

## Southwest Airlines Files Application To Offer Nonstop Service Between Los Angeles (LAX) And Three Mexico Beach Destinations

Carrier seeks DOT route authority to link its LAX International gateway to Cancún, Puerto Vallarta, and San José del Cabo/Los Cabos, México

DALLAS, June 1, 2016 /PRNewswire/ -- Southwest Airlines Co. (NYSE: LUV) today filed an application with the U.S. Department of Transportation (DOT) to extend the carrier's low fare reach into México markets with new international service from Los Angeles International Airport (LAX). Southwest is proposing new service to México: twice-daily flights to Cancún and San José del Cabo/Los Cabos, and once daily service to Puerto Vallarta to begin Nov. 6, 2016, contingent upon route authority approval by the end of this month. Shortly following approval, the carrier intends to offer the flights for sale on Southwest.com.

The application requests extra-bilateral authority from the DOT to allow the carrier to sell and serve the new markets during an interim period while the governments of the United States and México take final diplomatic steps to bring the pending liberalized Aviation Agreement between the two nations into force.

"We've committed aircraft resources to serve these important trans-border routes at the start of the winter season and are asking that Southwest be allowed to add its low-fare, bags fly free, no change fee\* competition and legendary Customer Service to benefit consumers in the U.S. and México," said Gary Kelly, Chairman, President & CEO of Southwest Airlines.

According to projections by the Campbell-Hill Aviation Group, an economic analysis firm retained by Southwest, Southwest's new competition in the three LAX – México markets could reduce fares more than 20 percent below average fares on the routes today, increase total traffic on the routes by more than 500,000 passengers each year, and save passengers \$50 million annually in reduced fares – another example of the *Southwest Effect* of lowering fares and increasing traffic in international markets. Click <a href="here">here</a> to download the carrier's application.

Southwest currently offers daily service from LAX to Liberia, Costa Rica and serves four points in México from eight other U.S. cities. Southwest continues to plan for 2016 year-over-year available seat mile (ASM) growth in the 5-6 percent range.

\*Southwest is the only major U.S. airline to offer bags fly free® to everyone (first and second checked pieces of luggage, size and weight limits apply; some airlines might allow free checked bags on select routes or in qualified circumstances), and there are never reservation change fees, though fare differences might apply.

<u>Cautionary Statement Regarding Forward-Looking Statements</u>

This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Specific forward-looking statements include, without limitation, statements related to the Company's network and capacity plans, opportunities, and expectations. These statements involve risks, uncertainties, assumptions, and other factors that are difficult to predict and that could cause actual results to vary materially from those expressed in or indicated by them. Factors include, among others, (i) the impact of economic conditions, consumer behavior, fuel prices, actions of competitors (including without limitation pricing, scheduling, and capacity decisions and consolidation and alliance activities), and other factors beyond the Company's control, on the Company's business decisions, plans, and strategies; (ii) the impact of governmental regulations and other governmental actions related to the Company's operations; ; and (iii) other factors, as described in the Company's filings with the Securities and Exchange Commission, including the detailed factors discussed under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended Dec. 31, 2015.

## ABOUT SOUTHWEST AIRLINES CO.

In its 45th year of service, Dallas-based <u>Southwest Airlines</u> (NYSE: LUV) continues to differentiate itself from other air carriers with exemplary Customer Service delivered by more than 50,000 Employees to more than 100 million Customers annually. Southwest operates more than 3,900 departures a day during peak travel season across a network of 97 destinations in the United States and seven additional countries. Service to Long Beach, California, the carrier's 98<sup>th</sup> city, begins June 5, 2016.

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. That connectivity enables Customers to use their personal devices to view video on-demand movies and television shows, as well as more than 20 channels of free, live TV compliments of our valued Partners. Southwest created <a href="Iransfarency">Iransfarency</a>, a philosophy which treats Customers honestly and fairly, and in which low fares actually stay low. Southwest is the only major U.S. airline to offer bags fly free® to everyone (first and second checked pieces of luggage, size and weight limits apply, some airlines may allow free checked bags on select routes or for qualified circumstances), and there are no change fees, though fare differences might apply. In 2014, the airline proudly unveiled a bold new look: Heart. The new aircraft livery, airport experience, and logo, showcase 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 whenever the carrier enters new markets. With 43 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 2015 Southwest Airlines One Report™ can be found at SouthwestOneReport.com.

Book Southwest Airlines' low fares online at <u>Southwest.com</u> or by phone at 800-I-FLY-SWA.

To view the original version on PR Newswire, visit: <a href="http://www.prnewswire.com/news-releases/southwest-airlines-files-application-to-offer-nonstop-service-between-los-angeles-lax-and-three-mexico-beach-destinations-300278291.html">http://www.prnewswire.com/news-releases/southwest-airlines-files-application-to-offer-nonstop-service-between-los-angeles-lax-and-three-mexico-beach-destinations-300278291.html</a>

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