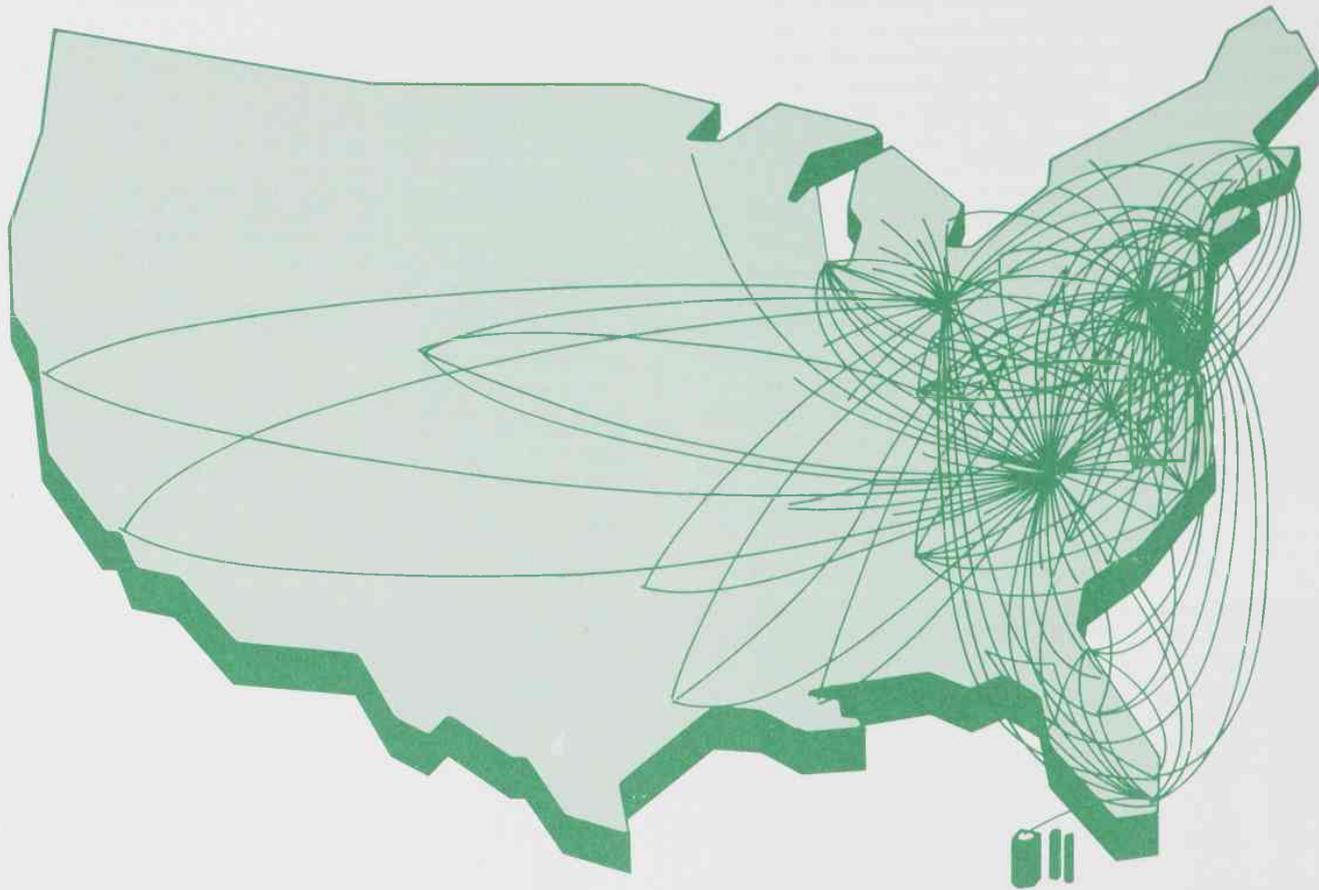


Season's Greetings



from coast to coast to coast

In a few days, 1986 will begin. With it will come perhaps the most exciting and demanding challenges and opportunities we have faced at Piedmont in all our Company's history.

We will be a much larger Company than ever before. During 1986, we will take delivery of 16 brand new Boeing 737-300 and Fokker F28-4000 jet aircraft. This represents the most new aircraft to be accepted in a single year by Piedmont, and will give us a fleet of 160 modern jet aircraft by the end of the year.

We will welcome into the Piedmont family nearly 1,000 men and women of Empire Airlines and all their resources, thus establishing Piedmont almost overnight as a major provider of air transportation in populous upstate New York and New England.

We will open a modern new reservations facility in Orlando to support our rapidly growing and warmly welcomed presence in Florida.

And, of course, there is more. But there is one thing I trust will not change, and that is the warm, friendly manner the people of Piedmont bring to their dealings with our customers. We can take pride in all of these new tools we are bringing to our Company, but they are no better than the way they are used. In 1985, you once again led the industry in terms of quality service. In 1986, our tools will be greater, but so will our challenges. We will face important, major competition all across our system. I am confident that the men and women of Piedmont will meet those challenges as they have in the past. That is by simply doing a better, friendlier job than our competitors.

On behalf of our stockholders, our Board of Directors and our officers, I wish you a Happy Holiday and a prosperous New Year for you and your loved ones.

William R. Howard
President and Chief Executive Officer



'Tis the season to be jolly!

Reservations agents at our Reston center have decked their halls with merry carolers singing tidings of good cheer to all passersby. Agents (l to r) Carol Truesdale, Georgia Rabie, and Yvonne Martoccia designed and built the holiday display for the center this fall.

Sixty needy children in the Washington, D.C., area will have a very Merry Christmas thanks to employees at this reservations center. The children were guests of

honor at a Christmas party held December 1. Each child received a stocking brimming with gifts as well as other toys and clothing. Santa (Agent Jim Keyes) was on hand to add to the excitement.

As the children left, an agent overheard one small boy say: "I must have been a very good boy this year."

Merry Christmas!

