

### Sheppard Mullin Advised Air France-KLM in Securing Approval for up to €4 Billion to Recapitalise Air France through its holding company, Air France-KLM

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Sheppard Mullin advised Air France-KLM, a leading global player in its principal businesses of passenger and cargo transportation, low-cost operations and aircraft maintenance, in securing approval for up to €4 billion in French State-backed aid to recapitalise Air France (Société Air France and its subsidiaries) and Air France-KLM holding company and its subsidiaries, with the exception of KLM and its subsidiaries.

The European Commission concluded that this financial support will help Air France-KLM overcome the impact from the COVID-19 crisis and plan for the future, while maintaining the necessary safeguards to limit competition distortions.

The French State support would be granted in the form of a recapitalisation for a total amount of up to € 4 billion, which includes: (i) the conversion of a € 3 billion French State loan into a hybrid instrument, and (ii) a capital injection up to € 1 billion in which the French State will contribute alongside private participation. This would be the first step of a broader recapitalisation plan in order to strengthen the financial profile of Air France.

The Sheppard Mullin team in Brussels was led by Antitrust and Competition practice group leader Jacques Derenne and counsel Dimitris Vallindas, and included associates Ciara Barbu-O'Connor and Julien Blanquart, interns Claire Turgot and Richard Masquelier and former interns Federico Patuelli and Caterina Romagnuolo.

Click [here](#) to read Air France-KLM's press release and [here](#) to read the European Commission's press release. As usual, the non-confidential version of its decision will be made available (case SA.59913) in the State aid register on the European Commission's competition website once any confidentiality issues have been resolved.

#### **About Sheppard Mullin's EU State Aid Practice**

Sheppard Mullin has unrivaled experience in representing governments, local authorities, third parties and companies on State aid matters across a range of industry sectors. We have been involved for more than three decades in high profile State aid cases in France, Germany, Belgium, Poland, Spain, Italy, Greece, the Netherlands, Romania, Bulgaria, Croatia, Sweden, Denmark, Hungary, Estonia, Latvia, as well as in relation to third countries such as the UK, Switzerland and Turkey, before the European Commission, the EU courts as well as national courts.

## Attorneys

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## Practice Areas

Antitrust and Competition

EU Competition and Regulatory