

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

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

Date of report (Date of earliest event reported): March 25, 2003

ALASKA AIR GROUP, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware

1-8957

91-1292054

(State or Other Jurisdiction of Incorporation)

(Commission File Number)

(IRS Employer Identification Number)

19300 Pacific Highway South, Seattle, Washington

98188

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code (206) 431-7040

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ITEM 5. OTHER EVENTS

On March 21, 2003, Alaska Air Group, Inc. issued a press release announcing the closing of a private offering of floating rate senior convertible notes due 2023, subject to market and other conditions.

The press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by this reference.

ITEM 7. EXHIBITS

99.1 Press Release dated March 21, 2003

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 hereunto duly authorized.

ALASKA AIR GROUP, INC.

/s/ Terri K. Maupin

March 25, 2003

Terri K. Maupin
Staff Vice President/Finance and Controller

/s/ Bradley D. Tilden

March 25, 2003

Bradley D. Tilden
Executive Vice President/Finance and
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description of Exhibit
99.1	Press Release dated March 21, 2003

ALASKA AIR GROUP, INC. COMPLETES THE PRIVATE PLACEMENT OF ITS
FLOATING RATE SENIOR CONVERTIBLE NOTES DUE 2023
March 21, 2003 3:26 PM EST, Eastern US

SEATTLE - March 21, 2003 - Alaska Air Group, Inc. (NYSE: ALK) announced today that it has completed the private placement of \$150 million of floating rate senior convertible notes due 2023. The private placement was conducted pursuant to Rule 144A of the Securities Act of 1933, as amended.

As previously announced, the notes will bear cash interest at a variable rate of interest of 3-month LIBOR plus 2.50 percent for five years. Thereafter, the notes will cease bearing cash interest. Instead, from such date the original principal amount of each note will increase daily by the variable yield, which will equal the variable interest rate, up to a maximum of 5.25 percent, to produce the variable principal amount.

The notes will be convertible, at the option of the holder, only upon the occurrence of certain events into shares of the company's common stock (or cash, at the company's option, as described below) at a conversion price of \$26.00 per share. Upon conversion, the company may deliver, in lieu of common stock, cash or a combination of cash and common stock. The company may redeem all or a portion of the notes for cash at any time on or after the third anniversary of the issuance of the notes. In addition, holders may require the company to purchase all or a portion of their notes on the 5th, 10th and 15th anniversaries of the issuance of the notes. The company may choose to pay the purchase price of such notes in cash or common stock or a combination of cash and common stock. In addition, upon a change in control of the company, each holder may require the company to purchase for cash all or a portion of such holder's notes.

The notes will be senior unsecured obligations and will rank equally with the company's existing and future senior unsecured indebtedness.

A portion of the net proceeds from the offering were used to purchase U.S. government securities, the proceeds of which will serve as collateral for the first 3 years of interest payments on the notes. The company intends to use the remaining net proceeds from the offering for working capital requirements and general corporate purposes.

The notes were not, and the common stock issuable upon conversion of the notes will not be, registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. This press release does not constitute an offer to sell or the solicitation of an offer to buy the notes, or the common stock issuable upon conversion of the notes, nor shall there be any sale of the notes, or the common stock issuable upon conversion of the notes in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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