

11 September 2006

Inaugural bond issue

Air France has issued on 11th September 2006 550 millions of euro-denominated bonds maturing on 22nd January 2014.

This unrated bond issue aims at diversifying Air France's funding sources, refinancing part of the existing debt and lengthening the average debt maturity profile.

The transaction met great success in the market.

The orderbook was opened at 9h30 on Monday 11th September and was closed at 12h30 the same day. The books garnered orders totalling more than €1.8bn, allowing for the transaction to be priced at a final spread of 92bp over midswap rate.

Placement was made across a diversified basis of investors, split geographically between France (49.8%), UK (23.5%), Germany/Austria (5.1%), rest of Europe (14.2%) and rest of the world (7.4%). Amongst those investors, fund managers accounted for 41.6% of allocations, insurance companies 27.5% and banks 16.6%.

The success of this transaction, the first bond issue by Air France since 1993, reflects the quality of the Air France credit profile.

Air France has appointed Barclays Capital, BNP Paribas, HSBC and Société Générale Corporate & Investment Banking to lead this bond issuance.

Terms of the offering

Amount	550 M€
Coupon	4.75%
Launch date	11 september 2006
Settlement date	22 september 2006
Maturity	22 january 2014
Reoffer price	99.233%
Joint Lead Managers	Barclays Cap., BNPP, HSBC, SGCIB