



KLM

Focus on the future

The Hague, 28 October 2005

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Topics to be discussed

- Ambition
- Drive
- Structure and status
- Competitive battle
- Threats
- North Atlantic thrills
- What do we need

Ambition: “profitable growth”

- A truly European airline
- Reach the synergies between Air France and KLM
- Secure infrastructural and environmental capacity
- Develop SkyTeam
- Fit to compete with LCC and carriers from emerging markets (CEE / Middle East / Far East) and increase presence in new economies

Customer driven in a competitive setting

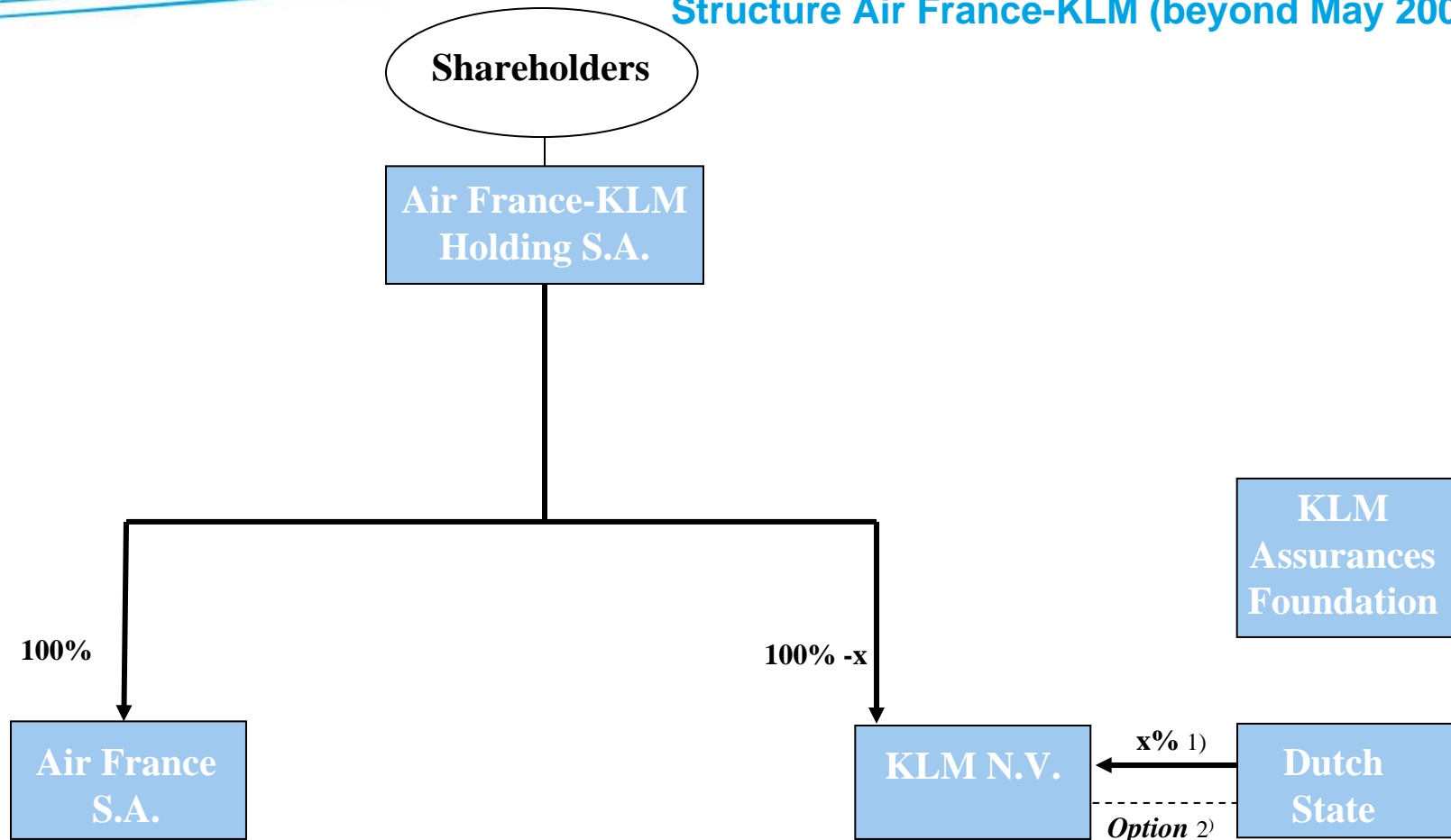
Passengers:

- more frequencies
- worldwide portfolio of direct destinations

Cargo:

- high-frequent portfolio of worldwide destinations
- good landside accessibility
- quick and efficient logistics and customs procedures

Structure Air France-KLM (beyond May 2007)



- 1) proportionate to reduction of French State share in AFKL Holding
- 2) Option of the Dutch State to acquire 51% of KLM in case of airpolitical problems (through issuance of Pref B shares)

Air France - KLM fiscal year 04-05 results

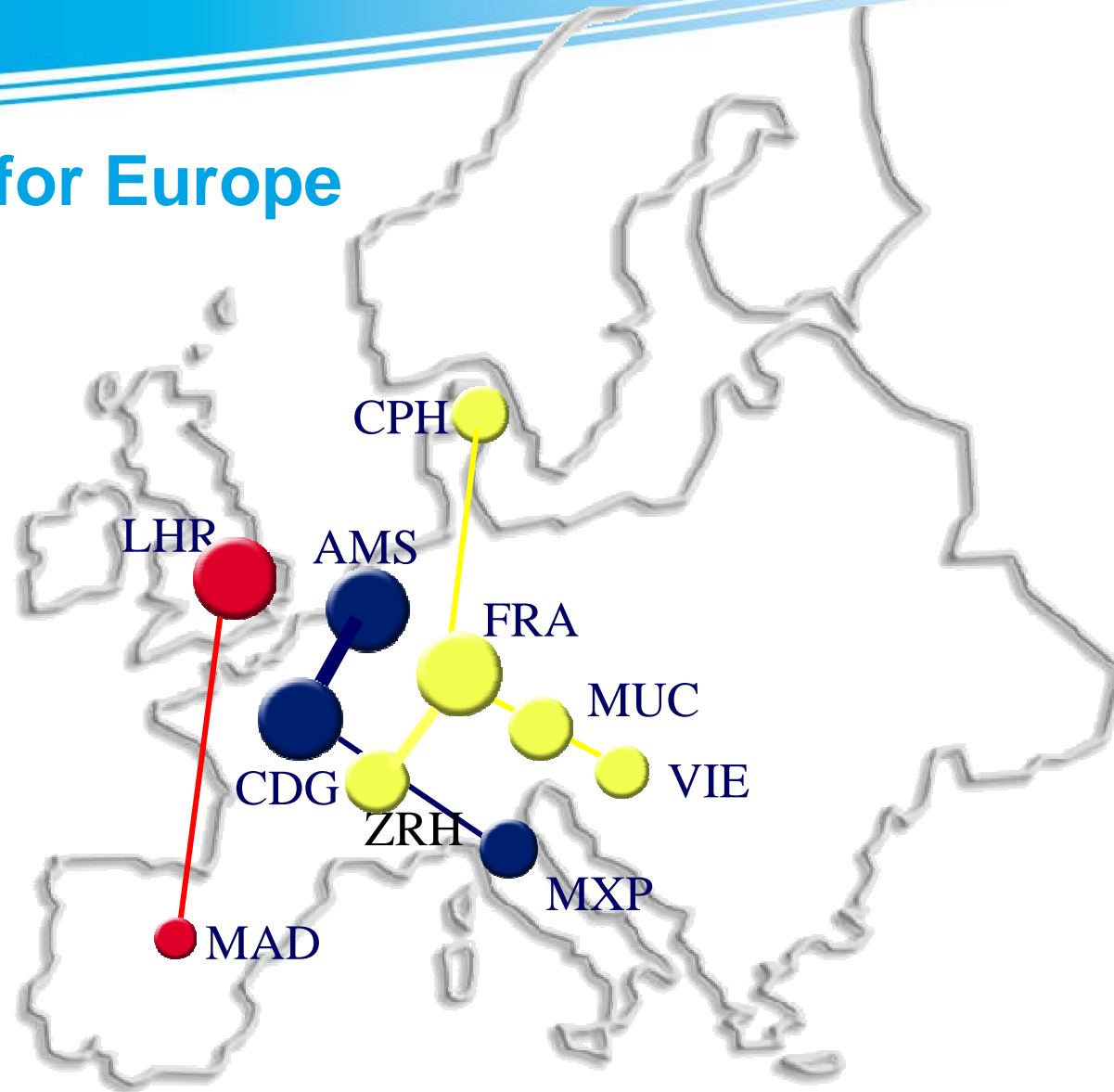
2004-05 (in million euros)	Year to March 31		
	2005 (1) (2)	2004 ⁽¹⁾ pro forma	Change
Turnover	19,078	17,782	+7.3%
Gross operating income before operating leases	2,873	2,716	+5.8%
Operating income before aircraft disposals	489	405	+20.7%
Pre-tax income	455	341	+33.4%
Net income (group share)	351	292	+20.2%
Net earnings per share (in euros)	1.30	1.08	+20.4%

(1) Air France Group consolidated over 12 months (April-March) and the KLM Group over 11 months (May-March)

(2) Servair consolidated over 15 months (January 2004-March 2005)

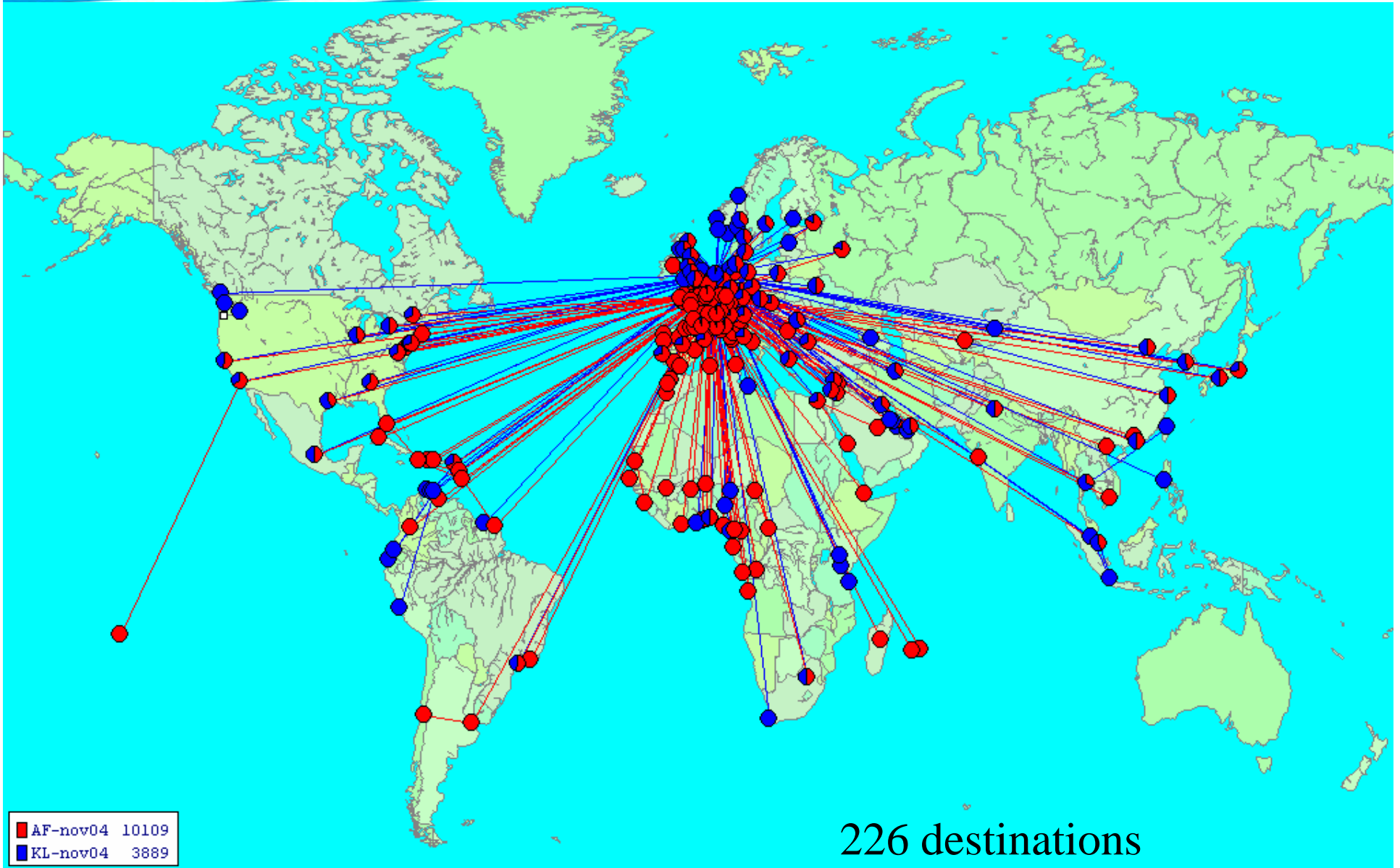
The Battle for Europe

- SkyTeam
- oneworld
- Star Alliance



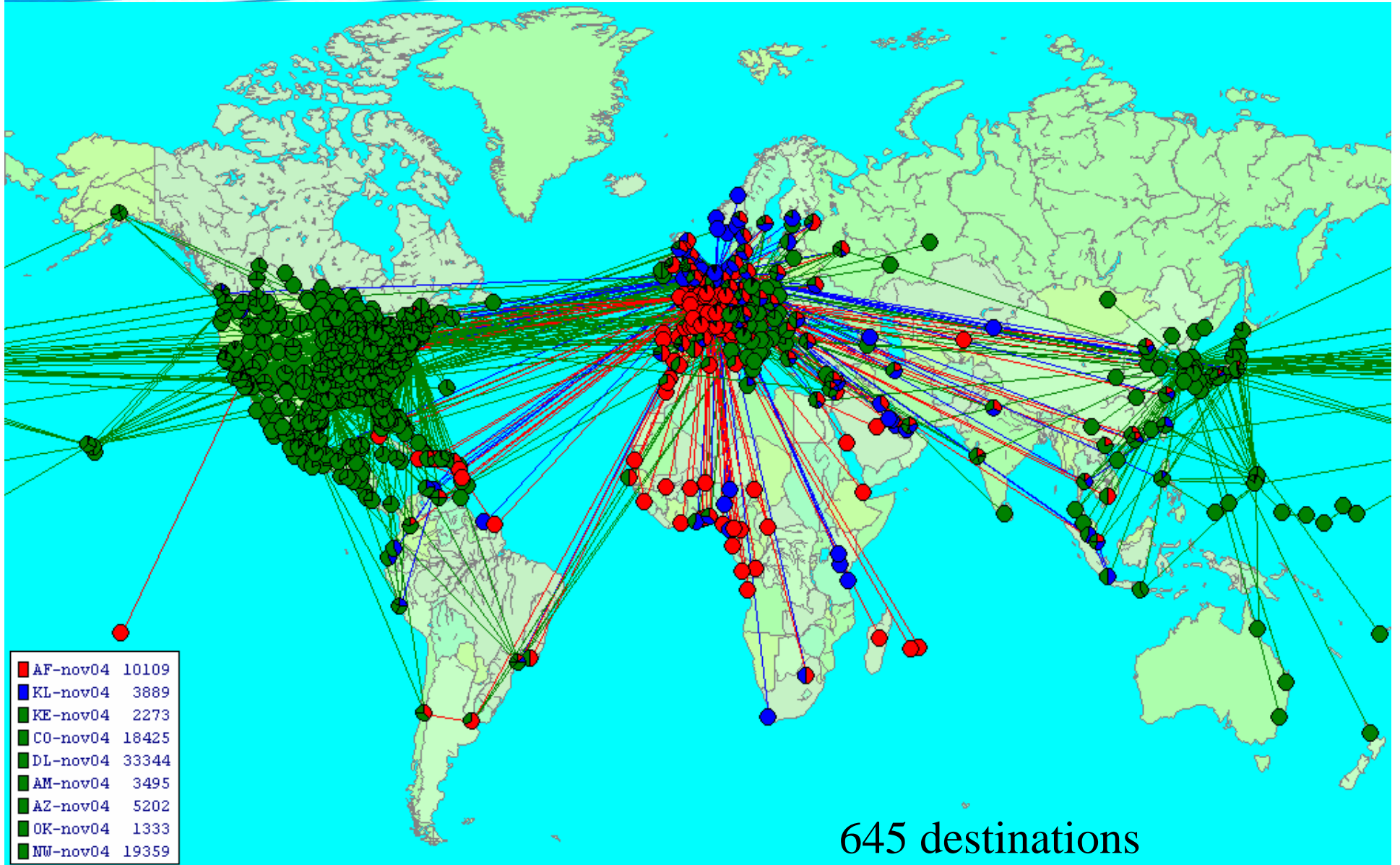


KLM and Air France





SkyTeam



Threats

- Fuel: rising fuel costs Air France-KLM (04/05 + 33.3% to €2.65 mld, Q1 05/06 y-o-y + 32.2% to €809 mln)
- Ticket tax for development aid
- Counter terrorism- and security measures (cockpit doors, APIS / PNR, Sky-Marshals)
- Insurance (dirty bombs)
- Passenger rights (DBC)
- Monopolistic service providers (airports, ANSP, etc.)
- Distribution (e-ticketing, Self Service Check-in)

North Atlantic thrills

- Airline industry in Chapter 11
- Further consolidation in US unavoidable: which combinations will emerge?
- ATI application of DL / NW / AF / KL / AZ / OK
- EU-US Open Aviation Area negotiations
- Distortion of level playing field (Chapter 11, security, pensions)

What do we need

- Growth of infrastructural and environmental capacity
- Fair competition vis-à-vis competitors at other airports (“level playing field”)
- High quality of service providers and competitive level of tariffs (“supply chain” / “value chain”)
- Airport to accommodate transfer traffic
- European solutions e.g. Single European Sky, ETS, EU-US, etc