

AYER WILLIAM S  
Form 4  
December 15, 2011

**FORM 4**

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

OMB APPROVAL

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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 \*  
AYER WILLIAM S

(Last) (First) (Middle)  
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)

12/14/2011

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)  
CHAIR, PRESIDENT AND CEO

6. Individual or Joint/Group Filing(Check Applicable Line)  
\_X\_ 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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| RESTRICTED STOCK UNIT<br>(1)    |                                      |  |                                |   | 85,413  | D  |   |
| COMMON STOCK                    | 12/14/2011                           |  | M(2)                           | 10,867 A  | \$ 32.96 35,304   | D  |   |
| COMMON STOCK                    | 12/14/2011                           |  | S(2)                           | 10,867 D  | \$ 72.0042 24,437   | D  |   |
| COMMON STOCK                    | 12/15/2011                           |  | M(2)                           | 13 A  | \$ 32.96 24,450   | D  |   |
| COMMON STOCK                    | 12/15/2011                           |  | S(2)                           | 13 D  | \$ 74 24,437  | D  |   |

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

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(9-02)

**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 Amount of Underlying Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| EMPLOYEE STOCK OPTION (RT TO BUY)          | \$ 32.96   | 12/14/2011                           |  | M                              | 10,867  | 08/30/2006 08/30/2015                                    | COMMON STOCK  |
| EMPLOYEE STOCK OPTION (RT TO BUY)          | \$ 32.96   | 12/15/2011                           |  | M                              | 13  | 08/30/2006 08/30/2015                                    | COMMON STOCK  |

## Reporting Owners

| Reporting Owner Name / Address                                  | Relationships |           |                          |       |
|---|---------------|-----------|--------------------------|-------|
|   | Director      | 10% Owner | Officer                  | Other |
| AYER WILLIAM S<br>19300 INTERNATIONAL BLVD<br>SEATTLE, WA 98188 |               |           | CHAIR, PRESIDENT AND CEO |       |

## Signatures

/s/ Jeanne Gammon, Attorney-in-Fact for William S. Ayer

12/15/2011

\_\_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).
- (1) STOCK UNITS AWARDED UNDER THE 2008 PERFORMANCE INCENTIVE PLAN; NO LONGER SUBJECT TO FORFEITURE.
- (2) SAME-DAY EXERCISE OF OPTIONS AND SALE EFFECTED PURSUANT TO A RULE 10b5-1 TRADING PLAN ADOPTED BY MR. AYER ON JULY 25, 2011.

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