

AIR FRANCE KLM

First Quarter Results 2006-07

August 31st, 2006



KLM

Key features of the First Quarter

✦ Market context

- ▶ Sustained global economic growth, and a recovery in Europe
- ▶ Average jet fuel price of 691 \$/t, up 25% year-on-year

✦ Air France-KLM

- ▶ Excellent performance of the passenger activity: 7.7% rise in traffic and 4.5% in yield
- ▶ Satisfactory performance in cargo
- ▶ Significant rise in operating profit to 411m (+84%)
- ▶ Further reduction in net debt

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Buoyant activity levels

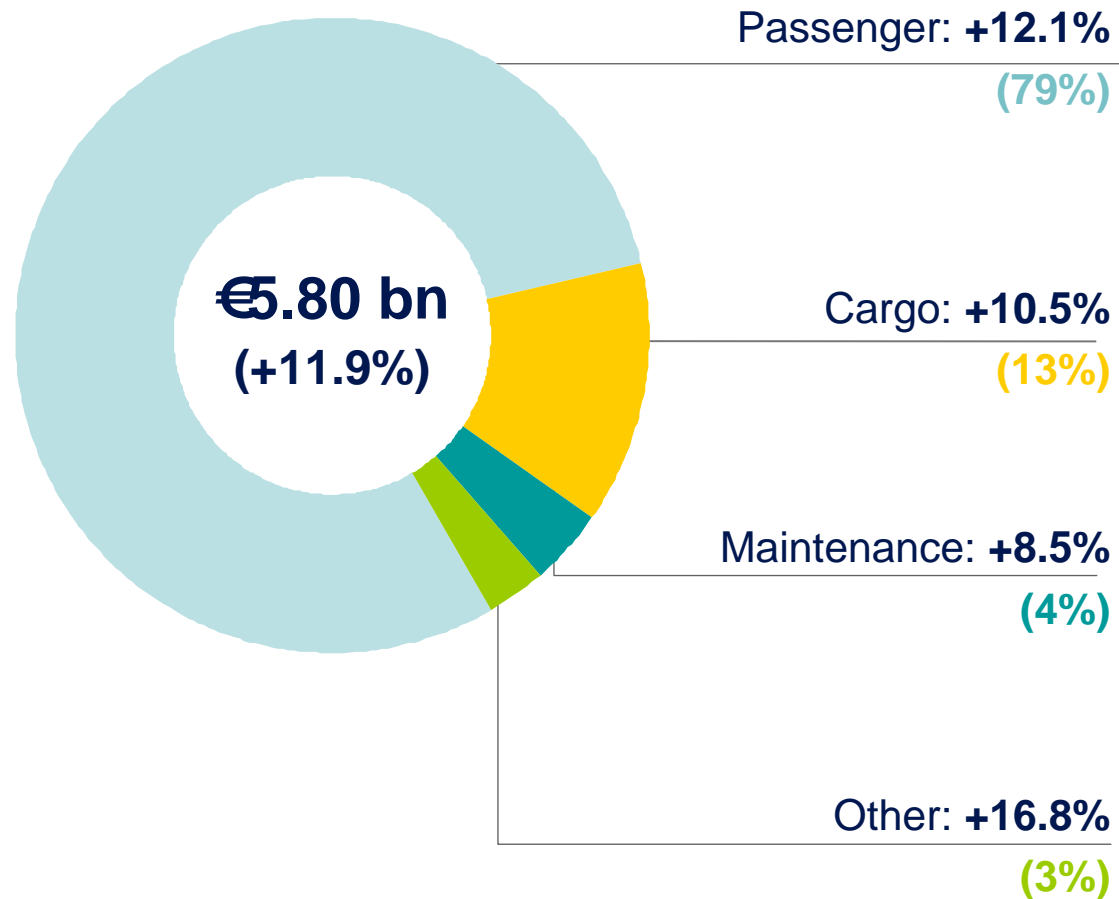
Pierre-Henri Gourgeon



KLM

Increased activity in all businesses

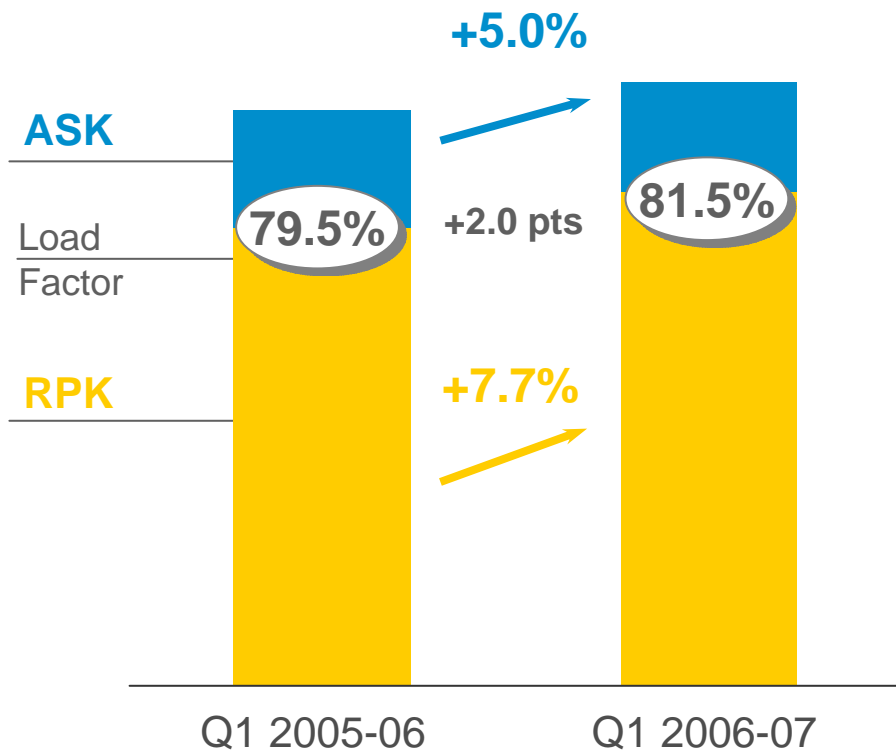
Revenues in €billions
First Quarter 2006-07



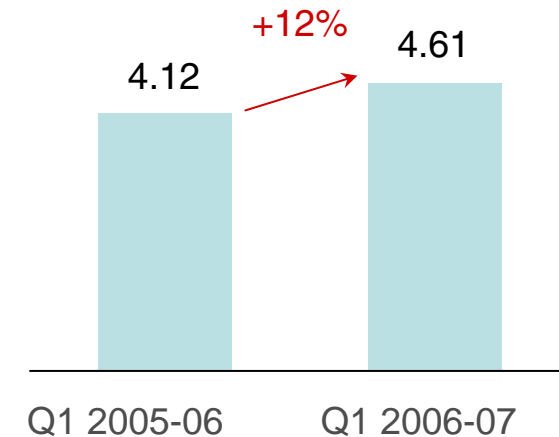
Passenger business: strong increase in profitability

First Quarter

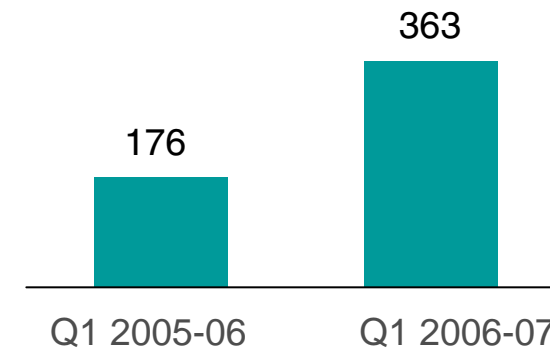
19.1 million passengers (up 6.1%)



Total passenger turnover (in billions)



Passenger operating income (in millions)

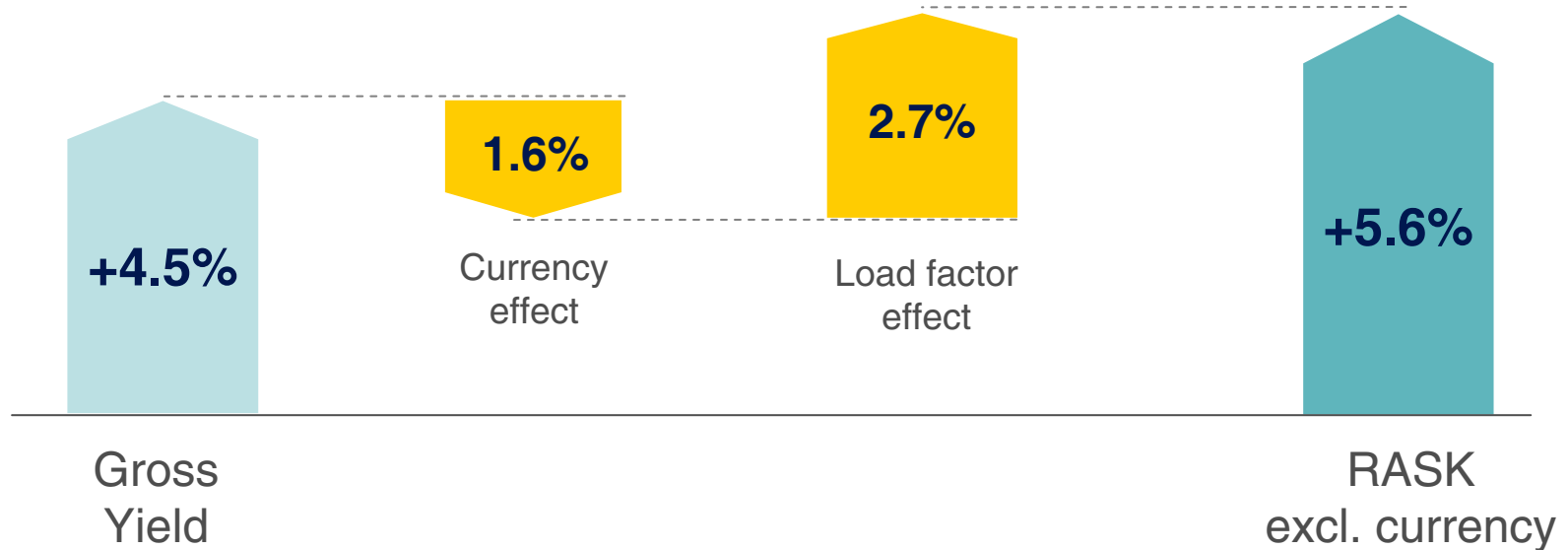


Strong rise in unit revenues

First Quarter 2006-07

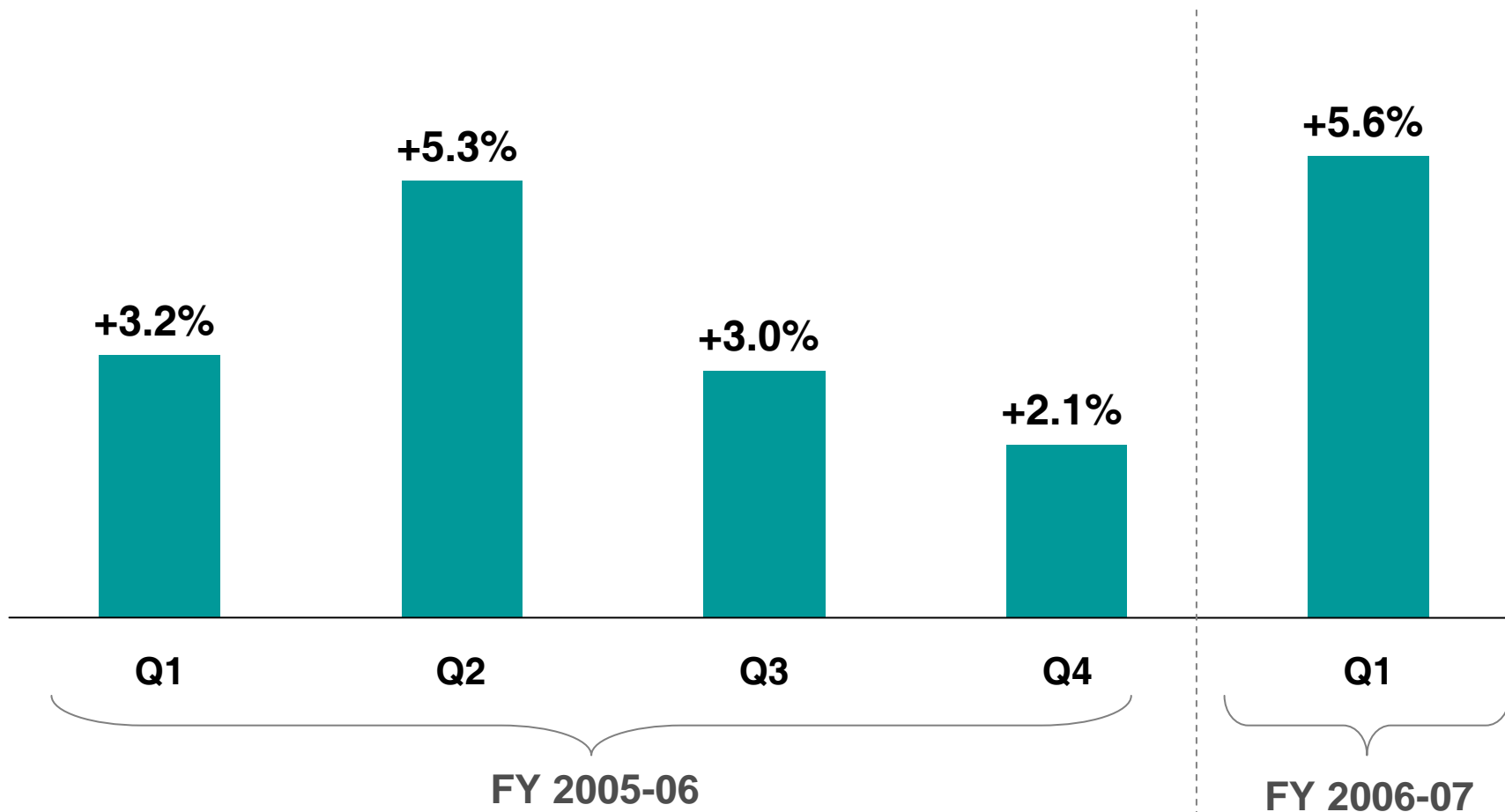
Yield: 8.76 cts

RASK: 7.14 cts



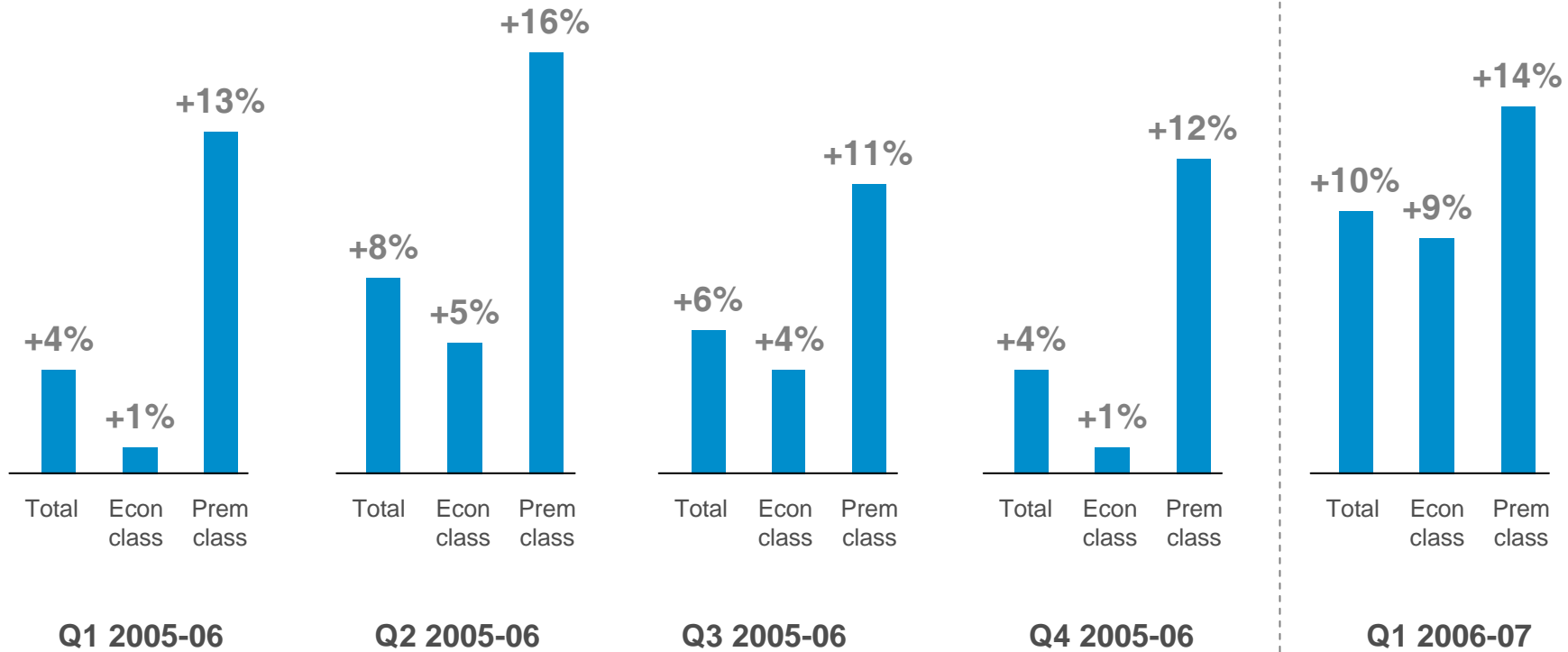
Further rise in unit revenue...

■ RASK excl.currency effect (total network)



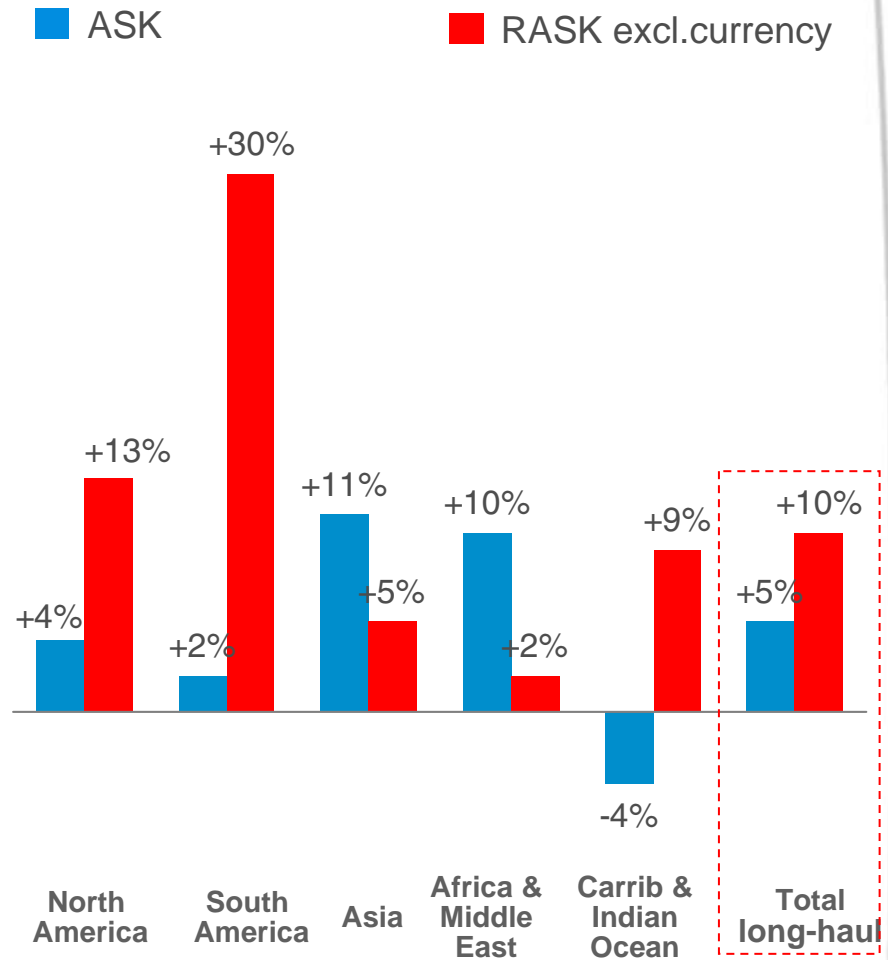
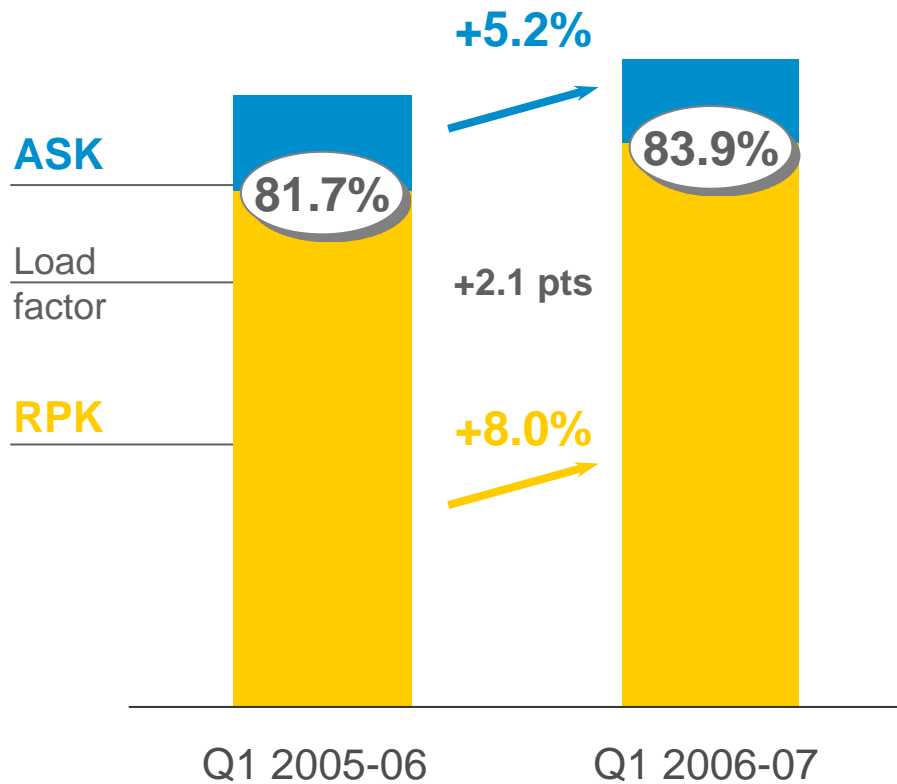
...driven by a strong premium segment

■ RASK excl; currency effect (long-haul network)



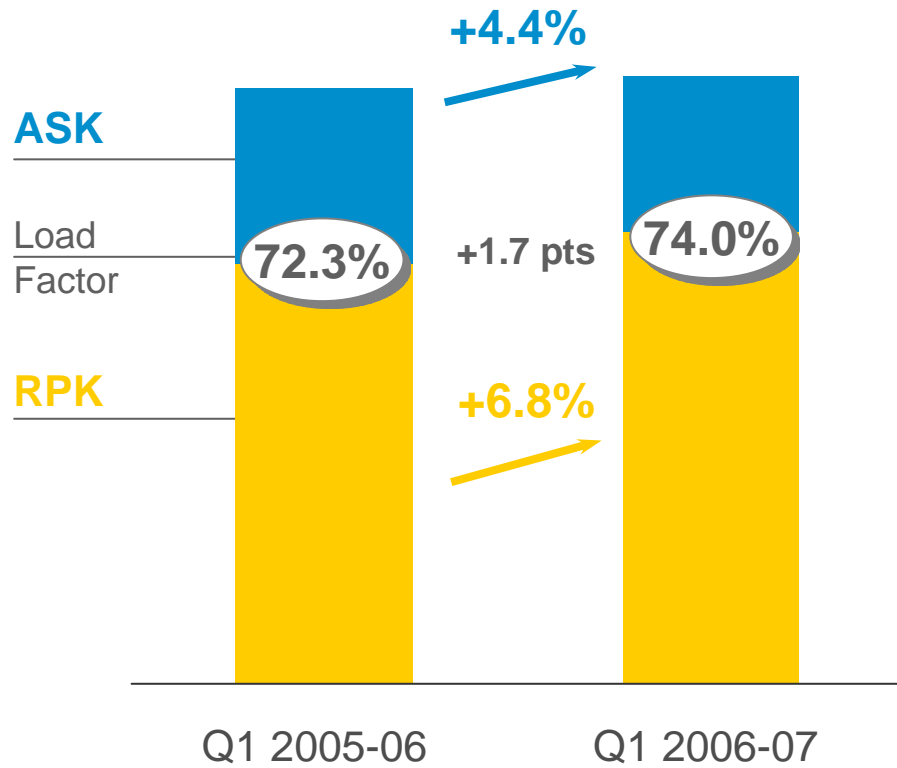
Excellent performance in long-haul...

Long-haul network

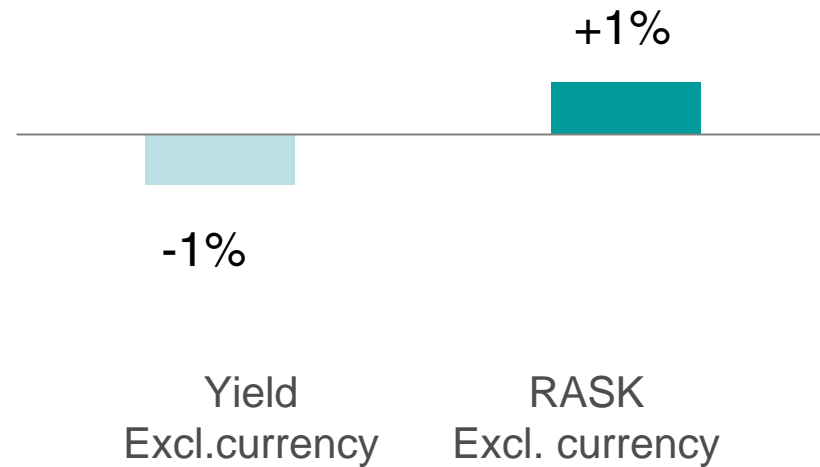


...and a robust European network

Medium-haul network (incl. France)

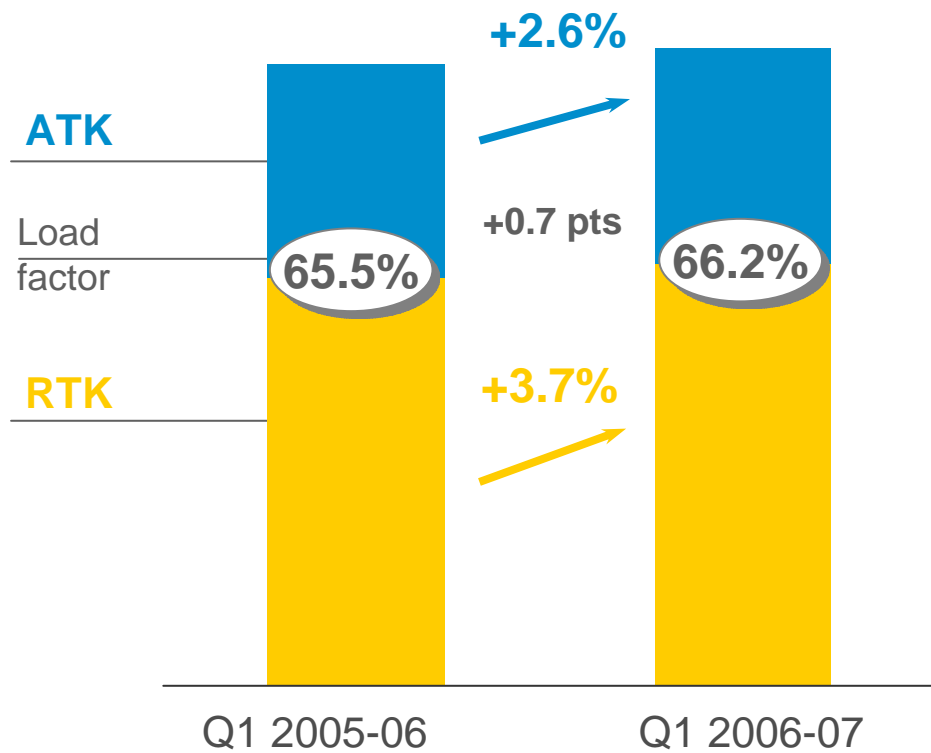


Unit revenues (Q1 2006-07)

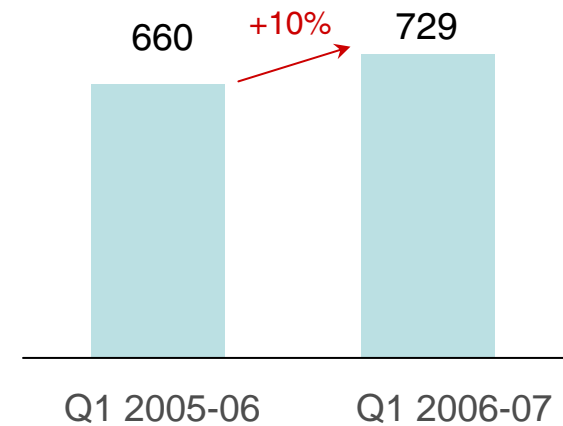


Cargo business: a good start to the year

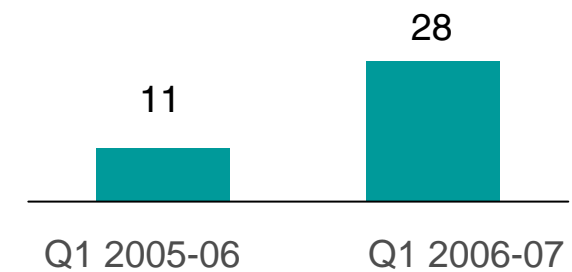
First Quarter



Total cargo revenues (in millions)

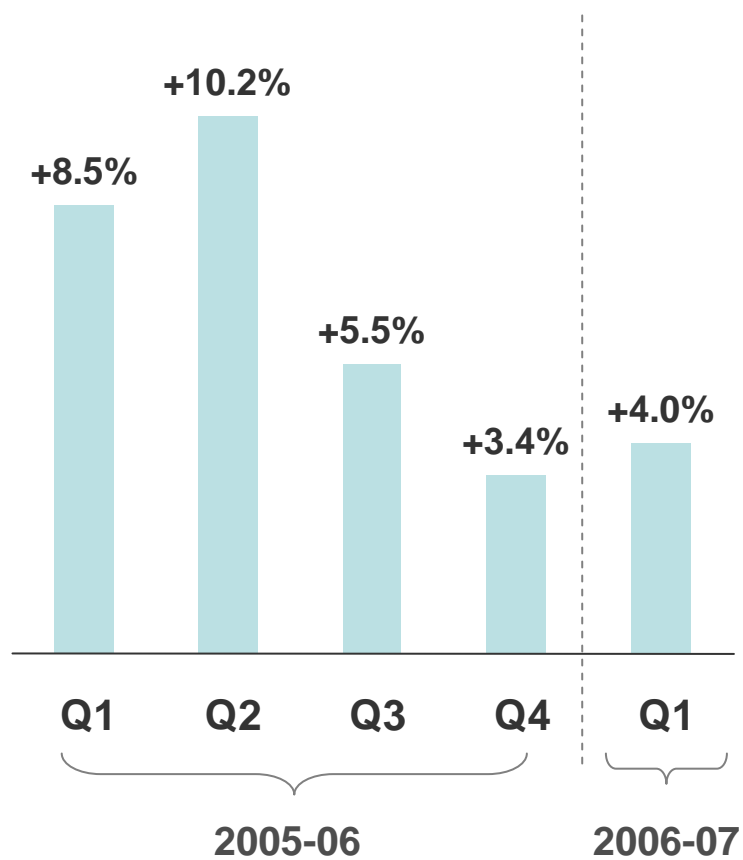


Cargo operating income (in millions)

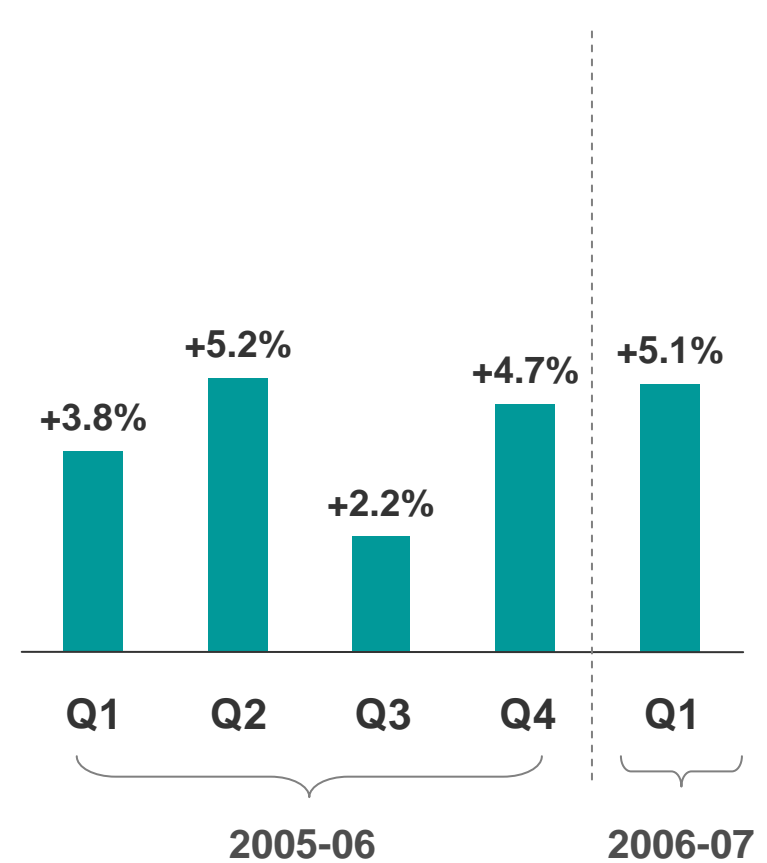


High level of unit revenues

Unit revenue per RTK excl. currency

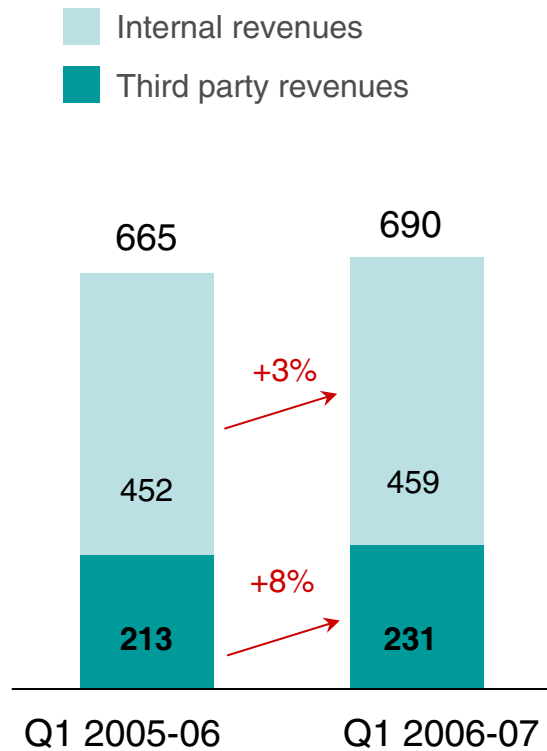


Unit revenue per ATK excl. currency

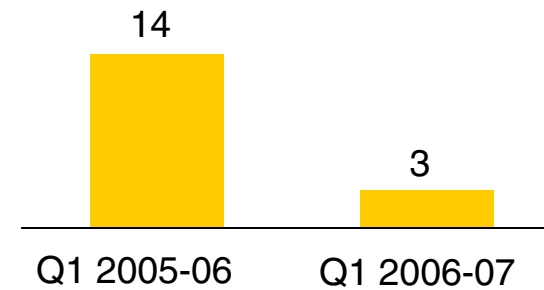


Maintenance business

Maintenance revenues
(in millions)



Maintenance operating income
(in millions)



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Strong increase in results

Philippe Calavia



KLM

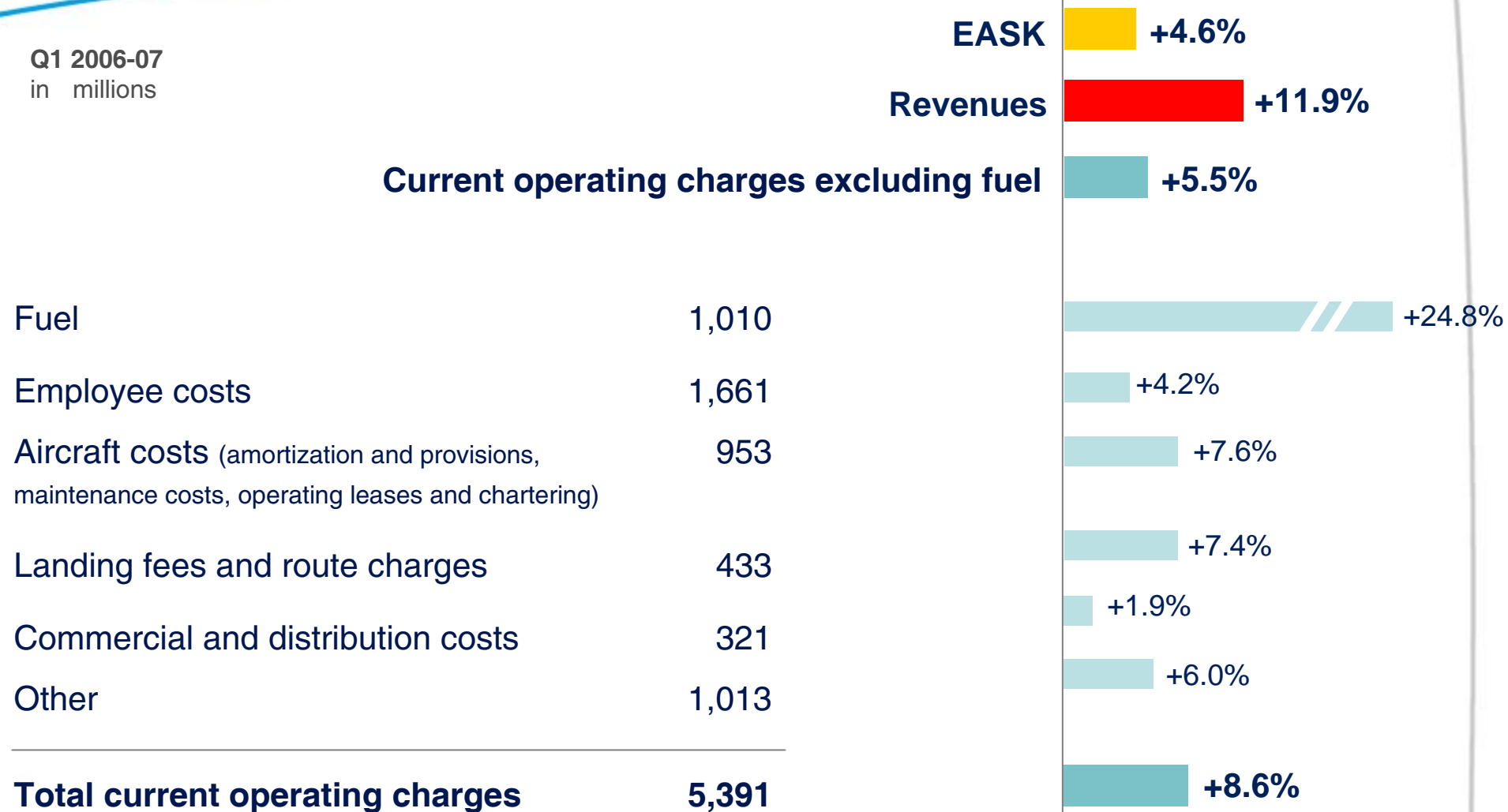
A strong First Quarter: sharp increase in operating income

In m	30 June 2006	30 June 2005	variation
Revenues	5,802	5,186	+11.9%
Operating charges	(5,391)	(4,963)	+8.6%
EBITDAR	997	789	+26.4%
<i>EBITDAR margin</i>	17.2%	15.2%	+2.0 pts
Operating income	411	223	+84.3%
<i>Operating margin</i>	7.1%	4.3%	+2.8 pts
<i>Adjusted operating margin*</i>	8.0%	5.3%	+2.7 pts
Income from operating activities	388	228	+70.2%
Net interest charge	(46)	(60)	-23.3%
Income tax	(87)	(52)	+67.3%
Net income, Group share	244	112	+117.9%

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

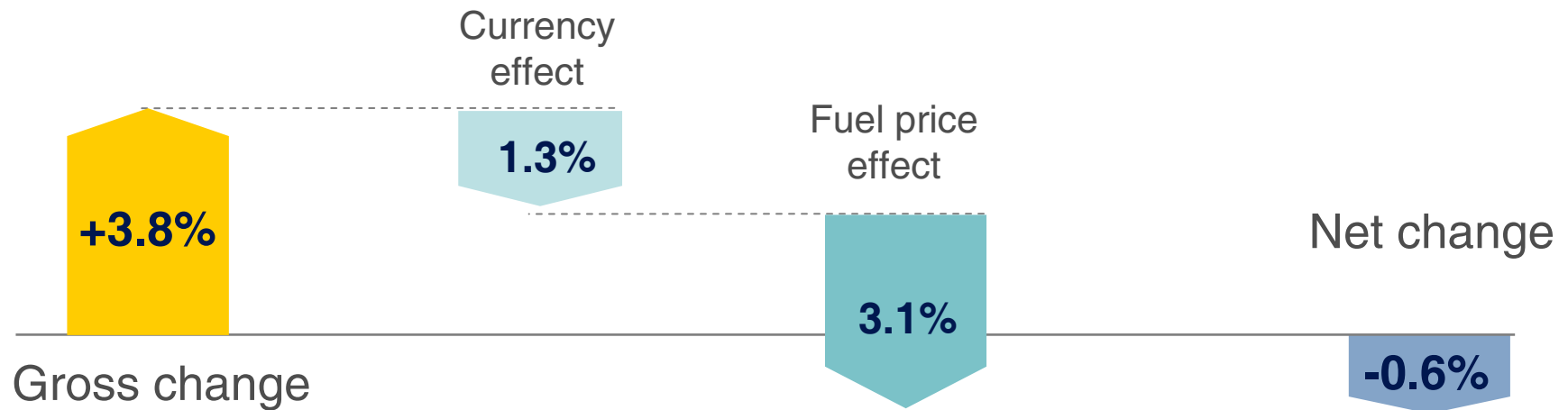
Operating costs contained

Q1 2006-07
in millions



Evolution of unit costs in the First Quarter

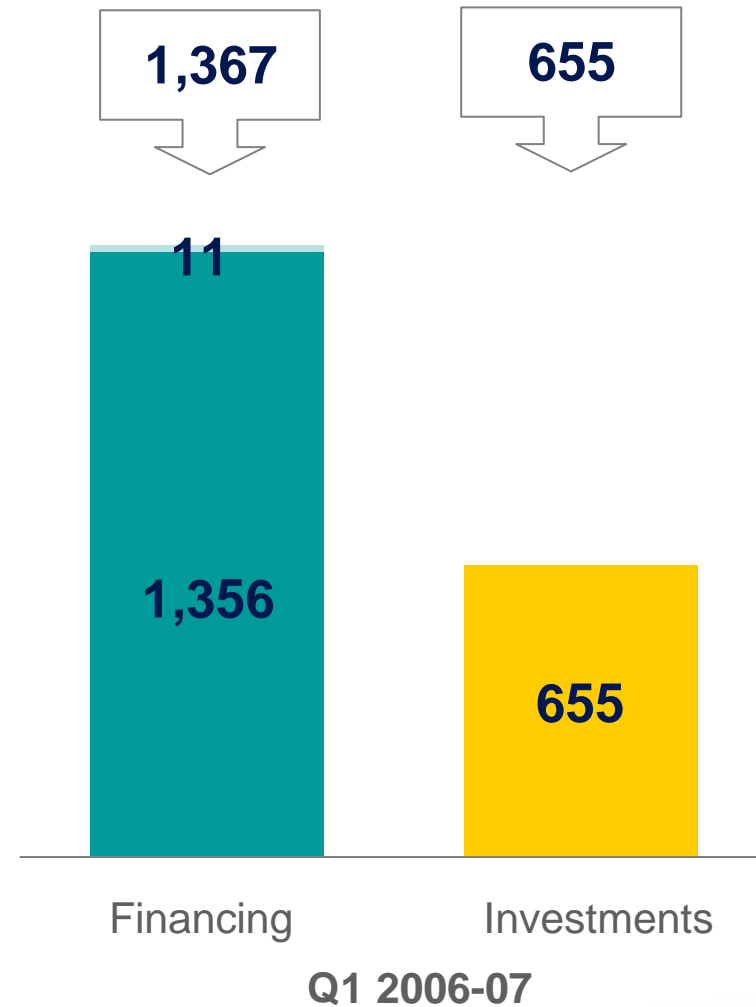
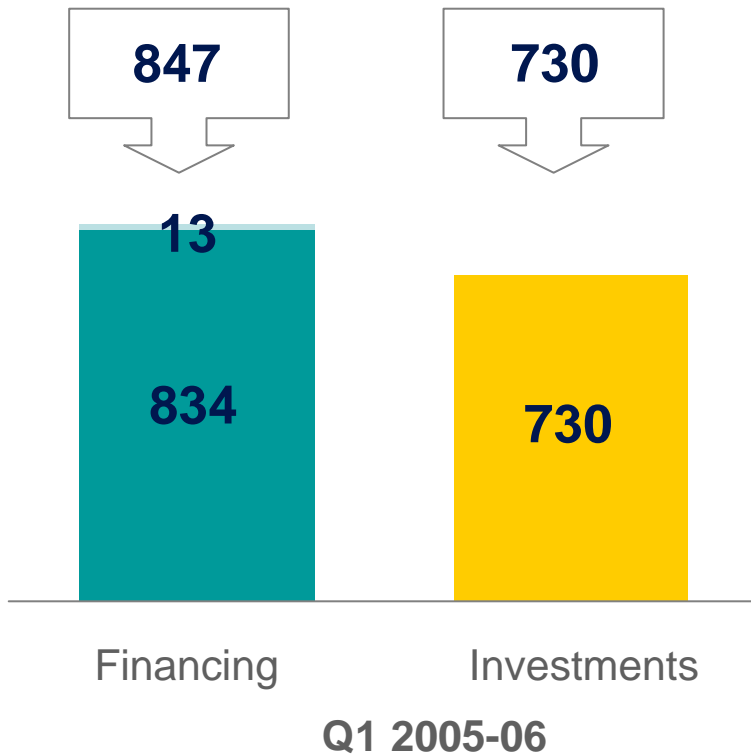
First Quarter 2006-07
Unit costs per EASK: 6.39 cts



Strong rise in operating cash flow

First Quarter (in € millions)

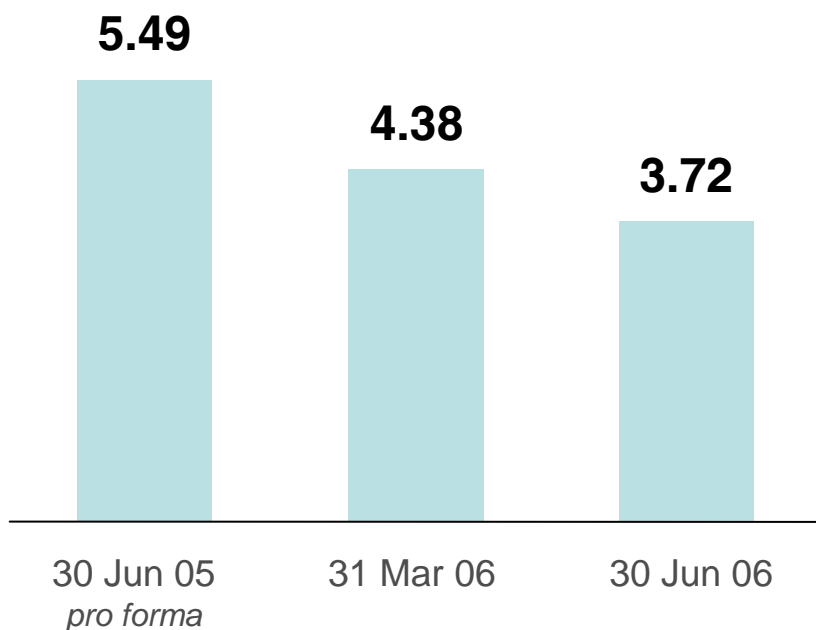
- Aircraft disposals
- Operating cash flow
- Capital expenditure



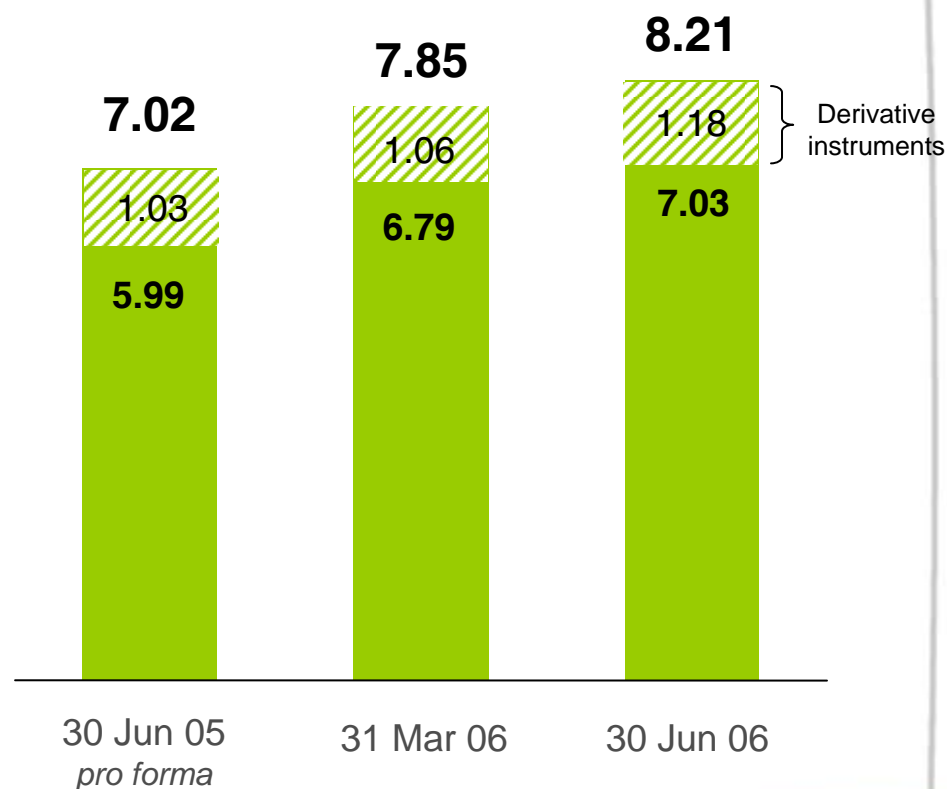
Further reduction in net debt

Gearing ratio at 30th June 2006: **0.45**
 (at 31st March 2006: 0.56)

Net debt
 (in billions of euros)



Shareholders' Equity
 (in billions of euros)



AIR FRANCE KLM

Outlook



Objective for 2006-07 revised upwards



On the basis of the current robustness of both activity levels and unit revenues, and on condition that these trends persist, Air France-KLM's objective for the Full Year is to generate a significant increase in operating income compared with last year

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Annexes



Net debt calculation

in m

	30 June 06	31 March 06
Current & non current financial debts	8,913	9,087
- Accrued interest not yet due	108	107
- Deposits on finance leased aircraft	934	943
+ Currency derivatives on debt	118	52
= Gross financial debt	7,989	8,089
Cash & cash equivalent	3,193	2,946
+ Marketable securities (over 3 months)	1,157	865
- Short term bank facilities	78	102
= Net cash	4,272	3,709
Net financial debt	3,717	4,380
Consolidated equity	8,211	7,853
Gearing ratio	0.45	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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