
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**

December 14, 2011
(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 issuing this amended Form 8-K to report the correct year-over-year change for consolidated Passenger RASM. The year-over-year change for consolidated Passenger RASM for both the month of November and quarter-to-date reported on page 5 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 Form 8-K/A to correct an error on our consolidated Passenger RASM year-over-year change on page 5. 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.

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 December 14, 2011

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: December 14, 2011

/s/ Brandon S. Pedersen
Brandon S. Pedersen
Vice President/Finance and Chief Financial Officer



Investor Update - December 14, 2011

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 consolidated and mainline 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 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, 2010. Some of these risks include general economic conditions, increases in operating costs including fuel, competition, labor costs and relations, our significant indebtedness, 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.

ALASKA AIRLINES - MAINLINE

November 2011 Statistics

	November 2011	Change Y-O-Y	QTD 2011	Change Y-O-Y
Capacity (ASMs in millions)	2,133	4.8%	4,305	5.0%
Traffic (RPMs in millions)	1,842	7.8%	3,635	6.9%
Revenue passengers (000s)	1,433	6.1%	2,846	5.3%
Load factor ^(a)	86.4%	2.5 pts	84.4%	1.5 pts
Passenger RASM (cents)	11.94	6.7%	11.48	5.8%
RASM (cents)	13.20	5.9%	12.75	4.8%
Economic fuel expense/gal.	\$3.40	32.3%	\$3.33	32.1%

^(a) Percentage of available seats occupied by fare-paying passengers.

Forecast Information

	Forecast Q4 2011	Change Y-O-Y	Prior Guidance Nov. 16, 2011	Forecast Full Year 2011	Change Y-O-Y	Prior Guidance Nov. 16, 2011
Capacity (ASMs in millions)	6,500	4%	6,500	26,500	9%	26,500
Cost per ASM excluding fuel and special items (cents) ^(a)	7.87 - 7.91	2%	7.85 - 7.95	7.60	(3)%	7.60
Fuel gallons (000,000)	86	5%	85	346	8%	346
Economic fuel cost per gallon ^(b)	\$3.35	31%	\$3.35	\$3.18	34%	N/A

^(a) Our forecasts of mainline cost per ASM excluding fuel are based on forward-looking estimates, which will likely differ from actual results.

^(b) 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 - \$2.30 (\$96 per barrel); refining margin - 80 cents; taxes and fees - 17 cents; cost of settled hedges - 8 cents.

Changes in Advance Booked Load Factors (percentage of ASMs that are sold) ^{(a)(b)}

	December	January	February
Point Change Y-O-Y	+ 1.5 pts	+ 2.5 pts	+ 2.5 pts
Prior Guidance Nov. 16, 2011 - Point Change Y-O-Y	+ 1.0 pt	+ 1.5 pts	N/A

^(a) Percentage point change compared to the same point in time last year.

^(b) On November 28, 2011, we launched a week-long sale for travel between December 6, 2011 and March 7, 2012. The sale was very successful and resulted in an increase in our advanced booked load factor over the next three months.

AIR GROUP - CONSOLIDATED

November 2011 Statistics

	November 2011	Change Y-O-Y	QTD 2011	Change Y-O-Y
Capacity (ASMs in millions)	2,383	4.0%	4,814	4.1%
Traffic (RPMs in millions)	2,041	7.4%	4,035	6.4%
Revenue passengers (000s)	2,002	5.5%	3,990	4.7%
Load factor ^(a)	85.6%	2.6 pts	83.8%	1.8 pts
Passenger RASM (cents)	13.34	6.7%	12.87	6.2%
RASM (cents)	14.52	6.1%	14.05	5.4%
Economic fuel expense/gal.	\$3.40	32.3%	\$3.34	32.5%

^(a) Percentage of available seats occupied by fare-paying passengers.

Forecast Information

	Forecast Q4 2011	Change Y-O-Y	Prior Guidance Nov. 16, 2011	Forecast Full Year 2011	Change Y-O-Y	Prior Guidance Nov. 16, 2011
Capacity (ASMs in millions)	7,275	4%	7,250	29,600	7%	29,600
Cost per ASM excluding fuel and special items (cents) ^(a)	8.74 - 8.78	(1)%	8.75 - 8.85	8.53	(3)%	8.53
Fuel gallons (000,000)	99	3%	98	398	5%	398
Economic fuel cost per gallon ^(b)	\$3.36	31%	\$3.35	\$3.19	35%	N/A

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

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

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

	December	January	February
Point Change Y-O-Y	+ 1.5 pts	+ 2.5 pts	+ 2.5 pts
Prior Guidance Nov. 16, 2011 - Point Change Y-O-Y	+ 1.0 pt	+ 1.5 pts	N/A

^(a) Percentage point change compared to the same point in time last year.

Nonoperating Expense

We expect that our consolidated nonoperating expense will be approximately \$14 million to \$15 million in the fourth quarter of 2011. The increase from November guidance is due to an anticipated impairment of an aircraft leased to a third-party carrier.

Share Repurchase

Through December 14, 2011, Air Group has repurchased 762,500 shares of its common stock for approximately \$45.7 million under our existing \$50 million repurchase program. The program expires in June 2012. Since 2007, the Company has repurchased 8.3 million shares of its common stock for approximately \$258 million.

Cash and Share Count

(in millions)	November 30, 2011	September 30, 2011
Cash and marketable securities ^(a)	\$ 1,295	\$ 1,266
Common shares outstanding	35.527	35.645

AIR GROUP - CONSOLIDATED (continued)

Capital Expenditures ^(a)

Total expected gross capital expenditures for 2011 and 2012 are as follows (in millions):

	2011		2012	
B737 aircraft-related	\$	190	\$	320
Q400 aircraft-related		125		—
Total aircraft-related	\$	315	\$	320
Non-aircraft		60		70
Total capital expenditures	\$	375	\$	390

(a) Preliminary estimate, subject to change.

Firm Aircraft Commitments

The tables below reflect the current delivery schedules for firm aircraft:

	Remaining 2011	2012	2013	2014	2015	Total
Boeing 737-800	—	3	—	1	2	6
Boeing 737-900ER	—	3	9	7	—	19
Totals	—	6	9	8	2	25

In addition to the firm orders noted above, Air Group has options to acquire 42 additional B737 aircraft and 10 Q400 aircraft.

Projected Fleet Count ^(a)

Aircraft	Seats	Actual Fleet Count		Expected Fleet Activity					
		Dec. 31, 2010	Nov. 30, 2011	Remaining 2011 Changes	Dec. 31, 2011	2012 Changes	Dec. 31, 2012	2013 Changes	Dec. 31, 2013
737-400F (b)	—	1	1	—	1	—	1	—	1
737-400C (b)	72	5	5	—	5	—	5	—	5
737-400	144	24	24	—	24	(3)	21	—	21
737-700	124	17	17	—	17	—	17	—	17
737-800	157	55	58	—	58	3	61	—	61
737-900	172	12	12	—	12	—	12	—	12
737-900ER	181	—	—	—	—	3	3	9	12
Q400	76	41	48	—	48	—	48	—	48
CRJ-700	70	13	—	—	—	—	—	—	—
Totals		168	165	—	165	3	168	9	177

(a) The expected fleet counts at December 31, 2011, 2012 and 2013 are subject to change.

(b) F-Freighter; C-Combination freighter/passenger.

AIR GROUP - CONSOLIDATED (continued)

Future Fuel Hedge Positions ^(a)

We use both call options on crude oil futures and swap instruments on LA Jet refining margins to hedge against price volatility of future jet fuel consumption. We have refining margin swaps in place for approximately 50% of our fourth quarter 2011 estimated jet fuel purchases at an average price of 93 cents per gallon and 38% of our first quarter 2012 estimated purchases at an average price of 89 cents per gallon. Our crude oil positions are as follows:

	Approximate % of Expected Fuel Requirements	Weighted-Average Crude Oil Price per Barrel	Average Premium Cost per Barrel
Fourth Quarter 2011	50%	\$86	\$11
Remainder Full Year 2011	50%	\$86	\$11
First Quarter 2012	50%	\$88	\$12
Second Quarter 2012	50%	\$92	\$13
Third Quarter 2012	50%	\$94	\$13
Fourth Quarter 2012	50%	\$92	\$13
Full Year 2012	50%	\$92	\$13
First Quarter 2013	44%	\$95	\$13
Second Quarter 2013	38%	\$94	\$14
Third Quarter 2013	33%	\$95	\$14
Fourth Quarter 2013	21%	\$95	\$15
Full Year 2013	34%	\$95	\$14
First Quarter 2014	16%	\$96	\$15
Second Quarter 2014	11%	\$94	\$15
Third Quarter 2014	5%	\$86	\$16
Full Year 2014	8%	\$94	\$15

^(a) All of our future oil 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.