

AIR FRANCE IN THE UNITED STATES:

- **LAUNCH OF NEW PARIS-SEATTLE SERVICE**
- **NON-STOP FLIGHTS TO 14 DESTINATIONS**
- **A TOTAL OF 130 DESTINATIONS**
- **AN ALLIANCE WITH 3 NORTH AMERICAN AIRLINES**

Paris, Seattle, 11 June 2007

AIR FRANCE LAUNCHES THE NEW PARIS-SEATTLE SERVICE TODAY

- **NON-STOP FLIGHTS TO 14 DESTINATIONS IN THE UNITED STATES**
 - **18 DESTINATIONS OUT OF PARIS AND / OR AMSTERDAM**
 - **A TOTAL OF 130 DESTINATIONS**
 - **AN ALLIANCE WITH 3 NORTH AMERICAN AIRLINES**
 - **AIR FRANCE VOTED BEST TRANS-ATLANTIC AIRLINE IN 2006**
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On June 11 2007, Air France will launch a new Paris-Seattle service in response to very high demand from its customers. The airline will expand its offer to the West coast of the United States, with a daily non-stop flight to Seattle.

The Seattle flight will be serviced with its own aircraft and crew by Airbus A 330-200 equipped with the new cabin interiors and seating 219 (40 in l'Espace Affaires and 179 in Tempo).

The well-adapted schedule will suit both business and leisure customers, allowing fast and convenient connecting flights from and to the most popular cities in Europe and other destinations served by the Airline.

The flight AF 046 will depart from Paris-Charles de Gaulle terminal 2E at 1.20pm, arriving in Seattle at 2.35pm local time the same day. The return flight departs from Seattle at 4.55pm, arriving at Paris-CDG 2E at 11.40am local time the following day.

Seattle, the economic centre of the State of Washington, on the Pacific Coast in the North-West of USA was elected "Best big place to live" by Fortune Magazine.

The Air France KLM Group already flies to 18 destinations in North America from Paris and/or Amsterdam, and together with its North American partners, offers customers access to an extensive network in the USA.

In January 2007, readers of GLOBAL TRAVELER MAGAZINE voted Air France "Best Trans-Atlantic Airline for 2006" for the second consecutive year.

I. SERVICE TO THE UNITED STATES

1. Seattle, Air France’s 14th non-stop destination in the United States

A. Air France launches its Paris-CDG2 – >Seattle service on 11 June 2007

The daily flight AF 046 departs from Terminal 2E of Paris-Charles de Gaulle airport at 1.20pm, arriving in Seattle at 2.35pm local time the same day. The journey lasts 10 hrs 15 min.

The return flight AF 041 departs from Seattle at 4.55pm, arriving at Paris-Charles de Gaulle airport 2E at 11.40am local time the following day. The journey lasts 9 hrs 45 min.

This schedule offers passengers ideally-timed connections with the major European capital cities, in line with our “Business” customers’ demanding requirements.

Examples (local times):

	Departure	Arrival in Seattle	Departure from Seattle	Arrival
London	10.15	14.35	16.55	14.25
Manchester	09.10	14.35	16.55	13.50
Berlin	09.55	14.35	16.55	15.00
Frankfurt	09.15	14.35	16.55	14.30
Munich	10.15	14.35	16.55	14.25
Stuttgart	10.10	14.35	16.55	14.05
Stockholm	06.50	14.35	16.55	18.20
Oslo	06.55	14.35	16.55	14.55
Copenhagen	10.10	14.35	16.55	14.50

The early-afternoon arrival in Seattle (Seattle-Tacoma International Airport) gives passengers time to work or relax in the afternoon as well as a large choice of connecting flights to a number of other North American cities. The departure from Seattle at 4:55pm is also very convenient, allowing passengers to spend the day in Seattle and arrive late-morning in Paris the following day.

B. In opening up a new station in Seattle, Air France offers passengers a third destination on the West coast and direct access to an American market with the highest growth potential.

Seattle is the economic centre of the State of Washington, on the Pacific Coast in the North West of the United States. Seattle, the largest city in the US State of Washington, is located between Puget Sound and Lake Washington, some 174 kilometres south of the American-Canadian border. It is a major port specialising in Trans-Pacific trade and has become a major industrial centre in North America.

Seattle, with a population of close to 700,000 inhabitants known as "Seattleites", covers a total area of 217 sq. km. It has a metropolitan population of close to 4 million. The city was first settled in the middle of the 19th century and was named after the Amerindian Chief Seattle.

Its official nickname is the *Emerald City*, alluding to the lush forests in the surrounding area. It is also known as the gateway to Alaska, and also Jet City, in reference to the economic impact of Boeing in the region, and leading US exporter in terms of sales.

Seattle is home to the corporate headquarters of Boeing Commercial Airlines and the Company's two major production facilities for commercial aviation are located in the State of Washington.

The State of Washington, equal to a third of France in size, is bordered to the North by the Canadian province of British Columbia, Oregon to the South and the Pacific Ocean to the West.

Although Washington's economy is closely associated with 2 economic giants, Boeing and Microsoft, whose corporate headquarters are situated in Redmond, near Seattle, many more companies involved in the software and new technologies sectors are also present in the region.

Close to 10,000 companies specializing in IT software generate an annual turnover of some 35 billion dollars and the region of Greater Seattle is the US's fifth largest employer in this sector, and the State's second largest employer. Other companies include: Microsoft, AT&T Wireless Services, T-Mobile, Amazon.com, Realnetworks, Nintendo of America, Expedia, Cray, Areva, Sagem, etc.

The development of the Internet and telecommunications has turned this region into a “Silicon Forest”, with further diversification in order with the continuing boom in the biotechnologies industry. The State of Washington has become a global centre of biotechnology excellence. There are over 250 companies, organizations and research centres working in this field employing over 20,000 people.

The French-American Chamber of Commerce Pacific Northwest, founded in Seattle in 1987, lists some one hundred French subsidiaries present in Washington. The main French industrial manufacturers located in the State are: Saint-Gobain, Thalès, Safran, Cerep, Air Liquide, Snecma, Zodiac Intertchnique, Sagem, Alcatel and Cogema. Among the major firms specialized in the service sector are Publicis, Cap Gemini Ernst & Young, Alstom Esca, Sierra Online (Vivendi), Axa, Louis Vuitton, Mephisto, Sephora, L’Occitane, Yves Delorme, Roche Bobois, Cartier, Rail Europe, etc.

The region depends on the San Francisco trade and development mission. The French-American Chamber of Commerce offers support and guidance to companies and provides them access to numerous local contacts.

The State of Washington is the fourth largest exporter in the United States, representing a total export revenue of close to 40 billion US dollars. France is the State’s 9th largest customer.

2. Increase in number of scheduled flights to the United States

A. North America: new services in Air France's summer 2007 schedule

In the United States, Air France operates non-stop flights to a total of 14 destinations: Atlanta, Boston, Chicago, Cincinnati, Detroit, Houston, Los Angeles, Miami, New York-JFK, Newark, **Philadelphia**, San Francisco, Seattle and Washington-Dulles. These cities account for 40% of the US population (close to 85 million inhabitants) and are the arrival and departure points of 70% of all trans-Atlantic traffic and 76% of "business" traffic.

Despite a highly competitive context, Air France's number of available seat/km (ASK) for the summer 2007 season (April to October) has increased by 7.7%, above the airline's average (5.4% on the global network, 5.6% on long-haul).

In addition to the launch of the new Paris-Seattle service on 11 June, other new features in the Air France summer 2007 schedule include: a sixth daily frequency to New York JFK, with departures from Paris at 9.00pm, arriving in JFK at 11.15pm. This late departure time particularly suits business passengers with connecting flights leaving from European airports late in the afternoon. Return flights operate during the day, departing from New York in the morning and arriving in Paris the same evening, with connecting opportunities to Africa and South-East Asia later in the evening.

The new flight schedule to Tahiti, introduced last winter, enables Air France to offer 3 daily flights between Paris and Los Angeles (20 weekly flights) and 4 weekly flights by A340-300 between Los Angeles and Tahiti, connecting with flights to and from Paris.

Flights to Toronto, Atlanta and Boston are operated with the larger capacity B747-400.

B. An expanded flight schedule to the US thanks to SkyTeam.

With a market share of 29% (source MIDT May 2006/April 2007), SkyTeam is the leading Alliance on the US market. In addition it is the only airline alliance to have three American airlines among its members, namely Delta a member since June 2000 together with Continental and Northwest members since September 2004.

SkyTeam is the only airline alliance comprising three major North American airlines: Delta since June 2000, Continental and Northwest since September 2004.

Following Air France's numerous efforts to increase schedules on North Atlantic routes and the agreements reached with its three partners in the United States, the number of weekly transatlantic frequencies in summer 2007 is 209 (including 167 operated by Air France, 35 by Delta and 7 by Northwest).

Moreover, Air France can provide services to 116 destinations in addition to the 14 entry points it serves directly.

Albuquerque, Augusta, Albany, Anchorage, Appletown, Austin, Asheville, Kalamazoo, Hartford, Bangor, Birmingham, Nashville, Boise, Brownsville, Baton Rouge, Buffalo, Baltimore, Columbia, Akron Canton, Chattanooga, Charlottesville, Charleston, Cedar Rapids, Cleveland, Charlotte, Columbus, Colorado Springs, Corpus Christi, Charleston, Daytona Beach, Dayton, Washington National, Denver, Dallas Fort Worth, Des Moines, El Paso, Evansville, Fayetteville, Fort Lauderdale, Fort Wayne, Gainesville, Green Bay, Grand Rapids, Greensboro, Greenville, Honolulu, Harlingen, Huntsville, Wichita, Wilmington, Indianapolis, Jackson, Jacksonville, Lansig, Las Vegas, Los Angeles, Lake Charles, Lexington, Lafayette, Little Rock, Laredo, Lynchburg, Midland, Kansas City, Orlando, Harrisburg, Memphis, Mc Allen, Montgomery, Manchester, Milwaukee, Melbourne, Mobile, Madison, Minneapolis, New Orleans, Myrtle Beach, Kaului, Oklahoma City, Omaha, Chicago O'Hare, Norfolk, West Palm Beach, Portland, Panama City, Phoenix, Peoria, Pittsburgh, Pensacola, Providence, Raleigh Durham, Richmond, Reno, Roanoke, Rochester, Fort Myers, San Diego, San Antonio, Savannah, Southbend, Louisville, San Francisco, Shreveport, Salt Lake City, Sacramento, Sarasota, Saint Louis, Syracuse, Tallahassee, Toledo, Tampa, Bristol, Tri-Cities, Tulsa, Tucson, Knoxville, Fort Walton.

C. Air France Cargo in the US

In addition to the hold capacity in passenger aircraft, Air France Cargo operates 13 weekly frequencies from and to the US, managed by dedicated aircraft: Boeing 747-400 ERF and Boeing 747-200 F. The summer 2007 flight schedule comprises:

- 7 weekly Paris-CDG/Chicago flights,
- 3 weekly Paris-CDG/New York-JFK flights,
- 2 weekly Paris-CDG/Houston flights,
- 1 weekly Paris-CDG/Atlanta flight.

To meet their customers' requirements, three members of the SkyTeam Cargo alliance, Air France Cargo, Delta Cargo, and Korean Air Cargo created the first American cargo "joint venture" in November 2001. This joint venture offers the benefits of a united sales force, a centralized reservations service, a global network and a joint product range. The head office is based in Atlanta with 14 offices in the US and regional divisions in Atlanta, New York, Chicago and Los Angeles.

The SkyTeam Cargo alliance comprises Aeromexico Cargo, Air France Cargo, Alitalia Cargo, CSA Czech Airlines Cargo, Delta Cargo, KLM Cargo, Korean Air Cargo and Northwest Cargo. SkyTeam Cargo is the world's largest airline cargo alliance.

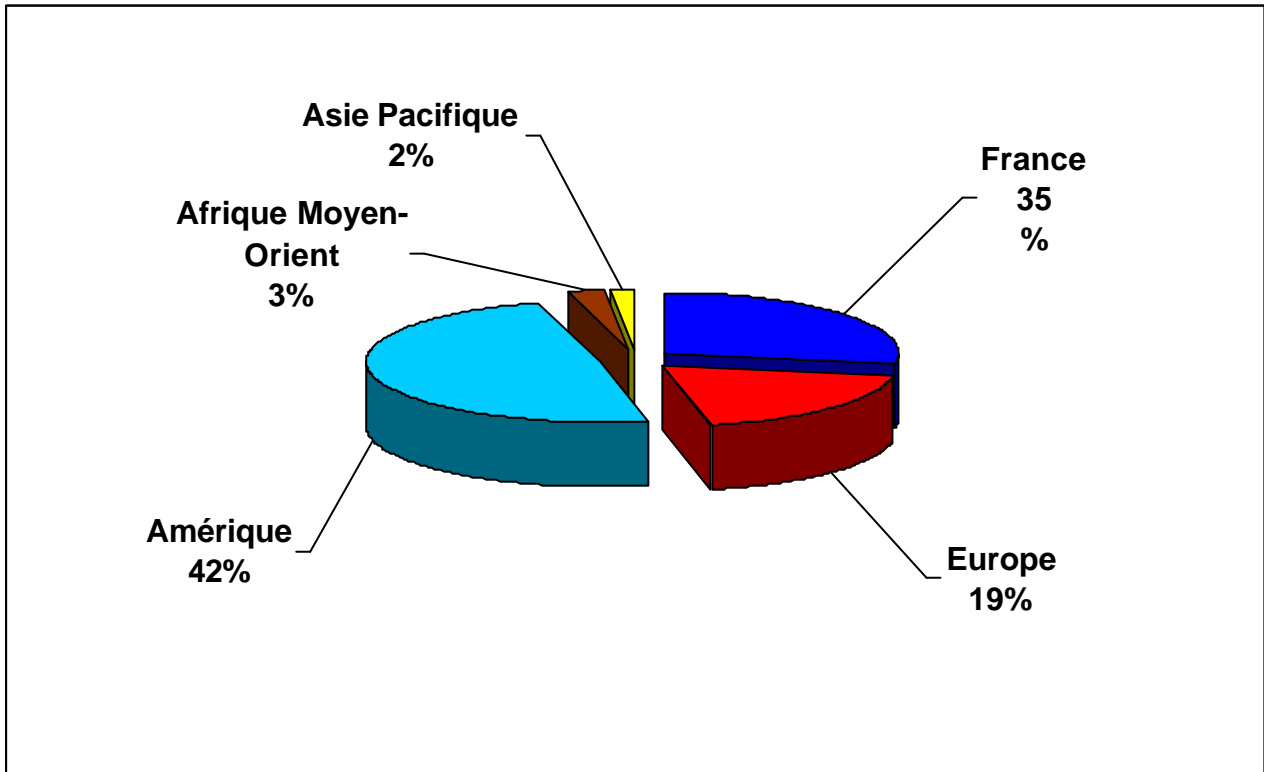
II. ATTRACTING CUSTOMERS AND KEEPING THEM SATISFIED

1. A diversified customer base

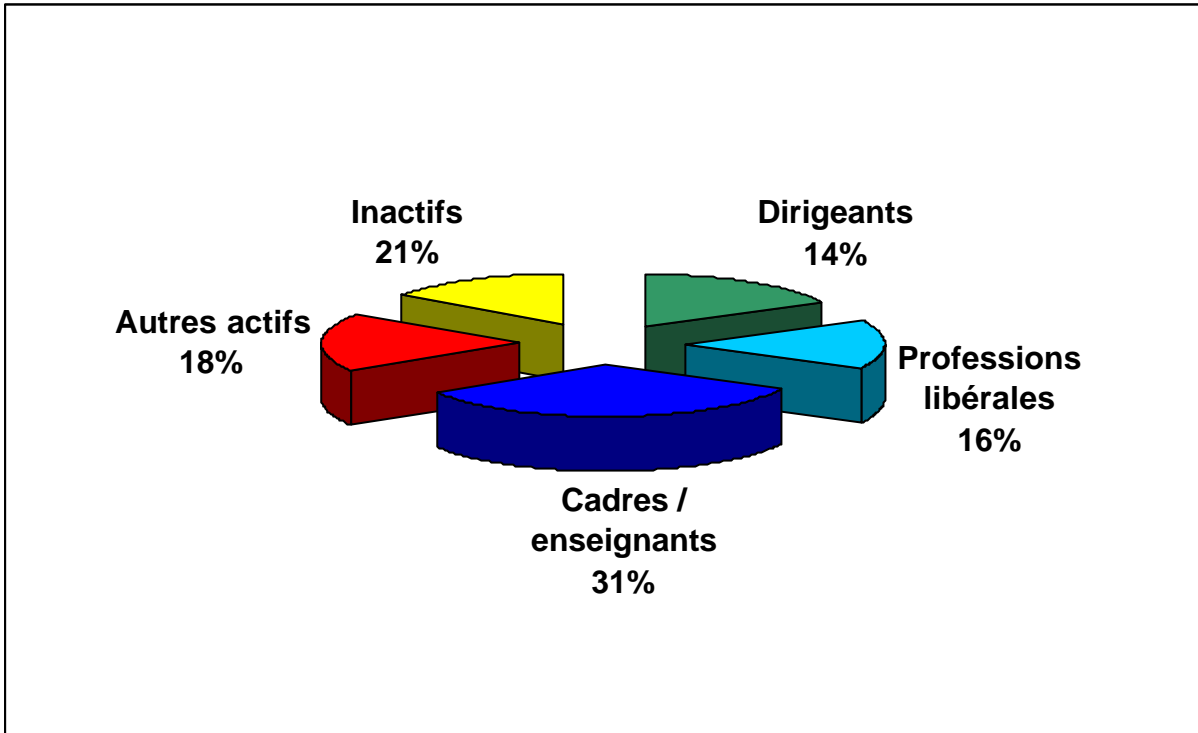
A. Who are the Air France passengers travelling from and to the United States?

Air France regularly carries out customer surveys to accurately identify the "profiles" of different types of passenger travelling on its routes, particularly to and from the United States. The findings of the surveys help us make strategic and commercial choices.

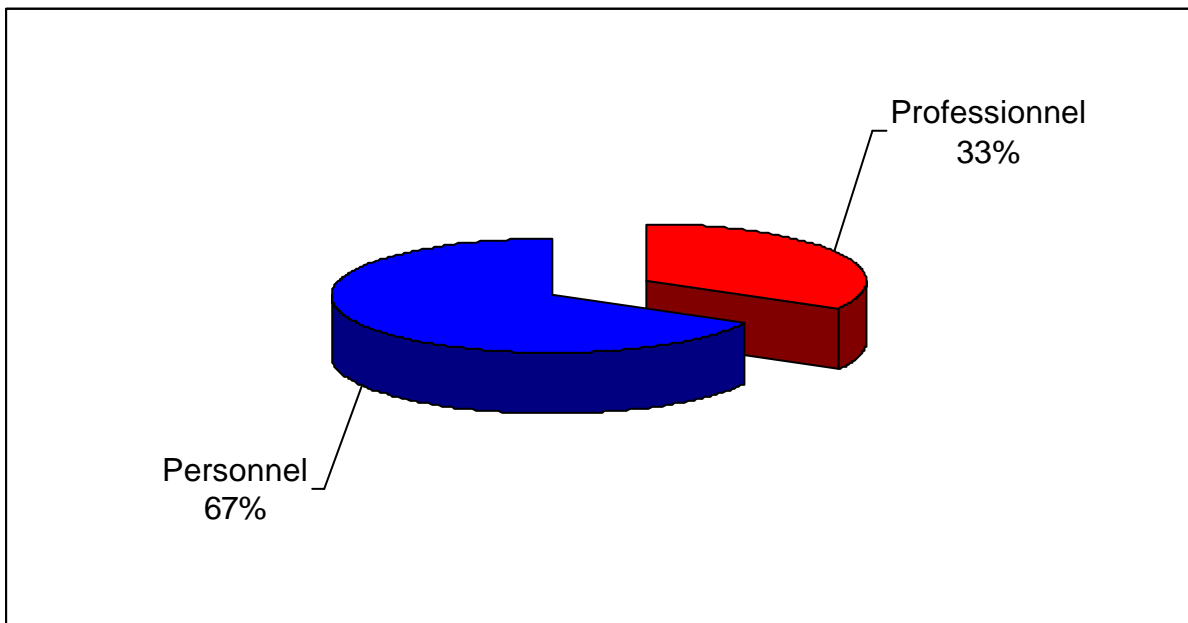
Place of residence of Air France passengers travelling to and from the United States and Canada. The Paris-CDG hub and SkyTeam carry over 60% of international passengers.



Socio-professional category: high percentage of executives, managers and engineers

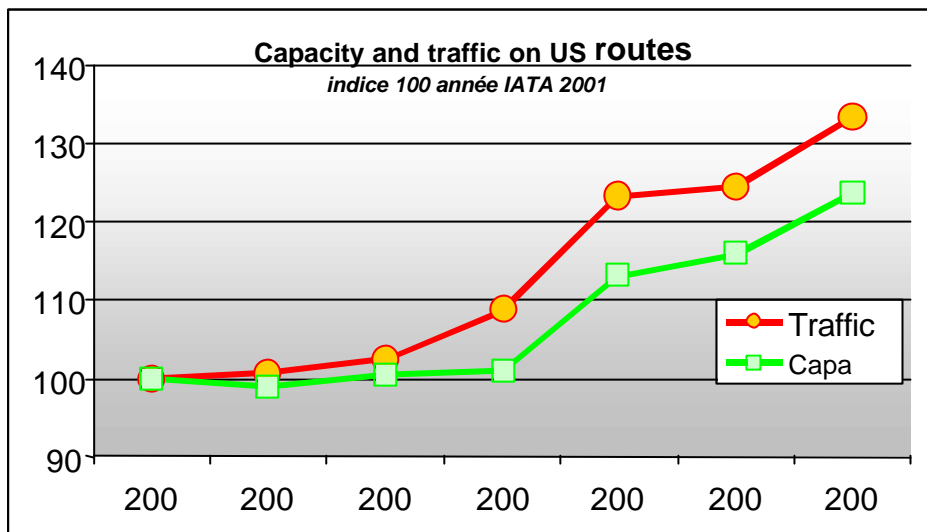


Reasons for Air France passengers travelling from and to the US



B. Traffic on the increase

Since 2004, marking the end of a slack period felt by all airlines following the 9/11 attacks, the traffic curve has resumed a constant ascent with Air France registering close to 9 % more passengers than expected in FY 2007-2008. On flights it handles as the operating airline, Air France carries over 4 million passengers between France and the US each year.



C. A commercial policy geared towards service quality

a) On the ground

Air France's American customers can contact a dedicated number.

By contacting (800) 237-2747, customers in North America have free access to the airline's different services. **The Sales and service centers are open all week, from 8.00am to midnight on weekdays and from 10.00am to 9.00pm at the weekend (East Cost)** They employ some 250 people who speak English, French and around twenty other languages including German, Arabic, Creole, Spanish, Hebrew, Italian, Polish, Portuguese and Russian.

- Accessible 24 hours a day, the "airfrance.com/us" site provides clear, easy to understand and updated information on all Air France offers, and customers can reserve tickets on line, search for the most competitive rates and pay by credit card.

- **Prior to the flight's departure, "l'Espace" passengers and SkyTeam Elite Plus card holders are invited by Air France into 5 private lounges** in Chicago, Houston, New York-JFK (Terminal One), San Francisco and Washington-Dulles. In Seattle, they have access to Northwest's «WorldClubs » lounge. Moreover, these passengers are also welcome in around **one hundred SkyTeam lounges**, for example in Atlanta (Delta), Austin (Continental), Boston (Continental, Delta and Northwest), Cincinnati (Delta), Cleveland (Continental), Dallas/Fort Worth (Continental and Delta), Denver (Continental and Delta), Fort Lauderdale (Continental and Delta), Jacksonville (Delta), Kansas City (Delta), Los Angeles (Continental, Delta, Korean Air and Northwest), Memphis (Northwest), Miami (Delta), Milwaukee (Northwest), Minneapolis (Northwest), Nashville (Delta), New Orleans (Delta), New York/La Guardia (Continental, Delta and Northwest), Newark (Continental, Delta and Northwest), Orlando (Delta), Philadelphia (Delta and Northwest), Phoenix (Delta), Portland (Northwest), Raleigh/Durham (Delta), Salt Lake City (Delta), San Antonio (Continental), San Diego (Delta), Seattle/Tacoma (Continental, Delta and Northwest), Tampa (Delta).

Customers can make use of the services and amenities to relax or work, with a choice of snack service, business and communication areas, printer, international press, comfortable seats, shower facilities in certain airports, LCD screens, smokers' area in some lounges, etc.

Air France's l'Espace Première: The art of customized travel

Started on 4 April 2007, Air France offers first class passengers travelling in l'Espace Première a customized travel experience whether on the ground or during the flight.

An exclusive area awaits customers on arrival at the airport, followed by a privileged welcome and attentive service in the privacy of a dedicated check-in lounge, personal assistance during their smooth, privileged passage through the airport, exclusive car transfer to the aircraft and a personal introduction to crew members. In this way, Air France offers its l'Espace Première customers an outstanding service, both on the ground and during the flight.

- In 2002, Air France was the world's first airline to obtain the QUALICERT certificate issued by the SGS Group – the world's biggest organization in the field of quality control, inspection, expertise and certification – for the quality of its passenger services. Air France was awarded certification on 20 January 2005, and became the world's first airline to obtain certification for its passenger services on all sites.

This certification process has and continues to motivate the Air France teams in the United States: ticket office staff in city centres and sales desks at airports, passenger service agents (check-in, boarding, connections, arrivals), ramp and traffic agents, remote sales centre staff in Fort Lauderdale.

Air France has drawn up a list of 38 commitments based on practical, measurable criteria that are visible to customers. These commitments are grouped around seven themes: an attentive and professional attitude, an effective organization to make things easier for customers, clear and relevant information, services and assistance designed for people with special needs, additional and privileged treatment of First and Business class customers, effective management of problems, listening to customers' expectations and measuring their satisfaction levels.

The auditors of SGS regularly and anonymously check that the Air France services comply with commitments.

Air France was the instigator of the Clear program at JFK's Terminal 1.

Since 4 June this service enables the 45,000 or so members of the Clear Registered Traveler Program, who are either American or residents holding the biometric ID, to pass through security faster between 8 am and 10 pm.

b) In-flight

Over 4,000 flight attendants (cabin crew) are assigned to the Air France Americas network. This network covers 10 other destinations in addition to the United States: Bogota, Buenos Aires,

Caracas, Mexico, Montreal, Papeete, Rio de Janeiro, Santiago de Chile, Sao Paulo and Toronto.

To optimize the quality of service provided to customers, Air France's cabin crew management strategy revolves around two main areas:

- ensuring professionalism in the areas of safety and security
- promoting interpersonal skills and know-how, with the emphasis on taking care of customers as soon as they arrive on board, being present and attentive throughout the journey.

Phoenix Project: over the past year, all staff in direct contact with customers have been taking part in training sessions designed to improve their knowledge of American cultural values, notably through role-playing adapted to each function. Flight attendants have also received a "Let's speak Phoenix" guide containing sample phrases to facilitate exchanges with the passenger. On the ground, Première and Affaires customers have access to dedicated boarding queues at terminal 2E and all American airports. In the US, a "One stop shop" procedure enables Premium customers to pay for an upgrade or excess baggage allowance at check-in without the need to queue at the sales desk. The results of passenger scope surveys already reflect a considerable improvement in our customer satisfaction.

III. AIR FRANCE TEAMS IN THE UNITED STATES

In the United States, the **Air France workforce** is made up of 762 employees, including 25 expatriates. Some 200 agents are employed in the Cargo sector.

The Air France “United States” **regional management** is located in New York:

125 West 55th Street, New York, NY 10019

Tel: (212) 830-4000.

This division is in charge of implementing the strategy under the direction of the Air France Commercial International division and the Americas routes centre, based in Paris.

The regional manager is the hierarchical manager of the 14 Air France stations in the United States, managed day-to-day by the station managers whose teams comprise a total of 300 people.

The regional manager is also responsible for developing the commercial presence of Air France. Within this framework, he has authority over **local divisions**: Chicago/Cincinnati/Detroit, Houston/Atlanta, Los Angeles, Miami, New York City, New York/Boston, San Francisco, Washington/Philadelphia.

These Air France local structures and the geographic location of the local divisions help the airline to network the American territory. Team responsiveness is optimised, allowing them to adapt the company’s sales strategy in line with customers’ expectations.

KEY FIGURES

Destinations in the United States:

- 8 in 1997,
- 130 destinations in the United States in 2007.

Each week:

- 78 transatlantic flights in 1997 (in each direction).
- 209 transatlantic flights in 2007 including 167 operated by Air France, 35 by Delta and 7 by Northwest.

Connections via transatlantic flights:

- 700 daily flights under an "AF" number.

A 7.7% increase in capacity for summer 2007.

Over 4 million passengers per year (on flights operated by Air France).

Air France in the United States:

- Turnover of over one billion dollars (passenger activity and cargo, financial year 2005/06)
- A workforce of 762 people.