

# PIEDMONITOR

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



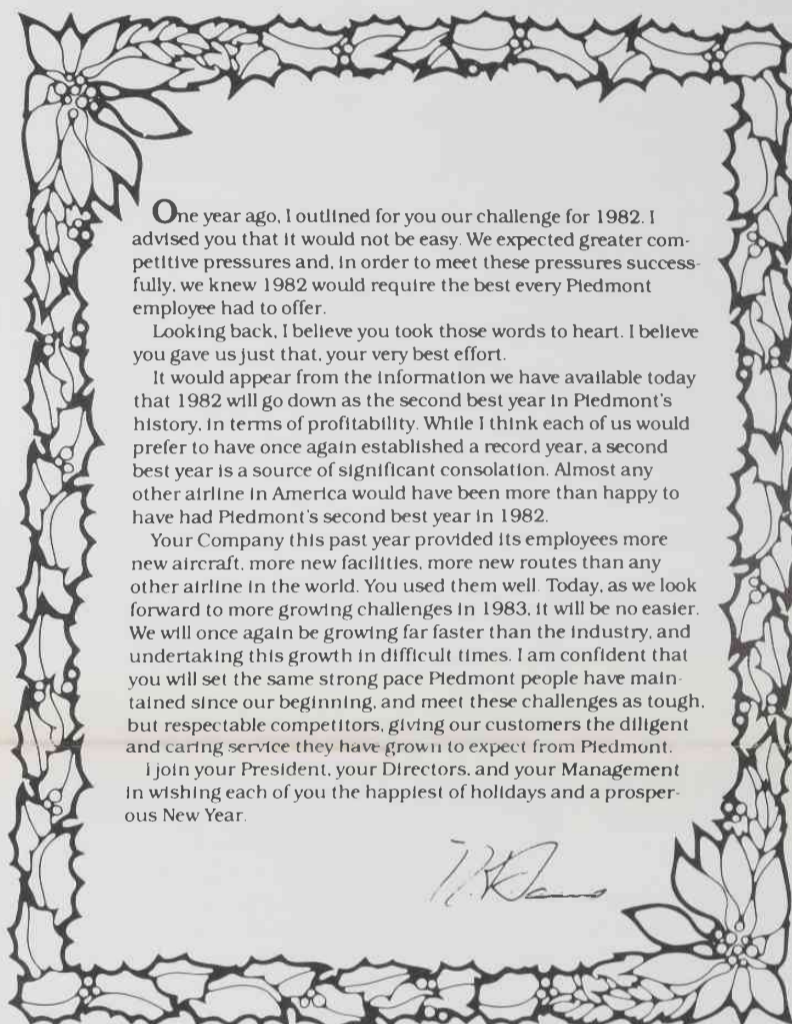
The Carelines Roadshow in Charlotte

The Carelines Roadshow played at every Piedmont location during December, providing employees with the opportunity to hear first hand from management about where Piedmont's been and where the Company's going. The end result — Operation Snowball, a game plan designed to keep Piedmont in a position of leader-

ship despite hard times, facing the overall industry and despite the earnest desires of our competitors to overtake us.

"You've brought us a long way," said President Bill Howard, "but we need your help to make 1983 another leadership year for us."

For more on the Roadshow, turn to page 3.



One year ago, I outlined for you our challenge for 1982. I advised you that it would not be easy. We expected greater competitive pressures and, in order to meet these pressures successfully, we knew 1982 would require the best every Piedmont employee had to offer.

Looking back, I believe you took those words to heart. I believe you gave us just that, your very best effort.

It would appear from the information we have available today that 1982 will go down as the second best year in Piedmont's history, in terms of profitability. While I think each of us would prefer to have once again established a record year, a second best year is a source of significant consolation. Almost any other airline in America would have been more than happy to have had Piedmont's second best year in 1982.

Your Company this past year provided its employees more new aircraft, more new facilities, more new routes than any other airline in the world. You used them well. Today, as we look forward to more growing challenges in 1983, it will be no easier. We will once again be growing far faster than the industry, and undertaking this growth in difficult times. I am confident that you will set the same strong pace Piedmont people have maintained since our beginning, and meet these challenges as tough, but respectable competitors, giving our customers the diligent and caring service they have grown to expect from Piedmont.

I join your President, your Directors, and your Management in wishing each of you the happiest of holidays and a prosperous New Year.

## A Growing Piedmont looks ahead to 1983

"The-Up-And-Coming Airline" identity promoted by Piedmont is more than a phrase. The Company is gaining in status within the airline industry at a very rapid pace.

During 1982, we have increased our capacity by over 25 percent. We have carried more passengers more miles than ever before. We've added 12 new destinations to our system and have plans to continue as pacesetters in the industry in 1983.

In the following interview, President Bill Howard discusses the Company's development in 1982 and takes a look at the year ahead.

**Q.** What are the primary challenges with which we'll be faced in 1983?

**A.** The challenges will be very similar to 1982's tests. The biggest change, perhaps, will simply be the scope of our challenges. We will be a

larger corporation than a year ago. This means greater opportunities for increased success, and a greater risk of larger loss. A year ago I said 1982 would be considered a success if we made a profit, asked for no salary reductions, and had no layoffs. We will make a profit, although clearly smaller than 1981's record performance. We added nearly 1,000 jobs, rather than facing layoffs. We provided our employees with some of the most generous pay increases seen by the industry during the year. In a nutshell, if we can continue our strong growth, earn a profit, avoid layoffs or asking our people to give back part of their salaries, I think we would consider 1983 to be very good to us, although based on the increased size of our investment we do need to increase the size of our profits.

**Q.** What role will the overall economy play in our 1983 plans?

**A.** Our forecasts are not based upon any extreme change in the

economy. We're assuming that what we're seeing is what we'll get. Should the economy improve, then we expect our fortunes to improve correspondingly. We expect to continue our expansion, and do so successfully, even if the economy remains relatively flat.

**Q.** Charlotte and Dayton have become very successful hubs for Piedmont. Charlotte is approaching 100 flights daily and Dayton is at 28. Will we continue to expand these hubs in 1983 at the same pace we did in 1982? Are there plans for adding gates at Charlotte?

**A.** Over the course of the year, our departures grew nearly 30 percent at Charlotte. In six months, we grew 75 percent at Dayton. As the base number of departures expands, it becomes mathematically impossible to sustain such percentage growth. Nonetheless, we will add what I would characterize as signif-

icant numbers of flights at both Charlotte and Dayton in the year ahead. We cannot expand the number of gates at Charlotte without physically disrupting our present capacity. But we are exploring ways to enjoy incremental capacity increases there.

**Q.** Will we be opening another major hub in 1983?

**A.** To answer this question meaningfully, I must first point out that we will take delivery of another 14 aircraft in 1983. That probably represents the greatest percentage of growth of any established airline in the nation. When added to the aircraft we accepted in 1982, you can see that we are experiencing tremendous growth both this year and next year. We have found no more efficient way of absorbing such fleet growth effectively than by devoting new aircraft to the establishment of new hubs. Yes, we expect to open a