

Shareholder

A bimonthly newsletter from Sealaska Corporation

Welcome New Shareholders

Sealaska Corporation welcomes these new shareholders to the Sealaska family:

Waughnita James, Hoonah
 Jason D. Frank, Juneau
 Marisa Didrickson, Juneau
 Janelle P. Morrison, Erskine, MN
 Katlian Blankenship, Ketchikan
 Sylvan Blankenship, Ketchikan
 Keefe K. Blankenship, Ketchikan
 James E. White, Metlakatla
 Gary P. Haldane, Tacoma, WA
 Rachel Ulrich, Sitka
 Michelle Bacon, Anchorage
 Vaughn L. Eide, Everett, WA
 Anne L. Smallwood, Juneau
 Brandy A. Jenkins, Portland, OR
 Christine M. Guerr, Federal Way, WA
 Edward W. Wilson, Kent, WA
 Vanessa F. Wilson, Buckley, WA
 Cora B. Wilson, Sumner, WA
 Georg Anna L. Wilson, Sumner, WA
 Jodi M Wise, Juneau
 Trenton Wise, Juneau
 Ryan T. Kase, Lakeside, OR
 Kevin M. Isaacs, Craig
 Leslie K. Isaacs, Craig
 Edward M Davis-Morris, Ketchikan
 Charles D. Jackson, Juneau
 Caroline Aceveda, Douglas
 Justin Aceveda, Douglas
 Kimberlee M. Lord, Issaquah, WA
 John P. Williams Jr., Seattle, WA
 Mike L. Jonsson, Sweden
 Mattias A. Jonsson, Sweden
 Miriam Jonsson, Sweden
 Amoreena VJ Vera, San Pedro, CA

For more information and forms for gifting stock, please contact Sealaska Shareholder Records, (907) 586-1512 or toll free (800) 848-5921. Download forms from www.sealaska.com.

Sealaska Investments Turn the Corner

Alaska Native Wireless

In November 2000, Sealaska, Arctic Slope Regional Corporation and Doyon, Ltd. created Alaska Native Wireless LLC (ANW) through a Native Regional Corporations partnership. ANW then joined in a partnership with Council Tree to form Council Tree Alaska Native Wireless (CTANW). This strategic partnership was formed to purchase spectrum licenses in the wireless telecommunications industry.

During a Federal Communication Commission (FCC) auction in early 2001, CTANW and AT&T Wireless submitted joint winning bids for 44 wireless telephone licenses valued at \$2.8 billion. Later that year, The U.S. Court of Appeals for the District of Columbia ruled on a claim by NextWave that 29 of the 44 purchased licenses were auctioned improperly by the FCC. NextWave previously held those wireless telephone licenses.

Because the licenses remained tied up in federal court lawsuits, CTANW and its partner AT&T Wireless lobbied the FCC to reject the auction results and refund the deposits made by CTANW and AT&T Wireless for the licenses.

“In the initial partnership agreement with AT&T Wireless, the investors could require AT&T to buy-out our interest after March 2007,” said Sealaska President and CEO Chris McNeil Jr. “AT&T Wireless and CTANW amended the agreement allowing CTANW and its investors to receive a full return of the invested capital plus a significant additional return on the initial investment.”

Sealaska's original investment in ANW was at about \$40 million according to McNeil. “The two-tiered settlement allowed for early repayment of capital plus a significant return in 2002; much of which was deposited into the Sealaska Permanent Fund, substantially rebuilding the corpus of the fund,” stated McNeil. “In addition, cash will be deposited to our strategic investment fund balance; and the second-tiered return from AT&T Wireless, which is similar to an interest-bearing bond instrument, will mature in 2007, contributing to both the Permanent and Investment funds.”

Valley View Casino

The San Pasqual tribe has repaid its debt to Sealaska Corporation and other lenders for

its Valley View Casino, entitling Sealaska over the next several years to a percentage of the casino's gross revenues, projected to be between \$1-2 million annually. The estimated interest revenue projections are based on the casino's ability to meet growth goals. San Pasqual refinanced the debt with a gaming management company and Bank of America, allowing the Tribe to initiate early payment options to original investors. Sealaska, the first lender on the project, invested \$14.7 million between 2000 and 2001 for the construction of Valley View and for the planning and design of a second casino in Valley Center.

The San Pasqual Tribe repaid Sealaska all principal, accrued interest and fees in early December, according to Sealaska Chief Financial Officer William Stafford. “The restructuring has worked well for both parties,” Stafford said. “Sealaska has realized a significant return on investment to date, plus we will have a carried interest in the operation. San Pasqual will take advantage of more favorable interest rates and will also expand its operation.”

Sealaska Launches New Web Site

Sealaska's new corporate Web site debuted on December 19, 2002. “We

received feedback from many shareholders regarding the type of information they needed via the Web and requests for ease of use and navigation,” said Sealaska Director of Corporate Communications Todd Antioquia.

The result is over 70 pages of new content with a new organizational and navigation structure. The site, primarily designed for shareholder services, is also a valuable resource for the general public seeking information on Sealaska business and history. “We have over 16,000 shareholders, making it virtually

impossible to communicate face-to-face with everyone,” says Antioquia. “We are looking at ways of utilizing the medium to broadcast shareholder meetings and other events through the site to allow shareholders outside the region to participate,” he said.



See the new Web site at www.sealaska.com.



CEO's Business Update



Chris E. McNeil Jr.
President and CEO

On behalf of the Sealaska Board and Management, I hope that 2003 has started off on a positive note for shareholders and their families. The new millennium brought many challenges to Sealaska, starting with two years of disappointing losses. It was a time of serious evaluation of our investment base and led to considerable research and development of a new strategic plan and direction for recovery and growth.

In January 2002, Chairman Kookesh and I went to shareholders asking for their patience while Sealaska began a difficult process of recovering from its losses and reorganizing the company. The plan consisted of eliminating debt, reducing corporate expenditures, painful termination of long-term employees, conserving cash, maturing existing investments, and selling and or reorganizing non-performing business investments.

Through the hard work of our dedicated team of employees and directors, a significant part of that strategic vision was realized during 2002. We restructured and divested TriQuest of its losing investments

in order to stop cash losses. Sealaska now owns a plastics manufacturing joint-venture located in Guadalajara, Mexico that in one year went from consuming much of Sealaska's available cash to an operation that is running with positive cash flow.

Further, we have matured Alaska Native Wireless and restructured our investment with the San Pasqual Tribe's Valley View Casino, from which we have fully recovered our original investment plus an investment return. This substantially completes our recovery plan and returns Sealaska to profitability in 2002.

As we begin 2003, Sealaska needs to carefully plan for the future to grow our income-earning capability and to pay reliable dividends to our shareholders. The Sealaska Board recently reaffirmed our five-year plan focusing on several investment areas. The plan establishes goals for annual business growth and profitability. These goals will be met through the development of business opportunities in government contracting, seeking opportunities in Indian Country gaming, continued evaluation of opportunities in the telecommunications industry and utiliza-

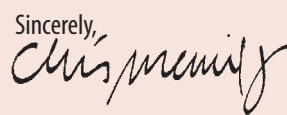
tion of our ANCSA natural resource base. Our primary focus in 2003 will be the development of companies where Sealaska has a competitive advantage and will take advantage of our minority 8(a) status within government and commercial contracting. The federal government recognizes corporations formed under ANCSA as minority owned and allows special procurement advantages to ANCSA subsidiaries that obtain 8(a) status. We have identified several industries related to our core business and are developing relationships with other industry experts with the anticipation of initial investment and startup of 8(a) subsidiaries in 2003.

As the largest landowner in Southeast Alaska, Sealaska's careful management of our natural resources will always be a priority. Sealaska Timber Corporation will continue to play a vital role in meeting our performance goals and the recent creation of Alaska Coastal Aggregates will expand our development and sales of our sand, rock and gravel resources.

The Board of Directors is also committed to increasing Sealaska's Permanent Fund to \$100 million by 2009 while continuing

to provide dividends from the Permanent Fund earnings. The Board will decide timing and amount of future dividends and distributions after the company's independent annual audit is complete in April 2003. Additionally, the Board reaffirmed its commitment to our culture and education by increasing the amount of its annual contribution to the Sealaska Heritage Institute.

I am grateful to our shareholders for their patience and I ask for their continued support. I would also like to extend my gratitude and commend the Board, management and staff for their hard work, dedication and sacrifice during the implementation of the recovery plan. The company is in a strong financial position to initiate our strategic plan. I am confident the management of the strategic plan will provide long-term benefit to shareholders through jobs, cultural programs and dividends.

Sincerely,


Chris E. McNeil Jr.

Sealaska Hires New Communications Director

Todd Antioquia is Sealaska's new Director of Corporate Communications. Antioquia, a Sealaska shareholder, had served for five years as the director of Marketing and Corporate Communications for Goldbelt, Incorporated.

The communications director is the primary spokesman for the corporation and will manage press and community inquiries;



publish shareholder newsletters, annual meeting publications, video and web-based medias; and plan public and private events to externalize corporate activity.

"We are extremely pleased to have found an individual like Todd to fill this need," said

Sealaska President and CEO Chris McNeil Jr. "His experience with shareholder relations, publishing, media and event planning will be an asset to the company."

Antioquia, born and raised in Juneau, is a graduate of Juneau-Douglas High School. He attended The Art Institute of Seattle and Everett Community College studying

English, design and commercial photography. He is Eagle/Killerwhale Tsagweidi and the son of Clarence and Patricia Antioquia.

"It has been an honor and privilege serving the Goldbelt shareholders the last five years. I am excited to now have the opportunity to serve all of the Southeast region's ANCSA shareholders," Antioquia said.

Sealaska Makes 7(j) Distribution

Sealaska made a Section 7(j) distribution to all at-large and urban shareholders and a direct 7(j) payment to each village corporation on December 13. Sealaska distributed \$1.82 per share.

The payment was made possible through 7(i) receipts from other Regional Corporations and earnings on Sealaska's timber operations for fiscal year 2001.

Urban and at-large shareholders will receive an IRS Form 1099 from Sealaska prior to January 30, 2003. The December 7(j) distribution was taxable and should be

reported on your 2002 IRS 1040 Tax form. Please contact Sealaska's Shareholder Services division at (907) 586-1512 with any questions.

Shareholders at Work

This is the first installment of our Shareholders at Work feature highlighting shareholder and descendant career paths in various professions and vocations. "Sealaska has an extremely talented pool of shareholders," said Sealaska Chairman Albert Kookesh. "We would like to celebrate individual career accomplishments in each edition of the Shareholder and I encourage shareholders to submit their stories."

Neely Perisich, originally from Juneau, is a Sealaska shareholder and utilized Sealaska and T&H scholarships to attend beauty school before moving on to advanced training in Oregon. She is the co-owner of Sunriver Hair Design in Sunriver, Ore., and is a certified hair color techni-

cian, teaching other stylists new hair techniques and fashion and public relations skills.

James Anniskette, Eagle/Wolf from Klawock, is a Sealaska shareholder, evangelist and motel owner. After his mother and father passed away he received the "Call" to move to the Lower 48 to save the people. Anniskette, known as a healer, attended the Dr. Billie Graham College and has been preaching around the world for the last 40 years. He also owns and operates a 60-room motel in Sacramento, Calif. with his wife and children.

Wayne Johnnie, descendant of Sealaska shareholder Charles P. Johnnie, graduated from Skyview High School in Soldotna in 1994.

Johnnie attended the Massachusetts Institute of Technology where he received his degree in 1998. Johnnie took advantage of Sealaska scholarships throughout his college career and was hired at IBM in Austin, Texas, which provides him the opportunity to travel around the world showcasing IBM technologies.

Morgan Howard, a Eagle/Brown Bear Teik Weidee living in Chicago, is a Sealaska shareholder born in Yakutat and raised in Kodiak. He is the owner of Morgan Howard Productions, a full-service film, video and multi-media company. Howard has worked for more than a decade shooting film and video for various media organizations, such as FOX, NBC, ESPN, Warner Brothers and

for several ANCSA corporations. He produced *Voice of our Ancestors-Celebration 2000*, a documentary for the Sealaska Heritage Institute, and is currently working on a PBS program on the Yakutat Fish Train. With assistance from the Sealaska scholarship program, Howard earned degrees in art and film from Northern Arizona University and Columbia College in Hollywood, California.

Please send career news to: Todd Antioquia, Director of Corporate Communications, One Sealaska Plaza, Suite 400, Juneau, AK 99801; todd.antioquia@sealaska.com; phone: (907) 586-9295; or fax: (907) 586-2304.

Cultural Corner

Highlights From SHI

Shareholders who generously donated their proxy funds to Sealaska Heritage Institute this year helped support Tlingit Latsieen, a project to promote the emotional health of Alaska Native men by helping them to rediscover their warrior spirit and to preserve Tlingit oratory.

Celebration 2004 is scheduled for June 3-5 in Juneau. Come join in this biennial festival celebrating our cultures!

Nearly 40 people from 12 Southeast communities attended a regional repatriation conference in December sponsored by Sealaska Heritage Institute. The Juneau conference included overviews on repatriation law, museum inventory lists, pesticide issues and traditional law.

Sealaska Heritage Institute has received three major grants to fund language revitalization efforts and Native

education programs, including bilingual summer camps for children in Juneau and Klukwan, a Tlingit immersion curriculum for grades K-2 and annual Tlingit immersion camps in Sitka and Glacier Bay.

Sealaska Heritage Institute will begin accepting applications for scholarships on January 1, 2003. The deadline to turn in applications is March 1.

For a scholarship application and more information on any of the programs mentioned above, visit SHI's Web site: www.sealaskaheritage.org.



Delores Churchill helps a student weave a red cedar bark hat at a basket weaving program in Hoonah.

In Memory

Sealaska pays tribute to shareholders who have recently passed on:

Jackie Leroy Abbott (66)	Gilbert Lehman Lord (70)
Bill R. Acker (36)	Ramona E. McVay (40)
George J. Alexander (71)	Marilyn McKinnon (58)
Valerie June Avoian (39)	Reginald Alvin Nathan Sr. (70)
Mary A. Barrett (78)	Jean Phillip Nault (42)
Leah Mae Beck (42)	Amy Nelson (87)
Helen Anne Bell (79)	Tonia Jeannette Nickerson (37)
Joseph Charlie Bennett Sr. (84)	George Walter Obert (65)
George James Brouillette (53)	Patricia Gail Paddock (63)
Natasha I. Calvin (68)	Nellie Doreen Palmatier (68)
Cecil Delbert Charles Sr. (76)	Eva Flossie Pardee (62)
Evelyn Cogo (80)	Lorraine Gillis Patterson (60)
Maretta Mae Dailey (79)	Stanley D. Peratrovich (83)
Florence G. Dalton (73)	Frances A. Perreault (81)
Irma Sara Demmert (76)	Florence Jane Rideout (84)
Kathy Marie Demmert (51)	Clifton Lynn Ridley (46)
Valerie J. Scott Eckart (47)	Clarissa E. Riffe (74)
Beatrice F. Embree (47)	Joseph Kemoana Samuel Jr. (73)
Arthur Ermeloff (65)	Joan Beatrix Schafer (70)
George Frank Foster (73)	Gary Smith (39)
Walter Samuel Graham Jr. (32)	Frances Kathryn Swink (59)
Leonard Ralph Gray (40)	Alma Jane Tirazona (73)
Sidney Delman Greenwald (56)	Mae Edith Tracy (69)
Mary Eleanor Haldane (86)	Maryann P. Wentz (70)
Sophia Harris (77)	Evans Charles Willard (71)
Dennis Lee Hawkins (48)	
Margaret C. Ikenberry (83)	
Mary Maybelle Jackson (73)	
Ronald Charlie John Sr. (86)	
Rachel Kasakan (85)	
Dana Craig Lecornu (57)	

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Calendar

February

17 Elizabeth Peratrovich Day

March

8 Anchorage Shareholder Community Meeting, 1-3 p.m. (location TBD)

9 Yakutat Shareholder Community Meeting, 1-3 p.m. (location TBD)

12 **March 12-13.** THRHA Housing Symposium, Juneau

15 Ketchikan Shareholder Community Meeting 12-2 p.m. (location TBD)

16 Seattle Shareholder Community Meeting 1-3 p.m. (location TBD)

21 Juneau Shareholder Community Meeting 6:30-8:30 p.m. (location TBD)

23 **March 23-29.** Gold Medal Tournament, Juneau

28 Regular meeting of the Sealaska Board, Juneau

31 Deadline for Nominee Form submission to Corporate Secretary

April

10 **April 10-12.** Tlingit & Haida General Assembly, Sitka

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Sealaska Intern Program

Providing our shareholders with job training and work experience is a top priority for Sealaska. The 2003 internship applications for shareholder and shareholder descendant college students are due March 31, 2003. Students will be notified of their selection by April 15.

Students who are selected will be placed with Sealaska Corporation, Sealaska Timber Corporation, Sealaska Heritage Institute or other Sealaska business associates. "Since its inception, Sealaska has employed 147 interns through this program," said Sealaska Human Resources

Manager Janice Hotch. "The program has played an important role in the development of many shareholder careers."

Visit the Sealaska Web site at www.sealaska.com/opportunities_internships.htm or e-mail: Janice.hotch@sealaska.com

Date set for 30th Annual Meeting of Shareholders

This is the first notice to shareholders of the 30th Annual Sealaska Corporation Meeting of Shareholders to be held on Saturday, June 28, 2003 in Mt. Edgecumbe, Alaska.

The Board Nominations Committee is seeking shareholders who would like to be considered for candidacy to the 2003 Sealaska board-endorsed slate of candidates for the 2003 Sealaska Proxy. If you are interested, call or write to the Vice President Corporate Secretary's office and

request a Nominee's Packet. Nominee's Packets will be available after February 10, 2003. The deadline for receipt of the nominee forms by the Secretary is March 31, 2003.

Nominees must own voting shares of Sealaska stock and be at least 18 years of age. Work experience and ethics, demonstrated leadership ability and community-relation skills are seriously considered by the committee during the nominations process.

If shareholders wish to submit an advisory resolution to the corporation for a shareholder vote, the deadline for receipt of resolutions is February 28, 2003. Instructions for submitting resolutions are contained in the Nominee's Packet. If you have questions regarding the Annual Meeting and election, please visit our Web site or write the Secretary's office or call toll-free (800) 848-5291.



Visit the New Sealaska Web Site:

www.sealaska.com

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