

LOVELESS KEITH  
Form 4  
February 08, 2011

**FORM 4**

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
LOVELESS KEITH

(Last) (First) (Middle)

ALASKA AIRLINES INC, 19300  
INTERNATIONAL BLVD

(Street)

SEATTLE, WA 98188

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

ALASKA AIR GROUP INC [ALK]

3. Date of Earliest Transaction (Month/Day/Year)

02/04/2011

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
VP/LEGAL & GENERAL COUNSEL

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**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 Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount	(D)	Price
COMMON STOCK	02/04/2011		M		1,220	A	\$ 33.26
COMMON STOCK	02/04/2011		S		1,220	D	\$ 60.9
COMMON STOCK	02/07/2011		A <sup>(1)</sup>		1,429	A	\$ 0
COMMON STOCK <sup>(2)</sup>	02/07/2011		A <sup>(3)</sup>		1,770	A	\$ 0
COMMON STOCK <sup>(2)</sup>	02/08/2011		F <sup>(4)</sup>		794	D	\$ 61.94

COMMON  
STOCK <sup>(5)</sup>

742 D

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

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**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 Underlying Security (Instr. 3 and 4)
EMPLOYEE STOCK OPTION (RT TO BUY)	\$ 33.26	02/04/2011		M	1,220	02/03/2011 02/03/2020	COMMON
EMPLOYEE STOCK OPTION (RT TO BUY)	\$ 61.3	02/07/2011		A	3,390	02/07/2012 <sup>(6)</sup> 02/07/2021	COMMON

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LOVELESS KEITH ALASKA AIRLINES INC 19300 INTERNATIONAL BLVD SEATTLE, WA 98188			VP/LEGAL & GENERAL COUNSEL	

## Signatures

JEANNE E. GAMMON, ATTORNEY IN FACT FOR KEITH LOVELESS 02/08/2011

Signature of Reporting Person

Date

## Explanation of Responses:

\* 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).

- SHARES ISSUED UPON VESTING OF PERFORMANCE STOCK UNITS GRANTED FEBRUARY 8, 2008 UNDER THE ISSUER'S
- (1) 2004 LONG-TERM INCENTIVE EQUITY PLAN. VESTING OF THE UNITS WAS DETERMINED BASED ON THE ISSUER'S AVERAGE ADJUSTED PRE-TAX PROFIT MARGIN OVER A THREE-YEAR PERFORMANCE PERIOD.
  - (2) STOCK UNITS AWARDED UNDER THE 2004 LONG-TERM INCENTIVE EQUITY AND 2008 PERFORMANCE INCENTIVE PLANS; NOT YET VESTED BUT NO LONGER SUBJECT TO FORFEITURE.
  - (3) STOCK UNITS GRANTED UNDER THE ALASKA AIR GROUP, INC. PERFORMANCE INCENTIVE PLAN ON FEBRUARY 7, 2011. UNITS WILL CLIFF VEST ON FEBRUARY 7, 2014. AWARD NO LONGER SUBJECT TO FORFEITURE.
  - (4) SHARES WITHHELD BY THE ISSUER TO COVER PAYROLL TAXES UPON VESTING OF STOCK UNITS AND ISSUANCE OF NET SHARES.
  - (5) SHARES ACQUIRED UNDER THE ALASKA AIR GROUP, INC. EMPLOYEE STOCK PURCHASE PLAN AS OF DECEMBER 31, 2010.
  - (6) OPTIONS GRANTED WILL VEST IN FOUR EQUAL INSTALLMENTS OVER FOUR YEARS BEGINNING ON THE FIRST ANNIVERSARY OF THE GRANT DATE.

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

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