



Vanguard®

POST OFFICE BOX 2600 • VALLEY FORGE PA 19482-2600

0000927 134-186-186RPF01 0000927

rec'd 4-25-08

STEPHEN NIEMAN
15204 NE 181ST LOOP
BRUSH PRAIRIE WA 98606-9669



To vote by Internet

- Read the Proxy Statement and have this Voting Instruction Form at hand
- Log on to www.401Kproxy.com
- Follow the on-screen instructions
- Do **not** mail the Voting Instruction Form

To vote by Telephone

- Read the Proxy Statement and have this Voting Instruction Form at hand
- Call toll-free at 1-800-597-7657
- Follow the recorded instructions
- Do **not** mail the Voting Instruction Form

To vote by Mail

- Read the Proxy Statement
- Check the appropriate boxes on this Voting Instruction Form
- Sign, date and return this Voting Instruction Form in the enclosed envelope.

PLEASE DO NOT VOTE USING MORE THAN ONE METHOD
DO NOT MAIL YOUR VOTING INSTRUCTION FORM IF YOU VOTE BY INTERNET OR TELEPHONE.

▼ Please fold and detach card at perforation before mailing ▼

**CHALLENGERS VOTING INSTRUCTION FORM
FOR THE ALASKA AIR GROUP, INC.**

119 384 467 098 49 ←

ANNUAL MEETING OF STOCKHOLDERS - MAY 20, 2008

CHALLENGERS VOTING INSTRUCTION FORM

I hereby instruct Vanguard Fiduciary Trust Company ("Vanguard"), as Trustee of the Alaska Air Group, Inc., Alaskasaver Plan, the Alaska Airlines, Inc., COPS, MRP and Dispatch 401(k) Plan, and the Horizon Air Industries, Inc. Savings Investment Plan (collectively, the "Plans") to vote as indicated on the reverse side of this form all shares of Common Stock of Alaska Air Group, Inc. allocated to me in any of the Plans at the Annual Meeting of Stockholders to be held at 10:30 a.m. on Tuesday, May 20, 2008, at The Museum Of Flight, 9404 East Marginal Way, Seattle, Washington, and any adjournment or postponement thereof.

If your instructions are properly executed and timely submitted, Vanguard will vote all shares allocated to you in any of the Plans as instructed. If you do not provide instruction, or if your instruction is not properly executed or timely submitted, Vanguard will not vote such shares. Your vote must be received by May 15, 2008, 11:59 p.m. Eastern Time.

Sign, Date and Return the Instruction Card Promptly, Using the Enclosed Envelope.

186 0751669970 134 3 2

606.331

Date: _____, 2008

0000927 134-186-186RPF01

STEPHEN NIEMAN
15204 NE 181ST LOOP
BRUSH PRAIRIE WA 98606-9669



0000927

Signature box for the shareholder.

Signature *(Sign in the Box)*

Please sign exactly as your name appears hereon. When signing in a representative capacity, please give full title.

10000927

N-06887

0000927

119 384 467 098 49

▼ Please fold and detach card at perforation before mailing ▼

CHALLENGERS' VOTING INSTRUCTION FORM

THE CHALLENGERS RECOMMEND THAT YOU INSTRUCT VANGUARD TO VOTE "FOR" ITEMS 1, 3-6 AND "AGAINST" ITEM 2.

Please fill in box(es) as shown using black or blue ink or number 2 pencil. ☒
PLEASE DO NOT USE FINE POINT PENS.

Instruction for Vote on Directors

1. ELECTION OF DIRECTORS—CHALLENGER NOMINEES:

(01) Richard D. Foley
(02) Stephen Nieman

(03) Terry K. Dayton
(04) Carl L. Olson

(05) William B. Davidge
(06) Aaron C. Kreps

FOR ALL WITHHOLD FOR ALL FOR ALL *EXCEPT

*(INSTRUCTIONS: To withhold authority to vote for any individual nominee, mark the "Exceptions" box and write that nominee's number in the space provided above.)

Instruction for Vote on Proposals

FOR AGAINST ABSTAIN

2. Board Proposal to Approve the Alaska Air Group, Inc. 2008 Performance Incentive Plan.

3. Stockholder Proposal to Amend Governance Documents Regarding Poison Pill.

4. Stockholder Proposal to Adopt Cumulative Voting.

5. Stockholder Proposal to Adopt Say on Executive Pay.

6. Stockholder Proposal to Adopt Shareholders' Right to Know.