AYER WILLIAM S

Form 4

October 19, 2012

FORM 4

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

OMB Number:

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Expires: January 31, 2005

Estimated average

burden hours per

3235-0287

0.5

OMB APPROVAL

Section 16. Form 4 or Form 5 obligations may continue. See Instruction

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

response...

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * AYER WILLIAM S			2. Issuer Name and Ticker or Trading Symbol ALASKA AIR GROUP, INC.	5. Relationship of Reporting Person(s) to Issuer			
			[ALK]	(Check all applicable)			
(Last)	(First)	(Middle)	3. Date of Earliest Transaction	Director 10% Owner Officer (give title Other (specify			
19300 INTERNATIONAL BLVD		L BLVD	(Month/Day/Year) 10/17/2012	below) below) EXECUTIVE CHAIR			
(Street)			4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check			
SEATTLE, WA 98188			Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person			

(City)	(State) (Zip)	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. Transactio Code (Instr. 8)	4. Securities Acquired (A) comp Disposed of (D) (Instr. 3, 4 and 5) (A) or		5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	Ownership of In Form: Ben Direct (D) Own	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
RESTRICTED STOCK UNIT			Code V	Amount	(D)	Price	59,600	D	
COMMON STOCK	10/17/2012		M(2)	25,650	A	\$ 13.78	135,698	D	
COMMON STOCK	10/17/2012		M(3)	7,950	A	\$ 13.78	143,648	D	
COMMON STOCK	10/17/2012		S(3)	33,600 (4)	D	\$ 37.648	110,048	D	
COMMON STOCK	10/18/2012		M(3)	60,000	A	\$ 13.78	170,048	D	

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COMMON STOCK 10/18/2012 $S_{\underline{(5)}}^{(3)}$ $D_{\underline{(5)}}^{(60,000)}$ D $\frac{\$}{38.1236}$ 110,048 D

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474

(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)	onDeriv Secui Acqu	rities ired (A) sposed of . 3, 4,	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amour Underlying Securit (Instr. 3 and 4)	
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	A or N of
EMPLOYEE STOCK OPTION (RT TO BUY)	\$ 13.78	10/17/2012		M(3)		25,650	01/29/2010	01/29/2019	COMMON STOCK	2
EMPLOYEE STOCK OPTION (RT TO BUY)	\$ 13.78	10/17/2012		M(3)		7,950	01/29/2012	01/29/2019	COMMON STOCK	7
EMPLOYEE STOCK OPTION (RT TO BUY)	\$ 13.78	10/18/2012		M(3)		60,000	01/29/2012	01/29/2019	COMMON STOCK	6

Reporting Owners

Reporting Owner Name / Address

Director 10% Owner Officer Other

AYER WILLIAM S 19300 INTERNATIONAL BLVD SEATTLE, WA 98188

EXECUTIVE CHAIR

Reporting Owners 2

Date

Signatures

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

Ayer 10/19/2012

**Signature of Reporting Person

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 8/16/12.
- (3) SAME-DAY EXERCISE OF OPTIONS AND SALE EFFECTED PURSUANT TO A RULE 10b5-1 TRADING PLAN ADOPTED BY MR. AYER ON 8/16/12.
 - THE PRICE REPORTED IN COLUMN 4 IS A WEIGHTED AVERAGE PRICE. THESE SHARES SOLD IN MULTIPLE TRANSACTIONS AT PRICES RANGING FROM \$37.50 TO \$37.76, INCLUSIVE. THE REPORTING PERSON UNDERTAKES TO
- (4) PROVIDE TO ALASKA AIR GROUP, ANY SECURITY HOLDER OF ALASKA AIR GROUP, OR THE STAFF OF THE SECURITIES AND EXCHANGE COMMISSION, UPON REQUEST, FULL INFORMATION REGARDING THE NUMBER OF SHARES SOLD AT EACH SEPARATE PRICE WITHIN THE RANGES SET FORTH IN THIS FOOTNOTE.
 - THE PRICE REPORTED IN COLUMN 4 IS A WEIGHTED AVERAGE PRICE. THESE SHARES SOLD IN MULTIPLE TRANSACTIONS AT PRICES RANGING FROM \$38.00 TO \$38.36, INCLUSIVE. THE REPORTING PERSON UNDERTAKES TO
- (5) PROVIDE TO ALASKA AIR GROUP, ANY SECURITY HOLDER OF ALASKA AIR GROUP, OR THE STAFF OF THE SECURITIES AND EXCHANGE COMMISSION, UPON REQUEST, FULL INFORMATION REGARDING THE NUMBER OF SHARES SOLD AT EACH SEPARATE PRICE WITHIN THE RANGES SET FORTH IN THIS FOOTNOTE.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

Signatures 3