



FOR IMMEDIATE RELEASE
November 5, 2008

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ALGOMA CENTRAL CORPORATION

Operating Results

For the Three and Nine Months Ended September 30, 2008 and 2007

(In thousand of dollars except per share data)

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2008	2007	2008	2007
Revenue	\$ 226,836	\$ 180,248	\$ 492,512	\$ 395,412
Net earnings	\$ 18,523	\$ 21,580	\$ 24,448	\$ 26,366
Earnings per share	\$ 4.76	\$ 5.55	\$ 6.28	\$ 6.78
Dividends paid per common share	\$ 0.45	\$ 0.35	\$ 1.25	\$ 1.05

The Corporation is reporting net earnings for the three months ended September 30, 2008 of \$18,523 compared to \$21,580 for the same period in 2007. The decrease in the net earnings for the third quarter ended September 30, 2008 of \$3,057 when compared to the same prior year period was due primarily to the following:

- Decrease in net foreign exchange gains of \$7,918. In the third quarter of 2008, the Corporation incurred net foreign exchange losses of \$6,273 due mainly to the translation to Canadian dollars of Euro denominated short term cash deposits and U.S. dollar denominated debt. The losses were due to the strengthening of the Canadian dollar against the Euro and the weakening of the Canadian dollar relative to the U.S. dollar. In the third quarter of 2007, the Corporation had net foreign exchange gains of \$1,645 on the translation of foreign-denominated net liabilities resulting from the strengthening of the Canadian dollar against the U.S. dollar.
- Decrease in earnings of the Product Tankers segment of \$658 due primarily to fewer operating and in-charter days and increased variable costs.

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

- Improved earnings of the Domestic Dry-Bulk segment of \$1,689, net of minority interest, as a result of higher rates and additional operating days.

- Improved earnings in Ocean Shipping of \$3,614 due largely to improved results of the CSL International commercial arrangement, the addition of three ocean bulkers, additional operating days in 2008 due the addition of the *Honourable Henry Jackman* during the third quarter of 2007 and no planned regulatory dry-dockings compared to the same quarter in 2007.

For the nine months ended September 30, 2008 net earnings were \$24,448 compared to \$26,366 for the same period in the prior year. The decrease in earnings of \$1,918 was a result of the following:

- Decrease in net foreign exchange gains of \$4,903 resulting primarily from losses on the translation to Canadian dollars of Euro denominated short term cash deposits and U.S. dollar denominated debt.
- Reduced earnings of the Product Tankers segment of \$4,476 due primarily to costs and out of service days associated with the regulatory dry-docking of the *Amalienborg* and additional income tax expense.

The above decreases were partially offset by the following:

- Improved earnings for the Ocean Shipping segment of \$5,847 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 higher market rates 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 of \$942, net of minority interest, 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 of \$328 due primarily to a gain realized on the sale of one of its light industrial properties in St. Catharines, Ontario.

The lease with our tenant for the Corporation's Sault Ste. Marie hotel expires April 30, 2009 and will not be renewed. The hotel currently operates as a Holiday Inn under a franchise agreement with the tenant. The Corporation will take control of the hotel May 1, 2009 and will spend approximately six million dollars on a modernization program to include building improvements, furnishings and fixtures. The hotel will continue to operate as a first class, full-service hotel.

On November 5, 2008, the Board of Directors declared a dividend of \$0.45 per common share payable on December 1, 2008 to shareholders of record on November 17, 2008.

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

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