



Vanguard Fiduciary Trust Company

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

April 22, 2005

Dear Plan Participant:

**SOLICITATION OF SHAREHOLDERS OF
ALASKA AIR GROUP, INC. COMMON STOCK**

The Alaska Air Group, Inc. 2005 Annual Meeting of Shareholders will be held on Tuesday, May 17, 2005. 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 and 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 18, 2005.

On March 21, 2005, Richard Foley, Steve Nieman, Dr. Robert Osborne, Terry Dayton, John Chevedden and Carl Olson (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 three 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.

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

To instruct Vanguard to vote on Alaska Air’s Voting Instruction Form, mail your completed, signed, and dated Voting Instruction Form in the enclosed reply envelope to: Alaska Air Group, Inc., c/o EquiServe Trust Company, N.A., Proxy Services, P.O. Box 8948, Edison, NJ 08818-8948. You may also vote by telephone toll-free at 1-877-PRX-VOTE (1-877-779-8683) or by Internet, by logging on to

<http://www.eproxyvote.com/alk>. If you choose to vote over the Internet or by telephone, please do not mail your Voting Instruction Form.

To instruct Vanguard to vote on the Challengers' Voting Instruction Form you must go to the website www.votepal.com to view the proxy statement and print a copy of the Voting Instruction Form. Complete the Voting Instruction Form and return it by mail to: Alaska Air Group, Inc., c/o EquiServe Trust Company, N.A., Proxy Services, P.O. Box 8948, Edison, NJ 08818-8948 or by fax to (732) 417-2916. You may also call 1-866-286-8387 to have the Challengers' proxy statement and Voting Instruction Form mailed to you, in which case you would need to complete and return as described above. **Please note that you must write your control number on the Challengers' Voting Instruction Form, and legibly print your name below your signature for your vote to be counted.**

Whether you choose to deliver your instructions by mail, telephone, Internet, or fax, your instructions or changes thereto, must be received at EquiServe by the Plan Deadline, which is **11:59 p.m. Eastern time on Thursday, May 12, 2005**. 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 EquiServe through one of the above means.

IMPORTANT NOTE: ONLY THE LATEST INSTRUCTION RECEIVED BY EQUISERVE AS OF 11:59 P.M. EASTERN TIME ON THURSDAY, MAY 12, 2005 WILL DETERMINE YOUR VOTE – ALL PREVIOUS INSTRUCTIONS WILL BE DISREGARDED.

THE TERMS OF YOUR PLANS

Please note, the terms of your Plans provide that Vanguard will vote the shares of Alaska Air common stock held in your Plan account as directed. Additionally, any shares of Alaska Air common stock held in the Plans for which Vanguard does not receive timely participant directions 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