

Air France returns to the top 10 of the most beautiful business class cabins



Letter from the Director of Air France-KLM

François Robardet

Representative of the employees and former employees shareholders PS and PNC

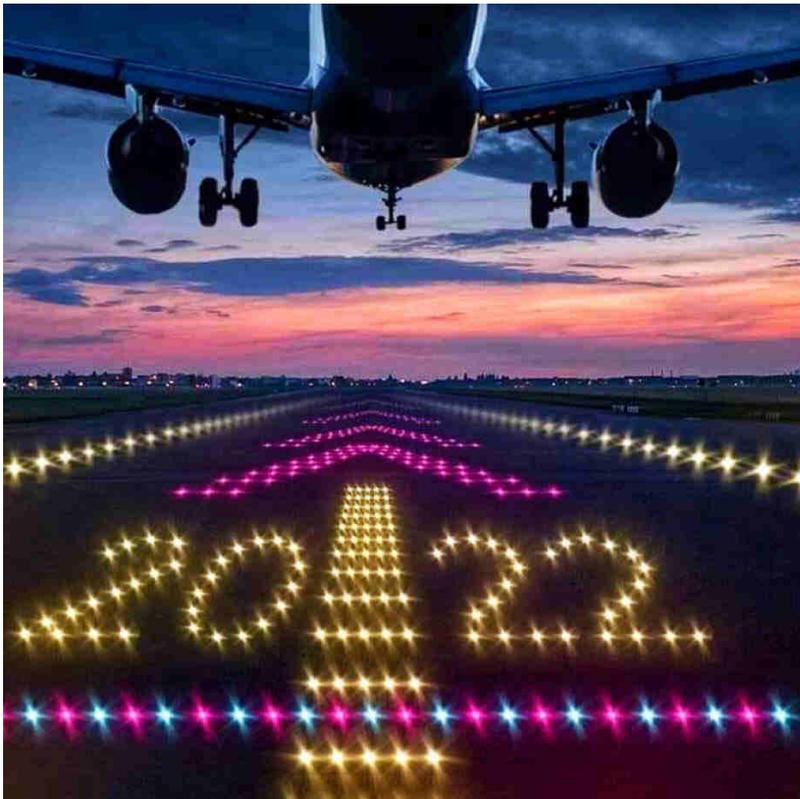
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Editorial

Dear readers,

I send you my best wishes for the year 2022.

Once again, the past year, with the persistence of the health crisis and the influx of its successive waves, will have tested each of us, both in our personal and professional spheres. I hope that we will not have to

make the same observation in a year's time.

Allow me to thank you for your loyalty and support.

Take good care of yourself and your loved ones.

Good reading to all.

François

Monday's Press Review

> Air France returns to the top 10 of the most beautiful business class cabins

(source BFMTV) January 3 - As every year, Skytrax publishes the ranking of the world's airlines through various criteria such as safety or hygiene measures against covid.

At the end of 2021, **the ranking of the most beautiful business class cabins was made public**. Remember that all the awards are based on more than 13 million surveys.

Unsurprisingly, the Gulf and Asian airlines hold almost all of the top 10 places in this ranking. But this year, **Air France has made a strong comeback by climbing to 10th place. This is a position that the operator has not reached since 1999.**

It is the only European airline to be found at the top of the ranking.

Virgin Atlantic is ranked 12th, ahead of British Airways and Lufthansa in 13th and 14th place.

- 1 - Qatar Airways
- 2 - Singapore Airlines
- 3 - All Nippon Airlines
- 4 - Emirates
- 5 - EVA Air
- 6 - Qantas Airlines
- 7 - Etihad Airways
- 8 - Hainan Airlines
- 9 - Cathay Pacific Airways
- 10 - Air France



My comment: For several years, Air France has implemented a program to improve its cabins called Best, which is bearing fruit.

It aimed in particular to equip the business cabins with a new seat. This seat was developed around the 3 "F" concept: "Full flat", the seat becomes a horizontal bed, "Full access", direct access to the aisle, and "Full privacy", preserved space.

At the end of 2018, 51 long-haul aircraft had such a seat. That's half of the Air France long-haul fleet of 106 wide-body aircraft (excluding cargo).

Gradually, other aircraft have been equipped with these seats, including the B777 COI and the new A350s.

> **The safest airline in the world remains Emirates**

(source Trends Tendances) January 3 - Emirates has again been ranked as the world's safest airline by the Jet Airliner Crash Data Evaluation Centre (JACDEC), reports the dpa news agency. The leading operator of the Airbus A380 - the largest passenger aircraft - has once again defended its rank in the survey of 25 airlines conducted by the Hamburg-based center. With a risk index of 95.05%, **Emirates ranks ahead of its nearest rival, KLM (93.31%)**, followed by JetBlue (91.61%), Delta (91.55%) and easyJet (91.28%). For the first time, JACDEC also published regional indexes. **In Europe, KLM (93.31%) is in first place, ahead of Finnair (93.16%), Air Europa (93.12%), Transavia Netherlands (92.83%), easyJet (91.28%) and Norwegian (90.95%).**
(...)

My comment: Congratulations to KLM and Transavia Netherlands who

are at the top of this ranking.

> **Lufthansa: 18,000 flights almost empty to keep its slots**

(source Air Journal) January 1 - **Lufthansa has announced that it will be forced to operate 18,000 "useless" flights almost empty this winter.**

(...)

If the German company has already cancelled 33,000 flights - 10% of its winter schedule - it will maintain 18,000 low-frequency flights at all costs, even if they are empty, otherwise European rules could cause it to lose its airport slots.

(...)

The European Union (EU) requires airlines to operate on 80% of their slots - the slots reserved for them to take off and land. Airlines that fail to do so could lose these famous take-off and landing rights. Because of the environmental cost of these empty flights, this regulation had been suspended in March 2020 by the EU. They came back into force again last spring.

Lufthansa Group CEO Carsten Spohr asked the EU for a "climate-friendly derogation in times of pandemic" in an interview with the Frankfurter Allgemeine Sonntagszeitung. According to him, "this is detrimental to the climate and exactly the opposite of what the European Commission wants to achieve with its environmental program", which plans to reduce CO2 emissions by 55% by 2030.

My comment: To avoid the multiplication of empty flights, the European Union had suspended the rules of airport slots at the beginning of the pandemic in March 2020. They reintroduced them last spring by lowering the minimum slot utilization rate to 50%.

This constraint applies to all European airlines. For the moment, the Air France-KLM group is managing to use its slots at Schiphol and Orly airports. To do this, the group applies a clear strategy: fly its aircraft on condition that the revenue covers the variable costs.

> **Air Caraïbes takes part in the Air Austral-Corsair merger**

(source Le Figaro) December 29 - On November 16, Olivier Dussopt, Minister of Public Accounts, declared that **a merger between the airlines Air Austral and Corsair was "an option"**. **Marc Rochet, CEO of Air Caraïbes, is trying to interfere in these discussions.** "I am surprised that we have not been called to this kind of consultation or debate," he regretted on BFM Business, Wednesday, December 29. He

does not "necessarily seek to take control of Air Austral", he said, but "to say that it must be married to such and such a company, Corsair in this case, it seems to us to be prejudice.

The three airlines serve the French overseas departments and territories, with a specialty on the Indian Ocean and Reunion for Air Austral and the Caribbean for Air Caraïbes and Corsair. They are struggling to emerge from the crisis linked to Covid-19. **Air Austral**, which **lost 76 million euros in the fiscal year ending March 2021**, is reportedly at Ciri, the organization that manages companies on the verge of bankruptcy. And the latter seems to favor a marriage with **Corsair**, which is **not making more money, but has benefited from a recapitalization**, with the entry of investors from the West Indies, and a state-guaranteed loan (PGE).

Air Caraïbes should lose the same amount this year as in 2020, i.e. 56 million euros. But the Dubreuil family, majority shareholder, has just put money back into the company. This will allow the company to participate in the reorganization of the sector.

"Let's put things on the table, let's work in a rational way, let's compare our performances, our costs, our constraints and maybe there are solutions to find, especially in terms of commercial cooperation, that's why we are open to it", explains Marc Rochet. For him, "there will be a concentration at the end of this sequence: inevitably, companies will be forced to come together." And he intends to participate.

***My comment:** Air Austral is in great difficulty. The financial situation of the Reunionese company was precarious even before the health crisis.*

Since the beginning of the crisis, it has not launched a restructuring process. In order to avoid bankruptcy, the public shareholders were obliged last August to reconstitute a positive cash flow.

A merger with another French airline seems unavoidable, to the great displeasure of the elected representatives of Reunion Island: the Regional Council of Reunion Island owns 73.5% of the company SEMATRA which controls Air Austral.

> Boeing 737 MAX: Ethiopian Airlines to return to service in February 2022

(source Air & Cosmos) December 28 - **Ethiopian Airlines is planning the return of its Boeing 737 MAX aircraft to commercial service in February 2022.** A decision taken after a complete review of the medium-haul aircraft with the various personnel involved and careful

training sequences with its pilots. "We have taken sufficient time to monitor the design modification work and the more than 20 months of rigorous rectification process... our pilots, engineers, aircraft technicians, cabin crew are confident about the safety of the fleet," said the airline's CEO.

This announcement and decision have a heavy symbolic charge. Ethiopian Airlines lost one of its Boeing 737 MAX in March 2019, minutes after takeoff from Addis Ababa airport. **The disaster claimed 157 lives and came shortly after the Lion Air disaster** with a similar chain of causes.

(...)

These two accidents of brand new planes in an interval of only a few months will lead to the immobilization of Boeing 737 MAX everywhere in the world from April 2019. The aircraft will regain its flight authority, first in the U.S. in November 2020, upon completion of a series of corrective actions required by civil aviation authorities. Only China has not yet given its final formal go-ahead, even though the process of returning the aircraft to Chinese skies has begun.

My comment: *Three years after the crash of one of its B737 Max, Ethiopian Airlines is preparing to fly a plane of the same type again.*

In the meantime, Boeing has faced the worst crisis in its history. The American manufacturer had to make numerous modifications to the B737 Max in service. Then it had to demonstrate to all the certification bodies in the world that its aircraft no longer presented any risk of failure.

Now, almost all airlines with B737 Max aircraft have put them back into service, without passengers turning their backs on them.

End of the press review

> 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.

> **My comments on the Air France-KLM share price trend**

Air France-KLM shares closed at **4.060 euros** on Monday 3 January. **For the second week in a row, it is up strongly, by +3.20%.**

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

The average (consensus) analysts' price for AF-KLM shares is 3.29 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 **down slightly this week by \$1 to \$78.**

At the end of October 2020, it was at a low of \$37.

At \$86 on October 25, Brent had reached a level not seen since 2014, supported by supply disruptions and underlying demand.

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](#)

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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**

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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