



EDITORIAL

Benjamin Smith
Chief Executive Officer
of Air France-KLM

MY SHARES

KEY DATA

AGENDA



AIR FRANCE
FOUNDATION
**A 25-year commitment
to supporting children**



NETWORK
**58 new routes
in summer 2019**



BUSINESSES
**Maintenance:
innovation and adaptiveness**



SHAREHOLDERS' MEETING
May 28, 2019 - 14h30
Espace de la Grande Arche

BENJAMIN SMITH

Chief Executive Officer
of Air France-KLM



Dear Shareholders,

2018 was a year of contrasts for Air France-KLM. The Group exceeded the 100 million passenger mark, posting excellent revenue in several areas of activity, particularly our low-cost and maintenance sectors. However, the financial results were also negatively impacted by strikes at Air France during the first half of the year and by the rise in fuel prices.

Our Air France-KLM Group has undeniable assets. With 88,800 employees whose professionalism and commitment are recognized throughout the world, with brands with an exceptional reputation, with a large European and intercontinental network supported by powerful partners, Air France-KLM has everything it needs to become the European leader in our sector.

It is with this ambition, of which I am now even more convinced, that I took over the responsibility of CEO of our Group in September 2018.

My priority was to restore trust and to develop a new social dialogue within Air France. In just a few weeks, several agreements were signed

with the various employee groups to ensure greater stability and build the fundamentals of an offensive strategy for our Group.

We have also simplified our managerial governance and clarified the strategic decision-making processes of the Air France-KLM Group.

With the unanimous support of the Boards of Directors of Air France-KLM, Air France and KLM, this new governance will provide us with additional synergies and accelerate our development.

Air France, KLM, and Transavia each have an exceptional identity and history that underpin our group's DNA. By leveraging our three major brands and these powerful airlines and their domestic subsidiaries, Hop and KLM Cityhopper, we will bring more consistency and simplicity to our commercial offer. We owe our customers service excellence, products at the highest industry standards, as well as more transparent offers. In 2019, we will continue to optimize our network and rationalize and modernize our fleet, to offer ever-more-comfortable but also more fuel-efficient aircraft, and thus support the transition to a more sustainable future.

With these ambitions for the Air France-KLM Group, and the exceptional commitment of our teams, I am convinced that we can become an industry leader in Europe once again, to the benefit of our employees, our customers, our shareholders, and indeed all stakeholders.





MY SHARES

AIR FRANCE-KLM SHARE PRICE AT MAY 6, 2019



KEY DATA

AIRFRANCEKLM GROUP IN 2018

 548 AIRCRAFT	 €7.2 M/day INVESTMENT OVER A FULL YEAR	 101.4 M PASSENGERS CARRIED ON BOARD ITS AIRCRAFT +2.8% ON THE GROUP'S TOTAL PASSENGER ACTIVITY	 No1 IN TERMS OF INTERNATIONAL TRAFFIC ON DEPARTURE FROM EUROPE
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REINFORCING
ITS JOINT-VENTURE
WITH PARTNERSHIPS







318
DESTINATIONS

118
COUNTRIES

83
NEW
ROUTES

 33 MILLION FOLLOWERS ON THE SOCIAL MEDIA	 5 CHATBOTS LUCIE, LOUIS, LÉA, BB AND LAURA ANSWERING ALL YOUR QUESTIONS 24/24 AND 7/7
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MAINTENANCE: NUMBER TWO GLOBALLY

 2,000 AIRCRAFT SUPPORTED	200 AIRLINE CUSTOMERS	 ORDER BOOK AT DECEMBER 31, 2018: \$11.4 BN
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CARGO

 1,138,797 TONS TRANSPORTED	 124 DESTINATIONS	 1,060 FLIGHTS A WEEK
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AIR FRANCE-KLM SIMPLIFIES AND IMPROVES ITS GOVERNANCE

On February 19, the Board of Directors of Air France-KLM unanimously approved the presentation of Benjamin Smith, Chief Executive Officer of Air France-KLM, outlining his ambitions for the Group, the principles of managerial governance and the strategic decision-making processes at Group level, aimed at simplifying and improving the Group's governance to become the industry leader in Europe once again.

The elements key to achieving the long-term goals of the Group are:

- ▶ **Create a new CEO Committee** which determines the strategic vision for all the Group's airlines and business units. This Committee is chaired by Benjamin Smith. The other members of the Committee are Pieter Elbers (President and Chief Executive Officer of KLM), Anne Rigail (Chief Executive Officer of Air France) and Frédéric Gagey (Chief Financial Officer of Air France-KLM).



Frédéric Gagey
Chief Financial
Officer of
Air France-KLM

Pieter Elbers
President and Chief
Executive Officer
of KLM



Anne Rigail
Chief Executive
Officer of Air France

- ▶ **Increase collaboration across the Group** to better capture synergies and efficiencies, aimed at improving overall Group profitability.
- ▶ **Celebrate the longstanding heritage, reputation and brand recognition of Air France, KLM and Transavia** within their respective markets and reinforce the Group's

position at its dual hubs, Amsterdam-Schiphol and Paris-Charles de Gaulle.

- ▶ **Simplify the Group's decision-making processes** in the following areas: fleet and network strategy, commercial and alliances strategy, human resources, purchasing, digital and data management.

Anne Rigail and Pieter Elbers were appointed Deputy Chief Executive Officers of Air France-KLM and expressed their commitment to building the Group's success alongside Benjamin Smith.

The Air France-KLM Board of Directors acknowledged the entry of Benjamin Smith to the Supervisory Board of KLM at its next AGM.

Acquisition by the Dutch State of a shareholding in Air France-KLM

On March 1, 2019, the Dutch State gave notification that, on February 26, 2019, it had crossed the 5% and 10% thresholds in Air France-KLM's share capital and voting rights and holds 60,000,000 shares, i.e. 14% of the share capital and 11.91% of the voting rights in Air France-KLM. The Dutch State stipulated that it had no plans to purchase more shares in Air France-KLM or a controlling interest.

https://www.airfranceklm.com/en/finance/shareholders/being_a_shareholder

Convertible bond issue

On March 20, 2019, Air France-KLM successfully placed bonds convertible into new shares and/or exchangeable for existing shares (OCEANE) due in 2026 for a total amount of €500 million, representing 27,901,785 underlying shares.

Find the Group's 2018 results at

https://www.airfranceklm.com/finance/results/full_year_2018_results

CORPORATE FOUNDATION

THE AIR FRANCE FOUNDATION,
A 25-YEAR COMMITMENT
TO SUPPORTING CHILDREN



The Foundation was set up by Air France in 1992. A pioneer in the field of corporate foundations, it opted to support the cause of children, dear to the hearts of the company's staff. For more than twenty-five years, it has examined, selected and **financed projects to support children who are sick, disabled or in great difficulty, in the countries where Air France is present.**

Over the years, it has been able to forge links with associations and NGOs, backed by the conviction that **access to education, training, culture and leisure can equip children to contend with life's great journey.**

The Air France Foundation has facilitated the realization of 1,417 projects in 80 countries. It numbers 3,800 Air France staff in its network of friends of the Foundation.

Inauguration of the new Children's Empire drop-in center in Dakar (January 2019)

The Children's Empire for a better life!

Founded 19 years ago by two determined women, Valérie Schlumberger and Anta Mbow, the Children's Empire Association takes its name from the former Empire cinema in Dakar. In 2003, the building was renovated to give it a second life as a refuge for street children. The former cinema has thus become the drop-in center for the Children's Empire association, working on the support, protection and social reinsertion of vulnerable street children. The children admitted

to the center benefit from end-to-end care (accommodation, food, clothing and medical care) and enjoy recreational activities such as sports, excursions, entertainment and other leisure activities). All to offer social reinsertion over the long term.

The Air France Foundation has supported the Children's Empire since 2014 with, notably, the purchase of a minibus. The Air France Foundation is now maintaining its support by contributing to the financing of the contribution of a newer, more-adapted center. This house was inaugurated early in the year in the presence of numerous personalities and children, all united around mum Anta, the Director of the Children's Empire.



Find all of the Foundation's projects at <https://fondation.airfrance.com/en>

NETWORK

In 2019, the Group is continuing its growth, with a capacity increase of 2% for the summer schedule. Air France-KLM is offering 58 new routes across the network and is harmonizing and simplifying the cabins for an enhanced travel experience.

**302 destinations in 114 countries**

For the 2019 summer season (May 31 to October 27, 2019), Air France-KLM has increased its capacity by 2% compared with the previous summer⁽¹⁾ season and is offering 58 new routes⁽³⁾. The growth is broken down as follows: Transavia (+9.3%), the long-haul passenger network operations (+1.3%) and the short- and medium-haul passenger network operations (+1.2%).

On the long-haul network, Air France-KLM is offering four new routes⁽²⁾ compared with the Summer 2018 season. On departure from Paris-Charles de Gaulle with Air France: Dallas (United States) and Quito (Ecuador). On departure from Amsterdam-Schiphol with KLM: Boston and Las Vegas (United States).

On its short- and medium-haul network, the Group has expanded its offer of destinations and connections with 26 new routes⁽²⁾.

Throughout the 2019 summer season, the Air France-KLM Group will offer seven new routes⁽³⁾ on departure from the main hubs and the French regions. During the peak summer period, the Air France-KLM Group will offer 19 new routes⁽²⁾, of which fifteen on departure from the French regions with Air France HOP.

Transavia is developing its network from all its bases in France (Orly, Lyon and Nantes) and the Netherlands (Amsterdam, Rotterdam, Eindhoven) with 28 new routes.

On departure from the Netherlands, the Group's low-cost airline has increased its capacity by 4.5%. On departure from France, total capacity growth amounts to 16%.

Discover the whole of the Group's network: <https://www.airfranceklm.com/en/network>

(1) Capacity measured in available seat-kilometers compared to the 2018 summer season forecasts (2) Compared to the 2018 summer season (3) Air traffic route – service connecting one airport to another.

BUSINESSES

AFI KLM E&M is consolidating its position as the global number two in MRO (Maintenance, Repair and Overhaul) by pursuing its development strategy in high-added-value segments and growth markets.



A NEW ADVERTISING CAMPAIGN FOR AFI KLM E&M

The MRO Europe trade fair, held in Amsterdam on 16 to 18 October 2018, was the opportunity for AFI KLM E&M to unveil its new advertising campaign at its stand.

100% Innovation, 100% Global network, 100% Airline MRO, 100% Adaptiveness

Via posters, the specialized press and digital, the campaign has been rolled out across all the media, based on the four pillars of AFI KLM E&M: its innovative ability, its global network, its status as part of a major airline group and its signature Adaptiveness®.

Embodied in the faces of AFI KLM E&M technicians, the new advertising campaign underscores their commitment to customer service, flying the flag for the Best4You promise.

Over the next few months, the campaign will be progressively rolled out across all AFI KLM E&M's key markets, with new visuals in support.



THE AUGMENTED REALITY EXPERIENCE

Every employee portrait is supplemented by a 60-second video, adapted to the social media and, in particular, to Instagram.

The principle? Employees invite the viewer on a short journey around their professions. But the most astonishing aspect is the fact that this journey takes place in augmented reality! Whether in a magazine or on a stand, readers need only scan the advertising campaign visual using the Snappress application on their mobiles to be transported to another dimension.

SHAREHOLDERS' MEETING OF MAY 28, 2019

PARTICIPATING IN THE SHAREHOLDERS' MEETING

The Shareholders' Meeting, which takes place every year, is an important moment in the Group's life. It is an exclusive opportunity to present to you our results and the trend in our business activity.

Shareholders wishing to do so can attend the Meeting and vote personally, arrange to be represented, vote by mail or over the internet, or grant a proxy to the Chairman.

Everyone has a number of votes representing the shares they own. However, shares held in registered form for at least two years benefit from a double voting right.

Pre-conditions for participating in the Shareholders' Meeting

To participate in the Shareholders' Meeting you must first prove that you are a shareholder by registering your shares in your name at least two business days prior to the date of the Meeting, i.e. Friday May 24, 2019 at 0h00 (Paris time):

- ▶ In the register of **registered shares** held by Société Générale;
- ▶ In the register of **bearer shares** held by the authorized financial intermediary responsible for managing your securities account (bank, stock broker, online broker, etc.).

For holders of shares in bearer form, it is the authorized financial intermediaries who contact the centralized register for the Meeting directly to prove that their clients are shareholders by supplying a certificate of participation attached to the unique form serving as both a vote by mail or by proxy, and enabling an admission card to be requested by the intermediary in the name of the shareholder or on behalf of the shareholder represented.

How to use the internet to participate in the Shareholders' Meeting

Shareholders can request an admission card, vote remotely and nominate or revoke a representative:

- ▶ Shareholders holding their shares in registered form can connect

from 11h00 (Paris time) on May 6, 2019 until 15h00 (Paris time) on May 27, 2018 on the www.sharinbox.societegenerale.com website

- ▶ Shareholders holding their shares in bearer form, whose intermediaries have joined the VOTACCESS platform, can connect to VOTACCESS from 11h00 on May 6, 2019 until 15h00 on May 27, 2019.

How do you ask a question at the Shareholders' Meeting?

The Shareholders' Meeting constitutes a privileged moment during which you will have the opportunity to ask the Chairman a question during the Q&A session preceding the vote on the resolutions.

You can also formulate a question in writing.

Questions in writing must be sent by recommended letter with acknowledgement of receipt to:

Air France-KLM
AFKL.SG.GL.BS
Tremblay-en-France
95737 Roissy-Charles-de-Gaulle Cedex

at the latest by four business days prior to the Shareholders' Meeting, i.e. May 22, 2019, and enclosing a certificate of participation for shares held either in registered or bearer form.

When these questions contain the same content, a common answer may be provided. Note

that the answers to questions in writing may be published on the company's www.airfranceklm.com website in a section dedicated to the answers to shareholder questions in writing and will thus be deemed to have been given.

How do you obtain the documents relating to the Shareholders' Meeting?

To consult the Registration Document (containing notably the statutory and consolidated financial statements and the management report of the Board of Directors), you just need to:

- ▶ Go to the www.airfranceklm.com website where you will also be able to access the Group's other publications, together with all the documents and information provided pursuant to Article R.225-73-1 of the *Code de commerce*;

or

- ▶ Complete the request form for the forwarding of documents figuring on the last page of the convening notice which is also available on the website, and return it to **Société Générale**
Service Assemblées - CS 30812
44308 NANTES Cedex 3.

For any additional information, please contact the Shareholder Relations department at the following address:
mail.actionnaire@airfranceklm.com

SHAREHOLDERS' MEETING OF MAY 28, 2019

If you wish to attend the Shareholders' Meeting

The Shareholders' Meeting will take place at **14h30 on May 28** at the Espace Grande Arche de la Défense. You need to hold at least one share, at the latest by 0h00 (Paris time) on May 24, 2019.

► You hold shares in registered form
(direct registered/registered in France):



Air France-KLM's agent, Société Générale, sends you the convening notice containing all the information required to participate or arrange to be represented at the Meeting.



To participate, print your admission card from the Sharinbox website (www.sharinbox.societegenerale.com) using your usual login and password between 11h00 on May 6, 2019 and 15h00 on May 27, 2019.

or



Check box A of the voting form which will have been mailed to you and return it to Société Générale using the pre-paid envelope.

► You hold shares in bearer form:



To participate, print your admission card from your financial intermediary's website by clicking on the "VOTACCESS" icon using your usual login and password between 11h00 on May 6, 2019 and 15h00 on May 27, 2019.

or

Request an admission card from your financial intermediary.



You will receive your admission card by mail. If you haven't received your admission card two days before the Shareholders' Meeting, ask your financial intermediary for a certificate of participation.

If you have forgotten to request an admission card, you can still participate in the Shareholders' Meeting provided you bring a document proving your identity.

SHAREHOLDERS' MEETING OF MAY 28, 2019

If you are unable to attend the Shareholders' Meeting

► You hold registered shares (direct registered/registered shares in France) or bearer shares:



You can vote over the internet using your usual login and password between 11h00 on May 6, 2019 and 15h00 on May 27, 2019.

ou



You can grant a proxy by mail.

Mail voting forms can be obtained at:

www.airfranceklm.com

or from:

Société Générale in France
Service Assemblées - CS30812
44308 NANTES Cedex 3

Deadline for the receipt of your mail voting forms by Société Générale: May 24, 2019

For further information, contact :

[Air France-KLM Shareholder Relations](#)

+33 (0)825 315 315, €0.15/min +cost of the call, open from Monday to Friday from 8h30 to 18h00 (excluding bank holidays) or:

mail.actionnaire@airfranceklm.com

Access plan



AGENDA

May 28, 2019 - 14h30

Shareholders' Meeting

Espace Grande Arche de la Défense

By public transport

RER

RER line A to La Défense Grande Arche
Take the Grande Arche exit

METRO

Line 1 to La Défense Grande Arche
Take the Grande Arche exit

BUS

Lines 73 - 141 - 144 - 159 - 161 - 174 - 178 -
258 - 262 - 272 - 275 - 278 - 360 - 378

By car

Boulevard Périphérique,
La Défense exit 6, Boulevard Circulaire,
La Défense 6 exit, "Parking visiteurs"
or La Défense exit 4, "Parking centre"

From the car park, take the pedestrian exit
to Parvis de la Défense and access
the Espace Grande Arche via the entrance
symbolised by a totem situated in the square.



Provisional agenda



Regional meetings

**Information meetings
in partnership with the financial
press, for the individual
shareholders of Air France-KLM.**

October 10, 2019

Rennes

In partnership with *Le Revenu*

November 27, 2019

Lille

In partnership with the F2iC

Contacts

www.airfranceklm.com

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