

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 18, 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 18, 2003, Alaska Air Group, Inc. issued a press release announcing the pricing of the Company's intention to make 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 18, 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.

March 19, 2003

ALASKA AIR GROUP, INC.

/s/ Terri K. Maupin

Terri K. Maupin
Staff Vice President/Finance and Controller

March 19, 2003

/s/ Bradley D. Tilden

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

EXHIBIT INDEX

Exhibit No.	Description of Exhibit
99.1	Press Release dated March 18, 2003

ALASKA AIR GROUP, INC. PRICES PRIVATE PLACEMENT OF FLOATING RATE SENIOR
CONVERTIBLE NOTES DUE 2023

March 18, 2003 11:52 AM EST, Eastern US

SEATTLE - March 18, 2003 - Alaska Air Group, Inc. announced today that it has priced a private placement of \$150 million of floating rate senior convertible notes due 2023. The private placement will be conducted pursuant to Rule 144A of the Securities Act of 1933, as amended. Up to an additional \$25 million of notes may be sold upon the exercise of a 30-day overallotment option granted to the initial purchasers of the notes.

The notes will bear cash interest at a variable rate of interest of 3-month LIBOR plus 2.50% 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 rate of 5.25%, 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, representing a 35.4 percent premium over the \$19.20 per share closing price on March 17, 2003 of the company's common shares on the NYSE. 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 fifth, 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 Alaska Air Group's future senior unsecured indebtedness.

A portion of the net proceeds from the offering will be 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 and the common stock issuable upon conversion of the notes have not been, and 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 the conversion of the notes in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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