

15 June 2015

Air France : Perform 2020 progress report

In the framework of a meeting with staff, the management of Air France provided an update on the latest trends and on the implementation of Perform 2020.

The increased pressure on unit revenue observed since April is leading Air France to step up the implementation of Perform 2020 and to launch immediate adaptation measures.

The stepped up implementation of Perform 2020 will imply the scheduling of negotiations meetings with unions under a tight schedule in order to finalize agreements by the end of September 2015.

The immediate adaptation measures include, among other:

- the closing, as of Winter 2015, of several loss-making routes (Stavanger, Verona, Vigo, Kuala Lumpur), combined with frequency and aircraft size reductions on several other strongly impacted routes (Japan, Brazil, Russia)
- new initiatives targeting external expenses and general purchasing, for an estimated impact of 80 million euros

In parallel, Air France is launching a detailed review of its investment plan, which will notably include the earlier retirement of a third Airbus A340 and the investigation of various scenarios to postpone the delivery of long-haul aircraft (Airbus A350 and Boeing 787).

Finally, management has been negotiating for the past 7 months with the largest pilot union, SNPL AF Alpa, on the implementation of the remaining measures planned in the Transform 2015 agreement signed by this union. Considering the lack of progress, management has decided to commence summary legal proceedings in order to obtain the implementation of the remaining measures.

“At the end of September 2015, we will assess the financial situation of Air France, take stock of the progress achieved in the negotiations with unions, and the number of people who have signed up to take the two ongoing Voluntary Departure Plans (cabin crew and ground staff). We will then be in a position to decide the actions required to safeguard the future of Air France. On the eve of the Summer peak period, which is crucial to the 2015 financial results, we are fully mobilized to the service of our customers” stated Frédéric Gagey, Chairman and CEO of Air France.

Investor contacts

Bertrand Delcaire

+33 1 49 89 52 59

bedelcaire@airfranceklm.com

www.airfranceklm.com

Dirk Voermans

+33 1 49 89 52 60

divoermans@airfranceklm.com

Press contact

+33 1 41 56 56 00

