

ALASKA AIR GROUP INC  
Form 4  
November 15, 2006

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
PINNEO JEFFREY D

(Last) (First) (Middle)

HORIZON AIR INDUSTRIES  
INC, 19521 INTERNATIONAL  
BLVD

(Street)

SEATTLE, WA 98188

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

ALASKA AIR GROUP INC [ALK]

3. Date of Earliest Transaction  
(Month/Day/Year)

11/15/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
PRESIDENT & CEO, HORIZON AIR

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**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. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount or Price		
COMMON STOCK	11/15/2006		M <sup>(1)</sup>		1,800	D	
COMMON STOCK	11/15/2006		M <sup>(1)</sup>		4,800	D	
COMMON STOCK	11/15/2006		M <sup>(1)</sup>		8,800	D	
COMMON STOCK	11/15/2006		S <sup>(1)</sup>		0	D	
COMMON STOCK <sup>(2)</sup>					14,230	D	

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COMMON STOCK <sup>(3)</sup> 9,740 I ESOP TRUST

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

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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)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares
						Date Exercisable	Expiration Date		
STOCK OPTION	\$ 35.25	11/15/2006		M <sup>(1)</sup>	1,800	12/19/1998	12/19/2007	COMMON STOCK	1,800
STOCK OPTION	\$ 25.2	11/15/2006		M <sup>(1)</sup>	3,000	11/12/2002	11/12/2011	COMMON STOCK	3,000
STOCK OPTION	\$ 18.76	11/15/2006		M <sup>(1)</sup>	4,000	02/11/2004	02/11/2013	COMMON STOCK	4,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PINNEO JEFFREY D HORIZON AIR INDUSTRIES INC 19521 INTERNATIONAL BLVD SEATTLE, WA 98188			PRESIDENT & CEO, HORIZON AIR	

## Signatures

SHANNON K. ALBERTS FOR JEFFREY D. PINNEO,  
ATTORNEY-IN-FACT 11/15/2006

\*\*Signature of Reporting Person

Date

## 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) SAME-DAY SALE AND EXERCISE OF OPTIONS COVERED BY S-8 REGISTRATION STATEMENT.

(2) RESTRICTED STOCK UNITS HELD UNDER 2004 LONG-TERM INCENTIVE PLAN; SUBJECT TO FORFEITURE.

(3) NUMBER OF SHARES HELD UNDER EMPLOYEE STOCK OWNERSHIP PLAN AS OF DECEMBER 31, 2005.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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