

REPORT OF FINANCIAL AND OPERATING  
STATISTICS FOR LARGE CERTIFICATED AIR CARRIERS

Period ended JUNE 30, 20 06

ALASKA AIRLINES INC

(Full name of reporting company)

CERTIFICATION \*

I, the undersigned DIRECTOR OF FINANCIAL ACCOUNTING  
(Title of officer in charge of accounts)

of the ALASKA AIRLINES INC  
(Full name of reporting company)

do certify that this report and all schedules, ADP-media submissions, Passenger Origin-Destination Survey submissions and supporting documents which are submitted herewith or have been submitted heretofore as parts of this report filed for the above indicated period have been prepared under my direction; that I have carefully examined them and declare that they correctly reflect the accounts and records of the company, and to the best of my knowledge and belief are a complete and accurate statement, after adjustments to reflect full accruals, of the operating revenues and expenses, income items, assets, liabilities, capital, retained earnings, and operating statistics for the periods reported in the several schedules, the Schedule T-100 ADP-media submissions, and the Passenger Origin-Destination Survey; that the various items herein reported were determined in accordance with the Uniform System of Accounts and Reports for Large Certificated Air Carriers prescribed by the Department of Transportation; and that the data contained herein are reported on a basis consistent with that of the preceding report except as specifically noted in the financial and statistical statements.



(Signature)

GEORGE NEWMAN  
PO BOX 6890  
SEATTLE, WA 98168

(Air carrier post office address)

Dated 8/3/06, 20 \_\_\_\_\_

- Title 18 U.S.C. Sec. 1001, Crimes and Criminal Procedure, makes it a criminal offense subject-to a maximum fine of \$10,000 or imprisonment for not more than 5 years, or both, to knowingly and willfully make or cause to be made any false or fraudulent statements or representations in any mater within jurisdiction of any agency of the United States.
- The Confidential Information Protection and Statistical Efficiency Act 2002 (44 USC 3501), requires a statistical agency to clearly identify information it collects for non-statistical purposes. BTS hereby notifies the respondents and the public that TS uses the information it collects under this OMB approval for non-statistical purposes including, publication of both respondent's identity and it's data, submission of the information to agencies outside BTS for review, analysis and possible use in regulatory and other administrative matters.
- Per quarter, it can take each air carrier between 30 and 300 hours to complete the required financial reports and between 1 and 12 hours to complete the required T-100 monthly traffic reports.

BALANCE SHEET

As Of: June 30, 2006  
 Schedule B - 1

Air Carrier: Alaska Airlines  
 Operation: Domestic ASD

ACCT#	DESCRIPTION	(000'S) AMOUNT
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
1010	Cash .....	140,548
1100	Short-term investments .....	853,786
1200	Notes Receivable .....	56,038
1270	Accounts receivable .....	173,930
1290	Less: Allowance for Bad Debts.....	2,421
1299	Net Notes and Accounts Receivable.....	227,547
1399	Net Spare parts and supplies.....	16,657
1410	Prepaid items .....	240,862
1420	Other Current Assets .....	0
1499	<b>Total Current Assets.....</b>	<b>1,479,400</b>
<b>INVESTMENTS AND SPECIAL FUNDS:</b>		
1510	Investments in Associated Companies .....	1,395
1530	Other Investments and Receivables .....	590
1550	Special Funds .....	221,772
1599	<b>Total Investments and Special Funds .....</b>	<b>223,757</b>
<b>OPERATING PROPERTY AND EQUIPMENT:</b>		
1609	Flight Equipment .....	1,782,412
1649	Ground-Property and Equipment .....	395,491
1668	Less: Allowances for Depreciation .....	679,286
1675	Property and Equipment - Net .....	1,498,616
1679	Land .....	5,717
1685	Equipment Purchase Deposits and Advance Payments .....	336,019
1689	Construction Work - in - progress .....	22,628
1695	Leased Property - Capital Leases .....	1,181
1696	Accumulated Amort Capital Leases.....	1,181
1699	<b>Total Operating Property and Equipment.....</b>	<b>1,862,979</b>
<b>NON-OPERATING PROPERTY AND EQUIPMENT:</b>		
1791	Nonoperating Property and Equipment .....	35,871
1792	Less: Allowance for Depreciation - Nonop.....	17,128
1799	<b>Net Nonoperating Property and Equipment.....</b>	<b>18,743</b>
<b>OTHER ASSETS:</b>		
1820	Long-term Prepayments .....	169,616
1830	Unamortized Development and Preoperating Costs .....	0
1890	Other assets and deferred charges .....	43,981
1895	<b>Total Other Assets</b>	<b>213,598</b>
1899	<b>TOTAL ASSETS .....</b>	<b>3,798,478</b>