

Objective 2020: A flourishing airline by becoming Europe's most customer centric, innovative and efficient network carrier

GOALS 2017

• UNIT COST REDUCTION > 2.0% VS. 2016
• OPERATING MARGIN ON BUDGET

• POSITIVE FREE CASHFLOW WITH 800 MLN INVESTMENT IN 2017

• REDUCTION ADJUSTED NET DEBT

• GAP WITH BENCHMARK CARRIERS EASYJET, LUFTHANSA AND BRITISH AIRLINES IS SMALLER THAN IN 2016



CUSTOMER & PRODUCT

• CUSTOMER SATISFACTION NPS > 42

PASSAGE:

Win the hearts of our targeted customers by excelling in customer intimacy

- Execute projects based on gaps from the journey mapping
- Develop and execute a central Moving Your World (MYW) roadmap (2020) and steer a detailed MYW year plan per division
- Strengthen the market position of AFKL and our JV-partners in the (extended) home market
- Ensure seamless information to our customer at all touchpoints by further digitisation

E&M:

Provide competitive aircraft maintenance support for AFKL and be a significant MRO player in the market, contributing to AFKL results

- Introduce NPS
- Realise differentiating and profitable new products/services by focusing on a transparent and hassle free customer experience

CARGO:

Be our customers' preferred partner by delivering our promise in a transparent, easy to connect way at competitive prices

- Introduce NPS
- Ensure customers prefer to do business with us by providing competitive offers through our worldwide product and service network in an easy to connect way



NETWORK & FLEET

- > 32 MLN PAX
- > 147 DESTINATIONS

Strengthen our hub-and-spoke model by increasing the agility of our network and simplifying and modernising our fleet

- Profitable European network
- Improve our network scheduling process to:
 - Reduce time to market for new destinations
 - Improve robustness for our customers
 - Optimise fleet utilisation
- Continue our fleet renewal by further phasing in:
 - B777/B787 to replace B747
 - E175 to replace F70
- Continue upgrading our intercontinental aircraft cabins (complete B777 and start A330); offer wifi on more of our aircraft
- Continue fleet densification (A330-200 and B777-200)
- Maximise fleet availability by increasing the agility of our maintenance program
- Strengthen our Cargo position within the hub-and-spoke model by focusing on our bellies, combi's and freighters with more contributing flows, and leveraging our airline partners
- Optimise network by improving partnerships



OPERATIONAL EXCELLENCE

- A15 WORLDWIDE 89%
- COMPLETION FACTOR ICA 99.6%

Deliver our customer promise safely, effectively and at the lowest integral cost by integrally reshaping all products, processes, control, organisation and information

- Minimise Serious Incidents / Serious Occupational Accidents
- Stabilised (3 months) and decreased turnaround times for airframe and engines
- Deliver our Cargo customer products to our customers as promised in at least 82.5% + 1% yoy
- Improve how we deal with operational control and disruptions to minimise the impact of disturbances for our customers and make sure we recover quickly
- Solve bottlenecks in the passenger processes at our hub
- Ensure optimal manpower productivity in line with existing or new labour contracts
- Continue to digitise information and processes to support and empower our staff
- Simplify our Cargo products and services and apply lean operating mechanisms
- Decrease turnaround times, cost of parts/repairs and 'time on wing' and better manage our contracts



PEOPLE & ORGANIZATION

- PRODUCTIVITY +4%
- MEASUREMENT FOR INTERNAL ENGAGEMENT IN PLACE (EPS)

Be engaged by strengthening our behaviour, working climate and leadership in line with the KLM Compass

- Organise HR matters with easy to deal with HR products and services anywhere, anytime, any device
- Reduce the sick leave rate by focusing on prevention of sickness and offering health programs
- Further improve our staffs' engagement, interaction and customer centricity through the KLM Compass
- Strengthen the safety culture, reporting and awareness through training, dialogue and communication
- Continue to implement and build a true High Performance Organization, i.a. through team development workshops



INNOVATION

- > 2 HIGH IMPACT, GAME CHANGING INITIATIVES INTRODUCED

Realise high impact initiatives by radically changing selected key business processes

- 80% of employees see us as a pioneering company
- > 3 pilots regarding selected key business processes per division of which at least 1 is implemented
- Continue to develop and implement new tools and insights by experimenting, learning, and shortening the time from idea to realisation
- Maximise the use of our newly formed Digital Studio to facilitate faster learning, and learning across domains
- Stay nr. 1 on DJSI