



FRONTIER NEWS

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First of Five Boeing 727's Nears Rollout



June Earnings Up 56 Per Cent Exclusive of Subsidy — Traffic Sets New Record

June financial results put Frontier Airlines into the black without subsidy for the first time. Operating profit of \$519,050 as compared with \$395,259 for June of last year was realized with federal subsidy due of \$435,000 down \$167,000 from the \$602,000 received in June of last year. Net earnings after provisions for interest and income taxes of \$223,340 for the month were up 56.3% over the \$142,851 registered last June.

For the first 6 months of this year pre-tax and interest income is \$1,808,048 up 47.7% or \$583,557 over the \$1,224,490 reported for the first half of 1965 despite a total subsidy reduction for the six months of \$762,234. Net earnings after interest and taxes is up 61.4% to \$785,773 from the \$486,860 reported last year.

Earnings per share on the 1,384,444 shares outstanding have increased from 35 cents to 57 cents.

June traffic broke all previous records in passengers carried and total passenger miles flown.

First of five 93-passenger Boeing 727 aircraft to be delivered to Frontier Airlines beginning this fall takes final shape in assembly line at Renton, Washington as roll out date nears. Frontier will be flying this and other Boeing 727's over its present route system in addition to new routes presently under award consideration by the Civil Aeronautics Board in Washington, D. C.

Five of the new tri-jet aircraft were purchased by Frontier with an option for five additional at a later date. These sleek 600 mile per hour aircraft will be in addition to the carrier's present fleet of 17 Convair 580 jet-prop aircraft.

Seating configuration will consist of 24 first class and 69 coach. The seats are built by Burns Aero Seat Company of Van Nuys, California. In the center of the aircraft will be a double galley made by Nordskog Manufacturing Company, also of Van Nuys, California. This will consist of complete mechanical refrigeration in each galley.

The interior design was developed by Walter Dorwan Teague Associates of Seattle, Washington. Ceilings will be an off white, the overhead rack of gold, side panels will be a special silk screen design of gold, turquoise and burnt orange on a white background, carpeting will be a mottled brown and black, curtains

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EXECUTIVE EDITORIAL

From The Vice President . . .

Competition is fierce in today's business world—but then it was in yesterday's and will be in tomorrow's. It is interesting to observe how businesses compete for the potential customers' attention.

Firms use all types of advertising to acquaint the public with their services, just as they use promotional campaigns and clever gimmicks to get the public to their doors. Too often that is where the interest in the customer stops—at the door!

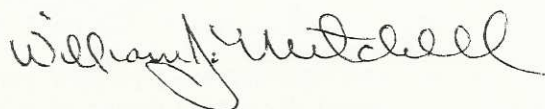
We cannot be satisfied with just getting the customer to our door—as once he is there, the biggest selling opportunity exists and that is to show him we sincerely appreciate his first visit, but we want him to continually comeback. The repeat customer is the backbone of any business, including our Company.

Business goes where it is appreciated, and the easiest way to show appreciation to anyone is to always display a warm, sincere and friendly SMILE!

A smile conveys many things: Friendliness; warmth; a willingness to be helpful; good nature; happiness and an interest in others. The simple, physical exertion of a smile eliminates the need of hundreds of words.

We all have great pride in Frontier Airlines. We have each played an important role in the Company's astounding growth. We have led the industry in the introduction of many new fares and in the introduction of new equipment. We have, and will continue to strive to do more and better things for our customers—but, if we fail to smile and show our sincere interest in our customers, all the money in the world will not buy enough advertising, promotional campaigns or clever gimmicks to bring that customer back to our doors again and again.

A simple smile will do more than you can imagine—try it. And see.



William J. Mitchell,
Vice President Sales and Service

JUNE EARNINGS

(Continued from page 1)

Revenue passenger miles increased 52% in June with 29,100,000 revenue passenger miles compared with 19,197,000 revenue passenger miles for June one year ago.

Passenger boardings reflect a gain of 46% with 93,898 passengers flying Frontier in June in contrast to 64,441 in June of 1965.

For the first six months, revenue passenger miles were up 49% with 144,414,000 total over the 96,961,000 for the same period last year. Year-to-date passenger volume is up 43% with 475,033 passengers compared with 331,050 using the carrier during the first half of 1965.

Revenue passenger mile growth is 213% over the 46,085,000 revenue passenger miles recorded in the first six month period of 1962 when present management took over leadership of the airline. Passengers in the first six months of 1966 are up 178% over 170,824 passengers who used Frontier during the six month period four years ago.

HALF-FARE PLAN EXTENDED— POSITIVE SPACE OK'D BY CAB

Frontier's unique Half-Fare Plan was given a new six month extension by the Civil Aeronautics Board (CAB). At the same time, the CAB approved Frontier's petition which permits positive space for standby passengers on the next available Frontier flight for those unable to obtain space on the first standby flight of their choice.

Since the plan first went into effect in late January this year, nearly 30,000 passengers have availed themselves of the fare. It is available between 20 city pairs throughout Frontier's 11-state system. It allows anyone, any age, any time to fly for one-half the regular air fare when standing by for an available empty seat at flight time. In the past six months, less than one per cent of these travelers had to wait for a second flight to get through to their destinations. The amendment to Frontier's fare tariff will now assure these passengers of getting through on a positive basis on the next available flight.

HALF-FARE TRAVELERS RECEIVE ADDITIONAL REDUCED RATES

New reduced rates for motel accommodations and car rentals are added benefits to passengers flying on Frontier's unique Half-Fare Plan to the five cities of Albuquerque, Denver, Phoenix, Tucson or Salt Lake City.

Both the Ramada Inn and Hertz Rent-a-Car Agency now offer unusual savings for air travelers presenting their Frontier Half-Fare ticket receipt upon arrival at any of the Ramada Inns or Hertz offices.

At any of the five Ramada Inns, on a space available basis, the air travelers would receive approximately a 20 per cent discount on a single, double or triple room. To cover his ground transportation needs, Hertz Rent-a-Car provides a new car at the flat rate of \$15 per day with a full tank of gas and no extra mileage charge.

Frontier Airlines' unique Half-Fare Plan is available between 20 city pairs on Frontier flights making at least one intermediate stop to the destination. Since the fare became available earlier this year, nearly 30,000 passengers have used it to reduce their air travel costs which are, in many cases, cheaper than bus fares.

First of Five Boeing 727's Nears Rollout

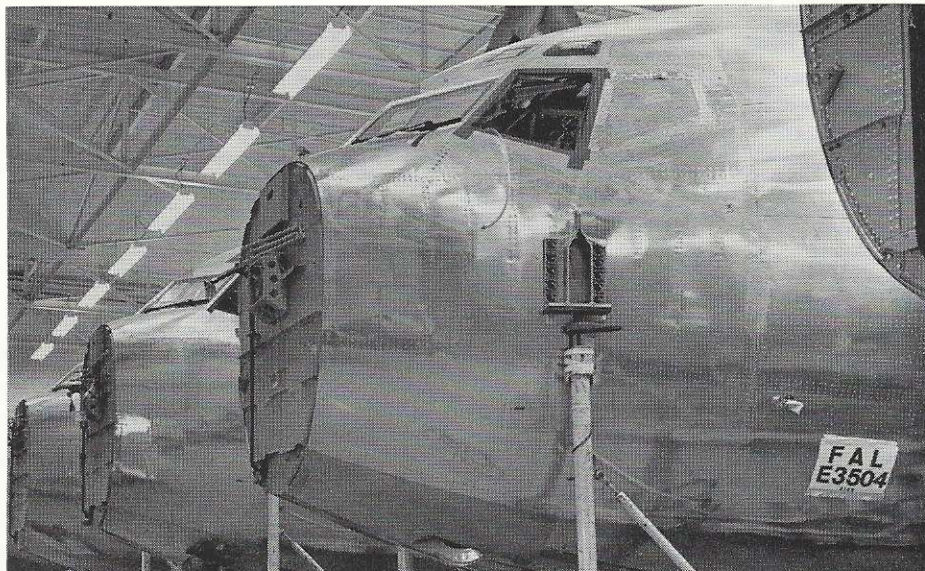
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peach and the seats will be turquoise and gold with an aspen green stripe.

As the carrier's first 727 rolls along the Boeing assembly line at Renton, pilot flight training and maintenance schools graduate Frontier personnel week after week well ahead of the proposed aircraft delivery date. Flight training schools headed by Boeing at Seattle and Pacific Southwest Airlines at San Diego have graduated some 30 flight personnel to date while another 55 maintenance personnel have finished school in San Francisco headed by United Air Lines training section.

Upon delivery of FAL's first tri-jet, the carrier will conduct flight and maintenance schooling at Denver. Frontier's liaison representative at the Renton plant during the 727 program is Carl Willman.

At Denver, a new maintenance and operations hangar complex is to be constructed which will house the new jet aircraft. Construction is planned to begin early 1967.



FLIGHT CONTROL cabin section is shown nearly structurally complete and ready for final assembly. Next step, the control section is joined to forward passenger cabin to form major portion of fuselage.



FLOOR PANELING is carefully placed into position by a skilled aircraft structural mechanic. This interior view of the cockpit is looking forward left.



A QUALITY CONTROL inspector reviews final fabrication steps of the tail section of Boeing 727 with a worker. The aft engine hanging bracket can be seen beneath the open framework of the tail section.



WALL PANELING specially designed with tactfully painted scenes from the old west are positioned by worker as FAL aircraft number E3504 rolls nearer final assembly. Panel colors are gold, turquoise and burnt orange.

FAL Opens Los Angeles Office

Bacon Named To Head California Post

Gerald Bacon has been appointed to head Frontier Airlines' new Pacific Coast sales office in Los Angeles. Effective August 15, Mr. Bacon, a 14 year veteran with the carrier and a native of Los Angeles, will assume the newly created position of District Sales Manager — state of California.

This new Frontier Los Angeles sales office is the first offline office to open by the carrier. Nearly 20 per cent of Frontier's interline travelers originate from the Los Angeles area. Because of this high percentage, which is increasing each month, air travelers from the Los Angeles area and throughout the state may now contact their local Frontier sales office or travel agent.

Mr. Bacon, prior to this Los Angeles assignment, worked as City Sales Manager for Frontier at Tucson, Arizona since 1963. He joined



GERALD BACON
District Sales Manager—California

the airline in 1952 as a station agent in Farmington, New Mexico, later receiving added experience at various stations in Colorado and Arizona before joining the sales staff in 1959 at Tucson.



DANIEL GOODYEAR
New City Sales Manager—Tucson

NEW CITY SALES MANAGER in Tucson is Daniel Goodyear. During the past two years Goodyear worked as Frontier's City Sales Manager in Rapid City. He joined the carrier in 1959 as a Station Agent at Farmington, New Mexico. Seven months later he transferred to Denver where he worked as a Station Agent. In December, 1962 Goodyear joined the sales staff as a Sales Representative in Denver up to the time of his Rapid City assignment.

H. GAIL GODBEY is named new City Sales Manager in Rapid City. During the past year Godbey has worked in Salt Lake City as a Sales Representative for the carrier. Prior to his joining Frontier in 1965, he was employed by an investment brokerage firm in Denver.



GAIL GODBEY
New City Sales Manager—Rapid City

SERVICE AWARDS



15 YEAR SERVICE PINS—JULY

Leonard, K. K., Supr. Air Cargo
Acct, DEN
Walters, F. M., Mech, DEN
Veldboon, G. H., Capt, DEN

10 YEAR SERVICE PINS—JULY

Thomas, C. G., Capt, DEN
Harrison, W. B., Capt, SLC
Searle, T. E., Capt, SLC
Ure, R. M., Capt, SLC
Duffek, R. L., Sr Agt, RAP
Hett, K., Sr Agt, TUS
Seybold, R. D., Sls Svc Mgr, PUB

5 YEAR SERVICE PINS—JULY

Massey, C. E., Clrk, DEN
Force, S. K., Sr Res Agt, DEN
Hunt, J. G., Stn Agt, GTF
Stewart, H. W., Stn Agt, DEN
Sumner, L. E., Stn Agt, GJT
Schardt, C. L., Stew, DEN



DON WOLLENZIEN
Foreman—aircraft overhaul shops

FRONTIER'S NEW foreman in aircraft overhaul is Don Wollenzien. Don's responsibilities include sheetmetal/welding and upholstery/paint shops. Prior to filling the position of foreman, Wollenzien worked as an aircraft overhaul mechanic for the carrier. He joined Frontier in October, 1961.

MOVING UP WITH FRONTIER

GERALD ANDERSON returned to Denver from Burbank, California where he was Frontier's representative to the Allison Division during June for that period of the carrier's Convair 580 fleet conversion program. In Denver, Anderson is Foreman of the Aircraft Overhaul Dock.

RICHARD HARMAN is new Scheduling Representative working with Orval Bowen, Manager — Scheduling. Harman comes to Frontier from American Express with 5½ years previous airline experience.

EUGENE PORTER is new Relief Agent, Southern Division. Formerly he worked as a Station Agent in Denver.

Carper Is New Sales/Service Manager In Omaha

New sales/service manager for Frontier in Omaha is Charles Carper. He transfers to Omaha with 10 years experience in sales and service with the carrier. Previously he has been assistant sales/service manager in Albuquerque and has carried out previous managerial assignments for FAL in Gunnison, Grand Junction and Pueblo, all in Colorado. Carper was also a representative of the Joint Airline Military Ticket Office (JAMTO) in Albuquerque.

New Set of Wings Given to Ann



TEN YEARS OF SERVICE to Frontier is commemorated by Ann Yanulavich, Secretary—Interline Sales, with a pinning by William J. Mitchell, Vice President of Sales and Service for the carrier.

First Female Sales Representative



FRONTIER'S NEW, first female sales representative, Mrs. Jean Galloway, gets some background on Frontier's soon-to-be-flying Boeing 727 jets from Thomas H. Morphis, Regional Sales Manager in Denver for the carrier. Mrs. Galloway, a 1963 graduate from the University of Nebraska, taught elementary education prior to joining Frontier.

Slivka Named New Manager of Station Services



GEORGE SLIVKA, JR.
Manager of Station Services

New manager of station services for Frontier is George Slivka, Jr.

Slivka's new duties are planning and coordinating policies for improving customer services in the operations of Frontier flights at the 61 stations operated by the carrier throughout its 11-state system. He is administering this program for 450 sales/service managers and agents under the direction of Lynn Dennis, Director of Customer Services.

An 18-year veteran with Frontier, Slivka was the airline's sales/service manager in Omaha for the past eight years. He has held previous managerial positions at Frontier stations in Arizona, New Mexico and Wyoming during his career with the company.

Frontier Applies For Amendment To Military Standby Plan

To alleviate uncertainty for military personnel traveling on reduced standby fares, Frontier filed with the Civil Aeronautics Board (CAB) an amendment to its military standby fare tariff. This will provide confirmed reservations on the next available Frontier flight should a serviceman be unable to board the original Frontier flight of his choice. In announcing this new military fare provision, Frontier's president and chairman of the board, Lewis W. Dymond said, "Frontier is the first carrier to propose the new rule under which military personnel on furlough can use the half fare service on a more dependable basis. This is a further extension of Frontier's constant effort to extend the benefits of air transportation to a larger part of the American population."

The new rule is added to Frontier's existing rule which provides that military standby passengers will not be subject to removal for full fare passengers at intermediate points. Frontier is the only carrier presently offering this assurance to military standby passengers.

Citadel Proposes Acquisition of Frontier

Citadel Industries, Inc. of New York City, 67.4% owned by RKO General, Inc., a wholly owned subsidiary of General Tire & Rubber Company, has proposed a plan to acquire Frontier Airlines and Oklahoma City-based Video Independent Theatres, Inc.

Frontier is 56.2% owned by RKO General.

The proposal is subject to approval by the shareholders of Citadel Industries at a meeting to be held soon. Immediately following the Citadel meeting, tenders will be offered to all Frontier shareholders on a share-for-share basis. "Although the transfer of Frontier stock from RKO General to one of its subsidiaries will not affect either the operations of Frontier or the ultimate ownership of the majority of Frontier stock by RKO General," said Lewis W. Dymond, Frontier Chairman of the Board and President, "the opportunity being afforded to all other Frontier stockholders to participate in ownership of other companies now in the General Tire family seems to be a progressive idea. We are not urging Frontier stockholders to accept Citadel's offer, but we think RKO General should be commended for giving them that election."

Thomas F. O'Neil, Chairman of the Board of General Tire and Dymond emphasize there will be no change in management. "This is basically a corporate realignment to strengthen our operations and provide additional shareholder opportunities," they said.

The assets of Citadel Industries currently consist entirely of cash and short-term securities. Citadel Industries is the surviving company from the sale of the assets of Alco Company to the Worthington Corporation in December, 1964.

Video Independent Theatres, Inc. operates 125 motion picture theatres in Oklahoma, Texas, New Mexico, Missouri and Kansas. Through Video, RKO Gen-

(Continued in next column)

\$17 Million Hangar/Operations Complex Plan Being Finalized

A \$17 million hangar/operations complex, which includes \$8 million in construction cost, is planned by Frontier Airlines to be built at Stapleton International Airport, Denver.

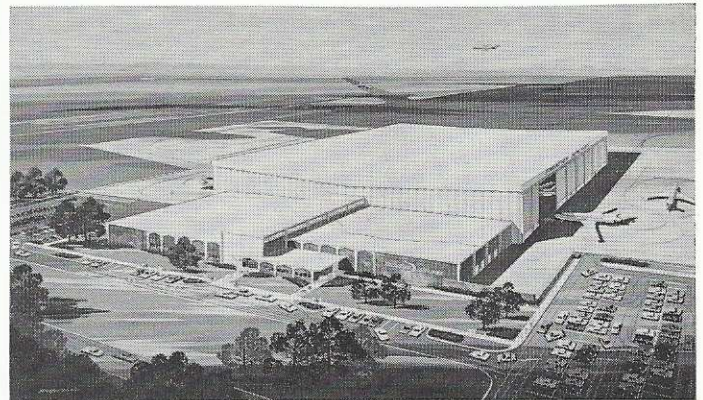
A proposed 32-year lease would cover the sale by Denver of \$9 million of special facility bonds to finance construction of the complex.

Frontier's complex would be located on a 19-acre tract. A hangar with 400,000 square feet of floor space, would be Stapleton Field's largest; capable of housing six Boeing 727 jet aircraft. First delivery of the first B-727 will be made to Frontier this fall. The airline has five of the tri-jets on order with an option for five additional 727s.

An operations building adjoining the hangar would house Frontier's flight operations, flight and ground employee training facilities, reservations offices, aircraft and maintenance shops. It will cost Frontier some \$10 million to equip the complex. Included will be a \$2 million electronic computer to be used both for passenger reservations and airline record keeping functions.

Construction is scheduled to start in January 1967. Completion is planned by the spring of 1968. The complex will replace four separate structures now used by Frontier.

FAL's executive offices will continue to be maintained at 5900 East 39th Avenue which is located two miles west of Stapleton International Airport.



ARCHITECT'S DRAWING of Frontier's proposed \$17 million hangar/operations complex to be constructed at Denver Stapleton International Airport. Construction is planned to begin early 1967 with completion in 1968.

eral is the largest owner of H & B American Corporation, a Beverly Hills, California owner and operator of Community Antenna Television Systems (CATV), Vumore, Inc. of Oklahoma is also a wholly-owned subsidiary of Video Independent Theatres and owns and operates regional Community Antenna Television Systems.

The transaction will involve a total of 1,438,000 shares when completed, at which time RKO General will own 92% of Citadel. "It is expected," said O'Neil, "that the acquired companies will contribute a total of \$2,000,000 in earnings annually to Citadel."

Along with the necessary Citadel approval, the transaction will also involve approval by the federal regulatory agencies.

Grand Old Lady Retires From Original Route

Grand Old Lady, Workhorse of the Sky, C-47, Gooney Bird or whatever your name for it is, the famed DC-3 has more than earned its keep for this nation and many an airline. This is especially true for Frontier Airlines for whom the DC-3 was a first string starter in 1946, then under the name of Monarch, one of three predecessor airlines to present day Frontier.

In November 1946, the original route of Monarch Airlines was established by the DC-3 on a route between Denver and Durango, Colorado by way of Colorado Springs, Pueblo and Monte Vista. May 31, 1966, 20 years later, this Grand Old Lady of the Sky lifted from Denver's Stapleton International Airport en-route to the same scheduled cities as it has done during the past 20 years, only this was the last time she would do so on a regular schedule.

As in 1946, ceremonies at each city served on this original route were again held, however this time to commemorate the dedicated service provided by both an airplane type and an airline. In commemoration of the change from piston to jet-powered aircraft, which is now serving this route, a polished piston from one of the DC-3's used on these flights, was presented to the leading city official at each city. Making presentations were Vern Carlson, assistant to Lewis W. Dymond, President of Frontier, and Ray Wilson, Supervisor of Aviation with the Public Utilities Commission of Colorado.

During the time of the first flight in 1946, Mr. Carlson was the steward aboard that first DC-3 and Mr. Wilson was (and is) the founder of Monarch Airlines as it was named during that time.

Taking the place of the DC-3 over this route segment is another larger, faster, more comfortable "Workhorse of the Sky," Frontier's new jet-prop Convair 580.



CARL BERGMAN, left, Alamosa Airport Manager and Clifford Hartman, Mayor, Alamosa accept a polished DC-3 piston presented by Vern Carlson, right, Assistant to the President of Frontier and Ray Wilson, second from right, former President of Monarch Airlines, forerunner to Frontier.



DR. JACK M. OSBURN, right, President of Pueblo City Council, reads inscription on DC-3 piston presented by Vern Carlson, Assistant to the President of Frontier.



DURANGO MAYOR JIM FRENCH, receives engraved piston commemorating the last regularly scheduled flight by a DC-3 on the original Frontier route. Making the presentation is Ray Wilson, center, former President of Monarch Airlines and Vern Carlson, Assistant to the President of Frontier. Also commemorating the occasion is Harry Fassett (left) station agent and Walter Rea (right) sales/service mgr.



AT FARMINGTON presentation of the engraved piston was made to Mayor Floyd Davis, second from left. Participating in the ceremonies were, left to right, Paul Almquist, FAL's sales/service manager at Farmington, Mayor Davis, Ray Wilson, stewardess Susan Kutscheid and Vern Carlson, Assistant to the President of Frontier.

FRONTIER'S NEW LOOK IN DENVER

For passengers checking in for Frontier flights in Denver's new multi-million dollar terminal building at Stapleton International Airport, first thing that catches their eye is the striking combination of turquoise and mahogany paneling which backdrops Frontier's counter (below) in the center of the building. Complimenting this eye-appealing first impression is a large backlighted map of the United States with Frontier's route and flight service accentuated in a third dimension. Flight arrivals and departures are currently updated with two Bunker-Ramo closed circuit television sets. A large impressive gold crescent completes the overall pleasing effect for Frontier passengers. This new look is being carried out in all 61 terminals served by the carrier.



UPPER RIGHT

WILLIAM J. MITCHELL (third from left), Vice President of Sales and Service for FAL, headed dedication committee in Denver to formally open Frontier's first city ticket office. Denver's Acting Mayor **Bill McNichols** (second from right) cuts ribbon with assistance from (left to right) stewardesses **Lana Ashbrook** and **Susan Kutscheidt**, **W. J. Mitchell**, **Roland Barnard**, President-elect of the Denver Chamber of Commerce and stewardess **Joyce Gonzales**.

LOWER RIGHT

FRONTIER'S NEW city ticket office downtown Denver is easily recognized by its bold gold lettering and crescent against a light turquoise background. Inside, counter design is similar to ticket counter at airport as pictured above.



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