

**FORM 5****UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**OMB APPROVAL**

OMB Number: 3235-0362  
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 hours per response: 1.0

☒ Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

☐ Form 3 Holdings Reported.

☐ Form 4 Transactions Reported.

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934  
 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>FINAN KEVIN P</u>  (Last) (First) (Middle) <u>ALASKA AIRLINES INC</u> <u>19300 INTERNATIONAL BLVD SO</u>  (Street) <u>SEATTLE WA 98188</u>  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>ALASKA AIR GROUP INC [ ALK ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)  Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>RETIRED EXEC VP/SPECIAL PRJTS</u>
	3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year) <u>01/31/2008</u>	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				Amount	(A) or (D)	Price			
<u>COMMON STOCK<sup>(1)</sup></u>							<u>15,300</u>	<u>D</u>	
<u>COMMON STOCK</u>							<u>3,894</u>	<u>D</u>	
<u>COMMON STOCK<sup>(2)</sup></u>							<u>635</u>	<u>I</u>	<u>ESOP TRUST</u>
<u>COMMON STOCK<sup>(3)</sup></u>							<u>2,853</u>	<u>D</u>	

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
						Date Exercisable	Expiration Date					
					(A) (D)			Title Amount or Number of Shares				

**Explanation of Responses:**

1. RESTRICTED STOCK UNITS AWARDED UNDER THE 2004 LONG-TERM INCENTIVE EQUITY PLAN BECAME FULLY VESTED UPON MR. FINAN'S RETIREMENT. THE UNITS WILL BE ISSUED IN ACCORDANCE WITH PLAN AGREEMENTS.
2. SHARES HELD IN EMPLOYEE STOCK OWNERSHIP PLAN AS OF DECEMBER 31, 2007.
3. RESTRICTED STOCK UNITS FULLY VESTED AND ISSUED; NO LONGER SUBJECT TO FORFEITURE.

**Remarks:**

MR. FINAN RETIRED FROM ALASKA AIRLINES EFFECTIVE JANUARY 1, 2008.

KAREN A. GRUEN FOR

KEVIN P. FINAN,

02/13/2008

ATTORNEY-IN-FACT

\*\* Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.