



FOR IMMEDIATE RELEASE
April 29, 2011

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ALGOMA CENTRAL CORPORATION

Operating Results

For the Three Months Ended March 31, 2011

**(Reported under International Financial Reporting Standards)
(In thousand of dollars except per share data)**

	Three Months Ended	
	March 31	
	2011	2010
Revenue	\$ 57,186	\$ 54,765
Net loss	\$ 17,013	\$ 17,202
Loss per common share	\$ 4.37	\$ 4.42
Dividends paid per common share	\$ 0.45	\$ 0.45

The Corporation is reporting a net loss for the three months ended March 31, 2011 of \$17,013 compared to a net loss of \$17,202 for the same period in 2010. The decrease in the net loss was due primarily to a reversal recorded in the 2011 first quarter of an impairment charge taken in prior years, partially offset by the adverse impact of a non-cash mark-to-market adjustment recognizing the fair value of certain foreign exchange forward contracts. The combined operating results of the business units were essentially the same for both the 2011 and 2010 three month periods ended March 31.

The Domestic Dry-Bulk segment's operating loss net of income tax increased from \$20,107 to \$23,127. The increase in the loss was due primarily to costs incurred for the *Algoma Spirit*, *Algoma Guardian* and the *Algoma Discovery* which were added to the domestic dry-bulk fleet in 2010. These vessels operated for the first quarter in 2010 in the ocean market and were included in the results of the Ocean Shipping segment.

The Product Tanker segment operating earnings net of income tax increased from \$21 to \$1,354 mainly as a result of more operating days due to an increase in market demand.

The operating earnings net of income tax of the Ocean Shipping segment for the three months ended March 31, 2011 were \$2,924 compared to \$2,486 for the same period in 2010. The increase was mainly a result of lower amortization and general and administrative expenses which were partially offset with reduced earnings due to a planned regulatory dry-docking.

The Real Estate segment operating earnings net of income tax increased from \$523 to \$859 due primarily to additional earnings realized from the hotel in operation for the full quarter in 2011.

During the first quarter of 2011, the Corporation negotiated a conditional conversion of a contract to construct a new product tanker vessel to a laker self-unloader and entered into an agreement with the shipyard to apply the installments paid to date on the product tanker to fund installments due on a new lake freighter construction contract. As a result of this conversion, the accumulated impairment provision recorded in prior periods has been re-measured, resulting in a reduction of the accumulated impairment provision of \$5,066, which has been disclosed in the statement of earnings for the first quarter of 2011 as a separate line.

Financial expense for the three months ended March 31, 2011 increased to \$4,786 from \$827 in 2010 as a result of the impact of a non-cash mark-to-market adjustment to recognize the fair value of certain foreign exchange forward contracts relating to the construction of four new maximum Seaway-sized dry-bulk lake freighters.

The net foreign exchange gains on the translation of foreign denominated assets and liabilities were \$652 compared to a gain of \$3,387 in 2009. The decrease was due to larger realized losses on the return of capital from foreign subsidiaries and a reduction in the gains related to the translation to Canadian dollars of the Corporation's foreign denominated debt. Both of these decreases compared to last year are a result of the strengthening Canadian dollar relative to the U.S. dollar.

On April 29, 2011, the Board of Directors declared a dividend of \$0.45 per common share payable on June 1, 2011 to shareholders of record on May 18, 2011.

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