

**FIRST QUARTER 2019 RESULTS**  
**Unit revenue pressure as anticipated, operational performance improvement**
**FIRST QUARTER 2019**

- Passenger growth +3% and load factor -0.3 point.
- Unit revenue down -1.9% due to Easter shift and substantial industry capacity growth in the winter.
- Unit costs decrease by -0.4% at constant currency and fuel.
- Operating result at -303 million euros, with unit cost improvement more than offset by unit revenue, fuel bill and currency headwinds.
- Further reduction in Group net debt, down 403 million euros to 5.8 billion euros and Net debt/EBITDA ratio at 1.4x stable compared to 31 December 2018.

**OUTLOOK 2019**

- Long Haul industry capacity to / from Europe for the summer 2019 is projected to grow at a slower pace compared to last year, particularly to Middle East, North America and Asia.
- Based on current data for Passenger network:
  - ✓ Long-haul forward booking load factors from May to September are on average ahead compared to last year.
  - ✓ Network passenger unit revenues at constant currency expected to slightly improve compared to last year for the second quarter 2019, with positive long haul unit revenues largely offset by negative point-to-point unit revenues.
- Full year guidance confirmed:
  - ✓ Unit cost (CASK) reduction between -1% and 0% at constant currency and fuel price,
  - ✓ Net debt/EBITDA ratio below 1.5x.

*Benjamin Smith, Air France-KLM Group CEO said: "As anticipated, the first quarter has been challenging for the European airline industry including the Air France-KLM Group, as substantial industry capacity growth in the off-peak business period led to unit revenue pressure. In this context, the Group achieved further improvement in unit cost while reaping the benefits of its efforts to strengthen its positioning, as evidenced by the first signs of progress in operational performance at Air France, notably in term of "Net Promoter Score" and punctuality. These elements, together with a more benign industry supply outlook for the summer, lead us to expect improving trends in the rest of the year and to confirm our full-year guidance. We aim to have a capital market day planned in November 2019 to further outline the Group strategic directions."*

Air France-KLM Group	First quarter	
	2019	Change
Passengers (thousands)	22,674	+3.0%
Passenger Unit revenue per ASK <sup>1</sup> (€ cts)	6.17	-1.9%
Operating result (€m)	-303	-185
Net income – Group part (€m)	-320	-51
Adj. operating free cash flow (€m)	241	+99
Net debt at end of period (€m)	5,761	-403

<sup>1</sup> Passenger unit revenue is the aggregate of Passenger network and Transavia unit revenues; change at constant currency

## First quarter 2019 business review

### Network: Operating result impacted by unit revenue pressure and fuel bill increase

Network	First quarter		
	2019	Change	Change constant currency
Capacity (ASK m)	69,759	+2.3%	
Total revenues (€m)	5,175	+1.7%	+1.0%
Scheduled revenues (€m)	4,893	+1.2%	+0.4%
Operating result (€m)	-279	-193	-146

First quarter 2019 combined Passenger and Cargo revenues increased by 1.0% at constant currency to 5.2 billion euros, for a capacity growth of 2.3%. The operating result amounted to -279 million euros, a 146 million euros decrease at constant currency compared to last year, mostly due to unit revenue pressure and fuel bill increase as anticipated.

### Passenger network: Resilient unit revenues for long-haul and premium and decline in short- and medium-haul

Passenger network	First quarter		
	2019	Change	Change constant currency
Passengers (thousands)	19,745	+2.4%	
Capacity (ASK m)	69,759	+2.3%	
Traffic (RPK m)	60,221	+1.9%	
Load factor	86.3%	-0.4 pt	
Total passenger revenues (€m)	4,628	+1.8%	+1.3%
Scheduled passenger revenues (€m)	4,420	+1.4%	+0.7%
Unit revenue per ASK (€ cts)	6.34	-0.9%	-1.6%

First quarter 2019 capacity increased by 2.3%, mainly driven by the South American, North Atlantic and Asian networks with respective growth of 9.8%, 5.3% and 1.8%.

The passenger network experienced a supply – demand imbalance putting pressure on unit revenues. Revenue management anticipated to price competitive trends in the market and managed to contain impact on unit revenues to -1.6% at constant currency compared to last year.

- The North America network experienced competitive pricing sensitivity and posted a 2.5% unit revenue decrease, but after a strong unit revenue performance in the previous year (+4.9%).
- The 9.8% additional capacity on South America was driven by growth on the Andean routes and the opening of the Fortaleza service in April 2018. Ongoing pressure persists due to economic difficulties in Argentina and the international demand recovery of the Brazilian market progressing slower than anticipated.
- The Asian network's solid performance trend continues, with first quarter unit revenue up 1.7%, driven in particular by the Japanese network.
- Caribbean & Indian Ocean network posted a strong result with unit revenues of +4.3%, driven by strong leisure demand.
- Africa & Middle East network was relatively stable compared to last year.
- The medium-haul network saw a unit revenue decrease of 2.4%, due to substantial intra-European industry capacity growth.

### Cargo network: Unit revenues impacted by slowdown of air freight market

Cargo network	First quarter		
	2019	Change	Change constant currency
Tons (thousands)	270	+0.0%	
Capacity (ATK m)	3,462	+1.4%	
Traffic (RTK m)	2,046	+0.5%	
Load factor	59.1%	-0.5 pt	
Total Cargo revenues (€m)	547	+0.7%	-1.3%
Scheduled cargo revenues (€m)	473	-0.8%	-2.8%
Unit revenue per ATK (€ cts )	13.67	-2.0%	-4.0%

A slowdown of volumes in the first quarter is visible in the whole air freight market, due to economic slowdown, political uncertainties and trade disputes. This has put pressure on freight rates, resulting in a unit revenue development of -4.0% at constant currency. Several network rationalization measures have been implemented during the quarter to counterbalance the negative trend. A slight capacity increase has been offset by this unit revenue decrease, resulting in a decline of revenues by 1.3% at constant currency.

### Transavia: Strong capacity growth, but unit revenue decline primarily explained by Easter shift

Transavia	First quarter	
	2019	Change
Passengers (thousands)	2,929	+7.4%
Capacity (ASK m)	5,826	+11.4%
Traffic (RPK m)	5,368	+11.7%
Load factor	92.1%	+0.2 pt
Total passenger revenues (€m)	249	+6.0%
Unit revenue per ASK (€ cts)	4.15	-3.5%
Unit cost per ASK (€ cts)	5.37	-0.8%
Operating result (€m)	-71	-13

First quarter 2019 saw the launch of several new routes and a strong capacity growth of 11.4%. Unit revenues decreased by 3.5% compared to last year, primarily explained by Easter shift and an increase of stage length of the route network. The unit cost improved with -0.8% and -1.7% at constant fuel and currency.

The first quarter 2019 operating result stood at -71 million euros, 13 million euros lower compared to last year.

## Maintenance: Strong third party revenue growth and margin improvement

Maintenance	First quarter		
	2019	Change	Change constant currency
Total revenues (€m)	1,170	+8.7%	
Third party revenues (€m)	554	+17.6%	+9.9%
Operating result (€m)	47	20	16
Operating margin (%)	4.0%	+1.5 pt	+1.3 pt

Maintenance revenues increased compared to last year with third-party revenues up by 9.9% at constant currency, a continuation of the growth trend realized by the inflow of new contracts. The Maintenance order book stood at 11.5 billion dollars at 31 March 2019, an increase of 0.1 billion dollars compared to 31 December 2018.

The operating margin expressed as a percentage of total revenues stood at 4.0%, an increase of 1.3 point at constant currency compared to last year, explained by the focus on margin quality in both engine and component businesses.

## Air France-KLM Group: Unit cost improvement more than offset by unit revenue, fuel and currency headwinds

	First quarter		
	2019	Change	Change constant currency
Capacity (ASK m)	75,586	+3.0%	
Traffic (RPK m)	65,589	+2.6%	
Passenger unit revenue per ASK (€ cts)	6.17	-1.2%	-1.9%
Group unit revenue per ASK (€ cts)	6.79	-1.4%	-2.2%
Group unit cost per ASK (€ cts) at constant fuel	7.19	+1.2%	-0.4%
Revenues (€m)	5,986	+3.1%	+2.0%
EBITDA (€m)	424	-31.7%	-26.3%
Operating result (€m)	-303	-185	-142
Operating margin (%)	-5.1%	-3.0 pt	-2.3 pt
Net income - Group part (€m)	-320	-51	

In the first quarter 2019, the Air France-KLM Group posted an operating result of -303 million euros, down 185 million euros compared to last year, which was impacted by the Air France strike for -75 million euros.

The unit revenue at constant currency of -2.2% compared to last year had a negative impact of 115 million euros on the operating result.

The fuel bill including hedging amounted to 1,201 million euros for first quarter 2019, up 140 million euros, of which 44 million euros is explained by an increase in the fuel price and a volume effect of 34 million euros for the capacity increase compared to last year. The result of the fuel hedges has been a gain of 35 million euros.

Currencies had a positive 65 million euro impact on revenues and a negative 108 million euro effect on costs including currency hedging. The net impact of currencies thus amounted to a negative 43 million euros for first quarter 2019.

### Unit costs in line with full year guidance

On a constant currency and fuel price basis, unit costs were down -0.4% in the first quarter 2019, driven in particular by the decrease in customer compensations compared to first quarter 2018 that was marked by the strikes in Air France

However this was partly offset by KLM unit cost which were impacted by a 1.3% lower than planned capacity due to weather and technical reasons.

Net employee costs were up 6.4% in the quarter compared to last year, explained by additional hirings for the capacity growth, the impact of the implemented wage agreements for Air France and KLM staff and the last year strike effect.

Compared to last year, the average number of FTEs increased by 1,050, including +450 Pilots and +50 Cabin Crew in response to the capacity growth. However, productivity measured in ASK per FTE increased by 1.7% in the first quarter 2019 while capacity increased by 3.0%.

## Positive operating free cash flow and net debt reduction

In € million	First quarter	
	2019	Change
Cash flow before change in WCR and Voluntary Departure Plans, continuing operations	368	-144
Cash out related to Voluntary Departure Plans	-4	+18
Change in Working Capital Requirement (WCR)	806	-1
<b>Net cash flow from operating activities</b>	<b>1,170</b>	<b>-127</b>
Net investments before sale & lease-back*	-678	+235
<b>Operating free cash flow</b>	<b>492</b>	<b>+108</b>
Reduction of lease debt	-251	-9
<b>Adjusted operating free cash flow **</b>	<b>241</b>	<b>99</b>

\* Sum of 'Purchase of property, plant and equipment and intangible assets' and 'Proceeds on disposal of property, plant and equipment and intangible assets' as presented in the consolidated cash flow statement.

\*\* The "Adjusted operating free cash" is operating free cash flow with deduction of the repayment of lease debt.

## Adjusted operating free cash flow positive

The Group generated positive adjusted operating free cash flow of 241 million euros, an increase of 99 million euros compared to last year, mainly explained by a lower capex in the first quarter 2019 due to a year-over-year shift in investment timing pattern.

## Leverage stable

In € million	31 Mar 2019	31 Dec 2018
Net debt	5,761	6,164
EBITDA <i>trailing 12 months</i>	4,020	4,217
<b>Net debt/EBITDA <i>trailing 12 months</i></b>	<b>1.4x</b>	<b>1.5x</b>

The Group reduced its net debt to 5,761 million euros at 31 March 2019 versus 6,164 million euros at 31 December 2018. This 403 million euro reduction was driven by operating free cash flow generation and the repayment of lease debt.

The net debt/EBITDA ratio stood at 1.4x at 31 March 2019, a decrease of 0.03 point compared to 31 December 2018, explained by the reduction of the net debt.

## Both airlines impacted by unit revenue pressure and fuel bill increase

	First quarter	
	2019	Change
<b>Air France Group</b>		
Operating result (€m)	-256	-78
Operating margin (%)	-6.9%	-1.9 pt
<b>KLM Group</b>		
Operating result (€m)	-56	-116
Operating margin (%)	-2.3%	-4.5 pt

## Outlook

The global context remains uncertain given the current geopolitical environment and fuel price trends. For the full year 2019, the Air France-KLM Group plans to selectively grow capacity for the Passenger network by 2% to 3% compared to 2018. Transavia will continue to grow at a sustained pace of 9% to 11%.

Long Haul industry capacity to / from Europe for the summer 2019 is projected to grow at a slower pace compared to last year, particularly to Middle East, North America and Asia.

Based on the current data for the Passenger network:

- ✓ Long-haul forward booking load factors from May to September are on average ahead compared to last year.
- ✓ Network passenger unit revenues at constant currency expected to slightly improve compared to last year for the second quarter 2019, with positive long haul unit revenues largely offset by negative point-to-point unit revenues.

Full year guidance confirmed:

- ✓ The Group will pursue initiatives to reduce unit costs<sup>1</sup>, with a targeted reduction for 2019 of between -1% to 0% at constant currency and fuel price.
- ✓ The 2019 fuel bill is expected to increase by 650 million euros compared to 2018 to 5.6 billion euros<sup>2</sup>, based on the forward curve of 26 April 2019.
- ✓ The Group's capital expenditures are planned at the level of 3.2 billion euros for the year 2019 and the Group is targeting a Net debt/EBITDA ratio below 1.5x.

\*\*\*\*\*

The first Quarter 2019 accounts are not audited by the Statutory Auditors.

The results presentation is available at [www.airfranceklm.com](http://www.airfranceklm.com) on 3 May 2019 from 7:15 am CET.

A conference call hosted by Mr Gagey (CFO) will be held on 3 May 2019 at 08.30.

To connect to the conference call, please dial:

France: Local +33 (0)1 76 77 22 57  
Netherlands: Local +31 (0)20 703 8261  
UK: Local +44 (0)330 336 9411  
US: Local +1 720-543-0206

Confirmation code: 3069097

To listen to the audio-replay of the conference call, please dial:

- France: +33 (0) 1 70 48 00 94
- Netherlands: +31 (0) 20 721 8903
- US: +1 719-457-0820

Confirmation code: 3069097

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### Press

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<sup>1</sup> To align with industry practice, the metric EASK will not be used anymore as of 2019.

New Unit Cost definition will be: Net cost per Available Seat Kilometer at constant fuel and currency

The impact of this change for the unit cost is -0.1pt for 2019

<sup>2</sup> Based on the forward curves of 26 April 2019 average Brent price of USD 69, average jet fuel price of USD 710 per ton including into plane costs. Assuming exchange rate of EUR/USD of 1.13 in 2019

## Income Statement

<i>In millions euros</i>	First quarter		
	2019	2018	Change
<b>Sales</b>	<b>5,986</b>	<b>5,806</b>	<b>+3.1%</b>
Other revenues	0	0	-100.0%
<b>Revenues</b>	<b>5,986</b>	<b>5,806</b>	<b>+3.1%</b>
Aircraft fuel	-1,201	-1,061	+13.2%
Chartering costs	-134	-130	+3.1%
Landing fees and en-route charges	-434	-427	+1.6%
Catering	-187	-182	+2.7%
Handling charges and other operating costs	-454	-476	-4.6%
Aircraft maintenance costs	-652	-617	+5.7%
Commercial and distribution costs	-250	-232	+7.8%
Other external expenses	-439	-394	+11.4%
Salaries and related costs	-1,972	-1,853	+6.4%
Taxes other than income taxes	-52	-49	+6.1%
Other income and expenses	213	236	-9.7%
<b>EBITDA</b>	<b>424</b>	<b>621</b>	<b>-31.7%</b>
Amortization, depreciation and provisions	-727	-739	-1.6%
<b>Income from current operations</b>	<b>-303</b>	<b>-118</b>	<b>+156.8%</b>
Sales of aircraft equipment	13	-4	<i>nm</i>
Other non-current income and expenses	5	-43	<i>nm</i>
<b>Income from operating activities</b>	<b>-285</b>	<b>-165</b>	<b>+72.7%</b>
Cost of financial debt	-106	-114	-7.0%
Income from cash and cash equivalent	12	10	+20.0%
<b>Net cost of financial debt</b>	<b>-94</b>	<b>-104</b>	<b>-9.6%</b>
Other financial income and expenses	-71	12	<i>nm</i>
<b>Income before tax</b>	<b>-450</b>	<b>-257</b>	<b>+75.1%</b>
Income taxes	128	-6	<i>nm</i>
<b>Net income of consolidated companies</b>	<b>-322</b>	<b>-263</b>	<b>+22.4%</b>
Share of profits (losses) of associates	2	-6	<i>nm</i>
<b>Income from continuing operations</b>	<b>-320</b>	<b>-269</b>	<b>+19.0%</b>
Net income from discontinued operations	0	0	<i>N/A</i>
<b>Net income for the period</b>	<b>-320</b>	<b>-269</b>	<b>+19.0%</b>
Non-controlling interest	0	0	<i>N/A</i>
<b>Net income for the period – Group part</b>	<b>-320</b>	<b>-269</b>	<b>+19.0%</b>

## Consolidated Balance Sheet

<b>Assets</b>		
<i>In million euros</i>	<b>31 Mar 2019</b>	<b>31 Dec 2018</b>
Goodwill	217	217
Intangible assets	1,267	1,194
Flight equipment	10,279	10,165
Other property, plant and equipment	1,504	1,503
Right-of-use assets	5,051	5,243
Investments in equity associates	306	311
Pension assets	533	331
Other financial assets	1,542	1,487
Deferred tax assets	520	544
Other non-current assets	301	264
<b>Total non-current assets</b>	<b>21,520</b>	<b>21,259</b>
Assets held for sale	0	0
Other short-term financial assets	302	325
Inventories	686	633
Trade receivables	2,592	2,191
Other current assets	1,322	1,062
Cash and cash equivalents	4,162	3,585
<b>Total current assets</b>	<b>9,064</b>	<b>7,796</b>
<b>Total assets</b>	<b>30,584</b>	<b>29,055</b>

<b>Liabilities and equity</b>		
<i>In million euros</i>	<b>31 Mar 2019</b>	<b>31 Dec 2018</b>
Issued capital	429	429
Additional paid-in capital	4,139	4,139
Treasury shares	-67	-67
Perpetual	403	403
Reserves and retained earnings	-2,984	-3,051
<b>Equity attributable to equity holders of Air France-KLM</b>	<b>1,920</b>	<b>1,853</b>
Non-controlling interests	13	12
<b>Total Equity</b>	<b>1,933</b>	<b>1,865</b>
Pension provisions	2,186	2,098
Return obligation liability and other provisions	3,126	3,035
Financial debt	6,014	5,733
Lease debt	3,426	3,546
Deferred tax liabilities	48	4
Other non-current liabilities	289	459
<b>Total non-current liabilities</b>	<b>15,089</b>	<b>14,875</b>
Return obligation liability and other provisions	509	492
Current portion of financial debt	815	826
Current portion of lease debt	989	988
Trade payables	2,463	2,460
Deferred revenue on ticket sales	4,298	3,153
Frequent flyer program	836	844
Other current liabilities	3,616	3,547
Bank overdrafts	36	5
<b>Total current liabilities</b>	<b>13,562</b>	<b>12,315</b>
<b>Total equity and liabilities</b>	<b>30,584</b>	<b>29,055</b>

## Statement of consolidated Cash Flows from 1<sup>st</sup> January until 31<sup>st</sup> March 2019

<i>In million euros</i>	<b>31 Mar 2019</b>	<b>31 Mar 2018</b>
Net income from continuing operations	-320	-269
Net income from discontinued operations	0	0
Amortization, depreciation and operating provisions	727	739
Financial provisions	43	26
Loss (gain) on disposals of tangible and intangible assets	-20	4
Loss (gain) on disposals of subsidiaries and associates	0	0
Derivatives – non monetary result	27	13
Unrealized foreign exchange gains and losses, net	64	-24
Other non-monetary items	-21	-6
Share of (profits) losses of associates	-2	6
Deferred taxes	-134	1
<b>Financial Capacity</b>	<b>364</b>	<b>490</b>
<i>Of which discontinued operations</i>	<i>0</i>	<i>0</i>
(Increase) / decrease in inventories	-60	-13
(Increase) / decrease in trade receivables	-399	-310
Increase / (decrease) in trade payables	-34	64
Change in other receivables and payables	1,299	1,066
<b>Change in working capital requirements</b>	<b>806</b>	<b>807</b>
<i>Change in working capital from discontinued operations</i>	<i>0</i>	<i>0</i>
<b>Net cash flow from operating activities</b>	<b>1,170</b>	<b>1,297</b>
Purchase of property, plant and equipment and intangible assets	-718	-939
Proceeds on disposal of property, plant and equipment and intangible assets	40	26
Proceeds on disposal of subsidiaries, of shares in non-controlled entities	4	3
Acquisition of subsidiaries, of shares in non-controlled entities	0	-8
Dividends received	3	3
Decrease (increase) in net investments, more than 3 months	22	-12
<i>Net cash flow used in investing activities of discontinued operations</i>	<i>0</i>	<i>0</i>
<b>Net cash flow used in investing activities</b>	<b>-649</b>	<b>-927</b>
Increase of capital	0	0
Perpetual (including premium)	0	0
Issuance of debt	508	24
Repayment on financial debt	-238	-781
Payments on lease debt	-251	-242
Decrease (increase) in loans, net	-1	34
Dividends and coupons on perpetual paid	0	0
<i>Net cash flow used in financing activities of discontinued operations</i>	<i>0</i>	<i>0</i>
<b>Net cash flow from financing activities</b>	<b>18</b>	<b>-965</b>
Effect of exchange rate on cash and cash equivalents and bank overdrafts	7	-4
<i>Effect of exch. rate on cash and cash eq. and bank overdrafts of disc. ops.</i>	<i>0</i>	<i>0</i>
<b>Change in cash and cash equivalents and bank overdrafts</b>	<b>546</b>	<b>-599</b>
Cash and cash equivalents and bank overdrafts at beginning of period	3,580	4,667
Cash and cash equivalents and bank overdrafts at end of period	4,126	4,068
<i>Change in treasury of discontinued operations</i>	<i>0</i>	<i>0</i>

## Key Performance Indicators

### EBITDA

<i>In millions euros</i>	First quarter	
	2019	2018
Income from current operations	-303	-118
Amortization, depreciation and provisions	727	739
<b>EBITDA</b>	<b>424</b>	<b>621</b>

### Restated net income - Group part

<i>In million euros</i>	First quarter	
	2019	2018
Net income - Group part	-320	-269
Net income from discontinued operations	0	0
Unrealized foreign exchange gains and losses, net	64	-24
Change in fair value of financial assets and liabilities (derivatives)	-25	14
Non-current income and expenses	-18	47
Depreciation of shares available for sale	-6	-10
De-recognition of deferred tax assets	0	0
<b>Restated net income - Group part</b>	<b>-305</b>	<b>-242</b>
Coupons on perpetual	-4	-6
<b>Restated net income - Group part, including coupons on perpetual (used to calculate earnings per share)</b>	<b>-309</b>	<b>-248</b>
Restated net income per share (in €)	-0.72	-0.58

### Return on capital employed (ROCE)<sup>1</sup>

<i>In million euros</i>	31 Mar 2019	31 Mar 2018	31 Mar 2018	31 Mar 2017
Goodwill and intangible assets	1,485	1,362	1,362	1,320
Flight equipment	10,279	10,084	10,084	9,158
Other property, plant and equipment	1,504	1,446	1,446	1,382
Right of use assets	5,051	5,769	5,769	5,511
Investments in equity associates	306	290	290	295
Financial assets excluding shares available for sale, marketable securities and financial deposits	136	117	117	110
Provisions, excluding pension, cargo litigation and restructuring	-3,249	-2,726	-2,726	-2,719
WCR, excluding market value of derivatives	-6,928	-6,606	-6,606	-6,222
<b>Capital employed</b>	<b>8,584</b>	<b>9,736</b>	<b>9,736</b>	<b>8,835</b>
<b>Average capital employed (A)</b>	9,160		9,286	
Income from current operations	1,147		1,852	
- Dividends received	-2		-3	
- Share of profits (losses) of associates	23		11	
- Normative income tax	-347		-553	
<b>Income from current operations after tax (B)</b>	<b>821</b>		<b>1,307</b>	
<b>ROCE, trailing 12 months (B/A)</b>	<b>9.0%</b>		<b>14.1%</b>	

<sup>1</sup> The ROCE definition has been updated within the framework of IFRS 16 implementation. The asset value linked to the aircraft lease contracts now corresponds to the net book value of the right-of-use asset of all the lease contracts. Moreover, the "operating result, adjusted for operating leases" no longer existing having been replaced by "income from current operations" which, thanks to IFRS 16 implementation, no longer includes the financial cost of lease contracts. Finally, the Group now uses a normative income tax rate, calculated according to the tax rates applied in France and in the Netherlands.

## Net debt

<i>In million euros</i>	Balance sheet at	
	31 Mar 2019	31 Dec 2018
Financial debt	6,484	6,216
Lease debt	4,325	4,450
Financial assets pledged (OCEANE swap)	0	0
Currency hedge on financial debt	-5	7
Accrued interest	-74	-67
<b>Gross financial debt (A)</b>	<b>10,730</b>	<b>10,606</b>
Cash and cash equivalents	4,162	3,585
Marketable securities	51	74
Cash pledges	265	265
Deposits (bonds)	527	522
Bank overdrafts	-36	-5
Other	0	1
<b>Net cash (B)</b>	<b>4,969</b>	<b>4,442</b>
<b>Net debt (A) – (B)</b>	<b>5,761</b>	<b>6,164</b>

## Adjusted operating free cash flow

<i>In million euros</i>	First quarter	
	2019	2018
Net cash flow from operating activities, continued operations	1,170	1,297
Investment in property, plant, equipment and intangible assets	-718	-939
Proceeds on disposal of property, plant, equipment and intangible assets	40	26
<b>Operating free cash flow</b>	<b>492</b>	<b>384</b>
Payments on lease debt	-251	-242
<b>Adjusted operating free cash flow</b>	<b>241</b>	<b>142</b>

## Unit cost: net cost per ASK

	First quarter	
	2019	2018
Revenues (in €m)	5,986	5,806
Income/(loss) from current operations (in €m)	-303	-118
Total operating expense (in €m)	6,289	5,924
Passenger network business – other revenues (in €m)	-208	-188
Cargo network business – other revenues (in €m)	-73	-67
Third-party revenues in the maintenance business (in €m)	-554	-471
Transavia - other revenues (in €m)	-9	-10
Third-party revenues of other businesses (in €m)	-8	-10
<b>Net cost (in €m)</b>	<b>5,437</b>	<b>5,178</b>
Capacity produced, reported in ASK*	75,586	73,403
<b>Net cost per ASK (in € cents per ASK)</b>	<b>7.19</b>	<b>7.05</b>
<i>Gross change</i>		2.0%
Currency effect on net costs (in €m)		83
<i>Change at constant currency</i>		0.4%
Fuel price effect (in €m)		44
<b>Net cost per ASK on a constant currency and fuel price basis (in € cents per ASK)</b>	<b>7.19</b>	<b>7.22</b>
<b><i>Change at constant currency and fuel price basis</i></b>		<b>-0.4%</b>

\* The capacity produced by the transportation activities is combined by adding the capacity of the Passenger network (in ASK) to that of Transavia (in ASK).

## Airline results

### Air France Group

	First quarter	
	2019	Change
Revenue (in €m)	3,698	+4.1%
EBITDA (in €m)	204	-91
Operating result (en m€)	-256	-78
<i>Operating margin (%)</i>	-6.9%	-1.9 pt
Operating cash flow before WCR and restructuring cash out (in €m)	174	-92
<i>Operating cash flow (before WCR and restructuring) margin</i>	4.7%	-2.8 pt

### KLM Group

	First quarter	
	2019	Change
Revenue (in €m)	2,385	-0.1%
EBITDA (in €m)	208	-107
Operating result (en m€)	-56	-116
<i>Operating margin (%)</i>	-2.3%	-4.5 pt
Operating cash flow before WCR and restructuring cash out (in €m)	185	-60
<i>Operating cash flow (before WCR and restructuring) margin</i>	7.8%	-2.5 pt

NB: Sum of individual airline results does not add up to Air France-KLM total due to intercompany eliminations at Group level

## Group fleet at 31 March 2019

Aircraft type	AF (incl. HOP)	KLM (incl. KLC & MP)	Transavia	Owned	Finance lease	Operating lease	Total	In operation	Change / 31/12/18
B747-400		11		11			11	11	
B777-300	43	14		12	23	22	57	57	
B777-200	25	15		24	1	15	40	40	
B787-9	7	13		5	3	12	20	20	
A380-800	10			1	4	5	10	10	
A340-300	5			5			5	5	-1
A330-300		5				5	5	5	
A330-200	15	8		11		12	23	23	
<b>Total Long-Haul</b>	<b>105</b>	<b>66</b>	<b>0</b>	<b>69</b>	<b>31</b>	<b>71</b>	<b>171</b>	<b>171</b>	<b>-1</b>
B737-900		5		1	1	3	5	5	
B737-800		29	71	29	10	61	100	99	6
B737-700		17	7	4	5	15	24	23	-2
A321	20			11		9	20	20	
A320	43			3	5	35	43	43	
A319	33			20		13	33	33	-1
A318	18			16	2		18	18	
<b>Total Medium-Haul</b>	<b>114</b>	<b>51</b>	<b>78</b>	<b>84</b>	<b>23</b>	<b>136</b>	<b>243</b>	<b>241</b>	<b>3</b>
ATR72-600	6					6	6	5	-1
ATR72-500	1					1	1		-1
ATR42-500	5			1		4	5	3	-2
Canadair Jet 1000	14			14			14	14	
Canadair Jet 700	11			11			11	10	2
Embraer 190	11	32		7	14	22	43	43	1
Embraer 175		17		3	14		17	17	
Embraer 170	15			9	1	5	15	15	
Embraer 145	18			14	4		18	13	
<b>Total Regional</b>	<b>81</b>	<b>49</b>	<b>0</b>	<b>59</b>	<b>33</b>	<b>38</b>	<b>130</b>	<b>120</b>	<b>-1</b>
B747-400ERF		3		3			3	3	
B747-400BCF		1		1			1	1	
B777-F	2			2			2	2	
<b>Total Cargo</b>	<b>2</b>	<b>4</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>6</b>	<b>0</b>
<b>Total</b>	<b>302</b>	<b>170</b>	<b>78</b>	<b>218</b>	<b>87</b>	<b>245</b>	<b>550</b>	<b>538</b>	<b>1</b>