targeting a Net debt/EBITDA ratio at/below 1.5x.

¹ To align with industry practice, as of 2019 the EASK metric will no longer be used.

The new Unit Cost definition will be: Net cost per Available Seat Kilometer at constant fuel and currency. The impact of this change for the unit cost is -0.1pt for 2019

² Based on the forward curves of 25 October 2019 average Brent price of USD 64, average jet fuel price of USD 683 per ton including into plane costs. Assuming exchange rate of EUR/USD of 1.12 in 2019

The results presentation is available at www.airfranceklm.com on 31 October 2019 from 7:15 am CET.

A conference call hosted by Mr. Gagey (CFO) will be held on 31 October 2019 at 08.30.

To connect to the conference call, please dial:

France: Local +33 (0)1 70 72 25 50

Netherlands: Local +31 (0) 20 703 8211

UK: Local +44 (0)330 336 9126

US: Local +1 720 543 0214

Confirmation code: 9498209

To listen to the audio-replay of the conference call, please dial:

– France: Local +33 (0) 1 70 48 00 94

– Netherlands: Local +31 (0) 20 721 8903

– UK: Local +44 (0)207 660 0134

– US: Local +1 719-457-0820

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Income Statement

| <i>In millions euros</i> | Third quarter | | | Nine months | | |
|---|---------------|--------------|---------------|---------------|---------------|---------------|
| | 2019 | 2018 | Change | 2019 | 2018 | Change |
| Sales | 7,696 | 7,544 | +2.0% | 20,732 | 19,976 | +3.8% |
| Other revenues | 0 | 1 | -100.0% | 0 | 1 | -100.0% |
| Revenues | 7,696 | 7,545 | +2.0% | 20,732 | 19,977 | +3.8% |
| Aircraft fuel | -1,512 | -1,377 | +9.8% | -4,117 | -3,622 | +13.7% |
| Chartering costs | -138 | -158 | -12.7% | -407 | -434 | -6.2% |
| Landing fees and en route charges | -530 | -513 | +3.3% | -1,471 | -1,419 | +3.7% |
| Catering | -222 | -211 | +5.2% | -617 | -586 | +5.3% |
| Handling charges and other operating costs | -531 | -501 | +6.0% | -1,440 | -1,481 | -2.8% |
| Aircraft maintenance costs | -625 | -586 | +6.7% | -1,923 | -1,769 | +8.7% |
| Commercial and distribution costs | -266 | -266 | +0.0% | -783 | -776 | +0.9% |
| Other external expenses | -420 | -399 | +5.3% | -1,292 | -1,223 | +5.6% |
| Salaries and related costs | -2,011 | -1,916 | +5.0% | -6,031 | -5,728 | +5.3% |
| Taxes other than income taxes | -26 | -40 | -35.0% | -119 | -127 | -6.3% |
| Other income and expenses | 232 | 193 | +20.2% | 686 | 629 | +9.1% |
| EBITDA | 1,647 | 1,771 | -7.0% | 3,218 | 3,441 | -6.5% |
| Amortization, depreciation and provisions | -747 | -707 | +5.7% | -2,221 | -2,149 | +3.4% |
| Income from current operations | 900 | 1,065 | -15.5% | 997 | 1,292 | -22.8% |
| Sales of aircraft equipment | 1 | 3 | <i>nm</i> | 24 | -1 | <i>nm</i> |
| Other non-current income and expenses | -103 | 18 | <i>nm</i> | -133 | -5 | +2,560.0% |
| Income from operating activities | 798 | 1,085 | -26.5% | 888 | 1,286 | -30.9% |
| Cost of financial debt | -111 | -118 | -5.9% | -332 | -354 | -6.2% |
| Income from cash and cash equivalent | 13 | 9 | +44.4% | 40 | 29 | +37.9% |
| Net cost of financial debt | -98 | -109 | -10.1% | -292 | -325 | -10.2% |
| Other financial income and expenses | -236 | -61 | +286.9% | -346 | -135 | +156.3% |
| Income before tax | 464 | 915 | -49.3% | 250 | 826 | -69.7% |
| Income taxes | -103 | -136 | -24.3% | -136 | -203 | -33.0% |
| Net income of consolidated companies | 361 | 780 | -53.7% | 114 | 623 | -81.7% |
| Share of profits (losses) of associates | 6 | 7 | -14.3% | 14 | 6 | +133.3% |
| Net income for the period | 367 | 787 | -53.4% | 128 | 629 | -79.7% |
| Minority interest | 1 | 1 | +0.0% | 2 | 2 | +0.0% |
| Net income for the period – Group part | 366 | 786 | -53.4% | 126 | 627 | -79.9% |

Consolidated Balance Sheet

| Assets | | |
|-------------------------------------|--------------------|--------------------|
| <i>In million euros</i> | 30 Sep 2019 | 31 Dec 2018 |
| Goodwill | 218 | 217 |
| Intangible assets | 1,263 | 1,194 |
| Flight equipment | 10,619 | 10,167 |
| Other property, plant and equipment | 1,554 | 1,503 |
| Right-of-use assets | 4,921 | 5,243 |
| Investments in equity associates | 310 | 311 |
| Pension assets | 132 | 331 |
| Other financial assets | 1,390 | 1,487 |
| Deferred tax assets | 501 | 544 |
| Other non-current assets | 354 | 264 |
| Total non-current assets | 21,262 | 21,261 |
| Other short-term financial assets | 499 | 325 |
| Inventories | 704 | 633 |
| Trade receivables | 2,397 | 2,191 |
| Other current assets | 1,324 | 1,062 |
| Cash and cash equivalents | 4,109 | 3,585 |
| Total current assets | 9,033 | 7,796 |
| Total assets | 30,295 | 29,057 |

| Liabilities and equity | | |
|--|--------------------|--------------------|
| <i>In million euros</i> | 30 Sep 2019 | 31 Dec 2018 |
| Issued capital | 429 | 429 |
| Additional paid-in capital | 4,139 | 4,139 |
| Treasury shares | -67 | -67 |
| Perpetual | 403 | 403 |
| Reserves and retained earnings | -3,144 | -3,051 |
| Equity attributable to equity holders of Air France-KLM | 1,760 | 1,853 |
| Non-controlling interests | 13 | 12 |
| Total Equity | 1,773 | 1,865 |
| Pension provisions | 2,255 | 2,098 |
| Return obligation liability and other provisions | 3,246 | 3,035 |
| Financial debt | 6,006 | 5,733 |
| Lease debt | 3,400 | 3,546 |
| Deferred tax liabilities | 0 | 4 |
| Other non-current liabilities | 423 | 459 |
| Total non-current liabilities | 15,330 | 14,875 |
| Return obligation liability and other provisions | 623 | 492 |
| Current portion of financial debt | 1,027 | 826 |
| Current portion of lease debt | 999 | 989 |
| Trade payables | 2,594 | 2,460 |
| Deferred revenue on ticket sales | 3,455 | 3,153 |
| Frequent flyer program | 850 | 844 |
| Other current liabilities | 3,628 | 3,548 |
| Bank overdrafts | 16 | 5 |
| Total current liabilities | 13,192 | 12,317 |
| Total equity and liabilities | 30,295 | 29,057 |

Statement of Consolidated Cash Flows from 1st January until 30th September 2019

| <i>In million euros</i> | 30 Sep 2019 | 30 Sep 2018 |
|---|--------------------|--------------------|
| Net income from continuing operations | 128 | 629 |
| Amortization, depreciation and operating provisions | 2,221 | 2,149 |
| Financial provisions | 133 | 93 |
| Loss (gain) on disposals of tangible and intangible assets | -34 | -18 |
| Loss (gain) on disposals of subsidiaries and associates | 0 | 1 |
| Derivatives – non monetary result | 15 | 25 |
| Unrealized foreign exchange gains and losses, net | 207 | 118 |
| Other non-monetary items | 218 | -283 |
| Share of (profits) losses of associates | -14 | -6 |
| Deferred taxes | 72 | 187 |
| Financial Capacity | 2,946 | 2,895 |
| (Increase) / decrease in inventories | -83 | -102 |
| (Increase) / decrease in trade receivables | -147 | -471 |
| Increase / (decrease) in trade payables | 42 | 222 |
| Change in other receivables and payables | 260 | 361 |
| Change in working capital requirements | 72 | 10 |
| Net cash flow from operating activities | 3,018 | 2,905 |
| Purchase of property, plant and equipment and intangible assets | -2,238 | -2,138 |
| Proceeds on disposal of property, plant and equipment and intangible assets | 84 | 96 |
| Proceeds on disposal of subsidiaries, of shares in non-controlled entities | 8 | 5 |
| Acquisition of subsidiaries, of shares in non-controlled entities | -1 | -9 |
| Dividends received | 10 | 4 |
| Decrease (increase) in net investments, more than 3 months | -9 | 5 |
| Net cash flow used in investing activities | -2,146 | -2,037 |
| Increase of equity due to new convertible bond | 54 | 0 |
| Perpetual (including premium) | 0 | -211 |
| Issuance of debt | 904 | 532 |
| Repayment on financial debt | -560 | -1,182 |
| Payments on lease debt | -748 | -736 |
| Decrease (increase) in loans, net | -17 | -52 |
| Dividends and coupons on perpetual paid | -1 | -12 |
| Net cash flow from financing activities | -368 | -1,661 |
| Effect of exchange rate on cash and cash equivalents and bank overdrafts | 9 | 2 |
| Change in cash and cash equivalents and bank overdrafts | 513 | -791 |
| Cash and cash equivalents and bank overdrafts at beginning of period | 3,580 | 4,667 |
| Cash and cash equivalents and bank overdrafts at end of period | 4,093 | 3,876 |
| <i>Change in treasury of discontinued operations</i> | 0 | 0 |

Key Performance Indicators

EBITDA

| <i>In millions euros</i> | Third quarter | | Nine months | |
|---|---------------|--------------|--------------|--------------|
| | 2019 | 2018 | 2019 | 2018 |
| Income/(loss) from current operations | 900 | 1,065 | 997 | 1,292 |
| Amortization, depreciation and provisions | 747 | 707 | 2,221 | 2,149 |
| EBITDA | 1,647 | 1,771 | 3,218 | 3,441 |

Restated net result, group share

| <i>In million euros</i> | Third quarter | | Nine months | |
|--|---------------|------------|-------------|------------|
| | 2019 | 2018 | 2019 | 2018 |
| Net income/(loss), Group share | 366 | 786 | 126 | 627 |
| Unrealized foreign exchange gains and losses, net | 155 | -157 | 207 | -49 |
| Change in fair value of financial assets and liabilities (derivatives) | 11 | -14 | -9 | -74 |
| Non-current income and expenses | 102 | -21 | 109 | 6 |
| Tax impact on gross adjustments net result | -79 | 57 | -91 | 35 |
| Restated net income/(loss), group part | 555 | 651 | 342 | 545 |
| Coupons on perpetual | -4 | -6 | -12 | -18 |
| Restated net income/(loss), group share including coupons on perpetual (used to calculate earnings per share) | 551 | 645 | 330 | 527 |
| Restated net income/(loss) per share (in €) | 1.29 | 1.51 | 0.77 | 1.23 |

Return on capital employed (ROCE)¹

| <i>In million euros</i> | 30 Sep 2019 | 30 Sep 2018 | 30 Sep 2018 | 30 Sep 2017 |
|---|----------------|----------------|----------------|----------------|
| Goodwill and intangible assets | 1,481 | 1,390 | 1,390 | 1,329 |
| Flight equipment | 10,619 | 10,187 | 10,187 | 9,740 |
| Other property, plant and equipment | 1,554 | 1,462 | 1,462 | 1,377 |
| Right of use assets | 4,921 | 5,361 | 5,361 | 5,744 |
| Investments in equity associates | 310 | 299 | 299 | 303 |
| Financial assets, marketable securities and financial deposits | 136 | 123 | 123 | 105 |
| Provisions, excluding pension, cargo litigation and restructuring | -3,457 | -3,002 | -3,002 | -2,715 |
| WCR, excluding market value of derivatives | -6,287 | -5,865 | -5,865 | -5,805 |
| Capital employed | 9,277 | 9,955 | 9,955 | 10,078 |
| Average capital employed (A) | 9,617 | | 10,017 | |
| Income from current operations | 1,037 | | 1,533 | |
| - Dividends received | -1 | | -2 | |
| - Share of profits (losses) of associates | 5 | | 10 | |
| - Normative income tax | -309 | | -458 | |
| Income from current operations after tax, trailing 12 months (B) | 732 | | 1,083 | |
| ROCE, trailing 12 months (B/A) | 7.6% | | 10.8% | |

¹ The ROCE definition has been updated within the framework of IFRS 16 implementation. The asset value linked to the aircraft lease contracts now corresponds to the net book value of the right-of-use asset of all the lease contracts. Moreover, the "operating result, adjusted for operating leases" no longer existing having been replaced by "income from current operations" which, thanks to IFRS 16 implementation, no longer includes the financial cost of lease contracts. Finally, the Group now uses a normative income tax rate, calculated according to the tax rates applied in France and in the Netherlands.

Net debt

| <i>In million euros</i> | Balance sheet at | |
|----------------------------------|------------------|---------------|
| | 30 Sep 2019 | 31 Dec 2018 |
| Financial debt | 6,687 | 6,216 |
| Lease debt | 4,306 | 4,450 |
| Currency hedge on financial debt | -11 | 7 |
| Accrued interest | -60 | -67 |
| Gross financial debt (A) | 10,922 | 10,606 |
| Cash and cash equivalents | 4,109 | 3,585 |
| Marketable securities | 79 | 74 |
| Cash securities | 269 | 265 |
| Deposits (bonds) | 568 | 522 |
| Bank overdrafts | -16 | -5 |
| Others | 2 | 1 |
| Net cash (B) | 5,011 | 4,442 |
| Net debt (A) – (B) | 5,911 | 6,164 |

Adjusted operating free cash flow

| <i>In million euros</i> | Third quarter | | Nine months | |
|--|---------------|------------|-------------|------------|
| | 2019 | 2018 | 2019 | 2018 |
| Net cash flow from operating activities, continued operations | 777 | 759 | 3,018 | 2,905 |
| Investment in property, plant, equipment and intangible assets | -774 | -604 | -2,238 | -2,138 |
| Proceeds on disposal of property, plant, equipment and intangible assets | 9 | 50 | 84 | 96 |
| Operating free cash flow | 12 | 205 | 864 | 863 |
| Payments on lease debt | -247 | -219 | -748 | -736 |
| Adjusted operating free cash flow | -235 | -14 | 116 | 127 |

Unit cost: net cost per ASK

| | Third quarter | | Nine months | |
|--|---------------|--------------|---------------|---------------|
| | 2019 | 2018 | 2019 | 2018 |
| Revenues (in €m) | 7,696 | 7,545 | 20,732 | 19,977 |
| Income/(loss) from current operations (in €m) -/- | -900 | -1,065 | -997 | -1,292 |
| Total operating expense (in €m) | 6,796 | 6,480 | 19,735 | 18,685 |
| Passenger network business – other revenues (in €m) | -233 | -255 | -669 | -669 |
| Cargo network business – other revenues (in €m) | -77 | -76 | -231 | -219 |
| Third-party revenues in the maintenance business (in €m) | -543 | -489 | -1,623 | -1,430 |
| Transavia - other revenues (in €m) | 0 | 0 | -7 | -11 |
| Third-party revenues of other businesses (in €m) | -10 | -10 | -26 | -28 |
| Net cost (in €m) | 5,933 | 5,650 | 17,179 | 16,328 |
| Capacity produced, reported in ASK* | 90,323 | 88,300 | 251,116 | 243,241 |
| Net cost per ASK (in € cents per ASK) | 6.57 | 6.40 | 6.84 | 6.71 |
| <i>Gross change</i> | | 2.7% | | 1.9% |
| Currency effect on net costs (in €m) | | 54 | | 251 |
| <i>Change at constant currency</i> | | 1.7% | | 0.4% |
| Fuel price effect (in €m) | | 74 | | 194 |
| <i>Change on a constant currency and fuel price basis</i> | | 0.4% | | -0.7% |
| Net cost per ASK on a constant currency and fuel price basis (in € cents per ASK) | 6.57 | 6.54 | 6.84 | 6.89 |
| <i>Change at constant currency and fuel price basis</i> | | +0.4% | | -0.7% |

* The capacity produced by the transportation activities is combined by adding the capacity of the Passenger network (in ASK) to that of Transavia (in ASK).

Group results

Air France Group

| | Third quarter | | Nine months | |
|---|---------------|---------|-------------|---------|
| | 2019 | Change | 2019 | Change |
| Revenue (in €m) | 4,650 | +1.5% | 12,632 | +4.8% |
| EBITDA (in €m) | 850 | -101 | 1,663 | -32 |
| Operating result (en m€) | 383 | -110 | 270 | -58 |
| <i>Operating margin (%)</i> | 8.2% | -2.5 pt | 2.1% | -0.6 pt |
| Operating cash flow before WCR and restructuring cash out (in €m) | 803 | -80 | 1,567 | +48 |
| <i>Operating cash flow (before WCR and restructuring) margin</i> | 17.3% | -2.0 pt | 12.4% | -0.2 pt |

KLM Group

| | Third quarter | | Nine months | |
|---|---------------|---------|-------------|---------|
| | 2019 | Change | 2019 | Change |
| Revenue (in €m) | 3,160 | +1.6% | 8,444 | +1.8% |
| EBITDA (in €m) | 791 | -27 | 1,535 | -199 |
| Operating result (en m€) | 512 | -61 | 714 | -246 |
| <i>Operating margin (%)</i> | 16.2% | -2.2 pt | 8.5% | -3.1 pt |
| Operating cash flow before WCR and restructuring cash out (in €m) | 687 | -17 | 1,378 | -113 |
| <i>Operating cash flow (before WCR and restructuring) margin</i> | 21.7% | -0.9 pt | 16.3% | -1.7 pt |

NB: Sum of individual airline results does not add up to Air France-KLM total due to intercompany eliminations at Group level

Group fleet at 30 September 2019

| Aircraft type | AF (incl. HOP) | KL (incl. KLC & MP) | Transavia | Owned | Finance lease | Operating lease | Total | In operation | Change / 31/12/18 |
|--------------------------|----------------------|------------------------------|-----------|------------|------------------|--------------------|------------|-----------------|----------------------|
| B747-400 | | 10 | | 10 | | | 10 | 10 | -1 |
| B777-300 | 43 | 14 | | 12 | 23 | 22 | 57 | 57 | |
| B777-200 | 25 | 15 | | 24 | 1 | 15 | 40 | 40 | |
| B787-9 | 9 | 13 | | 7 | 3 | 12 | 22 | 22 | 2 |
| B787-10 | | 1 | | 1 | | | 1 | 1 | 1 |
| A380-800 | 10 | | | 1 | 4 | 5 | 10 | 10 | |
| A350-900 | 1 | | | | 1 | | 1 | 1 | 1 |
| A340-300 | 4 | | | 4 | | | 4 | 4 | -2 |
| A330-300 | | 5 | | | | 5 | 5 | 5 | |
| A330-200 | 15 | 8 | | 11 | | 12 | 23 | 23 | |
| Total Long-Haul | 107 | 66 | 0 | 70 | 32 | 71 | 173 | 173 | 1 |
| B737-900 | | 5 | | 2 | | 3 | 5 | 5 | |
| B737-800 | | 30 | 73 | 29 | 10 | 64 | 103 | 102 | 9 |
| B737-700 | | 16 | 7 | 3 | 5 | 15 | 23 | 23 | -2 |
| A321 | 20 | | | 11 | | 9 | 20 | 20 | |
| A320 | 43 | | | 3 | 5 | 35 | 43 | 43 | |
| A319 | 33 | | | 20 | | 13 | 33 | 33 | -1 |
| A318 | 18 | | | 17 | 1 | | 18 | 18 | |
| Total Medium-Haul | 114 | 51 | 80 | 85 | 21 | 139 | 245 | 244 | 6 |
| ATR72-600 | 6 | | | | | 6 | 6 | 4 | |
| ATR72-500 | | | | | | | | | -1 |
| ATR42-500 | 2 | | | | | 2 | 2 | | -4 |
| Canadair Jet 1000 | 14 | | | 14 | | | 14 | 14 | |
| Canadair Jet 700 | 11 | | | 11 | | | 11 | 10 | |
| Embraer 190 | 14 | 32 | | 7 | 14 | 25 | 46 | 46 | 3 |
| Embraer 175 | | 17 | | 3 | 14 | | 17 | 17 | |
| Embraer 170 | 15 | | | 9 | 1 | 5 | 15 | 15 | |
| Embraer 145 | 17 | | | 14 | 3 | | 17 | 13 | -1 |
| Total Regional | 79 | 49 | 0 | 58 | 32 | 38 | 128 | 119 | -3 |
| B747-400ERF | | 3 | | 3 | | | 3 | 3 | |
| B747-400BCF | | 1 | | 1 | | | 1 | 1 | |
| B777-F | 2 | | | 2 | | | 2 | 2 | |
| Total Cargo | 2 | 4 | 0 | 6 | 0 | 0 | 6 | 6 | 0 |
| Total | 302 | 170 | 80 | 219 | 85 | 248 | 552 | 542 | 4 |