

March 20<sup>th</sup>, 2013

**Air France-KLM launches an offering of bonds convertible into and/or exchangeable for new and/or existing shares (OCEANE), with a priority subscription period for shareholders, of approximately €480 million, which may be increased up to a maximum amount of approximately €550 million, due February 15<sup>th</sup>, 2023**

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Air France-KLM is launching today an offering of OCEANE due February 15<sup>th</sup>, 2023 (the "Bonds"). The initial offering size will be approximately €480 million and may be increased up to a maximum of approximately €550 million upon the full exercise of an approximately 15% extension clause by Air France-KLM in agreement with the Global Coordinators and Joint Bookrunners, no later than March 25<sup>th</sup>, 2013.

Existing shareholders as of March 19<sup>th</sup>, 2013 will be entitled to subscribe to the offering in priority during a period of three trading days (*délai de priorité*), from March 20<sup>th</sup>, 2013 to March 22<sup>nd</sup>, 2013 (5:00 pm Paris time) inclusive (subject to applicable selling restrictions), for a maximum amount in euros corresponding to their respective stake in Air France-KLM's share capital applied to the maximum issue size, i.e. approximately € 550 million.

The French State has decided to subscribe to this issue during the priority subscription period up to its current 15.9% stake in Air France-KLM's share capital.

The Bonds' nominal value will represent an issue premium of 30% to 35% over Air France-KLM's reference share price<sup>1</sup> on the regulated market of NYSE Euronext in Paris ("**Euronext Paris**").

The Bonds will bear interest at an annual yield comprised between -0.02% to +0.73% over the Reference Rate<sup>2</sup> payable annually in arrear on February 15<sup>th</sup> of each year. For the period from 28 March 2013 to 14 February 2014 (inclusive), the interest will be paid on February 15<sup>th</sup>, 2014 on a *pro rata temporis* basis.

The Bonds will mature and be redeemed in cash at par on February 15<sup>th</sup>, 2023. The Bonds may be early redeemed at the option of Air France-KLM subject to certain conditions, at par plus accrued interest. Bondholders will be entitled to request the redemption of the Bonds on February 15<sup>th</sup>, 2019, at par plus accrued interest.

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<sup>1</sup> The reference share price will be the volume-weighted average price (VWAP) of Air France-KLM's shares quoted on Euronext Paris from the opening of trading on March 25<sup>th</sup>, 2013 until 12:00 noon, Paris time.

<sup>2</sup> The Reference Rate will be the 9.89 years linearly interpolated mid swap rate based on the 9 and 10 year mid swap rates as they will appear on Bloomberg EUSA9 Index and EUSA10 Index pages at 12.00 noon CET on March 25<sup>th</sup>, 2013.

The conversion / exchange ratio of the Bonds will be one new and/or existing Air France-KLM share per Bond (subject, if applicable, to potential adjustments).

The proceeds of the issuance will be used for the Group's general corporate purposes, notably to finance its fleet and allow for the optimisation of its debt repayment schedule. As a reminder, the estimated total amount of the Group's investments for the 2013 financial year is €1.2 billion, and the Group's debt maturing in 2013 is €1.3 billion.

The proceeds of the issuance will be made available to Air France up to 60% and to KLM up to 40%. Air France and KLM will severally and not jointly, irrevocably and unconditionally guarantee the payment of all sums due by Air France-KLM under the Bonds (respectively for 60% and 40% of such guarantee).

Air France-KLM, Air France and KLM are subject to a 90-day lock-up, subject to certain exceptions.

The Bonds will be offered through the combination of a private placement on March 20<sup>th</sup>, 2013 to qualified institutional investors, in France and outside France except in the United States of America, Australia, Canada or Japan, and a public offering in France from March 20<sup>th</sup>, 2013 to March 22<sup>nd</sup>, 2013, 5:00 pm (Paris time).

The final terms of the Bonds are expected to be set on March 25<sup>th</sup>, 2013.

Settlement and delivery of the Bonds are scheduled to take place on March 28<sup>th</sup>, 2013.

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The Air France-KLM's share, listed on Euronext Paris (Compartiment A) and Euronext Amsterdam, is a member of the SBF 120, AEX and Stoxx 600 indices and is entitled to deferred settlement (*Service de Règlement Différé - SRD*).

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## Disclaimer

*This announcement does not, and shall not, in any circumstances constitute a public offering nor an invitation to the public in connection with any offer in any jurisdiction other than France.*

*The Bonds will be offered by way of (i) a private placement in France and outside France (but not in the United States of America, Canada, Australia or Japan) to persons referred to in Article L.411-2-II of the French Monetary and Financial Code and (ii) through a public offering (offre au public) in France only after the granting of a "visa" by the French Autorité des marchés financiers on the prospectus relating to the issuance and the admission to trading on the Euronext Paris market of the Bonds.*

*With respect to the member States of the European Economic Area, other than France, which have implemented the Prospectus Directive (each, a "Relevant Member State"), no action has been undertaken or will be undertaken to make an offer to the public of the Bonds requiring a publication of a prospectus in any Relevant Member State. As a result, the Bonds may only be offered in Relevant Member States:*

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;*
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in each Relevant Member State; or*
- (a) in any other circumstances falling within article 3(2) of the Prospectus Directive.*

*For the purposes of this paragraph, (i) the notion of an "offer to the public of Bonds" in each of the Relevant Member States, means any communication, to individuals or legal entities, in any form and by any means, of sufficient information on the terms and conditions of the offering and on the Bonds to be offered, thereby enabling an investor to decide to purchase or subscribe for the Bonds, as the same may be varied in that Relevant Member State (ii) the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure, in the Relevant Member State and (iii) the expression "2010 PD Amending Directive" means Directive 2010/73/EU.*

*This selling restriction comes in addition to other selling restrictions applicable in the other Member States.*

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