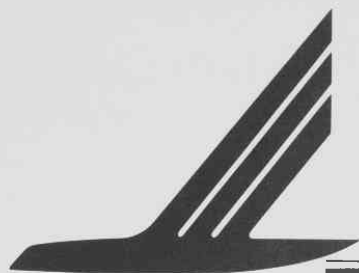


Oct 1983



PIEDMONITOR

News about Piedmont. The Up-And-Coming Airline.

Henson's fleet is getting a new paint job in Piedmont colors as the airline prepares to join us this month, eventually to become a wholly-owned subsidiary. The Piedmont Regional Airline has a fleet of six 50-passenger deHavilland Dash-7 turboprops, six 15-passenger Beechcraft 99 turboprops, and four 30-passenger Shorts 330 turboprops. Henson, which serves 15 airports, has 52 departures daily at BWI.



Henson-Piedmont combination 'a winner'

Henson Aviation will begin flying in Piedmont colors on October 30 when the regional airline officially becomes part of the Piedmont family.

Henson's fleet of 16 aircraft is getting a new paint job with Henson in bold red lettering on the side and the Piedmont Regional Airline along with our logo on each aircraft's tail.

But a new look is just one of the many changes taking place at Henson this month. Our reservations offices are now booking passengers on Henson, and Piedmont's new system timetable incorporates

Henson's schedule with ours. We're handling customer service, ground handling, and air freight at many locations where we both provide service. And we're conducting training sessions for Henson and Piedmont station managers in locations where both airlines operate.

At BWI in particular where Henson has 52 departures daily, schedules have been tailored for connections with Piedmont's 36 flights.

"At BWI, we'll be doing customer contact work at the ticket counter for Henson," Allen Perry, director-station administration, said. "We'll

also take care of any mishandled baggage and air freight. Henson will perform their own customer contact at our gates and ground handling."

Henson has purchased four buses, each with a 50-passenger capacity, for its BWI operation. The commuter's buses will taxi from under Piedmont's concourse to a point about one-half mile away for passengers to board flights. The airline will have a holdroom on the ground level of our concourse.

"I think it's going to be a fantastic operation," Perry said. "What I really like is that passengers will board

the buses under our concourse near our operations area where they'll stay warm and dry in bad weather."

At BWI, connecting times between Henson and Piedmont flights will be just 25 minutes.

"The standard time most airlines allow for connections at BWI is 35 minutes," Quentin Bondurant, schedule analyst, INT, said. "Our standard connecting time for our flights as well as those with Henson is just 25 minutes."

Henson provides nonstop, round-

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Sale of tax credits boosts earnings for third quarter

Piedmont reported earnings of \$25,046,000 or \$1.88 per share for the third quarter, a 45.2 percent increase over the same period in 1982 when we had earnings of \$17,255,000 or \$1.61 per share.

Operating revenues for the quarter rose to \$241,016,000 from \$180,746,000 for the same period a year earlier, or a gain of 33.4 percent. Operating costs and expenses were up 27 percent for the quarter to \$212,410,000.

For the first nine months of this year, Piedmont reported earnings of \$13,683,000 compared to \$26,099,000 a year earlier. Operating revenues grew 27 percent to \$624,979,000 and operating costs and expenses rose 28.1 percent to \$595,083,000.

Our operating income for the third quarter was \$28.6 million, a substantial improvement over the \$13.5 million reported for the same period in 1982. T. W. Morton, senior

vice president-finance, credited strong traffic growth, an increase in passenger fares, and lower fuel prices for the improvement.

In addition, Morton said that almost \$13 million was derived from the sale of tax benefits under so-called safe harbor leases during the third quarter of this year. Piedmont's net income before taxes was up 280 percent from the \$8.4 million reported in 1982 to \$31.9 million this year.

Morton said income taxes were \$6.9 million in 1983, versus a credit of \$8.9 million last year. Net income after taxes was up 45 percent from the \$17.3 million reported in 1982 to \$25 million in 1983.

Morton also added that traffic and fare trends indicate that Piedmont will experience continued improvement in earnings for the fourth quarter.

