

First Quarter Report
For the Period Ending March 31, 2009
Issue Date April 30, 2009

Highlights

- First Quarter Net Loss \$0.28 Per Share
- Global Economic Conditions Adversely Affect Sawtimber and Pulpwood Prices

To Our Share Holders:

Keweenaw Land Association, Limited announces a First Quarter 2009 net loss of \$0.28 per share compared to a net loss of \$0.03 for the same period in 2008. Net income (loss) per share arose from the following sources:

	Earnings Per Share	
	1st Qtr 09	1st Qtr 08
Timber Operations Income	\$ (0.11)	\$ 0.45
Capital Gains-Sale of Land	0.04	0.06
Capital Gains-Investments	-	(0.16)
Other Income	0.14	0.13
Other Expenses	(0.37)	(0.47)
Income Taxes	0.02	(0.04)
	<u>\$ (0.28)</u>	<u>\$ (0.03)</u>

In the first quarter of 2009, Keweenaw produced logs totaling 23,389 cord equivalents (c.e.), a 13% decrease from the same period in 2008. An early February thaw slowed the winter harvest for a brief period until colder temperatures allowed normal winter logging operations to resume. The first quarter's harvest volume included 18,953 c.e. from company land, or 81% of total production. Keweenaw also produced 4,436 c.e. from procured timber sales. Total logs harvested included 1,726 thousand-board feet (mbf) of sawtimber and 19,592 cords of pulpwood. This represented a production mix of 16% sawtimber and 84% pulpwood, less than the 21% sawtimber and 79% pulpwood mix harvested in the same period of 2008. Veneer and sawlog production was down from last year due to planned winter harvest in areas with a higher concentration of pulpwood. The company sold logs totaling \$2,156,970, down 25% from 2008, due to the decrease in production volume, product mix, and pricing. For the quarter, log sales were \$99 per c.e. compared to \$107 in 2008. Lower market demand for veneer and sawlogs, Keweenaw's most valued products, has driven down the average sawtimber realization by nearly 15% from last year. Continued weak demand in the housing and remodeling industry has driven lumber prices down, which in turn has had an adverse effect on KLA sawlog prices.

The company's cost of goods sold for the first quarter was \$1,759,063, compared to \$2,077,178 last year, a 15% decrease. Cost of goods sold was \$81 per c.e. compared to \$77 last year. Logging and freight costs each averaged \$1 per c.e. less than the prior year. Lower diesel fuel prices,

destination, and sawtimber/pulpwood production mix were factors contributing to these savings. Road cost for the quarter amounted to \$181,300, approximately the same as 2008. Timber depletion and stumpage costs were up approximately \$4 per c.e. due to harvesting on procured federal timber sales. Keweenaw's gross margin on timber sales was \$397,907 or \$18 per c.e. versus \$810,083 or \$30 per c.e. last year.

The winter logging season ended March 17 when local jurisdictions implemented weight restrictions on most roads in the region, preventing further trucking of logs to market until summer. Despite the overall log market being poor due to the recession, Keweenaw was able to move all of its sawtimber during the quarter. However, the overall log market outlook for 2009 seems to be less optimistic as the housing market continues to struggle. Continuing downward pressure on sawlog prices is expected through summer. Pulpwood markets have become more restricted and mills across the region have announced additional downtime, plant closures, and layoffs to reduce inventories. Keweenaw has been able to move its winter production, however, because of its diverse markets and long-term business relationships with its customers.

Even during this period of deep economic uncertainty, Keweenaw continues to look for opportunities to increase value without exposing its shareholders to unacceptable risk. This is in keeping with the company's strategy of managing its assets over the long-term.

Keweenaw's common stock traded between \$120 and \$205 per share during the quarter with an ending price of \$150. 26,337 shares traded, around 4% of outstanding shares. This compares to 6,340 shares, or 1% of outstanding, the same period last year. Keweenaw's shares trade in the pink sheets using the symbol KEWL. As with any investment, past performance is not a guarantee of future results.

On February 13, 2009, the Keweenaw Board of Directors declared a \$0.20 dividend per share for the quarter, payable June 15, 2009, to shareholders of record May 15, 2009.

Sincerely,

David Ayer, Chairman

KEWEENAW LAND ASSOCIATION, LIMITED

CONSOLIDATED FINANCIAL HIGHLIGHTS

For the Quarter	2009		2008	
	1st Qtr	YTD	1st Qtr	YTD
Receipts	\$2,271	\$2,271	\$2,940	\$2,940
Net Income (Loss)	(180)	(180)	(18)	(18)
Comprehensive Income	(385)	(385)	71	71
Capital Employed	16,496	16,496	16,577	16,577

**Dollar amounts in thousands*

Per Common Share	2009		2008	
	1st Qtr	YTD	1st Qtr	YTD
Net Income	(\$0.28)	(\$0.28)	(\$0.03)	(\$0.03)
Comprehensive Income	(0.60)	(0.60)	0.11	0.11
Dividends Paid	0.20	0.20	0.20	0.20

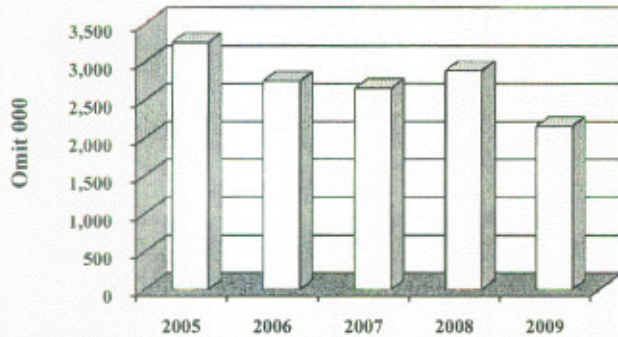
**Based on weighted average shares outstanding*

Statistics

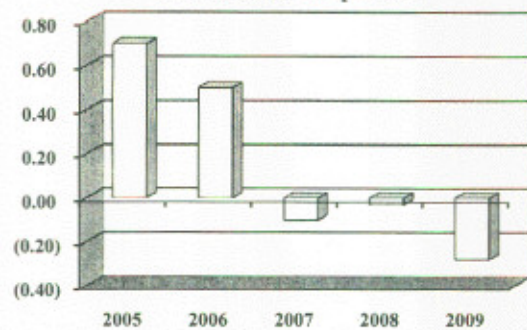
Return on Capital Emp.	-4.4%	-4.4%	-0.4%	-0.4%
Dividend Payout Ratio	71.4%	71.4%	666.7%	666.7%
Avg Shares Outstanding	645,481	645,481	644,765	644,765
Curr Shares Outstanding	645,506	645,506	644,803	644,803



Keweenaw Log Sales
Year to Date Comparison



Keweenaw Earnings Per Share
Year to Date Comparison



SHAREHOLDER INFORMATION

First Quarter 2009 Highlights:

High: \$205.00, Low: \$120.00, Last: \$150.00
Source: Real Tick-Townsend Analytics, Ltd.

First Quarter Dividend Information:

Dividend Rate: \$0.20 per share
Payable Date: May 15, 2009
Record Date: June 15, 2009
Declaration Date: February 13, 2009

Dividend Disbursing Agent:

Keweenaw Land Association, Limited
1801 E Cloverland Dr, PO Box 188
Ironwood MI 49938
Phone: (906) 932-3410 or
Toll Free: (877) 539-3362
Fax: (906) 932-5823
Email: investors@keweenaw.com
Web Page: www.keweenaw.com

Transfer Agent:

Wells Fargo Shareowner Services
161 N. Concord Exch, POB 64854
South St. Paul, MN 55164-9440
(800) 468-9716 or (651) 450-4002

Stock Exchange Information:

Keweenaw's common stock trades under "KEWL" in the Pink Sheets.

GLOSSARY:

Board Foot (BF) - a measurement of sawtimber 12 inches x 12 inches x one inch. When used in conjunction with sawtimber or logs, a measurement system to approximate the output of lumber that can be expected from a given quantity of sawtimber or logs. **Cord Equivalent** - a measurement of logs in cords including logs converted in measurement from other measurement methods. For example, one thousand board feet (MBF) equals approximately 2.2 cords. **Cord** - a measurement of logs containing 128 cubic feet. **MBF** - a thousand board feet. **Production Mix** - the ratio of a category of production to total production. **Pulpwood** - logs cut primarily to be converted to wood pulp for the manufacture of paper and other wood fiber products. **Sawbolt** - a lower grade or smaller size sawlog typically sawn for the manufacture of pallets or other coarse wood products. **Sawlogs** - a higher grade or larger size sawtimber sawn for the manufacture of furniture grade lumber, flooring lumber, or other high quality wood products. **Sawtimber** - a category of logs suitable for veneer, sawlogs, or sawbolts. **Veneer** - a category of sawtimber clear of defects suitable for manufacture as veneer paneling, furniture and cabinetry veneer.

KEWEENAW LAND ASSOCIATION, LIMITED
Consolidated Balance Sheet (Unaudited)
March 31, 2009

ASSETS	<u>Note</u>	<u>Mar. 31, 2009</u>	<u>Mar. 31, 2008</u>	<u>% Chg</u>
Current Assets				
Cash & Cash Equivalents		\$1,824,688	\$944,831	93%
Accounts Receivable		174,264	212,082	
Investments in Government Obligations		0	504,766	
Other Current Assets		724,457	276,762	
Total Current Assets		<u>2,723,409</u>	<u>1,938,441</u>	40%
Investments in Marketable Securities		2,007,335	4,153,885	-52%
Other Non-Current Assets		204,566	202,309	
Equipment		625,379	676,979	-8%
Properties		11,810,278	11,197,027	5%
TOTAL ASSETS		<u>\$17,370,967</u>	<u>\$18,168,641</u>	-4%
LIABILITIES & CAPITAL				
Current Liabilities				
Accounts & Deposits Payable		\$26,466	\$91,972	
Commercial Lines of Credit & Other Debt		750,008	290,000	
Other Accrued Liabilities		308,024	274,271	
Total Current Liabilities		<u>1,084,498</u>	<u>656,243</u>	65%
Non-Current Liabilities				
Long Term Debt		2,037,746	2,277,500	
Deferred Federal Income Tax Liability		540,794	1,225,774	
Non-Current Liabilities		<u>2,578,540</u>	<u>3,503,274</u>	
Total Liabilities		<u>3,663,038</u>	<u>4,159,517</u>	-12%
Capital				
Common Stock Issued	(1)	84,422	84,330	
Accumulated Other Comprehensive Income		684,164	1,806,691	
Retained Earnings		12,939,343	12,118,103	
Total Capital		<u>13,707,929</u>	<u>14,009,124</u>	-2%
TOTAL LIABILITIES & CAPITAL		<u>\$17,370,967</u>	<u>\$18,168,641</u>	-4%
Capital Per Common Share		<u>\$21.24</u>	<u>\$21.73</u>	

Notes:

(1) 645,506 no par value common shares are issued and outstanding on Mar. 31, 2009. 644,803 shares were outstanding on Mar. 31, 2008. 2,500,000 shares are authorized.

KEWEENAW LAND ASSOCIATION, LIMITED
Consolidated Statement of Income and Expense (Unaudited)
March 31, 2009

	1st Quarter		% Chg
	2009	2008	
INCOME			
Timber Operations			
Timber Sales	\$2,156,970	\$2,887,261	
Cost of Sales	1,759,063	2,077,178	
Gross Margin on Timber Sales	397,907	810,083	-51%
Timber Operations Expenses			
Forestry Expenses	168,628	209,728	
Management and General Administration	302,849	311,358	
Total Operations Expenses	471,477	521,086	
Timber Operations Income	(73,570)	288,997	-125%
Real Estate Development			
Developed Lot Sales	0	71,950	
Development Costs	0	41,919	
Gross Margin on Developed Lot Sales	0	30,031	
Total Operations Income	(73,570)	319,028	-123%
Other Income			
Mineral Royalties	3,126	6,913	
Lease and Rental Income	36,923	45,618	
Investment Earnings	5,727	27,574	
Profit (Loss) on Security Sales	0	(101,311)	
Land Sales	24,389	8,320	
Other	44,092	2,042	
Total Other Income	114,257	(10,844)	1154%
Other Expenses			
Land Management Expenses	112,207	111,217	
Board of Directors Expenses	126,076	192,732	
Total Other Expenses	238,283	303,949	-22%
Net Income Before Federal Income Taxes	(197,596)	4,235	-4766%
Provision for Federal Income Taxes	(17,302)	22,176	
Net Income	(180,294)	(17,941)	-905%
Other Comprehensive Income, Net of Tax			
Unrealized Gains (Losses) on Securities			
Unrealized Holding Gains Arising			
During the Period	(204,346)	22,233	
Less: Reclassification Adj. For Gains Included in Net Income	0	66,865	
Other Comprehensive Income	(204,346)	89,099	
Comprehensive Income	(384,640)	71,158	-641%
Per Share Net Income	(\$0.28)	(\$0.03)	
Per Share Comprehensive Income	(\$0.60)	\$0.11	
Dividends Per Share	\$0.20	\$0.20	
Based on Weighted Average Shares Outstanding			