



This could be the picture worth a thousand words. It might be yesterday and today. It could be National Transportation Week, which was May 13th-19th, this year. Maybe it is a commentary on clean air. Or, a perfect ad for how to avoid waiting in gas lines.

Second quarter will cover loss in first

When Senior Vice President T. W. Morton announced the Company's first quarter financial results, he said profits produced in the second quarter would be well in excess of the first-quarter loss.

The second-quarter traffic results, see story below, have verified his prediction.

Financially, Piedmont's best first quarter news was the dividend payments to shareholders. The Company's board of directors declared the first 1979 dividend in January. The six cents (6¢) per share on the common stock was paid March 5, 1979 to stockholders of record on February 16, 1979. At their regular quarterly meeting in April, the directors declared the 21st cash dividend to be paid by the Company. It, too, was six cents (6¢) per share, paid June 1, 1979 to record stockholders on May 15, 1979.

The April directors' meeting followed the annual meeting of Piedmont's stockholders. A complete transcript of that meeting is on pages five, six, seven and eight of this issue.

During the first quarter of this year, Piedmont Aviation, Inc. had a net loss of \$3,582,000, or \$1.18 per share. In the same period of 1978, the Company had a deficit of \$565,340, or \$.21 per share.

Gross revenues rose 10.8 per cent from \$58.8 million in the first quarter

of 1978 to \$65.2 million in the comparable period this year. Costs and expenses were up 17 per cent this year to \$70.2 million from \$59.9 million in the first three months of 1978.

The Company's Airline Division had a loss of \$3,723,000 for the January-through-March period of 1979 while the General Aviation Group and other operations earned \$141,000.

The Airline Division's gross revenues for the periods were \$54.9 million in 1979 and \$45.9 million last year. Gross revenues of the Company's other operations were \$10.3 million in the first three months of this year as compared to \$13.0 million in the same months last year.

As Morton said, "The usually weak first quarter was even worse this year because of exceptionally poor flying weather and abnormal increases in fuel and labor costs. Continuing high start-up costs for several new routes also contributed to the unfavorable results. With substantial traffic growth, which began in mid-March, plus higher fares instituted as an offset against cost increases, the second quarter should be much better."

Financial results for the second quarter will be announced in late July.



PIEDMONITOR

May/June, 1979
Vol. XXX, No. 3

New traffic records set in second quarter

During April, May and June, 1979, Piedmont Airlines set a variety of new traffic records. It was the best second quarter in the Company's history.

Available seat miles increased 27.95 per cent for the three-month period, from 642,596,043 in 1978 to 822,215,659 this year.

Revenue passenger miles were up a whopping 47.36 per cent in the second quarter, from 369,091,885 in the comparable period last year to 543,887,205 in 1979.

Passenger boardings rose 30.44 per cent in the second three months of the year, to 1,548,321 from 1,186,971 last year.

The passenger load factor for the quarter was 66.15 per cent, up from 57.4 per cent in April, May and June of 1978.

New daily and monthly highs produced the record-setting second quarter totals.

In April of this year, revenue passenger miles were 174.6 million, a 52.3 per cent increase over April, 1978, reflecting the best year-to-year

rate of growth at that point in the airline's 31 years of operation.

An all-time high passenger boarding record was set with 495,675 enplanements for the month. The previous monthly record was 445,011 in August, 1978. April, 1979 boardings were up 33.2 per cent over the same month last year. There were also three new daily boarding records set during the month. April 16, 1979, with 20,011 passengers carried, stood as the record day until late May.

The passenger load factor for April was a record 69.24 per cent, up from 55.46 per cent in the same month last year.

May traffic bettered the records set in April. In the second month of the second quarter, the airline's revenue passenger miles were 187.6 million, up 52.4 per cent over May of last year. This supplanted the best year-to-year rate of growth in the airline's 31 years of operation, set a month earlier.

In May, 1979, for the first time in its his-

tory, the Company carried more than half a million passengers in one month. The new all-time high monthly passenger boarding record was 534,003 enplanements, a 34.9 per cent increase over May, 1978. Another new daily boarding record was set May 25, 1979 when 20,602 passengers flew Piedmont.

The passenger load factor for May, 1979 was 64.72 per cent, up from 56.32 per cent in the same month last year.

The strong traffic growth continued in June, with revenue passenger miles increasing 38.36 per cent to 181,620,169 this year, from 131,266,397 in June, 1978.

During the final month of the second quarter of this year, 518,643 passengers were carried, an increase of 23.80 per cent over the same month last year. This was the second time in which the Company boarded more than half a million passengers in one month.

The passenger load factor for June of this year was 64.84 per cent as compared to 60.44 per cent in June, 1978.

Credit union offers new certificates of deposit

The Credit Union board of directors has announced a new certificate of deposit offering.

The term for the new certificate is six months. Previous issues have had a one-year minimum. The last time the Credit Union revised its certificates of deposit was October, 1978.

Any amount from \$10,000 to \$50,000 will be accepted in this new program. Members' present share and certificate balances in the Credit Union determine eligibility limits.

The interest rate will vary based on the date of issue and the rates being paid by other financial institutions. Interest will be credited to members' regular share accounts each quarter and adjusted for remaining interest due at maturity.

If the certificates are cashed prior to maturity, substantial interest penalties will be applied.

The new offering has a total limit of \$500,000. These new six-month certificates will be issued on a first-come, first-served basis. The Credit Union expects these certificates to be fully subscribed. If you are interested and want further information, you should contact the Credit Union office at (919) 767-5368.

Powell will head airline operations control center

Reginald T. Powell has been appointed staff vice president-airline operations control center.

The AOCC, established earlier this year, will provide better coordination between departments to improve the speed and quality of decisions made and implemented during abnormal operations.

Dispatch, maintenance control, crew scheduling for pilots and flight attendants and central

reservations personnel for passenger handling and control will be located in the AOCC. The offices, currently under construction, will be in the general office building in Winston-Salem. The actual consolidation of personnel is scheduled for mid-July.

Each of the employee groups involved will continue to report directly to their current departmental management. During abnormal operating conditions, Powell and his group will ensure that all options are considered and decisions implemented in the Company's best overall interest. Passenger needs will have a high priority in the decision-making process.

A native of Aulander, North Carolina, Powell graduated from high school in Norfolk, Virginia and attended the University of California Extension in Tokyo, Japan.

Prior to joining Piedmont as a flight purser in 1951, he was a staff sergeant in the U. S. Air Force. His former positions at Piedmont include agent and chief agent in Norfolk, station manager in Elizabeth City, Louisville and Atlanta. He has been manager of ground operations, in Winston-Salem, since 1974.

A past president of the Atlanta Airport Kiwanis Club, Powell is married to the former Lois Rice of Norfolk. They have a son and a daughter.



R. T. Powell,
staff vice president,
airline operations
control center