



Q4 2012 Investor Conference Call

February 25, 2013



FORWARD-LOOKING STATEMENTS



Certain statements in this document about our current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. The words "may", "will", "would", "should", "could", "expects", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "predicts", "likely" or "potential" or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements. Forward-looking statements are based on estimates and assumptions made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate and reasonable in the circumstances, but there can be no assurance that such estimates and assumptions will prove to be correct.

Certain assumptions in respect of the determination of tonnages shipped, freight rates, fuel costs, general inflation rates, USD/CAD exchange rates and capital expenditures are material factors made in preparing forward-looking information and management's expectations. Many factors could cause our actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the following factors, which are discussed in greater detail in the "Risk Factors" in our current Annual Information Form: the impact of arbitration or judicial proceedings to which we are a party, significant competition in the shipping industry and other transportation providers, impact of unionized environment on labour costs, reliance on commercial pooling relationships, on-time and on-budget delivery of new ships, and appropriate maintenance and repair of our existing fleet, government regulations affecting the cost of environmental, health, and safety compliance, a change in other applicable laws and regulations, the risk that foreign exchange rates have an adverse impact on our results and ability to pay our debt, economic conditions may prevent us from realizing sufficient investment returns to fund our defined benefit plans at the required levels, our ability to raise new equity and debt financing when required, extreme weather conditions or natural disasters, our dependence on our ability to attract and retain quality employees, the seasonal nature of our business.

These factors are not intended to represent a complete list of the factors that could affect us; however, these factors should be considered carefully. The purpose of the forward-looking statements is to provide the reader with a description of management's expectations regarding the Company's financial performance and may not be appropriate for other purposes; readers should not place undue reliance on forward-looking statements made herein, recognizing that all such forward looking information is based on assumptions about the future that may not ultimately be born out and are subject to many risks and uncertainties, including those listed above. Furthermore, unless otherwise stated, the forward-looking statements contained in this document are made as of the date of hereof (unless stated to be as of an earlier date), and we have no intention and undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary statement. Management approved the forward looking financial information as of February 22, 2013.

ALL AMOUNTS IN C\$ MILLIONS EXCEPT PER SHARE AMOUNTS, UNLESS NOTED



Consolidated Operating Results

Period Ended December 31

Three Months

Full Year

	2012	2011	2012	2011
Revenue	\$ 155,176	\$ 185,050	\$ 560,377	\$ 582,690
Net Earnings	\$ 24,527	\$ 33,358	\$ 43,819	\$ 68,844
Basic Earnings per Share	\$ 0.63	\$ 0.86	\$ 1.13	\$ 1.77



Segment Earnings, after tax

	Year Ended December 31	
	2012	2011
Domestic Dry-Bulk	\$ 31,644	\$ 36,573
Product Tankers	10,251	13,695
Ocean Shipping	14,999	15,476
Real Estate	3,114	3,383
Impairment reversals	750	4,501
Segment Earnings, after tax	60,758	73,628
Pro-forma impact of ULG Transaction	-	(15,067)
Pro-Forma Segment Earnings, after tax	\$ 60,758	\$ 58,561



Impact of ULG Transaction on 2011

Impact of ULG Transaction on 2011

	Net Earnings	Basic EPS
2011 Results as reported	\$ 68,844	\$ 1.77
Pro-forma impact of ULG Transaction timing	<u>(15,067)</u>	<u>(0.39)</u>
Pro-Forma 2011 Results	<u>\$ 53,777</u>	<u>\$ 1.38</u>
2012 Results as reported	<u>\$ 43,819</u>	<u>\$ 1.13</u>



Algoma Domestic Dry-Bulk

Period Ended December 31

Three Months

Full Year

2012

2011

2012

2011

Revenue

\$ 112,389

\$ 133,296

\$ 375,553

\$ 389,172

Segment operating earnings, after tax

\$ 20,276

\$ 25,478

\$ 31,644

\$ 36,573



Pro-Forma Domestic Dry Bulk

Year Ended December 31
2012 2011

Revenue, as reported

\$ 375,553

\$ 389,172

Partner's share of revenue not incl.

-

13,300

Pro-Forma revenue

\$ 375,553

\$ 402,472

Segment operating earnings, after tax

\$ 31,644

\$ 36,573

Pro-forma impact of acquisition timing

-

(15,067)

Pro-Forma segment loss

\$ 31,644

\$ 21,506



Algoma Product Tankers

Period Ended December 31



Revenue

	Three Months 2012	Three Months 2011	Full Year 2012	Full Year 2011
Revenue	\$ 22,322	\$ 23,872	\$ 87,164	\$ 88,436

Segment operating earnings, after tax

Segment operating earnings, after tax	\$ 2,882	\$ 3,779	\$ 10,251	\$ 13,695
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Algoma Ocean Shipping



Revenue

\$ 12,982 \$ 20,105 \$ 67,668 \$ 75,089

Segment operating earnings, after tax

\$ 3,552 \$ 6,089 \$ 14,999 \$ 15,476

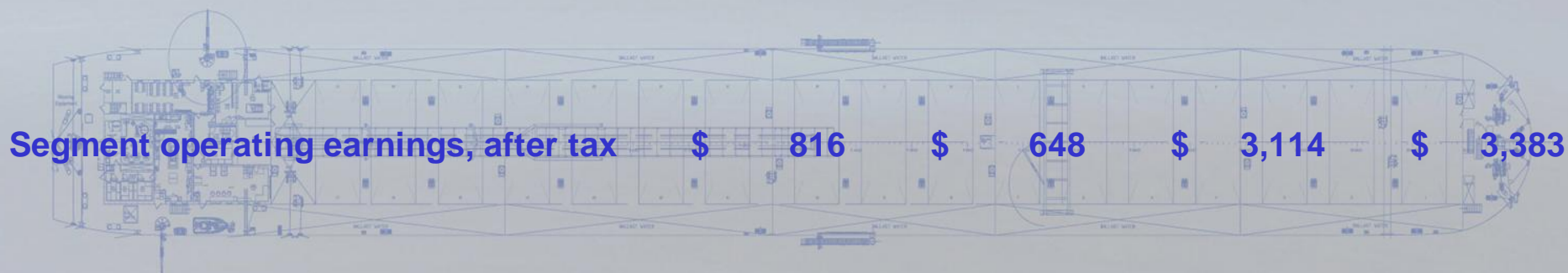
Algoma Central Properties



Period Ended December 31



Revenue	\$ 7,483	\$ 7,777	\$ 29,992	\$ 29,993
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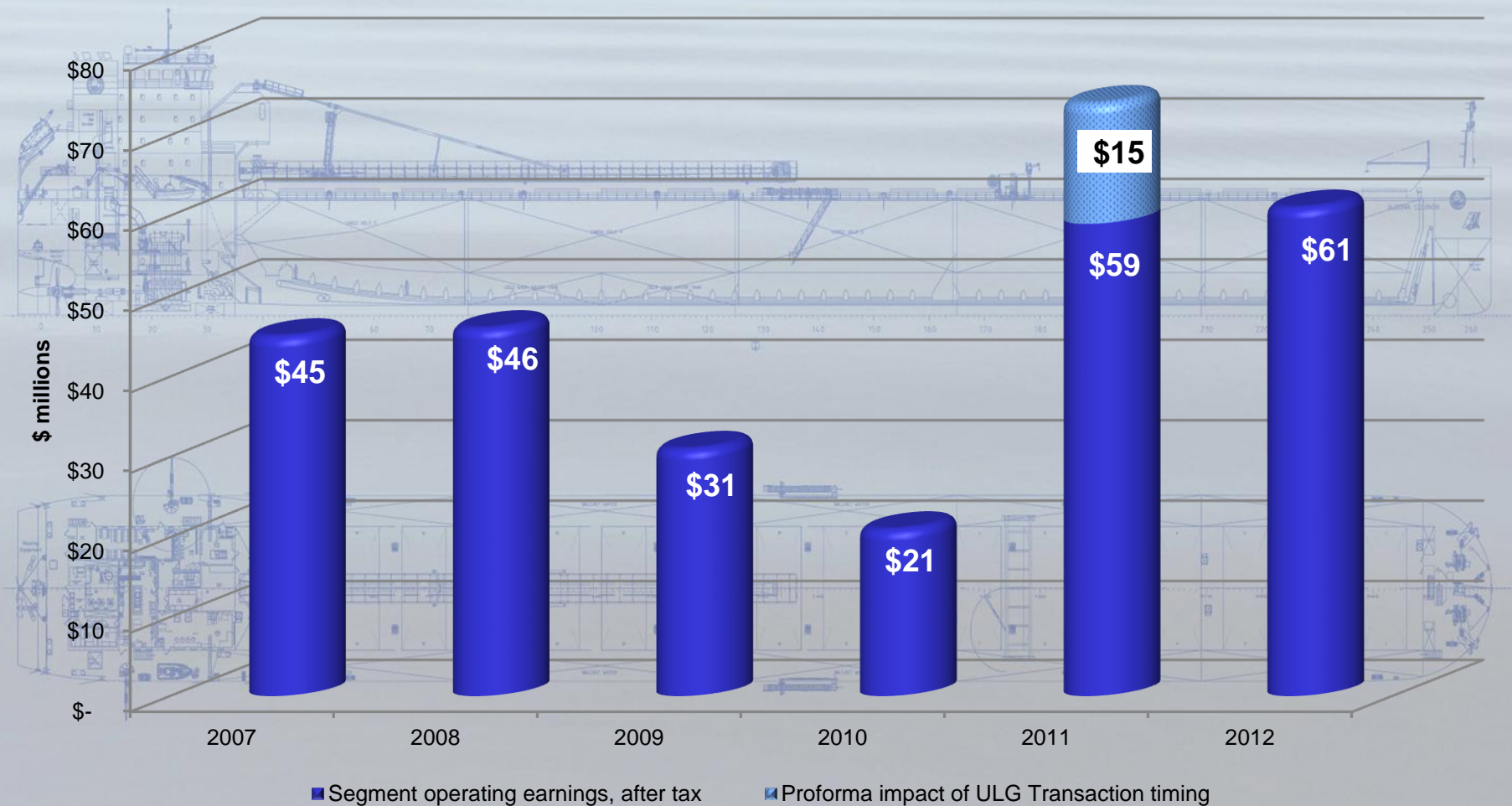


Segment operating earnings, after tax	\$ 816	\$ 648	\$ 3,114	\$ 3,383
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Segment Earnings



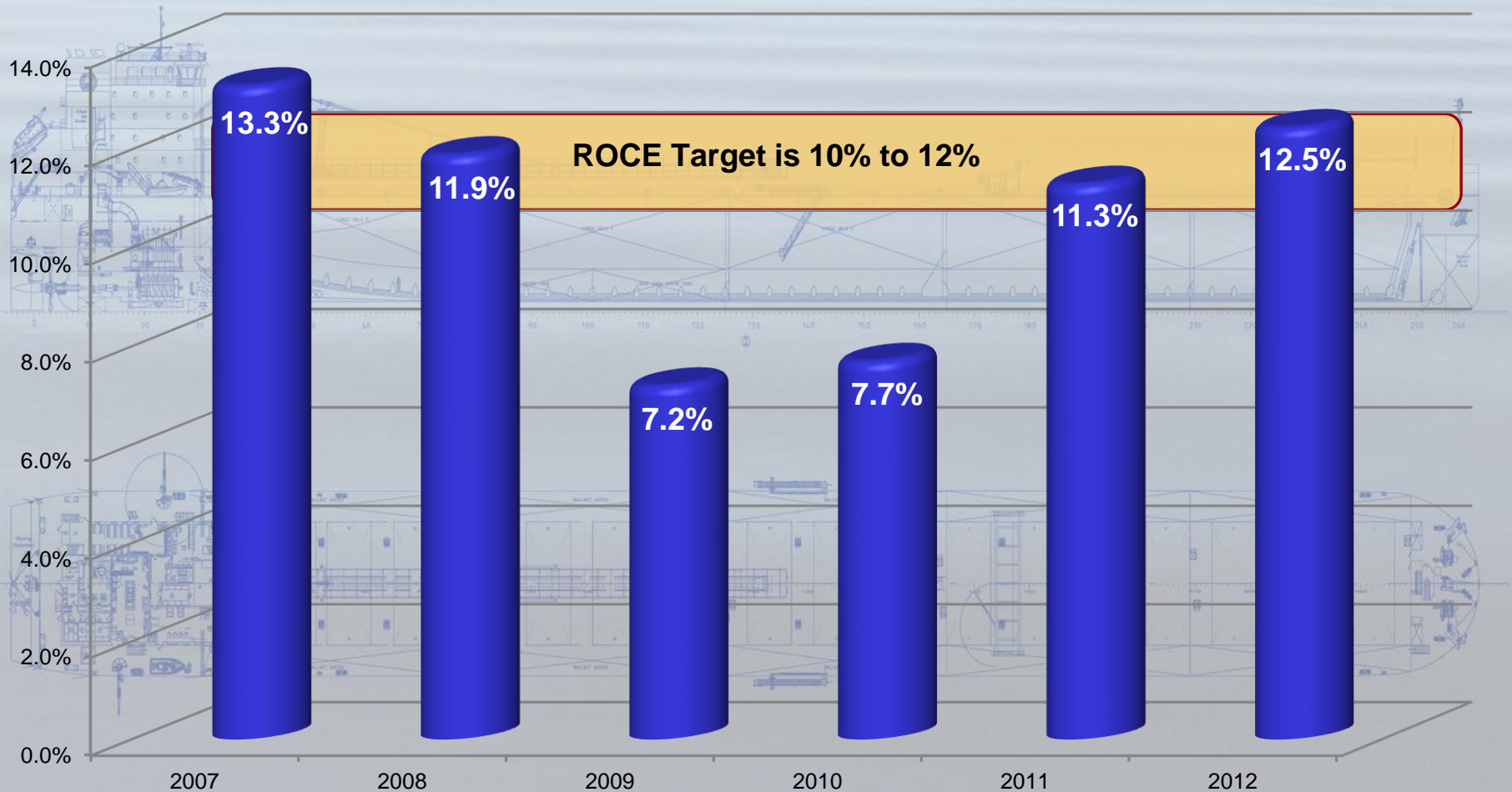
Six Year Trend for Combined Segment Earnings, After Tax



Adjusted Return on Capital Employed



Six Year Trend of Adjusted Return on Capital Employed



Dividends

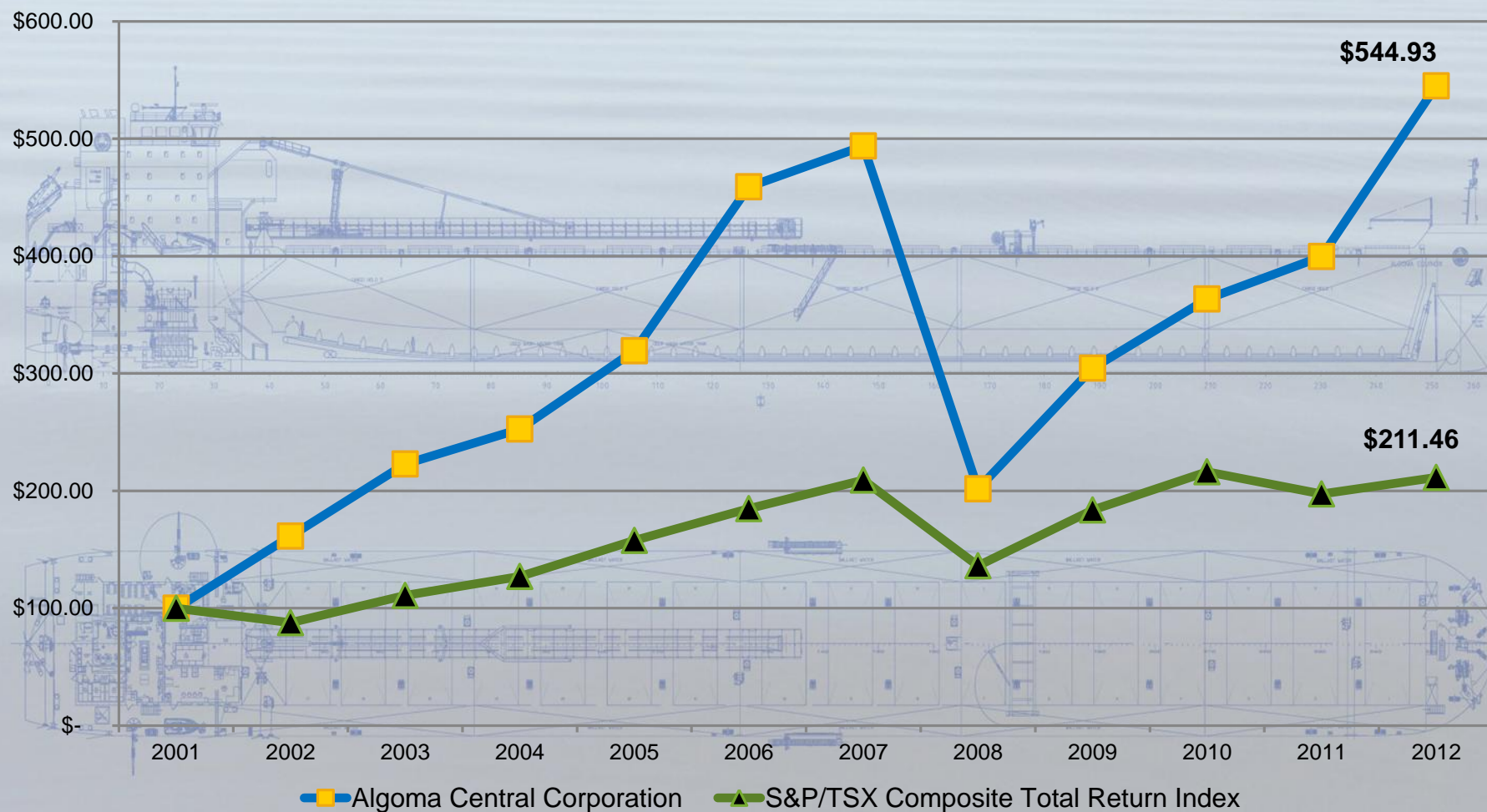


Six Year Trend for Dividends per Share





Value of \$100 invested on December 31, 2001





Concluding Remarks





Q & A

