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ALASKA AIRLINES PILOTS APPROVE NEW FOUR-YEAR CONTRACT

SEATTLE – The pilots of Alaska Airlines, represented by the Air Line Pilots Association, Int'l (ALPA), have voted to approve a new four-year contract. Of the 95 percent of pilots who voted, 84 percent did so in favor of the agreement.

Effective April 1, 2009, the new contract for Alaska's 1,455 pilots includes pay increases, retirement options for current employees, and work rules that provide increased flexibility for pilots and improved productivity for the airline. The company's defined benefit pension plan will be closed to pilots hired after ratification, reducing retirement funding risk. Pilots hired post ratification will instead participate in a 401(k) program. Additionally, pilots will participate in the same performance incentive program as the airline's non-union employees, executives, dispatchers and flight attendants, and will share equitably in health care costs.

"This pilot group, and pilots across our industry, have watched our pay, benefits, job security and quality of life erode since 9/11," said Capt. Bill Shivers, chairman of the Alaska Master Executive Council. "While this contract doesn't restore everything, it does provide increases in pay and improvements in our work schedule and retirement flexibility while allowing our company to remain poised for success. We believe this is a positive step toward repairing the relationship between this pilot group and our management so that we can work together to achieve a company culture where everyone succeeds and prospers together."

"We appreciate the hard work by everyone involved in helping us achieve this multi-year agreement, which provides the right foundation for our pilots and airline to succeed long term," Alaska Airlines President Brad Tilden said. "I'd like to thank our pilots for maintaining their focus on safety and providing great customer service throughout a long negotiation process."

ALPA and Alaska Airlines began contract negotiations in January 2007 and reached a tentative agreement last month. The pilots' last contract, awarded by an arbitrator in May 2005, cut pilot pay by 21 percent to 35 percent.

ALPA represents nearly 54,000 pilots at 36 airlines in the U.S. and Canada, among them the 1,455 pilots of Alaska Airlines, including the 60 pilots currently on furlough. For more information, visit www.alaPilots.com.

Alaska Airlines and Horizon Air, subsidiaries of Alaska Air Group (NYSE: ALK), together serve more than 90 cities through an expansive network in Alaska, the Lower 48, Hawaii, Canada and Mexico. For reservations, visit alaskaair.com. For more news and information, visit the Alaska Airlines/Horizon Air Newsroom at alaskaair.com/newsroom.

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