



PIEDMONITOR

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Newest jet arrives complete with icicles at no extra cost.

Modifications Underway on Additional Jet

"It was a dark and stormy night" to borrow an opening phrase from one of the better known aviation commentators, when the latest addition to Piedmont's fleet arrived in Winston-Salem. Snoopy would have approved as the Boeing 737 gently touched down at its new home base with sparkling icicles glistening on the wings.

The rather worn paint scheme of United Air Lines will soon be stripped from N9049U to be replaced with Piedmont's own version of red, white and blue.

United sold the airplane to the General Electric Leasing Company and Piedmont has signed an agreement to lease it from them for ten years. The agreement also includes an option for Piedmont to purchase the plane after two years. This is the first plane Piedmont has leased since the Company flew the Boeing 727's while waiting for the delivery of the 737's in 1968. In owning all of its aircraft Piedmont has been in a unique position in the airline industry, especially among the regional carriers.

Scheduled to go into service the latter part of April the newest jet's instrumentation system will be completely modified to Piedmont's standards. The interior will also be redone to conform to the other 12 737's in the fleet.

While modifying the aircraft's instrument system Piedmont's maintenance personnel will also install the McDonnell-Douglas Collision Avoidance System test equipment. It will be used for testing and approval purposes by the Federal Aviation Administration.

For the past several months United has been testing the CAS equipment in several of their 737's. They announced satisfactory results from their trial usage but said they would not enter into a procurement agreement for the equipment until the FAA had established standards for it.

Piedmont's total cost for the new plane including the modifications to standardize it to the Company's specifications is \$3.5 million.

Financial Report Shows Piedmont Aviation, Inc. Made Money Last Year

Thanks to the General Aviation Division the Company as a whole has reported net earnings of \$383,782 or 17¢ per share for 1971 as compared with a net loss of \$2.57 million or \$1.17 per share in 1970.

The General Aviation operation generated a net profit of \$824,004 while the airline division of the Company had a net loss of \$440,222 for last year.

In making the announcement Vice President-Finance T. W. Morton attributed the improvement principally to a 5% traffic growth, the 6% fare increase granted by the Civil Aeronautics Board in May, 1971, a \$2.7 million increase in public service revenue and a \$658,000 increase in pretax earnings of the Company's General Aviation operation.

Total gross revenues were \$98.2 million in 1971, a 15% increase over the \$85.8 million in 1970. Total expenses and other costs were \$97.8 million as compared to 88.6 million the year before, a 10% increase.

Passenger traffic growth during each quarterly period in 1971 over the same periods in 1970 were 1%, 4%, 8% and 9% respectively.

The early figures for 1972 are showing improvements in other areas of the Company's operations as well. The airline division achieved a 12% traffic in January, 1972 over January 1971. The load factor for the first month of this year was also up, 7% over last year to 45.01%.

Mechanically speaking the January 1972 statistics further revealed that the on-time performance of flights operated not more than 15 minutes late was 70.74%. The mechanical dispatch reliability was 98.8% for the FH-227's, 99.2% for the YS-11's and 98.3% for the Boeing 737's.

The Company's common stock which is traded in the Over-the Counter market was at 10 3/4 bid, 11 1/8 ask at the end of January this year.

Board Allows Deletion

The Civil Aeronautics Board has issued an order which will allow Piedmont to delete its service to the New River Valley Airport serving the cities of Blacksburg, Pulaski and Radford, Virginia.

The authority granted in the order is effective April 13, 1972.

The Company had requested the authority to end service to PSK in 1970 because much of the area's traffic was being diverted to Roanoke.

Final plans for ending the service have not been worked out yet but an announcement will be made as soon as possible.

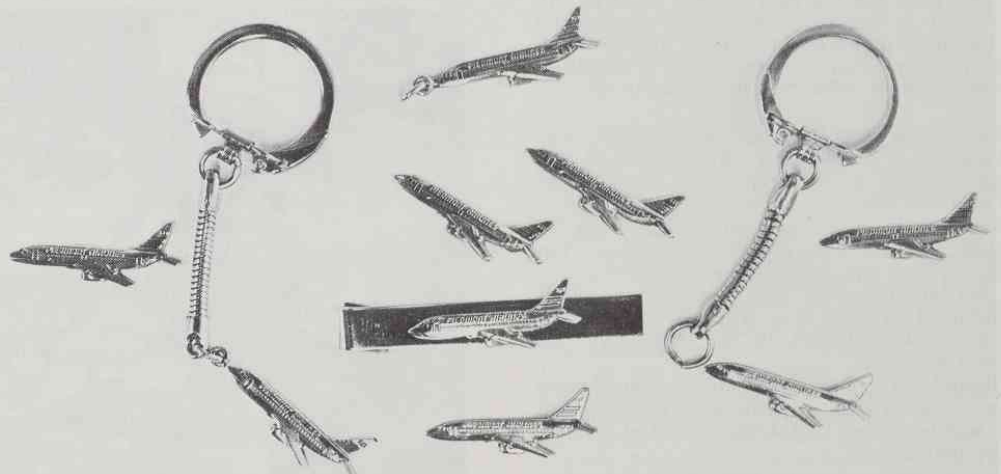
Gifts And Goodies Galore Now Available

No more griping all you grouches and groaners! Get out of your glummy gully and gulp down your grudges. Piedmont has a new glossy, four-color in fact, gallery of goodies for golfers, gold (and silver too) gourmets and goers (that's you and the passengers too).

You may gorge your good taste without gouging your green supply and that's the gospel you gluttons. Effective March 1 we will have joined the group of airlines offering in-flight gift catalogues. With everything from golf accessories to gold filled jewelry you'll find goodies to gratify everyone from grannies to governors.

Gaze, glimpse, glance, gawk or gape at the glittering array of goods and then gloat as you order gobs of them, all guaranteed to gladden even a gift bearing Greek.

We hope you've gotten the gist of this somewhat garbled message but just in case our goofy grammar got out of grasp more definite details have been divulged on page two.



Full details for ordering the jewelry can be found on page two.