

# France's second largest airline Aigle Azur goes into receivership

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Aigle Azur will be able to continue operations, at least temporarily, if it is granted bankruptcy protection

France's second-largest airline Aigle Azur went into receivership after filing for bankruptcy Monday, following years of losing millions of

euros, France's civil aviation authority (DGAC) said.

"The Aigle Azur airline was today placed in receivership," the authority said in a statement, citing "several months of cash flow problems".

It said the government was "mobilised to seek the best solution to preserve jobs and ensure the continuation of economic activities," it said.

The move comes after a shareholder coup ousted chief executive Frantz Yvelin last week, accusing him of making "strategic mistakes over the past two years."

Destinations in Algeria make up half of Aigle Azur's operations, and the company posted revenues of 300 million euros (\$329 million) last year after transporting some 1.9 million passengers.

But it wasn't enough to stem heavy losses that last month prompted the airline to announce plans to sell its Portugal routes to low-cost rival Vueling.

"Aigle Azur is in cession of payments after several years of drifting because of numerous improper strategic decisions, and must ask for commercial court protection," employees said in a statement after a meeting with management.

Bankruptcy protection would allow the airline, which has 1,150 employees, including some 350 based in Algeria, to continue operations.

Chinese conglomerate HNA Group, which owns Hainan Airlines, is the largest stakeholder with 49 percent.

David Neeleman, an American airline entrepreneur whose companies

include JetBlue and TAP Air Portugal, owns 32 percent, and French businessman Gerard Houa owns 19 percent.

"We hope most of all there will be a buyer," said Lilas, a flight programmer who was among several dozen employees who gathered outside the airline's headquarters at Paris' Orly airport.

"It'd be a shame to lose an airline that has 300 million euros in sales and has landing slots in Algeria that even Air France doesn't have," she added, declining to give her last name.

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