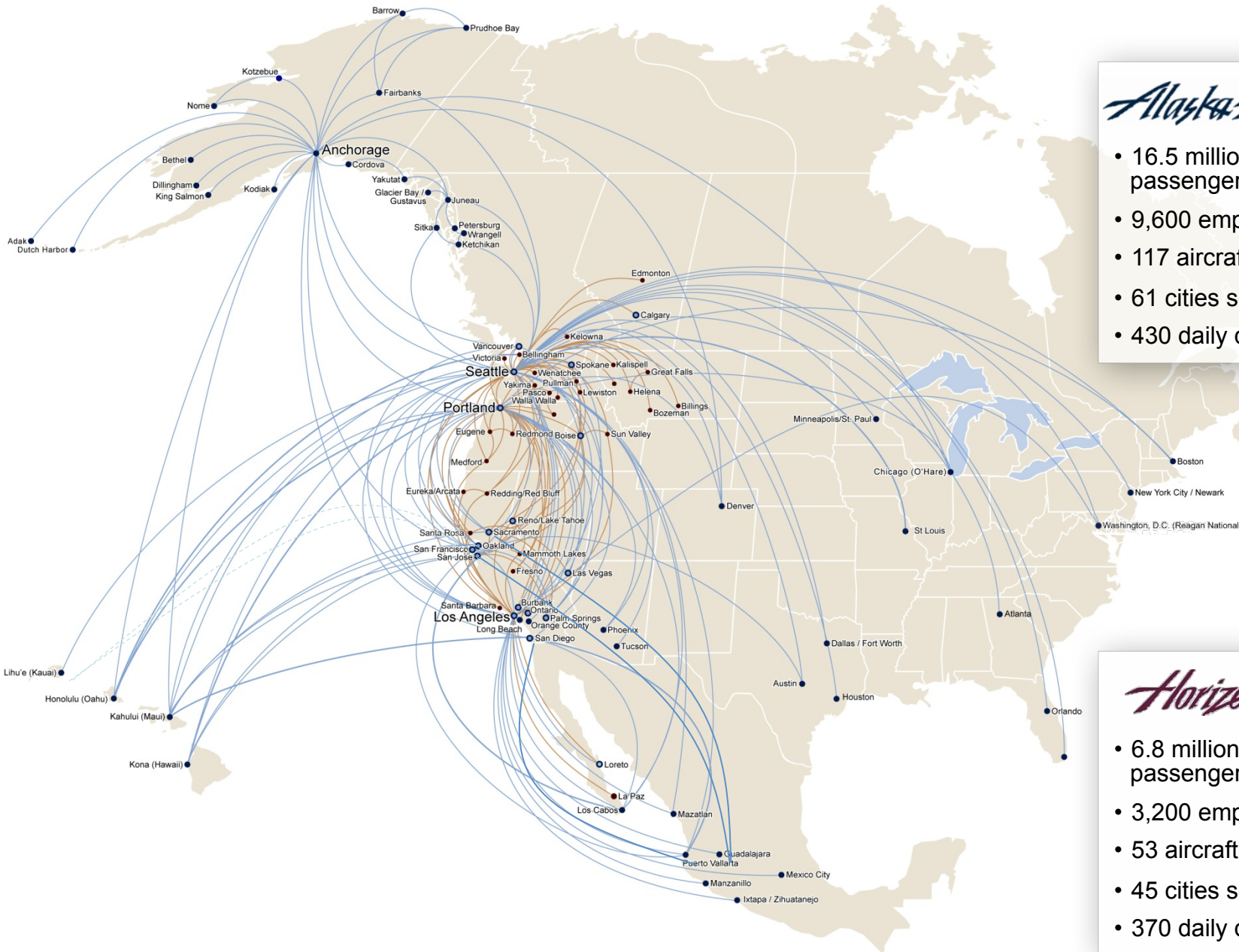




Alaska Resource Development Council

February 17, 2011



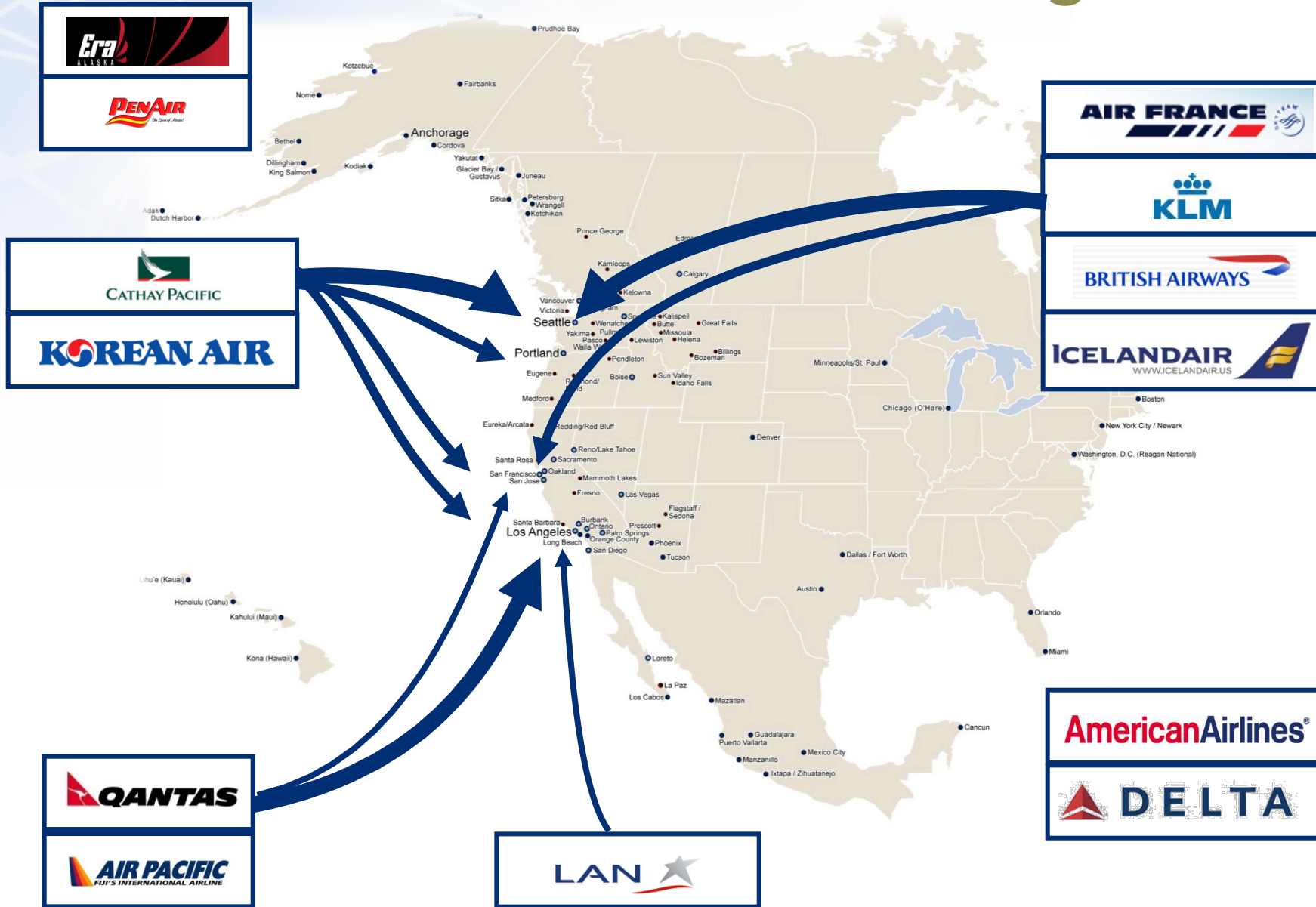
Alaska Airlines

- 16.5 million passengers / year
- 9,600 employees
- 117 aircraft
- 61 cities served
- 430 daily departures

Horizon Air

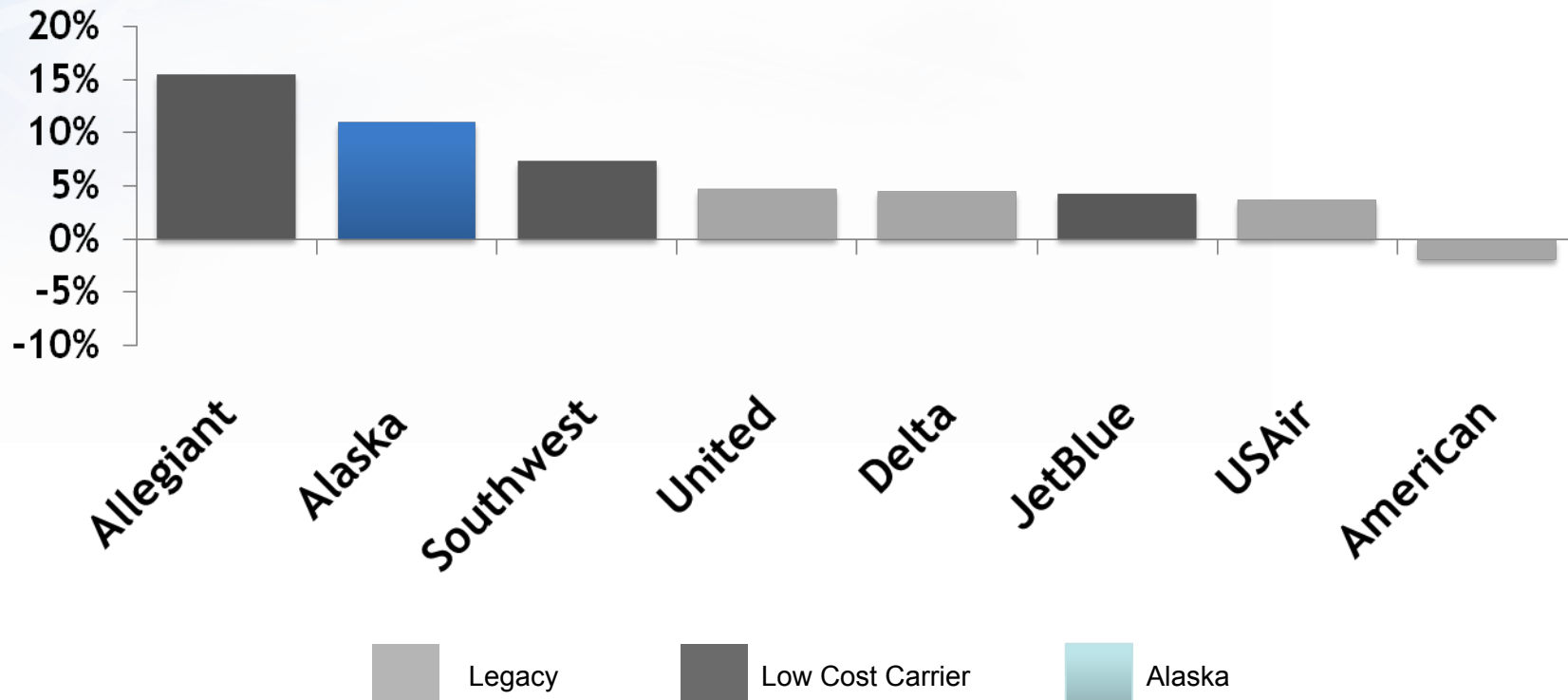
- 6.8 million passengers / year
- 3,200 employees
- 53 aircraft
- 45 cities served
- 370 daily departures

Virtual network strength



Alaska Airlines

Industry-leading profitability

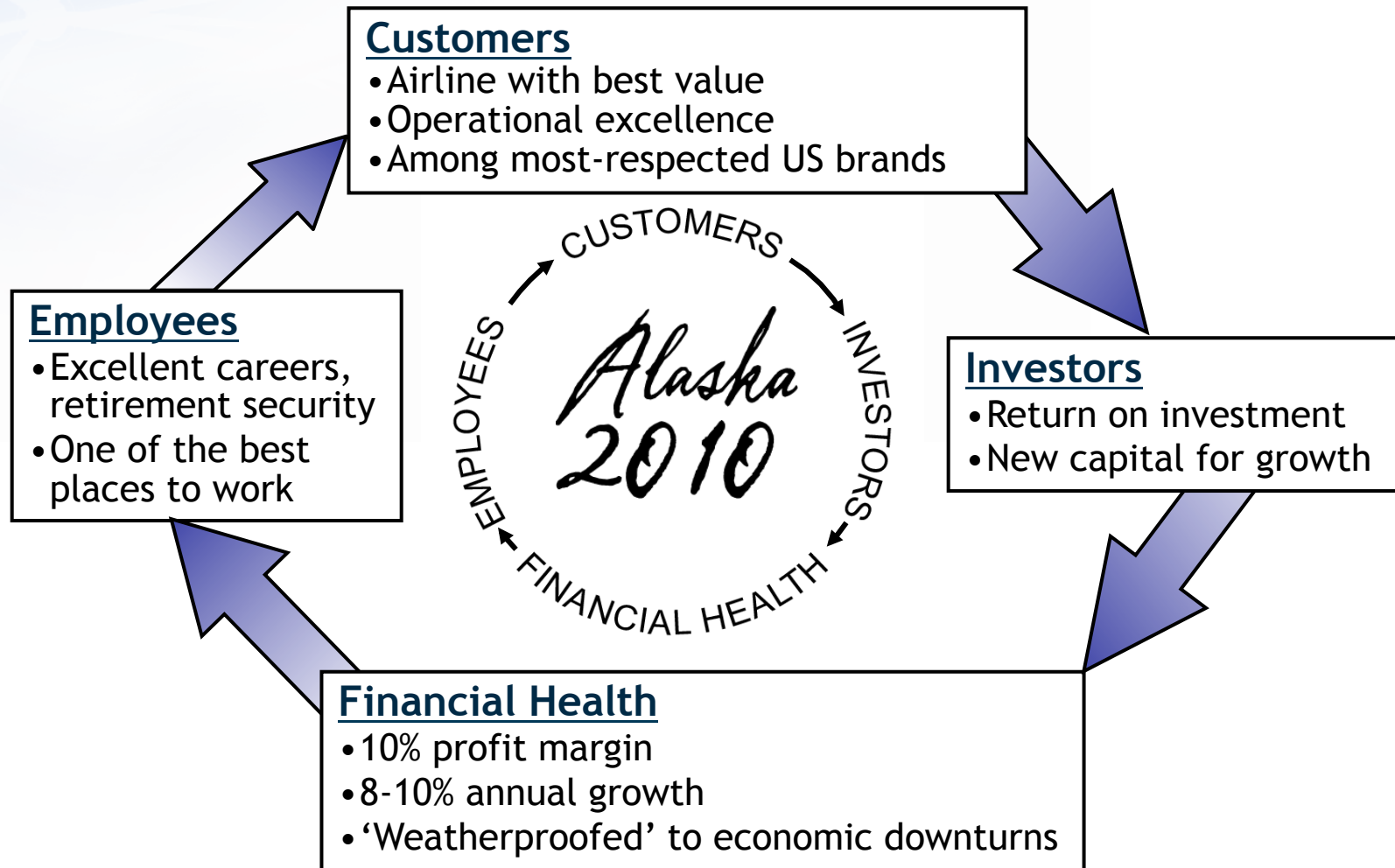


Adjusted pre-tax margin - 2010

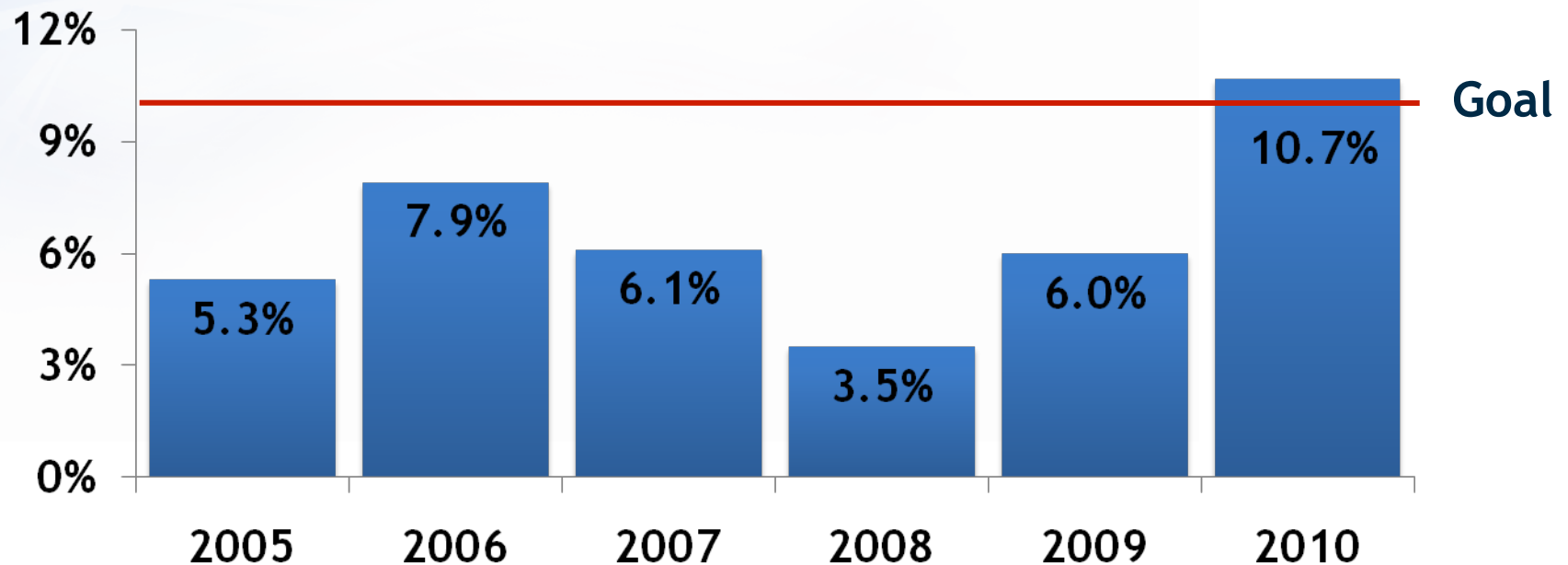


Source: Company financial releases

Our virtuous cycle



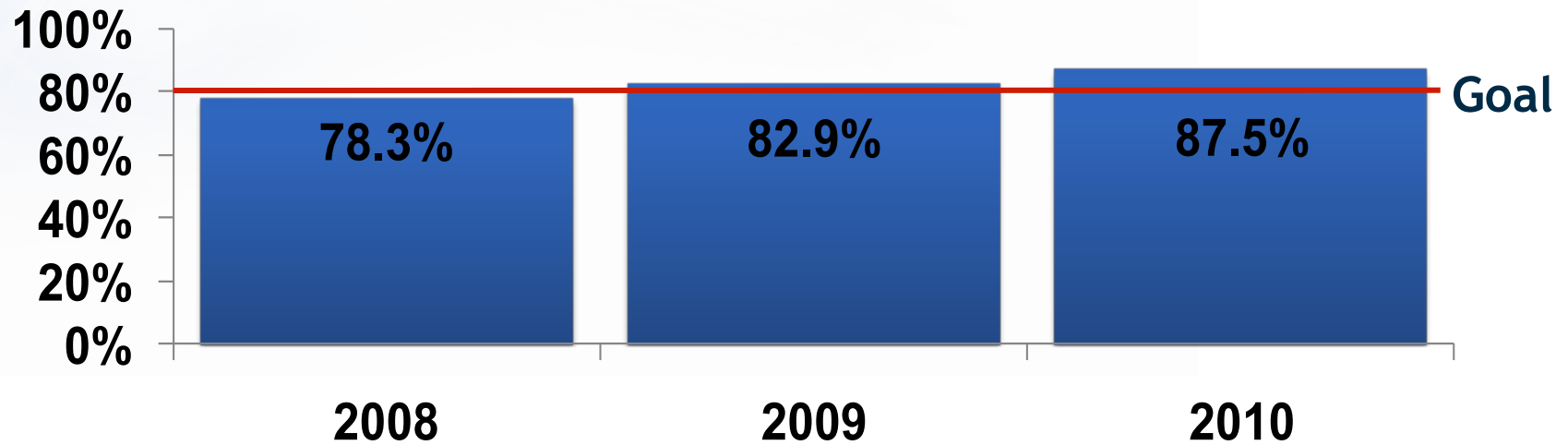
Earning an adequate return



‘The industry now has a living, breathing example in Alaska Air Group of an airline that is capable of earning its cost of capital, reporting an ROIC of 10.7% in 2010 – in excess of its weighted average cost of capital of 8%. Bravo!’ – *Mike Derchin, CRT Capital Group*

Adjusted for hedge mark-to-market and unusual items. ROIC represents LTM as of year end.

No. 1 on-time leader



2010 – Exceeded 90% on-time average in April, May and September

Numbers represent percentage of flights arriving within 15 minutes of their scheduled time.

No. 1 in other areas



- 2010 Best On-time Arrival Performance among North American Airlines – *FlightStats.com*
- 2010 Best Loyalty Credit Card in North America – *Frequent Traveler Awards*
- 2010 Diamond Award winner (9th consecutive) for maintenance training excellence – *FAA*
- 2011 Airline Technology Leadership Award – *Air Transport World*



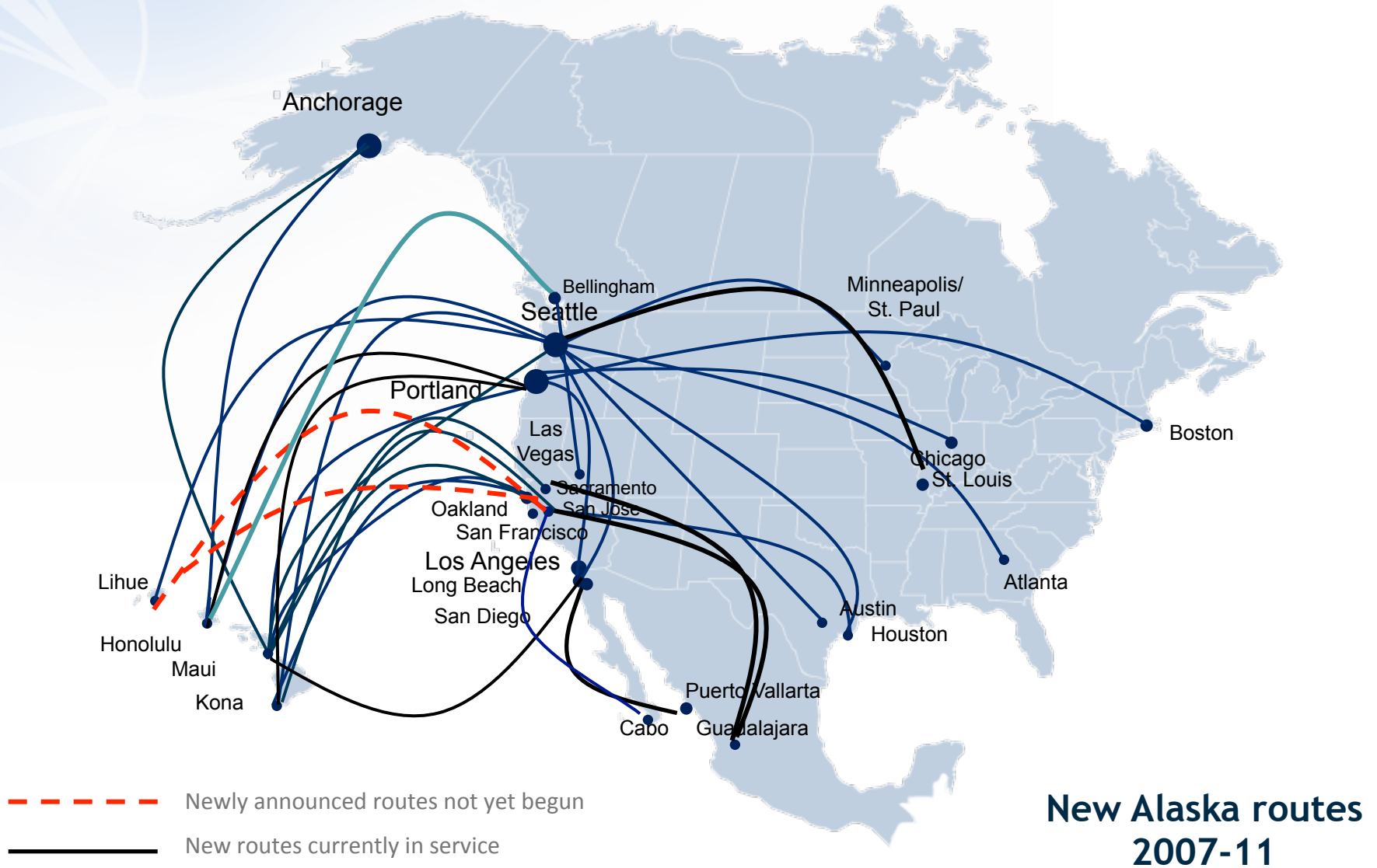
“HIGHEST IN CUSTOMER SATISFACTION
AMONG TRADITIONAL CARRIERS IN NORTH
AMERICA, THREE YEARS IN A ROW”

Our evolving fleet



Alaska Airlines[®]

Matching supply with demand



Technology Innovation

The screenshot shows the Alaska Airlines website's reservation page. At the top, the logo for Alaska Airlines and Horizon Air is displayed. Navigation tabs include Reservations, Deals, Day of Flight, Destinations, Mileage Plan™, and More... A search bar is present with fields for 'From', 'To', 'Departing', and 'Returning'. A 'Flights' section is active, showing options for Round Trip or One Way. Below the search fields are sections for 'Adults: Children', 'Discount Code', and 'Shop Upgradeable Fares'. A 'SHOP' button is visible. At the bottom of the reservation section, there are four buttons: 'Check in for Your Flight', 'Check Flight Status', 'Sign in to My Account', and 'View/Change a Flight Reservation'. A testimonial at the bottom states: "Highest in Customer Satisfaction Among Network Carriers in North America".



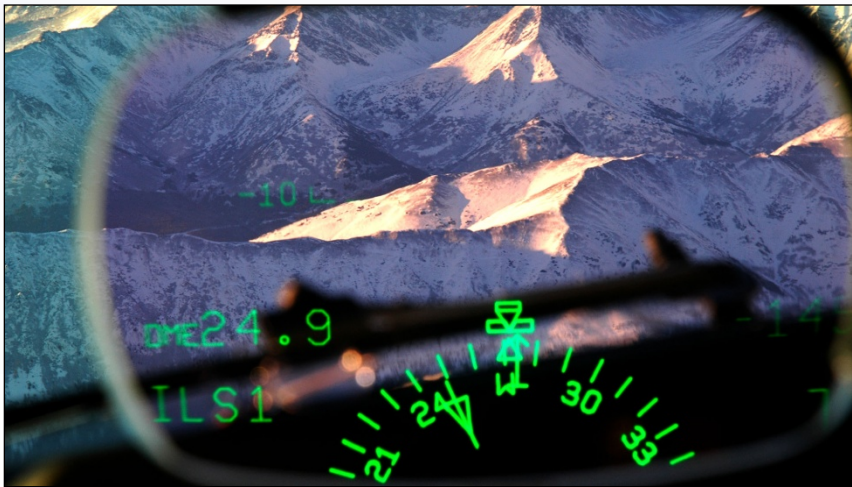
The advertisement features two women in business attire standing on either side of a pair of scissors. A large pink hibiscus flower is on the left. The text reads: "HOW SOON CAN YOU BE READY FOR HAWAII?" Below this, it says: "How does NOW sound? With nonstop service from eight west coast cities to four Hawaiian islands, it's never been easier to pop over to paradise." A "VIEW FARES" button is at the bottom right.

The banner says: "Give the Gift of Travel This Valentine's Day" and "Gift Cards & alaskaair.com Gift Certificates". A "BUY TODAY" button is on the right.

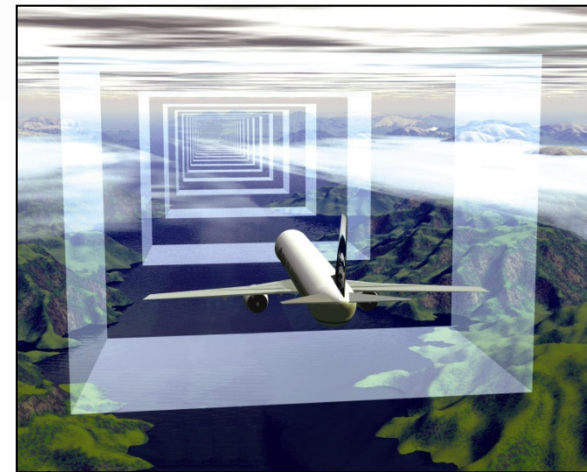
The banner says: "Web Specials" and "Only \$25,000".



Evolving technology



HUD:
Head-Up Guidance Display



RNP: Required
Navigation Performance

Alaska is still our home



Alaska Airlines

Alaska is still our home

- **Cargo service**
- **Supporting resource development industries**
- **Community involvement**
- **Intra-Alaska benefits**
 - ✓ Free checked bags
 - ✓ No change fees
 - ✓ Lower in-state Mileage Plan award redemption
 - ✓ Constituent fare
- **Native Employee Network**

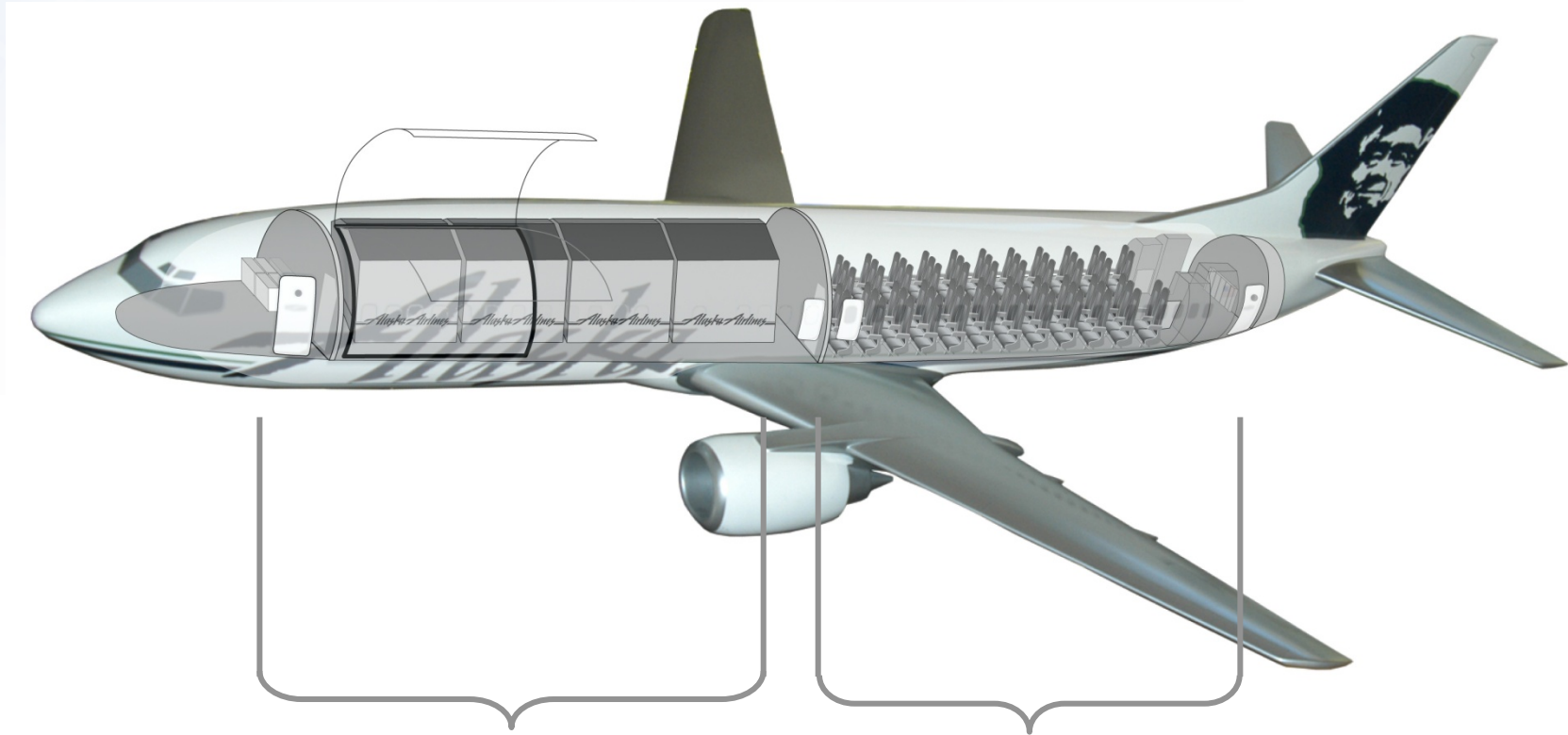
Cargo in your communities



- \$100 million-plus capital campaign in the past 5 years
- 6 converted aircraft
- Replaced mail, cargo management and IT systems
- Introduced real-time scanning and tracking
- Major facility upgrade at Anchorage Cargo Warehouse
- Increased freezer / cooler capacity

Cargo in your communities

The world's only 737-400 Combi



4 containers

72 passengers

Supporting resource development

- Longstanding service to Red Dog Mine
- Only airline to serve Prudhoe Bay *and* Houston
- Alaska ACT support and involvement
- Dedicated air freight support for the seafood industry



Supporting our communities

The Arts

- Anchorage Concert Association
- Bethel Camai Festival
- Fairbanks Summer Arts Festival
- Ketchikan Blueberry Arts Festival
- Petersburg Little Norway
- Sitka Summer Arts Festival

Supporting our communities

Alaska Airlines
Governor's Cup

Feb. 25-26



Feb. 25 - March 6



March 15-19



Alaska State Fair

Aug. 25 - Sept. 5

Supporting our communities

Education

- **Alaska Schools Activities Association (ASAA)**
- **The University of Alaska Foundation**
- **University athletics**

Alaska Airlines is proud of the relationship we've developed with the educational system in Alaska. We are the school bus that transports rural Alaskan students to athletic and academic competitions.

Supporting our communities

Transportation for medical care

- Angel Flight West
- Shriners Children's Hospital

Alaska Airlines contributes more than 1,000 tickets annually to Alaskans who require specialized medical care in cities distant from their homes.

Questions

