



**Alaska Air Group, Inc.**


**ALK NYSE**

**Airlines**

Market Capitalization USD:

**\$2,026.78 mm**

**CONCERN LEVEL: LOW**

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

**CEO: William S. Ayer**

**Age: 57**

**CEO Since: 2003**

	2009	2010	2011
<b>Base Salary</b>	\$373,846	\$395,385	\$410,154
<b>Discretionary Bonus</b>	\$0	\$0	\$0
<b>Annual Cash Incentive</b>	\$621,585	\$745,314	\$553,577
<b>Benefits and Perquisites</b>	\$78,424	\$93,785	\$93,209
<b>TOTAL ANNUAL COMPENSATION</b>	<b>\$1,073,855</b>	<b>\$1,234,484</b>	<b>\$1,056,940</b>
<b>Increase in Post-Retirement Benefits</b>	\$271,949	\$305,617	\$611,999
<b>Stock Option Awards</b>	\$1,675,171	\$697,052	\$425,571
<b>Stock Awards</b>	\$1,549,782	\$1,120,197	\$821,420
<b>TOTAL COMPENSATION</b>	<b>\$4,570,757</b>	<b>\$3,357,350</b>	<b>\$2,915,930</b>
<b>Median of Other Named Executive Officers Total Compensation</b>	\$1,851,495	\$1,896,930	\$1,655,644
<b>Value Realized on Exercise of Stock Option</b>	\$96,681	\$7,198,651	\$6,271,752
<b>Value Realized on Vesting of Stock</b>	\$0	\$1,179,016	\$1,736,100
<b>TOTAL REALIZED EQUITY COMPENSATION</b>	<b>\$96,681</b>	<b>\$8,377,667</b>	<b>\$8,007,852</b>

**Proxy Date:** 4 Apr 2012

**Annual Meeting Date:** 15 May 2012

**Equity Reserves:** 0.00%

**Stock Option Run Rate:** 0.10%

# Alaska Air Group, Inc.

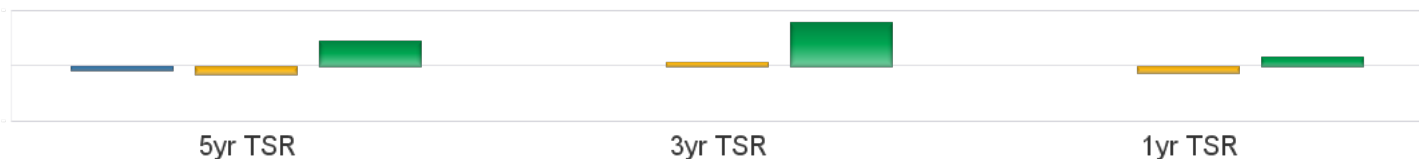
ALK NYSE

Airlines

Market Capitalization USD: **\$2,026.78 mm**

## Performance Comparison

■ S&P500 ■ Industry ■ ALK



## Peer Comparisons (TRBC) =Airlines

### Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
<b>ALK</b>	<b>Alaska Air Group, Inc.</b>	<b>\$4,570,757</b>	<b>\$3,357,350</b>	<b>\$2,915,930</b>	<b>\$2,026,779,203</b>
AL	Air Lease Corporation			\$3,924,889	\$2,424,275,809
JBLU	Jetblue Airways Corporation	\$1,480,122	\$1,226,017	\$1,634,810	\$1,209,944,356
AAMRQ	AMR Corporation	\$5,631,002	\$5,952,675		\$992,213,545
ALGT	Allegiant Travel Company	\$500,168	\$707,100		\$898,145,098
LCC	US Airways Group, Inc.	\$2,578,501	\$2,757,981		\$891,453,601

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

### Pay Peer Group

AirTran Holdings, AMR Corporation, Continental Airlines, Delta Air Lines, ExpressJet, Hawaiian Holdings, JetBlue Airways, Mesa Air Group, Republic Airways Holdings, SkyWest, Southwest Airlines, United Airlines, US Airways Group

### Performance Peer Group

NA

## COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
James Kenneth Thompson	Chairman	60	Male	13	Outside Related
Dennis F. Madsen	Member	63	Male	9	Outside
R. Marc Landland	Member	70	Male	21	Outside Related

This report is for informational purposes only, and should not be considered a solicitation to buy or sell any security. Thomson Reuters Business Classification (TRBC) is a global industry classification system that is owned and operated by Thomson Reuters and has been licensed for use by GMI Ratings.

COPYRIGHT 2012 | GMI Ratings | ALL RIGHTS RESERVED