



## Traffic and earnings growth continues

The Company's strong traffic and earnings growth continued through the third quarter, leading Senior Vice President T. W. Morton to predict that 1979 will be the best year in Piedmont's history.

Revenue passenger miles were up 32.5 percent for the July-through-September period, from 399,294,307 in 1978 to 528,850,415 this year.

### Ad agency change coming in January

Piedmont will start the new year with a new advertising agency. Vice President-Marketing William G. McGee has announced the appointment, effective January 1, 1980, of McKinney Silver & Rockett.

McGee said "Times and needs change. With the new marketing requirements and opportunities brought about by deregulation, Piedmont is positioning itself to take full advantage of this new and more-competitive environment. Our choice of McKinney Silver & Rockett was based on the quality and diversity of their ideas about our business and the professionalism demonstrated by their people."

The Company's advertising account was formerly held by Liller Neal Weltin, Inc. of Atlanta.

The McKinney firm, headquartered in Raleigh, North Carolina, has received many creative awards in national competition. The company's current client roster includes General Mills, Beatrice Foods, Sperry and Hutchinson, and Studebaker-Worthington.

### Sharp, McAlphin are new officers

The airline flight operations and scheduling departments are operating under the direction of newly-appointed officers.

Captain Gene F. Sharp is new staff vice president-flight operations. He replaces Vice President W. O. Tadlock who retired in August.

A native of Middlesboro, Kentucky, Sharp joined the Company as a pilot in 1961. He was later promoted to division chief pilot at the Knoxville base. Sharp moved to corporate headquarters in 1976 for management training assignments in several departments of the airline division. He was named director of flight operations in 1978.

Sharp majored in engineering and business administration at Carson Newman College and the University of Tennessee. In addition, he currently is a candidate for a Bachelor of Science degree in management from the University of Alabama.

Sharp is married to the former Catherine Bible of Morristown, Tennessee. They have three sons and a daughter.

Robert L. McAlphin is Piedmont's first staff assistant vice president-schedules.

Originally from St. Paul, North Carolina, he has been with the Company since 1955. McAlphin started as an agent in Charlotte, North Carolina. He moved to Winston-Salem as manager of reservations and space control in 1960. Since 1964, he has been director of schedules.

McAlphin was a staff sergeant in the U. S. Air Force prior to joining Piedmont. He graduated from the public schools in Stedman, North Carolina, attended the National School of Aero-

Passenger boardings rose 17 percent for the three months, from 1,265,751 last year to 1,482,018 at the end of September, 1979. The middle month of the third quarter, August, stands as the all-time-high month for passenger boardings. The airline carried a total of 536,751 passengers during August, 1979.

The passenger load factor for the July-through-September period was 58.57 percent this year as compared to 58.97 percent in the same months last year.

During the first nine months of 1979, revenue passenger miles increased 36.5 percent, from 1,051,631,102 last year to 1,436,042,140 this year.

Year-to-date passenger boardings totaled 4,154,480, up 22.9 percent from the 3,380,417 carried in the comparable months of 1978.

The passenger load factor for January-through-September, 1979 was 58.41 percent. In the same period last year it was 54.92 percent.

Senior Vice President W. R. Howard announced the traffic figures the second week in October. The earnings were released later in the month.

Piedmont Aviation, Inc. had third-quarter earnings of \$4,980,000, or \$1.58 per share. This is an increase of 81.4 percent over third-quarter 1978 earnings of \$2,746,000, or 96 cents per share.

Gross revenues rose 41.9 percent from \$70.8 million in the third quarter of last year to \$100.5 million this year. Costs and expenses were \$92.4 million for the July-through-September period this year, up 36.1 percent from \$67.9 million in the comparable period of 1978.

During the first nine months of 1979, the Company had net income of \$10,348,000, up 128.7 percent from \$4,525,000 in the same period last year.

Gross revenues for the nine months were up 33.2 percent to \$260.9 million from \$195.8 million during the same months of 1978.

Costs and expenses rose 28.7 percent through September this year to \$244.4 million. For the first nine months of 1978, costs and expenses totaled \$189.9 million.

The Airline Division earned \$6,520,904 before taxes for the third quarter of 1979. The General Aviation Group and other operations had pretax earnings of \$1,571,575 in the July-through-September period. For the same period of 1978, the Airline Division posted a pretax profit of \$2,086,057. Other operations earned \$851,707 before taxes.

In announcing the financial results, Senior Vice President T. W. Morton said, "We are gratified with these results, especially at a time when most other airlines are reporting declining earnings. A continuation of this trend will be difficult in view of rapidly escalating fuel and personnel costs and during a period of time when many are predicting a recession. In any event, we expect 1979 to be the best year in our history."

### Nashville chosen as site for new reservations center

Piedmont's second reservations center will be located in Nashville, Tennessee.

Plans are to open the new complex in April, 1980 with 160-plus employees in full, intermediate and part-time agent positions.

Prior to the opening of the Company's first central reservations office in Winston-Salem in May, 1971, each station had its own reservations personnel and phone lines. The consolidation was expected to accommodate normal growth for about 15 years.

The CRO opened with about 375 employees and 200 phone lines. In eight years, there have been three major equipment expansions. More than 650 employees currently staff the reservations office, which has 330 phone lines today. Much of the growth is directly attributable to deregulation. The rapid expansion of our route system to the west made Nashville the logical choice for an additional, centrally-located reservations complex. The new center will have 66 phone lines covering Denver, Dallas/Ft. Worth, Atlanta, Louisville, Chicago, Memphis, Lexington, Cincinnati and Nashville. The Winston-Salem res office will retain coverage of the remaining cities on Piedmont's system.

### Dividend declared

The Company's board of directors declared a cash dividend of 6 cents per share on Piedmont's common stock at its regular quarterly meeting in Winston-Salem on October 17, 1979.

Payable December 3, 1979 to stockholders of record on November 16, 1979, this is the ninth consecutive quarterly dividend paid by the Company. Historically, it is Piedmont's 23rd cash dividend.

G. F. Sharp Staff Vice President—Flight Operations



R. L. McAlphin Staff Assistant Vice President—Airline Scheduling