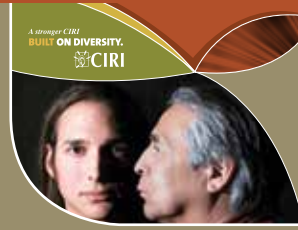


Raven's Circle



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Weldin Construction Project Manager and Quality Control Systems Manager James Pulkrabek accepting the U.S. Army Corps of Engineers' Safety Award.

WELDIN SCORES RECOGNITION FOR HIGH STANDARDS

When you're operating in a construction zone, with heavy equipment maneuvering about, the number one priority for successful companies is safety. The quality of work means little if someone gets hurt. And consistently operating safely is no accident. It takes pre-planning, communication and training for both employees and management.

"Rewards for safety, in particular, exemplify the high standards that we strive for across the company."

– GREGORY RAZO

Weldin Construction, a CIRI subsidiary, recognizes the importance of safety. And others recognize Weldin's safety performance.

In March, Weldin received the Alaska Governor's Safety Award of Excellence at the Governor's Safety and Health Conference in Anchorage. The award – presented to groups demonstrating excellence in safety and health systems that protect their employees in the workplace – singles out companies whose management and employees are committed to and involved in the safety process and who emphasize on hazard analysis and hazard reduction.

"Safety is extremely important at Weldin Construction," said Jeremy Pennington, corporate safety and health manager of Weldin's parent company, CIRI Services Corporation, for which CIRI shareholder Richard (Dick) Weldin serves as president.

"We're primarily a government contractor," adds Pennington. But there are other avenues we'd like to explore and safety is leading us to those opportunities. Safety is a key component of what companies are looking for when they hire contractors, and awards like this one open up more doors for us to get those contracts and broaden our scope."

On the heels of the Governor's Award, Weldin also received news that six of its projects would be honored at the U.S. Army Corps of Engineers' (USACE) Celebrate Safety Award Ceremony on April 4, 2014. This USACE Alaska District award recognizes excellence in safety through teamwork with the goal of zero accidents.

"CIRI is proud to stand behind Weldin and its commendable safety record," said Gregory Razo, CIRI shareholder and CIRI vice president of Government Contracting. "Rewards for safety, in particular, exemplify the high standards that we strive for across the company." 📧

SHAREHOLDER EVENTS

SHAREHOLDER INFORMATION MEETINGS AND ANNUAL MEETING

CIRI welcomed shareholders on the evening of April 18 to an open house at the CIRI Building. CIRI will host information meetings in Kenai, Alaska, and Puyallup, Wash., prior to the annual meeting in Anchorage in early June. CIRI encourages shareholders to attend the events and learn the latest information about CIRI and its business activities.

Kenai Information Meeting

Saturday, April 26
Kenai Central High School
9583 Kenai Spur Hwy.
Kenai, Alaska
Registration opens at 10:30 a.m.
Please RSVP by 3 p.m. Monday, April 21

Northwest Information Meeting

Saturday, May 3
Chief Leschi School
5625 52nd Street East, Puyallup, Wash.
Registration opens at 9:30 a.m.
Please RSVP by 3 p.m. Monday, April 28

Annual Meeting

Saturday, June 7
Dena'ina Civic & Convention Center
600 West Seventh Avenue, Anchorage
Registration: 8 a.m. to 11 a.m.
While it is not necessary to RSVP for the Annual Meeting, it helps us to ensure the proper amount of food.

THERE ARE TWO WAYS TO RSVP

ONLINE www.ciri.com/RSVP
CALL (907) 263-5191 or (800) 764-2474 and select option 5.

Please note the RSVP deadlines below each event and respond by the indicated date. Letting us know you will attend and how many people will be in your party helps us to ensure there is the right amount of food.

A WORD FROM THE PRESIDENT

By: Sophie Minich, CIRI president and chief executive officer

It was great to see so many of you at the first CIRI Open House in Anchorage! Thanks to those of you who came out to learn about CIRI's 2013 business operations and share in the financial success of our company.

The Open House and the upcoming Shareholder Information Meetings in Kenai and Puyallup, Wash., are a great opportunity to reconnect with shareholders and discuss CIRI's financial results from the past year. Those results are presented in more detail in the 2013 CIRI Annual Report that was mailed to shareholders earlier this month.

The theme of this year's annual report, A Stronger CIRI – Built on Diversity, reflects one of the key reasons for CIRI's success. Diversity has always been one of CIRI's strongest assets, and I'm proud to be part of an Alaska Native corporation where, instead of letting our differences divide us, we use them to unite us. Our strength lies not only in our cultural diversity, but in our financial diversity too. By developing a portfolio of assets and investments in a range of business sectors, CIRI has built a stable foundation for its continued financial success.

CIRI achieved strong results in 2013. The company reported net income of \$21.4 million, an increase of \$5 million over 2012. CIRI's total assets are \$836 million and shareholders' equity grew to nearly \$629 million. Because dividends are based on shareholders' equity, our dividends will increase in 2014. Although the increase is modest, it's a sign we are moving in the right direction.

Last year, CIRI also celebrated a huge moment in the history of our company. The dividend distribution in the fall of 2013 brought the cumulative dividends and distributions to shareholders since the company was founded to more than \$1 billion. No other Alaska Native corporation has reached that milestone, and we can all take pride in CIRI's long-standing commitment to deliver economic benefits to shareholders.

2014 will no doubt bring challenges, but I look forward to the opportunities for growth and collaboration brought by the new year.

As our company grows, we can also contribute to the growth of the community CIRI calls home. This month, construction began on the new 8-story office tower that will be the first building at the Fireweed Business Center in midtown Anchorage. This project marks an exciting new phase for CIRI, which will move its offices into the first tower in early 2015. With more than half of the building available for commercial lease, it will also generate income and cash flow for the company.

In 2014, CIRI also looks to further strengthen our connections between CIRI villages, tribes and nonprofits through the Tikahtnu Forum, an organization that provides a platform for business collaborations and discussion of issues that impact all Alaska Native people.

One such issue is subsistence. We welcomed the news this month that the U.S. Supreme Court declined to review the State of Alaska's appeal to overturn federal rules, among other things, that provide a subsistence hunting and fishing priority for rural Alaskans during times of shortage. The "Katie John" case, as it's known, affirmed the critical role of subsistence in rural Alaska and we hope the Supreme Court's action marks the final challenge to the federal law that secures this fundamental legal right.

As we continue our Shareholder Information Meetings in Kenai (April 26) and Puyallup, Wash. (May 3), I'm looking forward to meeting with shareholders to celebrate our accomplishments during 2013 and discuss ways that CIRI can better meet the needs of our shareholders. I hope to see you there!



Sophie Minich



COURTESY OF YUIT, LLC.

"Our strength lies not only in our cultural diversity, but in our financial diversity too."

– SOPHIE MINICH

HIGHLIGHTS PRESIDENT'S MESSAGE

- CIRI's first Anchorage Open House held this month. Shareholders and descendants are encouraged to attend Kenai (April 26) and Puyallup (May 3) Information Meetings.
- 2013 was a strong year for CIRI, with a net income of \$21.4 million, an increase of \$5 million over 2012, and shareholders' equity at nearly \$629 million.
- The U.S. Supreme Court declined a petition to review the Katie John decision, which provides a subsistence priority for rural Alaskans during times of shortage.

DIGGIN' IT

FIREWEED BUSINESS CENTER CONSTRUCTION BEGINS

Construction of the Fireweed Business Center officially began this month as crews poured the concrete foundation. The first building at the site will be an 8-story office tower that offers tenants spacious accommodations at a prime midtown Anchorage location.

Last year, crews from Davis Constructors and Engineers prepared the site by putting in new sewer lines and placing underground heaters into the soil to allow for the major construction work to begin in April.

"It's exciting to see all of the activity at the site and the footprint of the building take shape," said Sophie Minich, president and CEO of CIRI. "We look forward to developing a project that all of us – our shareholders, employees and the community – can take pride in."

CIRI is planning an office campus with up to three buildings at the Fireweed Business Center, located at the intersection of Fireweed Lane and the New Seward Highway. The first office tower is expected to be completed in early 2015. To learn more about the project, visit www.fireweedcenter.com.

www.fireweedcenter.com >>

Construction crews make the first pour of concrete for the foundation of the office tower at the Fireweed Business Center. Photo by Joel Irwin.



COURTESY OF JANIE LEASK

Janie Leask

CIRI shareholder Janie Leask grew up in two worlds. Raised by a Haida/Tsimshian father and an Irish/German mother in Metlakatla and Anchorage, Leask often found herself trying to square the two sides of her heritage and upbringing—Alaska Native and European, urban and rural. Through her work on urban-rural issues and as the eventual President/CEO of the Alaska Federation of Natives (AFN), Leask would turn these divisions into an asset by becoming a bridge between communities. For her achievements in Alaska Native leadership and community building, Leask was recently inducted into the Alaska Women’s Hall of Fame.

“Being nominated is a real honor,” said Leask, who found out in December that she’d been selected for the Class of 2014. “I was humbled and really proud to be among the women who are included in the Alaska Women’s Hall of Fame.”

“I quickly realized I could accomplish things that were really important to me, and while a college degree might have helped, not having one certainly didn’t stop me.”

– JANIE LEASK

Leask spent her formative years in urban Anchorage, away from her cultural roots in Metlakatla. Blonde and blue-eyed, she took after her mother’s side of the family. With little experience in rural Alaska, she is grateful for the many mentors and teachers who helped her traverse the urban-rural, Native/non-Native worlds of Alaska.

She began her career working for AFN by helping people get jobs on the pipeline. Soon, she was moving up the ranks as executive secretary for Human Resources, vice president of Land Claims, then AFN vice president before deciding to run for AFN president, a position she held from 1982 to 1989.

Like many Alaskans, Leask went right into the workforce after highschool. She recalled, “I was really driven by getting out and doing something.”

During her career, she was often surrounded by people who had college degrees and initially felt she was somehow lacking because she did not. As she began to see the results of her own work on behalf of Alaska Native people, though, she said, “I quickly realized I could accomplish things that were really important to me, and while a college degree might have helped, not having one certainly didn’t stop me.”

Under her leadership, AFN helped implement the Alaska Native Land Claims Settlement Act and fought for state laws governing access to subsistence resources for rural residents. Leask also guided AFN to become more engaged with

SPOTLIGHT, CONTINUED ON PAGE 6

Ann Marie Anderson, 67

Ann Marie Anderson passed away Jan. 19 at the Alaska Native Medical Center in Anchorage. Ms. Anderson was born Jan. 9, 1947, in Seldovia, Alaska. She is survived by her husband, A.W. Anderson; daughter, Donica Johnson; and grandson, Westin Johnson.

Margaret Elsie Baker, 79

Margaret Elsie Baker passed away Dec. 7, 2013, at the Alaska Native Medical Center in Anchorage. Ms. Baker was born March 2, 1934, in Biorca, Alaska. She is survived by her children, Thomas Baker, Daniel Baker, Valorie Brunkhorst and Darrell Baker.

Karen Mae Clark, 46

Karen Mae Clark passed away Feb. 4 at home in Grovespring, Mo. Ms. Clark was born March 24, 1967. She is remembered as a loving wife, mother, grandmother, daughter and sister, and as a caring neighbor and friend. Karen enjoyed music, hunting and fishing. She continued to work beside her father on their family farm for many years and as a carpenter for her father-in-law. Karen is survived by her husband, Steven Clark; children, Kari, Sarah, Gavin and Jerry Clark; mother, Pat Simpson; and grandson, Hunter Napier.

Robert Roy Ellis Sr., 80

Robert Roy Ellis Sr. passed away Dec. 12, 2013, at Harborview Medical Center in Seattle, Wash. Mr. Ellis was born in Seattle, Wash. He is survived by his children, Robert Ellis Jr., Carol Ellis and Russell Ellis; daughter-in-law, Dana Ellis; grandchildren, Jason and Jeff Ellis; great-grandchildren, Lilly, William, Montessa, Julian and Ryleigh; and siblings, George Ellis and Mary Moyer.

Gertrude Layne Frostad, 78

Gertrude Lane Frostad passed away Feb. 5 at home in Kenai, Alaska. Ms. Frostad was born Sept. 11, 1935, in Kenai, Alaska. She is survived by her children, James Coveyou, Debbie Coveyou, Virginia Fraase and Carey Edwards; and siblings, James Segura, Clara Swan, William Segura, David Segura, Rita Smagge and Richard Segura.

Machelle Violet Haynes, 55

Machelle Violet Haynes passed away Feb. 22 at the Alaska Native Medical Center in Anchorage. Ms. Haynes was born Dec. 31, 1958, in Anchorage. She is survived by her siblings, Mary McDaniel, Ramona Morgan, Oscar Haynes III, Claudine Haynes and Marina Haynes.

Emily Lovern Shell Holcomb, 79

Emily Lovern Shell Holcomb passed away Feb. 16 at home in Winston-Salem, N.C. Ms. Holcomb was born June 5, 1934, in Seldovia, Alaska. She was a member of the Wallburg Baptist Church Choir, Ladies 3 Sunday School Class, Homemakers Club

of Davidson and the Native Village of Seldovia. Ms. Shell is survived by her children, Kathleen (Claude) Bullis, Laura Huffman and David (Kaylene) Huffman; grandchildren, Carin Ioannou, Ryan Bullis, Kory Huffman, Shawn Huffman, David Huffman Jr., Coby Brodigan, Melissa Wright and Jamie Huffman; nineteen great-grandchildren; and several nieces and nephews.

Kelvin Lee James, 47

Kelvin Lee James passed away March 5 at the Alaska Native Medical Center in Anchorage. Mr. James was born Dec. 10, 1966, in Anchorage. He is survived by his son, Nicholas James; sister, Linda Mercurieff; niece and nephew, Joyce and Austin Mercurieff; uncle, Elary Gromoff; and aunts, Piama Mercurieff, Jeanie Gromoff and Alexandria Tu.

John F. Kiminock Jr., 77

John F. Kiminock Jr. passed away March 1 at the Alaska Native Medical Center in Anchorage. Mr. Kiminock was born on Little Diomed Island, Alaska. He is survived by his siblings, James Kiminock, Lena Kiminock and Mary Moyer.

Duniel (Don) Murillo, 67

Duniel Murillo passed away Jan. 19 at Evergreen Hospice in Kirkland, Wash. Mr. Murillo was born in San Francisco, Calif. He lived most of his life in the Redmond, Wash., area and was retired from the King County Public Works as a snowplow and truck driver. Mr. Murillo is survived by his wife, Sylvia; children, Jon and Duniel Marie; daughter-in-law, Kristin; and grandchildren, Kyle and Shayne.

Howard Mahle Oborn, 66

Howard Mahle Oborn passed away Jan. 30 at Providence Hospital in Anchorage. Mr. Oborn was born Nov. 26, 1947, in Anchorage. He is survived by his siblings, Corrie Oborn Player, Paxton Oborn, Celestia Oborn Whitehead and Charles Oborn.

Alaska Shiers, 81

Alaska Shiers passed away Jan. 17 at home in Prescott, Ariz. Ms. Shiers was born March 29, 1932, in Takotna, Alaska. She was an avid reader, photographer and loyal fan of the Alaska Iditarod and the Prescott World’s Oldest Rodeo. She loved her large family and is remembered as being generous with her time, her help and, most of all, her love. She is survived by her children, Janet (Bob) Chesnut, Robert Sturdevant and Jo Roddy; grandchildren, Stacy (Daniel) Padilla, Monica Madrid (Shaun Medina), Ashley Sturdevant, Mason Smith and Josia Rees; and four great-grandchildren.

Condolences

Tammy Sue Christensen, 56 Herman Sigfrid Lindgren, 61
Nereus Dock Harris III, 38 Victor Lynn Phillips, 44
Thomas William Highsmith, 56

MISSING SHAREHOLDERS

The following CIRI shareholders do not have a current mailing address on record. When CIRI mail is returned as undeliverable, the CIRI records are placed on hold and any distributions are held pending receipt of a valid address. Shareholders can fill out the change of address form at CIRI’s offices, download it from the CIRI website or send a signed and dated letter that includes the new address, telephone number, birth date and the last four digits of their social security number.

James Wendell Adkins
Alec Ahsoak
June Anglin
Reuben Joseph Attatayuk
Daevin Brandon Barnes
Ryan Lee Belcher
Donna Irene Beltz
Michelle Marie Bonnet
Lisa Marie Boster
Steven Patrick Bright
James Patrick Brown
Daniel James Bushey
Diana Marie Call
Susan C. Camp
Laura Lynn Cantrell
Timothy Garrett Carmen
Kenneth Lee Clark
Loretta May Cox
Bryan Jack-Ross Crow
Elizabeth Anne Davis
Rufino Davis

David Manual Delacruz
Jeremy Nathan Donaldson
Christy Lynn Downs
Michael Anthony Dumesnil
Jeri Elizabeth Elmasry
John Joseph Evan Jr.
William D. Ferguson
Mandy Lyn Gardner
Lisa Marie Garza
William Herbert Gibson
Nicole Lyn Graham
Lisa Michele Harris-Chiklak
Craig Henderson
Trudy Ellen Hodgins
Krystal Joyce Holmes
Christopher Marion-Stone
Jacobsson
Leona Violet Johns
Robert William Karabelnikoff
Alyssa J. Kashevaroff
Gail Ann Kirkman

Harold Theodore Larson
Cody Julian Mack Jr.
Randy Francis Madison
Michael West Mason
Shelby Joan Matthews
Aaron Thomas Mells
Jack Joseph Milligan
Arnold Thomas Milligrock
Jean Jennie Moonin
Susan Lynn Mossman
Michael Bryan Mullins
Charles Lewis Mumchuck
Andrew Raymond Newlon
Glenda Lee Nicholi
Jeronimo Magno Ofrancia
Florence Helen Okpealuk
Kellen St-Clair Okpealuk
Lane Gennaro Okpealuk
Crystal Michaela O’Neill
Josephine Ann Ovrebo
Kevin Lee Parker

Mark Alan Reisdorf
Sierra Tiffany Rife
Dan Donald Ritter
Gregory Alan Rowe Jr.
Thomas Wayne Sampson
Daryll Arnold Shafer
Jacqueline Sue Silook
Viola M. Soxie
Susan Kay Stanford
Edward Lee Swift
Veronica Ann Takeuchi
Eda Wendy Thomas
Sara Louise Thorpe
Joshua Snooky Titus
Sandra Ann Townsend
Cyril M. Tyson
Anthony Wayne Waterbury
Patrick James Westdahl
Jamaal Earl Wheeler
Carmen Christina Williams

GUIDE TO THE 2013 ANNUAL REPORT

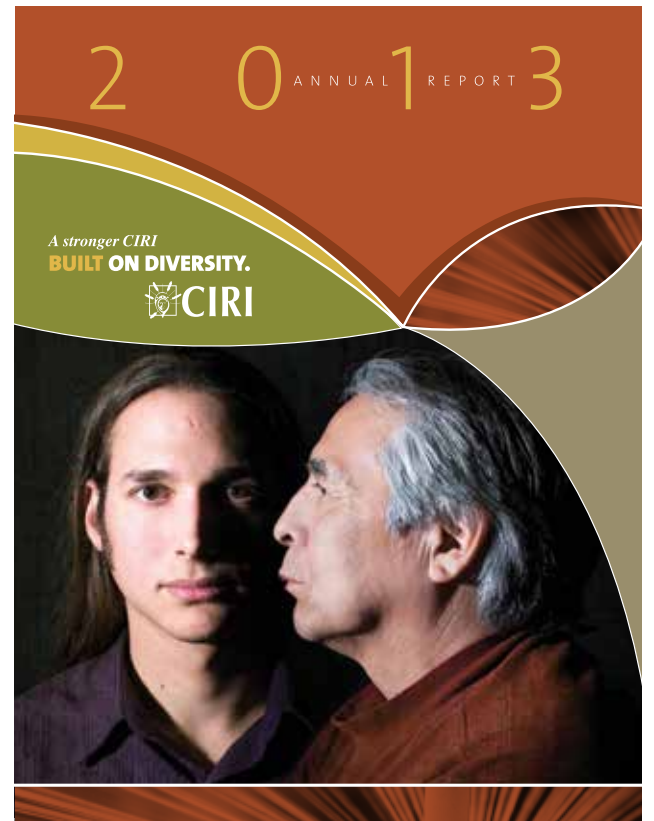
Understanding CIRI's financial statements

CIRI recently released its 2013 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 25-29 of CIRI's 2013 Annual Report.

The consolidated financial statements include:

- Consolidated Balance Sheets
- Consolidated Statements of Operations
- Consolidated Statements of Other Comprehensive Income
- Consolidated Statements of Changes in Shareholders' Equity
- Consolidated Statements of Cash Flows

The consolidated financial statements are accompanied by footnotes that provide additional details about the company's financial position, investments and earnings. An independent auditor, KPMG LLP, audits the financial statements and issues opinions as to CIRI's conformity with generally accepted accounting principles. Following the financial statements and footnotes is CIRI Management's Discussion and Analysis that provides additional information about the company's operations and holdings.



COOK INLET REGION, INC.
CONSOLIDATED BALANCE SHEETS

	2013	2012
	(in thousands)	
December 31,		
	\$ 59,982	70,809
	83,679	14,960
	53,421	47,780
Assets:		
Cash and cash equivalents		
Marketable securities (notes 4 and 12)		
Trade and other receivables, net (note 5)	38,873	71,409
Restricted cash and cash equivalents and marketable securities (notes 4, 14, 15, 20 and 21)	2,639	14,665
Income taxes receivable (note 19)	212,630	93,982
T-Mobile exchange rights agreement (notes 6 and 7)		216,758
Investments in unconsolidated affiliates (note 7)	158,134	155,944
Real estate investments, net of accumulated depreciation of \$11,239,000 and \$10,189,000 for 2013 and 2012, respectively (note 10)	75,643	101,897
Natural resource and energy investments, net of accumulated depreciation of \$2,305,000 and \$525,000 for 2013 and 2012, respectively (note 10)	75,134	70,175
Property and equipment, net of accumulated depreciation and amortization of \$58,412,000 and \$51,680,000 for 2013 and 2012, respectively (note 11)	66,867	67,445
Goodwill (note 9)	815	1,890
Intangible assets, net (note 9)	8,491	7,188
Other		
Total assets	\$ 836,308	934,905
Liabilities and shareholders' equity:		
Liabilities:		
Notes payable (notes 7, 8 and 15)	112,377	178,715
Accounts payable	19,080	24,502
Accrued liabilities (notes 20 and 21)	13,779	13,344
Due to other regions, at-large shareholders and village corporations (note 16)	12,735	10,308
Deferred income taxes (note 19)	29,017	34,468
Derivative liability (note 13)	226	3,379
Other (note 14)	1,208	26,172
Total liabilities	188,422	290,888
Shareholders' equity:		
Common stock of no par value (note 17)	208,464	208,464
Paid-in capital	420,431	421,028
Retained earnings	(25)	(1,927)
Accumulated other comprehensive income - unrealized gains and losses on marketable securities and cash flow hedge (notes 4 and 13)	628,870	627,565
Accumulated other comprehensive income - unrealized gains and losses on marketable securities and cash flow hedge (notes 4 and 13)	19,016	16,452
Total shareholders' equity attributable to Cook Inlet Region Inc.	647,886	644,017
Noncontrolling interests (note 17)		
Total liabilities and shareholders' equity	\$ 836,308	934,905

(See accompanying notes to the consolidated financial statements.)

A stronger CIRI BUILT ON DIVERSITY. 25

← CONSOLIDATED BALANCE SHEETS

- **Assets:** What the company owns and what is owed to it.
- **Liabilities:** What the company owes.
- **Shareholders' equity:** The net worth of the company, which is equal to company assets minus company liabilities.
- **Cash and cash equivalents and marketable securities:** Cash in bank accounts, money market accounts, equities and bonds that can easily be converted into cash.
- **Restricted cash and cash equivalents and marketable securities:** Cash and marketable securities the company has set aside to pay future liabilities.
- **Investments in unconsolidated affiliates:** CIRI's ownership interests in other corporations, partnerships, limited liability companies and joint ventures in which CIRI does not hold a controlling interest.
- **Natural resource and energy investments:** Land and resource property and energy investments, including the Fire Island Wind project.
- **Liabilities:** Amounts owed by CIRI from debt or costs unpaid at year-end.

CONSOLIDATED STATEMENTS OF OPERATIONS →

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

- **Government services income** includes CIRI's operations that provide services to local, state and federal government agencies.
- **Oilfield and constructions services income** is CIRI's share of net earnings from its 50 percent ownership of AIC and revenues from oilfield services and heavy marine hauling and construction support.
- **Real estate income** includes property leases, property management fees and brokerage commissions and CIRI's interests in multi-family and retail investments as well as revenues from the sale of real estate holdings.
- **Natural resources and energy income** is from oil and gas royalty revenues, 7(i) resource sharing payments received from other ANCSA corporations and investments in wind farms.
- **Telecommunications income** was from CIRI's previous ownership interest in a joint venture with T-Mobile.
- **Tourism income** is from CIRI's Alaska Tourism Company and CIRI's interests in an out-of-state resort and hotel.
- **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.
- **Income per share of common stock** divides the net income by the number of outstanding CIRI shares (627,800), to report the amount of income earned per share.

COOK INLET REGION, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

Years ended December 31,	2013	2012	2011
	(in thousands, except income per share)		
Revenues:			
Government services	\$ 99,584	119,845	114,231
Oilfield and construction services	42,091	52,630	23,733
Real estate	6,699	5,709	5,911
Natural resources and energy	20,015	19,034	16,381
Telecommunications (note 6)	(79)	5,947	5,669
Tourism and hospitality	25,475	22,010	22,091
Private equities	21,111	13,586	13,546
Investment securities	34	(912)	(734)
Total revenues	214,930	237,849	200,828
Expenses:			
Government services	94,367	106,475	106,342
Oilfield and construction services	48,896	50,523	(344)
Real estate	11,441	10,790	9,114
Natural resources and energy	8,201	4,957	5,758
Telecommunications	55	87	48
Tourism and hospitality	21,841	21,699	22,519
Private equities	1,778	2,036	1,213
Investment securities	1,071	811	496
General and administrative and shareholder relations	15,484	16,398	15,738
Total expenses	203,134	213,776	160,884
Income before income taxes	11,796	24,073	39,944
Income tax benefit (provision) (note 19)	11,847	(6,046)	(10,084)
Net income	23,643	18,027	29,860
Less income attributable to noncontrolling interests	(2,264)	(1,593)	(219)
Net income attributable to Cook Inlet Region Inc.	\$ 21,379	16,434	29,641
Income attributable to Cook Inlet Region, Inc. per share of common stock	\$ 34.05	26.18	47.21

(See accompanying notes to the consolidated financial statements.)

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THE CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY →

This financial statement 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 statements of operations.
- Total dividends paid to shareholders during 2013.

COOK INLET REGION, INC. CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Years ended December 31, 2013, 2012 and 2011

	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Equity Attributable to CIRI	Non-controlling Interests	Total
<i>(in thousands, except number of shares)</i>						
Balance as of January 1, 2011	\$ 208,464	419,135	(165)	627,434	296	627,730
Net income	-	-	-	-	-	29,860
Comprehensive loss	-	29,641	-	29,641	219	(636)
Change in noncontrolling interests, other than allocation of income	-	-	(636)	(636)	-	-
Elders' Benefit Program distribution (note 17)	-	-	-	-	19	19
Cash distributions - \$34.98 per share (note 17)	-	(7)	-	(7)	-	(7)
Balance as of December 31, 2011	208,464	426,808	(801)	634,471	534	635,005
Net income	-	-	-	-	-	18,027
Comprehensive loss	-	16,434	-	16,434	1,593	(1,126)
Change in noncontrolling interests, other than allocation of income	-	-	(1,126)	(1,126)	-	-
Elders' Benefit Program distribution (note 17)	-	-	-	-	14,325	14,325
Cash distributions - \$35.37 per share (note 17)	-	(9)	-	(9)	-	(9)
Balance as of December 31, 2012	208,464	421,028	(1,927)	627,565	16,452	644,017
Net income	-	-	-	-	-	23,643
Comprehensive income	-	21,379	-	21,379	2,264	1,902
Change in noncontrolling interests, other than allocation of income	-	-	1,902	1,902	-	-
Elders' Benefit Program distribution (note 17)	-	-	-	-	300	300
Cash distributions - \$34.99 per share (note 17)	-	(9)	-	(9)	-	(9)
Balance as of December 31, 2013	\$ 208,464	420,431	(25)	628,870	19,016	647,886

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.)

COOK INLET REGION, INC. CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31,

	2013	2012	2011
<i>(in thousands)</i>			
Net income	\$ 23,643	18,027	29,860
Reconciliation of net income to net cash provided by operating activities:			
Earnings of unconsolidated affiliates, net of distributions (note 7)	18,105	4,642	7,433
Depreciation and amortization	11,706	10,570	6,584
Amortization of premiums and discounts on marketable securities	217	268	203
Loss (gain) on sale of assets	23	178	(42,892)
Unrealized loss (gains) on marketable securities	258	(338)	12,091
Accrued loss (income) on exchange rights agreement	162	(5,751)	(5,462)
Purchase price adjustment on acquisitions (notes 3 and 8)	(2,878)	(2,889)	-
Imputed interest expense	1,387	2,407	1,380
Write-down for other-than-temporary impairment (note 4)	641	2,445	5,807
Write-downs of goodwill (note 9)	578	-	-
Change in deferred income taxes	(6,567)	19,939	(9,373)
Change in operating assets and liabilities, net of businesses acquired (note 3)	523	(25,581)	7,731
Net cash provided by operations	47,798	23,917	13,362
Net cash provided by investing activities:			
Proceeds from sale of marketable securities	48,740	83,968	184,884
Proceeds from sale of real estate	(54,102)	(84,251)	(156,853)
Proceeds from disposals of telecommunication assets	93,820	-	65,000
Proceeds from disposals of construction services investments	1,096	1,227	744
Proceeds from disposals of real estate investments	998	798	213
Proceeds from the disposal of other assets	13,432	13,024	16,420
Capital returned from investments in private equities	3,895	2,738	275
Capital returned from investments in unconsolidated affiliates (note 7)	-	(13,087)	-
Cash invested in government services, net of cash acquired	(11,984)	(17,140)	(20,195)
Cash invested in oilfield and construction services, net of cash acquired	(10,616)	(14,201)	(27,836)
Cash invested in real estate	(13,401)	(86,217)	(2,337)
Cash invested in natural resources and energy	(13,924)	(13,241)	(16,925)
Cash invested in operating property and equipment	(56)	(62)	(226)
Cash invested in private equities	57,898	(139,669)	43,164
Net cash provided by (used in) investing activities	34,926	107,077	27,014
Net cash from financing activities:			
Proceeds from issuance of debt	(99,773)	(29,704)	(5,707)
Principal payments on notes payable	300	(549)	-
Contribution from (distributions to) noncontrolling interest holder	(30,000)	14,148	(17,600)
(Increase) decrease in working capital cash and cash equivalents from financing	(9)	(4,370)	5,000
(Decrease) increase in working capital cash and cash equivalents received in advance	(21,967)	(22,205)	(21,961)
Distributions to Elders' Benefit Program	(116,523)	64,308	(13,261)
Distributions to shareholders	(10,827)	(51,364)	43,265
Net cash (used in) provided by financing activities	70,809	122,173	78,308
Net (decrease) increase in cash and cash equivalents	\$ 59,982	70,809	122,173
Cash and cash equivalents at beginning of year			
Cash and cash equivalents at end of year			

(See accompanying notes to the consolidated financial statements.)

A stronger CIRI BUILT ON DIVERSITY.

← CONSOLIDATED STATEMENTS OF CASH FLOWS

This statement shows how CIRI used or received cash during the year.

- CIRI generated \$47.8 million from its operations in 2013.
- CIRI received a net \$57.9 million in 2013 from a variety of operating companies, interests in partnerships and marketable securities.
- CIRI paid \$22.0 million in shareholder dividends in 2013.

GLOSSARY OF FINANCIAL TERMS

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.).

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

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.

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

Consolidated Statement of other Comprehensive Income: These reports show non-cash gains (or losses) not recognized in the Statements of Operations.

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

Fiscal year: CIRI's fiscal year is Jan. 1 through Dec. 31.

Liability: A company's legal debt or obligation that arises during the course of business operations.

Liquidity: Cash and current assets sufficient to satisfy a 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.

Net income: When total revenues exceed total expenses.

Net loss: When total expenses exceed total revenues.

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

Total shareholders' equity: Total assets minus total liabilities.

young people and to connect more actively with diverse communities.

Serving on the board of the Anchorage Chamber of Commerce, Leask organized trips to rural Alaska for Anchorage businesspeople, with the goal of helping city-based businesses learn the real needs and issues faced by their rural customers. She also co-chaired Commonwealth North's Urban Rural Unity Study with former Anchorage Mayor Rick Mystrom. "For me," she recalled, "the value of these projects was people coming together to talk about issues that impact rural Alaska and how they really impact the entire state."

For her work on urban-rural issues, Leask was awarded the Alaska Governor's Award, the Alaska Village Initiative's Chief's Knife Award and CIRI Shareholder of the Year. She was also named the 2000 YWCA Woman of Achievement and one of 2001's Top 25 Most Powerful Alaskans.

She says one of her proudest moments was when she and her son were formally adopted into the Tsimshian Eagle Clan, the clan of her father, and she received the Tsimshian name of Gyetm Wilgoosk, "a person of wisdom."

Leask lives in Homer, Alaska, with her husband, Don Reed, where she hopes to continue building networks of women involved in community issues. She also plays defense for the Homer Divas hockey team.

For more information on the Alaska Women's Hall of Fame, visit www.alaskawomenshalloffame.org

alaskawomenshalloffame.org >>

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STOCKINFO

Stock Will Prize Winner

The winner of the March 2014 \$200 Stock Will Participation Prize is **Carlene Deanne Williams** and **John Raymond Viera Jr.** is the winner of the first quarter drawing for an Apple iPad Mini with Retina display. Shareholders will have three more opportunities to win an Apple iPad Mini in 2014, with drawings conducted for the quarters ending June 30, Sept. 30 and Dec. 31.

To be eligible for the \$200 monthly prize drawings and the quarterly drawings for an iPad Mini with Retina display in 2014, you must have a valid will on file in CIRI's Shareholder Relations Department and your will must comply with CIRI's fractional share policy. The CIRI Stock Will form, instructions and information on the fractional share policy may be found on the CIRI website.



Do you have a valid stock will on file?

As of March 31, 2014, 2,598 CIRI shareholders did not have stock wills on file at CIRI. There are issues with the stock wills of an additional 422 shareholders, and these shareholders have been so advised. Contact CIRI's probate staff at (907) 263-5191 or toll-free at (800) 764-2474 and select option 4 to verify whether you have a will on file.



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Shareholder Participation Committees

www.ciri.com/spc

Submit your stories & ideas to info@ciri.com

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CAREER DEVELOPMENT SERVICES, FROM RESUME WRITING TO BEYOND

Cook Inlet Tribal Council Alaska's People

For many unemployed individuals, getting a job isn't a simple matter of writing a resume or submitting an application.

"To get that job, you need someone to watch your children while you're working," explained Mark Hiratsuka, senior program manager with the Alaska's People Career Development Center at Cook Inlet Tribal Council (CITC). "But to get your childcare set up, you need transportation. Or maybe you don't have the proper clothes or tools to do that job—we help with that too."

The Career Center, which is open to all Alaska Native and Native American people, serves about 150 participants every month. While "career" is the emphasis, the Career Center's intake specialists are trained to look beyond a person's training or resume development needs. That includes the more basic and immediate needs that might prevent that individual from getting or keeping a job.

To do that, intake specialists connect participants with services in other departments, like Temporary Assistance for Needy Families (TANF) or CITC's Childcare Assistance program. The Career Center partners with CIRI nonprofits and other organizations and State programs to meet needs CITC isn't equipped to help with, such as housing.

"We try not to be just reactive to our participants' needs," adds Hiratsuka. "The people who come to us aren't coming because they have everything in place; they're often desperate for a job, and need to become work-ready. So we take a proactive approach by developing training programs in-house."

The Career Center offers a variety of trainings on-site, such as job readiness classes, resume-building workshops, interview preparation, GED programs and—new this month—Computer Levels I and II. Participants can freely use the Career Center's computer lab to search for jobs.

Employment specialists also focus on building partnerships with Alaska businesses. "We work extremely hard to make sure we have engaging relationships with the employers in our community because ultimately they're employing our people," Hiratsuka said. "We recruit for a lot of their open positions. And we attend job fairs to make sure our networks are continually being revised and enlarged so we can connect our participants to as many opportunities as possible."

To learn more about the services CITC provides and CITC's Alaska's People Career Development Center



CITC Alaska's People Career Development Center. Courtesy of CITC.

services, visit www.citci.org or call (907) 793-3600; (877) 985-5900 toll free. The Career Center is located at 3600 San Jeronimo Drive, Suite 300 in Anchorage.

If you live outside of Anchorage and are interested in looking for similar services in your area, visit www.211.org to start your search. The site 211.org is managed by United Way and provides free and confidential information and referral for help with food, housing, employment, health care, counseling and more.

citci.org >>