

Alaska Air Group, Inc.

September 17, 2007

Steve Nieman
15204 NE 181st Loop
Brush Prairie, WA 98606

Re: Your Letter of September 4, 2007

Dear Mr. Nieman:

I am responding on behalf of the Board of Directors of Alaska Air Group, Inc. ("AAG" or the "Company") to your letter of September 4, 2007, addressed to Mr. Bill Ayer, and to follow up on the telephone conversation that I had with you and Mr. Foley last Monday.

In your September 4 letter, you express, among other things, your "loss of confidence" in the voting process employed for the 2007 Annual Meeting, and request that AAG "take the necessary steps to restore confidence in AAG shareholder voting processes and results." The Board of Directors has the utmost confidence in the Company's voting procedures, and the Board firmly rejects the implication in your letter questioning the integrity of such processes and the accuracy of the reported voting results. The election was conducted in strict compliance with applicable state and federal laws, and as you know, the election results were independently tabulated and certified by IVS Associates, Inc., the election inspector for the Annual Meeting. The final results were reported in the Company's Form 10-Q filed on August 7, 2007, as required by applicable SEC regulations.

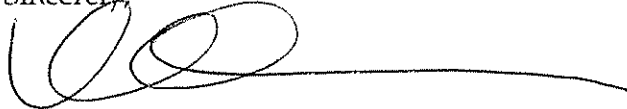
Although your letter did not set forth any details, you and Mr. Foley subsequently indicated during our Monday telephone conference that your principal concerns related to the following: (i) the Company's decision not to release the final voting results to you until such time as the results were first reported to the Company's shareholders generally in the Form 10-Q; (ii) the decision of the independent election inspector to communicate with you by e-mail instead of by telephone to confirm the timing for release of the final voting results; and (iii) your dissatisfaction with the response of Vanguard, the trustee for the Company's 401(k) plan, to your inquiries regarding the vote of 401(k) plan participants.

We discussed each of these matters during our Monday telephone conference, as well as on previous occasions. With regard to the timing for release of the voting results, the Company announced the preliminary results at the Annual Meeting, and I confirmed the preliminary results to you in my letter of June 20, 2007, responding to your initial request. (A copy of my June 20 letter is enclosed for your reference and convenience.) The Company's intention to report the final voting results in its Form 10-Q filing was

Mr. Steve Nieman
September 17, 2007
Page 2

specifically disclosed in the Company's proxy statement (see page 6), and I further explained the Company's practice and rationale in my June 20 letter. With regard to your other stated concerns, we continue to believe that these matters are outside the control of the Company and its management.

Sincerely,

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Karen A. Gruen
Managing Director, Corporate Affairs
Associate General Counsel & Assistant Secretary