DeepL

Letter from the Director of Air France-KLM

At the forefront of more responsible European aviation, we are bringing people together to build the world of tomorrow.
(Air France-KLM Group's raison d'être)

François Robardet
Representative of the employees and former employees shareholders PS and PNC

N°905, March 27, 2023

If you do not see this page correctly, or if you want to read the English or Dutch versions
If you do not see this page correctly, or if you want to read the English or Dutch versions,
Als u deze pagina niet goed ziet, of als u de Engelse of Nederlandse versie wilt lezen,
follow this link , it is here, vindt u deze hier

Monday's Press Review

> Fuel shortages: serious concerns about kerosene in Paris airports

(source Europe1) March 23, 2023 - **The supply of kerosene to the Ile-de-France region and its airports by Normandy "is becoming critical"**, said Agnès Pannier-Runacher, the Minister of Energy Transition, on Thursday 23 March. The latter has "taken an order of requisition" to the strikers, which has not been notified "at this stage" to employees of the refinery, stopped last weekend. For its part, the Directorate General of Civil Aviation has been warning airlines for several days that kerosene reserves at Paris-Charles de Gaulle and Paris-Orly airports are "under strain", urging them to take precautions.
But why are the kerosene reserves under pressure? In reality, **the Paris airports are supplied by a pipeline from Normandy**, and there are several loading points along the pipeline. There are import depots in Le Havre and Rouen, and there are the TotalEnergies refineries in Gonfreville-l'Orcher and ExxonMobil in Gravenchon, the two biggest in France, where shipments of kerosene have been blocked for several days. According to information from Europe 1, **the pipeline is still operating from the State's strategic reserves.** Each airport also has reserves that can last about ten days when they are full, but as the days go by, **the reserves become empty. To preserve them, airlines have been asked to take as much fuel as possible**

from their home airports, so that they do not have to refuel when passing through the Paris region.

My comment: *Since the publication of this article (Friday 23 March) the situation has changed. There is now no more kerosene available in the Gonfreville-l'Orcher refinery.*

Large stocks exist in airport depots. For example, there are 15 days of consumption at Orly and 10 days at Roissy-CDG :

. at Athis-Mons and Paray-Vieille-Poste, in Essonne, for Orly,
. at Chennevières-lès-Louvres, in Val-d'Oise, for Roissy-Charles-De-Gaulle.

It is also possible to call on the strategic stocks managed by the French Ministry of Defence, which are designed to provide fuel supplies for two to three months (of all types, not just for aviation).

On the airline side, to make up for the lack of kerosene in Paris airports, the practice of "fuel tankering" or "double carrying" is being considered at the end of the line.

This is a practice that consists of taking on board more fuel than necessary for a flight in order to avoid or limit refueling at an airport.

But this has consequences for the amount of fuel needed.

The fuel taken on board for the return journey constitutes additional weight on the outbound journey, resulting in over-consumption :

. on a medium-haul flight, typically 5% of the extra fuel on board will be burned to carry the remaining 95% of the fuel
. on a long-haul flight, this proportion is around 30%, depending on the distance of the flight.

> Amsterdam Airport Schiphol: KLM opposes the Dutch government's plans to limit the airport

(source Le Monde) March 22, 2023 - **The court in Haarlem**, in the province of North Holland in the Netherlands, **began on Tuesday 21 March to examine an appeal lodged by KLM and ten other airlines,** including EasyJet and Delta Airlines, **against the Dutch government's plans** to limit movements at Amsterdam-Schiphol airport, one of Europe's main hubs. KLM, which has been allied with Air France since 2004, operates 60% of the current 1,400 daily flights there.

Mark Harbers, the Minister of Infrastructure, unveiled a plan in the summer of 2022 to limit noise and CO_2 emissions at Schiphol, which is 70% owned by the Dutch government. This is a small revolution for authorities who have always supported the exponential development of the airport but now claim to be seeking a "new balance" between economic progress and environmental concerns.
(...
)
The minister intends (**...) to set a limit of** 460,000 flights per year, starting in November [compared to 500,000 before the health crisis]. With, in addition, the obligation to limit noise through a new method of regulation of landings. On November 1, 2024, the limit will be reduced to **440,000 flights per year, and** by 2027 **new, stricter limits on emissions and noise will be introduced.**

The authorities will also have to decide in 2024 on the fate of Lelystad airport, located about 50 km from Amsterdam. Owned by the Schiphol Group, it is currently closed for nature conservation reasons, but was supposed to relieve Schiphol during peak travel times. Last summer, the Amsterdam airport experienced chaotic situations related to a lack of staff that forced it to limit the number of flights.
To justify its legal action, **KLM deplores a lack of consultation, the questioning of previous agreements and the failure to take into account a number of elements, including the ongoing renewal of its fleet, with "cleaner" and quieter aircraft, or the use of new fuels supposed to reduce emissions**. The Dutch company also mentions the practical impact of a measure that will lead to a difficult revision of landing and take-off rights, with the possible loss of some 80 daily flights.
Residents' committees have won the right to be involved in the lawsuit and are cautiously supportive of Harbers
' plans, but fear that they will simply shift the nuisance from some residential areas to others.
The government of liberal Mark Rutte will also have to deal with another stakeholder, the European Commission, which is apparently reluctant to endorse its approach. "We are not in favour of limiting air traffic by decree," **Filip Cornelis, a director in charge of transport at the Commission, was** quoted as saying by the daily NRC on Monday 20 March. According to this senior official, **"very surprised" by the Dutch plan, "the greening of the aviation sector can be carried out in another way, without limiting the number of flights or capping the number of passengers**
."
Moreover, such measures run the risk of being contrary to European legislation, as both the Commission and the companies point out. A possible "no" from Brussels to Mr. Harbers
' plan would not be binding, but would undoubtedly be widely used by KLM and other opponents of the minister's plan.

The Haarlem court is expected to rule in April. If the court were to rule in favour of the national airline, it would be another serious setback for Mark Rutte's government, which aims to reduce the country's overall emissions by 50% by 2030. Targets for all sectors will be announced in July, but the agricultural community has already rebelled against what is being demanded of it.

My comment: *Regular readers of this letter will not be surprised by the content of this article.*

The only news is that the court's decision is expected next month.

> Amsterdam to host JetBlue

(source Air Journal) March 23, 2023 - **Threatening to** retaliate against **Amsterdam Airport Schiphol for weeks for** denying it access from the U.S. in the name of government restrictions, **JetBlue has finally been awarded flight slots** - but only for the summer season, and at less than desirable times. The U.S. airline plans to launch a daily flight to the Netherlands from New York-JFK, and noted that "the temporary slots accepted by JetBlue were not at commercially desirable times, as they involved a 3:00 p.m. arrival time at AMS, which would require a 1:20 a.m. departure time from JFK.

Nevertheless, JetBlue's acceptance of these temporary slots underscores its willingness to enter the market for air service between the U.S. and Amsterdam. The flights will be operated by Airbus A321LR equipped with the new Transatlantic Mint
cabins, with 24 sleeper seats in Business Class (two in Studio in the front row) and 114 in Economy Class, including 24 in Even More Space.
(...)
JetBlue was denied last September a request for two slots previously held by Aeroflot (banned from flying in Europe since the Russian invasion of Ukraine, and blacklisted by the European Union). And it has since been unable to access the slots abandoned at Schiphol by Flybe following its bankruptcy. According to the American company,
the coordinator of the Airport Coordination Netherlands (ACNL)
slots is guilty of "blatant discrimination" against the business model choices of "low-cost airlines and other airlines that choose not to be part of an international alliance. The Dutch government, which wants to reduce noise pollution by reducing air traffic and is accused of anti-competitive practices, as well as the manager of the Amsterdam airport remain discreet about what will happen next...
Remember that the Amsterdam - New York route is already offered by KLM, its joint venture partner Delta Airlines (both at JFK) and United Airlines (from Newark-Liberty).

Amsterdam is expected to become JetBlue's third European destination after London (Heathrow and Gatwick) and Paris-CDG (starting June 29). It also plans to connect Florida to Europe, from Fort Lauderdale, once the A321XLRs arrive (13 conversions of existing orders announced at the 2019 Paris Air Show).
(...)

My comment: *The allocation of slots to JetBlue comes just after the trip to the US by Minister of Infrastructure Harbers (the same minister who announced that he would drastically reduce the number of flights at Schiphol).*

This gesture of appeasement by the Dutch government does not prevent the US airlines from continuing their legal action against the decision to reduce the activity at Schiphol.

Delta Air Lines, KLM and Air France's partner in the transatlantic joint venture, has been hinting for several weeks that it might have to transfer flights from Schiphol to Roissy if the decision is confirmed.

> Castres-Paris air line: a Tarn deputy questions the Minister of Transport

(source L'Opinion) March 23, 2023 - Is **the Castres-Paris air connection** in danger? This line serves Paris twice a day. However, it is **currently the subject of an EU tender procedure.** This campaign aims at renewing the line as of June 1, 2023 for a four-year agreement until May 31, 2027. However, "the company **Air France, which provides this public service delegation since June 1, 2019, did not want to apply,**" explains Jean Terlier (Renaissance) in his letter to Clement Beaune, and transmitted to L'Opinion Indépendante. As a result, the deputy asked for an "urgent appointment" to discuss with the minister.
If Air France has not applied, **two companies have positioned themselves**. However, **the economic conditions are considered "unsatisfactory"**. As a result, "the expected operating deficits, borne by the Tarn Departmental Council, the Castres-Mazamet Agglomeration Community and the Occitanie/Pyrénées-Méditerranée Region, will not be bearable for local actors and would jeopardize the financial balance of these communities," warns Jean Terlier.
In addition, the Tarn deputy mentions another problem.

The State's participation is capped at 50% of the net revenue generated by the Paris airline. The net revenue for Castres-Mazamet is estimated at between 3,000 and 4,000 K€/year. If the state subsidy can be increased to 50% instead of 31%," he writes.

In this sense, **the elected representative proposes to the minister to de-cap**

this subsidy. He says: "In view of recent exchanges between the airport management and the Directorate of Air Transport, it would seem that an amount of 31% on the basis of the lowest bid is provided: **about 2,068,000 euros per year. This sum would still be insufficient in the face of the contribution of local financiers, which would be in the order of 1,503,000 euros per financier, compared to 740,000 euros per year at present.**
(...)
In order to avoid urgently the closing of this airport which would not survive the stop of the connection with Paris, it is essential that the State increases its contributive share and allows the airport of Castres-Mazamet to benefit from a regime in adequacy with that of the similar airports", the elected representative hammers.
(...)

My comment: *For a long time, Air France ensured territorial continuity by operating routes under public service delegation.*

For many reasons, Air France accepted to operate most of these routes at a loss, as the subsidies granted by local authorities (and the State) did not cover the deficit.

Little by little, Air France withdrew from the public service delegations, leaving the place to other airlines, not inclined to lose money. This is to the great despair of local authorities, which are forced to assume a greater share of the operating deficits.

Yet it is the role of the State to ensure that the regions concerned are served, which is synonymous with attractiveness. Otherwise, we will see an accelerated desertification, particularly in the center of France, the area most affected by depopulation.

> TAP Air Portugal: the State will keep a strategic stake after privatization

(source AFP) March 22, 2023 - **The Portuguese state will keep a strategic stake in the capital of the airline TAP, which is to be re-privatized** after its renationalization in 2020 following the Covid-19 crisis, Prime Minister Antonio Costa said Wednesday. "We will reprivatize TAP to the extent strictly necessary," but **this participation "will depend on the other partner**," he said during a parliamentary debate. "It is not a question of managing TAP on a day-to-day basis, but of ensuring that the country's strategic objectives will be guaranteed," such as maintaining a "strategic hub" to its key destinations such as "South America, Brazil and even North America," the head of the Socialist government said. **The privatization of the Portuguese carrier, which is currently undergoing a restructuring plan, has already attracted the**

interest of several airline groups including Air France-KLM, IAG (parent company of British Airways and Iberia in particular) and Lufthansa. "
We want to integrate TAP into a large aeronautical group," said Joao Galamba, Minister of Infrastructure, who oversees the airline, on Wednesday morning, after welcoming the results "exceeding expectations" obtained by the airline last year.
TAP returned to profit in 2022, two years ahead of the target set in its Brussels-imposed rescue plan, **making a net profit for the first time since 2017, at 65.6 million euros**, according to results unveiled Tuesday.
(...)

My comment: *TAP Air Portugal came out of the red last year. In 2021, the loss had amounted to nearly 1.6 billion euros.*

> Airbus has delivered the first A321neo assembled in China

(source Boursier) March 27, 2023 - **Airbus has delivered the first A321neo aircraft assembled on its final assembly line in Asia** (FAL Tianjin). This aircraft is delivered to the Chinese airline Juneyao Air in Tianjin. This flight was made with sustainable aviation fuel.

The aircraft is powered by Pratt & Whitney GTF engines and has 207 seats, 8 in Business Class and 199 in Economy Class. Inaugurated in 2008, the Tianjin FAL is Airbus' first commercial aircraft assembly line outside Europe.

Airbus has four A320 Family final assembly sites worldwide: Hamburg, Germany; Toulouse, France; Tianjin, China; and Mobile, USA. With the conversion of the Tianjin plant in 2022 and the brand new facility in Toulouse, the global manufacturing system will be fully compatible with the A321, giving the group more agility to meet the ramp-up objectives of Airbus and its A321 model.

My comment: *The first A321 assembled in China is an event that should not mask the production problems faced by Airbus, mainly in Hamburg.*

According to Les Echos:

The Hamburg-Finkenwerder factory island has indeed become the epicenter of these challenges in 2023. As the main A320 production site, far ahead of Toulouse, Tianjin and Mobile, it is largely responsible for Airbus' ability to increase production rates.

For the time being, however, Airbus has fallen behind on these various challenges. Starting with the ramp-up, which is still hampered by production delays in the subcontractor chain. At the end of 2022, the four A320 production sites were still *producing 45 aircraft per month, only five more than at the height of the crisis. Not content with missing its targets, Airbus had to postpone its goal of 65 A320s per month to early 2024 instead of late 2023, and from 2025 to 2026, its target of 75 per month.*

Airbus's "companions" in Hamburg have already been able to measure the difficulties that await them, with the few long-haul versions of the current A321. While five days are enough to install the 240 seats of an ultra-low-cost short-haul version, three weeks of work are needed to fit out a long-haul dual-class version, with business-class seats and video on all seats, like those of Jetblue, Korean Air or La Compagnie. "The business class seats don't fit through the door and have to be disassembled to get into the plane," explains one of the companions.

To prevent these "super A321s" from clogging up the production lines, Airbus has decided to build a huge building in Hamburg, which will be entirely dedicated to the installation of the interior equipment of the A321 fuselage sections, before final assembly. Still under construction, it should be inaugurated in September. The new facility will increase the use of robotization, but will also be the source of new hires. After recruiting 3,500 people in Germany last year, Airbus plans to hire just as many this year, including 1,300 for Hamburg.

But in a German job market that is even tighter than in France, attracting the right candidates is not so easy. "We are competing in the job market with much larger industrial players, such as the automotive and chemical industries," explains Marco Wagner, HR Director for Airbus Aircraft in Germany. To attract young people, we have to convince them that Airbus is a pioneer in decarbonization.

End of quote

> Why it will be more difficult to travel to the Dominican Republic on vacation

(source Le Figaro) March 22, 2023 - Dream beaches, coconut palms pointing to a Caribbean blue sea, resorts and huge hotel complexes... **In two decades, the Dominican Republic has carved out a lion's share of the hearts of tourists, beating all the records for visitors, including the French**. To the point of being recognized last November as "the most successful 2022 tourist destination in the world" by the specialized platform ForwardKeys. The result of a proactive policy of the government of this destination located at a little more than 9 hours flight from Paris: to have kept its borders open during the Covid, and to keep affordable prices. Unsurprisingly, the results are there, establishing the "Rep Dom" as a new heavyweight in mass tourism, "all inclusive" option. In 2022, the country, which shares with Haiti the island of Hispaniola, welcomed 8.5 million visitors, one million more than in 2019. To the point that tourism now weighs 15% of the GDP of this country of more than 11 million people.

However, this Saturday, March 25, at 3:45 pm, **Air France flight AF0968, will take off for** the last time this year from Roissy to Punta Cana. The French airline stopped its service to the Caribbean island, reimbursing the passengers of the cancelled flights without any real warning. Contacted by Le Figaro on March 15, Air France confirmed that "the suspension of its routes from Paris-Charles de Gaulle to Santo Domingo and Punta Cana, initially announced for the summer season 2023, will be extended to the winter season 2023/2024. Without expressing itself on the reason for this stop. **In January, another French company, Corsair, had drawn a cross on the Dominican Republic.**

The reasons are mainly due to an economic equation that has become unbalanced for airlines, since the local government, faced with rising prices, applies a fuel surcharge on kerosene. On the spot, the price would explode, no longer allowing to make profitable the round trips between France and the island of the Great Caribbean. **The carrier confirms "that given the economic balance of the line, we have not continued the operation of this line. Kerosene is 80% more expensive in Punta Cana compared to Orly where its price is already high**," said Julien Houdebine, sales and marketing director of Corsair. He added to our colleagues of the Echo Touristique that "Corsair has not planned to resume its services next winter, preferring to focus on the growth of other routes in its network. (...)
Now the only company from France to serve the island in direct flights - 6 weekly frequencies to Punta Cana -, **Air Caraïbes tells the Figaro that "the attention of the government authorities of the Dominican Republic had already been drawn, several months ago, on the economic conditions of these services**."
(...)

My comment: *The case of the Dominican Republic is a textbook case. It has taken a local decision that is undoubtedly respectable but forgetting that the aviation market is global.*

As a result, it introduces a distortion of tourism competition in favor of neighboring countries.

The airlines keep repeating that the path to sustainable aviation will necessarily involve decisions by as many air transport stakeholders as possible.

The ICAO (International Civil Aviation Organization) is responsible for setting standards (including environmental standards) for the aviation sector on a global scale.

In this respect, its last General Assembly, in Montreal in September 2022, was not *successful.*

> Toulouse: Blagnac airport anticipates the arrival of the LGV and aims for international development

(source 20minutes) March 23, 2023 - It is far from the ten million travelers once envisaged before the health crisis. **Last year, more than seven million people landed or took off from Toulouse-Blagnac Airport (ATB), compared to 9.6 million in 2019**. While the hub has not returned to its pre-Covid-19 level, the end of 2022 has shown signs of recovery according to Philippe Crebassa, the chairman of its board of directors, who still plans to return to its pre-crisis level by 2025.

"In January 2022, traffic was at 56% of that of 2019, while it was 86% in December. Traffic with Paris airports remains the most important for the platform and presents 34% of the airport's activity, but **travel habits have changed and we are recording fewer 'business' passengers**," acknowledges the ATB manager. Between telecommuting and energy efficiency issues, companies are now asking themselves the question before sending their employees to Paris for half-day meetings that are perfectly feasible by videoconference.

A change that the platform must integrate into its strategic choices to maintain and develop its traffic. **Just like the arrival in 2032 of the High Speed Line, which will put the Pink City three hours away from the capital and will reduce by domino effect the frequentation of the shuttle to Paris, which still represents one third of its traffic**. "We are preparing for this, our future is mainly international", confirms Philippe Crébassa who has noticed a craze for European and more distant destinations and also hopes to bring tourists to Toulouse by plane, especially from North America.

The direct service to the Middle Kingdom, and its hordes of tourists, seems to have disappeared with the departure of the Chinese shareholders from the airport in 2019. **The current shareholders are counting on the arrival of two new "major" companies to open new markets. This is the case with Air Canada,** which will operate five flights a week to Montreal from June onwards and will link the North American continent and complete the offer of Air Transat. **But also Qatar Airways** has announced its arrival at the hub with a direct connection to Doha. " The connection to Doha will offer a connection to 174 possible destinations," explains Bruno Balerdi, the airport's commercial director. And a service to Asia and Oceania. This summer, ATB will offer 86 destinations, compared to 79 last year, including 11 new ones, notably Florence, Krakow and Birmingham.

My comment: *The equation is simple and known. It has been verified many times.*

When Toulouse will be 3 hours from Paris by train (in 2032 according to current forecasts), the air links between Toulouse and the capital will be at least divided by two.

Will Air France manage to preserve this route?

The question is raised, as it is for the Marseille-Orly route, which has seen a sharp drop in traffic following the recommendation made by the government on October 3 in the energy savings plan. Read my letter n°903 on this subject.

Stock market press review

> Air France KLM: sharp decline despite a positive analyst's note

(source Boursier) March 24, 2023 - **Air France KLM has not escaped the general market downturn at the end of this week,** with the share price down 3% to 1.54 euros. **SocGen has nevertheless raised its recommendation on the stock to 'buy', targeting 2.3 euros, compared to 1.63 euros previously**.

But **the carrier continues to suffer from the protest movement against the pension reform in France**. Indeed, the authorities have once again asked airlines to reduce their flight schedule this weekend.
(...)

Bonus Article

> Fuels "E-fuels will make sense for aviation or maritime, not for cars"

(source Libération) March 23, 2023 - **Transport** is responsible for a quarter of global greenhouse gas emissions and is 90% dependent on oil. **In addition to the electric alternative**, which is the most mature for individual vehicles, and to a much lesser extent hydrogen and biofuels, **another option is emerging: synthetic fuels, or "e-fuels".** This emerging technology consists of producing fuel from CO2 using low-carbon electricity. Today it is being promoted by Germany to prolong the use of vehicles with internal combustion engines, which the EU has pledged to ban from being sold from 2035, but it is contested by environmental NGOs, which consider it to be costly and energy-intensive. Thibault Cantat, Director of Research at the French Atomic Energy and Alternative Energies Commission (CEA-Saclay) and head of the Carbon Circular Economy program, explains the interest, challenges and potential risks posed by these electrofuels.
What needs do synthetic fuels meet?
We are all united around the same objective: carbon neutrality by 2050. But depending on the industry to which we belong, there are several ways to approach it. First, we need to be energy sober: the less energy we consume, the less CO2 we emit. After that, there is energy efficiency, then everything that concerns the

electrification of processes and uses. For example, for the personal vehicle, you don't need a high energy density, and a battery does the job well. But **other sectors are much harder to electrify. In particular, long-distance transport, aviation or shipping, which must use very high energy density fuels**. That's why we're looking for ways to produce these liquid fuels, which are currently derived from oil, such as kerosene, in a carbon-neutral way.

How are e-fuels produced?

There are three main ingredients: CO_2 - captured from the air when the technology is ready, but initially from sources where carbon is highly concentrated, such as steel mills or cement plants -, water, and low-carbon electricity, from solar and wind power, and after much debate at the European level, from nuclear power. There are then several ways to combine these ingredients. **The most mature technique consists of electrolysis of water to produce hydrogen. This allows electrons to be stored in a chemical form, since the energy is contained in the hydrogen molecule. By combining this hydrogen with CO_2, thanks to catalysts, we obtain a synthetic crude oil that we will then have to refine,** as we do with kerosene and diesel.

Unlike fossil fuels, which emit CO_2 that accumulates in the atmosphere, synthetic fuel does not emit CO_2 when it is burned. **But low-carbon does not mean zero-carbon: the infrastructure for all the conversion processes must be built**. And that requires materials and energy, which have a carbon footprint. **European regulations say that a synthetic fuel must emit 70% less CO_2 than a fossil fuel over its entire life cycle.**

Is it relevant to use them to decarbonize private vehicles, as Germany wants to do?

Quite honestly, no. **Synthetic fuel will make sense for aviation or shipping, for the plastics industry too, but not for cars**. The efficiency of storing low-carbon electricity in a battery is around 80%. With e-fuels, it is 50 to 55%. The battery does the job better. Especially since in the short term, low-carbon electricity is going to be scarce: it must be used wisely and conflicts of use must be avoided. But if there is not enough low-carbon electricity production on your soil, as is the case in Germany which has chosen to do without nuclear power, then you have to import renewable electricity from other countries. And the best way to do this is in the form of fuel. That's why it's important for them to develop the e-fuel sector. Not all German manufacturers have the same position on the subject. For example, Porsche's classic cars are not going to change their engines: having synthetic fuels would allow it to continue this business. Mercedes-Benz, on the other hand, is interested in electric vehicles.

Do e-fuels make sense for the consumer?

In the coming months, we will have a discussion on the fact that electric vehicles are too expensive for the individual, that the social cost is too high... We must remember that synthetic fuel is very expensive, on the order of two to three times more expensive than fossil fuel.

How do they fit in with biofuels?

The e-fuels sector is based on the principle that in order to decarbonize both aviation and maritime transport, there is not enough biomass [organic matter that can become a source of energy, either directly, such as wood, or after methanization, such as biogas, or chemical transformation, such as biofuels, editor's note] **available to produce sufficient biofuels**. European regulations have set out the roadmap for maritime and aviation: **by 2050, in all European airports, aircraft fuels must be 63% low-carbon. Part of this will be biofuels, and about half will be e-fuels. We have to get to work right away. For France, this represents the production of 6 million tons of synthetic fuels in 2050. That's massive.**

What problems do they pose?

They generate two major conflicts of use. First, there's a usage conflict over low-carbon electricity, which we're going to have to avoid. It's going to be a real planning challenge to establish which industrial sector uses how much low-carbon electricity. **And then there's a conflict over biomass. It's cheaper to make biofuels than synthetic fuels, but there's not enough biomass to meet the needs of many sectors**. We will have to face these challenges while leaving the current system. We have to leave behind this age of fire, where we burn fossil carbon resources, for another with low-carbon electricity, which we will have learned to store.

My comment: *I advise you to read (and treasure) this article.*

It summarizes well the problem of the choice of the future fuel for aviation.

End of the press review

> Air France-KLM share price performance over the past year

The event that has had the greatest impact on the share price over the past year was the capital increase in June of 2.256 billion euros. The funds were used to accelerate the repayment of state aid and to reduce debt.

In 2023, the removal of state aid restrictions, the good 2022 results and the gradual improvement of the company's balance sheet have been welcomed by analysts.

No new comments

> **Air** France-KLM **share price trend**

Air France-KLM shares closed at 1.547 euros on Monday 27 March. It is down this week by -1.90%. It is suffering from the aftermath of the Californian bank failures.

It was at 1.253 euro on January 2, 2023.

The 12-month analysts' average (consensus) for AF-KLM shares is 1.81 euro. The highest price target is 2.30 euros, the lowest 1.10 euros. I only take into account analysts' opinions after the May 2022 capital increase.

You can find the details of the analysts' consensus on my blog.

My new comment: *Down for the third week in a row.*

Analysts' consensus was raised from €1.75 to €1.81 following an increase in Société Générale's price target.

> Fuel price evolution in 2022

Since the beginning of the war in Ukraine, there is no longer any correlation between the price of a barrel of Brent oil and a barrel of Jet Fuel. In 2022, the difference between the two products has fluctuated between $30 and $50, while in previous years it was no more than $10.

No new comments

> Fuel price changes this week

The barrel of Jet Fuel in Europe is up slightly this week by $2 to $101. After peaking at $182 in June 2022, it had fallen back to $132 in early August.
It was at $79 before the outbreak of war in Ukraine.

Brent crude oil (North Sea) is **up this week by $5 to $78. This is close to the average level observed over the past five years, excluding exceptional events.**
From mid-February 2022 to the end of July, it was yo-yoing between $100 and $120. Since then, it has oscillated between $85 and $99.

While oil has been back to a normal level for several weeks, **jet fuel is now approaching its normal level. The difference between jet fuel in Europe and Brent crude oil is now only $26 per barrel.** In 2022, at the beginning of the Ukrainian conflict, this spread was close to $50.

No new comments

Good to know

> Advice for employees and former employees who are shareholders

You will find on my navigaction site the modalities of access to the managers' sites.

To avoid forgetting to change your contact information each time you change your postal address, **I advise you to enter a personal e-mail address**. It will be used for all correspondence with the management organizations.

Keep all the documents related to your Air France-KLM shares in one place: all the letters you receive from the different managers, Natixis, Société Générale, your personal financial institution if you bought your shares through it.

> Management of employee investment funds

When you invest money in one of the Air France FCPE funds, you get shares in these funds. You do not hold shares directly.

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

The 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 stocks.

My comment: *If you would like more information on the management of the various Air France FCPEs, please consult my website Navigaction, section Air France-KLM employee shareholding.*

Details

This information is not intended to be a solicitation to sell or a solicitation to buy Air France-KLM shares.

You can react to this press review or send me any information or thoughts that will help me better carry out my duties as a director of the Air France-KLM group.

You can ask me, by return, any question relating to the Air France-KLM group or to employee share ownership...

See you soon.

To find the last press reviews of Monday, it is here

If you like this press review, please pass it on.

New readers will be able to receive it by giving me the email address of their choice.

| François Robardet

Director of Air France-KLM representing the employees and

former employees shareholders of PNC and PS.
You can find me on my twitter account @FrRobardet

Alternate Nicolas Foretz, PNC

When I was elected, I received the support of the CFDT and the UNPNC.

This press review deals with subjects related to the Air France-KLM shareholding.

If you no longer wish to receive this press review, [unsubscribe]

. If you wish to change the reception address of this press review, please send

me your new email address

. To contact me: message for François Robardet.

11.434 people receive this press review live