

STORYKNIFE

THE VOICE OF THE REGION

Yaarvin



Private Commercial Construction page 28 ■ FERC & DOE LNG Primer page 54

Alaska Business
MONTHLY \$4.95

Gems of the North

ALASKA'S TOP
49ERS
The Top Forty-Nine
Alaskan-Owned Businesses
Ranked by Gross Revenue

*10 Calista Corp.
- 2012 -

Calista moves up on the list of
Alaska's most profitable companies.



CALISTA CORPORATION
www.calistacorp.com

DEC 2012/JAN 2013

Meet Calista's newest board members.

(Story page 2)

BOARD OF DIRECTORS AMENDS SEVERAL BYLAWS TO BENEFIT SHAREHOLDERS

Forty years ago Calista Corporation was established to benefit the people of our Region. Through dividends, jobs, scholarships and advocacy our corporation works on behalf of Shareholders and Descendants. During a December Board of Directors meeting in Anchorage, the Board took action to amend several Bylaws. Voting at the Annual Meeting of Shareholders in November showed Shareholders' support for these amendments.

Amend Bylaws to Eliminate the Designation of a Board Slate and Eliminate Cumulative Voting of Non-Directed Votes in Board Solicited Proxies

In the next director election, Shareholders will still be able to vote for directors of their choosing, and they will also be able to give their proxy to the Board's Nominating Committee to allow the committee to vote their shares. However, the change is that the Nominating Committee will no longer be able to cumulatively vote those proxy votes; instead they will be required to vote all of the proxy votes by spreading the votes evenly

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President's
Message

Calista
Cuts Costs

Year in Review

Lending a Hand

Village Profile:
Akiak

PRESIDENT'S MESSAGE

Andrew Guy, President, CEO & Former Intern

On cold, dark winter nights we sit with our families and share stories of survival, friendship, tradition and adventure. Storytelling is an important part of our heritage and for years it has been how we traditionally pass knowledge through generations. The story of Calista Corporation is one that continues to advance and this year's chapter is filled with great accomplishments and remarkable success.

Despite what has been an extremely tough economic environment Calista and its subsidiaries continue to grow and prosper. A little over halfway into the year Calista's revenues were already up over 40 percent from the previous year. Heading into 2013, we are the top ANCSA corporation in Alaska in growth and revenue. Thanks to the innovation, dedication and hard work of our employees, we are ahead of schedule when it comes to meeting our revenue goals.

I am honored to be a part of such a remarkable team, without the talent of the Calista staff our company would not be where it is today. We enter a new year poised for great success and with that additional opportunities will open for dedicated individuals.

"In 2012, we marked a major milestone as Calista celebrated 40 years in business. After four decades we stand stronger and more vibrant than ever, thanks to the hard work of our employees and the support of our Shareholders and Descendants."

In 2012, Calista hosted a record number of interns and provided hundreds of thousands of dollars in scholarships. Our continued growth will allow us to provide drug- and alcohol-free jobs for the people of our Region.

I am humbled by the incredible support Shareholders and Descendants demonstrated in supporting both myself and Calista employees this past year. I and the staff continue to serve you, the Shareholders and Descendants. Quyana and God bless.



CALISTA'S NEWEST BOARD MEMBERS

Robert Beans, Unit 3 Director



Calista Corporation Board Member Robert Beans has over 40 years of experience serving on boards including the Alaska Village Electric Cooperative, National EPA/Tribal Operations Council and Alaska Inter-Tribal Council. During his nine years serving on the Governor's Rural Sanitation Council Robert helped secure millions of dollars in funding to provide safe drinking water for rural Alaska.

Raised in Mountain Village by a Yup'ik father and Russian mother, Robert's roots are from a large family. He is closely connected to his heritage and appreciates the benefits of being a Calista Shareholder. Robert believes Shareholders have two fundamental rights, the right to dividends and the right to vote. "When the board has a right to vote they violate the Shareholders right to vote."

Robert says he hopes to help restore Shareholder's trust in the board. Elders, including his grandparents raised him to listen carefully and educate himself before making important decisions. Through his work on the board, Robert hopes to encourage regional corporations to work with Calista to combat the high cost of energy and transportation in rural Alaska. Robert would like to bring additional economic opportunities to the Region.

Marcie Sherer, At-Large Director



Board Member Marcie Sherer has a wide range of experience in accounting, management and human resources. Through her work at Cook Inlet Housing Authority, Association of Village Council Presidents and Lower Kuskokwim School District, Marcie has become a confident and experienced manager.

Marcie is excited to help Calista fulfill its mission of providing opportunities for future generations. "It's important that Calista continue to help Shareholders and Descendants through education, mentorships, scholarships and internships."

Marcie applauds Calista for its growth in recent years, including increasing revenue and capitalizing on government contracts. Through her new position Marcie hopes to bring an open dialogue with Shareholders to the board.

BYLAW AMENDMENTS

(Continued from page 1)

across all of the candidates for office. There will no longer be a Board slate of the candidates. The elimination of a Board slate means the Nomination Committee will no longer have a list of recommended candidates. For example, if there are three candidates for Unit A, the Nomination Committee will not recommend any particular candidate.

Amend Bylaws to Require Periodic Annual Meetings in Bethel and Anchorage

As a result of this change, the Annual Meeting of Shareholders must be held in Bethel at least once during each 5-year period, and be held in Anchorage at least once during each 7-year period. For example, the next five annual meetings are to be held in 2013, 2014, 2015, 2016 and 2017. At least one of these meetings must be held in Bethel.

The 2013 Annual Meeting of Shareholders will be held in Bethel on September 28, 2013.

Amend the Bylaws to Include Board Chair Term Limits

Any Board member elected Chair may only serve in that role for up to three consecutive years. For example, the Board elects Mr. Salmon as the Chair of the Board. Mr. Salmon may serve a maximum of three consecutive years as the Chair.

If the Board elects Mr. Salmon as the Chair every year, then after three years, the Board must elect a different person to serve as Chair. After a one year break in service, the Board may elect Mr. Salmon to the Chair position again.

Amend Bylaws to Restrict Knowledge of Directed Voting Tally

Until the final voting results are announced, no one may view or have knowledge of the directed voting results (with the exception of the independent firm selected to validate and count all the proxy votes). No one will be allowed to view the total voting tallies before they are finalized and announced to all Shareholders.

Calista's leadership strives to have an open dialogue with Shareholders and Descendants about the future of our Corporation. The decisions we make reflect our continued efforts to bring benefits to the Region.

CALISTA DIVIDENDS TOTAL MORE THAN \$4.5 MILLION IN 2012

For the fifth consecutive year the Board of Directors approved a special payment through the Elders' Benefit Program.

More than \$550,000 has been distributed to Shareholders 65 years and older, meaning Elders received \$315 exactly, each. Since 2007, more than \$17.3 million have been distributed to Shareholders, Descendants and Elders.

SHAREHOLDER DIVIDENDS

Total since 2007: \$15 million

Total in last two years: \$7.65 million

ELDERS' BENEFIT PROGRAM

Total since 2007: \$2.4 million

Total in last two years: \$1.05 million

Fixing to Save EMPLOYEE PROFILE: FACILITIES DEPARTMENT

Operating and maintenance costs can be some of the biggest expenses for a company (much like your house and heating costs). At Calista Corporation our facilities department is determined to help find some savings where it can to help bring down overhead costs. Over the last year and a half, Building Maintenance Manager Frank Fitka has been creatively finding ways to reduce costs and make improvements to our operations with as little cost to Calista as we can. This is very difficult in an older, aging building; however, he has been quite successful.

About a year ago Frank, a Shareholder whose roots are in Marshall, installed an upgraded HVAC (heating, ventilation and air conditioning) system. This helps save energy by keeping air handling fans and motors working more efficiently by having the air at a constant 50 degrees. He has also replaced most room thermostats with programmable thermostats to enable temperatures to be less at night when everyone goes home so less energy is wasted. The new thermostats allow Frank to keep Calista at a more steady temperature based on day, night and the outside temperature, improving efficiency because the boiler doesn't keep turning on and off and having to work so hard.

Energy efficient lighting is also being installed as old lamps (bulbs) burn out and need to be replaced. Frank is moving toward increased use of daylight with daylighting fixtures that automatically adjust to the amount of natural light coming in from outside. "It helps reduce energy use and helps people not get cabin fever, because the light isn't cool or dim it looks bright and nice," Frank said.

"We're doing all we can without costing the company and we are already beginning to save a lot of money."

Frank says employees shouldn't notice the changes, "I'm pretty much doing it incognito, so nobody sees a big change and it doesn't interrupt or effect anybody's work."

But already the changes have affected the company's electric bills; in the last year our utility bills have gone from about \$10,000 a month to \$6,000 a month. The current and future savings have allowed Frank to be able hire an apprentice and much needed helper with growing duties of maintaining and managing an older building. He has been able to hire another Shareholder, Sampson Mann originally from Quinhagak, who is working side-by-side with him learning the building trade.

2012



January

February

March

April

May

June

**\$15.7
MILLION
NET INCOME
AFTER TAXES**



JANUARY RECORD REVENUE

2011 year-end financial results include revenues of \$300.5 million resulting in a net income of \$15.7 million after taxes. Additionally, company assets grew to \$233.37 million in 2011 from \$201.56 million in 2010.

MARCH SAFETY AWARD

Calista subsidiary Brice Environmental was honored by the U.S. Army Corps of Engineers for its commitment to workplace safety.

APRIL DIVIDEND DISTRIBUTED

The Board approved the largest dividend to-date, \$3.99 million, to be distributed to Shareholders.

WEBSITE LAUNCHED

The Calista Heritage Foundation launched a new website, providing students with information and applications for scholarships and internships.

www.calistaheritage.org

JUNE INTERNS BEGIN

A record number of interns began at Calista and its subsidiaries.

CALISTA GOLF CLASSIC

The annual tournament raised \$222,380 for scholarships.

Calista Corporation

A YEAR OF GREAT SUCCESS

July



August

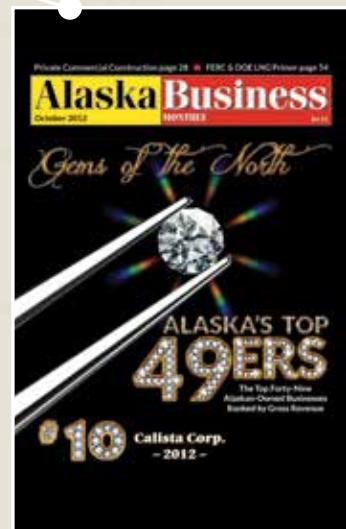


September

October

November

December



JULY DONATION

Calista Corporation donated \$10,000 to Bethel Senior Center.

SEPTEMBER STUDENT SCHOLARSHIPS

CHF provided \$239,250 in scholarships for the fall 2012 semester. For the fall semester, a total of 272 students are receiving scholarships.

ELDERS AWARD

The Calista Elders Council book, "Qaluyaarmiuni Nunamtenek Qanemciput: Our Nelson Island Stories," was honored with the American Book Award, which recognizes outstanding literary achievements.

SEPTEMBER CONTRACT RENEWED

Calista subsidiary Yulista Management Services was awarded a \$4.5 billion dollar competitive federal contract to develop rapid-response hardware for the Department of Defense.

OCTOBER TOP HONORS

Calista Corporation named number 10 on the Top 49ers list. This is forward positive movement, up four places since last year, continuing our movement up the ladder of successful Alaska-owned companies which benefits Shareholders.



CALISTA FAMILY HELPS SHAREHOLDERS FIND WORK

Providing Shareholders and Descendants with drug- and alcohol-free employment is a priority for Calista Corporation and its subsidiaries. In addition to providing jobs within our family of companies, we work to give people the tools they need to earn employment at other companies.

Recently, Calista spent time helping people in the Region find new jobs after being laid off. Donlin Gold submitted its mining permits earlier this year and until those permits are approved, estimated to take three to five years, the camp will operate at a smaller capacity. Because of the temporary slowdown in business, Donlin Gold laid off 12 Chiuilista Serves Inc. employees. Upon hearing the news, Calista and its subsidiaries began working to help these employees secure new positions.

Staff from Calista, Chiuilista Services Inc., and other subsidiaries traveled to the Region to help build resumes, cover letters and employee confidence. Presentations were given to help improve interview skills and workshops were held to educate people about where to go to apply for jobs and how to look for scholarships for continued educational opportunities.

Qualified employees are looking to apply for positions at Tunista and Brice. Calista Corporation is always working to provide economic benefits to all of its Shareholders and Descendants through employment. By filling out a Talent Bank application on Calista's website and by keeping your phone number and address current, Calista can send you the latest news about job openings.

"We are hoping to teach them how to promote themselves and find the job that is right for them,"

Monique Henriksen
senior vice president of Alaska operations at Chiuilista Services Inc.



Kent Berklund from AVTEC works with Shareholders.



Shareholders listen to advice about how to secure jobs.

LEADERS FROM THE REGION: GEORGE AND ELSIE HOOPER, AFN PARENTS OF THE YEAR

Our Yup'ik heritage teaches us to respect our Elders and learn from their stories. It is important we recognize those Elders that have made a mark on our lives and through their wisdom have passed on our precious traditions. This year, Calista Shareholders George and Elsie Hooper of Tununak were honored for being role models to their children, grandchildren and countless others. The parents won the 2012 Alaska Federation of Natives Parents of the Year award. "It came as a really big surprise for me," Elsie Hooper said.

The Hoopers have been married for 47 years and have five children and 11 grandchildren, with another grandchild expected to be adopted soon. The Hoopers made a commitment years ago to keep their culture alive by passing it on to future generations.

"We talk to our grandkids a lot in Yup'ik, they are pretty good at understanding the Yup'ik language," Elsie said.

Teaching comes natural for Elsie, she worked as a teacher for 33 years. George served in the Alaska National Guard for 34 years, which is where Elsie says he learned how to be a leader both at work and in the home.

"He is tough, he's a real strong father figure and a good role model," Elsie said. "He taught them to survive and take care of their own family."



The pair emphasizes the importance of passing on knowledge of survival skills; they taught their children how to subsistence hunt for wildlife and fish, gave them knowledge about edible plants and berries, and showed them how to mend clothes.

"We taught them how to use their hands, in hunting, preparing food and making things that will help them mentor themselves and their families," Elsie said.

As they watch their children raise families of their own, they are proud to watch their children pass on the knowledge they learned from their parents. Strong families are the foundation of our Region and without parents like the Hoopers, our culture would fade.



VILLAGE PROFILE: **AKIAK** ACKIAGMUTE "THE OTHER SIDE"

Centuries ago our Eskimo ancestors used Akiak as a crossing point to get to the Yukon River basin during the winter. In 1880, around 175 people established the village of Ackiagmute or "the other side." Located along the west bank of the Kuskokwim River, early residents enjoyed plentiful subsistence opportunities for fish, berries and wildlife. Akiak's first post office was established in 1916 and four years later a public health service was created. The Akiak Native Community is a federally recognized tribe.

Today, Akiak is one of several communities in the Bethel Census Area. According to an Alaska Department of Commerce, Community and Economic Development census from 2011, the population is around 370 people and is considered a second-class city. The primary employers include the city, public services and school district. A little more than 100 students attend the school, according to the state of Alaska.

Area Youth are taught the importance of subsistence and learn skills early in life. Summers are spent helping families harvest salmon and in many homes commercial fishing is a source of income. While the mighty Kuskokwim provides food and a means of transportation for the village, it also caused problems in recent months. Residents have battled erosion problems and in October 2012 the Akiak Native Community declared a state of disaster.

Like most rural communities, transportation is limited. Akiak hosts a state-owned airport that serves many charters and passenger planes. Getting to local villages is restricted to ATVs, snowmachines and skiffs.

With winter rolling in, Akiak's residents can expect several months of cold temperatures and buckets of snow. Winter temperatures range from -2 to 19 °F and the community typically averages about 50 inches of snow. The summer months bring warmth, with temperatures ranging from 42 to 62 °F.

FUTARIS: YOUR SATELLITE COMMUNICATIONS AUTHORITY



Futaris is a forward-thinking technology company that provides satellite communication and broadcasting services. The subsidiary of Calista, formerly known as Alaska Telecom, Inc., is also comprised of AtContact and Sequestered Solutions, which Calista acquired in mid-2011. Now under the same roof, the companies include a full suite of satellite communications services and secure data management.

Based on the word future, Futaris' new name and look represent the company's innovation. As an integrated technology company, Futaris is positioned to grow in exciting new sectors, while expanding its foothold on its established market of remote communications management.

For a look at the new brand visit
www.Futaris.com

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CALISTA ELDERS COUNCIL SEEKS BOARD NOMINEES

The Calista Elders Council is seeking nine Board of Directors, who will serve for one, two and three year terms.

Nominees must be Calista Corporation Shareholders who have reached the age of 65 years old by January 11, 2013.

For an application call 907-279-5516. Applications are due January 11, 2013.

Mail applications to:
Calista Elders Council, Inc.
301 Calista Court, Suite A
Anchorage, AK 99518

The Eleventh Annual Calista Elders Council Meeting will take place in Chevak, Alaska on February 28, 2013.

TALENT BANK HELPS SHAREHOLDERS SECURE JOBS

Calista Corporation is dedicated to helping Shareholders and Descendants find drug- and-alcohol free employment. To help fulfill this mission Calista keeps applications from Shareholders and Descendants on file. When businesses and organizations notify Calista about job openings, the Corporation HR staff will review the applications in the talent bank and notify qualified candidates. With the candidate's approval, Calista will then forward resumes and applications to prospective employers.

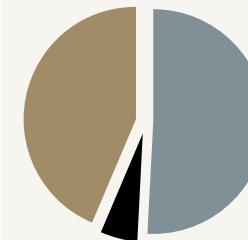
If you are interested in filling out an application it is important to include as much accurate information as possible. Detailed and up-to-date information allows Calista to better match you with a position.

Candidates will also be notified about openings at Calista Corporation. Our Shareholder and Descendant hire rate is currently above 50 percent. We are proud to be able to provide employment opportunities for people from our Region.

To fill out an application for the talent bank visit www.calistacorp.com

2012 ALASKA NATIVE HIRE

Calista's Shareholder/Descendant hire rate has increased by almost 9% since 2011.



- Shareholders/Descendants 27 Employees
- Alaska Native People 3 Employees
- Other 23 Employees

PERSONAL DATA FORM

Dec 2012/Jan 2013

Shareholder Name _____

New Mailing Address _____

Phone (____) ____ - ____ SSN _____

Birth Date ____ / ____ / ____

Would you like Calista to send you new Will forms? Yes No

Calista Shares _____

Village Corporation Shares _____

Please change my address as I have indicated above. I understand that you cannot make address changes without my permission and signature, which I hereby give of my own free will and without constraint. I further authorize Calista and its subsidiaries to share this information.

Shareholder Signature _____

Date ____ / ____ / ____

Signature of Witness 1 _____

Signature of Witness 2 _____

(Two witnesses are required if Shareholder signs with an "X.")

CALISTA CORPORATION
www.calistacorp.com

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