

Greenwashing: Air France and Lufthansa respond to complaint

I Letter from the Director of Air France-KLM

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

(Raison d'être of the Air France-KLM group)



François Robardet

Representative of PS and PNC employee and former employee shareholders

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Monday's Press Review

Editorial

Dear readers,

The week was marked by the return of aviation to the Paris Air Show, after an absence in 2021 due to the Covid-19 pandemic.

But I preferred to highlight the announcement that 17 European airlines had filed a complaint for "Greenwashing and misleading commercial practices".

First of all, I'd like to quote a figure. In 2022, the Air France-KLM group consumed 17% of all sustainable aviation fuels produced worldwide.

Even if this figure needs to be put into perspective (250,000 tonnes were available in 2022, a tiny volume compared with the world's annual consumption of aviation fuels, currently estimated at 300 million tonnes), it shows just how committed the Air France-KLM group is to sustainable aviation.

Enjoy your reading

> Greenwashing: Air France and Lufthansa react to complaint

(source AFP) June 22 - At a time when the decarbonization of the aeronautical sector is a central theme of the Paris Air Show, which runs until Sunday, **22 associations are to file a complaint against European airlines. On** what grounds? They accuse them of "**greenwashing**" and "**misleading commercial practices**".

Air France-KLM and its German sister company Lufthansa - both of which are targeted by this complaint along with 15 other airlines - have reacted by highlighting their efforts to reduce carbon emissions.

Air France and Lufthansa defend their ambitions

"Transparency is at the heart of Air France's policy", which pays "even greater attention to the rigor of its messages", explains the airline in a press release.

Air France points out that it intends to reduce its CO2 emissions per passenger kilometer by 30% in 2030 compared with 2019, and that its "ambitious" decarbonization strategy includes massive investment in less-polluting aircraft and the increased use of 'green' fuel even beyond European quotas.

Lufthansa, Europe's leading airline group, also defended its greening initiatives. It intends to "halve its net CO2 emissions compared with 2019" by 2030 "through reduction and compensation measures", it explained. Its strategy is based on the same methods as Air France-KLM.

For several years now, the major airlines have all been announcing CO2 reduction targets in response to the challenges of climate change and the criticism levelled at this sector, which accounts for around 3% of global CO2 emissions.

But the associations making the accusations, which include UFC-Que Choisir and CLCV, **don't believe it, hence the filing of a complaint.** "None of the strategies deployed by the aviation sector is currently capable of limiting greenhouse gas emissions", say the associations, deeming it "essential to put an end to these allegations, **because if air traffic continues to expand, emissions will continue to rise in the years to come**".

Air France-KLM, for example, "offers consumers the opportunity to subscribe to expensive options, supposedly to cover their own carbon impact, on future flights with an unknown horizon", the associations lament.

The sums collected" as part of the voluntary offsetting option using sustainable aviation fuels (SAF) "are used exclusively for the purchase of SAF by the company", Air France defends itself.

However, **for UFC-Que Choisir President Marie-Amandine Stévenin, who asserts that consumer protection is at stake, "it is unacceptable that airlines can claim to**

be working for the climate".

My comment: *The last quote "it's unacceptable that airlines can claim to be working for the climate" revolts me. Does this mean that depending on whether an action is carried out by an airline or by another air transport company (airport, manufacturer), the effect of the action is null or positive?*

On the other hand, I've had a look at the Que Choisir website, and some of its criticisms border on dishonesty.

For example, it says "None of the strategies deployed by the aviation sector is currently capable of limiting greenhouse gas emissions".

This is obviously untrue. Actions aimed at :

- . optimizing flight paths,*
- . switching off engines when taxiing,*
- . replacing old aircraft models with new ones*

are examples of how greenhouse gas emissions can be reduced.

Of course, if the number of aircraft on the road increases, some of these efforts will be cancelled out.

But that's another subject, dealt with later in this letter in connection with orders for new aircraft by Indian airlines.

I do, however, have one point of agreement with the demands expressed by the associations lodging the complaint. This is the demand "That a Europe-wide inquiry be launched into the practices of these airlines, and of the sector as a whole."

On one condition: that the investigation cover all airlines operating in Europe, not just European airlines.

Note: The airlines targeted by the complaint are Air Baltic, Air Dolomiti, Air France, Austrian, Brussels Airlines, Eurowings, Finnair, KLM, Lufthansa, Norwegian, Ryanair, SAS, SWISS, TAP, Volotea, Vueling, Wizz Air.

I'm surprised not to find easyJet, Iberia or even British Airways on this list. Are their actions to reduce their CO2 emissions acceptable? They are identical to those challenged in the complaint.

> Air France launches low-cost subsidiary Transavia to take on Emirates

(source La Tribune) June 20 - After more than 15 years of being pummeled by the Gulf carriers, and in particular by the largest of them all, Dubai-based Emirates, Air France has launched a counter-attack with the reconquest of its low-cost subsidiary, Transavia. On Tuesday, **Transavia announced the opening of two routes to Dubai, departing from Lyon and Marseille, with three flights a week on both routes, for the winter season starting at the end of October.** This offer is designed to compete with Emirates, which has been present in Lyon and Nice for many years. Emirates' flights to Nice attract customers from the Marseille catchment area.

This counter-attack concerns the so-called "point-to-point" (as opposed to "connecting") **clientele flying to Dubai**, which is growing steadily, whereas for years the majority of passengers taking Emirates flights between France and Dubai used the Gulf airport for travel to India, Asia, Australia or East Africa.

The Air France subsidiary, which will operate these routes with Boeing 737-800s, has launched aggressive pricing, starting at 159 euros one-way including tax. That's all it will take to compensate for a less comfortable service.

My comment: Once again, the title of the article has nothing to do with the information published. It is of course irrelevant that Transavia France is competing with Emirates.

Transavia France was created to serve sun destinations, originally around the Mediterranean basin.

As with most European low-cost airlines, this activity is seasonal.

In winter, business is at its lowest. Aircraft have to be redirected to other destinations. This is why

Transavia France redeploys aircraft to different destinations at this time of year, such as Egypt, Jordan or Senegal.

The choice of Dubai for the coming winter season is not really a surprise; Transavia Netherlands has been serving this region for several years.

As for the price, half that of Emirates, it should appeal to some customers despite the difference in comfort between a Transavia France B737 and an Emirates B777.

> **AFI KLM E&M to return to pre-crisis sales in 2024**

(source Air & Cosmos) June 22 - "**The market is back**". That's how **Anne Brachet, CEO of AFI-KLM E&M**, began the traditional press briefing given by the Air France-KLM group's MRO division at the 54th edition of the Paris Air Show. She began with an overview of **the maintenance contracts unveiled during the show.**

First of all, JetBlue announced a contract to support more than 200 items of equipment for its future fleet of Airbus A220s. The American carrier has ordered one hundred examples of the new-generation medium-haul aircraft from Airbus, which will eventually replace its fleet of Embraer 190s. Air Austral, a long-standing AFI KLM E&M customer, has also signed a contract with EPCOR (a 100% subsidiary of AFI KLM E&M) for the maintenance of the APUs powering its medium-haul fleet of three Airbus A220s. Meanwhile, China's largest cargo airline, SF Airlines, has announced an agreement for workshop visits to restore the performance of seven CF6-80C2 engines. Meanwhile, CMA CGM AIR CARGO has announced that it has selected AFI KLM E&M to provide engine and equipment support for the two Boeing 777Fs recently added to its cargo fleet. AFI KLM E&M will also provide equipment support for CMA CGM AIR CARGO's four Airbus A330Fs. Finally, AFI KLM E&M and Philippine Airlines have announced a new support agreement for 32 CFM56-5B engines powering the airline's Airbus A320ceo fleet. Air France-KLM's cargo division is also delighted with the latest contracts signed with some twenty airlines (including Air Premia, Norse Atlantic Airways, Akasa Air, ITA Airways, Singapore Airlines and Lufthansa).

Understandably, **AFI KLM E&M speaks of a "strong upturn in business". Nevertheless, it deplors certain difficulties in the supply chain, as well as higher prices or supply difficulties for certain raw materials**, such as titanium, due in particular to the war in Ukraine.

AFI KLM E&M plans to recruit more than 1,000 people over the next three years in all its geographical regions, in all its business lines and at all levels of activity. This upturn is all the more significant as it follows a year 2022 which had already seen the hiring of 400 people at Air France Industries and 200 people at KLM E&M.

"Fortunately, **we have been able to mitigate our manpower shortages thanks in particular to Prognos, our predictive maintenance tool, which has enabled us to optimize our activity and our intervention schedules**", explains G ery Mortreux, General Manager of Air France Industries. It should be noted that Prognos now includes new platforms such as the Airbus A220, and that in 2022 it was able to monitor more than 1,300 engines and 1,200 APUs.

The strong upturn in activity should also have an impact on the quality of the financial performance of the Air France-KLM group's cargo division. In 2022, it achieved sales of €3.6 billion. **"We expect to return to our pre-crisis sales figure of 4.2 billion euros by 2024,"** predicts Anne Brachet, CEO of AFI KLM E&M.

***My comment:** Despite fierce competition from OEMs (Original Equipment Manufacturers) and airlines with aircraft maintenance departments, AFI-KLM E&M is on course to return to its pre-crisis business levels.*

> Airbus: Indian carrier IndiGo orders 500 A320s, an all-time record

(source AFP) June 19 - **Indian low-cost airline IndiGo announced on Monday June 19 that it had ordered 500 Airbus A320neo family single-aisle jets, the largest volume contract ever signed in civil aviation.**

This "historic" firm order, with a theoretical catalog price of \$55 billion, was revealed on the first day of the Paris Air Show by IndiGo CEO Pieter Elbers, in the presence of Airbus Executive Chairman Guillaume Faury. The contract covers aircraft to be delivered between 2030 and 2035.

These new aircraft - the A320neo family also includes the A321neo, with a larger seat capacity - **bring to no less than 1,230 the number of models of this type ordered by the airline, which is counting on the explosion in demand for air travel in India.**

In fact, another Indian airline, **Air India, was responsible for the previous largest order for civil aircraft in history: 470 units last February, of which 250 went to Airbus and 220 to its American competitor Boeing.**

***My comment:** 1,000 aircraft for IndiGo, 470 for Air India. That's nearly 2,000 aircraft to be delivered over the next decade. That's as much as the fleets of IAG, Lufthansa Group and Air France-KLM combined.*

And that's just the beginning! If forecasts prove accurate, there could be as many aircraft deliveries (2,000) to Indian airlines over the next decade.

Add to this the forecasts for China and Indonesia, and the figures are enough to make even the least radical environmentalists dizzy.

Without significant technological progress, it is likely that the future of global aeronautics will be called into question well before 2050.

> Will India really be able to fly 2,500 aircraft within the next fifteen years?

(source La Tribune) June 23 - The center of gravity in global air transport is shifting: **by ordering almost 1,000 firm aircraft at the Paris Air Show, Indian airlines have moved to the center of the world stage.** While the rise of India, now the world's most populous country, has been visible for some time, the current acceleration is impressive. After seeing China rise to the top of the world rankings alongside the established European and American markets in the 2000s, then the Middle East take off in the 2010s, India's time seems about to arrive. But is the country ready to welcome so many aircraft in such a short space of time?

Today, some 700 commercial aircraft are in service in India. Out of a global fleet of 24,000 aircraft, this is still a drop in the ocean. By way of comparison, it's

equivalent to the fleet of the Lufthansa group alone (including subsidiaries), or 10 times less than the number of aircraft in service in the United States. But this balance of power is set to change irrevocably over the next twelve years. Taking into **account the latest orders and those already booked, some 1,750 new aircraft are due to enter service between now and 2035.**

(...)

The low-cost carrier Indigo (...) alone will receive no less than 1,000 firm aircraft by 2035. This is a staggering figure for a company that only had around a hundred aircraft five years ago. For

its part, Air India has confirmed orders for 250 firm aircraft from

Airbus and 220 from Boeing. These figures would make any European operator's head spin. And other airlines are also waiting for planes, such as Vistara, Go First and Jet Airways. The latter is struggling to get back on its feet after ceasing operations in 2019, but it still has 135 aircraft in Boeing's order book, and the Indian press is reporting a forthcoming order for 200 aircraft.

By placing such orders, Indian airlines are necessarily betting on the future and development of air transport in India. **The number of passengers in India (...)** did **not exceed 167 million before the crisis**, according to figures from the International Civil Aviation Organization (ICAO). That's not many out of a population of nearly one and a half billion. Over the same period, China also saw a 10-fold increase in traffic, but accounted for 660 million passengers before the crisis.

After the shock of Covid, Indian traffic is now one of the most dynamic in the world, particularly on domestic routes, where it is 15 points above its pre-crisis level, with a record load factor of over 88% according to the International Air Transport Association (IATA). And this trend is set to continue in the long term. **Before the crisis, IATA was forecasting average annual traffic growth of over 6% until 2037, to reach 520 million passengers.** Today, Boeing forecasts traffic growth in the region of over 8% a year on average until 2042, and the delivery of over 2,700 aircraft in the region, while Airbus estimates that the Indian domestic market will grow by over 7% a year over the same period.

These forecasts are essentially based on the emergence of the Indian middle class. Although still small, it is driven by average annual GDP growth estimated at over 7%, and is set to triple by 2030. The conversion of these populations to air travel is not a foregone conclusion, but the size of the country and the slowness of its rail connections work in its favor, particularly for domestic travel. In just a few years' time, India is set to become the world's third-largest market behind China and the United States, followed by Indonesia.

(...) You

need the infrastructure to handle so many planes in such a short space of time.

On this point, **the Indian government has been engaged in a policy of major works at breakneck speed for the past ten years to reinforce airport capacity.**

The number of hubs has already doubled since 2014 to around 150, not counting renovation and extension projects. A new drive is currently underway,

with the public authorities investing 11 billion euros over 5 years, **to reach between 200 and 220 operational airports and aerodromes by 2025**. This construction effort is accompanied by a privatization drive, which has benefited the ADP group in particular.

At the same time, the government has also launched a major overhaul of its air traffic control system with the Future India Air Navigation (FIAN) program, including the introduction of satellite-based control systems. Last year, the Airports Authority of India (AAI) signed a 10-year assistance agreement with Boeing to implement best-standard traffic control, management and communication systems.

This strong political support is undoubtedly one of the major differences with what went before. The Indian government has not always been so inclined to provide a favourable framework for aviation development. Until 2009, for example, it prohibited airlines from hedging their fuel costs, despite the fact that this is a very useful way of protecting themselves against soaring oil prices.

***My comment:** "India is a vast country, with a large, highly mobile population, for whom air travel is sometimes the only means of getting around, but also a large diaspora throughout the world," explains Campbell Wilson, Managing Director of Air India.*

"All this generates a strong desire for air travel. Until now, the absence of a powerful Indian airline on the international market has limited Indian choice. This is now changing."

In a few years' time, Indian tourists could be as numerous as Chinese or American tourists, much to the delight of the French tourism sector.

And for more CO2 emissions?

> **The Paris Air Show enables Airbus to overtake Boeing in the race for aircraft orders**

(source La Tribune) June 23 - **Le Bourget, or how to quintuple orders in the space of three days.** That's how **Airbus** summed up the Paris Air Show. With just 178 gross orders at the end of May, the European manufacturer was lagging behind Boeing by some 50 aircraft. Above all, it was a far cry from its own time last year, when it had already racked up 364 orders.

(...)

Guillaume Faury, Executive Chairman of Airbus, may have declared at the Paris Air Forum that "the habit of concentrating everything at the time of the shows has been somewhat lost" and that he wasn't "sure we'll have exactly the same dynamic as before Covid", but the European manufacturer has once again reproduced this well-

worn pattern.

And with good reason, it **ended the Paris Air Show with 801 aircraft on order. To this must be added seven A350s ordered at the beginning of June, as well as 70 aircraft, including 10 A350s**, as Christian Scherer, the European manufacturer's Sales Director, announced just before the show. These aircraft, **whose buyers are still confidential for the moment**, will be included in the June balance sheet.

At the end of the month, the European manufacturer should announce a staggering 1,056 gross orders. That's almost as many as for the whole of last year. Even if that were to be the final tally for the last six months of the year, Airbus' performance would still be respectable. Especially since the manufacturer has only recorded 34 order cancellations to date.

In view of the announcements still to come, it's a safe bet that the European manufacturer will climb a few more steps up the ladder. Turkish Airlines is expected to announce its order for 600 aircraft. As the Turkish airline's fleet is fairly balanced between Airbus and Boeing, it would be surprising to see it put all its eggs in one basket.

What's more, after its 500 aircraft in the A320 NEO family, Indigo is due to commit to 25 long-haul aircraft. Similarly, Riyadh Air wants to place a major medium-haul order this year. After narrowly missing out on the long-haul contract, Airbus will be keen to make up for lost time. However, the A320 NEO's saturated order book for at least the next five years and the "very political dimension", as mentioned by Guillaume Faury at the Paris Air Forum, could compromise the European manufacturer's chances against Boeing. Finally, Avolon is expected to confirm its purchase of twenty A330 NEOs, as announced at Le Bourget.

Boeing plays the long game, for want of anything better

For the American aircraft manufacturer, the situation is somewhat different. With 223 orders at the end of May, it was on a trajectory relatively similar to that of last year, with the exception of a dozen or so aircraft, although this was not staggering by comparison with certain pre-crisis years. In 2018, for example, it had already racked up 376 sales by the end of May.

After this slow start, Boeing won't be going full gallop at Le Bourget. The American manufacturer is less focused on retaining contracts than its European competitor. Less than a month ago, it announced an agreement with Ryanair for 150 firm 737 MAX 10s and as many options. Admittedly, this is not yet a firm order, but it would have had an impact on the show floor.

But in this case, Boeing didn't seem to have the means to make big announcements. The conferences to unveil contracts for a few aircraft already in the order book are proof of this. Its only real feat was to confirm the sale of 220 aircraft to Air India - a feat also achieved by Airbus with 250 aircraft. What's more, in both cases, these were known orders that had already been pre-agreed back in February.

All in all, Boeing took 266 firm orders at the Paris Air Show. While this will enable

Boeing to double its order backlog since the start of the year, its **performance is not on a par with that of Airbus. The American manufacturer has sold 489 aircraft to date. That's half as many as its rival.** Boeing will have to work even harder to reach the 1,000 aircraft sales mark, which has been its usual standard in recent years (apart from the 737 MAX and Covid crises).

Finally, Boeing can no longer be satisfied with continuing to lead the long-haul segment. To date, it has sold 87 firm 777 and 787 aircraft since the start of the year. Airbus, on the other hand, has taken advantage of the Air India order to increase its total number of long-haul

aircraft on order

to 113. These are almost exclusively A350s, pending confirmation of Avolon's A330 NEO. This could make for a very good year for Airbus in this segment, with just one downside: this year's orders include the reinstatement of 23 A350s for Qatar Airways, which Airbus itself had cancelled due to a dispute with the Qatari airline over the deterioration of the aircraft's paintwork.

Still, there are grounds for hope for Boeing. First of all, the confirmation of the Ryanair order will immediately boost total sales. Similarly, the contracts from Saudia and Riyadh Air for 78 Boeing 787s will put Boeing back in the lead on the long-haul market - not to mention the forthcoming order from the new Saudi airline for medium-haul aircraft. And like Airbus, Boeing can reasonably expect to benefit from part of the Turkish Airlines contract. All the more reason to keep the suspense alive for the second half of the year.

***My comment:** If Boeing is lagging behind Airbus in terms of orders, it owes this mainly to the certification and manufacturing problems encountered on its main models, the B737 MAX-10, B787 and B777X.*

But it's a safe bet that once these problems have been resolved, Boeing will be able to close the gap if it offers shorter delivery times than its rival Airbus.

> **CFM International's RISE breakthrough engine program takes shape**

(source Journal de l'Aviation) June 19 - Two years after its launch, the **RISE** (Revolutionary Innovation for Sustainable Engines) **technology development program** of GE Aerospace and Safran, via their joint venture CFM International, is beginning to take on a more concrete form. In fact, it is one of the most **serious avenues being explored for equipping a new generation of single-aisle aircraft, which could see the light of day in the middle of the next decade.**

After all, the Open Fan RISE aims to reduce fuel consumption and CO2 emissions by more than 20% compared with the most efficient engines currently in service in commercial aviation. It also promises to maintain the current speed of commercial aircraft (Mach 0.78 on average in cruise for a single-aisle aircraft). Better still, at this

speed, RISE will deliver propulsive efficiency similar to that of a turboprop.

The Franco-American engine-maker has already carried out more than a hundred upstream **tests** to validate some of the technological building blocks that will make up this new engine architecture, including the unshrouded fan, the engine's compact core, advanced combustion technology, thermal management and hybrid electrical systems compatible with Sustainable Aviation Fuel (SAF).

These tests validated the efficiency of the new fan architecture, as well as its positive performance in terms of noise, one of the particularly complex aspects of this type of architecture (remember the UDF propfan program?). The aeroacoustic modeling of the unshrouded fan will soon be completed. CFM International also announced that new technologies are being developed to test direct hydrogen combustion for this type of engine.

(...) As part of the aeroacoustic modeling of the unshrouded fan, GE Aerospace carried out simulations on Frontier, a supercomputer recently commissioned at the U.S. Department of Energy's (DOE) Oak Ridge National Laboratory, with a processing power of around 37,000 GPUs - the most powerful supercomputer in the world. The American engine manufacturer uses its own modeling software dedicated to fluid mechanics, and has been collaborating with the DOE for over a decade.

As a reminder, Safran Aircraft Engines and GE Aerospace decided at the outset of this research program to equip this new architecture with a single unshrouded fan, a decision taken to reduce the complexity of the demonstrator. In the absence of counter-rotating fans, the demonstrator will be fitted with non-rotating, variable-pitch vanes, which will have the task of straightening the flow downstream of the fan.

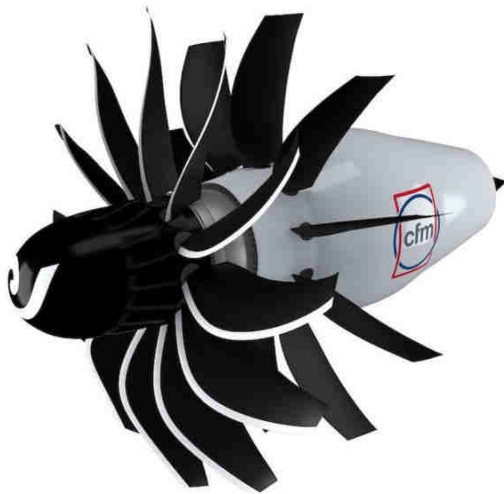
My comment: I had already presented the RISE engine project for 2021 in [my newsletter n°813](#).

Recent speeches at the Paris Air Forum by the Chairman of Emirates (Tim Clark) and the President of Rolls-Royce Aerospace (Rob WATSON) confirmed the importance of this project.

While it is usual to see a reduction in fuel consumption of around 20% with each new generation of engine, both Tim Clark and Rob WATSON declared that current aircraft engine technology (with shrouded fans) had reached the known limits of thermodynamics.

This operation at the limits of the latest generation of aircraft engines explains their relative fragility. The A320NEO and A220-300 equipped with the latest Pratt &

Whitney engines have paid the price.



RISE motor with non-housed blower



Classic Trent engine, with shrouded fan

Here's an excellent comparison of the two engine types, found on the [transportshaker-wavestone website](#).

==> Also known as the unshrouded fan or propfan, the Open Rotor is a turbojet engine that marks a technological break with current turbojet engines, and could equip future generations of single-aisle short- and medium-haul aircraft.

Unlike the turbojet engines fitted on today's aircraft, where all the components, including the fan propellers, are located inside a nacelle (fairing), the Open Rotor is made up of two large counter-rotating propellers rotating in the open air, i.e. outside the nacelle.

This configuration enables the blades to be larger in diameter, increasing the amount of cold air circulated, which generates most of the thrust. This dual-propeller architecture also means greater efficiency.

Why two propellers? The first row of blades generates most of the thrust, while the second straightens the airflow and counteracts the forces of rotation. Ultimately, this technology increases propulsive efficiency and reduces fuel consumption by 20% to 30%.

<== end of quote

I would add that the diameter of the Rise (4m) is larger than that of current engines. Their use will therefore require a profound modification of future aircraft.

During my visit to the Paris Air Show, I had the opportunity to speak with Safran representatives. They confirmed that they are very much involved in this project.

They told me they were working on a number of issues, including :

- . noise, which is much greater with an open rotor than with a conventional engine*
- . safety in the event of blade breakage.*

On this last point, I was surprised to learn that this was not a certification issue for aircraft using fairingless engines, such as the ATR72-500 below. Note the layout of the wings and engines.



End of press review

> Air France-KLM share price over the past year



Two events have had an impact on the share price over the past year:

- . in June 2022, the capital increase of 2.256 billion euros
- . in February 2023, the announcement of good results for 2022.

No further comments

> Air France-KLM share price trend

Air France-KLM shares closed at **1.68 euros** on Monday June 26. It is **down sharply** this week by **-5.46%**, following the **Greenwashing complaint** filed last week.

It stood at 1.253 euros on January 2, 2023.

The average (consensus) 12-month analyst price for AF-KLM shares is 1.95 euros (it was 1.50 euros at the beginning of January). The highest price target is 2.50 euros, the lowest 1.10 euros. I only take into account analysts' opinions subsequent to the May 2022 capital increase.

The Air France-KLM share price suffered from the announcement of mixed quarterly results and a weaker-than-expected full-year forecast (passenger business at 95% of 2019 levels). Since then, **analysts have been won over by the prospect of strong activity this summer, and the end of the constraints imposed by the European Commission.**

You can find details of the analyst consensus on my blog.

My new comment: The Greenwashing complaint filed last week (see the first article

in this letter) caused an immediate drop in the stock prices of the airlines involved.

> **Fuel price trends in** 2022

Since the start of the war in Ukraine, there has been no correlation between the price of a barrel of Brent crude oil and that of a barrel of Jet Fuel. In 2022, the gap between the two products hovered between \$30 and \$50, whereas in previous years it was no more than \$10.

Since the beginning of the year, the gap between the two products (Jet Fuel and crude oil) has narrowed, and is approaching the gap that existed before the war in Ukraine.

No further comments

> **Fuel price trends this** week

The price of a barrel of Jet Fuel in Europe is down this week by \$4 to \$94. After peaking at \$182 in June 2022, it had fallen back to \$132 in early August. It was \$79 before the outbreak of war in Ukraine.

Brent (North Sea)
oil is down this week by \$2 to \$74.

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

While oil has been back to its usual level for several weeks, **Jet Fuel is now very close to its usual level. The difference between Jet Fuel in Europe and a barrel of Brent crude oil is now just \$20.** In 2022, at the start of the Ukrainian conflict, this gap was close to \$50.

No further comments

Good to know

> **Advice for current and former employee shareholders**

You'll find [details of how to access the managers' websites](#) on my [navigation](#) site.

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

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

My comment: *If you have shares in one of the funds managed by Natixis, remember to log in to your account manager once a year, to avoid it being considered inactive.*

PEE inactivity is governed by the Eckert law.

After 5 years of inactivity, Natixis sends a letter/email to those concerned asking them to log in to their account or call Natixis to reactivate their account.

Natixis sends this information every year after 5 years of inactivity and until the 10th year. After 10 years of inactivity, the assets are transferred to CDC, which holds them for 20 years.

This is in fact the old 30-year prescription period, which breaks down into 2 stages: 10 years with the account keeper and 20 years with CDC.

Inactivity means not carrying out any transactions and/or not logging on to your account and/or not calling and/or not writing to Natixis.

This system also applies to PERCO/PER since the PACTE law.

> **FCPE management**

When you invest in one of Air France's FCPE funds, you obtain shares in these funds. You do not 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 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 FCPEs are managed, please [visit the Air France-KLM Employee Share Ownership section of my website](#).*

Details

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

Please feel free to react to this press review, or to send me any information or thoughts that will help me better carry out my role as a director of the Air France-KLM Group.

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

See you soon.

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| François Robardet

Director of Air France-KLM representing employees and former employees who are PNC and PS shareholders.

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