

By: /s/ Laura Wright
Laura Wright

Date: April 14, 2005

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INDEX TO EXHIBITS

Exhibit No.	Exhibit
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99.1	Registrant's First Quarter 2005 Earnings Release.

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CONTACT: Investor Relations (214) 792-4415

SOUTHWEST AIRLINES REPORTS FIRST QUARTER EARNINGS OF \$76 MILLION;
DILUTED EARNINGS PER SHARE OF \$.09

DALLAS, TEXAS - April 14, 2005 - Southwest Airlines (NYSE:LUV) today reported first quarter 2005 net income of \$76 million, or \$.09 per diluted share, compared to \$26 million for first quarter 2004, or \$.03 per diluted share. These first quarter 2005 results compare favorably to the First Call mean estimate of \$.05 per diluted share.

Gary C. Kelly, CEO, stated: "Considering the many challenges our industry continues to face, we are grateful to report first quarter 2005 earnings of \$76 million. Our rigorous focus on cost reduction and successful fuel hedging program shielded us from record high energy prices and enabled us to report our 56th consecutive quarter of profitability. For first quarter 2005, we were 86 percent hedged, which reduced fuel and oil expense by \$155 million. In addition, we recorded \$27 million in "other gains" in accordance with Statement of Financial Accounting Standard No. 133 (SFAS 133), 'Accounting for Derivative Instruments and Hedging Activities.'

"We are 83 percent hedged for second quarter 2005 with crude oil prices capped at \$26 per barrel. Based on current market conditions, we expect our jet fuel costs per gallon for second quarter 2005 to exceed first quarter 2005's 90.3 cents. We remain 85 percent hedged for second half 2005 at \$26 per barrel; 65 percent in 2006 at \$32 per barrel; over 45 percent in 2007 at \$31 per barrel; 30 percent in 2008 at \$33 per barrel; and over 25 percent in 2009 at \$35 per barrel.

"Excluding fuel, our unit costs declined 3.8 percent. This superb performance reflected a tremendous effort by our Employees, and they continue to work hard to improve productivity throughout our Company. Based on recent cost trends, we do not expect second quarter 2005 unit costs, excluding fuel, to significantly exceed first quarter 2005's excellent performance of 6.32 cents.

"Our unit revenue improved 1.9 percent as we benefited from significant increases in freight and other revenues and a strong March passenger revenue performance. Following fourth quarter 2004 trends, we started the year with weak revenue yields. March, however, was positively impacted by the timing of the Easter holiday, which led to a record March load factor performance of 73.7 percent. March also benefited from our codeshare with ATA at Chicago Midway (initiated in February), competitive capacity reductions in certain markets, and modest fare increases. Although bookings are satisfactory for May and June, the Easter holiday timing is negatively impacting April traffic and load factors. At this juncture, it appears likely second quarter 2005 load factors will decline relative to last year's record levels, and it is, therefore, difficult to predict whether or not we will have favorable year - over-year passenger unit revenue comparisons in second quarter 2005.

"While we are not immune to the challenging industry revenue environment and glut of capacity, we are well positioned for growth and will continue to explore longterm profitable market opportunities. During first quarter 2005, we exercised seven Boeing 737-700 options for 2006 delivery, bringing our 2006 firm orders to 33, with one 2006 option remaining, for a planned annual available seat mile growth of approximately seven percent.

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"We look forward to serving Pittsburgh, beginning May 4, 2005, with a total of ten daily nonstop departures to four cities: Philadelphia, Chicago Midway, Las Vegas, and Orlando. We are also excited about our Chicago Midway growth plans and will be at 192 Midway departures by July 5, 2005."

Southwest will discuss its first quarter 2005 results on a conference call at 11:30 a.m. Eastern Time today. A live broadcast of the conference call will be available at www.southwest.com/jp/luvhome.shtml?src=IR_earn_041405.

Operating Results

Total operating revenues for first quarter 2005 increased 12.1 percent to \$1.66 billion, compared to \$1.48 billion for first quarter 2004. Operating income was \$106 million compared to \$46 million in first quarter 2004. Revenue passenger miles (RPMs) increased 12.3 percent in first quarter 2005, as compared to a 10.1 percent increase in available seat miles (ASMs), resulting in a 1.2 point increase in load factor to 65.4 percent. The passenger revenue yield per RPM decreased 0.7 percent to 12.03 cents from 12.11 cents in first quarter 2004. Operating revenue yield per ASM (RASM) increased 1.9 percent to 8.22 cents from 8.07 cents in first quarter 2004.

Total first quarter 2005 operating expenses were \$1.56 billion, an increase of 8.3 percent, compared to \$1.44 billion in first quarter 2004. First quarter 2004 operating expenses included \$18 million related to the consolidation of the Company's reservation centers. Operating expenses per ASM (CASM) for first quarter 2005 decreased 1.5 percent to 7.70 cents, compared to 7.82 cents in first quarter 2004. Excluding fuel, CASM for first quarter 2005 decreased 3.8 percent to 6.32 cents (compared to 6.57 cents for first quarter 2004), primarily due to lower unit labor, maintenance, and "other" operating expenses.

"Other income" was \$8 million for first quarter 2005 versus "other expense" of \$5 million for first quarter 2004, primarily due to \$27 million (\$.02 per diluted share after profitsharing and income taxes) in "other gains" recorded in first quarter 2005 in accordance with SFAS 133. Interest expense increased 42.1 percent in first quarter 2005 primarily due to higher debt levels and higher floating interest rates.

The first quarter 2005 effective income tax rate of 33.1 percent reflected a \$6 million (\$.01 per diluted share) reduction in income tax expense, attributable to the favorable resolution of an industry-wide issue regarding the tax treatment of certain aircraft engine maintenance costs.

For first quarter 2005, net cash provided by operations was \$886 million, which included a \$490 million increase in fuel hedge related collateral deposits. Net cash used in investing activities was \$172 million for first quarter 2005, which reflects \$423 million in capital expenditures plus the remaining \$6 million related to assets acquired from ATA Airlines, Inc. These cash expenditures were partially offset by a \$257 million increase related to the reclassification of auction-rate securities held at December 31, 2004 to short-term investments.

During first quarter 2005, the Company issued \$300 million in senior unsecured Notes due 2017 and redeemed \$100 million of senior unsecured Notes. The Company completed its previously announced \$300 million common stock repurchase program during first quarter 2005. Approximately 3.9 million common shares were repurchased during the quarter, bringing the total shares repurchased during the program to 21 million. The Company ended first quarter 2005 with \$1.9 billion cash on hand plus an available unsecured revolving credit line of \$575 million.

For the ninth consecutive year, Southwest Airlines was recognized by

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FORTUNE as America's Most Admired Airline and one of America's Most Admired Companies. The Company was also recognized again in HISPANIC magazine's listing of the 2005 Hispanic Corporate 100. Southwest Airlines Cargo was recently named "Airline of the Year" by the Express Delivery & Logistics Association, marking the fifth consecutive year that the Company has been honored for its excellence in air cargo delivery service.

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 2004 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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 SOUTHWEST AIRLINES CO.
 CONDENSED CONSOLIDATED STATEMENT OF INCOME
 (in millions except per share amounts)
 (unaudited)

	Three months ended March 31,		
	2005	2004	Percent Change
<S>	<C>	<C>	<C>
OPERATING REVENUES:			
Passenger	\$1,592	\$1,428	11.5
Freight	34	25	36.0
Other	37	31	19.4
Total operating revenues	1,663	1,484	12.1
OPERATING EXPENSES:			
Salaries, wages, and benefits	640	589	8.7
Fuel and oil	279	230	21.3
Maintenance materials and repairs	101	114	(11.4)
Aircraft rentals	43	45	(4.4)
Landing fees and other rentals	113	103	9.7
Depreciation and amortization	112	103	8.7
Other operating expenses	269	254	5.9
Total operating expenses	1,557	1,438	8.3
OPERATING INCOME	106	46	130.4
OTHER EXPENSES (INCOME):			
Interest expense	27	19	42.1
Capitalized interest	(9)	(10)	(10.0)
Interest income	(7)	(4)	75.0
Other (gains) losses, net	(19)	-	n.a.
Total other expenses (income)	(8)	5	n.a.
INCOME BEFORE INCOME TAXES	114	41	178.0
PROVISION FOR INCOME TAXES	38	15	153.3
NET INCOME	\$76	\$26	192.3
NET INCOME PER SHARE:			
Basic	\$.10	\$.03	
Diluted	\$.09	\$.03	
WEIGHTED AVERAGE SHARES OUTSTANDING:			
Basic	784	785	
Diluted	812	817	

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 SOUTHWEST AIRLINES CO.
 COMPARATIVE CONSOLIDATED OPERATING STATISTICS
 (unaudited)

	Three months ended March 31,		
	2005	2004	Change
<S>	<C>	<C>	<C>
Revenue passengers carried	17,474,490	15,995,061	9.2 %
Enplaned passengers	19,780,746	18,190,404	8.7 %
Revenue passenger miles (RPMs) (000s)	13,238,009	11,792,423	12.3 %
Available seat miles (ASMs) (000s)	20,231,599	18,381,592	10.1 %
Load factor	65.4%	64.2%	1.2 pts.
Average length of passenger haul (miles)	758	737	2.8 %
Average aircraft stage length (miles)	596	568	4.9 %
Trips flown	249,119	238,469	4.5 %
Average passenger fare	\$91.15	\$89.28	2.1 %
Passenger revenue yield per RPM (cents)	12.03	12.11	(0.7) %
Operating revenue yield per ASM (cents)	8.22	8.07	1.9 %
Operating expenses per ASM (cents)	7.70	7.82	(1.5) %

Operating expenses per ASM, excluding fuel (cents)	6.32	6.57	(3.8) %
Fuel costs per gallon, excluding fuel tax (cents)	90.3	79.6	13.4 %
Fuel consumed, in gallons (millions)	307	287	7.0 %
Number of Employees at period-end	30,974	31,522	(1.7) %
Size of fleet at period-end	424	393	7.9 %

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SOUTHWEST AIRLINES CO.
CONDENSED CONSOLIDATED BALANCE SHEET
(unaudited)

(in millions)	March 31, 2005	December 31, 2004
<S>	<C>	<C>
ASSETS		
Current assets:		
Cash and cash equivalents	\$1,908	\$1,048
Short-term investments	-	257
Accounts and other receivables	334	248
Inventories of parts and supplies, at cost	128	137
Fuel hedge contracts	790	428
Prepaid expenses and other current assets	75	54
Total current assets	3,235	2,172
Property and equipment, at cost:		
Flight equipment	10,354	10,037
Ground property and equipment	1,220	1,202
Deposits on flight equipment purchase contracts	646	682
	12,220	11,921
Less allowance for depreciation and amortization	3,210	3,198
	9,010	8,723
Other assets	1,009	442
	\$13,254	\$11,337

LIABILITIES & STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable	\$471	\$420
Accrued liabilities	1,611	1,047
Air traffic liability	724	529
Current maturities of long-term debt	74	146
Total current liabilities	2,880	2,142
Long-term debt less current maturities	1,926	1,700
Deferred income taxes	1,975	1,610
Deferred gains from sale and leaseback of aircraft	148	152
Other deferred liabilities	210	209
Stockholders' equity:		
Common stock	790	790
Capital in excess of par value	299	299
Retained earnings	4,138	4,089
Accumulated other comprehensive income	972	417
Treasury stock, at cost	(84)	(71)
Total stockholders' equity	6,115	5,524
	\$13,254	\$11,337

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SOUTHWEST AIRLINES CO.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(unaudited)

(in millions)	Three months ended March 31,	
<S>	2005	2004
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$76	\$26
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	112	103
Deferred income taxes	38	16
Amortization of deferred gains on sale and leaseback of aircraft	(4)	(4)
Amortization of scheduled airframe inspections & repairs	11	14
Changes in certain assets and liabilities:		

Accounts and other receivables	(86)	(47)
Other current assets	(12)	(15)
Accounts payable and accrued liabilities	593	123
Air traffic liability	195	238
Other	(37)	(37)
Net cash provided by operating activities	886	417
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment, net	(423)	(360)
Change in short-term investments	257	39
Acquisition of assets from ATA Airlines, Inc.	(6)	-
Net cash used in investing activities	(172)	(321)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of long-term debt	300	29
Proceeds from Employee stock plans	19	13
Payments of long-term debt and capital lease obligations	(108)	(7)
Payments of cash dividends	(7)	(7)
Repurchase of common stock	(55)	(125)
Other, net	(3)	(1)
Net cash provided by (used in) financing activities	146	(98)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	860	(2)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,048	1,484
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$1,908	\$1,482

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Southwest Airlines Co.
Boeing 737-700 Delivery Schedule
As of March 31, 2005

	Prior Schedule		Current Schedule	
	Firm	Options*	Firm	Options*
<S>	<C>	<C>	<C>	<C>
2005	34	-	34**	-
2006	26	8	33	1
2007	25	29	25	29
2008	6	45	6	45
2009-2012	-	177	-	177
Total	91	259	98	252

*Includes purchase rights

** Includes 12 aircraft delivered through March 31, 2005

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