



An airplane wing served as a good contract signing spot when Frank Marshall signed papers transferring the assets of his company to Piedmont Aviation, Inc. Manassas Mayor Harry Parrish and Piedmont Executive Vice President William Magruder were also on hand for the occasion.

## Piper group grows

Piedmont Manassas Aero is the newest general aviation activity of the Company. It was established late last year following completion of the purchase of Marshall Aviation, Inc. of Manassas, Virginia.

Piedmont bought the principal assets and leasehold rights of the Marshall firm including the Manassas Airport lease, the Marshall facilities and the Piper and Lycoming distributorships.

The acquisition extended the Piedmont Piper Sales Division's franchise for wholesale sales of Piper aircraft and other products to all of Virginia and Maryland and to the District of Columbia.

The Manassas Municipal Airport is extensively used for general aviation operations in the Washington area.

The new Manassas operation has become part of Piedmont's Piper group which also includes Central Piedmont Aero and Piedmont Piper Sales. Its retail activities will include plane, parts and fuel sales as well as maintenance services and flight instruction.

Bob Hardesty, who was business manager for Piedmont's general aviation activities at Norfolk, was named manager of Piedmont Manassas Aero.

# Financially, '74 was Piedmont's best year

Despite declines in traffic and income in the fourth quarter Piedmont Aviation, Inc. reported record earnings for 1974.

The Company had earnings of \$7,047,318 last year compared with \$3,315,909 in 1973.

Primary earnings per share were up from \$1.35 in 1973 to \$2.86 per share in 1974.

Gross revenues for the Company were \$161,877,306 in 1974 as compared to \$129,030,147 a year earlier, an increase of 26 per cent.

Costs and expenses rose 22 per cent from \$124,622,731 in 1973 to \$152,405,948 in 1974.

The Airline Division showed earnings of \$6,291,223 on gross revenues of \$136,711,607 for 1974. In 1973 the airline earned \$2,806,443 on gross revenues of \$111,447,634.

General Aviation and other operations had earnings of \$756,095 on gross revenues of

\$25,165,699 in 1974 as compared to earnings of \$509,466 on \$17,582,513 gross revenues during the prior year.

While the Company as a whole had a 1974 fourth quarter net income of \$130,643, as compared to \$874,191 a year earlier, the Airline Division posted a loss of \$77,407 for the last quarter. In the 1973 fourth quarter the airline had a net income of \$710,321.

When President Tom Davis made the announcement of last year's earnings he said "The airline division's loss during the fourth quarter, as compared to the substantial profit shown during the same period in 1973, was the result of unusually high traffic growth in the last quarter of 1973 because of automobile gas shortages on the one hand and severely depressed traffic in the 1974 fourth quarter because of general economic conditions on the

other. Greatly increased fuel cost also contributed to the loss" he said.

In other financial news of the Company, the directors of Piedmont Aviation, Inc. declared, in January, a cash dividend of ten cents per share on the Company's common stock. The dividend was paid March 3, 1975 to stockholders of record on February 14. It was the twelfth cash dividend to be paid by the Company. The first was in 1964. In addition, the Company has paid four 10 per cent stock dividends, in 1961, 1963, 1969 and 1973. There were two cash dividends paid last year. At their October, 1974 meeting the directors initiated a policy of considering payments of cash dividends on a quarterly basis.

The complete Annual Report to Stockholders for 1974 was mailed in mid-March.

## We're number one again

It isn't easy to better the best. But Piedmont has managed to do just that.

After having had the happiest customers among all the regional airlines during all of last year, Piedmont produced an even better record for the first month of 1975.

In January Piedmont had the best passenger complaint record among all the nation's airlines.

According to the monthly report of the Civil Aeronautics Board's Office of the Consumer Advocate, Piedmont had only 2.49 complaints per 100,000 passengers boarded. Next closest was Delta with 3.23 complaints.

Since this report was started in 1970 Piedmont has always ranked first or second among the regional carriers and near the top in the entire industry.

### Annual Meeting

Notices of the annual meeting of shareholders of Piedmont Aviation, Inc. have been mailed out. The meeting will be at the Company's general office headquarters, Smith Reynolds Airport, Winston-Salem, North Carolina on Wednesday, April 16, 1975 at 10:00 a.m.

Shareholders will vote on the election of 12 directors. They will consider adoption of the 1975 Employee Qualified Stock Option Plan and adoption of the 1975 Employee Nonqualified Stock Option Plan.

## Fourth quarter traffic decline continues in January, February

*Editor's note: The practice of comparing monthly traffic results between one year and the immediately preceding year does not always present an accurate picture of the situation. As you, Piedmont's employees, note the following statistics on January and February 1975 as compared to the first two months of 1974 remember that 1974 was anything but a traditional year for Piedmont. The first quarter of last year was, by far, the best first quarter Piedmont and the regional airline industry has ever had. Severe automobile gasoline shortages had put a lot of people on airplanes. The changes in the fuel supply situation and the general economy which we have seen since then are reflected in these comparative figures.*

Piedmont's traffic, which started to fall off in the fourth quarter of last year, continued to slip during January and February.

Available seat miles was the only category in the comparative traffic results which showed an increase for the first two months of this year. For January and February ASMs were up 15 per cent, to 340,422,472 this year as compared to 296,008,344 in 1974.

The number of passengers who flew Piedmont was down 5.28 per cent in January and 14.50 per cent in February for a year to date decline of 9.89 per cent. The actual count showed 254,354 passengers boarded in January and 229,653 carried in February of 1975 as compared to 268,528 in January and 268,595 in February of last year.

Revenue passenger miles, which are down 5.87 per cent through the first two months of this year, slipped 1.89 per cent in January and 9.93 per cent in February. The year to date

totals for RPMs show 139,423,362 for 1975 compared to 148,113,095 a year ago.

The passenger load factor was 40.50 per cent in January of this year as compared to 48.08 per cent for the first month of 1974. For February, 1975 the load factor was 41.48 per cent. In the same month last year it was 52.20 per cent. The year to date load factor shows 40.96 per cent for 1975 as compared to 50.04 per cent a year earlier.

When Senior Vice President Ken Ross made the announcements of the traffic results he noted that Piedmont's traffic volume traditionally improves after the first quarter of the year. He also said, "We feel that the deterioration in our traffic is a result of the general economic situation. However, we anticipate an upturn later in the spring."