

For Immediate Release

Sealaska Corporation

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Sealaska Announces 2002 Earnings

Juneau, Alaska - Sealaska, the Regional Native Corporation for Southeast Alaska, has recorded \$40.5 million in consolidated net earnings on \$170 million in revenues for fiscal year 2002. The results were audited by the Independent audit firm "KPMG" and included in the 2002 Sealaska Annual Report, sent to the company's 17,000 shareholders May 13.

Year 2002 revenues were generated from the corporation's natural resources and investments in Alaska Native Wireless and the San Pasqual *Valley View Casino* according to Sealaska President and CEO, Chris McNeil, Jr. "An agreement reached between AT&T Wireless and Council Tree Alaska Native Wireless, and the San Pasqual's Casino re-financing of their operations, led to early maturing of the investments and a significant positive return to Sealaska," said McNeil.

Alaska Native Wireless contributed \$33 million in profits to Sealaska in 2002. An amended investment agreement with AT&T Wireless led to an early distribution to Sealaska of \$66.7 million cash in 2002 and carried interest of \$20 million which will mature in 2007. Sealaska's original investment in the partnership of \$40 million was made in 2001.

In 2001 Sealaska invested \$14.7 million for the build out of the facilities of the San Pasqual Tribe's *Valley View Casino* near Escondido, California, and start-up development costs of a larger permanent casino since abandoned. The San Pasqual tribe refinanced their operation in 2002, returning all of Sealaska's initial investment plus a recorded \$8.7 million in 2002 profits. Sealaska, under the amended agreement, will also have an ongoing carried interest (earnings) in the casino operation through April 2010.

Other factors contributing to Sealaska profits in 2002 include continued cost-cutting initiatives that led to a \$1.7 million reduction in general and administrative costs and Sealaska Timber Corporation recording \$8 million in profits in 2002, exceeding plan by \$2.3 million. Sealaska also recorded a liability of \$8.6 million to the other 11 regional corporations in 2002, paid in 2003, under ANCSA section 7(i).

"The Board is extremely pleased with the corporation's performance in 2002," said Board Chair, Albert Kookesh. "2002 profits led to an April 2003 Permanent Fund dividend paid to shareholders, the first in two years. The Board also anticipates paying a

December 2003 7(j) distribution to shareholders from 7(i) earnings. The company is now positioned to initiate our growth plan that will lead to increased shareholder services and sustainable annual dividends.”

Sealaska remains committed to encouraging the continued education of shareholders according to Kookesh. The corporation paid \$743,000 in scholarships and grants to 359 students in 2002. The program was administered by Sealaska’s non-profit Sealaska Heritage Institute (SHI). SHI also held the biennial event Celebration in 2002 which is dedicated to the preservation of Tlingit, Haida and Tsimshian culture and traditions. Over 2,000 participants attended.

Results published in the 2002 annual report will be presented to shareholders at the Sealaska 30th Annual Meeting of Shareholders scheduled June 28, 2003 in Anchorage, Alaska. The meeting will be held at the Anchorage Hilton beginning at 1 p.m. Five directors will be elected for three-year terms to the Sealaska Board at the meeting. The annual meeting, originally scheduled for Mt. Edgecumbe, was relocated to Anchorage due to facility restrictions.

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