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# **Southwest Airlines' CEO Gary Kelly Addresses Shareholders at Company's Annual Meeting**

DALLAS, May 16 /PRNewswire-FirstCall/ -- At the Southwest Airlines (NYSE: LUV) Annual Shareholders' Meeting today, Vice Chairman and Chief Executive Officer Gary Kelly attributed the airline's success in 2006 to the "warmest, friendliest, and most caring" Employees of Southwest Airlines.

"Southwest Airlines has never been stronger than today, and because of our People, our future has never been brighter," Kelly said. "I couldn't be more proud of our People. We beat our target with record economic earnings (in 2006); we were the low-cost producer; and we were number one in Customer Satisfaction."

Kelly announced, "In recognition of the loyal support from our Shareholders, our Board of Directors today declared our 123rd consecutive quarterly dividend of \$.0045 per share, to be paid on June 28, 2007 to Shareholders of record on June 7, 2007. In addition, the Board authorized a new repurchase program to acquire up to \$500 million of the Company's common stock. Based on yesterday's close price of \$14.22, this represents approximately 35.2 million shares of common stock. Since the beginning of 2006, we have repurchased 77.2 million shares of the Company's common stock for \$1.2 billion. These repurchases include approximately \$223 million purchased under the \$300 million previously authorized this year. Once the remaining \$77 million is completed, the Company expects to initiate this new \$500 million authorization and currently anticipates the program will be completed within approximately ninety days, demonstrating our strong commitment to returning value to our Shareholders."

Repurchases will be made in accordance with applicable securities laws in the open market or in private transactions, from time to time, depending on market conditions, and may be discontinued at any time. Southwest has approximately 774 million shares of common stock outstanding. Any shares that are repurchased may be retired or used to fund the Company's Employee stock plans.

Kelly made two other announcements at today's meeting: Southwest Airlines and Naverus have signed an agreement to partner on developing an RNP (Required Navigation Performance) program; and Southwest Airlines has signed a new 10-year, content distribution agreement with Galileo. More information on these two announcements can be found in separate releases on southwest.com.

In voting matters at today's meeting, Shareholders re-elected Southwest Airlines' Chairman Herb Kelleher, Vice Chairman and Chief Executive Officer Gary Kelly, President Colleen Barrett, Travis Johnson, Webb Crockett, John Montford, William Cunningham, Louis Caldera, David Biegler, and Nancy Loeffler as Directors for one-year terms expiring in 2008. William P. Hobby retired today from the Board of Directors.



A Company proposal to amend the Company's Articles of Incorporation to remove the supermajority voting requirements in the Articles, which was proposed as a result of a 2006 Shareholder proposal that won support from 75% of the Shareholders voting last year, received the 80% Shareholder vote required to implement the Company proposal and therefore passed. Such proposal received 660,678,383 votes "FOR" and 6,160,895 votes "AGAINST." A Shareholder proposal recommending adoption of a simple majority Shareholder vote with respect to certain matters was not supported by Shareholders, having received 491,721,285 votes "AGAINST" and 73,621,385 votes "FOR." These results are preliminary. Final results will be reported in the Company's second quarter Form 10-Q.

Shareholders approved the Company's 2007 Equity Incentive Plan and ratified the selection of Ernst & Young LLP as the Company's independent auditors for the fiscal year ending December 31, 2007. A broadcast from today's Annual Shareholders' Meeting is available at [http://www.southwest.com/?src=IR\\_051607](http://www.southwest.com/?src=IR_051607).

This news release contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. All forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from the plans, intentions, and expectations reflected in or suggested by the forward-looking statements. Additional information concerning the factors which could cause actual results to differ materially from the forward-looking statements are contained in the Company's periodic filings with the Securities and Exchange Commission, including without limitation, the Company's Annual Report on Form 10-K for the year ended 2006 and subsequent filings. The Company undertakes no obligation to publicly update or revise any forward-looking statements to reflect events or circumstances that may arise after the date of this press release.

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