



**Terry Smith from the accessory shop was among the general office employees who expressed their care for the community this Thanksgiving. See story on page four.**

## Thanksgiving holidays set traditional traffic records

During the first two months of the fourth quarter the Airline Division's traffic has shown continued growth, setting new October and November records as well as a new daily high for boardings.

The new daily enplanement record was set the Wednesday before Thanksgiving, November 21, when 21,132 passengers were carried. The Company's previous record day was May 25, 1979 when 20,602 passengers flew Piedmont.

For the past ten years the Thanksgiving holidays have set new traffic records. This year Piedmont's revenue passenger miles for the five-day, Wednesday-through-Sunday period rose 32.2 percent over the comparable days last year to 8,020,768.

In October of this year, compared to the same month in 1978, the Airline's available seat miles were up 43.44 percent to 335,244,022. Revenue passenger miles increased 31.39 percent to 170,715,130. Enplanements were up 13.56 percent to 470,926. The passenger load factor was 50.92 percent this October. The tenth month last year showed a load factor of

55.59 percent.

The November statistics showed a whopping 46.06 percent jump in available seat miles to 331,957,674. Revenue passenger miles totaled 161,541,673, up 30.44 percent. Passenger boardings increased 12.21 percent to 436,674. The passenger load factor was 54.49 percent for November of last year. It was 48.66 percent this year.

Our year-to-date traffic figures show Piedmont posting not only the best performance in the Company's history but among the best in the entire U.S. airline industry.

For 1979 through November our available seat miles are up 31.62 percent over the comparable period last year, to 3,125,579,224.

Revenue passenger miles for the eleven months increased 35.46 percent to a total of 1,768,298,943.

More than 5 million passengers had taken Piedmont flights by the end of November. Revenue passenger boardings for the year-to-date totaled 5,062,080, up 20.98 percent over the comparable months of 1978.

## Bonds will pay 12 percent for 25 years—'til 2004

Piedmont Aviation, Inc.'s \$20 million of convertible debentures were offered for sale on the morning of December 5. By noon the next day they were all sold.

The purpose of the sale of the debentures by the Company was to provide a portion of

the funds required to buy new airplanes and to broaden its capital base for additional financing.

The B rated 25-year bonds are convertible into Piedmont common stock at \$19.50 a share, debentures. They will pay 12 percent or \$120 interest annually per \$1,000 debenture. The interest payments will be made semi-annually December 1 and June 1, starting June 1, 1980.

The bond offering, which was the third in or about 51.28 shares for each \$1,000 of the Company's history, was co-managed by Merrill Lynch, Pierce, Fenner & Smith, Inc. and Carolina Securities.

The net proceeds received by the Company from the sale of the debentures was approximately \$19,135,000. The money will be used towards the purchase of aircraft to be delivered in 1980. The Company has contracts to buy four new Boeing 737s next year with deliveries scheduled for March, September, October and November. Other funds from the sale of the bonds will be used for the expansion of reservations, maintenance and other operating facilities during the next two to three years.

The debentures have been listed on the New York Stock Exchange, and trading prices will be included in the New York Exchange Bonds listing in the Wall Street Journal and major metropolitan newspapers.

Earlier this fall the Company called for redemption its 7 percent convertible subordinated debentures due March 15, 1988. The redemption date for that issue was November 15, 1979 at a redemption price of \$1,037.92 per \$1,000 debenture, including premium and accrued interest. There were \$7,690,000 of those debentures outstanding.

They were convertible at a rate of 93 shares of common stock per \$1,000 debenture, equivalent to a conversion price of \$10.75. Since the Company's stock sold for between \$13 and \$18 during the conversion period the vast majority of the bonds were converted rather than redeemed.

The common stock issued to the bondholders who converted was listed on the New York Stock Exchange, as are the other shares of Piedmont's common stock.

## A merger/takeover?

In early November when a routine filing with the Securities and Exchange Commission revealed that Air Florida had been buying Piedmont stock President Davis said, "There have not been, and there are not now in progress or presently contemplated, any negotiations with Air Florida or any other airline."

At the December service pin luncheon for Piedmont employees Davis reiterated those comments and added, "We see no advantage whatsoever to a merger with Air Florida. There are no discussions going on and we have no interest at all in pursuing the matter. Piedmont is a strong, successful company and we fully intend to continue our own operation."

## Nashville-Denver flights take off; Houston service coming up

The tenth and final schedule change of 1979, on December 1, was highlighted by new non-stop service between Nashville and Denver.

Flights 614, 615 and 616 provide the first daily nonstop, round-trip service in this Tennessee-Colorado market and the first direct, round-trip flights between Greensboro and Denver.

The westbound service, Flight 615, departs Greensboro daily at 8:10 a.m., stops in Nashville and arrives Denver at 10:27 a.m.

Eastbound Flight 614, operating daily except Saturday, leaves Denver at 11:30 a.m., stops in Nashville and arrives Greensboro at 5:07 p.m. On Saturdays, Flight 616 maintains the same schedule as Flight 614 from Denver to Greensboro.

Denver continues to be the Company's only all-Boeing 727 station.

Coming with the New Year is a new airport code — IAH — for the Houston Intercon-

tinental Airport. Piedmont will enlarge into the '80s with the addition of Houston to the route system on January 15.

The initial pattern of service to the Company's second airport in Texas includes daily, nonstop, round-trip service between Houston and Charlotte and direct flights between Norfolk and Houston.

For service westbound, Flight 653 will leave Norfolk at 2:00 p.m., stop in Charlotte and arrive Houston at 4:43 p.m.

The return is Flight 652 which departs Houston at 5:40 p.m., arrives Charlotte at 8:38 p.m. and terminates in Norfolk at 9:55 p.m.

Both flights will utilize Boeing 727 equipment.

O'Hare supervisor J. A. Bailey has been promoted to manager for the Houston station, which will open with seven Piedmont employees. Continental Airlines will handle our ground operations.

New Florida flights are also featured in the January schedule. Raleigh/Durham and Norfolk are getting new nonstop and direct service to Tampa.

Flight 651 will leave Norfolk at 7:30 a.m., stop in Raleigh/Durham at 8:07 a.m. and arrive Tampa at 9:57 a.m.

Northbound Flight 650 will depart Tampa at 10:50 a.m., arrive Raleigh/Durham at 12:20 p.m. and terminate in Norfolk at 1:20 p.m.

Also effective January 15, Raleigh/Durham will have a new nonstop flight to Newark with direct return service and additional flights to Norfolk and to Charlotte.

The same schedule, which reflects the addition of the 31st Boeing 737 to the Company's fleet, shows new Greensboro service, including a new morning one-stop flight to Newark and a new one-stop flight from Chicago's O'Hare to Greensboro.