

# Shareholder

A bimonthly newsletter from Sealaska Corporation

**Welcome New Shareholders**  
Sealaska Corporation welcomes these new shareholders to the Sealaska family:

Calvin Fred, Jr., Anchorage  
Michael Smith, Kake  
Zoey Shockley, Eagle River  
Nathan McCowan, Anchorage  
Samantha Keen, Anchorage  
Lauren Walicki, Anchorage  
Winnona Rae Long, Omaha, NE  
Jawan Turner, Omaha, NE  
Kristina Yates, Craig  
Antonio Yates, Craig

**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](http://www.sealaska.com).**

## Shareholders Elect Directors

Sealaska held its 30th Annual Meeting of shareholders Saturday, June 28 in Anchorage, Alaska. The purpose of the meeting was to report to shareholders the results of the corporation's 2002 financial performance and to elect five directors to the Sealaska Board for three-year terms.

63 percent of Sealaska shareholders were present at the meeting either in person or by proxy. Shareholders re-elected Albert Kookesh, Ethel Lund, Richard Stitt, Sr., and Marjorie Young to three-year terms to end at the annual meeting in 2006. Sealaska welcomes Joseph Nelson of Juneau, also elected to a three-year term to the board.

Nelson, currently an attorney with the law offices of Simpson, Tillinghast, Sorensen and Longenbaugh in Juneau has

worked with the Sealaska Board on previous projects according to Board Chair Albert Kookesh. "Mr. Nelson is a talented and experienced young man," he said. "I know he will contribute positively to the board and represent shareholders well."

Nelson fills a seat left vacant by retired director Daniel Leston. "The board would like to extend its appreciation to Mr. Leston for his service and dedication to Sealaska during his nine years as a director," stated Kookesh.

The day-long event started with a shareholder fair with Sealaska subsidiaries, Native artisans and Native organizations hosting booths. The meeting agenda started with candidate speeches, a luncheon, formal introductions of Elders in attendance and a dance performance by the Tlingit and Haida Dancers of Anchorage.



*Newly elected Director Joseph Nelson*

Annabelle Revels offered the invocation.

The theme of the annual meeting was Keiyteen, based on the legend of the abalone earring that was published in the 2002 Annual Report. Director Clarence Jackson shared the legend as was told to him by his Grandfather *(cont. on page 4)*

## STC Helicopter Harvest

Many areas of Southeast Alaska are steep and rugged, yet valuable timber grows. Conventional harvesting requires road building, which in this difficult terrain would be very expensive if even possible, and would leave a permanent scar on the steep hillsides. The timber in many of these areas



is over mature and the value is being lost to decay and disease.

While it is not a new concept, Sealaska Timber Corporation (STC) is successfully utilizing helicopters to lift the economically merchantable trees one-by-one off these hillsides and transport them to a barge anchored in ocean bays nearby. They are then transferred to a second barge for delivery to the log sort yard and final manufacture, scaling, and sorting for specific customers in any one of six countries of the world.

*(cont. on page 5)*

## Sealaska Invests in IBR

Sealaska has invested \$3.75 million to purchase a 10 percent minority interest in International Bio Resources (IBR), a Lafayette, Louisiana company that specializes in the collection and sale of blood plasma from paid donors.

"The medical industry is a growth sector that fits within Sealaska's Strategic Plan to diversify Sealaska investments and to capture minority and diversity supply opportunities," stated Sealaska President and CEO Chris McNeil, Jr.

"Sealaska recognized that investments in the plasma industry would provide a gateway to other health care investment

opportunities" said Albert Kookesh, Chairman of the Board of Sealaska Corporation. Sealaska formed Sealaska Life Sciences LLC, as Sealaska's business unit responsible for managing the investment in IBR and the research and identification of other business opportunities in the health care field.

IBR, established in 2000, is managed by industry executives who have decades of experience in the plasma collection industry. IBR currently operates five plasma collection centers in the United States with plans to expand to 39 centers by 2006. Plasma, a pale straw-colored *(cont. on page 5)*

## CEO's Business Update

### Dear Shareholders:

On June 28 Sealaska held its 30th Annual Meeting of Shareholders in Anchorage. Over 300 shareholders attended the meeting in person and 63 percent of voting shareholders were represented by proxy. For the first time, the meeting was accessible on the internet as a live, secure web cast; over 300 shareholders pre-registered for the event and over 50 participated. Shareholders participating over the web cast were able to ask questions via email during the question and answer period. I would like to thank all the people involved in the planning and execution of one of Sealaska's most productive meetings. I would also like to thank all the shareholders that participated in this year's election.

The annual meeting provided an opportunity to reflect on



Chris E. McNeil, Jr.  
President and CEO

Sealaska's achievements in 2002 and more importantly was a transition point for the Board and management to communicate the achievement of the company's first steps in reaching goals outlined in our strategic growth plan. Sealaska's first new investment in 2003, a 10 percent minority interest in International Bio Resources (IBR), was announced at the annual meeting. IBR, a life sciences company, specializes in the collection of plasma from paid donors and the sale of plasma to large pharmaceutical companies.

Shareholders at the meeting were interested in the new investment and questioned how medical and health science investments fit Sealaska's plan. Sealaska supports the life sciences industry through our subsidiaries TriQuest/Nypro and Synergy Systems. IBR was identified as a unique opportunity to further diversify investment in this growth industry while compli-

menting existing investments.

The new investment met guidelines outlined in our strategic plan including low cost entry, partnership with industry leaders, and provides a platform into 8(a) and minority and diversity supply opportunities. The plasma collection industry is competitive with over 400 collection facilities nationwide, however IBR has secured long-term contracts with two of the largest pharmaceutical companies at profit margins that will provide a significant return on investment once the company meets the 39 collection center growth goal.

There are other significant factors that contributed to the investment decision. The United States has an aging population and there is increasing call for health care related products. The industry also lacks the presence of minority and diversity suppliers. IBR executives have significant experience in plasma related

fields and the life sciences industry that can lead to opportunities in research and development of therapeutic and diagnostics products not yet identified. There is also opportunity for shareholder employment within IBR as some of our shareholders are employed in the health care industry.

The restructuring of Sealaska we have accomplished in the last two years and the strong financial position of the company allows Sealaska to react to investment opportunities such as IBR for future growth. We will continue to approach new investment opportunities with diligence and caution to ensure sustainable shareholder dividends, employment opportunities and services.

Sincerely,

Chris E. McNeil Jr.  
President and CEO

## Synergy Systems - Rapid Prototyping Solutions

Synergy Systems, a wholly owned subsidiary of Sealaska, produces prototypes for many companies, nationally and internationally. Currently working with IVL Technologies (IVL) of Victoria, BC, Synergy Systems has used a rapid prototyping process to suit the needs of new product development. Rapid prototyping is accomplished at Synergy utilizing the Stereolithography Apparatus (SLA) process.

The SLA process takes a computer design and creates a model through the use of a laser and liquid photopolymer, or liquid plastic. The SLA machine contains a moveable table attached to a bar allowing the table to be raised and lowered. The table is placed just below the surface of

the liquid plastic, then the laser begins to process the first layer of the design programmed into the machine. Once the laser has hardened the first layer of the model, the table moves downward and continues to work layer by layer until the model is finished. After removal from the SLA, the model is solvent washed, UV cured, then finished to customer specified cosmetic levels. The SLA model is a geometrically complete, accurate representation of the product to be manufactured, right down to a logo on the face of a button. IVL, a company that creates technology for sound and voice effects approached Synergy with the idea of a new handheld karaoke machine. The SLA process was selected to create

their model as it offers many benefits other prototyping methods cannot, such as quick turn, low price, and accurate parts. Once the computer data is received from the customer an SLA model can be quickly created. A model can typically be constructed over



Finished Product & Laser Model

night and shipped the next day depending on the finish level required. SLA modeling is also relatively inexpensive. SLA models are typically built before moving on to other types of prototyping; in this case, the SLA model would be a fast way to view the product, check design, and ensure there are no flaws. Other Synergy customers that use the SLA process include Nike, Phillips, Microsoft, Disney, Drill Doctor, Logitech, and General Dynamics. Synergy Systems is one of the largest prototype companies on the West Coast and provides various other types of prototyping other than SLA including CNC and Manual Machining, Model Building, Rapid Tooling, Cast Urethane, and Injection Molding.

## Sealaska Heritage Institute Cultural Corner Highlights From SHI

### WORL, ROSIE O'DONNELL, RECEIVE NATIONAL AWARD

Dr. Rosita Worl of Juneau, comedian Rosie O'Donnell and former U.S. Attorney General Janet Reno were among nine women awarded the 2003 Women of Courage Award on June 14 in Washington D.C.

The National Women's Political Caucus selected Worl



*Dr. Rosita Worl*

for her outstanding career as an anthropologist, scholar, activist, educator and leader. The organization gives the annual award to women of diverse backgrounds who have demonstrated courage by taking stands on unpopular or controversial issues to further civil rights and equality and who typify women's leadership.

"I was really amazed that I had been selected and then really and truly honored that I was selected because I was in the company of women who I think are very distinguished and have made significant contributions," said Worl, president of Sealaska Heritage Institute.

The National Women's Political Caucus is a grassroots organization that strives to achieve equality for all women by increasing women's participation in the political process. The organization recruits and supports female candidates for elected and appointed offices at all levels of government, regardless of party affiliation.

### SHI TO LAUNCH VIRTUAL NATIVE ART STORE

SHI is developing a new website to promote and sell Alaska Native art. The website will go online this year at [www.alaskanativeartists.com](http://www.alaskanativeartists.com) and be open to Sealaska shareholders and descendants. If you are an Alaska Native who makes Native art, please contact SHI for more details.

### SHI UNVEILS NEW WEBSITE

SHI unveiled a new and improved website in June. Please visit [www.sealaskaheritage.org](http://www.sealaskaheritage.org) to see our new look!

### SHI KICKS OFF SUMMER PROGRAMS

SHI has openings for Native language students who want to participate in its Juneau Kusteeyí summer workshop and its Tlingit immersion retreat in Glacier Bay. SHI held Tsimshian and Haida language workshops in Ketchikan in May and its second-ever Tlingit immersion retreat in Sitka in June. The Juneau workshop is scheduled Aug. 4-15, followed by the Glacier Bay retreat Sept. 8-19. Contact Roy Iutzi-Mitchell at 907-586-9272 for more details.



*Participants at the Sitka Tlingit Immersion Retreat*

## In Memory

*Sealaska pays tribute to shareholders who  
have recently passed on:*

Molly Adamson - Haines, AK (75)

Judy S. Anable - Vancouver, WA (66)

William Perry Aragon, Sr. - Sitka, AK (60)

Douglas Edward Bailey, Sr. - Long Beach, CA (59)

Julia Dorraine Colcord - Ketchikan, AK (63)

Verley Renee Dalton - Anchorage, AK (46)

Franklin A. Guthrie - Seattle, WA (51)

Helen D. Hale - Kenai, AK (75)

Lorraine E. Kunz - Juneau, AK (61)

Ruth Lokke - Juneau, AK (80)

Donald W. McKinnon - Shelton, WA (44)

Anastasia Hazel Morgan - Tacoma, WA (86)

Fred C. Morgan, Sr. - Juneau, AK (90)

Alfred Oglend - Wrangell, AK (72)

Delores Ann Peratrovich - Klawock, AK (53)

Joseph Jack Peterson - Sitka, AK (72)

Joan Gail Potolicchio - Kennewick, WA (70)

Duane Riddle - Hoodspport, WA (76)

Joan Beatriz Schafer - Highland, CA (71)

Jason Mark Skan - Juneau, AK (26)

Margaret Tillman - Shoreline, WA (89)

Naomi Pearl Vallejo - Modesto, CA (47)

Roberta Rae Vanden Borre - Sitka, AK (46)

Ernest Williams, Jr. - Kake, AK (59)

Agnes Betty Winget - Carnation, WA (70)

### 30th Annual Meeting , cont. from page 1

Johnnie C. Jackson. A business presentation by President and CEO Chris E. McNeil, Jr. was followed by a Sealaska Heritage Institute report by Dr. Rosita Worl. A two-hour shareholder question and answer period concluded the meeting. Shareholder Paul Marks offered the closing benediction.

Sealaska reported in its 2002 Annual Report and presentation to shareholders \$170 million in revenues for fiscal year 2002 and \$40.5 million of net income. The primary contributors to the corporation's profits were the maturing of investments in Alaska

Native Wireless, the San Pasqual Valley View Casino and income from natural resources, primarily timber.

The Sealaska Board held a Board meeting immediately following the annual meeting and named Albert Kookesh Chair, Dr. Rosita Worl Vice-Chair and re-elected McNeil as the corporation's President and CEO, Rick Harris Executive Vice President, William Strafford Executive Vice President and CFO, Patrick Duke Treasurer and Corporate Investment Officer and Maxine Richert Vice President and Corporate Secretary.



Board Chair Albert Kookesh and Pres/CEO Chris McNeil, Jr. answer questions



T&H Dancers of Anchorage prepare



Lucrecia Eldemar & Elaine Etuoke



Harriet Beal during Q&A



Elders in attendance recognized and honored

Some of the questions shareholders asked at the annual meeting included:

**Q** What is Sealaska doing for the Landless?

**A** Haines, Tenakee, Petersburg, Wrangell and Ketchikan were excluded from the Alaska Native Claims Settlement Act of 1971. A study by the University of Alaska Anchorage Institute of Social and Economic Research determined that there was no basis for excluding these communities from the Act.

In 1998 the Landless Coalition, Sealaska, Klukwan and the Alaska congressional delegation developed a strategy for a Landless Native Settlement however the Administration and environmental organizations opposed final settlement and left no hope for further consideration at that time.

Sealaska is optimistic that the new Administration will agree to a new favorable solution. Sealaska encourages the Landless communities to re-organize, develop and vigorously pursue unified solutions and strategies.

**Q** When will the next dividend be paid to shareholders?

**A** The Sealaska Board is projecting a December dividend, based on earnings from the Sealaska Permanent Fund and 2003 Section 7(i) revenue sharing. This is estimated to be \$1.69 per share from 7(i) and 31 cents per share from Permanent Fund earnings.

**Q** Why does Discretionary Voting continue to be an option in Sealaska's annual election of Directors?

**A** Discretionary voting is for those Sealaska shareholders who decide to support the Board of Directors slate of candidates. Discretionary voting gives these shareholders the option of permitting the Board to decide how to allocate votes among the Board's slate of candidates. This permits the Sealaska Corporation's proxyholders maximum flexibility for purposes of electing the greatest possible number of board-endorsed nominees. Discretionary voting also is available for independent candidates who run on their own slate, separate from Sealaska's proxy.

All Sealaska shareholders can also choose to vote 'directed' for individual candidates or 'quorum,' which means to establish a quorum for the annual meeting, but to vote for no candidate. Discretionary voting does not grant authority to vote on any resolutions. Discretionary voting is authorized by Alaska law and the Sealaska Corporation By-laws.

Shareholders have voted four times in the last 11 years on whether to retain or eliminate discretionary voting from Sealaska's elections. Over 60 percent of voting shareholders, in all four votes, elected to keep a discretionary voting option. A 28 percent average of voting shareholders exercise their right annually and vote discretionary.

## IBR, cont. from page 1

solution of water, protein and salts, is the liquid portion of human blood. Collection centers are licensed and regulated by the Food and Drug Administration and collect plasma only from qualified donors. After collection the plasma is held for a period prior to going through heat, chemical or filtration treatments to purify the plasma and plasma products to assure that it is safe for human use.

The plasma is then separated into its component parts and is used to restore blood volumes

in shock, trauma and surgery patients, treatment of infectious diseases and to control hemophilia. Research continues to identify new uses for blood plasma leading to increasing demand for plasma products.

"IBR is a strong company with tremendous potential," said McNeil. "I am confident that the return on investment will be favorable and our partnership will provide entry into this important industry and future opportunities in the health care field."



## STC, cont. from page 1

"I am pleased with the teamwork of our staff, Columbia Helicopters Inc., Shaan-Seet Inc., C&O Marine, and Southeast Stevedoring who work closely together to ensure a safe and efficient operation is maintained," says Jim Connor,

President & CEO of STC. "These hillsides we are harvesting on Dall Island are so steep in places that it is a real challenge for timber cutters, rigging crews, and STC quality control people like Bill Bennett to work on. Most people would

not even begin to think of climbing on such difficult terrain, but our skilled workforce consciously makes safety a number one priority day after day."

By carefully falling the trees and lifting them out with the Vertol 107 and larger Chinook 234 helicopters, breakage can be kept to an absolute minimum ensuring accurate log lengths for customers. STC selectively harvests these mountainsides leaving those trees standing that would sell for less than the recovery cost. This selection process helps to ensure the stability of the soil and protect the new generation

of seedlings. Visually, most people are very impressed with the result.

STC will harvest 16 Million board feet of timber with helicopters in 2003 according to Connor, costing about \$7.5 Million. Much of this money will remain in Southeast Alaska in the form of wages and supplies. "Our crews, many of whom are shareholders from Hyدابurg, Craig, and Klawock commute daily and have done a great job adjusting schedules to match the helicopter's ability to deal with the difficulty of fog and wind in this remote area," he said.



*Columbia Helicopter employees Gerald Peele and Michael Carle*

## Sealaska Timber Receives Second Export Award

Commerce Secretary Don Evans highlighted the Bush Administration's trade and economic growth agenda by presenting the U.S. Commerce Department's Export Achievement Certificate to four Alaska businesses. Sealaska Timber was honored for their successful efforts to add China as a new market for their products last year. The award recognizes businesses that have achieved notable export success and benefited from the export services of

the department's Commercial Service in making export sales or opening new foreign markets. "Exporting is a great way to achieve President Bush's first goal - economic growth. Exports create business opportunities and generate high-paying jobs, bringing greater prosperity," said Evans. "We are very pleased with the success these Alaskan companies have had internationally, and the Commerce Department looks forward to continuing to help

U.S. firms increase their exports."

For 23 years, STC has successfully exported to Japan, South Korea, Taiwan and Canada. The Alaska Export Assistance Center in Anchorage provides STC with trade leads, market information and planning and assistance regarding import regulations.

STC was also awarded the Governor's Exporter of the Year Award last month by Governor Frank Murkowski for export achievements in 2002.

## Calendar

### August

- 4** August 4-15, SHI Kusteeyi Workshop, Juneau
- 17** August 17-21 CCTH 2003 Regional Youth Leadership Conference, University of Alaska Southeast

### Sept.

- 5** Shareholder Outreach Meeting, Sitka. 10 a.m. to 4 p.m., Shee-Atika Offices
- 5** Shareholder Outreach Meeting, Ketchikan. 10 a.m. to 4 p.m., Sealaska Timber offices
- 13** Shareholder Outreach Meeting, Seattle. 10 a.m. to 4 p.m., Best Western University Towers
- 26** Shareholder Outreach Meeting, Seattle. 10 a.m. to 4 p.m., Red Lion Hotel SeaTac

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## SHI Scholarship Recipient Survey

The Sealaska Heritage Institute (SHI) Scholarship Program has been in existence since 1981. Over the past 22 years, over 2000 shareholders and descendants have received scholarships to attend academic programs for higher education and vocational training. Currently, we are asking present and past Sealaska scholarship recipients to participate in a survey to assist Sealaska and SHI. Our purpose for conducting this survey is to assess the educational attainment, career development, and employment needs of previous Sealaska scholarship recipients. We hope to answer important questions, such as what differences has the scholarship program

made for students towards achieving their goals.

The survey, inserted in this issue of the *Shareholder*, seeks to determine and further define the success of the scholarship program by addressing the following issues:

- ◆ How the scholarship program has impacted students' career development opportunities
- ◆ Accomplishments of former recipients within the Native community
- ◆ Career interests and opportunities for recipients

The survey should take approximately 5 minutes to complete. At press time SHI has only received 90 completed surveys.

**Scholarship recipients and parents of scholarship recipients, we encourage you to participate in this important survey even if you have missed the August 1 deadline.**

**Three survey respondents will be randomly selected on September 1 and will win one of the following: Sealaska Pendleton blanket, Sealaska jacket, or a Sealaska T-shirt.** If you have any questions, please contact the Sealaska Scholarship Program toll-free at 1-888-311-4992. Need additional surveys? Call or download from our web site at [www.sealaskaheritage.org](http://www.sealaskaheritage.org). You can also fill out and electronically submit your survey on our website.

## Sealaska Outreach Meetings Scheduled

What is a Sealaska Outreach Meeting? Shareholder Outreach Meetings are not Informational Meetings which focus on the reporting of Sealaska business activity. The purpose of the Outreach is to assist Sealaska shareholders in completing the following forms: Direct Deposit, Stock Gifting, Testamentary Dispositions (a will for your shares), name change, address change, requests for identification cards, pending estates, etc. Notary Services will be provided. Sealaska Shareholder Records staff will be visiting the following communities for outreach meetings.

9/5/03 10:00 a.m. to 4:00 p.m. @ Shee-Atika Office, 201 Katlian St., Suite 200, **Sitka, AK**

9/5/03 10:00 a.m. to 4:00 p.m. @ Sealaska Timber Corporation Office, 2030 Sea Level Drive, **Ketchikan, AK**

9/13/03 10:00 a.m. to 4:00 p.m. @ Best Western University Towers, College Room, 4705 Brooklyn Ave NE, **Seattle, WA 98105 (206)634-2000**

9/14/03 10:00 a.m. to 4:00 p.m. @ Red Lion Hotel (Seattle Airport), Olympic Room, 18220 International Blvd., **Seattle, WA 98188 (206)246-5535**

Visit the Sealaska Web Site:

[www.sealaska.com](http://www.sealaska.com)

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