

Air France's magnificent "remontada" in the 2021 Top 100 airline ranking



I Letter from the Director of Air France-KLM

François Robardet Representing

the employees and former employees of PS and PNC shareholders

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Monday's Press Review

> **Air France's magnificent "remontada" in the 2021 ranking of the 100 best airlines**

(source Le Figaro), 29 September - **For the past decade, the Skytrax world airline ranking has been monopolized by Asian and Gulf airlines. But for the first time over the same period, Air France enters the top 10.**

(...)

To compose this ranking, known in aviation circles as the "Oscars of the aviation industry", more than 13 million passengers were surveyed over 23 months (from September 2019 to July 2021). And this 2021 edition (there was none last year, Editor's note) takes into account "normal" travel combined with some flights operated during the Covid-19 pandemic.

Customers were asked to answer various questions related to their trip: quality of service in the cabin, quality of the flight (seat comfort, quality of meals, choice of audio-visual programs, etc.), pre-flight and post-flight experience (ease of online booking, waiting time, baggage delivery, etc.), but also, and for the first time, a questionnaire related to the various measures taken to fight Covid-19.

As in 2011, 2012, 2015, 2017 and 2019, **Qatar Airways takes the crown**. For the sixth time in its history, the Gulf airline is considered the best in the world.

(...)

The Qatari airline also won five other awards, including "Best Business Class in the World", "Best Business Class Lounge in the World", "Best Business Class Seat in the World", "Best In-Flight Catering in the World" and "Best Middle East Airline".

Singapore Airlines won the silver medal, followed by its Japanese colleague ANA All Nippon Airways. Emirates moved up to fourth place ahead of Japan Airlines. Only one European company is in the top ten: the French Air France, 10th in the ranking (a 13-place rise compared to 2019) and which is therefore crowned first airline in the European ranking.

(...)

TOP 10 BEST EUROPEAN AIRLINE COMPANIES IN 2021 ACCORDING TO SKYTRAX

Air France

British Airways Lufthansa Aeroflot Russian Airlines KLM

Royal Dutch Airlines

Turkish Airlines

Swiss International Air Lines Virgin

Atlantic

Austrian Airlines

Finnair

Note that **Air France is also in the top 10 of the "World's Best First Class Airlines 2021", coming in at number 5 ahead of Qatar Airways.**

(...) That'

s not all: **Air France is ranked 10th among the "Best Business Class Airlines in the World 2021" and 4th among the "Best Premium Economy Class Airlines"**. Finally, in the ranking of "the world's best long-haul low-cost airlines in 2021", another French company, French Bee, is almost on the podium, in fourth position.

My comment: This ranking, which propels Air France to the top of the European and world rankings, is to the credit of all our employees.

Over the past two years, which have been marked by the health crisis, their commitment to transporting passengers in complete safety has been total.

> **With the A220, a new era begins for Air France**

(source TourMaG), September 29 - As a symbol, it is in its maintenance hangar H6, previously reserved for its former A380 jumbo jet, that **Air France welcomed its new flagship: the Airbus A220-300.**

The first aircraft, christened "Le Bourget", landed yesterday evening [Wednesday 28 September] at Roissy, directly from the Mirabel (Quebec) factories.

Equipped with 148 seats and intended for the short and medium-haul network, it will eventually replace the A318 and A319 of the French airline.

With 60 aircraft on order and 30 options, "this is the largest order in the history of Air France and the fastest entry into the fleet", said a delighted Benjamin Smith, head of the Air France-KLM group.

Six aircraft will arrive by the end of 2021, and then 12 to 15 new aircraft will be delivered annually until 2025. The investment would represent for Air France about 1 billion euros each year.

Above all, **with a 20% reduction in fuel consumption, a 20% reduction in CO2 emissions and a 34% reduction in noise emissions compared with the A318 and A319, the A220 will spearhead Air France's ambitious ecological roadmap.**

"It is based on 4 pillars: fleet renewal, use of sustainable fuel, eco-piloting and electrification of ground operations", reminds Anne Rigail, Air France's CEO.

The aim is to achieve 50% less CO2 emissions per passenger/km by 2030, and finally to become carbon neutral (zero net emissions) by 2050.

(...)

As regards flight crews, **42 pilots have already been trained for the first flight at the end of October, as well as 130 stewards and hostesses.**

Eventually, Air France plans to employ 750 pilots and 2,500 cabin crew on the A220 sector. All will be trained at Roissy.

***My comment:** The arrival of a new aircraft model is a celebration for an airline and its employees.*

In a few years, nearly 20% of the flight crew will be assigned to this aircraft.

> Air France-KLM will soon make a decision on an order for KLM and Transavia

(Reuters source), Sept 29 - **Air France-KLM hopes to make a decision in the coming months on an order for at least 80 medium-haul aircraft for its KLM and Transavia subsidiaries, which would be its biggest ever fleet deal,** group Chief Executive Ben Smith said on Wednesday.

The Dutch-French carrier launched a tender earlier this year to renew and expand KLM and Transavia's medium-haul Boeing 737 fleets.

An order for aircraft would involve a firm order for 80 aircraft and an option for 60

to 80 others, Ben Smith said on Wednesday

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My comment: *The tender concerns KLM as well as the two Transavias (Netherlands and France).*

The number of aircraft involved makes it the largest aircraft purchase program in the history of the Franco-Dutch group.

The previous "record" was that of the A220, which involved 60 firm orders and 60 options.

> **Air France KLM Component Services Shanghai and AvtechTyee sign an industrial cooperation agreement**

(source Boursier), 28 September - Air France Industries KLM Engineering & Maintenance Components China and AvtechTyee have signed an industrial cooperation agreement. **It allows the Shanghai-based AFI KLM E&M subsidiary to be an approved repair shop in China.**

(...)

Thanks to this agreement, AFI KLM E&M Components China becomes an authorized supplier for Chinese operators on AvtechTyee products.

EU orders TUIfly and Ryanair to pay back €13 million in subsidies to the Austrian State

(source Air Journal), September 30 - (...) In 2016, the European Commission had declared that certain airport services and marketing agreements between the manager of Klagenfurt airport in southern Austria and Ryanair, TUIfly and Hapag-Lloyd Express (HLX, absorbed by TUIfly) gave an advantage to these airlines.

This decision was confirmed by the European Union's competition watchdog, which found that the commercial agreements amounted to state aid as they allowed the airlines to reduce their operating costs.

According to Brussels, **the illegal aid to Ryanair is estimated at around €2 million, to TUIfly at €1.1 million and to HLX at €9.6 million.** Ryanair and TUIfly subsequently challenged the European Commission's decision.

On Wednesday, the European Court of Justice, based in Luxembourg, sided with the European Commission and rejected TUIfly and Ryanair's arguments. **The court ordered the two airlines (with TUIfly repaying HLX's share) to return the €13 million they received to the Austrian state to compensate for the benefits they received from the advantageous contracts with Klagenfurt Airport.**

"If Europe starts asking airlines to pay back state aid, we will see more money flowing back into the public purse.

(...)

And **how to deal with the aid received by American or Middle Eastern airlines?"** comments Fabrice Dariot of Bourse-des-vols.com, a French travel agency specializing in cheaper air tickets.

My comment: *The number of convictions for illegal aid concerning Ryanair is increasing.*

They would be more significant if the authorities concerned, rather than recovering the unduly paid subsidies, were also subject to even symbolic condemnations.

> Partnership between Air Austral and Qatar Airways

(source ipreunion), September 29 - **The project of rotation Reunion - Doha (Qatar) - Mainland is in phase of finalization.** Discussions between Air Austral and Qatar Airways, the two partners in the operation, are still ongoing but according to information from Imaz Press, the first flights will be operated before the end of the year.

The choice for the Reunionese company to turn to Qatar is not insignificant:

"The hub (air platform - editor's note) is one of the most important in the world. The fact that Air Austral is going there is also synonymous with an opening towards multiple destinations, India and China in particular" comments an observer of the aviation world.

This "wider opening to the world" would have a double advantage: offering more travel possibilities to travellers and giving a new breath to the local airline. A good concept in these times of economic difficulties linked to the health crisis.

(...)

The announcement of the Reunion - Doha - Mainland service could be made in the next few days.

My comment: *Obviously, Qatar and Qatar Airways are more and more involved in the French economy.*

Perhaps this is linked to the largesse granted to the Qatari airline in the framework of the open skies agreement concluded by Europe (see my letters 816 and 826 on this subject).

End of the press review

> **Advice for employees and former employees who are shareholders**

You will find on my [navigation](#) site the modalities of access to the sites of the managers.

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**. It will be used for all correspondence with the 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 comments on the Air France-KLM share price trend**

Air France-KLM shares closed at **4.351 euros** on Monday 4 October. **It is down sharply this week by -7.88%**. **It had risen by 23% last week following the announcement by the United States of the reopening of its borders to vaccinated travellers.**

Before the coronavirus epidemic, Air France-KLM shares were at 9.93 euros.

The average (consensus) analyst price for AF-KLM shares is 3.24 euros. The highest price target is 5.5 euros, the lowest 1 euro. You can find the details of the analysts' consensus on my blog. I do not take into account the opinions of analysts prior to the beginning of the health crisis.

Brent crude oil (North Sea) is up \$2 to \$81 per barrel.

From a low point at the end of October 2020 (\$37), it has risen steadily until it reached \$69 in early March 2021. Since then, it has oscillated between \$69 and \$77.

As air traffic picks up, particularly on the North Atlantic, this high price is bad news for airlines.

Brent above \$80 for the first time in three years

(AOF, September 28) - Oil continued its ascent (...). The price of a barrel of Brent crude exceeded 80 dollars for the first time in three years, supported by supply disruptions and underlying demand.

(...)

Natural gas prices, on the other hand, continued to rise to their highest level in at least seven years. Investors seem to feel that oil and gas producers have cut back

too much during the pandemic, so that demand pressure is unbalancing the market.

This indicative information does not constitute an invitation 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](#)

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| 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](#)

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.

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