

Press Release

Guangzhou/Amsterdam, 12 October 2017

China Southern Airlines Cargo and Air France KLM Martinair Cargo agree to intensify their strategic cooperation.

Yesterday, CZ Cargo and AFKLMP Cargo agreed to sign a new MoU to further strengthen and shape our strategic cargo cooperation.

In September 2015 China Southern Airlines Cargo (CZ Cargo) and Air France KLM Martinair Cargo (AFKLMP Cargo) signed a Memorandum of Understanding (MoU) focused on strategic cooperation between the two parties. We share the ambition to link our respective route networks, enabling us to offer expanded cargo services to our respective customers.

"Signing of this MoU leads to a new phase of cooperation between us, we anticipate concrete result coming out of this", says Mr. Zhao Fengsheng, Senior Vice President of China Southern Cargo.

Marcel de Nooijer, Executive Vice President of AFKLMP Cargo: *"We continuously want to create more value to our customers, and in doing so we are very excited to deepen the cooperation with our strategic partner China Southern Cargo. This new phase is good news for our customers".*

Our ambition for the next four years is to jointly investigate and exploit the available opportunities in the air cargo market. To achieve this we want to:

- Expand our existing cooperation and build on our mutual experience to connect our cargo business in China, Europe and beyond markets. This will also enable us to continue to use our membership of the SkyTeam Cargo Alliance to maximum advantage.
- Connect CZ's strong position in China and Asia Pacific region with AFKLMP's strong position in Europe, Africa and the Trans-Atlantic area, possibly by sharing capacity and space agreements.
- Combine CZ and AFKLMP Cargo networks (belly and main deck product) to offer high frequency services via our hubs at Guangzhou, Shanghai, Paris Charles de Gaulle and Amsterdam Schiphol.
- Provide easy access to each other's capacity within this combined network cooperation and explore each other's ground service facilities at home base hubs, which might support quick interline transfers (one roof concept).
- Increase Mail and Express business opportunities between China, Europe and the USA.

Ultimately this could lead to an integrated commercial and operational cargo cooperation model (Joint Venture) between Europe and China.

Mr. Marcel de Nooijer, EVP AIR FRANCE KLM MARTINAIR Cargo and Mr. Zhao Fengsheng, SVP China Southern Cargo, signed up to this new MoU at a ceremony in Guangzhou on 11 October 2017.

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Company profile

The Air France KLM Group is a global airline group with a strong European base. Its main areas of business are passenger transport, cargo transport and aeronautical maintenance.

Air France KLM is the leading group in international air traffic from its hubs Paris Charles de Gaulle (CDG) and Amsterdam Airport Schiphol (AMS), which are ranked among the Top Three European cargo hubs. With a fleet of 534 aircraft and 93.4 million passengers carried in 2016, Air France KLM provides service to 320 destinations in 114 countries.

AIR FRANCE KLM MARTINAIR Cargo is the Air France KLM Group's dedicated air cargo business. Our three airlines offer the industry more than a thousand weekly frequencies to 127 destinations. In 2016, AIR FRANCE KLM MARTINAIR Cargo transported 1.1 million tonnes of cargo. In addition to the Group's global network of passenger aircraft, we offer cargo main deck capacity on two Boeing 777 Freighters, four Boeing 747-400 Freighters and nine Boeing 747-400 Combi aircraft.

In 2016, Air France Cargo and KLM Cargo and our hubs (CDG and AMS) obtained the IATA CEIV certification, providing service excellence to the pharmaceutical industry.

Air France KLM Cargo is a member of SkyTeam Cargo (www.skyteamcargo.com) offering an even larger network coverage. Special partnerships include Air Mauritius Cargo, Alitalia Cargo, China Southern Cargo, Delta Cargo and Kenya Airways Cargo.

For more information about AIR FRANCE KLM MARTINAIR Cargo, please visit www.afklcargo.com.

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