

Tiger International Shareholders are Told of Company's Strong Financial and Marketing Position

Tiger International and Flying Tigers Report Record Results for the First Quarter of 1988

A large group of Tiger International shareholders and employees heard President James A. Cronin describe the position and future opportunities of both the parent company and Flying Tigers during the annual shareholders' meeting in Los Angeles on May 26, 1988.

Mr. Cronin reported on the significant progress which both companies have made since the end of 1986 in reducing costs, strengthen-

ing their financial structures and building revenues.

"We have materially strengthened our financial and operating base in the past year and one-half, through the commitment, dedication and support of our employees, customers and shareholders," Mr. Cronin told the nearly 100 shareholders and employees who attended the meeting. "We are in excellent shape now to capitalize on the financial,

operating and marketing fundamentals which we have placed in position."

Strong Global Marketing Position

Shareholders were told of Flying Tigers' four principal marketing strategies which support the airline's goal of establishing and building on a "defensible" global market position—one which continues Flying Tigers' role as the leading worldwide airfreight carrier as ranked by the International Air Transport Association for the seventh year in a row.

These strategies encompass the geographic, product, customer and technology issues which define Flying Tigers' strategic marketing direction now and in future years. Mr. Cronin described a geographic strategy which combines expanded fifth and sixth freedom service such as the Company's around-the-world service from Asia directly to Europe; focused geographic expansion to new markets such as Bangkok, Thailand; and further expan-

sion of domestic U.S. coverage as shipper demand increases in specific markets.

Mr. Cronin cited the global economic factors which have favorably affected Tiger's business in recent months: strong U.S. exports; the increasing importance of the Asia-Europe markets, supported by stronger European currencies; and continued strong eastbound transpacific and northbound Latin American shipments.

Shareholders also heard of Flying Tigers' newest product offering, International Distribution Service (IDS), which provides expedited service for shipments from Far Eastern gateways to 55 major U.S. cities.

The variety of management and electronic information systems which are on-line and being extended throughout Flying Tigers' system were also described during the meeting. These include the Cargo Automated Terminal (CAT) system for major national accounts; the electronic data interchange systems which are leading the Com-

pany toward a "paperless" business environment; the Management of Information Core Activities (MICA), which provides strategic, planning and decision-making tools to the Company; an information systems program which interfaces with U.S. Customs; a custom-designed yield management program for Flying Tigers; and the development of bar coding-based service enhancements.

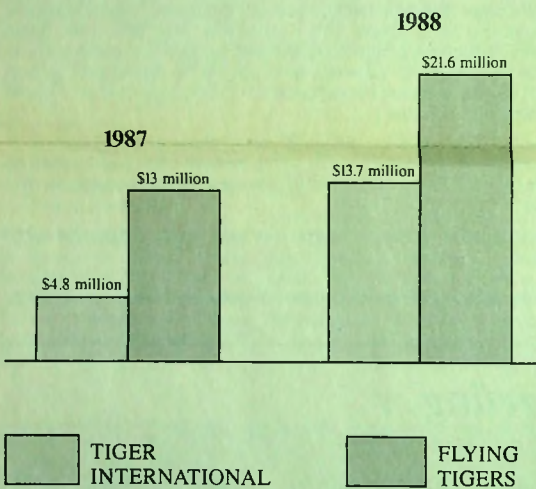
Record First Quarter Results

Mr. Cronin told shareholders that Tiger International, Inc. achieved record first quarter net income of \$13,708,000, or \$.39 per share, a substantial increase from last year's net income of \$4,845,000, or \$.15 per share. Revenues were \$310,432,000 in the first quarter of 1988 compared to \$265,313,000 for the same period last year.

The Flying Tiger Line Inc. had a record pretax profit of \$21,632,000 in the first quarter of 1988, compared to a pretax profit of \$13,025,000 in the same period last year. Revenues increased 17 per-

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FIRST QUARTER PROFITS



Flying Tigers Introduces International Distribution Service From Asia to the U.S.

On May 2, 1988, Flying Tigers introduced its new International Distribution Service (IDS) product for agents, forwarders and brokers in the Far East. IDS offers direct, expedited international airport-to-airport service from Asia to 55 major interior United States markets, utilizing the airline's International Distribution Center (IDC) in Columbus, Ohio.



Two classes of service, known as IDS-1 and IDS-2, offer premium service at competitive prices. IDS shipments currently originate from Hong Kong, Taipei, Tokyo and Osaka. Seoul, South Korea will be added as an origin point in mid-June. IDS-1 is a next business day

international airport-to-airport service, while IDS-2 provides second business day airport-to-airport service. Customs clearance is provided by Flying Tigers for IDS-2 shipments at its IDC in Columbus, Ohio.

"To the interior U.S. destinations, these services will be from one to four or five days faster than the industry average," Cyril Murphy, Flying Tigers' vice president-market planning, said. "During its first few weeks of operation, IDS shipment volumes have continued to grow substantially," he added.

"We have no competition with this product," Mr. Murphy continued. "With our frequent around-the-world schedules and the integration of our international and domestic systems at the IDC in Columbus, no one can match our timeliness and cost—plus we're backing it with KIAC and its ability to track and trace shipments."



How to Feed a 747... A Flying Tigers' B-747 charter flight set a record for the airline in May when it carried a 97,000 pound chemical compressor reactor from Chicago to Brussels, Belgium—marking the heaviest single shipment ever carried by Flying Tigers. Two 60-ton cranes were utilized to onload the reactor, which is 38-feet long, 8-feet in diameter and 2-inches thick. One of only five reactors of its kind in the world, the unit, shown above as it was about to be loaded into the nose of the aircraft, will be used to produce plastics and polystyrene products.

Carriers' Plan For Tomorrow

The following speech was delivered by Cyril Murphy, Flying Tigers vice president-market planning, at the 14th International Forum for Air Cargo held in Miami, Florida in May. The speech addresses the need to incorporate technological changes in the airfreight industry to ensure its readiness to meet the challenges in the future.

Intermodal... Automated... Databased, the three primary action words in the theme of this meeting, describe a direction, NOT a condition. And as goals, or concepts, they appear at times to be impossible to accomplish.

Virtually no one in this room would deny the underlying values of integrating the information and logistical systems which support our global airfreight industry. At least in conversation, most of us endorse the need for standardizing information management and handling criteria—including those for intermodal shipment tracking, electronic document transfer and management decision support systems.

Why is there such a wide gap between what we all agree is needed and what we have been able to accomplish?

To no one's surprise, the answers are both economic and competitive—both flowing out of deregulation.

Air carriers, which represent the principal link in the international airfreight matrix between shippers and their customers, are under extreme pressure to generate new revenues and control costs, in order to remain competitive and achieve a reasonable level of profitability.

Industry estimates of the cost of logistics' administrative functions for shippers and carriers in 1988 are approximately \$30 billion alone—a hefty figure of which a major part would have to be considered "controllable." Controllable meaning that it is theoretically possible to gain improved cost efficiencies and productivity through management and systems innovations.

Carriers and shippers alike are increasingly focusing on origin and destination services as the most promising areas for becoming more productive. The airplane ride is largely a commodity. The action is on the ground and within the communications channels.

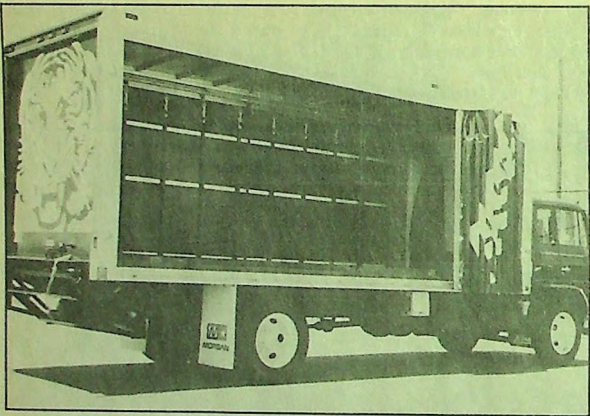
While we all embrace intermodal integration, the truth is that progress in this area has been miniscule in relation to what is possible when compared to what must happen in our industry in the next decade if we are to succeed. Sea trains, intermodal sea-air-truck containers, truck trailers on rail cars and double stack trains represent but a small part of the worldwide cargo industry.

Information needs are becoming increasingly complex and widespread for shippers and carriers. There is little disagreement about what information is required by both parties to move cargo from point A to point B—whether on paper or computer terminal, we need an airbill, shipment tracking, customs processing, rate and schedule information, invoicing and management reports, among other action items.

The difference of opinion, and approach, and style are not what, but rather how and where and when. Solving these divergences is essential to realizing the intermodal, automated, databased industry to which we aspire at this meeting.

I believe there is a very good chance that the most fundamental disagreements on standards, techniques and relationships will only be solved on our highly competitive

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Responding to Customer's Needs... When Hamilton-Avnet, a Flying Tigers customer which ships traffic on a daily basis, requested its time deadline to prepare its shipment each day be extended by 45 minutes so that additional traffic could move, Flying Tigers responded by securing a "curtain-sider" truck to meet their needs. The curtain-sider allows traffic to be loaded directly at Hamilton's site into containers stationed in the new vehicle for transport directly to Sky Harbor International Airport to connect with the airline's daily outbound flight from Phoenix. Previously, since Hamilton's warehouse does not have room to store the containers nor the equipment necessary to load the containers onto a truck, traffic had to be taken to Flying Tigers' off-airport terminal location each day to be built-up into containers and then transported to the airport. The truck's uniqueness lies in its walls, which are constructed of heavy-duty vinyl siding that can be pulled completely to one side of the vehicle, allowing direct loading of traffic into the containers. At top, the truck is shown with one side pulled back, ready to receive and transport empty containers to Hamilton's site to load traffic and, below, fully loaded and ready for departure to the airport.



The Tiger Forum

by James A. Cronin

I would like to take this opportunity to discuss the general topic of safety, an issue that has received a lot of attention in the news media and within the airline industry in recent months, and address Flying Tigers' ongoing, diligent practices to ensure the safe operation of its aircraft.

A safe and healthy working environment for all of our people, and in particular flight safety, is at the top of our list of business priorities. Flying Tigers is committed to the mission that employee and flight safety transcend all other business concerns. While operating the most comprehensive scheduled air-freight system in the world, with 900 pilots and 36 jetfreighter aircraft in the fleet, we have achieved a superior safety record over the years. This is truly a remarkable accomplishment considering the complex nature of our global system and flight schedules.

The diversified nature of our customer requirements, equipment, locations, ground support and routes presents a continuing challenge to ensure that our people and equipment are at the highest possible state of operational readiness at all times. We continue to make progress in this critical area. For example, we have committed additional resources to our maintenance and engineering organization which has resulted in our reducing our average deferred maintenance item (DMI) per aircraft by over 64 percent since last November. In addition, since the introduction of the new Minimum Equipment List (MEL) regulations in March by the Federal Aviation Administration (FAA), we have required only five time-limit extensions, one of the best records in the industry.

In addition, we have spent millions of dollars in the past 18 months in upgrading our JT9-7A engines. The first stage turbine blades have been modified to the latest state-of-the-art turbine air foil, and the overall engine build standards have been dramatically improved. This has resulted in a substantial improvement in engine reliability, an unprecedented level of available spare engines, and the virtual elimination of turbine blade failures, which historically have occurred at critical stages of flight. These are just a few highlights of our continuing commitment to safety and quality.

The nature of Flying Tigers' schedules and routes has not changed substantially over the years. However, one specific scheduling difference which has occurred is in our international scheduling, where there has been an increase in long-distance flights which do not pass through the United States; for example, increased eastbound and westbound around-the-world frequencies which are either direct or follow a polar route. This change has resulted in some of our flight crews being away from home for longer periods of time.

Pilot scheduling in an airline such as Flying Tigers is complex because of our route structure and trip frequency. We operate in accordance with: (1) federal regulations (FARs); (2) specific contractual rules under mutually-set labor agreements between Flying Tigers and our pilots; and (3) various physiological criteria. Our flight operations conform completely with these mutually-determined and federally-mandated rules and the airline has a long-term safety record which confirms this ongoing compliance and performance. Our pilot flight and duty times are far stricter than the FAR requirements. We are constantly fine-tuning our schedules to balance marketing considerations, international airport curfews, flight crew scheduling requirements and pilot working conditions. This is not a simple task, nor is it without some level of stress—but it is the nature of Tiger's business.

To continue to meet this challenge, our worldwide operation receives a comprehensive critique on a daily basis, and we spend a considerable amount of time following up on operational, maintenance and pilot scheduling incidents which require corrective action. This is especially important in the Flight Operations Department, where we have a close-knit group of experienced management personnel who spend a significant amount of time coordinating and following up on the day-to-day operational and scheduling incidents. To further support our efforts to maintain a high level of flight safety, we are currently in the process of hiring a Director-Operations Safety.

While our internal surveillance and audit procedures attempt to detect flaws in the system, it is everyone's responsibility, and indeed obligation, to identify issues which must be addressed in order to improve the reliability of our operational system. We are dedicated to improving our communications network to enhance the reporting process.

A safe operation is everyone's responsibility. It does not just happen—we must work at the process every day.

Questions from employees for The Tiger Forum should be directed to the Corporate Communications Department, HDQ 905, HDQSRFT.

Shareholders' Meeting...

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cent to a first quarter record of \$300,348,000 from \$256,205,000 a year earlier.

These results represent the seventh consecutive quarter of net income for the parent company and the seventh straight quarterly profit for the airline.

Strong Growth Raises Profits

"Our first quarter record profits are the result of strong revenue growth in all of our markets, with the transpacific and transatlantic markets showing the greatest improvement, reflecting increases of 18 percent and 48 percent, respectively," Mr. Cronin said. "This strong revenue growth, concentrated in January and February, was supported by continued expansion of our geographical coverage and the additional capacity from the six DC-8 aircraft and one B-747 aircraft, which we added to our fleet last year. We have experienced growth in all export and import markets as well as in our domestic system."

Mr. Cronin continued, "Our U.S. export volumes remain strong and are expanding as a result of a more competitive dollar, lower U.S. manufacturing costs, the lifting of selected foreign trade restrictions, and our expanded capacity. We continue to focus on improving the quality of our service and the introduction of service enhance-

ments, both domestically and internationally. Our marketing plan is based on building revenues and increasing customer satisfaction through the focused expansion of our global network and by providing consistently superior freight shipping and handling services. Our goal is to provide consistently reliable and cost-effective freight handling services to shippers worldwide—regardless of their capacity, timing and destination requirements."

The development of the Company's Columbus, Ohio International Distribution Center, combined with the introduction of new products and improvements in existing services, is having a positive effect on its revenue-generation efforts and producing greater customer satisfaction. These service enhancements have far-reaching implications both for the airline's global network and its expanding domestic system, which now reaches more than 50,000 locations with first-day or deferred service basis delivery.

Service Enhancements

Several important international and domestic service additions have been introduced during the first part of 1988 including: the inauguration of weekly B-747 service from the United States to Auckland, New Zealand, which also operates through Honolulu and Sydney, pro-

viding a third scheduled weekly flight to these two locations; the commencement of direct service from Prestwick, Scotland westbound to the airline's principal U.S. distribution center in Columbus, marking the first direct international service from the United Kingdom to the Columbus hub; new eastbound service from Prestwick to Milan, Italy; and inauguration of a fourth scheduled B-747 Asia-to-Europe flight.

Domestically, Flying Tigers expanded its airfreight service with a daily air schedule from Portland, Oregon, via Seattle, Washington to Columbus, Ohio, and B-727 service to Peoria, Illinois. The Company recently opened a new 14,400 square-foot airfreight facility at the Minneapolis-St. Paul International Airport. In Flying Tigers' charter business, the Company operated a three-month agreement with Air India to provide sub-service from Delhi and Bombay, India, to JFK airport in New York. This weekly B-747 charter flight carried wearing apparel to the U.S.

Warren Transport's Revenues Up

Warren Transport's revenues were \$10,084,000 in the first quarter, up eleven percent from revenues of \$9,108,000 for the year-earlier period. Pretax profits for the first quarter 1988 were \$613,000 compared to \$465,000 in the same period last year.

Narita Terminal is at the Center Of Flying Tigers' Transpacific Operations

Flying Tigers is currently the largest United States carrier serving the Asian market as measured by freight ton miles. Fifty-eight percent of the Company's revenues in 1987 were derived from its scheduled transpacific operations.

At the center of this activity is Narita Airport, which acts as the hub for the carrier's Asian operations. With the majority of Flying Tigers' transpacific flights transiting Narita, its performance has a tremendous impact on the airline's overall success.

In 1987, the Company's Narita facility serviced 2,449 flights (a record since the airline began flight operations there) and handled 311,083,200 pounds of airfreight traffic. On average, seven to eight flights a day transit the terminal, consisting of B-747 aircraft with the occasional exception of a DC-8 aircraft.

There are 115 employees at Narita, working in terminal operations, maintenance, flight planning, communications and customer service. They work closely with Flying Tigers employees in Baraki, Japan, where import/export traffic is processed, and the airline's downtown Tokyo office, which houses sales and administration.

"Narita is without a doubt one of our most important bases in the western Pacific, and perhaps even outside the United States," Fred Mills, Flying Tigers general manager-Japan, said. "Our operations at Narita are benefiting from the general resurgence in U.S. exports to the Far East, a stable east-bound transpacific market and an increase in market demand from the Far East to Europe."

"Flying Tigers is the top air-freight carrier at Narita," boasts Shizuo Hasemi, deputy general manager-Japan. "In documents release, we are number one (able to get documents released faster) and shipment document delivery to



Toshiyuki Yumoto, import cargo agent for Flying Tigers, above left, and an International Air Cargo Terminal (IACT) staff member check some of the airline's import freight.

consignees is completed 30 minutes after flight arrival," he asserts.

These achievements are especially notable in light of the unique and challenging factors the terminal staff face in running the facility's operation. An airport curfew is in force which prohibits flight operations between 2300 and 0600 hours, seven days a week. In addition, Flying Tigers is not allowed to handle most of its own import freight nor the freight of others at Narita under rules imposed by the Japanese government. Consequently, most ground handling of import traffic is

performed at International Air Cargo Terminal (IACT), a common warehouse used by all carriers operating out of Narita. (The airline has been working aggressively to change this rule.)

There are five types of import traffic that, as a result of approval received from Japan's Customs, Flying Tigers has been granted permission to self-handle at its Narita facility as of February 1, 1988, thereby bypassing the use of IACT. The five items consist of: military freight destined for Yokota; bypass traffic to Baraki; Nagoya-destined

freight; small packages under 70 pounds; and comat shipments (such as aircraft parts, etc.). Between February 1 and May 31, USD \$170,000 has been saved in handling fees as a result of this program.

In Japan, Customs is involved in inspecting both import and export traffic. Customs randomly inspects export shipments for quality levels and to determine the types of goods moving out of the country. This is done in order to protect established quality standards and guidelines.

A large amount of transloading takes place at the Company's Narita

facility, with an average of 400 mixed pallets being handled each month. The warehouse at Narita complements the needs of such work, since it is capable of simultaneously storing 159 containers, comparable to four fully-loaded B-747s.

This generous space capacity is especially helpful in light of the increased volumes experienced at the airline's Narita terminal, which recorded a 30 percent increase in westbound traffic for U.S.-Japan shipments in January 1988, versus January 1987. These increases included commodities such as chocolate from Atlanta, cigarettes from Charlotte and Atlanta, radial tires from Detroit, asparagus from California and chilled beef. In addition, Narita has experienced a large increase in exports from Asia to Europe. (Shipments are routed from Narita to Taipei to pick up the airline's around-the-world flights.) Cattle charters, mostly originating from the midwestern U.S. and Australia, frequently operate through Narita as well, averaging one flight per week.

The changing of quotas covering particular commodities has had a significant impact on the movement of traffic to Asia. Since the import quota on cigarettes was lifted, American cigarettes have become increasingly popular in Japan since they are less expensive than locally produced tobacco products. And, as the result of the alcoholic beverage tax being lowered, more and more alcohol is moving into Asia.

Currency exchange rates have fostered a surge in westbound U.S.-Japan volumes in recent months. Imports from the U.S. to Japan rose a whopping 40 percent in 1987 versus 1986. In July 1987 alone, 4,000 tons of import traffic, including large seasonal shipments of salmon roe from Anchorage and cherries

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On average, 930,000 pounds of traffic either arrives, departs or is transloaded at Flying Tigers' Narita terminal each day. IACT employees busily process freight at the Company's terminal, above.



Above, l-r: Export Cargo Agents Morihiro Chuba, Kiyohiro Niwa and Kohachi Seki sort documents covering shipments arriving on one of the airline's westbound flights from the United States. Below left, Hideo Mori, manager-terminal services for Flying Tigers' Narita facility. Below right, Shizuo Hasemi, deputy general manager-Japan, who is based at the airline's Tokyo office.



Narita is Asia's Hub...

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from the Pacific Northwest, was handled through Narita, a record for the Company.

The airline also recorded strong growth in traffic moving from Japan to the U.S. in 1987 versus 1986. Eastbound traffic regularly carried to the U.S. includes commodities such as electronic (computer) equipment, cameras, copying machines, television games and video equipment.

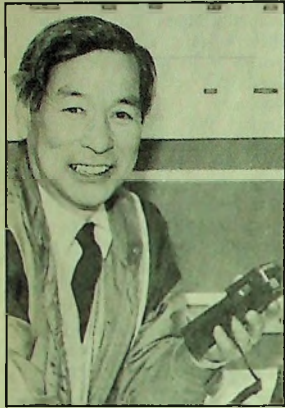
A major operation supporting the airline's Narita terminal is its Baraki

office, which plays a key part in its operations. "Baraki acts as a sales and service point for the Company," said Masakazu Yagi, manager of freight services at Baraki.

An average of 700 to 800 pallets a month of export traffic are processed through Baraki, which is responsible for the buildup of the majority of U.S.-destination traffic moving from Narita. Ninety percent of freight being exported from Narita must clear Customs at Baraki.

Narita's flight departure reliability for the month of January was 99.9 percent, a testimonial to the efficiency of its employees. The terminal's total operation is complex and the exemplary performance consistently achieved by this group of dedicated employees speaks highly of their abilities.

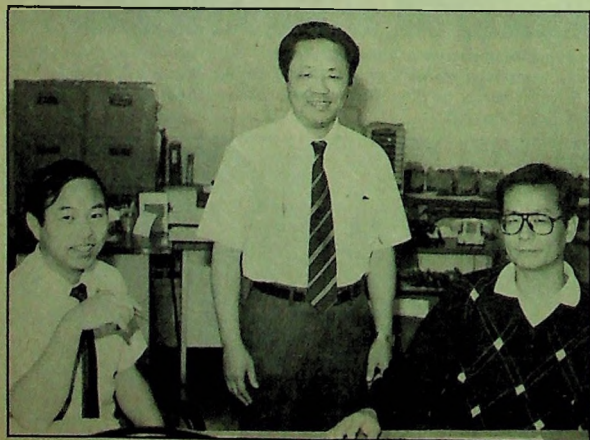
Hideo Mori, manager of terminal services at Narita, concurs with this assessment, as is evident in his remark, "The Tiger spirit is alive and well at Narita."



Above left: Toshiji Ishikawa, chief cargo agent-export service. Above right, l-r (standing): Flight Service Department employees Hideki Morii, cargo agent; Masao Narita, chief cargo agent; Toshio Kikuchi, manager; Kazuhide Matsumoto, cargo agent; Yoshiaki Aragane, chief cargo agent; and Toshiyuki Izuka, cargo agent. Seated: Tsuyoshi Ozaki, supervisor-terminal operations.



Narita Export Service employees Yoshiaki Tokai, chief cargo agent, and Yusuke Kobayashi, junior cargo agent, above left, l-r, check on a shipment. Nobumi Takechi, manager-import sales, and Mineo Iwasaka, account executive, above right, l-r, work at the airline's downtown Tokyo office, which works closely with Narita.



Above left, l-r (standing): Maintenance Department employees Miyoko Takebe, secretary, and Iwataro Ohya, station supervisor; Stock Room Supervisor Teruo Higuchi; Kenichi Ioku, supervisor-customs clearance and, seated, Laverne Jenkinson, manager-maintenance. Itaru Saiki, chief cargo agent-flight service, above right. Baraki employees at left, l-r: Takehiko Ishimoda, cargo agent; Masakazu Yagi, manager-freight service; and Tohru Yanagisawa, chief cargo agent.

Carriers' Plan for Tomorrow...

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playing field—which is, by the way, only occasionally "level"—and that free market forces will dictate whose cargo information system and standards prevail. This is as it should be, but the shake-out will be years in the making.

These free market forces create changes in traditional roles and relationships. Competing carriers are forming alliances in order to defend market niches and gain market leverage. Large shippers outside the United States are acting as their own Customs brokers. Shippers are forming relationships which displace forwarders. And on and on it goes.

It is an understatement to say that these are exciting and often perilous times for the airfreight industry. The focused, the resourceful, the creative and the aggressive among us will prevail as we move toward the 21st century.

This theme was reflected in an article on the global airfreight industry in the April 4, 1988 issue of *Forbes* magazine, with the headline "21st Century Truckers"—a clearly intermodal-sounding theme.

As the largest worldwide airfreight carrier, according to IATA rankings, Flying Tigers has also taken a leadership position in the development and implementation of information and control systems which will lead eventually to global integration of our freight shipment system.

I say eventual, because at the moment, we are wrestling with the same set of marketplace dynamics which all of us in the industry are dealing with. The principal dichotomy is that shippers want integrated systems which mesh with their own often highly customized distribution needs; while carriers tend to resist uniformity in the interests of what each perceives to be a "competitive edge."

At Flying Tigers we are remaining competitive with service enhancements and product additions, while building a critical mass in shipping information support which will lead to the integration of our interfacing capabilities with shippers and, hopefully, other carriers.

Our total management information systems strategy is based on enterprise-wide inputs and analyses which lead to an architecture which is based on an integrated data base. There are several major elements of this overall approach.

First, our Cargo Automated Terminal (CAT) system is an integrated electronic data interchange product which is unique to Flying Tigers. CAT is currently in place in the United States and will be positioned globally within the next 12 to 18 months. The system does far more than simply eliminate paperwork; more importantly, it gives our customers control over their distri-

bution process, and on a highly cost-effective basis. Nearly two dozen of our major customers presently have CAT terminals on their sites, and this number is growing steadily.

Second, for management control and decision-making support, we designed and implemented a system called MICA—Management Information of Core Activities—which assists us in the strategic decision-making, planning, control and operations areas of our business. MICA is fed by our KIAC (Key Information Air Cargo) system, a major industry innovation which has been in place for several years, which provides immediate shipment, location, Customs and other real-time information which shippers require.

Third, we have developed an International Distribution Service program for agents, forwarders and brokers in the Far East. This new program provides expedited service from Asia to interior U.S. markets, utilizing our International Distribution Center in Columbus, Ohio.

The ongoing development and "fine-tuning" of these and other of our systems is a dynamic process and we intend to remain on the leading edge in this critical area. As I said earlier, our goal is to build a critical mass, an integrated information system which will ultimately link us with shippers and other air carriers, and interface with agents, forwarders and brokers at the same time.

The four or five dominant passenger airline reservation systems obviously are a good analogy for our own situation—but three to five years early. Through marketing, financial and technological forces, the American, United and Texas Air reservations systems have achieved a leadership position and have brought about the on-line interfacing of customers, travel agents, hotels, car rental companies and other travel industry segments—with the airlines.

The same type of situation will undoubtedly occur in the airfreight industry. The operative questions are "when?" and "in what form?" At Flying Tigers, we are committed to being a major part of this industry process. At the same time as we develop our own unique products, we also support cooperation among the industry players and the very active, and promising efforts which are currently underway in the areas of standardization and the development of new, more sophisticated technologies for tracking airfreight.

In closing, with regard to the theme of this meeting, we are not there yet but we can see where we are headed—pushed and pulled by market forces which may or may not be under our control. Let's all profit from the experience!

HDQ Generator is Ready to Serve

The Caterpillar 800 kilowatt diesel generator recently installed at Flying Tigers' headquarters to provide a back-up source of power in the event of a commercial power outage was connected to the Company's electrical system on Saturday, June 4 and is fully operational. The initial hook-up of the standby generator, which will provide back-up power to all computer and communications equipment in the Information Systems Computer Center and the Operations Control Center, took over 11 hours to complete. The unit will automatically turn on after a power outage lasting 5 minutes and is designed to run as long as power is needed.

FLYING TIGERS **review**

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