

Board announces tentative approval of route re-alignment

In issuing a show cause order the Civil Aeronautics Board recently indicated its tentative approval of Piedmont's application for route realignment.

When the order was issued in mid-July the CAB directed interested parties to show cause why it should not realign Piedmont's route system by consolidating the existing 14 segments into one segment and by eliminating certain restrictions.

When the announcement was made Senior Vice President C. G. Brown said, "We are pleased with the Board's action. Final approval will give us much greater operating flexibility and will substantially improve our capabilities in the markets we now serve."

In addition to the realignment, Piedmont's certificate would be amended to eliminate or modify stop requirements in many restricted markets, modify certain long haul restrictions and eliminate certain single plane restrictions.

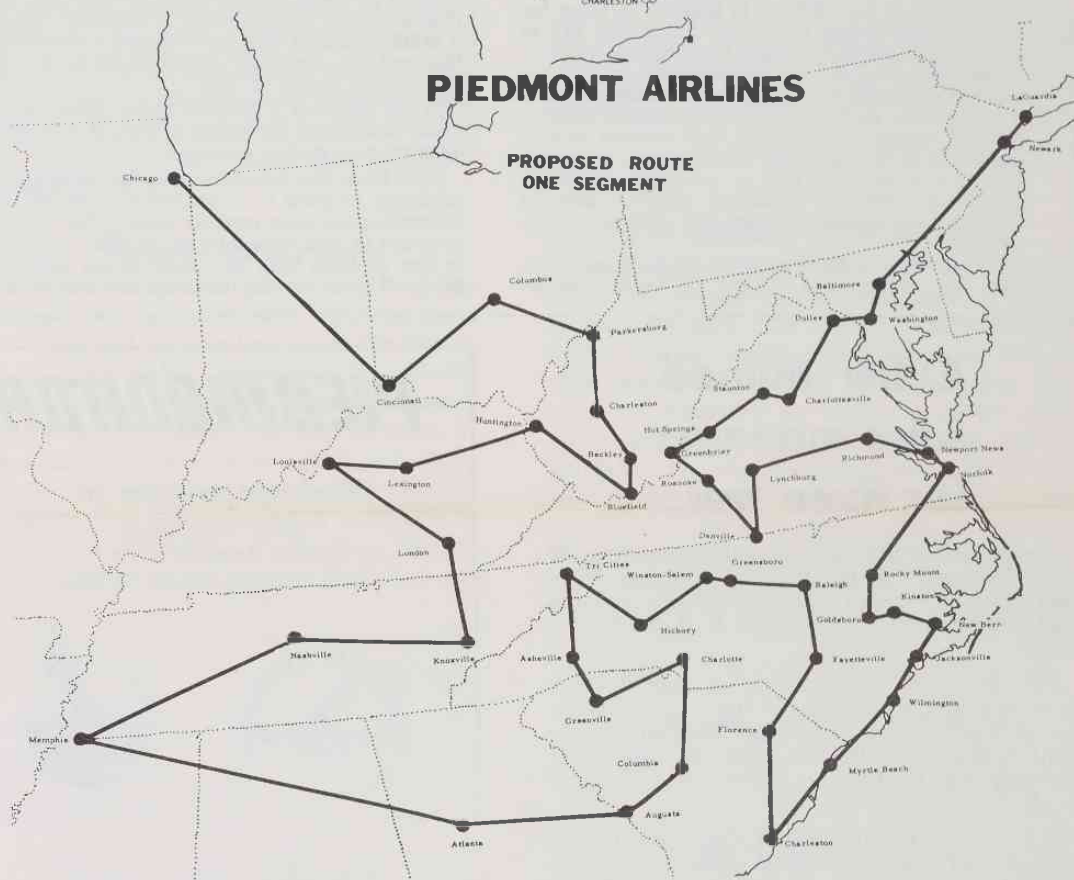
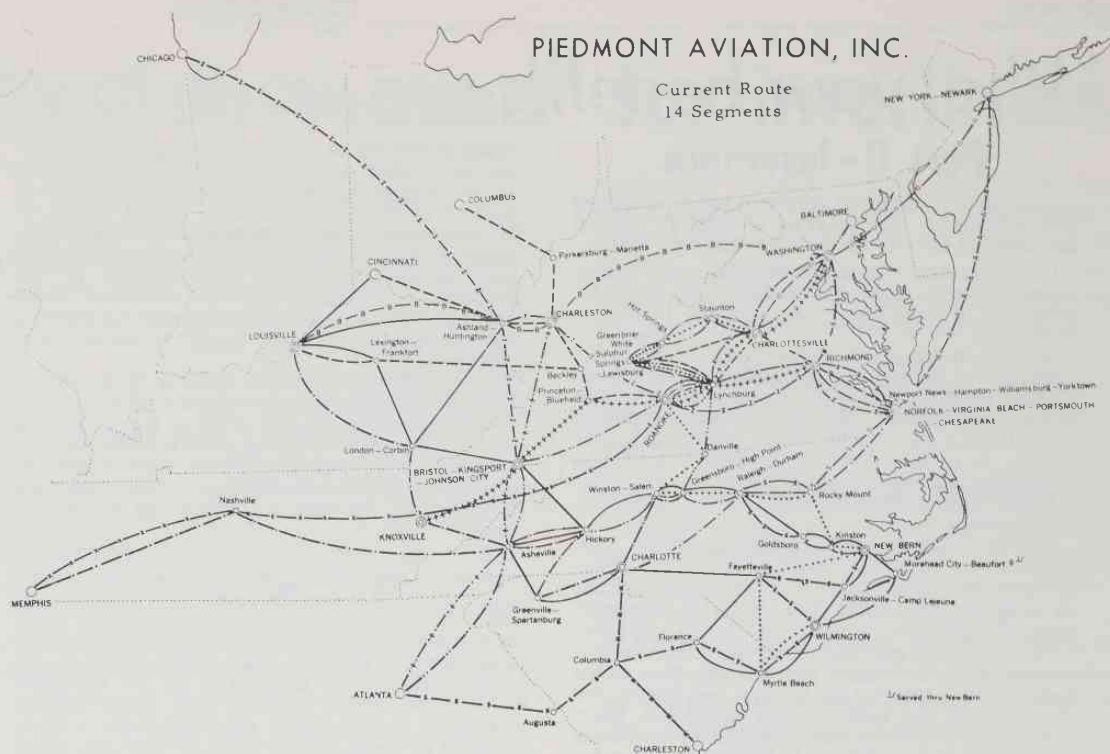
August 11 was the deadline for interested parties to respond. There was an objection filed by the city of Louisville, Kentucky. The Board has not commented on Louisville's action.

When looking at the current and proposed route maps, shown on right, it should be understood that the order of points on the proposed new certificate has no significance.

Except where specifically restricted the proposed new authority will be non-stop between all points.

For example, between Chicago and Cincinnati, which are consecutively named, Piedmont will have a one stop restriction. This means that flights between these points, if they are offered, will be required to stop at Ashland/Huntington. Thus, this particular authority would be identical to that we now have.

The benefits of the route realignment will be more long range than immediate, after final approval by the CAB.



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Revenues, income and earnings are up

Total gross revenue for Piedmont Aviation, Inc. during the second quarter were up 18.5 per cent over the second quarter of 1972 to \$34,210,220.

Net income increased 33 per cent during the second quarter, compared to the same period last year, to \$2,592,400.

Primary earnings per share for the second quarter were \$1.06, up from \$.80 last year.

Net income for the first half of 1973 was \$1,040,327. This is slightly less than the \$1,162,800 recorded during the same period last year as a result of losses suffered during the first quarter of 1973.

Primary earnings per share were also down during the first half of the year, from \$.48 last year to \$.42 for the first six months of 1973.

When the announcement was made President T. H. Davis said "We are pleased with our traffic and financial results for this quarter. On August 1 we place an additional Boeing

737 jet into service. This increase in capacity as well as anticipated favorable results on our route realignment application should further improve our earnings during the remainder of 1973. Unless some unforeseen development occurs, it appears that this, Piedmont's 25th anniversary year, will be the most profitable in our history."

The Company continues to set traffic records. During June 323,991 passengers were enplaned, topping the previous record of 316,181 set in May.

June's boardings represented an increase of 12.9 per cent over the same month last year. Revenue passenger miles for the month were a record 91,409,467, up 14.9 per cent over June, 1972.

During the first half of 1973 Piedmont carried 1,696,200 passengers, a 12.1 per cent increase over the first half of 1972. For the first half of this year revenue passenger miles are up 14.2 per cent over the same period last year to 475,659,417.

Directors elect Magruder to board

The Company's Board of Directors elected Alex H. Galloway to the Executive Committee at the regular summer meeting.

Galloway, who recently retired as Chairman of the Board of R. J. Reynolds Industries, has served on Piedmont's Board since 1970. The other members of the Executive Committee are President T. H. Davis and John F. Watlington, Jr. Watlington is President of Wachovia Bank and Trust Company, N. A.

The Board also elected William M. Magruder a director of the Company. Prior to joining Piedmont as Executive Vice President in May, Magruder was a special consultant to President Nixon in technological areas and Director of SST Development for the Department of Transportation.

The directors also passed a resolution honoring C. E. Norfleet for his many contributions to the Company and to the aviation industry. Norfleet served on Piedmont's Board from January, 1948 until his death in April of this year.