



PIEDMONITOR

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

Piedmont, Empire reach merger agreement

New destinations, more jet aircraft and more personnel will join the Piedmont family when our merger with Empire Airlines is approved.

The most obvious growth will be in the Northeast, where we will increase service at certain shared destinations and add flights to some new cities. There's room to grow in that 15 of Empire's 25 destinations are not on our current route system, although one of those cities — Buffalo, N.Y. — will be added in mid-December.

In addition, our F28 fleet will grow by 17 aircraft beyond the F28's we already have on order, we'll gain almost 1,000 new employees, and we'll acquire a fourth hub at Syracuse, New York.

Piedmont and Empire entered into a merger agreement October 2. Under the agreement, Piedmont will acquire the stock of Empire Airlines and Empire will merge into Piedmont and carry our name. The merger agreement is subject to the approval of the Empire stockholders and the Department of Transportation, and both approvals are expected by early 1986. Pending such approval, both airlines will continue to operate separately.

opportunity

"This is another excellent opportunity for us to grow," Bill Howard, president and chief executive officer, said.

"The two airlines fit together well both in terms of route structure and aircraft. Empire has a strong presence in upstate New York and New England. This is an area Piedmont has targeted for growth, and the acquisition of this outstanding airline will accelerate those plans."

Why are we merging rather than making Empire a wholly-owned subsidiary as in the case of Henson?

"Because Empire's system is fairly large and the airline is an all-jet operator, a merger will be much more efficient, enabling us to have cross-utilization of people, facilities and equipment," Howard explained.

"Like us, they have grown very quickly, and their Syracuse hub looks much like our hub at Charlotte before the new terminal building opened four years ago.

They currently have a program underway to upgrade the facility."

beneficial

The merger will be beneficial in many ways:

* We will gain a Syracuse hub, basically east-west, which will complement our BWI hub which is primarily north-south.

* Our presence in the Northeast will increase dramatically as we add new destinations in five states and Canada.

* Overnight, we will be one of the largest carriers in the New York market with new service to JFK and additional slots at LGA and EWR.

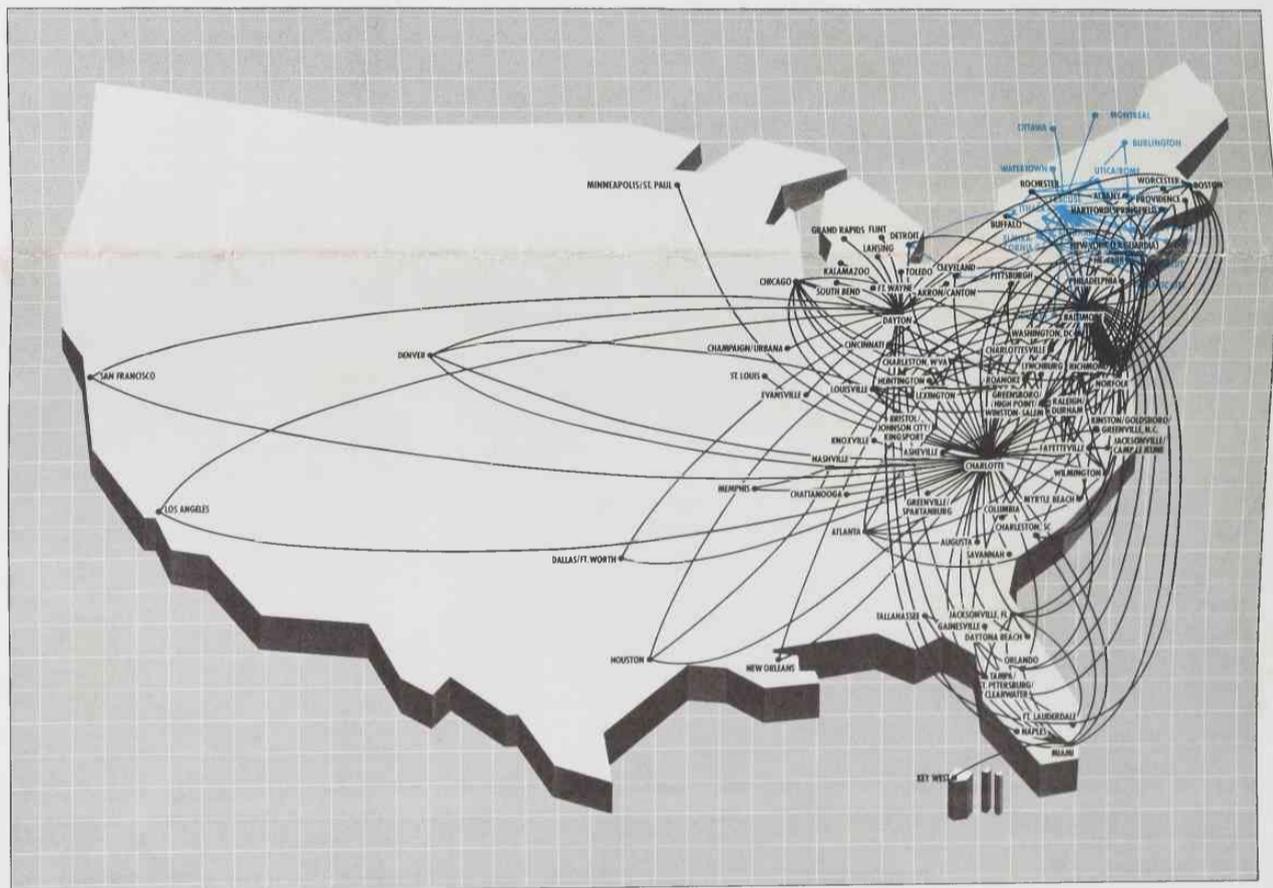
* Empire also serves DCA, and

the merger will enable us to grow at an airport where no more slots are available.

* Because Empire flies F28's, the equipment match-up is ideal.

Just as Piedmont was the "Airline of the Year" in the major airline category for 1984, Empire was voted regional "Airline of the

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Empire's route system (in blue) will mesh well with our system. The merger agree-

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Transportation, and both approvals are expected by early 1986.

PI 'Shuttles' to two new Florida markets

As promised, The Piedmont Shuttle is expanding into its second phase. On Jan. 15, Pensacola and West Palm Beach will be added to the list of cities on the Shuttle route — with three daily flights each — plus additional service at Fort Lauderdale and Orlando.

According to Dick James, staff vice president-corporate planning, officials of the company want to initiate service first where needs are greatest. "The Shuttle was primarily designed to serve the needs of travelers within the state of Florida, so any initial tie-in with the entire Piedmont

system is by chance right now," James explained. "When you think that the distance between Pensacola and Fort Lauderdale is about the same in air time as going from Charlotte to Chicago, you can see why statewide service would be so attractive to Florida businessmen. For a number of years, conveniently-timed Florida intrastate jet service simply didn't exist."

Pensacola (PNS) will have daily nonstops to Orlando and one-stop or connecting service to Fort Lauderdale and West Palm Beach (PBI). Service at West Palm Beach also includes daily nonstops to

Orlando as well as one-stop or connecting service to Tallahassee and Pensacola.

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