
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

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

October 2, 2015
(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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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 in an Investor Update as attached in Exhibit 99.2.

In accordance with General Instruction B.2 of Form 8-K, the information under this item and Exhibit 99.2 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 8.01. Other Events

On October 2, 2015, Alaska Air Group, Inc. issued a press release announcing its September 2015 operational results. The press release is furnished herewith as Exhibit 99.1.

ITEM 9.01 Financial Statements and Other Exhibits

Exhibit 99.1 September 2015 Traffic Press Release dated October 2, 2015

Exhibit 99.2 Investor Update dated October 8, 2015

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: October 8, 2015

/s/ Brandon S. Pedersen

Brandon S. Pedersen

Executive Vice President/Finance and Chief Financial Officer

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 Managing Director, Investor Relations
 (206) 392-5656

October 2, 2015

Alaska Air Group Reports September 2015 Operational Results

SEATTLE - Alaska Air Group Inc. (NYSE: ALK) today reported September and year-to-date operational results for its subsidiaries, Alaska Airlines and Horizon Air, and on a combined basis. Detailed information is provided below.

AIR GROUP

On a combined basis, Air Group reported a 10.0 percent increase in traffic on a 10.3 percent increase in capacity compared to September 2014. This resulted in a 0.3 point decrease in load factor to 81.6 percent. These statistics include flights operated by Alaska and those under capacity purchase agreements, including Horizon, SkyWest and PenAir.

The following table shows the operational results for September and year-to-date 2015, compared to the prior-year periods:

	September			Year-to-Date		
	2015	2014	Change	2015	2014	Change
Revenue passengers (in thousands)	2,573	2,350	9.5%	23,956	21,996	8.9%
Revenue passenger miles RPM (in millions)	2,633	2,393	10.0%	25,052	23,078	8.6%
Available seat miles ASM (in millions)	3,225	2,923	10.3%	29,574	26,922	9.9%
Passenger load factor	81.6%	81.9%	(0.3) pts	84.7%	85.7%	(1.0) pts

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ALASKA AIRLINES - MAINLINE

Alaska reported a 9.8 percent increase in traffic on a 10.2 percent increase in capacity compared to September 2014. This resulted in a 0.3 point decrease in load factor to 81.8 percent. Alaska also reported 88.8 percent of its flights arrived on time in September, compared to the 87.0 percent reported in September 2014.

The following table shows Alaska's operational results for September and year-to-date 2015, compared to the prior-year periods:

	September			Year-to-Date		
	2015	2014	Change	2015	2014	Change
Revenue passengers (in thousands)	1,813	1,650	9.9%	17,193	15,796	8.8%
RPMs (in millions)	2,357	2,146	9.8%	22,633	20,871	8.4%
ASMs (in millions)	2,880	2,614	10.2%	26,609	24,197	10.0%
Passenger load factor	81.8%	82.1%	(0.3) pts	85.1%	86.3%	(1.2) pts
On-time arrivals as reported to U.S. DOT	88.8%	87.0%	1.8 pts	86.4%	86.7%	(0.3) pts

HORIZON AIR

Horizon reported a 2.7 percent increase in September traffic on a 1.7 percent increase in capacity compared to September 2014. This resulted in a 0.8 point increase in load factor to 79.4 percent. Horizon also reported 84.1 percent of its flights arrived on time in September, compared to the 88.9 percent reported in September 2014.

The following table shows Horizon's operational results for September and year-to-date 2015, compared to the prior-year periods:

	September			Year-to-Date		
	2015	2014	Change	2015	2014	Change
Revenue passengers (in thousands)	659	625	5.4%	5,972	5,573	7.2%
RPMs (in millions)	189	184	2.7%	1,755	1,662	5.6%
ASMs (in millions)	238	234	1.7%	2,183	2,086	4.7%
Passenger load factor	79.4%	78.6%	0.8 pts	80.4%	79.7%	0.7 pts
On-time arrivals as reported to U.S. DOT	84.1%	88.9%	(4.8) pts	84.8%	88.6%	(3.8) pts

Alaska Airlines, a subsidiary of Alaska Air Group (NYSE: ALK), together with its partner regional airlines, serves more than 100 cities through an expansive network in the United States, Canada and Mexico. Alaska Airlines ranked “Highest in Customer Satisfaction Among Traditional Carriers in North America” in the J.D. Power North American Airline Satisfaction Study for eight consecutive years from 2008 to 2015. Alaska Airlines’ Mileage Plan also ranked “Highest in Customer Satisfaction with Airline Loyalty Rewards Programs” in the J.D. Power 2014 and 2015 Airline Loyalty/Rewards Program Satisfaction Report. For reservations, visit www.alaskaair.com. For more news and information, visit Alaska Airlines’ newsroom at www.alaskaair.com/newsroom.



Investor Update - October 8, 2015

Note to Investors

This abbreviated Investor Update is being provided to communicate certain actual third quarter 2015 mainline and consolidated operating statistics. It includes forecasted mainline and consolidated passenger unit revenue (PRASM), total unit revenue (RASM), unit cost excluding fuel (CASMex), estimated economic fuel cost per gallon for the quarter, expected consolidated non-operating income, and third quarter share repurchase information.

Unit revenue, unit cost and other financial forecasts are estimates only. Actual amounts reported may differ and are dependent on our normal quarter-end closing process.

A full Investor Update with information about fuel hedge positions, planned capital expenditures, fleet information, and share repurchase activity will be provided in connection with our third quarter earnings release scheduled for October 22, 2015.

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

Information about Non-GAAP Financial Measures

This update includes forecasted operational and financial information for our mainline and consolidated operations. 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. 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, 2014. Some of these risks include general economic conditions, increases in operating costs including fuel, competition, labor costs and relations, inability to meet cost reduction goals, seasonal fluctuations in our financial results, an aircraft accident, and changes in laws and regulations. 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.

AIR GROUP - CONSOLIDATED

Operating Statistics

	Q3 2015	Change Y-O-Y
Revenue passengers (in thousands)	8,616	7.8%
Traffic (RPMs in millions)	8,878	7.7%
Capacity (ASMs in millions)	10,368	8.2%
Load factor	85.6%	(0.5) pts

Forecast Information

	Forecast Q3 2015	Change Y-O-Y	Prior Guidance September 14, 2015	
Passenger revenue per ASM (cents)	12.46¢ - 12.51¢	~ (4.0) %	N/A	N/A
Revenue per ASM (cents)	14.56¢ - 14.61¢	~ (4.5) %	N/A	N/A
Cost per ASM excluding fuel and special items (cents) ^(b)	8.07¢ - 8.12¢	~ 3.0 %	8.20¢ - 8.25¢	~ 4.5 %
Fuel gallons (000,000)	132	~ 6.5 %	131	~ 5.0 %
Economic fuel cost per gallon ^(a)	\$1.82	~ (42.0) %	\$1.83	~ (42.0) %

^(a) Our economic fuel cost per gallon estimate for the third quarter includes the following per-gallon assumptions: crude oil cost - \$1.11 (\$47 per barrel); refining margin - 44 cents, cost of settled hedges - 3 cents, with the remaining difference due to taxes and other into-plane costs.

^(b) Cost per ASM excluding fuel and special items (cents) decreased 1.5% from our prior guidance on September 14, 2015, due to favorable property tax assessments and shifts in timing of advertising and maintenance expenses from the third quarter to the fourth quarter.

Nonoperating Income

We expect that our consolidated nonoperating *income* will be approximately \$4 million in the third quarter of 2015.

Stock Repurchase and Share Count

In the third quarter of 2015, Air Group repurchased a total of 1,588,251 shares of its common stock for approximately \$119 million. We expect our weighted-average basic and diluted share counts will be 127.3 million and 128.2 million, respectively, for the third quarter of 2015.

For the first nine months of 2015, Air Group repurchased a total of 5,649,805 shares for approximately \$381 million. As of September 30, 2015, we have \$3 million remaining under the \$650 million repurchase program. In October we will begin repurchasing shares under the \$1 billion share repurchase program authorized by the Board of Directors in August 2015.

ALASKA AIRLINES - MAINLINE

Operating Statistics

	Q3 2015	Change Y-O-Y
Revenue passengers (in thousands)	6,171	7.3%
Traffic (RPMs in millions)	7,976	7.2%
Capacity (ASMs in millions)	9,278	7.8%
Load factor	86.0%	(0.4) pts

Forecast Information

	Forecast Q3 2015	Change Y-O-Y	Prior Guidance September 14, 2015	
Passenger revenue per ASM (cents)	11.35¢ - 11.40¢	~ (5.0) %	N/A	N/A
Revenue per ASM (cents)	13.45¢ - 13.50¢	~ (5.0) %	N/A	N/A
Cost per ASM excluding fuel and special items (cents) ^(b)	7.19¢ - 7.24¢	~ 3.0 %	7.35¢ - 7.40¢	~ 5.0 %
Fuel gallons (000,000)	113	~ 5.0 %	113	~ 5.0 %
Economic fuel cost per gallon ^(a)	\$1.82	~ (42.0) %	\$1.83	~ (42.0) %

^(a) Refer to note^(a) in the Consolidated forecast section for information on the economic fuel cost per gallon.

^(b) Cost per ASM excluding fuel and special items (cents) decreased 2% from our prior guidance on September 14, 2015, due to favorable property tax assessments and shifts in timing of advertising and maintenance expenses from the third quarter to the fourth quarter.