
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

November 16, 2006

Southwest Airlines Co.

(Exact name of registrant as specified in its charter)

Texas

1-7259

74-1563240

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

P. O. Box 36611, Dallas, Texas

75235-1611

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

(214) 792-4000

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.05 Amendments to the Registrant's Code of Ethics, or Waiver of a Provision of the Code of Ethics.

On November 16, 2006, the Board of Directors of Southwest Airlines Co. approved an amendment to the Company's Code of Ethics ("Code"). The Code's standards remain the same, with the changes merely conforming the reporting procedures under the Code with changes to the Company's Guidelines for Reporting Concerns about Code of Ethics Violations and Southwest's Compliance with Laws and Accounting Practices. The Code is attached to this report as Exhibit 14.1 and is available on the Company's website at www.southwest.com by selecting "About SWA," then "Investor Relations," then "Corporate Governance," and then "Policies and Procedures."

Item 8.01 Other Events.

On November 16, 2006, Southwest Airlines Co.'s Board of Directors declared a quarterly dividend of \$.0045 per share to Shareholders of record at the close of business on December 7, 2006, on all shares then issued and outstanding. The dividend will be paid on January 4, 2007. The Board of Directors also authorized the repurchase of up to \$400 million of the Company's common stock. Attached hereto as Exhibit 99.1 is the text of a press release announcing the dividend and the stock repurchase program.

Item 9.01 Financial Statements and Exhibits.

Exhibit 14.1 Southwest Airlines Co. Code of Ethics

Exhibit 99.1 Press Release

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Southwest Airlines Co.

November 21, 2006

By: Deborah Ackerman

Name: Deborah Ackerman

Title: Vice President-General Counsel

Exhibit Index

Exhibit No.	Description
14.1	Southwest Airlines Co. Code of Ethics
99.1	Press Release

Southwest Airlines

Code of Ethics

Introduction

The Employees of Southwest Airlines deliver Legendary Customer Service, with Spirit and LUV, leavened with Common Sense and Good Judgment while keeping Safety paramount. We work hard and we treat our Customers and each other the way we would like to be treated.

To ensure prosperity and job security for our People, we must remain profitable. It is our responsibility to provide a sound return to our Shareholders. One of our primary competitive advantages is our Low Costs enabling us profitably to charge Low Fares.

We place a high value on honesty, integrity, and personal responsibility. The Code set forth below applies to all Southwest Employees and its Board of Directors. This Code does not cover all Southwest policies or all laws. If a law conflicts with this Code, we follow the law. If a local custom or practice conflicts with this Code, we follow this Code. This Code clarifies Southwest's rights and expectations as an employer, but does not add to or subtract from Employee rights or in any way create any contractual employment rights for Employees.

This Code of Ethics is adopted in order to comply with the Sarbanes-Oxley Act of 2002, the regulations promulgated thereunder, and New York Stock Exchange Listing Requirements.

Compliance with Laws, Rules, and Regulations

We obey and respect the law, both in letter and in spirit.

Confidential Information; Insider Trading. All non-public information about Southwest should be considered confidential information; such non-public information is a valuable Company asset. To use non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information is not only unethical but also illegal.

It is the responsibility of all Southwest Airlines Employees to protect the interests and privacy of our Customers and Coworkers. You may not inappropriately discuss, solicit, disclose, or use for your personal benefit, information in Company records, files, or databases, such as Rapid Rewards Member information, Passenger Name Records (reservations), refund or credit card transactions, Employee/Customer correspondence, personnel files, or work schedules.

Competition and Fair Dealing. We seek to outperform our competitors fairly and honestly. We seek competitive advantage through low costs, low fares, and superior Customer Service, never through unethical or illegal business practices. Our advertising and other communications with our Customers are simple, direct, and straightforward, as well as compliant with the law. We make our own decisions concerning pricing, markets, routes, and Customers to be served and do not enter into illegal agreements with our competitors.

Payments to Government Personnel. It is strictly prohibited to make illegal payments to government officials of any country. The promise, offer, or delivery to an official or Employee of the federal, state, or local government of a gift, favor, or other gratuity in violation of applicable law violates Company policy and may also be a criminal offense. Federal law prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business.

Conflicts of Interest

A conflict of interest arises when an Employee's personal interest, or that of a family member or friend, interferes in any way with what is in the best interest of Southwest Airlines. All Employees should, at all times, conduct their activities, both business and personal, in such a manner that there is no conflict of interest with their duties as Employees of Southwest Airlines.

Loans to, or guarantees of obligations of, Employees are of special concern. Detailed provisions regarding conflicts of interest in hiring, employment of relatives, selection of Suppliers, and Supplier benefits are contained in the Guidelines for Leaders and Procurement Guidelines which are separate from this Code.

Situations involving conflicts of interest may not always be clear cut. If you have a question, follow the Compliance Procedures set forth below.

Corporate Opportunities

We each owe a duty to Southwest to further its interests whenever we can do so. Employees and members of the Board of Directors may not take for themselves personally opportunities that are discovered through the use of Company property or information. This means you may not use Southwest property or information, or your position with Southwest, to put your personal gain ahead of the Company's interests.

Safeguarding Company Property

Each of us has the responsibility to safeguard the assets of Southwest Airlines. We must use and maintain Company assets with care and respect while guarding against waste and abuse. We protect from unauthorized disclosure or misuse all non-public information about the Company, including technology, competitive position, strategy, financial results prior to public disclosure, and Customers. We do not disclose without authorization proprietary technical data developed, licensed, or purchased by the Company. We take actions necessary to safeguard all passwords and identification codes to prevent unauthorized access to Southwest's information systems. We do not reproduce licensed or internally developed software for our personal use unless permitted by the terms of the license.

We also safeguard Southwest's intangible assets, including information, intellectual property, and innovative ideas. Intellectual property rights, including patents, trademarks, copyrights, trade secrets, and know-how must be treated and managed with the same degree of care as any other valuable asset.

Recordkeeping

Southwest's financial, accounting, and other reports and records will accurately and fairly reflect the Company's transactions in reasonable detail, and in accordance with generally accepted accounting principles, applicable government regulations, and the Company's system of internal controls.

We record information honestly and accurately. For example, only the true and actual number of hours worked is reported, expense reports are documented and recorded accurately, and no Employee will authorize payment knowing that any part of the payment will be used for any purpose other than what is described in documents supporting the payment.

Waivers of this Code

Any waiver of this Code for Executive Officers or members of the Board of Directors may be made only by the Board of Directors and will be promptly disclosed as required by law or stock exchange regulation.

Compliance Procedures

Each Employee is responsible for his or her own compliance with the Code of Ethics. Questions of interpretation should be directed to your local Leader, your Department Head, or any Officer of the Company. Reports of suspected violations (and disclosure of any material transaction or relationship that reasonably could be expected to give rise to a conflict of interest) should be made as directed in the Southwest Airlines Co. Guidelines for Reporting Concerns about Code of Ethics Violations and Southwest's Compliance with Laws and Accounting Practices. We do not allow retaliation for reports of misconduct by others made in good faith by Employees. Employees are expected to cooperate in internal investigations of violations of this Code. Employees who violate this Code will be subject to discipline.

As adopted by the Board of Directors of Southwest Airlines Co. on November 16, 2006

SOUTHWEST AIRLINES ANNOUNCES 121ST CONSECUTIVE QUARTERLY DIVIDEND AND SHARE REPURCHASE AUTHORIZATION

DALLAS, TEXAS – November 16, 2006 – Southwest Airlines’ Board of Directors declared a quarterly dividend of \$.0045 per share to Shareholders of record at the close of business on December 7, 2006 on all shares then issued and outstanding.

Gary C. Kelly, Vice Chairman and CEO, stated: “Our Board of Directors is pleased to announce our 121st consecutive dividend to be paid on January 4, 2007. In addition, the Board has authorized a new share repurchase program to acquire up to \$400 million of the Company’s common stock. Based on yesterday’s close price of \$15.94, this represents approximately 25.1 million shares of common stock. This new authorization is in addition to the two buyback programs the Company initiated and completed earlier this year. Under these programs, we repurchased 36.5 million shares for a total of \$600 million. This new authorization is an indication of our financial strength. It reflects our confidence in the growth opportunities of Southwest Airlines and our continued commitment to enhance Shareholder value.”

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 793 million shares of common stock outstanding. Any shares that are repurchased may be retired or used to fund the Company’s Employee stock plans.

This press release, as well as past releases, are available at **southwest.com**.
