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KLM Royal Dutch Airlines (KLM) and Northwest Airlines. (Northwest) have agreed on a transaction initiated by KLM, whereby, KLM will sell back to Northwest 6,654 shares of Northwest preferred stock for a price of approximately US\$378 million. At least 60 per cent of the purchase price will be paid within six months and the remainder no later than July 1, 1997.

“We are very pleased to complete this transaction”, said Pieter Bouw, President and Chief Executive Officer of KLM. “This preferred stock of Northwest was always intended by KLM as purely a financial investment, since no voting or other corporate governance rights were attached, and of the alternatives available to us this transaction, we think, will prove to be the most attractive to both KLM and Northwest.”

“We are pleased we were able to reach this mutually attractive financial agreement with KLM to repurchase their preferred stock”, said John H Dasburg, President and CEO of Northwest.