

Annual Survey...

Shell Aviation, Q8 Aviation, ASIG Judged Best in Annual Airline Survey

Shell also took top honors in 17 of 22 service categories, the most by one company in the AAG survey.

Shell Aviation was chosen as the “World’s Best International Jet Fuel Marketer” by world airlines in the 9th annual Armburst Aviation Group (AAG) survey. Seventy-one (71) major, national, regional, charter and cargo carriers participated in this year’s survey. Shell Aviation captured **Best Overall** in four of the five world regions (Africa/Middle East, Asia/Pacific, Europe, and Latin America) with a total vote of 1,426 or 22% of total points well ahead of the second place finisher with 1,049 votes (see page 3). Shell also took top honors in 17 of 22 service categories, the most by one company in the AAG survey.



judged best in *Fare and Reasonable Negotiations*. ExxonMobil Aviation, last year’s winner, slipped to third overall but was judged best for *Invoice and Delivery Accuracy* (see page 6).

Q8 Aviation was chosen as the “World’s Best Regional Jet Fuel Marketer” by world airlines capturing **Best Overall** and best in Africa/Middle East and European regions. Q8 took top honors in 7 of 10 service categories. **Statoil Aviation** scored a second place overall while **World Fuel Services** finished third overall and placed first in North America. Airlines awarded **Cosmo Oil** first in Asia/Pacific and **Petrobras** claimed first in Latin

HIGHLIGHTS

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“Best International Jet Fuel Marketer”

<i>Overall</i>	1 Shell	2 Air BP	3 ExxonMobil
<i>Africa/M. East</i>	1 Shell	2 ChevronTexaco	3 Air Total
<i>Asia Pacific</i>	1 Shell	2 Air BP	3 ChevronTexaco
<i>Europe</i>	1 Shell	2 Air BP	3 ExxonMobil
<i>Latin America</i>	1 Shell	2 ExxonMobil	3 ChevronTexaco
<i>North America</i>	1 ChevronTexaco	2 Shell	3 Air BP

ChevronTexaco Aviation received the top award as **Best Overall** in North America.

Air BP finished second overall and was selected the top international marketer with whom airlines would like to increase their business in 2005. They were also

America.

Aircraft Service International Group (ASIG) was chosen as the “World’s Best Airport Operator” winning **Best Overall** and taking top honors as “Best Operator

(Continued on page 2)

World's Best Jet Fuel Marketers Ranked by Total Points

Total number of points for each marketer in all categories - Last year's rank in Parenthesis [nr: not previously ranked]

Rank	Company	Total Points	International Category	Select	Regional Category	Select	Rank	Company	Total Points	International Category	Select	Regional Category	Select
1	Shell (2)	1426	1054	315	28	29	26	Sunoco (46)	34			21	13
2	Air BP (3)	1049	796	231	12	10	27	AGIP (17)	33			24	9
3	ExxonMobil (1)	930	693	172	43	22	28	PFTC (23)	30		3	17	10
4	ChevronTexaco (4)	709	507	177	13	12	29	Engen (31)	27			13	14
5	Air Total (5)	369	280	82	1	6	30	AvFuel (37)	26			23	3
6	Q8 Aviation (6)	286	38	10	155	83	31	NOC (nr)	26			20	6
7	Statoil (9)	186			125	61	32	JOMO (12)	25			18	7
8	World Fuel (18)	171		3	109	59	33	Tamoil (40)	23			14	9
9	Repsol YPF (15)	124	4	4	76	40	34	OMV (29)	21			12	9
10	ConocoPhillips (8)	104			66	38	35	Bharat (33)	20			13	7
11	Tesoro (11)	102			73	29	36	Petron (34)	19			15	4
12	Cepsa (20)	86			65	21	37	Irving (27)	18			5	13
13	Cosmo (25)	85			61	24	38	Valley Oil (nr)	18			17	1
14	Idemitsu (13)	71			50	21	39	Western 49)	16			10	6
15	Petrobras (10)	60	1		38	21	40	Formosa (nr)	9			5	4
16	PTT (7)	60			38	22	41	Sinopec (28)	9			7	2
17	Hindustan (45)	53			49	4	42	CITGO (24)	7				7
18	Petronas (14)	50			32	18	43	Ultramar (nr)	7			5	2
19	UAFC (19)	48		2	29	17	44	Mercury (nr)	6	3	3		
20	SPC (22)	44	12		19	13	45	Abu Dhabi (nr)	5			2	3
21	ADNOC (41)	43			29	14	46	Aramco (nr)	5			3	2
22	Phoenix (nr)	41			35	6	47	Commerchamp (nr)	4				4
23	Koch (16)	38			30	8	48	CRP (39)	3				3
24	ENOC (36)	36			27	9	49	KAFCO (nr)	3			3	
25	Petrogal (30)	35			25	10	50	Pertamina (nr)	3				3

Others Receiving Votes: ASA, Bahrain Petroleum, CAOSC, ECASA, EKO, El Paso, Global Fuel, Hess, Hyundai, IOC, Itochu, Morgan Stanley, PEMEX, PetroCanada, Petrostar, RECOPE, SK Corp, Sonogal, Universal, Valero, Williams

Editors Note: The table above represents the point tabulations from airline survey respondents. Airlines were asked to rank the best International and Regional marketers in 20 categories, as well as, best Overall International and Regional marketer. Additionally, points were rewarded by airline region for best in Africa/Middle East, Asia/Pacific, Europe, Latin America and North America. Points were tabulated to determine placement with first place receiving three points, second two points and third place one point. Total Points column represents the total points received for each marketer in all categories and regions.

For total points in the **International** section, the category column represents the cumulative total for each supplier in the 20 service categories. The select column is the cumulative point total for each marketer representing airline selections for Best Overall, Africa/Middle East, Asia Pacific, Europe, Latin America and North America. Five companies were nominated in the International section: Air BP, Air Total, ChevronTexaco, ExxonMobil, and Shell. However, some respondents chose to award points to other suppliers in the International section.

For total points in the **Regional** section, the category column represents the cumulative total for each marketer in the 10 service categories. The select column is the cumulative point total for each supplier representing airline selections for Best Overall, Africa/Middle East, Asia Pacific, Europe, Latin America and North America. All marketers were eligible in the regional voting.

A weighted average was developed to ensure accuracy. Surveys were weighted based on airline annual jet fuel consumption. Large airline end-user surveys represent a higher percentage of total votes.



“Air BP is far ahead of all others in regard to customer service.”

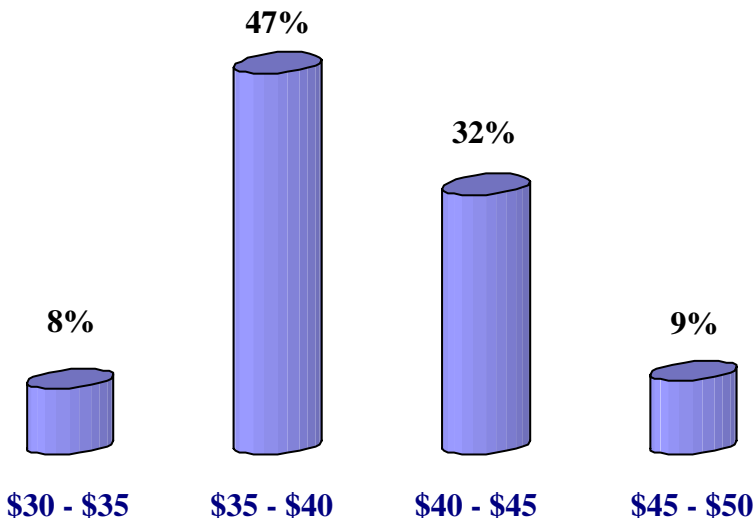
broaden our presence and offer in North America is yielding such a good response from customers,” **Xavier Le Mintier**, CEO, Shell Aviation”

Airlines also voted Shell as the leader in new service categories added to the 2004 survey including *Best Supply Integrity, Best*

international marketers:

- “I am not concerned about the attitude of oil companies towards airlines due to their insignificance.”
- “Air BP is far ahead of all others in regard to customer service.”
- “Total seems to be the most unreliable regarding written

Airlines Project Average Jet Fuel Prices in 2005
(per barrel)



Communicator, Best Global Marketing Effort, Best Customer Service, Best Alternative Pricing Proposals, Best Flexible Credit Terms and Best at Dealing with a Changing Market.

Air BP which finished second overall was the favorite of European airlines in the service categories. Air BP took 6 of 10 categories - *Best Informed, Best Staff, Best Organizational Structure, Values Relationships, Most Price Competitive and Most Improved.* Air BP was also judged “*Fairest Negotiator*” by all the airlines.

ExxonMobil Aviation finished third overall but was the favorite among North American airlines in 4 of 10 service categories: *Best Organizational Structure, Values Relationships, and Most Innovative.* ExxonMobil was also rated as the marketer with the *Best Invoice and Delivery Accuracy* by all the airlines.

Some airline comments on

agreements.”

- “ExxonMobil was trying to squeeze the airlines wherever they could.”
- “ExxonMobil has been the most aggressive to modify payment terms.”
- “From year to year more loss of ‘customer orientation’, sometimes I am not sure if I am really seen as a client.”
- “None of the marketers are proactive in offering alternative pricing proposals.”
- “Shell Aviation has recently launched **Shell Aerojet** in an effort to help its clients.”

Some airline comments on international marketers regarding supply shortages:

- “Air BP says they do not have product to bid in many locations. Chevron raised prices in Miami because they say there is no product available.”

• “There is too much talk and little
(Continued on page 5)

“ExxonMobil was trying to squeeze the airlines wherever they could.”



Commenting for Q8 Aviation, Ross Baker, Managing Director, said "We are delighted to receive this accolade."

action and it applies to all jet fuel suppliers."

Q8 Aviation Excels Among Regionals

Q8 Aviation outdistanced other regional marketers with a point

Organizational Structure, Values Relationships, Most Innovative, and Most Price Competitive.

Commenting for Q8 Aviation, Ross Baker, Managing Director, said "We are delighted to receive this accolade. It provides us with the best possible feedback regarding the strategies we have been pursuing, the

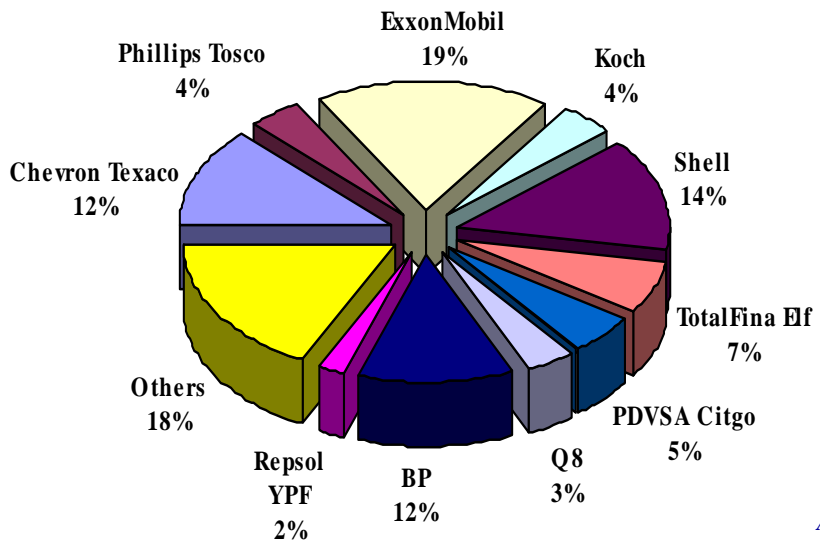
"Best Regional Jet Fuel Marketers"			
<i>Overall</i>	1 Q8 Aviation	2 Statoil	3 World Fuel
<i>Africa/M. East</i>	1 Q8 Aviation	2 Engen	3 ENOC
<i>Asia Pacific</i>	1 Cosmo	2 Idemitsu	3 SPC
<i>Europe</i>	1 Q8 Aviation	2 Statoil	3 ConocoPhillips
<i>Latin America</i>	1 Petrobras	2 Repsol YPF	3 World Fuel
<i>North America</i>	1 World Fuel	2 Tesoro	3 UAFC

total of 286 and was the clear leader in most service categories according to survey respondents. Q8 Aviation finished first in 7 of 10 categories *Best Informed, Best Staff, Best Organizational Structure, Values Relationships, Most Innovative, Most Price Competitive* and *Most Improved* (see page 10). Q8 was the

wholehearted commitment of our team within Q8 Aviation, short lines of communication and our key focus on delivering the best possible solutions for our customers."

Among other regionals, Statoil was the clear leader among European airlines winning 5 of 10 service categories: *Best Informed, Best Staff,*

Top Ten Jet Fuel Suppliers Global Market Shares



"The results of the Armbrust survey are gratifying and clear validation of the company's transformation" said Paul H. Stebbins, Chairman and Chief Executive Officer of World Fuel Services Corporation.

favored regional marketer of Africa Middle East airlines in five of six service categories - *Best Staff, Best*

Best Organizational Structure, Values Relationships, and Most Price Competitive. Others singled out for (Continued on page 8)

International Survey Results: By Airlines Per Region

African/Middle East Airlines

Best International Marketer

Overall	1. Shell	2. ChevronTexaco	3. Air Total
Africa Middle East	1. Shell	2. ExxonMobil	3. ChevronTexaco
Asia Pacific	1. Shell	2. ExxonMobil	3. Air BP
Europe	1. Shell	2. ExxonMobil	3. Air BP/Air Total
Latin America	1. Shell	2. ExxonMobil	3. ChevronTexaco
North America	1. Shell	2. Air BP	3. ExxonMobil

Best International Categories

Best Informed	1. Shell	2. ExxonMobil	3. Air BP
Best Staff	1. Shell	2. Air BP	3. ExxonMobil
Organization Structure	1. Shell	2. Air BP	3. ExxonMobil
Values Relationships	1. Shell	2. Air BP	3. ExxonMobil
Most Innovative	1. Shell	2. ExxonMobil	3. ChevronTexaco
Technical Expertise	1. Shell	2. Air BP	3. ExxonMobil
Most Price Competitive	1. Shell	2. ChevronTexaco	3. ExxonMobil
Least Price Competitive	1. Air BP	2. Air Total	3. Shell
Most Improved	1. Shell	2. Air BP	3. ChevronTexaco
Least Improved	1. Air Total	3. Non mentioned	3. Non mentioned

Asia Pacific Airlines

Best International Marketer

Overall	1. Shell	2. Air BP	3. ExxonMobil
Africa Middle East	1. Shell	2. ChevronTexaco	3. ExxonMobil
Asia Pacific	1. Shell	2. Air BP	3. ChevronTexaco
Europe	1. Air BP	2. Shell	3. Air Total
Latin America	1. ExxonMobil	2. ChevronTexaco	3. Shell
North America	1. ChevronTexaco	2. Shell	3. Air BP

Best International Categories

Best Informed	1. Shell	2. Air BP	3. ExxonMobil
Best Staff	1. Shell	2. Air BP	3. ChevronTexaco
Organization Structure	1. Shell	2. Air BP	3. ChevronTexaco
Values Relationships	1. Shell	2. Air BP	3. ChevronTexaco
Most Innovative	1. Air BP	2. Shell	3. ExxonMobil
Technical Expertise	1. ExxonMobil	2. Shell	3. Air BP
Most Price Competitive	1. Shell	2. ChevronTexaco	3. Air BP
Least Price Competitive	1. ExxonMobil	2. Air Total	3. Air BP
Most Improved	1. Shell	2. Air BP	3. ChevronTexaco
Least Improved	1. ExxonMobil	2. Chevron Texaco	3. Air Total

European Airlines

Best International Marketer

Overall	1. Air BP	2. Shell	3. ExxonMobil
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Continued on Page 7



Africa Middle East	1. Air Total	2. ChevronTexaco	3. Air BP
Asia Pacific	1. Shell	2. ChevronTexaco	3. Air BP
Europe	1. Shell	2. Air BP	3. ExxonMobil
Latin America	1. Shell	2. ExxonMobil	3. Air BP
North America	1. Air BP	2. ChevronTexaco	3. Shell

Best International Categories

Best Informed	1. Air BP	2. Shell	3. ExxonMobil
Best Staff	1. Air BP	2. ChevronTexaco	3. Shell
Organization Structure	1. Air BP	2. ChevronTexaco	3. ExxonMobil
Values Relationships	1. Air BP	2. Shell	3. ChevronTexaco
Most Innovative	1. Shell	2. Air BP	3. Air Total
Technical Expertise	1. Shell	2. ExxonMobil	3. Air BP
Most Price Competitive	1. Air BP	2. ChevronTexaco	3. Air Total
Least Price Competitive	1. ExxonMobil	2. Shell	3. Air BP
Most Improved	1. Air BP	2. ChevronTexaco	3. Shell
Least Improved	1. ExxonMobil	2. Air Total	3. Shell

Latin American Airlines

Overall	1. Shell	2. ExxonMobil	3. ChevronTexaco
Africa Middle East	1. Air Total	2. Shell	3. ExxonMobil
Asia Pacific	1. Shell	2. Air BP	3. ChevronTexaco
Europe	1. Shell	2. Air Total	3. Air BP
Latin America	1. Shell	2. ExxonMobil	3. air BP
North America	1. Air BP	2. ChevronTexaco	3. Shell

Best International Categories

Best Informed	1. Shell	2. Air BP	3. ExxonMobil
Best Staff	1. Shell	2. ExxonMobil	3. Air BP
Organization Structure	1. Shell	2. ExxonMobil	3. Air BP
Values Relationships	1. Shell	2. ExxonMobil	3. ChevronTexaco
Most Innovative	1. Shell	2. ExxonMobil	3. Air BP
Technical Expertise	1. Shell	2. ExxonMobil	3. Air BP
Most Price Competitive	1. Shell	2. ExxonMobil	3. ChevronTexaco
Least Price Competitive	1. Air BP	2. ChevronTexaco	3. ExxonMobil
Most Improved	1. Shell	2. ExxonMobil	3. Air Total
Least Improved	1. Air BP	3. ChevronTexaco	3. Non mentioned

North American Airlines

Best International Marketer

Overall	1. ExxonMobil	2. ChevronTexaco	3. Shell
Africa Middle East	1. Shell	2. ChevronTexaco	3. Air BP
Asia Pacific	1. Shell	2. ChevronTexaco	3. ExxonMobil
Europe	1. Air Total	2. Air BP	3. Shell
Latin America	1. ExxonMobil	2. ChevronTexaco	3. Shell
North America	1. ChevronTexaco	2. ExxonMobil	3. Air BP

Best International Categories

Best Informed	1. Shell	2. ExxonMobil	3. Air Total
Best Staff	1. ChevronTexaco	2. ExxonMobil	3. Air BP



Organization Structure	1. ExxonMobil	2. Air BP	3. ChevronTexaco
Values Relationships	1. ExxonMobil	2. Shell	3. ChevronTexaco
Most Innovative	1. ExxonMobil	2. Air BP	3. Air Total
Technical Expertise	1. Shell	2. ChevronTexaco	3. Air BP
Most Price Competitive	1. Shell	2. ChevronTexaco	3. ExxonMobil
Least Price Competitive	1. Air BP	2. Shell	3. ExxonMobil
Most Improved	1. ExxonMobil	2. Air Total	3. Shell
Least Improved	1. Air BP	2. ChevronTexaco	3. Shell

Combined International Survey Results: All Airlines by Category

Best International Categories

Best Informed	1. Shell	2. Air BP	3. ExxonMobil
Best Staff	1. Shell	2. Air BP	3. ExxonMobil
Organization Structure	1. Shell	2. Air BP	3. ChevronTexaco
Values Relationships	1. Shell	2. Air BP	3. ExxonMobil
Most Innovative	1. Shell	2. Air BP	3. ExxonMobil
Technical Expertise	1. Shell	2. ExxonMobil	3. Air BP
Most Price Competitive	1. Shell	2. ChevronTexaco	3. Air BP
Least Price Competitive	1. ExxonMobil	2. Air BP	3. Shell
Most Improved	1. Shell	2. Air BP	3. ExxonMobil
Least Improved	1. ExxonMobil	2. Air BP	3. ChevronTexaco

Customer Service Categories: All Airlines

Supply Integrity	1. Shell	2. Air BP	3. ExxonMobil
Fair Negotiator	1. Air BP	2. Shell	3. ExxonMobil
Communications	1. Shell	2. ExxonMobil	3. Air BP
Global Marketing Effort	1. Shell	2. Air BP	3. ExxonMobil
Customer Service	1. Shell	2. Air BP	3. ExxonMobil
Invoice & Delivery Accuracy	1. ExxonMobil	2. Shell	3. Air BP
Alternative Pricing Proposals	1. Shell	2. Air BP	3. ExxonMobil
Flexible Credit Terms	1. Shell	2. Air BP	3. ExxonMobil
Dealing with Changing Market	1. Shell	2. ExxonMobil	3. Air BP

praise include World Fuel services, winning 9 service awards and Cosmo Oil a winner of 3 service awards across the airline regions.

"The results of the Armbrust survey are gratifying and clear validation of the company's transformation" said **Paul H. Stebbins**, Chairman and Chief Executive Officer of World Fuel Services Corporation. "It is a wonderful tribute to the effort and dedication of the members of our global team and they can be proud of what they have achieved."

Again, a new group of third party sellers continues to move up in the best marketer rankings with companies like World Fuel Services,

UAFC, and **Phoenix Fuel** leading the way. All three companies finished in the top 25, a first for the survey, with World Fuel cracking the top ten.

Airlines Expect High Prices and Infrastructure Problems

If airline predictions are realized, 2005 could be another bad year for the industry with high jet fuel prices and increased supply disruptions. Airlines were asked to predict the price of jet fuel in 2005 and 47% expect prices to average \$35 to \$40 per barrel. More alarmingly, 32% of airlines believe prices will trade at \$40-\$45 per

(Continued on page 9)



“I believe it can be attributed to speculation by funds in the U.S.”

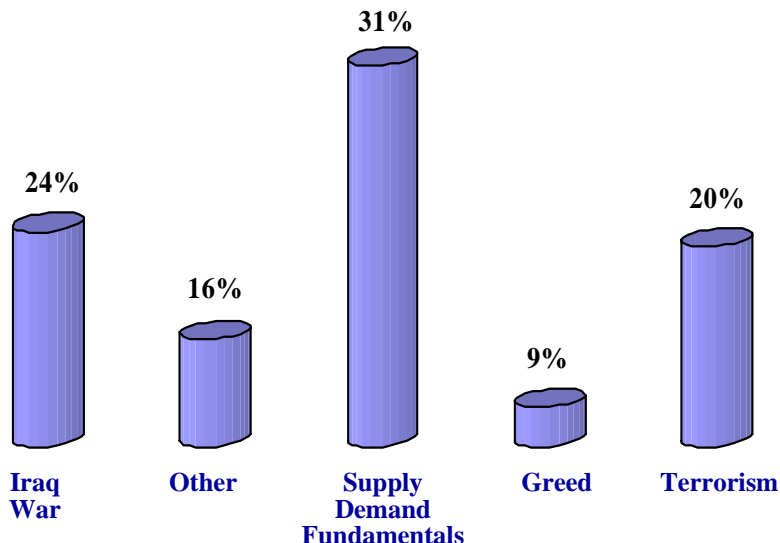
barrel in 2005 (see chart page 4).

Unfortunately, only over half of the survey respondents anticipated having any hedge positions in place during 2005 to alleviate price risk. Most of those airlines were low cost carriers or charter airlines that had fixed positions in place well before the price increases. Those airlines that are not hedged either lacked the cash or refused to pay the higher premiums at current levels. Some anticipated locking in 2006 positions if and when

- “The combination of uncertain demand due to the war in Iraq as well as greed by some oil companies helped escalate fuel prices with little or no room for negotiations.”
- “Supply and demand fundamentals are the underlying cause, exacerbated recently by a combination of speculation on the back of terrorist threat.”

Over 70% of the airlines believed that oil companies were taking advantage of the high prices to

Airlines Offer Reasons for Price Spiral



prices retreat.

While airlines expect prices to remain high, there was some difference of opinion regarding the underlying cause for the current high price environment. Most (31%) attributed supply/demand fundamentals as the primary reasons for the recent run-up with 24% blaming the Iraq war (see chart above). Airline comments on high prices:

- “I believe it can be attributed to speculation by funds in the U.S.”
- “Mergers and under-investment in refining capacity have contributed to the rise in jet fuel prices.”
- “Paper speculators in the market.”
- “Fear of supply disruptions, perception more than reality.”
- “Hedge funds are responsible.”

“Oil companies are taking advantage of the situation as their profits are going upwards.”

generate profits and 76% claimed that oil companies showed little desire to work with airlines to help them reduce their costs. Airline comments on oil companies taking advantage of price spiral:

- “Oil companies can create giant monopolies against which small to medium size airlines cannot compete.”
 - “Oil companies are taking advantage of the situation as their profits are going upwards.”
 - “Especially the marketing part of the business, raising differential prices because they say there is a lack of product.”
- “Differentials are increasing beyond the Euro/Dollar exchange difference.”

Airline comments on oil companies offering to help:

(Continued on page 12)



Regional Survey Results: By Airlines Per Region

African/Middle East Airlines

Best Regional Marketer

Overall	1. ADNOC	2. Q8 Aviation	3. OMV
Africa Middle East	1. Q8 Aviation	2. Shell	3. ADNOC
Asia Pacific	1. Shell	2. Non mentioned	3. Non mentioned
Europe	1. Shell	2. ExxonMobil	3. OMV
North America	1. Shell	2. Irving	3. Non mentioned

Best Regional Categories

Best Informed	1. ADNOC	2. Q8 Aviation	3. Petronas
Best Staff	1. Q8 Aviation	2. ADNOC	3. Petron
Organization Structure	1. Q8 Aviation	2. ADNOC	3. Petronas
Values Relationships	1. Q8 Aviation	2. ENOC	3. ADNOC
Most Innovative	1. Q8 Aviation	2. ADNOC	3. Cosmo
Most Price Competitive	1. Q8 Aviation	2. ADNOC	3. Petron

Asia Pacific Airlines

Best Regional Marketer

Overall	1. World Fuel	2. Cosmo	3. PTT
Africa Middle East	1. ENOC	2. Q8 Aviation	3. Engen
Asia Pacific	1. Cosmo	2. PTT	3. Petronas
Europe	1. Q8 Aviation	2. AGIP	3. Air Total
Latin America	1. Petrobras	2. Commerchamp	3. Repsol YPF
North America	1. World Fuel	2. Tesoro	3. UAFC

Best Regional Categories

Best Informed	1. World Fuel	2. PTT	3. Cosmo
Best Staff	1. World Fuel	2. Cosmo	3. PTT
Organization Structure	1. Cosmo	2. Q8 Aviation	3. Shell
Values Relationships	1. Cosmo	2. PTT	3. Shell
Most Innovative	1. World Fuel	2. Tesoro	3. NOC
Most Price Competitive	1. Cosmo	2. PTT	3. Tesoro
Least Price Competitive	1. CAOSC	2. Hyundai	3. Tamoil
Most Improved	1. Q8 Aviation	2. JOMO	3. Tesoro
Least Improved	1. CAOSC	2. Pertamina	3. AGIP

European Airlines

Best Regional Categories

Overall	1. Statoil	2. Cepsa	3. Conoco
Africa Middle East	1. Engen	2. Q8 Aviation	3. ENOC
Asia Pacific	1. Idemitsu	2. SPC	3. PTT
Europe	1. Statoil	2. Q8 Aviation	3. Conoco
Latin America	1. Petrobras	2. Repsol YPF	3. Non mentioned
North America	1. Irving	2. Sunoco	3. UAFC

Best Regional Categories

Best Informed	1. Statoil	2. Q8 Aviation	3. Cepsa
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Continued on Page 11



Best Staff	1. Statoil	2. Q8 Aviation	3. Conoco
Organization Structure	1. Statoil	2. Q8 Aviation	3. Conoco
Values Relationships	1. Statoil	2. Cepsa	3. Q8 Aviation
Most Innovative	1. Q8 Aviation	2. Statoil	3. Conoco
Most Price Competitive	1. Statoil	2. Petrogal	3. Conoco
Least Price Competitive	1. AGIP	2. Statoil	3. CITGO
Most Improved	1. Cepsa	2. Q8 Aviation	3. Statoil
Least Improved	1. AGIP	2. Statoil	3. CITGO

Latin American Airlines

Best Regional Marketer

Overall	1. Petrobras	2. ExxonMobil	3. Air BP
Asia Pacific	1. Idemitsu	2. Non mentioned	3. Non mentioned
Europe	1. Air BP	2. AGIP	3. ExxonMobil
Latin America	1. ExxonMobil	2. World Fuel	3. Petrobras
North America	1. World Fuel	2. Air BP	3. Shell

Best Regional Categories

Best Informed	1. World Fuel	2. Repsol YPF	3. Q8 Aviation
Best Staff	1. Repsol YPF	2. World Fuel	3. Petrobras
Organization Structure	1. Repsol YPF	2. World Fuel	3. Petrobras
Values Relationships	1. Petrobras	2. Idemitsu	3. Q8 Aviation
Most Innovative	1. World Fuel	2. Q8 Aviation	3. Shell/Petrobras
Most Price Competitive	1. Petrobras	2. Repsol YPF	3. Q8 Aviation
Least Price Competitive	1. ChevronTexaco	2. ASA	3. Commerchamp
Most Improved	1. World Fuel	2. ExxonMobil	3. Shell
Least Improved	1. ChevronTexaco	2. ASA	3. Commerchamp

North American Airlines

Best Regional Marketer

Overall	1. Koch	2. Tesoro	3. ExxonMobil
Africa Middle East	1. Air Total	2. Shell	3. ChevronTexaco
Asia Pacific	1. Cosmo	2. SPC	3. Idemitsu
Europe	1. Statoil	2. Repsol YPF	3. Cepsa
Latin America	1. World Fuel	2. Repsol YPF	3. ExxonMobil
North America	1. Tesoro	2. World Fuel	3. Koch/Sunoco

Best International Categories

Best Informed	1. Tesoro	2. Koch	3. UAFC/World Fuel
Best Staff	1. World Fuel	2. Koch	3. Tesoro
Organization Structure	1. World Fuel	2. Tesoro	3. Koch
Values Relationships	1. World Fuel	2. Tesoro	3. Koch
Most Innovative	1. Repsol YPF	2. Koch	3. Phoenix
Most Price Competitive	1. Phoenix	2. Sunoco	3. Tesoro
Least Price Competitive	1. Q8 Aviation	2. CAOSC	3. World Fuel
Most Improved	1. Tesoro	2. World Fuel	3. Valley Oil
Least Improved	1. Commerchamp	2. El Paso	3. Valero

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Combined Regional Survey Results: All Airlines by Category

Best Regional Categories			
Best Informed	1. Q8 Aviation	2. World Fuel	3. Statoil
Best Staff	1. Q8 Aviation	2. World Fuel	3. Statoil
Organization Structure	1. Q8 Aviation	2. Statoil	3. Conoco
Values Relationships	1. Q8 Aviation	2. Statoil	3. Cosmo
Most Innovative	1. Q8 Aviation	2. World Fuel	3. Statoil
Technical Expertise	1. Statoil	2. ExxonMobil	3. Cosmo
Most Price Competitive	1. Q8 Aviation	2. Statoil	3. Cosmo
Least Price Competitive	1. AGIP	2. CAOSC	3. Statoil
Most Improved	1. Q8 Aviation	2. World Fuel	3. Cepsa
Least Improved	1. AGIP	2. Commerchamp	3. Statoil/CAOSC

- “Some have offered hedge structures.”
- “Changed FOB points and better credit terms.”
- “Hedging, risk management and other non tangible, non measurable suggestions have been put forth, however, simple and basic attractions such as increased credit terms, lower differentials and Platt’s calculations on “low” are also welcomed.”
- “Surplus volumes can be sold off to small/medium size airlines at reduced prices in order to keep airfare process competitive and keep the travel economy dynamic.”
- “Lower prices for the mainstream suppliers can positively affect downstream customer prices (passengers) and stimulate greater traveling public thereby giving a greater return volume to jet fuel suppliers.”

Finally, a surprising 90% of the airlines surveyed worried that the current jet fuel supply infrastructure is not keeping pace meeting the growing demands of the aviation industry. Airlines in Europe and North America expressed the greatest concern and pointed to recent supply disruptions as increasing in both frequency and longevity. Comments by airlines about infrastructure concerns:

- “We are significantly concerned about the lack of attention to jet fuel by major oil companies.”
- “We have a growing problem in Canada and the U.S.”
- “Pipeline and truck delivery

charges are always a concern especially when these charges are high.”

- “Long term supply constraints may exist.”
- “Due to higher prices more investment will take place which might improve situation in mid to long term.”
- “Europe and U.S. refineries are operating at high levels and there is not much sign of new capacity for jet fuel given the relatively lower margins for refiners.”
- “Except for some very specific situations, I think high prices are reflective of the fear of supply disruptions due to lack of infrastructure.”
- “The infrastructure has been an issue for years, even before 9/11, but the drop in demand put it on the back burner for a while.”

In regard to the recent price spiral maybe one airline manager summed it up for all when he offered, “in a tight supply/demand situation, lack of investment in refineries, storage and transport has left the price sensitive to all the recent problems with Iraq and terrorisms.”

Regionals to Gain More Business

Airlines told **AAG** that they hope to increase their business with regional suppliers in 2005. Almost 80% of airline survey respondents intend to increase business with regionals even though 66% of
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“In a tight supply/demand situation, lack of investment in refineries, storage and transport has left the price sensitive to all the recent problems with Iraq and terrorisms.”



“Sometimes it makes sense to have just one operator and to pool activities in order to keep costs at a reasonable level.”

even more satisfied as we continue to raise the bar on the standard of service we provide,” **Keith P. Ryan**, president & CEO, ASIG.

Shell Aviation while placing second overall ranked as “*Best Airport Operator*” in Asia/Pacific, Europe and Latin America. Shell was also judged to have the *Best Training*,

ExxonMobil Aviation was credited for being among the industry leaders in airport safety, training and technical programs.

Some comments on airport operators:

- “Operators have become more price aggressive and focused more on service.”

World’s Best Airport Operators Ranked by Total Points

Total number of points for each operator in all categories

Rank	Company	Total Points	Point Type	
			Category	Select
1	ASIG	236	161	75
2	Shell	235	147	88
3	Air BP	203	131	72
4	World Fuel	180	103	77
5	ExxonMobil	152	91	61
6	Swissport	94	67	27
7	AGI	63	44	19
8	Air Total	62	25	37
9	PLH	53	33	20
10	Allied	51	40	11
11	SkyTanking	44	34	10
12	GlobeGround	39	27	12
13	JAFS	30	24	6
14	Conoco	30	21	9
15	ASA	21	15	6
16	AFSC	20	13	7
17	Bradley Pacific	20	16	4
18	AFS	19	11	8

Others Receiving Votes: Abu Dhabi, Asiana, AvFuel, BAFS, ChevronTexaco, CHIPS, CLH, CPC, FFS, FJS, Korean, LHR, Mainami, Mercury, OMV, Petrobras, Phoenix, Piedmont, Q8 Aviation, Repsol YPF, Sonogal, SunJet, TacAir, UAFC, Valley Oil, WWFS

Editors Note: The table above represents the point tabulations from airline survey respondents. Airlines were asked to rank the best Airport Operators in 10 categories, as well as, best Overall Operator. Additionally, points were rewarded by airline region for best in Africa/Middle East, Asia/Pacific, Europe, Latin America and North America. Points were tabulated to determine placement with first place receiving three points, second two points and third place one point. Total Points column represents the total points received for each marketer in all categories and regions.

A Weighted average was developed to ensure accuracy. Surveys were weighted based on airline annual jet fuel consumption. Large airline end-user surveys represent a higher percentage of total votes.

“Multiple operators are a must at major airports, might not be beneficial at smaller airports.”

Most Innovative and *Best Technical Expertise*, among all airport operators. Air BP was the clear leader among operators in *Fewest Delays and Accidents* and was the choice as “*Best Airport Operator*” in Africa/Middle East.

World Fuel Services was voted the *Most Improved* while

- “Volumes at some airports do not warrant more than one operator.”
- “Third parties are operating more efficient.”
- “Sometimes it makes sense to have just one operator and to pool activities in order to keep costs at a

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Combined Airport Operator Survey Results: All Airlines by Category

Best Operator Categories			
Quality of Service	1. ASIG	2. Air BP	3. Shell
Best Staff	1. ASIG	2. Air BP	3. Shell
Best Training	1. Shell	2. Air BP	3. ExxonMobil
Fewest Delays & Accidents	1. Air BP	2. ASIG	3. Shell
Most Innovative	1. Shell	2. Air BP	3. ASIG
Technical Expertise	1. Shell	2. ExxonMobil	3. Air BP
Most Price Competitive	1. ASIG	2. Swissport	3. AGI
Least Price Competitive	1. ExxonMobil	2. ASA	3. AvFuel
Most Improved Operator	1. World Fuel	2. Shell	3. ASIG
Least Improved Operator	1. ASIG	2. ExxonMobil	3. AFS

reasonable level.”

- “Multiple operators are a must at major airports, might not be beneficial at smaller airports.”
- “Oil companies are better because the operation is totally under their control and not using subcontractors.”
- “A monopoly situation is always a detriment to the airline.”

Airport Operations Please Airlines

Airlines are mostly content with the quality of service of airport operations with almost 70% of airlines rating the quality good to excellent. The rest - mostly at some locations in Africa/Middle East, Asia/Pacific and North America - were viewed as average to poor. In most of the world oil companies manage airport operations however in parts of Latin America and North America airlines hire third party operators. Generally most airlines are pleased with their current arrangements.

Just over half (54%) of the survey believed that the quality of service of oil companies and third party providers were equal. Forty percent (40%) of airlines believe that oil company costs are too expensive with 45% claiming costs are fair and good value.

Some airlines worry that the monopoly airport operator is too costly and most respondents (52%) said it was a must to have more than one operator at an airport.

Finally, only 35% of airlines

claim that they have had significant problems dealing with fueling delays.

An Industry in Transition

An analysis of responses from the 2004 AAG airline survey reveals that a transition continues from a jet fuel industry dominated by a few major airlines and suppliers to a more fragmented model with new participants exerting influence. On the airline side the growth in low cost carriers’ (LLC’s) volumes in Europe and North America continues while at the same time third party sellers grow sales and major marketers reduce their presence in mature markets.

Undaunted, most major international marketers are focused on emerging markets in developing countries, particularly in Asia. Shell Aviation is bucking trends and appears set on making significant investment in the downstream aviation industry in North America with their joint ventures with Eastern Aviation and GlobeGround. At the same time the aviation industry continues to consolidate with ASIG’s acquisition of AGI.

On the price side, if airline forecasts are correct high prices will remain in 2005 putting more pressure on Legacy airlines to cut costs or perish. The industry enters the year with two of North America’s largest airlines – United and US Airways - still in bankruptcy while Delta Air Lines launches a drastic change to

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Finally, only 35% of airlines claim that they have had significant problems dealing with fueling delays.



Highlighted IT Solutions include:

- Integrated Vehicle Tracking
- Cost Savings through Automated Systems
- Affordable Inventory and Cost Management Programs

CURE THE RAMP

The industry is familiar with the CUTE (common use terminal equipment) concept inside the airport. That common use concept can be adapted efficiently outside on the ramp through CURE (common use ramp equipment). Discussions will focus on how the CURE concept will lead to cost savings for both airlines and airports, reduce congestion, improve ramp operational efficiency and safety while creating margin for operators.

Lorena de Rodriguez, president **AviaEd**, Moderator
Natalie Wolf, Senior Executive, **Fraport Ground Services USA**
Mark Sapp, Director, **Air IT**
Scott Simpson, Safety Programs Manager, **AviaEd**
John Saams, Manager, **Booz Allen**

Award Show & Reception

1830 – 2100

Awards will be presented for companies honored as Best International and Regional Jet Fuel Marketers and Best Airport Operator.

DAY THREE

Friday, February 4, 2005

Exhibit Hall Breakfast

0800 – 0900

General Session

0900 – 0930

Thomas J. Kinton Jr., Director of Aviation, **Massport**

Airport Operations Session

0930 – 1030

Ernesto Butcher, Chief Operating Officer, **PANYNJ** (invited)
Dr. James Bennett, President, **Loss Prevention System** (invited)

Jet Fuel Session

0930 – 1030

FRONTIER AIRLINES CREATES IN HOUSE FUELING DEPARTMENT

Douglas Podolak, Greenwood Associates and Frontier Consultant, Moderator

While most Low Cost Carriers (LLC's) are outsourcing their fuel procurement responsibilities to third party providers, Frontier Airlines bucks the trend and establishes an in-house fuel department. Discussions center on the reasons behind Frontiers decision and its impact on the industry.

Exhibit Hall Coffee Break

1030 – 1100

Sponsored by World Fuel Services



Airport Operations Session

1100 – 1230

AIRPORT OPERATIONS MANAGER WORKING SESSION

Managers hold one-on-one discussions with noted experts on improving efficiency, cost reduction, security cost mitigation and ramp safety issues.

Allen Parra, Vice President Operations, **DFW**, Panel Moderator



Paul S. Meyer, Director of Operations, **ATL**
Deborah Ale-Flint, Airport Operations Manager, **OAK**
Jack Raymond, Airfield Operations, **LAX** (invited)
Alan Black, Fire Chief, **DFW**
Robert Suhaka, Director Ground Safety, **United Airlines**
John Denman, Manager Infrastructure Safety, **IATA**

Exhibit Hall Lunch

1230 – 1400

Jet Fuel Session

1400 – 1600

RESELLERS GRAB MARKET SHARE

Resellers continue to grow market share with the consent of major oil companies. Discussions will focus on the emergence of the reseller group, what added benefits do they bring and what if any downside does it hold for the airlines and airport managers. Focus will be placed on the emergence of such companies as AvFuel, Morgan Stanley, Phoenix Fuels, Universal, Valley Oil, Western Petroleum and World Fuel Services and their growing impact on the jet fuel market.

John H Armbrust, President, **Armbrust Aviation Group**, Moderator
Al Ainsworth, Commercial Sales Manager, **Valley Oil Company**
Tom Perkins, President, **Phoenix Fuel Corporation**

Airport Operations Session

1400 – 1500

EMERGENCY RESPONDERS: INTEGRATING A RESPONSE, FIRE SAFETY, LITTLE SPILLS, BIG SPILLS

David Fulwider, Aviation Manager, **ExxonMobil Aviation**

Airport Fire Rescue representatives discuss fuel spills and first responders needs in working in a secure environment. Addition discussion will center on the problems of ramp congestion due to increased traffic of regional jets, ramp equipment and capacity increases. Discussions will center on coordination and integration of first responders to accidents and spills

IMPROVING RAMP SAFETY AT BOSTON-LOGAN

Jack Kreckie, Assistant Chief, **Massport**

John J. Goglia, Chairman, **AOSP**

The ramp at Boston-Logan International Airport is the workplace for thousands of people. There are hazards and dangers inherent to the airport environment (as in any occupation. A group of stakeholder have taken it upon themselves to educate, increase awareness, and collaborate to develop programs and procedures that raise the bar on safety at Boston Logan. The *Airside Safety Working Group* has been meeting for nearly 1 year, and their efforts have already begun to bear fruit. The problem is well known and universal, in fact new studies and reports are appearing every day. The following statement taken from the FAA’s Safety Reporting System creates an eye opening illustration of the scope of this problem: *A safety specialist from the United Kingdom Flight Safety Committee stated the loss in terms almost everyone can understand: worldwide, the dollar equivalent of fifteen Boeing 747-400s is lost each year to equipment damage during ramp operations.*

Exhibit Hall Cocktail Reception

1500 – 1700

Addition Speakers to be Announced

For More Information contact Barb Moreno at 561.355.8488 ext 104 or by e-mail at bmoreno@armbrustaviation.com

