



FOR IMMEDIATE RELEASE
August 5, 2008

ALC-T

ALGOMA CENTRAL CORPORATION

Operating Results

For the Three and Six Months Ended June 30, 2008 and 2007

(In thousand of dollars except per share data)

	Three Months Ended June 30		Six Months Ended June 30	
	2008	2007	2008	2007
Revenue	\$ 196,969	\$ 163,136	\$ 265,676	\$ 215,164
Net earnings	\$ 14,196	\$ 16,522	\$ 5,925	\$ 4,786
Earnings per share	\$ 3.65	\$ 4.25	\$ 1.52	\$ 1.23
Dividends paid per common share	\$ 0.45	\$ 0.35	\$ 0.80	\$ 0.70

The Corporation is reporting net earnings for the three months ended June 30, 2008 of \$14,196 compared to \$16,522 for the same period in 2007. The decrease in the net earnings for the second quarter ended June 30, 2008 of \$2,326 when compared to the same prior year period was due primarily to the following:

- Decrease in earnings of the Product Tankers segment due primarily to costs and out of service days associated with the planned regulatory dry-docking of the *Amalienborg*.
- Decrease in net foreign exchange gains of \$3,572. In the second quarter of 2008, the Corporation incurred a net foreign exchange loss due mainly to the translation to Canadian dollars of Euro denominated short term cash deposits. In the second quarter of 2007 the Corporation had net foreign exchange gains on the translation of foreign-denominated net liabilities resulting from the strengthening of the Canadian dollar against the U.S. dollar.

The above decreases in the earnings were partially offset primarily by the following:

- Improved earnings of the Domestic Dry-Bulk segment as a result of higher rates.
- Improved earnings in Ocean Shipping due largely to the addition of the *Honourable Henry Jackman* on August 1, 2007, improved results of the CSL International commercial arrangement offset partially by the reduced earnings of the *Ambassador* and the *Nelvana* due to planned regulatory dry-dockings.

For the six months ended June 30, 2008 net earnings were \$5,925 compared to \$4,786 for the same period in the prior year. The increase in earnings of \$1,139 was a result of the following:

- Improved earnings for the Ocean Shipping segment due mainly to additional operating days as a result of the addition of the *Honourable Henry Jackman* on August 1, 2007, improved results of the CSL International commercial arrangement and earnings from a positioning cargo for a vessel going to a scheduled dry-docking. These improved results were partially offset with reduced earnings of the *Ambassador* and *Nelvana* due to planned regulatory dry-dockings.
- Improved earnings of the Domestic Dry-Bulk segment as a result of higher rates and additional operating days. These increases in earnings were partially offset with increased repair and maintenance costs associated with the increased winter works program of the Domestic Dry-Bulk segment.
- Improved earnings for the Real Estate segment due primarily to a gain realized on the sale of one of its light industrial properties in St. Catharines, Ontario.
- Increase in net foreign exchange gains of \$3,015 resulting primarily from gains on the translation to Canadian dollars of Euro denominated short term cash deposits.

The above increases in net earnings were partially offset with reduced earnings of the Product Tankers segment due primarily to costs and out of service days associated with the regulatory dry-docking of the *Amalienborg*.

On July 2, 2008, the Board of Directors declared a dividend of \$0.45 per common share payable on September 2, 2008 to shareholders of record on August 19, 2008.

-30-

Greg D. Wight
President and Chief Executive Officer
905-687-7850

David G. Allen
Vice President Finance and Chief Financial Officer
905-687-7897