

In Cannes, the stars board the Air France beach



I Letter from François Robardet

Air transport in France, Europe and the rest of the world

N°1018, May 26, 2025

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Editorial

Dear readers,

The Annual General Meeting of Air France-KLM will be held on Wednesday June 4, 2025 at 2:30 pm at the Van der Valk Paris CDG Airport Hotel - Zone Industrielle Paris Nord II - 351 avenue du Bois de la Pie, 95700 Roissy-en-France. It will be webcast live on the Group's website.

All documents relating to the Annual General Meeting are available on the Air France-KLM Group website, on the Shareholders page, under Annual General Meeting. These include the resolutions that will be put to the vote of shareholders.

As in previous years, I invite those of you who are Air France-KLM shareholders to give me your proxy.

You will find the procedure in my [Flash n°104](#).

I'd also like to take this opportunity to remind you that [on my blog](#), you'll find weekly updates on Air France-KLM share prices and oil prices.

You'll also find all the information about the investment funds reserved for Air France employees.

You'll also find all my letters, as well as a space dedicated to sustainable aviation.

Thank you for your trust and loyalty.

Happy reading!
François

The weekly newsletter

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> In Cannes, the stars board the Air France beach

(source Gala) May 22, 2025

My comment: Air France recently launched the new "La Première" cabin, seen as the crowning achievement of a strategy begun five years ago.

As soon as he took over at the head of the Air France-KLM group, Ben Smith declared that the Air France brand had great potential, particularly with premium customers.

Air France then embarked on an ambitious strategy to move upmarket, focusing on several key areas: fleet renewal, improving the customer experience, investing in premium products and modernizing its services.

For several years now, Air France has been investing more than 1 billion euros a year in cabin renovation, the development of airport lounges and the improvement of on-board services.

Air France has also introduced new business seats on long-haul routes and offers menus prepared by Michelin-starred chefs on medium-haul routes, further enhancing the appeal of its premium classes.

The airport lounge offer has been redesigned, with investments in comfort, catering and personalized services for premium passengers.

Air France is explicitly targeting affluent business and leisure customers, notably by adapting its offer to meet the growing demand from premium travelers, including those who are abandoning private jets for environmental reasons.

In line with its move upscale, Air France has set itself the target of reducing its CO2 emissions per passenger by 30% by 2030, thanks in particular to the increased use of new-generation aircraft and the optimization of its operations.

Last but not least, the return of the "crevette", the historic symbol of Air France.



Read the article:

This year, Air France landed on the Croisette, privatizing the Plage de l'Hôtel Martinez. The program features innovative concepts that hit the bull's-eye. And all the stars are rushing in.



Gilles Lellouche, Isabelle Huppert, even the undisputed star of the Palais des Festivals, Eva Longoria... **They all came to test the new La Première suite, released in April.**



After lunch, a snack break, or a few hours of peace and quiet on the deckchairs of the Air France beach, the Festival partner wanted to offer a travel experience accessible to customers with a reservation at the restaurant.

If you fancy a drink, you'll be offered the in-flight menu! (...) An aerial immersion with your feet in the sand.

Since the excellence of the new suite (which stretches over five windows - what a lot of space!) is reflected in every aspect of **the beach, this year it is in the La Première colors, in red and white, the emblematic Air France signature.** Keen eyes will also find the winged seahorse typical of La Première travel, scattered throughout the new space.

And since we're in Cannes, the seats (travel or cinema) are the focus of special attention. Modular, they can now be transformed into beds. In this room above the clouds, the 4K screens are anti-glare, so you can watch all the programs on offer.

As a partner of the Festival for 45 years, Air France has obviously not skimped on on-board viewing quality. For your next boarding experience, why not choose a film from the 2025 vintage?

> KLM and Schiphol top the list of Dutch employees

(source Upinthesky) May 23, 2025

My comment: KLM plays a major role in the Dutch economy: it is the second largest private employer in the Netherlands.

Its attractiveness remains undiminished, despite the current difficulties, which led to the launch of the Back on Track plan last October.

This plan aims to structurally improve KLM's operating and financial performance, with operating income set to increase by 450 million euros in the short term.

It comprises a series of measures including productivity increases, organizational simplification, cost reductions and investment deferrals.

Focus on ASML, quoted in the article.

ASML occupies a unique position as the exclusive supplier of extreme ultraviolet lithography (EUV) machines - a cutting-edge technology crucial to the manufacture of the most advanced chips.

Its customers? Intel, AMD and TSMC, the world's largest foundry, which produces Nvidia's chips.

These chips are then used in the data centers that run the language models of Mistral, OpenAI and Google.

They ensure the Dutch company's global domination in this strategic sector.

Read the article:

KLM and Schiphol both feature in this year's list of the Netherlands' five most attractive employers. Enthusiasts especially praise the career opportunities.

Every year, temporary employment agency Randstad publishes the Employer Brand Research report, in which it evaluates the most popular employers in the Netherlands. Randstad works in collaboration with research agency Kantar. Kantar draws on the opinions of more than 13,000 employees, students and jobseekers aged 18 to 67 on the 150 largest employers.

ASML is once again in first place. The company has been performing well in the survey for several years. The Eindhoven-based chip machine manufacturer is followed by Efteling, KLM, Schiphol Group and Royal Haskoning in the top five places. **KLM moves up one place from last year. Schiphol Group enters the list this year.**

The argument in favor of KLM mainly mentions its good salaries and favorable benefits. This is all the more remarkable given the airline's current efforts to limit these in order to slow the rise in costs. At Schiphol Group, the career opportunities are mainly mentioned; the work also seems sufficiently interesting. (...)

> Tap Air Portugal: 1Q profit down, affected by pilot strike

(source AFP) May 23, 2025

My comment: *Quarter after quarter, TAP Air Portugal's results are mediocre.*

Its merger with a major group, delayed by a series of political crises in Portugal, seems vital.

Read the article:

TAP Air Portugal, which is in the process of being privatized, announced a first-quarter profit of 108.2 million euros on Friday, down 20% year-on-year. This was mainly due to a pilots' strike during the period.

The year "began with a difficult quarter, marked by the pilots' strike" at TAP's regional subsidiary Portugalia, which had an impact "on the company's financial and operational performance", explained Managing Director Luis Rodrigues.

In addition to the strike, which lasted 20 days, TAP was also confronted with "increased competition in (its) main markets", as well as "operational disruptions caused by unfavorable weather conditions" and malfunctions in European airspace, the TAP boss added.

Against this backdrop, **the airline's sales fell by 4.5% to 823.4 million euros.**

Renationalized as a matter of urgency in 2020 **to overcome the impact of the Covid epidemic, TAP had benefited from an injection of 3.2 billion euros of public funds in exchange for a restructuring plan** due for completion this year.

Portugal now wishes to withdraw from TAP's capital. Air France-KLM, Lufthansa and the IAG group (British Airways and Iberia) have already shown interest in this capital opening.

(...)

"TAP is prepared" for "the new phase that will follow the restructuring plan, with the commitment to transform the airline group into a profitable and attractive company", said Mr. Rodrigues.

> **737 Max crashes: Trump allows Boeing to avoid a major trial, victims' families are outraged**

(source Les Echos) May 25, 2025

My comment: *US space and military leadership depend largely on Boeing, relegating the families of the victims of the two 737 Max crashes to the background.*

Read the article:

Boeing is set to avoid a trial in the case of the two fatal accidents involving its 737 Max aircraft, but the agreement announced on Friday evening between the aircraft manufacturer and the US government has sparked outrage among some of the victims' families.

As part of the settlement, **Boeing will acknowledge that it sought to "obstruct and impede" the work of the US civil aviation regulator (FAA)**, according to a document filed on Friday.

The company will also have to disburse \$1.1 billion, of which \$444.5 million will go to a compensation fund for victims' relatives, which had already been

credited under a first agreement reached in 2021. The balance consists of a fine of \$244 million, plus \$455 million earmarked for strengthening the company's internal safety, quality and compliance programs.

The proceedings concern the accidents involving two 737 Max 8s, one operated by Lion Air in October 2018 and the other by Ethiopian Airlines in March 2019, which resulted in the deaths of 346 people. The U.S. government criticized Boeing for failing to communicate technical aspects of the MCAS stall protection software to the FAA. Malfunctions in the software and a lack of pilot training in the program were blamed for both crashes.

This agreement is crucial for the Arlington, Virginia-based group, which, subject to approval by a federal judge in Texas, will avoid a trial, scheduled to begin on June 23. **A conviction could have jeopardized Boeing's ability to sign contracts with the federal government, a huge customer for its aerospace and defense activities.**

(...)

"This kind of unprecedented settlement is a mistake," commented Paul Cassell, attorney for several families, for whom Boeing's failures constitute "the deadliest corporate crime in U.S. history. [...] The families I represent will oppose it and try to convince the court to overturn it", he added.

In addition to the criminal case, Boeing is still subject to civil proceedings brought by relatives of people who died in the crashes. As things stand, at least two compensation trials are scheduled for 2025, in July and November. Justice Minister "Pam Bondi is afraid to go to trial", blasted Nadia Milleron, whose daughter died in the Ethiopian Airlines crash. "The next accident will be her fault."

> Carry-on baggage, compensation for delays: Brussels sets new ground rules for airlines

(source Les Echos) May 21, 2025

My comment: France's UFC-Que Choisir and 14 other member organizations of the European Bureau of Consumers' Unions (BEUC) have just lodged a complaint with the European Commission and the network of consumer protection authorities (CPC), France's DGCCRF.

They denounce the contentious commercial practices of seven airlines (EasyJet, Norwegian, Ryanair, Transavia, Volotea, Vueling and Wizzair), which charge consumers undue fees for their hand luggage.

This concerted action comes at a time when debates are currently taking place around the revision of the regulation on air passenger rights.

The latter is an ideal opportunity for the European Union to clarify which services should be included in the basic ticket price, and to clarify baggage rules, notably the "reasonable size and weight" of hand luggage.

Harmonizing the rules on hand luggage will improve transparency and price comparability for passengers, and guarantee legal certainty.

It should be noted that Transavia France has just added a fourth fare to its menu: "Smart".

It lies between the "Basic" and "Plus" offers, and provides passengers with a package including a carry-on bag (40x30x20 cm), a cabin bag (55x40x25 cm), a choice of standard seats, and priority boarding.

Read the article:

After 20 years of debate and a failed attempt at revision in 2013, **the reform of EU regulation EU261 on air passenger rights may be on the verge of success.**

Earlier this week, representatives of the 27 EU countries agreed on a revised draft regulation, which should be put to a vote by member states at the next EU Council meeting on June 5. The text will then have to be approved by the European Parliament.

This compromise text attempts to balance the two. **In response to consumer associations, it provides for the introduction of additional rights, notably for disabled passengers, pregnant women and children. But it also responds to the main demands of European airlines, by providing a tighter, more precise framework for the right to compensation for delays,** a source of numerous disputes and enormous costs for airlines.

In its current form, the EU261 regulation represents a cost equivalent to 2% of European airlines' sales", stresses a company representative. It has also become a lucrative business for online collection agencies, which alone account for 70% of all legal claims.

Under the new regulation, which takes up Commission proposals from 2013, **passengers will only be entitled to compensation after 5 hours' delay for flights between 1,500 and 3,500 km, and even 9 hours for flights over 3,500**

km, compared with the current 3 hours, regardless of distance. According to consumer associations, this will significantly reduce the number of passengers eligible for compensation.

But according to the airlines, the extra time should also reduce flight cancellations. With the current 3-hour delay, it is easier for airlines to cancel a delayed flight and reimburse their passengers, rather than having a delayed flight depart with compensation payments that are often higher than the price of the ticket.

Another important new feature is that **the text will include, in an appendix, a list of "exceptional circumstances" exempting airlines from paying compensation.** In the 2004 regulation, these "exceptional circumstances" are not specified, leaving the door open to numerous disputes and variable interpretation by the courts.

The list drawn up would not be exhaustive, but it would already make it possible to settle certain cases which have already been subject to variable interpretations, such as that of a sick or deceased pilot, considered as an "exceptional circumstance", or the more contentious case of a surprise strike by company staff.

On the other hand, **the new regulation strengthens airlines' obligations to provide information and assistance to passengers affected by disruptions.** The lump-sum compensation for medium-haul flights delayed by more than 5 hours will be increased from 250 to 300 euros.

Above all, passengers will no longer be left stranded at the airport. Airlines will have to inform passengers of their rights "immediately", as well as providing assistance. The text also prohibits keeping passengers on the tarmac for more than three hours. In the event of a cancelled flight, the obligation to compensate passengers applies to all cancellations within 14 days of departure, as opposed to 7 days at present.

The new regulation also opens up new rights, such as the possibility of changing a misspelled name at the time of booking, free of charge. For the first time, **the text also establishes the right to take cabin baggage free of charge, "provided it fits under the seat". For the first time, the text also sets maximum dimensions for larger cabin baggage** (the sum of its width, width and depth must not exceed 115 cm, 56 cm per side and a weight of 10 kg). **It does not, however, make such baggage free of charge,** contrary to the demands of 14 European consumer associations who have referred the matter to the European Commission.

> Air transport seeks to reduce the greenhouse effect of condensation trails

(source Le Monde) May 22, 2025

My comment: As a prelude to the creation of the Sustainable Aviation Observatory, the Omnes team I co-chaired put [a dozen infographics](#) on line, including this one on contrails.



The impact of contrails on climate change remains poorly quantified.

To date, there is no evidence that the increase in consumption resulting from the avoidance of high-risk areas is offset by the reduction in the climatic effects of contrails.

Work in progress should provide answers to these questions.

Read the article:

For the first time, they were all there. The big names in French air transport - including Airbus, Thales, Safran and Air France - turned out on Thursday, May 22, at the invitation of Christine Arrighi, Member of Parliament for the Haute-Garonne

ecologist and social group. Alongside the non-governmental organization Transport & Environnement (T&E), they took part in a symposium entitled "Reducing the climate impact of contrails through avoidance strategies".

Already accused of being responsible for 3% of carbon dioxide emissions into the atmosphere, air transport is also being criticized for the condensation trails that many aircraft create in their wake. These white wisps, which stretch across the sky as they exit the jet engines, are the result of kerosene combustion . These contrails are wrongly vilified by conspiracy theorists of all stripes, who blame them for the spread of cancer, Covid-19, the sterilization of populations and their manipulation by the spread of 5G.

On the other hand, it is scientifically established, and now recognized by all players in the sector, that the pollution of these "non-CO2 effects", as the specialists call them, is far from trivial. According to estimates, they double air transport's contribution to global warming.

Under certain conditions of temperature and humidity, these trails form in the tropopause, a zone located between 9 and 17 kilometers above sea level, depending on latitude. According to Nicolas Bellouin and Olivier Boucher, two members of Climaviation, a research project funded by the French civil aviation authority (Direction Générale de l'Aviation Civile) that seeks to "quantify the climatic impacts of aviation", in 2018, they generated "50% of aviation's total impact" on the climate. In other words, as much as CO2 emissions. However, unlike carbon dioxide, contrails dissipate "in the short term", within twenty-four hours, whereas "CO2 accumulates", say the two researchers.

What's more, cirrus homogenitus, **the clouds formed by contrails, have opposite effects. During the day, they reflect heat back into space, but as soon as the sun goes down, they trigger a greenhouse effect** - a "radiative forcing", to use the scientific vocabulary. Depending on climatic conditions and air traffic density, contrails have a greater impact over Europe, the USA and the North Atlantic.

According to Christine Arrighi, **"3% of flights (mainly long-haul) are responsible for 80% of condensation trails. To reduce them significantly, aircraft will have to be able to fly around, over or under the areas where these contrail clouds are most likely to appear.**

This operational solution requires the whole air transport ecosystem to be involved, from aircraft and engine manufacturers to air traffic controllers, weather services and airlines. It also requires Brussels to establish a European regulatory framework.

Contrail avoidance strategies should not burden airline finances. According to T&E's

calculations, it could cost as little as 1.5 euros per passenger for intra-European flights, and as much as 5 euros for long-haul routes.

However, France lags behind its German and British neighbors. Germany, which has already carried out drag-avoidance trials, is ahead of the game. It is therefore urgent for the French ecosystem to take a serious look at the subject. "French aeronautical excellence is at stake", said Mrs Arrighi.

End of press review

> Air France-KLM share price trend

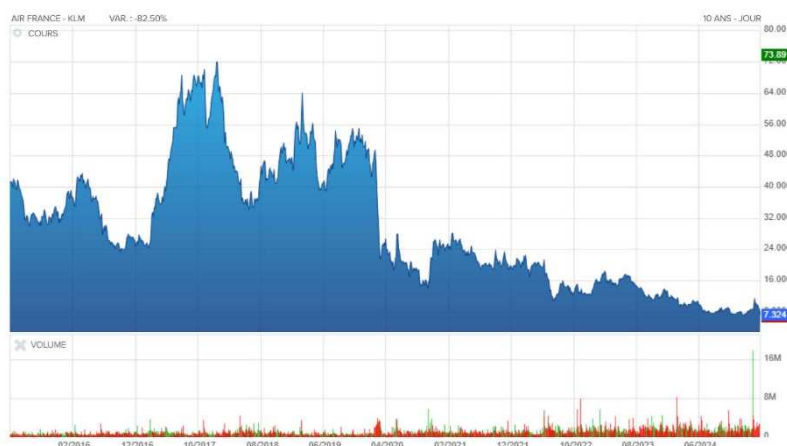
Air France-KLM shares closed at **8.488 euros** on Friday May 23. Over the week, it is **down slightly (-1.12%)**. It was 13.60 euros on January 1, 2024, 8.23 euros on July 1, 2024, 7.604 euros on January 1, 2025.

The analysts' 12-month average (consensus) for AF-KLM shares is 8.88 euros (it was 17.50 euros at the beginning of January 2024). The highest price target is 12.50 euros, the lowest 7.00 euros.

I only take into account analysts' opinions after July 1, 2023.

You can find [details of the analyst consensus](#) on my blog.

Below is the share price trend over the last 10 years.



My comment: Following the announcement of Air France-KLM's good quarterly results, the share price recovered (+12%).

> Fuel price trends this week

The price of a barrel of Jet Fuel in Europe is down (-\$1) to \$84. It was \$94 at the end of June 2023, and \$79 before the outbreak of war in Ukraine.

Brent crude oil (North Sea) is down (-\$1) to \$64 a barrel.

From mid-February 2022 to the end of July 2022, it was yo-yoing between \$100 and \$120. Since then, it has oscillated between \$75 and \$99.

My comment: Decisions on tariffs in the United States led to a fall in oil prices.

They then recovered slightly.

> Corporate Mutual Funds

When you invest in one of Air France's FCPE funds, you obtain shares in these funds. You don't hold shares directly.

It's the supervisory boards, which you elected in July 2021 for a five-year term, that manage the funds and make the decisions.

The Partners for the Future, Aeroactions, Majoractions and Concorde funds only hold Air France shares.

The Horizon Épargne Actions (HEA), Horizon Épargne Mixte (HEM) and Horizon Épargne Taux (HET) funds manage portfolios of various equities.

My comment: If you'd like to find out more about how the various Air France employee shareholding funds are managed, please visit the [Air France-KLM employee shareholding section of my website](#).

Details

This information does not constitute a solicitation to buy or sell Air France-KLM shares.

You can react to this press review or send me any information or thoughts that will help me to keep you better informed.

By return, you can ask me any questions you may have about the Air France-KLM Group or employee share ownership.

See you soon.

To read my latest letters, [click here](#)

If you like this letter, please pass it on.

New readers can receive it by [giving me](#) the email address of their choice.

| François Robardet

At the forefront of more responsible European aviation, we bring people together to build the world of tomorrow.

(Air France-KLM's raison d'être)

**I represented current and former Air France-KLM employees.
You can find me on my twitter account @FrRobardet and on LinkedIn.**

This newsletter deals with the airline industry around the world and topics related to Air France-KLM shareholding.

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