



Algoma Central Corporation

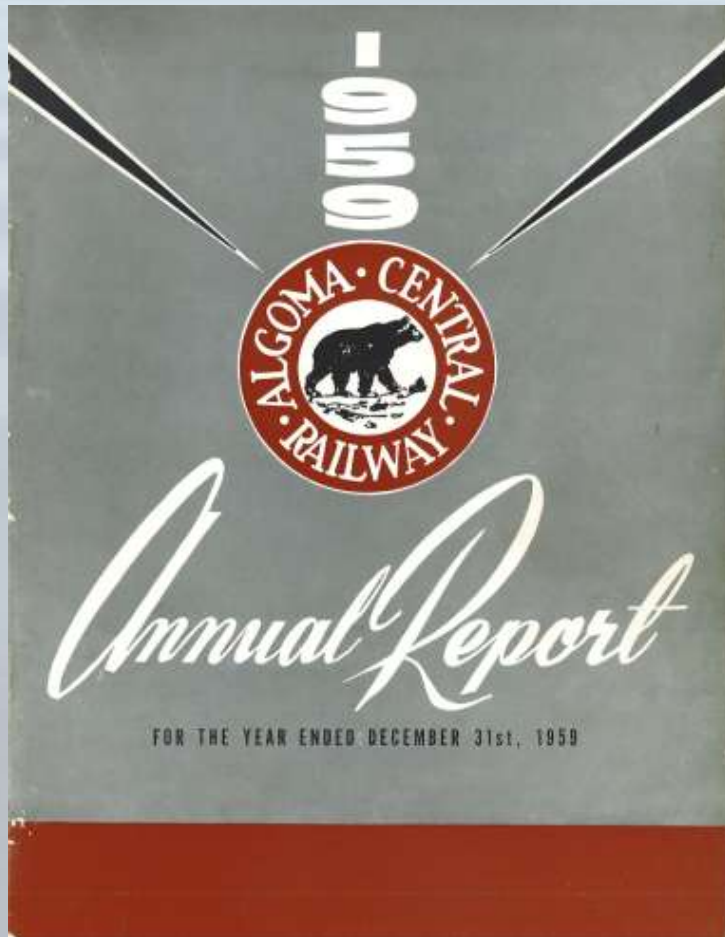
Annual Meeting
Thursday, May 7, 2009

All amounts in thousands of dollars, except per share figures or as noted

Forward-Looking Statement



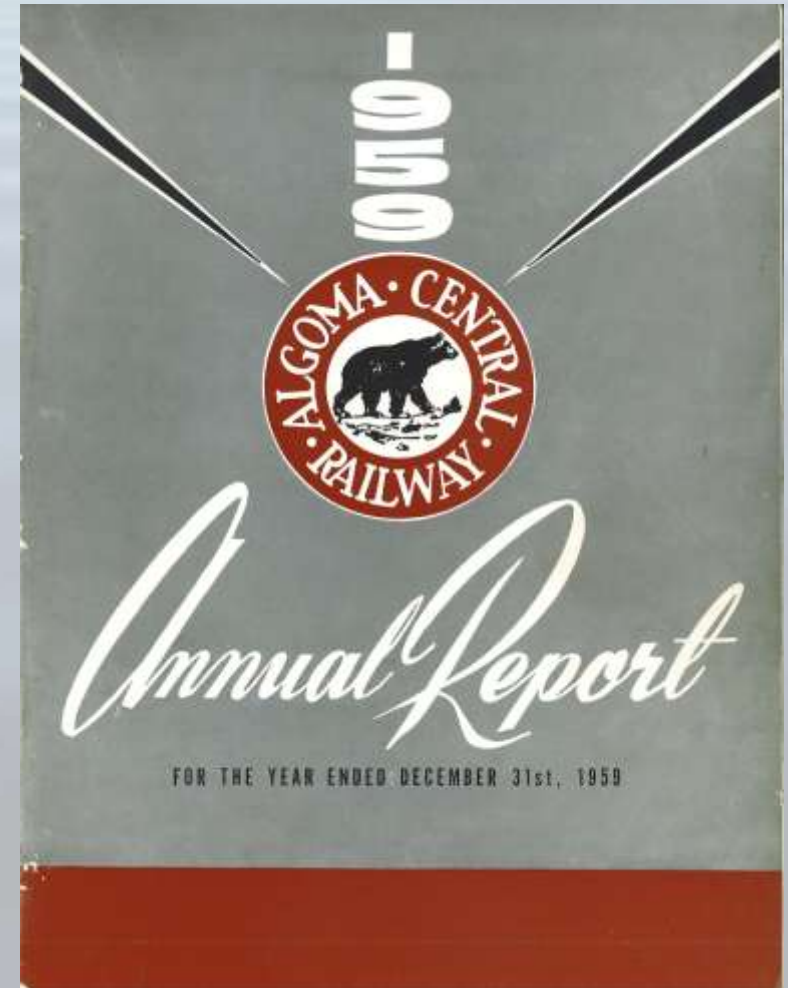
This presentation may include forward-looking statements concerning the future results of the Corporation. These forward looking statements are based on current expectations. The Corporation cautions that all forward-looking information is inherently uncertain and actual results may differ materially from the assumptions, estimates or expectations reflected or contained in the forward-looking information, and that actual future results could be affected by a number of factors, many of which are beyond the Corporation's control, including economic circumstances, technological changes, weather conditions and the material risks and uncertainties identified by the Corporation and discussed in its 2008 Management's Discussion and Analysis and Annual Information Form filings.



1959 Board of Directors



Sir Denys Lawson	London, England
Edgar B. Barber	Sault Ste. Marie, Ontario
Leslie C. Waugh	Sault Ste. Marie, Ontario
John B. Aird	Toronto, Ontario
Charles F. W. Burns	King, Ontario
K. W. Dalglish	Toronto, Ontario
Henry R. Jackman	Toronto, Ontario
Roy A. Jodrey	Hantsport, Nova Scotia
N. R. Whittall	Vancouver, British Columbia



Topics



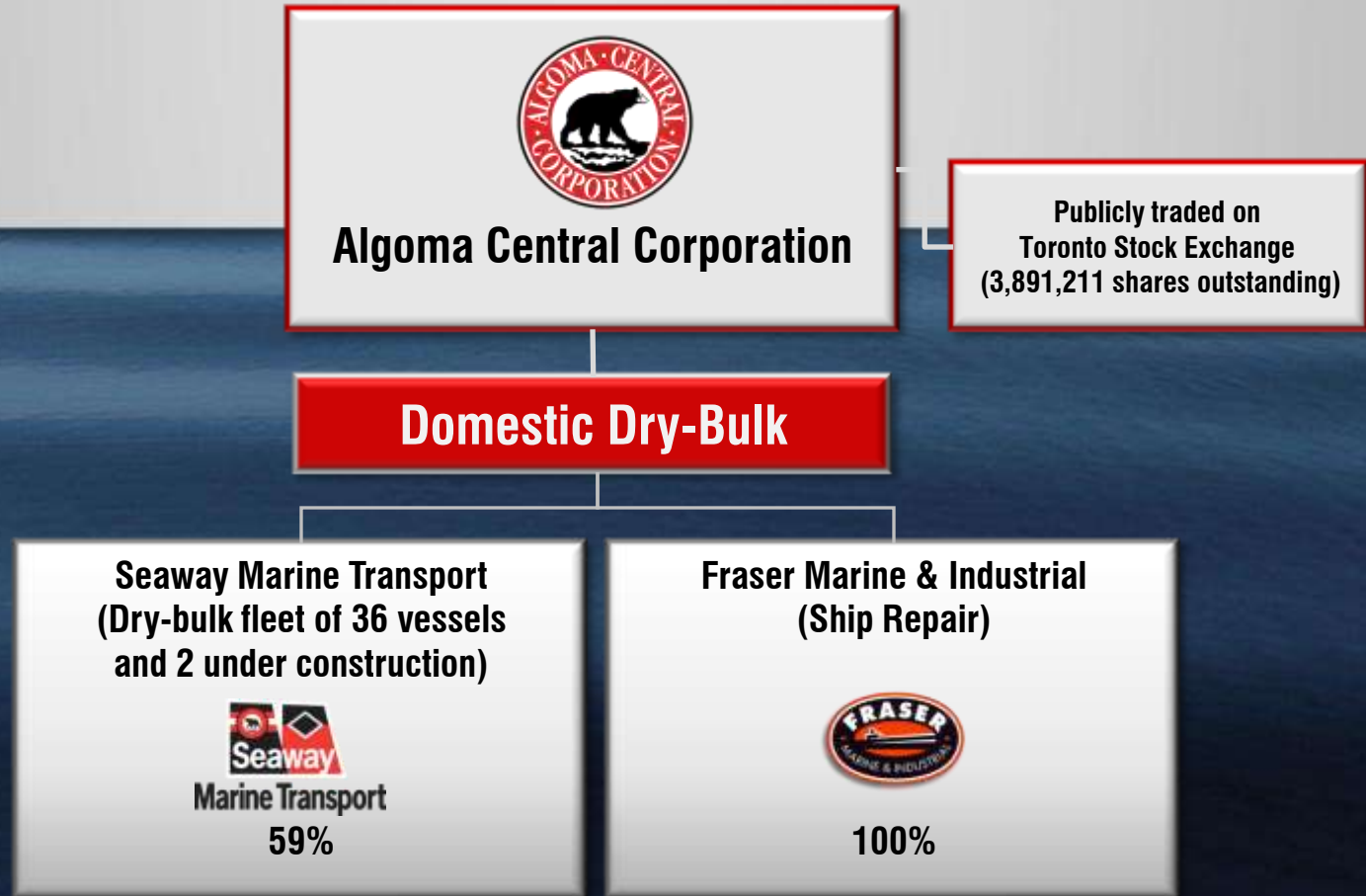
1. Algoma Structure
2. Financial Highlights
 - 2008 Year End Results
 - Q1 2009 Results
3. Significant Events in 2008
4. Outlook for 2009
5. Strategic Priorities



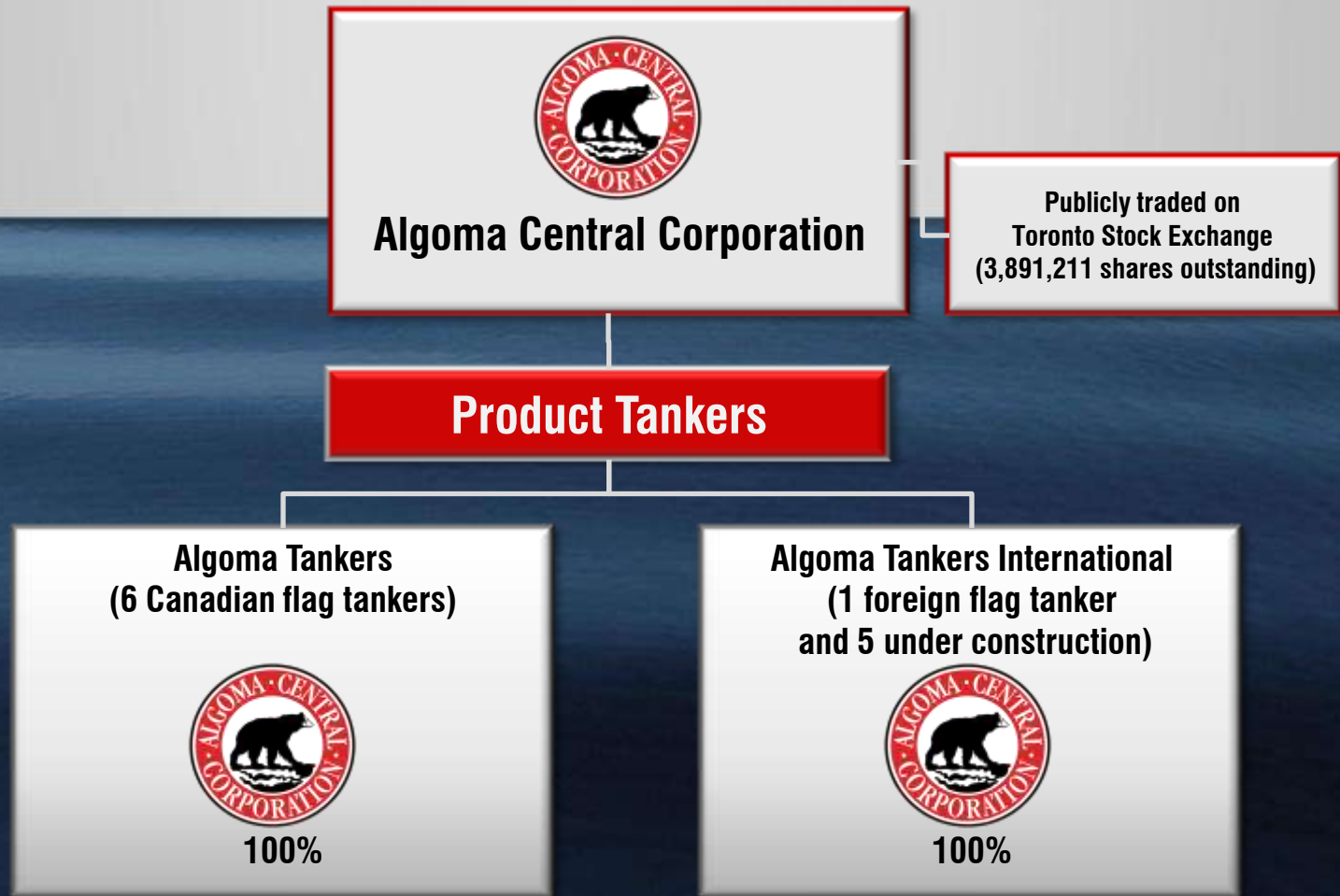
Algoma Structure



Domestic Dry-Bulk Segment



Product Tanker Segment



Ocean Shipping Segment



Real Estate Segment





2008 Year End Results

2008 Year End Results



- Net earnings for the year ended December 31, 2008 of \$41.3 million or \$10.61 per share
- Compared to the same period in 2007 net earnings have decreased \$11.2 million or \$2.87 per share.

Year Ended December 31			
		2008	2007
Revenue	\$	688,914	\$ 580,546
Net Earnings	\$	41,280	\$ 52,443
Earnings Per Share	\$	10.61	\$ 13.48

2008 Financial Highlights



- After adjusting for the impact of foreign exchange gains and losses in both years and a one-time corporate tax rate adjustment in 2007, net earnings have increased by \$1.2 million or \$0.32 per share.

	Year Ended December 31	
	2008	2007
Net Earnings	\$ 41,280	\$ 52,443
FX after tax	3,924	(2,917)
Tax rate reduction	<u>—</u>	<u>(5,570)</u>
Adjusted Net Earnings	<u>\$ 45,204</u>	<u>\$ 43,956</u>
Earnings Per Share	\$ 11.62	\$ 11.30

2008 Financial Highlights



- Operating earnings net of tax increased by 5%.

- Domestic Dry-Bulk
 - Higher freight rates
 - More operating days
- Ocean Shipping
 - Strong Pool results
 - Positioning cargoes
 - *H. H. Jackman*
- Real Estate
 - Sale of property
 - Increased rental income
- Product Tanker
 - Dry-docking of *Algoma Hansa*

Operating Earnings Net of Income Tax

	2008	2007
Domestic Dry-Bulk	\$ 20,108	\$ 18,474
Product Tankers	6,673	11,590
Ocean Shipping	21,135	15,685
Real Estate	<u>5,256</u>	<u>4,877</u>
	<u>\$ 53,172</u>	<u>\$ 50,576</u>

Cash Flow from Operations



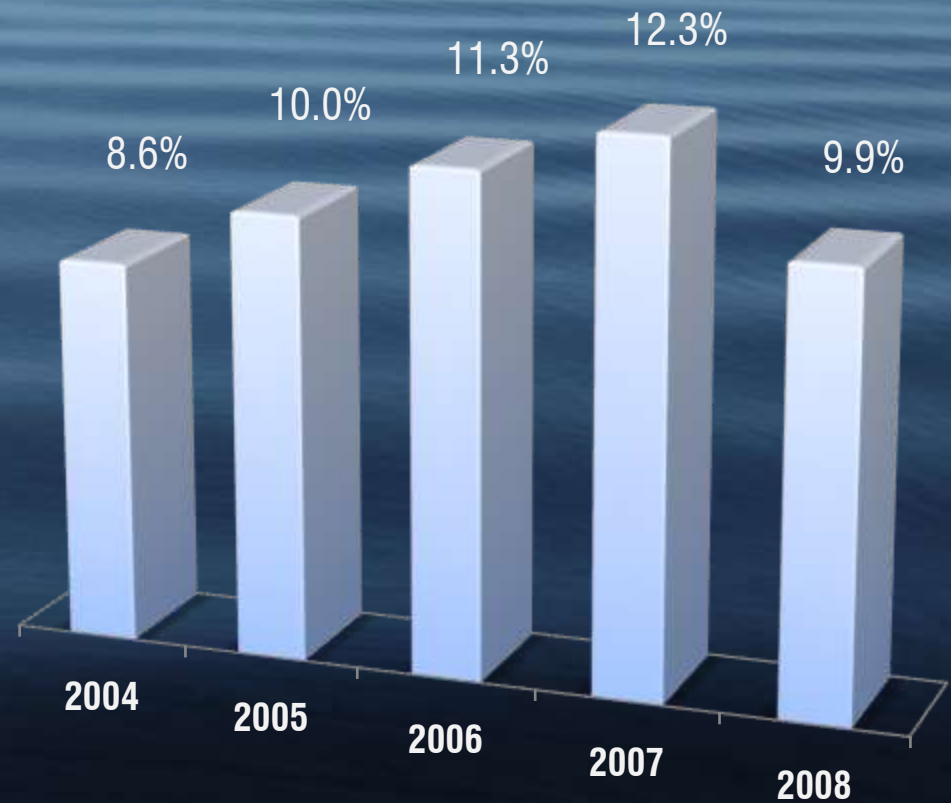
- Cash flow from operations was \$90.0 million compared to \$70.4 in 2007.
- Cash flow per share was \$23.12 in 2008 compared to \$18.10 in 2007.
- Due primarily to improvements in earnings and in cash from accounts receivable.
- Indicator of ability to service debt and fund future capital projects.





Return on Capital Employed (ROCE)

- ROCE decreased to 9.9% from 12.3% in 2007.
- Due to:
 - Progress payments on capital assets.
 - Increase in Equity from foreign exchange.



Capital Commitments



- All four business segments were involved in capital projects.
- New business segment in 2010.
- Remaining capital commitments for these projects totalled \$203 million.



Financial Strength - Long-Term Debt (Net of Cash) to Shareholders' Equity



- The Corporation continues to be well positioned to take advantage of further investment opportunities should they arise.
- Based on a 1:1 debt to capital ratio the available borrowing capacity was \$356 million.





2009 First Quarter Results

2009 Q1 Highlights



- Net loss for the first quarter of 2009 of \$18.5 million. This loss is \$10.2 million higher than the 2008 Q1 loss of \$8.3 million.
- Due mainly to a decrease in foreign exchange gain of \$7,032.

Three Months Ended March 31

	2009	2008
Revenue	\$ 60,435	\$ 68,707
Net loss	\$ 18,455	\$ 8,271
Loss per share	\$ 4.74	\$ 2.13

2009 Q1 Highlights



Other Factors

- Domestic Dry-Bulk
 - Reduced operating days
 - Increased winter maintenance spending
- Product Tankers
 - Two planned regulatory dry-dockings
- Ocean Shipping
 - Decreased Pool results
 - Increased positioning costs
- Real Estate
 - Gain on sale of property in 2008

Three Months Ended March 31

	2009	2008
Revenue	\$ 60,435	\$ 68,707
Net loss	\$ 18,455	\$ 8,271
Loss per share	\$ 4.74	\$ 2.13

2009 Q1 Highlights



Dividends

- We are pleased to note the Board, earlier today, declared a quarterly dividend of \$0.45 per common share.
- This dividend represents the Corporation's 57th consecutive quarterly dividend and over the last three years the amount of the quarterly dividend has increased from \$0.25 to \$0.45 per share.





Significant Events

1. *Algobay* and *Algoport* Forebodies
2. *Algonova* and *AlgoCanada*
3. Hanseatic Tankers
4. Ocean Bulkers
5. 25 Corporate Park Drive
6. Waterfront Inn and Conference Centre

Significant Events



Algobay and Algoport Forebodies

- Construction of two Seaway-sized maximum self-unloading forebodies at Chengxi Shipyard.
- To be attached to the upgraded and re-furbished aft-ends of the *Algobay* and *Algoport*.
- Corporation's share of the cost of these projects is \$65 million.
- Includes 25% import duty.



Significant Events



Algobay and Algoport Forebodies

- *Algobay* was christened and launched on March 30, 2009.
- Vessels are expected to return to Canada in the 4th quarter of 2009 (*Algobay*) and September 2010 (*Algoport*).



Significant Events



Algonova and AlgoCanada

- The *Algonova* joined Algoma's Canadian-flag product tanker fleet in October 2008. The *AlgoCanada* joined in early January 2009.
- Since 2002, \$190 million has been spent on the modernization of our Canadian-flag product tanker fleet.
- Our fleet of six vessels is the most modern fleet operating on the Great Lakes and East Coast of Canada.

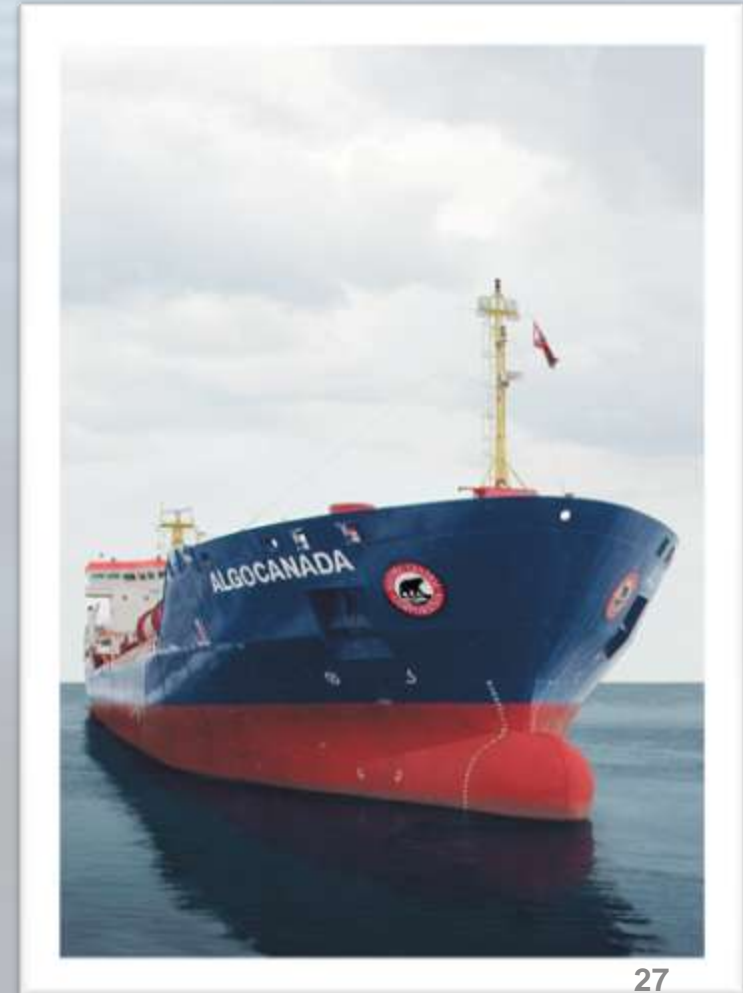


Significant Events



Algonova and AlgoCanada

- These two double-hulled product tankers were built at a cost of \$43.6 million each. This amount includes 25% duty payable to the Canadian government.
- There are no shipyards in Canada that have the capability to build cost competitive new vessels.
- Working in conjunction with other ship owners to eliminate the punitive 25% import duty on new vessels.
- Have obtained support for this initiative from a broad spectrum of stakeholders.

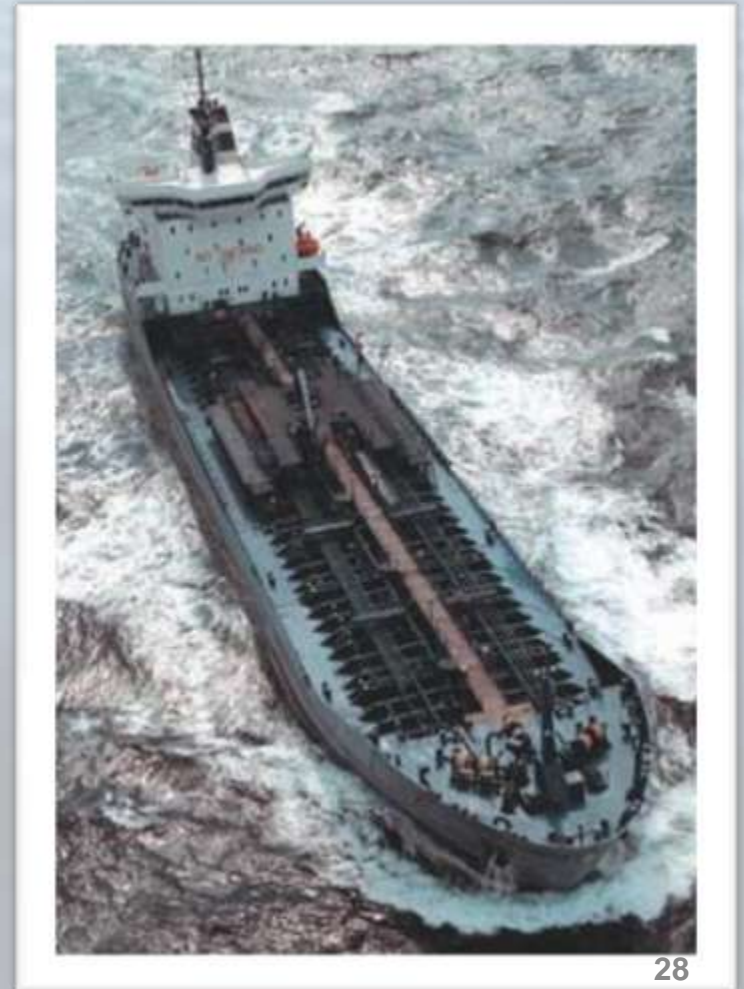


Significant Events



Hanseatic Tankers

- Hanseatic Tankers is a new commercial arrangement for international tankers.
- Partners are Bernhard Schulte, Sloman Neptun, Intrepid Shipping and Algoma.
- 23 new product tankers have been ordered from shipyards in China.
- The *Algoma Hansa* joined Hanseatic Tankers in October 2008.
- *Emmy Schulte* joined in March 2009.



Significant Events



Hanseatic Tankers

- Algoma has ordered three 16,500 DWT product tankers from Jiangxi Jiangzhou Shipbuilding Co. Ltd. at a cost of \$33 million each.
- Two 25,000 DWT product tankers have been ordered from Nantong Mingde Heavy Industry at a cost of \$44 million each.



Significant Events



Purchase of Three Ocean Bulklers

- Algoma purchased three ocean-going Seaway-sized geared bulk carriers at a total cost of \$38 million.
- Built in 1986 and 1987, these vessels each have a carrying capacity of 34,000 tonnes.
- Currently operating under long-term charter arrangements.
- Corporation's intention is to make these vessels available for use by SMT in Canadian flag service upon the expiry of the existing charter commitments.



Significant Events



25 Corporate Park Drive

- Construction was completed in March 2008 on a new office building at 25 Corporate Park Drive, St. Catharines at a cost of \$5.8 million.
- Three tenants have now taken occupancy.
- Our Henley Corporate Park complex now has three office buildings totaling 146,000 square feet of rental space.



Significant Events



Waterfront Inn and Conference Centre

- We assumed operating and management control of our Sault Ste. Marie hotel property on February 1, 2009.
- Now operating as the Waterfront Inn and Conference Centre.
- A six million dollar modernization program is planned.
- Upon completion hotel management will be assumed by Delta Hotels and Resorts.





2009 Outlook

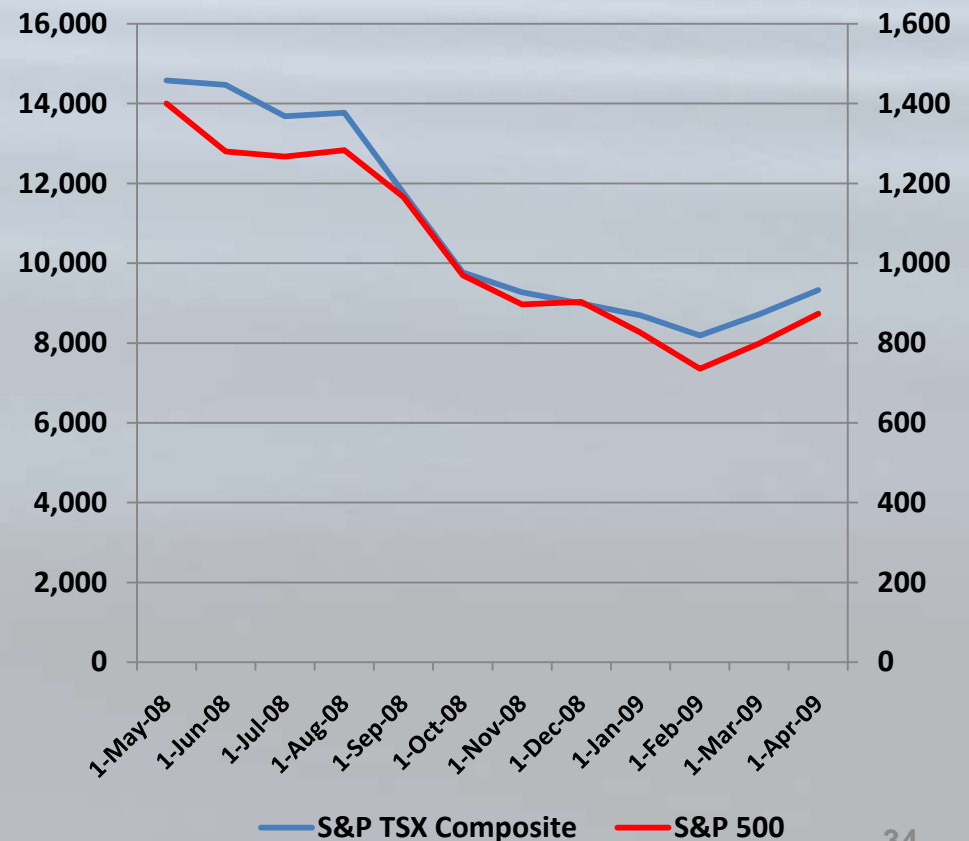
2009 Outlook



Global Financial and Economic Crisis

- Collapse of Lehman Brothers in September 2008.
- Loss of liquidity led to financial crisis.
- Cutbacks in production and consumption.

S&P TSX Composite and S&P 500



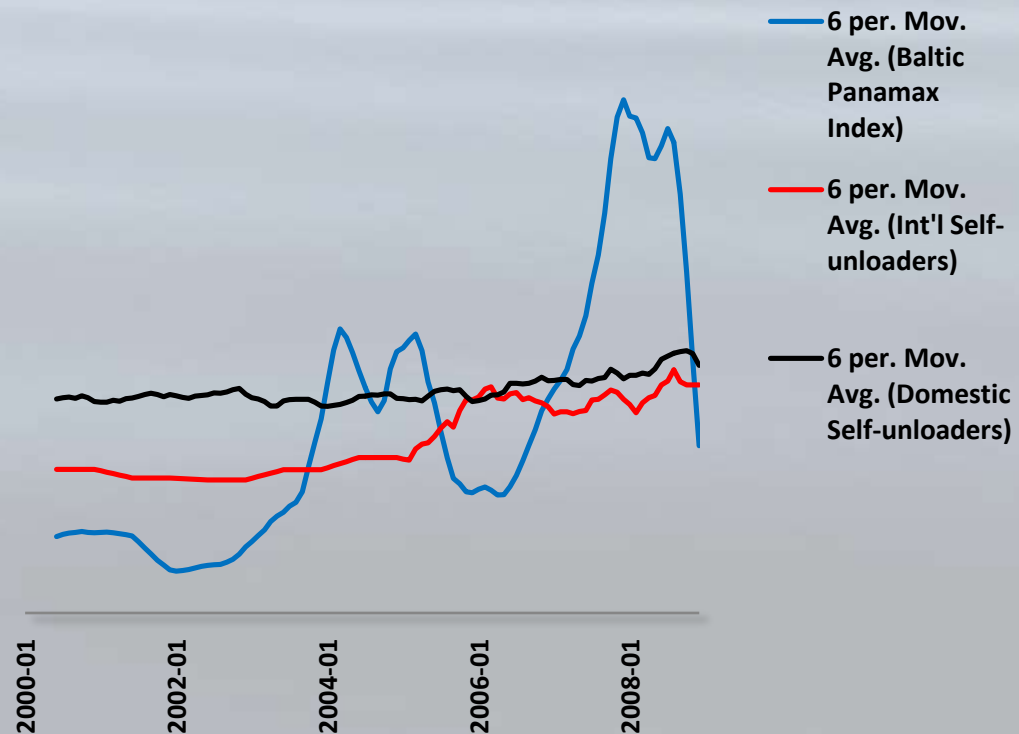
2009 Outlook



Baltic Index

- Baltic Index as a reference for production and consumption.
- Does not incorporate value added services.
- Freight rates for value added services do not typically follow the Baltic Index.

Comparison of Baltic Index
with Algoma Market Segments



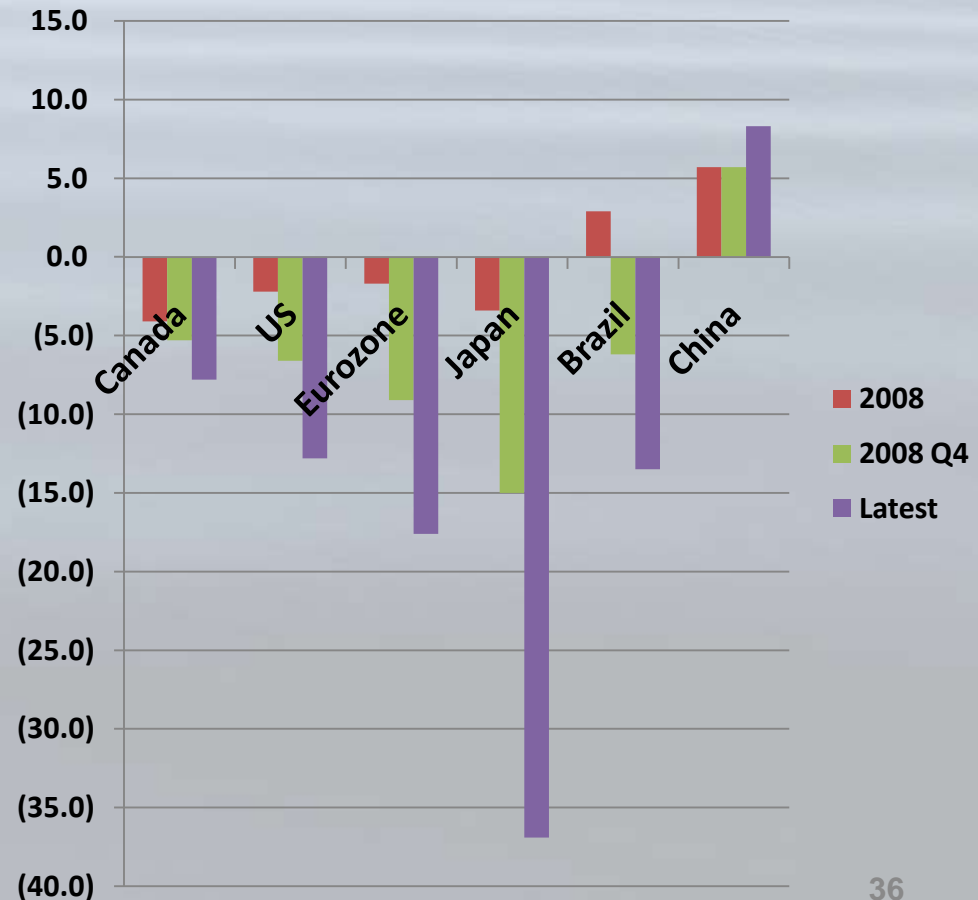
2009 Outlook



How Does It Impact Algoma?

- Algoma's markets are not immune.
- Difficult to quantify how badly Algoma will be affected.
- Value of diversification strategy.
- 2009 Results will be impacted.

Industrial Production





Strategic Priorities

1. Operational Excellence
2. Environmental Sustainability
3. Diversification
4. Growth



Strategic Priorities

1. Operational Excellence

- Effective cost control
- Reduce incident frequency and cost
- Minimize non-productive time



Strategic Priorities

2. Environmental Sustainability

- Green Marine Program
- ISO 14001
- Environmental Issues
 - ECA
 - Ballast Water



Strategic Priorities

3. Diversification

- Hanseatic Tankers



Strategic Priorities

4. Growth

- Accretive investment returns
- Conservative leverage



Concluding Remarks

Share Price and Shareholders' Equity

- Algoma's share price was not immune to the fallout from the global financial crisis.





Thank you

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