

Introduction of the A380

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Introduction of the A380

Air France Fleet Plan and Configuration

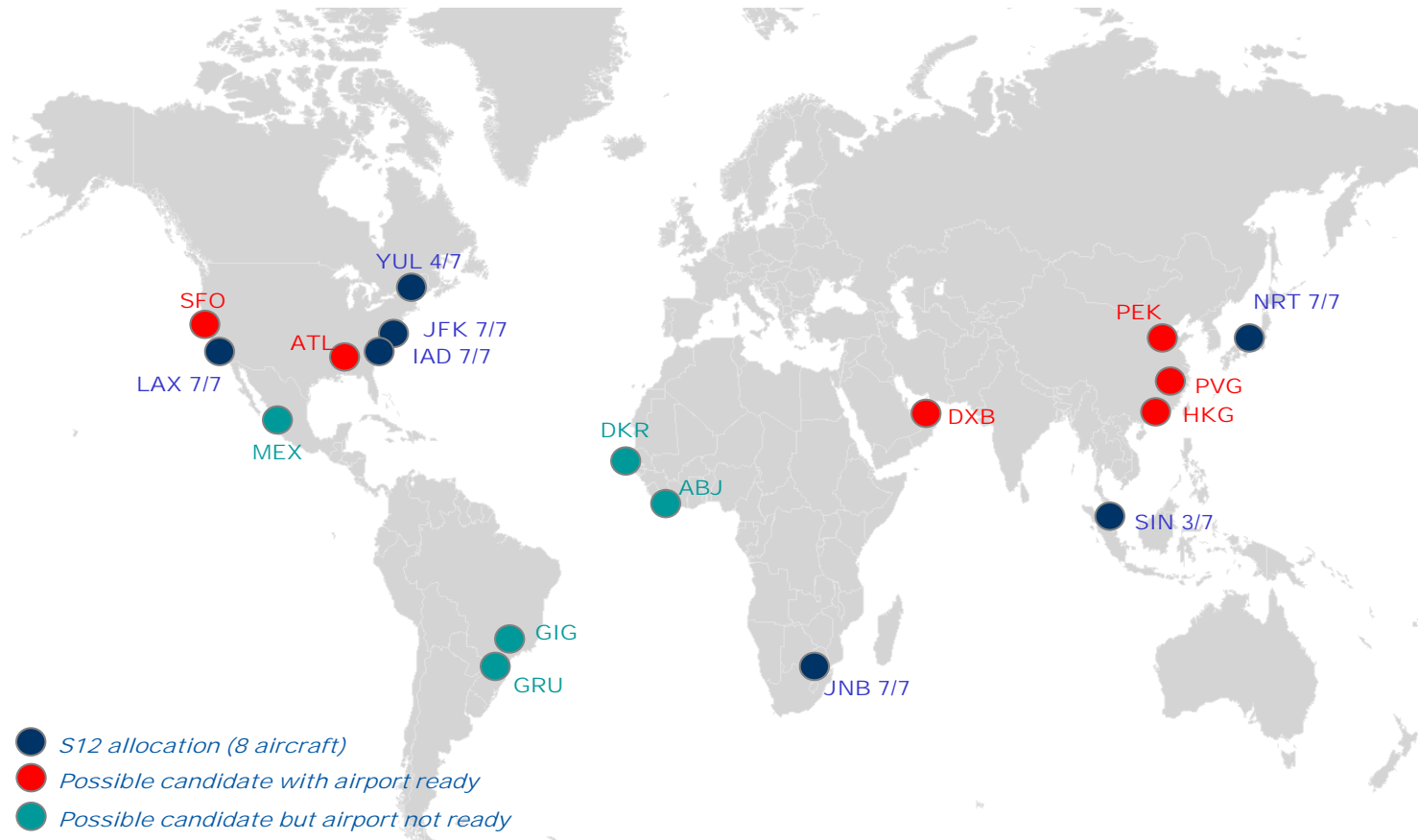
- **Air France (AF) has eight A380 aircraft in its current fleet**
 - AF is the first European carrier to operate the A380
 - Inaugural flight from Paris to New York City took place on Nov 20th, 2009
 - Aircraft deliveries: 1 in 2009, 3 in 2010, 2 in 2011 and 2 in 2012
- **The fleet plan assumes an additional four aircraft, for a total of 12 A380s**
 - +2 aircraft in 2014 (10 aircraft)
 - +2 aircraft after 2016 (12 aircraft)
- **AF seating configuration for the A380 has 516 seats divided among four classes of service**
 - 4 class product = First / Business / Premium Economy / Economy
 - Seats by class of service are 9 / 80 / 38 / 389 for First / Business / Premium Economy / Economy, respectively



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A380 Allocation: High Volume Routes

- Potential routes for deployment must offer high volumes in Business and Economy: Either multi-time channel routes, or golden slot flights (e.g., night flight in Asia, like Singapore)
- Some good candidates have been identified for the future, but airport infrastructures are not yet ready to accommodate the aircraft (e.g., Brazil)



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Allocation Driver: Rationalizing Multi-time Channel Routes

- The A380 allows two flights to be replaced by a single flight, while keeping a similar number of total seats and mix between classes of service

	First + Business	Premium	Economy	Total
A340	30	21	224	275
B772	53	24	170	247
	83	45	394	522
A380	89	38	389	516

- Rationalization leads to massive cost improvement of €15M per year**, while capacity/mix remain stable
- AF allocation strategy was mainly focused on these rationalization opportunities: New York City (JFK), Washington DC (IAD), Los Angeles (LAX), Johannesburg (JNB), Narita (NRT), Montreal (YUL)

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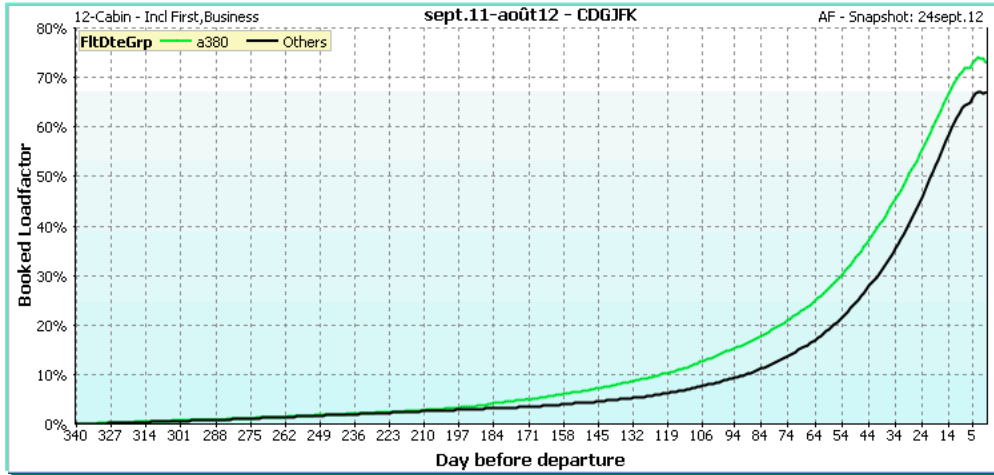
Operational Concerns

- **A380 operations not yet mature:** small fleet and start-up issues
 - Air France and Airbus are working together to address these issues
 - Perceived irregularities are magnified due to the aircraft's large capacity
- **Wing crack issue:** no impact on flight safety – exact fix still to be determined
 - Airbus confirms that these cracks do not affect the flight safety
 - Modification program will be executed upon approval by European safety authorities; All aircraft, not just AF A380s, will require modification
 - Exact fix is not yet defined
- **A380 operations are complex in terms of infrastructure:** airport adaptations are required and only few airports in the world can accommodate the aircraft
- **But A380 operations are also a value maker for an airport** as a proof of its professionalism

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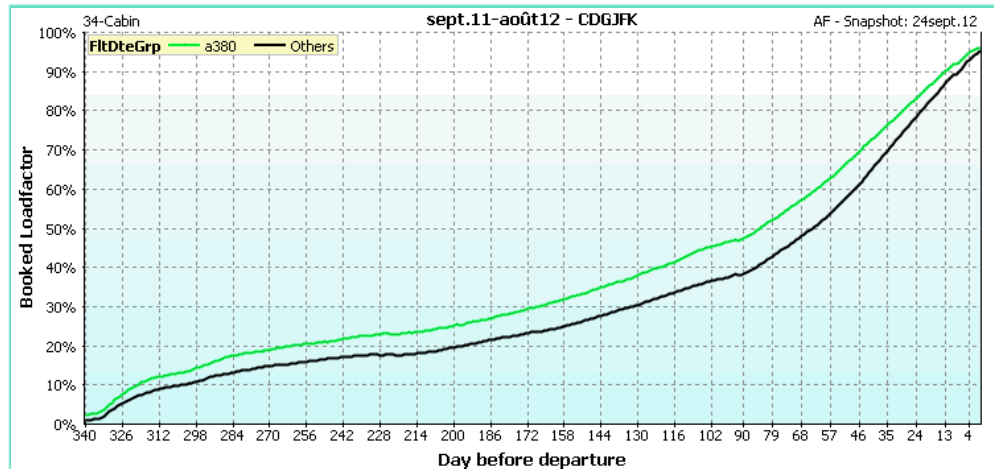
Aircraft Drives a Premium on Demand

First and Business Cabins



- A380 is valued by customers (comfort on board: silent and space in the cabin)
- Booking behavior is reflecting this preference:
 - Faster rate of bookings
 - Higher Load Factor in all cabins
 - Higher proportion of passengers ready to pay a high fare

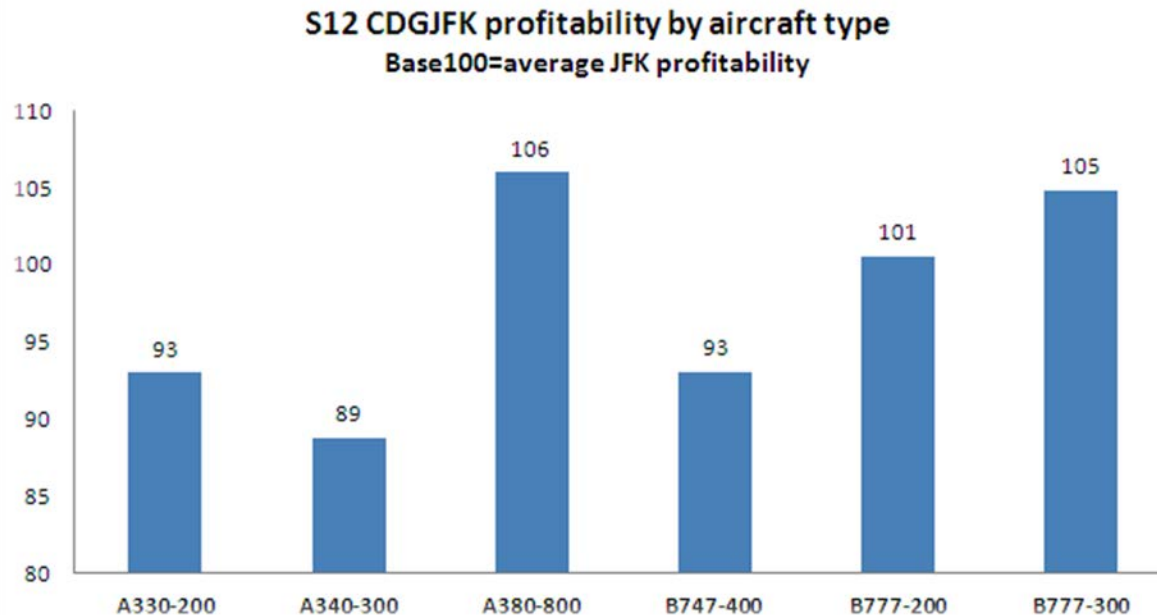
Premium and Economy Cabins



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Higher Customer Demand Drives Profitability

- The combination of premium on demand and aircraft deployment on strong time channels drives solid financial results
- On routes where the A380 has been introduced to replace two flights, A380 profitability exceeds the performance of other flights on the route



- But moving to a larger capacity aircraft (e.g., B773 to a A380) without rationalization is a different story (+70% of growth): some routes show potential to grow this way, but growth has to be carefully monitored (e.g., Singapore)