

**UNAUDITED INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

Prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Commission for use in the European Union

January 1, 2014 – September 30, 2014

Air France-KLM Group

CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSES

| <i>In € millions</i> | | | |
|---|--------------|---------------|--|
| Period from January 1 to September 30 | <i>Notes</i> | 2014 | 2013 Restated^(*) |
| Sales | 6 | 18 700 | 19 397 |
| Other revenues | | 17 | 9 |
| Revenues | | 18 717 | 19 406 |
| External expenses | 7 | (11 748) | (12 103) |
| Salaries and related costs | 8 | (5 506) | (5 691) |
| Taxes other than income taxes | | (130) | (137) |
| Amortization | | (1 156) | (1 163) |
| Depreciation and Provisions | | (77) | (117) |
| Other income and expenses | | (60) | (2) |
| Income from current operations | | 40 | 193 |
| Sales of aircraft equipment | | (5) | (5) |
| Other non-current income and expenses | 9 | 75 | (232) |
| Income from operating activities | | 110 | (44) |
| Cost of financial debt | | (337) | (359) |
| Income from cash and cash equivalents | | 57 | 60 |
| Net cost of financial debt | | (280) | (299) |
| Other financial income and expenses | 10 | (333) | 19 |
| Income before tax | | (503) | (324) |
| Income taxes | 11 | 11 | (68) |
| Net income of consolidated companies | | (492) | (392) |
| Share of profit (losses) of associates | 12 | (15) | (210) |
| Net income from continuing operations | | (507) | (602) |
| Net income from discontinued operations | 13 | (4) | (41) |
| Net income for the period | | (511) | (643) |
| - Equity holders of Air France-KLM | | (514) | (651) |
| - Non controlling interests | | 3 | 8 |
| Earnings per share – Equity holders of Air France – KLM | | | |
| - basic and diluted | | (1.74) | (2.20) |
| Net income from continuing operations - Equity holders of Air France – KLM | | | |
| - basic and diluted | | (1.73) | (2.06) |
| Net income from discontinued operations – Equity Holders of Air France - KLM (en euros) | | | |
| - basic and diluted | | (0.01) | (0.14) |

The accompanying notes are an integral part of these condensed consolidated financial statements.

(*) See note 2 in notes to the condensed consolidated financial statements.

Air France-KLM Group

CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSES

| <i>In € millions</i> | | |
|--|----------------|---------------------------------|
| Period from January 1 to September 30 | 2014 | 2013 Restated ^(*) |
| Net income for the period | (511) | (643) |
| Fair value adjustment on available-for-sale securities | | |
| Change in fair value recognized directly in other comprehensive income | (67) | 250 |
| Change in fair value transferred to profit and loss | (250) | - |
| Fair value hedges | | |
| Effective portion of changes in fair value recognized directly in other comprehensive income | 27 | (43) |
| Change in fair value transferred to profit or loss | 74 | - |
| Cash flow hedges | | |
| Effective portion of changes in fair value recognized directly in other comprehensive income | 35 | 103 |
| Change in fair value transferred to profit or loss | (62) | (89) |
| Currency translation adjustment | 10 | (6) |
| Deferred tax on items of comprehensive income that will be reclassified to profit or loss | (26) | 3 |
| Items of the recognized income and expenses of equity shares, net of tax | - | (4) |
| Total of other comprehensive income that will be reclassified to profit or loss | (259) | 214 |
| Remeasurements of defined benefit pension plans | (2 381) | (45) |
| Deferred tax on items of comprehensive income that will not be reclassified to profit or loss | 609 | 5 |
| Remeasurement of defined benefit pension plans of equity shares, net of tax | - | (1) |
| Total of other comprehensive income that will not be reclassified to profit or loss | (1 772) | (41) |
| Total of other comprehensive income, after tax | (2 031) | 173 |
| Recognized income and expenses | (2 542) | (470) |
| - Equity holders of Air France - KLM | (2 531) | (476) |
| - Non controlling interests | (11) | 6 |

The accompanying notes are an integral part of these condensed consolidated financial statements.

(*) See note 2 in notes to the condensed consolidated financial statements.

Air France-KLM Group

CONSOLIDATED BALANCE SHEET

| Assets <i>In € millions</i> | September 30, 2014 | December 31, 2013 Restated^(*) |
|---|-------------------------------|---|
| Goodwill | 250 | 237 |
| Intangible assets | 991 | 896 |
| Flight equipment | 9 122 | 9 391 |
| Other property, plant and equipment | 1 752 | 1 819 |
| Investments in equity associates | 161 | 177 |
| Pension assets | 465 | 2 454 |
| Other financial assets ^(**) | 1 411 | 1 963 |
| Deferred income tax assets | 904 | 434 |
| Other non-current assets | 192 | 113 |
| Total non current assets | 15 248 | 17 484 |
| Assets held for sale | 5 | 91 |
| Other short term financial assets ^(**) | 806 | 1 031 |
| Inventories | 552 | 511 |
| Trade receivables | 2 030 | 1 775 |
| Current income tax receivables | 64 | 23 |
| Other current assets | 850 | 822 |
| Cash and cash equivalents | 3 213 | 3 684 |
| Total current assets | 7 520 | 7 937 |
| Total assets | 22 768 | 25 421 |

^(*) see note 2 in notes to the consolidated financial statements.

^(**) Including:

| <i>In € millions</i> | September 30, 2014 | December 31, 2013 |
|--------------------------------------|-------------------------------|------------------------------|
| Deposits related to financial leases | 743 | 780 |
| Marketable securities | 693 | 951 |

The accompanying notes are an integral part of these condensed consolidated financial statements.

Air France-KLM Group

CONSOLIDATED BALANCE SHEET (continued)

| Liabilities and equity <i>In € millions</i> | September 30, 2014 | December 31, 2013 Restated^(*) |
|--|-------------------------------|---|
| Issued Capital | 300 | 300 |
| Additional paid-in capital | 2 971 | 2 971 |
| Treasury shares | (85) | (85) |
| Reserves and retained earnings | (3 472) | (941) |
| Equity attributable to equity holders of Air France-KLM | (286) | 2 245 |
| Non-controlling interests | 35 | 48 |
| Total equity | (251) | 2 293 |
| Provisions and retirement benefits | 3 428 | 3 102 |
| Long-term debt | 8 001 | 8 596 |
| Deferred income tax liabilities | 15 | 178 |
| Other non-current liabilities | 331 | 397 |
| Total non-current liabilities | 11 775 | 12 273 |
| Liabilities relating to assets held for sale | - | 58 |
| Provisions | 612 | 670 |
| Current portion of long-term debt | 1 932 | 2 137 |
| Trade payables | 2 332 | 2 369 |
| Deferred revenue on ticket sales | 2 871 | 2 371 |
| Frequent flyer program | 757 | 755 |
| Current income tax liabilities | 2 | 2 |
| Other current liabilities | 2 617 | 2 327 |
| Bank overdrafts | 121 | 166 |
| Total current liabilities | 11 244 | 10 855 |
| Total liabilities | 23 019 | 23 128 |
| Total equity and liabilities | 22 768 | 25 421 |

The accompanying notes are an integral part of these condensed consolidated financial statements.

^(*) See note 2 in notes to the condensed consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

| <i>In € millions</i> | Number of shares | Issued Capital | Additional paid-in capital | Treasury shares | Reserves and retained earnings | Equity attributable to holders of Air France - KLM | Non-controlling interests | Total equity |
|--|--------------------|----------------|----------------------------|-----------------|--------------------------------|--|---------------------------|----------------|
| December 31, 2012 (Restated)^(*) | 300 219 278 | 300 | 2 971 | (85) | 406 | 3 592 | 48 | 3 640 |
| Fair value adjustment on available for sale securities | - | - | - | - | 240 | 240 | - | 240 |
| Gain / (loss) on cash flow hedges | - | - | - | - | 8 | 8 | - | 8 |
| Gain / (loss) on fair value hedges | - | - | - | - | (28) | (28) | - | (28) |
| Remeasurements of defined benefit pension plans | - | - | - | - | (40) | (40) | (1) | (41) |
| Currency translation adjustment | - | - | - | - | (5) | (5) | (1) | (6) |
| Other comprehensive income | - | - | - | - | 175 | 175 | (2) | 173 |
| Net income for the period | - | - | - | - | (651) | (651) | 8 | (643) |
| Total of income and expenses recognized | - | - | - | - | (476) | (476) | 6 | (470) |
| Share based payments | - | - | - | - | 2 | 2 | - | 2 |
| OCEANE | - | - | - | - | 70 | 70 | - | 70 |
| Dividends paid | - | - | - | - | - | - | (3) | (3) |
| Change in consolidation scope | - | - | - | - | - | - | (7) | (7) |
| September 30, 2013 (Restated)^(*) | 300 219 278 | 300 | 2 971 | (85) | 2 | 3 188 | 44 | 3 232 |
| December 31, 2013 (Restated)^(*) | 300 219 278 | 300 | 2 971 | (85) | (941) | 2 245 | 48 | 2 293 |
| Fair value adjustment on available for sale securities | - | - | - | - | (297) | (297) | - | (297) |
| Gain / (loss) on cash flow hedges | - | - | - | - | (39) | (39) | - | (39) |
| Gain / (loss) on fair value hedges | - | - | - | - | 67 | 67 | - | 67 |
| Remeasurements of defined benefit pension plans | - | - | - | - | (1 757) | (1 757) | (15) | (1 772) |
| Currency translation adjustment | - | - | - | - | 9 | 9 | 1 | 10 |
| Other comprehensive income | - | - | - | - | (2 017) | (2 017) | (14) | (2 031) |
| Net income for the period | - | - | - | - | (514) | (514) | 3 | (511) |
| Total of income and expenses recognized | - | - | - | - | (2 531) | (2 531) | (11) | (2 542) |
| Dividend paid | - | - | - | - | - | - | (2) | (2) |
| September 30, 2014 | 300 219 278 | 300 | 2 971 | (85) | (3 472) | (286) | 35 | (251) |

The accompanying notes are an integral part of these condensed consolidated financial statements.

^(*) See note 2 in notes to the condensed consolidated financial statements.

Air France-KLM Group

CONSOLIDATED STATEMENT OF CASH FLOWS

| <i>In € millions</i> | | | |
|--|--------------|--------------|--|
| Period from January 1 to September 30 | <i>Notes</i> | 2014 | 2013 Restated^(*) |
| Net income from continuing operations | | (507) | (602) |
| Net income from discontinued operations | 13 | (4) | (41) |
| Amortization, depreciation and operating provisions | | 1 240 | 1 287 |
| Financial provisions | | 37 | 10 |
| Results on disposals of tangible and intangible assets | | (13) | 1 |
| Results on disposals of subsidiaries and associates | 9 | (184) | (9) |
| Derivatives – non monetary result | | 134 | 12 |
| Unrealized foreign exchange gains and losses, net | | 148 | (75) |
| Impairment | 9 | 110 | 31 |
| Share of (profits) losses of associates | 12 | 15 | 210 |
| Deferred taxes | | (40) | 38 |
| Other non-monetary items | | (204) | 109 |
| Subtotal | | 732 | 971 |
| <i>Of which discontinued operations</i> | | (6) | (6) |
| (Increase) / decrease in inventories | | (29) | (17) |
| (Increase / decrease in trade receivables | | (187) | (251) |
| Increase / (decrease) in trade payables | | (82) | 86 |
| Change in other receivables and payables | | 570 | 493 |
| Change in working capital from discontinued operations | | 20 | 12 |
| Net cash flow from operating activities | | 1 024 | 1 294 |
| Acquisition of subsidiaries, of shares in non-controlled entities | | (41) | (22) |
| Purchase of property, plant and equipment and intangible assets | | (1 155) | (956) |
| Proceed on disposal of subsidiaries, of shares in non-controlled entities | 9 | 354 | 26 |
| Proceed on disposal of property, plant and equipment and intangible assets | | 82 | 170 |
| Dividends received | | 20 | 17 |
| Decrease (increase) in investments, more than 3 months | | 260 | 51 |
| Net cash flow used in investing activities of discontinued operations | | (20) | (3) |
| Net cash flow used in investing activities | | (500) | (717) |
| Issuance of financial debt | | 1 300 | 1 404 |
| Repayment on financial debt | | (1 753) | (1 012) |
| Payment of debt resulting from finance lease liabilities | | (454) | (448) |
| New loans | | (24) | (113) |
| Repayment on loans | | 55 | 128 |
| Dividends paid | | (2) | (3) |
| Net cash flow from financing activities | | (878) | (44) |
| Effect of exchange rate on cash and cash equivalents and bank overdrafts | | (77) | (30) |
| Change in cash and cash equivalents and bank overdrafts | | (431) | 503 |
| Cash and cash equivalent and bank overdraft at beginning of period | | 3 518 | 3 160 |
| Cash and cash equivalent and bank overdraft at end of period | | 3 093 | 3 660 |
| Change in cash of discontinued operations | | (6) | 3 |

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

^(*) See note 2 in note to the condensed consolidated financial statement.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

January 1 to September 30, 2014

1. BUSINESS DESCRIPTION

As used herein, the term "Air France-KLM" refers to Air France-KLM SA, a limited liability company organized under French law.

The term "Group" is represented by the economic definition of Air France-KLM and its subsidiaries. The Group is headquartered in France and is one of the largest airlines in the world. The Group's core business is passenger transportation. The Group's activities also include cargo, aeronautics maintenance and other air-transport-related activities including, principally, catering and charter services.

The limited company Air France-KLM, domiciled at 2 rue Robert Esnault-Pelterie 75007 Paris, France, is the parent company of the Air France-KLM Group. Air France-KLM is listed for trading in Paris (Euronext) and Amsterdam (Euronext).

The reporting currency used in the Group's financial statements is the euro, which is also Air France-KLM's functional currency.

2. RESTATEMENTS OF ACCOUNTS 2013

2.1. Early application of IFRIC 21 "Rights and duties"

On May 20, 2013 the IASB published a new interpretation on the treatment of collected taxes by a public authority, effective as per fiscal year 2015.

The Group decided to apply already to this interpretation as of January 1, 2014. The impact is essentially a different allocation of the charge during the interim period (March 31, June 30 and September 30). The consolidated financial statements as of December 31, 2013 are not significantly affected by the application of this interpretation.

The consolidated financial statements as of September 30, 2013 have been restated for reason of comparison. According to any new text, the application was made retrospectively.

Because of the early adoption of the application of IFRIC 21:

- the consolidated income statement as of September 30, 2013 has been impacted by an additional charge of €2 million on the taxes other than income tax, involving a (0.01) euro impact on the earning per share.
- in the consolidated balance sheet as of December 31, 2012, the reserves and retained earnings have been restated for €3 million.

2.2. Presentation of the CityJet Group's financial statements as a discontinued operation

On December 20, 2013 Air France received a firm offer from Intro Aviation GmbH to purchase its subsidiaries CityJet and VLM. The employee representative bodies of the relevant companies needed to be informed and consulted to enable the disposal to be finalized. The CityJet Group, who always dealt on its own trademark, comprised the only airlines in the Group that operated:

- outside the short/medium-haul scope defined by the Transform 2015 plan
- mainly on the basis of London City which appeared non-complementary to the Group activities
- with few operational links or "businesses" with the rest of the company (maintenance, information systems, etc).

This unit represented a clearly identifiable component, with limited links to the rest of the Group but nevertheless significant in term of business. As a result, the planned disposal justified to treat the two companies as discontinued operations as of December 31, 2013 as defined in the standard IFRS 5.

The consolidated financial statements as of September 30, 2013 have been restated for reason of comparison.

The impact on the net income from discontinued operations is given in note 13.

The disposal of CityJet and VLM has been realized on April 30, 2014 (see note 5).

3. SIGNIFICANT EVENTS

3.1. Occurred during the period

On February 19, 2014 the companies Air France – KLM and GOL Linhas Aéreas Inteligentes signed an exclusive strategic partnership to reinforce their commercial cooperation between Brazil and Europe. Within the framework of this agreement, Air France – KLM has held 1.5% of the capital of GOL Linhas Aéreas Inteligentes as well as a long-term exclusivity right.

On June 5, 2014, Air France – KLM issued a bond of €600 million. The same time, the Group redeemed a part of the bond issued in 2009, as described in note 22 of the half-year consolidated financial statements.

During the period, the Group has continued the strategic review of its full-freighter business, different scenarios being studied. After a huge reduction of its activity in Paris CDG during the last years, the Group has decided to decrease its full-freighter fleet in Schiphol (The Netherlands) either through a partnership with a third party or through an internal restructuring. Impacts are described in note 9.

On September 9, 2014, the Group sold 4,475,819 shares of the Spanish company Amadeus IT Holding S.A. (“Amadeus”). This operation is described in note 9.

Between the 14th and 29th of September, a strike by Air France pilots has strongly disrupted the Group's activities. The cumulative impact on the income from current operations of the decline in revenues due to passengers not transported, saved direct costs and additional costs is estimated at about €330 million as of September 30, 2014.

Furthermore, between the beginning and the end of the strike, the Group noted a delay in fourth quarter booking trends, without being able precisely to apportion responsibility for this delay between the strike and the unfavorable demand trend seen since the early summer and subsequently confirmed. The Group estimates that part of this delay could be progressively reduced over the coming weeks, without being able to quantify this adjustment exactly given the exceptional nature of the event.

During the period, the significant decrease of interest rates in the euro zone resulted in a 105 basis point adjustment to the long-term discount rate assumption, generating an increase of €3.5 billion in the valuation of pension commitments. Despite the good performance of plan assets, the Group had to book a negative change in its other comprehensive income, amounting to €1.8 billion after tax.

3.2. Subsequent events

There has been no significant event since the closing of the 9-months period with a material impact on the financial statements.

4. ACCOUNTING POLICIES

4.1. Accounting principles

Accounting principles used for the interim condensed consolidated financial statements

Pursuant to the European Regulation 1606/2002 of July 19, 2002, the consolidated financial statements of the Air France-KLM Group as of December 31, 2013 have been established in accordance with the International Financial Reporting Standards (“IFRS”) as adopted by the European Commission at the date these consolidated financial statements were drawing up.

The interim condensed consolidated financial statements as of September 30, 2014 are prepared in accordance with the IFRS, as adopted by the European Union at the date of the preparation of these condensed consolidated financial statements, and are presented according to IAS 34 “Interim financial reporting” and must be read in connection with the annual consolidated financial statements for the year ended on December 31, 2013.

Air France-KLM Group

The interim condensed consolidated financial statements as of September 30, 2014 are prepared in accordance with the accounting principles used by the Group for consolidated financial statements for the year 2013, except for standards and interpretations adopted by the European Union applicable from January 1, 2014.

The condensed consolidated financial statements were approved by the Board of Directors on October 28, 2014.

Change in accounting principles

The interpretation IFRIC 21 “Rights and Duties” has been applied for the first time by the Group on January 1, 2014, as it is described in note 2.1.

The standards IFRS 10 “Consolidated Financial Statements”, IFRS 11 “Joint Arrangements”, IFRS 12 “Disclosure on Interests in Other Entities and IAS 28 “Investments in Associates” are applied by the Group since January 1, 2014. This application has no significant impact on the financial statements of the Group as of September 30, 2014.

The amendments to the standards IAS 32 “Presentation – Offsetting Financial assets and Financial liabilities”, IAS 36 “Recoverable Amount Disclosures for Non-Financial Assets” and IAS 39 “Novation of Derivatives and Continuation of Hedge Accounting” have no significant impacts on the Group financial statements as of September 30, 2014.

The standards and amendments to standards potentially applicable to the Group, published by the IASB but not yet adopted by the European Union, are described below. They will be applicable as soon as they will be endorsed by the European Union:

- Amendment to the standard IAS 19 “Employee Benefits” for the accounting period starting on January 1, 2015
- Amendment to the standard IFRS 11 “Joint Arrangements” for the accounting period starting on January 1, 2016
- Amendment to the standards IAS 16 “Property, Plant and Equipment” and IAS 38 “Intangible Assets” for the accounting period starting January 1, 2016
- Amendment to the standard IAS 28 “Investments in Associates and Joint Ventures” and IFRS 10 “Consolidated Financial Statements” for the accounting period starting January 1, 2016
- Standard IFRS 15 “Revenue from Contracts with Customers” for the accounting period starting January 1, 2017
- Standard IFRS 9 “Financial instruments” for the accounting period starting January 1, 2018.

4.2. Preparation of unaudited interim consolidated financial statements

Seasonality of the activity

Revenues and income from current operations are characterized by their seasonal nature related to a high level of activity from April 1 to September 30. This phenomenon varies in magnitude depending on the year. In accordance with IFRS, revenues and the related expenses are recognized over the period in which they are realized and incurred respectively.

Income taxes

For the interim financial statements, the tax charge (current and deferred) is calculated by applying to the income before tax of the period the estimated annual average tax rate for the current year for each entity or fiscal group.

Retirement benefits

Net obligation concerning the defined-benefits schemes are revalued based on discount rates and assets fair-value at the date of interim closings. The net impact of these revaluations is recorded in other comprehensive income.

4.3. Use of estimates

The preparation of the condensed consolidated financial statements in conformity with IFRS requires management to make estimates and use assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses. The significant areas of estimates described in note 4 of the December 31, 2013 consolidated financial statements, concerned:

- Revenue recognition related to deferred revenue on ticket sales,
- Tangible and intangible assets,
- Financial assets,
- Deferred tax assets,
- Flying Blue frequent flyer program,
- Provisions (including employee benefits).

The Group's management makes these estimates and assessments continuously on the basis of its past experience and various other factors considered to be reasonable.

The consolidated financial statements for the financial year have thus been established taking into account the current economic and financial crisis which has developed since 2008 and on the basis of financial parameters available at the closing date. The immediate effects of the crisis have been taken into account, in particular the valuation of current assets and liabilities. Concerning the longer-term assets, i.e. the non-current assets, the assumptions are based on a limited growth.

Actual results could differ from these estimates depending on changes in the assumptions used or different conditions.

5. EVOLUTION OF THE SCOPE OF CONSOLIDATION

- **Nine-month period ended September 30, 2014**

Acquisition

On June 30, 2014, Air France Industrie US and Sabena technics signed an agreement according to which the Group acquired 100% of the capital of Barfield, US specialist of equipment support in the maintenance activity. According to the requirements of standards IFRS 3 and IFRS 10, the Barfield company has been accounted according to the acquisition method and full integrated in the Group accounts starting from its acquisition date. The goodwill amounts to €7 million.

Disposal

On April 30, 2014, the Group has sold to Intro Aviation GmbH its subsidiaries CityJet and VLM, Irish and Belgium regional airlines previously 100% held.

Having these two entities valued at their disposal value within the framework of their classification as discontinued operations in 2013 (see notes 2 and 13), the result of their disposal has no significant impact on the Group consolidated accounts as of September 30, 2014.

- **Nine-month period ended September 30, 2013**

Acquisition

Within the framework of the establishment of *HOP!*, the Group acquired Airlinair. This operation took place as follows:

- the sale, on February 28, 2013, of the shareholding in Financière LMP (39.86%), the parent company which owned Airlinair (see note 9),
- the acquisition, on February 28, 2013, of 100% of the Airlinair share capital for €17 million. The goodwill relating to this operation amounted to €3 million.

Air France-KLM Group

Disposal

On May 15, 2013, the Group sold its Italian subsidiary Servair Airchef, specialized in airline catering.

6. INFORMATION BY ACTIVITY AND GEOGRAPHICAL AREA

Business segments

The segment information is prepared on the basis of internal management data communicated to the Executive Committee, the Group's principal operational decision-making body.

The Group is organized around the following segments:

Passenger: Passenger operating revenues primarily come from passenger transportation services on scheduled flights with the Group's airline code, including flights operated by other airlines under code-sharing agreements. They also include commissions paid by SkyTeam alliance partners, code-sharing revenues, revenues from excess baggage and airport services supplied by the Group to third-party airlines and services linked to IT systems.

Cargo: Cargo operating revenues come from freight transport on flights under the companies' codes, including flights operated by other partner airlines under code-sharing agreements. Other cargo revenues are derived principally from sales of cargo capacity to third parties.

Maintenance: Maintenance operating revenues are generated through maintenance services provided to other airlines and customers globally.

Other: The revenues from this segment come primarily from catering supplied by the Group to third-party airlines and to charter flights operated primarily by Transavia.

The results of the business segments are either directly attributable or can be allocated on a reasonable basis to these business segments. Amounts allocated to business segments mainly correspond to the current operating income and to the income from operating activities. Other elements of the income statement are presented in the "non-allocated" column.

Inter-segment transactions are evaluated based on normal market conditions.

Geographical segments

- **Activity by origin of sales area**

Following a decision of the Executive Board to reorganize the sales areas of the Group, the presentation of activities by origin of sale is divided into eight geographical areas since January 1, 2014 (against 6 areas before):

- Metropolitan France
- Benelux
- Europe (excluding France and the Benelux) and North Africa
- Africa
- Middle East, Gulf, India (MEGI)
- Asia-Pacific
- North America
- Caribbean, West Indies, French Guyana, Indian Ocean, South America (CILA)

Only segment revenue is allocated by geographical sales area.

The information as of September 30, 2013 has been restated for reason of comparison.

Air France-KLM Group

- **Activity by destination**

Group activities by destination are divided into six geographic areas:

- Metropolitan France
- Europe (excluding France) and North Africa
- Caribbean, West Indies, French Guyana and Indian Ocean
- Africa, Middle East
- Americas and Polynesia
- Asia and New Caledonia

6.1. Information by business segment

- **Nine-month period ended September 30, 2014**

| <i>In € millions</i> | Passenger | Cargo | Maintenance | Other | Non allocated | Total |
|--|---------------|--------------|-------------|--------------|---------------|---------------|
| Total sales | 15 783 | 1 983 | 2 473 | 1 587 | - | 21 826 |
| Intersegment sales | (1 074) | (16) | (1 578) | (458) | - | (3 126) |
| External sales | 14 709 | 1 967 | 895 | 1 129 | - | 18 700 |
| Income from current operations | 88 | (181) | 113 | 20 | - | 40 |
| Income from operating activities | 286 | (304) | 111 | 17 | - | 110 |
| Share of profits (losses) of associates | (20) | - | 1 | 4 | - | (15) |
| Net cost of financial debt and other financial income and expenses | - | - | - | - | (613) | (613) |
| Income taxes | - | - | - | - | 11 | 11 |
| Net income from continuing operations | 266 | (304) | 112 | 21 | (602) | (507) |

- **Nine-month period ended September 30, 2013 (restated)**

| <i>In € millions</i> | Passenger | Cargo | Maintenance | Other | Non allocated | Total |
|---|---------------|--------------|-------------|--------------|---------------|---------------|
| Total sales | 16 385 | 2 117 | 2 461 | 1 571 | - | 22 534 |
| Intersegment sales | (1 117) | (24) | (1 533) | (463) | - | (3 137) |
| External sales | 15 268 | 2 093 | 928 | 1 108 | - | 19 397 |
| Income from current operations | 233 | (184) | 111 | 33 | - | 193 |
| Income from operating activities | 37 | (230) | 104 | 45 | - | (44) |
| Share of profits (losses) of associates | (214) | - | 2 | 2 | - | (210) |
| Net cost of financial debt and other financial income | - | - | - | - | (280) | (280) |
| Income taxes | - | - | - | - | (68) | (68) |
| Net income from continuing operations | (177) | (230) | 106 | 47 | (348) | (602) |

6.2. Information by geographical area

Sales by geographical area

- Nine-month period ended September 30, 2014

| <i>In € millions</i> | Metropolitan France | Benelux | Europe (except France and Benelux) North Africa | Africa | Middle-Eastern gulf India (MEGI) | Asia Pacific | North America | West Indies Caribbean Guyana Indian Ocean South America (CILA) | Total |
|------------------------|---------------------|--------------|---|------------|----------------------------------|--------------|---------------|--|---------------|
| Scheduled passenger | 4 214 | 1 328 | 3 313 | 677 | 329 | 1 395 | 1 902 | 905 | 14 063 |
| Other passenger sales | 261 | 119 | 123 | 36 | 4 | 73 | 13 | 17 | 646 |
| Total passenger | 4 475 | 1 447 | 3 436 | 713 | 333 | 1 468 | 1 915 | 922 | 14 709 |
| Scheduled cargo | 267 | 187 | 555 | 102 | 37 | 365 | 212 | 108 | 1 833 |
| Other cargo sales | 30 | 15 | 28 | 8 | 2 | 17 | 26 | 8 | 134 |
| Total cargo | 297 | 202 | 583 | 110 | 39 | 382 | 238 | 116 | 1 967 |
| Maintenance | 560 | 276 | 18 | - | - | - | 41 | - | 895 |
| Others | 425 | 626 | 2 | 50 | - | - | - | 26 | 1 129 |
| Total | 5 757 | 2 551 | 4 039 | 873 | 372 | 1 850 | 2 194 | 1 064 | 18 700 |

- Nine-month period ended September 30, 2013 (restated)

| <i>In € millions</i> | Metropolitan France | Benelux | Europe (except France and Benelux) North Africa | Africa | Middle-Eastern gulf India (MEGI) | Asia Pacific | North America | West Indies Caribbean Guyana Indian Ocean South America (CILA) | Total |
|------------------------|---------------------|--------------|---|------------|----------------------------------|--------------|---------------|--|---------------|
| Scheduled passenger | 4 425 | 1 243 | 3 349 | 691 | 340 | 1 473 | 1 990 | 1 051 | 14 562 |
| Other passenger sales | 290 | 151 | 105 | 35 | 4 | 72 | 29 | 19 | 705 |
| Total passenger | 4 715 | 1 394 | 3 454 | 726 | 344 | 1 545 | 2 019 | 1 070 | 15 267 |
| Scheduled cargo | 295 | 198 | 558 | 113 | 38 | 388 | 232 | 123 | 1 945 |
| Other cargo sales | 40 | - | 29 | 10 | 2 | 30 | 24 | 13 | 148 |
| Total cargo | 335 | 198 | 587 | 123 | 40 | 418 | 256 | 136 | 2 093 |
| Maintenance | 563 | 321 | 17 | - | - | - | 26 | - | 927 |
| Others | 367 | 615 | 55 | 49 | - | - | - | 24 | 1 110 |
| Total | 5 980 | 2 528 | 4 113 | 898 | 384 | 1 963 | 2 301 | 1 230 | 19 397 |

Air France-KLM Group

Traffic sales by geographical area of destination

- Nine-month period ended September 30, 2014

| <i>In € millions</i> | Metropolitan France | Europe except France, North Africa | Caribbean, French Guiana, Indian Ocean | Africa, Middle East | Americas, Polynesia | Asia New Caledonia | Total |
|----------------------|------------------------|---|---|------------------------|------------------------|--------------------------|---------------|
| Scheduled passenger | 1 366 | 3 314 | 1 061 | 1 874 | 4 011 | 2 437 | 14 063 |
| Scheduled cargo | 3 | 33 | 101 | 354 | 739 | 603 | 1 833 |
| Total | 1 369 | 3 347 | 1 162 | 2 228 | 4 750 | 3 040 | 15 896 |

- Nine-month period ended September 30, 2013 (restated)

| <i>In € millions</i> | Metropolitan France | Europe except France, North Africa | Caribbean, French Guiana, Indian Ocean | Africa, Middle East | Americas, Polynesia | Asia New Caledonia | Total |
|----------------------|------------------------|--|---|------------------------|------------------------|--------------------------|---------------|
| Scheduled passenger | 1 441 | 3 399 | 1 068 | 1 892 | 4 163 | 2 599 | 14 562 |
| Scheduled cargo | 4 | 34 | 103 | 399 | 788 | 617 | 1 945 |
| Total | 1 445 | 3 433 | 1 171 | 2 291 | 4 951 | 3 216 | 16 507 |

7. EXTERNAL EXPENSES

| <i>in € millions</i> | 2014 | 2013 Restated |
|--|---------------|------------------|
| Period from January 1 to September 30 | | |
| Aircraft fuel | 4 926 | 5 245 |
| Chartering cost | 329 | 351 |
| Aircraft operating lease cost | 646 | 692 |
| Landing fees and air route charges | 1 385 | 1 397 |
| Catering | 444 | 446 |
| Handling charges and other operating cost | 1 099 | 1 056 |
| Maintenance cost | 979 | 975 |
| Commercial and distribution cost | 665 | 652 |
| Other external expenses | 1 275 | 1 289 |
| Total | 11 748 | 12 103 |
| <i>Excluding aircraft fuel</i> | 6 822 | 6 858 |

8. SALARIES AND NUMBER OF EMPLOYEES

8.1. Salaries and related costs

| <i>In € millions</i> | 2014 | 2013 |
|--|--------------|-----------------|
| Period from January 1 to September 30 | | Restated |
| Wages and salaries | 3 993 | 4 091 |
| Costs linked to defined contributions plans | 424 | 430 |
| Net periodic pension cost | 295 | 318 |
| Social contributions | 880 | 905 |
| Expenses related to share-based compensation | 1 | 2 |
| Other expenses | (87) | (55) |
| Total | 5 506 | 5 691 |

The Group pays contributions to a multi-employer plan in France, the CRPN (public pension fund for crew). This multi-employer plan being assimilated with a French State plan, it is accounted for as a defined contribution plan in “costs linked to defined contribution plans”.

The “other expenses” among other include:

- The CICE tax credit,
- The capitalization of salary costs on aircraft and engine overhaul.

8.2 Average number of employees

| Period from January 1 to September 30 | 2014 | 2013 |
|--|---------------|-----------------|
| | | Restated |
| Flight deck crew | 8 030 | 8 125 |
| Cabin crew | 21 659 | 21 905 |
| Ground staff | 65 187 | 67 003 |
| Total | 94 876 | 97 033 |

9. OTHER NON-CURRENT INCOME AND EXPENSES

| <i>In € millions</i> | 2014 | 2013 |
|--|-------------|-----------------|
| Period from January 1 to September 30 | | Restated |
| Depreciation of CGU Cargo | (111) | - |
| Depreciation of assets available for sale | (4) | - |
| Restructuring costs | (7) | (220) |
| Disposal of shares available for sale | 187 | - |
| Disposal of subsidiaries and affiliates | (3) | 9 |
| Other | 13 | (21) |
| Other non-current income and expenses | 75 | (232) |

- **Nine-month period ended September 30, 2014**

Depreciation of CGU Cargo

During the period, the Group has continued the strategic review of its full-freighter business, different scenarios being studied. After a huge reduction of its activity in Paris CDG during the last years, the Group has decided to decrease its full-freighter fleet in Schiphol (The Netherlands) either through a partnership with a third party or through an internal restructuring. This decision represents a trigger event that impairment may occur. An impairment test on the cargo cash generating unit (CGU) has then been.

At the end of the test, an impairment has been recorded to decrease the carrying value of the aeronautical assets of the cargo CGU to the level of their fair market value according to appraisers' valuations. The impairment amounts to €111 million as of September 30, 2014.

Air France-KLM Group

Disposal of shares available for sale

On September 9, 2014, as part of its active balance sheet management policy, the Group sold 4,475,819 shares of the Spanish company Amadeus IT Holding S.A. (“Amadeus”), representing 1.0% of the share capital of the company.

The Group has simultaneously settled the entire derivative transaction it entered into in 2012, covering 12,000,000 shares of Amadeus and representing 2.68% of the share capital of the company.

These transactions generated:

- A positive result on the disposal of the shares amounting to €187 million in the “Other non-current income and expenses” of the P&L,
- A change of fair value of financial assets and liabilities for € (4) million in the “Other financial income and expenses” of the P&L,
- A cash received for €339 million.

After these transactions, the Group owns circa 4.4% of Amadeus IT Holding S.A. share capital.

• **Nine-month period ended September 30, 2013 (Restated)**

During the third quarter 2013, the Group announced the additional reduction of Air France’s wages costs. The overstaffing was estimated at 2 800 employees. In order to reach this target, a voluntary departure plan was offered to ground staff. Its application period started during the first quarter 2014. The reduction modality of overstaffed flight crews was not settled yet.

In these circumstances, the Group made its best estimation of the costs involved by the voluntary departure plan and recorded, as of September 30, 2013, a provision of €212 million. This provision was updated as the application condition evolved.

The line “Disposals of subsidiaries and affiliates” included:

- The sale of the shares owned in Financière LMP (39.86%) (see note 5),
- The sale of the shares owned in Servair Airchef (50%) (see note 5).

10. OTHER FINANCIAL INCOME AND EXPENSES

| <i>In € millions</i> | 2014 | 2013 |
|--|--------------|-------------|
| Period from January 1 to September 30 | | |
| Foreign exchange gains (losses), net | (149) | 44 |
| Change of fair value of financial assets and liabilities | (146) | (15) |
| Net (charge) release to provisions | (36) | (4) |
| Other | (2) | (6) |
| Other financial income and expenses | (333) | 19 |

As of September 30, 2014, the foreign exchange losses mainly include an adjustment of the value of the cash held by the Group on a bank account in Venezuela to take into account the currency conversion risk, and an unrealized currency loss linked to the variation of the USD debt.

The change in fair value of financial assets and liabilities recorded as of September 30, 2014 and September 30, 2013 arose mainly from the variation in the ineffective portion of fuel derivatives.

As of September 30, 2014, the line “Net (charge) release to provisions” includes a loss of €21 million relating to the Alitalia’s shares – resulting from the bonds conversion in December 2013 within the framework of the financial restructuring of Alitalia – to put them at their fair value.

11. INCOME TAXES

The tax charge is mainly due to the fact that the Group has stopped to recognize, since October 1, 2011, the deferred tax assets on tax losses of the Air France-KLM French tax Group.

The limitation of deferred tax assets has an impact of € (139) million on the tax charge as of September 30, 2014 (against €(192) million as of September 30, 2013).

Furthermore, within the framework of its considerations on the full-freighter activity at Schiphol, the KLM Group decided to de-recognize the deferred tax asset on pre-acquisition fiscal losses of Martinair. This has a negative impact on the deferred tax charge amounting to €26 million.

12. SHARE OF PROFITS (LOSSES) OF ASSOCIATES

- **Nine-month period ended September 30, 2014**

Following to the dilution of its interest during the last quarter of 2013, the Group no longer holds any equity shares in Alitalia. They are from that moment recorded as other financial asset.

- **Nine-month period ended September 30, 2013**

Regarding the uncertainty of Alitalia's situation, the Air France-KLM Group decided to depreciate the whole value of its holding shares as of September 30, 2013. Therefore, the Group recorded its share of loss of Alitalia and a provision for impairment, for a total amount of €202 million, under the line "Share of profits (losses) of associates".

13. NET INCOME FROM DISCONTINUED OPERATIONS

| <i>In € millions</i> | 2014 | 2013 |
|--|-------------|-----------------|
| Period from January 1 to September 30 | | Restated |
| Sales | 38 | 117 |
| Income from current operations | (5) | (11) |
| Non-current items | 1 | (30) |
| Income from operating activities | (4) | (41) |
| Financial income | - | - |
| Income before taxes | (4) | (41) |
| Income taxes | - | - |
| Net income from discontinued operations | (4) | (41) |

As of September 30, 2014, "Net income from discontinued operations" comprises the result realized by CityJet and VLM before their disposal on April 30, 2014 (see notes 2 and 5). It also includes the gain of the disposal of these two companies which amounts to €1 million, recorded as "non-current items" in the net income from discontinued operations.

As of September 30, 2013, within the framework of the valuation of the regional airlines CityJet and VLM, the Group recorded, as a non-current item, a provision of €29 million to bring back the net asset of the Group CityJet and VLM to zero (see note 2).