TSX: SPB

Superior Plus

August 6, 2014

Superior Plus Corp. Announces 2014 Second Quarter Results

Highlights

- For the quarter ended June 30, 2014, Superior generated adjusted operating cash flow (AOCF) before restructuring costs per share of $0.25 consistent with the prior year quarter of $0.24 per share and consistent with management expectations. After restructuring costs, Superior generated AOCF per share of $0.18 compared to $0.24 per share in the prior year quarter. EBITDA from operations for the second quarter was consistent with the prior year quarter with lower interest costs offset by higher corporate costs.
- Superior's 2014 financial outlook of AOCF per share has been confirmed at $1.65 to $1.95 before restructuring costs and before the potential impact of the sale of Superior's Construction Products Distribution business. See "2014 Financial Outlook" for additional details.
- Energy Services results for the second quarter were higher than the prior year quarter as a reduction in operating costs was partially offset by modestly reduced gross profits. Operating costs benefitted from one-time litigation and insurance settlements and the benefit of ongoing cost reduction initiatives as part of Superior's business restructuring activities. Business improvement initiatives throughout the Energy Services business continue to track consistent with management's expectations.
- Specialty Chemicals results for the second quarter were modestly lower than the prior year but consistent with management's expectations. Sodium chlorate gross profits were modestly higher than the prior year as sales volumes resulting from the Tronox LLC (Tronox) agreement more than offset the impact of higher average electricity costs. Chloralkali gross profits were higher than the prior year due to improved sales volumes of potassium caustic.
- The expansion of the hydrochloric acid production capacity at the Port Edwards, Wisconsin and Saskatoon, Saskatchewan chloralkali facilities continued throughout the second quarter. The Port Edwards facility continues to be on budget and is now anticipated to be in production by the end of the third quarter of 2014 compared to during the fourth quarter of 2014 as previously disclosed. The Saskatoon facility remains scheduled to be in commercial production in the fourth quarter of 2014. The total cost of the Saskatoon project has been increased by $3 million to $28 million due to incremental costs associated with skilled mechanical trades in Western Canada.
- The Construction Products Distribution business results were consistent with the prior year quarter and were impacted by the carry forward effect of the extreme winter conditions experienced in the first quarter of 2014 which resulted in numerous construction delays. The impact of weather was offset by a stronger U.S. dollar and improved average sales margins due to ongoing procurement and pricing initiatives.
- Superior's forecasted December 31, 2014, total debt to EBITDA ratio before restructuring costs of 3.6X to 4.0X is unchanged from the update provided in the 2014 first quarter. Superior remains committed to reducing its total debt to EBITDA to a range of 3.0X to 3.5X over the medium term. See "Debt Management Update" for additional details.
- The strategic review of Superior's Construction Products Distribution business is well advanced. Superior anticipates that the process will be concluded by the end of the third quarter of 2014.

Second Quarter Financial Summary

(millions of dollars except per share amounts)	Three months ended June 30, 2014	2013	Six months ended June 30, 2014	2013
Revenue	**895.4**	854.4	**2,177.8**	1,904.3
Gross profit	**194.8**	190.0	**471.4**	443.1
EBITDA from operations (1)	**49.9**	48.8	**156.2**	154.5
Interest expense	**(11.6)**	(13.8)	**(24.5)**	(30.8)
Cash income tax expense	**(0.5)**	(0.4)	**(0.9)**	(0.8)
Corporate costs	**(6.0)**	(3.7)	**(10.8)**	(9.8)
Adjusted operating cash flow before restructuring costs (1)	**31.8**	30.9	**120.0**	113.1
Restructuring costs (2)	**(9.3)**	(0.7)	**(11.1)**	(0.9)
Adjusted operating cash flow after restructuring costs	**22.5**	30.2	**108.9**	112.2
Adjusted operating cash flow per share before restructuring costs, basic (1)(2)(3)(4)	**$0.25**	$0.24	**$0.95**	$0.94
Adjusted operating cash flow per share before restructuring costs, diluted (1)(2)(3)(4)	**$0.25**	$0.24	**$0.92**	$0.92
Adjusted operating cash flow per share, basic (1)(2)(3)(4)	**$0.18**	$0.24	**$0.86**	$0.94
Adjusted operating cash flow per share, diluted (1)(2)(3)(4)	**$0.18**	$0.24	**$0.84**	$0.91
Dividends paid per share	**$0.15**	$0.15	**$0.60**	$0.60

(1) EBITDA from operations and adjusted operating cash flow are key performance measures used by management to evaluate the performance of Superior. These measures are defined under "Non-IFRS Financial Measures" in Superior's 2014 Second Quarter Management's Discussion and Analysis (MD&A).

(2) Superior has restated its 2013 financial results to present them on a before and after restructuring cost basis due to the one-time nature of these costs. See "Restructuring Costs" in Superior's 2014 Second Quarter MD&A for additional details.

(3) The weighted average number of shares outstanding for the three months ended June 30, 2014 is 126.2 million (2013 – 126.2 million) and for the six months ended June 30, 2014 is 126.2 million (2013 – 119.9 million).

(4) See "Supplemental Financial Information" for additional details on diluted per share amounts.

Segmented Information

(millions of dollars)	Three months ended June 30, 2014	2013	Six months ended June 30, 2014	2013
EBITDA from operations:				
Energy Services	**17.2**	15.4	**89.4**	83.2
Specialty Chemicals	**24.7**	25.1	**54.3**	58.0
Construction Products Distribution	**8.0**	8.3	**12.5**	13.3
	49.9	48.8	**156.2**	154.5

Energy Services

- EBITDA from operations for the second quarter was $17.2 million compared to $15.4 million in the prior year quarter. Results were impacted by reduced operating costs which more than offset modestly lower gross profits.
- The Canadian propane business generated gross profit of $47.5 million in the second quarter compared to $50.2 million in the prior year quarter due to modestly lower sales volumes and average sales margins.
- Canadian propane average sales margins were 18.6 cents per litre in the second quarter compared to 18.9 cents per litre in the prior year quarter. The decrease in average sales margin was due largely to selling higher cost product in a rapidly falling price environment which resulted in a modest amount of margin compression. The impact of margin compression more than offset the impact of ongoing pricing management initiatives and an improved sales mix compared to the prior year quarter.
- Canadian propane distribution sales volumes were 10 million litres or 4% lower than the prior year quarter due to lower industrial sales volumes. Sales volumes in the other lines of business were consistent with the prior year quarter. Industrial sales volumes were impacted by reduced oil field demand due to reduced customer activity as a result of the shutdown of low performing well sites and the gasification of certain operating sites. In addition, due to the high pricing environment and increased propane demand experienced in the first quarter of 2014, customers across all lines of business deferred taking deliveries in the second quarter of 2014 due to conservation efforts in light of the high energy spend throughout the most recent winter heating season.
- Average weather across Canada, as measured by degree days, for the second quarter was 1% colder than the prior year and 5% colder than the 5-year average. Due to the seasonal nature of heating related volumes weather in the second quarter did not have a material impact on sales volumes.
- The U.S. refined fuels business generated gross profits of $26.4 million in the second quarter compared to $24.5 million in the prior year quarter. Gross profits benefited from improved sales mix and margin management initiatives which more than offset reduced sales volumes.
- U.S. refined fuels average sales margin of 7.6 cents per litre in the quarter was higher than the prior year quarter of 6.4 cents per litre. Average sales margins benefitted from an increased proportion of higher margin residential sales volumes and improved margins on residential retail propane. Residential margins benefitted from ongoing margin management initiatives, strategic supply initiatives and the implementation of standardized delivery charges.
- Sales volumes within the U.S. refined fuels business were 36 million litres or 9% lower than the prior year. Sales volumes were impacted by reduced wholesale volumes. As originally noted in the fourth quarter of 2013, the wholesale market has been negatively impacted by difficult operating conditions due to refiners selling product at unfavourable margins on a direct basis to large wholesale customers. As such, Superior anticipates that wholesale volumes will continue to be below the prior year but that average margins will be positively impacted due to an improved average sales mix.
- Average weather for the U.S. refined fuel business, as measured by degree days, for the first quarter was 3% warmer than the prior year and 9% colder than the 5-year average. Similar to the Canadian propane business, the impact of weather on the second quarter results is typically not material due to the seasonal nature of heating related volumes.
- The fixed-price energy services business generated gross profits of $3.1 million compared to $4.4 million in the prior year quarter. Lower natural gas profits were due to a reduction in sales volumes as a result of a reduced contribution from the residential segment which has been in decline due to a change in strategy in prior years to exit that market and focus on small commercial and industrial accounts. Gross profit from the electricity segment was impacted by reduced contributions from the Ontario market and reduced contributions from the U.S. business due to the sale of the business on May 1, 2014.
- As disclosed in Superior's 2014 first quarter results, Superior sold its U.S. fixed-price business on May 1, 2014. Total proceeds as at June 30, 2014 of $3.7 million includes $0.6 million in deferred consideration. Additional deferred consideration of up to $0.5 million could be received over the next three quarters if certain conditions are met. The sale simplifies Superior's fixed-price energy business. Superior continues to review the strategic fit of its Canadian business in light of the sale of its U.S. business.

- The supply portfolio management business generated gross profits of $5.8 million in the second quarter consistent with $5.7 million in the prior year quarter. Market conditions were consistent with the prior year quarter.
- Operating expenses were $73.8 million in the second quarter compared to $78.6 million in the prior year quarter. The reduction in operating expenses is due to the execution of cost reduction initiatives implemented throughout 2013/2014 which included the reduction in headcount of approximately 190 full time equivalents compared to the prior year quarter. Superior continues to make excellent progress on reducing its cost structure as part of its *Destination 2015* initiatives. Additionally, expenses benefitted from $3.7 million in one-time litigation and insurance settlements, offset in part by the impact of a stronger U.S. dollar on the translation of U.S. denominated expenses and costs associated with the implementation of the ADD IT system. The ADD IT system was successfully implemented in the Ontario and Quebec regions throughout the second quarter. The ADD IT system has now been successfully implemented across the entire Canadian Propane business. In conjunction with the ADD IT system integration, the rollout of the standard operating model, referred to as *The Superior Way* project, continues to track to expectations. Superior anticipates that all regions will have implemented the updated processes and procedures by the end of the third quarter of 2014.
- EBITDA from operations for 2014 is anticipated to be higher than in 2013 due to improved results at the Canadian propane and U.S. refined fuels businesses. Improvement in EBITDA is anticipated as a result of modestly higher sales volumes and improved average sales margins due to the ongoing implementation of business initiatives. EBITDA from the wholesale supply business is anticipated to be higher than in 2013 due to year-to-date results, whereas EBITDA from the fixed-price business is anticipated to be lower than 2013 due to 2014 year-to-date results. Operating costs as a percentage of gross profits are anticipated to be modestly lower than the prior year due to improvements from business initiatives offset in part by costs associated with difficult operating conditions throughout the first quarter of 2014. Average weather, as measured by degree days, for the remaining two quarters of 2014 is anticipated to be consistent with the 5-year average period. Operating conditions for the remainder 2014 are anticipated to be similar to 2013.

Specialty Chemicals

- EBITDA from operations for the second quarter was $24.7 million compared to $25.1 million in the prior year quarter.
- Sodium chlorate gross profits were higher than the prior year quarter as improved sales volumes resulting from the Tronox agreement announced in the fourth quarter of 2013 more than offset reduced average gross margins. Gross margin per tonne was modestly lower than the prior year due primarily to higher electricity costs. Gross margin per tonne was also impacted by a higher mix of international sales volumes and higher cost of sales associated with Tronox volumes.
- Sodium chlorate sales volumes were 26% higher than the prior year quarter due to sales volumes associated with the Tronox agreement. The Tronox agreement, announced on October 31, 2013, provides that Superior can purchase and market up to 130,000 metric tonnes of sodium chlorate on an annual basis.
- Chloralkali gross profits were modestly higher than the prior year quarter as improved potassium caustic sales volumes and higher chlorine selling prices more than offset reduced chlorine sales volumes and weaker average caustic selling prices.
- Operating expenses of $38.9 million were $5.3 million higher than the prior year due to the impact of a stronger U.S. dollar on the foreign currency translation of U.S. dollar denominated expenses, costs associated with the Tronox agreement, higher maintenance costs, general inflationary increases and a foreign currency translation loss on the revaluation of U.S. dollar denominated working capital.
- Work on the previously announced hydrochloric acid expansion projects at Port Edwards, Wisconsin and Saskatoon, Saskatchewan continued throughout the second quarter. Upon completion of both projects, Superior will have doubled its total hydrochloric acid production capacity to 360,000 wet metric tonnes. The expansion of the production capacity will allow Superior to optimize overall returns at both facilities by converting a larger portion of its chlorine into higher value hydrochloric acid, thus reducing Superior's exposure to chlorine. The Port Edwards project remains on budget with an anticipated cost of $18 million with commercial production now expected by the end of the third quarter of 2014, ahead of the previously communicated schedule of the fourth quarter of 2014. The Saskatoon project is now anticipated to cost $28

million compared to the previously provided estimate of $25 million with commercial production continuing to be expected in the fourth quarter of 2014. The cost increase at the Saskatoon facility is due to higher than anticipated labour costs associated with skilled mechanical trades in Western Canada. To date, cumulative costs of $31 million have been incurred with respect to both projects.

- On June 29, 2014, the Hargrave, Manitoba sodium chlorate facility, which represents 8% of Superior's North American sodium chlorate manufacturing capacity, was impacted by local area flooding. The facility was appropriately shut-down in advance of the flooding; however, certain pumps, motors and other electrical equipment were damaged as a result of the flooding. Superior has completed their assessment of the damage and the process of remediation has commenced. Superior estimates that the facility will return to normal operating rates by the end of August 2014. Physical damage to the property and loss of production is covered by Superior's insurance program subject to customary deductibles and waiting periods.
- Superior expects EBITDA from operations for 2014 to be lower than in 2013 due to a reduced contribution from sodium chlorate due to higher electricity prices and plant operating costs, offset in part, by the contribution from the Tronox agreement. Contribution from the chloralkali segment is anticipated to be higher than 2013 due to the completion of the hydrochloric acid facility expansions in the fourth quarter of 2014. Sales volumes of caustic, chlorine and hydrochloric acid are anticipated to be modestly higher than 2013, offset by lower average selling prices. Supply and demand fundamentals in the chloralkali markets in which Superior operates are anticipated to remain similar with the prior year.

Construction Products Distribution

- EBITDA from operations for the second quarter was $8.0 million compared to $8.3 million in the prior year quarter. Results in the current year quarter were negatively impacted by a slowdown of seasonal construction from adverse weather conditions experienced throughout the first quarter of 2014, which more than offset benefits from higher average selling prices and improved average sales margins.
- Gross profit was higher than the prior year quarter due to improved average selling prices and higher average sales margins. Gypsum revenues were higher than the prior year quarter due to improved U.S. sales volumes as a result of ongoing improvements in the U.S. residential construction sector, higher average selling prices and the impact of a stronger U.S. dollar on the translation of U.S. denominated revenues. These improvements more than offset lower revenues in Canada due to the carry forward impact of adverse weather conditions in the first quarter as noted above and a slowdown in Canadian new housing starts and general construction related activity. Gypsum sales margins benefited from improved board pricing and the success of intelligent pricing initiatives.
- Commercial and industrial insulation (C&I) revenues increased over the prior year quarter due to higher industrial market activity, improvements in end-use markets, an increase in market share due to investments in sales and marketing, the opening of a new branch in Baton Rouge, Louisiana in the third quarter of 2013 and a stronger U.S. dollar. C&I gross margins were modestly higher than the prior year due to improved market conditions and the implementation of intelligent pricing initiatives.
- Operating expenses for the second quarter were $42.6 million compared to $40.2 million in the prior year quarter. Operating costs were impacted by costs associated with higher sales volumes in the U.S., the impact of a stronger U.S. dollar on the translation of U.S. denominated expenses, investment in supply chain capability and general inflationary increases of wages and benefits. Operating expenses as a percentage of sales were modestly higher than the prior year quarter due to the impact of weather and lower Canadian revenues.
- The strategic review of Superior's Construction Products Distribution business is well advanced. Superior anticipates that the process will be concluded by the end of the third quarter of 2014.
- Before consideration of the timing of the sales process noted above, Superior anticipates that EBITDA from operations in 2014 will be higher than in 2013 due to continued improvements in U.S. residential and industrial construction markets and benefits resulting from ongoing business initiatives. Superior anticipates that the U.S. commercial market will be modestly improved in 2014 compared to 2013 and that the Canadian residential market will continue to be challenging. Superior anticipates a strong second half of 2014, particularly in its U.S. markets, as construction activity, which was negatively impacted by adverse weather conditions in the first and second quarters rebounds in the third and fourth quarters of 2014.

Corporate Related

- Interest expense for the second quarter was $11.6 million compared to $13.8 million in the prior year quarter. Interest expense was lower than the prior year quarter as a result of lower average effective interest rates.
- Corporate costs were $6.0 million in the second quarter which was $2.3 million higher than the prior year quarter. The increase in corporate costs is due to higher long-term incentive plan costs due to changes in Superior's share price compared to March 31, 2014 and costs associated with the sales process of CPD.
- Superior's total debt (including convertible debentures) to Compliance EBITDA before restructuring costs was 3.6X as at June 30, 2014 (4.0X after restructuring costs) compared to 3.9X as at December 31, 2013. The reduction in leverage is due to lower debt levels as a result of reduced working capital requirements. See "Debt Management Update" for additional details.
- On June 27, 2014, Standard & Poor's confirmed Superior Plus Corp.'s long-term corporate credit rating as BB and Superior's Plus LP's senior secured rating as BBB-. The outlook for the long-term corporate credit rating remains stable.
- On June 27, 2014, DBRS confirmed Superior Plus Corp.'s corporate credit rating as BB high (stable), Superior Plus LP's secured debt rating as BB high (stable) and Superior Plus LP's unsecured debt rating as BB low (stable).

Corporate Governance Update

Effective August 6, 2014, Mr. Grant Billing, after 20 years of service has advised the Board of Directors of Superior of his intention to retire as a director by the end of 2014. Mr. Billing will continue in the capacity as director until such time that a replacement director is identified and appointed. To ensure an orderly transition, Mr. David Smith has been elected as Chairman to replace Mr. Billing, effective August 6, 2014. Mr. Smith has been a director of Superior since 1998 and is the former managing partner of Enterprise Capital. Mr. Smith has an extensive understanding of Superior's business and provides strong financial and general business advice as a result of his background.

CRA Income Tax Update

As previously disclosed, on April 2, 2013 Superior received from the CRA Notices of Reassessment for Superior's 2009 and 2010 taxation years reflecting the CRA's intent to challenge the tax consequences of Superior's corporate conversion transaction (Conversion) which occurred on December 31, 2008. The CRA's position is based on the acquisition of control rules, in addition to the general anti-avoidance rules in the Income Tax Act (Canada).

The table below summarizes Superior's estimated tax liabilities and payment requirements associated with the received and anticipated Notices of Reassessment. Upon receipt of the Notices of Reassessment, 50% of the taxes payable pursuant to such Notices of Reassessment, must be remitted to the CRA.

Taxation Year	Taxes Payable (1)(2)	50% of the Taxes Payable (1)(2)	Payment Dates
2009/2010	$13.0	$5.0	April 2013
2011	$10.0 (3)	$5.0	2015
2012	$10.0 (3)	$5.0	2015
2013	$10.0 (3)	$5.0	2015
2014	$20.0 (3)	$10.0	2015
Total	**$63.0**	**$31.5**	

(1) In millions of dollars.
(2) Includes estimated interest and penalties.
(3) Estimated based on Superior's previously filed tax returns, actual 2013 financial results and the midpoint of Superior's 2014 financial outlook.

On May 8, 2013 Superior filed a Notice of Objection and a Notice of Appeal with respect to the Notice of Reassessments received on April 2, 2013. Superior anticipates that if the case proceeds in the Tax Court of Canada, the case could be heard in the first or second quarter of 2015, with a decision rendered by the end of fiscal 2015. If a decision of the Tax Court of Canada were to be appealed, the appeal process could reasonably be expected to take an additional 2 years. If Superior receives a positive decision then any taxes, interest and penalties paid to the CRA will be refunded plus interest and if Superior is unsuccessful then any remaining taxes payable plus interest and penalties will have to be remitted.

Superior remains confident in the appropriateness of its tax filing position and the expected tax consequences of the Conversion and intends to vigorously defend such position and intends to file its future tax returns on a basis consistent with its view of the outcome of the Conversion.

Interim tax payments made by Superior will be recorded to the balance sheet and will not materially impact either adjusted operating cash flow or net earnings.

Based on the midpoint of Superior's current 2014 financial outlook of AOCF per share of $1.80, if the tax pools from the Conversion were not available to Superior, the impact would be an increase to cash income taxes of approximately $0.15 per share for 2014. As previously stated, Superior intends to file its future income tax returns on a basis consistent with its view of the outcome of the Conversion.

2014 Financial Outlook

Superior expects 2014 AOCF per share of $1.65 to $1.95, consistent with the financial outlook provided at the end of the first quarter of 2014. Superior's 2014 financial outlook is stated before the impact of one-time restructuring costs anticipated to be incurred in 2014 and the potential sale of the Construction Products Distribution business.

For additional details on the assumptions underlying the 2014 financial outlook, see Superior's 2014 Second Quarter MD&A.

Restructuring Cost Summary

	Three months ended June 30,		Six months ended, June 30,		Cumulative
(millions of dollars)	**2014**	2013	**2014**	2013	**2014 and 2013**
Severance	**4.8**	–	**5.2**	0.2	**10.9**
Branch closure and lease termination	**2.0**	0.7	**2.0**	0.7	**6.7**
Consulting	**2.5**	–	**3.9**	–	**5.2**
Inventory write-down	**–**	–	**–**	–	**3.6**
Total Restructuring Costs	**9.3**	0.7	**11.1**	0.9	**26.4**

As previously disclosed in Superior's 2013 third quarter MD&A, Superior is undertaking restructuring activities in its Energy Services and Construction Products Distribution businesses to accelerate ongoing operational improvements. As a result of these activities, Superior incurred $9.3 million in costs in the second quarter of 2014. Cumulative costs incurred to date of $26.4 million are modestly higher than the previously provided range of $22 to $25 million due to higher than anticipated lease termination and consulting costs. Superior does not anticipate any additional material restructuring costs.

Debt Management Update

Superior's anticipated debt repayment for 2014 and total debt to EBITDA leverage ratio as at December 31, 2014, based on Superior's 2014 financial outlook is detailed in the chart below. Superior's December 31, 2014 forecasted total debt to EBITDA leverage ratio is stated before restructuring costs and before the potential impact of the sale of CPD.

	Dollar Per Share	Millions of Dollars
2014 financial outlook AOCF per share – mid-point (1)	1.80	227.1
Maintenance capital expenditures, net	(0.29)	(37.0)
Capital lease obligation repayments	(0.16)	(20.0)
Restructuring costs	(0.16)	(20.0)
Cash flow available for dividends and debt repayment before growth capital	1.19	150.1
Expansion of Port Edward's and Saskatoon facilities	(0.20)	(25.0)
Other growth capital expenditures	(0.15)	(18.5)
Proceeds on disposition of turbo generator in Chile	0.08	10.0
Estimated 2014 free cash flow available for dividend and debt repayment	0.92	116.6
Dividends	(0.60)	(75.7)
Total estimated debt repayment	0.32	40.9
Estimated total debt to EBTIDA as at December 31, 2014	3.6X – 4.0X	3.6X – 4.0X
Dividends per share	0.60	75.7
Calculated payout ratio after all capital	65%	65%

(1) See "Financial Outlook" in Superior's 2014 Second Quarter MD&A for additional details including assumptions, definitions and risk factors.

Superior's total debt (including convertible debentures) to Compliance EBITDA before restructuring costs was 3.6X as at June 30, 2014 (4.0X after restructuring costs), lower than the 3.9X as at December 31, 2013. Debt levels and total leverage as at June 30, 2014 were lower than December 31, 2013 levels due to reduced working capital levels in the Energy Services business due to seasonality of sales volumes and inventory levels. Superior continues to focus on reducing its total leverage through ongoing debt reduction, including reducing working capital requirements and improving business operations.

Superior remains focused on managing both its total debt and its total debt to EBITDA. Superior's forecasted total debt to EBITDA at December 31, 2014 is 3.6X to 4.0X, consistent with the forecast provide by Superior in the fourth quarter of 2013. Superior anticipates being at the lower end of the total debt to EBITDA range.

2014 Detailed Second Quarter Results

Superior's 2014 Second Quarter Management's Discussion and Analysis is attached and is also available on Superior's website at www.superiorplus.com under the Investor Relations section.

2014 Second Quarter Conference Call

Superior will be conducting a conference call and webcast for investors, analysts, brokers and media representatives to discuss the 2014 Second Quarter Results at 8:00 a.m. MST on Thursday, August 7, 2014. To participate in the call, dial:1-866-225-9256. An archived recording of the call will be available for replay until midnight, October 5, 2014. To access the recording, dial: 1-800-408-3053 and enter pass code 8917288 followed by the # key. Internet users can listen to the call live, or as an archived call, on Superior's website at www.superiorplus.com.

Supplemental Financial Information

Diluted AOCF Per Share

There are no dilutive instruments for the three months ended June 30, 2014 and 2013. For the six months ended June 30, 2014, the dilutive impact of the 7.50%, October 31, 2016 convertible debentures was 6.6 million shares (132.8 million total shares on a dilutive basis) with a resulting impact on AOCF before restructuring costs of $2.8 million ($122.8 million total on a dilutive basis) and on AOCF of $2.8 million ($111.7 million total on a dilutive basis). For the six months ended June 30, 2013, the dilutive impact of the 7.50%, October 31, 2016 convertible debentures was 6.6 million shares (126.5 million total shares on a dilutive basis) with a resulting impact on AOCF before restructuring costs of $2.8 million ($115.9 million total on a dilutive basis) and on AOCF of $2.8 million ($115.0 million total on a dilutive basis).

Forward Looking Information

Certain information included herein is forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking information may include statements regarding the objectives, business strategies to achieve those objectives, expected financial results (including those in the area of risk management), economic or market conditions, and the outlook of or involving Superior, Superior LP and its businesses. Such information is typically identified by words such as “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “plan”, “intend”, “forecast”, “future”, “guidance”, “may”, “predict”, “project”, “should”, “strategy”, “target”, “will” or similar expressions suggesting future outcomes.

Forward-looking information in this document includes: future financial position, consolidated and business segment outlooks, expected EBITDA from operations, expected adjusted operating cash flow (AOCF) and adjusted operating cash flow per share, expected leverage ratios and debt repayment, debt management summary, expectations in terms of the cost of operations, capital spend and maintenance and the variability of these costs, timing, costs and benefits of restructuring activities, outcome and timing of the sale of the Construction Products Distribution business, business strategy and objectives, development plans and programs, business expansion and improvement projects, expected timing of commercial production and the costs and benefits associated therewith, market conditions in Canada and the U.S., expected tax consequences of the Conversion, the challenge by the CRA of the tax consequences of the Conversion (and the expected timing and impact of such process including any payment of taxes and the quantum of such payments), appointment and election of directors, future income taxes, the impact of proposed changes to Canadian tax legislation or U.S. tax legislation, future economic conditions, future exchange rates and exposure to such rates, dividend strategy, payout ratio, expected weather, expectations in respect to the global economic environment, our trading strategy and the risk involved in these strategies, the impact of certain hedges on future reported earnings and cash flows, commodity prices and costs, the impact of contracts for commodities, demand for propane, heating oil and similar products, demand for chemicals including sodium chlorate and chloralkali, effect of operational and technological improvements, anticipated costs and benefits of restructuring activities, business enterprise system upgrade plans, future working capital levels, expected governmental regulatory regimes and legislation and their expected impact on regulatory and legislative compliance costs, expectations for the outcome of existing or potential legal and contractual claims, our ability to obtain financing on acceptable terms, expected life of facilities and statements regarding net working capital and capital expenditure requirements of Superior or Superior Plus LP.

Forward-looking information is provided for the purpose of providing information about management’s expectations and plans about the future and may not be appropriate for other purposes. Forward-looking information herein is based on various assumptions and expectations that Superior believes are reasonable in the circumstances. No assurance can be given that these assumptions and expectations will prove to be correct. Those assumptions and expectations are based on information currently available to Superior, including information obtained from third party industry analysts and other third party sources, and the historic performance of Superior’s businesses. Such assumptions include anticipated financial performance, current business and economic trends, the amount of future dividends paid by Superior, business prospects, availability and utilization of tax basis, regulatory developments, currency, exchange and interest rates, trading data, cost estimates, our ability to obtain financing on acceptable terms, the assumptions set forth under the "Financial Outlook" sections of our first quarter management's discussion and analysis ("MD&A") and are subject to the risks and uncertainties set forth below.

By its very nature, forward-looking information involves numerous assumptions, risks and uncertainties, both general and specific. Should one or more of these risks and uncertainties materialize or should underlying assumptions prove incorrect, as many important factors are beyond our control, Superior's or Superior LP's actual performance and financial results may vary materially from those estimates and intentions contemplated, expressed or implied in the forward-looking information. These risks and uncertainties include incorrect assessments of value when making acquisitions, increases in debt service charges, the loss of key personnel, fluctuations in foreign currency and exchange rates, inadequate insurance coverage, liability for cash taxes, counterparty risk, compliance with environmental laws and regulations, operational risks involving our facilities, force majeure, labour relations matters, our ability to access external sources of debt and equity capital, and the risks identified in (i) our MD&A under the heading "Risk Factors" and (ii) Superior's most recent Annual Information Form. The preceding list of assumptions, risks and uncertainties is not exhaustive.

When relying on our forward-looking information to make decisions with respect to Superior, investors and others should carefully consider the preceding factors, other uncertainties and potential events. Any forward-looking information is provided as of the date of this document and, except as required by law, neither Superior nor Superior LP undertakes to update or revise such information to reflect new information, subsequent or otherwise. For the reasons set forth above, investors should not place undue reliance on forward-looking information.

For more information about Superior, visit our website at www.superiorplus.com or contact:

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Management's Discussion and Analysis of 2014 Second Quarter Results
August 6, 2014

The following Management Discussion & Analysis (MD&A) is a review of the financial performance and position of Superior Plus Corp. (Superior) as at and for the three and six months ended June 30, 2014 and 2013. The information in this MD&A is current to August 6, 2014. This MD&A should be read in conjunction with Superior's audited consolidated financial statements and notes to those statements as at and for the twelve months ended December 31, 2013 and its December 31, 2013 MD&A. Additional information regarding Superior, including the Annual Information Form, is available on SEDAR at www.sedar.com, and on Superior's website, www.superiorplus.com.

The accompanying unaudited condensed consolidated financial statements of Superior were prepared by and are the responsibility of Superior's management. Superior's unaudited condensed consolidated financial statements were prepared in accordance with *International Accounting Standard 34 Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB). Dollar amounts in this MD&A are expressed in Canadian dollars and millions except where otherwise noted.

Overview of Superior
Superior is a diversified business corporation. Superior holds 99.9% of Superior Plus LP (Superior LP), a limited partnership formed between Superior General Partner Inc. (Superior GP) as general partner and Superior as limited partner. Superior owns 100% of the shares of Superior GP and Superior GP holds 0.1% of Superior LP. The cash flow of Superior is solely dependent on the results of Superior LP and is derived from the allocation of Superior LP's income to Superior by means of partnership allocations. Superior, through its ownership of Superior LP and Superior GP, has three operating segments: the Energy Services segment, which includes a Canadian propane distribution business, a U.S. refined fuels distribution business, a fixed-price energy services business and a supply portfolio management business; the Specialty Chemicals segment; and the Construction Products Distribution segment.

Second Quarter Results

Summary of Adjusted Operating Cash Flow

(millions of dollars except per share amounts)	**Three months ended June 30, 2014[4]**	2013[4]	**Six months ended June 30, 2014[4]**	2013[4]
EBITDA from operations: [1]				
Energy Services	**17.2**	15.4	**89.4**	83.2
Specialty Chemicals	**24.7**	25.1	**54.3**	58.0
Construction Products Distribution	**8.0**	8.3	**12.5**	13.3
	49.9	48.8	**156.2**	154.5
Interest expense	**(11.6)**	(13.8)	**(24.5)**	(30.8)
Corporate costs	**(6.0)**	(3.7)	**(10.8)**	(9.8)
Cash income tax expense	**(0.5)**	(0.4)	**(0.9)**	(0.8)
Adjusted operating cash flow [1] before restructuring costs	**31.8**	30.9	**120.0**	113.1
Restructuring costs	**(9.3)**	(0.7)	**(11.1)**	(0.9)
Adjusted operating cash flow[1]	**22.5**	30.2	**108.9**	112.2
Adjusted operating cash flow per share before restructuring costs, basic[2]	**$0.25**	$0.24	**$0.95**	$0.94
Adjusted operating cash flow per share before restructuring costs, diluted[3]	**$0.25**	$0.24	**$0.92**	$0.92
Adjusted operating cash flow per share, basic[2]	**$0.18**	$0.24	**$0.86**	$0.94
Adjusted operating cash flow per share, diluted[3]	**$0.18**	$0.24	**$0.84**	$0.91

(1) Earnings before interest, taxes, depreciation and amortization (EBITDA) and adjusted operating cash flow are not IFRS measures. See "Non-IFRS Financial Measures".

(2) The weighted average number of shares outstanding for the three months ended June 30, 2014, is 126.2 million (June 30, 2013 – 126.2 million) and six months ended June 30, 2014, is 126.2 million (June 30, 2013 – 119.9 million).

(3) There are no dilutive instruments for the three months ended June 30, 2014 and 2013. For the six months ended June 30, 2014, the dilutive impact of the 7.50%, October 31, 2016 convertible debentures was 6.6 million shares (132.8 million total shares on a dilutive basis) with a resulting impact on AOCF before restructuring costs of $2.8 million ($122.8 million total on a dilutive basis) and on AOCF of $2.8 million ($111.7 million total on a dilutive basis). For the six months ended June 30, 2013, the dilutive impact of the 7.50%, October 31, 2016 convertible debentures was 6.6 million shares (126.5 million total shares on a dilutive basis) with a resulting impact on AOCF of $2.8 million ($115.9 million total on a dilutive basis) and on AOCF of $2.8 million ($115.0 million total on a dilutive basis). Superior's diluted per share amounts exclude all debentures which have an exercise price above Superior's share price as at June 30, 2014 since it is unlikely any material conversions would occur.

(4) Superior has restated its 2013 financial results and presented its 2014 financial results on a before and after restructuring cost basis due to the one-time nature of these items. See Restructuring Costs for further details.

(5) The financial information in this table is on a combined basis of both continuing and discontinued operations, see the Sales Process section on page 13 for further details.

Adjusted Operating Cash Flow Reconciled to Net Cash Flow from Operating Activities [1]

(millions of dollars)	**Three months ended June 30, 2014**	2013	**Six months ended June 30, 2014**	2013
Net cash flow from operating activities	**121.5**	97.0	**172.6**	192.3
Add (deduct):				
Non -cash interest expense	**1.7**	1.7	**3.2**	3.4
Increase in non-cash working capital	**(86.9)**	(52.6)	**(38.3)**	(48.5)
Gain on debenture redemptions	–	(0.2)	–	(0.4)
Income tax expense	**(0.5)**	(0.4)	**(0.9)**	(0.8)
Finance expense recognized in net earnings (loss)	**(13.3)**	(15.3)	**(27.7)**	(33.8)
Adjusted operating cash flow	**22.5**	30.2	**108.9**	112.2

(1) See the unaudited condensed consolidated financial statements for net cash flow from operating activities and changes in non-cash working capital.

Second quarter adjusted operating cash flow (before restructuring costs of $9.3 million) was $31.8 million, an increase of $0.9 million or 3% from the prior year quarter. The increase in adjusted operating cash flow was primarily due to higher operating results at Energy Services and lower interest costs offset in part by higher corporate costs. Adjusted operating cash flow (before restructuring costs) of $0.25 per share, increased by $0.01 per share from the prior year quarter due to a 3% increase in adjusted operating cash flow as noted above.

Adjusted operating cash flow (before restructuring costs of $11.1 million) for the six months ended June 30, 2014 was $120.0 million, an increase of $6.9 million or 6% from the prior year. The increase in adjusted operating cash flow was primarily due to higher operating results at Energy Services and lower interest costs. Adjusted operating cash flow (before restructuring costs) of $0.95 per share, increased by $0.01 per share from the prior year due to the increase in adjusted operating cash flow as noted above offset in part by an 5% increase in the weighted average number of shares outstanding. The weighted average number of shares outstanding increased as a result of shares issued from Superior's Dividend Reinvestment Program and Optional Share Purchase Plan (DRIP) and the completion of an equity offering on March 27, 2013 for gross proceeds of $143.9 million and 13.0 million shares.

Sales Process

During the second quarter, Superior's Board of Directors approved the commencement of a formal process to solicit offers for the potential divestiture of Construction Products Distribution and Fixed-price energy services. Superior has retained two separate financial advisors in order to assist with the processes. The net assets of these two businesses have been reclassified as assets held for sale and their net earnings has reclassified into discontinued operations in the unaudited consolidated financial statements. The strategic review of Superior's Construction Products Distribution business is well advanced and is expected to be concluded by the end of the third quarter of 2014.

Continuing Operations

The net loss for continuing operations for the second quarter were $2.5 million, compared to a net loss of $29.8 million in the prior year quarter. Net earnings were higher due to increased revenues, lower interest costs and contribution of unrealized gains on derivative financial instruments offset in part by higher operating costs. Interest costs were lower than the prior year quarter due to reduced average debt levels and interest rates. Unrealized gains on derivative financial instrument were higher than the prior year quarter due to the appreciation of the U.S. dollar which increased the value of Superior's foreign currency forward contracts. Revenue of $649.6 million was $45.8 million higher than in the prior year quarter due to increased Energy Services revenue as a result of higher commodity prices and sales volumes and increased Specialty Chemicals revenue due to contribution from the strategic supply agreement with Tronox which was executed during the fourth quarter of 2013. Gross profit of $141.1 million was $4.0 million higher than in the prior year quarter primarily due to increased Specialty Chemicals gross profits as a result of higher sales volumes and revenue. Operating expenses of $137.0 million in the second quarter were $12.1 million higher than in the prior year quarter primarily due to increased costs related to the Tronox strategic supply agreement, the impact of a weaker Canadian dollar on the translation of U.S. dollar denominated expenses and timing of plant maintenance at Specially Chemicals. Total income tax expense for the second quarter was $0.6 million compared to an income tax recovery of $5.5 million in the prior year quarter. The increase in income tax expense was due to higher net earnings from the U.S. the second quarter of 2014.

The net earnings for continuing operations for the six months ended June 30, 2014 were $28.6 million, compared to net earnings of $5.9 million in the prior year. Net earnings were higher due to increased revenues, lower interest costs and lower unrealized losses on derivative financial instruments offset in part by higher operating costs. Interest costs were lower due to reduced average debt levels and the decrease in unrealized losses on derivative financial instrument was due to impact of the appreciation of the U.S. dollar on Superior's foreign currency forward contracts. Revenue of $1,699.8 million was $270.1 million higher than in the prior year due to increased Energy Services revenue as a result of higher commodity prices and sales volumes during the first quarter and increased Specialty Chemicals revenue due to contribution from the strategic supply agreement which was executed during the fourth quarter of 2013. Gross profit of $374.5 million was $34.1 million higher than in the prior year primarily due to increased Energy Services gross profits as a result of higher volumes and gross margins and increased Specialty Chemicals gross profits as a result of higher sales volumes and revenue. Operating expenses of $290.3 million were $31.2 million higher than in the prior year primarily due increased operating expenses associated with higher sales volumes at Energy Services and increased operating expenses at Specialty Chemicals due to the Tronox strategic supply agreement, impact of a weaker Canadian dollar on the translation of U.S. dollar denominated expenses and timing of plant maintenance. Total income tax expense was $15.8 million compared to income tax expense of $6.7 million in the prior year. The increase in income tax expense was due to higher net earnings during the first six months of 2014.

Discontinued Operations

The net earnings from discontinued operations for the second quarter were $7.7 million, compared to net earnings of $4.3 million in the prior year quarter. Net earnings were higher due to lower operating costs at fixed-price energy services. Revenue of $245.8 million was $4.8 million lower than the prior year quarter due to lower fixed-price energy services revenue due to the sale of its U.S. customer base in early May. Operating expenses of $41.8 million were $3.6 million lower than the prior year quarter due to the recognition of a $3.7 million gain on the sale of the U.S. customer base of fixed-price energy services. Total income tax expense for the second quarter of $2.4 million was consistent with the prior year quarter.

The net earnings from discontinued operations for the six months ended June 30, 2014 were $17.2 million, compared to net earnings of $23.7 million in the prior year. Net earnings were lower due to reduced gross profits and lower unrealized gains on derivative financial instruments due to fluctuations in the spot price of natural gas. Revenue of $478.0 million was $3.4 million higher than the prior year quarter due to higher Construction Products Distribution revenues from improvements in the U.S. construction market. Operating expenses of $89.2 million were $1.1 million lower than the prior year quarter due to the recognition of a $3.7 million gain on the sale of the U.S. customer base of fixed-price energy services offset in part by higher operating costs associated with adverse weather experienced by Construction Products Distribution during the first quarter and impact of a weaker Canadian dollar on the translation of U.S. denominated expenses. Total income tax expense was $4.0 million compared to an income tax expense of $6.0 million in the prior year. The decrease in income tax expense was due to lower net earnings from continuing operations as compared to the prior year.

Energy Services

Energy Services' condensed operating results for 2014 and 2013:

	Three months ended June 30,		**Six months ended June 30,**	
(millions of dollars)	**2014**	2013	**2014**	2013
Revenue(1)	**518.4**	511.3	**1,458.0**	1,231.0
Cost of sales(1)	**(427.4)**	(417.3)	**(1,191.9)**	(983.5)
Gross profit	**91.0**	94.0	**266.1**	247.5
Less: Cash operating and administrative costs(1)	**(73.8)**	(78.6)	**(176.7)**	(164.3)
EBITDA from operations (3)	**17.2**	15.4	**89.4**	83.2

(1) In order to better reflect the results of its operations, Superior has reclassified certain amounts for purposes of this MD&A to present its results as if it had accounted for various transactions as accounting hedges. See "Reconciliation of Divisional Segmented Revenue, Cost of Sales and Cash Operating and Administrative Costs Included in this MD&A" for detailed amounts.

(2) Energy Services EBITDA from operations has been restated and restructuring cost have been excluded from EBITDA from operations. The above results exclude restructuring costs for the three months ended June 30, 2014 and 2013 of $9.3 million and $0.2 million, respectively and for the six months ended June 30, 2014 and 2013 of $11.1 million and $0.4 million, respectively. See Restructuring Costs for further details.

(3) The above financial figures include contribution from Superior's continuing and discontinued operations. See the Addition of continuing and discontinued operations section for a reconciliation of the above figures to the consolidated financial statements.

Revenues for the second quarter of 2014 were $518.4 million, an increase of $7.1 million from revenues of $511.3 million in 2013. The increase in revenues was primarily due to higher commodity prices offset in part by lower sales volumes as compared to the prior year quarter. Total gross profit for the second quarter of 2014 was $91.0 million, a decrease of $3.0 million or 3% as compared to the prior year quarter. The decrease in gross profit was primarily due to lower sales volumes at Canadian propane distribution and lower fixed-price energy services gross profits due to lower margins and the sale of the U.S. customer base. A summary and detailed review of gross profit is provided below.

Gross Profit Detail

	Three months ended June 30,		Six months ended June 30,	
(millions of dollars)	**2014**	2013	**2014**	2013
Canadian propane distribution	**47.5**	50.2	**137.8**	127.3
U.S. refined fuels distribution	**26.4**	24.5	**95.2**	77.4
Other services	**8.2**	9.2	**17.3**	20.1
Supply portfolio management	**5.8**	5.7	**17.0**	13.6
Fixed-price energy services	**3.1**	4.4	**(1.2)**	9.1
Total gross profit	**91.0**	94.0	**266.1**	247.5

Canadian Propane Distribution

Canadian propane distribution gross profit for the second quarter was $47.5 million, a decrease of $2.7 million or 5% from 2013, due to lower sales volumes. Residential and commercial sales volumes increased by 2 million litres or 3% from the prior year quarter due to slightly higher demand from the commercial segment as a result of customer retention and sales efforts. Average weather across Canada for the second quarter, as measured by degree days, was 1% colder than the prior year and 5% colder than the five-year average. However, heating related volumes in the second and third quarters are generally not materially impacted by average weather due to the seasonality of Canadian propane distribution operations. Industrial volumes decreased by 11 million litres or 7% due to lower oilfield demand due to the gasification of some customer sites and the shutdown of lower performing sites. In addition, due to the high pricing environment and increased propane demand experienced in the first quarter of 2014, customers across all lines of business deferred taking deliveries in the second quarter of 2014 due to conservation efforts in light of the high energy spend throughout the most recent winter heating season. Automotive propane sales volumes were slightly lower than the prior year quarter as increased propane prices narrowed the price spread between propane and gasoline which reduced demand.

Average propane sales margins for the second quarter decreased slightly to 18.6 cents per litre from 18.9 cents per litre in the prior year quarter. The slight decrease is principally due to selling high average cost product into a rapidly falling price environment which resulted in a modest amount of margin compression offset in part by ongoing pricing management initiatives and improved sales mix.

Canadian Propane Distribution Sales Volumes

Volumes by End-Use Application

	Three months ended June 30,	
(millions of litres)	**2014**	2013
Residential	**19**	20
Commercial	**52**	49
Agricultural	**7**	7
Industrial	**155**	166
Automotive	**22**	23
	255	265

	Six months ended June 30,	
(millions of litres)	**2014**	2013
Residential	**79**	72
Commercial	**170**	156
Agricultural	**25**	24
Industrial	**398**	404
Automotive	**37**	38
	709	694

Volumes by Region [(1)]

	Three months ended June 30,	
(millions of litres)	**2014**	2013
Western Canada	**140**	150
Eastern Canada	**92**	93
Atlantic Canada	**23**	22
	255	265

	Six months ended June 30,	
(millions of litres)	**2014**	2013
Western Canada	**400**	405
Eastern Canada	**251**	237
Atlantic Canada	**58**	52
	709	694

(1) **Regions**: Western Canada region consists of British Columbia, Alberta, Saskatchewan, Manitoba, Northwest Ontario, Yukon and Northwest Territories; Eastern Canada region consists of Ontario (except for Northwest Ontario) and Quebec; and Atlantic Canada region consists of New Brunswick, Newfoundland & Labrador, Nova Scotia and Prince Edward Island.

U.S. Refined Fuels Distribution

U.S. refined fuels distribution gross profit for the second quarter was $26.4 million, an increase of $1.9 million or 8% from the prior year quarter. The increase in gross profit was due to higher gross margins offset in part by lower sales volumes. Sales volumes of 347 million litres, decreased by 36 million litres or 9% from the prior year quarter. The decrease was primarily due to continued competitive pressures in the wholesale market offset in part by growth in the propane customer base and contribution from the Townsend acquisition on November 27, 2013. Average weather as measured by heating degree days for the second quarter was 3% lower than the prior year quarter and 9% higher than the 5-year average. However, heating volumes in the second and third quarters are generally not materially impacted by average weather due to the seasonality of U.S. refined fuels distribution operations. Average U.S. refined fuels sales margins of 7.6 cents per litre increased from 6.4 cents per litre in the prior year quarter. Sales margins were positively impacted by a favourable sales mix due to a higher proportion of higher-margin sales volumes, implementation of a new propane delivery charge and favourable foreign exchange translation contribution.

U.S. Refined Fuels Distribution Sales Volumes

Volumes by End-Use Application (1)

	Three months ended June 30,	
(millions of litres)	**2014**	2013
Residential	**40**	42
Commercial	**177**	189
Automotive	**130**	152
	347	383

Volumes by Region (2)

	Three months ended June 30,	
(millions of litres)	**2014**	2013
Northeast United States	**347**	383
	347	383

Volumes by End-Use Application (1)

	Six months ended June 30,	
(millions of litres)	**2014**	2013
Residential	**204**	184
Commercial	**388**	416
Automotive	**247**	296
	839	896

Volumes by Region (2)

	Six months ended June 30,	
(millions of litres)	**2014**	2013
Northeast United States	**839**	896
	839	896

(1) **Volume**: Volume of heating oil, propane, diesel and gasoline sold (millions of litres).
(2) **Regions**: Northeast United States region consists of Pennsylvania, Connecticut, New York, and Rhode Island.

Other Services

Other services gross profit was $8.2 million in the second quarter, a decrease of $1.0 million from the prior year quarter due to lower profitability on appliance and parts revenues and the impact of reducing Superior's service offering as part of the 2013/2014 restructuring plan.

Supply Portfolio Management

Supply portfolio management gross profits were $5.8 million in the second quarter, consistent with the prior year quarter of $5.7 million as market conditions and customer demand was comparable to the prior year quarter.

Fixed-Price Energy Services

Fixed-Price Energy Services Gross Profit

(millions of dollars except volume and per unit amounts)	**Three months ended June 30, 2014**			Three months ended June 30, 2013		
	Gross Profit	**Volume**	**Per Unit**	Gross Profit	Volume	Per Unit
Natural gas(1)	**2.1**	**4.7 GJ**	**44.7¢/GJ**	2.9	5.0 GJ	58.0¢/GJ
Electricity(2)	**1.0**	**156.5 KWh**	**0.64¢/KWh**	1.5	204.9KWh	0.73¢/KWh
Total	**3.1**			4.4		
(millions of dollars except volume and per unit amounts)	**Six months ended June 30, 2014**			Six months ended June 30, 2013		
	Gross Profit	**Volume**	**Per Unit**	Gross Profit	Volume	Per Unit
Natural gas(1)	**(0.5)**	**9.3 GJ**	**(5.4¢)/GJ**	5.9	9.5 GJ	62.1¢/GJ
Electricity(2)	**(0.7)**	**400.9 KWh**	**(0.17¢)/KWh**	3.2	410.1KWh	0.78¢/KWh
Total	**(1.2)**			9.1		

(1) Natural gas volumes are expressed in thousands of gigajoules (GJ).
(2) Electricity volumes are expressed in thousands of kilowatt hours (KWh).

Fixed-price energy services gross profit was $3.1 million in the second quarter, a decrease of $1.3 million or 30% from $4.4 million in the prior year quarter. Natural gas gross profit was $2.1 million, a decrease of $0.8 million from the prior year quarter due to lower gross margins and sales volumes. Natural gas gross profit per unit was 44.7 cents per gigajoule (GJ), a decrease of 13.3 cents per GJ or 23% from the prior year quarter due to rebates issued to two customers for a prior year billing dispute. Sales volumes of natural gas were 4.7 million GJ, a decrease of 0.2 million GJ or 4% from the prior year quarter due to lower customer demand. Electricity gross profit in the second quarter of 2014 was $1.0 million, a decrease of $0.5 million or 33% from the prior year quarter primarily due to lower sales volumes in Canada to wholesale customers and lower sales in the U.S. due to the sale of the U.S. customer base on May 1, 2014.

Operating Costs

Cash operating and administrative costs were $73.8 million in the second quarter of 2014, a decrease of $4.8 million or 6% from the prior year quarter. The decrease in expenses was primarily due to the execution of cost reduction initiatives during 2013/2014 which included headcount reductions and the receipt of $3.7 million in one-time litigation and insurance settlements offset in part by the impact of a weaker Canadian dollar on the translation of U.S. denominated operating expenses and system conversion costs.

Fixed-Price Energy Service Asset Sale and Strategic Alternatives

On May 1, 2014, Superior closed the sale of its U.S. based residential and commercial electricity customer base to Crius Energy. Superior has decided to exit both the residential and commercial Northeast U.S. based electricity markets in order to focus on the Canadian market and reduce the risk of future losses associated with volatility in electricity prices. Superior received proceeds of $3.1 million upon close of the sale on May 1, 2014 and $0.6 million of deferred consideration was received on June 27, 2014 as certain conditions were satisfied. Another $0.5 million in deferred consideration is contingent upon on the number of flowing customers still active with Crius in January 2015.

During the second quarter, Superior commenced an assessment of the strategic alternatives for its Fixed-price energy services segment and retained a financial advisor. As a result of the review, Superior's Board has authorized the commencement of a formal process to solicit and assess offers for the potential divestiture of the Fixed-price energy services segment. The net assets of the Fixed-price energy services segment have been reclassified as assets held for sale and any net earnings have been included in discontinued operations.

Financial Outlook

EBITDA from operations for 2014 is anticipated to be higher than in 2013 due to improved results at the Canadian propane and U.S. refined fuels businesses. Improvement in EBITDA is anticipated as a result of higher sales volumes, improved average sales margins and lower operating expenses due to the ongoing business operational improvements and contribution from colder weather experienced during the first quarter. EBITDA from the wholesale supply business is anticipated to higher than 2013 due to year-to-date results, whereas EBITDA from fixed-price energy services is anticipated to be lower than 2013 due to 2014 year-to-date results. Operating costs as a percentage of gross profits are anticipated to be modestly lower than the prior year due to improvements from business initiatives offset in part by costs associated with difficult operating conditions throughout the first quarter of 2014. Average weather, as measured by degree days, is anticipated to be consistent with the five-year average for the remainder of 2014. Operating conditions for the remainder of 2014 are expected to be similar to 2013. The difficult wholesale propane supply conditions experienced at the beginning of 2014 due in part to lower than average propane storage levels and colder than average temperatures moderated towards the end of the first quarter and returned to historical levels during the second quarter.

Initiatives to improve results in the Energy Services business continued during the first half of 2014 in conjunction with Superior's *Destination 2015* initiative and Superior's goal for each of its businesses to become best-in-class. Business improvement projects for 2014 include: a) improving customer service, b) improving overall logistics and procurement functions, c) enhancing the management of margins, d) working capital management e) improving existing and implementing new technologies to facilitate improvements to the business, f) headcount reductions and g) execution of the detailed restructuring plan.

The restructuring plan for the Canadian Propane distribution and U.S. refined fuels businesses are expected to accelerate realization of operating efficiencies by implementing a more disciplined and consistent management operating system across the segment designed to leverage the new processes and information system investments and by sizing the organization to efficiently meet its operational business needs. The restructuring plans are still on track and are expected to be completed before the end of 2014. All costs associated with the restructuring plans have been recognized and no additional costs are anticipated.

System Conversion
In 2013, Canadian propane distribution commenced the implementation of an order-to-cash, billing and logistics IT system to replace the distribution and invoicing functions of the present enterprise system. During the second quarter of 2014, the new system was successfully rolled out to the final three regions of Ontario, Quebec and Manitoba. A total of $21.8 million was incurred in order to complete the entire project.

During 2014, Canadian propane distribution commenced the migration of its current data center located in Calgary, Alberta to a new location in New Jersey, U.S. along with approximately 175 services and more than 200 applications. Superior does not anticipate any business interruptions associated with the migration and expects to complete the migration by the end of August.

In addition to the significant assumptions detailed above, refer to "Risk Factors to Superior" for a detailed review of significant business risks affecting the Energy Services' businesses.

Specialty Chemicals
Specialty Chemicals' condensed operating results for 2014 and 2013:

	Three months ended June 30,				Six months ended June 30,			
(millions of dollars except per metric tonne (MT) amounts)	**2014**		2013		**2014**		2013	
		$ per MT		$ per MT		**$ per MT**		$ per MT
Chemical revenue[(1)]	**166.3**	**716**	137.7	692	**325.4**	**716**	282.3	702
Chemical cost of sales [(1)]	**(102.7)**	**(442)**	(79.0)	(397)	**(193.8)**	**(426)**	(157.9)	(393)
Chemical gross profit	**63.6**	**274**	58.7	295	**131.6**	**290**	124.4	309
Less: Cash operating and administrative costs[(1)]	**(38.9)**	**(168)**	(33.6)	(169)	**(77.3)**	**(170)**	(66.4)	(165)
EBITDA from operations	**24.7**	**106**	25.1	126	**54.3**	**120**	58.0	144
Chemical volumes sold (thousands of MTs)	**232**		199		**454**		402	

(1) In order to better reflect the results of its operations, Superior has reclassified certain amounts for purposes of this MD&A related to derivative financial instruments, non-cash amortization and foreign currency translation losses or gains related to U.S.-denominated working capital. See "Reconciliation of Divisional Segmented Revenue, Cost of Sales and Cash Operating and Administrative Costs Included in this MD&A" for detailed amounts.

Chemical revenue for the second quarter of $166.3 million was $28.6 million or 21% higher than in the prior year quarter primarily due to higher average selling prices for sodium chlorate and increased sodium chlorate and chloralkali/potassium sales volumes. Second quarter gross profit of $63.6 million was $4.9 million higher than in the prior year quarter due to higher sodium chlorate and chloralkali/potassium gross profits. Sodium chlorate gross profits increased due to higher sales volumes offset in part by lower gross margins as a result of higher average electricity costs. Sodium chlorate sales volumes increased by approximately 32,000 tonnes or 26% compared to the prior year quarter primarily due to the incremental contribution from the Tronox agreement announced in the fourth quarter of 2013 which provides Superior with access to up to 130,000 tonnes of supply on an annual basis. Chloralkali/potassium products gross profits were higher than the prior year quarter due to increased gross margins and sale volumes. Sales volumes were higher due to increased demand for potassium and strong hydrochloric acid sales to the oil and gas sector. Gross margins were higher due to increased average selling prices for caustic and hydrochloric acid.
Cash operating and administrative costs of $38.9 million were $5.3 million or 16% higher than in the prior year quarter due to costs associated with the Tronox strategic supply agreement, the impact of a weaker Canadian dollar on the translation of U.S. dollar denominated expenses, timing of plant maintenance and losses on the translation of U.S. dollar denominated net working capital.

Major Capital Projects
As announced in the first quarter of 2012, Superior approved an $18.0 million expansion of hydrochloric acid production capacity at the Port Edwards, Wisconsin chloralkali facility. The plant's capacity of 110,000 wet metric tonnes (WMT), or 36,000 dry metric tonnes, is being increased to approximately 220,000 WMT. The expansion project is expected to be commenced commercial production during the end of the third quarter compared to during the fourth quarter of 2014 as previously disclosed. Total costs to complete the project are still anticipated to be $18 million which remains on budget.

As announced in the third quarter of 2012, Superior has approved a $25.0 million expansion of hydrochloric acid production capacity at the Saskatoon, Saskatchewan chloralkali facility. The plant's capacity of 70,000 WMT, or 22,000 dry metric tonnes, will be increased to approximately 140,000 WMT. The expansion project is expected to be commenced commercial production on schedule during the fourth quarter however total estimated costs are expected to be $28 million as compared to the previously provided estimate of $25 million due to higher than anticipated labour costs in Western Canada.

As at June 30, 2014, a total of $31.0 million had been spent on the two projects. Upon completion of both projects, Superior will have total hydrochloric acid production capacity of approximately 360,000 WMT. The two expansions will allow Superior to optimize overall returns at both facilities by converting a larger portion of its chlorine into higher-value hydrochloric acid.

On June 29, 2014, the Hargrave, Manitoba sodium chlorate facility, which represents 8% of Superior's North American sodium chlorate manufacturing capacity, was impacted by local area flooding. The plant was properly shut-down in advance of the flooding; however certain pumps and motors and some electrical equipment were damaged as a result of the flooding. Management has assessed the damage and commenced the remediation process. Management estimates the plant will be operating normally by August 31, 2014. Physical damage to the property and loss of production is covered by Superior's insurance program subject to customary deductibles and waiting periods.

Financial Outlook
EBITDA from operations for 2014 is expected to be modestly lower than in 2013 due to reduced sodium chlorate contribution from higher average electricity prices and plant operating costs, offset in part by the contribution from the Tronox agreement. Contribution from the chloralkali segment is anticipated to be higher than in 2013 due to the completion of the hydrochloric acid facility expansions during the third and fourth quarters of 2014. Selling prices and sales volumes of caustic, chlorine and hydrochloric acid are anticipated to be modestly higher than 2013, offset by lower average selling prices. Supply and demand fundamentals in the chloralkali markets in which Superior operates are anticipated to remain consistent with the prior year.

In addition to the significant assumptions detailed above, refer to "Risk Factors to Superior" for a detailed review of the significant business risks affecting Superior's Specialty Chemicals' segment.

Construction Products Distribution

Construction Products Distribution's condensed operating results for 2014 and 2013:

	Three months ended June 30,		Six months ended June 30,	
(millions of dollars)	**2014**	2013	**2014**	2013
Revenue [(1)(2)]	**209.0**	206.9	**394.8**	393.4
Cost of sales [(1)(2)]	**(158.4)**	(158.4)	**(296.7)**	(299.8)
Gross profit	**50.6**	48.5	**98.1**	93.6
Less: Cash operating and administrative costs [(2)]	**(42.6)**	(40.2)	**(85.6)**	(80.3)
EBITDA from operations[(3)]	**8.0**	8.3	**12.5**	13.3

(1) In order to better reflect the results of its operations, Superior has reclassified certain amounts for purposes of this MD&A to present its results as if it had accounted for various transactions as accounting hedges. See "Reconciliation of Divisional Segmented Revenue, Cost of Sales and Cash Operating and Administrative Costs Included in this MD&A" for detailed amounts.

(2) The prior year revenue and cost of sales classifications between GSD and C&I have been adjusted to align with the ongoing restructuring efforts.

(3) Construction Products Distribution EBITDA from operations has been restated and restructuring cost have been excluded from EBITDA from operations. The above results exclude restructuring costs for the three months ended June 30, 2014 and 2013 of $nil and $0.5 million, respectively and for the six months ended June 30, 2014 and 2013 of $nil and $0.5 million, respectively. See Restructuring Costs for further details.

Revenues of $209.0 million for the second quarter of 2014 were $2.1 million or 1% higher than in the prior year quarter. Revenue increased due to higher U.S. based industrial sector activity, continued general market improvements and the benefit on a weaker Canadian dollar on the translation of U.S. dollar revenue. This was offset in part by lower revenue from Canada due to competitive conditions and the impact of adverse weather conditions during the first quarter which resulted in numerous construction delays in both Canada and the U.S.

Gross profits of $50.6 million in the second quarter were $2.1 million or 4% higher than in the prior year quarter primarily due to increased gross margins. The increase in gross margins was due to improved average selling prices, successful procurement initiatives including volume rebate achievements, sales mix and impact of exiting less profitable markets.

Cash operating and administrative costs were $42.6 million in the second quarter, an increase of $2.4 million or 6% from the prior year quarter. The increase was primarily due the impact of a weaker Canadian dollar on the translation of U.S. denominated operating costs and investment in supply chain capabilities.

Construction Products Distribution Strategic Alternatives

As previously announced in Superior's fourth quarter financial discussion, Superior has been assessing strategic alternatives for its Construction Products Distribution segment and retained BMO Capital Markets as an advisor. As a result of the review, Superior's Board authorized the commencement of a formal process to solicit and assess offers for the potential divestiture of the Construction Products Distribution segment. The net assets of the Construction Products Distribution have been reclassified as assets held for sale and any net earnings (loss) have been included in discontinued operations.

Financial Outlook

Before consideration of the timing of the sale process noted above, Superior anticipates that EBITDA from operations in 2014 will be higher than in 2013 due to continued improvements in U.S. residential and industrial construction markets and benefits resulting from ongoing business initiatives. Superior anticipates that the U.S. commercial market will improve in 2014 over 2013 and that the Canadian residential markets will continue to be challenging. Superior anticipates a strong second half of 2014, particularly in its U.S. markets, as construction activity, which was negatively impacted by adverse weather conditions in the first and second quarters rebounds in the third and fourth quarters of 2014.

Initiatives to improve results in the Construction Products Distribution business continued during the first half of 2014. Ongoing business improvement projects include: a) assessment of overall logistics and existing branch network, b) review of supply chain management including procurement and transportation, c) review of product pricing, d) working capital management, e) sales growth in select focus products/markets, and f) execution of the detailed restructuring plan.

In late 2013, Construction Products Distribution initiated a business transformation project to fully integrate its C&I and GSD operations. The project consists of realigning the management structure along geographic lines, adopting best practice common business processes, and integrating all operations onto a single ERP (computer) system. The project was expected to take approximately two years and conclude at the end of 2015. The ERP system conversion has been placed on hold due to the proposed sale of the Construction Products Distribution segment.

As part of the business transformation project, the decision was made, in the fourth quarter of 2013, to relocate the Calgary, Alberta corporate office to Dallas, Texas. The relocation has been suspended pending the conclusion of the sale process.

In addition to the Construction Products Distribution segment's significant assumptions detailed above, refer to "Risk Factors to Superior" for a detailed review of the significant business risks affecting Superior's Construction Products Distribution segment.

Consolidated Capital Expenditure Summary

	Three months ended June 30,		**Six months ended June 30,**	
(millions of dollars)	**2014**	2013	**2014**	2013
Efficiency, process improvement and growth-related	**14.8**	10.8	**25.3**	19.3
Other capital	**10.5**	6.3	**16.8**	9.5
	25.3	17.1	**42.1**	28.8
Proceeds from finance lease arrangement termination	**(8.2)**	–	**(8.2)**	–
Proceeds on disposition of capital and intangible assets	**(4.2)**	(0.5)	**(4.6)**	(1.0)
Total net capital expenditures	**12.9**	16.6	**29.3**	27.8
Investment in finance leases	**5.6**	0.4	**6.5**	1.4
Total expenditures including finance leases	**18.5**	17.0	**35.8**	29.2

Efficiency, process improvement and growth related expenditures were $14.8 million in the second quarter compared to $10.8 million in the prior year quarter. These are primarily related to the facility expansion projects at Specialty Chemicals and Energy Services' purchases of rental assets and truck related expenditures. Other capital expenditures were $10.5 million in the second quarter compared to $6.3 million in the prior year quarter, consisting primarily of required maintenance and general capital across all of Superior's segments although additional expenditures were made at Specialty Chemicals. During the second quarter, proceeds of $8.2 million were received as a customer of Specialty Chemicals exercised the early termination provision from a finance lease arrangement between the two parties. Proceeds on the disposal of capital and intangible assets were $4.2 million in the second quarter and consisted of Superior's disposition of surplus tanks, cylinders and property and sale of the fixed-price energy services U.S. customer base for $3.7 million. During the second quarter Superior entered into new leases with a capital equivalent value of $5.6 million primarily related to delivery vehicles and information technology equipment for the Energy Services and Construction Products Distribution segments.

Corporate and Interest Costs

Corporate costs for the second quarter were $6.0 million, compared to $3.7 million in the prior year quarter. The increase was primarily due to higher long term incentive costs due to the appreciation of Superior's share price as compared to the prior year quarter and the impact of one-time costs associated with the formal process to solicit offers for the potential divestiture of Construction Products Distribution and fixed-price energy services.

Interest expense on borrowing and finance lease obligations for the second quarter was $5.3 million, compared to $6.4 million in the prior year quarter. The decrease was due to lower average interest rates as a result of redeeming Superior's 8.25% $150 million senior unsecured notes on October 28, 2013 with lower rate revolving debt and the benefit of debt repayment efforts. See "Liquidity and Capital Resources" discussion for further details on the change in average debt levels.

Interest on Superior's convertible unsecured subordinated debentures ("Debentures" which include all series of convertible unsecured subordinated debentures) for the second quarter was $6.3 million compared to $7.4 million in the prior year quarter. The decrease was due to the redemption of $49.9 million of Superior's $25.0 million of Superior's 5.85% convertible subordinated debentures due October 31, 2015 on April 9, 2013 and $68.9 million of Superior's 7.50% convertible subordinated debentures due December 31, 2014 on September 3, 2013 offset in part by the issuance of $97.0 million of 6.00% convertible subordinated debentures on July 22, 2013 which mature on June 30, 2019.

Restructuring Costs

Superior's restructuring costs have been categorized together and excluded from segmented results. Below is a table summarizing these costs:

	Three months ended June 30,		Six months ended, June 30,		Cumulative
(millions of dollars)	**2014**	2013	**2014**	2013	**2014 and 2013**
Severance	**4.8**	–	**5.2**	0.2	**10.9**
Branch closure and lease termination	**2.0**	0.7	**2.0**	0.7	**6.7**
Consulting	**2.5**	–	**3.9**	–	**5.2**
Inventory write-down	**–**	–	**–**	–	**3.6**
Total Restructuring Costs	**9.3**	0.7	**11.1**	0.9	**26.4**

Superior recognized restructuring costs of $9.3 million during the second quarter 2014 as compared to $0.7 million in the prior year quarter. The $9.3 million was related to employee severance, consulting and lease termination costs at Energy Services. Total restructuring costs incurred during 2013 and 2014 in order to complete the restructuring projects was $26.4 million, higher than the range provided in Superior's first-quarter MD&A of $22 million to $25 million due to higher than expected facility termination costs.

Income Taxes

Total income tax expense from continuing operations in the second quarter was $0.6 million and consists of $0.5 million in cash income tax expense and $0.1 million in deferred income tax expense, compared to a total income tax recovery of $5.5 million in the prior year quarter, which consisted of $0.4 million in cash income tax expense and a $5.9 million deferred income tax recovery.

Total income tax expense from discontinued operations in the second quarter was $2.4 million and consists of $nil cash income tax expense and $2.4 million in deferred income tax expense, compared to a total income tax expense of $2.4 million in the prior year quarter, which consisted of $nil million cash income tax expense and a $2.4 million deferred income tax expense.

Cash income tax expense for the second quarter was $0.5 million and consisted of income tax expense in the U.S. of $0.5 million (2013 Q2 - $0.4 million of U.S. cash tax expense). Superior's net deferred income tax asset from continuing operations was $261.0 million as at June 30, 2014.

Corporate Governance Update

Effective August 6, 2014, Mr. Grant Billing, after 20 years of service has advised the Board of Directors of Superior of his intention to retire as a director by the end of 2014. Mr. Billing will continue in the capacity as director until such time that a replacement director is identified and appointed. To ensure an orderly transition, Mr. David Smith has been elected as Chairman to replace Mr. Billing, effective August 6, 2014. Mr. Smith has been a director of Superior since 1998 and is the former managing partner of Enterprise Capital. Mr. Smith has an extensive understanding of Superior's business and provides strong financial and general business advice as a result of his background.

Canada Revenue Agency (CRA) Income Tax Update

As previously disclosed, on April 2, 2013 Superior received from the CRA Notices of Reassessment for Superior's 2009 and 2010 taxation years reflecting the CRA's intent to challenge the tax consequences of Superior's corporate conversion transaction (Conversion) which occurred on December 31, 2008. The CRA's position is based on the acquisition of control rules, in addition to the general anti-avoidance rules in the Income Tax Act (Canada).

The table below summarizes Superior's estimated tax liabilities and payment requirements associated with the received and anticipated Notices of Reassessment. Upon receipt of the Notices of Reassessment, 50% of the taxes payable pursuant to such Notices of Reassessment, must be remitted to the CRA.

Taxation Year	Taxes Payable (1)(2)	50% of the Taxes Payable (1)(2)	Payment Dates
2009/2010	$13.0	$6.5	April 2013
2011	$10.0 (3)	$5.0	2015
2012	$10.0 (3)	$5.0	2015
2013	$10.0 (3)	$5.0	2015
2014	$20.0 (3)	$10.0	2015
Total	**$63.0**	**$31.5**	

(1) In millions of dollars.
(2) Includes estimated interest and penalties.
(3) Estimated based on Superior's previously filed tax returns and the midpoint of Superior's 2014 outlook.

On May 8, 2013 Superior filed a Notice of Objection and a Notice of Appeal with respect to the Notice of Reassessments received on April 2, 2013. Superior anticipates the case could be heard in the Tax Court of Canada, in the first or second quarter of 2015, with a decision rendered by the end of fiscal 2015. If a decision of the Tax Court of Canada were to be appealed, the appeal process could reasonably be expected to take an additional 2 years. If Superior receives a positive decision then any taxes, interest and penalties paid to the CRA will be refunded plus interest and if Superior is unsuccessful then any remaining taxes payable plus interest and penalties will have to be remitted.

Superior remains confident in the appropriateness of its tax filing position and the expected tax consequences of the Conversion and intends to vigorously defend such position and intends to file its future tax returns on a basis consistent with its view of the outcome of the Conversion.

Interim tax payments made by Superior will be recorded to the balance sheet and will not materially impact either adjusted operating cash flow or net earnings.

Based on the midpoint of Superior's current 2014 financial outlook of AOCF per share of $1.80, if the tax pools from the Conversion were not available to Superior, the impact would be an increase to cash income taxes of approximately $0.15 per share for 2014. As previously stated, Superior intends to file its future income tax returns on a basis consistent with its view of the outcome of the Conversion.

Financial Outlook

Superior's outlook is for adjusted operating cash flow for 2014 to be between $1.65 per share and $1.95 per share, before restructuring costs and any impact of a potential sale of Construction Products Distribution and Fixed-price energy services, consistent with the outlook included in Superior's 2014 first-quarter MD&A. Achieving Superior's adjusted operating cash flow depends on the operating results of its three operating segments.

In addition to the operating results of Superior's three operating segments, significant assumptions underlying Superior's 2014 outlook are:

- Economic growth in Canada and the U.S. is expected to be similar to 2013;
- Superior is expected to continue to attract capital and obtain financing on acceptable terms;
- Superior's estimated total debt to EBITDA ratio is based on maintenance and growth related expenditures of $100.5 million in 2014 and working capital funding requirements which do not contemplate any significant commodity price changes;
- The foreign currency exchange rate between the Canadian dollar and US dollar is expected to average 1.10 in 2014 on all unhedged foreign currency transactions;
- Financial and physical counterparties are expected to continue fulfilling their obligations to Superior;
- Regulatory authorities are not expected to impose any new regulations impacting Superior;
- Superior's average interest rate on floating-rate debt is expected to remain consistent with 2013 levels; and
- Canadian and U.S. based cash taxes are expected to be minimal for 2014 based on existing statutory income tax rates and the ability to use available tax basis.

Energy Services

- Average temperatures across Canada and the Northeast U.S. in 2014 are expected to be consistent with the recent five-year average for the remainder of the year;
- Total propane and U.S. refined fuels-related sales volumes are expected to increase in 2014 due to the impact of colder than average temperatures during the first quarter and the full year contribution from the Townsend acquisition, offset in part by lower oilfield and automotive customer demand;
- Wholesale propane and U.S. refined fuels-related prices are not anticipated to significantly affect demand for propane and refined fuels and related services;
- Supply portfolio management market results for 2014 are expected to increase modestly from 2013 due to growth in sales volumes and margins;
- Fixed-price energy services results for 2014 are expected to decrease from 2013 due to market challenges experienced during the first quarter, the sale of the U.S. based residential and commercial customer base and continued challenges in the natural gas market;
- Superior's 2014 outlook includes a full year contribution from Fixed-price energy services; and
- Operating costs are expected to decrease in 2014 from 2013 due to improvements in operational efficiencies from the completion of restructuring activities.

Specialty Chemicals

- Sodium chlorate contribution in 2014 is expected to increase from 2013 due to higher sales volumes from the strategic supply agreement and offshore demand offset in part by lower gross margins associated with higher electricity prices;
- Chloralkali contribution in 2014 is expected to be modestly higher than in 2013 due to higher sales volumes associated with the completion of the Port Edwards and Saskatoon expansions;
- Electricity costs are expected to increase in 2014 as compared to the prior year; and
- Average plant utilization will approximate greater than 94% in 2014.

Construction Products Distribution

- Revenues in 2014 are expected to increase as compared to 2013 due to continued growth in U.S. based GSD sales as the U.S. residential market continues to improve, and higher C&I sales revenue due to improvement in the U.S. commercial construction segment;
- Sales margins in 2014 are expected to increase from 2013 due to the closure at the end of 2013 of under-performing branches and continued focus on price management, customer profitability and procurement; and
- Operating costs in 2014 are expected to decrease as a percentage of revenue compared to 2013 due to anticipated savings from restructuring efforts.
- Superior's 2014 outlook includes a full year contribution from Construction Products Distribution.

Restructuring Costs

- Superior has incurred a total of $17.1 million of restructuring costs to date associated with the restructuring efforts announced during the fourth quarter of 2013 of which $9.3 million was incurred during the second quarter of 2014. The $9.3 million was incurred for severance, consulting and lease termination costs at Energy Services. Total restructuring costs incurred during 2013 and 2014 in order to complete the restructuring projects was $26.4 million, higher than the range provided in Superior's first-quarter MD&A of $22 million to $25 million due to higher than expected facility termination costs. These costs are excluded from Superior's 2014 financial outlook.

Debt Management Update

Superior's anticipated debt repayment for 2014 and total debt to EBITDA leverage ratio as at December 31, 2014, based on Superior's 2014 financial outlook and year-to-date results, are detailed in the chart below.

Debt Management Summary

		Per Share	Millions of dollars
2014 financial outlook AOCF per share – mid-point (1)	$	1.80	227.1
Maintenance capital expenditures, net		(0.29)	(37.0)
Capital lease obligation repayments		(0.16)	(20.0)
Restructuring costs		(0.16)	(20.0)
Cash flow available for dividends and debt repayment before growth capital	$	1.19	150.1
Expansion of Port Edward's and Saskatoon facilities		(0.20)	(25.0)
Other growth capital expenditures		(0.15)	(18.5)
Proceeds on disposition of turbo generator in Chile		0.08	10.0
Estimated 2014 free cash flow available for dividend and debt repayment	$	0.92	116.6
Dividends		(0.60)	(75.7)
Total estimated debt repayment	$	0.32	40.9
Estimated total debt to EBITDA ratio as at December 31, 2014		3.6X – 4.0X	3.6X – 4.0X
Dividend per share	$	0.60	75.7
Calculated payout ratio after all capital		65%	65%

(1) See "Financial Outlook" for additional details including assumptions, definitions and risk factors.

In addition to Superior's significant assumptions detailed above, refer to "Risk Factors to Superior" for a detailed review of Superior's significant business risks.

Liquidity and Capital Resources

Superior's revolving syndicated bank facility (Credit Facility), term loans and finance lease obligations (collectively Borrowing) before deferred financing fees totalled $509.9 million from continuing and discontinued operations as at June 30, 2014, a decrease of $68.8 million from December 31, 2013. The decrease in Borrowing was primarily due to lower net working capital requirements associated with the exit of the heating season and cash flow from operating activities offset in part by capital expenditures and dividend payments.

On June 20, 2013, Superior completed an extension of $450 million of its $570 million Credit Facility with eight lenders. The Credit Facility matures on June 27, 2016 and can be expanded to $750.0 million. Financial covenant ratios were unchanged with a consolidated secured debt to consolidated EBITDA ratio and a consolidated debt to consolidated EBITDA ratio of 3.0x and 5.0x, respectively. The Credit Facility has a maturity of June 27, 2018 for $450 million of the facility with the remaining $120 million maturing on June 27, 2016. Superior maintains the flexibility to extend the $120 million portion of the facility to June 27, 2018 as well as to expand the facility up to $750 million. See “Summary of Cash Flow” for details on Superior’s sources and uses of cash.

As at June 30, 2014, Debentures (before deferred issuance fees and discount values) issued by Superior totalled $494.2 million which was $0.3 million lower than the balance as at December 31, 2013 due to the conversion of $0.3 million of debentures into common shares. See Note 13 to the unaudited condensed consolidated financial statements for additional details on Superior’s Debentures.

As previously announced, on February 14, 2014, Superior closed a $125 million term loan facility which matures on August 14, 2014. The term loan facility provides additional liquidity to ensure Superior has sufficient financial flexibility to manage short term fluctuations in working capital requirements. Throughout the end of 2013 and the beginning of 2014, Superior’s working capital requirements increased due to a rise in the wholesale cost of propane. The wholesale cost of propane and the related working capital started to normalize during March which allowed Superior repay the facility in full on April 25, 2014.

As at June 30, 2014, approximately $175 million was available under the Credit Facility which Superior considers sufficient to meet its expected net working capital, capital expenditure and refinancing requirements during 2014.

Consolidated net working capital was $248.2 million as at June 30, 2014, a decrease of $44.9 million from net working capital of $293.1 million as at December 31, 2013. The decrease was primarily due to the seasonal decline in net working capital requirements at Energy Services offset in part by higher net working capital requirements at Construction Products Distribution due to increased accounts receivables from the pickup in construction activity. Superior’s net working capital requirements are financed from its Credit Facility.

Proceeds received from the DRIP during the second quarter of 2014 were $nil as compared to $1.3 million in the prior year quarter. The decrease was due to Superior suspending the DRIP following payment of the March dividend in April 2013.

As at June 30, 2014, when calculated in accordance with the Credit Facility, the consolidated secured debt to compliance EBITDA ratio was 2.0 to 1.0 (December 31, 2013 – 2.2 to 1.0) and the consolidated debt to compliance EBITDA ratio was 2.0 to 1.0 (December 31, 2013 – 2.2 to 1.0). For both of these covenants, Debentures are excluded. These ratios are within the requirements of Superior’s debt covenants. In accordance with the Credit Facility, Superior must maintain a consolidated secured debt to compliance EBITDA ratio of not more than 3.0 to 1.0 and not more than 3.5 to 1.0 as a result of acquisitions. In addition, Superior must maintain a consolidated debt to compliance EBITDA ratio of not more than 5.0 to 1.0, excluding Debentures. Superior’s total debt to compliance EBITDA ratio was 4.0 to 1.0 as at June 30, 2014 and 3.6 to 1.0 on a before restructuring cost basis. Also, Superior is subject to several distribution tests and the most restrictive stipulates that Distributions (including Debenture holders and related payments) cannot exceed compliance EBITDA less cash income taxes, plus $35.0 million on a trailing 12-month rolling basis. On a 12-month rolling basis as at June 30, 2014, Superior’s available distribution amount was $130.0 million under the above noted distribution test.

On June 27, 2014, Standard & Poor’s confirmed Superior and Superior LP’s long-term corporate credit rating of BB and the senior secured debt rating of BBB-. The outlook rating for Superior remains stable. On June 27, 2014, Dominion Bond Rating Service confirmed Superior LP’s senior secured rating of BB (high) and Superior LP’s senior unsecured rating of BB (low). The trend for both ratings is stable.

As at June 30, 2014, Superior had an estimated defined benefit pension solvency deficiency of approximately $9.7 million (December 31, 2013 - $12.8 million) and a going concern surplus of approximately $20.5 million (December 31, 2013 – surplus - $11.5 million). Funding requirements required by applicable pension legislation are based upon going concern and solvency actuarial assumptions. These assumptions differ from the going concern actuarial assumptions used in Superior's financial statements. Superior has sufficient liquidity through its existing Credit Facility and anticipated future operating cash flow to fund this deficiency over the prescribed period.

In the normal course of business, Superior is subject to lawsuits and claims. Superior believes the resolution of these matters will not have a material adverse effect, individually or in the aggregate, on Superior's liquidity, consolidated financial position or results of operations. Superior records costs as they are incurred or when they become determinable.

Shareholders' Capital

The weighted average number of common shares issued and outstanding at the end of the second quarter was 126.2 million shares, consistent with the prior year quarter.

As at August 6, 2014, June 30, 2014 and December 31, 2013, the following common shares and securities convertible into common shares were issued and outstanding:

	August 6, 2014		**June 30, 2014**		**December 31, 2013**	
(millions)	**Convertible Securities**	**Shares**	**Convertible Securities**	**Shares**	**Convertible Securities**	**Shares**
Common shares outstanding		**126.2**		**126.2**		126.2
5.75% Debentures (1)	**$172.5**	**9.1**	**$172.5**	**9.1**	$172.5	9.1
6.00% Debentures (2)	**$150.0**	**9.9**	**$150.0**	**9.9**	$150.0	9.9
7.50% Debentures (3)	**$74.7**	**6.6**	**$74.7**	**6.6**	$75.0	6.6
6.00% Debentures (4)	**$97.0**	**5.8**	**$97.0**	**5.8**	$97.0	5.8
Shares outstanding and issuable upon conversion of Debentures		**157.6**		**157.6**		157.6

(1) Convertible at $19.00 per share.
(2) Convertible at $15.10 per share.
(3) Convertible at $11.35 per share.
(4) Convertible at $16.75 per share.

Dividends Paid to Shareholders

Dividends paid to Superior's shareholders depend on its cash flow from operating activities with consideration for Superior's changes in working capital requirements, investing activities and financing activities. See "Summary of Adjusted Operating Cash Flow" and "Summary of Cash Flow" for additional details.

Dividends paid to shareholders for the three months ended June 30, 2014 was $19.0 million (before DRIP proceeds of $nil) or $0.15 per share compared to $19.0 million (before DRIP proceeds of $1.3 million) or $0.15 per share in 2013. Dividends paid to shareholders during the six months ended June 30, 2014 was $37.9 million (before DRIP proceeds of $nil) or $0.30 per share, an increase of $2.0 million as compared to the prior year due to the issuance of shares under the DRIP during 2013 and the equity offering completed on March 27, 2013. Superior's monthly dividend is $0.05 per share or $0.60 per share on an annualized basis. See "Debt Management Update" for further details. Dividends to shareholders are declared at the discretion of Superior's Board of Directors.

Superior's primary sources and uses of cash are detailed below:

Summary of Cash Flow (1)(3)

	Three months ended June 30,		Six months ended June 30,	
(millions of dollars)	**2014**	2013	**2014**	2013
Cash flow from operating activities	**98.1**	74.8	**144.3**	165.4
Investing activities[2]:				
Purchase of property, plant and equipment	**(25.3)**	(17.1)	**(42.1)**	(28.8)
Proceeds from finance lease arrangement termination	**8.2**	–	**8.2**	–
Proceeds from disposal of property, plant and equipment and intangible assets	**4.2**	0.5	**4.6**	1.0
Cash flow used in investing activities	**(12.9)**	(16.6)	**(29.3)**	(27.8)
Financing activities:				
Net repayment of revolving term bank credits and other debt	**(65.0)**	(32.7)	**(65.0)**	(156.3)
Repayment of finance lease obligations	**(5.0)**	(3.8)	**(9.7)**	(7.7)
Redemption of 5.75% convertible debentures	–	(25.0)	–	(75.0)
Proceeds from issuance of common shares	–	–	–	143.9
Issue costs on issuance of common shares	–	(0.2)	–	(6.3)
Proceeds from the dividend reinvestment plan	–	1.3	–	4.9
Dividends paid to shareholders	**(19.0)**	(19.0)	**(37.9)**	(35.9)
Cash flow used in financing activities	**(89.0)**	(79.4)	**(112.6)**	(132.4)
Net (decrease) increase in cash and cash equivalents	**(3.8)**	(21.2)	**2.4**	5.2
Cash and cash equivalents, beginning of period	**14.6**	33.9	**8.3**	7.6
Effect of translation of foreign currency-denominated cash and cash equivalents	**(0.3)**	0.2	**(0.2)**	0.1
Cash and cash equivalents, end of period	**10.5**	12.9	**10.5**	12.9

(1) See the consolidated statement of cash flow for additional details.

(2) See "Consolidated Capital Expenditure Summary" for additional details.

(3) The summary of cash flow includes both continuing and discontinuing operations.

Financial Instruments – Risk Management

Derivative and non-financial derivatives are used by Superior to manage its exposure to fluctuations in foreign currency exchange rates, interest rates, share-based compensation and commodity prices. Superior assesses the inherent risks of these instruments by grouping derivative and non-financial derivatives related to the exposures these instruments mitigate. Superior's policy is not to use derivative or non-financial derivative instruments for speculative purposes. Superior does not formally designate its derivatives as hedges and, as a result, Superior does not apply hedge accounting and is required to designate its derivatives and non-financial derivatives as held for trading. Refer to Superior's 2013 Annual MD&A for further details on financial instrument risk management.

As at June 30, 2014, Superior has hedged approximately 81% of its estimated US dollar exposure for 2014 and 65% for 2015. The estimated sensitivity of adjusted operating cash flow for Superior, including divisional US exposures and the impact on US-denominated debt with respect to a $0.01 change in the Canadian to United States exchange rate for 2014 is $0.3 million and for 2015 is $1.0 million after giving effect to U.S. dollar forward contracts for 2014 and 2015, as shown in the table below. Superior's sensitivities and guidance are based on an anticipated average Canadian to US dollar foreign currency exchange rate for 2014 of 1.10.

(US$ millions except exchange rates)	**2014**	**2015**	**2016**	**2017**	**2018**	**2019 and Thereafter**	**Total**
Energy Services – US$ forward sales	7.0	26.0	–	–	–	–	33.0
Construction Products Distribution – US$ forward sales	6.0	12.0	12.0	–	–	–	30.0
Specialty Chemicals – US$ forward sales	96.5	148.0	101.4	51.0	–	–	396.9
Corporate – US$ forward purchases	(2.3)	–	–	–	–	–	(2.3)
Net US $ forward sales	107.2	186.0	113.4	51.0	–	–	457.6
Energy Services – Average US$ forward sales rate	1.00	1.01	–	–	–	–	1.01
Construction Products Distribution – Average US$ forward sales rate	1.00	1.00	1.03	–	–	–	1.01
Specialty Chemicals – Average US$ forward sales rate	1.03	1.02	1.04	1.04	–	–	1.03
Corporate – US$ forward purchases rate	1.07	–	–	–	–	–	1.07
Net average external US$/CDN$ exchange rate	1.02	1.01	1.04	1.04	–	–	1.02

For additional details on Superior's financial instruments, including the amount and classification of gains and losses recorded in Superior's second quarter condensed consolidated financial statements, summary of fair values, notional balances, effective rates and terms, and significant assumptions used in the calculation of the fair value of Superior's financial instruments, see Note 14 to the unaudited condensed consolidated financial statements.

Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

No changes have been made in Superior's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, Superior's internal control over financial reporting in the quarter ended June 30, 2014.

The Canadian propane business system roll out (see System Conversion) commenced during the third quarter of 2013 and was completed during the second quarter of 2014. Management has concluded that the change materially affected Superior's internal controls over financial reporting. Superior's management team has participated at all levels of planning and execution of the IT system and has concluded that no material deficiency has resulted from this change to internal controls over financial reporting. The planning and execution of the system transition was overseen by senior management with involvement by the President and VP Finance of the business and the certifying officers.

Critical Accounting Policies and Estimates

Superior's unaudited condensed consolidated financial statements have been prepared in accordance with IFRS. The significant accounting policies are described in the unaudited condensed consolidated financial statements for the period ended June 30, 2014. Certain of these accounting policies, as well as estimates made by management in applying such policies, are recognized as critical because they require management to make subjective or complex judgments about matters that are inherently uncertain. Our critical accounting estimates relate to the allowance for doubtful accounts, employee future benefits, future income tax assets and liabilities, the valuation of derivatives and non-financial derivatives and asset impairments and the assessment of potential provision retirement obligations.

Recent Accounting Pronouncements

Certain new standards, interpretations, amendments or improvements to existing standards were issued by the IASB or the International Financial Reporting Interpretations Committee (IFRIC) that are mandatory for accounting periods beginning on January 1, 2014 or later. The affected standards that apply to Superior are as follows:

IFRS 9 – *Financial Instruments: Classification and Measurement*

IFRS 9, Financial Instruments, was issued in November 2009 and is intended to replace International Accounting Standard (IAS) 39*, Financial Instruments: Recognition and Measurement*. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income. This standard is required to be applied for accounting periods beginning on or after January 1, 2015, with earlier adoption permitted. Superior is assessing the effect of IFRS 9 on its financial results and financial position; changes, if any, are not expected to be material.

Superior adopted the following on January 1, 2014:

IAS 36 – *Impairment of Assets*

The IASB issued *Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)* on May 29, 2013. The overall effect of the amendments is to reduce the circumstances in which the recoverable amount of cash-generating units ("CGUs") is required to be disclosed and to clarify the disclosures required when an impairment loss has been recognized or reversed in the period. The amendments are required to be adopted retrospectively for fiscal years beginning January 1, 2014, with earlier adoption permitted. Superior adopted the amendments on January 1, 2014, with no impact to Superior.

IFRS 10 – *Consolidated Financial Statements*, IFRS 12 – *Disclosure of Interests in Other Entities* and IAS 27 – *Separate Financial Statements*

The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. Consequently, IFRS 12 and IAS 27 were amended to introduce new disclosure requirements for investment entities. Superior adopted the amendments on January 1, 2014, with no impact to Superior.

International Financial Reporting Interpretations Committee (IFRIC) 21, Levies

IFRIC 21, *Levies*, was issued on May 20, 2013 and provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and those where the timing and amount of the levy is certain. The Interpretation covers the accounting for outflows imposed on entities by governments (including government agencies and similar bodies) in accordance with laws and/or regulations. However, it does not include income taxes (see IAS 12 *Income Taxes*), fines and other penalties, liabilities arising from emissions trading schemes and outflows within the scope of other Standards. It also provides the following guidance on recognition of a liability to pay levies: The liability is recognized progressively if the obligating event occurs over a period of time and if an obligation is triggered on reaching a minimum threshold, the liability is recognized when that minimum threshold is reached. This standard must be applied for accounting periods beginning on or after January 1, 2014, with retrospective application from December 31, 2012. Superior adopted IFRIC 21 on January 1, 2014, with retroactive application from December 31, 2012 with no impact to its financial results.

Quarterly Financial and Operating Information [4]

(millions of dollars except per share amounts)	2014 Quarters		2013 Quarters				2012 Quarters [1][2]	
	Second	First	Fourth	Third	Second	First	Fourth	Third
Canadian propane sales volumes (millions of litres)	**255**	454	405	232	265	429	383	240
U.S. refined fuels sales volumes (millions of litres)	**347**	492	411	326	383	512	428	335
Natural gas sales volumes (millions of GJs)	**5**	5	5	5	5	5	5	5
Electricity sales volumes (millions of KwH)	**157**	244	228	249	205	205	200	245
Chemical sales volumes (thousands of metric tonnes)	**174**	223	220	204	199	203	200	193
Revenues	**895.4**	1,282.4	1,034.7	813.8	854.4	1,049.9	934.0	790.1
Gross profit	**194.8**	276.6	240.8	184.9	190.0	253.1	228.2	195.9
Net earnings (loss)	**5.2**	40.6	10.9	35.9	(25.5)	31.4	13.5	35.9
Per share, basic	**$0.04**	$0.32	$0.09	$0.28	$(0.20)	$0.28	$0.12	$0.32
Per share, diluted	**$0.04**	$0.28	$0.05	$0.12	$(0.20)	$0.27	$0.12	$0.29
Adjusted operating cash flow	**22.6**	86.4	55.9	24.2	30.2	82.0	61.9	33.7
Per share, basic	**$0.18**	$0.70	$0.44	$0.19	$0.24	$0.72	$0.55	$0.30
Per share, diluted	**$0.18**	$0.68	$0.43	$0.19	$0.24	$0.69	$0.53	$0.30
Adjusted operating cash flow before restructuring costs	**31.8**	88.2	70.1	24.4	30.9	82.2	65.9	37.3
Per share, basic	**$0.25**	$0.68	$0.56	$0.19	$0.24	$0.72	$0.59	$0.33
Per share, diluted	**$0.25**	$0.66	$0.54	$0.19	$0.24	$0.72	$0.57	$0.33
Net working capital [3] (millions of dollars)	**248.2**	336.3	293.1	202.0	242.3	280.5	279.2	218.3

(1) Superior's 2012 quarterly results have been restated for the adoption of IAS 19 *Employee Benefits, amendments.*

(2) December 31, 2012 has been restated for the impact of a prior period adjustment.

(3) Net working capital reflects amounts as at the quarter end and is comprised of trade and other receivables, prepaid expenses and inventories, less trade and other payables, deferred revenue, and dividends and interest payable.

(4) The quarterly financial and operating information is on a combined basis of both continuing and discontinued operations.

Non-IFRS Financial Measures

Adjusted Operating Cash Flow

AOCF is equal to cash flow from operating activities as defined by IFRS, adjusted for changes in non-cash working capital, other expenses, non-cash interest expense, current income taxes and finance costs. Superior may deduct or include additional items in its calculation of AOCF; these items would generally, but not necessarily, be items of a non-recurring nature. AOCF is the main performance measure used by management and investors to evaluate Superior's performance. Readers are cautioned that it is not a defined performance measure under IFRS and cannot be assured. Superior's calculation of AOCF may differ from similar calculations used by comparable entities. AOCF represents cash flow generated by Superior that is available for, but not necessarily limited to, changes in working capital requirements, investing activities and financing activities of Superior.

The seasonality of Superior's individual quarterly results must be assessed in the context of annualized AOCF. Adjustments recorded by Superior as part of its calculation of AOCF include, but are not limited to, the impact of the seasonality of Superior's businesses, principally the Energy Services segment, by adjusting for non-cash working capital items, thereby eliminating the impact of the timing between the recognition and collection/payment of Superior's revenues and expenses, which can differ significantly from quarter to quarter. Adjustments are also made to reclassify the cash flow related to natural gas and electricity customer contract-related costs in a manner consistent with the income statement's recognition of these costs. AOCF is reconciled to net cash flow from operating activities on page 12.

EBITDA

EBITDA represents earnings before taxes, depreciation, amortization, finance expense and certain other non-cash expenses, and is used by Superior to assess its consolidated results and those of its operating segments. EBITDA is not a defined performance measure under IFRS. Superior's calculation of EBITDA may differ from similar calculations used by comparable entities. The EBITDA of Superior's operating segments may be referred to as

EBITDA from operations. Net earnings before income taxes are reconciled to EBITDA from operations on page 34.

Compliance EBITDA

Compliance EBITDA represents earnings before interest, taxes, depreciation, amortization and certain other non-cash expenses calculated on a 12-month trailing basis, giving pro forma effect to acquisitions and divestitures, and is used by Superior to calculate compliance with its debt covenants and other credit information. Compliance EBITDA is not a defined performance measure under IFRS. Superior's calculation of compliance EBITDA may differ from similar calculations used by comparable entities. See Note 15 to the unaudited condensed consolidated financial statements for a reconciliation of net earnings to compliance EBITDA.

Payout Ratio

Payout ratio represents dividends as a percentage of AOCF less other capital expenditures, and is used by Superior to assess its financial results and leverage. Payout ratio is not a defined performance measure under IFRS. Superior's calculation of payout ratio may differ from similar calculations used by comparable entities.

Reconciliation of Net Earnings before income taxes to EBITDA from Operations [1][2][3]

For the three months ended June 30, 2014	**Energy Services**	**Specialty Chemicals**	**Construction Products Distribution**
Net Earnings before income taxes	**0.5**	**13.1**	**7.2**
Add: Depreciation included in selling, distribution and administrative costs and intangible assets	**10.0**	–	**0.5**
Depreciation included in cost of sales	–	**12.1**	–
(Gains) Losses on disposal of assets	**(3.9)**	–	**0.1**
Customer contract-related costs	**(0.3)**	–	–
Restructuring costs	**9.3**	–	–
Finance expense	**0.8**	**0.2**	**0.2**
Unrealized (gains) losses on derivative financial instruments	**0.8**	**(0.7)**	–
EBITDA from operations	**17.2**	**24.7**	**8.0**

For the three months ended June 30, 2013	**Energy Services**	**Specialty Chemicals**	**Construction Products Distribution**
Net Earnings before income taxes	0.4	16.4	6.1
Add: Depreciation included in selling, distribution and administrative costs and intangible assets	13.6	–	1.5
Depreciation included in cost of sales	–	9.7	–
Gains on disposal of assets	(0.1)	–	–
Customer contract-related costs	(0.1)	–	–
Restructuring costs	0.2	–	0.5
Finance expense	0.7	–	0.2
Unrealized losses (gains) on derivative financial instruments	0.7	(1.0)	–
EBITDA from operations	15.4	25.1	8.3

For the six months ended June 30, 2014	**Energy Services**	**Specialty Chemicals**	**Construction Products Distribution**
Net Earnings before income taxes	**71.8**	**30.0**	**9.9**
Add: Depreciation included in selling, distribution and administrative costs and intangible assets	**20.6**	–	**2.1**
Depreciation included in cost of sales	–	**24.0**	–
(Gains) Losses on disposal of assets	**(3.9)**	–	**0.1**
Customer contract-related costs	**(0.7)**	–	–
Restructuring costs	**11.1**	–	–
Finance expense	**1.5**	**0.5**	**0.4**
Unrealized (gains) losses on derivative financial instruments	**(11.0)**	**(0.2)**	–
EBITDA from operations	**89.4**	**54.3**	**12.5**

For the six months ended June 30, 2013	**Energy Services**	**Specialty Chemicals**	**Construction Products Distribution**
Net Earnings before income taxes	71.7	39.0	9.4
Add: Depreciation included in selling, distribution and administrative costs and intangible assets	26.9	–	3.0
Depreciation included in cost of sales	–	20.0	–
Losses on disposal of assets	0.2	–	0.1
Customer contract-related costs	(0.3)	–	–
Restructuring costs	0.4	–	0.5
Finance expense	1.5	0.1	0.3
Unrealized gains on derivative financial instruments	(17.2)	(1.1)	–
EBITDA from operations	83.2	58.0	13.3

[1] See the unaudited condensed consolidated financial statements for net earnings before income taxes, depreciation of property, plant, equipment, amortization of intangible assets and accretion of convertible debenture issuance costs, depreciation included in cost of sales, customer contract-related costs and unrealized gains or losses on derivative financial instruments.

[2] See "Non-IFRS Financial Measures" for additional details.

(3) This reconciliation of net earnings before income taxes to EBITDA from operations is on a combined basis of both continuing and discontinuing operations.

Reconciliation of Segmented Revenue, Cost of Sales and Cash Operating and Administrative Costs (1)

	For the three months ended June 30, 2014			For the three months ended June 30, 2013		
	Energy Services	**Specialty Chemicals**	**Construction Products Distribution**	Energy Services	Specialty Chemicals	Construction Products Distribution
Revenue per financial statements	**518.4**	**168.0**	**209.0**	511.3	136.2	206.9
Foreign currency (losses) gains related to working capital	–	**(1.7)**	–	–	1.5	–
Revenue per the MD&A	**518.4**	**166.3**	**209.0**	511.3	137.7	206.9
Cost of products sold per financial statements	**(427.4)**	**(114.8)**	**(158.4)**	(417.3)	(88.7)	(158.4)
Non-cash amortization	–	**12.1**	–	–	9.7	–
Cost of products sold per the MD&A	**(427.4)**	**(102.7)**	**(158.4)**	(417.3)	(79.0)	(158.4)
Gross profit	**91.0**	**63.6**	**50.6**	94.0	58.7	48.5
Cash operating and administrative costs per financial statements	**(88.9)**	**(40.6)**	**(43.2)**	(92.2)	(32.1)	(42.2)
Amortization and depreciation expenses	**10.0**	**–**	**0.5**	13.6	–	1.5
(Losses) gains on disposal of assets	**(3.9)**	**–**	**0.1**	(0.1)	–	–
Customer contract-related costs	**(0.3)**	**–**	**–**	(0.1)	–	–
Restructuring costs	**9.3**	**–**	**–**	0.2	–	0.5
Reclassification of foreign currency losses (gains) related to working capital	**–**	**1.7**	**–**	–	(1.5)	–
Cash operating and administrative costs per the MD&A	**(73.8)**	**(38.9)**	**(42.6)**	(78.6)	(33.6)	(40.2)

(1) This reconciliation of segmented revenue, cost of sales and cash operating and administrative costs is on a combined basis of both continuing and discontinuing operations.

	For the six months ended June 30, 2014			For the six months ended June 30, 2013		
	Energy Services	**Specialty Chemicals**	**Construction Products Distribution**	Energy Services	Specialty Chemicals	Construction Products Distribution
Revenue per financial statements	**1,458.0**	**325.0**	**394.8**	1,231.0	279.9	393.4
Foreign currency gains related to working capital	–	**0.4**	–	–	2.4	–
Revenue per the MD&A	**1,458.0**	**325.4**	**394.8**	1,231.0	282.3	393.4
Cost of products sold per financial statements	**(1,191.9)**	**(217.8)**	**(296.7)**	(983.5)	(177.9)	(299.8)
Non-cash amortization	–	**24.0**	–	–	20.0	–
Cost of products sold per the MD&A	**(1,191.9)**	**(193.8)**	**(296.7)**	(983.5)	(157.9)	(299.8)
Gross profit	**266.1**	**131.6**	**98.1**	247.5	124.4	93.6
Cash operating and administrative costs per financial statements	**(203.8)**	**(76.9)**	**(87.8)**	(191.5)	(64.0)	(83.9)
Amortization and depreciation expenses	**20.6**	–	**2.1**	26.9	–	3.0
(Losses) gains on disposal of assets	**(3.9)**	**–**	**0.1**	0.2	–	0.1
Customer contract-related costs	**(0.7)**	–	–	(0.2)	–	–
Restructuring costs	**11.1**	–	–	0.4	–	0.5
Reclassification of foreign currency gains related to working capital	–	**(0.4)**	–	–	(2.4)	–
Cash operating and administrative costs per the MD&A	**(176.7)**	**(77.3)**	**(85.6)**	(164.2)	(66.4)	(80.3)

Addition of continuing and discontinued operations

For the three months ended June 30, 2014	Energy Services	Specialty Chemicals	Construction Products Distribution	Total
Revenue from continuing operations	**481.6**	**168.0**	–	**649.6**
Revenue from discontinued operations	**36.8**	–	**209.0**	**245.8**
Total Revenue	**518.4**	**168.0**	**209.0**	**895.4**
Cost of sales from continuing operations	**(393.7)**	**(114.8)**	–	**(508.5)**
Cost of sales from discontinued operations	**(33.7)**	–	**(158.4)**	**(192.1)**
Total cost of sales	**(427.4)**	**(114.8)**	**(158.4)**	**(700.6)**
Selling, distribution and administrative costs from continuing operations	**(90.3)**	**(40.6)**	**–**	**(130.9)**
Selling, distribution and administrative costs from discontinued operations	**1.4**	**–**	**(43.2)**	**(41.8)**
Total Selling, distribution and administrative costs	**(88.9)**	**(40.6)**	**(43.2)**	**(172.7)**

For the three months ended June 30, 2013	Energy Services	Specialty Chemicals	Construction Products Distribution	Total
Revenue from continuing operations	467.6	136.2	–	603.8
Revenue from discontinued operations	43.7	–	206.9	250.6
Total Revenue	511.3	136.2	206.9	854.4
Cost of sales from continuing operations	(378.0)	(88.7)	–	(466.7)
Cost of sales from discontinued operations	(39.3)	–	(158.4)	(197.7)
Total cost of sales	(417.3)	(88.7)	(158.4)	(664.4)
Selling, distribution and administrative costs from continuing operations	(89.0)	(32.1)	–	(121.1)
Selling, distribution and administrative costs from discontinued operations	(3.2)	–	(42.2)	(45.4)
Total Selling, distribution and administrative costs	(92.2)	(32.1)	(42.2)	(166.5)

For the six months ended June 30, 2014	Energy Services	Specialty Chemicals	Construction Products Distribution	Total
Revenue from continuing operations	**1,374.8**	**325.0**	**–**	**1,699.8**
Revenue from discontinued operations	**83.2**	**–**	**394.8**	**478.0**
Total Revenue	**1,458.0**	**325.0**	**394.8**	**2,177.8**
Cost of sales from continuing operations	**(1,107.5)**	**(217.8)**	**–**	**(1,325.3)**
Cost of sales from discontinued operations	**(84.4)**	**–**	**(296.7)**	**(381.1)**
Total cost of sales	**(1,191.9)**	**(217.8)**	**(296.7)**	**(1,706.4)**
Selling, distribution and administrative costs from continuing operations	**(202.4)**	**(76.9)**	**–**	**(279.3)**
Selling, distribution and administrative costs from discontinued operations	**(1.4)**	**–**	**(87.8)**	**(89.2)**
Total Selling, distribution and administrative costs	**(203.8)**	**(76.9)**	**(87.8)**	**(368.5)**

For the six months ended June 30, 2013	Energy Services	Specialty Chemicals	Construction Products Distribution	Total
Revenue from continuing operations	1,149.8	279.9	–	1,429.7
Revenue from discontinued operations	81.2	–	393.4	474.6
Total Revenue	1,231.0	279.9	393.4	1,904.3
Cost of sales from continuing operations	(911.4)	(177.9)	–	(1,089.3)
Cost of sales from discontinued operations	(72.1)	–	(299.8)	(371.9)
Total cost of sales	(983.5)	(177.9)	(299.8)	(1,461.2)
Selling, distribution and administrative costs from continuing operations	(185.1)	(64.0)	–	(249.1)
Selling, distribution and administrative costs from discontinued operations	(6.4)	–	(83.9)	(90.3)
Total Selling, distribution and administrative costs	(191.5)	(64.0)	(83.9)	(339.4)

Risk Factors to Superior

The risk factors and uncertainties detailed below are a summary of Superior's assessment of its material risk factors as detailed in Superior's 2013 Annual Information Form under "Risk Factors" which is filed on the Canadian Securities Administrators' website, www.sedar.com, and on Superior's website, www.superiorplus.com.

Risks to Superior

Superior depends entirely on the operations and assets of Superior LP. Superior's ability to make dividend payments to its shareholders depends on the ability of Superior LP to make distributions on its outstanding limited partnership units, as well as on the operations and business of Superior LP.

There is no assurance regarding the amount of cash to be distributed by Superior LP or generated by Superior LP and, therefore, there is no assurance regarding funds available for dividends to shareholders. The amount distributed in respect of the limited partnership units will depend on a variety of factors including, without limitation, the performance of Superior LP's operating businesses, the effect of acquisitions or dispositions on Superior LP, and other factors that may be beyond the control of Superior LP or Superior. In the event significant sustaining capital expenditures are required by Superior LP or the profitability of Superior LP declines, there would be a decrease in the amount of cash available for dividends to shareholders and such decrease could be material.

Superior's dividend policy and the distribution policy of Superior LP are subject to change at the discretion of the Board of Directors of Superior or the Board of Directors of Superior General Partner Inc., the general partner of Superior LP, as applicable. Superior's dividend policy and the distribution policy of Superior LP are also limited by contractual agreements including agreements with lenders to Superior and its affiliates and by restrictions under corporate law.

As previously disclosed by Superior, on April 2, 2013, Superior received from the CRA, Notices of Reassessment for Superior's 2009 and 2010 taxation years reflecting the CRA's intent to challenge the tax consequences of the Conversion. The CRA's position is based on the acquisition of control rules, in addition to the general anti-avoidance rules in the Tax Act. See Canada Revenue Agency Income Tax Update.

During 2013, Superior filed a Notice of Objection and a Notice of Appeal with respect to the Notice of Reassessments received on May 8, 2013. Superior anticipates the case could be heard in the Tax Court of Canada, in the first or second quarter of 2015, with a decision rendered by the end of fiscal 2015. If a decision of the Tax Court of Canada were to be appealed, the appeal process could reasonably be expected to take an additional 2 years. If Superior receives a positive decision then any taxes, interest and penalties paid to the CRA will be refunded plus interest and if Superior is unsuccessful then any remaining taxes payable plus interest and penalties will have to be remitted. Superior remains confident in the appropriateness of its tax filing position and the expected tax consequences of the Conversion and intends to vigorously defend such position. Superior also strongly believes that there was no acquisition of control of Ballard and that the general anti-avoidance rule does not apply to the Conversion and intends to file its future tax returns on a basis consistent with its view of the outcome of the Conversion.

Upon receipt of the Notices of Reassessment, 50% of the taxes payable pursuant to such Notices of Reassessment, must be remitted to the CRA. Superior would also be required to make a payment of 50% of the taxes the CRA claims are owed in any future tax year if the CRA were to issue a similar notice of reassessment for such years and Superior were to appeal such other years. See the CRA Income Tax Update section for further details on the amounts paid and estimated amounts payable. Superior has 90 days from any future Notice of Reassessment to prepare and file a Notice of Objection, which would be reviewed by the CRA's appeals division. If the CRA is not in agreement with Superior's Notice of Objection, Superior has the option to appeal to the Tax Court of Canada following the same process described above.

The credit facilities and U.S. notes of Superior LP contain covenants that require Superior LP to meet certain financial tests and that restrict, among other things, the ability of Superior LP to incur additional debt, dispose of assets or pay dividends/distributions in certain circumstances. These restrictions may preclude Superior LP from returning capital or making distributions on the limited partnership units.

The payout by Superior LP of substantially all of its available cash flow means that capital expenditures to fund growth opportunities can only be made in the event that other sources of financing are available. Lack of access to such additional financing could limit the future growth of the business of Superior LP and, over time, have a material adverse effect on the amount of cash available for dividends to shareholders.

To the extent that external sources of capital, including public and private markets, become limited or unavailable, Superior's and Superior LP's ability to make the necessary capital investments to maintain or expand the current business, and to make necessary principal payments and debenture redemptions under its term credit facilities may be impaired.

Superior maintains substantial floating interest rate exposure through a combination of floating interest rate borrowing and the use of derivative instruments. Demand levels for approximately half of Energy Services' sales and substantially all of Specialty Chemicals' and Construction Products Distribution's sales are affected by general economic trends. Generally speaking, when the economy is strong, interest rates increase, as does demand from Superior's customers, thereby increasing Superior's sales and its ability to pay higher interest costs, and vice-versa. In this way, there is a common relationship among economic activity levels, interest rates and Superior's ability to pay higher or lower rates. Increased interest rates, however, will affect Superior's borrowing costs, which may have an adverse effect on Superior.

A portion of Superior's net cash flow is denominated in US dollars. Accordingly, fluctuations in the Canadian/US dollar exchange rate can affect profitability. Superior attempts to mitigate this risk with derivative financial instruments.

The timing and amount of capital expenditures incurred by Superior LP or by its subsidiaries will directly affect the amount of cash available to Superior for dividends to shareholders. Dividends may be reduced, or even eliminated, at times when significant capital expenditures are incurred or other unusual expenditures are made.

If the Board of Directors of Superior decides to issue additional common shares, preferred shares or securities convertible into common shares, existing shareholders may suffer significant dilution.

There can be no assurance that income tax laws in the numerous jurisdictions in which Superior operates will not be changed, interpreted or administered in a manner which adversely affects Superior and its shareholders. In addition, there can be no assurance that the CRA (or a provincial tax agency), the U.S. Internal Revenue Service (or a state or local tax agency), or the Chilean Internal Revenue Service (collectively, the Tax Agencies) will agree with how Superior calculates its income for tax purposes or that the various Tax Agencies will not change their administrative practices to the detriment of Superior or its shareholders.

Risks to Superior's Segments

Energy Services

Canadian Propane Distribution and U.S. Refined Fuels

Propane is sold in competition with other energy sources such as fuel oil, electricity and natural gas, some of which are less costly on an energy-equivalent basis. While propane is usually more cost-effective than electricity, electricity is a major competitor in most areas. Fuel oil is also used as a residential, commercial and industrial source of heat and, in general, is less costly on an equivalent-energy basis, although operating efficiencies, environmental and air quality factors help make propane competitive with fuel oil. Except for certain industrial and commercial applications, propane is generally not competitive with natural gas in areas with natural gas service. Other alternative energy sources such as compressed natural gas, methanol and ethanol are available or could be further developed and could have an impact on the future of the propane industry in general and Canadian propane distribution in particular. The trend towards increased conservation measures and technological advances in energy efficiency may have a detrimental effect on propane demand and Canadian propane distribution's sales. Demand for traditional propane end-use applications is increasing marginally with general economic growth. However, increases in the cost of propane encourage customers to reduce fuel consumption and to invest in more energy efficient equipment, reducing demand. Automotive propane demand is currently stabilizing after several years of decline but the decline trend could resume depending on propane pricing and the market acceptance of propane conversion options and the availability of infrastructure.

Competition in the U.S. refined fuels business' markets generally occurs on a local basis between large, full-service, multi-state marketers and smaller, independent local marketers. Marketers primarily compete based on price and service and tend to operate in close proximity to customers, typically within a 35-mile marketing radius from a central depot, in order to minimize delivery costs and provide prompt service.

Weather and general economic conditions affect distillates market volumes. Weather influences the immediate demand for distillates, primarily for heating, while longer-term demand declines due to economic conditions as customers trend towards conservation and supplement heating with alternative sources such as wood pellets. Also, harsh weather can create conditions that exacerbate demand for propane, impede the transportation and delivery of propane, or restrict the ability for Superior to obtain propane from its suppliers. Such conditions may also increase Superior's operating costs and may reduce customers' demand for propane, any of which may have an adverse effect on Superior. Spikes in demand caused by weather or other factors can stress the supply chain and hamper Superior's ability to obtain additional quantities of propane. Transportation providers (rail and truck) have limited ability to provide resources in terms of extreme peak demand.

The trend towards increased conservation measures and technological advances in energy efficiency may have a detrimental effect on propane and heating oil demand and Superior's sales. Further, increases in the cost of propane encourage customers to conserve fuel and to invest in more energy-efficient equipment, reducing demand. Changes in propane supply costs are normally passed through to customers, but timing lags (between when Superior purchases the propane and when the customer purchases the propane) may result in positive or negative gross margin fluctuations.

Superior offers its customers various fixed-price propane and heating oil programs. In order to mitigate the price risk from offering these services, Superior uses its physical inventory position, supplemented by forward commodity transactions with various third parties having terms and volumes substantially the same as its customers' contracts. In periods of high propane price volatility the fixed-price programs create exposure to over or under-supply positions as the demand from customers may significantly exceed or fall short of supply procured. In addition, if propane prices decline significantly subsequent to customers signing up for a fixed-price program, there is a risk that customers will default on their commitments.

Superior's operations are subject to the risks associated with handling, storing and transporting propane in bulk. Slight quantities of propane may also be released during transfer operations. To mitigate risks, Superior has established a comprehensive environmental, health and safety protection program. It consists of an environmental policy, codes of practice, periodic self-audits, employee training, quarterly and annual reporting and emergency prevention and response.

The U.S. refined fuels business, through a centralized safety and environment management system, ensures that safety practices and regulatory compliance are an important part of its business. The storage and delivery of refined fuels pose the risk of spills which could adversely affect the soil and water of storage facilities and customer properties.

Superior's fuel distribution businesses are based and operate in Canada and the United States and, as a result, such operations could be affected by changes to laws, rules or policies which could either be more favourable to competing energy sources or increase compliance costs or otherwise negatively affect the operations of Energy Services in comparison to such competing energy sources. Any such changes could have an adverse effect on the operations of Energy Services.

During the second quarter of 2014, Canadian propane distribution completed the conversion to a new order to cash, billing and logistics IT system to replace the distribution and invoicing functions of the present enterprise system across all its regions. No significant financial or business issues have resulted from completing the system change. Superior has started to migrate its current data center located in Calgary, Alberta to a new location in New Jersey, United States and expects this to be completed by the end of August 2014; approximately 120 servers and more than 200 applications will be transferred. A disruption in the availability of current and future business applications may result from the migration, leading to Superior being unable to carry out required business transactions.

Approximately 18% of Superior's Canadian propane distribution business employees and 5% of U.S. refined fuels distribution business employees are unionized. Collective bargaining agreements are renegotiated in the normal course of business. While labour disruptions are not expected, there is always risk associated with the renegotiation process that could have an adverse impact on Superior.

Fixed-price Energy Services Business

There may be new market entrants in the energy retailing business that compete directly for the customer base that Superior targets, slowing or reducing its market share.

Fixed-price energy services purchases natural gas to meet its estimated commitments to its customers based on their historical consumption of gas. Depending on a number of factors, including weather, customer attrition and poor economic conditions affecting commercial customers' production levels, customer natural gas consumption may vary from the volume purchased. This variance must be reconciled and settled at least annually and may require fixed-price energy services to purchase or sell natural gas at market prices which may have an adverse impact on the results of this business. To mitigate potential balancing risk, fixed-price energy services closely monitors its balancing position and takes measures such as adjusting gas deliveries and transferring gas between pools of customers, minimizing imbalances. The reserve is reviewed monthly to ensure that it is sufficient to absorb any balancing losses.

Fixed-price energy services matches its customers' estimated electricity requirements by entering into electricity swaps in advance of acquiring customers. Depending on several factors, including weather, customers' energy consumption may vary from the volumes purchased by fixed-price energy services. Fixed-price energy services is able to invoice existing commercial electricity customers for balancing charges when the amount of energy used is greater or less than the tolerance levels set initially. In certain circumstances, there can be balancing issues for which fixed-price energy services is responsible when customer aggregation forecasts are not realized.

Fixed-price energy services resources its fixed-price term natural gas sales commitments by entering into various physical and financial natural gas and U.S. dollar foreign exchange purchase contracts for similar terms and volumes to create an effective Canadian dollar fixed-price cost of supply. Superior transacts with ten financial and physical natural gas counterparties. There can be no assurance that any of these counterparties will not default on any of their obligations to Superior. The financial condition of each counterparty is, however, evaluated and credit limits are established to minimize Superior's exposure to this risk. There is also a risk that supply commitments and foreign exchange positions may become mismatched; however, this is monitored daily in compliance with Superior's risk management policy.

Fixed-price energy services must retain qualified sales agents in order to properly execute its business strategy. The continued growth of fixed-price energy services is reliant on the services of agents to sign up new customers. There can be no assurance that competitive conditions will allow these agents to achieve these customer additions. Lack of success in the marketing programs of fixed-price energy services would limit future growth of cash flow.

Fixed-price energy services operates in the highly regulated energy industry in Ontario and Quebec. Changes to laws could impact this business' operations. As part of the current regulatory framework, local delivery companies are mandated to perform certain services on behalf of fixed-price energy services, including invoicing, collection, assuming specific bad debt risks, and storage and distribution of natural gas. Any elimination or changes to these rules could have a significant adverse effect on the results of this business. As of May 1, 2014 fixed-price energy services no longer markets electricity in Pennsylvania and New York or natural gas in New York State.

Specialty Chemicals

Specialty Chemicals competes with sodium chlorate, chloralkali and potassium producers on a worldwide basis. Key competitive factors include price, product quality, logistics capability, reliability of supply, technical capability and service. The end-use markets for products are correlated to the general economic environment and the competitiveness of customers, all of which are outside of the segment's control, along with market pricing for pulp.

Specialty Chemicals has long-term electricity contracts or electricity contracts that renew automatically with power producers in each of the jurisdictions where its plants are located. There is no assurance that Specialty Chemicals will remain able to secure adequate supplies of electricity at reasonable prices or on acceptable terms.

Potassium chloride (KCl) is a major raw material used in the production of potassium hydroxide at the Port Edwards, Wisconsin facility. Substantially all of Specialty Chemicals' KCl is received from Potash Corporation of Saskatchewan. Specialty Chemicals has limited ability to source KCl from additional suppliers.

Specialty Chemicals is exposed to fluctuations in the U.S. dollar and the euro versus the Canadian dollar. Specialty Chemicals manages its exposure to fluctuations between the U.S. dollar and Canadian dollar by entering into hedge contracts with external third parties and internally with other Superior businesses.

Specialty Chemicals' operations involve the handling, production, transportation, treatment and disposal of materials that are classified as hazardous and are regulated by environmental, health and safety laws, regulations and requirements. There is potential for the release of highly toxic and lethal substances, including chlorine from a facility or transportation equipment. Equipment failure could result in damage to facilities, death or injury and liabilities to third parties. If at any time the appropriate regulatory authorities deem any of the segment's facilities unsafe, they may order that such facilities be shut down.

Specialty Chemicals' operations and activities in various jurisdictions require regulatory approval for the handling, production, transportation and disposal of chemical products and waste substances. The failure to obtain or comply fully with such applicable regulatory approval may materially adversely affect Specialty Chemicals.

Specialty Chemicals' does not directly operate or control Tronox's Hamilton, Mississippi sodium chlorate facility. A major production outage or unplanned downtime could harm Specialty Chemicals' reputation and its ability to meet customer requirements.

Specialty Chemicals' production facilities maintain complex process and electrical equipment. The facilities have existed for many years and undergone upgrades and improvements. Routine maintenance is regularly completed to ensure equipment is operated within appropriate engineering and technical requirements. Notwithstanding Specialty Chemicals' operating standards and history of limited downtime, breakdown of electrical transformer or rectifier equipment would temporarily reduce production at the affected facility. Although the segment has insurance to mitigate substantial loss due to equipment outage, Specialty Chemicals' reputation and its ability to meet customer requirements could be harmed by a major electrical equipment failure.

Approximately 25% of Specialty Chemicals' employees are unionized. Collective bargaining agreements are renegotiated in the normal course of business. While labour disruptions are not expected, there is always risk associated with the negotiation process that could have an adverse impact on Superior.

Construction Products Distribution

Activity in the Construction Products Distribution segment is subject to changes in general economic activity and, in particular, residential and non-residential construction. New residential construction is subject to such factors as household income, employment levels, customer confidence, population changes and the local supply of residential units. Residential renovation is not as sensitive to these factors and can provide some balance in the demand for residential construction product distribution. Non-residential activity can be subdivided into commercial, industrial and institutional. New construction in these sectors is subject to many of the same general economic factors as residential activity. In the industrial and institutional subsectors, government and regulatory programs can also have a significant impact on the outlook for product distribution, particularly as related to Superior's insulation businesses. As a result, changes to general economic activity or other factors mentioned above that affect the amount of construction or renovation in residential and non-residential markets can have an adverse effect on the segment's business and Superior.

Construction Products Distribution competes with other specialty construction distributors servicing the builder/contractor market, in addition to big-box home centres and independent lumber yards. The ability to remain competitive depends on the segment's ability to provide reliable service at competitive prices.

The GSD market is driven largely by residential and non-residential construction. Demand for wall and ceiling building materials is affected by changes in general and local economic factors including demographic trends, employment levels, interest rates, consumer confidence and overall economic growth. These factors in turn affect existing housing sales, new home construction, new non-residential construction, and office/commercial space turnover, all of which are significant factors in determining demand for products and services.

The C&I market is driven largely by C&I construction spending and economic growth. Demand is influenced by commercial construction and renovation, the construction, maintenance and expansion of industrial process facilities (such as oil refineries, petrochemical plants and power generation facilities) and institutional facilities in the government, healthcare and education sectors.

The distribution of walls and ceilings and C&I products involves risks, including the failure or substandard performance of equipment, human error, natural disasters, suspension of operations and new government statutes, regulations, guidelines or policies. Operations are also subject to various hazards incidental to the handling, processing, storage and transportation of certain hazardous materials, including industrial chemicals. These hazards can result in personal injury including fatalities, damage to and destruction of property and equipment and environmental damage. There can be no assurance that as a result of past or future operations, there will not be claims of injury by employees or members of the public due to exposure, or alleged exposure, to these materials. There can be no assurance as to the actual amount of these liabilities or their timing, if any. The business maintains safe working practices through proper procedures, direction and utilization of equipment such as forklifts, boom trucks, fabrication equipment and carts/dollies. The business handles and stores a variety of construction materials and maintains appropriate material handling compliance programs in accordance with local, state/provincial and federal regulations.

During 2013, CPD initiated a business transformation project to fully integrate its C&I and GSD operations. The project consists of realigning the management structure along geographic lines, adopting best practice common business processes, and integrating all operations onto a single ERP system. The ERP system integration has been suspended as a result of the proposed sale of the Construction Products Distribution segment. If, and when, the project resumes, it is expected to take approximately two years to three years. Upon full commencement of the project, the scoping, requirements definition, business process definition, design, and testing of the integrated ERP system would take approximately one year with the branch conversions taking place the following year. Implementation problems could result in disruption to the business and/or inaccurate information for management and financial reporting. Risk would be mitigated by extensive testing and regionally phased implementation.

Approximately 4% of Construction Products Distribution's employees are unionized. Collective bargaining agreements are renegotiated in the normal course of business. While labour disruptions are not expected, there is always risk associated with the negotiation process that could have an adverse impact on the segment and Superior.

SUPERIOR PLUS CORP.
Condensed Consolidated Balance Sheets

(unaudited, millions of Canadian dollars)	Note	**June 30, 2014**	December 31, 2013
Assets			
Current Assets			
Cash and cash equivalents		**10.5**	8.3
Trade and other receivables	**4&14**	**260.8**	479.8
Prepaid expenses		**22.5**	35.3
Inventories		**102.4**	206.3
Unrealized gains on derivative financial instruments	**14**	**11.2**	13.7
Assets held for sale	**6**	**263.7**	–
Total Current Assets		**671.1**	743.4
Non-Current Assets			
Property, plant and equipment	**7**	**857.0**	877.9
Intangible assets		**14.2**	19.0
Goodwill		**193.7**	193.7
Notes and finance lease receivables		**2.8**	10.2
Deferred tax	**15**	**268.9**	292.3
Unrealized gains on derivative financial instruments	**14**	**4.0**	4.6
Total Non-Current Assets		**1,340.6**	1,397.7
Total Assets		**2,011.7**	2,141.1
Liabilities and Equity			
Current Liabilities			
Trade and other payables	**9**	**238.7**	396.2
Deferred revenue	**10**	**17.8**	24.8
Borrowing	**12**	**61.2**	67.0
Dividends and interest payable		**7.2**	7.3
Unrealized losses on derivative financial instruments	**14**	**13.0**	25.1
Liabilities held for sale	**6**	**116.4**	–
Total Current Liabilities		**454.3**	520.4
Non-Current Liabilities			
Borrowing	**12**	**435.1**	509.1
Convertible unsecured subordinated debentures	**13**	**471.4**	469.4
Other liabilities	**11**	**1.1**	0.4
Provisions	**8**	**17.3**	19.5
Employee future benefits		**21.3**	23.3
Deferred tax	**15**	**7.9**	4.0
Unrealized losses on derivative financial instruments	**14**	**57.3**	54.8
Total Non-Current Liabilities		**1,011.4**	1,080.5
Total Liabilities		**1,465.7**	1,600.9
Equity			
Capital		**1,788.2**	1,787.9
Deficit		**(1,231.8)**	(1,239.8)
Accumulated other comprehensive loss		**(10.4)**	(7.9)
Total Equity	**16**	**546.0**	540.2
Total Liabilities and Equity		**2,011.7**	2,141.1

See accompanying Notes to the Condensed Consolidated Financial Statements.

SUPERIOR PLUS CORP.
Condensed Consolidated Statement of Changes in Equity[1]

(unaudited, millions of Canadian dollars)	Share Capital	Contributed Surplus[2]	**Total Capital[2]**	**Deficit**	**Accumulated other comprehensive loss**	**Total**
January 1, 2013	1,644.0	2.5	**1,646.5**	**(1,218.2)**	**(53.9)**	**374.4**
Net earnings	–	–	**–**	**5.9**	**–**	**5.9**
Option value associated with redemption of convertible debentures	–	(0.6)	**(0.6)**	**–**	**–**	**(0.6)**
Shares issued under dividend reinvestment plan	4.9	–	**4.9**	**–**	**–**	**4.9**
Issuance of common shares	137.6	–	**137.6**	**–**	**–**	**137.6**
Dividends declared to shareholders	–	–	**–**	**(36.5)**	**–**	**(36.5)**
Unrealized foreign currency gains on translation of foreign operations	–	–	**–**	**–**	**23.1**	**23.1**
Actuarial defined benefit gains	–	–	**–**	**–**	**11.9**	**11.9**
Income tax expense on other comprehensive income	–	–	**–**	**–**	**(4.6)**	**(4.6)**
June 30, 2013	1,786.5	1.9	**1,788.4**	**(1,248.8)**	**(23.5)**	**516.1**
Net earnings	–	–	**–**	**46.8**	**–**	**46.8**
Option value associated with redemption of convertible debentures	–	(0.5)	**(0.5)**	**–**	**–**	**(0.5)**
Dividends declared to shareholders	–	–	**–**	**(37.8)**	**–**	**(37.8)**
Unrealized foreign currency gains on translation of foreign operations	–	–	**–**	**–**	**3.8**	**3.8**
Actuarial defined benefit gains	–	–	**–**	**–**	**14.4**	**14.4**
Reclassification of derivatives losses previously deferred	–	–	**–**	**–**	**(0.4)**	**(0.4)**
Income tax expense on other comprehensive loss	–	–	**–**	**–**	**(2.2)**	**(2.2)**
December 31, 2013	1,786.5	1.4	**1,787.9**	**(1,239.8)**	**(7.9)**	**540.2**
Net earnings	–	–	**–**	**45.8**	**–**	**45.8**
Conversion of 7.5% convertible unsecured subordinated debentures	0.3	–	**0.3**	**–**	**–**	**0.3**
Dividends declared to shareholders	–	–	**–**	**(37.8)**	**–**	**(37.8)**
Unrealized foreign currency loss on translation of foreign operations	–	–	**–**	**–**	**(1.0)**	**(1.0)**
Actuarial defined benefit loss	–	–	**–**	**–**	**(2.0)**	**(2.0)**
Income tax recovery on other comprehensive loss	–	–	**–**	**–**	**0.5**	**0.5**
June 30, 2014	1,786.8	1.4	**1,788.2**	**(1,231.8)**	**(10.4)**	**546.0**

(1) This Condensed Consolidated Statement of Changes in Equity includes both continuing and discontinued operations.

(2) Contributed surplus represents Superior's equity reserve for the option value associated with the issuance of convertible unsecured subordinated debentures and warrants.

See accompanying Notes to the Condensed Consolidated Financial Statements.

SUPERIOR PLUS CORP.
Condensed Consolidated Statement of Net Earnings (Loss) and Total Comprehensive (Loss) Income

		Three Months Ended June 30,		Six Months Ended June 30,	
(unaudited, millions of Canadian dollars except per share amounts)	**Note**	**2014**	2013	**2014**	2013
Revenues	**19**	**649.6**	603.8	**1,699.8**	1,429.7
Cost of sales (includes products & services)	**19**	**(508.5)**	(466.7)	**(1,325.3)**	(1,089.3)
Gross profit		**141.1**	137.1	**374.5**	340.4
Expenses					
Selling, distribution and administrative costs	**19**	**(137.0)**	(124.9)	**(290.3)**	(259.1)
Finance expense	**19**	**(13.1)**	(15.1)	**(27.3)**	(33.5)
Unrealized gains (losses) on derivative financial instruments	**14**	**7.1**	(32.4)	**(12.5)**	(58.9)
		(143.0)	(172.4)	**(330.1)**	(351.5)
Net loss (earnings) from continuing operations before income taxes		**(1.9)**	(35.3)	**44.4**	(11.1)
Income tax (expense) recovery	**15**	**(0.6)**	5.5	**(15.8)**	(6.7)
Net loss (earnings) from continuing operations		**(2.5)**	(29.8)	**28.6**	(17.8)
Net earnings from discontinuing operations	**6**	**7.7**	4.3	**17.2**	23.7
Net earnings (loss)		**5.2**	(25.5)	**45.8**	5.9
Net earnings (loss)		**5.2**	(25.5)	**45.8**	5.9
Other comprehensive income:					
Unrealized foreign currency (loss) gains on translation of foreign operations	**16**	**(15.8)**	15.3	**(1.0)**	23.1
Actuarial defined benefit (loss) gains	**16**	**(1.9)**	5.8	**(2.0)**	11.9
Income tax recovery (expense) on other comprehensive income	**16**	**0.4**	(3.2)	**0.5**	(4.6)
Other comprehensive (loss) income for the period		**(17.3)**	17.9	**(2.5)**	30.4
Total comprehensive (loss) income for the period		**(12.1)**	(7.6)	**43.3**	36.3
Net earnings (loss) per share					
From continuing operations:					
Basic	**17**	**$(0.02)**	$(0.24)	**$0.23**	$(0.15)
Diluted	**17**	**$(0.14)**	$(0.24)	**$0.23**	$(0.15)
From discontinuing operations:					
Basic and diluted	**17**	**$0.06**	$0.03	**$0.14**	$0.20

See accompanying Notes to the Condensed Consolidated Financial Statements.

SUPERIOR PLUS CORP.
Condensed Consolidated Statement of Cash Flows[1]

(unaudited, millions of Canadian dollars)	Notes	Three months ended June 30, 2014	2013	Six Months Ended June 30, 2014	2013
OPERATING ACTIVITIES					
Net earnings (loss) for the period		**5.2**	(25.5)	**45.8**	5.9
Adjustments for:					
Depreciation included in selling, distribution and administrative costs	7	**10.0**	10.3	**21.4**	20.6
Amortization of intangible assets		**0.6**	4.9	**1.5**	9.5
Depreciation included in cost of sales	7	**12.1**	9.7	**24.0**	20.0
Gain on sale of customer list		**(3.7)**	–	**(3.7)**	–
(Gain) Loss on disposal of assets		**(0.1)**	(0.1)	**(0.1)**	0.3
Unrealized (gains) losses on derivative financial instruments	14	**(5.5)**	33.0	**(1.4)**	41.3
Customer contract-related costs		**(0.3)**	(0.1)	**(0.7)**	(0.3)
Finance expense recognized in net earnings (loss)		**13.3**	15.3	**27.7**	33.8
Income tax expense (recovery) recognized in net earnings (loss)		**3.0**	(3.1)	**19.8**	12.7
Decrease in non-cash operating working capital	18	**86.9**	52.6	**38.3**	48.5
Net cash flows from operating activities		**121.5**	97.0	**172.6**	192.3
Income taxes paid		**(1.7)**	(6.3)	**(1.8)**	(6.3)
Interest paid		**(21.7)**	(15.9)	**(26.5)**	(20.6)
Cash flows from operating activities		**98.1**	74.8	**144.3**	165.4
INVESTING ACTIVITIES					
Purchase of property, plant and equipment	7	**(25.3)**	(17.1)	**(42.1)**	(28.8)
Proceeds from finance lease arrangement termination		**8.2**	–	**8.2**	–
Proceeds from disposal of property, plant and equipment and intangible assets	7	**4.2**	0.5	**4.6**	1.0
Cash flows used in investing activities		**(12.9)**	(16.6)	**(29.3)**	(27.8)
FINANCING ACTIVITIES					
Net repayment of revolving term bank credits and other debt		**(65.0)**	(32.7)	**(65.0)**	(156.3)
Repayment of finance lease obligations		**(5.0)**	(3.8)	**(9.7)**	(7.7)
Redemption of 5.75% convertible debentures	13	**–**	(25.0)	**–**	(75.0)
Proceeds from issuance of common shares		**–**	–	**–**	143.9
Issuance costs for common shares		**–**	(0.2)	**–**	(6.3)
Proceeds from the Dividend Reinvestment Program		**–**	1.3	**–**	4.9
Dividends paid to shareholders		**(19.0)**	(19.0)	**(37.9)**	(35.9)
Cash flows used in financing activities		**(89.0)**	(79.4)	**(112.6)**	(132.4)
Net (decrease) increase in cash and cash equivalents		**(3.8)**	(21.2)	**2.4**	5.2
Cash and cash equivalents, beginning of period		**14.6**	33.9	**8.3**	7.6
Effect of translation of foreign currency-denominated cash and cash equivalents		**(0.3)**	0.2	**(0.2)**	0.1
Cash and cash equivalents, end of period		**10.5**	12.9	**10.5**	12.9

[1] This condensed consolidated statement of cash flows includes both continuing and discontinued operations.

See accompanying Notes to the Condensed Consolidated Financial Statements.

Notes to the Unaudited Condensed Consolidated Financial Statements
(unaudited, Tabular amounts in millions of Canadian dollars, except per share amounts)

1. Organization

Superior Plus Corp. (Superior) is a diversified business corporation, incorporated under the Canada Business Corporations Act. The registered office is at suite 1400, 840 – 7th Avenue S.W., Calgary, Alberta. Superior holds 100% of Superior Plus LP (Superior LP), a limited partnership formed between Superior General Partner Inc. as general partner and Superior as limited partner. Superior holds 100% of the interest of Superior General Partner Inc. Superior does not conduct active business operations but rather distributes to shareholders a portion of the income it receives from Superior Plus LP in the form of partnership allocations, net of expenses and interest payable on the convertible unsecured subordinated debentures (the debentures). Superior's investments in Superior Plus LP are financed by share capital and debentures. Superior is a publicly traded company with its common shares trading on the Toronto Stock Exchange ("TSX") under the exchange symbol SPB.

The accompanying unaudited condensed consolidated financial statements (consolidated financial statements) of Superior as at June 30, 2014 and the three and six months ended June 30, 2014 and 2013 were authorized for issuance by the Board of Directors on August 6, 2014.

Reportable Operating Segments

Superior operates three distinct reportable operating segments: Energy Services, Specialty Chemicals and Construction Products Distribution. Superior's Energy Services' operating segment provides distribution, wholesale procurement and related services in relation to propane, heating oil and other refined fuels under the following: Canadian propane division and U.S. refined fuels division. Energy Services also provides fixed-price natural gas and electricity supply services under Superior Energy Management. Specialty Chemicals' is a leading supplier of sodium chlorate and technology to the pulp and paper industries and a regional supplier of potassium and chloralkali products in the U.S. Midwest. Construction Products Distribution is one of the largest distributors of commercial and industrial insulation in North America and the largest distributor of specialty construction products to the walls and ceilings industry in Canada (See Note 22).

2. Basis of Presentation

The accompanying consolidated financial statements were prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34) as issued by the International Accounting Standards Board (IASB) using the accounting policies Superior adopted in its annual consolidated financial statements as at and for the year ended December 31, 2013 other than the standards adopted as at January 1, 2014. The accounting policies are based on the International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations that were applicable at that time. These accounting policies have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently throughout the consolidated entities.

The consolidated financial statements are presented in Canadian dollars, Superior's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest hundred-thousand. These consolidated financial statements should be read in conjunction with Superior's 2013 annual consolidated financial statements.

The consolidated financial statements were prepared on the historical cost basis except for certain financial instruments that are measured at fair value as explained in Superior's 2013 annual consolidated financial statements and incorporate the accounts of Superior and its wholly-owned subsidiaries. Subsidiaries are all entities over which Superior has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The results of subsidiaries are included in Superior's statement of net earnings from date of acquisition or, in the case of disposals, up to the effective date of disposal. All transactions and balances between Superior and Superior's subsidiaries are eliminated on consolidation. Superior's subsidiaries are all wholly owned directly or indirectly by Superior Plus Corp.

Significant Accounting Policies

(a) Significant Accounting Judgments, Estimates and Assumptions
The preparation of Superior's consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, net earnings and related disclosure. The estimates and associated assumptions are based on historical experience and various other factors deemed reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements are consistent with those disclosed in Superior's 2013 annual consolidated financial statements.

(b) Assets held for sale
Non-current assets, and disposal groups, are classified as assets held for sale when the carrying amount is to be recovered principally through a sale transaction rather than through continued use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale and it should be expected to be completed one year from the date of classification. Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying value amount and fair value less cost to sell. Assets held for sale are not depreciated. Non-current assets and liabilities of disposal groups are not reclassified or re-presented as held for sale in the consolidated statements of financial position for prior periods.

If an asset classified as an asset held for sale no longer meets the criteria required, whereby the completion of the sale within one year from classification date is no longer relevant, or Superior has changed their plans of selling the asset, the asset is re-classified back to its assets and liabilities. The value of the asset is then adjusted to the lower of either the carrying amount before the asset was classified as an asset held for sale, adjusted for depreciation, amortization, and any other adjustments that would have taken place, or its recoverable amount at the date of the subsequent decision not to sell.

(c) Recent Accounting Pronouncements
Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or International Financial Reporting Interpretations Committee that are mandatory for accounting periods beginning January 1, 2014 or later periods. The affected standards are consistent with those disclosed in Superior's 2013 annual consolidated financial statements.

Superior adopted the following standards on January 1, 2014:

IAS 36 – *Impairment of Assets*
The IASB issued *Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)* on May 29, 2013. The overall effect of the amendments is to reduce the circumstances in which the recoverable amount of cash-generating units ("CGUs") is required to be disclosed and to clarify the disclosures required when an impairment loss has been recognized or reversed in the period. The amendments are required to be adopted retrospectively for fiscal years beginning January 1, 2014, with earlier adoption permitted. Superior adopted the amendments on January 1, 2014, with no impact to Superior.

IFRIC 21 – *Levies*
The interpretation was issued on May 20, 2013 provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with– *Provisions, Contingent Liabilities and Contingent Assets* and those where the timing and amount of the levy is certain. The Interpretation covers the accounting for outflows imposed on entities by governments (including government agencies and similar bodies) in accordance with laws and/or regulations. However, it does not include income taxes (see IAS 12 – *Income Taxes*), fines and other penalties, liabilities arising from emissions trading schemes and outflows within the scope of other Standards. It also provides the following guidance on recognition of a liability to pay levies: The liability is recognized progressively if the obligating event occurs over a period of time and if an obligation is triggered on reaching a minimum threshold, the liability is recognized when that minimum threshold is reached. This standard must be applied for accounting periods beginning on or after January 1, 2014, with retrospective application from December 31, 2012. Superior adopted the interpretation on January 1, 2014, with no impact to Superior.

IFRS 10 – *Consolidated Financial Statements*, IFRS 12 – *Disclosure of Interests in Other Entities* and IAS 27 – *Separate Financial Statements*
The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. Consequently, IFRS 12 and IAS 27 were amended to introduce new disclosure requirements for investment entities. Superior adopted the amendments on January 1, 2014, with no impact to Superior.

New and revised IFRS standards issued but not yet effective

IFRS 9 – *Financial Instruments: Classification and Measurement*
IFRS 9 was issued in November 2009 and is intended to replace IAS 39 – *Financial Instruments: Recognition and Measurement*. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39 except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income. This standard must be applied for accounting periods beginning on or after January 1, 2018, with earlier adoption permitted. Superior is assessing the effect of IFRS 9 on its financial results and financial position; changes, if any, are not expected to be material.

3. Seasonality of Operations

Energy Services
Sales typically peak in the first quarter when approximately one-third of annual propane and other refined fuels sales volumes and gross profits are generated due to the demand from heating end-use customers. They then decline through the second and third quarters, rising seasonally again in the fourth quarter with heating demand. Similarly, net working capital is typically at seasonal highs during the first and fourth quarters, and normally declines to seasonal low in the second and third quarters. Net working capital is also significantly influenced by wholesale propane prices and other refined fuels.

Construction Products Distribution
Sales typically peak during the second and third quarters with the seasonal increase in building and renovation activities. They then decline through the fourth quarter and into the subsequent first quarter. Similarly, net working capital is typically at seasonally highs levels during the second and third quarters, and normally decline to seasonal lows in the fourth and first quarters.

4. Trade and Other Receivables

A summary of trade and other receivables is as follows:

	Note	June 30, 2014[(1)]	December 31, 2013
Trade receivables, net of allowances	**14**	**247.8**	443.2
Accounts receivable – other		**13.0**	35.7
Finance lease receivable		–	0.9
Trade and other receivables		**260.8**	479.8

(1) As at June 30, 2014, Construction Products Distribution and Fixed-Price Energy Services has been classified as a disposal group held for sale and as a discontinued operations. Refer to Note 6.

5. Inventories

The cost of inventories recognized as an expense during the three and six months ended June 30, 2014 from continuing operations was $466.3 million (June 30, 2013 - $443.6 million) and $1,239.2 million (June 30, 2013- $1,046.9 million). The cost of inventories recognized as an expense during the three and six months ended June 30, 2014 from discontinued operations was $155.8 million (June 30, 2013 - $155.8 million) and $292.1 million (June 30, 2013- $296.0 million). Superior recorded an inventory write down from continuing and discontinued operations during the three and six months ended as at June 30, 2014 of $nil (June 30, 2013 - $nil) and $nil (June 30, 2013- $nil), respectively. No write-down reversals were recorded from continuing and discontinued operations during the three and six months ended June 30, 2014 and 2013.

6. Assets held for Sale

On May 7, 2014, Superior's Board of Directors authorized the commencement of a formal process to solicit and assess offers for the potential divestiture of Superior's Construction Products Distribution segment. Superior has retained BMO Capital Markets as a financial advisor for the process. Superior has not recognized any impairment losses in respect of the Construction Products Distribution Segment as at June 30, 2014. The Construction Products Distribution segment has been classified and accounted for as at June 30, 2014 as a disposal group held for sale and as a discontinued operations.

On June 11, 2014, Superior's Board of Directors authorized the commencement of a formal process to solicit and assess offers for the potential divestiture of Superior's Fixed-Price Energy Services segment. Superior has retained National Bank of Canada as a financial advisor for the process. Superior has not recognized any impairment losses in respect of the Fixed-Price Energy Services segment as at June 30, 2014. The Fixed-Price Energy services has been classified and accounted for as at June 30, 2014 as a disposal group held for sale and as a discontinued operation.

The assets and liabilities of assets held for sale presented on the condensed consolidated balance sheets is as follows:

			June 30, 2014			December 31, 2013
(unaudited, millions of Canadian dollars)	**Fixed-Price Energy Services**	**Construction Products Distribution**	**Total**	Fixed-Price Energy Services	Construction Products Distribution	Total
Assets						
Trade and other receivables	**14.4**	**121.4**	**135.8**	–	–	–
Prepaid expenses	**6.4**	**4.6**	**11.0**	–	–	–
Inventories	–	**74.1**	**74.1**	–	–	–
Unrealized gains on derivative financial instruments	**2.8**	–	**2.8**	–	–	–
Property, plant, and equipment	**1.1**	**23.0**	**24.1**	–	–	–
Intangible assets	**5.9**	**0.4**	**6.3**	–	–	–
Deferred Tax	**0.9**	**8.7**	**9.6**	–	–	–
Assets Held for Sale	**31.5**	**232.2**	**263.7**	–	–	–
Liabilities						
Current Liabilities						
Trade and other payables	**13.9**	**80.8**	**94.7**	–	–	–
Deferred Revenue	**–**	**–**	**–**	–	–	–
Borrowing	**–**	**10.8**	**10.8**	–	–	–
Provisions	**–**	**3.2**	**3.2**	–	–	–
Unrealized losses on derivative financial instruments	**7.7**	**–**	**7.7**	–	–	–
Deferred Tax	**–**	**–**	**–**	–	–	–
Liabilities Held for Sale	**21.6**	**94.8**	**116.4**	–	–	–

Net earnings (loss) from discontinued operations reported in the condensed consolidated statement of net earnings (loss) and total comprehensive income (loss) is as follows:

			Three months ended, June 30, 2014			Three months ended, June 30, 2013
(unaudited, millions of Canadian dollars)	**Fixed- Price Energy Services**	**Construction Products Distribution**	**Total**	Fixed-Price Energy Services	Construction Products Distribution	Total
Revenues	**36.8**	**209.0**	**245.8**	43.7	206.9	250.6
Cost of sales (includes products & services)	**(33.7)**	**(158.4)**	**(192.1)**	(39.3)	(158.4)	(197.7)
Gross profit	**3.1**	**50.6**	**53.7**	4.4	48.5	52.9
Expenses						
Selling, distribution and administrative costs	**1.4**	**(43.2)**	**(41.8)**	(3.2)	(42.2)	(45.4)
Finance expense	**–**	**(0.2)**	**(0.2)**	–	(0.2)	(0.2)
Unrealized losses on derivative financial instruments	**(1.6)**	**–**	**(1.6)**	(0.6)	–	(0.6)
	(0.2)	**(43.4)**	**(43.6)**	(3.8)	(42.4)	(46.2)
Net earnings before income taxes	**2.9**	**7.2**	**10.1**	0.6	6.1	6.7
Income tax expense	**(1.1)**	**(1.3)**	**(2.4)**	(1.7)	(0.7)	(2.4)
Net Earnings (Loss)	**1.8**	**5.9**	**7.7**	(1.1)	5.4	4.3

			Six months ended, June 30, 2014			Six months ended, June 30, 2013
(unaudited, millions of Canadian dollars)	**Fixed- Price Energy Services**	**Construction Products Distribution**	**Total**	Fixed-Price Energy Services	Construction Products Distribution	Total
Revenues	**83.2**	**394.8**	**478.0**	81.2	393.4	474.6
Cost of sales (includes products & services)	**(84.4)**	**(296.7)**	**(381.1)**	(72.1)	(299.8)	(371.9)
Gross (loss) profit	**(1.2)**	**98.1**	**96.9**	9.1	93.6	102.7
Expenses						
Selling, distribution and administrative costs	**(1.4)**	**(87.8)**	**(89.2)**	(6.4)	(83.9)	(90.3)
Finance expense	**–**	**(0.4)**	**(0.4)**	–	(0.3)	(0.3)
Unrealized gains on derivative financial instruments	**13.9**	**–**	**13.9**	17.6	–	17.6
	12.5	**(88.2)**	**(75.7)**	11.2	(84.2)	(73.0)
Net earnings before income taxes	**11.3**	**9.9**	**21.2**	20.3	9.4	29.7
Income tax expense	**(3.0)**	**(1.0)**	**(4.0)**	(5.3)	(0.7)	(6.0)
Net Earnings	**8.3**	**8.9**	**17.2**	15.0	8.7	23.7

Cash flows from discontinued operations reported in the condensed consolidated statement of cash flows are as follows:

	Three months ended June 30, 2014			Three months ended June 30, 2013		
(unaudited, millions of Canadian dollars)	**Fixed-Price Energy Services**	**Construction Products Distribution**	**Total**	Fixed-Price Energy Services	Construction Products Distribution	Total
Cash flows from (used in) operating activities	**5.1**	**(6.0)**	**(0.9)**	4.5	6.1	10.6
Cash flows from (used in) investing activities	**3.7**	**(1.5)**	**2.2**	–	(0.3)	(0.3)
Cash flows used in financing activities	**–**	**(0.8)**	**(0.8)**	–	(0.6)	(0.6)
Net increase (decrease) in cash and cash equivalents from discontinued operations	**8.8**	**(8.3)**	**0.5**	4.5	5.2	9.7
Change in cash from continuing operations	**–**	**–**	**(4.7)**	–	–	(30.6)
Effect of translation of foreign denominated cash and cash equivalents	**–**	**–**	**0.1**	–	–	(0.1)
Cash and cash equivalents, beginning of the period	**–**	**–**	**14.6**	–	–	33.9
Cash and cash equivalents, end of the period	**–**	**–**	**10.5**	–	–	12.9

	Six months ended June 30, 2014			Six months ended June 30, 2013		
(unaudited, millions of Canadian dollars)	**Fixed-Price Energy Services**	**Construction Products Distribution**	**Total**	Fixed-Price Energy Services	Construction Products Distribution	Total
Cash flows (used in) from operating activities	**(6.8)**	**(3.6)**	**(10.4)**	3.7	14.0	17.7
Cash flows from (used in) investing activities	**3.7**	**(2.0)**	**1.7**	–	(0.6)	(0.6)
Cash flows used in financing activities	**–**	**(1.5)**	**(1.5)**	–	(1.2)	(1.2)
Net (decrease) increase in cash and cash equivalents from discontinued operations	**(3.1)**	**(7.1)**	**(10.2)**	3.7	12.2	15.9
Change in cash from continuing operations	**–**	**–**	**12.4**	–	–	(10.5)
Effect of translation of foreign denominated cash and cash equivalents	**–**	**–**	**–**	–	–	(0.1)
Cash and cash equivalents, beginning of the period	**–**	**–**	**8.3**	–	–	7.6
Cash and cash equivalents, end of the period	**–**	**–**	**10.5**	–	–	12.9

7. Property, Plant and Equipment

Cost	Land[1]	Buildings[1]	Specialty Chemicals Plant & Equipment	Energy Services Retailing Equipment	Construction Products Distribution Equipment[1]	Leasehold Improvements[1]	Total
Balance at December 31, 2013	29.5	154.8	816.2	629.4	48.1	11.2	1,689.2
Balance at June 30, 2014	**28.8**	**153.6**	**843.8**	**642.6**	**–**	**3.5**	**1,672.3**
Accumulated Depreciation							
Balance at December 31, 2013	–	50.0	389.1	334.7	29.4	8.1	811.3
Balance at June 30, 2014	**–**	**51.6**	**410.7**	**350.4**	**–**	**2.6**	**815.3**
Carrying Amount							
Balance at December 31, 2013	29.5	104.8	427.1	294.7	18.7	3.1	877.9
Balance at June 30, 2014	**28.8**	**102.0**	**433.1**	**292.2**	**–**	**0.9**	**857.0**

(1) As at June 30, 2014, Construction Products Distribution and Fixed-Price Energy Services has been classified as a disposal group held for sale and as a discontinued operations. Refer to Note 6.

Depreciation per cost category [1]:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	**2014**	2013
Cost of sales	**12.1**	9.7	**24.0**	20.0
Selling, distribution and administrative costs	**10.0**	10.3	**21.4**	20.6
Total	**22.1**	20.0	**45.4**	40.6

(1) Depreciation per cost category includes both continuing and discontinued operations.

The carrying amount of Superior's property, plant, and equipment from continuing operations includes $41.5 million of leased assets as at June 30, 2014 (December 31, 2013 – $68.9 million). The carrying amount of Superior's property, plant, and equipment from discontinued operations includes $6.2 million of leased assets as at June 30, 2014 (December 31, 2013 – $nil).

On October 20, 2012, a kerosene leak was discovered in the bottom of a storage tank at U.S. refined fuels Marcy terminal location. The leak was investigated and contained. U.S. refined fuels then notified the Department of Environmental Conservation (DEC) which performed an independent review of the leak and other tanks at this location. On December 27, 2012, the DEC issued a notice of violation based on its inspections and subsequent to discussions between management and the DEC, a consent order was issued to U.S. refined fuels on February 4, 2013. The consent order stated that the secondary containment system and storage tanks were not in compliance with DEC design requirements and needed to be rebuilt to specific standards by September 1, 2013 in order to remain operational. The consent order was modified in October 2013 to extend the requirement to rebuild to specific standards by September 1, 2014. Repair of the facility has been suspended pending the outcome of a dispute between Superior and the previous owner and operator of the facility as to responsibility for the repair. During June 2014, the dispute between Superior and the previous owner resulted in Superior receiving a one-time settlement of $2.7 million and the one-time settlement is recorded in selling, distribution and administrative expenses. Superior is currently assessing the future of the facility.

8. Provisions

	Restructuring[(1)]	Decommissioning	Environmental	Total
Balance at the beginning of the period	**12.2**	**14.3**	**1.3**	**27.8**
sAdditions	5.2	0.1	0.2	5.5
Utilization	(1.8)	–	(0.2)	(2.0)
Unwinding of discount	–	0.1	–	0.1
Impact of change in discount rate	–	1.4	–	1.4
Net foreign currency exchange difference	0.1	0.1	–	0.2
Discontinued operations reclassification	(8.2)	–	–	(8.2)
Balance at the end of the period	**7.5**	**16.0**	**1.3**	**24.8**

(1) As at June 30, 2014, Construction Products Distribution and Fixed-Price Energy Services has been classified as a disposal group held for sale and as a discontinued operations. Refer to Note 6.

	June 30, 2014[(1)]	December 31, 2013
Current	**7.5**	8.3
Non-current	**17.3**	19.5
	24.8	27.8

(1) As at June 30, 2014, Construction Products Distribution and Fixed-Price Energy Services has been classified as a disposal group held for sale and as a discontinued operations. Refer to Note 6.

Restructuring

Restructuring costs under the provision are recorded in selling, distribution, and administrative costs. For the three and six months ended June 30, 2014 restructuring costs from continuing operations was $9.2 million (June 30, 2013- $nil) and $11.0 million, respectively (June 30, 2013 – $0.2 million). For the three and six months ended June 30, 2014 restructuring costs from discontinued operations was $0.1 million (June 30, 2013- $0.6 million) and $0.1 million, respectively (June 30, 2013 – $0.6 million). Provisions for restructuring are recorded in provisions, except for the current portion, which is recorded in trade and other payables. As at June 30, 2014, the current portion of restructuring costs from continuing operations was $7.5 million (December 31, 2013 – $8.3 million). As at June 30, 2014, the current portion of restructuring costs from discontinued operations was $2.5 million (December 31, 2013 – $nil). As at June 30, 2014, the long term portion of restructuring costs from continuing operations was $nil (December 31, 2013 – $3.9 million). As at June 30, 2014, the long term portion of restructuring costs from discontinued operations was $3.2 million (December 31, 2013 – $nil). The provision is primarily for severance, lease costs and consulting fees.

Decommissioning

Specialty Chemicals

Superior makes full provision for the future cost of decommissioning Specialty Chemicals' chemical facilities. The provision is on a discounted basis and is based on existing technologies at current prices or long-term price assumptions, depending on the activity's expected timing. As at June 30, 2014, the discount rate used in Superior's calculation was 2.78% (December 31, 2013 – 3.14%). Superior estimates the total undiscounted expenditures required to settle its decommissioning liabilities to be approximately $20.7 million (December 31, 2013 – $20.6 million) which will be paid over the next 18 to 26 years. While Superior's provision for decommissioning costs is based on the best estimate of future costs and the economic lives of the chemical facilities, the amount and timing of these costs is uncertain.

Energy Services

Superior makes full provision for the future costs of decommissioning certain assets associated with the Energy Services segment. Superior estimates the total undiscounted expenditures required to settle its decommissioning liabilities to be approximately $9.5 million at June 30, 2014 (December 31, 2013 – $9.5 million) which will be paid over the next 18 years. The discount rate of 2.78% at June 30, 2014 (December 31, 2013 – 3.14%) was used to calculate the present value of the estimated cash flows.

Environmental

Provisions for environmental remediation are made when a clean-up is probable and the amount of the obligation can be reliably estimated. Generally, this coincides with commitment to a formal plan or, if earlier, on divestment or closure of inactive sites. Superior estimates the total undiscounted expenditures required to settle its environmental expenditures to be approximately $1.3 million at June 30, 2014 (December 31, 2013 – $1.3 million) which will be paid over the next two years. The provision for environmental expenditures has been estimated using existing technology, at current prices and discounted using a discount rate of 2.78% at June 30, 2014 (December 31, 2013 – 3.14%). The extent and cost of future remediation programs are inherently difficult to estimate. They depend on the scale of any possible contamination, the timing and extent of corrective actions, and Superior's share of the liability.

9. Trade and Other Payables

A summary of trade and other payables is as follows:

	Notes	**June 30, 2014[1]**	December 31, 2013
Trade payables		**180.6**	300.7
Other payables		**31.0**	63.2
Net benefit obligation		**4.2**	3.8
Restructuring provision	**8**	**7.5**	8.3
Amounts due to customers under construction contracts		**2.9**	1.3
Share-based payments		**12.5**	18.9
Trade and other payables		**238.7**	396.2

(1) As at June 30, 2014, Construction Products Distribution and Fixed-Price Energy Services has been classified as a disposal group held for sale and as a discontinued operations. Refer to Note 6.

10. Deferred Revenue

	June 30, 2014[1]	December 31, 2013
Balance at the beginning of the period	**24.8**	19.2
Deferred during the period	**9.1**	32.8
Released to net earnings (loss)	**(16.2)**	(28.5)
Foreign exchange impact	**0.1**	1.3
Balance at the end of the period	**17.8**	24.8

(1) As at June 30, 2014, Fixed-Price Energy Services has been classified as a disposal group held for sale and as a discontinued operations. Refer to Note 6.

The deferred revenue relates to Energy Services' unearned service revenue and Specialty Chemicals' unearned product-related revenues.

11. Other Liabilities

	June 30, 2014	December 31, 2013
Supply agreement	**1.1**	0.4
	1.1	0.4

The supply agreement above relates to the Specialty Chemicals supply agreement with Tronox LLC ("Tronox") to purchase up to 130,000 MT of sodium chlorate per year from Tronox's Hamilton, Mississipi facility as nominated annually by Specialty Chemicals. As part of the agreement, the parties have entered into a strategic long-term agreement for the supply of chloralakali product by Specialty Chemicals to service Tronox's requirements in North America.

12. Borrowing

	Year of Maturity	Effective Interest Rate	**June 30, 2014**	December 31, 2013
Revolving Term Bank Credit Facilities[1]				
Bankers' Acceptances (BA)	2016	Floating BA rate plus applicable credit spread	**260.4**	246.5
Canadian Prime Rate Loan	2016	Prime rate plus applicable credit spread	**14.3**	26.3
LIBOR Loans	2016	Floating LIBOR rate plus applicable credit spread	**67.3**	137.3
(US $63.0 million; 2013 – US $129.0 million)				
US Base Rate Loan	2016	US Prime rate plus credit spread	**19.7**	12.2
(US $18.5 million; 2013 – US$11.5 million)				
			361.7	422.3
Other Debt				
Accounts receivable factoring program[2]	–	Floating BA Plus	**5.6**	9.3
Deferred consideration	2014-2018	Non-interest-bearing	**3.7**	4.0
			9.3	13.3
Senior Secured Notes[3]				
Senior secured notes subject to fixed interest rates (US$60.0 million; 2013 – US$60.0 million)	2014-2015	7.62%	**64.1**	63.8
Finance Lease Obligations				
Finance lease obligations from continuing operations			**64.0**	79.3
Total borrowing from continuing operations before deferred financing fees			**499.1**	578.7
Deferred financing fees from continuing operations			**(2.8)**	(2.6)
Borrowing from continuing operations			**496.3**	576.1
Current maturities from continuing operations			**(61.2)**	(67.0)
Total Borrowing from continuing operations			**435.1**	509.1
Borrowing from Discontinued Operations				
Finance lease obligations from discontinued Operations [4]			**10.8**	–
Current maturities from discontinued operations[4]			**(2.5)**	–
Total Borrowing from discontinued operations[4]			**8.3**	–

(1) On June 10, 2013, Superior and its wholly-owned subsidiaries, Superior Plus Financing Inc. and Commercial E Industrial (Chile) Limitada, extended their $570.0 million credit facility which can be expanded up to $750.0 million. The credit facility matures on June 27, 2016 and is secured by a general charge over the assets of Superior and certain of its subsidiaries. As at June 30, 2014, Superior had $31.1 million of outstanding letters of credit (December 31, 2013 – $27.9 million) and approximately $118.7 million of outstanding financial guarantees (December 31, 2013 – $115.3 million). The fair value of Superior's revolving term bank credit facilities, other debt, letters of credit, and financial guarantees approximates their carrying value as a result of the market-based-interest rates, the short-term nature of the underlying debt instruments and other related factors.

(2) Superior has entered into a Master Receivables Purchase Agreement (MRPA) with a financial institution by which it may purchase from time to time, on an uncommitted revolving basis, a 100% interest in receivables from Superior. The maximum aggregate amount of purchased receivables purchased by the financial institution under this agreement and outstanding at any time is limited to $15.0 million. As at June 30, 2014, the accounts receivable factoring program totalled CDN $5.6 million (December 31, 2013 – CDN $9.3 million).

(3) Senior secured notes (the Notes) totalling US $60.0 million and US $60.0 million (respectively, CDN $64.1 million at June 30, 2014 and CDN $63.8 million at December 31, 2013) are secured by a general charge over the assets of Superior and certain of its subsidiaries. Principal repayments began in the fourth quarter of 2009. Management has estimated the fair value of the Notes based on comparisons to Treasury

instruments with similar maturities, interest rates and credit risk profiles. The estimated fair value of the Notes as at June 30, 2014 was CDN $69.7 million (December 31, 2013 – CDN $68.5 million).

(4) As at June 30, 2014, Construction Products Distribution has been classified as a disposal group held for sale and as a discontinued operations. Refer to Note 6.

Repayment requirements of borrowing before deferred financing fees from continuing operations are as follows:

Current maturities	61.2
Due in 2015	54.8
Due in 2016	12.5
Due in 2017	4.9
Due in 2018	364.1
Due in 2019	1.6
Subsequent to 2019	–
Total	**499.1**

Repayment requirements of borrowing before deferred financing fees from discontinued operations are as follows:

Current maturities	2.5
Due in 2015	2.0
Due in 2016	1.7
Due in 2017	1.6
Due in 2018	1.4
Due in 2019	1.6
Subsequent to 2019	–
Total	**10.8**

13. Convertible Unsecured Subordinated Debentures

Superior's debentures are as follows:

Maturity	June 2017	June 2018	October 2016	June 2019	**Total**
Interest rate	5.75%	6.00%	7.50%	6.00%	**Carrying**
Conversion price per share	$19.00	$15.10	$11.35	$16.75	**Value**
Debentures outstanding as at June 30, 2014	**169.1**	**145.4**	**72.7**	**84.2**	**471.4**
Debentures outstanding as at December 31, 2013	168.6	144.9	72.7	83.2	469.4
Quoted market value as at June 30, 2014	**179.9**	**163.1**	**95.6**	**102.8**	**541.4**
Quoted market value as at December 31, 2013	174.4	156.8	86.3	99.5	517.0

The debentures may be converted into shares at the option of the holder at any time prior to maturity and may be redeemed by Superior in certain circumstances. Superior may elect to pay interest and principal upon maturity or redemption by issuing shares to a trustee in the case of interest payments, and to the debenture holders in the case of payment of principal. The number of any shares issued will be determined based on market prices for the shares at the time of issuance. Superior also has a cash conversion put option which allows Superior to settle any conversion of debentures in cash, in lieu of delivering common shares to the debenture holders of the October 2016, June 2018 and June 2019 convertible debentures. The cash conversion put option has been classified as an embedded derivative and measured at fair value through net earnings (loss) (FVTNEL) (see Note 14 for further details).

14. Financial Instruments

IFRS requires disclosure around fair value and specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect Superior's market assumptions. These two types of input create the following fair-value hierarchy:

- *Level 1* – Quoted prices in active markets for identical instruments.
- *Level 2* – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- *Level 3* – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The fair value of a financial instrument is the consideration estimated to be agreed upon in an arm's-length transaction between knowledgeable, willing parties who are under no compulsion to act. Fair values are determined by reference to quoted bid or asking prices, as appropriate, in the most advantageous active market for that instrument to which Superior has immediate access (Level 1). Where bid and ask prices are unavailable, Superior uses the closing price of the instrument's most recent transaction. In the absence of an active market, Superior estimates fair values based on prevailing market rates (bid and ask prices, as appropriate) for instruments with similar characteristics and risk profiles or internal or external valuation models, such as discounted cash flow analysis using, to the extent possible, observable market-based inputs (Level 2). Superior uses internally developed methodologies and unobservable inputs to determine the fair value of some financial instruments when required (Level 3).

Fair values determined using valuation models require assumptions concerning the amount and timing of estimated future cash flows and discount rates. In determining those assumptions, Superior looks primarily to available readily observable external market inputs including forecast commodity price curves, interest rate yield curves, currency rates, and price and rate volatilities as applicable.

With respect to the valuation of Specialty Chemicals' fixed-price electricity agreement, the valuation of this agreement requires Superior to make assumptions about the long-term price of electricity in electricity markets for which active market information is not available. The impact of the assumption for the long-term forward price curve of electricity has a material impact on the fair value of this agreement. A $1/MWh change in the forecast price of electricity would result in a change in the fair value of this agreement of $0.8 million, with a corresponding impact to net earnings (loss) before income taxes.

No changes in valuation techniques were made by Superior during the period ended June 30, 2014 and no financial instruments have been reclassified between the different fair value input levels.

All financial and non-financial derivatives are designated as held-for-trading upon their initial recognition.

					Asset (Liability)	
Description	**Notional**(1)	**Term**	**Effective Rate**	**Fair Value Input Level**	**June 30, 2014**	December 31, 2013
Natural gas financial swaps−AECO	22.7 GJ(2)	2014-2018	CDN $4.07 GJ	Level 1	**(3.2)**	(12.7)
Foreign currency forward contracts, net sale	US$462.0(3)	2014-2017	1.02	Level 1	**(24.1)**	(29.2)
Foreign currency forward contracts, balance sheet-related	US$30.0(3)	2014	1.01	Level 1	**1.6**	1.6
Interest rate swaps – CDN$	$200.0(3)	2014-2017	Six-month BA rate plus 2.65%	Level 2	**6.4**	6.2
Equity derivative contracts	$14.0 (3)	2014-2017	$11.81 /share	Level 2	**3.5**	1.5
Debenture-embedded derivative	$321.7(3)	2014-2019	–	Level 3	**(43.7)**	(26.9)
Energy Services' butane wholesale purchase and sale contracts, net sale	1.3 USG(4)	2014-2015	$3.15 /USG	Level 2	**0.3**	–
Energy Services' propane wholesale purchase and sale contracts, net sale	5.50 USG(4)	2014	$1.14 /USG	Level 2	**(1.4)**	1.9
Energy Services' electricity swaps	0.70 MWh (5)	2014-2018	$38.88 /MWh	Level 2	**(1.7)**	(6.1)
Energy Services' heating oil purchase and sale contracts	2.7 Gallons(4)	2014	US $3.14 /Gallon	Level 2	**0.3**	0.2
Specialty Chemicals' fixed-price electricity purchase agreements	33-45 MW(6)	2014-2017	$37-$49 /MWh	Level 3	**2.0**	1.9
Total net liability					**(60.0)**	(61.6)
Total net liability on derivative financial instruments attributed to continuing operations					**(55.1)**	(42.8)
Total net liability on derivative financial instruments attributed to discontinued operations					**(4.9)**	(18.8)
					(60.0)	(61.6)

(1) Notional values as at June 30, 2014.
(2) Millions of gigajoules (GJ) purchased.
(3) Millions of dollars.
(4) Millions of United States gallons purchased.
(5) Millions of megawatt hours (MWh).
(6) Megawatts (MW) on a 24/7 continual basis per year purchased.

All financial and non-financial derivatives are designated as held-for-trading upon their initial recognition.

Description	Current Assets	Long-term Assets	Current Liabilities	Long-term Liabilities
Natural gas financial swaps –AECO	**2.4**	**0.1**	**3.3**	**2.4**
Energy Services' electricity swaps	**0.3**	**–**	**0.8**	**1.2**
Foreign currency forward contracts, net sale	**0.2**	**–**	**10.7**	**13.6**
Foreign currency forward contracts, balance sheet-related	**1.6**	**–**	**–**	**–**
Interest rate swaps	**2.6**	**3.9**	**0.1**	**–**
Equity derivative contracts	**3.5**	**–**	**–**	**–**
Debenture-embedded derivative	**–**	**–**	**–**	**43.7**
Energy Services' propane wholesale purchase and sale contracts	**0.8**	**–**	**2.2**	**–**
Energy Services' butane wholesale purchase and sale contracts	**0.3**	**–**	**–**	**–**
Energy Services' heating oil purchase and sale contracts	**0.3**	**–**	**–**	**–**
Specialty Chemicals' fixed-price electricity purchase agreements	**1.9**	**0.1**	**–**	**–**
As at June 30, 2014	**13.9**	**4.1**	**17.1**	**60.9**
Total derivative financial instruments attributed to continuing operations	**11.2**	**4.0**	**13.0**	**57.3**
Total derivative financial instruments attributed to discontinued operations	**2.7**	**0.1**	**4.1**	**3.6**
As at June 30, 2014	**13.9**	**4.1**	**17.1**	**60.9**
As at December 31, 2013	13.7	4.6	25.1	54.8

Description	**For the three months ended June 30, 2014** Realized Gain (Loss)	**For the three months ended June 30, 2014** Unrealized Gain (Loss)	For the three months ended June 30, 2013 Realized Gain (Loss)	For the three months ended June 30, 2013 Unrealized Gain (Loss)
Natural gas financial swaps – AECO	**(0.1)**	**(0.9)**	(5.9)	0.6
Energy Services electricity swaps	**(1.0)**	**(0.7)**	(1.7)	(1.2)
Foreign currency forward contracts, net sale	**(3.8)**	**22.2**	1.5	(23.7)
Foreign currency forward contracts, balance sheet-related	**–**	**(1.1)**	–	2.0
Interest rate swaps	**1.3**	**(1.0)**	1.2	(3.3)
Equity derivative contracts	**–**	**2.4**	0.4	(0.9)
Energy Services' propane wholesale purchase and sale contracts	**–**	**0.1**	–	(0.4)
Energy Services' butane wholesale purchase and sale contracts	**–**	**0.3**	–	–
Energy Services' heating oil purchase and sale contracts	**(1.3)**	**0.4**	1.1	0.2
Energy Services' diesel purchase and sale contracts	**–**	**–**	–	–
Specialty Chemicals' fixed-price electricity purchase agreements	**(0.4)**	**0.6**	–	0.9
Total (losses) gains on financial and non-financial derivatives	**(5.3)**	**22.3**	(3.4)	(25.8)
Foreign currency translation of senior secured notes	**–**	**2.3**	–	(3.4)
Unrealized change in fair value of debenture-embedded derivative	**–**	**(19.1)**	–	(3.8)
Total (losses) gains	**(5.3)**	**5.5**	(3.4)	(33.0)

Total (losses) gains attributed to continuing operations	**(3.8)**	**7.1**	4.2	(32.4)
Total (losses) gains attributed to discontinued operations	**(1.5)**	**(1.6)**	(7.6)	(0.6)
Total (losses) gains	**(5.3)**	**5.5**	(3.4)	(33.0)

Description	**For the six months ended June 30, 2014** Realized Gain (Loss)	**For the six months ended June 30, 2014** Unrealized Gain (Loss)	For the six months ended June 30, 2013 Realized Gain (Loss)	For the six months ended June 30, 2013 Unrealized Gain (Loss)
Natural gas financial swaps – AECO	**(0.5)**	**9.5**	(13.6)	15.1
Energy Services electricity swaps	**7.7**	**4.4**	(3.3)	2.5
Foreign currency forward contracts, net sale	**(7.3)**	**5.1**	1.6	(37.3)
Foreign currency forward contracts, balance sheet-related	**–**	–	–	2.9
Interest rate swaps	**1.3**	**0.2**	1.2	(3.0)
Equity derivative contracts	**–**	**2.0**	0.4	0.1
Energy Services' propane wholesale purchase and sale contracts	**–**	**(3.3)**	–	(1.0)
Energy Services' butane wholesale purchase and sale contracts	**–**	**0.3**	–	0.2
Energy Services' heating oil purchase and sale contracts	**(0.7)**	**0.1**	1.8	0.4
Energy Services' diesel purchase and sale contracts	**–**	**–**	–	0.1
Specialty Chemicals' fixed-price electricity purchase agreements	**0.3**	**0.1**	–	1.0
Total gains (losses) on financial and non-financial derivatives	**0.8**	**18.4**	(11.9)	(19.0)
Foreign currency translation of senior secured notes	**–**	**(0.2)**	–	(5.2)
Unrealized change in fair value of debenture-embedded derivative	**–**	**(16.8)**	–	(17.1)
Total gains (losses)	**0.8**	**1.4**	(11.9)	(41.3)

Total (losses) gains attributed to continuing operations	**(5.8)**	**(12.5)**	5.0	(58.9)
Total gains (losses) attributed to discontinued operations	**6.6**	**13.9**	(16.9)	17.6
Total gains (losses)	**0.8**	**1.4**	(11.9)	(41.3)

Realized gains or losses on financial and non-financial derivatives and foreign currency translation gains or losses on the revaluation of Canadian domiciled US-denominated working capital have been classified on the statement of net earnings based on the underlying nature of the financial statement line item and/or the economic exposure being managed.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported on the consolidated balance sheets where Superior currently has a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. In the normal course of business, Superior enters into various master netting agreements or other similar arrangements that do not meet the criteria for offsetting, however, although still allow for the related amount to be set-off in certain circumstances, such as bankruptcy or the termination of contracts.

Derivative Assets	**Amounts Offset**			**Amounts not offset**		
June 30, 2014	**Gross Assets**	**Gross Liabilities Offset**	**Net Amounts Presented**	**Financial Instruments**	**Cash Collateral Pledged**	**Net**
Natural gas financial swaps – AECO (1)	**2.9**	**(0.4)**	**2.5**	**–**	**–**	**2.5**
Energy Services' electricity swaps (1)	**0.6**	**(0.3)**	**0.3**	**–**	**–**	**0.3**
Energy Services' propane wholesale purchase and sale contracts (4)	**–**	**–**	**–**	**0.8**	**–**	**0.8**
Energy Services' butane wholesale purchase and sale contracts (4)	**–**	**–**	**–**	**0.3**	**–**	**0.3**
Energy Services' heating oil purchase and sale contracts (2)	**0.4**	**(0.1)**	**0.3**	**–**	**0.4**	**0.7**
Specialty Chemicals' fixed-price electricity purchase agreements (3)	**51.6**	**(49.6)**	**2.0**	**–**	**–**	**2.0**
Total	**55.5**	**(50.4)**	**5.1**	**1.1**	**0.4**	**6.6**
Total derivative assets attributed to continuing operations	**52.0**	**(49.7)**	**2.3**	**1.1**	**0.4**	**3.8**
Total derivative assets attributed to discontinued operations	**3.5**	**(0.7)**	**2.8**	**–**	**–**	**2.8**
Total	**55.5**	**(50.4)**	**5.1**	**1.1**	**0.4**	**6.6**

(1) Subject to an enforceable master netting agreement in the form of an International Swaps and Derivatives Association agreement ("ISDA").

(2) Regularly settled net in the normal course of business and is considered standardized brokerage accounts. As at June 30, 2014, Energy Services has pledged cash of $0.4 million under a standardized agreement with respect to open derivative contracts.

(3) Standard terms of the Power Purchase Agreement ("PPA") allowing net settlement of payments in the normal course of business.

(4) Regularly settled gross in the normal course of business.

Derivative Liabilities	**Amounts Offset**			**Amounts not offset**		
June 30, 2014	**Gross Liabilities**	**Gross Assets Offset**	**Net Amounts Presented**	**Financial Instruments**	**Cash Collateral Pledged**	**Net**
Natural gas financial swaps – AECO [(1)]	**7.3**	**(1.6)**	**5.7**	**–**	**–**	**5.7**
Energy Services' electricity swaps [(1)]	**3.2**	**(1.2)**	**2.0**	**–**	**–**	**2.0**
Total	**10.5**	**(2.8)**	**7.7**	**–**	**–**	**7.7**
Total derivative liabilities attributed to continuing operations	**–**	**–**	**–**	**–**	**–**	**–**
Total derivative liabilities attributed to discontinued operations	**10.5**	**(2.8)**	**7.7**	**–**	**–**	**7.7**
Total	**10.5**	**(2.8)**	**7.7**	**–**	**–**	**7.7**

(1) Subject to an enforceable master netting agreement in the form of an International Swaps and Derivatives Association agreement ("ISDA").

Derivative Assets	**Amounts Offset**			**Amounts not offset**		
December 31, 2013	**Gross Assets**	**Gross Liabilities Offset**	**Net Amounts Presented**	**Financial Instruments**	**Cash Collateral Pledged**	**Net**
Natural gas financial swaps – AECO [(1)]	1.2	(0.1)	1.1	–	–	1.1
Energy Services electricity swaps [(1)]	0.7	(0.3)	0.4	–	–	0.4
Energy Services propane wholesale purchase and sale contracts [(2)(4)]	1.1	(0.2)	0.9	3.9	–	4.8
Energy Services heating oil purchase and sale contracts [(2)]	0.3	–	0.3	–	0.4	0.7
Specialty Chemicals fixed-price electricity purchase agreements [(3)]	56.1	(54.2)	1.9	–	–	1.9
Total	59.4	(54.8)	4.6	3.9	0.4	8.9

(1) Subject to an enforceable master netting agreement in the form of an International Swaps and Derivatives Association agreement ("ISDA").
(2) Regularly settled net in the normal course of business and is considered standardized brokerage accounts. As at December 31, 2013, Energy Services has pledged cash of $0.4 million under a standardized agreement with respect to open derivative contracts.
(3) Standard terms of the Power Purchase Agreement ("PPA") allowing net settlement of payments in the normal course of business.
(4) Regularly settled gross in the normal course of business.

Derivative Liabilities	Amounts Offset			Amounts not offset		
December 31, 2013	Gross Liabilities	Gross Assets Offset	Net Amounts Presented	Financial Instruments	Cash Collateral Pledged	Net
Natural gas financial swaps – AECO [(1)]	14.9	(1.1)	13.8	–	–	13.8
Energy Services electricity swaps [(1)]	6.9	(0.4)	6.5	–	–	6.5
Energy Services propane wholesale purchase and sale contracts [(3)]	–	–	–	2.9	–	2.9
Energy Services heating oil purchase and sale contracts [(2)]	0.2	(0.1)	0.1	–	–	0.1
Total	22.0	(1.6)	20.4	2.9	–	23.3

(1)Subject to an enforceable master netting agreement in the form of an International Swaps and Derivatives Association agreement (“ISDA”).
(2)Regularly settled net in the normal course of business and are considered standardized brokerage accounts.
(3)Regularly settled gross in the normal course of business.

The following summarizes Superior’s classification and measurement of financial assets and liabilities:

	Classification	Measurement
Financial Assets		
Cash and cash equivalents	Loans and receivables	Amortized cost
Trade and other receivables	Loans and receivables	Amortized cost
Derivative assets	FVTNEL	Fair Value
Notes and finance lease receivables	Loans and receivables	Amortized cost
Financial liabilities		
Trade and other payables	Other liabilities	Amortized cost
Dividends and interest payable	Other liabilities	Amortized cost
Borrowing	Other liabilities	Amortized cost
Convertible unsecured subordinated debentures[(1)]	Other liabilities	Amortized cost
Derivative liabilities	FVTNEL	Fair Value

(1) Except for derivatives embedded in the related financial instruments that are classified as FVTNEL and measured at fair value.

Non-Derivative Financial Instruments

The fair value of Superior’s cash and cash equivalents, trade and other receivables, notes and finance lease receivables, trade and other payables, and dividends and interest payable approximates their carrying value due to the short-term nature of these amounts. The carrying value and the fair value of Superior’s borrowing and convertible unsecured subordinated debentures are provided in Notes 12 and 13.

Financial Instruments – Risk Management

Market Risk

Financial derivatives and non-financial derivatives are used by Superior to manage its exposure to fluctuations in foreign currency exchange rates, interest rates and commodity prices. Superior assesses the inherent risks of these instruments by grouping derivative and non-financial derivatives related to the exposures these instruments mitigate. Superior’s policy is not to use financial derivative or non-financial derivative instruments for speculative purposes. Superior does not formally designate its derivatives as hedges and, as a result, Superior does not apply hedge accounting and is required to designate its financial derivatives and non-financial derivatives as fair value through net earnings (loss). Details on Superior’s market risk policies are consistent with those disclosed in Superior’s 2013 annual consolidated financial statements.

Credit Risk

Superior utilizes a variety of counterparties in relation to its derivative and non-financial derivative instruments in order to mitigate its counterparty risk. Superior assesses the credit-worthiness of its significant counterparties at the inception and throughout the term of a contract. Superior is also exposed to customer credit risk. Energy Services deals with a large number of small customers, thereby reducing this risk. Specialty Chemicals, due to the nature of its operations, sells its products to a relatively small number of customers. Specialty Chemicals mitigates its customer credit risk by actively monitoring the overall credit-worthiness of its customers. Energy Services has minimal exposure to customer credit risk as local natural gas and electricity distribution utilities have been mandated, for a nominal fee, to provide Energy Services with invoicing, collection and the assumption of bad debt risk for residential customers. Energy Services actively monitors the credit-worthiness of its commercial customers. Overall, Superior's credit quality is enhanced by its portfolio of customers which is diversified across geographical (primarily Canada and the United States) and end-use (primarily commercial, residential and industrial) markets.

Allowances for doubtful accounts receivables are reviewed by Superior at each balance sheet date. Superior updates its estimate of the allowance for doubtful accounts based on the evaluation of the recoverability of trade receivables with each customer, taking into account historical collection trends of past due accounts and current economic conditions. Trade receivables are written-off once it is determined they are not collectible.

Pursuant to their respective terms, trade receivables, before deducting an allowance for doubtful accounts, are aged as follows:

	June 30, 2014[(1)]	December 31, 2013
Current	**163.8**	317.8
Past due less than 90 days	**57.9**	118.0
Past due over 90 days	**33.0**	14.7
Trade receivables	**254.7**	450.5

(1) As at June 30, 2014, Construction Products Distribution and Fixed-Price Energy Services has been classified as a disposal group held for sale and as a discontinued operations. Refer to Note 6.

The current portion of Superior's trade receivables is neither impaired nor past due and there are no indications as of the reporting date that the debtors will not make payment.

Superior's trade receivables from continuing operations are stated after deducting a provision of $6.9 million as at June 30, 2014 (December 31, 2013 − $7.3 million). Superior's trade receivables from discontinued operations are stated after deducting a provision of $2.8 million as at June 30, 2014 (December 31, 2013 − $nil).

The movement in the provision for doubtful accounts is as follows:

	June 30, 2014[(1)]	December 31, 2013
Allowance for doubtful accounts, at the beginning of the period	**(7.3)**	(7.2)
Impairment losses recognized on receivables	**(4.6)**	(3.6)
Amounts written off during the period as uncollectible	**1.9**	3.0
Amounts recovered	**0.3**	0.5
Discontinued operations reclassification	**2.8**	–
Allowance for doubtful accounts at the end of the period	**(6.9)**	(7.3)

(1) As at June 30, 2014, Construction Products Distribution and Fixed-Price Energy Services has been classified as a disposal group held for sale and as a discontinued operations. Refer to Note 6.

Liquidity Risk

Liquidity risk is the risk that Superior cannot meet a demand for cash or fund an obligation as it comes due. Liquidity risk also includes the risk of not being able to liquidate assets in a timely manner at a reasonable price.

To ensure it is able to react to contingencies and investment opportunities quickly, Superior maintains sources of liquidity at the corporate and subsidiary levels. The main sources of liquidity are cash and other financial assets, the undrawn committed revolving-term bank credit facility, equity markets and debenture markets.

Superior is subject to the risks associated with debt financing, including the ability to refinance indebtedness at maturity. Superior believes these risks are mitigated through the use of long-term debt secured by high-quality assets, maintaining debt levels that in management's opinion are appropriate, and by diversifying maturities over an extended period. Superior also seeks to include in its agreements terms that protect it from liquidity issues of counterparties that might otherwise impact liquidity.

Superior's contractual obligations associated with its financial liabilities are as follows:

	2014	2015	2016	2017	2018	2019 and Thereafter	Total
From continuing operations:							
Borrowing	61.2	54.8	12.5	4.9	364.1	1.6	499.1
Convertible unsecured subordinated debentures	–	–	72.7	169.1	145.4	84.2	471.4
US$ foreign currency forward sales contracts	107.2	186.0	113.4	51.0	–	–	457.6
US$ foreign currency forward purchases contracts	(30.0)	–	–	–	–	–	(30.0)
CDN$ butane purchases	0.7	0.4	–	–	–	–	1.1
CDN$ propane purchases	3.6	2.6	–	–	–	–	6.2
US$ propane purchases	0.4	0.4	–	–	–	–	0.8
Fixed-price electricity purchase commitments	23.0	17.7	17.7	17.7	–	–	76.1
From discontinued operations:							
Borrowing	2.5	2.0	1.7	1.6	1.4	1.6	10.8
CDN$ natural gas purchases	14.6	6.4	0.4	0.2	–	–	21.6

Superior's contractual obligations are considered normal-course operating commitments and do not include the impact of mark-to-market fair values on financial and non-financial derivatives. Superior expects to fund these obligations through a combination of cash flow from operations, proceeds on revolving term bank credit facilities and proceeds on the issuance of share capital. Superior's financial instruments' sensitivities as at June 30, 2014 are consistent with those disclosed in Superior's 2013 annual consolidated financial statements.

15. Income Taxes

Consistent with prior periods, Superior recognizes a provision for income taxes for its subsidiaries that are subject to current and deferred income taxes, including United States income tax and Chilean income tax. Total income tax expense (recovery), comprised of current taxes and deferred taxes from continuing operations for the three and six months ended June 30, 2014 was $0.6 million and $15.8 million respectively, compared to $(5.5) million and $6.7 million in the comparative period. Total income tax expense, comprised of current taxes and deferred taxes from discontinued operations for the three and six months ended June 30, 2014 was $2.4 million and $4.0 million respectively, compared to $2.4 million and $6.0 million in the comparative period. Superior has a total net deferred income tax asset of $261.0 million as at June 30, 2014.

As previously disclosed, on April 2, 2013 Superior received from the CRA Notices of Reassessment for Superior's 2009 and 2010 taxation years reflecting the CRA's intent to challenge the tax consequences of Superior's corporate conversion transaction (Conversion) which occurred on December 31, 2008. The CRA's position is based on the acquisition of control rules, in addition to the general anti-avoidance rules in the Income Tax Act (Canada).

The table below summarizes Superior's estimated tax liabilities and payment requirements associated with the received and anticipated Notices of Reassessment. Upon receipt of the Notices of Reassessment, 50% of the taxes payable pursuant to such Notices of Reassessment, must be remitted to the CRA.

Taxation Year	Taxes Payable (1)(2)	50% of the Taxes Payable (1)(2)	Payment Dates
2009/2010	$13.0	$6.5	Paid in April 2013
2011	$10.0 (3)	$5.0	2015
2012	$10.0 (3)	$5.0	2015
2013	$10.0 (3)	$5.0	2015
2014	$20.0 (3)	$10.0	2015
Total	**$63.0**	**$31.5**	

(1) In millions of dollars.

(2) Includes estimated interest and penalties.

(3) Estimated based on Superior's previously filed tax returns, Superior's 2013 results and the midpoint of Superior's 2014 outlook.

During 2013, Superior filed a Notice of Objection and a Notice of Appeal with respect to the Notice of Reassessments received on May 8, 2013. Superior anticipates the case could be heart in the Tax Court of Canada, in the first quarter of 2015, with a decision rendered by the end of fiscal 2015. If a decision of the Tax Court of Canada were to be appealed, the appeal process could reasonably be expected to take an additional 2 years. If Superior receives a positive decision then any taxes, interest and penalties paid to the CRA will be refunded plus interest and if Superior is unsuccessful then any remaining taxes payable plus interest and penalties will have to be remitted.

Superior remains confident in the appropriateness of its tax filing position and the expected tax consequences of the Conversion and intends to vigorously defend such position and intends to file its future tax returns on a basis consistent with its view of the outcome of the Conversion.

16. Total Equity

Superior is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares. The holders of common shares are entitled to dividends if, as and when, declared by the Board of Directors, to one vote per share at shareholders' meetings; and upon liquidation, dissolution or winding up of Superior to receive pro rata the remaining property and assets of Superior, subject to the rights of any shares having priority over the common shares, of which none is outstanding.

Preferred shares are issuable in series with each class of preferred share having such rights as the Board of Directors may determine. Holders of preferred shares are entitled, in priority over holders of common shares, to be paid ratably with holders of each other series of preferred shares the amount of accumulated dividends, if any, specified to be payable preferentially to the holders of such series upon liquidation, dissolution or winding up of Superior. Superior has no preferred shares outstanding.

	Issued Number of Common Shares (Millions)	**Total Equity**
Total Equity, December 31, 2013	**126.2**	**540.2**
Net earnings	–	45.8
Other comprehensive income	–	(2.5)
Conversion of 7.5% convertible unsecured subordinated debentures	–	0.3
Dividends declared to shareholders [1]	–	(37.8)
Total Equity, June 30, 2014	**126.2**	**546.0**

[1] Dividends to shareholders are declared at the discretion of Superior. During the six months ended June 30, 2014, Superior paid dividends of $37.9 million or $0.30 per share (June 30, 2013 – $35.9 million or $0.30 per share).

	June 30, 2014	December 31, 2013
Accumulated other comprehensive loss before reclassification		
Currency translation adjustment		
Balance at the beginning of the period	**4.3**	(22.6)
Unrealized foreign currency (loss) gains on translation of foreign operations	**(1.0)**	26.9
Balance at the end of the period	**3.3**	4.3
Actuarial defined benefits		
Balance at the beginning of the period	**(5.8)**	(25.3)
Actuarial defined benefit (loss) gain	**(2.0)**	26.3
Income tax recovery (expense) on actuarial (loss) gain	**0.5**	(6.8)
Balance at the end of the period	**(7.3)**	(5.8)
Total accumulated other comprehensive loss before reclassification	**(4.0)**	(1.5)
Amounts reclassified from accumulated other comprehensive loss		
Accumulated derivative losses		
Balance at the beginning of the period	**(6.4)**	(6.0)
Reclassification of derivative losses previously deferred[1]	**–**	(0.4)
Balance at the end of the period	**(6.4)**	(6.4)
Total amounts reclassified from accumulated other comprehensive loss	**(6.4)**	(6.4)
Accumulated other comprehensive loss at the end of the period	**(10.4)**	(7.9)

[1] The reclassification of derivative losses previously deferred is included in unrealized losses on derivative financial instruments on the statement of net earnings (loss) and total comprehensive income (loss).

Other Capital Disclosures

Additional Capital Disclosure

Superior's objectives when managing capital are: (i) to maintain a flexible capital structure to preserve its ability to meet its financial obligations, including potential obligations from acquisitions; and (ii) to safeguard its assets while maximizing the growth of its businesses and returns to its shareholders.

In the management of capital, Superior includes shareholders' equity (excluding accumulated other comprehensive gain (loss)), current and long-term borrowing, convertible unsecured subordinated debentures, securitized accounts receivable and cash and cash equivalents. Superior manages its capital structure and makes adjustments in light of changes in economic conditions and the nature of the underlying assets. In order to maintain or adjust the capital structure, Superior may adjust the amount of dividends to Shareholders, issue additional share capital, issue new debt or convertible unsecured subordinated debentures with different characteristics.

Superior monitors its capital based on the ratio of senior and total debt outstanding to net earnings before interest, taxes, depreciation, amortization and other non-cash expenses (EBITDA), as defined by its revolving term credit facility, and the ratio of total debt outstanding to EBITDA. Superior's reference to EBITDA as defined by its revolving term credit facility may be referred to as compliance EBITDA in its other public reports.

Superior is subject to various financial covenants in its credit facility agreements, including senior debt, total debt to EBITDA ratio and restricted payments test, which are measured on a quarterly basis. As at June 30, 2014 and December 31, 2013 Superior was in compliance with all of its financial covenants.

Superior's financial objectives and strategy related to managing its capital as described above remained unchanged from the prior fiscal year. Superior believes that its debt to EBITDA ratios are within reasonable limits, in light of Superior's size, the nature of its businesses and its capital management objectives.

Financial Measures utilized for bank covenant purposes

Compliance EBITDA

Compliance EBITDA represents earnings before interest, taxes, depreciation, amortization and other non-cash expenses calculated on a 12-month trailing basis giving pro forma effect to acquisitions and divestitures and is used by Superior to calculate its debt covenants and other credit information. Compliance EBITDA is not a defined performance measure under IFRS. Superior's calculation of compliance EBITDA may differ from similar calculations used by comparable entities.

The capital structure of Superior and the calculation of its key capital ratios are as follows:

As at	**June 30, 2014**	December 31, 2013
Total shareholders' equity	**546.0**	540.2
Exclude accumulated other comprehensive loss	**10.4**	7.9
Shareholders' equity excluding accumulated other comprehensive (gain) loss	**556.4**	548.1
Current borrowing from continuing operations [1]	**61.2**	67.0
Current borrowing from discontinued operations [1]	**2.5**	–
Borrowing from continuing operations [1][2]	**437.9**	511.7
Borrowing from discontinued operations [1][2]	**8.3**	–
Consolidated debt	**509.9**	578.7
Convertible unsecured subordinated debentures [1]	**494.2**	494.5
Total debt	**1,004.1**	1,073.2
Total capital	**1,560.5**	1,621.3

(1) Borrowing and convertible unsecured subordinated debentures are before deferred financing fees and option value.
(2) As at June 30, 2014, Construction Products Distribution and Fixed-Price Energy Services has been classified as a disposal group held for sale and as a discontinued operations. Refer to Note 6.

Twelve months ended	**June 30, 2014**	December 31, 2013
Net earnings	**92.6**	52.7
Adjusted for:		
Finance expense	**65.7**	71.8
Realized gains on derivative financial instruments included in finance expense	**3.9**	3.9
Depreciation included in selling, distribution and administrative costs	**43.0**	42.2
Depreciation included in cost of sales	**45.3**	41.3
Gain on disposal of assets	**(3.3)**	(2.9)
Gain on sale of customer list	**(3.7)**	–
Amortization of intangible assets	**12.8**	19.4
Impairment of property, plant and equipment	**15.5**	15.5
Income tax expense	**12.8**	5.7
Unrealized (gains) losses on derivative financial instruments	**(37.6)**	5.1
Pro-forma impact of acquisitions	**3.3**	8.5
Compliance EBITDA [1]	**250.3**	263.2

(1) EBITDA, as defined by Superior's revolving-term credit facility, is calculated on a trailing 12-month basis taking into consideration the pro-forma impact of acquisitions and dispositions in accordance with the requirements of Superior's credit facility. Superior's calculation of EBITDA and debt to EBITDA ratios may differ from those of similar entities.

	June 30, 2014	December 31, 2013
Consolidated secured debt to compliance EBITDA	**2.0:1**	2.2:1
Consolidated debt to compliance EBITDA	**2.0:1**	2.2:1
Total debt to compliance EBITDA	**4.0:1**	4.1:1

17. Net Earnings per Share

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	**2014**	2013
Net (loss) earnings per share computation, basic, from continuing operations				
Net (loss) earnings for the period	**(2.5)**	(29.8)	**28.6**	(17.8)
Weighted average shares outstanding (millions)	**126.2**	126.2	**126.2**	119.9
Net (loss) earnings per share, basic, from continuing operations	**$(0.02)**	$(0.24)	**$0.23**	$(0.15)

	Three months ended June 30,		Six months ended June 30,	
	2014[(1)]	2013	**2014[(2)]**	2013
Net (loss) earnings per share computation, diluted, from continuing operations				
Net (loss) earnings for the period	**(21.1)**	(29.8)	**28.6**	(17.8)
Weighted average shares outstanding (millions)	**148.5**	126.2	**126.2**	119.9
Net (loss) earnings per share, diluted, from continuing operations	**$(0.14)**	$(0.24)	**$0.23**	$(0.15)

(1) The following outstanding convertible debentures have been excluded from the calculation for the three months ended June 30, 2014 as they were anti-dilutive: 5.75% convertible debentures due June 2017.

(2) The following outstanding convertible debentures have been excluded from the calculation for the six months ended June 30, 2014 as they were anti-dilutive: 5.75% convertible debentures due June 2017, 5.85% convertible debentures due October 2015, 6.00% convertible debentures due June 2018, and 7.50% convertible debentures due October 2016.

	Three months ended June 30,		Six months ended June 30,	
	2014[(1)]	2013[(1)]	**2014[(1)]**	2013[(1)]
Net earnings per share computation, basic and diluted, from discontinuing operations				
Net earnings for the period	**7.7**	4.3	**17.2**	23.7
Weighted average shares outstanding (millions)	**126.2**	126.2	**126.2**	119.9
Net earnings per share, basic and diluted, from discontinued operations	**$0.06**	$0.03	**$0.14**	$0.20

(1) For the three and six months ended June 30, 2014 there were no dilutive instruments associated with discontinued operations.

18. Supplemental Disclosure of Non-Cash Operating Working Capital Changes

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	**2014**	2013
Changes in non-cash working capital				
Trade receivables and other	**145.4**	52.5	**92.4**	26.4
Inventories	**8.7**	(5.0)	**29.8**	35.1
Trade and other payables	**(49.3)**	(9.0)	**(68.3)**	(28.8)
Other	**(17.9)**	14.1	**(15.6)**	15.8
	86.9	52.6	**38.3**	48.5

Changes in non-cash working capital attributed to continuing operations	**96.4**	51.5	**54.7**	47.1
Changes in non-cash working capital attributed to discontinued operations	**(9.5)**	1.1	**(16.4)**	1.4
	86.9	52.6	**38.3**	48.5

19. Supplemental Disclosure of Condensed Consolidated Statement of Comprehensive Income from Continuing Operations

Revenue is recognized at the fair value of consideration received or receivable when significant risks and rewards of ownership have been transferred.

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	**2014**	2013
Revenues				
Revenue from products	**633.1**	583.3	**1,662.7**	1,387.8
Revenue from the rendering of services	**12.8**	13.5	**29.6**	28.7
Rental revenue	**7.0**	6.3	**12.1**	11.8
Construction contract revenue	–	0.1	**0.3**	(0.4)
Realized (losses) gains on derivative financial instruments	**(3.3)**	0.6	**(4.9)**	1.8
	649.6	603.8	**1,699.8**	1,429.7
Cost of sales (includes products and services)				
Cost of products and services	**(494.4)**	(459.6)	**(1,298.9)**	(1,072.7)
Depreciation included in cost of sales	**(12.1)**	(9.7)	**(24.0)**	(20.0)
Realized (losses) gains on derivative financial instruments	**(2.0)**	2.6	**(2.4)**	3.4
	(508.5)	(466.7)	**(1,325.3)**	(1,089.3)
Selling, distribution and administrative costs				
Other selling, distribution and administrative costs	**(54.7)**	(49.7)	**(118.8)**	(101.9)
Restructuring costs	**(9.2)**	–	**(11.0)**	(0.2)
Employee costs	**(59.8)**	(62.1)	**(138.3)**	(130.4)
Employee future benefit expense	**(1.1)**	(1.7)	**(2.0)**	(3.2)
Depreciation included in selling, distribution and administrative costs	**(9.5)**	(8.9)	**(19.3)**	(17.7)
Amortization of intangible assets	**(0.3)**	(4.1)	**(0.6)**	(7.9)
Gain (loss) on disposal of assets	**0.2**	0.1	**0.2**	(0.2)
Realized (losses) gains on the translation of U.S. denominated net working capital	**(2.6)**	1.5	**(0.5)**	2.4
	(137.0)	(124.9)	**(290.3)**	(259.1)
Finance expense				
Interest on borrowing	**(4.2)**	(6.9)	**(8.5)**	(15.1)
Interest on convertible unsecured subordinated debentures	**(7.6)**	(7.4)	**(15.1)**	(15.3)
Interest on obligations under finance leases	**(0.9)**	(0.6)	**(1.8)**	(1.4)
Gain on debenture redemption	**–**	0.2	**–**	0.4
Unwinding of discount on debentures, borrowing and decommissioning liabilities	**(1.7)**	(1.7)	**(3.2)**	(3.4)
Realized gains on derivative financial instruments	**1.3**	1.3	**1.3**	1.3
	(13.1)	(15.1)	**(27.3)**	(33.5)

Supplemental Disclosure of Condensed Consolidated Statement of Comprehensive Income from Discontinued Operations

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	**2014**	2013
Revenues				
Revenue from products	**246.1**	250.3	**478.6**	474.0
Realized (losses) gains on derivative financial instruments	**(0.3)**	0.3	**(0.6)**	0.6
	245.8	250.6	**478.0**	474.6
Cost of sales (includes products and services)				
Cost of products and services	**(190.9)**	(190.0)	**(388.2)**	(354.9)
Realized (losses) gains on derivative financial instruments	**(1.2)**	(7.7)	**7.1**	(17.0)
	(192.1)	(197.7)	**(381.1)**	(371.9)
Selling, distribution and administrative costs				
Other selling, distribution and administrative costs	**(16.7)**	(15.3)	**(33.9)**	(30.7)
Restructuring costs	**(0.1)**	(0.6)	**(0.1)**	(0.6)
Employee costs	**(27.8)**	(27.2)	**(55.8)**	(54.4)
Depreciation included in selling, distribution and administrative costs	**(0.5)**	(1.4)	**(2.1)**	(2.9)
Amortization of intangible assets	**(0.3)**	(0.9)	**(0.9)**	(1.6)
Gain (loss) on disposal of assets	**3.6**	–	**3.6**	(0.1)
	(41.8)	(45.4)	**(89.2)**	(90.3)
Finance expense				
Interest on obligations under finance leases	**(0.2)**	(0.2)	**(0.4)**	(0.3)
	(0.2)	(0.2)	**(0.4)**	(0.3)

20. Related Party Transactions

Transactions between Superior and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

For the three and six months ended June 30, 2014, Superior incurred $nil (June 30, 2013 – $0.1 million) and $0.2 million (June 30, 2013 – $0.2 million), in legal fees respectively, with Norton Rose Canada LLP, a related party with Superior because a member of Superior's Board of Directors is a Partner at the law firm.

21. Contingent Liabilities

Superior is occasionally named as a party in various claims and legal proceedings that arise during the normal course of its business. Superior reviews each of these claims, including the nature of the claim, the amount in dispute or claimed, and the availability of insurance coverage. There can be no assurance that any particular claim will be resolved in Superior's favor or that such claims may not have a material adverse effect on Superior.

22. Reportable Segment Information

Superior has adopted IFRS 8 – *Operating Segments*, which requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the chief operating decision-maker in order to allocate resources to the segments and to assess their performance.

Superior operates three distinct reportable operating segments: Energy Services, Specialty Chemicals and Construction Products Distribution. Superior's Energy Services' operating segment provides distribution, wholesale procurement and related services in relation to propane, heating oil and other refined fuels under the following: Canadian propane division and U.S. refined fuels division. Energy Services also provides fixed-price natural gas and electricity supply services under Superior Energy Management. Specialty Chemicals' is a leading supplier of sodium chlorate and technology to the pulp and paper industries and a regional supplier of potassium and chloralkali products in the U.S. Midwest. Construction Products Distribution is one of the largest distributors of commercial and industrial insulation in North America and the largest distributor of specialty construction products to the walls and ceilings industry in Canada.

Superior's corporate office arranges intersegment foreign exchange contracts from time to time. Realized gains and losses pertaining to intersegment foreign exchange gains and losses are eliminated under the corporate cost column. All of Superior's operating segments conduct business with customers of various sizes and do not rely extensively on any single customer for their revenue stream.

For the three months ended June 30, 2014	**Energy Services [1]**	**Specialty Chemicals**	**Corporate**	**Total From Continuing Operations**	**Fixed-Price Energy Services**	**Construction Products Distribution**	**Total From Discontinued Operations**
Revenue	**481.6**	**168.0**	**–**	**649.6**	**36.8**	**209.0**	**245.8**
Cost of sales (includes products & services)	**(393.7)**	**(114.8)**	**–**	**(508.5)**	**(33.7)**	**(158.4)**	**(192.1)**
Gross Profit	**87.9**	**53.2**	**–**	**141.1**	**3.1**	**50.6**	**53.7**
Expenses							
Selling, distribution and administrative costs	**(90.3)**	**(40.6)**	**(6.1)**	**(137.0)**	**1.4**	**(43.2)**	**(41.8)**
Finance expense	**(0.8)**	**(0.2)**	**(12.1)**	**(13.1)**	**–**	**(0.2)**	**(0.2)**
Unrealized gains (losses) on derivative financial instruments	**0.8**	**0.7**	**5.6**	**7.1**	**(1.6)**	**–**	**(1.6)**
	(90.3)	**(40.1)**	**(12.6)**	**(143.0)**	**(0.2)**	**(43.4)**	**(43.6)**
Net (loss) earnings before income taxes	**(2.4)**	**13.1**	**(12.6)**	**(1.9)**	**2.9**	**7.2**	**10.1**
Income tax expense	**–**	**–**	**(0.6)**	**(0.6)**	**(1.1)**	**(1.3)**	**(2.4)**
Net (Loss) Earnings	**(2.4)**	**13.1**	**(13.2)**	**(2.5)**	**1.8**	**5.9**	**7.7**

(1) Fixed-Price Energy Services has been reclassified as a disposal group held for sale and as a discontinued operations. It was previously included in Energy Services. Refer to Note 6.

For the three months ended June 30, 2013	Energy Services [1]	Specialty Chemicals	Corporate	Total From Continuing Operations	Fixed-Price Energy Services	Construction Products Distribution	Total From Discontinued Operations
Revenue	467.6	136.2	–	603.8	43.7	206.9	250.6
Cost of sales (includes products & services)	(378.0)	(88.7)	–	(466.7)	(39.3)	(158.4)	(197.7)
Gross Profit	89.6	47.5	–	137.1	4.4	48.5	52.9
Expenses							
Selling, distribution and administrative costs	(89.0)	(32.1)	(3.8)	(124.9)	(3.2)	(42.2)	(45.4)
Finance expense	(0.7)	–	(14.4)	(15.1)	–	(0.2)	(0.2)
Unrealized (losses) gains on derivative financial instruments	(0.1)	1.0	(33.3)	(32.4)	(0.6)	–	(0.6)
	(89.8)	(31.1)	(51.5)	(172.4)	(3.8)	(42.4)	(46.2)
Net (loss) earnings before income taxes	(0.2)	16.4	(51.5)	(35.3)	0.6	6.1	6.7
Income tax recovery	–	–	5.5	5.5	(1.7)	(0.7)	(2.4)
Net (Loss) Earnings	(0.2)	16.4	(46.0)	(29.8)	(1.1)	5.4	4.3

(1) Fixed-Price Energy Services has been reclassified as a disposal group held for sale and as a discontinued operations. It was previously included in Energy Services. Refer to Note 6.

For the six months ended June 30, 2014	Energy Services [1]	Specialty Chemicals	Corporate	Total From Continuing Operations	Fixed-Price Energy Services	Construction Products Distribution	Total From Discontinued Operations
Revenue	**1,374.8**	**325.0**	**–**	**1,699.8**	**83.2**	**394.8**	**478.0**
Cost of sales (includes products & services)	**(1,107.5)**	**(217.8)**	**–**	**(1,325.3)**	**(84.4)**	**(296.7)**	**(381.1)**
Gross Profit (Loss)	**267.3**	**107.2**	**–**	**374.5**	**(1.2)**	**98.1**	**96.9**
Expenses							
Selling, distribution and administrative costs	**(202.4)**	**(76.9)**	**(11.0)**	**(290.3)**	**(1.4)**	**(87.8)**	**(89.2)**
Finance expense	**(1.5)**	**(0.5)**	**(25.3)**	**(27.3)**	**–**	**(0.4)**	**(0.4)**
Unrealized (losses) gains on derivative financial instruments	**(2.9)**	**0.2**	**(9.8)**	**(12.5)**	**13.9**	**–**	**13.9**
	(206.8)	**(77.2)**	**(46.1)**	**(330.1)**	**12.5**	**(88.2)**	**(75.7)**
Net earnings (loss) before income taxes	**60.5**	**30.0**	**(46.1)**	**44.4**	**11.3**	**9.9**	**21.2**
Income tax expense	**–**	**–**	**(15.8)**	**(15.8)**	**(3.0)**	**(1.0)**	**(4.0)**
Net Earnings (Loss)	**60.5**	**30.0**	**(61.9)**	**28.6**	**8.3**	**8.9**	**17.2**

(1) Fixed-Price Energy Services has been reclassified as a disposal group held for sale and as a discontinued operations. It was previously included in Energy Services. Refer to Note 6.

For the six months ended June 30, 2013	Energy Services [1]	Specialty Chemicals	Corporate	Total From Continuing Operations	Fixed-Price Energy Services	Construction Products Distribution	Total From Discontinued Operations
Revenue	1,149.8	279.9	–	1,429.7	81.2	393.4	474.6
Cost of sales (includes products & services)	(911.4)	(177.9)	–	(1,089.3)	(72.1)	(299.8)	(371.9)
Gross Profit	238.4	102.0	–	340.4	9.1	93.6	102.7
Expenses							
Selling, distribution and administrative costs	(185.1)	(64.0)	(10.0)	(259.1)	(6.4)	(83.9)	(90.3)
Finance expense	(1.5)	(0.1)	(31.9)	(33.5)	–	(0.3)	(0.3)
Unrealized (losses) gains on derivative financial instruments	(0.4)	1.1	(59.6)	(58.9)	17.6	–	17.6
	(187.0)	(63.0)	(101.5)	(351.5)	11.2	(84.2)	(73.0)
Net earnings (loss) before income taxes	51.4	39.0	(101.5)	(11.1)	20.3	9.4	29.7
Income tax expense	–	–	(6.7)	(6.7)	(5.3)	(0.7)	(6.0)
Net Earnings (Loss)	51.4	39.0	(108.2)	(17.8)	15.0	8.7	23.7

(1) Fixed-Price Energy Services has been reclassified as a disposal group held for sale and as a discontinued operations. It was previously included in Energy Services. Refer to Note 6.

Net Working Capital, Total Assets, Total Liabilities, and Purchase of Property, Plant and Equipment

	Energy Services[1]	Specialty Chemicals	Construction Products Distribution[1]	Corporate	Total Consolidated
As at June 30, 2014					
Net working capital from continuing operations [1][2]	**109.1**	**25.5**	**–**	**(12.6)**	**122.0**
Net working capital from discontinued operations [1][2]	**6.9**	**–**	**119.3**	**–**	**126.2**
Total assets from continuing operations	**630.4**	**596.0**	**–**	**521.6**	**1,748.0**
Total assets from discontinued operations	**31.5**	**–**	**232.2**	**–**	**263.7**
Total liabilities from continuing operations	**221.5**	**158.9**	**–**	**968.9**	**1,349.3**
Total liabilities from discontinued operations	**21.6**	**–**	**94.8**	**–**	**116.4**
As at December 31, 2013					
Net working capital [2]	178.7	28.5	103.1	(17.2)	293.1
Total assets	779.3	651.3	209.6	500.9	2,141.1
Total liabilities	317.9	178.0	96.4	1,008.6	1,600.9
For the three months ended June 30, 2014					
Purchase of property, plant and equipment[3]	**8.3**	**15.6**	**1.4**	**–**	**25.3**
For the three months ended June 30, 2013[3]					
Purchase of property, plant and equipment	9.6	7.0	0.5	–	17.1
For the six months ended June 30, 2014					
Purchase of property, plant and equipment[3]	**13.6**	**26.6**	**1.9**	**–**	**42.1**
For the six months ended June 30, 2013[3]					
Purchase of property, plant and equipment	15.4	12.6	0.8	–	28.8

(1) As at June 30, 2014, Construction Products Distribution and Fixed-Price Energy Services has been classified as a disposal group held for sale and as a discontinued operations. Refer to Note 6.

(2) Net working capital reflects amounts as at the quarter end and is comprised of trade and other receivables, prepaid expenses and inventories, less trade and other payables, deferred revenue and dividends and interest payable.

(3) For the three and six months ended June 30, 2013 and 2014, Purchase of property, plant and equipment includes continuing and discontinued operations.

23. Geographical Information

	Canada	United States	Other	Total Consolidated
Revenues from continuing operations for the three months ended June 30, 2014	**207.3**	**410.4**	**31.9**	**649.6**
Revenues from discontinued operations for the three months ended June 30, 2014	**106.2**	**139.6**	**–**	**245.8**
Revenues from continuing operations for the six months ended June 30, 2014	**667.0**	**987.0**	**45.8**	**1,699.8**
Revenues from discontinued operations for the six months ended June 30, 2014	**204.5**	**273.5**	**–**	**478.0**
Property, plant and equipment from continuing operations as at June 30, 2014	**456.2**	**357.8**	**43.0**	**857.0**
Property, plant and equipment from discontinued as at June 30, 2014	**10.6**	**13.5**	**–**	**24.1**
Intangible assets from continuing operations as at June 30, 2014	**10.9**	**3.3**	**–**	**14.2**
Intangible assets from discontinued operations as at June 30, 2014	**5.9**	**0.4**	**–**	**6.3**
Goodwill as at June 30, 2014	**188.2**	**5.5**	**–**	**193.7**
Total assets from continuing operations as at June 30, 2014	**1,203.4**	**493.5**	**51.1**	**1,748.0**
Total assets from discontinued operations as at June 30, 2014	**120.4**	**143.3**	**–**	**263.7**
Revenues from continuing operations for the three months ended June 30, 2013	177.1	398.7	28.0	603.8
Revenues from discontinued operations for the three months ended June 30, 2013	123.0	127.6	–	250.6
Revenues from continuing operations the six months ended June 30, 2013	460.6	923.9	45.2	1,429.7
Revenues from discontinued operations the six months ended June 30, 2013	231.2	243.4	–	474.6
Property, plant and equipment as at December 31, 2013	458.9	374.6	44.4	877.9
Intangible assets as at December 31, 2013	15.2	3.8	–	19.0
Goodwill as at December 31, 2013	188.2	5.5	–	193.7
Total assets as at December 31, 2013	1,388.1	691.4	61.6	2,141.1