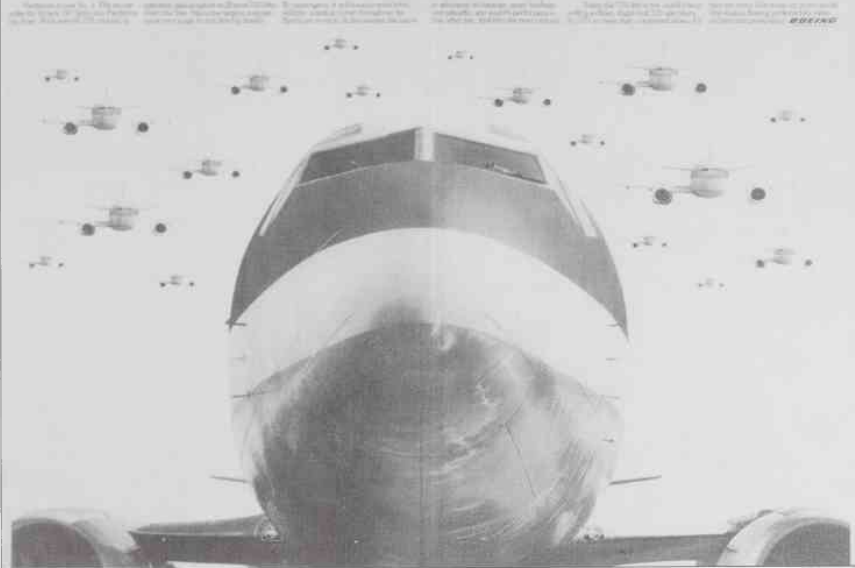


Piedmont just became the biggest 737 airline in the world.



Boeing placed this ad in the October 1 issue of the Wall Street Journal. On September 25, we announced that we are converting 19 options for 737-300s to

firm orders, making us the largest purchaser of 737-300s in the world. We will have 45 of these aircraft in our fleet by early 1989.

We're the largest purchaser Of 737-300s in the world

Piedmont now has orders for 45 Boeing 737-300 aircraft, making us the largest purchaser of 737-300s in the world.

In addition, the order is the largest ever placed for aircraft at one time by Piedmont in the Company's history.

The new orders were made known September 25 when we announced that we are converting 19 options for 737-300s to firm orders. The move brings our total firm orders for the aircraft, the most advanced commercial jet in the industry today, to a total of 45. At the same time, we announced that we have arranged 20 additional options for the aircraft.

The delivery of the full order

of 45 aircraft will be complete by early 1989.

We received our first 737-300 last April and now have eight of the aircraft in our fleet with two more scheduled for delivery this year. We also have orders in place for eight F28-4000 aircraft which will all be delivered by October 1986.

Our previous largest initial order was made May 21, 1984, when we announced our initial order of 15 Boeing 737-300s. We have since twice exercised options for additional 737-300 aircraft prior to the September 25 order.



Florida expansion

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The city of Orlando will see the biggest part of The Piedmont Shuttle's second phase growth. Piedmont's Orlando presence will double as of Jan. 15. Daily departures at MCO — including a nonstop to Charlotte that begins Dec. 15 — will increase from 12 to 25, making it a major connecting point for north-south travel on the Shuttle.

"Orlando is an ideal city for our Florida program," James continued. "Its central location and tourist draw makes it a perfect place for cross connections and commuter feed."

But the airport is not the only place in Orlando experiencing Piedmont growth. To help schedule travel for all the interstate and intrastate service, a new \$4.3 million Piedmont reservations facility is being constructed at Lake Point in the Lee Vista Center. Initially the building will have 15,000 square feet but the 10.4 acre site can accommodate future expansion up to 30,000 square feet. Piedmont's present reservations

facility is at Walt Disney World and employs about 225 people. The new reservations center should employ about 350 people by next summer.

How is the entire Florida Shuttle program progressing to date?

"We spent a lot of time designing the service to be very efficient and very effective," James said, "and we're finding that it is just that. When you consider that it usually takes six months to a year for new services to fully develop, we would have to say that the first week of the Shuttle was remarkable — especially considering the time of year that the service started. Post-Labor Day load factors are historically low in the industry yet our load factor in Florida for the Shuttle's first week was close to break-even. One of the reasons this program is so successful so quickly is that the break-even load factor for our F28's in Florida is projected to be less than 40%."

So, at the beginning of 1986, our Florida Shuttle will "lift-off" from 12 Florida destinations with 94 daily jet flights.



At Tallahassee, Florida's capital, the media turned out to welcome our first flight on October 1. President Bill Howard teamed with Stuart Matthews, president of Fokker Aircraft U.S.A. Inc., to christen

the Shuttle from Fokker's hot air balloon. It may well have been the first ribbon-cutting ceremony from a balloon in history.

Empire merger

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Year" by *Air Transport World* magazine at the same time. Coincidentally, in 1983 when we received approval to acquire Henson, Henson had been named regional "Airline of the Year" for 1982.

"Empire employees are excited about becoming a part of the Piedmont family," Howard said after a recent visit to Empire's headquarters in Utica.

"The day the announcement was made, many of our stations sent messages to Empire stations welcoming them to the Piedmont family, and this alone has made a big impression on Empire's employees."

Howard told Empire employees that we intend no layoffs, and that we believe that job security and

career potential will be enhanced by the merger.

"The major intent of this merger is not to remove Empire or its people from the region you now serve but rather to expand the presence of Piedmont there," he said.

Like Piedmont, Empire was initially a fixed base operator, offering fueling, deicing and other ramp services to corporate and private aircraft owners, charter and air taxi flights to local travelers, and flight instruction to area pilots through an FAA-approved flight school. The company's name was then Oneida County Aviation, Inc.

In 1975, the company began providing scheduled flights between Utica and Syracuse, and in 1979, changed its corporate name to Empire Airlines, Inc., to reflect the predominance of its airline

operations.

In the 10 years since that first flight, Empire has grown to become one of the country's largest regional airlines, serving 25 destinations in nine states and the Canadian provinces of Ontario and Quebec with a fleet of 85-passenger Fokker F28 jets and 19-passenger Swearingen Metro II jetprops. Two more F28s are scheduled for delivery in 1986. The jetprops will be phased out by the end of this year. In 1984, Empire carried 1,073,000 passengers.

Empire has a reservations center in Utica which is tied into American's SABRE system. Empire pilots already receive training from Piedmont at our F28 training center in Tampa.

"It is becoming increasingly clear that the success of an airline in a deregulated environment is

linked to its ability to feed traffic through its own hubs," Howard said.

"Empire's strong presence in upstate New York will greatly enhance Piedmont's growth in this, the second most populous state in America. The result will be a larger, stronger Piedmont with a greater capability to compete with our industry's giant air carriers."

Howard added: "Just as we have made Piedmont a household word in Florida through our major expansion program, this merger with Empire will give us the same opportunities in the Northeast."

