

Ukpeaġvik Iñupiat Corporation Inc.

Creating Value for Shareholders

Last year was a time of extensive rebuilding for Ukpeaġvik Iñupiat Corporation (UIC). What a difference a year makes.

The Barrow-based corporation made a number of strategic changes to position itself for success. It improved processes, restructured operations to increase efficiencies, and communicated a philosophy of fiscal responsibility corporate-wide – all while focusing on providing value to shareholders. After an in-depth analysis of its subsidiaries, UIC opted to sell Umialik Insurance and Rain Proof Roofing, as they were not in line with the corporation's business model.

UIC also created several holding companies to organize its subsidiaries along common service lines, providing greater operational flexibility and tax benefits. It also developed support service departments for each holding company, such as human resources, accounting, and information technology. This allowed UIC to provide more direct support for all its subsidiaries.

The overhaul also included a restructuring of UIC's organization, which has allowed the team of key decision makers to work together more collaboratively. President Anthony Edwardsen says, "These improvements have allowed us to work together as a more effective team."

UIC has certainly achieved favorable results from the makeover, including a positive 2010 net income of \$4.8 million after taxes. Shareholders are reaping the benefits, receiving a record annual dividend of \$15 per share in December 2010. In addition, the UIC Foundation awarded scholarships to 189 shareholders and their descendants pursuing a degree or vocational certification.

The financial improvements fit well with UIC's goal to use creative decisions that produce growth and benefits. It also complements UIC's bold mission statement: "Ukpeaġvik Iñupiat Corporation will be the recognized business leader in Alaska for



Anthony E. Edwardsen/president and chief executive officer.

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providing quality services, solid profitability, and shareholder value."

With more than 1,900 employees worldwide, UIC has distinguished itself by its commitment to quality. The underlying secret to the corporation's success, according to Edwardsen, is communication and teamwork. "It's not 'I did it,'" he explains. "It's all about 'We did it.'"

Established in 1973, UIC has steadily diversified its investments and consistently ranks among the top 10 largest Alaskan-owned companies. It engages in a range of business lines to serve private-sector and government customers, including its operations in Barrow; construction; regulatory consulting; marine operations; architecture and engineering; information technology; and maintenance and manufacturing. UIC's corporate umbrella encompasses UIC Holdings, UIC Construction Services, UIC Professional Services, UIC Marine Services, UIC Maintenance and Manufacturing, and UIC Technical Services.

UIC is involved in an array of projects, including the \$82 million Barrow Replacement Hospital, a joint venture with Arctic Slope Regional Corp.'s SKW/Eskimos. Other UIC initiatives include North Slope Borough Barrow Gas Fields Development, Barrow NOAA Housing Project, providing support services for

Shell Exploration and Production, and National Science Foundation Barrow Science Support.

Currently, UIC provides social and economic resources to more than 2,500 Iñupiat shareholders and their descendants. Since its inception, UIC has been driven to improve its operations and profitability to generate value for shareholders. "We are here to benefit our shareholders in the best possible way," Edwardsen says.



**UKPEAĠVIK
IÑUPIAT
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