

Air France becomes official partner of the 2024 Olympic and Paralympic Games

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

N°922, July 24, 2023

If you do not see this page correctly, or if you want to read the English or Dutch versions, please contact us.

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](#) 

To current and former employee shareholders of Air France-KLM

*At the end of this letter, you will find an explanation of why the **consolidation of Air France-KLM shares will have no consequences for you.***

*Enjoy your reading
François*

Monday's Press Review

> Air France becomes official partner of the 2024 Olympic and Paralympic Games

(source Air & Cosmos) July 20 - On July 20, 2023, **Air France** announced the signing of a partnership agreement with the Paris 2024 Organizing Committee for the Olympic and Paralympic Games (COJOP). The airline thus **becomes an official partner of the 33rd Olympiad of the modern era and reiterates its support for the organization of this global event**, after having been a partner of the Paris 2024 bid in 2016. "

We are proud to renew our support for the Paris 2024 Olympic and Paralympic

Games. After thrilling when Paris was named host city, we are eager to contribute to the success of this global event. The Paris 2024 Olympic and Paralympic Games resonate with Air France's ambition and values. More than ever, in the summer of 2024, we will showcase the best of France around the world by promoting excellence, respect and inclusiveness," said Benjamin Smith, CEO of the Air France-KLM Group.

Air France teams in Paris and around the world are already mobilized to prepare for the arrival of athletes, supporters and media in France for the Paris 2024 Olympic and Paralympic Games. **Particular attention will be paid to passengers with reduced mobility and disabilities, who will be able to call on the airline's Saphir service for any requests for assistance. For more than 20 years, the Saphir service has been offering Air France customers with disabilities assistance before and after the flight**, throughout the entire customer experience: booking assistance, ticket issuance, setting up assistance in collaboration with the exceptional transport department.

The men and women of Air France are also preparing to transport the sports equipment required for the various Olympic and Paralympic disciplines: javelins, poles, kayaks, bicycles, wheelchairs and even surfing equipment for the events on the Teahupo'o wave in Tahiti. **Air France will take part in the check-in system set up in the Olympic and Paralympic Village in Seine Saint-Denis, enabling athletes to check in and drop off their luggage and sports equipment directly on site before their return flight. They can then take a dedicated route to the airport.**
(...)

***My comment:** Air France's commitment to helping passengers with reduced mobility (PRM) and disabilities is well established.*

I'd like to say a big thank you to all the company's employees, who work hard every day to make their travel easier.

> **Volotea, the "fly in the ointment"...**

(source Journal de la Corse) July 21 - There's **no point hiding the truth about Corsica's economy: without subsidies of all kinds, it would collapse like a house of cards**. The possibility of the Catalan low-cost airline Volotea subscribing to the call for tenders for the air public service delegation highlights the fragility of air and maritime companies, which are only able to balance their books thanks to public money from public service delegations.

Whether we like it or not, low-cost airlines are doomed to seek public subsidies. The head of Ryanair boasted in a documentary that he could offer his tickets without losing a cent thanks to European subsidies. This is probably just one of the effects of the boundless pretensions of one of

Europe's toughest bosses. Wages cut in half, flight conditions degraded, extra costs obtained thanks to baggage. Nevertheless, at a time when transport costs are soaring, these shipping and airline companies are on a roll.

Corsica would have everything to lose if **Volotea were to** destabilize Air Corsica. But Volotea is gaining ground on domestic routes deserted by Air France. What's more, it **has two very different allies.**

The first is Brussels, which is pushing for competition and hence market deregulation. However, the fact that DSPs are almost automatically granted to Air Corsica and Air France in the air sector, and to Corsica Linea in the maritime sector, makes our European technocrats cringe. These people, like the Members of the European Parliament, are above ground plants, totally unaware of the real problems on the ground.

Volotea's second ally is likely to be the world of mass tourism. This year, campsites are in a bad way. The same is likely to be true of entry-level hotels. The proliferation of unauthorized rentals is doing their business no favors. They have a vested interest in the growth of the summer wave.

The risk of isolation

There is no

doubt that Corsica, its population and its economy are undergoing irreversible change.

The parameters are numerous: an aging local population only counterbalanced by the birth rate of an immigrant population and new inhabitants arriving from the mainland. Without these two factors, Corsica would sink into a kind of irreversible coma.

(...)

Corsica is certainly not profitable. It needs support that contradicts the ultraliberal doxa. We need to be aware of this and defend our interests to the hilt.

My comment: It bears repeating. If low-cost airlines have been able to develop in Europe, it's the result of a long-standing strategy on the part of the European Union. It regularly turns a blind eye to subsidies paid out by local authorities, without compensation.

The rare condemnations have failed to curb these practices.

If, as NGOs are demanding, environmental taxes were to be introduced, European low-cost airlines would be the first to suffer.

> **Qatar Airways launches new route from Toulouse**

(source Air & Cosmos) July 19 - **Qatar Airways continues to consolidate its flight schedule from France. On July 18, the Doha-based airline inaugurated its new**

Toulouse-Doha route. Toulouse becomes Qatar Airways' fourth French destination after Paris, Nice and Lyon.

This new direct route is operated by a 260-seat Airbus A330-200 in two-class configuration (24 seats in business class and 236 seats in economy class). (...) The Toulouse-Doha route will be operated three times a week (Tuesdays, Thursdays and Sundays). **"The Doha hub will facilitate connections with Asia, Africa and Oceania for our French and international customers.** This opening also creates new opportunities for international freight transport from Toulouse (...)", says Philippe Crébassa, Chairman of the Board of Toulouse-Blagnac airport.

My comment: *The Europe/Qatar open skies agreement offers the Doha Hub 500 million European customers. In exchange, the European hubs have access to one (1!) million Qataris.*

Following the conclusion of this agreement, an investigation into a corruption scandal in the European Parliament in favor of Qatar was opened. Several MEPs (including Greek MEP Eva Kaïlí, then Vice-President of the European Parliament) were implicated.

==> Excerpt from Le Soir

Le Soir revealed on Wednesday a document provided by Francesco Giorgi, the companion of former European Parliament Vice-President Eva Kaili, listing the interference in the Assembly's economic and political decisions by Mr. Panzeri's NGO Fight Impunity on behalf of Qatar, Morocco and Mauritania.

The document - a 250-line Excel file listing services to justify payments to Qatari, Mauritanian and Moroccan "clients" - is divided into tabs: interference in favor of Qatar, in favor of Morocco, in favor of Mauritania, but also a tab for attacking "enemies of Qatar", as well as a tab relating to the liberalization of Schengen visas for Qatari nationals.

The document was kept meticulously up to date, according to the Belgian newspaper.

199 lines relate to Qatar, followed by Morocco. Mr. Giorgi handed the document over to the Belgian judicial authorities at his hearing.

The services provided to the "clients" included, among other things, promoting a resolution in the European Parliament, publishing tweets in favor of the client or criticizing its "enemies", press releases in favor of the clients or criticizing their "enemies".

Morocco's main enemy was Algeria, and Qatar's enemies were the United Arab Emirates, Saudi Arabia and, to a lesser extent, Egypt and Libya, explain the

journalists.

This document is crucial because it attests to foreign interference, not just corruption, which is just one means used to influence EU policy.

==> end of extract

The investigation is still ongoing.

And the agreement opening the European market to Qatar is still in force.

> EasyJet expects "record" summer profits but fears impact of strikes

(source AFP) July 20 - British air transport group **EasyJet expects "record" pre-tax profits this summer** thanks to strong demand, but fears the potential impact of air traffic controller strikes, according to a statement on Thursday.

For the summer, which corresponds to the fourth quarter of its offbeat financial year, the group is counting on a strong rise in revenue per seat, **but warns of "difficult operating conditions", with air traffic controllers' industrial action.**

These have resulted in numerous flight delays and cancellations on many routes, both for EasyJet and its competitors. Last week, EasyJet announced the cancellation of some 1,700 flights between now and the end of the summer due to air traffic control restrictions in Europe, mainly to and from London's Gatwick airport.

(...)

EasyJet is also optimistic about the winter season, with bookings up on the same period last year.

In the third quarter of its financial year to the end of June, revenues jumped by a third year-on-year to £2.36 billion, while pre-tax profits came in at £203 million, helped by better cost control, compared with a loss of £114 million a year earlier.

(...)

No comment

> Airbus notes reduced range for its A321XLR after design modifications-sources

(Reuters source) July 21 - **Airbus has seen a drop in the range of its next airliner, the A321XLR, after reaching an agreement with European regulators on the safety features required for certification, according to industry sources.**

As a result, the aircraft manufacturer has been forced to offer some of its

customers potential bids for its larger A330neo model to compensate for the discrepancy, the sources said.

"Airbus does not expect a significant impact on the A321XLR's unique advantage in the single-aisle segment," an Airbus spokesman told Reuters.

Airbus is touting the A321 XLR as a game-changer among its fleet of narrow-body aircraft, with the aircraft boasting greater range made possible by the addition of a new rear center fuel tank, molded into the lower fuselage.

However, industry regulators have raised concerns about fire hazards and evacuation times in the event of an accident, delaying the aircraft's entry into service, scheduled for the second quarter of 2024.

Airbus Director of Programs and Services Philippe Mhun said last month that the group had reached an agreement with the European Aviation Safety Agency (EASA) to obtain certification. **Among other things, EASA is asking for modifications to be made to the aircraft's rear central fuel tank.**

All these structural modifications, however, would have added some 700 to 800 kilos to the aircraft's weight, compared with earlier estimates of 200 to 300 kilos.

This additional weight would reduce the A321XLR's maximum range, officially estimated by Airbus at 8,700 km, by around 370 kilometers, explained two sources.

***My comment:** The market for the A321XLR, compared with its little brother the A321LR, was already a niche market.*

The new constraints reduce its range to 8,300 km, compared with 7,400 km for the A321LR.

> Travelling by train costs twice as much as by plane, according to Greenpeace

(source Ouest-France) July 20 - The environmental organization **Greenpeace has scrutinized the fares of 112 European air and rail routes.** The study took into account journeys between cities less than 1,500 kilometers apart. **Priority was given to connections between European capitals where a "correct" itinerary (less than 24 hours) by train was proposed. The NGO's conclusion? "Travelling by train is on average twice as expensive as flying in Europe".**

"This report demonstrates, with figures to back it up, what everyone who travels in Europe has already experienced: a staggering price difference between air and rail fares for the same journey" alarms Alexis Chailloux, Sustainable Travel Campaigner at Greenpeace France.

Among the worst performers singled out by the study is the United Kingdom. On

average, train fares quadruple in price compared to air travel. Close behind, in second place, is Spain (3.9). It is in this country that we find the link with the biggest price difference in Europe: a **Barcelona-London train journey costs up to thirty times more than by air, according to the NGO**. France, with rail fares 2.6 times higher than air fares, comes third in the NGO's European ranking. Paris-Valencia (Spain) is the route with the biggest difference, with prices multiplied by eight. **"The train can compete with the plane on short distances, but on long distances, it is not at all designed to compete with the plane. Rail companies aren't even trying,"** analyzes economist Olivier Klein, deputy director of the Laboratoire aménagement économie transport, mobilités et territoires at Lyon 2 University. To reach Valence from Paris, as the line is not direct, travellers have to use at least two different rail companies. "Paris-Valence is feasible by train, but in addition to the price, the difference is also the journey time. Not everyone is prepared to spend fifteen hours on a train", he continues. A discouraging reality for the more modest travelers, who are easily seduced by cheap air travel, sometimes despite their ecological convictions.

EasyJet, Ryanair, Wizz Air and Volotea. Their names are not unfamiliar to budget-conscious travelers. These airlines offer unbeatable prices throughout Europe. These carriers are **found on 79% of the non-connecting routes analyzed by the NGO**. Greenpeace denounces this pricing policy as based on "unfair and aggressive pricing strategies". The environmental protection organization points out that "the overall climate impact of air travel can be more than 80 times greater than that of rail travel". So how can we reverse this trend?

In its report, Greenpeace proposes making the rail sector more affordable, notably by introducing climate tickets and reduced fares for low-income travellers. Another major point raised in the report is the "inequitable taxation" between the air and rail sectors. **Aircraft are not subject to any tax on kerosene or on international routes.** For this to change, "all countries would have to agree on these issues of international regulation and economic competitiveness," comments Olivier Klein. We won't alleviate the climate crisis without regulation. An efficient rail alternative will take time, so that's part of the political equation to be resolved", he concludes.

My comment: *Is it any surprise that train travel is more expensive than air travel?*

Not at all. I've already had occasion to point out in a [previous letter n°914](#) that "the cost of two kilometers of high-speed lines (LGV) is that of a short-haul plane. The construction of a 500 km (or 2h30) LGV is equivalent to the cost of 250 airplanes".

Lowering train fares is a societal choice. The only way to achieve this would be to finance investments (line construction) with public money, i.e. through taxation. No

tax on air travel would be a credible alternative.

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 **1.591 euros** on Monday July 24. It is **stable** this week (-0.06%).

It was at 1.253 euros on January 2, 2023.

In a July 12 note entitled "Please return to your seats", sent to Deutsche Bank's research clients (trading rooms, fund managers, institutional investors), industry analyst Jaime Rowbotham announced that he was downgrading his recommendation to "hold", with a price target for Air France-KLM lowered from 2.3 to 1.85 euros. On the same day, July 12, the Air France-KLM share price lost almost 4%.

The analysts' 12-month average (consensus) for AF-KLM shares is 1.94 euros (it was 1.50 euros at the beginning of January). The highest price target is 2.45 euros, the lowest 1.10 euros. I only take into account analysts' opinions subsequent to the May 2022 capital increase.

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

No further comments

> 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 has risen this week by \$6 to \$109. It was at \$79 before the outbreak of war in Ukraine.

Brent crude oil (North Sea) is up this week by \$2 to \$81.

From mid-February 2022 to the end of July 2023, it was yo-yoing between \$100 and \$120. Since then, it has oscillated between \$75 and \$99.

The gap between Jet Fuel in Europe and Brent crude oil is widening. It now stands at \$28. In 2022, at the start of the Ukrainian conflict, this gap was close to \$50.

***My new comment:** The gap between Jet Fuel in Europe and Brent crude oil is widening. It now stands at \$28.*

In the space of four weeks, Jet Fuel in Europe has risen by 15%.

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 Interépargne, 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 Interépargne, remember to connect 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 Interépargne sends a letter/email to those concerned asking them to log in to their account or to call Natixis Interépargne to reactivate their account.

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

This is 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 Interépargne.

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

> **FCPE management / Air France-KLM share consolidation**

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 the management of the various Air France employee shareholding funds, please visit the [Air France-KLM employee shareholding section of my website](#).*

My specific comment on the share consolidation: *On July 21, Natixis Interépargne sent information to all current and former employee shareholders by e-mail.*

It reads as follows:

On July 12, 2023, Air France-KLM published a press release (click [HERE](#) to access this document) announcing a share consolidation (1 new share will consolidate 10 old shares, resulting in a 10-fold increase in value) and share capital reduction.

Holders of FCPE units are not affected by the exchange period running from July 31 to August 30 mentioned in the press release.

On this date, the Concorde, Majoractions and Aeropelican FCPEs will carry 10 times fewer shares, the share value having been multiplied by the same amount.

As this operation offsets each other, holders of shares in these FCPEs will see no impact on the amount of their savings.

For your information, on August 31, the share price (multiplied by 10) will be re-correlated with the unit value, which will remain unchanged:

- so that the value of the FCPE unit will be as close as possible to the share price;*
- with the effect of reducing the total number of FCPE units.*

A new communication will be sent to you before the end of the trading period, on August 31, by our services [Natixis Interépargne].

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.

For the latest Monday press reviews, [click here](#).

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

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

| François Robardet

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

You can find me on my twitter account @FrRobardet

Substitute Nicolas Foretz, PNC



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

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

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

If you wish to change the address at which you receive this press review, please [send me your new email address](#)

. To contact me: [message for François Robardet](#).

11,500 people receive this live press review