



LETTER FROM THE CHAIRMAN

Dear Families and Shareholders,

It has been a while since you heard from us at AKI, sorry for the delay. We made some changes in the office as far as hiring a new office manager. We felt it was time to make that change and Shawyn seems to be working out well.

These are some of the things the Board of Directors and I have been working on for the company. For December, there was a dividend of \$25.54 per share, which came from the last of the Exxon Valdez Oil Spill monies. Also back in February the Board of Directors took a retreat to work on our mission statement and also a 5 year strategic plan with the CEO/President. That was an excellent time for us to work together and try to come up with the best strategy for the company.

To date we are working on another election, to be held in Kodiak. This year there will be three seats up for election. The three Incumbents are: Pauline O'Brien, Phyllis Amodo, and Gary Rozelle. We hope to see you at the meeting for our annual review of the company.

Thank you again for your time and I hope to see you in Kodiak for the Annual Meeting.

Sincerely,

Pauline D. O'Brien
Pauline D. O'Brien



AKHIOK-KAGUYAK, INC.

2012 BOARD OF DIRECTORS

Following are the names and addresses of your current Board of Directors.

Pauline O'Brien, Chairman

6201 Spruce Meadows Dr.

Anchorage, AK 99507

Phyllis Amodo, Vice Chairman

PO Box 5069

Akhiok, AK 99615

Elizabeth Peterson, Secretary

2221 Muldoon Rd #137

Anchorage, AK 99504

Gary Rozelle, Treasurer

PO Box 5033

Akhiok, AK 99615

Fred Coyle, Director

PO Box 2071

Kodiak, AK 99615

David Eluska Sr., Director

PO Box 5034

Akhiok, AK 99615

Robert Simeonoff Jr., Director

8441 Berry Patch Drive

Anchorage, AK 99502

AKI MANAGEMENT/STAFF

David Goade-President

Phone #: 258-0604 Ext. 203

Shawyn Callahan—Admin. Clerk

Phone #: 258-0604 Ext. 202

2012 Annual Meeting of Shareholders

Saturday, May 26, 2012

Registration begins at 9:00 a.m.

Meeting begins at 10:00 a.m.

Kodiak Harbor Convention Center

211 Rezanof Drive West, Kodiak, Alaska

April 20, 2012 - Mail out of Annual meeting and proxy material

May 23, 2012 - Proxy Deadline 5:00 p.m.

Proxy Incentive -\$25 for 1st valid proxy

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PRESIDENT'S LETTER

Dear Shareholders:

By now you may have heard that I will soon be leaving AKI. I have made the decision to move on to a new professional challenge at the Cook Inlet Region Corporation as their new Senior Director of Lands and Resources.

For the last 7 years it has been a privilege to be your President & CEO. Together with your Board of Directors we have accomplished many good things and have made strategic investments that have generated growth for AKI and will serve you well into the future. In addition, AKI's business operations have been re-organized and streamlined to produce more efficient and effective management that in turn enables better decision-making. All in all, AKI is a well-managed and well-run company that efficiently operates with a minimal corporate staff level.

I will be eternally grateful to have had the opportunity to be your President & CEO. I in turn have given my best efforts to professionally manage, lead, and care for AKI. With my departure, however, rest assured that I leave AKI in good shape and in good hands. Your Board of Directors is now at work preparing for a smooth transition and I am confident they will choose my successor wisely.

In closing, I thank you for the kindness, support, and respect that you have given me. I will always value my time and energy spent at AKI and I wish you and your Board of Directors well.

With deep respect and gratitude,



Help AKI find these Shareholders!

The following shareholders do not have a current address on record with the corporation, and because of this, they will not be receiving any important documents such as proxy and shareholder information material. If you are on this list or you know someone on this list, please have them contact the AKI office at Office.

- Beverly Musson
- Daniel Yakanak
- Claudia Inga

Welcome New Shareholders
Akhiok-Kaguyak would like to welcome the following new shareholders:
 Marcie I. Boskofsky; Jill E. Boskofsky • Marcella I. Boskofsky-Grounds • Billy Boskofsky Jr. • Timothy R. Kelly Sr. • Bill W. Boskofsky IV • Dawn Gonzalez

Congratulations !!!
The following shareholders received a Scholarship or Grant for the 2011-2012 school year:
 Danielle Boeck • Alyssa Brenteson • Cheryl Eluska • Melissa Marvin
 Tracy Peterson • Charles Simeonoff

In Loving Memory
 George Glen Inga
 Barbara Boskofsky

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