



a unique voice. Yours.

AirFrance-KLM Cargo strategy

- Playing our part in a global arena -

ACN – 5 October 2006

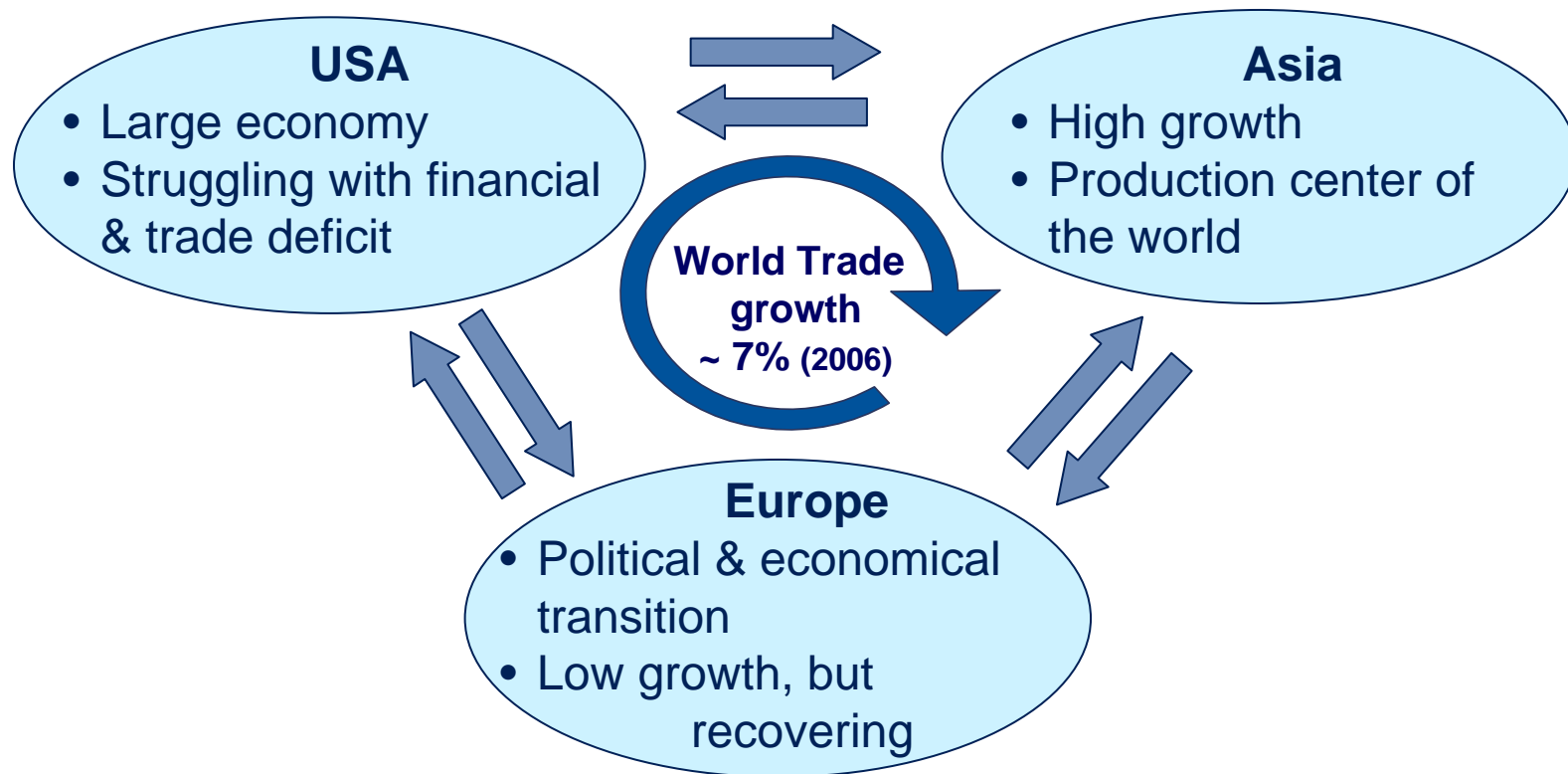
Michael Wisbrun

Chairman of Joint Cargo Management Committee

Air France – KLM Cargo



Global context

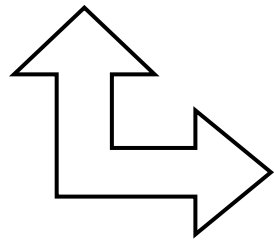


Regional economic developments, increasingly connected into a global system, via global networks & supply chains

European context

Europe:

- A strong unified Europe to face global competition
- Creating “European Champions”
- European regions competing for economic activities
- Gateways and logistic players are key assets for economic development



The Netherlands, Gateway to Europe:

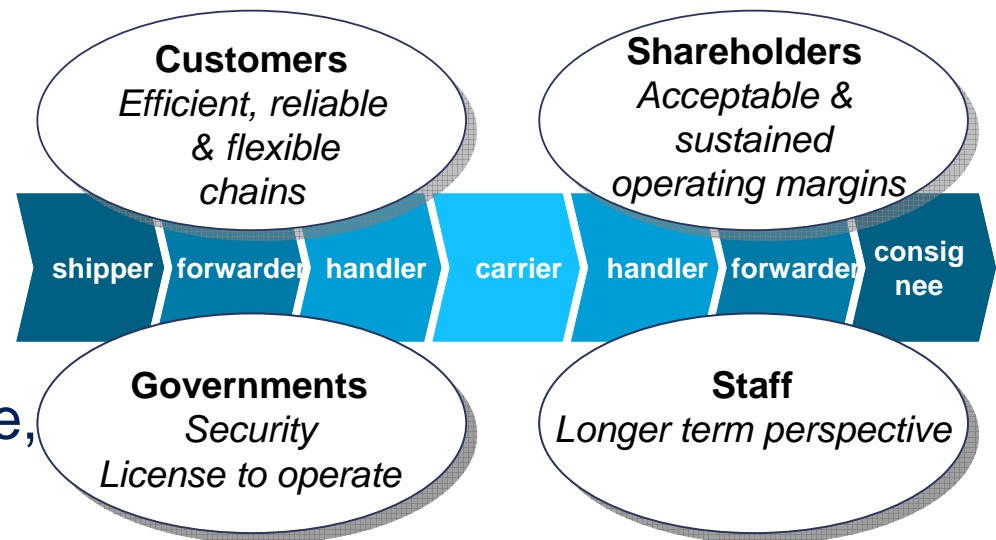
- Strong mainports
- Multimodal infrastructure
- Strong Logistics Players
- Growth potential



Schiphol is a key asset: Mainport and Cargo Gateway

Industry context

- Increasing demands from **shippers** on reliability and transparency of their supply chains
- World wide consolidation of **forwarders**, increasing scale, coverage and buying power
- **Carriers** are in turbulence
 - USA: restructuring
 - Europe: consolidation
 - Asia: high growth
 - Middle East: rapid expansion



*Chain approach is essential,
fragmentation is a key issue*

Creating a European champion

Integrating AirFrance-KLM Cargo:

- No 1 carrier of international airfreight
- No 1 on our “home market”
- 2nd on all relevant “foreign” markets, challenger and 1st alternative to the home carrier
- Home bases Paris and Amsterdam in top 4 of European Cargo Hub’s

With a strong position for cooperation:

- Based on long term shared interest
- Building partnerships with large customers
- Skyteam Cargo for intercontinental cooperation
- Cooperation for hub development

AFKL Cargo, an asset for Dutch competitiveness

An agenda at multiple levels

AirFrance-KLM Cargo:

- Building global competitiveness

SkyTeam Cargo:

- Expanding our global network

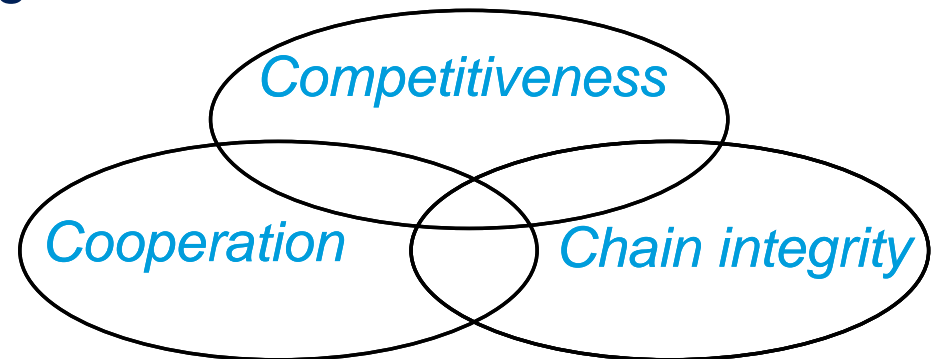
Industry (IATA):

- Driving for Chain approach

Homebase development:

- Strengthening gateway positions

Main challenges for the logistic industry



A strong vehicle for innovation

Work in progress

AirFrance-KLM Cargo: *building global competitiveness*

- Integrating the Cargo Business
- One face to the customer (44 joint offices)
- Q1 06/07 results: 32 mln Euro operating income (+45%)
- Further development of AF-KL in China
- 40-50 mln Euro IT investment
- Infra capacity development at Schiphol

SkyTeam Cargo: *expanding our global network*

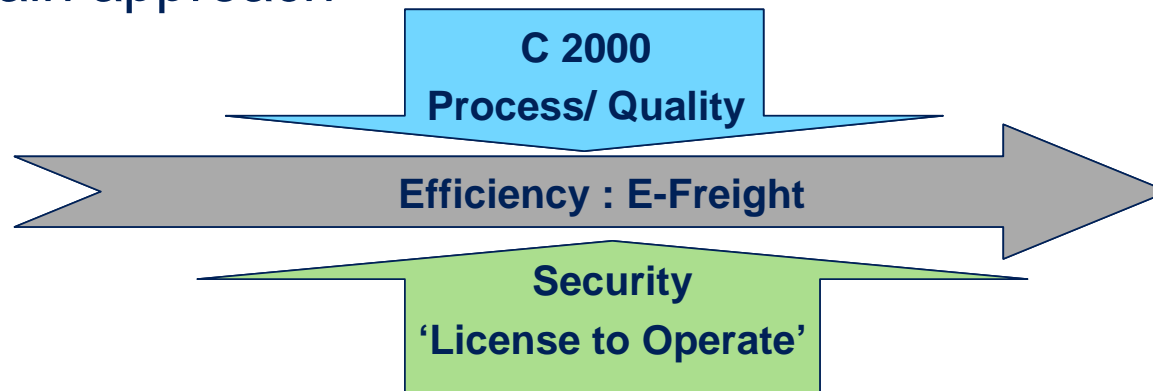
- Expansion
- Common product portfolio
- Joint handling and joint purchasing

En route to smart leadership

Work in progress

Industry (IATA): driving for chain approach

- E-freight development **- Pilot at SPL**
 - Efficiency at the interfaces
- Cargo 2000 **- Going for 100%**
 - Creating transparency
- Security **- Industry Strategy paper**
 - Chain approach



Chain integrity will be a decisive factor

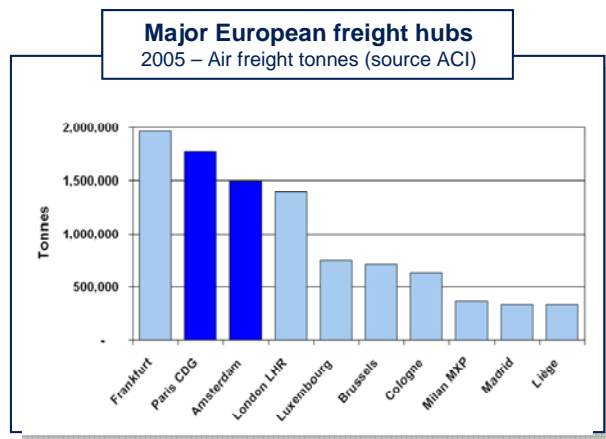
Work in progress

Homebase development: *Strengthening gateway positions*

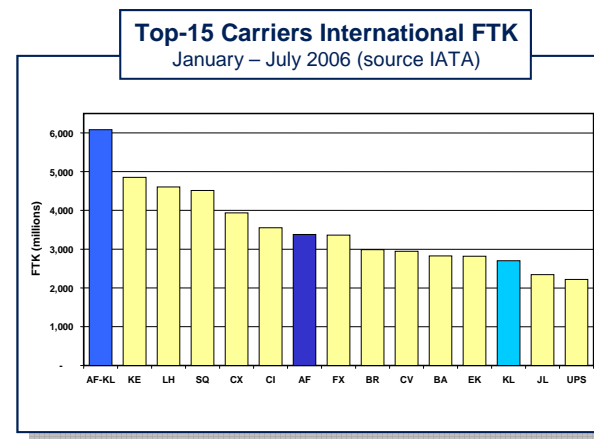
➤ French-Dutch cooperation:

- Modernizing customs practices
- Harmonizing European security norms & practices
- Further liberalization of Air Cargo Markets
- Coordinated development of CDG and SPL

SPL / CDG



Air France/KLM Cargo



Let's focus on the potential

Developing Schiphol some important notions

- Schiphol is not only an airport but also a logistic hub
 - We should also consider what is in the flights
- Passenger- and cargo business reinforce each other
- Cargo business creates economic value
 - Eur 1,5 mld, 0,4% BPP, 27.000 jobs
 - 4-7% slot capacity, 20% of economic value SPL
- Safety, security and reliability are relevant issues
 - Requiring attention and effort
 - Providing opportunities for innovation and competitiveness

Let's manage perceptions ...

Developing Schiphol the Smart Air Cargo Gateway to Europe



- Revitalizing Dutch Gateway concept
 - Positioning Schiphol as a Cargo hub
 - Strengthening the “smart cargo hub” concept
 - Supporting regional developments
-
- *Werkstad A4 development*
 - *Rail connection*
 - *N201*
 - *Documentloos Goederen Volg Systeem*
 - *Customs, Inspections and Security*
 - *Etc.*
 - *Innovation projects Pieken in de Delta*
 - *Commissie Regionaal Overleg Schiphol*
 - *Regioplatform geluidshinder*
 - *Logistic cluster in Noordvleugel development*
 - *Mainport Inc.*
 - *Etc.*

Let's develop a well coordinated approach

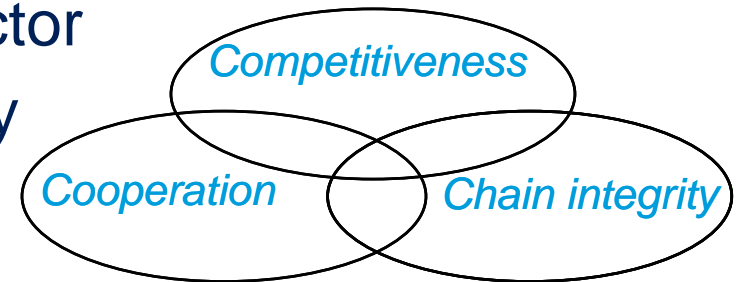
Air France-KLM Cargo: a vehicle for innovation



a unique voice.Yours.

- We face a global arena
- Chain integrity will be a decisive factor
- Fragmentation is our biggest enemy
- Global competition is about smart cooperation
- Schiphol is well positioned as part of Netherlands Gateway to Europe
- Let's develop a well coordinated approach

Main challenges for the logistic industry



Let's innovate, to keep Schiphol in the Top League

The end



Thank you.

