

PILATUS AIRCRAFT LTD

ANNUAL REPORT 2017



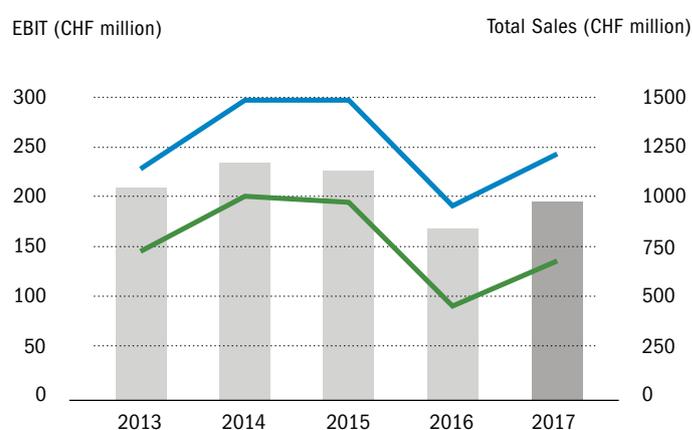
 **PILATUS** 

FACTS AND FIGURES

KEY FIGURES AT A GLANCE

EBIT AND TOTAL SALES (CHF MILLION) OF THE PILATUS GROUP

■ EBIT
■ EBIT before R&D
■ Total Sales



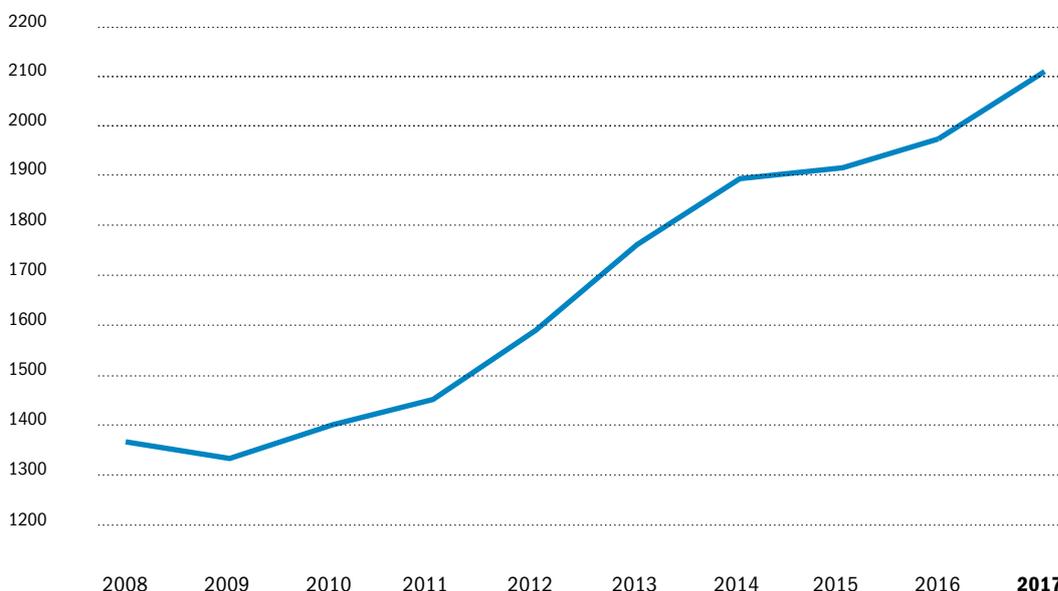
KEY INDICATORS OF THE PILATUS GROUP

	2013	2014	2015	2016	2017
Total Sales (CHF million)	1014	1174	1122	821	986
Aircraft in Net Sales	112	127	121	117	115
Orders Received (CHF million)	410	561	1367	1087	1422
Order Book Value (CHF million)	1817	1226	1470	1744	2167
EBIT (CHF million)	145	200	191	89	135
EBIT as % of Sales	14.3	17.0	17.0	10.8	13.7
Cash Flow (net profit plus depreciation, CHF million)	143	195	178	95	133
Cash Flow as % of Sales	14.1	16.6	15.9	11.6	13.5
Investments in Fixed Assets (CHF million)	18	36	42	49	54
Investments in R&D (CHF million)	83	97	107	101	107
EBIT before R&D (CHF million)	228	297	298	190	242
EBIT before R&D as % of Sales	22.5	25.3	26.6	23.1	24.5
Net Assets (CHF million)	163	210	324	398	534
Inventories (CHF million)	688	754	639	485	647
Customer Advances (CHF million)	654	758	497	204	238

EMPLOYEE GROWTH OF THE PILATUS GROUP

Number of Full-time Equivalents

Number of Full-time Equivalents



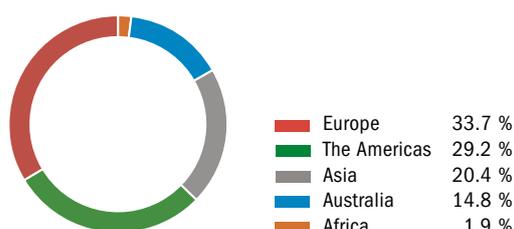
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Number of Full-time Equivalents	1363	1330	1395	1441	1576	1752	1882	1905	1961	2113

BALANCE SHEET EXTRACT OF THE PILATUS GROUP

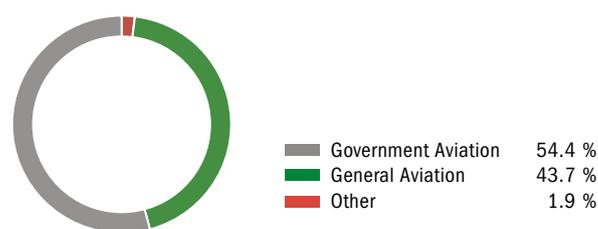
	2013	2014	2015	2016	2017
Current Assets (CHF million)	1457	1768	1646	1259	1255
Long-term Assets (CHF million)	117	140	173	214	349
Total Assets (CHF million)	1574	1908	1819	1473	1604
Liabilities (CHF million)	929	1113	870	520	541
Equity (CHF million)	645	795	949	953	1063
Total Liabilities and Equity (CHF million)	1574	1908	1819	1473	1604
Equity Ratio in % ¹	41.0	41.7	52.2	64.7	66.3

¹ The PoC accruals and the customer advances are disclosed using the gross method (PoC = Percentage of Completion). A net presentation would lead to an equity ratio of 69 %.

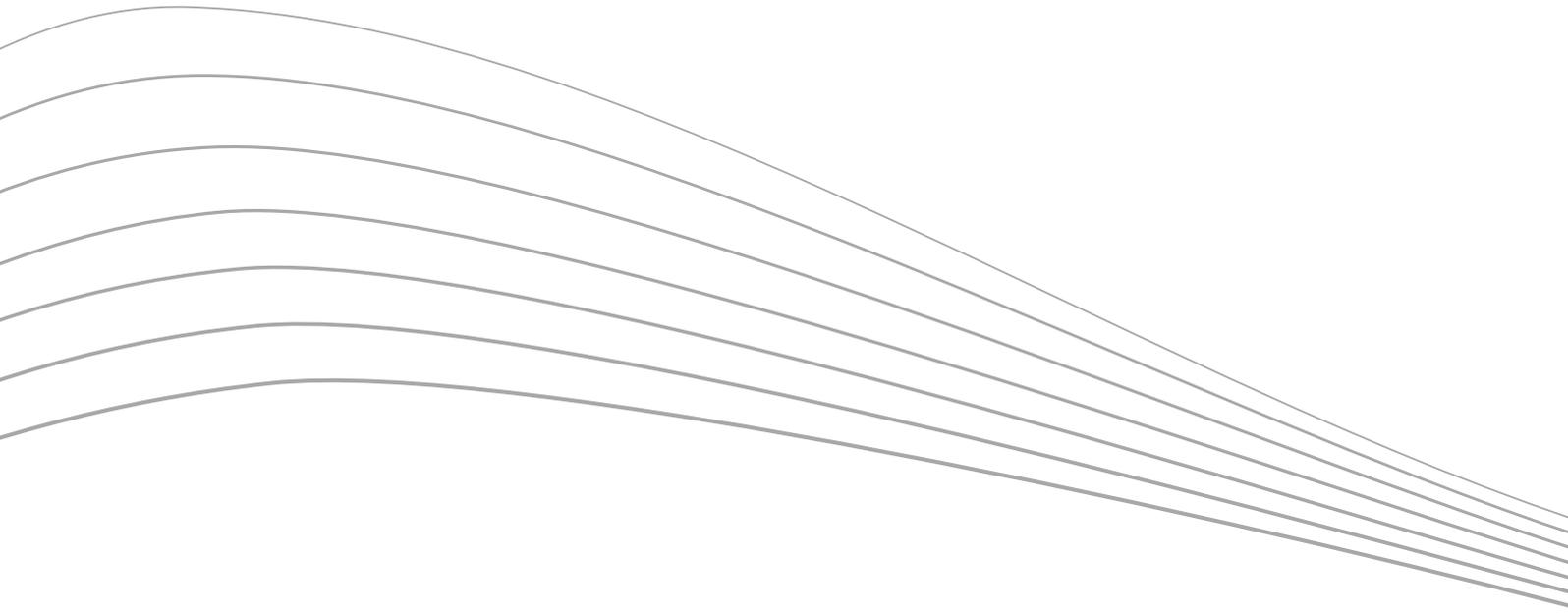
2017 SALES BY REGION



2017 SALES BY BUSINESS UNITS



3	EDITORIAL
7	EXECUTIVE MANAGEMENT REPORT
12	BUSINESS UNIT GOVERNMENT AVIATION
21	BUSINESS UNIT GENERAL AVIATION
29	PC-24 PROJECT
34	OPERATIONS
41	HUMAN RESOURCES
44	AIRPORT BUOCHS LTD
48	FACTS AND FIGURES
51	MANAGEMENT
53	BOARD OF DIRECTORS



EDITORIAL

PILATUS WRITES ANOTHER SUCCESS STORY



We are happy to be able to look back on another incredibly challenging, but also very successful, business year. With the delivery of the 1,500th PC-12 to the Royal Flying Doctor Service of Australia (RFDS Central Operations) at the end of June and certification of the PC-24 by the European Aviation Safety Agency (EASA) and the Federal Aviation Administration (FAA), we wrote our way into the annals of aviation history and Swiss industrial history as well!

30 years ago, when we embarked on the PC-12 project, no one thought the PC-12 would become the success it is today. It took vision, the courage to break new ground, a willingness to shoulder entrepreneurial risk and an iron will to push ahead with what we

believed in. The same ingredients went into making the PC-21 the world's best training system for future air force pilots. I have no doubt at all that the PC-24, being cast in the same mould, will be just as successful. So many experts have already confirmed that the PC-24 is an exceptional aircraft with excellent flight handling and performance. All good reasons to feel confident. The PC-24 has the potential to become even better yet, on the technical side too, and I can assure you we shall go on adding improvements as we move into the future.

AMBITIOUS GOALS ACHIEVED

2017 was rich in events and decisions in other respects, too: sales revenue fell just short of the one billion mark, but our operating result was better than the previous year's – indeed it was excellent considering the huge level of investment to which we committed ourselves.

Pilatus achieved many other targets, too, besides certification of the PC-24 – our most important goal for 2017. The new assembly hall – another construction made from local timber – is now in use. Series production of the PC-24 is running at full speed and the first PC-24s have already been delivered to their new owners. Our support team is in place, ready to assist our customers around the clock, 365 days a year. Incoming orders for the PC-12 are good worldwide. Orders in hand are equivalent to over two years' revenue in the Business Unit General Aviation – inflated by the 84 orders for the PC-24 which we are now allowed to include in this total following certification.

“PlaneSense has enjoyed a very solid partnership with Pilatus for over 23 years. During this time, we have taken delivery of 63 PC-12s. We were recently honored with the delivery of the first PC-24 in the world. Its arrival was a tremendous moment in our company’s history – one that wouldn’t have been possible without the mutual respect and friendship of our organizations. The success of PlaneSense pivots around our sharp focus on serving our customers and providing them with aircraft that meet their needs. The Pilatus aircraft in our fleet provide a level of quality that allows us to achieve this world class service for which we have become known. We look forward to a long future with Pilatus, and an ever growing fleet of PC-12s and PC-24 jets.”

George Antoniadis, Founder, President and CEO, PlaneSense



39°54'N, 105°6'W

In our Business Unit Government Aviation, we are pleased to note that multi-year contracts for the provision of local support are growing in number and scope. And finally, the loan required to modernise Buochs Airport was approved by referendum in canton Nidwalden. Nothing but good news!

We were unable to find a new customer for a PC-21 fleet order, but we know from experience how difficult it is to achieve that every year without interruption. We must also report our reluctant decision to discontinue production of the legendary Pilatus Porter PC-6 in 2019, exactly 60 years after its maiden flight in 1959. It has come to the end of its lifecycle, demand is dwindling, and we must put our production capacity to other use. The Pilatus Porter made Pilatus a household name around the world – you can be sure this was a decision we did not take lightly. Sometimes, however, there is simply no other choice. Notwithstanding, we have promised to provide ongoing support to our PC-6 customers around the world for the next 20 years at least.

**ORGANISATIONAL MODIFICATIONS –
INTERNAL AND EXTERNAL**

At the end of 2017, with certification of the PC-24 complete, we modified our internal PC-24 project organisation by grouping the PC-24 marketing, sales and support functions with the equivalent PC-12 functions within our Business Unit General Aviation. André Zimmermann takes over as head of our Business Unit Government Aviation with its focus on trainer aircraft. Jim Roche, his predecessor, will take well-earned retirement after 30 years' work in senior positions for Pilatus, most recently as Deputy CEO.

In Australia, the extent of Pilatus' undertakings to the Royal Australian Air Force and the Republic of Singapore Air Force, which also trains its pilots in Australia, necessitated an external organisational change leading to the creation of a Pilatus subsidiary, Pilatus Defence Solutions Australia Pty Ltd. This will allow us to provide an efficient, customer-oriented solution to meet the local needs of both air forces.

GOOD OUTLOOK FOR 2018

2018 will bring its share of fresh successes – and renewed obligations. In Stans we will make a start on the construction of a new and even larger production hall, equipped with state-of-the-art robotics systems with space for 150 workstations, to be built, again, from local timber. At the airport in Broomfield, Colorado, USA, we shall inaugurate our new final assembly facility, providing many new jobs to the local community. Both projects share the same driving force and motivation: our firm belief that the new PC-24 Super Versatile Jet will see Pilatus play a high-level role in the general aviation industry of the future.

Referring again to the achievement of obtaining certification for the PC-24 I have only this to say: we did it! This year's photo story provides an insight into what is involved in getting an aircraft certified these days. Take a look behind the scenes, you'll be amazed!



Oscar J. Schwenk
Chairman



46°59'N, 8°21'E

EXECUTIVE MANAGEMENT REPORT

MEETING OUR MOST IMPORTANT GOALS

We are very proud to have steered results back to a growth path over the past year. With orders on a solid footing, we were able to deliver 115 aircraft to our customers. Our goal was to sell at least 80 PC-12 NGs, and we actually managed 85 in the end – the second-best result since the financial crisis of 2009. In 2017 we also handled no fewer than five trainer aircraft programmes simultaneously: for the air forces of Australia, France, Ireland, Jordan and QinetiQ – an absolute record!

Regarding production operations, our two 5-axis milling systems for components up to 13 feet (four metres) long are now running at optimum capacity utilisation. We are currently setting up a 5-axis milling system for components up to 30 inches (750 millimetres). We also put our new 75,000 square feet (7,000 square metre) surface treatment centre into operation. This new facility will allow us to prime and finish nearly two million individual parts and 120 fully assembled aircraft each year at our own works. Optimum material flows will deliver measurably more efficient production processes which, above all else, are eco-friendlier as well.

Internationally, Pilatus remains highly regarded by our clients worldwide. In our home market, too, we are attracting more attention – and from one interest group in particular: last autumn we were delighted to accept the National Training Award 2017, presented by the Hans Huber Foundation and the FH SCHWEIZ Foundation in recognition of commitment to employee career training. I would like to offer my very warm congratulations and thanks to all those involved, apprentices, vocational trainers, on-the-job instructors, for their contribution to this achievement.

HAPPY CUSTOMERS: THE REWARD FOR OUR WORK

The year under review was rich in highlights. One of the most memorable for us was the handover of the 1,500th PC-12 to the Royal Flying Doctor Service of Australia (RFDS Central Operations). It was an immense pleasure for us to be able to deliver the 1,500th PC-12 to one of our best-known fleet customers – this being the 63rd PC-12 in the history of the RFDS.



2017 also saw further reinforcement of another important partnership with the sale of no fewer than three PC-12 NG Spectres to the Irish Air Corps, a PC-9 M fleet customer of many years.

Welcome confirmation that we have plenty of happy and loyal customers comes through direct contact, but also through surveys: we are proud to report that our General Aviation customer service was voted best in class by readers of Professional Pilot Magazine for the 16th time in a row.

As for the PC-12, spring 2017 also brought an excellent administrative decision for Pilatus. The PC-12 may now be used for commercial IFR operations in Europe. We had been preparing for this development for a while and were able to provide immediate support to one new operator, with several other prospects in the pipeline.

FOCUS REMAINS ON SALES GROWTH IN PRODUCT SUPPORT

We continue to invest in the provision of assistance and support to our customers. A support contract for the PC-21 fleet operated by the Royal Saudi Air Force was signed in 2017. In Switzerland, too, there are successful outcomes to report. An upgrade of the Swiss Air Force PC-21s is imminent – in which context it is useful to recall that we not only sell new aircraft, we also provide support and ongoing development for existing products.

With respect to the PC-24, our customer service team has come up with a new and attractive product in the form of the CrystalCare™ programme, designed to deliver significant added value for the customer at lower cost. This programme will aid us in our efforts to achieve stable, sustainable sales growth in our customer service operations. In mid-October, we were

“One of my first official acts as General Officer Commanding of the Irish Air Corps was to accept delivery of the 8th PC-9 M to our fleet in July 2017. The PC-9 M is a proven champion of our training role within the Air Corps which has been in our service for over 13 years and has achieved over 18,000 flight hours in that period.

I now look forward with confidence and enthusiasm to the arrival and introduction of the PC-12 to the Air Corps fleet. This capable and versatile aircraft will be a welcome addition and will provide the Air Corps with a superb platform with which we can fulfill our current and future needs. I take comfort from the solid and professional support received from Pilatus with the PC-9 M and I look forward to continuing this relationship with our new aircraft.”

Brigadier General Seán Clancy, General Officer Commanding, Irish Air Corps

particularly proud to sign the first CrystalCare™ agreement with PlaneSense, also the first customer to take delivery of a PC-24.

FULL ORDER BOOKS IN 2018

Market interest in the PC-24 remains very high. The demand justifies us in our commitment to deliver the best product in its class – and our 2018 order books are full! Our most important goal over the coming year will be to ensure the continuing success of the market launch and related expansion in PC-24 series production. We have a duty to meet the ambitious promises made to our customers, i.e. to provide the best possible support, here in Switzerland or locally if required.

It is essential for us to maintain our efforts with regard to sales of trainer aircraft, notably with a view to securing follow-on orders for the future. We are

currently tracking several military procurement projects likely to come up for approval in the next few years. If these projects do indeed get the green light, we intend to win them for our production teams!

We know one thing: our well trained, highly motivated employees are our precious capital. I would like to express my sincere thanks to all our staff, particularly the management team of some 200 persons, for your tireless efforts over the course of the year. The hard work was the basis for our success in 2017. Together, we achieved our most important goals for the year!



Markus Bucher
Chief Executive Officer



USING A CLIMATIC CHAMBER TO SIMULATE EXTREME ATMOSPHERIC SITUATIONS.

A jet engine must be capable of withstanding extreme heat and cold. But for machine and pilots, it would be far too risky to dispatch new aircraft types straight to the polar regions. Luckily, the Eglin Air Force Base in Florida is home to a specially equipped outside hall designed for just this type of test. The McKinley Climatic Laboratory is available for tests ranging from minus 50 degree to plus 55 degree Celsius, with snow, blowing snow and other extreme situations associated with aircraft icing. Once these simulated weather tests are complete, the aircraft is sent to the high north and hot south: out into the harsh reality of nature.



BUSINESS UNIT GOVERNMENT AVIATION

LOCAL SUPPORT BECOMES A PILLAR OF THE BUSINESS

Experience shows that a single calendar year is not long enough to draw any firm conclusions about business trends in the Business Unit Government Aviation. A five-year period is a more realistic time-frame in this market. Sales revenue in the Business Unit Government Aviation depends to a high degree on new fleet contracts and the speed at which orders can be turned into finished aircraft – inevitably, it is subject to some significant fluctuations. Following a brief dip in 2016, sales revenue rose again by 55 percent in 2017, from 345 to 536 million Swiss francs. In a long-term context, however, this figure is of limited significance as a predictor of solid economic success within this Business Unit.

EVERYTHING ON TRACK IN EUROPE

The Irish Department of Defence has decided to invest in three PC-12 NG Spectres for future surveillance flights. Equipped for monitoring, target recognition and reconnaissance duties, the PC-12 NG Spectres for the Irish Air Corps are due for delivery in 2019. The order followed on the heels of a thorough international evaluation and confirms and strengthens the close partnership of many years with the Irish Department of Defence. June 2017 saw the delivery of the PC-9 M ordered in autumn 2016 for addition to the existing fleet – it went into service with the Irish Air Corps shortly afterwards.

The contract signed at the end of December with the Armée de l'air française, or rather with representative Babcock Mission Critical Services France, for the delivery of 17 PC-21s and extensive training material, has set much in motion. Details have been clarified and further agreements signed. Two pilots were trained on this state-of-the-art aircraft in October 2017.

Work on the production of two PC-21s for the prestigious Empire Test Pilots' School operated by QinetiQ was well advanced by the end of 2017. The first aircraft completed its maiden flight in January 2018.

The Pilatus partnership with the Swiss Air Force, armasuisse and the Armed Forces' logistics base, known by the project name JEPAS PC-21, remains very successful. Fleet availability was higher than 95 percent yet again. In the autumn, armasuisse commissioned Pilatus to modify one of its PC-21s to bring it up to the standard of the fifth series. Following an assessment of these modifications, the entire Swiss PC-21 fleet may become a candidate for a fifth series upgrade. Further development of the PC-21 training system continues and Pilatus is pleased to offer existing customers the option to take advantage of new upgrades wherever possible.



46°45'N, 9°12'E



31°40'S, 116°1'E

“QinetiQ will be using the PC-21 to deliver test specialist training at ETPS – the UK’s test pilot school, which we run in partnership with the RAF’s Air Warfare Centre. We chose the PC-21 in succession to our Alpha Jet and Hawk aircraft for its low operating costs, advanced training capabilities, and in particular the adaptability of its cockpit systems, which will enable us to display test parameters in flight to enhance our students’ learning. We are very much looking forward to becoming the latest PC-21 operator during 2018.”

Nick Lay, Operations Director, Air T&E and Training Transformation, QinetiQ

ROYAL JORDANIAN AIR FORCE ORDERS MORE PC-21

The Royal Jordanian Air Force ordered eight PC-21s in February 2016, of which the first few were flight-ready by the end of 2016. The order was increased from eight to ten aircraft before the end of 2016. Production operations went ahead at full speed, allowing Pilatus to deliver the eight aircraft associated with the first order by the end of 2017. Not to mention a large volume of training material. Pilatus also organised local on-site support. The Jordanian fleet of PC-21s was fit for service just 22 months after the first order. And there was more: the Royal Jordanian Air Force ordered a further two aircraft in May 2017, taking its future fleet total to twelve PC-21s.

TEN PC-21 FOR THE ROYAL AUSTRALIAN AIR FORCE IN USE ALREADY

The contract between the consortium consisting of Lockheed Martin, Hawker Pacific and Pilatus on the one hand, and the Royal Australian Air Force on the other, came into effect on 1 January 2016 and everyone is now well on the way to delivering what was promised. The first six months of 2017 were dedicated to audits, certification and documentation of the 49 PC-21s on order. Everything was completed successfully. By the end of 2017, ten of the 49 PC-21s on order had already been handed over at the air force base in East Sale in south-east Australia.

The training systems planned in consultation with Lockheed Martin, including three of the seven simulators on order, were installed and commissioned to schedule. Efforts to recruit personnel for maintenance work on the entire fleet have also been successful thus far. Work to set up a second maintenance operation as planned at the air force base in Pearce, 25 miles (40 kilometres) east of Perth, is also underway.

AFTER-SALES BUSINESS BECOMES INCREASINGLY IMPORTANT

Pilatus sells aircraft – but it can also provide related after-sales services. Training, assistance and support can all be supplied on a contract basis. There is a high degree of responsibility attached to these services, which no doubt explains the growing demand for them. They make up an increasingly important percentage of the business.

A huge amount of effort goes into providing local customer assistance and support. This type of contract tends to be highly individual and is negotiated and concluded in line with each customer’s specific requirements. Feedback from all contract partners to date has been entirely positive. The support agreement with the Botswana Defence Force has been extended by a further three years, for example, and all the PC-7 MkIIs currently in use are to be fitted with a smoke system.

A five-year support agreement also exists with the Royal Saudi Air Force to cover the 55 PC-21s stationed in Riyadh. Employees with varying skill sets have been at work on site since the start of 2017.

The Republic of Singapore Air Force can already look back on over ten years' experience of operating its 19 PC-21s. The 65,000 hours flown so far provide a valuable basis for gaining an understanding of long-term processes and their impact on the operation of these aircraft. Pilatus has thus far fully met the high degree of readiness and availability imposed in the contract.

Pilatus and its customers both benefit equally from this long-term experience, as demonstrated by the successful operation in Qatar in particular. The PC-21 fleet operated by the Qatar Emiri Air Force completed 4,000 hours in the air in 2017. It is also worth mentioning that the simulators delivered by Pilatus accumulated over 2,500 hours of operation. The team of 50 plus Pilatus employees in action at the air force base in Doha, Qatar, has set up a successful and highly reliable operation. The availability rate speaks for itself – never less than 100 percent at any time during the entire year!

LIVELY EXCHANGE AT THE TRAINING CENTRE IN STANS

The Training Centre in Stans was the venue for a large and varied choice of training courses in 2017,

for both pilots and technical personnel. All in all, across 62 customer training courses and 33 internal courses, Pilatus provided basic and advanced training for some 85 pilots, 224 technical personnel and 368 other persons from a range of different vocations. The grand total amounts to some 7,500 hours of instruction dispensed over 880 training days.

AIR FORCE INTEREST REMAINS VERY HIGH

Whilst 2017 did not bring any major new air force orders, Pilatus knows that interest in trainer aircraft remains high notwithstanding: representatives from over ten air forces from all over the world made official visits to Stans. Eight international companies with an active interest in Government Aviation operations also received a warm welcome in Stans.

Pilatus attended many air shows as usual, mostly in conjunction with the Business Unit General Aviation. Those most worthy of special mention include Australian International Airshow in Avalon in February, Paris Air Show in June, Sion Air Show in Switzerland in September and the Dubai Airshow in November.

The customer contact at these shows provides the basis for fresh orders in the future, both with existing customers and new prospects. In the years to come, such orders will bolster the support agreements in place, helping to keep the Business Unit Government Aviation in good health and on course for further success.



46°49'N, 9°45'E



INSTALLING TELEMETRY SYSTEMS FOR TRANSMISSION OF THOUSANDS OF FLIGHT PARAMETERS PER SECOND.

The PC-24 prototype P01 was fitted with no fewer than 600 probes in order to monitor in-flight structural strain. An additional 600 sensors measured temperature, speed, air flows and other values. All these parameters had to be saved and observed simultaneously during each flight for early identification of possible hazards. The data was monitored partly by flight test engineers on board the aircraft during testing, and always by ground crew. All data had to be transferred simultaneously. So, just how much data are we talking about? One terabyte, which being equivalent to 1,000 gigabytes. Or one million megabytes – for every hour flown in the air. The three prototypes completed over 2,000 hours in the air for certification purposes. All in all, an incredible volume of data!



"As a General Aviation enthusiast and one of the newest members of the Pilatus family, the PC-12 aircraft has opened up a whole new world of missions. It delivers one of the best flight performances I've ever experienced, and the Swiss engineering is like a precision watch, only more refined and trustworthy."

Dion Weisler, President and CEO, HP Inc.

41°9'N, 106°27'W

BUSINESS UNIT GENERAL AVIATION

STEADY SUCCESS

The economy did well in almost every country on every continent. Share prices rose, the US Dow Jones Index by some 25 percent in one year, for example. And yet the general aviation market remained relatively difficult worldwide, with many aircraft manufacturers even experiencing a fall in sales revenue in 2017. While sales rose slightly in terms of product volumes, customers bought fewer costly jets. In contrast to the general situation, Pilatus successfully maintained its position at a stable level.

The first year of Donald Trump's presidency has been a positive one for the business aviation industry. The tax reform passed at the end of the year may well have a positive impact for owners of business aircraft. Neither did Trump's commitment to "America First" put Pilatus at any disadvantage. With the construction of a large new final assembly facility at the site used by Pilatus Business Aircraft Ltd in Broomfield, USA, Pilatus had already given a very strong signal of its commitment to the location well before the Trump era.

PILATUS CUSTOMER SERVICE – TOP AGAIN

The legendary Pilatus customer service has already won many awards – and it goes on getting better! For the 16th time in a row already, Pilatus was voted top of category in the annual reader survey organised by the Professional Pilot Magazine. The customers remain loyal to Pilatus, and Pilatus remains true to its stated aims and goals – including that of further

expanding and developing the outstanding customer service. In the light of the market rollout of the PC-24, preparations to ensure 24-hour support have been underway for some time now. The 24/7/365 mode has been in operation since September: the time lag between Stans in Switzerland and Broomfield in the USA is exploited to optimum effect, with the customer service employees sharing the work across the various continents and time zones. That, plus the network of official Authorised Pilatus Centres, means customers have access to a team of experts at all times.

THE PC-12, STILL THE ORIGINAL

Launched 23 years ago and with over 1,500 models sold since then, the PC-12 gives Pilatus an exceptionally successful product in a market niche. In 2017, 85 PC-12 NGs were delivered to customers around the whole world. The distribution of sales across the continents and countries is stable. Almost everywhere, sales figures remain somewhere around the average achieved over the past three years. The fact that Pilatus sold 46 PC-12 NGs to the USA (four fewer than in the previous year) and 24 to Europe (four more) should hardly be seen as heralding a new trend. The euro gained over 14 percent against the dollar during the same year, which has tended to make the PC-12 NG cheaper for buyers from European countries. But this is obviously also true of all other aircraft priced in dollars.



Pilatus & Whitney Canada
PT6A-67P engine
Flat Floor
Passenger Door
330 ft³ Pressurized Cabin
Interior by BMW Designworks USA
Huge Cargo Door 53" x 52"
#1 Rated Customer Service
Take-off Distance only 793 m
Exceptional Short Field Performance
PC-12 NG
T-Tail

Crafted in Switzerland

38°39'S, 143°5'E

“I’ve made it a point to push the limits in all aspects of my life. As I’ve grown as a person and business man I’ve set extremely high standards for myself. When it comes to aviation I follow the same set of rules. That’s why I chose the PC-12 as my aviation partner in life. I live a life with no limits and the PC-12 has no limits. With my PC-12 at my fingertips the possibilities are unlimited.”

John Cassimus, Owner and Pilot



See why John Cassimus uses the PC-12 NG.
pilatus-aircraft.com/videos

The delivery of the 1,500th PC-12 was a very happy occasion. This particular aircraft went to an especially loyal PC-12 customer: the Royal Flying Doctor Service of Australia (RFDS Central Operations). One of the first ever PC-12s to be sold went to the exact same customer 23 years ago.

Such loyalty is not simply borne of personal ties, it is confirmation that the PC-12 is a highly versatile, thoroughly excellent aircraft in all respects. It is proof that Pilatus, via continuing targeted optimisation, of the electronics systems in particular, has also succeeded in maintaining this aircraft at the top of the single-engine turboprop category for over 20 years. What more eloquent confirmation could there be of an aircraft’s quality of design and technology? The original is still flying well out in front, in spite of many attempts to imitate it!

TWO MORE COUNTRIES ON THE LIST

Pilatus is always delighted when new countries join what is now a large extended family of nations in

which Pilatus customers operate PC-12s. 2017 brought two new additions – both in Europe: for the first time, there is now one PC-12 customer in Sweden and one in Belarus, with the latter opting for two aircraft from the start.

FINALLY THE RIGHT DECISION

For many years, the European Aviation Safety Agency (EASA) has refused to approve single-engine turboprops for commercial operations under instrument flight rules. The reasons have never really been clear, particularly as such operations have been permitted for many years in most regions of the world.

The 32 European member countries of EASA finally reached an agreement in spring 2017 and the announcement of this long overdue and very important decision for Pilatus came on 1 March. The PC-12 may now be used for commercial IFR operations in Europe, for example business travel, medevac missions and cargo flights. A new PC-12 operator in France has already made use of the new rule.

PRODUCTION OF PC-6 TO BE DISCONTINUED AFTER 60 YEARS

The Pilatus Porter PC-6 made the Pilatus brand famous worldwide. This multipurpose aircraft is well known for its extremely short take-off and landing characteristics and exceptional reliability. It has been made in Stans without interruption since 1959, ensuring it a place amongst the world's aircraft with the longest running production histories.

Only one Pilatus Porter PC-6 was sold in 2017. Pilatus has now taken a final decision to discontinue production of this venerable aircraft with effect from early 2019. Orders will be accepted until mid-2018. Pilatus has already noted interest in the last serial numbers! Existing customers can count on Pilatus support for another 20 years at least, thereby guaranteeing that this robust all-rounder will remain in use for some time yet.

INVESTMENT IN THE USA

In 2016, the subsidiary, Pilatus Business Aircraft Ltd, embarked on the construction of a new final assembly facility at the Rocky Mountain Metropolitan Airport in Broomfield, Colorado. Building work is well advanced and will be completed in 2018. A substantial number of new employees have also been recruited in preparation for the market launch of the PC-24. The American subsidiary chalked up a special success with the sale of a highly complex PC-12 NG Spectre to one of the US federal states.

Amongst the Authorised Pilatus Centres entrusted with the task of selling and providing support for the PC-12 NG, Western Aircraft Inc. is doing particularly well. Headquartered in Boise, Idaho, this centre is the biggest and most successful in the entire network and managed to deliver no fewer than 15 PC-12 NGs in 2017 – an outstanding achievement.

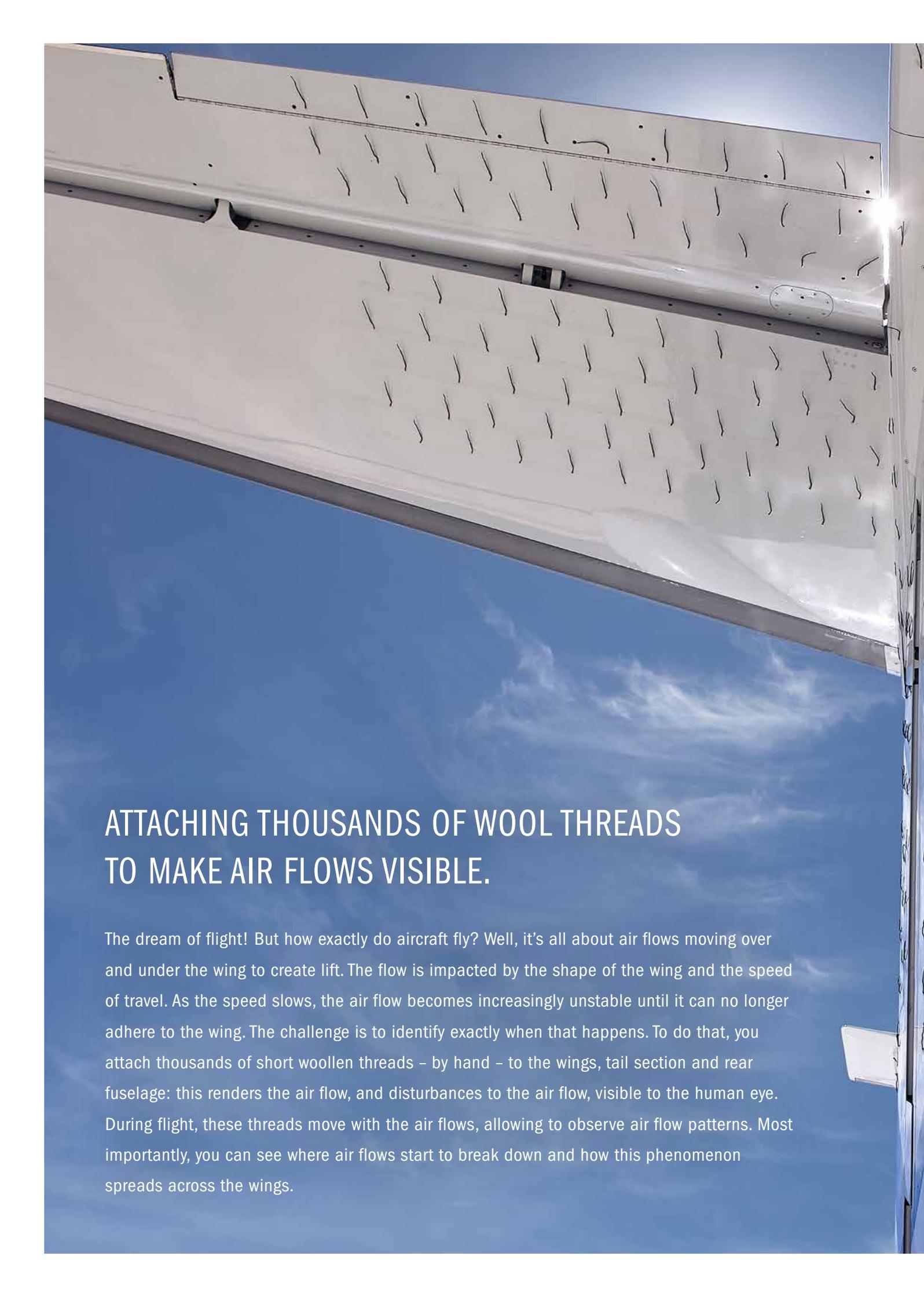
“The Pilatus PC-12 has drastically improved my ability to conduct business in an efficient manner. My companies have multiple locations throughout the state of Pennsylvania and require multiple visits throughout the month to ensure their proper operation. Prior to the PC-12, I spent many days driving to these locations and missed out on countless hours of productivity and potential opportunities for growth. Owning the PC-12 has allowed me to do the two things I enjoy most, grow my business and fly.

Beyond the increased work efficiency, I have a true affection for this aircraft and its ability to fulfill my mission. I researched a variety of aircraft but none of them offered the speed, carrying capability, efficiency and ease of operation as well as the PC-12. The manufacturer's obsessive attention to detail and support of their aircraft made the choice easy. When it was time to trade in my first PC-12, I knew the only way to get a better aircraft was to get a newer model and now I proudly own my second PC-12.”

Larry J. Nulton, Ph.D., President, Nulton Diagnostic and Treatment Center and CEO, Peerstar LLC



38°25'N, 122°7'W



ATTACHING THOUSANDS OF WOOL THREADS TO MAKE AIR FLOWS VISIBLE.

The dream of flight! But how exactly do aircraft fly? Well, it's all about air flows moving over and under the wing to create lift. The flow is impacted by the shape of the wing and the speed of travel. As the speed slows, the air flow becomes increasingly unstable until it can no longer adhere to the wing. The challenge is to identify exactly when that happens. To do that, you attach thousands of short woollen threads – by hand – to the wings, tail section and rear fuselage: this renders the air flow, and disturbances to the air flow, visible to the human eye. During flight, these threads move with the air flows, allowing to observe air flow patterns. Most importantly, you can see where air flows start to break down and how this phenomenon spreads across the wings.





46°30'N, 8°8'E

PC-24 PROJECT

CERTIFICATION IS NOW A REALITY

2017 was spent working towards a single overriding goal – getting the PC-24 certified. And that’s exactly what Pilatus did! The two relevant authorities, the European Aviation Safety Agency (EASA) and the Federal Aviation Administration (FAA), officially issued a type certificate for the PC-24 on 7 December, marking a historic milestone in the development history of the first Swiss business jet. Certification of this Super Versatile Jet opened the way for the first deliveries to customers.

The third prototype, representing the series standard, took off on its maiden flight in March 2017. By the end of 2017, the three prototypes had completed a total of 1,385 flights and 2,230 hours in the air.

SERIES PRODUCTION PREPARATIONS IN PARALLEL TO DEVELOPMENT WORK

The official development project was completed at the end of 2017. Outstanding and ongoing product development work will be bundled together in a “Post Certification” programme which will take the PC-24 to maximum performance capacity. Over the past year, one of the greatest challenges for Pilatus was

preparing and setting up series production operations in parallel with final development work on the PC-24. Even before certification was obtained, Pilatus already had 84 orders for the Super Versatile Jet on the table. The aim was to hand over the first customer aircraft as soon as possible after certification. As it turned out, the first series production PC-24, serial number 101, completed its maiden flight on 12 December, just five days after certification.

In parallel with work leading to certification and the start of series production, Pilatus also turned the attention to the customer specifications. For aircraft due for delivery in 2018, most specifications were discussed, defined and agreed with customers over the course of 2017. With that in mind, Pilatus enlarged the customer zone at Stans in spring 2017. This area includes a spacious showroom in which the large choice of materials available for the aircraft interior can be presented to the customer: from leather for seating and wood veneers through to metal components. A special lighting concept allows these materials to be presented in different conditions of artificial and natural daylight.

READY FOR TRAINING

Ahead of certification of the PC-24, Pilatus made a start on technical training for the engineers tasked with performing future maintenance operations on the aircraft. Besides the instruction and training courses which have already been in place for some time, Pilatus held the first certified PC-24 Maintenance Training course in November 2017. However, even the safest aircraft is not safe enough if the pilot does not also have a good understanding of it. Pilatus therefore had a PC-24 simulator developed and built in Dallas, in partnership with Flight Safety International (FSI). It was certified at the end of 2017 and is now ready for the upcoming pilot courses.

EXTENDED SUPPORT CAPABILITY

Detailed analyses were undertaken with a view to ensuring readiness of the network of service centres in time for the PC-24 market launch. The resultant actions such as procurement of spare parts and tools, provision of infrastructure and training for maintenance crews are now largely complete.

The new customer service organisation went into operation in September 2017, ushering in a new era: since the autumn, the Authorised Service Centres can tap into worldwide 24-hour availability of the Pilatus customer service.

CRYSTALCARE™ – ALL-INCLUSIVE SERVICE

Pilatus has created a special all-inclusive maintenance and service programme especially for the PC-24 market launch. Dubbed CrystalCare™, it provides ongoing check-ups and technical care for the PC-24 at a local Authorised Pilatus Centre. The customer pays a fixed monthly amount for this service. Just such an agreement was concluded with PlaneSense, the first PC-24 customer, in October.

POSITIVE FEEDBACK FROM OUTSIDE THE COMPANY

Visitor numbers and interest in the first Swiss business jet were overwhelming at both shows attended by the PC-24. In May, Pilatus unveiled a fully equipped PC-24 for the first time at EBACE in Geneva, Europe's premier show for business aircraft. This was the first ever opportunity for customers to step aboard the blue prototype P03 and experience it from the inside. All visit slots were entirely booked out long in advance. And at the NBAA-BACE event in October in Las Vegas, prototype P02 remained on display for the duration of the show, this being the first time it had been seen by the public in the USA for a whole show.

COMBINED BUSINESS UNIT GENERAL AVIATION

The operations associated with the PC-24 project organisation – essentially PC-24 project management and all production work thus far – were dissolved and integrated within the Business Unit General Aviation as of the end of 2017. This will deliver tangibly positive synergies, particularly in Marketing, Sales and Customer Support.



46°58'N, 8°23'E



BREAKING A WING TO PROVE IT CAN WITHSTAND THE MAXIMUM LOAD.

A wing must be capable of withstanding a far higher load than it will ever encounter in real conditions. The calculated maximum load is rated at 100 percent and is referred to as the “limit load”. The wing has to be capable of withstanding up to 150 percent of the limit load for up to at least three seconds. This is called the “ultimate load”. The test allows some deformation, but no cracks or other damage. The PC-24 wings were tested at a special facility in Germany: the preparations alone took six months. As you would expect, the tests addressed everything right down to the last detail, including fatigue testing all the way to rupture. Note that rupture at 200 percent is not acceptable, as this would mean the wing is too stiff and heavy, with unimaginable consequences. Tests revealed that the PC-24 wing can be bent more than three feet (one metre) upward before it will break. The two simulated lifecycles required to pass the fatigue test were easily achieved. A kiss landing, so to speak!

OPERATIONS

AMBITIOUS GOALS WITH MANY DOUBLE BURDENS

Under the heading “Operations”, this report provides a summary of activities in Research and Development, Supply Chain and ICT, Production, Assembly and Maintenance, and also Quality, Safety and Environmental Management.

THE PC-24: FOCUS OF RESEARCH AND DEVELOPMENT

In 2017, a large part of the Research and Development activities were devoted to obtaining certification for the new Super Versatile Jet. The three prototypes travelled around the world for wide-ranging tests completed over a total of 1,100 hours in the air: they included icing tests in the USA, cold weather tests in Canada and various other certification flights in Europe.

Besides the PC-24 programme, ongoing development work also continued on all other Pilatus aircraft. The PC-12 NG was given a weather radar with extended range, for example. Reliability-enhancing improvements were added in several areas and customer-specific requirements implemented at locations around the world. The PC-21 also underwent further development. Various system and software upgrades brought improvements to the mission capability and reliability of the PC-21 training system.

SUPPLY CHAIN OPTIMISATION

A new logistics building went into operation in 2015 and the procurement operations were restructured and re-organised in 2016. In 2017 the goal was to optimise logistics processes, make organisational adjustments and familiarise staff with the new processes. Integrating the PC-24 procurement activities within the daily business operations and ensuring a timely supply of materials for both the PC-12 and PC-21 was very challenging. Pilatus is happy to report that these organisational adjustments have paid off.

Pilatus has introduced two-shift operations in the high-bay warehouse, which has delivered an increase of almost 50 percent in the number of material transactions per day. Various other quality improvements were also achieved in connection with logistics. A comprehensive article and transport protection concept was launched, and the new buildings were connected to the plant train. These measures all help to ensure that material requirements for the accelerated production programme can be met.

ICT brought its entire server and data storage infrastructure up to state-of-the-art standards. With no disruption to day-to-day operations, some



320 servers and 350 terabytes of data were transferred to the new infrastructure across a period of several months. Pilatus also laid the foundation stone for a central document management platform.

FROM DRAWING TO COMPONENT

In Production, the core competences revolve around the manufacture of complex integral milled parts in aluminium, titanium and steel, sheet-metal working and the assembly of sophisticated composite components. Further strengths include the joining of aircraft structures and customer-specific paint finishes. In 2017, 518 employees and 68 apprentices worked a total of 620,000 production hours. They produced over 1.6 million components for 55,000 production orders, requiring some 151,000 machine

hours. All in all, 1,200 tonnes of aluminium sheet material and 166 tonnes of aluminium panels were processed – raw materials worth over 16 million Swiss francs.

The new state-of-the-art 5-axis milling system commissioned in 2016 notched up over 6,000 machine hours in 2017. The two large-scale milling machines plus automation ran for over 16 hours a day on average. This system is used for the entire cutting process for components up to 13 feet (four metres). In the same production hall, work is currently progressing on setting up a second 5-axis milling system for components up to 30 inches (750 millimetres). It is due to go into operation in the first quarter of 2018.



The Production Unit took delivery of the new Surface Treatment Centre at the end of 2017. Comprising a total of ten new cabins, the new facility will allow Pilatus to paint components to meet the most demanding of customer wishes.

Pilatus has also installed a new curing oven for application of primer coats, manually or using paint robots.

Pilatus placed orders worth over 31 million Swiss francs with subcontractors during the year under review. The work revolved around aircraft components, fuselage and wing structures, painting of components through to the construction and production of complex jigs.

PARALLEL TASKS ON THE ASSEMBLY LINES

Producing and delivering 115 aircraft was nothing really exceptional for Pilatus. However, it was notable

to see series production of a new product get underway at the same time as development work on the same product was drawing to a close, with several trainer aircraft production programmes for different customers in progress at the same time. In addition to expanding the workforce Pilatus also had to prepare new processes, tools and jigs for the start of PC-24 series production. The next challenge will be to optimise the production line in order to achieve the medium-term target of accelerating the production rate to 50 PC-24s a year.

The new Assembly Hall 25 went into service in mid-2017 – earlier than planned and with no interruptions to production operations. The 200 employees based in the 87,000 square feet (8,100 square metre) hall all enjoy light, modern workplaces. In 2017, in addition to day-to-day business, the maintenance operations were firmly focused on preparing for the launch of the PC-24 with provision of related services.

Key areas of this preparation work included personnel training, setting up a 24-hour customer service and adaptation of processes with the appropriate work tools.

In 2017, Pilatus employees were again posted at locations all around the world: fulfilling existing fleet maintenance agreements or providing support for the PC-24 flight test programme.

QUALITY MANAGEMENT AT A NEW LEVEL

The new Management Handbook sets out all the legal and regulatory requirements to be met by the Quality and Safety Management organisation at Pilatus. The senior management welcomed the new handbook as a positive, future-oriented measure. There was further encouraging feedback from the Swiss Federal Office of Civil Aviation (FOCA). In addition, the foundations for the gradual centralisation of the quality management function were approved in 2017. The implementation and integration of the specialist units will go ahead in 2018.

The roll-out of quality software for processes, documents and training was another important step forward. Completed at the end of 2017, work will now start on overhauling the current processes in 2018.

This is important in the context of the EN 9100:2016 transition audit, scheduled for March 2018.

ECO-FRIENDLY NEW BUILDINGS

Pilatus has long made an active contribution to protecting the environment. In 2017, eco-friendly sustainable decisions at Pilatus were reflected in new and optimally designed buildings. As in past projects, only certified Swiss timber was used in the construction of the new Assembly Hall 25. The roof of the hall has been used to install a solar system with a maximum output of over 1,000 kilowatts. It is the largest facility in canton Nidwalden and produces 820,000 kilowatts of power each year – enough for 200 family homes. The smaller system installed on the roof of the logistics building has been in operation since September 2016.

The 75,000 square feet (7,000 square metre) production area in the new Surface Treatment Centre 2 has been configured for optimum material flows and maximum flexibility. Pilatus has focused on recovering waste heat: the exhaust air generated during the painting process is returned and reused. Further, all new plant, plus the cooling water used for the milling machines in the production halls, are now cooled via the newly created groundwater loop.

INSTALLING A DETONATABLE DOOR TO PROTECT THE PILOT'S LIFE.

Are test pilots daredevils? In the past, perhaps, although we willingly admit they still have to be pretty courageous, even today. After all, they are at the controls of an aircraft which has not yet been certified, which may not handle exactly as calculated. In the very worst case, they can always abandon the aircraft and try to save themselves. With that in mind, high-risk tests see the usual access door replaced by a plexiglass door which can be blown away using a detonator. The pilot would be pulled backward at the same time allowing him to fall out of the aircraft through the open door – and float safely to the ground suspended from a parachute.





PC-24
THE CRYSTAL CLASS

PILOT EGRESS SYSTEM

EXPERIMENTAL



HOURS
313
189
502



46°58'N, 8°23'E

HUMAN RESOURCES

MOVING PAST THE 2,000 FULL-TIME EMPLOYEE MARK

As a group, Pilatus passed the 2,000 full-time employee mark for the first time in 2017. Over 6,900 applications received in Stans resulted in 750 invitations to interviews. The candidates Pilatus recruited helped fill the usual quota of departures plus some 150 additional jobs. The figures and feedback indicate that Pilatus enjoys a very good reputation on the job market and is regarded as an excellent employer.

The average length of service is still well over ten years – a very good indicator of how highly Pilatus is regarded as an employer. The Pilatus teams outside Switzerland have expanded too, for example in Saudi Arabia, Australia and in the USA. The representative office in Qatar was also enlarged.

Internally, too, Pilatus is resolutely international. The staff at the headquarters in Stans come from no fewer than 48 different countries. Over 1,000 Pilatus employees live in canton Nidwalden, over 500 in canton Lucerne and 140 each in the cantons of Obwalden and Uri.

PERSONNEL DEVELOPMENT REMAINS A PRIORITY

Pilatus invested over a million Swiss francs in employee training during the 2017 business year. In addition to various specialist courses by external providers, Pilatus offers a wide-ranging selection of in-house training courses. Over 300 employees took advantage of these courses in areas such as project management, lateral leadership and professional chairmanship of meetings.

In 2018 Pilatus will focus on training for managers and leaders. Modular courses will help managers to hone their individual skills.

OUTSTANDING TRAINING FOR YOUNG PEOPLE

Pilatus has long attached the greatest importance to career training for young employees. Since 1942, over 1,200 youngsters have completed job training with Pilatus in Stans. 350 school visitors and parents attended the eighth vocational Information Event at Stans. This event is entirely organised and hosted by the apprentices themselves.

In 2017 Pilatus trained 120 apprentices in Stans in eleven different professions: an absolute record! 30 apprentices successfully completed their training in the summer. Around half of these young people stay on with the company on completion of apprentice training. 37 new apprentices joined Pilatus in Stans in August.

Pilatus Business Aircraft Ltd in Broomfield, USA, now also offers training based on the dual system in operation in Switzerland. Three young people started their apprenticeship training in the summer.

Pilatus's exemplary training programme earned it the National Training Award 2017. This prize is awarded by the Hans Huber Foundation and the FH SCHWEIZ Foundation in recognition of commitment to promoting the dual vocational training system in a business environment.

A large, red, cylindrical cannon barrel is the central focus of the image, extending from the foreground into the background. It is mounted on a blue metal stand. The barrel is positioned horizontally. In the background, there is a large, industrial-looking structure with a corrugated metal exterior and a white roof. The interior of this structure is illuminated by bright lights, and a large, multi-lens light fixture is visible on the right side. The scene is set outdoors at night, with a dark, overcast sky and a green field in the distance. The overall atmosphere is industrial and technical.

SHOOTING A CHICKEN OUT OF A CANNON TO PROVE THE STRENGTH OF THE COCKPIT WINDSHIELD.

All aircraft face a natural hazard in the air: birds. A bird strike can have devastating consequences. Might the aircraft sustain so much damage that there is a risk of crashing? The bird strike test provides answers. During this test, compressed air is used to shoot a chicken – no longer alive, of course – out of a long cannon barrel and onto the aircraft. The velocity at which the chicken exits the barrel is equivalent to the speed of flight of the aircraft, and hence the force of the impact is equivalent to an airborne scenario. The chicken is shot onto the aircraft nose, the cockpit windshield and fuselage fairings. If any damage occurs, certification requirements impose reinforcement of the corresponding aircraft part, ahead of series production.



IMPORTANT MILESTONES ACHIEVED

Airport Buochs AG is 50 percent owned by Pilatus Aircraft Ltd and 50 percent by canton Nidwalden.

With the long-term future of Airport Buochs Ltd in mind, 2017 saw the achievement of some important milestones. At the end of April, a detailed dossier was submitted to the Swiss Federal Office of Civil Aviation, containing an outline of operating rules, environmental compatibility report, noise map and obstacle limitation plans.

Under the leadership of canton Nidwalden, wide-ranging coordination talks on adjustments to the "Aviation Infrastructure Plan" went ahead in the summer and were concluded in October.

In August, after intense debate, a two-thirds majority of the regional parliament approved a loan of ten million Swiss francs for a share capital increase with a view to financing replacement infrastructure at Buochs Airport. Pilatus had also promised a contribution of ten million Swiss francs. After an emotional referendum campaign, the voters of Nidwalden also approved the loan with a two-thirds majority.

INCREASE IN FLIGHT MOVEMENTS

At 18,121 flight movements in total, a new record in airport operations was achieved in 2017. The 29 percent increase on last year is essentially due

to the good business performance at Pilatus. The many test flights with the PC-24 generated a 50 percent rise in the share of Pilatus flight movements. Flight movements by the Swiss Air Force increased 66 percent on the previous year. Expressed in absolute figures, 1,844 flight movements, that is substantially below the number of Pilatus movements. The gliding club increased its movements by ten percent and business flights accounted for a six percent increase in movements in 2017.

The increase in flight operations had a positive impact on the 2017 air traffic control account which closed with a break-even result after inclusion of government contributions. Revenues from terrestrial use of the airport have fallen, as expected, due to the partial dismantling of the redundant runway.

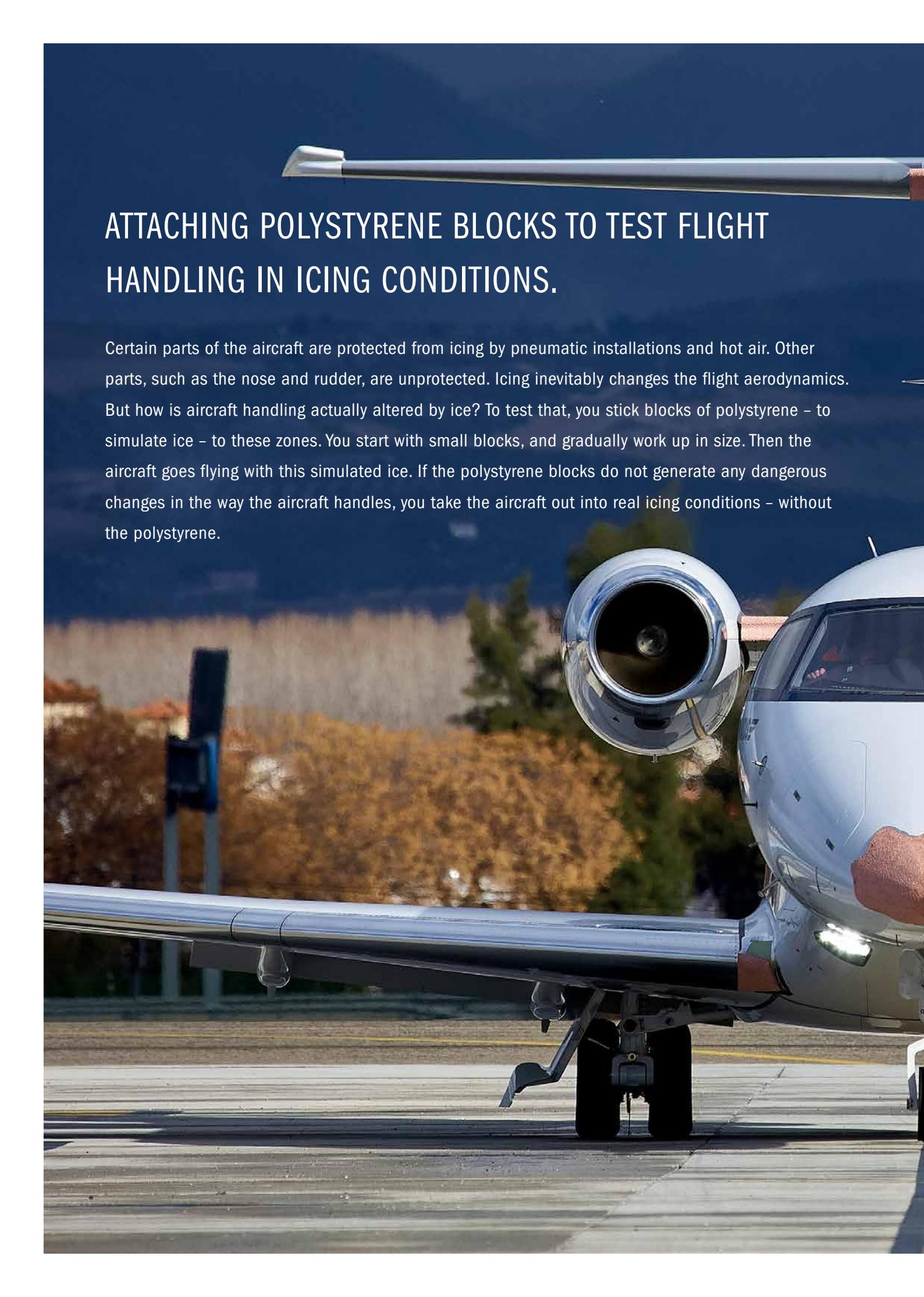
OUTLOOK 2018

The conversion dossier, the revised "Aviation Infrastructure Plan" and the adjusted cantonal structure plan will all be made public in 2018, and the inquiry and appeal proceedings will get underway. In parallel, a start will be made on planning work for the replacement infrastructure so that the corresponding applications can be submitted to the FOCA in 2019. Work continues to find a rapid solution to ensure long-term, Swiss-wide funding for air traffic services in conjunction with the FOCA and skyguide.



FLIGHT MOVEMENTS AIRPORT BUOCHS	2013	2014	2015	2016	2017
Pilatus Aircraft Ltd	5272	7129	6042	5472	8190
Airport Buochs Ltd	3082	3959	4250	4115	4353
Nidwalden Gliding Club	3687	3692	3211	3394	3734
Military	1936	1541	404	1111	1844
Total	13977	16321	13907	14092	18121

46°58'N, 8°24'E



ATTACHING POLYSTYRENE BLOCKS TO TEST FLIGHT HANDLING IN ICING CONDITIONS.

Certain parts of the aircraft are protected from icing by pneumatic installations and hot air. Other parts, such as the nose and rudder, are unprotected. Icing inevitably changes the flight aerodynamics. But how is aircraft handling actually altered by ice? To test that, you stick blocks of polystyrene – to simulate ice – to these zones. You start with small blocks, and gradually work up in size. Then the aircraft goes flying with this simulated ice. If the polystyrene blocks do not generate any dangerous changes in the way the aircraft handles, you take the aircraft out into real icing conditions – without the polystyrene.



FACTS AND FIGURES

PILATUS GROUP

KEY INDICATORS FOR THE PILATUS GROUP	2013	2014	2015	2016	2017
Total Sales (CHF million)	1014	1174	1122	821	986
Aircraft in Net Sales	112	127	121	117	115
Orders Received (CHF million)	410	561	1367	1087	1422
Order Book Value (CHF million)	1817	1226	1470	1744	2167
EBIT (CHF million)	145	200	191	89	135
EBIT as % of Sales	14.3	17.0	17.0	10.8	13.7
Cash Flow (net profit plus depreciation, CHF million)	143	195	178	95	133
Cash Flow as % of Sales	14.1	16.6	15.9	11.6	13.5
Investments in Fixed Assets (CHF million)	18	36	42	49	54
Investments in R&D (CHF million)	83	97	107	101	107
EBIT before R&D (CHF million)	228	297	298	190	242
EBIT before R&D as % of Sales	22.5	25.3	26.6	23.1	24.5
Net Assets (CHF million)	163	210	324	398	534
Inventories (CHF million)	688	754	639	485	647
Customer Advances (CHF million)	654	758	497	204	238
Number of Full-time Equivalents	1752	1882	1905	1961	2113
BALANCE SHEET EXTRACT	2013	2014	2015	2016	2017
Current Assets (CHF million)	1457	1768	1646	1259	1255
Long-term Assets (CHF million)	117	140	173	214	349
Total Assets (CHF million)	1574	1908	1819	1473	1604
Liabilities (CHF million)	929	1113	870	520	541
Equity (CHF million)	645	795	949	953	1063
Total Liabilities and Equity (CHF million)	1574	1908	1819	1473	1604
Equity Ratio in % ¹	41.0	41.7	52.2	64.7	66.3

¹ The PoC accruals and the customer advances are disclosed using the gross method (PoC = Percentage of Completion).
A net presentation would lead to an equity ratio of 69 %.

		2016		2017
GROSS SALES	%	MCHF	%	MCHF
Pilatus Aircraft Ltd, Stans, Switzerland ²	61.8	507.7	70.7	697.4
Pilatus Business Aircraft Ltd, Broomfield, USA	34.8	285.6	27.9	274.6
Pilatus Australia Pty Ltd, Adelaide, Australia	3.4	28.1	1.4	13.6
Total	100.0	821.4	100.0	985.6

² Consolidated via Pilatus Stans
CHF/USD translation rates 2017: 0.9846 / 2016: 0.9850
CHF/AUD translation rates 2017: 0.7547 / 2016: 0.7325

SALES BY REGION	%	MCHF	%	MCHF
Europe	17.1	140.3	33.7	332.1
The Americas	35.0	287.2	29.2	288.4
Asia	29.7	244.0	20.4	200.6
Australia	14.8	121.6	14.8	146.1
Africa	3.4	28.3	1.9	18.4
Total	100.0	821.4	100.0	985.6

SALES BY BUSINESS UNIT	%	MCHF	%	MCHF
Government Aviation (Trainer)	42.0	345.1	54.4	536.1
General Aviation (PC-12 NG; from 1.1.14 incl. PC-6)	55.6	457.0	43.7	430.4
Other (Maintenance, Subcontracting)	2.4	19.3	1.9	19.2
Total	100.0	821.4	100.0	985.6

AIRCRAFT IN NET SALES ³	Number of aircraft	Number of aircraft
PC-12 NG	91	85
PC-21	14	28
PC-6	9	1
PC-9 M	0	1
PC-7 MkII	3	0
Total	117	115

³ Delivered aircraft and accrued aircraft based on the PoC-method (PoC = Percentage of Completion; net sales of trainer is considered based on the production progress)

FACTS AND FIGURES

		2016		2017	
EMPLOYEES BY BUSINESS UNIT	%	Employees	%	Employees	
General Aviation	49.6	972	53.6	1133	
Government Aviation	44.6	875	40.8	861	
Other (Maintenance, Subcontracting)	5.8	114	5.6	119	
Total	100.0	1961	100.0	2113	

EMPLOYEES BY FUNCTION	%	Employees	%	Employees	
Production	50.1	982	52.1	1102	
Development	19.0	373	17.9	378	
Sales and Services	16.8	329	16.4	346	
Logistics (incl. ICT)	9.3	182	9.2	194	
Administration	4.8	95	4.4	93	
Total	100.0	1961	100.0	2113	

EMPLOYEES BY COMPANY	%	Employees	%	Employees	
Pilatus Aircraft Ltd, Stans, Switzerland	93.9	1841	94.1	1990	
Pilatus Business Aircraft Ltd, Broomfield, USA	3.9	76	4.1	86	
Pilatus Australia Pty Ltd, Adelaide, Australia	1.5	29	1.7	35	
Pilatus Aircraft Industry (China) Co Ltd, Chongqing, China	0.7	15	0.1	2	
Total	100.0	1961	100.0	2113	

PILATUS ORGANISATION MANAGEMENT



MANAGEMENT OF PILATUS AIRCRAFT LTD

1	Fredy Glarner	VP Manufacturing
2	Daniel Geiser	VP Aircraft Assembly & MRO
3	Thomas Ochsenbein	VP Business Support & CFO
4	Ignaz Gretener	VP General Aviation
5	Markus Bucher	CEO
6	Jim Roche	VP Government Aviation & Deputy CEO
7	André Zimmermann	VP PC-24 Jet
8	Bruno Cervia	VP Research & Development
9	Roger Hess	VP Supply Chain & ICT

SUBSIDIARIES

PILATUS BUSINESS AIRCRAFT LTD, BROOMFIELD, USA

Oscar J. Schwenk	Chairman
Thomas Bosshard	CEO

PILATUS AUSTRALIA PTY LTD, ADELAIDE, AUSTRALIA

Oscar J. Schwenk	Chairman
Sebastian Lip	CEO



46°58'N, 8°23'E

PILATUS ORGANISATION

BOARD OF DIRECTORS



BOARD OF DIRECTORS OF PILATUS AIRCRAFT LTD

1	Bernhard Müller	Member
2	Gratian Anda	Vice Chairman
3	Oscar J. Schwenk	Chairman
4	Dominik Burkart	Member
5	Gerhard Beindorff	Member



PRODUCED BY

Pilatus Aircraft Ltd, P.O. Box 992, 6371 Stans, Switzerland, www.pilatus-aircraft.com

EDITOR

Commwork AG, Zug, Switzerland

DESIGN

Pilatus Aircraft Ltd, Stans, Switzerland

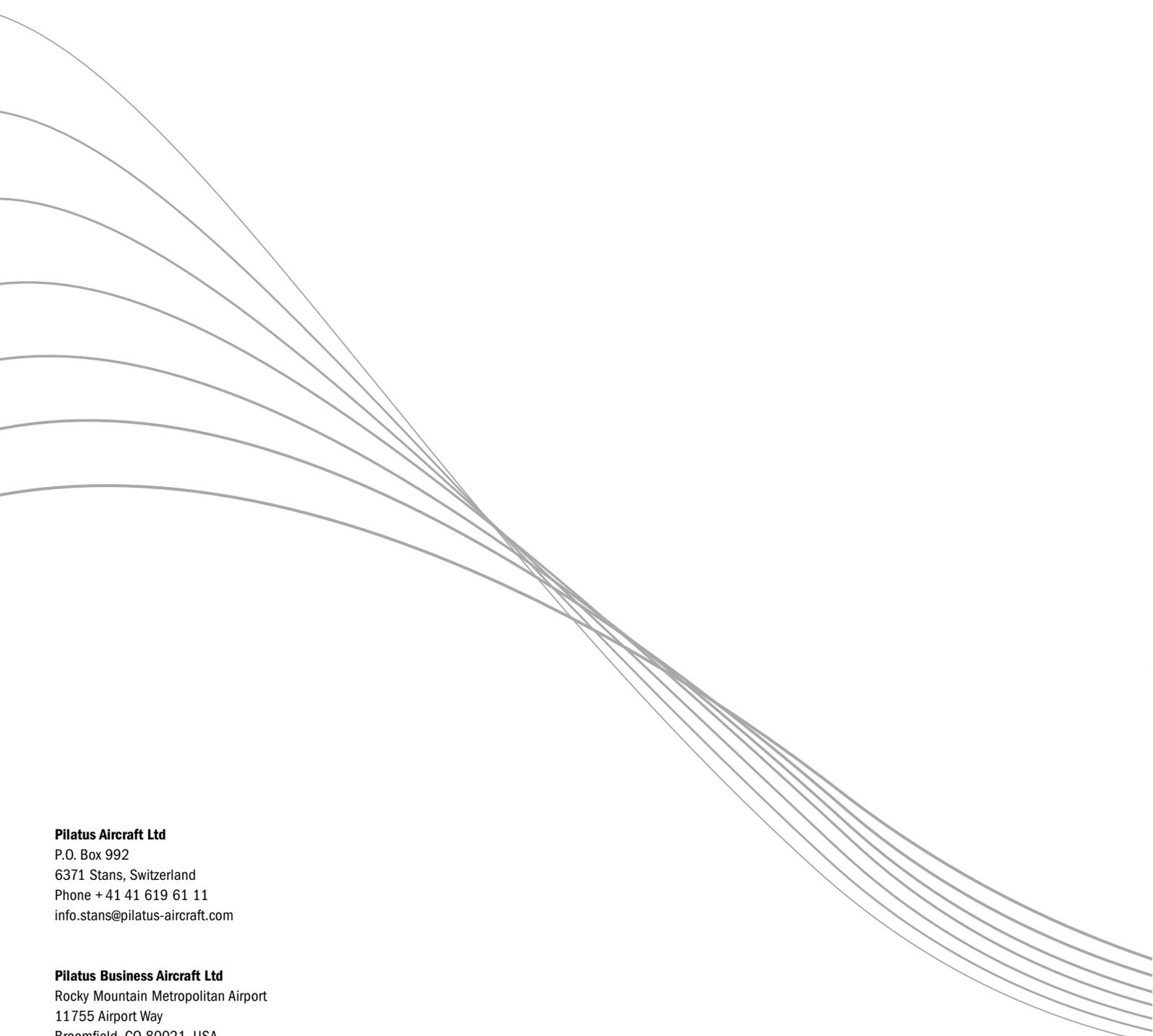
PRINT

Engelberger Druck AG, Stans, Switzerland

Copies of the annual report are obtainable in German and English by calling +41 41 619 61 11 or may be downloaded from the Pilatus website. Reproduction permitted with reference to source.



43°46'S, 170°8'E



Pilatus Aircraft Ltd

P.O. Box 992
6371 Stans, Switzerland
Phone + 41 41 619 61 11
info.stans@pilatus-aircraft.com

Pilatus Business Aircraft Ltd

Rocky Mountain Metropolitan Airport
11755 Airport Way
Broomfield, CO 80021, USA
Phone + 1 303 465 9099
info.broomfield@pilatus-aircraft.com

Pilatus Australia Pty Ltd

17 James Schofield Drive
Adelaide Airport SA 5950, Australia
Phone + 61 8 8238 1600
info.adelaide@pilatus-aircraft.com

www.pilatus-aircraft.com

**PILATUS**