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REPUBLIC AIRLINES

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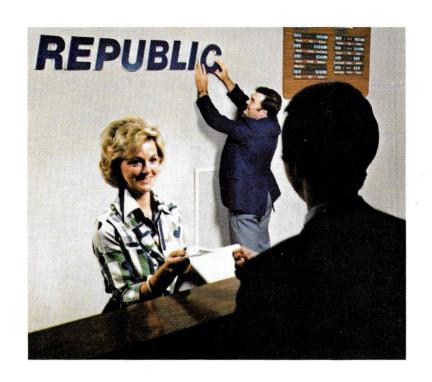


Ten Years After the Moon Walk NASA Launches a New Era in Space

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Republic Airlines, a new major carrier

Republic Airlines, a new major U.S. carrier, was created on Sunday, July 1, when Southern Airways officially merged into North Central Airlines.

Republic serves more cities—157—than any other airline in the country. Its 34,700-mile route system extends from New England to California, and from Canada to the Caribbean.

"This is an exciting time," said Hal N. Carr, the company's Chairman of the Board, "and we are looking forward to Republic's being a strong, profitable airline."

Republic expects to carry 13 million passengers in 1979, according to Carr. "Passengers will benefit from Republic's expanded system. Many pairs of cities have one-carrier service for the first time," Carr said.

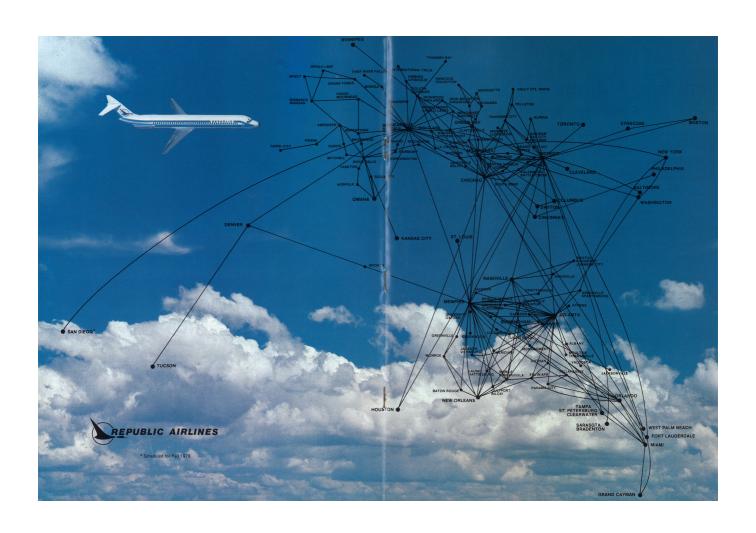
To accommodate traffic growth, the company will take delivery of 32 jet aircraft—25 DC-9s and seven Boeing 727-200s—in the next 30 months. By the end of this year, the airline will

have 110 jet-powered aircraft, and one of the largest fleets in the world. Ten jets will be added in 1980, and another 11 in 1981.

The new company is moving rapidly to establish its identity as Republic, Carr stated. Signs are being changed at all facilities. Aircraft and ground equipment are being given the new corporate design. Reservations agents are now greeting passengers with "Republic Airlines."

The general office and main operations base of Republic Airlines is in Minneapolis/St. Paul. Passengers are served through Reservations Centers in Atlanta, Detroit, and the Twin Cities. Maintenance bases are located in Atlanta, Detroit, Chicago, Minneapolis/St. Paul, and Omaha. The company employs over 8,500 people.

"In the months ahead," Carr concluded, "all of us at Republic will be working hard to provide passengers and shippers with the finest type of scheduled airline service."



Republic Airlines... providing efficient,

Republic Airlines, the nation's newest major carrier, began operations on July 1 with the merger of Southern Airways into North Central Airlines. Each company brings 30 years of experience to Republic, which will be a dominant force in the transportation industry.

The two individual airlines connected at 11 metropolitan areas, including such points as Minneapolis/St. Paul, Chicago, Detroit, New York, Atlanta and Miami. Their systems integrate well, providing strong traffic flow to support new flights and produce higher load factors.

"The merger preserves two regional networks which offer essential air service to 12 million passengers and more cities —157—than any other carrier in the country," said Hal N. Carr,

Chairman of the Board of Republic Airlines.

"This combination is an excellent opportunity for greater traffic growth and profitability," Carr continued. "Leisure travel markets will also stimulate traffic throughout the system. The fleets are highly compatible, and the increased aircraft utilization will help Republic to continue serving medium and small communities."

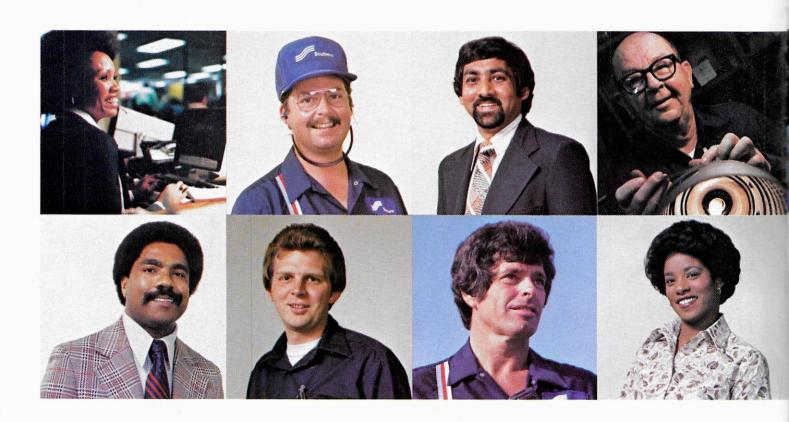
The merged carrier, much stronger than either airline could be as a separate entity, will rank tenth in the industry in passenger boardings. Republic will be a vigorous competitor, particularly in the Midwest-Southeast markets. The company offers greatly improved service to the traveling public.

To denote corporate stability and the proud heritage of both North Central and Southern, the name "Republic Airlines" was chosen for the new company. It reflects the transcontinental image of the carrier whose 34,700-mile route system extends from New England to California, and from Canada to the Caribbean. Quite significantly, the word Republic describes an organization which derives its strength from its people.

North Central inaugurated scheduled service as Wisconsin Central Airlines in February 1948. Southern Airways began a year later. For the next two decades, each developed its service within a region. North Central's routes were in the Midwest; Southern's, in the Southeast. During the late 1960s, both entered the jet age with efficient DC-9 fan jet aircraft, which enabled them to serve important long-haul markets.

Expansion for North Central came with such nonstop routes as Minneapolis/St. Paul-Chicago, Detroit-Toronto, Milwaukee-Detroit, Milwaukee-New York, Twin Cities-Denver, and Milwaukee-Dayton. More recently, North Central started service to Boston, Philadelphia, Baltimore, Washington, Atlanta, Miami, Houston, and Tucson.

Southern's system developed around Atlanta, Birmingham, New Orleans, Memphis and Nashville. With the introduction of jets, new service was inaugurated to St. Louis, Chicago, New



people-oriented service

York and Washington, D.C. The airline soon acquired routes to Detroit, several Florida points, and Grand Cayman in the Caribbean. Last year, Denver, Wichita, Minneapolis/St. Paul and Milwaukee were added.

Major growth for both airlines has occurred since 1970, when records show 3.8 million passengers for North Central and 1.6 million for Southern. By 1978, traffic had increased to 6.9 million passengers on North Central and 4.1 million on Southern. Republic Airlines expects to serve 13 million people this year, and 15 million in 1980.

In the regional airline industry, North Central has an excellent financial record, ranking first with \$69.1 million in retained earnings. The company has operated profitably for 24 years since 1954 when present management was brought in. Revenues in 1978 were \$299 million, and net earnings reached \$22.2 million. In 1978, Southern's revenues were \$189 million, with earnings of \$2.4 million.

According to Carr, revenues and profits for Republic should greatly exceed the combined results of North Central and Southern. As integrated schedules produce more long-haul routes, substantial traffic gains will be realized.

The progress of both airlines through the years belies the meager beginnings they encountered.

To start operations in 1948, Wisconsin Central had a fleet of

three nine-passenger Lockheed 10As. Initially, the company provided scheduled service to Chicago from 18 points in Wisconsin and Minnesota over a 1,028-mile system. When head-quarters were moved to Minneapolis/St. Paul in 1952, the name was changed to North Central. Traffic grew steadily, setting a regional industry record in 1960 with one million passengers, and then doubling every six years to reach 4.3 million in 1972. North Central's route system expanded to 24,200 miles in 1979, with service to 104 cities in 20 states and Canada.

In June 1949, Southern began scheduled air service to six cities, operating one DC-3 between Atlanta and Memphis, with stops at Gadsden, Birmingham, Tuscaloosa, Ala.; and Columbus, Miss. By the end of the year, there were six DC-3s and 14 more cities on the 1,309-mile route system. In 1966, the airline carried 1.1 million passengers, and reached four million in 1978. Prior to the merger, Southern served 67 cities in 16 states and the Cayman Islands, over a 10,500-mile route system.

"This is the most exciting period in the history of North Central Airlines and Southern Airways," Carr concluded. "Both companies are solid, successful carriers with reputations built on 30 years of experience. Republic Airlines will continue that tradition by providing efficient, people-oriented airline service."



North Central and Southern are coming together to build your kind of airline.

And what a great get together it is!

All of us at North Central and Southern are now together as Republic Airlines. And we're really taking off...building an airline with new ideas based on solid experience.

Using our experience. Over the years, we've flown millions of passengers on North Central and Southern. We're proud of how you've come to count on us for efficient, dependable and friendly service. And we're bringing that good service along with our new name.

Making the big change. Our new name is going up everywhere...from baggage carts in Birmingham to the insignia on the pilots' caps. From air-freight trucks in Oshkosh to the twenty-foot letters on the Minneapolis/St. Paul hangar.

But no matter how fast we work, changing the

Southern for awhile...at ticket counters, boarding gates and on airplanes.

But if you see more than one name, just remember, you're still flying one airline. The new Republic Airlines.

Serving more cities. Even as we change our name, we are serving more U.S. cities than any other airline...157 cities, to be exact. As we grow, we'll be improving that service by adding more nonstops and more flights to many cities.

We'd like to welcome you aboard the new Republic Airlines. So you can see for yourself how your kind of airline is on the grow.

For reservations, call your travel agent or Republic Airlines.

