

PLAN SUMMARY

**ALASKA AIR GROUP, INC.
2002 EMPLOYEE STOCK PURCHASE PLAN**

July 15, 2002

This plan summary is part of a prospectus that relates to 1,000,000 shares of common stock of Alaska Air Group, Inc. that have been reserved for issuance under the Alaska Air Group, Inc. 2002 Employee Stock Purchase Plan. We may distribute other documents in the future to supplement or update this plan summary and these documents may also be designated as part of the prospectus. The plan and any related agreements between you and Alaska Air Group govern the terms and conditions of the offer and sale of the Alaska Air Group common stock, including the purchase price of the shares. The common stock is traded on the New York Stock Exchange under the symbol "ALK."

This plan summary is not an offer by Alaska Air Group to sell or a solicitation of an offer to buy any securities in any jurisdiction to any person to whom it is unlawful for Alaska Air Group to make such an offer or solicitation.

**THIS PLAN SUMMARY IS PART OF A PROSPECTUS COVERING SECURITIES
THAT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933.**

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BACKGROUND

This plan summary is only a summary of the plan and is subject to and qualified by reference to the plan. You should carefully review this plan summary and any related documents (e.g., plan Enrollment/Change Forms) to understand fully the key terms of the plan. However, you should not rely only on this plan summary. You can inspect or request a copy of the plan during normal business hours at the Corporate Affairs Department of Alaska Air Group, Inc., at 19300 Pacific Highway South, Seattle, WA 98188; telephone (206) 392-5043.

This plan summary is not intended to provide legal counsel or advice on a specific investment strategy. If you need legal or financial assistance in the management of your Alaska Air Group common stock, please consult an attorney or qualified financial advisor, as appropriate.

DESCRIPTION OF THE PLAN

What Is It?

The plan is an employee program that gives eligible employees of Alaska Air Group and its designated subsidiaries an opportunity to purchase shares of Alaska Air Group common stock through payroll deductions. These payroll deductions are used periodically to purchase shares of common stock at a discount from its current fair market value without incurring broker commissions. The plan is not a 401(k), deferred compensation or retirement savings plan. Participation in the plan is entirely voluntary.

As you know, no one can predict the future value of any stock, and investment in a single security is inherently subject to greater risk than diversified investments, such as mutual funds. You should carefully and periodically evaluate your investment in Alaska Air Group common stock to ensure that the amount of your investment is appropriate for your individual financial situation.

Who Can Participate in the Plan?

You are eligible to participate in the plan if, at the beginning of an offering, you:

- (a) do not own stock possessing 5% or more of the total combined voting power or value of the capital stock of Alaska Air Group or of any parent or subsidiary of Alaska Air Group; and
- (b) have been employed for a minimum of one year.

The plan administrator may decrease or, subject to certain statutory limits, increase or change the minimum eligibility requirements described above for future offerings.

How Much of My Paycheck Can I Contribute to Purchase Shares of Alaska Air Group Common Stock?

During any pay period, you may contribute between 1% and 10% of your eligible compensation to purchase shares of Alaska Air Group common stock. You may make this contribution by directing Alaska Air Group (or your employer, if different) to withhold a fixed percentage of your eligible compensation from your paycheck each pay period.

Eligible compensation means all regular base pay you receive, including employer-paid leave and overtime. Eligible compensation does not include cash bonuses, severance pay, hiring and relocation bonuses, gain from stock option exercises or any other special payments.

The plan administrator has the discretion to change the definition of "eligible compensation" for future offerings.

How Does the Plan Work?

The plan is divided into a series of 12-month offerings that begin on September 1 and March 1 of each year and end on the following August 31 and February 28 (or February 29 in a leap year), respectively. Each offering has four successive three-month purchase periods.

The last day of each purchase period is a purchase date. On each purchase date, your accumulated payroll deductions are used to purchase shares of Alaska Air Group common stock. Shares are purchased at a price equal to the lesser of 85% of the common stock's fair market value on the first day of the offering and 85% of the fair market value on the purchase date.

"Fair market value" is the closing price of the Alaska Air Group common stock on the New York Stock Exchange on the applicable date as reported in *The Wall Street Journal* or a similar public source.

When Do the Offerings Begin?

The first offering will begin on September 1, 2002 and will end on August 31, 2003. New offerings are scheduled to begin on September 1 and March 1 of each year and end on the following August 31 and February 28 (or February 29 in a leap year), respectively. The plan administrator can change the length of future offerings or the dates on which such offerings begin, provided that an offering may not exceed 27 months if the purchase price can be less than 85% of the common

stock's fair market value on the purchase date. You will be notified of any such changes.

When Do Purchase Periods Begin?

The first purchase period will begin on September 1, 2002 and will end on November 30, 2002. After that, purchase periods will begin on December 1, March 1, June 1 and September 1 of each year and will end three months later on the next February 28 (or February 29 in a leap year), May 31, August 31 and November 30, respectively. The plan administrator can change the beginning and ending dates for future purchase periods under the plan. You will be notified of any such changes.

How Do I Enroll in the Plan?

You may enroll in the plan online or by delivering an Enrollment/Change Form to the Corporate Affairs Department during the enrollment period established by the plan administrator. This form authorizes payroll deductions from your compensation that will be used to purchase shares of common stock at the end of each purchase period. You may obtain a copy of the Enrollment/Change Form from the Corporate Affairs Department. Once you have enrolled in the plan, you do not need to reenroll for subsequent offerings.

Can I Enroll in an Offering After It Has Begun?

No, you cannot enroll in an offering that has already begun. However, you may be eligible to participate in future offerings.

Who Administers the Plan?

The plan administrator is the board of directors, the compensation committee of the board or an executive officer or officers appointed by the board or the compensation committee to administer the plan. Subject to the terms of the plan, the plan administrator establishes the rules and regulations for the ongoing administration of the plan.

Inquiries regarding the plan's administration should be directed to the Corporate Affairs Department of Alaska Air Group, Inc., at 19300 Pacific Highway South, Seattle, WA 98188; telephone (206) 392-5043.

When Do My Payroll Contributions Begin?

Your payroll contributions begin on the first payday following the first day of an offering and will continue until you either suspend your contributions or withdraw from the plan.

Can I Change the Amount of My Payroll Contributions or Withdraw From the Plan at Any Time?

- (a) Unless the plan administrator determines otherwise for a future offering, you may decrease payroll contributions to 0% during a purchase period but you may not otherwise change your withholding amount during a purchase period or during an offering. This change in rate will be effective as of the next payroll period, provided your Enrollment/Change Form is delivered to the Corporate Affairs Department at least ten days prior to the beginning of the next payroll period. Unless you withdraw from the plan, the payroll contributions that accrued prior to the effective date of your election to reduce payroll contributions to 0% will still be used to purchase shares at the end of the purchase period. If you reduce contributions to 0%, this election will remain in effect until you change it.
- (b) You may increase or decrease your payroll contributions for future offerings by submitting an Enrollment/Change Form to the Corporate Affairs Department by any required deadline.
- (c) You may withdraw from the plan if you submit written notice of withdrawal prior to the end of the purchase period for which you want your withdrawal to be effective or by any other required deadline. You will receive back, without interest, your previously withheld contributions that were not used to purchase common stock under the plan. To resume participation in the plan, you must submit a new Enrollment/Change Form to the Corporate Affairs Department. Your participation will then resume in the next offering for which you are eligible to participate.

How Is the Purchase Price of the Alaska Air Group Common Stock Determined?

The purchase price on each purchase date for the Alaska Air Group common stock will be equal to 85% of the lesser of (a) the fair market value of the common stock on the first day of an offering and (b) the fair market value on a purchase date within the offering. For example, if the fair market value of the Alaska Air Group common stock is \$10.00 per share on the first day of an offering and \$15.00 on the first purchase date during the offering, you can purchase shares at \$8.50 per share. The foregoing values are for illustrative purposes only.

What Happens if the Common Stock's Fair Market Value Is Less on a Purchase Date Than on the First Day of That Offering?

If the fair market value of the Alaska Air Group common stock is less on a purchase date than on the first day of that offering, you will be able to buy shares at 85% of the fair market value on the purchase date. In addition, if a new offering is

scheduled to begin on the day immediately following this purchase date, you will automatically be enrolled in that new offering, assuming you are still eligible to participate in the plan.

How Many Shares of Common Stock Can I Purchase in a Purchase Period?

You will generally be able to purchase that number of shares of Alaska Air Group common stock equal to your accumulated payroll deductions during a purchase period divided by the purchase price for the stock, subject to the following limits: (a) you may not purchase more than 2,000 shares of common stock in any single offering and (b) you may not purchase more than \$25,000 worth of stock in any calendar year.

The \$25,000 limit is based on the common stock's fair market value on the first day of an offering. Therefore, this limit will actually be equal to \$21,250 if the purchase price is equal to 85% of the common stock's fair market value on the first day of an offering. If your payroll deductions exceed either of the foregoing limits, any excess funds will be returned to you without interest. You will automatically be enrolled in the next purchase period during which you will not exceed these limits, unless you elect to withdraw from the plan prior to this time.

What if There Are Leftover Funds in My Account After the Offering Ends?

Any funds that remain in your account after an offering ends that were not used to purchase Alaska Air Group common stock will be returned to you without any interest. Currently, fractional shares may be purchased under the plan, but the plan administrator may decide otherwise for future offerings.

Can I Register the Shares in Joint Ownership With Someone Else?

After the one year holding period is fulfilled, you may request a stock certificate registered in your name or, if you prefer, in your name and the name of your spouse.

Can I Transfer My Right to Purchase Shares Under the Plan?

You may not transfer your right to purchase common stock in an offering. However, you may designate a beneficiary who may (a) receive any accumulated payroll deductions credited to your account in the event you die before a purchase date and (b) receive any shares and cash remaining in your account in the event that you die after a purchase date but before the distribution of such shares and cash. This designation must be made in writing to the Corporate Affairs Department on a Company-approved form.

How Will My Shares Be Held?

The plan administrator may designate or approve a stock brokerage or other financial services firm to hold shares purchased under the plan for your account. If this is the case, the number of shares purchased by you on any purchase date will be deposited into the account established in your name with the designated broker. You will remain the beneficial owner of such shares and will be free to sell shares from this account at any time, subject to compliance with Alaska Air Group's insider trading policies, applicable securities laws and the one-year restriction period. The restriction period is described under "How Soon Can I Sell the Shares I Purchase?" below. Unless you elect to sell your shares, they must remain in your account with the designated broker until the holding periods set forth under Section 423 of the Internal Revenue Code (the "Code") are satisfied (the later of two years from the date of the offering under which such shares were purchased began and one year from the date such shares were purchased). After the expiration of the holding periods, you may request the broker to transfer your shares to another brokerage account or you may request a stock certificate to be issued to you.

Participants not subject to U.S. income taxes may have their shares transferred to another brokerage account or request a stock certificate prior to meeting the Section 423 holding periods for the shares. Such employees are still subject to the one-year restriction period.

How Soon Can I Sell the Shares I Purchase?

You are required to hold the shares you purchase under the plan for a minimum of one year before you can sell them, unless the plan administrator changes this restriction for a future offering. This restriction period is deemed to be satisfied upon termination of employment by reason of retirement, disability or death. Following the one-year restriction period, you may sell your stock purchased under the plan at any time you choose, subject to compliance with applicable federal and state securities laws and Alaska Air Group's insider trading policies. Federal and state income tax treatment of the sale proceeds may be more favorable if you hold your shares for a certain period of time before selling them. Because of these tax consequences, we suggest that you consult a tax advisor before you sell any of your Alaska Air Group common stock acquired under the plan. See "U.S. FEDERAL INCOME TAX CONSEQUENCES" below.

In addition, it is against the law for you to buy or sell Alaska Air Group common stock when you are aware of material inside information. Federal laws and Alaska Air Group policies prohibit directors, officers, employees and consultants from trading while aware of material information that has not been disclosed to the public. This includes any "material information" that may affect the price of Alaska Air Group common stock. This restriction also applies to members of your household and others who may receive the information from you. Please refer to Alaska Air Group's insider trading policy or contact Alaska Air Group's General Counsel or Corporate Secretary regarding questions about Alaska Air Group's

policy. You may be subject to other trading restrictions in order to prevent the appearance of insider trading.

Additional restrictions on resale apply to certain executive officers and directors. See "What if I Am Currently Considered an Insider or Affiliate for Federal Securities Law Purposes?" below.

You assume the risk of any market fluctuations in the price of Alaska Air Group common stock.

What if the Number of Shares to Be Purchased by All Plan Participants Will Exceed the Number of Shares Available in the Plan?

In the event that purchases by all plan participants will exceed the number of shares available for issuance under the plan, the plan administrator will allocate the remaining shares on a pro rata basis in as uniform a manner as practicable.

What Happens if I Terminate My Employment?

Your participation in the plan will terminate immediately if you cease to remain an eligible employee under the plan or if you terminate employment with Alaska Air Group or any designated subsidiary for any reason. Upon your termination, any accumulated payroll deductions credited to your account since the last purchase date will be returned, without interest, to you (or to your legal representative or designated beneficiary in the event of your death), and no shares will be purchased for your account at the end of the current purchase period. You will keep any shares purchased in previous purchase periods.

What Happens if I Take a Leave of Absence From Alaska Air Group?

During an approved leave of absence, you may continue to participate in the plan by continuing to accrue payroll deductions for a maximum of 90 calendar days or, if the leave is unpaid, if you deliver cash payments to Alaska Air Group equal to your elected contribution amount. Under current Treasury regulations, you may continue participation in the plan only during the first 90 days of a leave of absence unless your reemployment rights are guaranteed by statute or contract.

How Long Will My Enrollment/Change Form Remain Effective?

Once you submit an Enrollment/Change Form to Alaska Air Group's Corporate Affairs Department, the payroll deductions authorized on this form will continue to be made from your paycheck until:

- (a) you withdraw from the plan;
- (b) you reduce your payroll contributions to 0%;

- (c) you change the amount of your payroll contributions for a future offering;
- (d) you terminate employment at Alaska Air Group or are no longer eligible to participate in the plan;
- (e) no more shares are authorized for issuance under the plan;
- (f) your contributions will result in your purchasing more than \$25,000 worth of common stock in a single calendar year (based on the common stock's fair market value on the first day of an offering) or more than 2,000 shares in an offering; or
- (g) the board of directors terminates the plan, which it has the right to do at any time.

What Are the U.S. Federal Income Tax Consequences of My Participation in the Plan?

As discussed in more detail below under "U.S. FEDERAL INCOME TAX CONSEQUENCES," employee stock purchase plans such as the plan are granted favorable treatment under U.S. federal income tax laws. Generally, the 15% discount from fair market value on the shares you purchase under the plan is not taxed until the shares are sold, and any additional gain at the time of sale receives favorable tax treatment if the shares are held for at least two years after the beginning of an offering and one year after the date you purchase the shares.

Remember, too, that the plan is not a deferred compensation plan. The funds you contribute to the plan have already been taxed as income.

Finally, any increase or decrease in the value of the shares you purchase in the plan will not change your tax status unless you actually sell or otherwise dispose of the shares.

Do I Pay Commissions on the Purchase of Common Stock Under the Plan or on the Sale of That Stock?

Because Alaska Air Group pays all costs associated with administering the plan, you pay no commissions on the purchase of stock under the plan. However, you are responsible for paying any commissions incurred on a sale of those shares.

Can the Plan Be Amended, Suspended or Terminated?

The board of directors can amend, suspend or terminate the plan, except that the board may not amend the plan without shareholder approval if such approval is required by Code Section 423 or any other applicable law or regulation. Shareholder approval is required by Code Section 423 to increase the number of

shares under the plan or modify the class of employees eligible to participate in the plan.

What Is the Effective Date and Duration of the Plan?

The plan was adopted by the board of directors on January 30, 2002 and was approved by the shareholders on May 30, 2002. The effective date of the plan was the date it was approved by the shareholders, although the first offering under the plan begins on September 1, 2002. The plan will expire on January 30, 2012 (ten years from the date of adoption by the board).

What if I Am Currently Considered an Insider or Affiliate for Federal Securities Law Purposes?

Shares of Alaska Air Group common stock purchased under the plan generally may be resold without restriction after the shares have been held for at least one year, subject to compliance with Alaska Air Group's insider trading policies in effect at the time of sale. However, if you are an "affiliate" of Alaska Air Group (generally, all directors and the executive officers named in Alaska Air Group's Annual Report on Form 10-K and in subsequent filings), you must sell your shares pursuant to Rule 144 under the Securities Act of 1933. Rule 144 limits the amount of Alaska Air Group common stock that may be sold in any three-month period to no more than the greater of (a) 1% of the outstanding shares of Alaska Air Group common stock and (b) the average weekly reported volume of trading in Alaska Air Group common stock on the New York Stock Exchange during the four calendar weeks preceding the sale.

If you are an "insider" subject to Section 16 of the Securities Exchange Act of 1934 (the "Exchange Act") (generally the same persons as those defined as "affiliates" for Rule 144 purposes), your purchases under the plan will not be considered matchable "purchases" for purposes of Section 16(b) short-swing liability. The sale of plan shares is not exempt from Section 16(b) and will be matched with any purchases outside the plan within a six-month period before or after the sale.

What Happens if There Is a Stock Split?

If Alaska Air Group splits or consolidates shares or makes similar capital adjustments to its common stock, Alaska Air Group will proportionately adjust the number and kind of shares subject to the plan, including the number of shares to be purchased at the end of a purchase period, the per share purchase price and the maximum number of shares that may be purchased by each participant in an offering.

What Happens if There Is a Merger, Acquisition, Liquidation or Dissolution of Alaska Air Group?

In the event of a certain corporate transactions, such as a merger, acquisition or sale of assets, your outstanding options to purchase shares under the plan will be assumed or substituted with equivalent options by the successor company or its parent. If the successor company or its parent does not assume or substitute for your options, the offering during which you may purchase shares of Alaska Air Group common stock will be shortened to a specified date before the effective date of the proposed corporate transaction.

In the event of the proposed liquidation or dissolution of Alaska Air Group, the offering during which you may purchase shares of Alaska Air Group common stock may be shortened to a specified date before the proposed liquidation or dissolution.

U.S. FEDERAL INCOME TAX CONSEQUENCES

Alaska Air Group intends that the plan qualify as an "employee stock purchase plan" under Code Section 423. The federal income tax consequences to you and Alaska Air Group of participation in the plan under the Code and the regulations under the Code are substantially as follows.

Under Code Section 423, Alaska Air Group is deemed to grant you an "option" on the first day of each offering to purchase as many shares (including fractional shares) of Alaska Air Group common stock as you are able to purchase with the payroll deductions credited to your account during the offering. On the last day of each purchase period, the purchase price is determined and you are deemed to have exercised the "option" and purchased the number of shares of stock your accumulated payroll deductions can purchase at the purchase price.

Holding Period Requirements

In order to obtain favorable tax treatment upon the disposition of Alaska Air Group common stock acquired under the plan, you must hold the stock for the longer of (a) two years after the deemed "option" is granted (the first day of an offering) and (b) one year after the deemed "option" is exercised and the stock is purchased (the last day of the purchase period in which you purchased the shares). For example, assume that fictional "X corporation" has an employee stock purchase plan identical to Alaska Air Group's and that, in the offering beginning September 1, 2002 and ending August 31, 2003, an employee of X corporation acquires 100 shares of X corporation stock on November 30, 2002, the first purchase date in the offering. In order to be eligible for favorable tax treatment on the sale of the X corporation stock, the employee would have to hold the shares until the *later* of two years from the September 1, 2002 "grant" of the option and one year from the November 30, 2002 purchase date. Therefore, the X corporation employee could sell the shares after September 1, 2004 and meet the holding period requirements.

If Holding Periods Are Met. When the holding periods described above are met, your gain on the sale of the Alaska Air Group common stock will generally be taxed at ordinary income rates to the extent that the fair market value of the common stock on the first day of the offering exceeded the purchase price. Any further gain is taxed at favorable long-term capital gain rates.

These tax consequences are demonstrated by the following example (please note that the stock prices used in the example are for illustration purposes only and are not intended to bear any relation to the value of the Alaska Air Group common stock):

Assume that the stock of X corporation in the above example was worth \$10 per share on September 1, 2002 (the first day of the offering) and \$10.50 per share on November 30, 2002 (the purchase date) and that the X corporation employee purchased 100 shares for \$850, or \$8.50/share, on November 30, 2002. If the X corporation employee sold these shares for \$1100 (\$11/share) on September 2, 2004, the employee would have a gain of \$250 (\$2.50/share times 100 shares). Of this amount, \$150 (the difference between X corporation's stock value of \$10 on the first day of the offering and the purchase price of \$8.50, multiplied by 100 shares) would be attributable to the excess of the fair market value of the X corporation stock on September 1, 2002 (\$10/share) over the purchase price (\$8.50/share) and would be treated as ordinary income. The remaining \$100 gain (\$1.00/shares times 100 shares) would be long-term capital gain.

If you sell the stock for less than the price you actually paid for it, there is no ordinary income and you will have a capital loss for the difference. This loss will be a long-term capital loss if you held the shares for more than 12 months.

If Holding Periods Are Not Met. If you dispose of any Alaska Air Group common stock acquired under the plan before the expiration of the required holding periods, you are not eligible for favorable tax treatment. Instead, you will recognize ordinary income to the extent of the difference between the price actually paid for the stock and the fair market value of the stock on the date the option was exercised (the last day of a purchase period), regardless of the price at which you sell the stock. Any remaining gain will be short-term capital gain, taxed at ordinary income rates, if the shares of stock are held for 12 months or less, and will be long-term capital gain if the shares are held for more than 12 months. If the sale price is less than the fair market value of the stock on the date of exercise, then you will have a capital loss equal to this difference.

Alaska Air Group may not claim a tax deduction for the income recognized by you on the sale of shares of Alaska Air Group common stock received under the plan if the holding periods set forth above are met. However, if you dispose of the stock before the required holding periods are met, Alaska Air Group may claim a deduction equal to the ordinary income recognized by you on disposition.

General Summary

The foregoing discussion is only a general summary of the federal income tax consequences of purchases under the plan and the subsequent disposition of such shares. It does not address all possible tax aspects of such transactions, including foreign, state or local tax consequences. You should consult your own tax advisor to determine the tax consequences of any particular transaction. The state income tax treatment of purchasing Alaska Air Group common stock under the plan and selling the shares so acquired will vary depending on the state in which you reside. If you are a resident of, or are employed in, a country other than the United States, you may be subject to taxation in accordance with the tax laws of that particular country in addition to or in lieu of U.S. federal income taxes. **For these reasons, you should consult a tax advisor to determine the income tax consequences of any particular transaction.**

OTHER MATTERS

Shares Authorized for Issuance

A maximum of 1,000,000 shares of Alaska Air Group common stock are available for issuance under the plan. Shares issued under the plan shall be drawn from authorized and unissued shares or from shares subsequently acquired by Alaska Air Group as treasury shares.

Limitation of Rights

Nothing in the plan or in any shares issued under the plan is evidence of any right to continued employment with Alaska Air Group.

Inapplicability of Certain Statutes; Unfunded Plan

We believe that the plan is not subject to (a) the participation, vesting or minimum funding provisions of the Employee Retirement Income Security Act of 1974 or (b) the provisions governing a pension, profit-sharing or stock bonus plan qualified under Code Section 401(a). The plan will be unfunded and will not create a trust or a separate fund or funds. The plan does not create any fiduciary relationship between you and Alaska Air Group. Your rights under any options will not exceed the rights of general unsecured creditors of Alaska Air Group. The cash proceeds received by Alaska Air Group from the issuance of shares under the plan are general funds of Alaska Air Group.

Securities Registration

Alaska Air Group intends to maintain a registration statement filed with the Securities and Exchange Commission (the "SEC") for the shares that will be issued under the plan, but it has no obligation to do so. If the registration ceases to be effective, you may not be able to purchase or sell shares of Alaska Air Group

common stock without an exemption from registration under federal and state securities laws. Exemptions from registration are very limited and might be unavailable.

Where You Can Find More Information

Incorporation by Reference

We file annual, quarterly and special reports, and other information with the SEC. The SEC allows us to "incorporate by reference" into this plan summary the information we file with it, which means that we can disclose important information to you by referring you to those documents. This information incorporated by reference is considered to be part of this plan summary, and later information filed with the SEC will update and supersede this information. We incorporate by reference the documents listed below and any future filings made with the SEC under Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act until this offering is completed:

(a) Our Annual Report to Shareholders on Form 10-K for the fiscal year ended December 31, 2001, filed on March 1, 2002, which contains our most recent audited annual financial statements;

(b) Our Quarterly Report on Form 10-Q for the fiscal quarter ending March 31, 2002, filed on May 2, 2002;

(c) Our current reports on Form 8-K filed on June 6, 2002, May 28, 2002, May 7, 2002, April 12, 2002, April 3, 2002, March 12, 2002 and January 4, 2002 and on Form 8-K/A filed on June 3, 2002; and

(d) The description of our common stock contained in our Registration Statement on Form 8-A filed on September 19, 1985 under Section 12(b) of the Exchange Act, including any amendments or reports filed for the purpose of updating such description.

Additional Information

We post our Annual Report to Shareholders and the Proxy Statement for the Annual Meeting of Shareholders on our Internet site each year. The Annual Report to Shareholders contains financial information that has been examined and reported on, with an opinion expressed by independent certified public accountants. You can read those documents and print copies by visiting <http://www.alaskaair.com> and clicking on "Company," then "Investor Information."

You also may view our SEC filings on the SEC's Web site at <http://www.sec.gov>. You may read and copy any document Alaska Air Group files at the SEC's public reference room in Washington, D.C. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room.

Upon written or oral request, Alaska Air Group will provide you, without charge, additional information about the plan and its administration and a copy of any or all documents referred to above under "Incorporation by Reference" other than exhibits to such documents. Please direct your requests to the Corporate Affairs Department of Alaska Air Group, Inc., at 19300 Pacific Highway South, Seattle, WA 98188; telephone (206) 392-5043. If you previously received a copy of any of the documents described above, you may obtain an additional copy, without charge, upon written request directed to the same office. We will also deliver to you, if you do not otherwise receive such materials and if such materials are not available on our Internet site, a copy of all reports, proxy statements and other communications distributed to our shareholders. Even if such shareholder materials are available on our Internet site, you may make a written or oral request for such documents from the Corporate Affairs Department at the address and telephone number above.

You should rely only on the information incorporated by reference or provided in this plan summary or any supplements. We have not authorized anyone to give you different information. You should not assume that the information incorporated by reference or provided in this plan summary or any supplements is accurate as of any date other than the date on the front of the document.