
UNITED STATES
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 29, 2006

ALASKA AIR GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-8957
(Commission File No.)

91-1292054
(I.R.S. Employer
Identification Number)

19300 International Boulevard, Seattle, Washington 98188
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (206) 392-5040

Not Applicable

(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:

- ☐ 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))
-

Item 8.01. Other Events.

On March 29, 2006, Alaska Air Group, Inc. announced that it has called for redemption on April 28, 2006 all of its outstanding Senior Convertible Notes due 2023 (the "Notes"). The aggregate principal amount of Notes outstanding is \$150 million.

Attached hereto as Exhibit 99.1 and incorporated herein by reference is a copy of the press release issued on March 29, 2006.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit 99.1 Press Release dated March 29, 2006.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ALASKA AIR GROUP, INC.
(Registrant)

Date: March 29, 2006

By: /s/ Brandon S. Pedersen
Name: Brandon S. Pedersen
Title: Staff Vice President/Finance and Controller

Date: March 29, 2006

By: /s/ Bradley D. Tilden
Name: Bradley D. Tilden
Title: Executive Vice President/Finance and
Chief Financial Officer

EXHIBIT INDEX

Exhibit 99.1 Press Release dated March 29, 2006.

Contact: Amanda Tobin -or- Shannon Alberts
206-392-5134 206-392-5218

FOR IMMEDIATE RELEASE

March 29, 2006

ALASKA AIR GROUP CALLS FOR REDEMPTION OF
SENIOR CONVERTIBLE NOTES DUE 2023

SEATTLE — Alaska Air Group, Inc. (NYSE:ALK), parent company of Alaska Airlines, Inc. and Horizon Air Industries, Inc., announced today a call for redemption on April 28, 2006, of all its outstanding senior convertible notes due 2023. The aggregate principal amount of notes outstanding is \$150 million.

Holders who convert their notes by 5 p.m. Eastern time on April 26, 2006, will receive shares of Alaska Air Group common stock at a conversion rate of 38.4615 shares of Alaska Air Group common stock per \$1,000 principal amount of notes. Cash will be paid in lieu of fractional shares. If the market price of Alaska Air Group common stock exceeds approximately \$26.56 per share, holders who convert their notes will receive Alaska Air Group common stock with a market value (plus cash in lieu of any fractional shares) greater than the amount of cash the holder would otherwise be entitled to receive upon redemption. Alternatively, holders may have their notes redeemed at a total redemption price of \$1,021.60 for each \$1,000 principal amount due at the stated maturity, plus accrued and unpaid interest up to, but excluding, the redemption date.

Any notes not converted on or before 5 p.m. Eastern time on April 26, 2006, will be automatically redeemed on April 28, 2006. Note holders should contact their brokers with any questions.

Alaska Airlines and sister carrier, Horizon Air, together serve 88 cities through an expansive network throughout Alaska, the Lower 48, Canada and Mexico. For reservations visit alaskaair.com. For more news and information, visit the Alaska Airlines/Horizon Air newsroom at <http://newsroom.alaskaair.com>.

###