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# Southwest Airlines Is 2015 Airline Of The Year

**Air Transport World selects Southwest for extraordinary and consistent standards of service, financial performance, safety, and environmental and corporate responsibility**

DALLAS, Dec. 19, 2014 /PRNewswire/ -- [Southwest Airlines®](#) (NYSE: LUV) is the 2015 Airline of the Year, according to Air Transport World (ATW), a Penton company. In selecting Southwest as Airline of the Year, ATW editors cited Southwest's extraordinary and consistent standards of service, financial performance, safety, and environmental and corporate responsibility. In particular, for the first time in 14 years, Southwest achieved its 15 percent return on invested capital target, before taxes and excluding special items, reporting 17.1 percent<sup>1</sup> for the twelve months ended June 30, 2014. Southwest remains the world's only airline that can claim 41 consecutive years of profitability. And, it has maintained the highest of standards through its merger-acquisition with AirTran Airways, marking Southwest's transition to serving international destinations.

"On behalf of the People of Southwest Airlines, I am delighted that our airline has been selected by ATW as Airline of the Year," said Gary Kelly, Southwest Airlines Chairman, President, and CEO. "This is a prestigious honor, and I am proud for all of our Employees. They have done an extraordinary job transforming Southwest over the past decade, which has culminated in a year of historic achievements. Because of their Warrior Spirits, Southwest now flies to international destinations; Dallas Love Field has been set free from the Wright Amendment; AirTran will be fully integrated in just days; and LUV has reached lifetime highs. We celebrated this year with a bold new look to our brand and aircraft livery. This award is, truly, icing on the cake!"

"CEO Gary Kelly's leadership has allowed the airline to become the USA's largest in terms of originating domestic passengers, as well as one of the world's safest airlines. With Gary at the helm, Southwest said goodbye to the Wright Amendment and hello to international destinations—massive milestones. All of this while delivering a financial performance that is the envy of airlines worldwide and customer service that is renowned for its hospitality. I sincerely congratulate Gary and the entire Southwest Airlines team," ATW editor-in-chief Karen Walker said.

The ATW awards will be officially presented by ATW Editors at a gala dinner in Washington, D.C., on Feb. 25, 2015.

## **ABOUT SOUTHWEST AIRLINES CO.**

In its 44th year of service, Dallas-based Southwest Airlines (NYSE: LUV) continues to differentiate itself from other air carriers with exemplary Customer Service delivered by nearly 46,000 Employees to more than 100 million Customers annually. Southwest and wholly owned subsidiary AirTran Airways operate more than 3,400 flights a day, serving 93 destinations across the United States and five additional countries. Subject to foreign

government approvals, Southwest service to San Jose, Costa Rica (from Baltimore/Washington), begins in March 2015; service to Puerto Vallarta, Mexico (from Orange County/Santa Ana), begins in June 2015; and service to Belize City begins in October 2015 (from Houston (Hobby)).

Based on the U.S. Department of Transportation's most recent data, Southwest Airlines is the nation's largest carrier in terms of originating domestic passengers boarded. The Company operates the largest fleet of Boeing aircraft in the world, the majority of which are equipped with satellite-based WiFi providing gate to gate connectivity while over the United States. That connectivity enables Customers to use their personal devices to access streaming music provided by Beats Music or to view video on-demand movies and television shows, as well as nearly 20 channels of free, live TV compliments of DISH. Southwest is the only major U.S. airline to offer Bags Fly Free® (first and second checked pieces of luggage, size and weight limits apply), and there are never change fees, although fare differences might apply. In September 2014, the airline proudly unveiled *Heart*, a new aircraft livery, airport experience, and logo, showcasing the dedication of Southwest Employees to connect Customers with what's important in their lives.

From its first flights on June 18, 1971, Southwest Airlines launched an era of unprecedented affordability in air travel described by the U.S. Department of Transportation as "The Southwest Effect," a lowering of fares and increase in passenger traffic wherever the carrier serves. With 41 consecutive years of profitability, Southwest is one of the most honored airlines in the world, known for a triple bottom line approach that contributes to the carrier's performance and productivity, the importance of its People and the communities they serve, and an overall commitment to efficiency and the planet. The 2013 Southwest Airlines One Report™ can be found at [Southwest.com/citizenship](http://Southwest.com/citizenship).

Book Southwest Airlines' low fares online at [Southwest.com](http://Southwest.com) or by phone at 800-I-FLY-SWA.

<sup>1</sup> Information regarding return on invested capital, before taxes and excluding special items, is included in the accompanying reconciliation table.

**Reconciliation of Reported Amounts to Non-GAAP Items**  
(in millions)

	<b>Twelve Months Ended June 30, 2014</b>
Operating income, as reported	\$ 1,766
Net impact from fuel costs	49
Acquisition and integration costs	103
Operating Income, non-GAAP	\$ 1,918
Net adjustment for aircraft leases (1)	140
Adjustment for fuel hedge accounting	(78)
Adjusted Operating Income, non-GAAP	\$ 1,980
Average invested capital (2)	\$ 11,581
Equity adjustment for fuel hedge accounting	(25)
Adjusted average invested capital	\$ 11,556
<b>ROIC, pre-tax</b>	<b>17.1%</b>

(1) Net adjustment related to presumption that all aircraft in fleet are owned (i.e., the impact of eliminating aircraft rent expense and replacing with estimated depreciation expense for those same aircraft.

(2) Average invested capital represents a five quarter average of debt, net present value of aircraft leases, and equity.

See note regarding use of non-GAAP financial measures at  
<http://southwest.investorroom.com/>

To view the original version on PR Newswire, visit: <http://www.prnewswire.com/news-releases/southwest-airlines-is-2015-airline-of-the-year-300012318.html>

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