



AIR FRANCE PRESENTS A DRAFT AGREEMENT TO THE PILOT UNIONS

News / Airlines



Following two weeks of negotiations since December, Air France management this morning presented a draft agreement to the pilot unions, SNPL and SPAF. It is open for signature until 24 February. This period could be extended if the unions opt for a consultation with the pilots.

This draft agreement should enable the creation of the “NewCo”, a wholly-owned subsidiary of Air France. With the Boost project, Air France will be able to resume the long-haul offensive and defend the feeder network at its Paris-Charles de Gaulle hub, with lower costs.

The draft agreement includes the following measures:

- The NewCo will be owned by Air France and may not be sold. Traffic rights will remain with Air France;
- The NewCo's flights will be operated by Air France pilots with Air France rules of use and pay. This means that the contribution to Boost's “pilot” cost savings will be shared by the entire pilot population;
- Productivity and efficiency improvement measures, defined by the negotiations, will ensure Boost's pilot cost savings and will also contribute to Air France's competitiveness;

- A mechanism, combined with a commitment to increase the number of pilots over the period, will make it possible to handle potential pilot unit cost increases;
- A compromise on the increase in night shift bonuses will enable the company to finalize Transform;
- The draft agreement guarantees that the NewCo's fleet will not exceed 18 medium-haul aircraft and 10 long-haul aircraft.

The draft agreement also stipulates that a profit-sharing mechanism, in the form of a profit-sharing bonus, will be offered to all Air France staff in 2017. This will be determined by the Company's results.

The aim is to launch its first medium-haul flight in the autumn of 2017 by Airbus A320 family. On long-haul, the NewCo will be launched in summer 2018 with the Airbus A340 followed by the Airbus A350 in 2019.

"This draft agreement is a balanced compromise which reflects the constructive spirit in which we have conducted these negotiations. It must enable us to build the future of Air France, with the pilots and all company staff, on the basis of a solid project of growth and recovery" stated Franck Turner, CEO Air France.

CONTINUED NEGOTIATIONS WITH CABIN CREW UNIONS

Air France management is also continuing the negotiations for the cabin crew collective agreement with the cabin crew unions. The aim is to finalize a new agreement by the end of February, after the expiry of the current agreement.

13 FEBRUARY 2017

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