

PI's success has roots deep in our past

Since deregulation of the airline industry in 1978, Piedmont has grown dramatically. We now serve more cities east of the Mississippi than any other airline, and next year, we hope to carry our banner across the Atlantic to London.

But Piedmont's success story began long before 1978. The company was founded 46 years ago by T.H. Davis who, in 1940, purchased Camel City Flying Service and changed its

name to Piedmont. Piedmont has grown steadily over the years, due in a large part to its solid base of employees, people who have made Piedmont and caring one in the same.

Four hundred and forty-nine of these employees were honored October 2 at the Annual Service Awards Banquet held at the Benton Convention Center in Winston-Salem. Two employees, both now retired, were recognized for 45 years of service. Howard Cartwright, vice

president-maintenance and engineering, and Joe Fix, manager-shop maintenance, GSO, both began with Piedmont in 1941. Other honorees included 19 employees with 35 years of service, 54 with 30 years, 96 with 25 years, 209 with 20 years, and 69 with 15 years. Following is a brief sketch of what Piedmont was like when these people joined the company.



1941: Piedmont's roots
number of employees: 25
net income: \$1,642

Piedmont Aviation was incorporated July 2, 1940 as an aircraft sales and service operation. All stock in the company was privately held. At that time, Piedmont obtained a lease to conduct its business at the Winston-Salem Municipal Airport, now known as the Smith Reynolds Airport, and received distributor franchises from Piper Aircraft Corporation and from Stinson Aircraft.

Until the outbreak of World War II, Piedmont was active in aircraft sales and service, flight training, and aircraft repair and engine overhaul. The company's primary and advanced flying schools were approved by the Civil Aeronautics Administration in 1940, and the repair and overhaul facilities were approved by the same agency in 1941, making Piedmont the only repair station between Washington, D.C., and Atlanta, GA.



1946: an airline still a dream
number of employees: 150
net income \$283

During the World War II years, Piedmont devoted its entire efforts to the war program through government-contracted flight training schools. In 1944 Piedmont had filed an application with the Civil Aeronautics Board (CAB) requesting authorization to conduct scheduled local service operations in the Southeast. It wasn't until April 4, 1947 that the CAB issued its opinion in what became known as the Southeastern States Case which included the selection of Piedmont to operate an airline. The case was appealed, then reconfirmed on December 12, 1947.



1951: our record — "outstanding"
number of employees: 531
total revenues: \$3.9 million
net income: \$144,562.76

The year 1951 was by far the most successful for both the airline division and the fixed base division in Piedmont's 11-year history. Boardings rose 53.21 percent to 189,831, and RPMs increased to 44,379,426. Our fleet grew to 10 DC-3s, each equipped with 24 seats.

In recognition of the enthusiastic and cooperative effort of Piedmont employees, wage increases

were placed into effect in every department, and the Board of Directors adopted the company's first profit-sharing retirement plan.

On January 28, 1952, the CAB issued a report recommending a ten-year renewal of our certificate, the longest period ever recommended for a local service carrier.



1956: a bright new era
number of employees: 900
total revenues: \$7.5 million
net income: \$50,281

In 1956, Piedmont announced an order for 12 new F-27 prop-jets at a cost of \$540,000 each, with options for 12 more. The company moved to a new headquarters building and maintenance hangar complex. That building now houses Employee Services, and the hangar is part of GAG's operations.

That year, the CAB began processing our application to extend service to Chicago (we finally inaugurated service on December 1, 1969), and we filed a new application for service between DCA and CVG. For the year, we achieved the highest load factor to date in our history — 52.83 percent. In addition, we expanded the facilities for Fixed Base and established a new employee retirement plan.



1961: satisfactory progress
number of employees: 1,317
total revenues: \$8.4 million
net income: \$473,089

Earnings were the best ever in 1961. During the year, we inaugurated service between ORF and TYS. To handle our growth, we opened a new maintenance facility and a crew base for pilots and flight attendants at ROA.

Rondo Gregory, a security guard who had been with the company since 1946, became the first person to retire from Piedmont. At the annual stockholders meeting in May, Piedmont declared its first stock dividend. "Ask Me About PX" became the new sales slogan referring to the Piedmont Excursion Plan. In August we entered into a contract with TWA to purchase all of its remaining fleet of 17 Martin 404s and its entire inventory of spare parts for \$3,250,000.



1966: Piedmont joins the jet age
number of employees: 2,300
total revenues: \$43 million
net income: \$1.5 million

The year 1966 was "an outstanding year not only in earnings, but also in route development, financing, employment, equipment, purchases, sales and the establishment of several Company and industry records." T.H. Davis reported to stockholders.

Early in the year, we ordered six 737-200s with an option for six more, the largest pure-jet order-and-options agreement in the local service airline industry. The price of the six aircraft, along with spare parts, ground support equipment, and a flight simulator, totaled \$25 million. The number of seats on each aircraft — 90. In April, Piedmont announced the purchase of 10 FH-227B twin-propjet aircraft which seated 44 each, and in October, the YS-11 was flown to Winston-Salem for a demonstration.

A new advertising campaign, "Route of the Pacemakers," was introduced early in the year, and Piedmont began service on November 15 to New York (LGA).

In December, Piedmont and the Forsyth County Airport Commission announced plans for a \$1 million expansion program at Smith Reynolds Airport. The building, completed in 1968, became our headquarters.



1971: "the turnaround year"
number of employees 3,123
total revenues: \$98.2 million
net income: \$819,333

In 1970, Piedmont had lost \$2.6 million, due primarily to "depressed business conditions," T.H. Davis, Piedmont's president, reported in the 1971 annual report. "We are very pleased to report that for Piedmont, 1971 was indeed a 'turnaround year' in that our company experienced a reversal of the downward trends in business and profits which has prevailed during recent years."

On Valentine's Day, Piedmont joined citizens of Onslow County to dedicate the new Jacksonville (OAJ) airport. In May, the Central Reservations Office (CRO) opened in Winston-Salem with 335 agents. CRO handled over 300,000 calls that first month.

In July, Piedmont became the first U.S. carrier to sign for a collision avoidance system. A letter of intent was signed with McDonnell Douglas for a time-frequency device called EROS II. Also during the summer, flight attendants began wearing new uniforms and by the fall, a jacket dress ensemble had become available for female station agents.

A new advertising campaign with the slogan "Look where we're going" was introduced in August, and at FAY, Piedmont began experimenting with curbside check-in for passengers.

On November 28, the Sunday following Thanksgiving, Piedmont set a new single-day boarding record, enplaning 12,256 passengers.