How AF and Roissy are organizing to cope with summer traffic jams

Letter from the Director of Air France-KLM

François Robardet

Representative of employees and former employees PS and PNC shareholders

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Editorial

Dear readers,

This week I would like to draw your attention to two events.
The first one concerns the capital increase. Those of you who own shares in Société Générale have only two days left to make your choice. This choice is essential to avoid losing money.

You can find the essential information by reading my Flash n°98.

The second piece of information concerns the OMNES association that I co-chair with Gilles Favey (PNC) and Julien Abidhoussen (Pilot). OMNES is an association *under the French law of 1901, created in 1995, whose purpose is to organize seminars for Air France-KLM employees and trade unionists on a current theme.*

OMNES is organizing a conference next Monday, June 13, from 2 to 5:30 pm, which will take place at the headquarters and by videoconference.

The theme: Air France employees facing ecological issues

The General Manager of Air France, Anne Rigail, has agreed to launch the conference.

We will then have a commented presentation of the infographics on sustainable aviation that we published on social networks and via this letter last year at the same time.

Philippe FONTA, (former Director of Environment at Airbus) will lead a round table discussion on three topics:
- Which energy sources to replace kerosene?
- Air transport employees facing the ecological transition: a role to play in objectifying the societal debate?
- The sector's ecological objectives are among the most ambitious in existence, what are the key factors to achieve them (policy, investment, institutions...)

Thanks to all of you to note it in your diaries.

François

Monday's Press Review

> How Air France and Roissy airport are organizing to cope with summer traffic jams

(source Les Echos) June 6 - **Summer will be hot in European airports**. For the first time in three years, air traffic is expected to approach and sometimes even exceed pre-crisis levels. Notably at Roissy-CDG, which expects 90% of summer 2019 traffic on peak days. **The spring vacations gave a foretaste of this recovery**, with traffic returning to 86% in May at European airports, according to Eurocontrol. That is an average of 27,491 flights per day
.
This very good news for the sector was accompanied by nightmare days in several major airports, overwhelmed by the influx of passengers. The situation at Amsterdam-Schiphol, where KLM had to cancel more than 200 flights in May, is an extreme case but not unique. In London, Manchester,

Dublin, Frankfurt and Stockholm, endless queues have led to numerous delays and cancellations. Last Monday, an EasyJet Airbus A319 even had to take off from London-Gatwick without a passenger
!
The main cause is the same everywhere: the lack of qualified personnel in airports and planes, at the end of a crisis that has resulted in tens of thousands of departures. A large number of staff, who have been made redundant or have left under the voluntary redundancy plan, have changed jobs and will not be coming back," explains an airline trade union leader. Add to this the drop in training for the airline industry, the still high level of absenteeism due to Covid and the state of fatigue of current staff, and you can foresee a catastrophic summer at Roissy and Orly.

However, at both Air France and ADP, the tone remains determined and even optimistic for this summer, which is seen as one of recovery. Throughout the crisis, Air France has managed to maintain a larger offer than its main competitors. This will be the case again this summer, with an offer almost equivalent to that of 2019. "We expect up to 120,000 passengers on the busiest days of July and August, and 100,000 per day at peak in June," says **Guy Zacklad, director of the Air France hub at CDG. We have no major concerns, even if everything does not depend on us alone,**" he said. For
its part, Paris Airports, which expects to return to 90% of 2019 traffic levels, has reopened all terminals used by Air France and its Skyteam partners. Only Terminal 1, where Air France is not present, will remain closed this summer, compensated by the reopening of 2B. So far, the Paris airport has managed to get through the first traffic peaks of the summer season without experiencing the same congestion problems as Schiphol, despite a peak of over 200,000 passengers last Sunday
.
As early as last January, ADP and Air France had started working on the hypothesis, which was very optimistic at the time, of a return to flight of the entire fleet in the summer. In January, we began recruiting some 300 additional staff at Paris-CDG," explains Guy Zacklad. We were able to draw up a staffing list in February
.
Air France and ADP have also organized weekly meetings with their subcontractors. This did not prevent some unpleasant surprises, such as the disastrous management of passengers with reduced mobility in April and May. "At the beginning of June, runway resources are secure, as is baggage handling," says the Air France hub manager
.
There are still the usual black spots, such as the "PIF" - passenger screening stations at boarding - **and the "PAF"** - air and border police. - During the crisis, some of the PAF police officers were reassigned elsewhere, and this summer their numbers will remain 15% lower than in 2019," explains Marc Houalla, the director of

Roissy-CDG airport. To remedy this shortfall, **we are counting on more intensive use of the Parafe airlocks. Their access has been extended to eight non-European nationalities**, including Americans and Canadians, who account for 15% to 20% of CDG traffic.
Thanks to this expansion, 40% of CDG passengers can now use the Parafe airlocks, "compared to barely 10% in 2019. Provided, however, that the airlocks are not broken, as happened again on June 1. I'm not saying that everything is rosy," says Marc Houalla. But over the last four weeks, the average passage time at PAF was 20 minutes.
"

On the side of the "PIF", however, the lack of personnel will not be compensated by technology. "We have placed the same order with our providers as in 2019, but due to recruitment difficulties and Covid measures, we will probably only be at 85% to 90% of the requested staff," laments the director of Roissy-CDG. To try to save time, ADP has placed agents in the queues to remind passengers of good practices such as the need to remove liquids from bags. "
The rate of bag searches at the PIF has risen from 12% before the crisis to 25% today," says Marc Houalla.
But here again, the situation has remained under control, "with 60% of the time spent at the "PIF" between 10 minutes and 20 minutes in 50% of cases," Marc Houalla
emphasizes. This does not exclude some slippage. "**We are therefore not at all on a par with Schiphol or Heathrow, even if at peak times, waiting times can reach 30 to 45 minutes at the PIF and 45 minutes at the PAF,**" Marc Houalla concedes.
Nevertheless, it's best to be cautious **this summer**, arriving well in advance, especially during the peak traffic of the July-August holiday season. "**For a long-haul flight, we recommend arriving 3 hours in advance**," says Guy Zacklad.

My comment: *The malfunctions observed in the last few weeks in European airports are worrying, as no short-term solution seems to be possible. The following article sheds light on the situation in the Netherlands.*

In another article also published by Les Echos, an additional explanation is given:

"In the shadow of the airlines, the service providers suffer from a lack of appreciation of their jobs and offer unattractive hours. This is not enough to encourage people to join. Especially since the latest increase in the minimum wage means that the first eight coefficients of the collective agreement are now at the minimum wage.

This argument makes sense when you look at the air freight sector. At Roissy, Fedex recruits agents on permanent contracts at salaries higher than the minimum, so much so that Air France's subcontractors (and future subcontractors of CMA

CGM) are seeing their workforce (hired on fixed-term or temporary contracts) melt.

Last week, at the annual congress of the FNAM (Fédération Nationale de l'Aviation et de ses Métiers), the need for an overhaul of the collective agreement and an increase in the lowest salaries was clearly mentioned. Read more in the article "French air transport players approach summer with cautious optimism".

> Schiphol boss Benschop still expects summer queues, but the agreement with the unions is a good thing.

(source Nos, translated with Deepl) May 31 - **Next summer too, passengers at Schiphol will have to deal with longer-than-usual crowds and lines**. Schiphol CEO Dick Benschop and FNV director Joost van Doesburg made this clear in the lower house. However, they believe that today's framework agreement between Schiphol and the unions will improve the situation
.
Benschop and van Doesburg were invited by the House of Representatives for a discussion. Benschop in particular was called to the carpet, because as managing director he is held responsible for the chaos at the airport in recent weeks. **Long lines, flights that had to be cancelled, all caused by a huge staff shortage. In particular, baggage handlers and security guards are in short supply**
(...)
According to Benschop, considerable efforts are being made to improve the situation. Flights will be moved to regional airports like Rotterdam, Eindhoven and Maastricht, if possible. The handling of flights at Schiphol will be streamlined and when airlines return slots, they will not be reallocated to other airlines.
"Will the queues disappear in summer? I don't think so," warns Van Doesburg. (...)
Like Benschop, **he would like to see fewer flights from Schiphol this summer to avoid problems.**

By paying higher wages and improving working conditions, Schiphol should become attractive again for job seekers. Less work will also be outsourced to companies that pay their staff poorly. Van Doesburg, FNV representative: "At Schiphol, you are now becoming the working poor. This has to be improved, I have thought so for years. Today is, I hope, a turning point
.
The Dutch government is the largest shareholder in Schiphol Airport, with 70%. Many members of parliament wanted to know how it could have come to this.
(...)
In recent years, there has been too much emphasis on cost containment, although this was also the case before Benschop took office. "We are making a change: the first concern at Schiphol will be quality
."

The left-wing parties in the lower house, in particular, want to put an end to what they call the race to the bottom. At Schiphol, for example, there are eight baggage handling companies competing with each other, resulting in low wages. Benschop also finds this undesirable and therefore wants to agree with the government that no new handlers will be allowed at the airport.

My comment: *The situation at Schiphol was once again disastrous this Saturday, June 4, with the cancellation of many KLM flights.*

Here is an excerpt from the KLM press release:

"Late Saturday afternoon, KLM unfortunately had to decide not to allow any more passengers to board for departure to Amsterdam or to Europe. After taking a firm set of measures before the weekend, we were faced with unforeseen and acute circumstances beyond our control on Saturday. Due to adverse weather conditions and runway maintenance at Schiphol, many aircraft were unable to land or take off from Amsterdam.

> A strong majority in Parliament for the participation of the Dutch State in the rights issue

(source Dutch Press) June 1 - **Both the Parliament and the Senate supported the Dutch state's participation in the Air France-KLM rights issue,** reports FD, with the right-wing opposition parties and the SP supporting the coalition. The PvdA and GroenLinks opposed the participation.

Despite the strong majority, many MPs remained critical of the plan, expressing skepticism about Dutch influence in the company and pointing out that so far the participation has not had any notable results.

Finance Minister Kaag also acknowledged this, but **said, "It is better to be at the negotiating table than to end up with a diluted stake of almost nothing. That way we can continue to informally influence the management of the company**.

My comment: *By choosing to participate in the Air France-KLM capital increase without being diluted, the Dutch State will remain with 9.3% the second largest shareholder of the group ahead of CMA-CGM.*

Delta Air Lines and China Eastern have chosen to follow the capital increase at zero cost, like the Air France FCPEs. Their stake will be slightly diluted.

> First quarter record for CMA CGM, with €75 million in profits... per day

(source La Tribune) June 4 - **French shipping company CMA CGM is off to a flying start in 2022. In the first quarter, the group posted a net profit of** $7.2 billion (**€6.7 billion**), **or nearly** $80 million (**€75 million**) **per day**!
The Marseilles-based company had already closed 2021 in impressive fashion, with $18 billion (16.8 billion euros) in profits, for a turnover of $56 billion (52.2 billion euros). But it is off to an even better start, with **first-quarter net profit 3.5 times higher than 2021, while revenue, at $18.2 billion, was up 70%**
.
CMA CGM continues to benefit from the overheated shipping industry and the disruption of global supply chains in the post-Covid world, which is driving up the price of its services. Despite a 3% decrease in volumes transported, its historical maritime activity - which represents 81% of its revenues - is up 73% compared to the first quarter of 2021. To support its growth, the company has expanded its fleet with 3 new vessels, as well as 5 chartered vessels, in addition to 14 second-hand vessels, in the first quarter alone. And it has already ordered 69 additional new vessels.
The group's figures are good, but CEO Rodolphe Saadé continues to call for caution, as in his 2021 review. "Continued strong supply chain pressures continue to weigh on the effective capacity of the global fleet since the beginning of 2022 and on the group's operations. The generalization of port congestion is degrading the quality of service, limiting the volumes transported by the maritime fleet," he summarized
.
Among the risks at the heart of the group's concerns is the increase in its costs, up 16% over one year. But for the moment, the price increase linked to the waiting times of maritime transport is growing even faster, which allows it to cash in on its new costs.
(...)
Despite everything, the group with 150,000 employees "remains confident about its financial performance prospects for the year 2022".
(...)
Its air cargo company CMA CGM Air Cargo, launched in early 2021, has just received its air carrier certificate from the French Civil Aviation Authority (DGAC) on June 1. To develop this activity, **it will rely on its long-term strategic partnership signed with Air France-KLM in May,** linked to its entry into the airline's capital. It plans to create a fleet of 12 transport aircraft "by 2026".
(...)

My comment: *The future third shareholder of Air France-KML is making a string of ultra-profitable quarters. It benefits from an oligopolistic market, almost saturated.*

> On the verge of bankruptcy, will SAS go under foreign flag?

(source Air Journal) June 4 - **On the verge of bankruptcy, Scandinavian Airlines System (SAS) could be taken over by a consortium of non-Scandinavian investors**, reports the business daily Dagens Industri.
These non-Scandinavian investors have appointed consulting firms to facilitate a takeover of SAS. But their investment would be conditional on a cost reduction and a financial restructuring of the Stockholm-based airline, which is currently partly owned by Sweden and Norway
.
SAS said Tuesday it intends to launch a financial restructuring plan: on the one hand, converting some 20 billion kroner (€1.9 billion) of existing debt and hybrid bonds into ordinary shares, and on the other hand raising at least 9.5 billion kroner (€904 million) in the form of a capital increase
.
This financial restructuring plan is in addition to the cost-cutting plan called SAS Forward, which aims to save 7.5 billion kroner a year (712 million euros) through a "fleet reshuffle" and a "refocus" on long-haul flights. Although its losses have shrunk, SAS is still losing money -1.5 billion kroner (144 million euros) in the period February-April 2022.

"**In the event that the debt sharing, debt conversion and capital raising projects could not be completed as planned, SAS would not be able to make do with its existing capital structure and cash flow, which means that the group could find itself unable to meet its maturities over the long term**," the Scandinavian airline announced.

My comment: *looking at the airlines, the ones that have laid off the most staff since the Covid-19 crisis began are the ones now announcing capacity cuts:*

- British Airways is cutting 10% of its schedule for summer 2022;
- SAS will operate about 3,750 (5% of 75,000) fewer flights than planned for the four months from May to August 2022.

Both British Airways and the SAS group have reduced their workforce by about one-third. With about one-sixth fewer employees than before Covid-19, easyJet hopes to maintain its program by reassigning the fourth A319 flight attendant who is no longer needed since the number of usable seats is reduced to exactly 150.

Consequently, in order to ensure a maximum number of flights this summer, SAS, like other European airlines in the same situation (notably Eurowings), has been obliged to charter A220s from Air Baltic under a wet lease.

Note: wet leasing or ACMI (Aircraft, Crew, Maintenance and Insurance) is a charter operation between airlines, where the scope of the lease includes the aircraft, crew, *maintenance and insurance, which are provided by the chartered operator (lessor). The other elements of the flight (fuel, airport assistance, traffic rights, overflight taxes, etc.) remain the responsibility of the client company (lessee, charterer or lessor).*

> French air transport industry players approach summer with "cautious optimism

(source Journal de l'Aviation) June 3 - While bookings are finally at their highest, sometimes exceeding 2019 levels, **air transport players are being cautious. At the FNAM annual congress, held** on June 2, several industry representatives tempered a euphoria that may only be a facade and of limited duration given the headwinds that airlines and airports will have to face.
(...
)
Marc Rochet, CEO of Air Caraïbes and President of French Bee**: "Two phenomena are jeopardizing the potential benefits of this recovery**: the significant and unfavorable evolution of the euro-dollar parity (40% of a company's costs are in dollars) and **above all "the violent rise in fuel prices**
.
With the doubling of the price of Jet A1, the weight of this item (generally between 25% and 35% of a company's costs) will increase considerably this year. "After the past two years, no one was significantly covered for 2022. Even so, that just shifts the problem." According to him, **it takes a 20% increase in ticket prices to absorb the shock (and not fully cover the extra cost)** but (...) there is a brake on demand because of the fare increases."
(...)
Especially since fuel is not the only thing that has become more expensive for companies (...), **staff costs too, with employees asking for an increase in their salaries after two years of efforts, which should be granted..** "This is going to be a very difficult year for air transport, with a very tense situation over the next twelve months in terms of airline economics," says Marc Rochet
.
Olivier Casanova, CEO of CMA CGM Air Cargo, is working in a sector that has come out of the crisis stronger. He recalls that air freight rates have sometimes tripled compared to their historical averages. While the sector was beginning to see its growth slow down slightly with the gradual return of bunker capacity, the Ukrainian crisis has again reduced supply (about thirty cargo aircraft are immobilized and several companies are no longer operational) and contributes to sustain the high level of rates (...). **Olivier Casanova is also concerned about the impact of the return of inflation, which could have an impact on e-commerce, which has played its part in the success of air freight for two years**
(...)

My comment: *Surprise at the FNAM 2022 congress: airline executives have mentioned the need to review low wages, especially among airport subcontractors.*

I dare you!

> Europe will gradually replace jet fuel with green fuels

(source: Les Echos) June 2 - For the French government, this is another check mark in the list of objectives of the French presidency of the EU Council, as well as a first step forward in the announced "greening" of European transport. **For air transport and aviation, this is a major, but insufficient, step towards the goal of carbon neutrality by 2050.**

After more than two years of negotiations, **the Transport Ministers of the 27 Member States, meeting in Luxembourg on Thursday, reached an agreement on the transport component of the European "Green Deal", announced in July 2021**. It aims to reduce by 2030 by 55% the polluting emissions of transport (compared to 1990) and to achieve climate neutrality in 2050. Starting with the sector most exposed to criticism by climate advocates: air transport
.

The "ReFuelEU Aviation" project, adopted on Thursday, does not simply set targets for reducing CO2 emissions, sanctioned by a tax. It finally gives European airlines, who have been waiting impatiently for it, the means to achieve it by establishing, for the first time, a roadmap for the gradual replacement of petroleum-based kerosene by biofuels or synthetic fuels.

From January 1, 2025, aviation fuel suppliers at all European airports with more than one million passengers will have to incorporate a minimum of 2% of sustainable fuels in their jetfuel. By January 1, 2030, this share will rise to 5%, including 0.7% of synthetic fuel, produced from hydrogen and CO2 capture. This will be followed by 20% in 2035 (including 5% synthetic fuels), 32% in 2040, 38% in 2045 and 63% in 2050 (with 28% synthetic fuels)
.

The adoption of the draft "ReFuelEU Aviation" regulation was applauded at the annual conference of the National Federation of Aviation and its Trades (FNAM), which brings together all the players in the French air transport industry. For both airlines and the aviation industry, sustainable fuels are seen as the main tool for decarbonization, at least for the next 20 years
.

An effort on fuels will also be imposed on the maritime sector, for which the draft adopted by the ministers sets targets for reducing greenhouse gas emissions from energy used on board ships and also hardens the tone on the energy spent on the quayside. The goal of the proposal is to reduce the greenhouse gas emission intensity of energy used on board ships by 75% by 2050

.

These fuels can be used in all current aircraft and can reduce the carbon footprint of a flight by up to 85%, with CO2 emissions offset by the CO2 captured by the biomass from which they are derived, or by capture from the atmosphere in the case of synthetic fuels. Added to the future new generation of medium-haul aircraft expected around 2035, whose fuel consumption will be reduced by at least 30%, these sustainable fuels would already make it possible to achieve carbon neutrality for some traffic

.

"But we still need to find them," said Air France CEO Anne Rigail on Thursday. For the time being, fuel production in the world remains ultra-confidential and close to zero in France. And this, although the government has already established the obligation to incorporate 1% of biofuel in kerosene from 2023

.

Hence the impatience of airlines to see a regulation requiring fuel producers to accelerate the production of sustainable fuels. Air France and the main players in the sector were even campaigning for a more ambitious 10% incorporation rate by 2030. But thanks to this regulation, European production should increase from a few hundred thousand tons to 160 million tons per year by 2050. More than a hundred production sites, including at least three in France, should be created in Europe, creating more than 200,000 jobs.
This will not only cover the needs of European air transport in 2050, but also reduce the cost of sustainable fuels, which are currently four to five times more expensive than conventional kerosene. Nevertheless, even if the European Union plans to subsidize the development of this sector, this energy transition will inevitably result in an increase in air fares, in the order of 8.1% to 8.2% according to Brussels experts.

My comment: *If some of the measures decided within the framework of the draft regulation "ReFuelEU Aviation" can appear restrictive for the European aviation, those concerning the objectives of production of biofuels were very expected.*

They will allow manufacturers to start mass production since these measures will guarantee that their new products will find takers.

But this is only one step. It will be necessary to extend all these measures to non-European companies. It will be the responsibility of the International Air Transport Association (IATA) to ensure this.

> Environment: Greenpeace accuses the European aerial of "greenwashing

(source Air Journal) June 5 - **A new Greenpeace report, entitled "Towards a Climate Crash?", scrutinizes the environmental commitments of seven**

European airlines - Lufthansa, Air France-KLM, IAG (British Airways, Iberia and Vueling), Ryanair, easyJet, SAS and TAP Air Portugal.

In particular, the report analyzes the credibility and integrity of airlines in favor of climate protection, dissecting the promises and solutions in this area. **According to the authors of the report, the main European airlines are "greenwashing", relying** mainly on "false solutions such as carbon offsetting or (at best) insufficient solutions such as sustainable aviation fuels to fight climate change.
(...)
" Overall and not surprisingly, the main European airlines are still not up to speed on social or environmental issues, despite the massive public funding they received during the Covid crisis. **On the climate issue in particular, false solutions and greenwashing are still the order of the day. Air France-KLM - which the previous government of Emmanuel Macron had promised to make, in all modesty, the greenest company in the world - is no exception to the rule**," comments Sarah Fayolle, Transport Campaigner at Greenpeace France
.
According to Greenpeace, to limit the impact of climate change, there is no other solution than "reducing air traffic". In conclusion, "in order to decarbonize the air transport sector, strong measures must be put in place to regulate the supply and demand of air transport, in particular by reviewing the sector's taxation, closing short flights and developing and prioritizing means of transport that emit less carbon, such as the train, the abandonment of infrastructure projects aimed at increasing the capacity of existing airports or even creating new ones, measures aimed at acting on the need for mobility (via, for example, the promotion of remote meeting technologies for companies or the development of more local tourism); Other measures could and should also be considered, such as restricting flight slots, eliminating airline loyalty programs or banning advertising for air travel.

My comment: *Contrary to what the NGO Greenpeace claims, governments and airlines are taking action to ensure that air transport participates effectively in the fight against climate change.*

The "ReFuelEU Aviation"
project has just been adopted by European transport ministers (see above). It provides for various measures that the NGO would like to see implemented.

The NGO also denounces airport expansion projects, and even the construction of new airports. However, all these projects have been abandoned: Notre Dame des Landes, terminal 4 of CDG, new runways in London or Frankfurt.

To respond to the sometimes unjustified attacks from air transport detractors, the OMNES association has been working for two years on the answers to be given. The June 13 conference will be a first step in providing everyone with some *answers.*

The establishment of an observatory for sustainable aviation, decided last December by the French Minister of Transport, is part of the same approach.

Stock market press review

> Air France-KLM, one of the biggest decliners on the SBF 120 at the close of business on Thursday 2 June 2022

(source AOF) June 2 - Air France-KLM (-2.39% to 1.72 euro)
The stock is made volatile by the capital increase in progress.

My comment: *The capital increase operation will end soon. Until then, one should be careful in interpreting the changes in the Air France-KLM share price.*

End of the press review

> Air France-KLM Annual General Meeting on Tuesday 24 May 2022

The Annual General Meeting of Air France-KLM was held on Tuesday 24 May 2022 at the Hilton Hotel in Roissy.

Nearly a thousand employees and former employees gave me their proxy.

All the resolutions were adopted.

It should be noted that the two representatives of employees and former employees who are shareholders were officially appointed by the General Meeting:
.
For the pilots, Michel Delli-Zotti, with Guillaume Gestas as a possible replacement, succeeds Paul Farges.
.
For the cabin crew and ground staff, I have been reappointed, my possible replacement being Nicolas Foretz (cabin crew).

Thank you all for your trust and loyalty.

> 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. Good to know

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.*

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

Air France-KLM shares closed at 1.723 euros on Monday 6 June. It was quoted at 2.030 euros on May 24. It is down this week by -8.11%.

The Air France-KLM DPS is at 1.50 euros at the close on Monday June 6. It was quoted at 1.441 euros on May 25 at the opening. It is down this week by -7.98%.

If we consider the overall value of the share + DPS, it has fallen in one week from 3.505 euros to 3.223 euros, a variation of -8.05%.

Air France-KLM share price performance compared to IAG and LH over one year.

Since March 2021, Air France-KLM's share price has evolved in much the same way as that of its two main European competitors, the Lufthansa and IAG groups.

However, there has been a divergence since the beginning of the year. Lufthansa's share price is performing better than Air France-KLM's, probably because the recapitalization of Air France-KLM is taking so long.

IAG's share price is down sharply. The high level of debt of the Anglo-Spanish group is highlighted by analysts.

The average (consensus) analyst price for AF-KLM shares was 3.26 euros before the capital increase was announced. The highest price target is 5.50 euros, the lowest 1.30 euros.
You can find on my blog the details of the analysts' consensus. I do not take into account the opinions of analysts prior to the beginning of the health crisis.

> My comment on the evolution of fuel prices

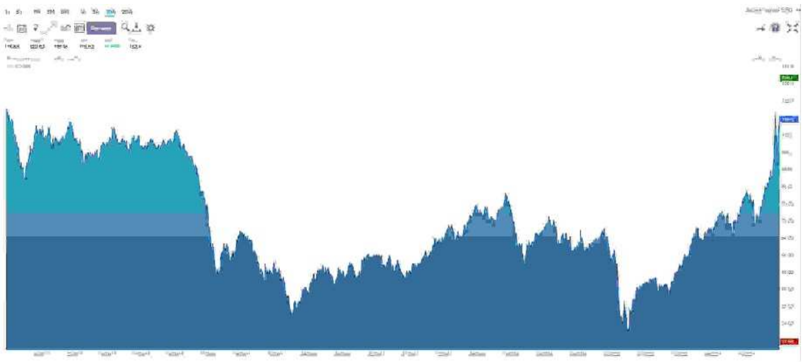
Since the start of the war in Ukraine, there is no longer any correlation between the price of a barrel of Brent crude oil and a barrel of Jet Fuel.

Jet fuel is up this week by $14 to $172 a barrel. In two weeks, it has risen by $26.

Brent (North Sea) oil is **down this week by $2 to $119 per barrel**.
Since mid-February, it has been yo-yoing between $100 and $120.

At the beginning of March, Brent had reached $132, close to its record of $150 (in 2008).

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



Evolution of oil prices over ten years. The sharp drop corresponds to the beginning of the Covid-19 epidemic.

This 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

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

When I was elected, I received the support of the CFDT and the UNPNCChis press review deals with subjects related to the Air France-KLM shareholding.