

SEALASKA CORP. REPORTS \$21 MILLION LOSS IN 2001
Company passed a pivotal point in 2001
2001 Sealaska Corporation Annual Report [1917 KB].

(May 6, 2002) (JUNEAU, AK) – Sealaska Corporation today reported a net loss of \$21 million on revenues of \$146 million for 2001. The 2001 loss was largely due to the last of the writedowns of assets of discontinued operations that the company began last year. Current operations including Sealaska Timber Corporation, telecommunications, and the company's Natural Resources Group had positive earnings for 2001. Sealaska's independent auditors are PriceWaterhouseCoopers, LLC.

"Today we are confident that Sealaska has rounded a difficult corner at a pivotal point in our history," said Sealaska President & CEO Chris E. McNeil, Jr. "Looking forward, we have a strong strategic plan, and we have a strong connection with our shareholders on which we are building a future for our company."

"Although our loss in 2001 is a significant turnaround from the previous year, the Sealaska Board of Directors and our shareholders want to see us return to profitability," Albert Kookesh, Sealaska Chairman of the Board said. "I think the 2001 performance shows that Sealaska is heading in the right direction. Based on our current information, we expect to be profitable next year."

McNeil noted other areas in which Sealaska made progress in 2001, and other company highlights looking forward:

- * Completing a joint venture with Nypro, Inc. to operate the TriQuest Guadalajara plant.

- * The opening of Valley View Casino, owned by the San Pasqual Band of Mission Indians, located near Escondido, California. , Sealaska provided some of the startup capital for this gaming operation, which is located in a strong and growing market.

- * In 2001, Sealaska Timber Corporation achieved a shareholder employment rate in excess of 53% -- a new record for that operation. An economic study released in 2001 showed Sealaska and our timber contractors to be the largest private employer in Southeast Alaska.

- * Sealaska distributed \$1 million to Sealaska urban and at-large shareholders in 2001.

* Sealaska awarded \$813,000 in scholarships and heritage study grants, through Sealaska Heritage Institute. Since 1981, over \$5.5 million in scholarships have been awarded to thousands of Sealaska shareholders and descendants.

* Sealaska paid a total of \$360,000 in 2001 to shareholders reaching their 65th birthday as cash benefits from the Elders' Settlement Trust. Since 1991, 2,681 Sealaska elders have been paid \$6.1 million from the trust.

* Sealaska paid out \$7.9 million in resource revenue sharing to other ANCSA corporations in 2001 under ANCSA Section 7(i).

Looking forward McNeil pointed to these company highlights:

* "In early 2002, we sent our shareholders a document presenting our strategic plan for the coming years," he said. "We have confidence that this plan will grow and strengthen Sealaska and prepare us for expansion and greater profitability in the future. We know shareholder support for Sealaska is crucial to our success, and we look forward to working with our shareholders to reach our goals together."

* In 2002, Sealaska expects its plastics business to grow in the joint venture with Nypro, Inc., using Sealaska's competitive advantages as a minority-owned diversity supplier. McNeil also said that Sealaska is looking toward the federal contracting business that other ANCSA corporations have successfully pursued.

* "We also expect a positive resolution to the legal disputes surrounding our investment in wireless telephone licenses through Alaska Native Wireless," he said. A recent certiorari decision by the US Supreme Court has had a positive effect on Sealaska's investment in ANW.

* Sealaska Board Chair Albert Kookesh emphasized Sealaska's continuing commitment to shareholders. "At the end of 2001 we completed an in-depth shareholder survey," he said. "In that survey and in our 2002 community meetings, our shareholders said clearly that they want Sealaska to provide them a variety of financial and other benefits, and that we should continue to advocate for important Native issues like subsistence. Sealaska's strong commitment to our shareholders is the foundation of our success," he said.

Sealaska's Annual Meeting is slated for June 15, 2002 in Juneau.