



Vanguard Fiduciary Trust Company

SECOND NOTICE TO PARTICIPANTS OF THE ALASKA AIR GROUP, INC. PLANS

rec'd 4-19-08

April 4, 2008

Dear Plan Participant:

The Alaska Air Group, Inc. 2008 Annual Meeting of Shareholders will be held on Tuesday, May 20, 2008. The enclosed shareholder proxy materials include a proxy statement describing the nominees of the Board of Directors of Alaska Air Group, Inc. ("Alaska Air") and other proposals to be considered and voted upon at the annual meeting along with a Voting Instruction Form. **You should carefully review these materials.**

You are receiving this request for proxy voting instructions because you own Alaska Air common stock in one or more of the following savings plans sponsored by Alaska Air (each referred to as the "Plan"):

- Alaska Air Group, Inc. Alaskasaver Plan
- Alaska Airlines, Inc. COPS, MRP and Dispatch 401(k) Plan
- Horizon Air Industries, Inc. Savings Investment Plan

Your proxy voting instructions will be applied to the shares held in your Plan account at the close of the New York Stock Exchange on the record date, March 14, 2008.

On March 10, 2008, Richard D. Foley, Stephen Nieman, Terry K. Dayton, Carl L. Olson, William B. Davidge, and Aaron C. Kreps (the "Challengers") filed a preliminary proxy statement with the Securities and Exchange Commission, indicating their intent to solicit proxies for the annual meeting. Their preliminary proxy statement proposes an alternate slate of six individuals to be elected to Alaska Air's Board of Directors and includes additional shareholder proposals not found in Alaska Air's proxy statement. As described in the Challengers' proxy statement, the Challengers do not intend to mail their proxy materials to Alaska Air's shareholders. You may go to the Challengers' website www.votePAL.com to view the Challengers' preliminary proxy statement and you will receive a subsequent mailing with a Challengers Voting Instruction Form.

YOUR VOTE IS IMPORTANT!

As a participant in one or more of the above referenced Plans, you are strongly encouraged to direct Vanguard Fiduciary Trust Company ("Vanguard"), the trustee of your Plans, to vote your shares of Alaska Air common stock held in your separate Plan account.

PROVIDING YOUR INSTRUCTIONS TO VANGUARD

Enclosed you will find the Alaska Air Board of Directors Voting Instruction Form (Board of Directors' VIF). To instruct Vanguard to vote the shares allocated to you in the Plans, please take one of the following actions:

- You may instruct Vanguard to vote via mail. To do so, complete, sign and date the Board of Directors' VIF and mail it in the enclosed reply envelope to: Alaska Air Group, Inc., c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717; **OR**

- You may instruct Vanguard to vote by telephone toll free at 1-800-597-7657 or by Internet by logging on to <http://www.401kproxy.com>. When you connect to the toll free telephone number or log on to the website, **If you wish to instruct Vanguard to vote with respect to the Directors and Proposals on the Board of Directors' VIF**, use the control number found in the upper left corner of the front of the Board of Directors' VIF.

If, instead, you wish to instruct Vanguard to vote with respect to the Challenger-Nominees and Proposals on the Challengers' VIF, use the control number found in the upper left corner of the front of the Challengers' VIF which you will receive under separate cover.

Whether you choose to deliver your instructions by mail, telephone, or Internet, your instructions must be received at Broadridge by the plan deadline, which is **11:59 p.m. Eastern time on Thursday, May 15, 2008**. If you wish to change your vote (and revoke previous instructions) you may do so at any time prior to the plan deadline, by contacting Broadridge through one of the above means.

IMPORTANT NOTE: ONLY THE LATEST INSTRUCTION RECEIVED BY BROADRIDGE AS OF THE PLAN DEADLINES WILL DETERMINE YOUR VOTE – ALL PREVIOUS INSTRUCTIONS WILL BE DISREGARDED. For example, if you voted on the Internet using the Board of Directors' VIF and then voted on the Internet using the Challengers' VIF, the vote for the Challengers' VIF would be the one that would be counted. If you submit both the Board of Directors' VIF and the Challengers' VIF via mail and they are received by Broadridge at the same time, you will be deemed to have failed to provide Vanguard with proper voting instructions and the shares allocated to you in the Plans will not be voted.

THE TERMS OF YOUR PLANS

Please note that the terms of your Plans provide that Vanguard will vote the shares of Alaska Air common stock held in your Plan account as instructed by you. Additionally, **any shares of Alaska Air common stock held in the Plans for which Vanguard does not receive timely participant instructions will not be voted by Vanguard.**

The enclosed information relates only to shares of Alaska Air common stock held in your account under the Plans. If you own other shares outside of the Plans, you should receive separate mailings relating to those shares.

YOUR DECISION IS CONFIDENTIAL

All instructions received by Vanguard from individual participants will be held in confidence and will not be divulged to any person, including Alaska Air, the Challengers, or any of their respective directors, officers, employees or affiliates.

FOR ADDITIONAL QUESTIONS

All proxy solicitation materials are available on-line at www.sec.gov. If you have questions on how to provide voting instructions to Vanguard, please contact Vanguard Participant Services at 1-800-523-1188 weekdays from 8:30 a.m. to 9:00 p.m. Eastern time.

Sincerely,
Vanguard Fiduciary Trust Company