

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934

February 18, 2003

(Date of Report)

ALASKA AIR GROUP, INC.

(Exact name of registrant as specified in its charter)

Commission file number 1-8957

Delaware

(State or other jurisdiction of
incorporation or organization)

91-1292054

(I.R.S. Employer
Identification No.)

19300 Pacific Highway South, Seattle, Washington 98188

(Address of principal executive offices)

(206) 431-7040

(Registrant's telephone number)

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ITEM 5. Other Events

On February 12, 2003 the board of directors of Alaska Air Group announced that William S. Ayer will succeed John F. Kelly later this year as chairman and chief executive officer of Alaska Air Group.

Ayer, president of Alaska Airlines since 1997 and chief executive officer of the airline for the past year, assumes the posts of chairman of Alaska Airlines and president of Alaska Air Group from Kelly, effective immediately. He becomes chairman and chief executive officer of Alaska Air Group on May 20th upon Kelly's retirement.

ITEM 9. Regulation FD Disclosure

In accordance with General Instruction B.2 of Form 8-K, the following information shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing. This Report (including the Exhibit hereto) will not be deemed an admission as to the materiality of any information required to be disclosed solely to satisfy the requirements of Regulation FD.

FORWARD-LOOKING INFORMATION

This report may contain forward-looking statements that are based on the best information currently available to management. These forward-looking statements are intended to be subject to the safe harbor protection provided by Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are indicated by phrases such as "will," "should," "the Company believes," "we expect" or any other language indicating a prediction of future events. There can be no assurance that actual developments will be those anticipated by the Company. Actual results could differ materially from those projected as a result of a number of factors, some of which the Company cannot predict or control. For a discussion of these factors, please see Item 1 of the Company's Annual Report on Form 10-K/A for the year ended December 31, 2001. The Company expressly disclaims any duty to update these projections, and makes no representation as to their continued accuracy in the event it does not provide such updates.

Other Events

Regulation FD Disclosure

First Quarter 2003

	Forecast Q1	Change Yr/Yr
Alaska Airlines		
Capacity (ASMs in millions)	4,694	5.1%
Fuel gallons (000,000)	78.7	4.9%
Cost per ASM excluding fuel (cents)	8.9	0.3%

Alaska Airlines' January traffic increased 13.0% to 1.010 billion revenue passenger miles (RPMs) from 894 million flown a year earlier. Capacity during January was 1.605 billion available seat miles (ASMs), 12.2% higher than the 1.430 billion in January 2002.

The passenger load factor (the percentage of available seats occupied by fare paying passengers) for the month was 62.9%, compared to the 62.5% in January 2002. The airline carried 1,049,000 passengers compared to 963,900 in January 2002.

For January 2003, revenue per available seat mile (RASM) decreased by 4.4% as compared to January 2002. This decrease in RASM is due principally to a decrease in yield.

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Capacity (ASMs in millions)	614	15.6%
Fuel gallons (000,000)	13.1	6.5%
Cost per ASM excluding fuel (cents)	16.2	(8.5%)

Horizon Air's January traffic increased 15.5% to 115.3 million RPMs from 99.8 million flown a year earlier. Capacity for January was 209.7 million ASMs, 22.1% higher than the 171.7 million in January 2002.

The passenger load factor for the month was 55.0%, compared to the 58.1% last January. The airline carried 356,200 passengers compared to 340,800 in January 2002.

For January 2003, RASM decreased by 8.6% as compared to January 2002. This decrease in RASM is due to decreases in yield and load factor.

Capacity Estimates for 2003

Provided below are capacity (ASMs in millions) for the full year of 2003:

Alaska Airlines capacity	20,659	6.7%
Horizon Air capacity	2,595	6.9%

Other Financial Information*Cash and Short-Term Investments*

Cash and short-term investments amounted to approximately \$572 million on January 31, 2003 as compared to \$636 million at December 31, 2002. The decrease of \$64 million is consistent with that seen between December 31, 2001 and January 31, 2002 and is principally due to significant semi-annual lease payments made in January.

Fuel Cost per Gallon (including realized hedging gains)

	<u>Cost per Gallon</u>	<u>% Change from Prior Year</u>
Alaska:		
January	92.7 cents	27.3%
Horizon:		
January	94.7 cents	25.4%

Current fuel hedge positions for Alaska and Horizon are as follows:

	<u>Approximate % of Expected Fuel Requirements</u>	<u>Approximate Crude Oil Price per Barrel</u>
January – December 2003	35%	\$ 22

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Operating Fleet Plan

Provided below are estimated changes in the Alaska and Horizon fleets for 2003:

	<u>Seats</u>	<u>On Hand</u>	<u>Estimated Change During</u>
		<u>YE 2002</u>	<u>2003</u>
Alaska Airlines			
B737-200C	111	9	
B737-400	138	40	
B737-700	120	16	6
B737-900	172	6	5
MD-80	140	31	(4)
Total		<u>102</u>	<u>7</u>
Horizon Air			
Dash 8-100/200	37	28	
Dash 8-400	70	15	
F-28	69	4	(4)
CRJ 700	70	16	2
Total		<u>63</u>	<u>(2)</u>

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Signature

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 thereunto duly authorized.

ALASKA AIR GROUP, INC.

Registrant

Date: February 18, 2003

/s/ Terri K. Maupin

Terri K. Maupin
Staff Vice President/Finance and Controller

/s/ Bradley D. Tilden

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