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1984-1985
Annual Report

1984 Annual Report

FlightSafety International offers high technology training to operators of aircraft, ships, electrical utilities, steam generating and processing plants. Simulators are used which enable trainees to practice and perfect normal and emergency procedures under controlled conditions. The Company's clients include corporations, U.S. and foreign commercial airlines, ship operators, military and other government agencies.

Common Stock Price Range and Dividend Information

1984

Quarter	High	Low	Dividends Paid
First	29 $\frac{1}{2}$	23	\$.05
Second	25 $\frac{1}{2}$	19 $\frac{1}{2}$.05
Third	33 $\frac{3}{4}$	22	.05
Fourth	35	27 $\frac{3}{4}$.05

1983

Quarter	High	Low	Dividends Paid
First	34	22 $\frac{1}{4}$	\$.04
Second	39 $\frac{1}{2}$	27 $\frac{1}{4}$.04
Third	36	22 $\frac{1}{4}$.04
Fourth	29 $\frac{1}{4}$	24 $\frac{1}{2}$.05

FlightSafety International, Inc.

Common stock is listed on the New York Stock Exchange and is traded under the symbol FSI.

There were approximately 4,750 shareholders of record on January 16, 1985, including individual participants in security position listings. Dividends have been paid each quarter since the start of the cash dividend program in the third quarter of 1976.

the best safety device on any ship is a well-trained crew

FIVE YEAR FINANCIAL HIGHLIGHTS

	1984	1983	1982	1981	1980
Revenue	\$99,132,400	\$80,777,500	\$76,484,800	\$68,039,900	\$53,839,200
Operating, General and Administrative Expenses	37,407,000	29,534,900	27,925,200	26,026,400	23,516,500
Interest Expense	2,210,900	1,995,400	1,974,400	941,700	717,900
Depreciation and Amortization	13,682,100	11,016,600	9,220,400	6,762,200	5,206,900
Taxes on Income	19,042,500	15,873,700	15,995,500	15,225,700	10,513,000
Net Income	26,789,900	22,356,900	21,369,300	19,083,900	13,884,900
Net Income per Share (1)	\$1.81	\$1.52	\$1.46	\$1.31	\$.95
Cash Dividends Declared per Share (1)	\$.20	\$.18	\$.16	\$.133	\$.098
Total Assets	234,427,500	184,793,500	153,479,200	117,020,000	91,450,100
Long-Term Debt	29,386,900	25,625,700	27,036,100	19,467,600	15,312,700
Shareholders' Equity	135,097,300	111,142,300	92,025,600	72,064,800	54,348,600
Purchase of Equipment and Facilities, Gross	42,616,100	24,160,000	29,147,400	25,644,200	23,713,000
Working Capital	45,927,500	29,516,500	20,009,600	9,153,100	3,503,500

(1) Adjusted to reflect the three-for-two stock splits in July 1980 and October 1981.

the best safety device in any aircraft is a well-trained pilot

TO OUR SHAREHOLDERS:

Earnings and revenues again set records in 1984. Simultaneously there was important growth in training facilities and equipment to accommodate increased demand for our services and prepare for new business opportunities.

Net income for the year ended December 31 increased 20 percent to \$26,789,900 equal to \$1.81 a share (on 14,776,905 shares of common stock) from \$22,356,900, or \$1.52 a share (on 14,712,991 shares). Total shares are the average number outstanding in 1984 and 1983.

Investment tax credits of \$2,245,000, equal to 15 cents per share, reduced tax expense in 1984, compared with

\$1,851,000, or 13 cents per share, in 1983.

Record 1984 revenues rose 23 percent to \$99,132,400 from \$80,777,500 in 1983.

Depreciation and amortization increased 24 percent in 1984 to \$13,682,100 from \$11,016,600 the previous year.

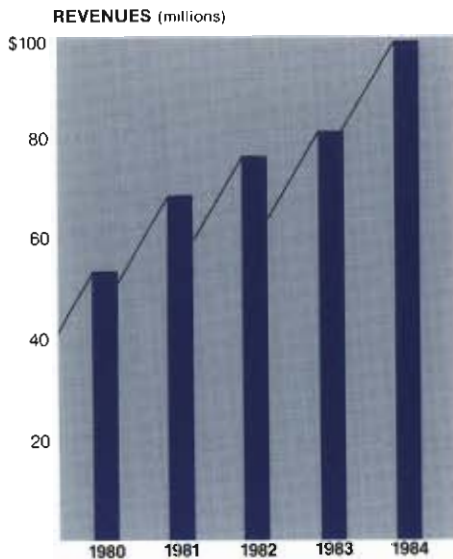
Working capital rose to \$45.9 million from \$29.5 million in 1983. Shareholders' equity increased to \$135.1 million from \$111.1 million in the previous year.

In October, the company received \$6,000,000 from an industrial bond financing with the city of Berkeley, Missouri, Industrial Development Authority. These funds were applied toward the cost of building and equipping a new MD-80 Jetliner learning center at Berkeley, a suburb of St. Louis.

of a significant increase in business aircraft deliveries, initial pilot training of flight crews of new purchasers of models of the 17 companies for which FlightSafety is the authorized training organization displayed no appreciable increase.

The effect of airline deregulation has benefited FSI business. No longer operationally restricted by a Civil Aeronautics Board, the commercial aviation industry is witnessing the emergence of new airlines and the expansion of aircraft fleets by existing companies. This has brought about widespread hiring of new pilots by commercial carriers.

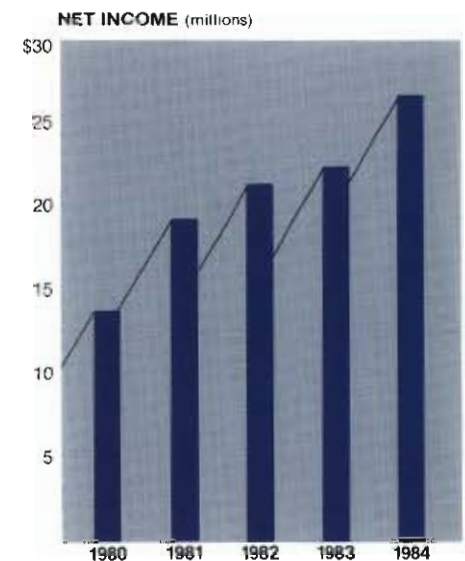
United States airlines are reported to have hired 5,346 flight crew members in 1984, more than double 1983. In the past, commercial carriers have



Capital Expenditures

The addition of new learning centers, flight simulators and related advanced technology state-of-the-art equipment, and expansion of existing facilities resulted in capital expenditures of \$42.6 million compared with \$24.2 million in 1983.

Recurrent training, the main source of the company's business, remains in a rising trend. Reflecting the lack



depended mainly upon ex-military pilots as the source of new crews. Now fewer pilots are leaving the military ranks as conditions improve leading the airlines to expand their pilot force with civilians. Large numbers of these are engaged in corporate flying. Many of the replacement pilots need to be qualified in their new jobs. FlightSafety is providing a significant amount of this training.

Other factors responsible in varying degrees for the on-going improvement of our business are the increasing recommendation of training by aviation insurance underwriters who in many instances are granting more favorable terms to companies participating in recurrent proficiency training, and the effectiveness of the company's marketing activity expansion. Additional sales personnel were added permitting more thorough coverage of the untapped training market. The insurance policy supplement to our "FlightSafety Proficiency Card" program is meeting with increasing acceptance. The company provides \$50,000 accident insurance after initial or recurrent training with added coverage of \$10,000 after each consecutive recurrent session to a maximum of \$100,000.

Looking Ahead

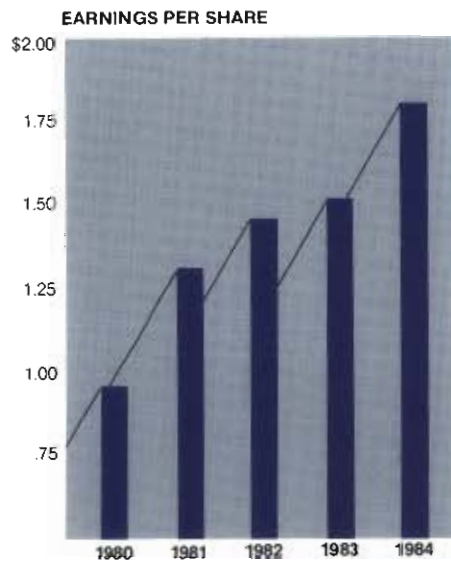
Our expectations are for an even better year in 1985. The company should benefit from improved sales and delivery activity within the business aircraft manufacturing industry. Inventories of both new and used aircraft are being reduced. Our expanded marketing organization will permit greater market coverage.

High technology advances are occurring at an increasingly faster pace and are being incorporated into the company's training systems to enhance further the simulated realism of flight. Among examples of these advancements in computer science are the addition of cathode ray tubes to the simulator instrumentation system (the "glass cockpit")

and the new WIDE (Wide-angle Infinity Display Equipment) visual display system. The SF (Saab-Fairchild) 340 commuter aircraft simulator in operation at San Antonio has a "glass cockpit." Others are currently being manufactured. The company's first use of the WIDE visual providing a continuous field of view will be in a new Gulfstream III simulator for the Savannah Learning Center.

These factors in combination with the dedication of our people to FlightSafety's continuing mission to assure utmost pilot proficiency promise a profitable future.

We are grateful and proud for the continued support of our shareholders and directors, the enthusiastic dedication of our employees to build an increasingly successful company, and customer confidence in our services. Together, they have brought the company to the new high levels it achieved in 1984 and set the stage for an even brighter future.



A. L. Ueltschi
A. L. Ueltschi
President

February 20, 1985



Flight simulator WIDE display system provides continuous field of view.

One of the two Phase II MD-80 flight simulators at the company's Long Beach, CA, MD-80 Learning Center. From left, Al Gagne, FSI's MD-80 operations director at Long Beach, and Rudy Canto, Douglas Aircraft test and training pilot.

1984 IN REVIEW

Two Learning Centers Added, Another Planned

Two new training facilities were established for the highly successful McDonnell Douglas MD-80 Jetliner. An MD-80 Learning Center began operating with two flight simulators in a building leased from Douglas Aircraft in Long Beach, California. FSI constructed a second facility and equipped it with a third MD-80 simulator in Berkeley, Missouri, a

suburb of St. Louis, primarily for training TWA pilots. The agreement with TWA brought to 13 the number of national and international trunk carriers relying on FlightSafety training. The building is being expanded to accommodate a recently purchased DC-9 simulator for airline and military training.

Airline demand for the MD-80 has been strong. More than 500 orders and options have been received for the aircraft. Forty-four were delivered in 1984. Seventy are expected to be delivered in 1985.

The Houston Learning Center became the largest of the company's 25 with the opening of a two-level addition. Flight simulators currently housed at Houston are two MU-2s, a Falcon 10, Falcon 20, King Air 200, Gulfstream I, de Havilland Twin Otter and a recently installed Diamond Jet. Present plans call for the addition of a British Aerospace HS125-700, Gulfstream II, and a Canadair Challenger 601/600. The company's Gulfstream Learning Center in Savannah is being expanded to meet the increased demand.

From right, John Holm, manager of FSI's Learjet Learning Centers in Tucson and Wichita, presents C-21A Special Course Completion Certificates to Gen. Thomas M. Ryan, Jr., commander in chief of the U.S. Air Force Military Airlift Command, and his deputy chief of staff for operations, Maj. Gen. Donald D. Brown.





Artist's concept of new Sikorsky S-76 Learning Center under construction at Palm Beach International Airport, West Palm Beach, FL.

Flight simulator row at Houston Learning Center includes (from left) Falcon 20, MU 2, Gulfstream I, MU 2, King Air. Off camera is a Twin Otter.





Construction has begun for a new Sikorsky Learning Center on Palm Beach International Airport, West Palm Beach, Florida, for initial and recurrent training of pilots and maintenance technicians of Sikorsky Aircraft's S-76 helicopter.

Scheduled to be in operation later this year, the learning center is being built on two acres leased from West Palm Beach County. It will replace a smaller training facility at Sikorsky's S-76 Completion Center in West Palm Beach, 20 miles from the airport.

Four times the size of the old learning center, the new facility will have a large simulator room which will house the existing S-76 flight simu-

lator and a new S-76A/B simulator, scheduled to be installed in 1986. It will include an electronic flight instrumentation system (EFIS) and a Wide-angle Infinity Display Equipment (WIDE) visual.

A new learning center is being built at Daleville, Alabama, near Fort Rucker, the U.S. Army's aviation center, for training Army pilots assigned to the C-12 aircraft, a military version of the King Air 200. It will have two flight simulators, one scheduled for March installation, a second in May.

Air Force, FAA Training Expands

New training agreements with the U.S. Air Force and the Federal Aviation Administration were obtained during the year.

The Air Force has selected the company to provide classroom and simulator initial and recurrent training in the new C-21A, a military version of the Gates Learjet Model 35A. It has also renewed contracts for training in five other aircraft models, also versions of business aircraft.

Gates Learjet is delivering 80 C-21As to the Air Force over a period of 20 months with an option for 20 additional airplanes. Initial and refresher training of three pilots for each aircraft is being provided at our Wichita and Tucson Learjet Learning Centers.



At San Antonio Learning Center, a group of trainees involved in a computer-based maintenance program.



The SF (Saab-Fairchild) 340 commuter aircraft flight simulator in operation at our San Antonio Learning Center features cathode ray tubes in its instrumentation system.

Heads of major corporation flight operations are among those qualifying for the company's valued "Proficiency Card."



Why pilots of America's top corporations train with FlightSafety.

Today, 70% of the Fortune 500 derives from private business aircraft from both FlightSafety's fleet corporate management flight units — and their pilot teams — the best pilot training programs available. Here are seven reasons why they choose FlightSafety.

1. 20 Simulators with full instrument panels and all systems, with 1000 hours and more total time. FlightSafety's 100+ simulators match the workload of the smallest and largest corporations.

2. Advanced Technology has no analog. FlightSafety's 100+ simulators are the most advanced in the world for your business and pilot training needs. More than 1000 hours of flight.

3. Recognized by 17 Manufacturers from Boeing and Gulfstream to Bombardier and Embraer. FlightSafety's 100+ simulators are the most advanced in the world for your business and pilot training needs. More than 1000 hours of flight.

4. 30 Years Experience FlightSafety has been recognized by leading business pilots for over 30 years. More than 1000 hours of flight.

5. 17 Locations With multiple training centers, FlightSafety is able to provide training support to your specific needs and schedule. The closest center is just a short drive away.

6. The Pro Card™ — We Back It Up The 100+ simulators and 100+ pilots must wear the card with demonstrated proficiency while combined in the pilot's hands. FlightSafety's Pro Card™ and other services are backed and insured by FlightSafety Insurance. We back your flight and ground time with coverage of \$100,000 per pilot and \$100,000 per aircraft.

7. FlightSafety Training — A Management Response As approved by the FAA, FlightSafety's training is the most advanced in the world. The very best of flight training is available. And your business will remain aware of the productive transportation.

For more information on simulator training designed for your aircraft, call our 800-441-1111 or visit our website at www.flight-safety.com. FlightSafety is a member of the FlightSafety Group.



The C-21As were selected as the Air Force's new Operational Support Aircraft operated by the Military Airlift Command from 16 bases in the U.S., Europe and Asia.

Agreements have been renewed with the Air Force to continue pilot training for the C-20A (Gulfstream III) at Savannah, C-140B (JetStar) at Marietta, Georgia, C-6A (King Air 90) at Wichita, T-39A (Sabreliner) at St. Louis, and the C-12 A/F (King Air 200) at Wichita. Nearly 1,000 pilots

and flight engineers are involved.

The Federal Aviation Administration has awarded the company a contract for initial and refresher helicopter flight training for FAA examiners. Training is being provided in Hughes 300C and Bell 206B JetRanger III helicopters at the company's Vero Beach, Florida, Flight Academy. The pilots are FAA inspectors assigned to General Aviation and Flight Standards District Offices nationwide.

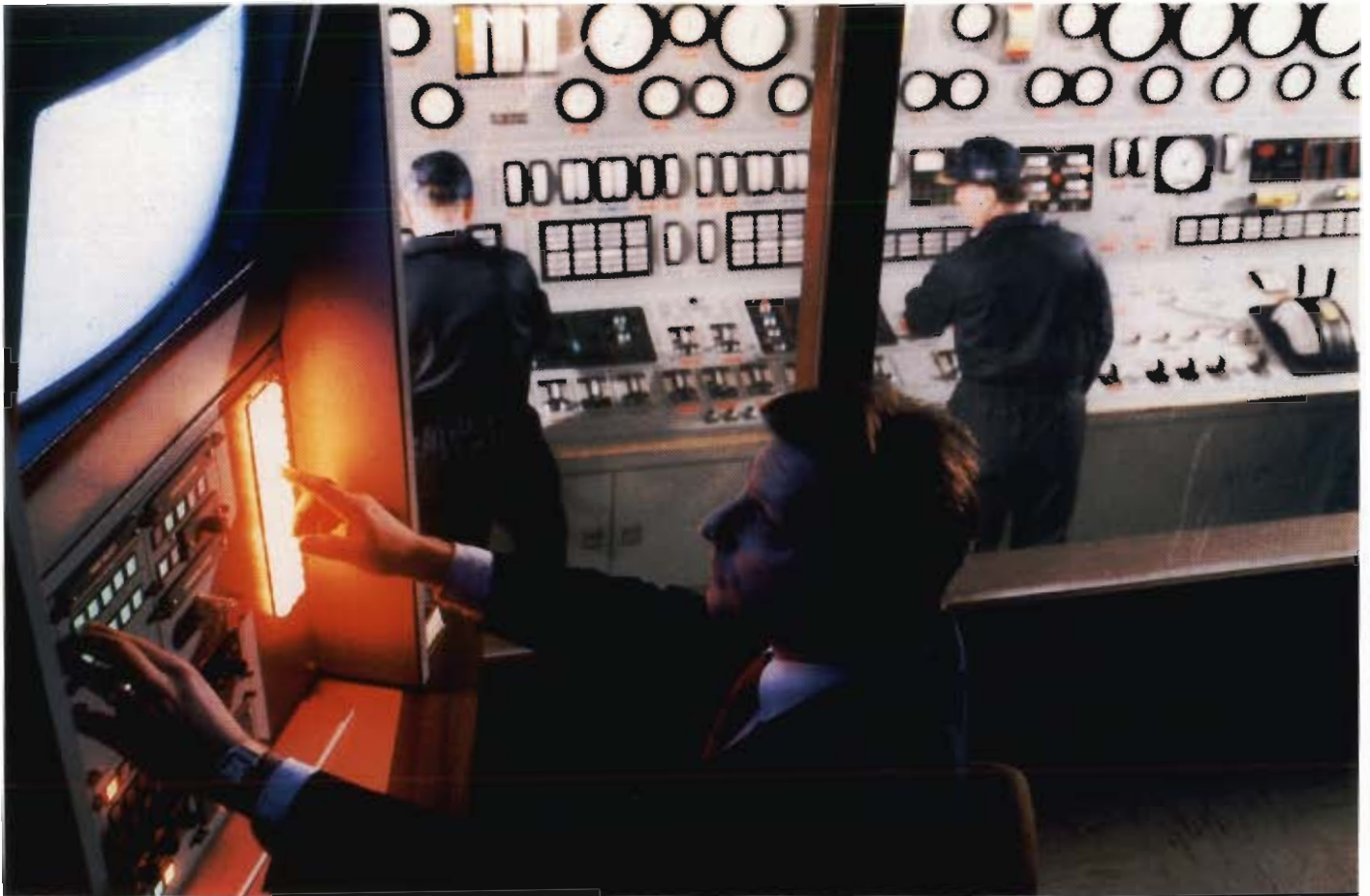
Power Plant Training— A New Dimension

The company has entered a new training field with the forming of a new company, PowerSafety International, Inc., owned equally by FSI and Babcock & Wilcox, a McDermott Company, for the high technology training of operator and maintenance personnel of power and industrial steam generating plants.

Headquarters is in Lynchburg, Virginia, where Babcock & Wilcox

Full scale power plant simulator at Power Safety International. Simulator is an exact duplicate of Rancho Seco power plant, Sacramento, CA.





Behind one-way glass, instructor simulates an engine room failure during training of Texaco tanker engineers.

Using a computer for troubleshooting during engine room training.



has been operating a training facility. PowerSafety also offers a wide program of "hands on" training through its mobile classroom laboratories. Other regional training centers will be established as industry demand expands.

MarineSafety International

A full series of engine room training courses was conducted for marine engineering officers of Texaco Inc.

Pilot engine room courses were also provided to Chevron and ARCO with both companies considering further engine room training in 1985.

Shiphandling training continued in 1984 for Chevron, Exxon, the Canadian Dominion Marine Association, U.S. Navy senior aviation officers preparing for sea command, and the pilot training unit of the Panama Canal Commission. MarineSafety is pursuing a broader role in the simulator training of U.S. Navy Surface Warfare Officers.

A new program was begun to provide individual deck officers with U.S. Coast Guard radar endorsement renewals for their licenses. Also a new intensive course in close-in shiphandling was introduced with Mobil Oil being among the companies participating. This involves training in ship docking, anchoring, working with tug boats, maneuvering in narrow channels, and coming alongside other ships.

Students and instructor critique engine room training problems.



MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Liquidity and Capital Resources

FlightSafety's purchases of equipment and facilities over the last several years have been funded primarily from working capital generated by operations. Additional funds have been provided for capital expenditures primarily in 1984 and 1982 by the Company's industrial bond financings.

In 1984, working capital provided by operations was \$43.9 million and additional sources of funds were obtained from a \$6 million industrial bond financing, \$8.3 million of tax benefits from safe harbor tax leases and \$5.8 million from unearned income due after one year. Working capital was utilized for purchases of equipment and facilities of \$42.6 million. The purchases were primarily for simulators and other training equipment which are revenue-generating assets. The McDonnell Douglas MD-80 program represented the majority of the purchases. At December 31, 1984, working capital was \$45.9 million, which was a \$16.4 million increase over the prior year end.

Cash and short-term investments at year end 1984 increased by \$21.9 million compared to year end 1983 and represented 78 percent of current assets in 1984 as compared to 70 percent in 1983.

The Company's capital expenditures for 1985 are expected to exceed \$25 million. Funds from operations are expected to be adequate to cover such capital expansion. If additional funds are needed, the Company has cash and short-term investments, totalling \$61.6 million at year end 1984.

Results of Operations

Total 1984 revenues increased 23 percent over 1983 as compared to an increase of six percent in 1983 versus 1982. Operating revenues from training, which increased 21 percent over 1983, accounted for 92 percent of total 1984 revenues. Operating revenues from training in 1983 were 93 percent of total revenues and increased eight percent over 1982.

The growth in operating revenues was due to an increase in customer training with FlightSafety at new and expanded training facilities and price increases.

Interest and other income increased five percent in 1984 compared to a decrease of 14 percent in 1983. The slight increase in 1984 as compared to 1983 is attributable to higher investment balances offset by a greater use of tax exempt obligations which have a lower pre-tax rate of return. The decrease in 1983 is primarily attributed to lower interest rates and an increase in tax preferred investments as compared to 1982.

Sales of manufactured products increased in 1984 due to several sub-contracts that the Company's Simulation Systems Division has obtained from non-affiliated customers.

In 1984, total expenses rose 25 percent compared to an increase of nine percent in 1983 over 1982. The largest year-to-year increases in expenses occurred in salaries and wages, depreciation and amortization and general and administrative which grew 16 percent, 24 percent and 27 percent, respectively, in 1984 as compared to increases of six percent, 19 percent and 10 percent in 1983 versus 1982. Increases in these cost categories were due primarily to the

expansion of the Company's facilities and staff. The Company also incurred significant expenses in 1984, 1983 and 1982 associated with antitrust litigation. Interest expense increased 11 percent in 1984 due to a new \$6 million industrial bond financing. Interest expense remained relatively level in 1983 compared to 1982 due to lower interest rates offset by a decrease in capitalized interest.

Though pretax income increased 20 percent, taxes as a percentage of pretax income remained the same in 1984 compared to 1983 (41.5 percent) because of increased investment tax credits and a higher portion of the interest income being tax exempt. In 1983 the Company's effective tax rate was lower relative to 1982 (41.5 percent versus 42.8 percent) primarily due to increased tax exempt investment income and dividends income deduction. Investment tax credits in 1983 as compared to 1982 were reduced for deferred taxes of \$554,000 arising from a change in tax laws effective in 1983.

Net income increased 20 percent in 1983 over 1982 and five percent in 1983 versus 1982 for the reasons discussed above.

Inflation in 1984 increased operating costs and costs of equipment and facilities but at a slower rate than in recent years. These increases have been offset by gains in training volume and fees. In the future, the Company expects to continue its ability to recover its increased costs due to inflation. See the Supplementary Financial Data on Financial Reporting and Changing Prices for further information concerning the impact of changing prices on the Company's financial statements.

CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS

	Year ended December 31,		
	1984	1983*	1982*
Revenue:			
Operating revenue	\$ 91,171,600	\$ 75,388,000	\$70,108,900
Interest and other	5,216,800	4,968,700	5,788,200
Sales of manufactured products	2,744,000	420,800	587,700
	99,132,400	80,777,500	76,484,800
Expenses:			
Salaries and wages	19,564,300	16,882,200	15,944,100
General and administrative	9,034,900	7,100,000	6,456,900
Depreciation and amortization	13,682,100	11,016,600	9,220,400
Rent and occupancy	2,016,700	1,697,500	1,556,700
Other operating expenses	4,407,900	3,661,800	3,692,300
Cost of sales of manufactured products	2,383,200	193,400	356,000
Interest expense	2,210,900	1,995,400	1,893,600
	53,300,000	42,546,900	39,120,000
Income before income taxes	45,832,400	38,230,600	37,364,800
Income taxes	19,042,500	15,873,700	15,995,500
Net income for the year	26,789,900	22,356,900	21,369,300
Retained earnings, beginning of year	103,825,100	84,119,400	65,100,200
Dividends declared (\$.20 per share in 1984, \$.18 per share in 1983, and \$.16 per share in 1982)	(2,957,300)	(2,651,200)	(2,350,100)
Retained earnings, end of year	\$127,657,700	\$103,825,100	\$84,119,400
Net income per share	\$ 1.81	\$ 1.52	\$ 1.46
Average shares outstanding	14,776,905	14,712,991	14,672,719

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements

*Reclassified to conform to 1984 presentation

CONSOLIDATED BALANCE SHEETS

	December 31,	
	1984	1983*
Assets		
Current assets:		
Cash and short-term investments including certificates of deposit and municipal obligations of \$58,100,000 (\$34,750,000 in 1983)	\$ 61,608,800	\$ 39,730,400
Accounts and note receivable, less allowance for doubtful accounts of \$949,400 (\$885,500 in 1983)	16,133,800	12,667,800
Refundable income taxes		2,777,000
Prepaid expenses, advances and other assets	1,404,600	1,346,400
Total current assets	79,147,200	56,521,600
Equipment and facilities, at cost	200,357,400	157,829,700
Less-accumulated depreciation and amortization	(62,798,300)	(48,928,400)
	137,559,100	108,901,300
Marketable securities, at lower of cost or market	6,503,000	7,087,200
Investment in tax benefits	5,916,100	6,611,900
Note receivable, intangible and other assets	5,302,100	5,671,500
	\$234,427,500	\$184,793,500

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements.

*Reclassified to conform to 1984 presentation.

December 31,

	1984	1983
Liabilities and Shareholders' Equity		
Current liabilities:		
Current portion of long-term debt	\$ 2,231,900	\$ 1,410,400
Accounts payable and accrued expenses	8,920,700	9,204,500
Dividends payable	740,000	737,400
Income taxes payable	3,270,100	347,300
Unearned income for contract training	18,057,000	15,305,500
Total current liabilities	33,219,700	27,005,100
Unearned income due after one year	5,179,900	
Long-term debt	29,386,900	25,625,700
Deferred income taxes	31,543,700	21,020,400
Total liabilities	99,330,200	73,651,200
Shareholders' equity		
Common stock—par value \$.10		
Authorized—40,000,000 shares		
Issued and outstanding shares—14,800,905 (14,748,704 in 1983)	1,480,100	1,474,900
Capital in excess of par value	8,206,500	7,505,100
Retained earnings	127,657,700	103,825,100
	137,344,300	112,805,100
Less—net unrealized loss on non-current marketable securities	(2,247,000)	(1,662,800)
Total shareholders' equity	135,097,300	111,142,300
Commitments and contingencies		
	\$234,427,500	\$184,793,500

CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

Year ended December 31,

	1984	1983*	1982*
Financial resources were provided by:			
Net income	\$26,789,900	\$22,356,900	\$21,369,300
Add items not affecting working capital:			
Depreciation and amortization	14,195,700	11,448,900	9,631,500
Tax effects of timing differences	2,934,500	4,745,000	3,330,000
Working capital provided by operations	43,920,100	38,550,800	34,330,800
Increase in long-term debt	6,000,000		9,000,000
Proceeds from construction funds held by trustees	7,144,400	1,512,800	12,321,400
Exercise of stock options	706,600	1,073,800	941,600
Recovery of investment in tax benefits	8,345,900	10,033,600	10,454,000
Proceeds from sale of marketable securities, net		4,250,000	
Unearned income due after one year	5,841,800		
	71,958,800	55,421,000	67,047,800
Financial resources were used for:			
Purchase of equipment and facilities, net	42,623,000	24,158,600	29,111,400
Purchase of marketable securities		12,000,000	1,000,000
Cash dividends declared	2,957,300	2,651,200	2,350,100
Repayment of long-term debt	2,231,900	1,410,400	1,431,500
Increase in construction funds held by trustees	6,000,000		9,000,000
Investment in tax benefits		5,300,100	12,008,300
Other, net	1,735,600	393,800	1,290,000
	55,547,800	45,914,100	56,191,300
Increase in working capital	\$16,411,000	\$ 9,506,900	\$10,856,500
Increase (decrease) in elements of working capital:			
Cash and short-term investments	\$21,878,400	\$11,635,400	\$12,827,400
Accounts and note receivable	3,466,000	(264,200)	2,292,300
Prepaid expenses, advances and other assets	58,200	454,700	(16,800)
Current portion of long-term debt	(821,500)	(7,000)	(1,061,300)
Accounts payable and accrued expenses	283,800	(327,400)	(2,383,100)
Dividends payable	(2,600)	(149,900)	(2,900)
Income taxes payable, net of refundable income taxes	(5,699,800)	1,078,500	1,108,700
Unearned income for contract training	(2,751,500)	(2,913,200)	(1,907,800)
Increase in working capital	\$16,411,000	\$ 9,506,900	\$10,856,500

The accompanying Notes to Consolidated Financial Statements are an integral part of these financial statements.

*Reclassified to conform to 1984 presentation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**Note 1—Summary of Significant Accounting and Reporting Policies***Consolidation and Reporting.*

The accompanying financial statements include the accounts of the Company and its wholly-owned subsidiaries. Inter-company transactions have been eliminated in consolidation. Investments in common stock representing a significant ownership interest not in excess of 50 percent are included in such statements under the equity method of accounting.

The Company operates in one industry segment which is training. Training activities include advanced training of professional pilots, primary training for individuals to obtain private or commercial pilot licenses, training in the maintenance of certain types of business aircraft, and training crews of large ocean going vessels in ship and cargo handling. The Company's operations are predominately in one geographic area—the United States. The components of the business engaged in the manufacture and sale of training equipment and in the development of audio-visual programs are not considered to be industry segments since sales of manufactured products and audio-visual sales outside the Company are not significant. Revenue derived from U.S. Government agencies amounted to \$9,963,000 in 1984, (\$8,690,000 in 1983 and \$7,228,000 in 1982).

Revenue.

Training service is principally provided under annual contracts at fixed rates. Revenue is considered earned and is recognized on a straight-line basis over the life of the contract.

Depreciation and Amortization.

Depreciation is provided on a straight-line basis over the estimated useful life of the property. The principal estimated useful lives are: simulators, training equipment and spare parts, 4 to 11 years; buildings, 25 to 40 years; machinery and equipment, 4 to 14 years; and furniture, fixtures and office equipment, 3 to 10 years. Leasehold improvements including buildings on leased property are amortized over the life of the lease or the life of the improvement, whichever is shorter.

Expenditures for maintenance and repairs are currently charged to operations. Renewals and betterments which extend the useful life of the assets are capitalized.

At the time property is retired or otherwise disposed of, the cost of the asset and the accumulated depreciation or amortization is removed from the accounts and the gain or loss on disposition is taken into income.

Depreciation and amortization of \$513,600 in 1984 (\$432,300 in 1983 and \$411,100 in 1982) were included in the costs of fixed assets manufactured for the Company by its divisions.

Marketable Securities.

Marketable securities consist of preferred stocks held for long-term investment. Dividends are accrued as earned. The investments are carried at the lower of cost or market. A valuation allowance, representing the excess of cost over market, is included in shareholders' equity.

Taxes on Income.

Certain costs, related principally to depreciation of equipment and facilities, are recognized in different periods for financial and tax purposes. The tax effects of these timing differences are accounted for through the provision for income taxes and deferred income taxes.

Investment tax credits are included in the results of operations in the year realized for tax purposes.

Net Income Per Share.

Net income per share is based upon the weighted average number of shares outstanding during each year. Stock options have not been included in the calculation of net income per share because their inclusion would not have a significant dilutive effect.

Pension Plan.

Pension plan cost is actuarially computed using the aggregate cost method. The Company's policy is to fund currently at least each year's accrued pension costs.

Note 2—Equipment and Facilities

	December 31,	
	1984	1983
Simulators, training equipment and spare parts	\$152,981,800	\$123,757,700
Land and buildings	18,182,600	16,575,800
Furniture, fixtures and office equipment	5,644,400	4,849,800
Leasehold improvements	1,781,900	1,753,100
Machinery and equipment	2,146,800	1,876,900
Construction-in-progress and advance payments	19,619,900	9,016,400
	\$200,357,400	\$157,829,700

Note 3—Investment in Tax Benefits

The Company has entered into leases to acquire tax benefits pursuant to the Economic Recovery Tax Act of 1981. For tax purposes only, equipment was purchased for cash and debt and leased back to the seller. The Company thereby receives certain tax benefits including investment tax credit. The Company has accounted for these assets as an investment arising from the right to defer tax payments. Utilization of these tax benefits resulted in a refund of estimated federal tax payments of \$2,777,000 for 1983.

The following tabulation sets forth the activity in investment in tax benefits:

	December 31,	
	1984	1983
Beginning balance	\$6,611,900	\$5,427,100
Cash investment in tax benefits		5,300,100
Accretion of interest income, net of inherent loss	69,500	367,300
Utilization of tax benefits	(765,300)	(4,482,600)
Ending Balance	\$5,916,100	\$6,611,900

Benefits received are first applied to the investment balance; then deferred taxes are provided for any differences between taxable income and financial reporting income that arise from the transaction. Deferred taxes of \$7,580,600 were recorded in 1984 (\$5,551,000 in 1983). Interest income is recognized in periods when the adjusted purchase price exceeds the cumulative realized tax benefits. The portion of purchase price and interest in excess of the net tax benefits to be derived over the term of the lease is recognized as a loss in the periods the Company realizes tax savings. Losses are not significant for the periods presented.

Note 4—Income Taxes

	Year ended December 31,		
	1984	1983	1982
Currently payable	\$ 7,762,100	\$ 1,095,100	\$ 2,211,500
Tax effects of timing differences (principally depreciation)	2,934,500	4,745,000	3,330,000
Charge equivalent to tax benefits	8,345,900	10,033,600	10,454,000
	\$19,042,500	\$15,873,700	\$15,995,500

State and local income taxes amounted to \$2,471,000 in 1984 (\$2,120,000 in 1983 and \$2,117,000 in 1982). Foreign income before taxes and foreign taxes were not material.

Analysis of effective tax rate

	Year ended December 31,					
	1984		1983		1982	
	Amount	%	Amount	%	Amount	%
Statutory Federal income tax	\$21,083,000	46.0%	\$17,586,000	46.0%	\$17,188,000	46.0%
State income taxes, net of Federal tax benefit	1,334,000	2.9	1,145,000	3.0	1,143,000	3.1
Investment tax credits, net of deferred taxes	(2,245,000)	(4.9)	(1,851,000)	(4.9)	(2,004,000)	(5.4)
Tax exempt income, dividends deduction and other adjustments	(1,129,500)	(2.5)	(1,006,300)	(2.6)	(331,500)	(.9)
Income taxes as recorded	\$19,042,500	41.5%	\$15,873,700	41.5%	\$15,995,500	42.8%

Investment tax credits in 1984 are net of deferred taxes of \$671,000 (\$554,000 in 1983) representing the tax effect of the reduction in tax basis of the related assets. The Company elected to claim the maximum statutory investment tax credit arising from a change in tax laws effective in 1983.

No provision has been made for future income taxes on the undistributed earnings of international operations since they have been, or are intended to be, indefinitely reinvested in the operations of those companies. Foreign tax credits would be available to substantially reduce federal income taxes resulting from distributions of such accumulated earnings.

Note 5—Unearned Income Due After One Year

In 1984, simulator parts and data for three simulators totalling \$5,841,800 were acquired in exchange for simulator usage through December 31, 1995. Unearned income related to this transaction has been recorded as a long-term liability and the income is being recognized on a straight-line basis over the life of the usage contract.

Note 6—Long-Term Debt

	December 31,	
	1984	1983
Industrial development obligations due 1985-2004	\$31,618,800	\$27,036,100
Less—current portion of long-term debt	(2,231,900)	(1,410,400)
	\$29,386,900	\$25,625,700

The Company's industrial development obligations are generally to be repaid over 20 years at fixed interest rates between 7.0 and 8.3 percent and at floating rates between 60 and 65 percent of the prevailing prime rate. At December 31, 1984 approximately \$25 million of the Company's assets were pledged as security to banks under borrowing agreements. Under the most restrictive covenants, the Company must maintain positive working capital, a long-term debt to net worth ratio of less than .75 to 1.0 and a minimum net worth of \$100 million. Construction funds held by trustees amounting to \$1,066,500 at December 31, 1983 were utilized in 1984.

The aggregate amounts of long-term debt payable in the five years subsequent to December 31, 1984 are: \$2,231,900 in 1985, \$2,252,200 in 1986, \$2,273,300 in 1987, \$2,290,300 in 1988, and \$2,313,300 in 1989.

Note 7—Pension Plan

Substantially all employees of the Company and its subsidiaries are eligible to participate in the Company's noncontributory defined benefit pension plan. Benefits are based principally on employee's earnings and length of service and become vested upon completion of ten years of service with a minimum monthly benefit at normal retirement age.

A comparison of accumulated plan benefits and plan net assets at the dates of the latest actuarial valuation for the Company's defined benefit pension plan is as follows:

	December 31,		January 1,
	1983	1982	1982
Actuarial present value of accumulated plan benefits:			
Vested	\$1,578,100	\$1,120,700	\$1,058,500
Nonvested	1,201,700	1,214,300	771,100
Total	\$2,779,800	\$2,335,000	\$1,829,600
Net assets available for plan benefits	\$3,710,300	\$2,904,900	\$2,679,900

The weighted average assumed rate of return used in determining the actuarial present value of accumulated plan benefits was six percent.

Total pension cost amounted to approximately \$530,000 in 1984 (\$357,000 in 1983 and \$230,000 in 1982). Of these amounts \$180,000, \$114,000 and \$94,000, were capitalized in the years 1984, 1983, and 1982, respectively.

Note 8—Common Stock and Capital in Excess of Par Value

Changes in issued common stock (par value \$.10 per share) and capital in excess of par value are as follows:

	Common Stock		Capital in excess of par value
	Shares	Amount	
Balance, December 31, 1981	14,614,738	\$1,461,500	\$5,503,100
Exercise of stock options—1982	71,823	7,200	934,400
Balance, December 31, 1982	14,686,561	1,468,700	6,437,500
Exercise of stock options, net—1983	62,143	6,200	1,067,600
Balance, December 31, 1983	14,748,704	1,474,900	7,505,100
Exercise of stock options, net—1984	52,201	5,200	701,400
Balance, December 31, 1984	14,800,905	\$1,480,100	\$8,206,500

Note 9—Stock Options and Employee Stock Purchase Plan

The Company has two active stock option plans for its key employees, the "1979 Plan" and the "1982 Plan". The "1967 Plan" has expired and no new options may be granted. The last remaining options under the 1967 Plan were exercised in 1982.

The 1979 Plan, which was adopted by the Board of Directors in 1979 and approved by shareholders in 1980, permits awards consisting of non-qualified options for the purchase of up to 447,000 shares of common stock at the market price at date of grant. All options which have been granted under the 1979 Plan expire ten years from date of grant. Shares available for future options under this Plan were 330,600 at December 31, 1984 (317,600 in 1983 and 293,000 in 1982).

The 1982 Plan, which was adopted by the Board of Directors in 1982 and approved by shareholders in 1983, permits awards consisting of incentive stock options for the purchase of up to 400,000 shares of common stock at the market price at date of grant. Options for 51,900 shares were granted in 1984 (86,597 in 1983 and 96,800 in 1982). Shares available for future options under this Plan were 186,741 at December 31, 1984 (228,043 in 1983 and 303,200 in 1982).

Proceeds received from the exercise of options under the plans are credited to the capital accounts in the year the options are exercised. The plans permit employees to tender shares to the Company in lieu of cash for the exercise of stock options. No amounts were charged or credited to income as a result of these plans.

The following tabulation sets forth the activity of the plans for the three years ended December 31, 1984.

	Number of Shares	Option Price Per Share	
Outstanding at December 31, 1981	199,450	\$ 2.36	- \$33.06
Granted in 1982	103,800	18.44	- 26.81
Exercised in 1982	(50,250)	2.36	- 25.25
Cancelled in 1982	(12,500)	18.44	- 33.06
Outstanding at December 31, 1982	240,500	12.25	- 26.81
Granted in 1983	86,597	22.88	- 27.81
Exercised in 1983	(18,760)	12.25	- 25.25
Cancelled in 1983	(32,040)	12.25	- 25.25
Outstanding at December 31, 1983	276,297	18.44	- 27.81
Granted in 1984	51,900	31.06	- 31.81
Exercised in 1984	(16,584)	12.25	- 25.25
Cancelled in 1984	(23,598)	18.44	- 27.81
Outstanding at December 31, 1984	288,015	\$18.44	- \$31.81

At December 31, 1984, 63,500 options were exercisable under the 1979 Plan. The remaining options become exercisable in the amounts of 18,000 in 1985 and 600 in 1986 and 1987. Under the 1982 Plan, 41,858 options were exercisable in 1984. The remaining options become exercisable in amounts of 42,046 in 1985, 42,016 in 1986 and 1987, 27,005 in 1988 and 10,374 in 1989.

The Company has an employee stock purchase plan which provides for the granting of options to eligible employees to purchase not more than an aggregate of 450,000 shares of common stock. On April 28, 1982 the shareholders approved the extension of the termination date of the employee stock purchase plan to June 30, 1985. Options are granted annually on July 1 and terminate one year from date of grant. The purchase price of the shares is 90 percent of the closing price of the common stock on the date of grant or exercise, whichever is lower. The number of shares issuable at June 30, 1985 is not expected to exceed 26,000 shares. The actual number of shares issued under the plan at June 30, 1984 was 17,227 (44,227 in 1983 and 21,573 in 1982).

During 1984, the Board of Directors and shareholders approved the 1984 Restricted Stock Compensation Plan, which permits awards consisting of restricted stock of up to 400,000 shares of common stock. Under the terms of the awards made in 1984, the employee receives the stock, without restriction, at normal retirement age. The only exception is when death or total and permanent disability occurs prior to retirement. There were 18,842 restricted shares granted in 1984. Compensation expense in 1984 related to shares granted was immaterial.

Note 10—Commitments and Contingencies

In April 1982, the Company was named as defendant in a complaint filed in the federal district court in Dallas, Texas. In that complaint, the plaintiffs allege that the Company has sought to prevent them from competing with the Company in the business of providing simulator training for pilots of business aircraft by interfering with plaintiffs' ability to obtain data from certain aircraft manufacturers with whom the Company has training agreements. The plaintiffs allege that the Company's conduct is in violation of the federal antitrust laws and has tortiously interfered with one of the plaintiffs' actual and potential contractual rights. Injunctive relief and damages of approximately \$11.3 million subject to trebling are being sought. The majority of this damage estimate is based upon a projection of future losses prepared by a consultant retained by plaintiffs using their assumptions.

The Company has filed an answer denying the material allegations of the complaint and a counterclaim alleging that the plaintiffs have tortiously interfered with the Company's existing and prospective contractual relationships. The Company filed a motion for a summary judgment dismissing plaintiffs' claims in January 1983. In November 1983, the court granted the Company's motion for summary judgment as to plaintiffs' allegations of tortious interference with contractual relations and denied the motion as to all other causes of action. The Company is defending this action vigorously and believes that it has meritorious defenses.

While the ultimate outcome of the above case cannot be predicted at this time, it is the opinion of management that the disposition of this case and any other litigation in which the Company is presently involved will not have a material adverse effect on the Company.

The Company is obligated under long-term leases for offices, operating facilities and real property. The future minimum rental payments under these leases total \$4,433,000 as follows: \$525,000 in 1985, \$460,000 in 1986, \$404,000 in 1987, \$385,000 in 1988, \$360,000 in 1989, and \$2,299,000 thereafter. These leases are generally subject to renewal. Rent expense for the year 1984 was \$451,000 (\$429,600 in 1983 and \$497,000 in 1982).

SUPPLEMENTARY FINANCIAL DATA

Financial Reporting and Changing Prices (Unaudited)

The Company is required to disclose supplementary information on the effects of changing prices on the operations of the enterprise to comply with the provisions of the amended Financial Accounting Standards Board (FASB) Statement No. 33. The statement requires companies to illustrate the impact of changing prices on the results of operations and financial condition using a current cost method. This method attempts to restate specific costs of certain assets from the assets' original date of acquisition to the present. By applying available external indices to the applicable asset group, current cost values were determined for specific asset amounts. The objective of current cost accounting is to match current revenues with current costs required to generate such revenues. This method of accounting for changing prices increases the amount of equipment and facilities and accordingly increases depreciation expense.

Condensed Statement of Income Adjusted for Changing Prices for the Year Ended December 31, 1984

	As Reported in the Primary Financial Statements	Adjusted for Changes in Specific Prices (Current Cost)
Total Revenues	\$99,132,400	\$99,132,400
Salaries and Wages	19,564,300	19,564,300
Other expenses	20,053,600	20,053,600
Depreciation and amortization	13,682,100	16,739,500
Income Taxes	19,042,500	19,042,500
	72,342,500	75,399,900
Net Income	\$26,789,900	\$23,732,500
Net income per share	\$1.81	\$1.61

Five-Year Comparison of Selected Supplementary Financial Data in Average 1984 Dollars

Year ended December 31,

	1984	1983	1982	1981	1980
Total revenues					
As reported	\$99,132,400	\$80,777,500	\$76,484,800	\$68,039,900	\$53,839,200
Adjusted for 1984 dollars	99,132,400	84,215,400	82,305,200	77,706,400	67,866,200
Net income					
As reported	26,789,900	22,356,900			
Adjusted for current costs	23,732,500	19,504,600			
Net income per share					
As reported	1.81	1.52			
Adjusted for current costs	1.61	1.33			
Cash dividends declared per share*					
As reported	.20	.18	.16	.13	.10
Adjusted for 1984 dollars	.20	.19	.17	.15	.12
Market price per share*					
As reported	34¹/₈	29	22 ¹ / ₂	33	35 ¹ / ₂
Adjusted for 1984 dollars	34¹/₈	29 ¹ / ₂	24 ¹ / ₂	36 ¹ / ₂	28 ¹ / ₂
Unrealized purchasing power loss	602,300	365,700			
Increase in current cost of equipment and facilities held during the year for specific price level	2,716,300	3,605,900			
Excess in general price level over specific price level	2,346,300	642,300			
Increase in current cost for general price level	5,062,600	4,248,200			

*Adjusted to reflect the three-for-two stock splits in July 1980 and October 1981.

The current cost of net equipment and facilities was \$147,547,700 at December 31, 1984 (\$120,092,700 in 1983). Purchasing power loss is equal to the net loss determined by restating in constant dollars the beginning and end of the year balances in monetary assets and liabilities. This unrealized loss, which results from maintaining a net monetary asset position during the year, recognizes the economic concept that during a period of inflation the purchasing power of monetary assets declines but at the same time monetary liabilities can be repaid with inflated dollars.

Users of financial statements are cautioned against drawing conclusions regarding the impact of inflation on the Company's operations based solely on the data presented. FASB has indicated that further experimentation is required to determine the usefulness of such data. The indices utilized in the Company's calculations may not be a precise measurement and indicative of the actual effects of inflation on the Company's financial position. A major adjustment to the Company's results of operations was made for the restatement of depreciation, which in 1984 was \$3,057,400 greater in current cost than historical depreciation.

1984, 1983 and 1982 Selected Quarterly Financial Information (Unaudited):

1984	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Revenues	\$22,938,700	\$24,425,600	\$25,483,600	\$26,284,500
Income before income taxes	10,437,600	11,408,200	11,849,100	12,137,500
Net income	6,062,600	6,595,200	6,873,100	7,259,000
Net income per share	41 cents	45 cents	46 cents	49 cents
1983	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Revenues	\$19,974,000	\$19,438,700	\$19,952,000	\$21,412,800
Income before income taxes	9,791,000	9,140,000	9,498,800	9,800,800
Net income	5,515,000	5,465,200	5,451,600	5,925,100
Net income per share	38 cents	37 cents	37 cents	40 cents
1982	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Revenues	\$18,665,300	\$19,282,500	\$19,119,100	\$19,417,900
Income before income taxes	9,463,900	9,292,500	9,109,300	9,499,100
Net income	5,376,900	5,277,600	5,297,900	5,416,900
Net income per share	37 cents	36 cents	36 cents	37 cents

Report of Independent Accountants

To the Board of Directors and Shareholders of FlightSafety International, Inc.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income and retained earnings and of changes in financial position present fairly the financial position of FlightSafety International, Inc. and its subsidiaries at December 31, 1984 and 1983, and the results of their operations and the changes in their financial position for each of the three years in the period ended December 31, 1984, in conformity with generally accepted accounting principles consistently applied. Our examinations of these statements were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Price Waterhouse

New York, New York
February 20, 1985

DIRECTORS

Albert L. Ueltschi, Chairman
President, FlightSafety International, Inc.

George B. Beitzel*
Senior Vice President and Director
International Business Machines
Corporation
*Information Handling Systems,
Equipment and Services*

Richard W. Davidson*
Consultant and Director (Ret.)
Frank B. Hall & Co., Inc.
International Insurance Brokers
Director
Frank B. Hall & Co. of Massachusetts, Inc.
Insurance Brokers

Elrey B. Jeppesen
Chairman of the Board
Jeppesen Sanderson, Inc.
Publisher of Aviation Information

John A. Morgan*
Partner
Morgan Lewis Githens & Ahn
Investment Bankers

Bruce N. Whitman
Executive Vice President
FlightSafety International, Inc.

*Member of the Audit Committee

OFFICERS

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President

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Executive Vice President

Elmer G. Gleske
Vice President-Governmental Affairs

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Vice President-Marketing

Kenneth W. Motschwiller
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Peter P. Mullen
Secretary
Partner, Skadden, Arps, Slate,
Meagher & Flom

Registrar and Transfer Agent:

The Chase Manhattan Bank, N.A., One Chase Manhattan Plaza, New York, New York 10081

Annual Meeting:

The Annual Meeting of Shareholders will be held 4 p.m., Wednesday, April 24, 1985 at the corporate offices, Marine Air Terminal, LaGuardia Airport, Flushing, New York 11371

Form 10-K report to the Securities and Exchange Commission will be made available to interested persons upon written request to the Controller of the Corporation.

LEARNING CENTERS AND OTHER LOCATIONS

LaGuardia Airport

Marine Air Terminal
Flushing, New York 11371
(718) 565-4100

Wiley Post Airport

P. O. Box 1640
7310 N. W. 50th Street
Bethany, Oklahoma 73008
(405) 495-6400

Daleville, Alabama

24 Industrial Boulevard
Daleville, Alabama 36322
(205) 347-6711

William P. Hobby Airport

7525 Fauna at Airport Boulevard
Houston, Texas 77061
(713) 644-1521

Hurst, Texas

P. O. Box 819
9551 Trinity Blvd. and South Norwood
Hurst, Texas 76053
(817) 282-2557

Lakeland Airport

2949 Medulla Road
Lakeland, Florida 33803
(813) 646-5037

Long Beach Municipal Airport

4330 Donald Douglas Drive
Long Beach, California 90808
(213) 420-7670

MD-80 Training Center

4900 East Conant St.
Long Beach, California 90808
(213) 420-7733

MD-80 Training Center

4619 Le Bourget Drive
St. Louis, Missouri 63134
(314) 426-6160

Marietta, Georgia

2137 Kingston Court
Marietta, Georgia 30067
(404) 952-1850

Montreal, Canada

9555 Ryan Avenue
Dorval, Montreal, P. Q., Canada
H9P 1A2
(514) 631-2084

San Antonio International Airport

9027 Airport Boulevard
P. O. Box 16540
San Antonio, Texas 78216
(512) 826-6358

Travis Field

P. O. Box 2307
Savannah, Georgia 31402
(912) 964-6421

Lambert-St. Louis International Airport

6161 Aviation Drive
St. Louis, Missouri 63134
(314) 731-2040

Teterboro Airport

100 Moonachie Avenue
Moonachie, New Jersey 07074
(201) 939-1810

Toledo Express Airport

11600 West Airport Service Rd.
Swanton, Ohio 43558
(419) 865-0551

Tucson International Airport

6870 South Plumer Avenue
Tucson, Arizona 85706
(602) 889-9538

Vero Beach Municipal Airport

P. O. Box 2708
2805 Airport Blvd.
Vero Beach, Florida 32960
(305) 567-5178

Sikorsky Training Center

P. O. Box 1621
West Palm Beach, Florida 33402
(305) 848-3416

Gates Learjet Learning Center

P. O. Box 9320
8217 West Harry
Wichita, Kansas 67277
(316) 946-2337

Wichita Mid-Continent Airport

P. O. Box 12323 (Citation)
1851 Airport Road
Wichita, Kansas 67277
(316) 943-3214

Wichita Mid-Continent Airport

P. O. Box 12304 (Cessna)
1951 Airport Road
Wichita, Kansas 67277
(316) 943-2140

Wichita Central & Webb Facility

9525 East Central Avenue (King Air)
Wichita, Kansas 67206
(316) 685-5510

Greater Wilmington Airport

P. O. Box 15003
Hangar #4
Dupont Highway
Wilmington, Delaware 19850
(302) 328-7548

AFFILIATES:

Aeroformation, Toulouse-Blagnac Airport

Avenue Pierre Latecoere, Boite Postale 36
31700 Blagnac, France
(61) 71.11.29

Centre d'Instruction Falcon

Avions Marcel Dassault-Breguet Aviation
Route National-BP 12
78140 Velizy-Villacoublay, France
(01) 630.23.17

DIVISIONS

Communication Systems

632-C Bedford Euleess Road
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7700 East 38th Street
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