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News about Piedmont. The Up-And-Coming Airline.

Protecting jobs, wages Top Piedmont's '82 goals

Piedmont Airlines' plans for 1982 will center around three vital goals. President William R. Howard said the Company will consider the year a success if it achieves:

- No layoffs.
- No wage freezes.
- Profitability.

"After our fine year in 1981, those goals may seem very simple," Howard said. "But the facts of life are that perhaps no more than a handful of airlines may get through 1982 and reach all three of these very simple goals. We want Piedmont to be among them."

What are the hurdles Piedmont must overcome to achieve these goals?

First, the industry seems determined that lower fares are the only answer to the problems of declining sales or declining market share. Fare wars raged all winter in the industry between the Northeastern U.S. and Florida. Similar fare wars have already been announced between the East Coast and California as summer approaches.

fare wars

"There is simply no way we can wholly shield Piedmont from the effects of such fare wars," Howard said. "We have tried to put our emphasis on markets with the least exposure to such strategies. But we have to realistically expect some spillover to our system."

He also emphasized that Piedmont will not yield important

markets to airline discounters, nor expect passengers to pay a premium to fly on comparable Piedmont flights.

"But the bottom line remains the same. To be competitive in an industry which is turning to lower prices will, in turn, tend to depress the revenues we would normally expect from our passengers in 1982," Howard said.

rising cost

He pointed out that costs will still rise, although we will make every effort to control them.

"We are concerned that our profitability will shrink quickly once it is caught between rising costs and static, or lower, fares," Howard said.

Piedmont can also expect to work harder for traffic growth, particularly during the first half of 1982.

"We are very proud of our 1981 achievements, and rightly so," Howard said. "Our load factor grew from about 52 percent to 58 percent. I don't believe any of us, even the most wildly optimistic, would expect our load factor to grow another six points in 1982. That would place it at 64 percent."

Piedmont does expect to grow in 1982 and will have about 24 percent more capacity in available seat miles than we offered in 1981. The Company will take delivery of four more B727-200's and 10 more new B737-200's between now and the end of the year.

"Piedmont has the plans in place to utilize these aircraft. We are aware of the reduced air traffic control capacity, and we are scheduling very carefully because of that problem," Howard said.

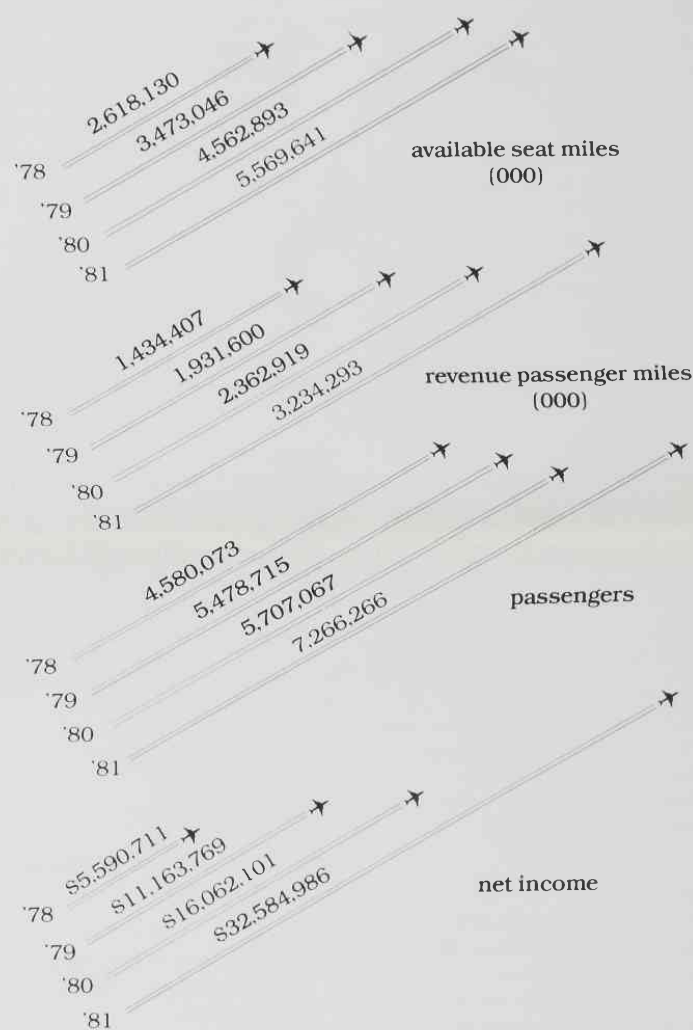
soft economy

"But more passengers will not be easy to find. The economy is soft. We've seen other airlines fail to fill their seats at ridiculously low prices. Indeed, the largest discount airline of all is today a victim of bankruptcy. For us to fill our new capacity, we must work harder and smarter," Howard said.

That also happens to be a tradition among Piedmont's people, he pointed out.

If there has been a real tragedy of

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Revenue passenger miles... available seat miles... load factor... earnings... passengers... cargo ton miles... reservations calls... complimentary letters... In virtually every area, Piedmont has set the pace in 1981 breaking all previous records by leaps and bounds.

These charts illustrate Piedmont's phenomenal growth since deregulation of the airline industry October 24, 1978. Net income for 1981 is almost equal to earnings for the three previous years combined. The number of passengers carried has increased by over 58 percent since 1978. ASMs have doubled while RPMs are up 125 percent.

In 1981, Piedmont excelled in many categories. For example, the airline received 23 percent fewer complaints per 10,000 passengers and 2.4 percent more compliments. The number of reservations calls increased by 45 percent to over 11 million. Cargo ton miles rose 32 percent with U.S. Mail showing a 67 percent increase.

Deregulation has offered Piedmont the opportunity to improve the route structure through careful selection of new routes, flexibility to withdraw from unprofitable markets, and the ability to adjust fares. Piedmont's strategies in this new, deregulated market have paid off. Success in 1982 will depend on a commitment from each employee to continue to provide the best service possible.



on the inside

- Employees receive crisp \$100 bills for their outstanding performance in 1981. Thank yous, page 3.
- And the race is on! NASCAR notes, page 5.
- New flight attendant uniforms are first class. Modeling, page 6.
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