



Southwest Gas[™]

HOLDINGS

Southwest Gas Reports Third Quarter Results

November 4, 1997

LAS VEGAS, Nov. 4 /PRNewswire/ -- Southwest Gas Corporation (NYSE: SWX) recorded a 1997 third quarter net loss of \$0.58 per share, a \$0.03 decrease from the \$0.55 per share loss reported for the third quarter of 1996. Consolidated net loss applicable to common stock for the third quarter of 1997 was \$15.7 million, compared to the 1996 third quarter deficit of \$14.6 million. Due to the seasonal nature of the business, net losses during the third quarter are normal and not generally indicative of earnings for a complete twelve-month period.

According to Michael O. Maffie, President and Chief Executive Officer, the modest change in net loss was due to higher operating expenses and financing costs incurred to keep pace with customer growth. During the past twelve months, the Company added approximately 60,000 customers, a six percent increase. A \$5 million improvement in operating margin nearly offset the increased costs.

Effective September 1, 1997, the Company received a \$32 million, or ten percent, general rate increase in its Arizona rate jurisdictions. A number of favorable rate design and tariff restructuring changes were included in the general rate increase. The timing of the increase is important to the Company, because it provides the benefit of having new rates in place before the start of the heating season.

For the twelve months ended September 30, 1997, consolidated net income applicable to common stock was \$11.4 million, or \$0.42 per share, versus a consolidated net loss applicable to common stock from continuing operations of \$235,000, or \$0.01 per share, during the twelve-month period ended September 30, 1996.

Operating margin increased \$45 million due to customer growth, rate relief, and improved, but warmer-than-normal, weather conditions. On a weather-normalized basis, operating margin would have been approximately \$12 million greater than actually reported in the current period, and \$32 million higher in the previous period. Increased operating expenses and financing costs, associated with serving the Company's growing customer base, partially offset the improvement in operating margin. Southwest Gas Corporation provides natural gas to approximately 1.1 million customers in Arizona, Nevada and California. Its service territory is centered in the fastest growing region of the country.

SOUTHWEST GAS CONSOLIDATED EARNINGS DIGEST

QUARTER ENDED SEPTEMBER 30,	1997	1996
Consolidated Operating Revenues	\$128,698,000	\$ 125,255,000
Net Loss Applicable to Common Stock	\$15,686,000	\$14,638,000
Average Number of Common Shares Outstanding	27,149,000	26,477,000
Loss Per Share of Common Stock	\$0.58	\$ 0.55
NINE MONTHS ENDED SEPTEMBER 30,		
Consolidated Operating Revenues	\$500,867,000	\$437,218,000
Net Loss Applicable to Common Stock	\$6,866,000	\$11,722,000
Average Number of Common Shares Outstanding	26,990,000	25,636,000
Loss Per Share of Common Stock	\$0.25	\$0.46
TWELVE MONTHS ENDED SEPTEMBER 30,		
Consolidated Operating Revenues	\$707,710,000	\$583,577,000
Net Income (Loss) -- Continuing Operations	\$11,430,000	\$(213,000)
Net Income (Loss) Applicable to Common Stock	\$11,430,000	\$(19,099,000)
Average Number of Common Shares Outstanding	26,902,000	25,382,000
Earnings (Loss) Per Share from Continuing Operations	\$0.42	\$(0.01)

Earnings (Loss) Per Share
of Common Stock

\$0.42

\$(0.75)

SOURCE Southwest Gas Corporation

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