

# HUNA TOTEM UPDATE



HUNA TOTEM CORPORATION • FEBRUARY 2009

## Shareholder questions are answered

A new economic stimulus package aimed at getting the U.S. economy back on track was recently passed by Congress and signed by President Obama. However, visible results are not expected until late this year to early next year.

Alaska has been a bit isolated and has yet to feel the full effects of the global financial crisis. Oil prices are starting to impact the state and declining minerals prices will soon follow. Housing prices in Alaska didn't seem to follow the tremendous increases that many growing states experienced and the state is bracing for a challenging tourism season which is still months away.

Shareholder communications is a priority, especially during times of hardship, and we have pledged to bring you regular updates on corporate activities and to answer your questions.

### ***Why is the Settlement Trust invested in the Stock Market – and why didn't we get out?***

The Shareholder Settlement Trust was created as a source for distributions for the long term. The Trust is inflation proofed and allows for the principle (the balance) to grow over time, which, in turn, creates larger distributions over time. The Trust was invested in the Stock Market because of the likelihood to generate higher earnings. Savings accounts, certificates of deposit and U.S backed treasury bills yield inadequate earnings to both inflation-proof and create shareholder distribution income.

Historically, the Stock Market has experienced many ups and downs, but it has produced reasonable returns in excess of inflation. The Trust has paid over

\$35 million in distributions over its life due to the earnings from stocks and bonds.

**...HTC has taken many actions to help ensure we have the dollars to stay in business with fewer visitors and less guest spending.**

Market timing is a very dangerous game. If you think the market will decline and you sell your stock, you may miss market gains, and ultimately lose money trying to re-invest later. No one knows where the "bottom" of a market is — or when the time is right — to put your money back into the market. The prudent strategy in times like this is to closely monitor your investments (or your asset allocation) to make sure you are still comfortable with the diversity of investments. Trying to time a fluctuating market can easily cost you more in losses than riding out the volatility.

### ***I heard Alaska Tourism will be down this summer, what is HTC doing about it?***

Cruise bookings are down considerably over the same time last year and the cruise lines are heavily discounting their prices to attract guests. As mentioned in the December newsletter, HTC has taken many actions to help ensure we have the dollars to stay in business with fewer visitors and less guest spending. This includes a reduction in board fees, the elimination of two senior management positions and an overall budget cut to our corporate expenses. The Board continues to meet weekly to monitor financial and economic conditions.

### ***What is the company doing to raise money?***

Your board and management have been looking at many alternatives to conserve and raise cash. One of

**Questions answered** (continued on back)



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## Questions answered *(continued from front)*

our focuses is the corporate office building. We have excess space and are actively marketing the building for lease. Leasing space will bring in income to help offset our utilities and increase our cash flow.

### ***Many shareholders have contacted the office expressing great concern for their corporation.***

We are certainly in an environment most of us could never have predicted. The world-wide economy and financial crisis is complicated, confusing and frightening. The U.S. economy continues to shed hundreds of jobs on a daily basis, the stock market has yet to stabilize, and it appears the housing market has yet to bottom out. Moreover, once profitable financial institutions and giant retailers are shutting their doors and the U.S. auto industry is trying to rebound with bailout dollars.

We remain focused on the big picture and take a hard look at our company, our operations, and our business plan to control what we can. The Board and

management took immediate note of the change in conditions and we have taken a number of steps to position your company to survive these challenging times, preserve as many jobs as possible and still plan for the future.

### **Icy Strait Point is hiring!**

Icy Strait Point will be in full operation this summer, and is now recruiting for summer positions.

Icy Strait Point will host 69 ships and about 134,500 guests beginning May 10 through September 25. We plan to start interviewing and signing seasonal employees in March for work that will begin the first week of May. We look forward to receiving your application for one of the 100+ seasonal jobs at our alcohol and drug-free workplace. Return your completed job application to ISP at the Juneau or Hoonah address.

To receive an application, go to [jobs@icystraitpoint.com](mailto:jobs@icystraitpoint.com) or call (907) 523-3679. Encourage your friends & family to apply!