Let's get lifted

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A look back on the top three AirHelp Score airlines in the U.S. in 2016

By: Hannah Hager

2016 was a year of unexpected turns, political upheavals and emotional roller-coasters. But one of the grace notes was air travel. Here’s a look at those who lifted up, and those who did the lifting…

Three hours spent in the air is a reasonable amount of time for the average flight. Three days, though? Not so much.

Nevertheless, three days is the amount of time Air Australia passengers spent delayed in Oslo awaiting their flight to Paris Charles DeGaulle in November 2016. It’s hard to say what these travelers did to pass the time, but it’s safe to assume the airlines fielded a lot of complaints that week.

Airlines across the world vary largely on the degree of quality and service they provide their customers. Those known for their top-notch amenities are also some of the world’s larger brands, including Qatar Airways’s esteemed inflight spa-like services to Lufthansa’s entertainment options.

What’s far less discussed is the airline’s attention to logistics. An airline’s on-time performance, however, is a spot-on measurement of their customer service overall. At the end of the day, did the airline get you to your destination safely and on-time?
A crown of jewels …or thorns?

American Airlines holds the bronze medal among the highest ranking U.S. airlines in the AirHelp Score, a worldwide ranking of airlines on quality and service, on-time performance and claims responsiveness. However, AA also takes the crown of thorns for the longest flight disruption in 2016. A Dec. 17, 2016, flight from Norman Manley International Airport in Jamaica to Miami was delayed for nearly two days (45 hours) due to technical reasons, greatly skewing American Airlines’ otherwise successful year of performance.

In situations such as these, airlines are penalized under an air passenger rights legislation, EC 261, which holds them accountable for keeping to their schedules. The same law awards passengers for the inconvenience. If a flight is canceled, overbooked or delayed more than three hours then the passengers are rightfully due compensation from the airline in certain circumstances.

Many airlines bank on their passenger’s ignorance of their passenger rights, however. In this report, we’ll dive into the basic tenants of the law and compare the top three U.S. airlines within the AirHelp Score, American Airlines, Delta and United Airlines to see how they fair.

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U.S. versus EU Airlines – for better or for worse

A two-day delay is an extreme length of time and an extraordinary inconvenience to the passengers. Unfortunately, little could be done on behalf of the passengers because the EU does not have jurisdiction over U.S. domestic flights.

The AA flight wasn’t even the worst one in all of 2016. Passengers onboard the flight with the longest disruption of all 2016 – a whopping 75-hour delay on an Aigle Azur flight from Algeria to Charles DeGaulle Airport on Aug. 20 – were powerless to receive any sort of compensation as it, too, was ineligible due to extraordinary circumstances.

Paris’ Charles DeGaulle Airport is one to avoid, it seems. It was the arrival destination of yet another three-day long delay (72 hours) of an Air Australia flight on Nov. 16 from Olso. The good news is this flight was eligible for compensation under the law because the arrival and departure destinations were in the EU and no extraordinary circumstances were reported.

The more you know, the better off you’ll be

If you’re wondering why passengers onboard a particular three-day flight are eligible for compensation and another is not, it’s because many factors come into play to determine validity. Some of the factors for compensation (which includes cash payments, accommodations, food, etc.), include the following;

- The total distance of the flight
- The length of the delay at the destination
- Whether the flight was arriving to, departing from or traveling within the EU
- The headquarters of the operating airline
- Read the list on the Know Your Rights page

It’s just as important to note the occasions when a flight is not eligible;

1. Domestic U.S. flights, which are not covered by the jurisdiction of EU law
2. Extraordinary circumstances beyond the airline’s control, such as extreme weather and airport strikes
3. Delays that are less than two hours long

Determining the likelihood of a delay

All things considered, some educated guesses can determine whether your flight has a high potential for a delay or not. The number of flights an airline operates at any given time, the population of the airport metropolis, the frequency of poor weather – these are all factors that come into play to increase the likelihood. But, sometimes not.

When digging on a granular level, you’ll find the devil is in the details. Certain days of the week and time slots within are busier than others, which have a domino effect on the schedule of all remaining flights that day.

<table>
<thead>
<tr>
<th>Day Of Week</th>
<th>% Of Flights</th>
</tr>
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<tbody>
<tr>
<td>Friday</td>
<td>15.27%</td>
</tr>
<tr>
<td>Thursday</td>
<td>14.88%</td>
</tr>
<tr>
<td>Monday</td>
<td>14.86%</td>
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Friday is the busiest travel day of the week, most likely due to many passengers taking advantage of early weekends. It’s of little surprise Thursday and Monday come close behind in the high volume of flights as all days flank the weekend. Conversely, Saturday is the least traveled day of the week – only 12 percent of all flights are scheduled that day.
Air travel is at its peak during the morning hours of any given time zone, our data shows. Nearly 40 percent of all flights take off between the hours of 5 a.m. and 11 a.m., with the frequency of flights consistently dropping throughout the remainder of the day.

In the afternoons, 30 percent of flights are scheduled between noon and 4 p.m. Compare this to the evening hours of 5 p.m. – 10 p.m., when 26 percent of flights are in operation and the late-night hours of 10 p.m. – 4 a.m., which is by far the least heavily-trafficked time period with only 6 percent of flights departing.

Nevertheless, the likelihood of a flight being delayed or canceled is inverse in ratio, as bumps to morning itineraries negatively impact schedules later in the day.
How big is the compensation pie ... and the pieces?

Millions of people across the world are likely to find themselves in one of these circumstances in their lifetime. The more you travel, the greater the odds. In fact, AirHelp assisted more than 1.16 million people worldwide who were negatively impacted by airline travel in 2016; 162,000 of whom were in the U.S. It’s possible you’re one of them.

Find out if your flight is eligible for compensation.

AirHelp makes it easy to check eligibility of a potential flight for compensation using basic flight details and information on the disturbance. Not all cases are eligible, but many are. AirHelp customers receive $637 (€598) on average for successful claims. In the U.S., the number jumps to $734 (€697) due to long-haul flights to Europe.

Potential cash compensation amounts are based on a tiered structure with two contributing factors – distance of the flight and total time delayed. You can find a full breakdown of this on the Know Your Rights page.

More than 162,000 U.S. passengers were helped in 2016. $734 The average compensation amount per claim in 2016.

More than 1.5 M passengers worldwide have been helped since 2013. $637 The average compensation amount per claim since 2013.
Airlines tend to attribute fuel costs, aging fleets and pressure from foreign markets for their poor performance. In the following pages, we'll take a look back on the year for each top U.S. airline to see exactly what happened ... and what’s to come.

In 2016 54,443 flights were eligible for compensation.

27 airline passengers were awarded $11,600 in the biggest payout of 2016 thanks to AirHelp

U.S. Longest flight delay 45 hrs American Airlines

Global Longest flight delay 3 days Air Australia

$22M Suitcases were lost*

Our customers live in 134 countries worldwide.

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American Airlines’ performance hit a few historical marks in 2016, even if its net profits had a bumpy ride.

A top achievement for American Airlines is the “youth” of its aircraft. With an average age of 10 years-old, AA operates the youngest fleet of the four largest U.S. carriers thanks to its ongoing fleet renewal program. It invested $1 billion in new aircraft - 12 mainline and 9 regional airplanes - and remove 49 airplanes from its fleet in 2016.

Despite these heavy investments, AA reported its second-ever highest quarter for pre-tax earnings in Q2 2016 with a net profit of $950 million in Generally Accepted Accounting Principles (GAAP). Its highest-ever was $1.7 billion in the second quarter of 2015.

The “A” in team stands for American

Doug Parker, Chairman and CEO of American Airlines, consistently credited the company’s employees for its stellar performance in 2016.

Several times throughout the year, Parker pointed to the “hard work by our people to improve every aspect of our airline,” he said in the Q2 Earnings Report. As a thank you to its employees, AA instituted a profit sharing program for the year.

To close out the year, AA integrated all of its 15,000 pilots and its mainline fleet into a single scheduling system in October 2016, which allowed it to seamlessly schedule pilots and airplanes regardless of their pre-merger airline.

10 years-old: the average age of an AA airplane

As mentioned above, AA operates the youngest fleet at 10 years-old. As part of a $1 billion investment in new aircraft, four new Boeing 787-9 aircraft were scheduled for delivery. These aircraft are the first to offer Premium Economy seating, which effectively created a new service class on international flights by offering more legroom and wider seats.

AA also expanded its complimentary in-flight entertainment offerings for domestic flights. Travelers can now enjoy wireless streaming entertainment including premium movies, TV shows, music and games regardless of the class of their ticket.

To top off the year, AA hit a peak on its year-on-year performance of available seat miles (ASM). ASM is a common industry measurement of airline output that refers to one aircraft seat that is available for sale, flown one mile, regardless of whether it is occupied or not.
American Airline ranks second in the U.S. among airlines in its category, based on the factors of quality and service, on-time arrivals and claims compensation.

### 2016 - American Airlines' performance

<table>
<thead>
<tr>
<th>Performance highlight</th>
<th>Q1 March Quarter Report</th>
<th>Q2 June Quarter Report</th>
<th>Q3 September Quarter Report</th>
<th>Q4 December Quarter Report</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net income</strong></td>
<td>$765 million</td>
<td>$950 million</td>
<td>$737 million</td>
<td>$289 million</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>$9.4 billion</td>
<td>$10.4 billion</td>
<td>$10.6 billion</td>
<td>$9.8 billion</td>
</tr>
<tr>
<td><strong>Year-over-year performance</strong></td>
<td>- 4.0 percent</td>
<td>- 4.3 percent</td>
<td>- 1.1 percent</td>
<td>1.7 percent</td>
</tr>
<tr>
<td><strong>Year-over-year consolidated PRASM</strong></td>
<td>- 7.5 percent</td>
<td>- 6.3 percent</td>
<td>- 2.2 percent</td>
<td>3.7 percent</td>
</tr>
<tr>
<td><strong>Performance highlight</strong></td>
<td>Sought approval for 10 daily trips between the U.S. and Cuba from the U.S. Department of Transportation; announced an expanded commitment to LAX with 20 new flights, more jobs and more community partnerships and sponsorships. See the full Earnings Report here.</td>
<td>AA reported its second highest second quarter pre-tax earnings in Company history, behind only the $1.7 billion GAAP in Q2 2015. See the full Earnings Report here.</td>
<td>AA operates the youngest fleet of the four largest U.S. carriers thanks to an ongoing fleet renewal program. It invested $1 billion in new aircraft - 12 mainline and 9 regional airplanes - and remove 49 airplanes from its fleet in Q3 2016. See the full Earnings Report here.</td>
<td>Total revenue was $40.2 billion in 2016, down -2.0 percent compared year-over-year to 2015.</td>
</tr>
</tbody>
</table>

*PRASM is the consolidated passenger revenue per available seat miles
**ASM is the total available seat miles; AA did not report PRASM in Q3 2016
Thinking globally thanks to its staff

Across the board, Delta fliers often identify the airline’s best offering to be their friendly and helpful staff. Describing the airline attendants, pilots and ground crew as “amiable, courteous and friendly,” on review sites such as TripAdvisor, it’s clear that Delta is thinking with a customer-centric mind.

But, while Delta passengers praised its new amenities such as the Wi-Fi, cell phone charging stations and expansive TV offerings; they were left reeling as the airline suffered turbulence in some areas of 2016.

2016 kicked off on a high note

The airline hit the ground running in 2016, generating more than $1.5 billion in adjusted pre-tax income and delivering 49 days of perfect mainline completion factor for its customers.

Delta proved it consistently delivers top results for its employees, customers and communities it serves, said Chief Executive Officer Ed Bastian, said in a statement. That being said, Bastian signaled early cautions of volatile fuel prices and foreign currency pressures early on, a tone that was echoed throughout the year.

President Glen Haustein pointed to 40 percent lower market fuel prices and $125 million pressure from foreign currency in the March Quarter Profit (Q1 Earnings) Report, and forecasted a unit revenue decline between 2.5-4.5 percent.
Delta Airlines ranks third among U.S. airlines in its category, based on the factors of quality and service, on-time arrivals and claims compensation.

### 2016 - Delta’s performance overview

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<tr>
<td>Net income</td>
<td>$1 billion</td>
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<td>$1.26 billion</td>
<td>$737 million</td>
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<tr>
<td>Total revenue</td>
<td>$9.25 billion</td>
<td>$10.4 billion</td>
<td>$10.4 billion</td>
<td>$10.6 billion</td>
</tr>
<tr>
<td>Year-over-year performance</td>
<td>− 1.5 percent</td>
<td>− 2 percent</td>
<td>− 5.6 percent</td>
<td>− 1.1 percent</td>
</tr>
<tr>
<td>Year-over-year consolidated CASM-Ex:*</td>
<td>− 4.6 percent</td>
<td>− 4.9 percent</td>
<td>− 6.8 percent</td>
<td>− 2.2 percent</td>
</tr>
<tr>
<td>Performance highlight</td>
<td>Adjusted pre-tax income was $1.56 billion, a $966 million increase year-on-year over 2015. See the full Earnings Report here.</td>
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<td>Delta’s total revenue remained steady at $10.4 billion from Q2-to-Q3, despite a four-day power outage in August that cost the company $150 million. See the full Earnings Report here.</td>
<td>See the full Earnings Report here.</td>
</tr>
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</table>

*CASM-Ex is the non-fuel unit cost, or cost per available seat mile, including profit sharing.*
Computer crashes ground flights; cut into service and revenues

Early cautions on revenues turned into reality by August. Delta’s worldwide computer network – which manages everything from reservations to boarding passes and gate assignments – crashed for four days during a highly-publicized event that led to hundreds of delayed and cancelled flights.

The technology outage and subsequent operational recovery ended up costing them an estimated $150 million in pre-tax income and contributed to an operating revenue drop of $624 million, or 5.6 percent that quarter. Delta’s passenger unit revenues declined 6.8 percent.

Still, its leaders remained positive.

“Delta’s resiliency stood out this quarter as we worked through the outage, continued revenue headwinds, and volatile fuel prices to produce the industry’s best operational reliability and service for our customers,” Bastian said.

Hauenstein echoed these sentiments, “While we were encouraged by our unit revenue trends through the September quarter, we have more work ahead of us to achieve our goal of positive unit revenues.”

Delta siphoned savings from lower fuel prices and productivity initiatives that would offset declines in unit revenues. Its fuel expenses dropped 10 percent by $348 million in Q3 and the airline was able to reduce its non-operating expense using debt reduction initiatives. By year end, its total revenue was at its highest level - $10.6 billion.
United hits company high in on-time arrivals

They say that time is money, so it’s safe to say United Airlines should be rolling in dough considering its stellar on-time performance ratings in 2016.

Indeed, the airline’s total revenue increased steadily each quarter to close out the year with a net income of $2.4 billion. However, fluctuations in foreign currencies prohibited United from reaching peak revenue levels consistently throughout the year, mainly due to softening demands.

On-time arrivals—a key highlight in United Airlines’ 2016 performance

United Airlines’ on-time performance ranking was mentioned as a top highlight in each of its quarterly earnings reports throughout the year. In fact, United “achieved its best full-year on-time performance rating while reporting the lowest number of cancellations, delay minutes and mishandled bags in company history” last year.

See how other airlines rank in on-time arrivals and punctuality overall with the AirHelp Score.

On-time performance is an important metric for airlines, especially in Europe, because passengers who are delayed while traveling into or departing from EU member states on EU-based air carriers could be entitled to cash back in certain cases. Check to see if you could be entitled to compensation if you’ve been on a delayed, canceled or overbooked flight within the past three years.
Financials – the only way to go is up

United Airlines’ revenue outlook could potentially be on an upswing thanks to the 0.2 percent increase in total revenue year-over-year, according to President Scott Kirby. “We think the revenue situation has bottomed and we are on the way to recovery,” he was quoted as saying by Business Insider.

Business Insider’s Benjamin Zhang attributed the airline industry’s 2016 dip to its “inability to effectively manage supply and demand in the face of currency fluctuations... and weak demand due to economic softness in major markets across Latin America, Asia, and Europe.”

United Airlines’ Chief Executive Officer Oscar Munoz had a more positive take. “In 2016, we put into action our plan to become the best airline in the world... We will continue delivering on this commitment by investing in our employees, elevating our customer experience and driving strong and consistent returns for our shareholders,” he said.

United Airlines’ performance projections for 2017

• Europe will be the weakest market for United “due to excess capacity and instability caused by Brexit”

• Latin America will be the first of its markets to recover, anticipating both unit revenue and passenger yield to be in the black by Q1 2017

• United’s business in China will continue to grow, even as it reaches “caps set forth in bilateral agreements” between the nation and the U.S.
United is the highest-ranking airline in the U.S. in its category, based on the factors of quality and service, on-time arrivals and claims compensation.

### 2016 - United Airlines performance overview

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<td><strong>Net income</strong></td>
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<td>$397 million</td>
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<td><strong>Total revenue</strong></td>
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<td>- 1.6 percent</td>
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<tr>
<td><strong>Performance highlight</strong></td>
<td>On-time performance reached its highest point (72 percent) since merging with Continental five years ago. See the full Earnings Report here.</td>
<td>Had its best six-month on-time performance rate and finished either first or second in on-time arrivals compared to its four largest U.S. competitors.</td>
<td>Achieved best September, third-quarter and year-to-date on-time performance in company history. See the full Earnings Report here.</td>
<td>An increase of 0.2 percent in total revenue year-over-year, the best on-time performance rankings by the airline in company history for the full year.</td>
</tr>
</tbody>
</table>

*PRASM represents the consolidated passenger revenue per available seat mile.
Worldwide Airlines Ranking

Air travel is about more than just the price of a ticket. AirHelp Score compares each airline with three different criteria to inform you how they perform against their competition. We provide statistics on the quality of amenities, on-time arrivals, and how well they resolve flight delay compensation claims.

American Airlines, Delta and United are the top three highest-ranking airlines in their class according to the AirHelp Score.

See how other airlines fair in the AirHelp Score.

Contact us at press@airhelp.com

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