

SOUTHWEST AIRLINES CO

Form 4

December 14, 2004

FORM 4
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB
Number: 3235-0287
Expires: January 31,
2005
Estimated average
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(Print or Type Responses)

1. Name and Address of Reporting Person *
KELLEHER HERBERT D

(Last) (First) (Middle)

**C/O SOUTHWEST AIRLINES
CO, P O BOX 36611**

(Street)

DALLAS, TX 75235

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
**SOUTHWEST AIRLINES CO
[LUV]**

3. Date of Earliest Transaction
(Month/Day/Year)
12/14/2004

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

☒ Director ☐ 10% Owner
☐ Officer (give title below) ☐ Other (specify below)

6. Individual or Joint/Group Filing(Check
Applicable Line)
☒ Form filed by One Reporting Person
☐ Form filed by More than One Reporting
Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	12/14/2004		M		900,000	A	\$ 4.64 4,829,033
Common Stock	12/14/2004		F		168,972	D	\$ 15.99 4,660,061
Common Stock	12/14/2004		F		261,163	D	\$ 15.99 4,398,898
Common Stock							304,380
						I	By Family LLC ⁽¹⁾

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount Number of Shares
Option (Right to Buy)	\$ 4.64	12/14/2004		M		900,000 <u>(2)</u>		01/01/1999	01/01/2006	Common Stock	900,000

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
KELLEHER HERBERT D C/O SOUTHWEST AIRLINES CO P O BOX 36611 DALLAS, TX 75235	X

Signatures

On behalf of and attorney-in-fact for Herbert D. Kelleher /s/ Deborah
Ackerman

12/14/2004

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- Reporting person holds these shares for the benefit of other individuals. The reporting person's spouse is a principal. The reporting person
- (1) disclaims beneficial ownership of these shares, and the filing of this report is not an admission that reporting person is a beneficial owner of these shares for purposes of Section 16 or for any other purposes.
 - (2) Options granted from the 1996 Non-Qualified Plan.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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