

## **Pacific Economic Cooperation Council**

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# **AIR FRANCE – KLM : Europe's leading airline group in Latin America**

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**(Colombia – Venezuela – Ecuador – Peru – Bolivia)**



# **AIR FRANCE – KLM : the leading air carrier between Europe and Latin America**

- ◆ **N° 1 carrier for passengers flying between Europe and Latin America, in both directions**
- ◆ **N° 1 Market Share for Premium Passengers**
- ◆ **Highly effective schedule : the equivalent of 18 B747s more than IBERIA, the direct competitor**
- ◆ **A tight-knit network from Latin America**
- ◆ **A powerful plan for winning the loyalty of a diversified clientele.**

# 11 destinations served by AF - KLM

- ◆ **3 served by KLM :**
  - Quito**
  - Guayaquil**
  - Lima**
  
- ◆ **6 served by AF :**
  - Bogota**
  - Caracas**
  - Rio**
  - Buenos Aires**
  - Santiago de Chile**
  - Cayenne**
  
- ◆ **2 served by both AF & KLM :**
  - Mexico**
  - Sao Paolo**

# List of Latin American destinations with service on AIR FRANCE or KLM aircraft

COUNTRY	CITY SERVED	DEPARTURE AIRPORT	AIR FRANCE	KLM	AIRCRAFT TYPE
AGENTINA	BUENOS AIRES	PARIS	Daily		B 777
BRAZIL	RIO DE JANEIRO	PARIS	Daily		B 747
	SAO PAULO	PARIS AMSTERDAM	Daily	6 weekly fligths	B 777 B 777
CAYENNE	CAYENNE	PARIS	Daily		A 340
CHILE	SANTIAGO	PARIS	Daily		B 777
COLOMBIA	BOGOTA	PARIS	5 weekly fligts		A 340

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ECUADOR	QUITO	AMSTERDAM		5 weekly flights	MD 11
	GUAYAQUIL	AMSTERDAM		5 weekly flights	MD 11
MEXICO	MEXICO CITY	PARIS AMSTERDAM	Two daily flights including one Aeromexico flight	Daily	B 747  B 747
PERU	LIMA	AMSTERDAM		6 weekly flights	MD 11
VENEZUELA	CARACAS	PARIS	Daily		A 340

## List of destinations with code-share service on AIR FRANCE partner airline aircraft

COUNTRY	Destination	Via	Airline
BRAZIL	Belo horizonte / Brasilia Curitiba / Florianopolis Gioana / Recife	Sao Paolo Or Rio de Janeiro	Tam
GUATEMALA	Guatemala City	Atlanta	Delta Air Lines
MEXICO	Acapulco / Cancun / Leon Merida / Puerto Vallarta Guadalajara / Monterrey	Mexico City Or Atlanta	Aeromexico Or Delta Airlines
PANAMA	Panama	Atlanta	Delta Airlines
PERU	Lima	Atlanta	Delta Airlines
PUERTO RICO	San Juan	Atlanta	Delta Airlines

## List of destinations with code-share service on KLM partner airline Aircraft

COUNTRY	Destination	Via	Airline
MEXICO	> 20	Houston Newark	Continental
BRAZIL	Rio de Janeiro	Sao Paolo	Tam
ARGENTINA	Buenos Aires	Sao Paolo	Tam
SURINAM	Paramaribo	Amsterdam	Surinam Airways

# Map of AF –KLM activity in Latin America



# MARKET SHARE in Latin American countries

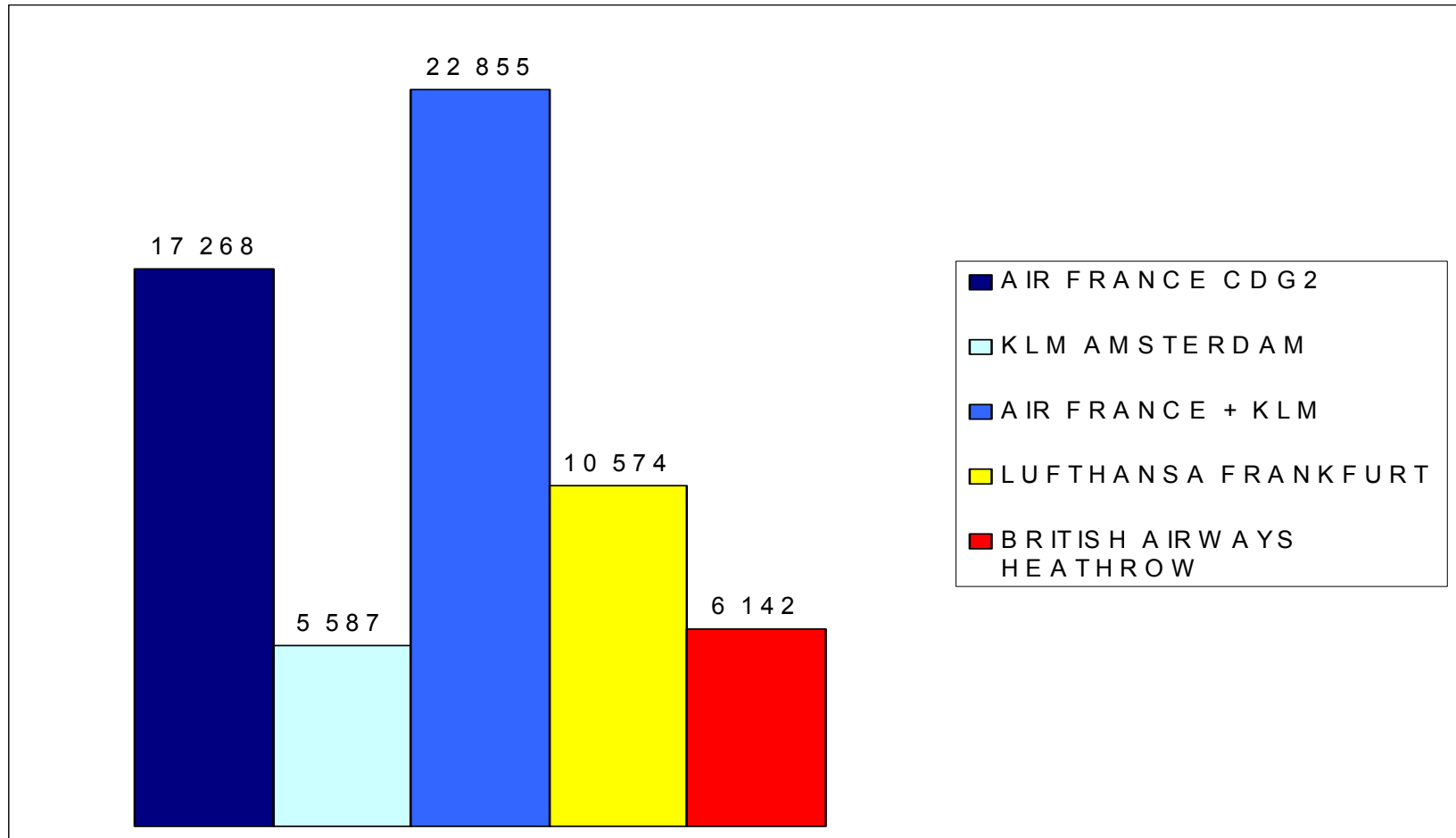
## Total and Premium Passengers

Cies.	Total	Premium
<b>AF+KL</b>	<b>19,3%</b>	<b>20,1%</b>
IB	17,7%	14,9%
RG	14,4%	15,9%
TP	8,0%	4,0%
AZ	7,0%	3,8%
LH	6,9%	7,4%
AR	4,9%	5,1%
BA	3,3%	12,9%
AM	2,9%	2,3%
LX	2,3%	1,2%

# **AF – KLM : the preferred carrier of Latin American business and leisure passengers**

- ◆ **Two networks centered on the hubs at Amsterdam – Schipol and Paris – Charles de Gaulles 2 : 44 000 seats per week between Europe and Latin America**
- ◆ **Fare combinability : connections through either of the two hubs and easier access to the best fares available**
- ◆ **15 daily flights between Paris and Amsterdam : increasing routing possibilities to and from Latin America**
- ◆ **Code Share : AF on KL operating flights (effective in Peru and soon in Ecuador) and KL on AF operating flights (Chile)**
- ◆ **More appealing frequent flyer programmes**

# Weekly long-haul/medium-haul connecting opportunities in less than 2 hours.



# **AIR FRANCE – KLM :**

## **service tailored to the Latin American market**

- ◆ **Ground services :**

- **19 websites (15 AF + 4 KL) accessible 24 hours per day**
- **Multi-service call centers answering calls from all the countries on the Latin American market : Rio (portuguese), Santiago (spanish)**

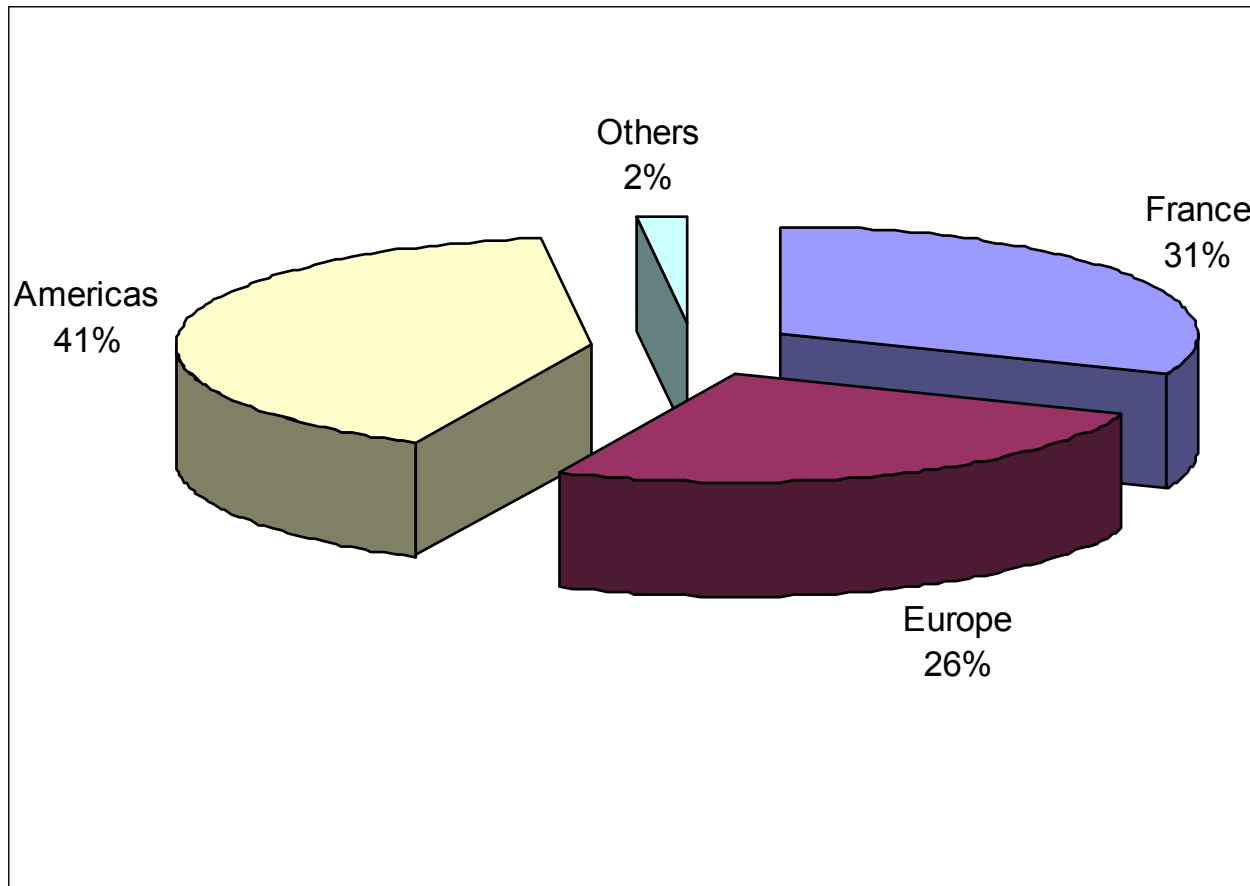
- ◆ **Inflight services :**

- **spanish or portuguese speaking attendant on every flight**
- **Cabin crew familiar with latin american travel habits**
- **Latin american music and an “original version” video channel**

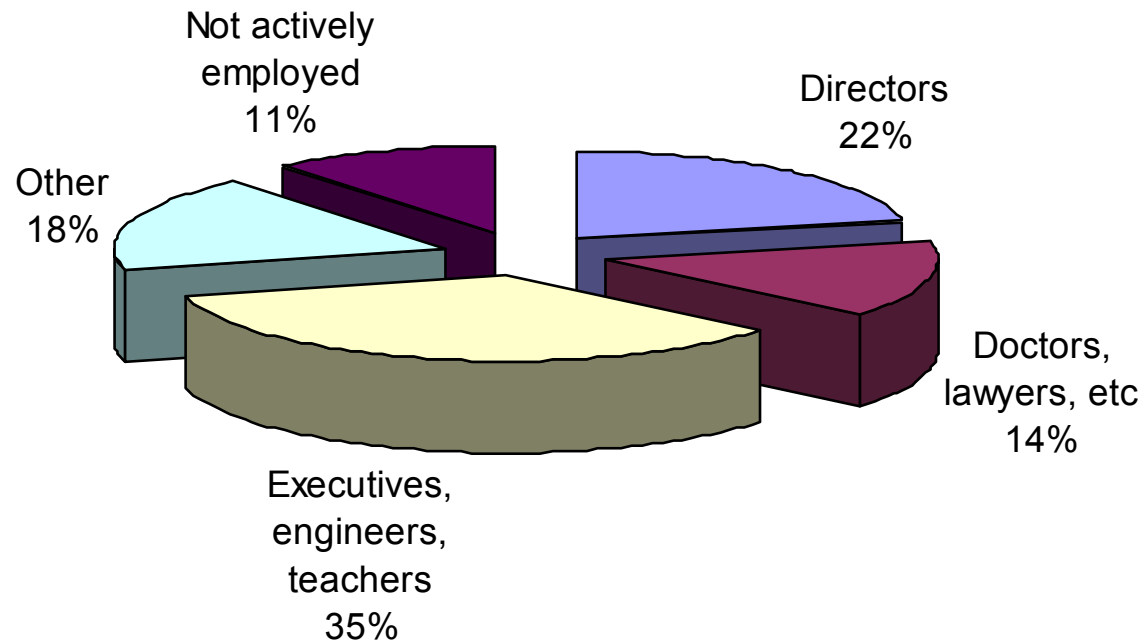
# **AIR FRANCE – KLM : winning the loyalty of a diversified clientele**

- ◆ **Air France elected the most well-known French company in 2004 by Latin American advertising agencies**
- ◆ **Profile of Air France – KLM customers flying to and from Latin America**
  - **surveys conducted on regular basis**
  - **Enable to make commercial and strategic choices**

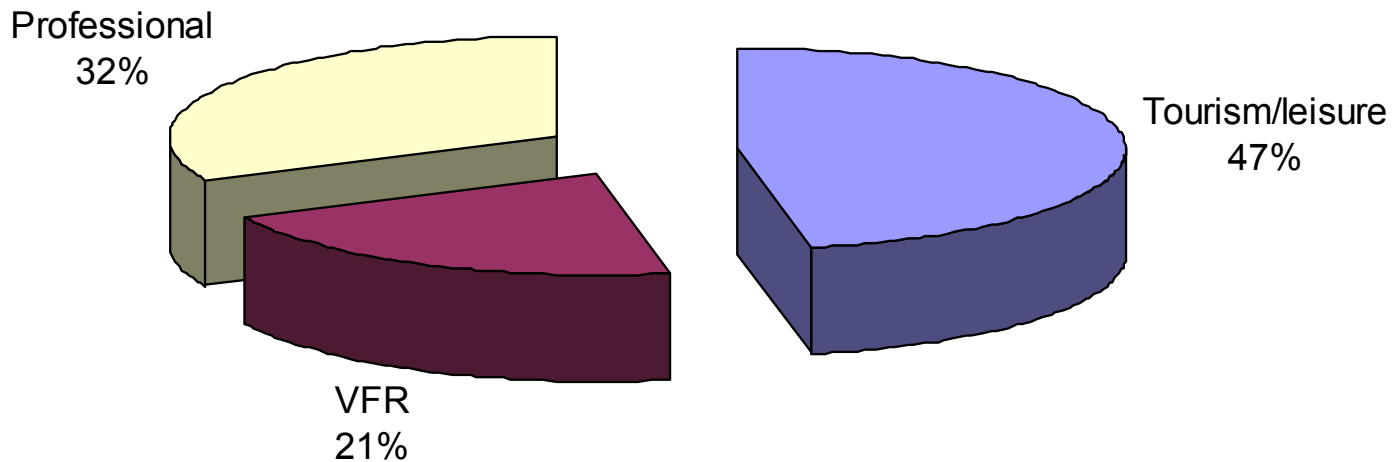
## Place of residence of Air France – KLM passengers travelling to and from Latin America (2003)



## Socio-professional category: a strong majority of directors, executives and engineers (2003)



# Reasons Air France KLM passengers travel to and from Latin America (2003)



# AIR FRANCE – KLM Team in America Latina

- ◆ **Working together and ensuring a strong presence**
  - **Complementarity of AF or KLM team in each country**
  - **Exception : Brazil where both airlines' staff are present**
- ◆ **Create effective synergy and pool resources economically**
  - **Caracas rationalization as of 1 June 2004**
  - **Air France “route profit centers” in Central & South America**
  - **4 regional divisions acting as “long distance antennas”**
  - **910 local staff : 710 Air France + 200 KLM**

# **AIR FRANCE – KLM :**

## **Development projects in America Latina**

- ◆ **+ 1 KLM flight in Sao Paolo and Lima : Nov 04 (5 per week -> 6)**
- ◆ **+ 60% seats for AF in Rio : Nov 04 (daily B747 instead A340)**
- ◆ **+ 1 KLM flight in Lima : 13 Dec 04 (6 per week -> daily)**  
Direct service Lima-Amsterdam : preferred scenario & under review
- ◆ **+ 1 KLM flight in Quito and Guayaquil : Apr 05 (5 per week -> 6)**
- ◆ **+ 1 KLM flight in Sao Paolo : Apr 05 ( 6 per week -> daily)**
- ◆ **Partial disconnection of Santiago : Nov 05 (3 direct / 4 via BUE)**
- ◆ **+ 2 AF flights in Bogota (5 per week -> daily) : 2005/2007**  
(opening negotiations with Colombian Civil Aviation in Dec 04)

# AIR FRANCE – KLM IN LATIN AMERICA

## KEY FIGURES

- **Leading airline for routes between Europe and Latin America : nearly 44,000 seats each week in both directions**
- **11 destinations served by AF-KLM's own flights : 182 flights per week**
- **19 web sites, 2 call centers in Rio and Santiago**
- **910 local staff**

# AIR FRANCE – KLM : KEY FIGURES

- ◆ **Leading airline worldwide in terms of group revenue : 19.2 billion euros**
- ◆ **3rd ranking airline group in terms of revenue passenger kilometers (and 1st ranking in Europe)**
- ◆ **66.3 million passengers**
- ◆ **556 aircrafts in operation (189 as subsidiaries)**
- ◆ **106,125 members of staff in the Group**
- ◆ **101 long-haul destinations**