

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K/A

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

November 16, 2010
(Date of earliest event reported)

ALASKA AIR GROUP, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

1-8957

(Commission File Number)

91-1292054

(IRS Employer Identification No.)

19300 International Boulevard, Seattle, Washington

(Address of Principal Executive Offices)

98188

(Zip Code)

(206) 392-5040

(Registrant's Telephone Number, Including Area Code)

(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 (*see* General Instruction A.2. below):

- ☐ 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))

The Company is issuing amended form 8-K to report the correct number of shares outstanding at October 31, 2010. The number of shares reported on page 6 of Exhibit 99.1 in the form 8-K issued earlier today was incorrect.

ITEM 7.01. Regulation FD Disclosure

We are issuing this amended 8-K/A to correct an error on our common shares outstanding number on page 6. Pursuant to 17 CFR Part 243 ("Regulation FD"), the Company is submitting information relating to its financial and operational outlook in an Investor Update as attached in Exhibit 99.1. Furthermore, the Company is presenting at the Citigroup Small/Mid Cap Conference in Las Vegas today, November 16, 2010. The presentation will be webcast and can be accessed via the Company's website at www.alaskaair.com/investors.

In accordance with General Instruction B.2 of Form 8-K, the information under this item and Exhibit 99.1 shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing. This report will not be deemed an admission as to the materiality of any information required to be disclosed solely to satisfy the requirements of Regulation FD.

ITEM 9.01 Financial Statements and Other Exhibits

Exhibit [99.1](#) Investor Update dated November 16, 2010

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 thereunto duly authorized.

ALASKA AIR GROUP, INC.

Registrant

Date: November 16, 2010

/s/ Brandon S. Pedersen

Brandon S. Pedersen

Vice President/Finance and Chief Financial Officer



Investor Update – November 16, 2010

References in this update to “Air Group,” “Company,” “we,” “us,” and “our” refer to Alaska Air Group, Inc. and its subsidiaries, unless otherwise specified.

This update includes forecasted operational and financial information for our subsidiaries Alaska Airlines, Inc. (Alaska) and Horizon Air Industries, Inc. (Horizon). Our disclosure of operating cost per available seat mile, excluding fuel and other items, provides us (and may provide investors) with the ability to measure and monitor our performance without these items. The most directly comparable GAAP measure is total operating expense per available seat mile. However, due to the large fluctuations in fuel prices, we are unable to predict total operating expense for any future period with any degree of certainty. In addition, we believe the disclosure of fuel expense on an economic basis is useful to investors in evaluating our ongoing operational performance. Please see the cautionary statement under “Forward-Looking Information.”

We are providing unaudited information about fuel price movements and the impact of our hedging program on our financial results. Management believes it is useful to compare results between periods on an “economic basis.” *Economic fuel expense* is defined as the raw or “into-plane” fuel cost less any cash we receive from hedge counterparties for hedges that settle during the period, offset by the recognition of premiums originally paid for those hedges that settle during the period. Economic fuel expense more closely approximates the net cash outflow associated with purchasing fuel for our operation.

Forward-Looking Information

This update contains forward-looking statements subject to the safe harbor protection provided by Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. These statements relate to future events and involve known and unknown risks and uncertainties that may cause actual outcomes to be materially different from those indicated by any forward-looking statements. For a comprehensive discussion of potential risk factors, see Item 1A of the Company’s Annual Report on Form 10-K for the year ended December 31, 2009. Some of these risks include current economic conditions, increases in operating costs including fuel, competition, labor costs and relations, our significant indebtedness, inability to meet cost reduction goals, terrorist attacks, seasonal fluctuations in our financial results, an aircraft accident, laws and regulations, and government fees and taxes. All of the forward-looking statements are qualified in their entirety by reference to the risk factors discussed therein. We operate in a continually changing business environment, and new risk factors emerge from time to time. Management cannot predict such new risk factors, nor can it assess the impact, if any, of such new risk factors on our business or events described in any forward-looking statements. We expressly disclaim any obligation to publicly update or revise any forward-looking statements after the date of this report to conform them to actual results. Over time, our actual results, performance or achievements will likely differ from the anticipated results, performance or achievements that are expressed or implied by our forward-looking statements, and such differences might be significant and materially adverse.

ALASKA AIRLINES – MAINLINE

October 2010 Statistics

	October 2010	Change Y-O-Y
Capacity (ASMs in millions)	2,066	9.1%
Traffic (RPMs in millions)	1,691	15.9%
Revenue passengers (000s)	1,352	9.9%
Load factor*	81.8%	4.8 pts
RASM (cents)	11.86	7.1%
Passenger RASM (cents)	10.51	5.8%
Raw fuel cost/gal.	\$ 2.46	18.3%
Economic fuel expense/gal.	\$ 2.48	13.2%

* percentage of available seats occupied by fare-paying passengers

Forecast Information

	Forecast Q4 2010	Change Y-O-Y	Forecast Full Year 2010	Change Y-O-Y
Capacity (ASMs in millions)	6,200	9%	24,400	5.5%
Cost per ASM excluding fuel and special items (cents)*	8.0 – 8.1	(5)% – (6)%	7.90 – 7.92	(4)%
Fuel Gallons (000,000)	81	8%	318	4%
Economic fuel cost per gallon**	\$ 2.57	14%	\$ 2.37	16%

* For Alaska, our forecasts of mainline cost per ASM excluding fuel are based on forward-looking estimates, which will likely differ from actual results.

** Because of the volatility of fuel prices, actual amounts may differ significantly from our estimates. Our economic fuel cost per gallon estimate for the fourth quarter includes the following per-gallon assumptions: crude oil cost – \$2.02 (\$85 per barrel); refining margin – 38 cents; taxes and fees – 15 cents; cost of settled hedges – 2 cents.

Changes in Advance Booked Load Factors (percentage of ASMs that are sold)

	November	December	January
Point Change Y-O-Y	+3.0 pts	flat	-1.0 pt

* Percentage point change compared to the same point in time last year.

ALASKA – PURCHASED CAPACITY

Alaska has Capacity Purchase Agreements (CPA) with Horizon for certain routes and with a third party for service between Anchorage and Dutch Harbor, AK.

October 2010 Statistics

The following data represents only the Horizon CPA flying as that flying represents approximately 95% of the total purchased capacity.

	October 2010	Change Y-O-Y
Capacity (ASMs in millions)	123	2.5%
Traffic (RPMs in millions)	94	6.7%
Load factor*	76.4%	2.9pts
Yield (cents)	27.31	1.5%
Passenger RASM (cents)	20.88	5.6%

* Percentage of available seats occupied by fare-paying passengers

Forecast Information (Horizon CPA)

	Forecast Q4 2010	Change Y-O-Y	Forecast Full Year 2010	Change Y-O-Y
Capacity (ASMs in millions)	365	2%	1,440	5%
Cost per ASM (cents)*	19.5	(3)%	19.5	(0.5)%

* Costs associated with the Horizon CPA agreement represent the amount paid by Alaska to Horizon for flights operated under that agreement and are eliminated in consolidation.

Changes in Advance Booked Load Factors (percentage of ASMs that are sold)

	November	December	January
Point Change Y-O-Y	+1.5 pt	-4.0 pts	-2.0 pts

* Percentage point change compared to the same point in time last year.

HORIZON AIR

October 2010 Statistics (includes brand and CPA flying)

	October 2010	Change Y-O-Y
Capacity (ASMs in millions)	262	(5.5)%
Traffic (RPMs in millions)	196	(3.5)%
Revenue passengers (000s)	563	(1.2)%
Load factor*	74.9%	1.5 pts
System RASM (cents)	20.85	3.2%
Passenger RASM – brand flying (cents)	21.54	6.5%
Raw fuel cost/gal.	\$ 2.48	17.0%
Economic fuel expense/gal.	\$ 2.50	11.6%

* percentage of available seats occupied by fare-paying passengers

Line-of-Business Information

Horizon's line-of-business traffic and revenue information is presented below. In CPA arrangements, Alaska assumes the market revenue risk and pays Horizon an agreed-upon rate based on capacity. As a result, yield and load factor information is not presented. Horizon bears the revenue risk in its brand flying markets. Revenue from the Alaska CPA is eliminated in consolidation. The actual passenger revenue generated on CPA flights is noted in the Alaska – Purchased Capacity section on page 3.

October 2010

	Capacity Mix			Load Factor		Yield		RASM	
	Actual (000s)	Change Y-O-Y	Current %Total	Actual	Change Y-O-Y	Actual	Change Y-O-Y	Actual	Change Y- O-Y
Brand	139	(11.6)%	53%	73.5%	0.2 pts	29.29¢	6.3%	22.25¢	7.3%
Alaska CPA	123	2.4%	47%	NM	NM	NM	NM	19.26¢	(1.2)%
Total	262	(5.5)%	100%	74.9%	1.5 pts	27.33¢	0.8%	20.85¢	3.2%

NM = Not Meaningful

HORIZON AIR – (continued)

Forecast Information (includes brand and CPA flying)

	Forecast Q4 2010	Change Y-O-Y	Forecast Full Year 2010	Change Y-O-Y
System-wide capacity (ASMs in millions)*	775	(6)%	3,235	(2)%
Cost per ASM excluding fuel and special items (cents)**	15.9 – 16.1	0% – 2%	15.25 – 15.35	flat
Fuel gallons (in millions)	13	(11)%	57	(5)%
Economic fuel cost per gallon***	\$ 2.61	13%	\$ 2.41	17%

* Capacity includes brand flying and CPA flying for Alaska. Brand capacity is expected to decline approximately 11% and 7% in the fourth quarter and full-year of 2010, respectively, compared to the prior-year period.

** For Horizon, our forecast of cost per ASM excluding fuel and other items is based on forward-looking estimates, which will likely differ significantly from actual results.

*** Because of the volatility of fuel prices, actual amounts may differ significantly from our estimates. Our economic fuel cost per gallon estimate for the fourth quarter includes the following per-gallon assumptions: crude oil cost – \$2.02 (\$85 per barrel); refining margin – 38 cents; taxes and fees – 19 cents; cost of settled hedges – 2 cents.

Changes in Advance Booked Load Factors – Brand Flying (percentage of ASMs that are sold)*

	November	December	January
Point Change Y-O-Y	+3.0 pts	-1.5 pts	-1.0 pt

* Percentage point change compared to the same point in time last year.

Pilot Tentative Agreement

As previously announced, Horizon and the International Brotherhood of Teamsters (IBT), representing Horizon's pilots, have reached a tentative agreement on a new collective bargaining agreement. A ratification vote is in progress.

Mechanics Tentative Agreement

Horizon and the International Brotherhood of Teamsters (IBT), representing Horizon's aircraft technicians, have reached a tentative agreement on a new collective bargaining agreement. A ratification vote is in progress.

The above cost guidance does not include performance based pay for Horizon's pilots or mechanics. If both contracts are ratified, costs will increase.

AIR GROUP – CONSOLIDATED

October 2010 Statistics

	October 2010	Change Y-O-Y
Capacity (ASMs in millions)*	2,333	7.2%
Traffic (RPMs in millions)*	1,890	13.5%
Revenue passengers (000s)*	1,915	6.4%
Load factor*	81.0%	4.5 pts
RASM (cents)	12.96	5.3%
Passenger RASM (cents)	11.75	4.8%
Economic fuel expense/gallon	\$ 2.48	12.6%

* Statistics include Alaska mainline operations, Horizon brand flying, and all CPA flying.

Forecast Information

	Forecast Q4 2010	Change Y-O-Y	Forecast Full Year 2010	Change Y-O-Y
Capacity (ASMs in millions)*	6,990	7%	27,700	4.5%
Cost per ASM excluding fuel and special items (cents)**	8.9 – 8.95	(5)% – (6)%	8.8 – 8.83	(3)% – (4)%
Fuel Gallons (000,000)	94	4%	375	3%
Economic fuel cost per gallon***	\$ 2.58	14%	\$ 2.38	16%

(a) Capacity forecast includes Alaska mainline operations, Horizon brand flying, and CPA flying with Horizon only.

(b) Our forecasted CASM amounts are based on consolidated costs per ASM using total ASMs, which include Alaska mainline operations, Horizon brand flying, and all CPA flying. Capacity for third-party CPA flying is expected to be approximately 15 million ASMs and 65 million ASMs for the fourth quarter and full-year 2010, respectively.

(c) Our forecast of cost per ASM excluding fuel is based on forward-looking estimates, which may differ from actual results.

(d) Because of the volatility of fuel prices, actual amounts may differ significantly from our estimates.

Nonoperating Expense

We expect that our consolidated nonoperating expense will be approximately \$20 million in the fourth quarter of 2010.

Share Repurchase

Through November 12, 2010, Air Group has repurchased 170,000 shares of its common stock for approximately \$8.4 million under our existing \$50 million repurchase program. The program expires in June 2011.

Cash and Share Count

(in millions)	October 31, 2010	December 31, 2009
Cash and marketable securities	\$ 1,309	\$ 1,192
Common shares outstanding	35.939	35.591

AIR GROUP – (continued)

Capital Expenditures

Total expected gross capital expenditures for 2010 are as follows (in millions):

	Total 2010 Estimate*		
	Aircraft-related	Non-aircraft	Total
Alaska	\$ 126	\$ 60	\$ 186
Horizon	20	5	25
Air Group	\$ 146	\$ 65	\$ 211

*Amounts exclude any proceeds from the sale of assets.

The increase in anticipated aircraft capital expenditures in 2010 is due an increase in advance aircraft purchase deposits because of the acceleration of Q400 aircraft deliveries from 2012 and 2013 into 2011. This acceleration of Q400 aircraft deliveries will also increase our expected 2011 gross capital expenditures to \$312 million.

Firm Aircraft Commitments

The tables below reflect the current delivery schedules for firm aircraft as of October 31, 2010.

	Remainder of 2010	2011	2012	2013	2014	Beyond 2014	Total
Alaska (B737-800)	-	3	4	2	2	2	13
Horizon (Q400)	-	8	-	-	-	-	8
Totals	-	11	4	2	2	2	21

Horizon has entered into an agreement to dispose of eight CRJ-700 aircraft in the first half of 2011 through either sublease or lease assignment to a third-party carrier. We have also accelerated the delivery of the eight remaining Q400 aircraft on order to 2011 to coincide with the anticipated exit dates of the CRJ-700 aircraft.

In addition to the firm orders noted above, Alaska has options to acquire 38 additional B737-800s and Horizon has options to acquire 10 Q400s.

Projected Fleet Count

		Actual Fleet Count		Expected Fleet Activity					
		Dec. 31, 2009	Oct. 31, 2010	Remaining 2010 Changes	Dec. 31, 2010 ²	2011 Changes	Dec. 31, 2011 ²	2012 Changes	Dec. 31, 2012 ²
Alaska	Seats								
737-400F ¹	---	1	1	---	1	---	1	---	1
737-400C ¹	72	5	5	---	5	---	5	---	5
737-400	144	27	24	---	24	---	24	(3)	21
737-700	124	19	17	---	17	---	17	---	17
737-800	157	51	55	---	55	3	58	4	62
737-900	172	12	12	---	12	---	12	---	12
Totals		115	114	---	114	---	117	1	118
		Actual Fleet Count		Expected Fleet Activity					
Horizon	Seats								
Q400	76	40	40	---	40	8	48	---	48
CRJ-700 ³	70	18	13	---	13	(8)	5	---	5
Totals		58	53	---	53	---	53	---	53

¹ F=Freighter; C=Combination freighter/passenger

² The expected fleet counts at December 31, 2011 and 2012 are subject to change.

³ We currently have an agreement to dispose of eight CRJ-700 aircraft in 2011.

AIR GROUP – (continued)

Future Fuel Hedge Positions*

	Approximate % of Expected Fuel Requirements	Weighted- Average Crude Oil Price per Barrel	Average Premium Cost per Barrel
Fourth Quarter 2010	50%	\$ 83	\$ 11
Remainder of 2010	50%	\$ 83	\$ 11
First Quarter 2011	50%	\$ 87	\$ 11
Second Quarter 2011	50%	\$ 86	\$ 11
Third Quarter 2011	50%	\$ 86	\$ 11
Fourth Quarter 2011	50%	\$ 86	\$ 11
Full Year 2011	50%	\$ 86	\$ 11
First Quarter 2012	43%	\$ 86	\$ 12
Second Quarter 2012	36%	\$ 88	\$ 13
Third Quarter 2012	31%	\$ 90	\$ 13
Fourth Quarter 2012	22%	\$ 89	\$ 13
Full Year 2012	33%	\$ 88	\$ 13
First Quarter 2013	17%	\$ 87	\$ 13
Second Quarter 2013	11%	\$ 84	\$ 15
Third Quarter 2013	6%	\$ 86	\$ 15
Full Year 2013	8%	\$ 86	\$ 14

*All of our future positions are call options, which are designed to effectively cap the cost of the crude oil component of our jet fuel purchases. With call options, we benefit from a decline in crude oil prices, as there is no cash outlay other than the premiums we pay to enter into the contracts.

Additionally, we have used either fixed-price physical contracts or financial swaps to fix the refining margin component for approximately 50% fourth quarter 2010 estimated jet fuel purchases at an average price of 30 cents per gallon and 30% of our first quarter 2011 estimated purchases at an average price of 35 cents per gallon.