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## **AIR FRANCE SUCCESSFULLY ISSUES €402.5 MILLION BONDS DUE 2020 CONVERTIBLE AND/OR EXCHANGEABLE INTO AIR FRANCE-KLM SHARES (OCEANES) ON THE CAPITAL MARKETS**

Air France launched today an issue of bonds due April 1, 2020 convertible into and/or exchangeable for new and/or existing shares of Air France-KLM, (OCEANE) with a principal amount of €402.5 following the exercise in full by Air France of its increase option. This issue size may be increased to a maximum of €450 million in the event that the over-allotment option granted to the Managers is exercised in full. This offering is primarily intended to allow Air France to optimize its funding costs and extend the average maturity of its debt. The proceeds of the issuance will be allocated to the financing of Air France's investment plan (new aircraft and ground investments).

The Air France bonds will give the right to delivery of new or existing Air France-KLM shares, on a one-share-to-one-bond basis.

The principal amount per bond was set at €20.50, representing an issuance premium of 50.80% over the weighted average share price of €13.594 used for this transaction.

The bonds will bear interest at an annual rate of 2.75% and will be reimbursed at par, i.e., €20.5 per bond. The bonds will be redeemable in full on April 1, 2020, with possible early redemption at the option of either the bondholders or Air France under certain limited circumstances. The yield to maturity of the bonds will be equal to 2.75% at the settlement date of the bonds.

Application has been made to list the bonds on the Eurolist market of Euronext Paris. Application has been made to admit the bonds to the operations of Euroclear France, Euroclear Bank S.A./N.V., and Clearstream Banking, *société anonyme*, Luxembourg. Air France-KLM shares delivered following the exercise of the conversion/exchange rights of the bonds are or will be listed on the Eurolist market of Euronext Paris (Compartment A). Air France-KLM shares are also listed on the Euronext Amsterdam market and on the New York Stock Exchange (NYSE) in the form of American Depositary Shares (ADS).

***The securities offered will not be and have not been registered under the Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption.***