

Minding our “C” and “Qs”: an update on Alaska Airlines



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Vice President, Marketing

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Alaska Airlines[®]

Third Quarter Update

- Record earnings - \$157 million adjusted net income, or \$2.21/share - a 6% increase from 2012
- Debt-to-cap down 5 points from June 30th at 47%
- Paid first quarterly dividend in 21 years
- Named “most fuel-efficient” airline in the US
- Returned \$46 million to shareholders through share repurchases and dividends

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Revenue Growth over 5 Years

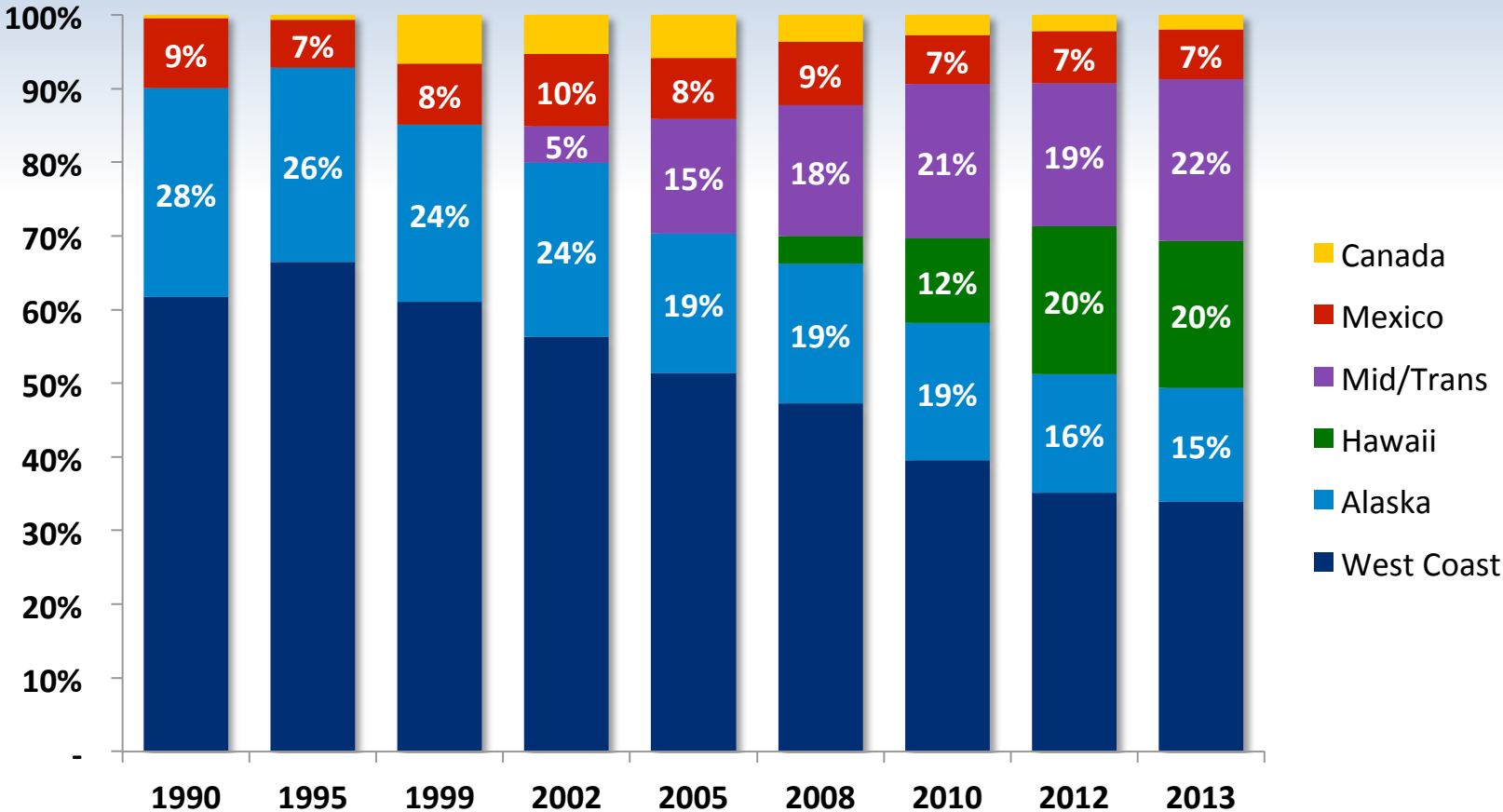
Total Air Group Operating Revenues (*\$in millions*)



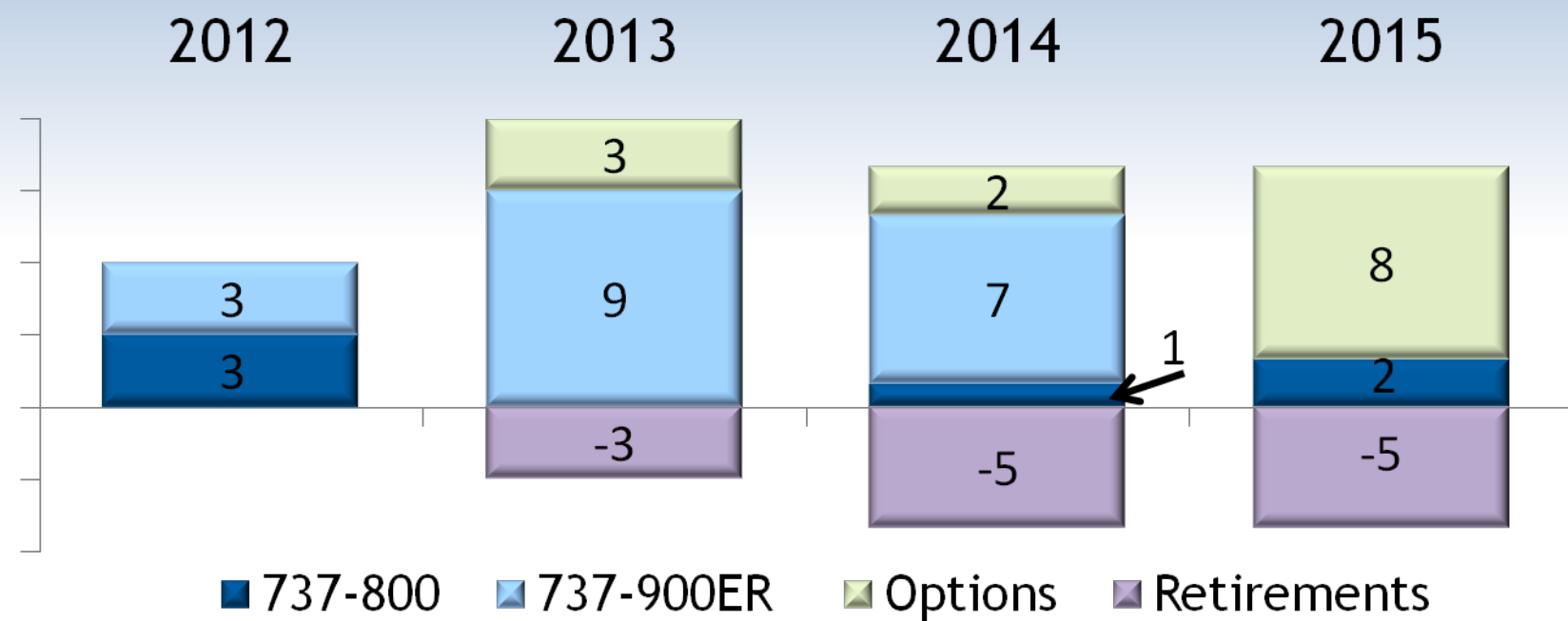
*As of Oct 23, 2013. ALK does not endorse consensus estimates

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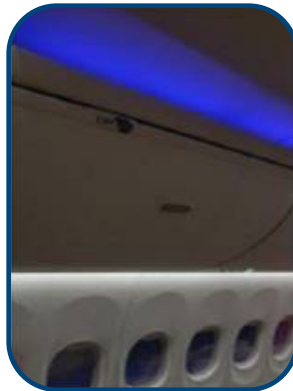
Our Network is now More Diversified Giving Customers More Utility



Investing in Growth: Alaska Fleet Plan



Investing in our Cabins: Customer Experience



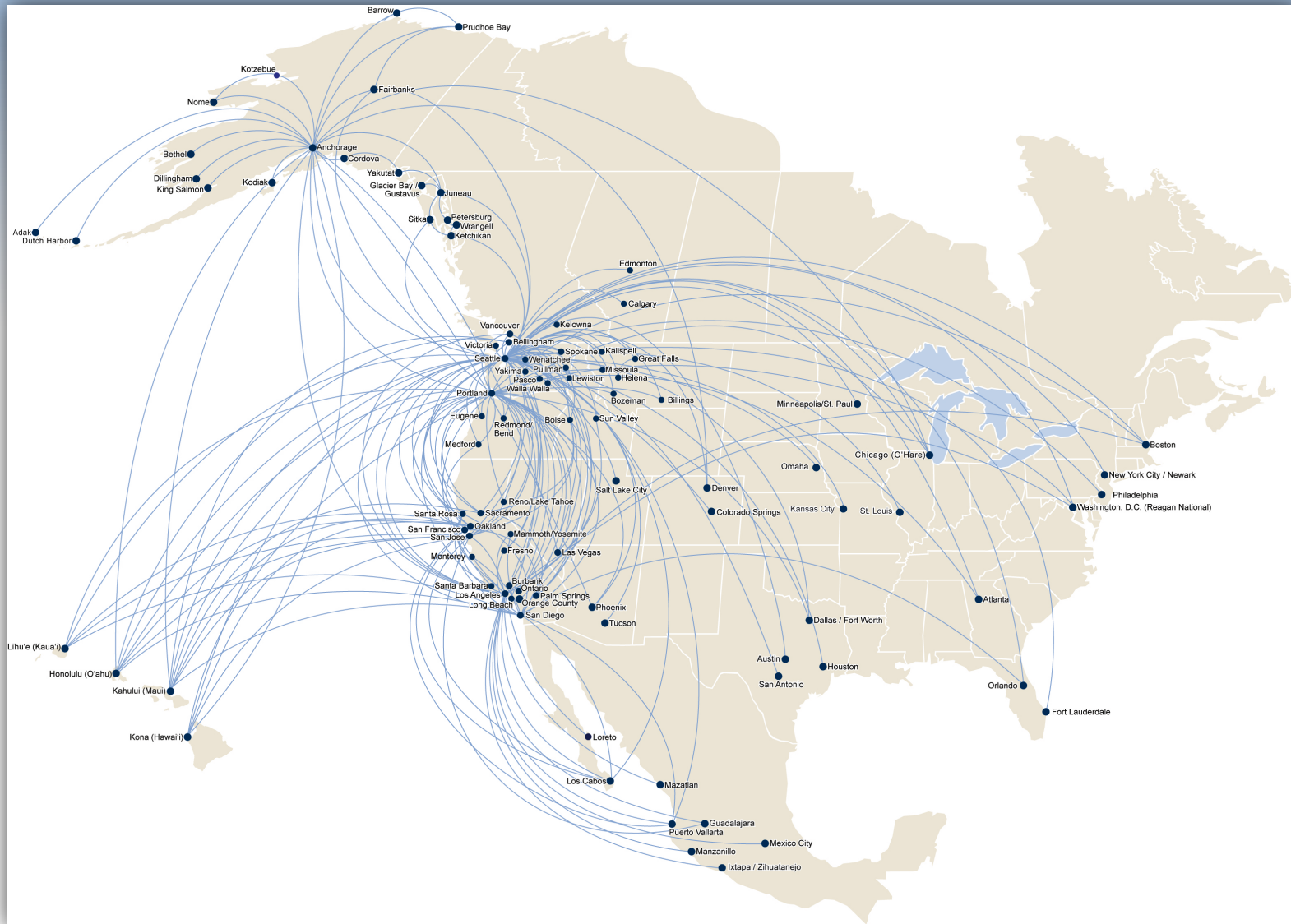
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Investing in our Cabins: Customer Experience



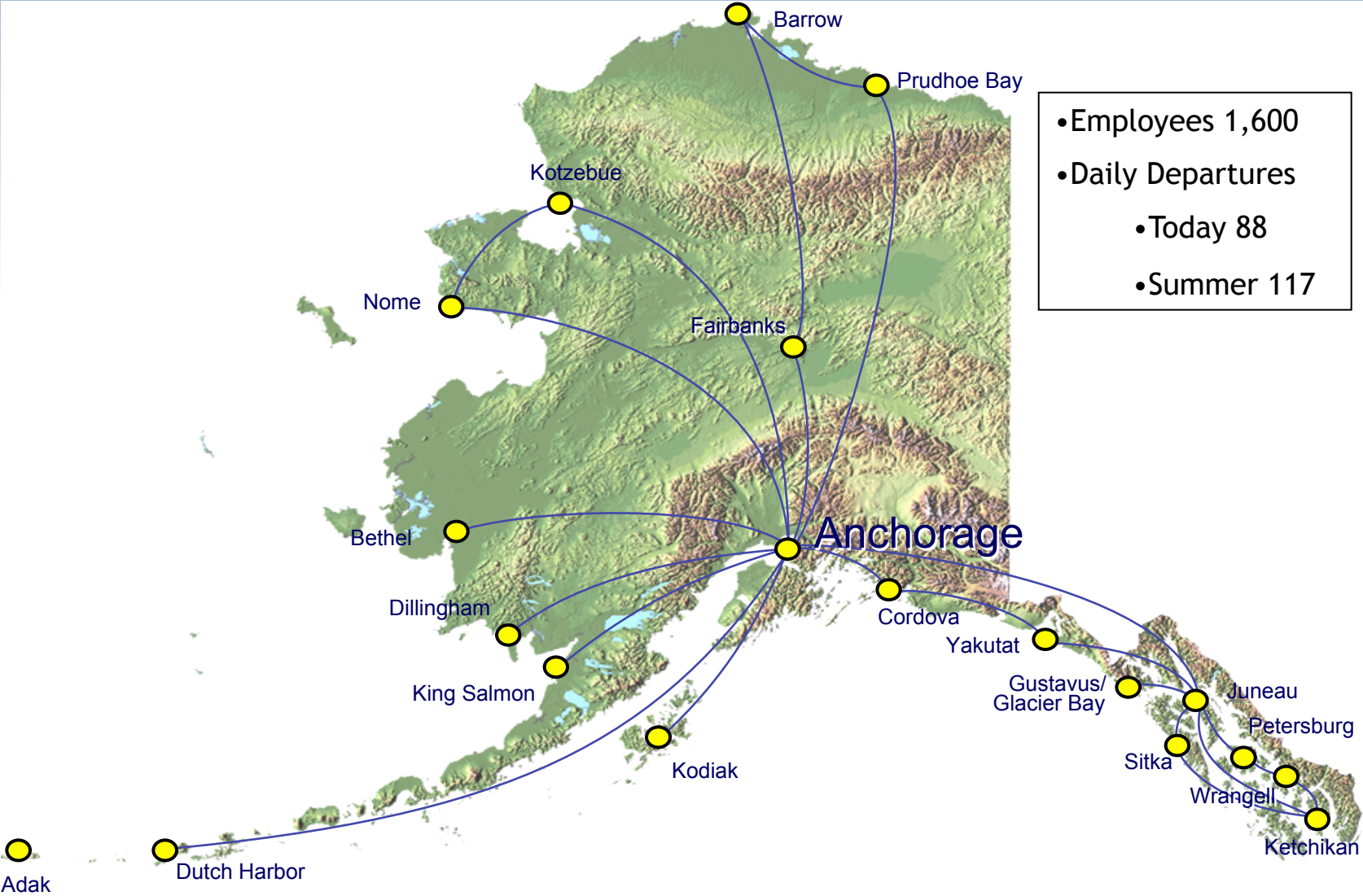
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Growth



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Our Presence in Alaska



Alaska Airlines - Alaska Region



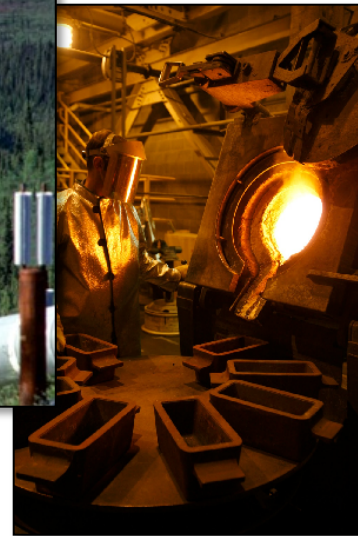
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Alaska Airlines - Alaska Region

- Regional headquarters in Anchorage
- Total Employees: 1664
- Total Number of Cities Served: 20
- Total Number of Daily Departures: 117
- Mileage Plan: 492,803 members in Alaska
- Club 49: 345,289 members

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Supporting Resource Development



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Oil and Gas

- Transport multiple oil and gas companies to the slope
- Added capacity to meet passenger and cargo demand
- Excited for future opportunities (OCS, In-state gas)



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Mining



- Seeing increased demand for travel in the mining industry
- Southeast: Kensington and Greens Creek
- Interior: Pogo and Fort Knox
- Northwest: Proud to be the Red Dog charter operator for over 20 years

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Fishing

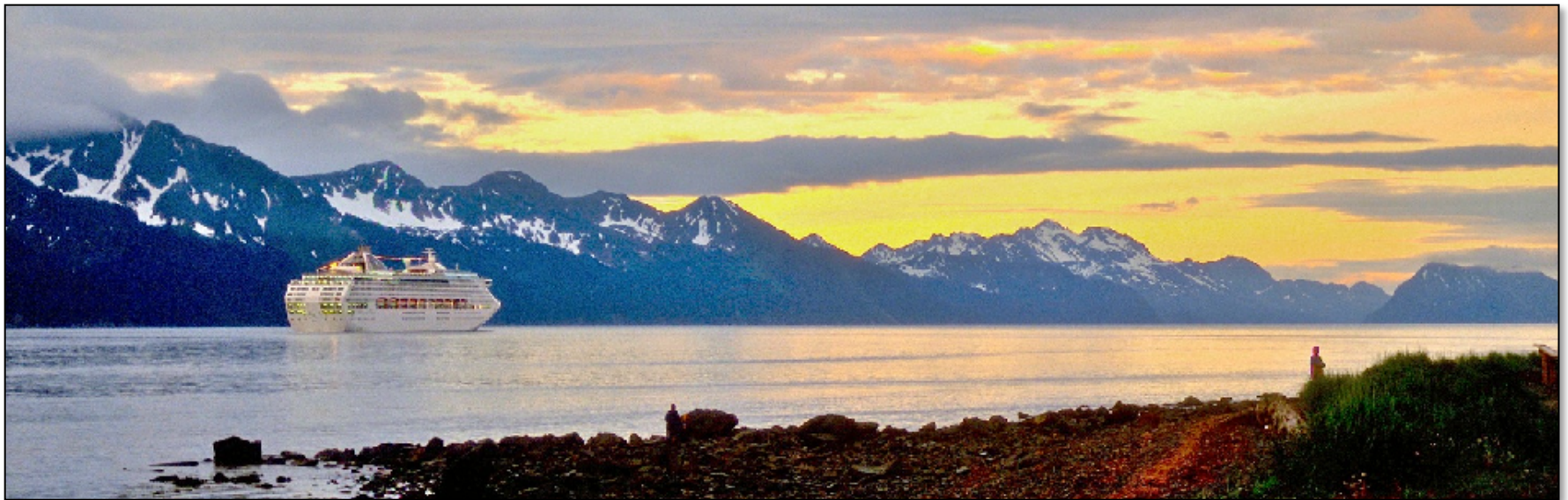
- Dedicated air freight support for the seafood industry
 - 24 million pounds of seafood carried YTD
- Increase capacity to meet customer demand
 - Combis
 - Freighter
 - Dutch Harbor service



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Tourism

- Supporter of Alaska ACT
- Significant capacity addition to support tourism growth
- Active involvement in ATIA and local CVBs



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Minding our “Cs” ..C49 that is!



Benefits of Club 49™



2 Free Checked Bags

When traveling to or from Alaska on Alaska Airlines (Benefits not available on all codeshare itineraries)



Travel Now Discount

Two annual one-way certificates for 30% off Full Flex fares when flying to, from or within Alaska



Weekly Fare Sales

Receive exclusive emails featuring new deals every week

Members - 345,289

Member Savings YTD -\$14.1 Million

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Cargo

Fleet

- Five, 737-400 Combi-Aircraft
- One, 737-400 Freighter

Lift

- 2012 - 97 million pounds
- 2012 – 20 million pounds of fresh and frozen seafood



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Investing in our Communities

- \$2 Million given back in 2012
 - Angel Flight West
 - University of Alaska
 - Food Banks throughout Alaska
 - Shriners
 - Make a Wish
 - Arctic Winter Games
 - And many, many more.



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Community Support



Alaska Airlines®

Community Support



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New Direct Service

- Anchorage - Kona
 - 2012
- Fairbanks - Portland (Seasonal)
 - 2013
- Anchorage - Phoenix (Seasonal)
 - Dec. 18
- Anchorage - Las Vegas
 - Dec. 19



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The right airplane for the right market...



...with the same great service Alaskans expect.



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Relax. Know where you and your family will sit when you purchase your ticket.



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Assurance that you'll get your checked bags in 20 minutes or less from the time they reach the gate or get \$20 off the next flight or 2,000 Mileage Plan™ Miles.*



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Alaska Airlines ranks "Highest in Customer Satisfaction Among Traditional Carriers in North America, Six Years in a Row."

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Alaska markets beginning
March 2014.



A TRULY GLOBAL MILEAGE PLAN™

14 airline partners to over 700 destinations worldwide. Earn a minimum of 500 miles per flight. And award travel starts at just 7,500 miles.



THE GREENEST FLEET IN THE SKY

Fuel-efficient aircraft and inflight recycling.



OUR EXCLUSIVE PROGRAM FOR ALASKA RESIDENTS

Enjoy 2 free checked bags when flying to or from the state of Alaska on Alaska Airlines. Receive 2 annual one-way certificates for 30% off YAS-type fares when flying to, from or within Alaska on Alaska Airlines, booked within 4 days of travel. Receive exclusive emails featuring new deals every Tuesday.

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Thank You



Questions

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Questions

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