



SOUTHWEST AIRLINES 2020 USE AND LEASE AGREEMENT

KIM DAY, CHIEF EXECUTIVE OFFICER
GISELA SHANAHAN, CHIEF FINANCIAL OFFICER

FEBRUARY 26, 2020

SOUTHWEST AGREEMENT

- This agreement:
 - Increases Southwest's leased gates from 24 to 40
 - Includes the 16 new gates on the east end of Concourse C
- Southwest is also extending its term to February 28, 2035
- Other terms:
 - Southwest is subject to Denver's city contractor minimum wage requirements
 - Southwest must meet gate utilization requirements
 - Southwest is responsible for tenant finishes
 - Southwest is subject to future changes in Airport's Use and Lease Agreement terms

SOUTHWEST'S GROWTH AT DEN

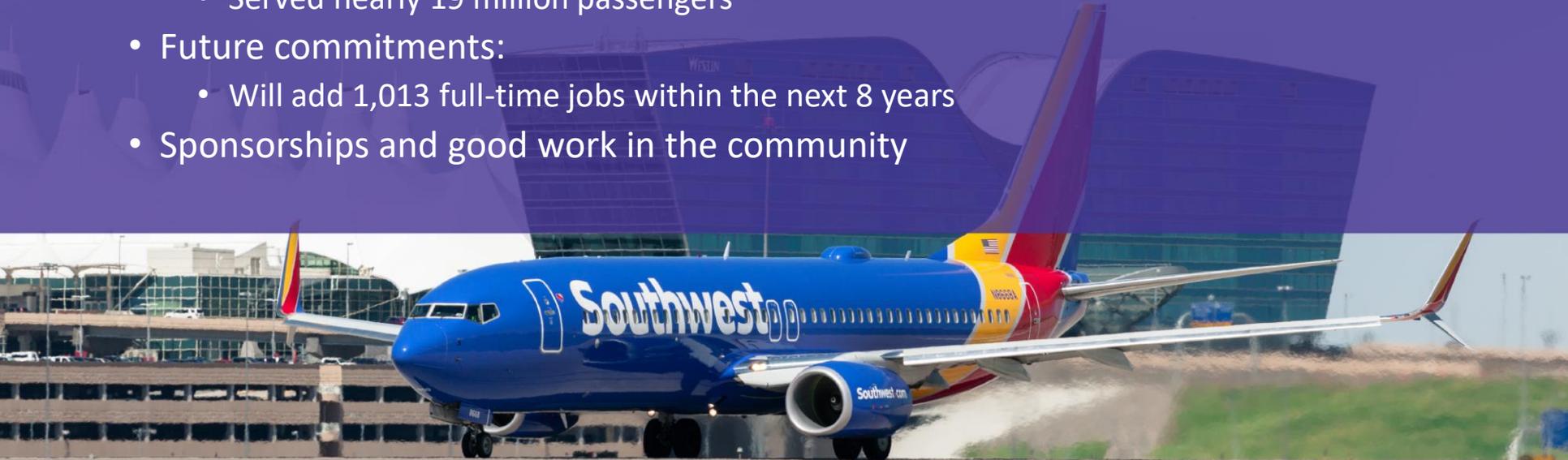
- Southwest's rapid growth
 - Began serving DEN in 2006 with 13 daily departures
 - By 2008, daily departures had increased to over 100
 - By 2013, daily departures were 160+ prompting DEN to add five additional gates to the west end of Concourse C
- Today, Southwest operates approximately 250 daily departures to more than 69 destinations
- Southwest's overall market share at DEN is now approximately 28%
- Southwest's growth has been fueled by DEN's cost-conscious environment
 - "Our investment here has paid off very handsomely. We are adding more flights this year and we are planning for more growth in the future" (*Gary Kelly, Southwest CEO's statement to investors May 2019*)

SOUTHWEST OVER THE YEARS

- 1983 – Southwest started service at Stapleton ending in 1985
- 2006 – Southwest re-entered the market beginning service at DEN to Chicago, Las Vegas, Phoenix
- 2018 - DEN became one of Southwest's busiest hubs and fastest growing market
- 2019 – Southwest began construction on a 130,000 sq. ft. maintenance hangar
 - Southwest's investment is more than \$100 million
 - The new facility will hold up to three 737-800 aircraft
 - Construction is expected to be complete by year end 2020
 - This will be the first commercial aircraft hangar in Colorado that will operate without polyfluoroalkyl substances (PFAS)

SOUTHWEST'S COMMITMENT TO DENVER

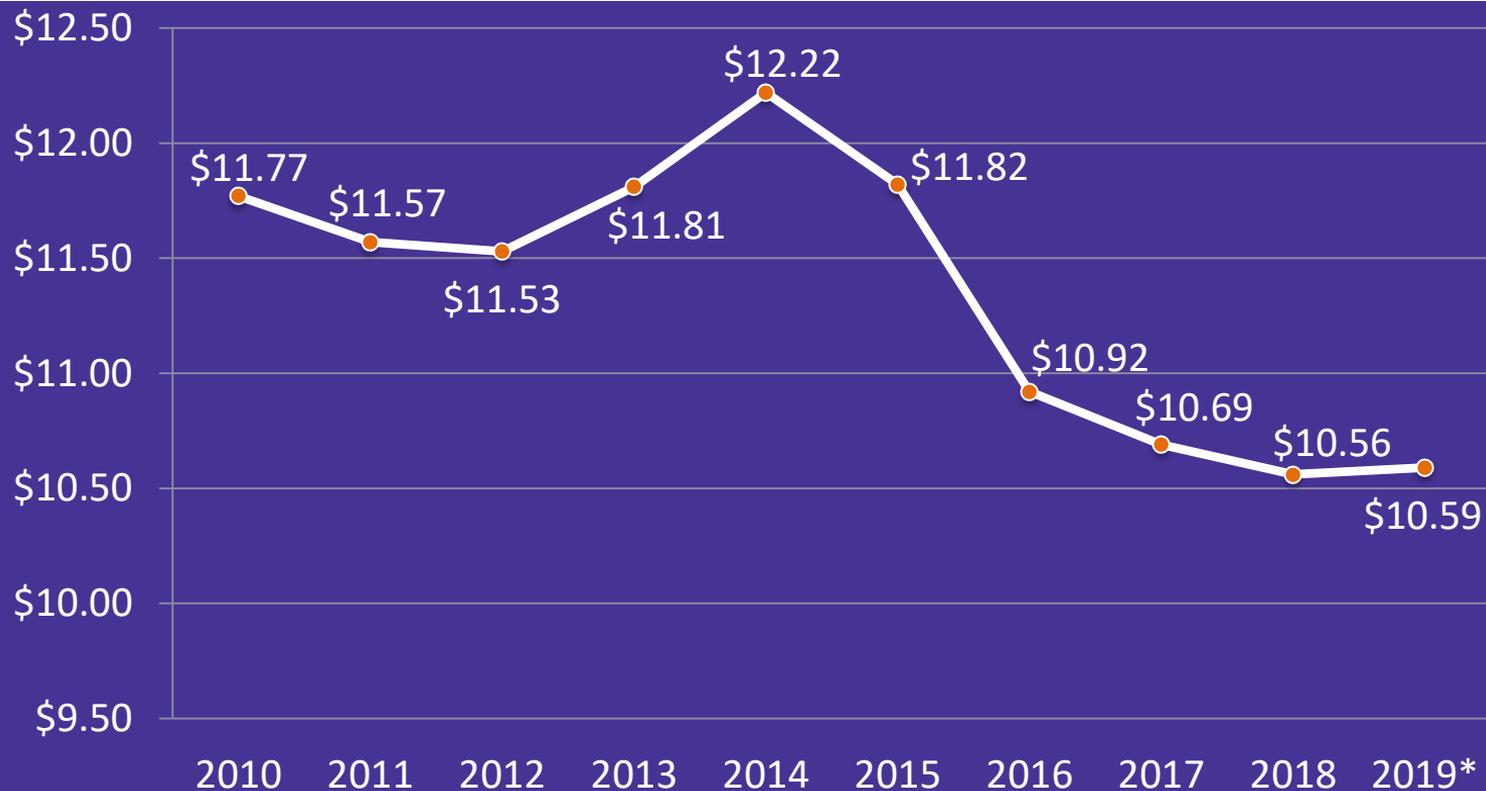
- Southwest is the 2nd largest airline at DEN
 - Southwest employs approximately 4,300 people in the metro area
- 2019 DEN milestones:
 - Served nearly 19 million passengers
- Future commitments:
 - Will add 1,013 full-time jobs within the next 8 years
- Sponsorships and good work in the community



NEW MAINTENANCE HANGAR



DEN COST PER ENPLANED PASSENGER



TOTAL CONCOURSE EXPANSION PROGRAM

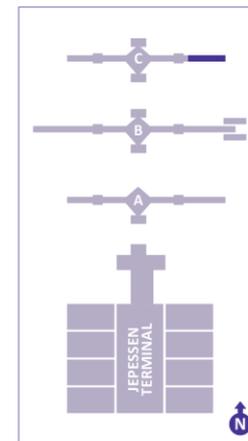
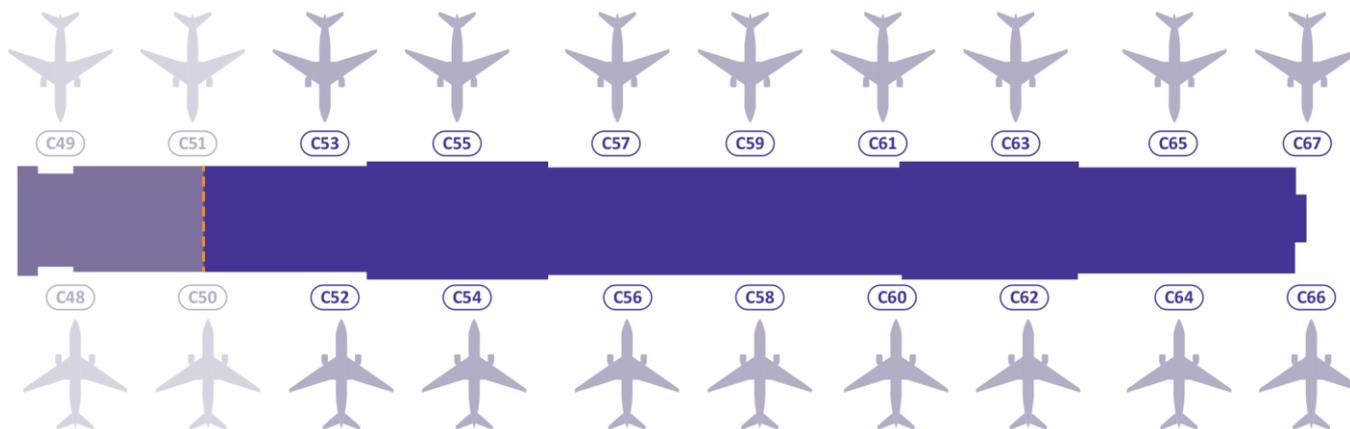


TOTAL CONCOURSE EXPANSION PROGRAM



- Concourse expansion is DEN's largest project since new airport opened
 - Project is on budget (\$1.5 billion) and on time (full operations ≈ Q2 2022)
 - \$340 million invoiced to date (as of Dec. 19, 2019)
 - \$1.4 billion committed to date
 - ≈ \$36 million remaining contingency
- Total buildout of 39 new gates spread over all three concourses
 - ≈ 30% capacity increase
- New concessions and customer focused amenities
 - Innovative hold-room concept with new seating and expanded in-seat charging stations
 - New restrooms and signage
 - Sub-core concessions groupings with seating and views

CONCOURSE C EAST



 <p>16 NEW GATES</p>	 <p>520,00 BUILDING SQUARE FEET</p>	 <p>600,000 PAVING SQUARE FEET</p>	 <p>20 HOLD ROOMS</p>
--	---	--	---

CONCOURSE C EAST



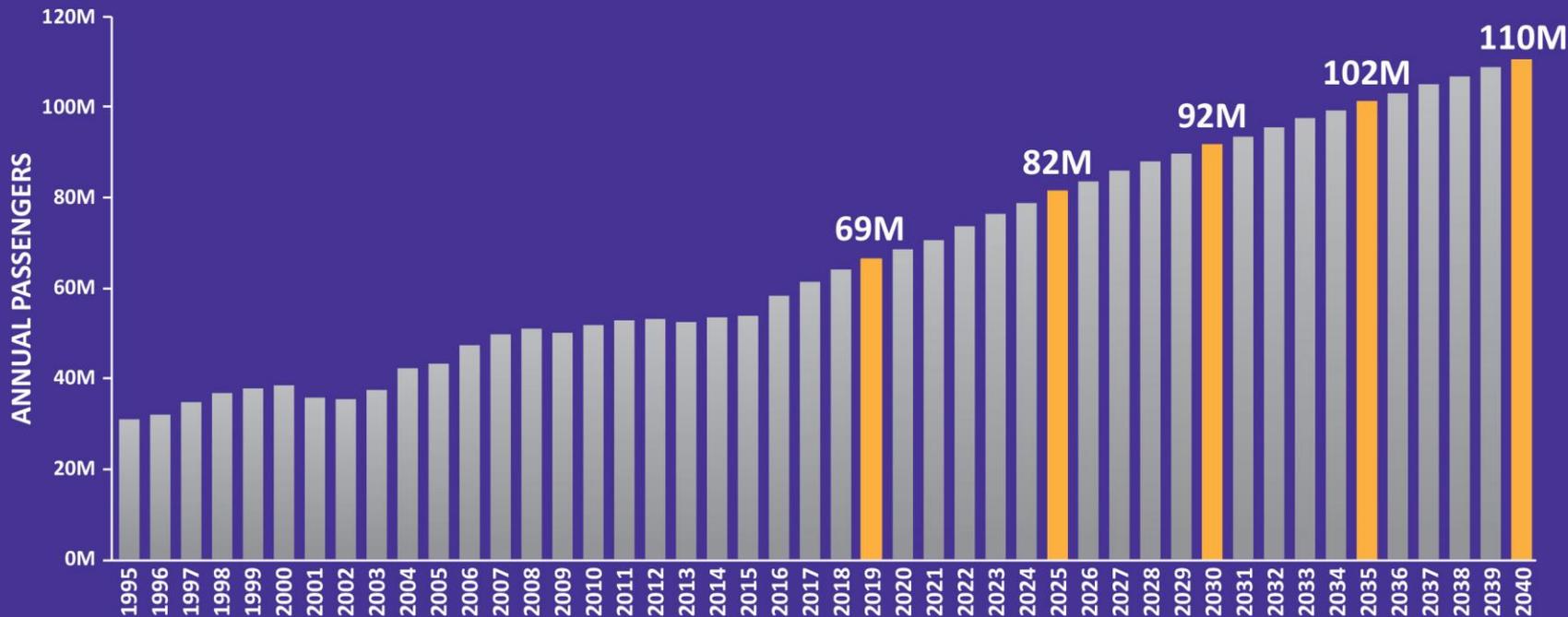
CONCOURSE C EAST OUTDOOR PATIO



CONCOURSE C EAST CONSTRUCTION

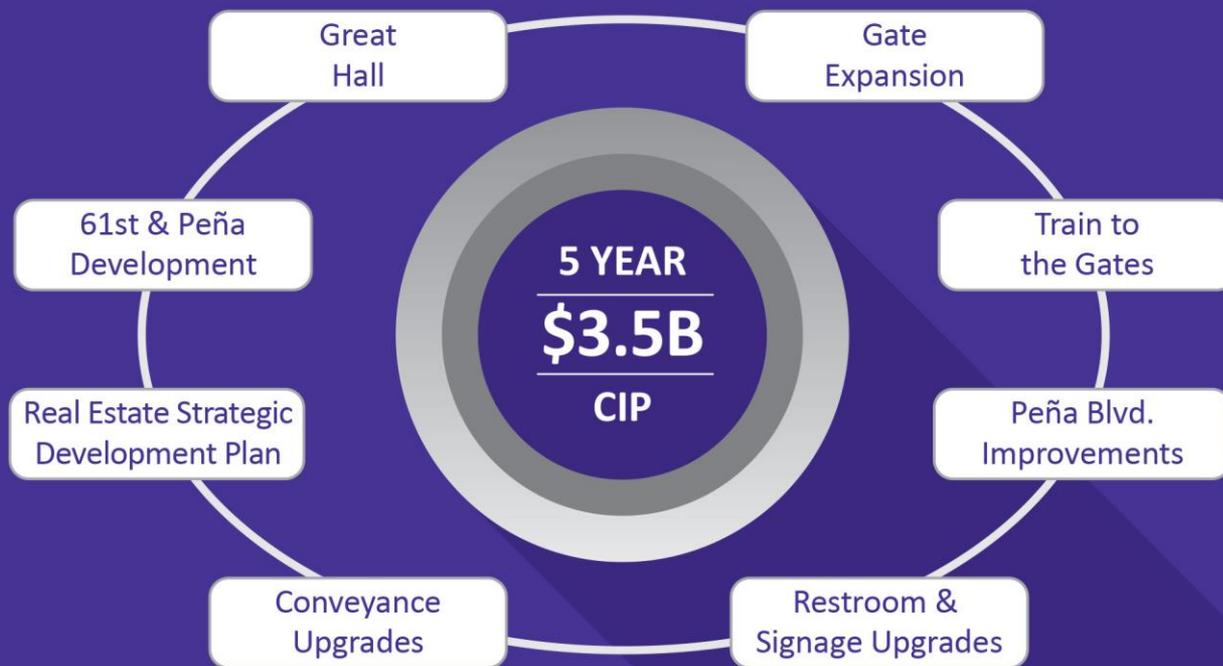


DEN PASSENGER GROWTH



Source: InterVISTAS

BALANCED APPROACH TO GROWTH



DENVER INTERNATIONAL AIRPORT

