



COMPANY

Country	France
Number of Employees	104'659
Web	www.airfrance.com

Share

Market cap (mil)	5'455
Currency	EUR
High 52 week	30.9
Low 52 week	12.9
Last Price	18.2

Key Data **2007** **2008E**

Sales (mil)	24'114	25'227
EPS	1.94	1.82
P/E Ratio	9.82	9.39

Source: Bloomberg / September 03, 2008

Sales in

Alcohol	No
Armaments	No
Firearms	No
Tobacco	No
Gambling	No

Source: EIRIS, SAM Research

COMPANY DESCRIPTION

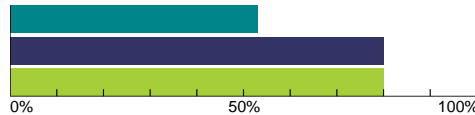
Air France-KLM, which is based in France, is the largest airline company in the world in terms of total operating revenues, and the third largest in the world in terms of passenger-kilometres and passenger fleet size. The company came into existence after the merger of Air France and KLM in 2004. Air France-KLM serves in five core business segments: passenger transportation, cargo, aeronautics maintenance catering, charter services and other air-transport related activities. Passenger transport is the company's main business, accounting for about 80 percent of its turnover and serving about 74.8 million passengers with a fleet of about 600 aircrafts in 258 destinations worldwide. Air France-KLM's recent acquisition of VLM Airlines in 2007 has also helped the company to target and cater to the business travel market.

SUSTAINABILITY PERFORMANCE

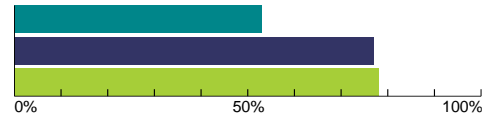
Sustainable development by Air France-KLM in all facets - economic, social and environmental, positioned the group as the sustainability leader in the airline sector. The group's performance in the economic dimension is bolstered by strong internal control methods and the dual brand strategy adopted by the group after the merger of Air France and KLM. The company has strengthened its efforts to curb the impact of climate change, through its 'Climate Action Plan,' and also by investing in modern aircrafts that offer enhanced passenger comfort, substantial fuel savings and reduced GHG emissions. Further, in 2007, the company launched a waste action plan to reduce its onboard waste. The group's good performance in social responsibility can be ascribed to its contribution to local economic development, sustainable customer relations and effective supplier selection criteria.

SUSTAINABILITY SCORES

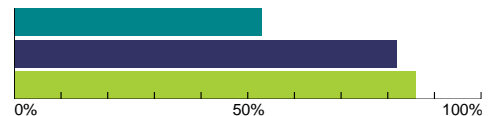
Total Score



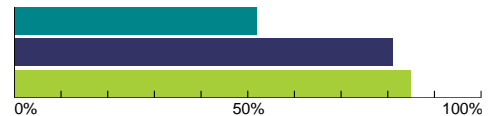
Economic Dimension



Environmental Dimension



Social Dimension



■ DJSI sector average on a global basis
■ Air France-KLM
■ Best company on a global basis within DJSI sector



Air France-KLM
AIR Airlines

For information on assessment criteria, visit www.sustainability-indexes.com

«Corporate Sustainability is a business approach to create long term shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments.»

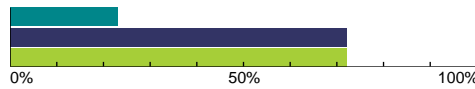
INDUSTRY DRIVING FORCES

The airlines industry has transformed the mode of life and business by shortening travel time and altering the concept of distance, providing easy access to remote areas. It facilitates economic growth, world trade, international investment and tourism, and is therefore central to the globalization taking place in many other industries. The industry being cyclical in nature is occasionally faced by overcapacity and thus poor profitability. The rise in fuel prices over the last few years has put immense pressure on the industry. Advanced aircraft technology (low average fleet age and modern engines) and maintenance systems as well as optimized route structures and high capacity utilization are key elements for the long-term success of an airline company. Other challenges to the sector include rising labor and airport usage costs. Despite of this, the industry has proceeded along the path towards globalization and consolidation through the establishment of alliances and partnerships between airlines.

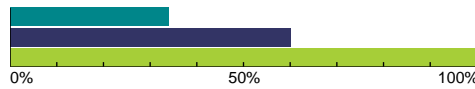
COMPANY PERFORMANCE FOR SELECTED CRITERIA

ECONOMIC

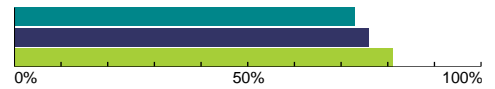
Brand Management



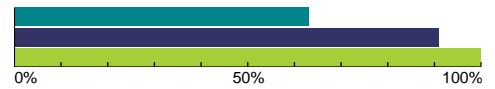
Reliability



Corporate Governance

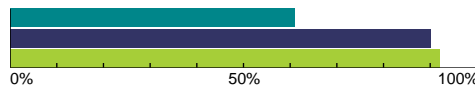


Risk & Crisis Management

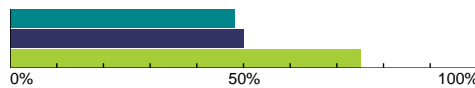


ENVIRONMENTAL

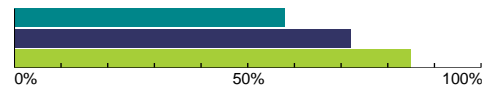
Environmental Policy / Management



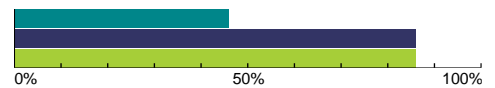
Fleet Age



Environmental Reporting

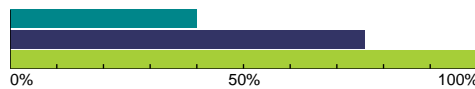


Operational Eco-Efficiency

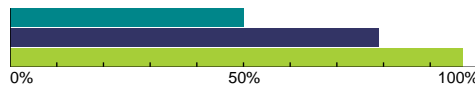


SOCIAL

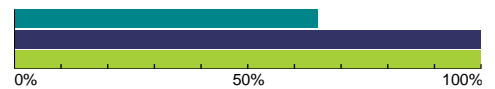
Human Capital Development



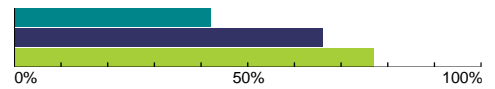
Standards for Suppliers



Noise



Talent Attraction & Retention



- DJSI sector average on a global basis
- Air France-KLM
- Best company on a global basis within DJSI sector

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