

200+



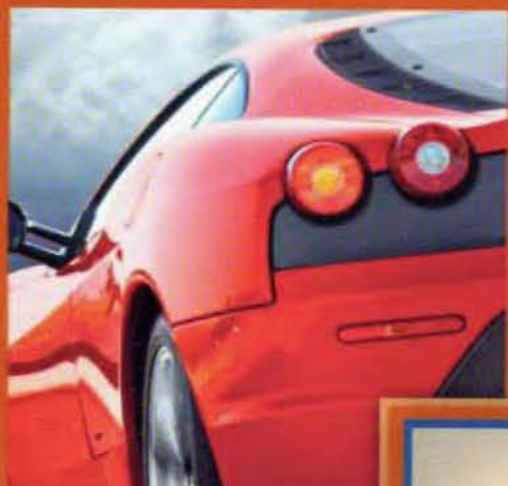
NEW AUTOS * WATCHES * RESORTS & MORE



Robb Report

Special Issue

RobbReport.com



20th Annual
BEST
of the
BEST



JUNE 2008

0 6 >

0 70992 34546 5

A CURTIS MEDIA PUBLICATION \$9.95

WINGS & WATER



SELECTION GUIDELINES

- 370 Sailing Yachts
- 377 Custom Megayachts
- 383 Semicustom Megayachts
- 388 Charter Yachts
- 395 Series Yachts

■ Boats had to have been launched or first made available for charter sometime from March 2007 through February 2008. Series yachts may be semicustom or production vessels, but each yacht represents the beginning of a series for the manufacturer. In the Charter Yachts section, we include contact information for management companies, which may not be the only companies through which you can charter the vessels.

- 402 Personal Aircraft
- 409 Business Jets
- 412 Recently Delivered Aircraft

■ Personal aircraft and business jets had to have made their maiden flights sometime from March 2007 through February 2008. Recently delivered aircraft had to have been delivered to customers for the first time after February 2007.

- 416 Flight Services

■ We selected five private aviation providers that we feel confident recommending, and present them in no particular order. The companies were judged on their national or international scope, established reputation, financial stability, and levels of service, reliability, and safety. For fractional-ownership programs, the sell-back value of the shares was also a strong consideration.



The following experts consulted on this year's Best of the Best selections in the flight-services category: James D. Butler, Esq., CEO of the private-air-travel consulting firm Shaircraft Solutions; Walter Kraujalis, president of the aviation sales and consulting firm AeronomX; Stephen E. Maloney, an aviation consultant and contract manager for Dassault Falcon Jet; Kevin O'Leary, president of Jet Advisors; William J. Quinn Jr., director of aircraft sales and acquisitions for Cerretani Aviation; Mike Riegel, publisher of the Fractional Insider newsletter; and H. Lee Rohde III, president of Aviation Management Systems.

Flight Services



NetJets

IN THE PAST 24 years, Richard Santulli has built the world's second-largest airline, after American—and it consists entirely of private jets. Like a traditional airline, Santulli's NetJets owns its aircraft, can fly anywhere in the world, adheres to rigorous safety and maintenance standards, and uses a high-tech operations center to keep an eye on every plane in its fleet. But the resemblances end there. Santulli's customers travel on their own schedules, avoid check-in and security lines, stretch out in comfort in spacious cabins, and fly with only the passengers they choose.

As he has built his fleet, which now numbers close to 700 owned aircraft, Santulli has also pioneered entirely new ways to fly privately. In 1986 he invented the fractional model of jet ownership, in which a customer buys a

share in a particular jet but also has access to every other plane in the provider's fleet. In 2001 he approved an idea proposed by two young upstarts, Kenny Dichter and Jesse Itzler, to offer flight time on his aircraft in 25-hour increments, and the result was Marquis Jet. (See page 424. Dichter is Marquis' CEO, Itzler its vice chairman.) Meanwhile, Santulli also provides jet-charter services through his subsidiary Executive Jet Management, which provides access to a fleet of 100-plus managed planes and a network of charter operators beyond that.

The result is a private-jet service with unrivaled size and scope. Last year, NetJets' 6,700 employees made or managed more than 370,000 flights to 2,400 airports in 150 countries, covering a total of about 220 million miles. "We added 85 jets to the fleet in 2007, and we'll add another 85 soon," Santulli

reports. "We continue to retire older aircraft so that the fleet is no more than five years old on average, but the net result will be growth." He notes that NetJets' expansion owes a lot to Warren Buffett, whose Berkshire Hathaway investment firm purchased NetJets in 1998. "A lot of flight-services operations are owned by equity outfits these days," Santulli says. "These firms typically want to get a fast return on their investment. But Warren has given us the long-term support we've needed to grow. For example, it took us 12



*Bombardier Flexjet and Skyjet
CitationShares
Marquis Jet * NetJets
Sentient Flight Group*

quickly—very quickly. Benjamin Murray, who was named CEO last August, plans to double the company's fleet in the space of two years. "We had 80 charterable aircraft under management when I started," he reports from his office in Cincinnati. "Now we have 110, and 16 more are coming. I expect we'll pass 200 by the end of 2009."

A large fleet is unusual in the jet-charter business. Most companies manage perhaps a few dozen aircraft, and when these planes cannot meet the demand, they subcontract trips to smaller players. But Murray wants to keep subcontracting to a minimum. "We currently outsource about 20 percent of our charter trips, mainly to seven trusted vendors," he says. "As we grow, that percentage will decline."

EJM offers access to 42 aircraft types, at base prices ranging from about \$2,000 per hour for an eight-passenger Cessna Citation Bravo to about \$7,500 per hour for an 18-passenger Gulfstream G550. Most planes in the fleet have midsize or large cabins. According to Murray, the company's on-time performance is 99 percent, excluding uncontrollable factors such as the weather. "On the Sunday after last Thanksgiving, we conducted 302 different flights, and not a plane was late," he says. Overall, the company managed about 36,000 charter trips to over 100 countries last year, for a total of more than 60,000 flight hours. EJM says it generally can respond to a charter request in three to four hours. —MICHAEL SCHULZE

Netjets, 877.356.0028, www.netjets.com; Executive Jet Management, 513.979.6700, www.executivejetmanagement.com

CitationShares

SINCE 1911, when Kansas farmer Clyde Cessna built a wood-and-fabric airplane and flew it from the Mississippi River to the Rockies—an aviation first—the company that he founded has built some of the world's most popular private planes.



Cessna Citation Sovereign

the pilots, and he addressed the demand issue by placing some restrictions on flight-card use on peak days such as Thanksgiving and Christmas. (For example, Marquis customers now must own their cards at least 60 days before requesting travel on a peak day.) Dichter says his card owners have not found the restrictions too onerous, and he notes that the limits have ultimately benefited everyone by ensuring that planes are available at all times.

Netjets' purchase options range from a one-half share of a jet (corresponding to 400 flight hours per year) to a one-sixteenth share (50 hours). The company has 16 jet types in its fleet. At the low end, a one-sixteenth share in a seven-passenger Hawker 400XP costs about \$17,000, while at the high end, a half share in an 18-passenger Gulfstream G550 runs about \$23.5 million. Shares of Boeing Business Jets are also available at various prices. In the middle of the size spectrum, the price of a Cessna Citation Sovereign begins at roughly \$1 million for a one-sixteenth share. Like most fractional operators, Netjets adds a fuel surcharge to the cost of each flight.

Meanwhile, Executive Jet Management (EJM), Netjets' aircraft management and charter operation, is growing

years and \$12.5 million to build a fractional business in Europe, but last year Europeans purchased \$70 million worth of shares.

In 2007 the company's growth allowed Santilli to announce another innovation. Flight-service companies typically charge ferry fees, which represent the cost of moving an aircraft to the place where the client will board it or moving it back to a base after the client lands. But Netjets now has so many customers that if someone flies a jet to a particular location, another client is likely to board it there. The company previously did not charge ferry fees for flights within the continental United States, and last year it extended that policy to other areas that it commonly services, including Europe, Canada, Mexico, the Bahamas, the Caribbean, and Central America.

The growth has not been without bumps. In 2005, Santilli faced a double bind: a labor dispute with his pilots, coupled with the rapid success of Marquis, which was placing unanticipated demands on his fleet. "We didn't have quite enough capacity for a while," he acknowledges, "and service to our fractional customers slipped somewhat." But he solved the labor problem by offering a generous package to

The Citations, a series of light and midsize business jets, have become the most favored Cessnas among upscale buyers. In recent years, the Wichita-based Cessna Aircraft Co. has unveiled a host of new Citations, including the CJ4 business jet; the large-body, intercontinental Citation Columbus; and the Citation XLS+, an honoree in this year's Best of the Best (see page 410).

Through its CitationShares division, Cessna makes fractional shares available

program features a brief contract and combines all management and operating expenses for a year (including fuel) into a discounted single payment or 12 monthly ones. Purchase options range from a one-sixteenth share, corresponding to 50 flight hours per year, to a one-half share, corresponding to 400 hours. Prices begin at about \$480,000 for a one-sixteenth share of a Citation CJ3. You can reduce operating costs by not traveling on Christmas, Easter, or

of its four jet types. And if you are a Citelines customer who has reached the maximum number of hours that your fractional share allows you to fly in a year, you can take advantage of a Value Plus option through which you can add extra time to the arrangement, much as if you were purchasing JetCard hours.

CitationShares operates in the continental United States, Bermuda, southern Canada, Mexico, and the Caribbean. It asks for eight hours of notice from clients for flights in the continental United States and 24 hours for international flights and trips on peak flying days. —M.S.

CitationShares, 203.861.9667,
www.citationshares.com



Gulfstream G550

for four Citations: the six-passenger CJ3, the seven-passenger Bravo, the nine-passenger XLS, and the nine-passenger Sovereign. The Sovereign, which first reached customers in 2004, has proved especially popular, thanks largely to its ability to make a New York-to-California run without refueling. CitationShares also offers the Vector JetCard, which allows you to purchase flight time in any of these planes in increments as small as one hour. Owners of both fractional shares and JetCards have access to the company's entire fleet of about 90 aircraft, the fourth-largest fleet in the fractional industry.

In a business where options abound, fractional contracts typically fill dozens of pages, and extra costs can sneak up on users without much warning. CitationShares keeps its fractional offering relatively simple. Its Citelines

other peak flying days. The company offers days-per-year programs—365, 350, 335, and 320—in which operating costs drop as the number of available days declines.

The Vector JetCard program, unlike most hourly card options, does not impose a minimum number of hours you must fly each year. Rather, you can start with a one-hour card and move up in hourly increments from there. Costs range from about \$6,100 per hour for a CJ3 to about \$9,500 per hour for a Sovereign. Under the company's Preferred Positioning program, prices drop if you pick up your jet in a place where another owner has just dropped it off; the provider avoids the cost of repositioning the plane and passes some of the savings on to you. CitationShares also offers combination cards that give you access to two

Sentient Flight Group

IN A CAVERNOUS, dimly lit room in an office building in Weymouth, Mass., dozens of people stare at a map projected on a bare wall. The map is covered with icons, each representing an aircraft transporting a client. On a busy day, more than 100 icons will appear at one time. Next to the map, columns of data provide information on each flight. This room is the new command center of Sentient Flight Group, which began in 1999 as a small flight-card company and is now one of the largest jet charter and management operations in the world.

During an interview in 2006, Steve Hankin, the soft-spoken, disarmingly candid CEO of Sentient, pointed to his most significant challenge: "Capacity," he said. "We need more planes." At that time, the company—then called Sentient Jet—was contracting most of its flights to outside charter operators. "We need better control of service," he said. "And as we grow, it gets very difficult to manage all these third-party flights."

Two years later, Hankin has solved his capacity problem—or demolished it, rather. The breakthrough came last year, when Sentient was acquired by Berwyn, Pa.-based JetDirect, a



Bombardier Challenger 300

flight-services firm that brought a sizable stable of managed aircraft to the operation. Hankin ultimately became CEO of the combined company, called Sentient Flight Group, while JetDirect chief Gregory Campbell took the chairman's slot. The pair immediately went on a buying spree, picking up more managed planes from a host of smaller providers, most notably the charter operator Air Group and the U.S. arm of Swiss-based TAG Aviation (both of which received honors in last year's Best of the Best). Hankin also convinced a small group of trusted charter partners to dedicate their services to Sentient. The result is a company with a fleet of more than 250 dedicated or managed planes and a broader network numbering another 500.

"It's been an interesting ride," says Adam Hohulin, director of flight operations, as he leads a tour of the command center in March of this year. "In 2003, the year before Steve came on, Sentient had about 65 employees. Now it has over 2,000, in 13 bases across the country. You're looking at about 200 of these people here." His gesture encompasses not only the flight-tracking team, which is watching the map, but client-services and maintenance staff as well. "Everyone sits together," he says. "There are no walls between them."

The open architecture has a huge benefit. "These people talk to each other

constantly," says Benjamin Gonzales, the director of the client-services team. "If the flight-tracking people see a storm coming, they alert us, and we contact customers to work out a solution. Maybe we can pick up a client before the storm hits, for example. Meanwhile, the maintenance people are telling us what's going on with the planes. So we're dealing with every issue as it occurs, right away, and keeping clients in the loop. And we're tracking our response to every problem." The result, he says, is an almost perfect on-time performance, except for unavoidable delays such as those caused by weather.

In addition to aircraft management and traditional charter services, Sentient offers a flight-card program that has attracted more than 3,000 members. These clients pay an up-front, refundable deposit of \$100,000 or \$250,000 in exchange for benefits usually associated with fractional programs, such as fixed hourly rates and guaranteed availability of an aircraft at short notice. Unlike the owner of a typical fractional share, however, a Sentient member does not commit to a particular aircraft type but instead can choose the type most appropriate for a particular trip. A deposit pays for flight time at prices ranging from \$2,750 per hour to about \$12,000 per hour, depending on the size of the plane (light, midsize, large-cabin, or extended

range). For clients who can commit to a certain amount of flying each year, Sentient also offers a Preferred Plus membership option, which provides an average 6 percent reduction in hourly rates in exchange for a nonrefundable deposit of \$150,000.

In the middle of the tour, Steve Hankin appears and sits down for a brief talk. In 2006, he said that safety and service were top priorities, and he reiterates that sentiment today. "We've developed an amazing tracking system to make sure we get each trip right," he says. "Every leg is described in detail. Every deviation from expectations is exposed, and these reports are distributed to everyone in the company. There's no hiding, no pointing fingers. We jump as a team on every issue, and if we can't solve it immediately, we contact the client to discuss options. Every afternoon I look at our service performance myself for several hours. I can't stay away from it."

But what about the firm's new-business acquisitions and the inevitable headaches associated with such transactions? Each year, while preparing for Best of the Best, the editors of *Robb Report* solicit input from a number of aviation consultants (see page 369), and this year, all of them expressed reservations about Sentient's rapid growth. There is no indication that the company's charter service has declined, they said, but they questioned whether Sentient can maintain its excellence. Will executives grappling with the pressures of integration lose sight of their clients? Hankin addresses these issues with his usual candor. "It's a concern," he admits. "You can never say never, but I expect we'll take a break from acquisitions for a while."

He strolls down the hall to an office where Matt Sevick, vice president of corporate development, is working on some adjustments to the company's latest innovation: Privatejets.com, an online aircraft charter-booking service that launched in late January. The service narrowly preceded Virgin Group chairman Richard Branson's Virgin Charter, another virtual booking site that appeared in March. Sevick calls up the Sentient site, which has an interface akin to Expedia's. "Unlike Virgin Charter, this one provides real-time availability and

pricing," he says. "You can book right away, instead of waiting a few hours. The site gives you access to just the 800 planes in our fleet—which we firmly control—not the entire universe of charter aircraft. And you can take advantage of Sentient's membership program." Sevick is especially excited about a new feature that allows members to put a booking on hold for as long as three hours, giving them time to discuss the option with traveling partners.

The tour is completed. On the way out of the office, the group passes a room where six people sit hushed, staring intently at computer terminals. "Our daily flight review," Hankin murmurs. "Each day, top people review every leg of every flight for the following day." He smiles. "That meeting has lasted as long as 10 hours." —M.S.

Sentient Flight Group, 781.763.0380,
www.sentientflight.com

Bombardier Flexjet and Skyjet

FOR TWO YEARS NOW, many of the aviation consultants who assist *Robb Report* (see page 369) have reported that the fast-growing fractional operator Bombardier Flexjet provides perhaps the best, most consistent service in the business. According to Flexjet president Michael McQuay, the company has no secret recipe for this success: "It's a matter of picking up one marble at a time and putting it in the bag."

Flexjet, headquartered near Dallas, Texas, is the fractional arm of Canada-based Bombardier Aerospace, the third-largest builder of civil aircraft in the world, after Boeing and Airbus. It offers shares in five Bombardier business jets: the Learjet 40XR, 45XR, and brand-new 60XR; the midsize Challenger 300; and the long-range, wide-body Challenger 605. McQuay reports that Flexjet, which was established in 1995, has a fleet of about 100 aircraft (12 percent more than a year ago) and more than 700 owners (compared to about 600 in early 2007). He attributes the growth partly to the operator's "sexy, energetic aircraft," which have an average age of only 3.5 years.

Then there is the service. Flexjet commits to readying a jet for an owner within six hours. And in a business where fractional operators frequently find themselves forced to outsource flights to charter brokers, Flexjet guarantees that clients will fly on company-owned jets at least 95 percent of the time. (McQuay reports that the company achieved 96.4 percent in 2007.) In addition, Flexjet does not charge ferry

fees—the fees that fractional operators often impose for moving aircraft to a departure point or back to base—for flights departing and landing in the United States (including Hawaii), Canada, Central America, the Caribbean, the Bahamas, or Bermuda.

Flexjet offers ownership shares ranging from one-sixteenth (corresponding to 50 hours of flight time per year) to one-half (400 hours). Base prices range from

Guarisco Gallery

Important 19th and Early 20th Century
European and American Paintings and
Sculpture

Impressionism Catalogue.....\$20
Annual Gallery Catalogue.....\$18

One of the Largest Selections
Worldwide

Marines * Sporting * Landscapes * Animals * Genre
* Orientalist * Children * Victorian * Academic
* Impressionist * Post-Impressionist



Alfred Stevens (Belgian, 1823-1906)

L'Attente (The Wait)
oil on canvas, 32" x 43 3/4"



Gustave Waalkens (Belgian, 1831-1891)

Vue de Venise (Venetian View: The Mark and the Dog's Palace)
oil on canvas, 32" x 43 3/4"

1120 22nd Street, NW, Washington, DC 20007 (202) 333-8533 / (800) 426-3747 www.guariscogallery.com

\$560,000 for a one-sixteenth share of a Learjet 40XR to about \$13.7 million for a one-half share of a Challenger 605. Clients also can purchase an aircraft outright, and Flexjet will manage it for them. Shares can cover a single aircraft or multiple ones, and the company will arrange for upgrades or downgrades to other aircraft in the fleet if requested. For fractional owners who are unsure whether they will use all the hours available to them in a single year, the company has a Versatility Plus program that allows them to sell unused hours to other Flexjet clients.

Flexjet also maintains a flight-card program that gives access to business jets in increments of 25, 30, or 35 hours per year. In this program, called Flexjet

in exchange for guaranteed rates and availability of aircraft. The cost of all flight services is deducted from the deposit, and any remainder is fully refundable. Skyjet provides round trips at discounted prices because it does not need to reposition the jets in such instances. Members who want to be assured that the jet they fly in is 10 years old or less can join an Elite Program that charges slightly higher prices. At the low end, a round trip on a six-passenger Learjet 31A costs about \$3,000 per hour, while at the high end, a one-way trip on a Challenger 604 under Elite Program prices costs about \$10,000 per hour.

McQuay reports that the Flexjet 25 and Skyjet card programs are growing

It is also the most expensive, but Dichter does not apologize for that. "There are thinner steaks and smaller cars, sure," he says. "But at the end of the day, we provide the best service. We don't even see ourselves as an aviation company; we're a hospitality company. When you buy a Marquis card, we're going to learn everything about you: Do you have a peanut allergy? Do you like Pepsi, not Coke? We're going to give you a completely customized experience. It's baked into our DNA."

Through its exclusive alliance with NetJets, Marquis gives its cardholders access to that company's aircraft, pilots, and worldwide support structure. Marquis offers its cards in flight-time increments of no fewer than 25 hours, a policy that Dichter says he does not plan to change. "It keeps things simple," he says, "and it also represents enough of a commitment from the owner so that we can make a strong service commitment back." Owners have access to 10 jet types in the NetJets fleet, ranging from the Cessna Citation V Ultra, which is priced at about \$127,000 for 25 hours, to the Gulfstream G450, which costs about \$350,000. (Rates for the Gulfstream G550 and Boeing Business Jet vary.) Marquis also offers a Combination Card, which provides flight time in two different aircraft. When NetJets eliminated most ferry fees last year, this perk extended to Marquis card owners.

Dichter reports that Marquis currently has about 3,700 members, compared to about 3,000 at the beginning of 2007. He says that the company's customer retention rate exceeds 90 percent. Incentives for membership include benefits from the Mayo Clinic, Neiman Marcus, Bergdorf Goodman, Sotheby's, Judith Ripka, and a number of resorts. Marquis makes flights available on 10 hours of notice, except for 20 peak flying days during the year, when it requires five days. —M.S. □

*Marquis Jet, 212.499.3790,
www.marquisjet.com*

"When you buy a Marquis card, we're going to learn everything about you: Do you have a peanut allergy? Do you like Pepsi, not Coke? We're going to give you a completely customized experience."

—KENNY DICHTER, CEO, MARQUIS JET

25, the available fleet comprises the same aircraft as the Flexjet fractional fleet, except that the 12-passenger Challenger 605 is replaced by the nine-passenger Challenger 604. To ease the strain on the fleet during busy periods such as Christmas and Thanksgiving vacations, Flexjet 25 offers discounts to card owners if they commit to flying on fewer peak days. Members can choose card service at one of four levels: 365, 355, 325, or 275 days per year, with discounts increasing as the number of days decreases. Prices range from about \$120,000 for 25 hours on a Learjet 40XR (in the 275-day program) to about \$434,000 for 35 hours on a Challenger 604 (in the 365-day program).

Separately from Flexjet, Bombardier Aerospace operates Skyjet, a charter service that charges hourly rates and fees like any other charter broker. Skyjet also has a flight-card program in which clients pay a \$100,000 deposit up front

remarkably fast. "We have about 200 Skyjet cardholders, three times the number a year ago," he says. "And Flexjet 25, which was only introduced last summer, already has 210." —M.S.

*Bombardier Flexjet, 972.720.2725,
www.flexjet.com; Skyjet, 469.791.4460,
www.skyjet.com*

Marquis Jet

KENNY DICHTER ESTIMATES that he and his partner, Jesse Itzler, were kicked out of Richard Santulli's office five or six times before the NetJets CEO agreed to let them sell hourly access to his fleet. Santulli's decision, which he reached seven years ago, has proven beneficial for everyone involved, because Dichter and Itzler's proposal has evolved into Marquis Jet, perhaps the top flight-card operator in the world.