

1984 earnings rise to record \$58.2 million

Piedmont reported net earnings of \$58.2 million for the year ended December 31, 1984, the most of any year in our history.

The previous best year in Piedmont's history was in 1981 when the Company reported a net profit of \$32.6 million.

Revenues for the year 1984 grew to \$1.28 billion, the first time Piedmont has ever exceeded one billion dollars revenue in a single year, up from \$942.4 million in 1983 when the Company had earnings of \$25.5 million.

"These earnings figures confirm that our strategies and policies have been on target, and that we need to continue them into the future," Bill Howard, president and chief executive officer, explained.

"They also demonstrate that the people of Piedmont can continue to deliver an outstanding, cost-efficient product in a free market environment," Howard said.

For 1985, we have even greater challenges ahead. Discount airline service has made its initial entry into the heart of Piedmont's system at the Greensboro/High Point/Winston-Salem Regional Airport, and, with the arrival of American Airlines in the Spring, all of the nation's major airlines will have a presence — to one degree or another — in Piedmont's core system.

"This means that pressures on us to keep our costs down will

increase. That pressure is simply not going to go away, no matter how much we wish it would," Howard said. "The traveling public will tend to compare fares and, if the service is close to comparable, choose the lowest price ticket, just as each of us does when shopping for an item worth more than \$100. We must remain aware that few tickets on our system cost less than \$100, particularly on a round-trip basis."

Piedmont's expenses rose in

1984 to \$1.14 billion, a 30 percent increase over the \$880.1 million in 1983. Revenues grew 36 percent during the same period.

Per share earnings, adjusted to reflect the 20 percent stock dividend Piedmont declared in January, were \$3.75 per share for the year 1984, up from \$1.82 in 1983. These figures assume full dilution.

In the fourth quarter of 1984, Piedmont earned \$16.1 million on revenues of \$352.1 million, compared to earnings of \$11.9 million

in the same period of 1983 on revenues of \$279.0 million. Revenues during the period grew 26.2 percent while operating expenses grew 26.1 percent. Earnings per share for the last three months of 1984 were \$1.14, up from 86 cents during the same period of 1983.



1984 Financial Results of major carriers

carrier	net profit	operating profit	operating margin*
American	\$233.9 million	\$368.5 million	6.88%
Delta	\$258.6 million	\$291.5 million	6.53%
Eastern	(\$37.9 million)**	\$189.6 million	4.34%
Piedmont	\$58.2 million	\$139.3 million	10.86%
TWA	\$29.9 million	\$77.1 million	2.11%
United	\$258.9 million	\$564.1 million	9.07%
USAir	\$121.6 million	\$191.9 million	11.77%
Western	(\$29.2 million)**	\$11.4 million	.96%

*Operating margin is operating profit as a percentage of operating revenues. At Piedmont, for example, 10.86% of our operating revenue is operating profit. This percentage is the second highest among major carriers.

**Figures in parenthesis reflect losses for the year.

'84 goes down as year of achievements

Piedmont excelled in virtually every category in 1984. The Company experienced phenomenal growth last year just as we have done every year since deregulation of the industry in 1978.

One of the major highlights of 1984 occurred April 1 when we became a transcontinental airline with our service to Los Angeles. During the year we also put Albany, Savannah, Kalamazoo, San Francisco, Evansville, and Rochester on our map. By year's end our system had expanded to include 65 airports or more than 92 cities in 24 states and the District of Columbia.

With our transcontinental service came new seat configurations for our long-range 727-200s so that we could add first class sections.

Also by mid-November our sales had topped \$1 billion annually and we became a "major" success. In addition, we moved to 9th place among U.S. carriers based on the number of passengers boarded.

In 1984 we announced plans to purchase 18 737-300s with options on 15 more. The first aircraft is scheduled for delivery in April. By year's end our fleet had grown to include 63 737-200s,

34 727-200s, and 11 F28s.

Last year our agents began using a new Automated Seat Selection

and Boarding Control System, and our Marketing Department introduced our Frequent Flyer Bonus

Program with outstanding response from the public.

In 1984 we saw major construction projects get underway. At Charlotte, four more gates have been added and our concourse has doubled in size. A \$6 million expansion at our maintenance facility at GSO will be completed this year. Construction was begun on a \$1.9 million hangar/office complex in Winston-Salem for the General Aviation Group which will open this summer. We also announced plans for a \$3.3 million reservations facility at DAY which will initially employ 210 people when it opens next month.

Over \$1 million has been spent to renovate the reservations office in Winston-Salem, and in 1984, construction was begun on our new multimillion dollar computer center at Madison Park which, when it opens in the fall, will house our own reservations system.

And 1984 proved to be our best year ever financially. Our earnings soared to a record \$58.2 million.

For Piedmont, 1984 was a year filled with many success stories.



1984 at a glance

- ASMs: up 24.3% to 11.8 billion
- RPMs: up 21.4% to 6.2 billion
- passengers boarded: up 22% to 14,273,887
- load factor: 52.57%, down 1.25 points
- total cargo ton miles: up 38.4% to 39.2 million
- service inaugurated: LAX, ALB, AZO, SFO, EVV, ROC, SAV
- airports/cities served: 65 airports/92 cities in 24 states and the District of Columbia (including Henson, we serve 74 airports in 110 cities)
- reservations calls: 19,811,598, up 16.5%
- Ticket-By-Mail sales: \$135,804,757, up 35%
- meals and snacks served: 6.9 million, up 25%, 1.9 million liquor miniatures, 358,000 glasses of wine, and 777,000 cans of beer
- number of employees at year's end: 12,340 compared to 10,184 at the end of 1983
- stock high: \$39
- fleet size at year's end: 63 737-200s, 34 727-200s, 11 F28s
- on-time performance: 88% originating, 64% terminating
- total departures: 269,820, up 19%