

Air France-KLM gets boost from employee accord

October 31 2018, by Sonia Wolf



Air France-KLM reported a strong third quarter, recovering from crippling strikes earlier this year

Air France-KLM, hit badly earlier this year by strikes and management upheaval, reported Wednesday its third quarter net profit jumped nearly 23 percent year-on-year to 786 million euros (\$900 million).

Ben Smith, who took over the reins in September, said the airline could look forward to "new perspectives" after a crucial pay deal with staff brought much-needed stability to the carrier.

"Air France-KLM posted a solid performance... reflecting the commitment of all its staff, its commercial strengths and the attractiveness of its brands," Smith said in a statement.

"The agreement on salaries... brings stability as well as new perspectives for our businesses and employees," Smith said.

"In the coming months, I am confident that we will be able to leverage our Group's strengths and assets to build an ambitious and innovative strategy to ensure the success of our airlines and reposition Air France-KLM as the leader of our industry."

The wage deal signed on October 19 followed a series of strikes in early 2018 which cost the airline an estimated 335 million euros and saw CEO Jean-Marc Janailac forced to leave.

Third quarter operating profit came in at 1.06 billion euros, little changed from a year earlier but achieved despite higher [fuel costs](#).

Revenues were up 4.0 percent at 7.54 billion euros.

The airline said fuel [costs](#) for the full year will come in at 5.0 billion euros, 500 million euros more than in 2017 and expected to rise further to 5.9 billion euros next year.

© 2018 AFP

Citation: Air France-KLM gets boost from employee accord (2018, October 31) retrieved 18 April 2024 from <https://phys.org/news/2018-10-air-france-klm-boost-employee-accord.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.