



HUNA TOTEM CORPORATION

Shareholder update

what's inside

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Juneau job fair Feb. 26 **Page 3**

to the other shore

WE OFFER OUR CONDOLENCES AND SYMPATHY TO THE FAMILIES AND LOVED ONES OF OUR RECENTLY DECEASED SHAREHOLDERS

George Johnson Jr., 48
Johanna Dandoy, 49



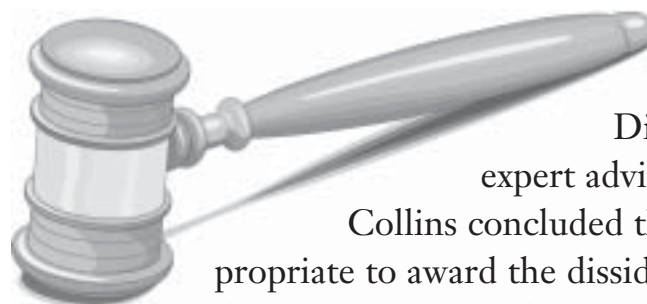
Alaska Supreme Court puts to rest shareholder lawsuit

A January ruling in favor of Huna Totem Corp. by Alaska's highest court means an end to a six-year legal dispute stemming from dissident shareholder allegations of improper corporate elections.

"It's a big relief," said Huna Totem Chairman Albert Dick. "We now can close the chapter to a difficult time in our corporation's history."

The Alaska State Supreme Court last month upheld the Juneau Superior Court decision to deny nominal damages to dissident shareholders who claimed that Huna Totem board members and officers had breached fiduciary duty by inadvertently violating certain proxy disclosure requirements during a failed attempt to recall the board of directors in 1999.

Juneau Superior Court Judge Patricia Collins ruled in January, 2003, that Huna Totem's proxy irregularities were inadvertent, and were a result of the good faith



reliance of the Board of Directors upon expert advice. Judge Collins concluded that it was inappropriate to award the dissidents nominal damages for the inadvertent and good-faith

errors, particularly when the dissidents failed to prove that they had actually suffered any compensable economic harm.

Dissatisfied with the Superior Court's decision, the dissident shareholders,

led by Gregory O. Brown and Karl Greenewald, Jr., filed an appeal with the Alaska Supreme Court.

"While we regret having to settle our differences in a court of law, the Supreme Court's decision confirms the Board of Directors' commitment to its shareholders and confirms our certainty that the corporation did not act in an illegal manner," Huna Totem Chief Executive Robert Wysocki said.

"It's a big relief ... We now can close the chapter to a difficult time in our corporation's history."

ALBERT DICK
HUNA TOTEM CHAIRMAN

Lawsuit *Continued on Page 4*

Investment highlights

Type of investment: asset management
Percent Huna Totem owns: 7 %
Total invested: \$650,000
Year invested: Jan, 2003
Business strategy: investment in minority-owned growth firm

SPOTLIGHT on our investments: Denali Advisors

Huna Totem has an investment in Denali Advisors, the largest Native American-owned asset management firm in the nation. Denali Advisors specializes in US value equities and manages \$800 million for institutional funds, American Indian communities and Alaska Native corporations.

"Denali has had marked growth since our investment in 2003," said Huna Totem CEO Robert Wysocki. "By the end of the year, it is expected that



DENALI ADVISORS LLC

Denali Advisors *Continued on Page 4*

Huna Heritage awards education assistance

The Huna Heritage Foundation is pleased to announce the recipients for Spring 2005 educational assistance awards. The awards are supplemental financial assistance for college, vocational schools, and cultural education workshops.

The deadline for academic assistance for the fall/winter semesters is Oct. 31, 2005. Applications can be downloaded at www.hunaheritage.org.

The HHF Board of Trustees congratulates the following recipients:

Mary Cook
Bradford Dybdahl
Travis Dybdahl
Bernice Hinchman
Lily Hudson
Benjamin James
Wayne Kendall
Joseph Lamebull
Skyler Mazon
Michelle Martin
Nicole Milton
Jason McKinley
Lynette Page
Melinda Phillips
Paul E. Rowley
Timothy Stivers
Staci Skaflestad
Sonja Taton
Kenneth Weitzel
Christine Williams
Theodore White
Kathleen Willard

get well

HUNA TOTEM WISHES THE FOLLOWING SHAREHOLDER A SPEEDY RECOVERY. OUR THOUGHTS AND PRAYERS ARE WITH YOU.

Alfred McKinley Sr.
Nina Dick
Dawn Houston
Mary Ann Peterson
Donald Bennett

Paul White, Jr.: We are poised to take our company to next level

Huna Totem board member Paul White, Jr. says Huna Totem is poised for growth, now that the corporation has conquered significant hurdles: the hiring of a new chief executive, getting through the first season with a start-up tourism operation, and settling the last of four significant legal actions.

"I think we were at the right place at the right time when he came along," White said about the hiring of chief executive Robert Wysocki 18 months ago. "He brought to the position a strong financial background and he hit the ground running. He did a heck of a job getting our corporate finances in order."

White believes Wysocki has all the proper ingredients to be at the helm. "He has the energy, business acumen, and vision to take the corporation to the next level."

The second hurdle, White said, was getting ready for the first cruise passengers that would arrive to Icy Strait Point in May 2004 — ready or not.

"There were a lot of naysayers out there, they were doubtful we would succeed, but we proved them wrong," he said.

By mid-season he said he could see the pride within everyone involved in the tourism destination.

"Shopkeepers, passenger greeters, even

the ones pushing the broom had pride in what they were doing," he said. "Because of them, everyone jumped on board and we got all kinds of attention. We hosted the U.S. Secretary of Interior, Alaska's governor, and a ferry full of foreign and Juneau business people."

The third hurdle was settling the shareholder dissident lawsuit over a 1999 corporate election (see related story, Front Page). "When you have a dark cloud like that hanging over your heads, it affects business," White said.

He said he hopes lawsuits are a thing of the past so there are fewer distractions to growing the company.

So where does the corporation go from here?

"Icy Strait Point is still in its infancy, but it will only grow. Once we recoup the investment made into our tourism operation,

at a glance

Paul White

Clan:

Kaagwaantaan, Wolf

Age: 64

Residence: Juneau

Year elected: 1986

Current board committees:
PSDC Partners Committee



Note: In an effort for shareholders to get to know their board members better, this is the sixth of a series of profiles on your elected board members.

Next issue: Ron Williams

then we can invest into other areas," he said. "Alaska is a huge country and there's a lot of untapped business potential. Sometimes it's a matter of creating the opportunity, like we


did with Icy Strait Point."

First elected to the board in 1986, White is employed as a civil engineer technician for the Bureau of Indian Affairs and president of the Alaska

Native Brotherhood Camp 2 in Juneau.

He offers advice for the leaders coming up the ranks. "First and foremost, is to get a grasp of Robert's Rules of Order," he said. "Tlingits are known for proper decorum and procedure for running a meeting. Many of us serve as parliamentarians to Native and non-Native meetings at regional, statewide, even national meetings."

White also recommends for young people to get involved in the Native community. "A good example is the Alaska Native Brotherhood and Sisterhood. They have been the cornerstone of our community. It was the ANB and ANS that spearheaded the effort to sue the U.S. government for lands taken. We have land and a corporation because they fought the battle."

"So long as we always remember where we came from and hold onto our values, we will succeed," he concluded. 

"So long as we always remember where we came from and hold onto our values, we will succeed."

PAUL WHITE, JR.

Message from the CEO

Dear Shareholder,

While the rays of sunshine and signs of tourists are months away, the crew at Icy Strait Point has rolled up its sleeves to get ready for our second season. I have been answering shareholder questions about Icy Strait Point and I think it's important to share with all shareholders the information about one of our largest investments.

When will we start to see a return on our investment?

As a Native corporation, a primary goal is to provide business opportunity and employment for our shareholders and family members. In this respect, we saw immediate results. Last year, we employed about 100 shareholders, in addition to many more living in Hoonah and Southeast.

In terms of dollars, we anticipate to reach a "break even" point in 2006. The primary reason is because the cruise industry plans two years in advance. Planning for 2005 was done in 2003 – long before we had an operational port to market. Royal Caribbean is committed to coming this year and we are in deep discussions with other cruise lines for next year. Our revenues will increase with the number of guests visiting the port.

It's important we take into consideration our fixed costs. For this project, we term "fixed costs" to include all the cost we incur to operate the site regardless of the number of ships, or passengers, that arrive in the summer. Costs include things like depreciation, interest expense, G & A including management costs, utilities, etc. We have to provide a minimum level of service throughout the summer regardless of how much

revenue we generate. So it's very important for us to attract other cruise lines so we can get revenues above our fixed cost level to start generating profits.

How are we supporting the operation financially?

Initially, we self-financed the renovation to the buildings and improvements to the land. This means we used cash on hand. Last year, we secured debt financing in the form of a loan so the operation would not put a strain on our available cash. We make principle and interest payments quarterly.

Who really owns Icy Strait Point?

Huna Totem owns the land, buildings and infrastructure. We recently acquired majority interest in Icy Strait Point, formerly known as Point Sophia Development Corp. Icy Strait handles the day-to-day management of the business. We moved Icy Strait operations to our office building in Juneau and the move allowed us to streamline our operations and create greater efficiencies with the use of our staff, office space, and expenses.

I look forward to reporting to you more about our operations and investments. You may have noticed the feature on Denali Advisors. This is the first of a new series that provides you with the basics on our businesses and affiliates. I welcome your input, as well, on how we can continue to improve shareholder communications.

Sincerely,

Robert "Bob" Wysocki
President & CEO

congrats congrats

There's been a bit of a baby boom with our young leadership at Huna Totem. (The stork also will bring deliveries to Huna Totem staff Angela McIntosh and Sam Furuness.)

Board member **EDWARD DAVIS** and wife **DENISE** had a second son, Aidan Alexander born December 1. He weighed 7 lbs, 7 ounces.

Board member **RUSSELL DICK** and **BRENDA EDWARDS** welcomed a baby boy, Tevin Michael born December 9. He weighed 7 lbs, 12 ounces.

Chief Executive **BOB WYSOCKI** and wife **ROSE** welcomed a baby girl, Katelyn Jo born January 10. She weighed 9 lbs.

Also, shareholder **SHAWNA HOWLAND** and husband **LONNIE** announced the arrival of a baby girl, Alona Louise born January 11. She weighed 7 lbs, 1 ounce.

Glacier Bay **SHAREHOLDER JOB FAIR**

Huna Totem Office Building
Saturday, February 26 • Noon – 4 p.m.

Shareholders and family members are invited to attend a job fair for employment at Glacier Bay Lodge & Concessions.

Representatives of Huna Totem and Aramark and a Human Resources specialist will be on hand to provide information about jobs for Summer 05.

how to contact us

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Denali Advisors

Continued from Page 1

Denali will have a billion dollars under management."

Wysocki added that the firm's minority status has been beneficial in building its client base. "In some instances, what set Denali apart from the competition is the minority-owned status," he said.

The San Diego-based firm is committed to Native hire. "We have nearly 60 percent Native hire," said Denali Advisors president and chief investment officer Robert Snigaroff, an Aleut. Other Native employees are: Operations Manager Leilani Wilson, Tlingit from Juneau; Office Manager Bonnie Newman, Haida from Ketchikan; and Account Associate Tashina Etter, Navajo from New Mexico. 


Lawsuit

Continued from Page 1

"What this means for us — the corporation and the 1200 shareholders we represent — is we can put this issue behind us and focus our time and resources on growing the corporation," he said. "We have a promising future in tourism and we look forward to a second successful season at Icy Strait Point in Hoonah and Glacier Bay National Park."

"We are appreciative for the judicial system so injustice and disagreements at their highest form can be resolved, but it's unfortunate that defending the corporation has taken a considerable toll on our time and resources," Wysocki said. He said Huna Totem will seek reimbursement of legal expenses from the plaintiffs, the dissident shareholders.

Wysocki noted that over the past several years, there have been simultaneous legal actions filed by dissident shareholders against Huna Totem and the Shareholders' Settlement Trust. The corporation and the Trust prevailed in all cases. To date, the corporation has spent approximately \$450,000 in legal fees to defend the corporation and the settlement trust.

"Disagreements and misunderstandings don't have to mean lawsuits," said Dick. "We are making a concerted effort to educate and inform shareholders about the corporation. We encourage our shareholders to read their newsletters, visit the website, and ask questions to board members, corporate executives and staff." 

Inheritance – important matters of the heart

One of the most important things you can do for your loved ones is to complete a testamentary.

A testamentary disposition clearly spells out who will inherit your Huna Totem shares at the time of your death. Without it, Huna Totem must distribute your shares following the Alaska Statutes.

For more information, please contact James Jack, Sr. at 1-800-428-8298. 