

AIR FRANCE KLM

Third quarter results 2006-07

February 14, 2007



Highlights

✦ Context

- ▶ Favourable world economic development
- ▶ Jet fuel price back down to last year's levels (\$603/t in Q3 2006-07 versus \$592/t in Q3 2005-06)

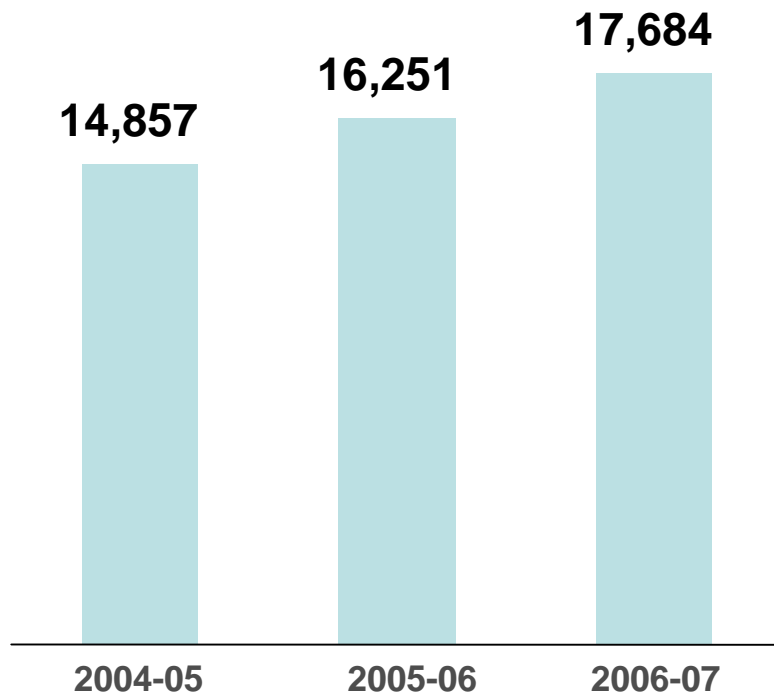
✦ Air France-KLM

- ▶ Excellent performance in passenger activity
- ▶ Cargo remains difficult
- ▶ Strong rise in operating income to €252m (+33%)
- ▶ Further reduction in net debt

Further increase in profitability

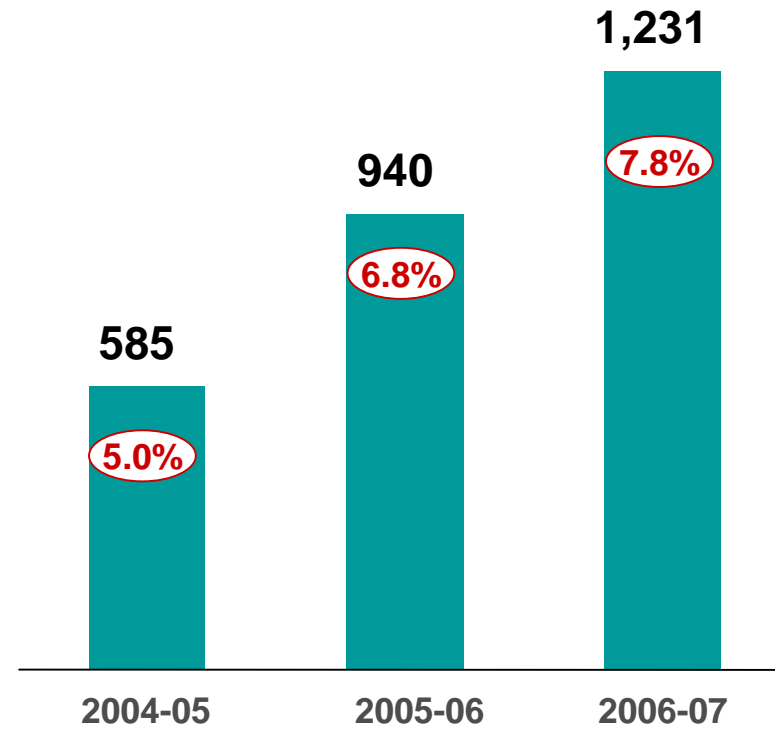
Nine months to December 2006
in €m

■ Turnover



■ Operating income

○ x% Adjusted operating margin*



* Adjusted by the share of financial charges in operating leases (34%)

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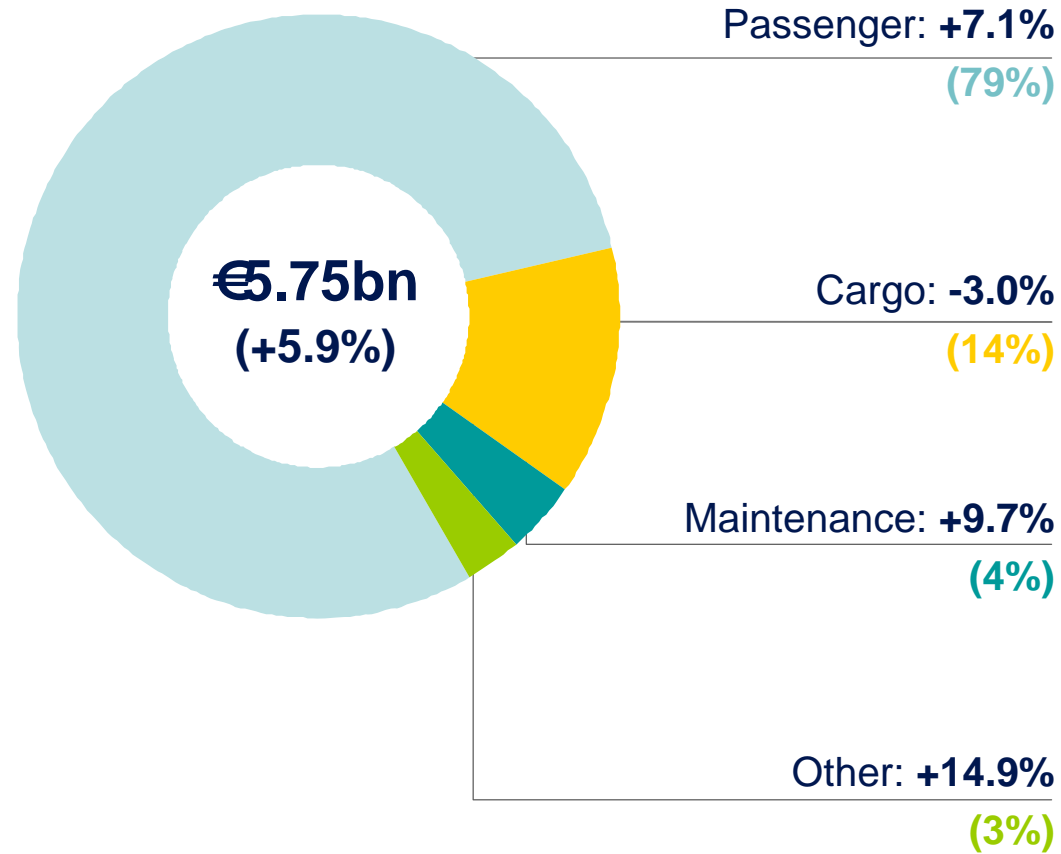
Activity

Pierre-Henri Gourgeon



Turnover development by business

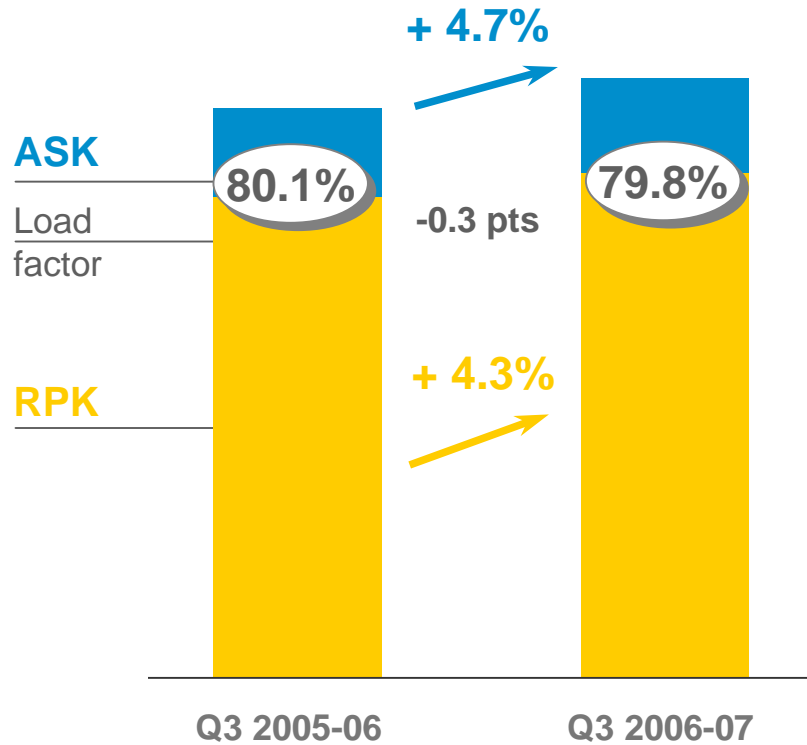
Q3 2006-07



Passenger: dynamic activity levels and high load factor

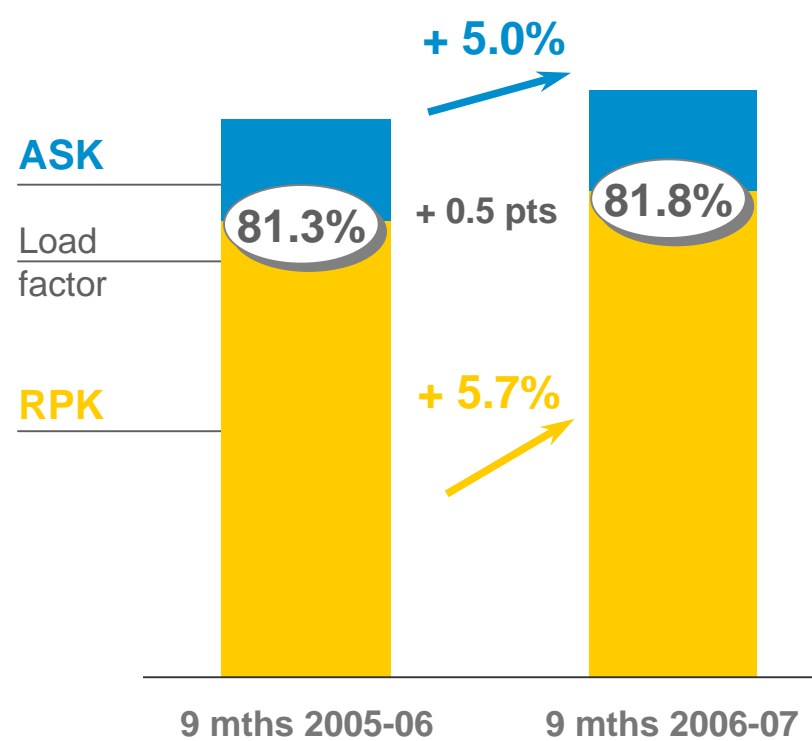
Third Quarter

17.8 million passengers (+4.1%)



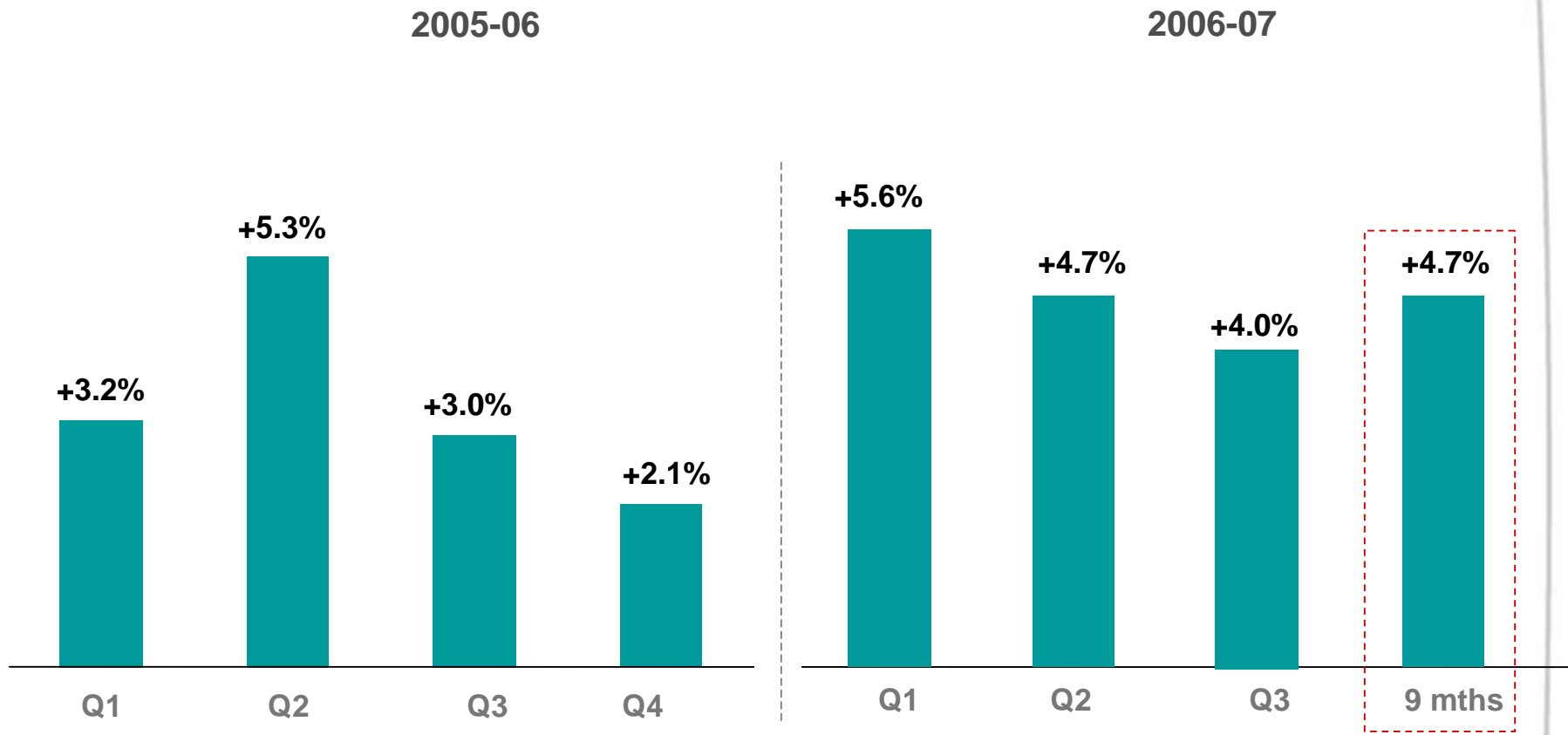
Nine months to Dec

56.5 million passengers (+5.1%)



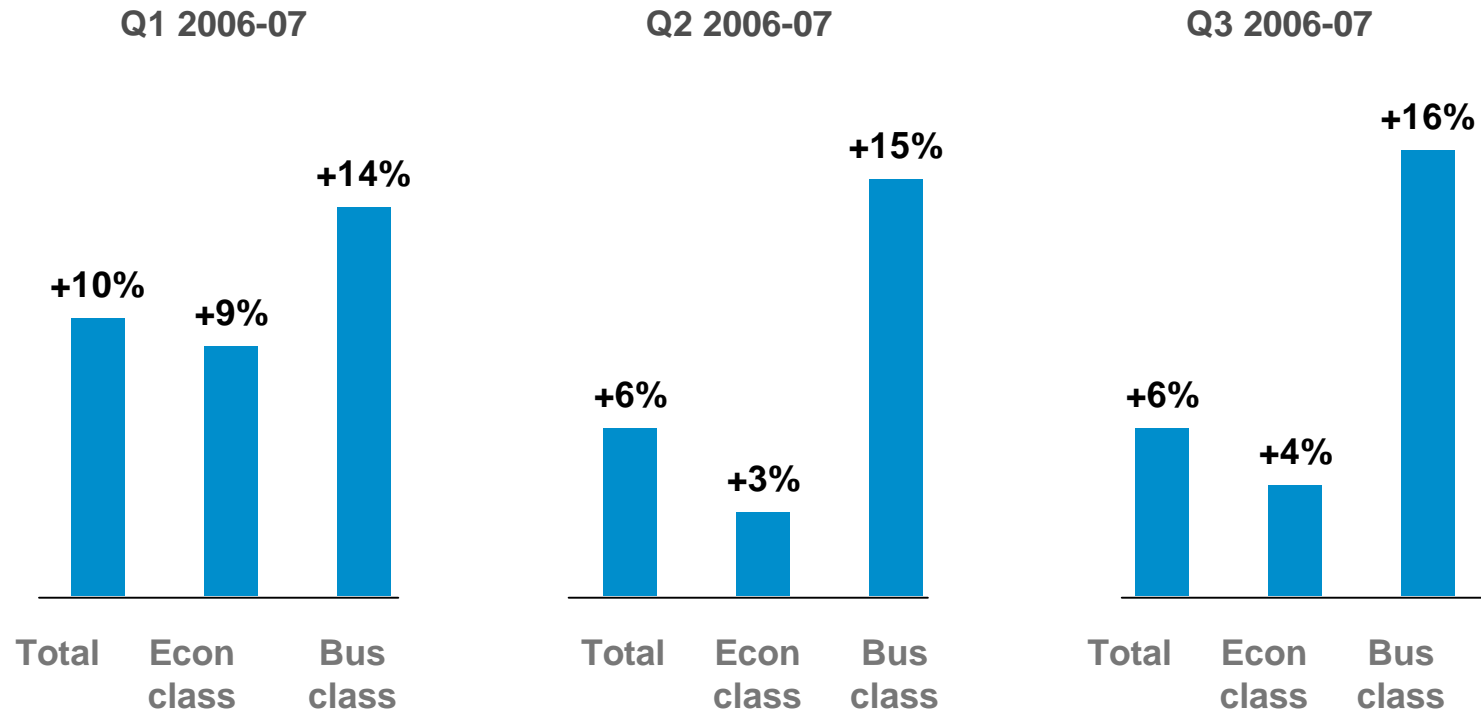
Further rise in unit revenue

■ RASK (total network)



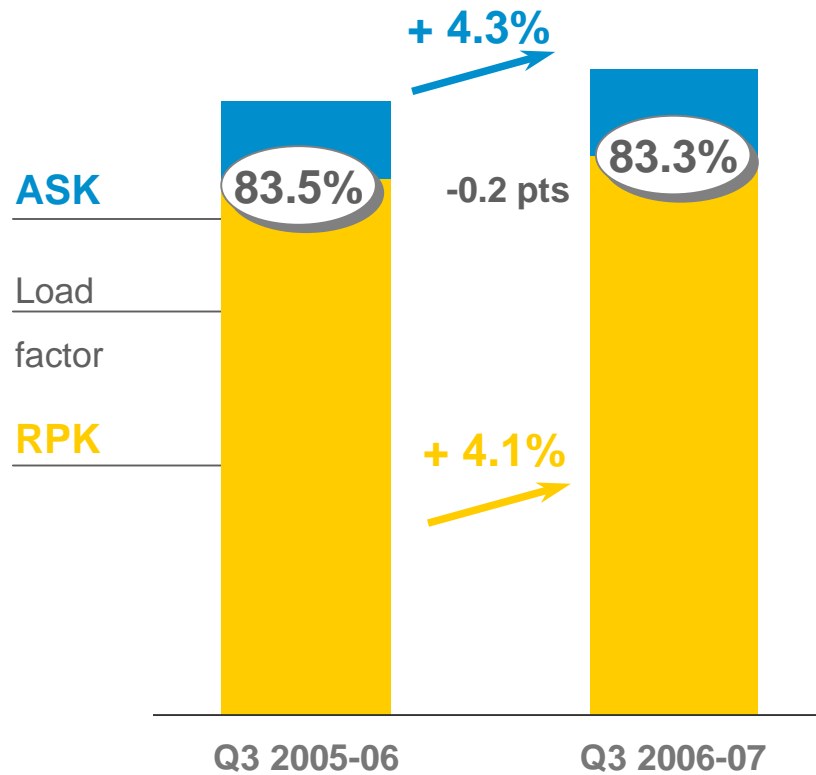
Rise in unit revenue in all classes...

■ RASK ex. currency effect (long-haul network)

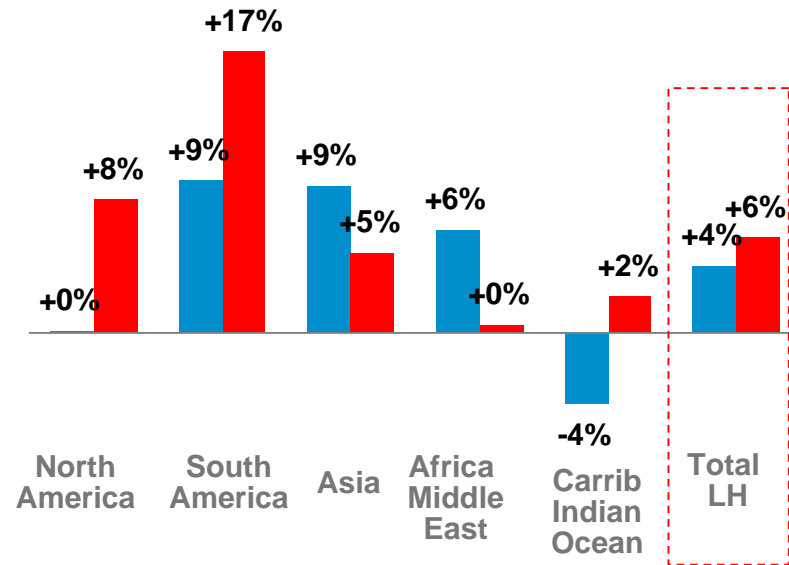


...in long-haul...

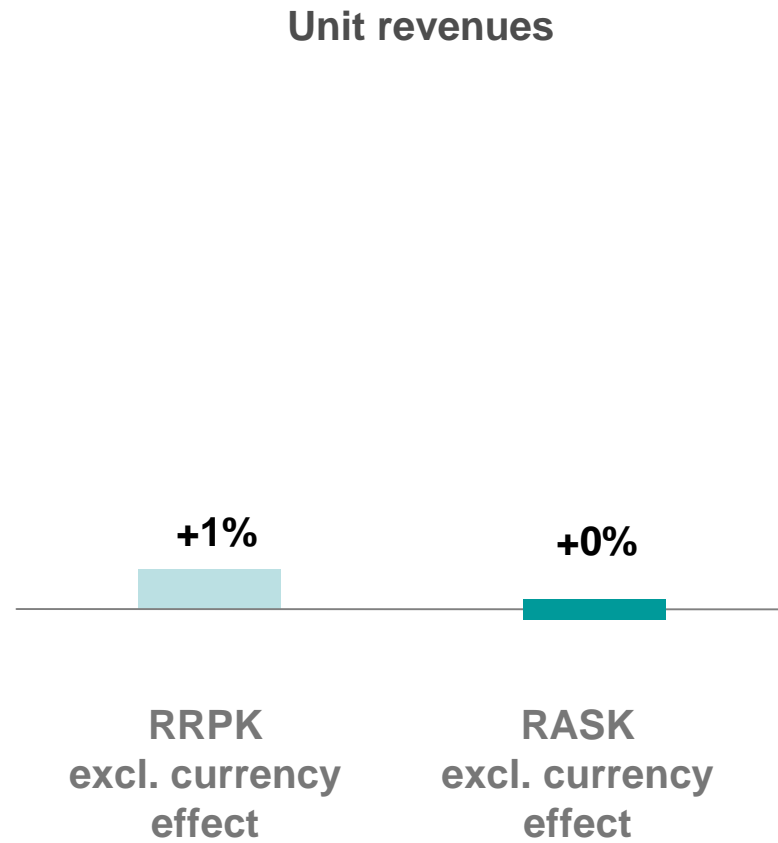
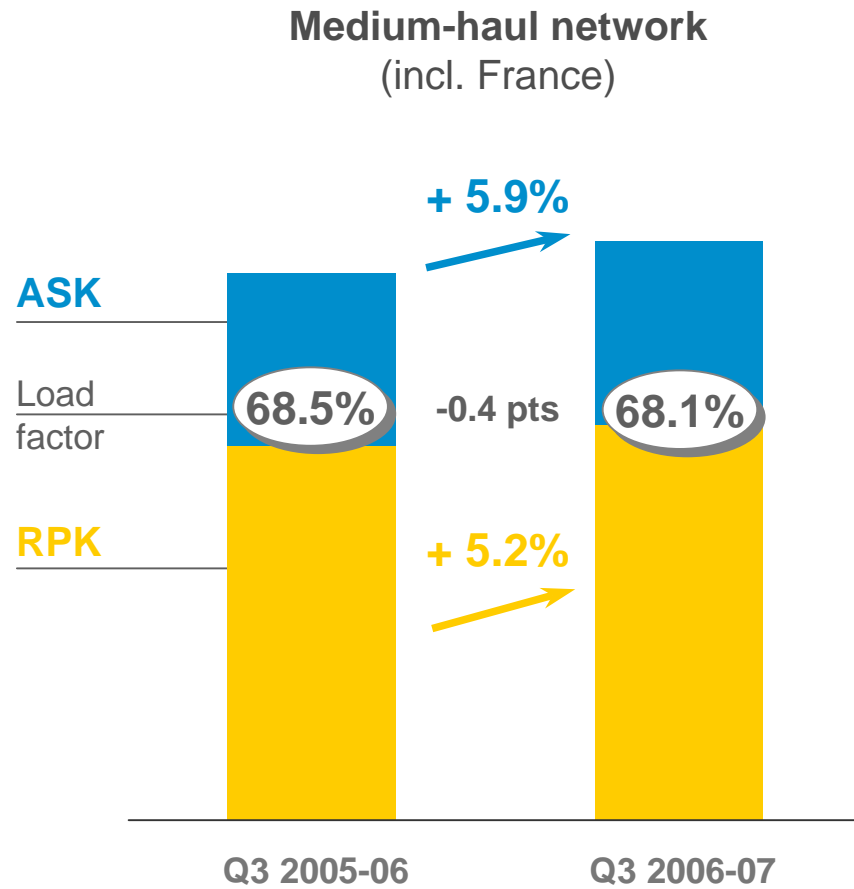
Long-haul network



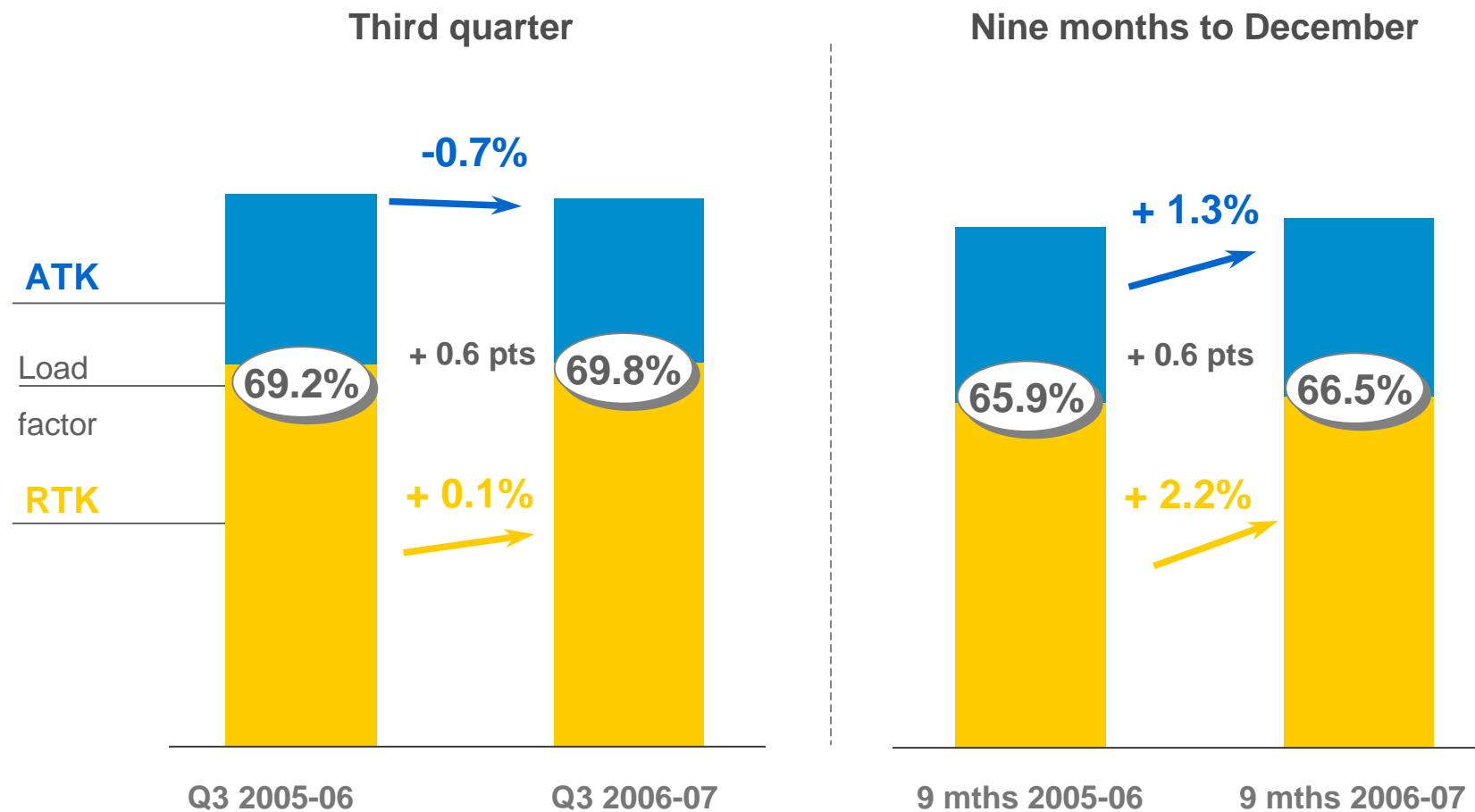
ASK RASK ex.currency effect



... as well as in medium-haul

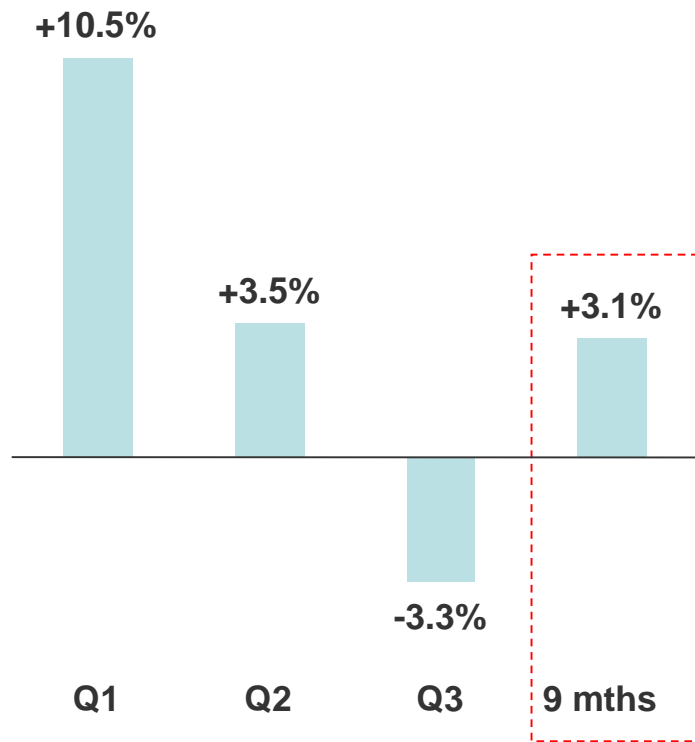


Cargo: another difficult quarter...

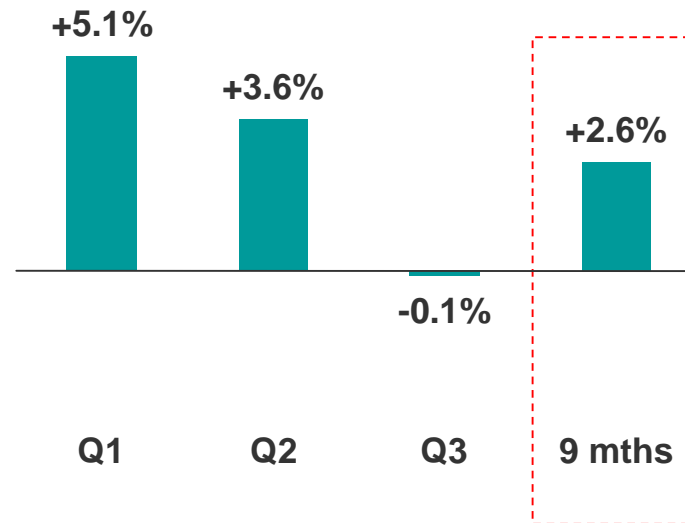


...with a decline in turnover

Cargo traffic revenues



Unit revenue per ATK ex. currency effect



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Results

Philippe Calavia



Strong rise in Q3 results

in € millions

	31 Dec 2006	31 Dec 2005	Change
Turnover	5,751	5,429	+5.9%
Current operating charges	(5,499)	(5,239)	+5.0%
Operating income	252	190	+32.6%
<i>Operating margin</i>	4.4%	3.5%	+0.9 pts
<i>Adjusted operating margin*</i>	5.3%	4.5%	+0.8 pts
Other non-current income and charges	10	(11)	ns
Income from operating activities	262	179	+46.4%
Net interest charge	(25)	(57)	-56.1%
Income tax	10	(36)	
Net income, group share	229	77	ns

* Adjusted by the share of financial charges in operating leases (34%)

Contained operating charges in Q3

Q3 2006-07
in € millions

		EASK	+3.9%
		Turnover	+5.9%
		Current operating charges ex. fuel	+4.2%
Fuel	1,083		+8.3%
Employee costs	1,672		+4.7%
Aircraft costs (amortization & provisions, maintenance costs, operating leases and chartering)	983		+2.5%
Landing fees & route charges	425		+6.0%
Commercial & distribution charges	293		+0.7%
Other	1,043		+5.2%
Total current operating charges	5,499		+5.0%

Strong improvement in performance over nine months

in € millions

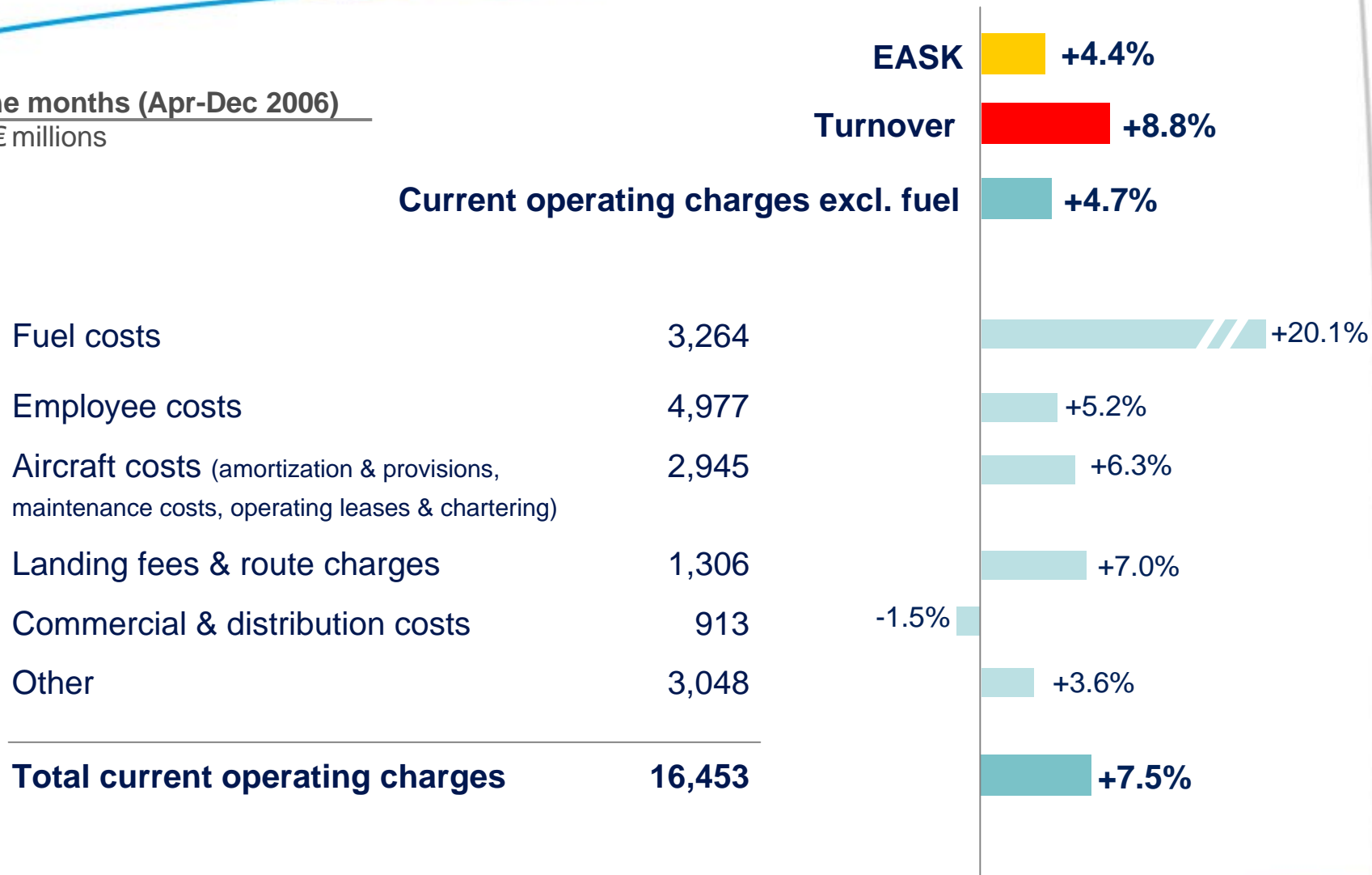
	31 Dec 2006	31 Dec 2005	Change
Turnover	17,684	16,251	+8.8%
Current operating charges	(16,453)	(15,311)	+7.5%
Operating income	1,231	940	+31.0%
<i>Operating margin</i>	7.0%	5.8%	+1.2 pts
<i>Adjusted operating margin*</i>	7.8%	6.8%	+1.0 pts
Other non-current income and charges	(15)	528	ns
Income from operating activities	1,216	1,467	ns
Net interest charge	(110)	(171)	-35.7%
Income tax	(228)	(328)	
Net income, group share	847	906	ns
Net income, group share (excl. Amadeus)	847	487	+73.9%

* Adjusted by the share of financial charges in operating leases (34%)

Operating costs under control

Nine months (Apr-Dec 2006)

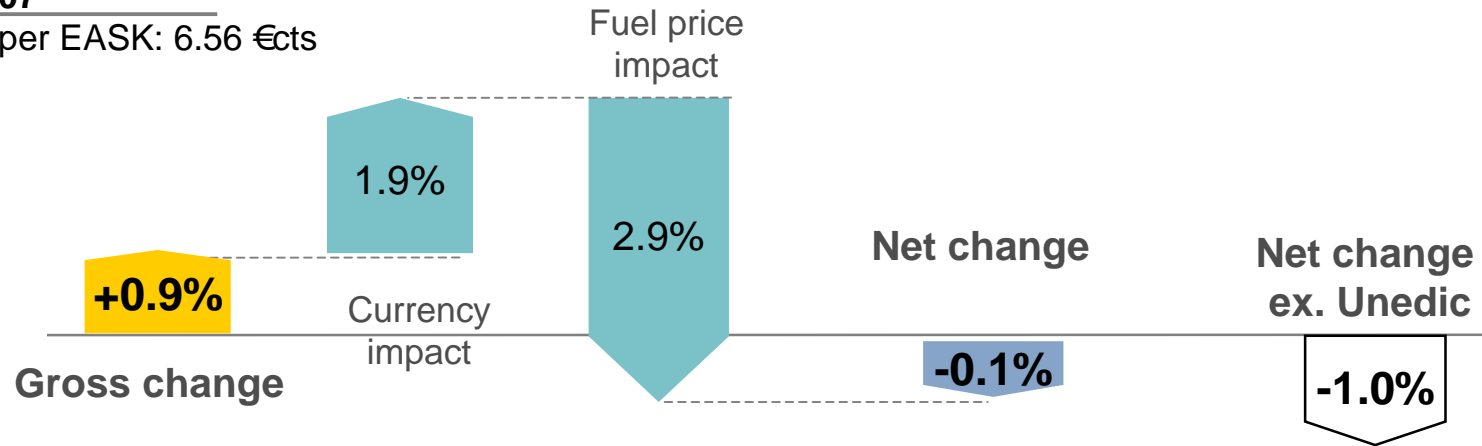
in € millions



Evolution of unit costs

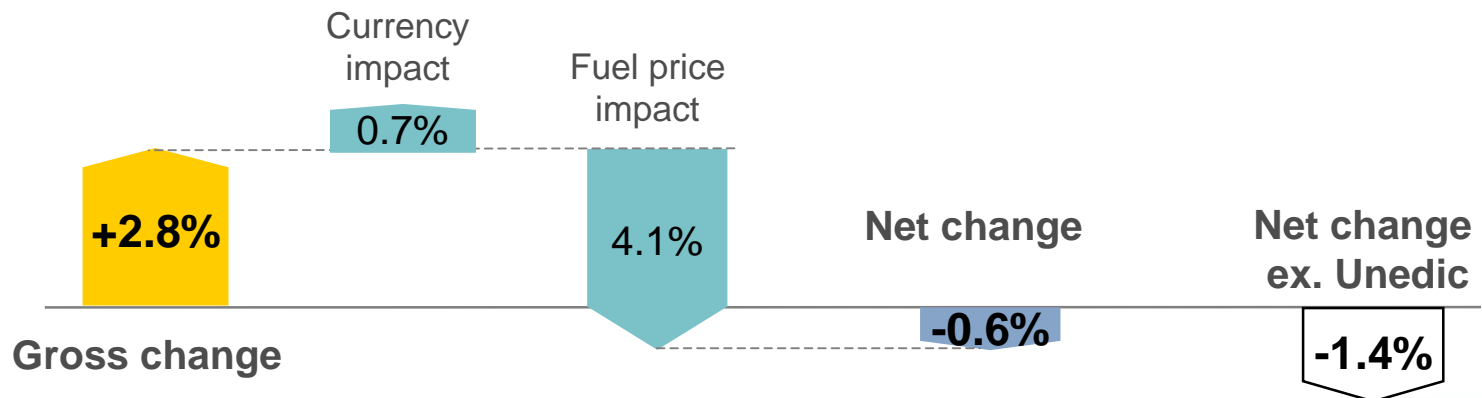
Q3 2006-07

Unit cost per EASK: 6.56 €cts



9 months to Dec 2006

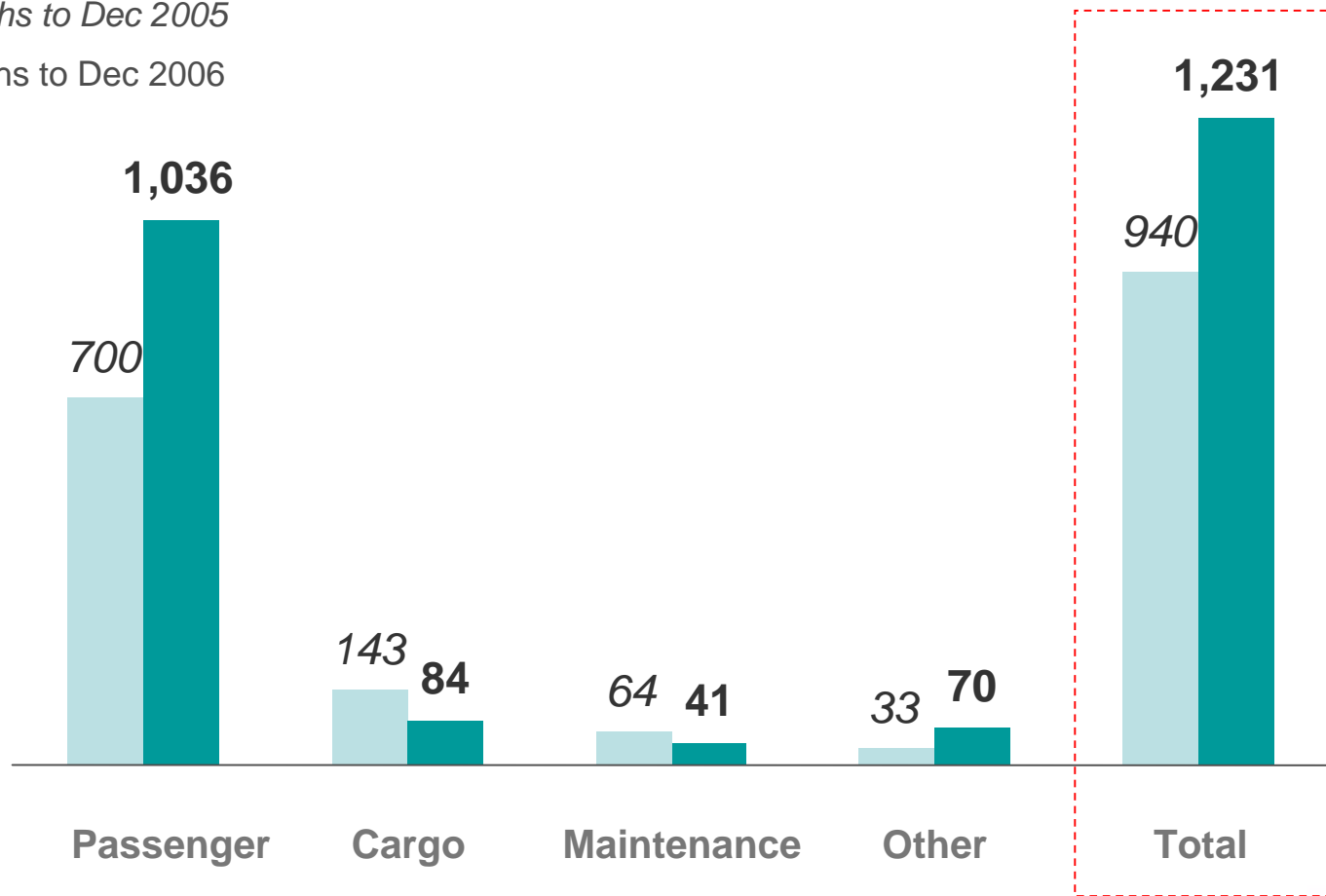
Unit cost per EASK: x6.41 €cts



Contribution by business to operating income

Operating income (in € millions)

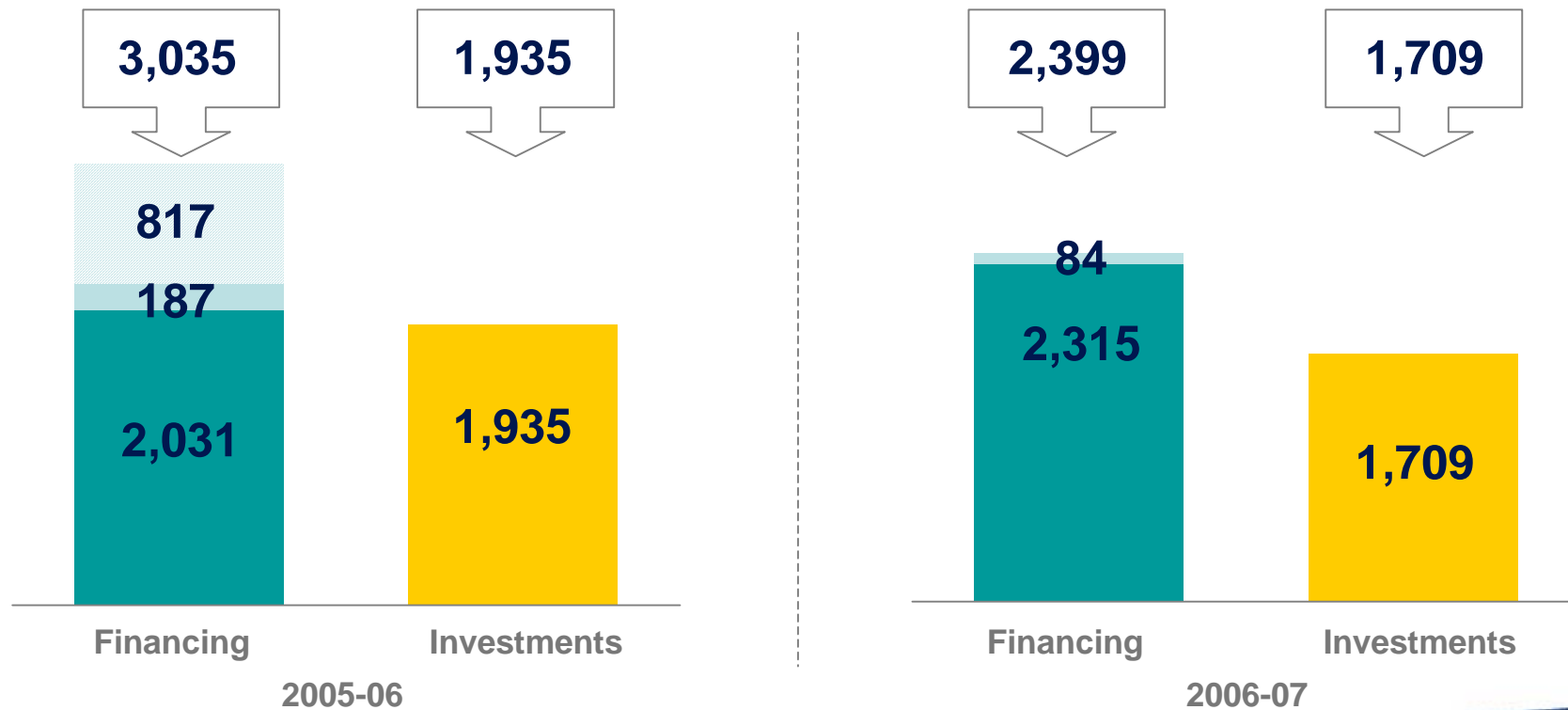
- *Nine months to Dec 2005*
- *Nine months to Dec 2006*



Operating cash flow up 14%

April to December 2006 (in € millions)

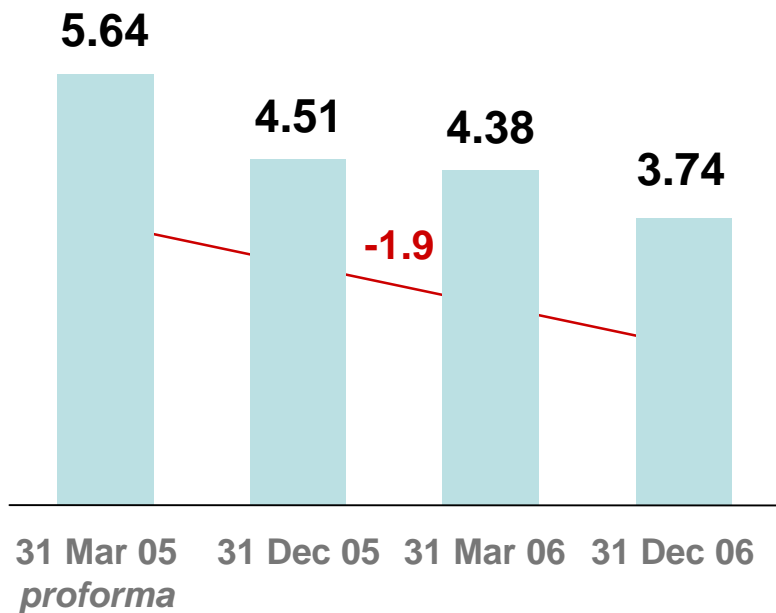
- Net cash from Amadeus
- Aircraft disposals
- Operating cash flow
- Tangible and intangible investments



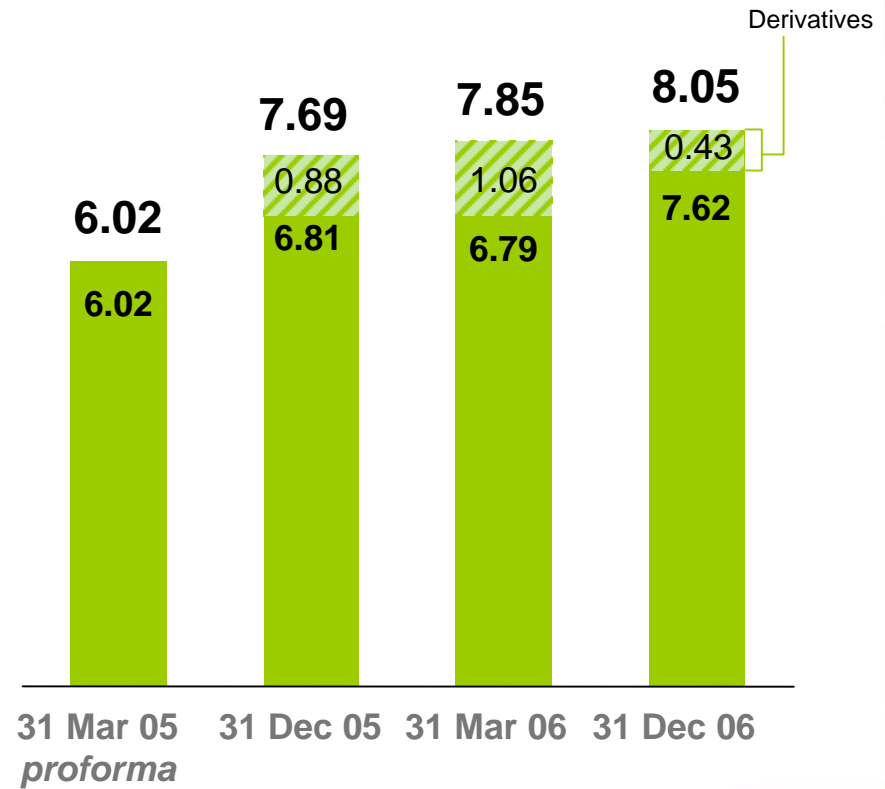
Further reduction in net debt

Gearing ratio at 31 December 2006: **0.46**
 (at 31 March 2006: 0.56)

Net debt
 (in billion euros)



Shareholders' funds
 (in billion euros)



AIR FRANCE KLM

Outlook



Objective for Full Year 2006-07



Taking into account levels of traffic, unit revenues, and forward bookings since the beginning of the year as well as a fuel bill estimated at some 1.02 billion Euros

Air France-KLM's objective is to break even in Q4, thereby confirming the very strong results for the Full Year 2006-07

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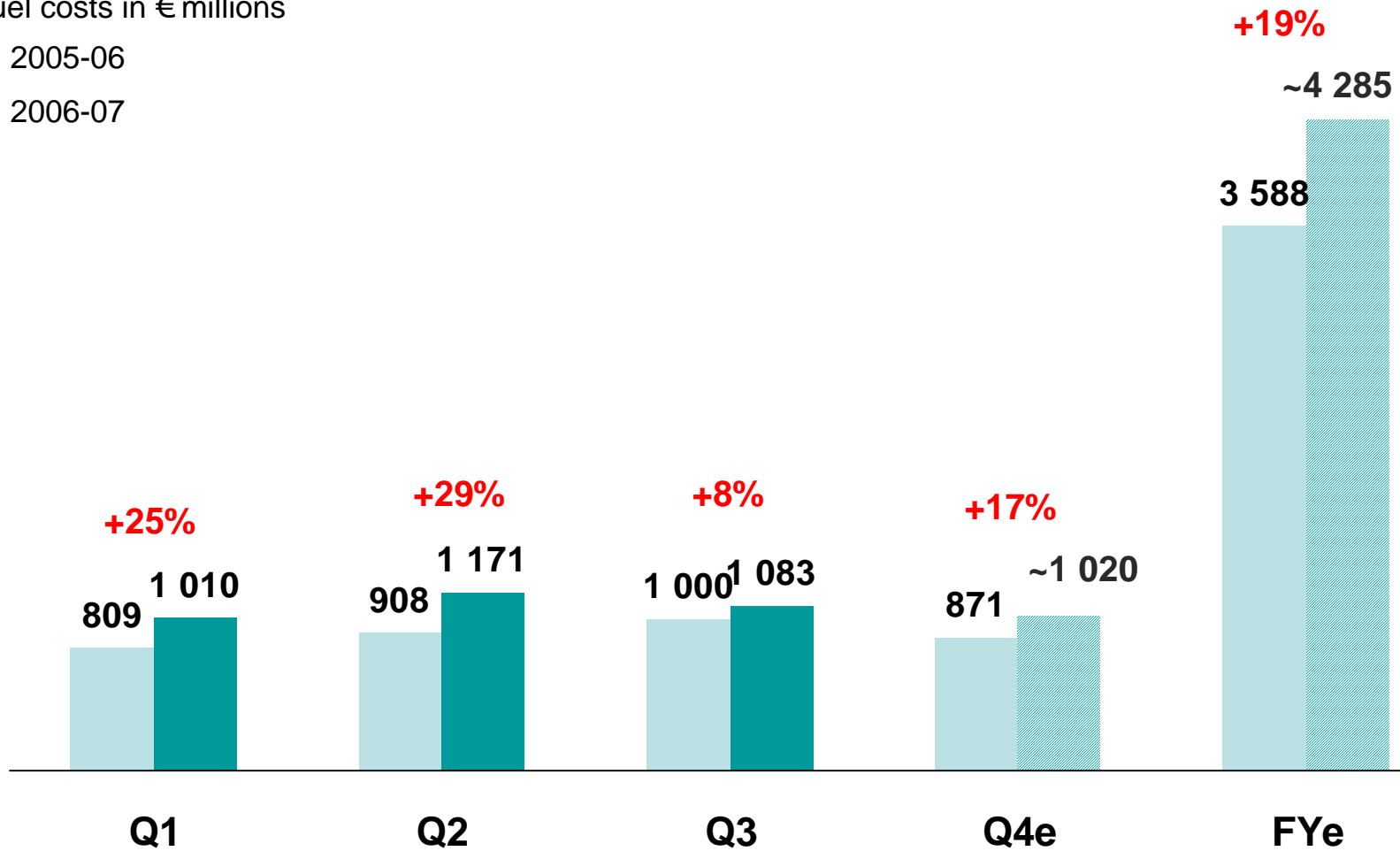
Annexes



Evolution of fuel costs

Fuel costs in € millions

- 2005-06
- 2006-07



Net debt calculation

<u>in € millions</u>	31 Dec 06	31 March 06
Current and non-current financial debt	9,073	9,087
- Accrued interest not yet due	129	107
- Deposits on leased aircraft	894	943
+ Currency hedging instruments	161	52
= Gross financial debt	8,211	8,089
Cash and cash equivalents	3,987	2,946
+ Cash deposits over 3 months	643	865
- Short-term credit facilities	157	102
= Net cash	4,473	3,709
Net financial debt	3,738	4,380
Consolidated equity	8,050	7,853
Gearing ratio	0.46	0.56

Forward-looking statements

The information herein contains forward-looking statements about Air France-KLM and its business. These forward-looking statements, which include, but are not limited to, statements concerning the financial condition, results of operations and business of Air France-KLM are based on management's current expectations and estimates. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside of Air France KLM's control and are difficult to predict, that may cause actual results to differ materially from any future results expressed or implied from the forward-looking statements. These statements are not guarantees of future performance and involve risks and uncertainties including, among others: the expected synergies and cost savings between Air France and KLM may not be achieved; unanticipated expenditures; changing relationships with customers, suppliers and strategic partners; increases in aircraft fuel prices; and other economic, business, competitive and/or regulatory factors affecting the businesses of Air France and KLM generally. Additional information regarding the factors and events that could cause differences between forward-looking statements and actual results in the future is contained in Air France-KLM's Securities and Exchange Commission filings, including its Annual Reports on Form 20-F for the year ended March 31, 2006. Air France-KLM undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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