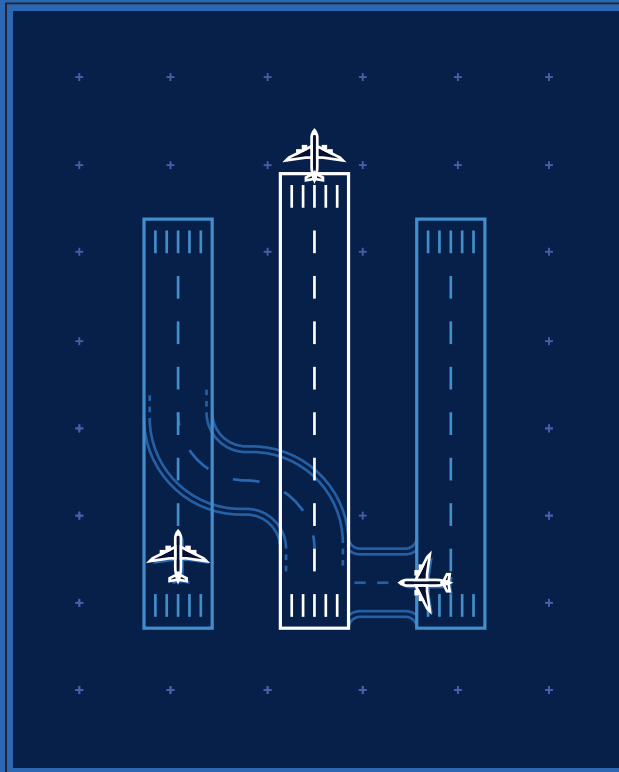


This is not an annual report  
but a document of the future

# Volume 1

## Ambitions



**AIRFRANCE KLM**

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CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

# A global leader with European foundations

Air France-KLM is a leader in the global air transport industry with European foundations. For Air France-KLM, being European means embracing diversity and multiple sensitivities, being both universal and highly characteristic, global and local. For this, we have a unique offering based on seven complementary brands, each a champion in its field, backed by long-standing expertise in the aviation businesses and a resolute focus on innovation, both guarantees of reliability.

In the passenger transportation market, Air France, KLM Royal Dutch Airlines, HOP! Air France and Transavia all have proprietary commercial propositions and brand identities, capable of adapting to the aspirations and needs of individual passengers, and to the specificities of every situation. The Group also has a reference offering in aeronautics maintenance thanks to the international network of Air France Industries KLM Engineering & Maintenance, the global number two; an efficient, rapid and agile cargo business with Air France-KLM Martinair Cargo; and a leading in-flight catering service provider thanks to the creativity of the Servair teams.

# Securing the Group's future

Alexandre de Juniac,  
Chairman and CEO, Air France-KLM Group



## In 2015, Air France-KLM successfully returned to a European leadership position

2015 marked a historic step for Air France-KLM: with operating income of €816 million and net income of €118 million, the Group posted its first set of positive results since 2008. Both Air France and KLM are now profit-making and our debt has been reduced by more than €1 billion. Two-thirds of this performance can be attributed to the productivity gains realized thanks to the efforts of employees and one third to the economic environment and the decline in the oil price. The Transform 2015 plan has thus borne fruit.

## Competitiveness, a key condition for sustainable growth

Our achievements to date have enabled real gains in terms of competitiveness: the turnaround of the cargo business, two-thirds of the long-haul services now profitable and a halving in medium-haul operating losses. However, these positive results do not protect us from a downturn in the trading environment and our collective commitment must be pursued to reduce the short-fall in competitiveness which still separates us from our European peers. Continuing our in-depth transformation is imperative if we want to be able to continue to invest, purchase aircraft and recruit and train staff. This is the path we are pursuing with Perform 2020, the guarantee of sustainable growth.

## A world of opportunities: being in poll position in growth markets

We benefit from a market in robust health, with annual growth estimated at 4% to 6% for the next fifteen years. Asia and the European leisure market are two particularly dynamic segments where we must be in the vanguard. In Europe, Transavia is on the way to becoming a powerful low-cost player, capable of withstanding competition from other airlines. In 2019, our aim is to double the number of passengers carried to 20 million, by expanding its fleet from 67 to some 100 aircraft. In Asia, the existing partnerships will require reinforcement in future

through new agreements. This will need to be done whilst strengthening the attractiveness of our dual hubs, by offering the most seamless connecting opportunities at Paris-CDG and Amsterdam-Schiphol. Lastly, aeronautics maintenance, a business in which we rank number two globally, is seeing extremely strong growth. We have made substantial levels of investment in this business with significant success. This is now one of the Group's main growth levers.

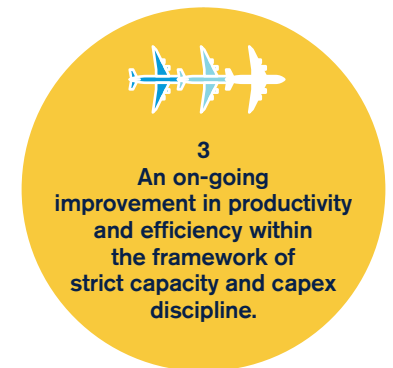
## Offering the airline best in class by pursuing our move up-market

The improvement in our financial situation must enable investment devoted to improving the customer experience, with the focus resolutely on building closer relationships with each and every one of them. More than €1 billion has already been dedicated to our product move up-market to ensure that our offer is aligned with the best international standards. This effort will be pursued, particularly on our customer services, both on the ground and in the air.

## Defending the air transport industry

Within the framework of my new functions as Director General and CEO of the International Air Transport Association (IATA), I shall soon be doing my utmost to defend the whole air transport industry and all the airlines. I am immensely proud to have worked for Air France-KLM. I would like to thank everyone for their commitment to ensuring the Group's successful turnaround and establishing the conditions for growth. Backed by the expertise of its teams, the value of its brands and its European foundations, Air France-KLM has all the assets it needs to compete with the global champions in this industry.

A strategy based on three priorities:

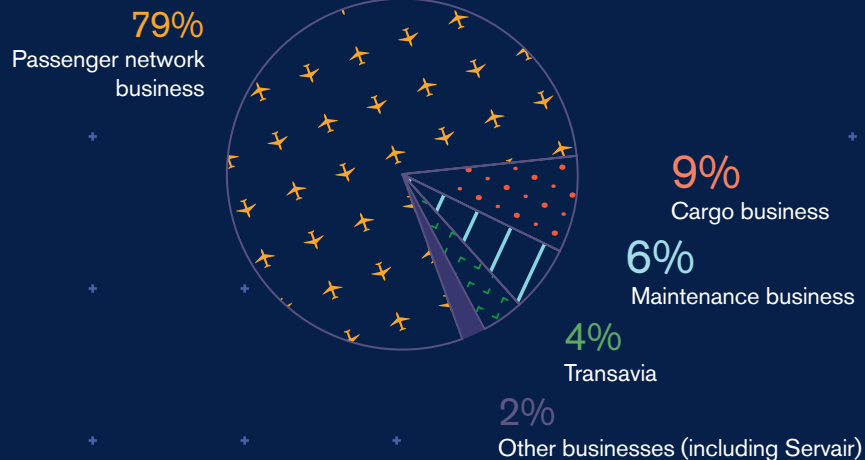


# A return to profitability in 2015



billion euros of revenues

Breakdown in revenues by business



# A significant reduction in net debt,

from **€5.4 billion** at the end of 2014

to **€4.3 billion**

at December 31, 2015

A **0.6%** reduction in unit costs<sup>(1)</sup> on a like-for-like basis

(1) On a constant currency, fuel price and pension-related expense basis.



Operating income of **€816 million**



**EMPLOYEES**

engaged in the Perform 2020 plan

(2) Full time equivalent.

# Remaining master of its own destiny

Frédéric Gagey, Chairman and Chief Executive Officer of Air France and Pieter Elbers, President and Chief Executive Officer of KLM, share their analysis.



Frédéric Gagey



Pieter Elbers

*Air France-KLM has published a positive set of results which are encouraging for the future. Within the framework of Perform 2020, which have been the most effective levers?*

**Frédéric Gagey /** Within the framework of the Transform 2015 plan, the efforts realized by Air France on unit costs in recent years enabled a very marked improvement in the company's financial situation. Furthermore, our commercial teams have successfully slowed the unit revenue decline by implementing action plans across all markets. Lastly, while the decline in the oil price significantly reduced the fuel bill and created a favorable environment, we pursued all our initiatives to improve the company's competitiveness within an uncertain economic and geopolitical environment. We took a major step forward in 2015 when, following a turnaround process lasting four years, Air France generated a comfortably positive operating margin. It is thanks to the company's staff and their commitment and collective efforts that we have been successful on this front. They should be proud. Our current objective is to improve this result to reinforce the company's cyclical resilience and enable it to invest and pursue its growth.

**Pieter Elbers /** For KLM's part, we continued to grow and posted positive financial results. Most of our action in 2015 was directed at reaffirming our three strategic goals: reducing costs, investing in our future and transforming our organization. Within the framework of Perform 2020, we implemented measures throughout the year on all three fronts and began to benefit from the first positive results: our costs are lower, our productivity is up - thanks, in particular, to the new collective agreements - and our investment in the customer experience and products is bearing fruit. These first tangible results combined with a renewed spirit throughout the organization show that we are on the right track.

*The Group's move up-market is paying off, as witnessed by the significant increase in levels of customer satisfaction and internationally-recognized awards. How do you plan to maintain this momentum to consolidate your leadership position?*

**P.E.** At KLM we make the difference by creating moments that truly touch our customers' hearts. To further support its growth, in 2015 KLM stepped up its investment in customer services and products and plans to accelerate this in 2016. Fleet renewal will continue this year with sixteen new aircraft set to be phased in to our fleet. Also noteworthy is the deployment of our World Business Class. In 2015, 60% of our fleet was equipped with new "full flat" seats while, in 2016, this figure will reach 80% of our intercontinental fleet. Furthermore, we are supplying our customer-facing staff with digital tools, better equipping them to care for our passengers. These efforts are being rewarded by a steady increase in levels of customer satisfaction, as measured by the Net Promoter Score. Our passenger appreciation targets for the next year will thus be even more ambitious.

**F.G.** Since the first Air France flight equipped with the new long-haul cabins to New York in June 2014, their comfort has been receiving accolades from customers. These new cabins, which are amongst the industry best in class, are currently being deployed in our Boeing 777 fleet. We have thus decided to pursue this strategic move up-market for our products and services by installing the new cabins on our Airbus A330s as of the end of 2017. We have also renewed our medium-haul offer on departure from Paris-Charles de Gaulle. Another key factor in customer satisfaction is flight punctuality. For the past year, we have been redoubling our efforts to improve our operational efficiency. This work is now paying off and we are proud to have been the best AEA (Association of European Airlines) carriers on this metric several times during 2015.

*Air France and KLM are engaged in large-scale modernization programs. What are the main characteristics?*

**F.G.** The world is changing, markets are developing and the digital revolution is driving a profound transformation of our society. Faced with these challenges, we need to be able to adapt and respond to both our customers' requirements and the aspirations of our employees. I have launched an ambitious modernization program at Air France, with the introduction of simpler and more innovative operating modes, based on cooperation, cross-functionality and transparency. A digital transformation, the streamlining of our processes, new management practices, permanent diffusion of customer feedback across the company and the refurbishment of our working spaces are the cornerstones of this program. In 2020, Air France will be both a company more focused on customer satisfaction and a great place to work.

**P.E.** To become Europe's most customer centric, innovative and efficient network carrier, we need to be leaner, more agile and more profitable. In 2015, KLM took important steps towards reducing costs and increasing productivity through new collective labor agreements and the design of a high performance organization to be rolled out in 2016. Other transformation programs are specifically focused on digitization, operational excellence and the customer experience. This transformation will make KLM more agile and efficient, increase staff engagement and give them more room to innovate. All this will help us to deliver an enhanced customer experience at a lower cost.



*In terms of digital innovation, how do you plan to surprise your customers in 2016?*

**P.E.** Since 2009, KLM has been a pioneer on the social media and "webcare". Every week, we receive over 100,000 messages, including more than 10,000 questions and remarks to which we aim to send a personal response within the hour. We have also introduced new functionalities to improve this service to customers. For example, since March 30, 2016 customers have been able to receive their personal travel documentation and flight status updates rapidly via the Facebook Messenger chat app. The most important aspect remains, however, our determination to make a difference for customers by making their journeys with us a truly memorable experience. In 2016, KLM will continue to surprise its customers by taking the personalized approach via social media to an even higher level and by a combination of artificial intelligence and personal contact.

**F.G.** At Air France, our digital innovations are contributing to developing sales. Our [www.airfrance.com](http://www.airfrance.com) website is already the number two French website in terms of revenues. In 2016, the realization of our digital projects will also enable us to offer customers increasingly personalized support, with the right message at the appropriate time, on the right communication channel. For example, we are developing mobile-based notifications to facilitate airport transit. In addition to all our digital tools, like Pieter I am convinced that we can make a difference for customers by offering them an attentive service across our entire product and services proposition, both at the airport and on board. All our teams are working on this on a daily basis everywhere in the world.



# A Group with worldwide recognition



## Leader among the “World’s Most Admired Companies”

Air France excelled within Fortune’s World’s Most Admired Companies ranking, reaching 3rd position in the Airlines category.

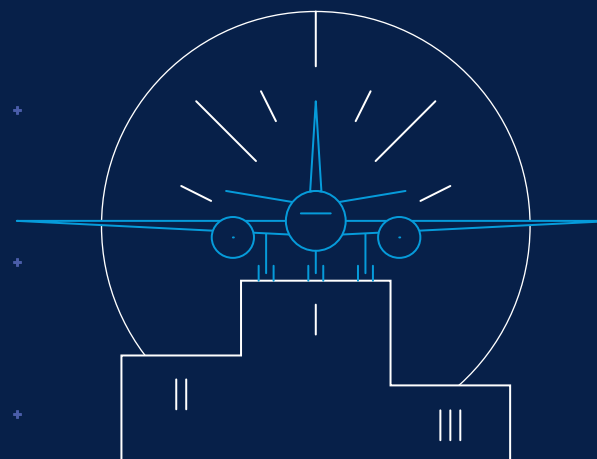
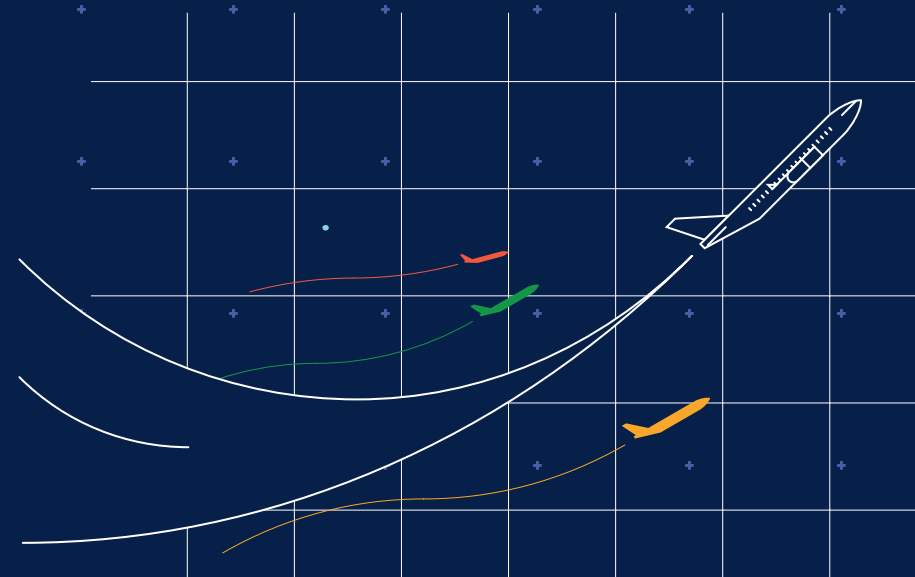
## A founder member of Airlines for Europe (A4E)

In January 2016, Europe’s five largest airline groups – Air France-KLM, Easyjet, International Airlines Group, Lufthansa Group and Ryanair – announced the creation of the Airlines for Europe Association (A4E). Accounting for half the passenger journeys in Europe, the five groups have chosen to join forces aimed at influencing European aviation policy.



## Air France, the World’s Most Improved Airline

In June 2015, Air France won two Skytrax awards: World’s Most Improved Airline and, for the second year running, the Best First Class Airline Lounge catering proposition.

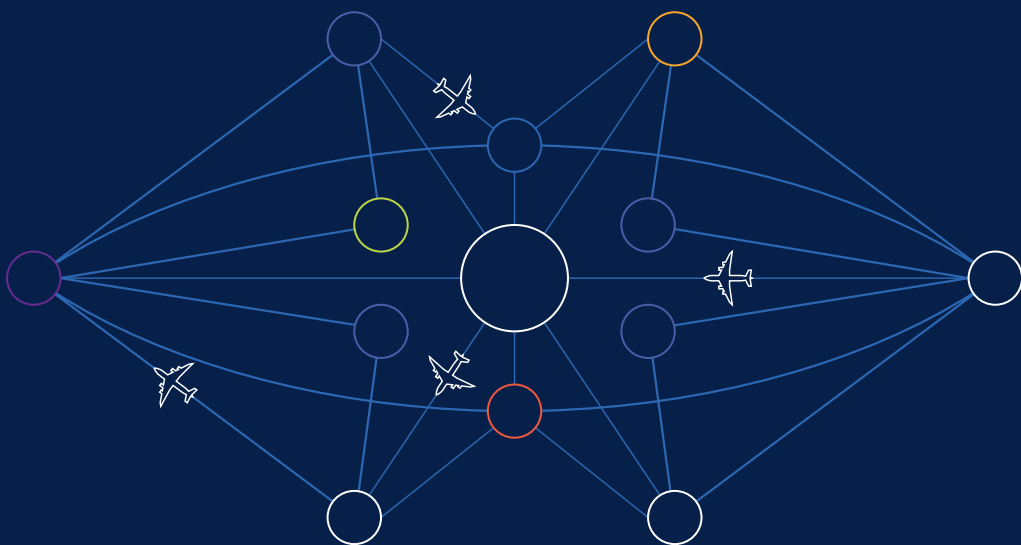


## KLM voted “Best Airline”

For the second time, KLM was voted “Best Airline” by a panel of Dutch consumers in the 2016 Reisgala awards.

### Transavia, Europe's best low-cost carrier

The flight-report.com website has delivered its verdict: Transavia is the best European low-cost airline for 2015.



### HOP! Air France Europe's densest domestic network.

### Air France Industries KLM Engineering & Maintenance



**No 2**  
globally  
amongst the  
multi-product  
players

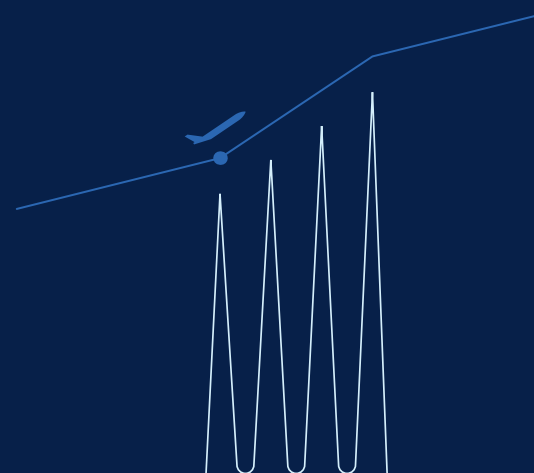


Voted MRO<sup>(1)</sup>  
of the Year in 2016  
for the third year  
running at the Airline  
Economics Aviation  
100 Awards.

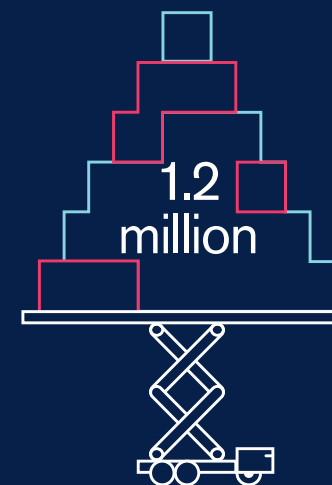


Voted MRO<sup>(1)</sup>  
of the Year 2016  
for the second year  
running in the  
Outstanding Airline  
Maintenance Group  
category by trade  
magazine  
Aviation Week.

(1) Maintenance, Repair & Overhaul



**Servair**  
Number one in France for airline  
catering and number four globally.



**Air France-KLM  
Martinair Cargo**  
1.2 million tons of merchandise  
carried in 2015 across the world.



## Flight safety, a priority enshrined in our corporate culture

In terms of flight safety, Air France-KLM positions itself in line with the highest air transport industry standards. It is an absolute priority, enshrined at the very heart of the Group's corporate culture. Every member of staff embodies this commitment on a daily basis, in flight, on the ground and within the governance bodies.

### Detecting every risk factor

Ensuring a maximum level of safety primarily means being able to identify and neutralize risk at the earliest possible opportunity. To this end, Air France and KLM have deployed Safety Management Systems in all of the Group's entities. The SMS regroups an array of tools and methodologies to systematically detect any threats, hazards and at-risk situations. It thus enables the preventive management of risks and supplements the more traditional methods used in this area, notably to detect any cases of non-compliance with regulatory standards.

In the air transport industry, new types of threats can emerge at any time. To safeguard itself from such risks, Air France-KLM also focuses the staff working environment on apprenticeship and continuous progress. Furthermore, the Group permanently adapts its flight safety procedures and tracks its aircraft in real time.

### A safety-first culture

To be effective, a safety-first culture must not be a source of anxiety. Air France-KLM takes care to transform eventual incidents into opportunities for progress. Any such events are recorded, analyzed and used to improve processes. A safety-first culture also involves individual behavior and the Group promotes personal accountability, constant vigilance, reporting, an opportunity to express concerns and make mistakes, within a climate of trust, and with a duty of transparency.



### Travelling with connected devices

Smartphones, digital tablets, portable computers...

Most connected devices now function thanks to increasingly efficient lithium batteries.

The downside is that they are also more delicate and can suddenly burst into flames in the event of shock or compression. While the risk remains low, to avoid any inconvenience, Air France-KLM informs all its passengers of a few simple rules. They are asked to respect the packaging instructions like, for example, stowing their devices in a shock and crush-proof container, or to request help from the cabin attendants if they lose their connected devices under their seats.



# A commitment to sustainable growth

Care, innovation and responsibility: these three convictions inform all the corporate social responsibility projects deployed by Air France-KLM, everywhere in the world. Three priorities: reduce the Group's environmental footprint, offer responsible products and services and contribute to local development. An overview of some of the key initiatives.

## Air France and KLM, at the cutting edge of technology

With fuel consumption of 3.42 liters (per passenger/100 km), Air France and KLM are on track to reach their CO<sub>2</sub> emission reduction target, an effort involving, in particular, fleet renewal. KLM has thus taken delivery of its first Boeing 787 Dreamliners, an aircraft enabling a reduction of up to 30% in fuel consumption and CO<sub>2</sub> emissions.

The Group is also investing in an innovative use of cleaner fuels. As of the spring of 2016, a number of KLM flights between Oslo and Amsterdam are being operated using biofuel benefiting from Roundtable on Sustainable Biomaterials certification for its social and environmental performance. This camelina-based biofuel enables a 46% reduction in the carbon footprint relative to fossil kerosene.

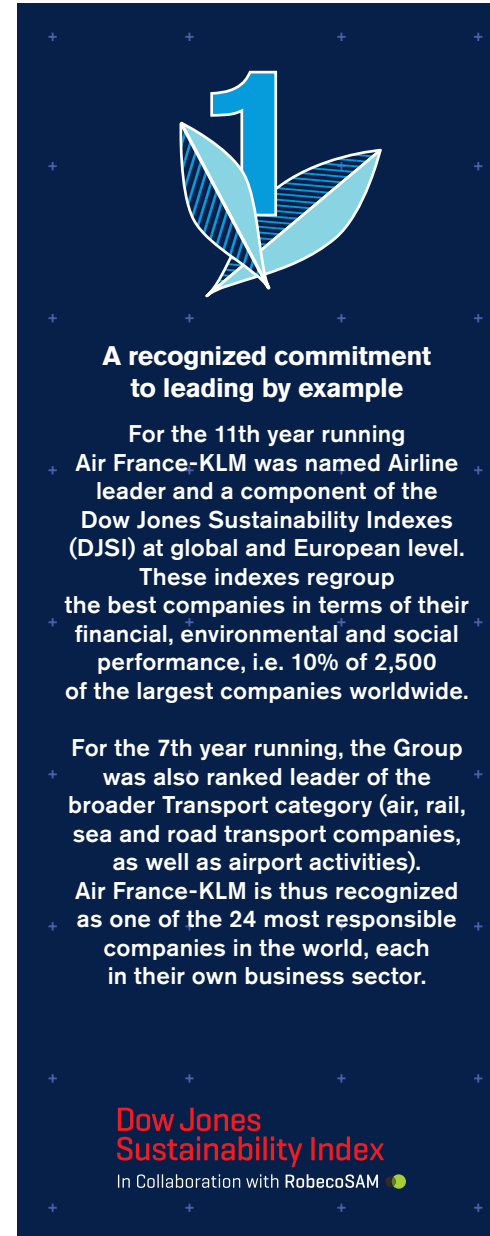
This initiative was made possible by the KLM Corporate BioFuel Programme based on a simple principle: the corporate partners contribute to bridge the price difference between biofuel and fossil kerosene. A good way to reduce their environmental footprints linked to business travel by employees, while promoting the development of the aviation biofuel market.

At Air France, the same mobilization: 54 biofuel flights were operated in 2015. Throughout the year, on the Toulouse-Orly route, the airline operated a

weekly flight using biofuel. This operation, dubbed "Lab'line for the future", was realized thanks to the support of 14 industrial partners. An opportunity for Air France to raise the awareness of customers on this route to all the CSR initiatives carried out by the airline.

## Encouraging innovation by supporting start-ups

To accompany "Lab'line for the future", Air France launched an open innovation process for start-ups, in cooperation with Welcome City Lab, the French business incubator dedicated to leisure and business tourism, of which the airline is a founder member. With a brief to invent the responsible travel of the future, some of these start-ups have since presented their innovations to a community of the airline's customers. This was the case for Instant System with its mobility companion, Ubleam with an augmented reality boarding card, neo-nomade with its collaborative co-working spaces and Interactive Mobility which has designed a new in-flight entertainment offer. This innovative service enables the downloading of films, TV series and documentaries directly to tablets or smartphones prior to travel, and will be progressively rolled out on Air France's medium-haul services.



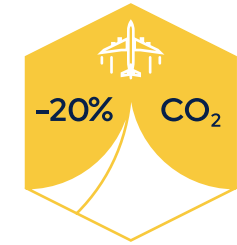
**1**

**A recognized commitment to leading by example**

For the 11th year running Air France-KLM was named Airline leader and a component of the Dow Jones Sustainability Indexes (DJSI) at global and European level. These indexes regroup the best companies in terms of their financial, environmental and social performance, i.e. 10% of 2,500 of the largest companies worldwide.

For the 7th year running, the Group was also ranked leader of the broader Transport category (air, rail, sea and road transport companies, as well as airport activities). Air France-KLM is thus recognized as one of the 24 most responsible companies in the world, each in their own business sector.

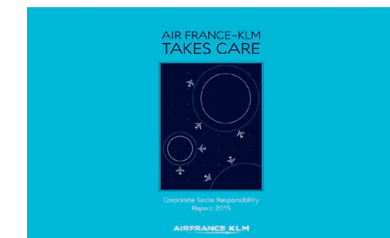
**Dow Jones Sustainability Index**  
In Collaboration with RobecoSAM



A **20%** reduction in CO<sub>2</sub> emissions between 2011 and 2020 (in g. CO<sub>2</sub> /passenger/km)

KLM is also supporting the start-up Undagrid, through the Mainport Innovation Fund. Specialized in the Internet of Things, Undagrid has developed an innovative solution for tracking non-motorized, non-electric equipment like baggage trolleys in real time. The benefit is optimized equipment management which is faster and more cost-efficient. Air France-KLM also offers its Flying Blue customers the opportunity to donate their Flying Blue Award Miles to promising start-ups, to encourage their international development. This new-style crowd-funding initiative is a world first for the aviation industry.

For further information, find the Group's Corporate Social Responsibility Report at [csreport2015.airfranceklm.com/en/](http://csreport2015.airfranceklm.com/en/)





## A pro-active management body

The Air France-KLM Executive Committee meets every two weeks, alternating between Amsterdam and Paris, to define the Group's principal orientations within the framework of the strategy approved by the Board of Directors. At March 31, 2016, the Executive Committee was composed of 14 members.

- a – **Alexandre de Juniac**,  
Chairman and Chief Executive Officer of Air France-KLM
- b – **Frédéric Gagey**,  
Chairman and Chief Executive Officer, Air France
- c – **Pieter Elbers**,  
President and Chief Executive Officer, KLM
- d – **Patrick Alexandre**,  
Executive Vice President Commercial, Sales and Alliances, Air France-KLM
- e – **Pieter Bootsma**,  
Executive Vice President Commercial Strategy, Air France-KLM
- f – **Xavier Broseta**,  
Executive Vice President Human Resources, Air France-KLM
- g – **Adeline Challon-Kemoun**,  
Executive Vice President Marketing, Digital & Communication, Air France-KLM

- h – **René de Groot**,  
Chief Operating Officer, KLM
- i – **Bram Gräber**,  
Executive Vice President Transavia and Cargo , Air France-KLM
- j – **Jean-Christophe Lalanne**,  
Executive Vice President Information Technology, Air France-KLM
- k – **Jacques Le Pape**,  
Executive Vice President Corporate Secretary, Air France-KLM
- l – **Pierre-François Riolacci**,  
Chief Financial Officer, Air France-KLM
- m – **Franck Ternier**,  
Executive Vice President Engineering and Maintenance, Air France-KLM
- n – **Alexandre Boissy**,  
Secretary of the Group Executive Committee, Chief of Staff



## Establishing the Group's strategic orientations

The Board of Directors determines the orientations of the company's activity and ensures their implementation. In this capacity, alongside the General Management, it is responsible for ensuring its proper running, supported by the opinions and recommendations of the specialized committees.

At December 31, 2015, the Board of Directors was composed of fifteen members including:

- ▶ 13 Board directors appointed by the General Shareholders' Meeting (including two proposed by the French State and two representatives of the employee shareholders)
- ▶ 1 representative of the employees appointed by the *Comité de Groupe Français*
- ▶ 1 representative of the French State appointed by ministerial order

**Alexandre de Juniac**,  
Chairman and Chief Executive  
Officer of Air France-KLM

**Peter Hartman**  
Vice-Chairman of the  
Air France-KLM Board of Directors

**Maryse Aulagnon**  
Chair and Chief Executive  
Officer of Affine

**Isabelle Bouillot**  
President of China Equity Links

**Jean-Dominique Comolli**  
Honorary Civil Administrator

**Jean-François Dehecq**  
Vice-Chairman of  
the National Industry Council

**Jaap de Hoop Scheffer**  
Professor, Leiden University  
(Netherlands)

**Louis Jobard**  
Boeing 777 Flight Captain

**Cornelis J. A. van Lede**  
Company director

**Solenne Lepage**  
Director of Transportation  
Shareholdings, Agency  
for State Shareholdings

**Christian Magne**  
Air France Executive

**Isabelle Parize**  
Chief Executive Officer of Nocibé

**Antoine Santero**  
Senior Flight Attendant,  
Long-haul Air France

**Patrick Vieu**  
Advisor to the Vice-President  
of the General Council for the  
Environment and Sustainable  
Development

**Leo M. van Wijk**  
Company director

## Listening to our shareholders

A move up-market for the service offer, an expanded network of destinations, the development of strategic partnerships everywhere in the world... Air France-KLM is undergoing a profound business transformation. The Group provides its shareholders with the analysis tools which are key to understanding these rapid changes and its strategic choices.

### Dedicated information tools

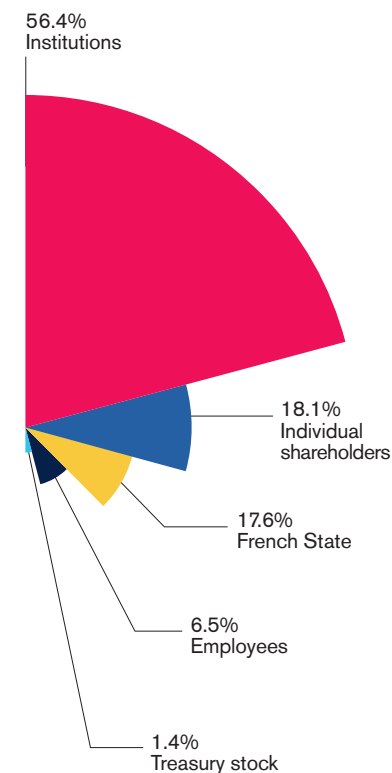
A few clicks on the [www.airfranceklm.com](http://www.airfranceklm.com) website - available in computer, tablet and smartphone versions - give access to all the information relating to the Group's activity. The annual results, regulated information, the agenda and key figures are permanently available in the Finance section. Members of the Shareholders' Club also receive the ACTION'Air newsletter. These different information tools ensure total visibility and transparency on the businesses, their performance and the company's ambitions. In 2015, the Group won two awards for the quality of its shareholder relations: one from *Le Revenue* magazine, in the digital communication category; the other from the *Investir-Les Échos* business newspaper for its Registration Document and General Shareholders' Meeting.

### Exclusive access to unique events

To facilitate a behind-the-scenes insight into its operations, Air France-KLM regularly invites its shareholders to information meetings in Paris and the French regions, attended by the company's management. Site visits are organized at the Group's main facilities. In 2015,

shareholders were thus able to discover the Paris-Charles de Gaulle hub and the BEPN flight crew training center. Presentations on the Group are also organized within the framework of major events like the Le Bourget Paris Air Show. To become a member of the Shareholders' Club, just send a shareholding certificate proving that you hold at least 50 shares to: [mail.actionnaires@airfranceklm.com](mailto:mail.actionnaires@airfranceklm.com) or by mail to: Air France-KLM Shareholders Relations, AFKL.FI 95737, Roissy-Charles de Gaulle Cedex, France. You can also sign up directly in the Shareholders section of the [airfranceklm.com](http://airfranceklm.com) website. Air France-KLM also has an Individual Shareholders' Committee (ISC) which meets at least four times a year and whose comments on the Group's financial communication enable the management more effectively to identify and take into account the needs of individual shareholders.

**Breakdown of the Air France-KLM share capital at December 31, 2015**



# CONSOLIDATED FINANCIAL STATEMENTS

OF THE GROUP AT DECEMBER 31, 2015

## Consolidated balance sheet

### Assets

In € million	December 31, 2015	December 31, 2014 <sup>(1)</sup>
Goodwill	247	243
Intangible assets	1,018	1,009
Flight equipment	8,743	8,728
Other property, plant and equipment	1,670	1,750
Investments in equity associates	118	139
Pension assets	1,773	1,409
Other financial assets	1,224	1,502
Deferred tax assets	702	1,042
Other non-current assets	295	243
<b>Total non-current assets</b>	<b>15,790</b>	<b>16,065</b>
Assets held for sale	4	3
Other short-term financial assets	967	787
Inventories	532	538
Trade accounts receivables	1,800	1,728
Other current assets	1,138	961
Cash and cash equivalents	3,104	3,159
<b>Total current assets</b>	<b>7,545</b>	<b>7,176</b>
<b>Total assets</b>	<b>23,335</b>	<b>23,241</b>

(1) Restated for the reclassification of items relating to capitalized production, foreign currency effects linked to the revaluation of provisions in foreign currencies and temporary staff expenses.

### Liabilities and equity

In € million	December 31, 2015	December 31, 2014 <sup>(1)</sup>
Issued capital	300	300
Additional paid-in capital	2,971	2,971
Treasury shares	(85)	(86)
Perpetual	600	-
Reserves and retained earnings	(3,561)	(3,877)
<b>Equity attributable to equity holders of Air France-KLM</b>	<b>225</b>	<b>(692)</b>
Non-controlling interests	48	39
<b>Total equity</b>	<b>273</b>	<b>(653)</b>
Pension provisions	1,995	2,119
Other provisions	1,513	1,404
Long-term debt	7,060	7,994
Deferred tax liabilities	11	14
Other non-current liabilities	484	536
<b>Total non-current liabilities</b>	<b>11,063</b>	<b>12,067</b>
Provisions	742	731
Current portion of long-term debt	2,017	1,885
Trade payables	2,395	2,444
Deferred revenue on ticket sales	2,515	2,429
Frequent flyer programs	760	759
Other current liabilities	3,567	3,330
Bank overdrafts	3	249
<b>Total current liabilities</b>	<b>11,999</b>	<b>11,827</b>
<b>Total liabilities</b>	<b>23,062</b>	<b>23,894</b>
<b>Total equity and liabilities</b>	<b>23,335</b>	<b>23,241</b>

(1) Restated for the reclassification of items relating to capitalized production, foreign currency effects linked to the revaluation of provisions in foreign currencies and temporary staff expenses.



## Consolidated income statement

In € million	December 31, 2015	December 31, 2014 <sup>(1)</sup>
Sales	26,059	24,912
Other revenues	3	18
External expenses	(15,682)	(15,171)
Aircraft fuel	(6,183)	(6,629)
Chartering costs	(430)	(438)
Landing fees and en route charges	(1,947)	(1,840)
Catering	(655)	(591)
Handling charges and other operating costs	(1,536)	(1,476)
Aircraft maintenance costs	(2,372)	(1,729)
Commercial and distribution costs	(896)	(870)
Other external expenses	(1,663)	(1,598)
Salaries and related costs	(7,852)	(7,636)
Taxes other than income taxes	(167)	(169)
Other income and expenses	1,113	508
<b>EBITDAR</b>	<b>3,474</b>	<b>2,462</b>
Aircraft operating lease costs	(1,027)	(873)
<b>EBITDA</b>	<b>2,447</b>	<b>1,589</b>
Amortization, depreciation and provisions	(1,631)	(1,718)
Income/(loss) from current operations	816	(129)
Sales of aircraft equipment	(6)	0
Sales of subsidiaries	224	185
Other non-current income and expenses	81	695
Income/(loss) from operating activities	1,115	751
Income from cash and cash equivalents	63	76
Cost of financial debt	(373)	(446)
<b>Net cost of financial debt</b>	<b>(310)</b>	<b>(370)</b>
Foreign exchange gains/(losses), net	(360)	(199)
Change in fair value of financial assets and liabilities	(178)	(92)
Other financial income and expenses	(67)	(68)
Income/(loss) before tax	200	22
Income taxes	(43)	(195)
Net income/(loss) of consolidated companies	157	(173)
Share of profits/(losses) of associates	(30)	(39)
Income/(loss) from continuing operations	127	(212)
Net income/(loss) from discontinued operations	0	(4)
Net income/(loss) for the period	127	(216)
Minority interest	(9)	(9)
Net income/(loss) for the period, Group	118	(225)

(1) Restated for the reclassification of items relating to capitalized production, foreign currency effects linked to the revaluation of provisions in foreign currencies and temporary staff expenses.

## Consolidated statement of cash flows

In € million	December 31, 2015	December 31, 2014 <sup>(1)</sup>
Net income from continuing operations	127	(212)
Net income from discontinued operations	-	(4)
Amortization, depreciation and operating provisions	1,631	1,725
Financial provisions	59	68
Result on disposals of tangible and intangible assets	(224)	(19)
Result on disposals of subsidiaries and associates	(224)	(184)
Derivatives - non-monetary result	91	73
Unrealized foreign exchange gains and losses, net	294	163
Share of (profits) losses of associates	30	39
Deferred taxes	4	158
Impairment	5	114
Other non-monetary items	32	(1,042)
<b>Sub-total</b>	<b>1,825</b>	<b>879</b>
<b>Of which discontinued operations</b>	<b>-</b>	<b>(6)</b>
(Increase)/decrease in inventories	36	(24)
(Increase)/decrease in trade receivables	(55)	98
Increase/ (decrease) in trade payables	(62)	29
Change in other receivables and payables	156	10
Change in working capital from discontinued operations	-	20
<b>Net cash flow from operating activities</b>	<b>1,900</b>	<b>1,012</b>
Acquisition of subsidiaries, of shares in non-controlled entities	(7)	(43)
Purchase of property, plant and equipment and intangible assets	(1,647)	(1,431)
Proceeds on disposal of subsidiaries, of shares in non-controlled entities	342	354
Proceeds on disposal of property, plant and equipment and intangible assets	353	269
Dividends received	5	20
Decrease/(increase) in net investments, more than 3 months	(208)	285
Net cash flow used in investing activities of discontinued operations	-	(20)
<b>Net cash flow used in investing activities</b>	<b>(1,162)</b>	<b>(566)</b>
Capital increase	1	-
Perpetual	600	-
Sale of minority interest without change of control	4	-
Issuance of debt	1,077	1,583
Repayment on debt	(1,549)	(2,024)
Payment of debt resulting from finance lease liabilities	(664)	(565)
New loans	(89)	(10)
Repayment on loans	140	36
Dividends paid	(24)	(3)
<b>Net cash flow from financing activities</b>	<b>(504)</b>	<b>(983)</b>
Effect of exchange rate on cash and cash equivalents and bank overdrafts	(43)	(77)
<b>Change in cash and cash equivalents and bank overdrafts</b>	<b>191</b>	<b>(614)</b>
Cash and cash equivalents and bank overdrafts at beginning of period	2,910	3,518
Cash and cash equivalents and bank overdrafts at end of period	3,101	2,910

(1) Restated for the reclassification of items relating to capitalized production, foreign currency effects linked to the revaluation of provisions in foreign currencies and temporary staff expenses.



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