

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

March 25, 2008  
(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))

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The Company is furnishing this amended 8-K as a result of two typographical errors found in the original 8-K furnished on March 24, 2008. On page 2 of Exhibit 99.1 in the table "Forecast Information," the full year 2008 capacity range should be 24,650-24,700 rather than 22,650-22,700. Additionally, on page 6 of Exhibit 99.1 under the heading "Cash and Share Count," the second column should have been labeled December 31, 2007. Exhibit 99.1 has been corrected accordingly.

**ITEM 7.01. Regulation FD Disclosure**

Pursuant to 17 CFR Part 243 ("Regulation FD"), the Company is submitting information relating to its financial and operational outlook for 2008 as attached in Exhibit 99.1.

In accordance with General Instruction B.2 of Form 8-K, the information in this report 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

Exhibit 99.2 Select slides from JPMorgan Aviation and Transportation Conference (March 18, 2008)

**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: March 25, 2008

/s/ Brandon S. Pedersen

Brandon S. Pedersen

Vice President/Finance and Controller

/s/ Bradley D. Tilden

Bradley D. Tilden

Executive Vice President/Finance and Planning and Chief Financial Officer



## Investor Update – March 24, 2008

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 report includes information regarding forecasts of available seat miles (ASMs), cost per available seat mile (CASM) excluding fuel consumption, as well as certain actual results for revenue passenger miles (RPMs), load factor and revenue per available seat mile (RASM), for our subsidiaries Alaska Airlines, Inc. (Alaska) and Horizon Air Industries, Inc. (Horizon). Our disclosure of operating cost per available seat mile, excluding fuel, provides us 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 the cash we receive from hedge counterparties for hedges that settle during the period, offset by the premium expense that we recognize. 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, 2007. Some of these risks include increased competition, significant fuel costs, general economic conditions, 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. These risk factors may not be exhaustive. 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

### February 2008 Statistics

	February 2008	Change Y-O-Y	QTD 2008	Change Y-O-Y
Capacity (ASMs in millions)	1,935	9.4%	3,985	7.7%
Traffic (RPMs in millions)	1,419	13.5%	2,830	11.7%
Revenue passengers (000s)	1,287	7.4%	2,543	5.3%
Load factor*	73.3%	2.6 pts	71.0%	2.5 pts
RASM (cents)	10.59	3.0%	10.24	1.7%
Passenger RASM (cents)	9.64	3.2%	9.35	2.4%
Raw fuel cost (\$ in millions)	\$79.6	55.6%	\$162.3	52.7%
Raw fuel cost/gal.	\$2.92	49.0%	\$2.89	49.0%
Economic fuel expense (\$ in millions)	\$72.4	43.6%	\$148.6	40.5%
Economic fuel expense/gal.	\$2.65	37.3%	\$2.64	36.1%

\*percentage of available seats occupied by fare-paying passengers

### Advance Bookings

	March	April	May
Point Change Y-O-Y	+3 pts	+1 pt	+1 pt

### Forecast Information

	Forecast Q1 2008	Change Y-O-Y	Forecast FY 2008	Change Y-O-Y
Capacity (ASMs in millions)	6,050	6%	24,650-24,700	2%
Unit Costs:				
Cost per ASM on a GAAP basis (cents)*	11.4 – 11.5	8% - 9%	N/A	N/A
Less: Fuel cost per ASM (cents)*	3.8	36%	N/A	N/A
Cost per ASM excluding fuel (cents)*	7.6 – 7.7	(1)%-(3)%	7.5	-
Fuel Gallons (000,000)	86.0	2%	N/A	N/A
Economic fuel cost per gallon**	\$2.69	38%	N/A	N/A

\*For Alaska, our forecasts of mainline cost per ASM and fuel cost per ASM are based on forward-looking estimates, which will likely differ from actual results due to several factors including, but not limited to, the volatility of fuel prices. Fuel cost per ASM above includes our estimate of raw fuel cost for the first quarter and the actual unfavorable adjustments to the value of our fuel-hedging portfolio in January and February. Our economic fuel cost per ASM will likely be different than the amount presented here.

\*\*Because of the volatility of fuel prices, actual amounts may differ significantly.

## ALASKA – PURCHASED CAPACITY

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

### *February 2008 Statistics*

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

	February 2008	Change Y-O-Y	QTD 2008	Change Y-O-Y
Capacity (ASMs in millions)	105	6.7%	221	17.6%
Traffic (RPMs in millions)	80	13.9%	160	23.9%
Load factor*	76.2%	4.8 pts	72.3%	3.7 pts
RASM (cents)	19.60	9.4%	18.72	7.6%

\*Percentage of available seats occupied by fare-paying passengers

### *Advance Bookings*

	March	April	May
Point Change Y-O-Y	+4 pts	flat	+2 pts

### *Forecast Information*

	Forecast Q1 2008	Change Y-O-Y	Forecast FY 2008	Change Y-O-Y
Capacity (ASMs in millions)	360	14%	N/A	N/A
Cost per ASM (cents)*	20.8-21.0	(2%-3%)	N/A	N/A

\* The operating data above includes capacity under the CPA with Horizon. Costs associated with this agreement are eliminated in consolidation

## HORIZON AIR

### February 2008 Statistics

	February 2008	Change Y-O-Y	QTD 2008	Change Y-O-Y
Capacity (ASMs in millions)	298	1.3%	615	3.1%
Traffic (RPMs in millions)	212	4.7%	417	5.9%
Revenue passengers (000s)	606	18.1%	1,192	17.4%
Load factor*	71.1%	2.3 pts	67.8%	1.8 pts
System RASM (cents)	18.88	7.0%	18.40	6.6%
Raw fuel cost (\$ in millions)	\$16.6	78.5%	\$34.1	80.4%
Raw fuel cost/gal.	\$2.96	48.7%	\$2.94	46.2%
Economic fuel expense (\$ in millions)	\$15.2	65.0%	\$31.3	66.4%
Economic fuel expense/gal.	\$2.69	37.3%	\$2.70	34.5%

\*percentage of available seats occupied by fare-paying passengers

### Line-of-Business Information

Horizon's year-to-date information for line-of-business traffic and revenue information is presented below. In CPA arrangements, Horizon is (or was, as was the case with the Frontier CPA which ended in November 2007) insulated from market revenue factors and is guaranteed contractual revenue amounts based on operational 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.

#### February 2008

	Capacity Mix			Load Factor		Yield		RASM	
	Actual (000s)	Change Y-O-Y	Current % Total	Actual	Point change Y-O-Y	Actual	Change Y-O-Y	Actual	Change Y-O-Y
Brand Flying	192,579	38.1%	65%	68.4%	0.5 pts	25.02¢	(11.1)%	17.60¢	(10.5)%
Alaska CPA	105,102	1.7%	35%	NM	NM	NM	NM	21.22¢	3.4%
Frontier CPA	—	(100.0)%	—%	NM	NM	NM	NM	NM	NM
System Total	297,682	1.3%	100%	71.1%	2.3 pts	26.09¢	3.3%	18.88¢	7.0%

NM = Not Meaningful

#### QTD 2008

	Capacity Mix			Load Factor		Yield		RASM	
	Actual (000s)	Change Y-O-Y	Current % Total	Actual	Point change Y-O-Y	Actual	Change Y-O-Y	Actual	Change Y-O-Y
Brand Flying	393,540	31.5%	64%	65.3%	(0.5) pts	25.38¢	(8.9)%	17.00¢	(9.7)%
Alaska CPA	221,240	17.6%	36%	NM	NM	NM	NM	20.88¢	(1.5)%
Frontier CPA	—	(100.0)%	—%	NM	NM	NM	NM	NM	NM
System Total	614,780	3.1%	100%	67.8%	1.8 pts	26.72¢	3.7%	18.40¢	6.6%

NM = Not Meaningful

### Advance Bookings – Brand Flying Only

	March	April	May
Point Change Y-O-Y	+1 pt	-1 pt	flat

## HORIZON AIR - (continued)

### Forecast Information

	Forecast Q1 2008	Change Y-O-Y	Forecast FY 2008	Change Y-O-Y
Capacity (ASMs in millions)	930	1%	3,800-3,850	(4)%
Unit Costs				
Cost per ASM on a GAAP basis (cents)*	20.3-20.4	11%	N/A	N/A
Less: Fuel cost per ASM (cents)*	4.9	65%	N/A	N/A
Cost per ASM excluding fuel (cents)*	15.4-15.5	0-1%	14.6	-
Fuel Gallons (000,000)**	17.8	22%	N/A	N/A
Economic fuel cost per gallon***	\$2.70	35%	N/A	N/A

\* For Horizon, our forecasts of cost per ASM and fuel cost per ASM are based on forward-looking estimates, which will likely differ significantly from actual results. There are several factors impacting our estimates including, but not limited to, the volatility of fuel prices. Fuel cost per ASM above includes our estimate of raw fuel cost for the first quarter and the actual unfavorable adjustments to the value of our fuel-hedging portfolio in January and February. We expect that our economic fuel cost per ASM will be lower.

Horizon's CASM includes the expected loss on the sublease of Q200 aircraft to a third party. We expect the loss will be approximately \$6 million in the first quarter of 2008 as we deliver three of the remaining five Q200s to the third party under the existing sublease agreement.

\*\*Horizon's fuel consumption now includes fuel that was formerly purchased by Frontier as part of the Frontier CPA agreement.

\*\*\*Because of the volatility of fuel prices, actual amounts may differ significantly.

## AIR GROUP

### *Future Fuel Hedge Positions*

	Approximate % of Expected Fuel Requirements	Approximate Crude Oil Price per Barrel
First Quarter 2008	50%	\$66.88
Second Quarter 2008	50%	\$72.60
Third Quarter 2008	50%	\$78.03
Fourth Quarter 2008	50%	\$76.74
<b>Full Year 2008</b>	<b>50%</b>	<b>\$73.72</b>
First Quarter 2009	16%	\$83.97
Second Quarter 2009	16%	\$82.90
Third Quarter 2009	12%	\$82.95
Fourth Quarter 2009	10%	\$82.08
<b>Full Year 2009</b>	<b>13%</b>	<b>\$83.07</b>

### *Cash and Share Count*

<i>(in millions)</i>	February 29, 2008	December 31, 2007
Cash and marketable securities	\$920	\$823
Common shares outstanding	36.535	38.051

The Company does not have any auction-rate securities in its investment portfolio.

### *Share Repurchase Program*

The Company completed its \$100 million common stock repurchase program on February 29, 2008. Under that program, the Company repurchased 4,113,782 shares, or 10 percent of the outstanding stock at the start of the program, at an average price of \$24.31 per share.

On March 13, 2008, the Company announced a new \$50 million common stock repurchase program. Through March 19, 2008, the Company had repurchased 75,000 shares of its common stock for approximately \$1.4 million under this new program.

### *Capital Expenditures*

Total capital expenditures for 2008 are expected to be as follows (in millions):

	Alaska	Horizon	Air Group
Aircraft -related	\$390	\$100	\$490
Non aircraft-related	75	5	80
<b>Totals</b>	<b>\$465</b>	<b>\$105</b>	<b>\$570</b>

### *Firm Aircraft Commitments*

	2008	2009	2010	Thereafter	Total
Alaska (B737-800)	17*	6	6	3	32
Horizon (Q-400)	3	12	-	-	15
<b>Totals</b>	<b>20</b>	<b>18</b>	<b>6</b>	<b>3</b>	<b>47</b>

\* includes one operating lease arrangement

In addition to the firm orders noted above, Alaska has options to acquire 45 additional B737-800s and Horizon has options to acquire 20 Q400s.



## AIR GROUP – (continued)

### Projected Fleet Count

Alaska	Seats	Actual 31-Dec-06	Actual 31-Dec-07	Change by Quarter				Planned 31-Dec-08
				Q1	Q2	Q3	Q4	
737-200	—	2	—	—	—	—	—	—
737-400F*	—	1	1	—	—	—	—	1
737-400C*	72	—	5	—	—	—	—	5
737-400	144	39	34	—	—	—	(2)	32
737-700	124	22	20	—	—	—	—	20
737-800	157	15	29	4	3	5	5	46
737-900	172	12	12	—	—	—	—	12
MD-80	140	23	14	(5)	(2)	(7)	—	—
Totals		114	115	(1)	1	(2)	3	116

Horizon	Seats	Actual 31-Dec-06	Actual 31-Dec-07	Change by Quarter				Planned 31-Dec-08
				Q1	Q2	Q3	Q4	
Q200	37	28	16	(3)	(1)	(1)	(2)	9
Q400	74-76	20	33	—	—	—	3	36
CRJ-700	70	21	21	(1)	—	—	—	20
Totals		69	70	(4)	(1)	(1)	1	65

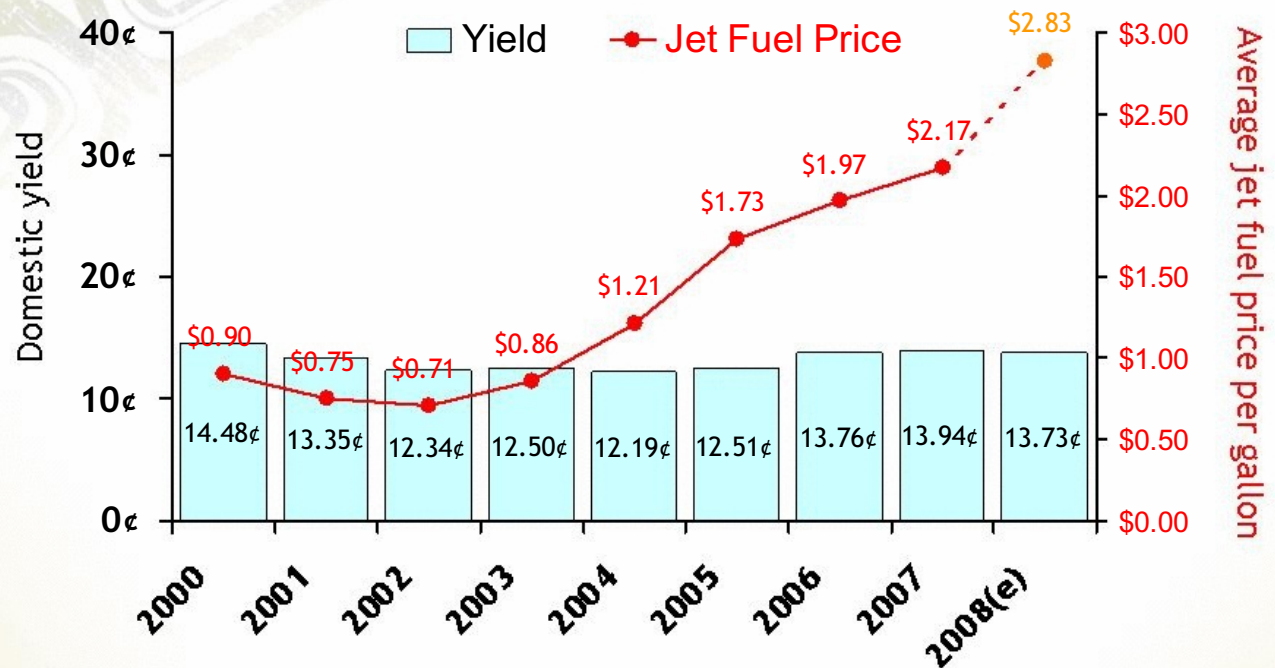
\*F=Freighter; C=Combination freighter/passenger

### Investor Presentation

On March 18, 2008, Chairman and CEO Bill Ayer presented updated company information at the JPMorgan Aviation and Transportation Conference. A replay of the webcast is available in the Investor Information section of our website at [alaskaair.com](http://alaskaair.com). Selected slides from the presentation are also furnished with this update. The presentation focused on management's belief that the Company may be better positioned than other domestic air carriers to weather an economic downturn given the following strengths:

- Strong hedge portfolio
- Young, fuel-efficient, simple fleet
- Strong network of codeshare partners, poised to benefit from Trans-Pacific growth
- Good progress with cost reduction
- Conservative balance sheet with strong liquidity
- The Pacific Northwest and Alaska may fare better economically than other regions
- Management team committed to shareholder returns.

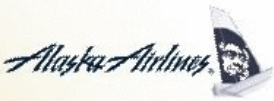
# The industry problem: Jet fuel increases are outpacing fare increases



Source: ATA and U.S. Energy Information Administration  
Yield is trip length adjusted (2000 base) in cents per revenue passenger mile

# Alaska is well prepared to weather another downturn

- Strong hedge portfolio
- Young, fuel-efficient, simple fleet
- Strong network of codeshare partners, poised to benefit from Trans-Pac growth
- Good progress with cost reduction
- Conservative balance sheet with strong liquidity
- The PNW and Alaska may fare better economically than other regions
- Management team committed to shareholder returns



# Air Group has the second best hedge position in the industry

	1Q08		2008		2009	
	Hedged	\$/BBL <sup>2</sup>	Hedged	\$/BBL <sup>2</sup>	Hedged	\$/BBL <sup>2</sup>
Southwest	75%	\$51	70%	\$51	55%	\$51
<b>Alaska</b>	<b>50%</b>	<b>\$67</b>	<b>50%</b>	<b>\$74</b>	<b>13%</b>	<b>\$83</b>
jetBlue <sup>1</sup>	35%	\$77	21%	\$80	-	-
AirTran <sup>1</sup>	37%	\$90	26%	\$90	-	-
American	35%	\$77	24%	\$79	-	-
US Airways <sup>1</sup>	50%	\$78	30%	\$82	-	-
Frontier <sup>1</sup>	22%	\$64	25%	\$90	6%	\$100
Continental <sup>1</sup>	22%	\$90	9%	\$92	-	-
Delta <sup>1</sup>	24%	\$90	24%	\$90	9%	\$86
Northwest	45%	\$88+	18%	\$93+	-	-
United <sup>1</sup>	13%	\$92	13%	\$90	-	-

Source: Public Data, Bloomberg. May not include recent changes by other airlines.

<sup>1</sup> Totals are annualized or estimated from Jet or heating oil positions.

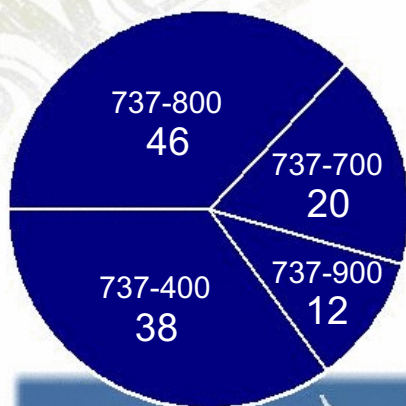
<sup>2</sup> Values shown are crude oil equivalents.

Note: The information above is derived from information available at the time this slide was created. Although there may be some inaccuracies in the data for other carriers, management does not believe it would change the Company's relative position.

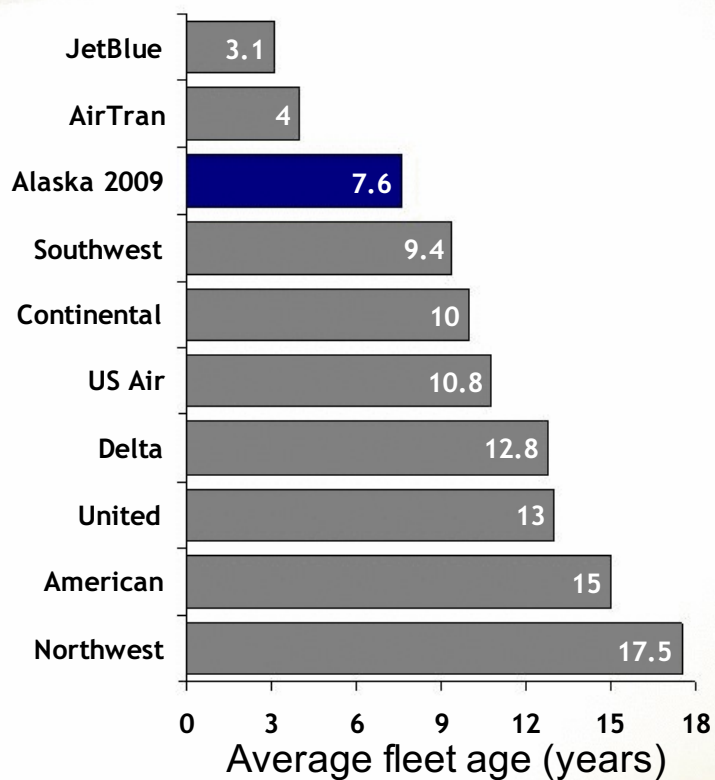
# An all-737 fleet by year-end

*Alaska Airlines*

December 2008

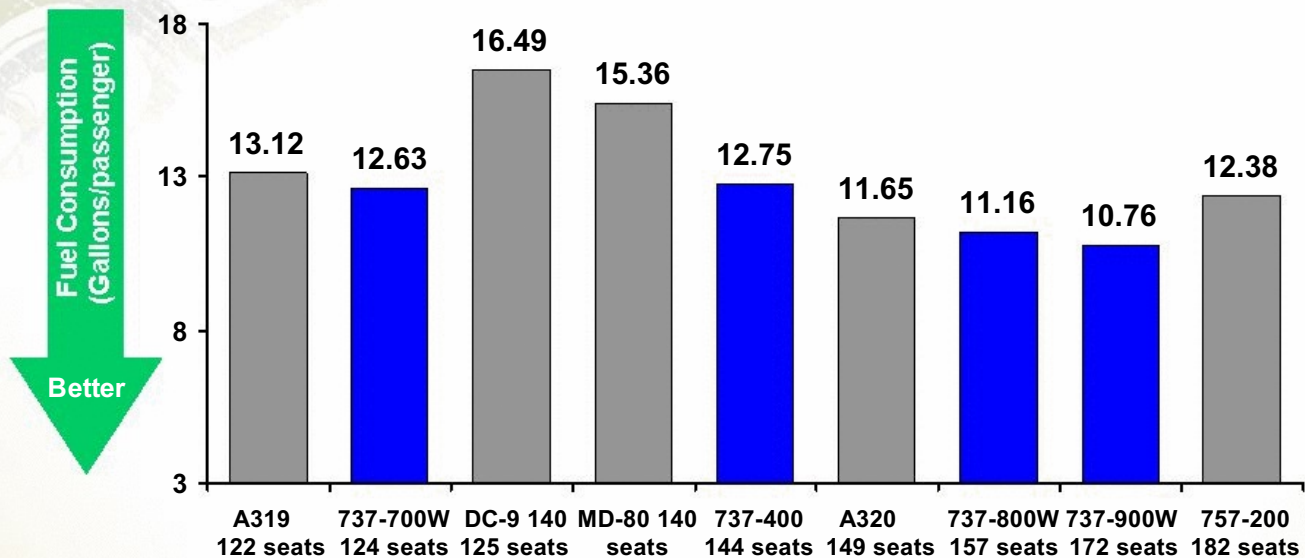


All-737 Fleet  
116 aircraft



Source: 10K reports as of Dec. 31, 2007

# Alaska's aircraft are the most fuel-efficient in operation today

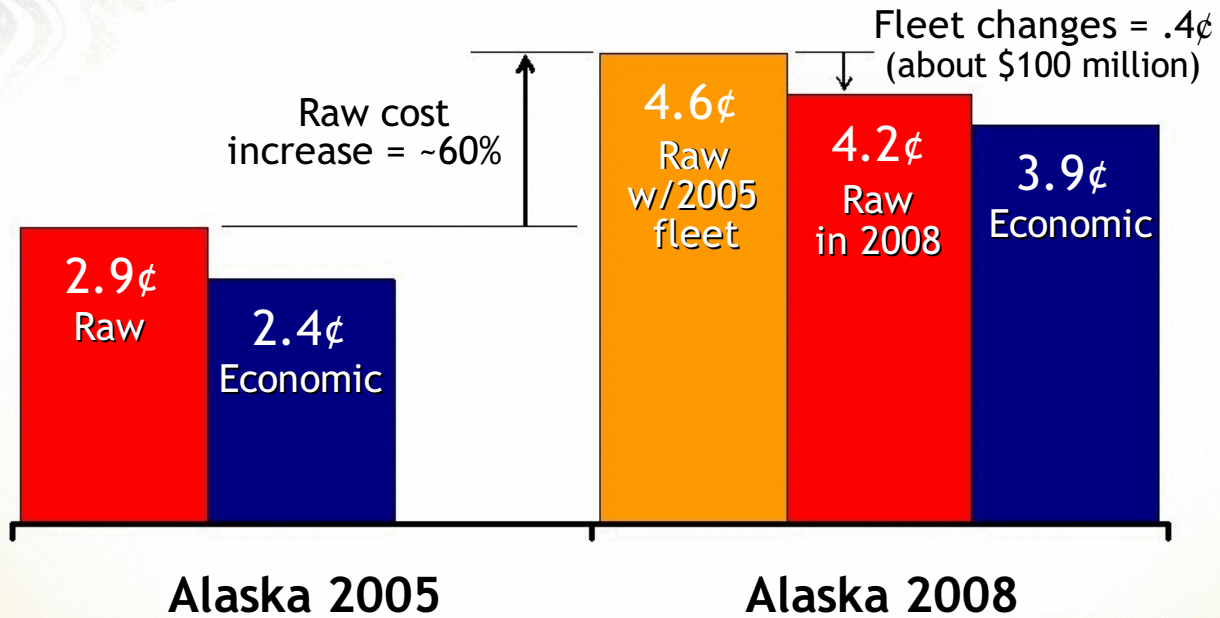


- Alaska Domestic Mission Rules
  - 1,000 statute miles
  - Nominal fuel burn
  - Pax/Bag weight = 220 lb
  - 100% load factor
- Source: The Boeing Company



# Fleet changes and hedges significantly reduce fuel costs per ASM

Fuel cost per ASM  
oil @ \$100 per barrel

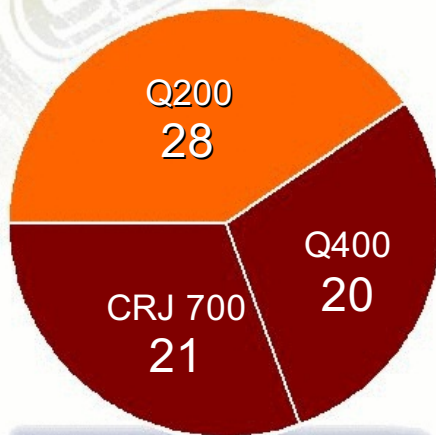


*Alaska Airlines*

*Horizon Air*

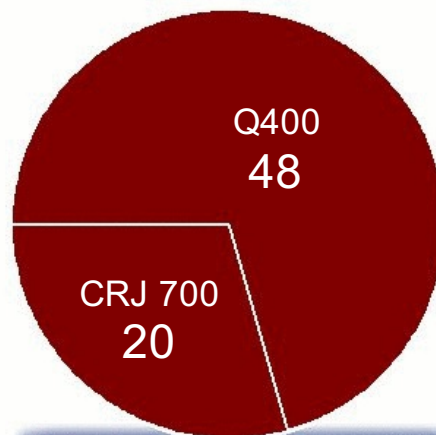
# Horizon's fleet is being simplified

December 2006



69 aircraft

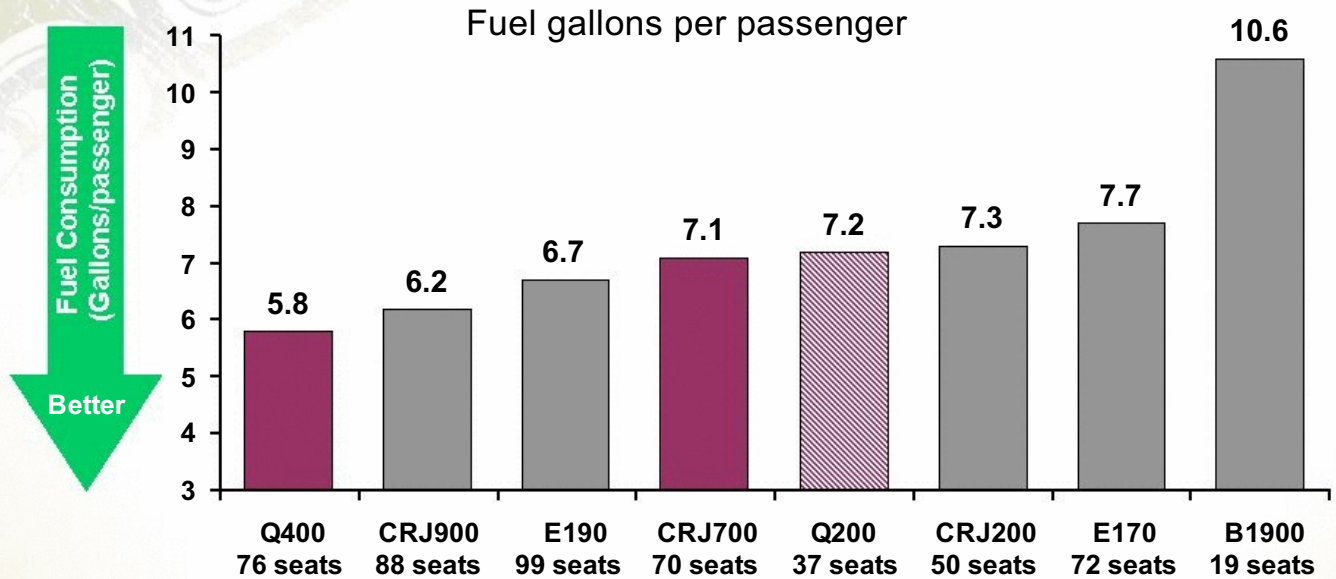
August 2009



68 aircraft



# Horizon's aircraft are among the most fuel-efficient



- 400 statute miles
- 100% load factor

Source: Bombardier

# Strong partnerships position us well to capitalize on Trans-Pac growth

## Major Domestic

**American Airlines**<sup>®</sup>

 **DELTA**

**Continental Airlines** 

 **nwa**  
NORTHWEST AIRLINES<sup>®</sup>

## Regionals

  
Era Aviation, Inc.

**PENAIR**  
*The Spirit of Madrid*

## International

**AIR FRANCE** 



**LAN** 

 **QANTAS**

## International Mileage Plan Only

**BRITISH AIRWAYS** 

  
**CATHAY PACIFIC**





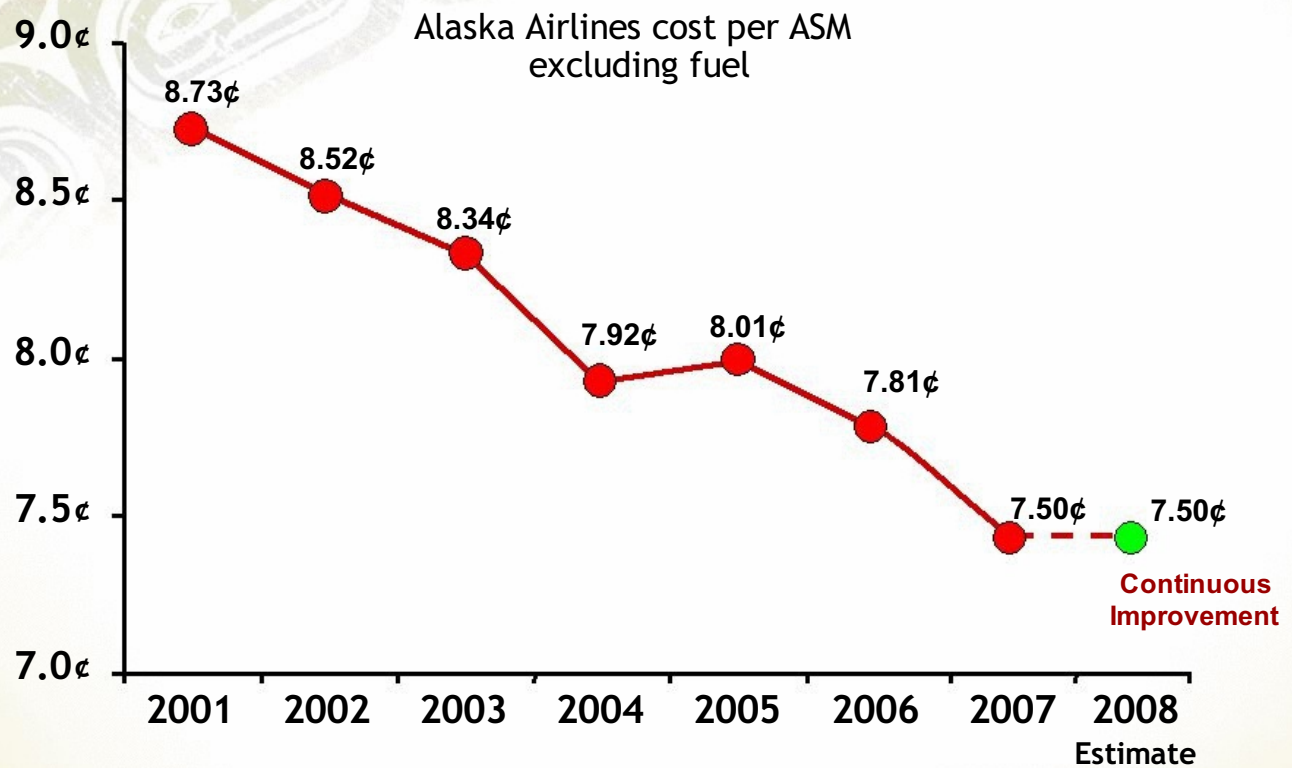


Possible growth to Asia and  
Europe out of SEA with B787



 **DELTA**  
Possible expansion  
out of LAX

# We have a track record of unit cost improvements

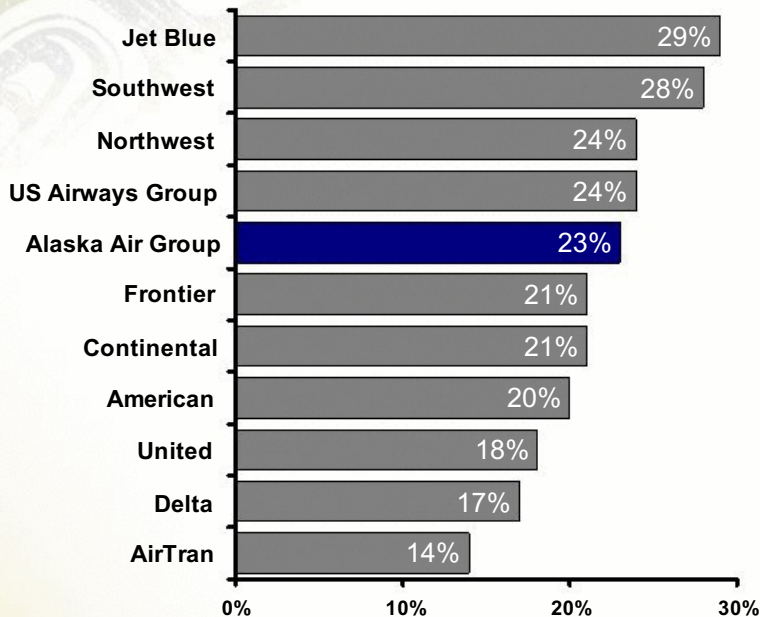


*Alaska Airlines*

# We have a strong cash position and multiple sources of additional liquidity

*Alaska Air Group*

Cash as a % of Revenues  
Q4 2007



## Sources of additional liquidity

- \$185 million line of credit facility
- \$172 million maximum pre-delivery payment facility
- Unencumbered aircraft, including B737-800s

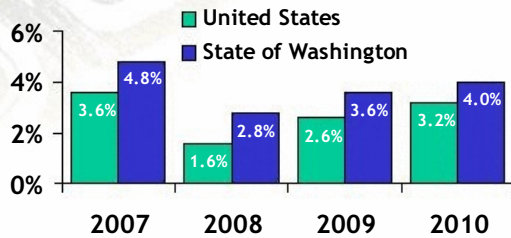
Note: \*Calculated using unrestricted cash and short-term investments at December 31, 2007 divided by revenue for the 12 months ended December 31, 2007.

Source: Company earnings releases and 10Qs as of Q4 2007

# The Pacific Northwest and Alaska may fare better economically than other regions

## Higher growth in real personal income is expected

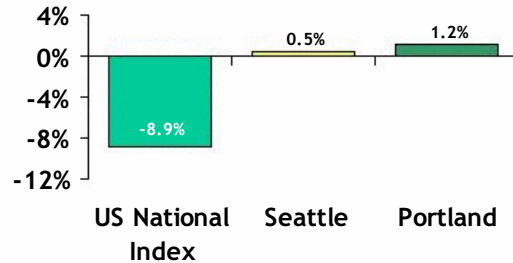
Real personal income growth forecasts



Source: Economic and Revenue Forecast Council of the State of Washington, Feb 2008

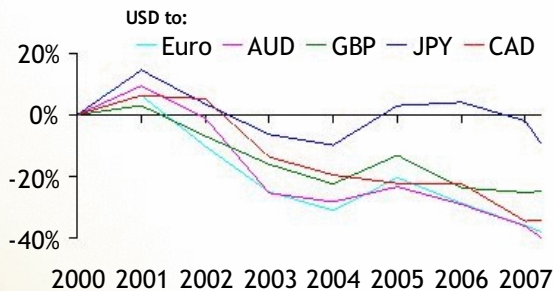
## Housing prices are stable

US Home Price Indices - Changes in December 2007



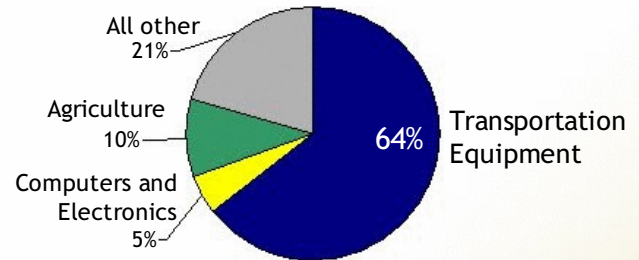
Source: Standard & Poor's Case-Shiller Home Price Indices as of December 2007, published Feb 2008

## As the dollar continues to lose ground...



## Washington exports stand to benefit

Washington State Export Data, 2007

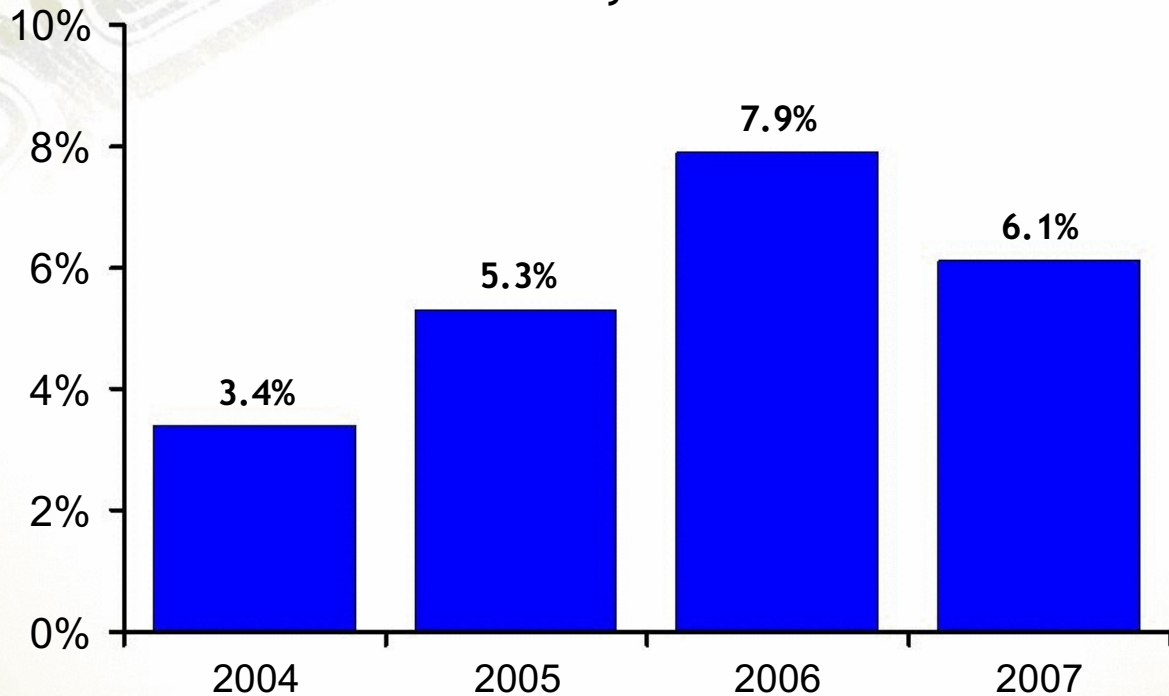


Source: NAICS Export Data Trade Stats Express Data



Management and the Board are committed to providing returns to capital providers

AAG ROIC History from 2003 to 2007



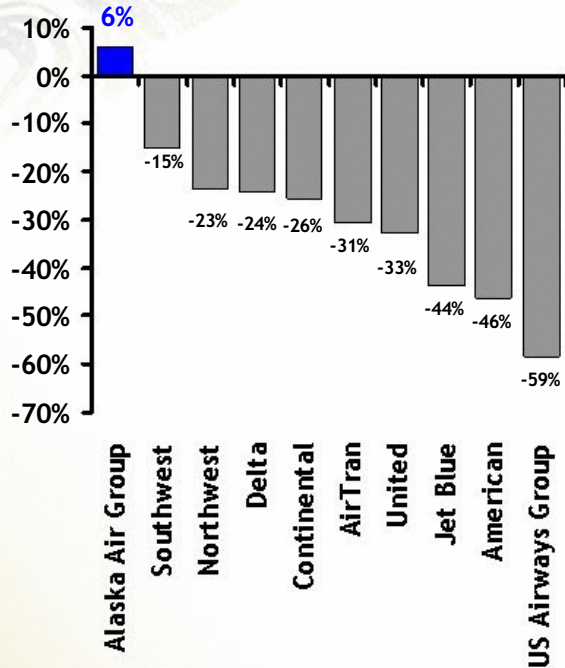
Adjusted for hedge MTM and unusual items

*Alaska Air Group*

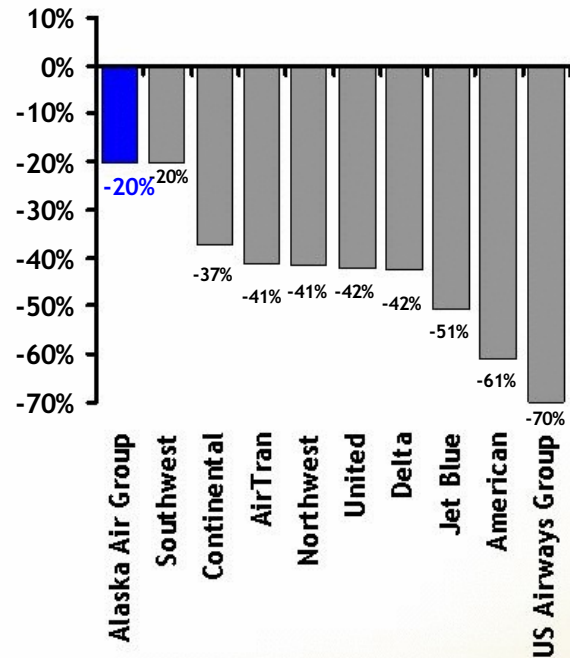


# ALK shareholders have fared better than shareholders at other carriers since our initial stock repurchase

**Overall change in share price**  
Sept 13, 2007 through Feb 29, 2008



**Overall change in share price**  
Sept 13, 2007 through Mar 12, 2008



Source: Bloomberg