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Southwest Airlines Repeats Comments From CEO Gary Kelly Regarding Earnings Growth Target

Kelly's Remarks Not Accurately Reflected in Media Reports

DALLAS, May 10 /PRNewswire-FirstCall/ -- Gary Kelly, CEO of Southwest Airlines (NYSE: LUV), made comments yesterday at a Bear Stearns conference in New York that have been reported by the media. Southwest Airlines is repeating Kelly's comments as some reports appear to have combined two very different remarks concerning earnings growth targets and capacity (available seat mile) plans.

When discussing the carrier's earnings growth target, Kelly said there is growing evidence of a slowing economy that is impacting travel demand. "So for us, that makes our earnings growth target pretty tough for this year," he said. "But we do have a target to grow earnings by 15% this year ... that target stands. It is certainly going to be much tougher to achieve given our results for the first quarter and our expected results in the second quarter."

Kelly was referring to Southwest's capacity plans when he further said, "We don't want to grow just for growth's sake. And at this point, who knows how long the revenue demand will be sluggish. If this is sort of a mid-cycle slowdown, then maybe it will pick up and we'll be well-positioned to take that into account. But indeed, if things continue to be sluggish, we will continue to think about our growth rates in 2008 and beyond."

<http://www.southwest.com>

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