



CIRI

raven's circle

april **2010**

Windsong Lodge earns top marks

International operator picks best hotels in America

Studiosus, an international tour operator, awarded the Seward Windsong Lodge their Studiosus Award 2009 in March 2010. The Windsong Lodge was one of only four hotels in North America to receive the award.

Studiosus selects hotels for the award based on their travelers' evaluations. Studiosus clients rated hotels for atmosphere, comfort, tidiness and cleanliness, breakfast, service and overall satisfaction.

Studiosus is one of Europe's top cultural and educational tour providers, with more than 1,000 routes in more than 100 countries. Studiosus

caters primarily to travelers between the ages of 45 and 65 in central Europe, conducting sales through approximately 7,100 travel agencies in Germany, Austria and Switzerland.

The 180-room Seward Windsong Lodge is located in the scenic Resurrection River Valley near Exit Glacier and Kenai Fjords National Park, five minutes north of the harbor in Seward, Alaska. The lodge features a rock fireplace, gift shop, tour desk, Internet station, espresso and snack bar, modern conference and banquet facilities and the Resurrection Roadhouse restaurant.

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Photo courtesy of CIRI Alaska Tourism Corp.

The Seward Windsong Lodge won a prestigious award from a large international tour company for the high quality of its customer service and experience. The lodge is one of four in North America to receive the Studiosus Award 2009. The lodge fronts the scenic Resurrection River Valley in Seward, Alaska, near Kenai Fjords National Park.

Reminder: spring shareholder meetings

Shareholder information meetings

Saturday, April 24

Shoreline Community College
16101 Greenwood Ave. N.
Shoreline, Wash.

Sunday, May 2

Dena'ina Civic & Convention Center
600 W. 7th Avenue
Anchorage, Alaska

Saturday, May 8

Kenai Central High School
9583 Kenai Spur Hwy.
Kenai, Alaska

Please help CIRI make sure there is enough food. RSVP for Shoreline no later than Tuesday, April 20, for Anchorage no later than Tuesday, April 27, and for Kenai no later than Tuesday, May 4, by calling 263-5191 or 1-800-764-CIRI and selecting option 5.

Annual meeting

Saturday, June 5

Chief Leschi School
5625 52nd St. E.
Puyallup, Wash.

Revamped Puffin Pass goes paperless

CATC program offers specials, deals to members

CIRI Alaska Tourism Corp. (CATC) has improved its Puffin Pass program, which offers exclusive savings on travel, adventures and accommodations to Alaskans and their guests. Members will be the first to know about new and upcoming events at CIRI Alaska Tourism. CATC particularly invites CIRI shareholders who live in Alaska to become acquainted with the benefits of this program.

Changes and improvements that have made the program even better and easier to use include:

- No login required. That's right, you don't have to remember yet another password to save big!
- No membership card required. We don't need a piece of plastic to recognize our neighbors!
- No obscure codes. While you may need to put in a code to get a special deal, we'll make it easy to remember!
- Puffin Pass has gone paperless! Now, members get exclusive access via e-mailed "members-only" deals.

Puffin Pass members will receive:

- The best deals first! You get the first crack at these opportunities before anyone else does.
- The greatest availability! Since you're at the head of the line, you get to plan your trip based on the most available dates.
- More specials than ever before! We've put together some awesome trips and packages . . . just for you and your guests.
- Last minute deals! Since you're just down the road, you can take advantage of some great last-minute availability first.

Not a member yet? Learn more on the Web at www.puffinpass.com. Sign up for the new and improved, paperless Puffin Pass program and start receiving fantastic deals on Alaskan adventures.



Get the eNewsletter form on the CIRI Web site and get CIRI-ous about reducing paper waste!



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A word from the president

By: Margie Brown, CIRI president and CEO

(Excerpts from Letter to Shareholders, CIRI 2009 Annual Report)



Margie Brown

Last year I wrote about the effects that economic turmoil had on CIRI's businesses and its 2008 net income and I expressed confidence that we would work through the challenges. While 2009 brought continued challenges, I am pleased to report that CIRI returned to profitability and earned a net profit of \$24.5 million, up dramatically from the \$22.8 million loss it suffered in 2008. Total shareholders' equity is \$635.4 million at year-end 2009, up from \$632.0 million in 2008.

In the face of this crisis and changed market conditions we refreshed the Company's strategic plan to pursue acquisition opportunities that would provide strong cash flows in the near- and mid-term timeframe.

At year-end 2008, realizing that selling a portion of CIRI's marketable securities would allow us to rebalance our investment allocations and replace underperforming fund managers, we liquidated a substantial portion of our marketable securities portfolio. By doing so, we gained a significant tax benefit in the form of an income tax refund, which was received in late 2009. We re-entered the stock market in early 2009. These investments gained significant value throughout the year as world financial markets stabilized and recovered.

In the tourism sector, we were not immune to the effects of the sharp business contraction and national recession that took place in late 2008 and 2009. At CIRI Alaska Tourism Corp., we aggressively managed business operations throughout the season to control costs so that it was net cash positive for the year, though not positive on a GAAP net income basis. We remain cautious about the levels of visitation to Alaska in 2010 and are continuing to work on improvements to our marketing program and cost control measures.

Not all that we are working on requires a cautionary note. Ever since I became CIRI's president and chief executive officer, we have focused on energy-related investments, particularly opportunities in Southcentral Alaska where natural gas supplies are dwindling. We are tackling complex projects that, upon successful completion, will be transformational for the Company.

Late in 2009, we cleared and examined the geology of each of the sites where the Fire Island wind project towers will be located, and additional construction work on the island is slated for 2010. In August 2009, we announced CIRI's underground coal gasification (UCG) project after having quietly but comprehensively examined the technology for nearly a year. Our project will be located on CIRI land on the west side of Cook Inlet and will produce syngas from coal, without mining, to fuel a 100-megawatt combined cycle power plant to supply electricity for Southcentral Alaska electricity consumers. Future UCG

project phases could upgrade syngas into synthetic natural gas or clean liquid fuels. We are underway in the first of three drilling programs designed to assess the resource and locate a specific project site.

Our refreshed strategic plan guides us to look for new business developments with significant market trends in mind. One market trend we are observing is the widespread interest in "cleantech" businesses that provide knowledge-based products and services that enable sustainable energy development, energy conservation and pollution reduction.

Our Company invested in Codexis, a California-based biotech company that develops technologies that improve the efficiency of energy, pharmaceutical and environmental industries. We also committed capital to Westly Capital Partners Fund L.P. for cleantech investments in such companies as Tesla Motors, the high-performance electric car manufacturer.

I also am pleased to welcome a new business to the CIRI family of companies. In 2009, CIRI acquired North Wind Inc., an environmental management, engineering and construction services company that specializes in cleaning up hazardous materials sites. North Wind brings to us valuable experience in the fields of environmental cleanup and engineering and provides a good platform for growing our government contracting and other minority business enterprise initiatives.

Work proceeded in 2009 with the build-out of our Tikahtnu Commons retail and entertainment center in Anchorage. The new Regal Theaters, including Alaska's only IMAX screen, will open in June 2010. We also are pleased to report that the construction of the Hyatt Place North Stone Oak at Sonterra in San Antonio, Texas, is nearing completion and is scheduled to open in mid-April 2010.

The past year was both challenging and exhilarating. CIRI's new and ongoing business initiatives have positioned our Company prudently to benefit both current and future generations of shareholders. I feel privileged to lead a talented executive team and to work alongside the dedicated CIRI employees throughout the Company. We share a commitment to CIRI and we work hard to ensure that CIRI will continue to benefit shareholders and their descendants for generations to come.

CIRI Board of Directors

Charles G. Anderson, Aleut, Chairman

Roy M. Huhndorf, Yup'ik, Chairman Emeritus

Patrick M. Marrs, Aleut, Vice Chairman

Thomas P. Huhndorf, Yup'ik, Secretary

Michael R. Boling, Athabaskan, Treasurer

Douglas W. Fifer, Tlingit, Assistant Secretary

Penny L. Carty, Aleut, Assistant Treasurer

B. Agnes Brown, Athabaskan

Rolf A. Dagg, Yup'ik

William D. English, Inupiaq

Erik I. Frostad, Athabaskan

Jeffrey A. Gonnason, Haida

Katrina M. (Dolchok) Jacuk, Aleut

Ted S. Kroto Sr., Athabaskan

Louis "Lou" Nagy Jr., Yup'ik

Fun Census Facts Eight great reasons to be counted

Answer the Door

At the end of April, census takers will begin knocking on doors to collect census information from those who did not complete and mail back their 2010 Census form. If you have not already done so, it's not too late to mail it back. If a census taker comes knocking on your door because you did not mail back your census form, please answer your door and allow him or her the opportunity to collect your census data so we achieve a complete count in Alaska.

Ensuring Our Democracy is Fair

The founders of our country created Article 1, Section 2 of the Constitution to ensure that representation in Congress is distributed equally. Our system of government depends on equal representation in Congress, which depends on the census. The United States has conducted a census every ten years since 1790. The 2010 Census is the 23rd census in American history.

Allocating Federal Funds

More than \$400 billion in federal funds are distributed every year to states and communities based on census population data. Our community could miss out on receiving our full share of federal dollars if all of our residents are not counted in the 2010 Census.

Each Alaskan Represents \$2,500

State and local governments use census data to plan new roads, schools and emergency services. Businesses use the data to develop new economic opportunities. Each Alaskan accounts for \$2,500 in federal funding per year

for the next ten years. We cannot afford to have residents missed in the 2010 Census count.

Just 10 Questions

The 2010 Census is the shortest in history with just 10 questions to answer and takes only about 10 minutes to complete the form. The questions are very basic, asking topics such as name, age, race and home ownership.

It's Confidential

All Census Bureau employees take the oath of nondisclosure and are sworn for life to protect the confidentiality of the data. The penalty for unlawful disclosure by a census employee is a fine of up to \$250,000 or imprisonment for up to five years, or both.

Mail That Form!

Between \$80-\$90 million in taxpayer dollars is saved for each 1 percent increase in mail-back response. It's critical that you mail back your census form rather than wait for a census taker to show up on your doorstep. It's safe, easy and important: take ten minutes to complete and mail back that form.

www.2010census.gov

We're hiring! The U.S. Census Bureau is accepting applications for census takers: part-time, temporary employment. Census takers can earn \$25.00 per hour plus 50¢ per mile reimbursement.

CIRI needs your help locating shareholder addresses

CIRI strives to ensure correspondence, reports, newsletters and dividends reach shareholders in a timely manner. It is important for shareholders to notify CIRI Shareholder Relations and the U.S. Postal Service of all address changes. The following CIRI shareholders do not have a current mailing address on record with CIRI Shareholder Relations and should fill out the change of address form at CIRI's offices, or download it at www.ciri.com/content/shareholders/change.aspx. You can also write a letter, signed by the shareholder, which includes the new address, telephone number, birth date and social security number.

Allowan, David
Anderson, Richard Wilmont
Askay, Egan Hugh
Bailey, Daryl Dawson
Barrickman, Misti Lynn
Batt, David Ervin
Beach, Alton Lee III
Bright, Steven Patrick
Cook, Tilford Don
Ellanna, Veronica
Hooper, Jesse Franklin
Jordon, Branden J.
Kaloa, Marco Leslie
Karabelnikoff, David Michael
Langley, Raymond Arthur

Marsden, John Victor Sr.
McVay, Barbara Jean
Moore, Shaun Michael
Nanooruk, Frank Spoon
Nicholi, Glenda Lee
Peterson, Michael Gary
Reamer, Steven Clark
Roehl, Kimora Love
Sallison, Daniel David Jr.
Santana, David Michael
Segura, David Lee Jr.
Simmonds, Ronald Ekosik Jr.
Soxie, Dalene Ruth
Takeuchi, Veronica Ann
Wheeler, Anwar Lee

Windsong

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The Seward Windsong Lodge is owned by CIRI Alaska Tourism Corp. (CATC), a wholly owned CIRI subsidiary. CATC is one of Alaska's leading tourism companies, with three full-service lodges, Talkeetna Alaskan Lodge, Seward Windsong Lodge and Kenai Fjords Wilderness Lodge, and two marine day-cruise companies, Kenai Fjords Tours and Prince William Sound Glacier Cruises. CATC also owns Alaska Heritage Tours, a package tour and booking company.

Visit sewardwindsong.com

Pedersen wins March Stock Will prize

William Pedersen won the March 2010 Stock Will participation prize. To be eligible for the monthly \$200 prize drawings, shareholders must have a Will disposing of their CIRI shares on file in CIRI Shareholder Relations. The CIRI Stock Will form and instructions are located on the CIRI Web site at www.ciri.com. To verify whether you have a Will on file, contact CIRI's probate staff at (907) 263-5191 or toll-free at (800) 764-2474.

CIRI Spotlight: Gloria Yates

CIRI shareholder and census partnership specialist urges Natives to be counted

CIRI shareholder Gloria Yates isn't new to U.S. Census Bureau work. In the 2000 decennial census, Gloria worked as a recruiter for census jobs and in field operations supervising census takers. With an education and background in social work, she enjoys her work with the U.S. Census Bureau because it allows her to continue to work for the well-being of the Alaska Native/American Indian community in Southcentral Alaska.

Gloria and her siblings are of Yup'ik descent; their mother, Carrie Andrew, now 81, moved to Anchorage from the village of Tuluksak in the 1960s to work as a nurse's aid at the Alaska Native Medical Center. Their father, the late Jose Ruvalcava, was recruited from Montana to help build the Alaska Railroad. They raised their family in Anchorage and the children are all original enrollees of CIRI.

"My mother has been an inspiration to me and is the reason I've chosen a career working for the betterment of the Native community," Gloria explains. "She taught us to have compassion, kindness and respect for others. Her words of wisdom gave us patience and a spirit of determination, which helps us when we're faced with life's challenges. Her advice and prayers continue to give us a strong foundation of faith and love for others."

Gloria can't overstate the importance of participating in the census. "Participating in the 2010 Census contributes to a bright future for our communities and families. The count will help shape decisions for federal funding for critical social services, neighborhood improvements, transportation, planning, schools, business development, senior services and much more. Census takers will start knocking on doors at the beginning of May to collect census information from those who have not filled out and mailed back their form. If you have not completed your census form, we encourage you to take a few minutes today to respond."

Gloria's prior work experience has positioned her well for census outreach: she's served as shareholder relations coordinator for CIRI, work enhancement case manager and family advocate for Cook Inlet Tribal Council (CITC), and clinical associate for Southcentral Foundation.

"I would like to thank the CITC Board of Directors and CITC President Gloria O'Neill especially for generously donating office space to the U.S. Census Bureau where I am based. CITC's partnership with the Bureau has

helped immensely to ensure that we have an accurate count of the Alaska Native community."

As partnership specialist, Gloria works to relay the importance of being counted.

"I work with tribal organizations, other diverse ethnic



Photo courtesy of Gloria Yates

Gloria Yates serves as partner specialist for the U.S. Census Bureau.

communities, churches, schools, social service organizations, businesses, nonprofit organizations and elected officials," Gloria said. "My role is to relay the census message through presentations, information booths at various events, hosting meetings, participating in conferences and organizing community events. The venue may change but the message remains the same: We need to participate and be counted!"

Outside work, Gloria is about to celebrate her 26th wedding anniversary with her husband Douglas. Their son, Douglas III, attends the University of Alaska, Anchorage on a scholarship from Southcentral Foundation's RAISE Program.

When not working or spending time with family, Gloria has an impressive resume of volunteer activities with a diverse array of causes including the Warriors Rural Alaska Suicide Prevention Outreach. Another interest dear to her heart is the business she cofounded with husband Douglas, the Douglas Yates Native Gallery. To learn more, visit: www.douglasyates.org

You can contact Gloria for more information or contact the census directly:
gyates@alaska.net
(907) 444-5929.
www.2010census.gov
800-923-8282

2009 Annual Report

How to read CIRI's financial statements

CIRI recently released its 2009 annual report. This document summarizes the Company's performance last year and contains information that shareholders and interested readers can use to better understand CIRI's business and investments. Annual report financial statements can be difficult to understand. This guide explains key parts of the financial statements that are on pages 20-23 of CIRI's 2009 annual report.

The financial statements include:

- **Balance Sheets**
- **Statements of Operations**
- **Statements of Shareholders' Equity and Comprehensive Income**
- **Statements of Cash Flows**

They are accompanied by footnotes that provide additional details about the Company's investments and discuss Company earnings and its financial position at year-end. Management's Discussion and Analysis follows the audited financial statements and gives additional information about the Company's operations and holdings. An independent auditor, KPMG, LLP, audits the financial statements and issues its opinion as to CIRI's conformity with U.S. generally accepted accounting principles.



CONSOLIDATED FINANCIAL STATEMENTS CIRI 2009 ANNUAL REPORT

Consolidated Balance Sheets

December 31,	2009	2008
	(in thousands)	
Assets	\$ 80,085	83,814
Cash and cash equivalents	102,325	24,340
Marketable securities (note 4 and 11)	814	54,494
Receivables from investment security sales (notes 4 and 7)	21,718	14,685
Trade and other receivables (note 5)	3,742	3,170
Restricted cash and cash equivalents (note 17)	-	30,771
Income taxes receivable (note 16)	127,023	115,479
Deutsche Telekom exchange rights agreement (note 6 and 11)	161,512	157,893
Investments in unconsolidated affiliates (note 7)	157,096	146,166
Real estate investments, net of accumulated depreciation of \$8,255,000 and \$7,824,000 for 2009 and 2008, respectively (note 9)	46,743	46,798
Property and equipment, net of accumulated depreciation of \$39,927,000 and \$33,547,000 for 2009 and 2008, respectively (note 10)	895	895
Natural resource investments	22,748	2,177
Goodwill (note 2 and 8)	2,489	1,023
Intangible assets, net (note 2 and 8)	5,292	5,621
Other	\$ 732,482	687,326
Total assets		
Liabilities and shareholders' equity	\$ 30,244	12,456
Liabilities:	16,725	7,604
Notes payable and obligations under capital leases (note 12)	17,624	4,579
Accounts payable	11,589	18,699
Accrued liabilities (notes 7, 17 and 18)	427	-
Due to other regions, at-large shareholders and village corporations (note 13)	19,890	10,329
Income taxes payable	507	1,527
Deferred income taxes	97,006	55,194
Other	-	-
Total liabilities		
Shareholders' equity:	209,159	209,159
Common stock of no par value (note 14)	424,842	422,478
Paid-in capital	-	-
Retained earnings	1,388	400
Accumulated other comprehensive income - unrealized gains and losses on marketable securities (note 4)	635,389	632,037
on marketable securities (note 4)	87	95
Total shareholders' equity attributable to Cook Inlet Region Inc.	635,476	632,132
Noncontrolling interests (note 14)	-	-
Commitments and contingencies (notes 7, 12, 13, 14, 16, 17 and 18)	\$ 732,482	687,326
Total liabilities and shareholders' equity		

(See accompanying notes to the consolidated financial statements.)

Consolidated Balance Sheets is divided into:

- Assets** - what the company owns
- Liabilities** - what the company owes
- Shareholders' equity** - the net worth of the company

Assets - Liabilities = Shareholders' Equity

- **Cash and cash equivalents and marketable securities** include cash in bank accounts, money market accounts, equities and bonds that easily can be converted into cash.
- **Investments in unconsolidated affiliates** include CIRI's ownership interests and other corporations, partnerships, limited liability companies and joint ventures in which CIRI does not hold a controlling interest.
- **Real estate investments, net** includes real estate in Alaska and other states. These investments include commercial and industrial properties for lease or sale and residential developments and other lands held for development or sale.
- **Liabilities** are amounts owed by CIRI from debt or costs unpaid at year-end.

Consolidated Statements of Operations

Years ended December 31,	2009	2008	2007
	(in thousands, except income (loss) per share)		
Revenues:			
Real estate	\$ 10,601	9,738	10,194
Construction and government services	17,987	10,589	16,873
Telecommunications (note 6)	11,924	10,881	10,560
Tourism and hospitality	16,334	23,934	23,602
Natural resources and energy	12,266	16,856	10,691
Private equities	(9,276)	(3,897)	24,902
Investment securities	20,057	(56,982)	23,003
Total revenues	79,893	11,119	119,825
Expenses:			
Real estate	6,822	6,966	4,991
Construction and government services	1,886	5,696	2,017
Telecommunications	18	7	58
Tourism and hospitality	21,265	24,187	21,710
Natural resources and energy	4,852	1,696	1,473
Private equities	1,354	973	623
Investment securities	539	445	851
General and administrative and shareholder relations	13,436	12,134	13,728
Total expenses	50,172	52,104	45,451
Income (loss) before income taxes	29,721	(40,985)	74,374
Income tax benefit (provision) (note 16)	(5,212)	18,238	(17,800)
Net income (loss)	24,509	(22,747)	56,574
Less income attributable to noncontrolling interests, net of income tax provision of \$6,000 and \$41,000 for 2009 and 2008, respectively	(11)	(70)	-
Net income (loss) attributable to Cook Inlet Region Inc.	\$ 24,498	(22,817)	56,574
Income (loss) per share of common stock	\$ 39.02	(36.34)	90.12

(See accompanying notes to the consolidated financial statements.)

Consolidated Statement of Operations reports CIRI's 2009 performance

Revenues - Expenses = Net Income

Revenues and Expenses

CIRI's revenues and expenses are reported by operating segment:

- **Real estate income** includes property leases, property management fees and brokerage commissions as well as revenues from the sale of real estate holdings.
- **Construction and government services income** is CIRI's share of earnings from its 50 percent ownership in two construction and oilfield service companies and from contracts offered by the federal government.
- **Telecommunications income** is from CIRI's ownership interest in a joint venture with T-Mobile.
- **Tourism income** is from CIRI's Alaska tourism company and CIRI's interests in out-of-state hospitality properties.
- **Natural resources and energy income** is primarily from oil and gas royalty revenues and from the 7(i) resource sharing payments received from other ANCSA corporations.
- **Private equities income** is from investments in general private equity and venture capital funds that invest in a broad variety of industries, both foreign and domestic.

Net income for 2009 was more than \$24.5 million.

Income per share of common stock divides the net income by 627,800, the outstanding number of CIRI shares, to report the amount of income earned per share.

Consolidated Statement of Changes in Shareholders' Equity and Comprehensive Income

shows the year's activity in each of the components of shareholders' equity including current year net income and dividends paid to shareholders

Net income as reported in the statement of income

Total dividends paid to shareholders during 2009

Consolidated Statements of Changes in Shareholders' Equity and Comprehensive Income

Years ended December 31, 2009, 2008 and 2007

	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Equity Attributable to CIRI	Non-controlling Interests	Total
<i>(in thousands, except number of shares)</i>						
Balance as of January 1, 2007	\$ 209,159	432,259	14,022	655,440	-	655,440
Net income	-	56,574	-	56,574	-	56,574
Change in valuation of marketable securities, net of \$3,437,000 of deferred income taxes (note 4)	-	-	-	-	-	-
Total comprehensive income	-	56,574	-	56,574	-	56,574
Elders' Benefit Program distribution (note 14)	-	-	(7,019)	(7,019)	-	(7,019)
Cash distributions - \$33.93 per share (note 14)	-	(10)	-	(10)	-	(10)
Balance as of December 31, 2007	209,159	467,522	7,003	683,684	-	683,684
Net loss	-	(22,817)	-	(22,817)	70	(22,747)
Change in valuation of marketable securities, net of \$3,879,000 of deferred income taxes (note 4)	-	-	-	-	-	-
Total comprehensive loss	-	(22,817)	-	(22,817)	70	(22,747)
Change in noncontrolling interests, other than allocation of income	-	-	(6,603)	(6,603)	-	(6,603)
Elders' Benefit Program distribution (note 14)	-	-	-	(29,420)	70	(29,350)
Cash distributions - \$35.39 per share (note 14)	-	(9)	-	(9)	-	(9)
Balance as of December 31, 2008	209,159	422,478	400	632,037	95	632,132
Net income	-	24,498	-	24,498	11	24,509
Change in valuation of marketable securities, net of \$815,000 of deferred income taxes (note 4)	-	-	-	-	-	-
Total comprehensive income	-	24,498	-	24,498	11	24,509
Change in noncontrolling interests, other than allocation of income	-	-	988	988	-	988
Elders' Benefit Program distribution (note 14)	-	-	-	25,486	11	25,497
Cash distributions - \$35.24 per share (note 14)	-	(10)	-	(10)	-	(10)
Balance as of December 31, 2009	\$ 209,159	424,842	1,388	635,389	87	635,476

CIRI's outstanding shares of common stock with no par value totaled 627,800 for the three years noted above.

(See accompanying notes to the consolidated financial statements.)

Consolidated Statements of Cash Flow

Years ended December 31,

	2009	2008	2007
<i>(in thousands)</i>			
Net income (loss)	\$ 24,509	(22,747)	56,574
Reconciliation of net income (loss) to net cash provided (used) by operating activities:			
Earnings of unconsolidated affiliates, net of distributions	3,287	23,386	1,373
Noncontrolling interest	(11)	(70)	-
Depreciation and amortization	5,212	4,529	3,991
Amortization of premiums and discounts on marketable securities	31	44	148
(Gain) loss on sale of assets	(653)	36,056	(28,376)
Unrealized gains on marketable securities	(19,152)	-	(9,540)
Accrued income on exchange rights agreement	(11,544)	(10,493)	8,652
Write-downs of assets	9,922	11,545	11,365
Deferred income taxes	8,981	10,279	(19,999)
Changes in operating assets and liabilities, net of business acquired (note 3)	89,330	(25,477)	(19,999)
Net cash provided by operations	109,912	27,052	24,188
Net cash provided by operations	148,006	223,099	195,237
Cash flows from investing activities:	(196,891)	(103,223)	(223,850)
Proceeds from sale of marketable securities	-	-	660
Purchases of marketable securities	-	-	24
Proceeds from disposals of telecommunications operations	4,833	1,470	10,117
Proceeds from disposals of tourism and hospitality investments	438	3,421	10,503
Proceeds from disposals of real estate investments	3,545	5,619	12,787
Capital returned from investments in private equities	(2,906)	(7,433)	(5,904)
Capital returned from investments in unconsolidated affiliates	(17,121)	(15,051)	(38,329)
Cash returned from investments in unconsolidated affiliates	(8,593)	-	-
Cash invested in operating property and equipment	(19,724)	(25,562)	(17,465)
Cash invested in real estate	(793)	(46,880)	(777)
Cash invested in construction and government services, net of cash acquired	(89,206)	35,463	(76,997)
Cash invested in private equities	-	-	-
Cash invested in partnerships and limited liability companies	-	-	-
Cash invested in partnerships and limited liability companies	(5,628)	(1,021)	(63)
Net cash provided by (used in) investing activities	3,327	3,867	(10)
Cash flows from financing activities:	(22,124)	(22,218)	(21,301)
Principal payments on notes payable	(10)	(9)	(10)
Proceeds from issuance of long-term debt	(24,435)	(19,381)	(21,374)
Distributions to Elders' Benefit Program	(3,729)	43,134	(74,183)
Distributions to shareholders	83,814	40,680	114,863
Net cash used in financing activities	(22,124)	(22,218)	(21,301)
Net increase (decrease) in cash and cash equivalents	80,085	83,814	40,680
Cash and cash equivalents at beginning of year			
Cash and cash equivalents at end of year	\$ 80,085	83,814	40,680

(See accompanying notes to the consolidated financial statements.)

Consolidated Statement of Cash Flows

shows how CIRI used or received cash during the year

- CIRI generated \$109.9 million from its operations in 2009
- CIRI invested net \$89.2 million cash in 2009 in operating assets, affiliates and marketable securities
- CIRI paid \$22.1 million in shareholder dividends in 2009

Glossary of financial terms

Consolidated Balance Sheets: These reports show what a corporation and its subsidiary companies own (assets) and owe (liabilities) at a certain date. They also show a shareholders' equity.

Asset: Something of value that is owned, including cash and items that are convertible to cash. Examples of assets include receivables (monies owed to the company), inventories (supplies), property and equipment (buildings, land, machinery, etc.).

Liability: A company's legal debts or obligations that arise during the course of business operations.

Equity: Total assets less total liabilities equals equity. CIRI's equity belongs to CIRI shareholders.

Consolidated Statements of Operations: These reports show the combined revenues, expenses and net income or net loss of a company.

Revenue: The money made by operating a business or earned from holding an asset.

Expenses: The costs required to generate revenue. For example, fuel to operate construction equipment.

Net Income: When total revenues exceed total expenses.

Net Loss: When total expenses exceed total revenues.

Consolidated Statements of Cash Flows: These reports show the amount of cash received and spent during a fiscal year, including:

- Cash received or spent operating a business.
- Cash received or spent buying and selling assets.
- Cash borrowed or paid on debt and/or paid to shareholders.

Fiscal Year: Also called a financial year; any yearly period without regard to the calendar year at the end of which a company or organization determines its financial condition. CIRI's fiscal year is Jan. 1 through Dec. 31.

Limited Liability Company (LLC): A LLC is a business organization that combines elements of both partnerships and corporations. It limits the legal risk to its owners to only the amount of their investment.

Liquidity: Cash and current assets sufficient to satisfy the Company's liabilities and commitments as they come due.

Marketable Securities: A general term for stocks, bonds or other investments that can be sold on the open market.

Condolences

Alice Bouwens, 85

Alice Bouwens died Feb. 18 at the Alaska Native Medical Center in Anchorage. Ms. Bouwens was born in Ninilchik, Alaska. She is survived by her daughter, Camille Walls; and sons, William Jr., Mike, Dan and Ray Bouwens.

Katherine (Kate) M. Callahan, 82

Katherine (Kate) M. Callahan died Jan. 31 in Anchorage. Ms. Callahan was born Dec. 7, 1927, in Kanatak, Alaska. She is survived by her daughters, Sharon Weathers, Georgia Mario and Grace Dorman; son, Alexander Callahan; sister, Doris Lind; and nine grandchildren and 14 great-grandchildren.

Jay Clifford Hudson, 52

Jay Clifford Hudson died Dec. 2, 2009, at the Alaska Native Medical Center in Anchorage. Mr. Hudson was born Sept. 16, 1957, in Palmer, Alaska. He is survived by his sons, Clifford J. and Dustin R. Hudson; mother, Ollie Hudson; father, Clifford Hudson; and brothers, Bruce, Chuck and Scott Hudson.

John Hughes, 95

John Hughes died Jan. 23 in Tacoma, Wash. Mr. Hughes was born May 21, 1914, in Chignik, Alaska. He is survived by his son, David Hughes; sister, Alice Chadwick; nieces, Kathryn Duncan, Carlene Faithful and Julie Wahl; and nephew, David Allen.

Josephine Alice (Rouse) Parkinson, 63

Josephine Alice Parkinson died Jan. 31. Ms. Parkinson was born June 6, 1946, in Anchorage. She is survived by her children and their families, Stanley (Kirt), Cassie, Ashley, Kelsie, Stanley III and Lance; Sheri, Steve, Phillip and Axel (Hillstrand), and Geran Phillips, and William (Sam), Jessica, Sammy and Kris; and sisters, Anne Keeton and Debby Parr.

Richard C. Sambo, 65

Richard C. Sambo died Dec. 23, 2009, in Anchorage. Mr. Sambo was born in Anchorage. He is survived by his wife, Rhonda M. Sambo; daughter, Rhonda L. Tapp; and granddaughters, Natane Sambo-Freeman and Danielle Tapp.

Walter Reginald Thomas, 89

Walter R. Thomas died Jan. 5 at Alaska Regional Hospital in Anchorage. Mr. Thomas was born Sept. 2, 1920, in Sheridan, Wyo. He is survived by his daughters, Cheryl Gargrave and Elizabeth Heimburger; sons, Walter Jr. and Erroll R. Thomas; daughter-in-law, Margaret Thomas; stepdaughters, Daisy Clark and Charlene Russell; stepson, Ronald Thomas; sister, Vivian K. Abood; and 12 grandchildren and eight great-grandchildren.

Janet Sue Williams (a.k.a. Estabrook), 66

Janet Sue Williams died Dec. 12, 2009, at home in Anchorage. Ms. Williams was born in 1943 in Anchorage. She is survived by her husband, Aaron R. Williams; daughters, Georgina Lamaroux and Peggy Clinton; and son, Anthony Estabrook.

Condolences

Georgianna Baremore, 79
Robert William Goocher, 66
Anna Agnes Ireton, 94
Viola Hilda Meining, 86

Shareholder/descendant-owned business

CIRI shareholder Sandee Rice, Yupik, is a self-taught photographer. She enjoys taking a wide variety of photos, from wildlife and scenery to senior portraits and weddings. She has been taking photos for four years. Her capabilities include indoor and outdoor shoots, and with her portable equipment she can shoot at any location.

Sandee Rice Photography

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april **2010**



CIRI

EDITOR • Maniksaq Baumgartner
DESIGN • Plaid Agency • © CIRI, 2010



VOLUME 35
ISSUE 3

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