

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

JUNE 24, 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) 392-5040
(Registrant's telephone number)

1

ITEM 5. OTHER EVENTS

Alaska Airlines, Inc. (Alaska or the Company, a wholly owned subsidiary of Alaska Air Group, Inc.), is filing herewith a press release issued on June 24, 2003 by Alaska as Exhibit 99.1 which is included herein. This press release was issued to announce Alaska's meetings with labor unions to discuss its vision for the future.

ITEM 7. Financial Statements and Exhibits

The following exhibits are included herein:

99.1 Press Release

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 for the year ended December 31, 2002. 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.

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: June 24, 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

EXHIBIT 99.1

Contact: Brad Tilden -or- Lou Cancelmi
 206/392-5362 206/392-5170

FOR IMMEDIATE RELEASE

June 24, 2003

ALASKA MEETS WITH LABOR UNIONS TO DISCUSS VISION FOR THE FUTURE

SEATTLE - Alaska Airlines, Inc. (Alaska), a wholly owned subsidiary of Alaska Air Group, Inc. (NYSE:ALK), today met with leaders of its unions to begin a dialog over how the company and its labor groups can work cooperatively to better position the company for growth and success in the years ahead.

Alaska, already engaged in an extensive cost management program that is reviewing every aspect of its operations, confirmed today that it is seeking to lower its cost per available seat mile (CASM), excluding fuel, to 7.25 cents by 2005. However, the company cautioned analysts and investors that this is a goal and should not, at this point, be viewed as a prediction of future performance.

The company said the aim of its cost reduction efforts is to achieve a structure that enables it to offer customers the services they want at fares they're willing to pay; to earn a reasonable profit; to grow its business and take advantage of opportunities; and to secure the futures of all its employees. The company said it intends to work in collaboration with its employees to tap their creativity and their commitment to help meet the company's substantial challenges.

Alaska also stated that it has already identified initiatives that it believes will lower its annual operating costs by more than \$100 million. The Company intends to achieve approximately \$200 million in additional savings through a combination of additional product and other cost-management initiatives, market-based wage adjustments, a common health and retirement benefits package for every work group and work rule changes focusing on greater efficiency in operations.

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EXHIBIT 99.1

-2-

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