TSX: SPB

Superior Plus

A DIVERSIFIED BUSINESS CORPORATION
Focused on dividend stability with value growth

November 2, 2011

Superior Plus Corp. Announces 2011 Third Quarter Results, 2012 Financial Outlook and a Dividend Reduction to Advance Debt Repayment Plan

Third Quarter Highlights

- Adjusted operating cash flow (AOCF) per share for the third quarter was $0.21 compared to $0.25 in the prior year quarter, the reduction was due to higher interest costs, modestly lower EBITDA from operations and an increase in the number of average shares outstanding. Superior's businesses continue to perform consistent with management's expectations.
- The financial outlook for 2011 remains unchanged at AOCF per share of $1.55 to $1.90.
- Superior is providing a financial outlook for 2012 of AOCF of $1.55 to $1.90 per share. The outlook for 2012 reflects business conditions in 2012 being consistent with 2011.
- Superior's dividend has been reduced to $0.05 per share per month or $0.60 per share on an annualized basis effective with the November 2011 dividend. The reduction in the dividend will reduce Superior's dividend payout ratio and provide additional funds to repay debt.

Debt Management and Dividend Payout Ratio

As a result of the volatility in global and North American capital markets, and the performance of Superior's publicly traded securities, Superior has made the determination that it is prudent to accelerate its debt reduction plan by reducing its monthly dividend to $0.05 per share, effective with the November 2011 dividend. The reduction of the dividend will result in Superior retaining approximately $70 to $75 million of cash flow per annum, which combined with approximately $237 million of available bank debt, will be used to facilitate refinancing, including the repayment of the remaining December 2012, 5.75% convertible debenture. The reduction in the dividend will significantly enhance Superior's overall financial flexibility, including its restricted payments-based financial covenants, which will reduce Superior's exposure to ongoing volatility in capital markets and minimize the risk of future debt refinancings.

The reduction of Superior's monthly dividend to $0.05 per share enhances the stability of the dividend by reducing the estimated 2012 payout ratio to approximately 45% of AOCF less maintenance capital expenditures. The reduced payout ratio benefits all of Superior's stakeholders by ensuring that Superior will maintain the required financial flexibility to prudently manage its debt maturities and total debt leverage levels. Based on Superior's 2011 and 2012 financial outlook, Superior's total debt to EBITDA is anticipated to be between 4.4X to 4.6X as at December 31, 2012, a significant reduction from 5.2X at

September 30, 2011. Further improvement is expected on an on-going basis. Details are further highlighted in the "Debt Management Summary" table below.

Superior expects to retain $70 to $75 million in cash flow per annum which, in combination with funds available through the syndicated bank facility, will provide Superior with approximately $150 million to $170 million of room under its restricted payments financial covenants as at December 31, 2012. This is sufficient to allow for the retirement of the remaining 2012 Debentures without reliance on access to the capital markets.

Grant Billing, Chairman and Chief Executive Officer stated, "Our businesses continue to perform as expected with improved operating performance compared to 2010. The decision to reduce the dividend was made after careful consideration, and is prudent in order to provide our shareholders with a stable dividend which is supported by an estimated 2012 payout ratio of approximately 45% while providing sufficient free cash flow to advance our debt repayment plan. In reaching the decision to reduce the dividend, Superior considered current capital market dynamics, including the market value of Superior's equity and debt securities, the ongoing uncertainty with respect to the European and U.S. sovereign debt issues, and recently reduced growth expectations for Canada and the U.S., all of which directly or indirectly have an impact on Superior's ability to access capital on terms that are acceptable for all of our stakeholders. Although our businesses continue to perform consistent with our expectations and there are no structural changes to our businesses, the reduction in the dividend will provide Superior's shareholders and other stakeholders with increased stability and certainty over the long-term."

Debt Management Summary (1)

2012 financial outlook AOCF per share – mid-point (2)	$1.72
Maintenance capital expenditures	(0.20)
Capital lease obligation repayments	(0.15)
Cash flow available for dividends and debt repayment before growth capital	$1.37
Port Edward's 2012 one-time environmental expenditures and related	(0.10)
Other growth capital expenditures	(0.10)
Proceeds from dividend reinvestment program	0.10
Estimated 2012 free cash flow available for dividend and debt repayment	$1.27
Dividends (annualized)	$(0.60)
Cash flow available for debt repayment per share	$0.67
Cash flow available for debt repayment gross (millions of dollars)	$74.0
Dividend per share (annualized)	$0.60
Calculated payout ratio before growth capital	44%

(1) All amounts per share unless otherwise indicated.
(2) See "2012 Financial Outlook" for additional details including assumptions, definitions and risk factors.

Third Quarter Financial Summary [1]

(millions of dollars except per share amounts)	**Three months ended September 30, 2011**	2010	**Nine months ended September 30, 2011**	2010
Revenue	**845.0**	769.1	**2,882.2**	2,526.2
Gross profit	**178.5**	172.4	**592.9**	555.9
EBITDA from operations [2]	**45.4**	45.8	**185.1**	161.4
Interest	**(20.5)**	(18.5)	**(59.8)**	(52.0)
Cash income tax recovery (expense)	**0.1**	(0.5)	**(0.1)**	(0.9)
Corporate costs	**(1.5)**	(0.4)	**(8.6)**	(8.1)
Adjusted operating cash flow [2]	**23.5**	26.4	**116.6**	100.4
Adjusted operating cash flow per share, basic and diluted [2][3][4]	**$0.21**	$0.25	**$1.07**	$0.96
Dividends paid per share	**$0.30**	$0.405	**$0.97**	$1.215

(1) Superior's 2010 financial results have been restated in accordance with International Financial Reporting Standards (IFRS). See Superior's Third Quarter Management's Discussion and Analysis for additional details.

(2) 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 2011 Third Quarter Management's Analysis and Discussion.

(3) The weighted average number of shares outstanding for the three months ended September 30, 2011 is 109.5 million (2010 – 106.6 million) and for the nine months ended September 30, 2011 is 108.8 million (2010 – 104.9 million).

(4) For the three and nine months ended September 30, 2011 and 2010, there were no dilutive instruments.

Segmented Information

(millions of dollars)	**Three months ended September 30, 2011**	2010	**Nine months ended September 30, 2011**	2010
EBITDA from operations:				
Energy Services	**8.1**	10.7	**87.1**	69.6
Specialty Chemicals	**30.2**	26.9	**80.7**	72.9
Construction Products Distribution	**7.1**	8.2	**17.3**	18.9
	45.4	45.8	**185.1**	161.4

Energy Services

- EBITDA from operations for the third quarter was $8.1 million compared to $10.7 million in the prior year quarter, as improved results at the fixed-price energy services business were offset by reduced contributions from the Canadian propane and U.S. refined fuels business. The third quarter is typically the weakest quarter for the energy services business, particularly the Canadian propane and the U.S. refined fuels business as a result of the absence of heating based volumes during this quarter.
- The Canadian propane business generated gross profit of $45.4 million in the third quarter compared to $43.1 million in the prior year quarter. Canadian propane distribution sales volumes were 5 million litres or 2% greater than the prior year quarter, as an increase in industrial volumes offset modest volume reductions in all other lines of business. The increase in industrial volumes is due to strong oil field volumes. Agricultural volumes were impacted by dryer conditions relative to the prior year which resulted in reduced crop drying demand.
- Canadian propane sales volumes were not significantly impacted by weather during the current quarter due to the seasonal nature of heating based volumes.

- Canadian propane average sales margins were 19.0 cents per litre in the third quarter compared to 18.4 cents per litre in the prior year quarter. The increase in average sales margins was due to the reclassification of customer credits previously included as a reduction of operating costs, offset in part, by a higher proportion of lower margin industrial volumes.
- The U.S. refined fuels business generated gross profits of $15.7 million in the third quarter compared to $18.2 million in the prior year quarter. The reduction in gross profits is due principally to reduced sales volumes as a result of high supply costs which negatively impacted customer demand. Sales volumes were not significantly impacted by weather during the current quarter due to the seasonal nature of heating based volumes.
- U.S. refined fuels average sales margins were 4.6 cents per litre in the quarter, compared to 5.0 cents per litre in the prior year quarter. Sales margins were impacted by seasonally high supply cost compared to the prior year quarter.
- During the third quarter, the U.S. refined fuels business completed two tuck-in acquisitions totaling $8.8 million.
- The fixed-price energy services business generated gross profits of $9.5 million compared to $6.9 million in the prior year quarter. Higher natural gas gross profits came from improved pricing on contract renewals, increased transportation revenues and lower load balancing costs.
- The supply portfolio management business generated gross profits of $1.9 million in the third quarter compared to $2.5 million in the comparative period as market trading opportunities throughout the quarter were consistent with the prior quarter.
- Operating expenses were $73.8 million in the quarter compared to $70.4 million in the prior year quarter. The increase in operating expenses is due principally to increased allowance for bad debts at the Canadian propane business due to prior issues associated with an ERP upgrade, the reclassification of customer credits to gross profit and general inflationary increases, offset by a one-time reduction in the risk reserve related to the fixed-price energy services business.
- Superior expects EBITDA from operations for its Energy Services business for 2011 to be between $125 and $145 million, an increase from the outlook provided in the second quarter of 2011 of EBITDA from operations of $120 to $140 million. The Energy Services business continues to perform consistent with management expectations.

Specialty Chemicals

- EBITDA from operations for the third quarter was $30.2 million compared to $26.9 million in the prior year quarter due to improved chemical sales volumes and higher average realized selling prices.
- Chloralkali sales volumes benefited from the incremental contribution of the Port Edwards chloralkali facility which was operating at higher operating rates throughout the current year quarter compared to the prior year quarter due to ongoing strong demand. The facility expansion was completed in the fourth quarter of 2009 and continued process debottlenecking has supported operating levels modestly above the original design capacity. Additionally, average realized selling prices were higher than the prior year period due to improved sales mix and strong supply demand fundamentals.
- Sodium chlorate gross profits were higher than the prior year quarter due to a 2% increase in sales volumes as a result of improved North American demand. Additionally, average realized sodium

chlorate selling prices were modestly higher than the prior year as improved market conditions were partially offset by the appreciation of the Canadian dollar on U.S.-denominated sales.

- Operating expenses were higher than the prior year due to the timing of maintenance related expenses and general inflationary increases.
- Superior expects EBITDA from operations for its Specialty Chemicals business for 2011 to be between $105 and $120 million, an increase from the outlook provided in the second quarter of 2011 of EBITDA from operations of $100 to $115 million. Superior continues to see a stable market for sodium chlorate as a result of strong pulp market fundamentals. Superior also expects continued improvement in chloralkali sales volumes and pricing due to improved North American chemical demand and the full year impact of the expanded Port Edwards facility.

Construction Products Distribution

- EBITDA from operations for the third quarter was $7.1 million compared to $8.2 million in the prior year quarter.
- Construction Products Distribution's results were $1.1 million lower than the prior year quarter due to ongoing weakness in the residential and commercial construction markets which resulted in reduced sales volumes of both gypsum and commercial and industrial insulation. Overall sales margins were lower than the prior year due to ongoing competitive pressures and a weaker sales mix.
- Construction Products Distribution continues to focus on optimizing its supply chain management and negotiating with suppliers to minimize the impact of a difficult operating environment on gross margins.
- Volumes and gross profit in select U.S. regions benefitted from the introduction of the full interiors product line into markets that were previously acoustical ceiling focused. This strategy will continue to be assessed on a branch-by-branch basis as market conditions allow.
- Operating expenses were $2.0 million lower than the prior year. The decrease in expense was due principally to $3.1 million of restructuring costs incurred in the prior year, offset by general inflationary cost increases.
- Superior expects EBITDA from operations for its Construction Products Distribution Business Services business for 2011 to be between $15 and $25 million, as compared to the outlook provided in the second quarter of 2011 of $27 to $37 million. The reduction in the outlook is due to principally to sustained competitive pressures which continue to negatively impact gross margins and profitability. Excluding the impact of ongoing competitive pressures, Superior's assessment of the overall construction markets is generally consistent with the second quarter with no significant improvement expected for some time.

Corporate Related

- Total interest expense for the third quarter was $20.5 million compared to $18.5 million in the prior year quarter. Interest expense was higher in the current year quarter due to higher average debt levels and higher average effective interest rates.

- Corporate costs were $1.5 million in the current quarter, lower than historical levels due to reduced costs associated with Superior's long-term incentive plan as a result of the reduction in the value of Superior's share price.
- Superior's dividend re-investment program (DRIP) generated proceeds of $7.0 million during the third quarter ($23.4 million year-to-date). Proceeds from the DRIP will be used to reduce existing debt levels and fund existing and future accretive growth opportunities. The DRIP provides Superior's shareholders with the opportunity to reinvest their cash dividends in the future growth of the business at a 5% discount to the market price of Superior's common shares.
- Superior's total debt (including convertible debentures) to Compliance EBITDA was 5.2X as at September 30, 2011, compared to 6.1X as at December 31, 2010. Superior continues to make progress on reducing its total leverage through a combination of improved EBITDA and debt reduction.
- On September 12, 2011, DBRS lowered Superior LP's senior secured credit rating to BB(high) from BBB(low) and lowered Superior LP's senior unsecured rating to BB(low) from BB(high). The trend for both ratings was changed to stable from negative.
- On October 4, 2011, Superior completed the issue of $75.0 million, 7.50% convertible debentures which mature on October 31, 2016. Superior also announced that effective November 7, 2011, the proceeds from the $75.0 million, 7.50% current debenture issue would be used to redeem $75.0 million of Superior's existing $175.0 million convertible debenture issue which is due on December 31, 2012.

2011 Financial Outlook Summary

(millions of dollars except per share amounts)	**2011 Outlook Current** (1)	2011 Outlook Prior
EBITDA from operations:		
Energy Services	**125-145**	120-140
Specialty Chemicals	**105-120**	100-115
Construction Products Distribution	**15-25**	27-37
Adjusted operating cash flow per share	**$1.55-$1.90**	$1.55-$1.90

(1) The assumptions, definitions, risk factors and explanation of the 2011 and 2012 Financial Outlook (as detailed below) are discussed in Superior's 2011 Third Quarter Management's Discussion and Analysis.

2012 Financial Outlook

Superior's financial outlook for 2012 has been set at AOCF per share of $1.55 to $1.90. The 2012 outlook assumes business conditions in 2012 to be consistent with 2011. For additional details on the assumptions underlying the 2012 Financial Outlook see Superior's 2011 Third Quarter Management's Discussion and Analysis.

2011 Third Quarter Results

Superior's 2011 Third 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.

Conference Call

Superior will be conducting a conference call and webcast for investors, analysts, brokers and media representatives to discuss the 2011 Third Quarter Results at 8:30 a.m. MDT on Thursday, November 3,

2011. To participate in the call, dial: 1-877-240-9772. An archived recording of the call will be available for replay until midnight, Saturday, December 3, 2011. To access the recording, dial: 1-800-408-3053 and enter pass code 7585178 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.

2011 Investor Day

Superior is pleased to announce its upcoming Annual Investor Day on Friday, November 18, 2011, at the King Edward Hotel in Toronto. A detailed update on Superior's current operations, short and long-term growth opportunities and financial position will be presented, in addition to introducing Luc Desjardins, Superior's new President and Chief Executive Officer. Members of the professional investment community are invited to attend. Additional details of the event can be found on Superior's website at www.superiorplus.com.

Forward Looking Information

Certain information included herein is forward-looking, within the meaning of applicable Canadian securities laws. Forward-looking information includes, without limitation, statements regarding the future financial position and debt repayment, business strategy, market conditions, budgets, litigation, projected costs, capital expenditures, financial results, adjusted operating cash flow, EBITDA from operations, taxes and plans and objectives of or involving Superior and Superior Plus LP. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "believe", "expect", "plan", "intend", "forecast", "target", "project", "guidance", "may", "will", "should", "could", "estimate", "predict" or similar words suggesting future outcomes or language suggesting an outlook. Forward-looking information in this press release, including the attached 2011 Third Quarter Management's Discussion and Analysis, includes but is not limited to, consolidated and business segment outlooks, product production, expected EBITDA from operations, expected AOCF, expected AOCF per share, expected leverage ratios and debt repayment, debt management summary, future capital expenditures, future economic conditions, business strategy and objectives, dividend strategy, payout ratio, future dividend payments, future cash flows, anticipated taxes, benefits and synergies resulting from corporate and asset acquisitions, commodity prices and costs, expected life of facilities and statements regarding the future financial position of Superior and Superior Plus LP. Superior believes the expectations reflected in such forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

Forward-looking information is based on various assumptions. Those assumptions are based on information currently available to Superior, including information obtained from third party industry analysts and other third party sources, the historic performance of Superior's businesses, and 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, and the other assumptions set forth under the "Outlook" sections contained in the attached 2011 Third Quarter Management's Discussion and Analysis. Readers are cautioned that the preceding list of assumptions is not exhaustive.

Forward-looking information is not a guarantee of future performance. By their very nature, forward-looking information involve inherent risks and uncertainties, both general and specific, and risks that predictions, forecasts, projections and other forward-looking information will not be achieved, some of which are described herein and in the attached 2011 Third Quarter Management's Discussion and

Analysis. Such risks and uncertainties may cause Superior's or Superior Plus LP's actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking information. We caution readers not to place undue reliance on this information as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations and anticipations, estimates and intentions expressed in such forward-looking information. These risks and uncertainties include but are not limited to the risks referred to under the section entitled “Risk Factors to Superior”, in the attached 2011 Third Quarter Management’s Discussion and Analysis, the risks associated with the availability and amount of the tax basis and the risks identified in Superior's 2010 Annual Information Form under the heading “Risk Factors”.

Readers are cautioned that the foregoing lists of factors that may affect future results is not exhaustive. When relying on our forward-looking information to make decisions with respect to Superior, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Forward-looking information is provided for the purpose of providing information about management’s expectations and plans about the future. Reliance on such information may not be appropriate for other purposes, such as making investment decisions. Any forward-looking information is made as of the date hereof and, except as required by law, Superior does not undertake any obligation to publicly update or revise such information to reflect new information, subsequent or otherwise. For more information about Superior, visit our website at www.superiorplus.com or contact:

Wayne Bingham Executive Vice-President and Chief Financial Officer
E-mail: wbingham@superiorplus.com
Phone: (403) 218-2951 / Fax: (403) 218-2973

Jay Bachman Vice-President, Investor Relations and Treasurer
E-mail: jbachman@superiorplus.com
Phone: (403) 218-2957 / Fax: (403) 218-2973
Toll Free: 1-866-490-PLUS (7587)

Management's Discussion and Analysis of 2011 Third Quarter Results
November 2, 2011

The following Management's Discussion and Analysis (MD&A) is a review of the financial performance and position of Superior Plus Corp. (Superior) as at September 30, 2011 and for the three and nine months ended September 30, 2011 and 2010. The information in this MD&A is current to November 2, 2011. This MD&A should be read in conjunction with Superior's audited consolidated financial statements and notes to those statements as at September 30, 2011 and for the year ended December 31, 2010, its December 31, 2010 MD&A and its unaudited condensed consolidated financial statements as at and for the three and nine months ended September 30, 2011.

On January 1, 2011, Superior adopted International Financial Reporting Standards (IFRS) for Canadian publicly accountable enterprises. Prior to the adoption of IFRS, Superior followed Canadian Generally Accepted Accounting Principles (GAAP). While IFRS has many similarities to GAAP, some of our accounting policies have changed as a result of our transition to IFRS. The most significant accounting policy changes that have had an impact on the results of our operations are discussed within the applicable sections of this MD&A, and in more detail in the Adoption of IFRS section of this MD&A. Superior unaudited condensed consolidated financial statements as at September 30, 2011 and the three and nine months ended September 30, 2011 and 2010 were prepared in accordance with IFRS.

The accompanying unaudited condensed consolidated financial statements of Superior have been prepared by and are the responsibility of Superior's management. Superior's unaudited condensed consolidated financial statements have been 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 100% 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. 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, 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.

Third Quarter Results

Summary of Adjusted Operating Cash Flow [1]

(millions of dollars except per share amounts)	Three months ended September 30, 2011	2010	Nine months ended September 30, 2011	2010
EBITDA from operations: [2]				
Energy Services	**8.1**	10.7	**87.1**	69.6
Specialty Chemicals	**30.2**	26.9	**80.7**	72.9
Construction Products Distribution	**7.1**	8.2	**17.3**	18.9
	45.4	45.8	**185.1**	161.4
Interest	**(20.5)**	(18.5)	**(59.8)**	(52.0)
Cash income tax (expense) recovery	**0.1**	(0.5)	**(0.1)**	(0.9)
Corporate costs	**(1.5)**	(0.4)	**(8.6)**	(8.1)
Adjusted operating cash flow[2]	**23.5**	26.4	**116.6**	100.4
Adjusted operating cash flow per share [2], basic [3] and diluted [4]	**$0.21**	$0.25	**$1.07**	$0.96

(1) Superior has restated its 2010 results in accordance with IFRS, see "Adoption of IFRS" for the impact of IFRS on Superior's 2010 results.

(2) EBITDA and adjusted operating cash flow are not IFRS measures. See "Non-IFRS Financial Measures."

(3) The weighted average number of shares outstanding for the three months ended September 30, 2011, is 109.5 million (2010 – 106.6 million) and for the nine months ended September 30, 2011, is 108.8 million (2010 – 104.9 million).

(4) For the three and nine months ended September 30, 2011 and 2010, there were no dilutive instruments.

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

(millions of dollars)	Three months ended September 30, 2011	2010	Nine months ended September 30, 2011	2010
Net cash flow from operating activities	**113.2**	8.0	**275.3**	125.2
Add: Increase (decrease) in non-cash working capital	**(69.3)**	36.4	**(98.8)**	24.8
Other expenses	–	1.0	–	3.3
Non cash interest expense	**1.7**	1.6	**5.0**	5.0
Less: Income taxes (expense) recovery	**0.1**	(0.5)	**(0.1)**	(0.9)
Finance costs recognized in net earnings	**(22.2)**	(20.1)	**(64.8)**	(57.0)
Adjusted operating cash flow	**23.5**	26.4	**116.6**	100.4

(1) See the Unaudited Condensed Consolidated Financial Statements for net cash flows from operating activities and changes in non-cash working capital.

Third quarter adjusted operating cash flow was $23.5 million, a decrease of $2.9 million or 11% from the prior year quarter. The decrease in adjusted operating cash flow was due to lower operating results at Energy Services and Construction Products Distribution along with higher interest costs offset in part by higher operating results at Specialty Chemicals. Adjusted operating cash flow was $0.21 per share, compared to $0.25 per share in the prior year quarter due to an 11% decrease in adjusted operating cash flow and a 3% increase in the weighted average number of shares outstanding. The average number of shares outstanding increased in 2011 as a result of shares issued from Superior's Dividend Reinvestment Program and Optional Share Purchase Plan (DRIP).

Adjusted operating cash flow for the nine months ended September 30, 2011 was $116.6 million, an increase of $16.2 million or 16% compared to the prior year period. The increase in adjusted operating cash flow was due to increased EBITDA from operations of Energy Services and Specialty Chemicals offset in part by higher interest costs. Adjusted operating cash flow per share was $1.07 per share for the nine months ended September 30, 2011, an increase of $0.11 per share or 16% due to the increase in adjusted operating cash flow as noted above offset in part by a 4% increase in the weighted average number of shares outstanding. The average number of shares outstanding increased in 2011 as a result of shares issued from the DRIP.

Net losses for the third quarter were $113.4 million, compared to net losses of $13.8 million in the prior year quarter. Net losses were impacted by higher operating costs, interest costs, impairment of intangible assets and goodwill and $38.7 million in unrealized losses on financial instruments in the current quarter, compared to unrealized gains of $1.2 million in the prior year quarter. The change in the unrealized gains and losses on financial instruments was due principally to losses in the current quarter on Superior's foreign currency financial derivatives compared to gains in the prior year as a result of fluctuations in the spot and forward price for U.S. dollars. Net losses for the quarter were impacted by a $78.0 million intangible and goodwill impairment charge due to continued weakness in Superior's Construction Products Distribution segment and an asset write off of $3.4 million at U.S refined fuels due to flooding damage and an explosion at one of its branches. Revenues of $845.0 million were $75.9 million higher than the prior year quarter due principally to higher Energy Services revenue as a result of higher sales volumes and commodity prices along with higher Specialty Chemicals revenue. Gross profit of $178.5 million was $6.1 million higher than the prior year quarter due principally to higher Energy Services and Specialty Chemicals gross profits. Total income tax for the third quarter was a recovery of $19.7 million compared to income tax expenses of $7.8 million in the prior year quarter. The income tax recovery in 2011 was impacted by the impairment of intangibles along with increased losses on derivative financial instruments.

Net losses for the nine months ended September 30, 2011 were $71.2 million, compared to net losses of $19.8 million in the prior year period. Net losses were impacted by higher operating costs, impairment of intangible assets and goodwill and higher interest costs offset in part by higher gross profits and lower unrealized losses on financial instruments. Net losses were impacted by $10.0 million in unrealized losses on financial instruments in the current period, compared to unrealized losses of $31.2 million in the prior year period. The change in unrealized losses on financial instruments was due principally to reduced losses on Energy Services natural gas financial derivatives compared to the prior year as a result of fluctuations in the spot price for natural gas. Net losses for the quarter were also impacted by $78.0 million in intangible and goodwill impairment charges due to continued weakness in Superior's Construction Products Distribution segment and an asset write off of $3.4 million at U.S refined fuels due to flooding damage and a fire at one of its branches. Revenues of $2,882.2 million were $356.0 million higher than the prior year period due principally to higher Energy Services revenue as a result of the full period contribution of the acquisition of Griffith Holdings Inc. (Griffith), higher commodity prices and increased sales volumes and higher Specialty Chemicals revenue due to increased sales volumes and pricing. Gross profit of $592.9 million was $37.0 million higher than the prior year period due to improved gross profit at Energy Services due to higher sales volumes and contribution from the acquisition Griffith along with higher Specialty Chemicals gross profits. Total income tax recovery for the nine months ended September 30, 2011 was $6.7 million compared to an income tax recovery of $14.6 million in the prior year period. The income tax recovery in 2011 was impacted by lower net earnings before taxes due to the impairment of intangibles offset by higher operating results.

Energy Services

Energy Services' condensed operating results for 2011 and 2010 are provided in the following table.

	Three months ended September 30,		Nine months ended September 30,	
(millions of dollars)	**2011**	2010 (2)	**2011**	2010 (2)
Revenue(1)	**522.6**	454.6	**1,958.5**	1,636.0
Cost of sales(1)	**(440.3)**	(373.5)	**(1,633.1)**	(1,333.1)
Gross profit	**82.3**	81.1	**325.4**	302.9
Less: Cash operating and administration costs(1)	**(74.2)**	(70.4)	**(238.3)**	(233.3)
EBITDA from operations	**8.1**	10.7	**87.1**	69.6

(1) In order to better reflect the results of its operations, Superior has reclassified certain amounts for purposes of this management's discussion analysis to present its results as if it had accounted for various transactions as accounting hedges. See "Reconciliation of Divisional Segmented Revenue and Cost of Sales to EBITDA" for detailed amounts.

(2) Superior has restated its 2010 results in accordance with IFRS, see "Adoption of IFRS" for the impact of IFRS on Superior's 2010 results.

Revenues for the third quarter of 2011 were $522.6 million, an increase of $68.0 million from revenues of $454.6 million in 2010. The increase in revenues is primarily due to higher commodity prices and increased sales volumes. Total gross profit for the third quarter of 2011 was $82.3 million, an increase of $1.2 million or 1% over the prior year quarter. The increase in gross profit is due to higher sales volumes, higher gross margins and favourable market conditions within Canadian Propane distribution and Fixed-price energy services businesses. A summary and detailed review of gross profit is provided below.

Gross Profit Detail

	Three months ended September 30,		Nine months ended September 30,	
(millions of dollars)	**2011**	2010	**2011**	2010
Canadian propane distribution	**45.4**	43.1	**160.7**	153.0
U.S. refined fuels distribution	**15.7**	18.2	**99.8**	89.0
Other services	**9.8**	10.4	**29.4**	31.2
Supply portfolio management	**1.9**	2.5	**8.7**	8.5
Fixed-price energy services	**9.5**	6.9	**26.8**	21.2
Total gross profit	**82.3**	81.1	**325.4**	302.9

Canadian Propane Distribution

Canadian propane distribution gross profit for the third quarter was $45.4 million, an increase of $2.3 million or 5% from 2010, due to higher sales volumes and gross margins. Residential and commercial sales volumes in 2011 were lower than the prior year quarter due to customer conservation efforts. Average weather across Canada for the quarter, as measured by degree days, was 22% warmer than the prior year and 13% warmer than the five-year average. However, heating related volumes in the second and third quarters are not materially impacted by average weather due to the seasonality of Canadian propane distributions operations. Industrial volumes increased by 15 million litres or 11%, due to an increased oilfield services demand and favourable contribution from sales initiatives. Automotive propane volumes declined by 3 million litres or 11%, due to the continued structural decline in this end-use market.

Average propane sales margins for the third quarter increased slightly to 19.0 cents per litre from 18.4 cents per litre in the prior year quarter. The increase in average margins compared to the prior year quarter is principally due to the reclassification of $2.0 million in customer credits previously included within operating costs offset in part by sales mix.

Canadian Propane Distribution Sales Volumes

Volumes by End-Use Application [1]

	Three months ended September 30,	
(millions of litres)	**2011**	2010
Residential	**16**	17
Commercial	**37**	39
Agricultural	**7**	11
Industrial	**154**	139
Automotive	**25**	28
	239	234

Volumes by Region [2]

	Three months ended September 30,	
(millions of litres)	**2011**	2010
Western Canada	**130**	131
Eastern Canada	**87**	85
Atlantic Canada	**22**	18
	239	234

Volumes by End-Use Application [1]

	Nine months ended September 30,	
(millions of litres)	**2011**	2010
Residential	**88**	87
Commercial	**190**	178
Agricultural	**36**	38
Industrial	**560**	486
Automotive	**63**	74
	937	863

Volumes by Region [2]

	Nine months ended September 30,	
(millions of litres)	**2011**	2010
Western Canada	**520**	470
Eastern Canada	**337**	323
Atlantic Canada	**80**	70
	937	863

(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 consists of New Brunswick, Newfoundland & Labrador, Nova Scotia and Prince Edward Island.

U.S. Refined Fuels Distribution

U.S. refined fuels gross profit for the third quarter was $15.7 million, a decrease of $2.5 million from the prior year quarter. The decrease in gross profit is due to lower sales volumes offset in part by higher gross margins. Sales volumes of 344 million litres, decreased by 19 million litres or 5% as compared to the prior year quarter. The decrease in sales volumes was primarily due to lower commercial volumes as a result of competitive pressures and loss of some larger customers and the impact of higher commodity prices. Colder weather as measured by heating degree days for the third quarter was 36% warmer than the prior year however, heating related volumes in the second and third quarters are not materially impacted by average weather due to the seasonality of U.S. refined fuels operations. Average U.S. refined fuels sales margins of 4.6 cents per litre decreased from the 5.0 cents per litre in the prior year quarter. The decrease in sales margins is due to competitive pressures driven by seasonally higher supply costs as compared to prior years.

U.S. Refined Fuels Distribution Sales Volumes

Volumes by End-Use Application [1]

	Three months ended September 30,	
(millions of litres)	**2011**	2010
Residential	**27**	27
Commercial	**190**	210
Wholesale	**127**	126
	344	363

Volumes by Region [2]

	Three months ended September 30,	
(millions of litres)	**2011**	2010
Northeast United States	**344**	363
	344	363

Volumes by End-Use Application [1]

	Nine months ended September 30,	
(millions of litres)	**2011**	2010
Residential	**246**	224
Commercial	**673**	652
Wholesale	**381**	327
	1,301	1,203

Volumes by Region [2]

	Nine months ended September 30,	
(millions of litres)	**2011**	2010
Northeast United States	**1,301**	1,203
	1,301	1,203

(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 $9.8 million in the third quarter, a decrease of $0.6 million or 6% from the prior year quarter. The decrease in other services gross profit is due to lower customer demand.

Supply Portfolio Management

Supply portfolio management gross profits were $1.9 million in the third quarter, a decrease of $0.6 million from the prior year quarter due to reduced market related opportunities and lower sales volume.

Fixed-Price Energy Services

Fixed-Price Energy Services Gross Profit

(millions of dollars except volume and per unit amounts)	**Three months ended September 30, 2011** Gross Profit	Volume	Per Unit	Three months ended September 30, 2010 Gross Profit	Volume	Per Unit
Natural Gas (1)	**7.8**	**5.1 GJ**	**152.9 ¢/GJ**	5.9	6.9 GJ	85.5 ¢/GJ
Electricity (2)	**1.7**	**176.5 KWh**	**1.00 ¢/KWh**	1.0	86.2 KWh	1.16 ¢/KWh
Total	**9.5**			6.9		

(millions of dollars except volume and per unit amounts)	**Nine months ended September 30, 2011** Gross Profit	Volume	Per Unit	Nine months ended September 30, 2010 Gross Profit	Volume	Per Unit
Natural Gas (1)	**22.3**	**16.2 GJ**	**137.7 ¢/GJ**	18.5	21.1 GJ	87.7 ¢/GJ
Electricity (2)	**4.5**	**439.7 KWh**	**1.02 ¢/KWh**	2.7	233.4 KWh	1.16 ¢/KWh
Total	**26.8**			21.2		

(1) Natural gas volumes and per unit amounts are expressed in millions of gigajoules (GJ).
(2) Electricity volumes and per unit amounts are expressed in millions of kilowatt hours (KWh).

Fixed-price energy services gross profit was $9.5 million in the third quarter, an increase of $2.6 million (38%) from $6.9 million in the prior year quarter. Natural gas gross profit was $7.8 million, an increase of $1.9 million from the prior year quarter due to higher margins offset in part by lower volumes. Gross profit per unit was 152.9 cents per gigajoules (GJ), an increase of 67.4 cents per GJ (79%) from the prior year quarter. The increase in natural gas gross margin was due to increased residential renewal margins, higher transportation revenue, lower transportation costs and lower charges associated with load balancing. Sales volumes of natural gas were 5.1 million GJ, 1.8 million GJ (26%) lower than the prior year quarter due a continued decline in residential volumes as a result of focusing marketing efforts towards the commercial segment. Electricity gross profit in the third quarter of 2011 was $1.7 million, an increase of $0.7 million or 70% from the prior year quarter due to the aggregation of additional commercial customers in the Ontario market and higher customer demand. Fixed-price energy services continues to grow in the newly entered Pennsylvania electricity market due to successfully launching a residential electricity offering that is being sold to existing heating oil and propane customers.

Operating costs

Cash operating and administrative costs were $73.8 million in third quarter of 2011, an increase of $3.4 million or 5% from the prior year quarter. The increase in expenses was primarily due to a higher bad debt expense provision associated with Canadian Propane Distribution's system upgrade (see "System Upgrade") and the reclassification of $2.0 million in customer credits from operating costs to gross profits offset in part by a one-time $3.0 million reduction in Fixed-price energy services risk reserve allowance.

System Upgrade
During the second quarter of 2010, Superior's Canadian propane distribution business upgraded their JD Edwards enterprise system to the most recent version in order to enhance efficiencies and core business functions. As a result of the upgrade, Superior experienced complications with processing certain sales transactions and producing accurate invoices which delayed customer collections. The delay in customer collections has resulted in increased past due receivables which Superior has provided for through an increase to the allowance for doubtful accounts during the third quarter of 2011 of $3.0 million (Nine months ended September 30, 2011 - $4.7 million). Early in the second quarter of 2011 Superior resolved the remaining technical issues associated with the system upgrade and the system is now fully operational. Superior expects to collect any remaining past due accounts receivable balances during the fourth quarter of 2011.

U.S. refined fuels asset impairments
During the third quarter, U.S. refined fuels incurred asset impairments of $3.4 million due to flooding in Montoursville, Pennsylvania which caused damage to building, tanks and equipment and due to a fire at one of its locations in Mumford, New York which also damaged buildings, tanks and equipment. These interruptions will not impact U.S. refined fuels operations and management is working with our insurance providers in order to get the facilities repaired.

Outlook
Energy Services' expects EBITDA from operations for 2011 to be between $125 million and $145 million. Energy Services' previous outlook as provided in the 2011 second quarter Management's Discussion and Analysis was $120 million to 140 million. The increase in the 2011 outlook is primarily related to the contribution of strong year to date results. Significant assumptions underlying its current outlook are:

- Average temperatures across Canada and the northeast United States are expected to be consistent with the recent five-year average;
- Total propane and U.S. refined fuels-related sales volumes in 2011 compared to 2010 are anticipated to increase due to colder than average weather experienced during the first half of 2011, anticipated average weather during the fourth quarter of 2011, economic improvement, and sales and marketing initiatives;
- Wholesale propane, and U.S. refined fuels-related prices are not anticipated to significantly impact demand for propane, refined fuels and related services;
- Supply portfolio management market opportunities are expected to return to historic levels for the remainder of 2011;
- Fixed price energy services is expected to be able to access sales channel agents on acceptable contract terms and expects gross profit to increase from 2010 levels. The financial benefit from entering the retail electricity and natural gas markets in the northeast U.S. in 2011 is expected to be offset by reduced residential customer revenues due to the exit of the B.C. residential natural gas market in 2010 and lack of volatility in the price of natural gas; and
- The commercial electricity market in Ontario is expected to provide growth opportunities in 2011.

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

Specialty Chemicals

Specialty Chemicals' condensed operating results for 2011 and 2010 are provided in the following table.

(millions of dollars except per metric tonne (MT) amounts)	**Three months ended September 30, 2011**		2010 (2)		**Nine months ended September 30, 2011**		2010 (2)	
		$ per MT		$ per MT		**$ per MT**		$ per MT
Chemical Revenue(1)	**134.2**	**681**	124.4	658	**390.7**	**668**	353.1	651
Chemical Cost of Sales (1)	**(73.4)**	**(372)**	(68.3)	(361)	**(219.0)**	**(374)**	(192.0)	(354)
Chemical Gross Profit	**60.8**	**309**	56.1	297	**171.7**	**294**	161.1	297
Less: Cash operating and administrative costs(1)	**(30.6)**	**(155)**	(29.2)	(154)	**(91.0)**	**(156)**	(88.2)	(162)
EBITDA from operations	**30.2**	**154**	26.9	143	**80.7**	**138**	72.9	135
Chemical volumes sold (thousands of MTs)	**197**		189		**585**		542	

(1) In order to better reflect the results of its operations, Superior has reclassified certain amounts for purposes of this management's discussion analysis related to derivative financial instruments, non-cash amortization and foreign currency translation losses/gains related to U.S.-denominated working capital. See "Reconciliation of Divisional Segmented Revenue and Cost of Sales to EBITDA" for detailed amounts.

(2) Superior has restated its 2010 results in accordance with IFRS, see "Adoption of IFRS" for the impact of IFRS on Superior's 2010 results.

Chemical revenue for the third quarter of $134.2 million was $9.8 million or 8% higher than the prior year quarter primarily as a result of increased sodium chlorate and chloralkali/potassium sales volumes and higher sodium chlorate and chloralkali/potassium pricing. Third quarter gross profit of $60.8 million was $4.7 million higher than the prior year quarter due to increased sodium chlorate and chloralkali/potassium gross profits. Sodium chlorate sales volumes increased by 2,500 tonnes or 2% compared to the prior year quarter due to higher demand from North America as a result of increased demand for pulp. Sodium chlorate gross profits were higher than the prior year quarter due to increased realized pricing on contract renewals and higher realized gains on U.S. dollar foreign currency forward contracts. Chloralkali/potassium gross profits were higher than the prior year quarter as a result of increased sales volumes and higher gross margins. Chloralkali/potassium sales volumes increased by 4,500 tonnes or 7% compared to the prior year quarter due to continued strong demand and increased production at Port Edwards. Gross margins were higher than the prior year quarter due to higher caustic pricing for some products.

Cash operating and administrative costs of $30.6 million were $1.4 million or 5% higher than the prior year quarter due to higher wages and timing of maintenance expenditures.

Outlook

Specialty Chemicals' expects EBITDA from operations for 2011 to be between $105 million and $120 million. Specialty Chemicals' previous outlook as provided in the 2011 second quarter Management's Discussion and Analysis was $100 million to $115 million. The increase in the 2011 outlook is primarily due to strong year to date results and increased contributions from the Port Edwards facility. Significant assumptions underlying the current outlook are:

- Supply and demand fundamentals for sodium chlorate are expected to remain strong for the remainder of 2011, resulting in increased sales volumes as compared to 2010. Pricing is expected to remain consistent or slightly improved as compared to 2010 levels;
- Chloralkali revenues in 2011 are expected to increase due to higher selling prices and higher sales volumes and favourable product mix from the Port Edwards facility; and
- Average plant utilization will approximate 95% in 2011.

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 2011 and 2010 are provided in the following table.

	Three months ended September 30,		Nine months ended September 30,	
(millions of dollars)	**2011**	2010 [3]	**2011**	2010 [3]
Revenue				
Gypsum Specialty Distribution (GSD) revenue [1] [2]	**131.2**	128.5	**364.3**	366.2
Commercial and Industrial Insulation (C&I) revenue [2]	**58.1**	61.7	**169.4**	170.6
Cost of sales				
GSD cost of sales[2]	**(101.4)**	(97.9)	**(282.5)**	(283.3)
C&I cost of sales[2]	**(43.2)**	(44.5)	**(124.2)**	(125.1)
Gross profit	**44.7**	47.8	**127.0**	128.4
Less: Cash operating and administrative costs	**(37.6)**	(39.6)	**(109.7)**	(109.5)
EBITDA from operations	**7.1**	8.2	**17.3**	18.9

(1) In order to better reflect the results of its operations, Superior has reclassified certain amounts for purposes of this management's discussion analysis to present its results as if it had accounted for various transactions as accounting hedges. See "Reconciliation of Divisional Segmented Revenue and Cost of Sales to EBITDA" for detailed amounts.

(2) Certain reclassifications of 2010 amounts have been made to conform to current presentation. Specifically, for the three and nine months ended September 30, 2010, $128.5 million and $366.2 million have been reclassified to GSD revenue from distribution and direct sales revenue to provide comparative presentation of Construction Products Distribution's revenue, respectively. For the three and nine months ended September 30, 2010, $61.7 million and $170.6 million have been reclassified to C&I revenue from distribution and direct sales revenue to provide comparative presentation of Construction Products Distribution revenue, respectively. For the three and nine months ended September 30, 2010, $97.9 million and $283.3 million have been reclassified to GSD cost of sales from distribution and direct cost of sales to provide comparative presentation of Construction Products Distribution's cost of sales, respectively. For the three and nine months ended September 30, 2010, $44.5 million and $125.1 million have been reclassified to C&I cost of sales from distribution and direct cost of sales to provide comparative presentation of Construction Products Distribution's cost of sales, respectively.

(3) Superior has restated its 2010 results in accordance with IFRS, see "Adoption of IFRS" for the impact of IFRS on Superior's 2010 results.

GSD and C&I revenues of $189.3 million for the third quarter of 2011 were $0.9 million (1%) lower than the prior year quarter. The slight decrease in revenue was due to lower C&I demand and pricing offset in part by higher GSD revenue from some Canadian based regions and from the expansion of the GSD product line into existing U.S. based branches.

Gross profit of $44.7 million in the third quarter was $3.1 million lower than the prior year quarter, due principally to the impact of lower pricing as a result of continued difficult market conditions, sales mix and competitive pressures offset in part by higher gross margins due to contribution from the U.S. GSD expansion and ongoing impact of the implementation of a strategic procurement strategy. Sales margins and average selling prices continue to be challenged as a result of ongoing competitive pressures, supplier price increases and slow economic activity.

Cash operating and administration costs were $37.6 million in the third quarter, a decrease of $2.0 million or 5% from the prior year quarter. The decrease in expenses was primarily due to the $3.1 million of restructuring and system conversion costs which were incurred in the prior year quarter offset in part by higher employee costs, higher professional fees and losses on the translation of U.S. denominated net working capital.

Intangible and goodwill impairments

During the third quarter, Construction Products Distribution performed a detailed impairment review of its intangible assets and goodwill. This calculation was performed due a reduction in the near term and medium term forecast for the segment which resulted in indications of impairment. As a result of a detailed cash flow evaluation, Construction Products Distribution recorded an impairment charge of $78.0 million to intangible assets and goodwill.

Outlook

Construction Products Distribution expects EBITDA from operations for 2011 to be between $15 million and $25 million, which have been reduced from guidance provided in the 2011 second quarter Management's Discussion and Analysis of $27 million and $37 million due to ongoing and enhanced competitive pressures and reductions to both Canadian and U.S. gross domestic product growth estimates. Significant assumptions underlying its current outlook are:

- GSD and C&I sales revenues are expected to decline from 2010 levels due to market conditions which are expected to be similar to those experienced during the first three quarter of 2011.

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 September 30,		Nine months ended September 30,	
(millions of dollars)	**2011**	2010	**2011**	2010
Efficiency, process improvement and growth related	**3.5**	1.1	**10.9**	13.2
Other capital	**5.5**	5.3	**12.7**	11.3
	9.0	6.4	**23.6**	24.5
Acquisition of Griffith	−	0.1	−	142.7
Acquisition of Burnaby Assets (Burnaby)	−	−	−	17.8
Other acquisitions	**8.8**	−	**13.7**	0.3
Proceeds on disposition of capital	**(0.6)**	(0.7)	**(2.2)**	(2.5)
Total net capital expenditures	**17.2**	5.8	**35.1**	182.8
Investment in finance leases	**3.9**	1.0	**8.1**	10.1
Total expenditures	**21.1**	6.8	**43.2**	192.9

Efficiency, process improvement and growth related expenditures were $3.5 million in the third quarter compared to $1.1 million in the prior year quarter. These were incurred primarily in relation to Energy Services' purchases of rental assets, system upgrades and truck related expenditures. Other capital expenditures were $5.5 million in the third quarter compared to $5.3 million in the prior year quarter, consisting primarily of required maintenance and general capital across all of Superior's segments. During the third quarter U.S. refined fuels completed the acquisition of a small propane distributor for $6.0 million and a small heating oil distributor for $2.8 million. Proceeds on the disposal of capital were $0.6 million in the third quarter and consisted of Superior's disposition of surplus tanks, cylinders and other assets. During the third quarter Superior entered into new leases with capital equivalent value of $3.9 million primarily related to delivery vehicles for the Energy Services and Construction Products Distribution segments.

Corporate and Interest Costs
Corporate costs for the third quarter were $1.5 million, compared to $0.4 million in the prior year quarter. Corporate costs increased primarily due to the $2.8 million in gains from the one-time unwind of some of Superior's foreign currency forward contracts during the prior year quarter offset in part by a $1.7 million reduction in employee long term incentive compensation costs due to the recent decline in Superior share price and lower professional and consulting fees.

Interest expense on borrowings for the third quarter was $10.7 million, a decrease of $0.3 million from the prior year quarter due to lower average borrowings. 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 includes all series of convertible unsecured subordinated debentures) was $9.8 million for the third quarter of 2011, $2.3 million higher than the prior year quarter of $7.5 million. The increase in debenture interest is primarily due to the issuance of $150.0 million, 6.00% convertible debentures on December 23, 2010 for general corporate purposes.

Taxation
Total income tax recovery for the third quarter was $19.7 million, and consists of $0.1 million in cash income tax recovery and $19.6 million in deferred income tax recovery, compared to a total income tax expense of $7.8 million in the prior year quarter, which consisted of $0.5 million in cash income tax expense and a $7.3 million deferred income tax expense.

Cash income tax recovery for the third quarter was $0.1 million and consisted of income tax recovery in the U.S. of $0.1 million (2010 Q3 - $0.5 million of U.S. cash tax expense). Deferred income tax recovery for the third quarter was $19.6 million (2010 Q3 - $7.3 million deferred income tax expense), resulting in a corresponding net deferred income tax asset of $263.7 million as at September 30, 2011. Deferred income taxes for the third quarter were impacted by unrealized gains and losses on derivative financial instruments and an increase in operating results.

Consolidated Outlook
Superior outlook for cash flow from operations for 2011 to remain unchanged between $1.55 and $1.90 per share, consistent with Superior's previous financial outlook as provided in the 2011 second quarter Management's Discussion and Analysis. Superior's consolidated adjusted operating cash flow outlook is dependent on the operating results of its three operating segments. See the discussion of operating results by segment for additional details on Superior's 2011 guidance.

Superior expects adjusted operating cash flow for 2012 to be between $1.55 and $1.90 per share. The outlook for 2012 reflects business conditions being similar to those of 2011, inclusive of the detailed assumptions for Superior's three operating segments for 2011. See the discussion of operating results by segment for additional details on the assumptions by business segment.

In addition to the operating results of Superior's three operating segments, significant assumptions underlying Superior's current 2011 outlook are:

- The economic recovery in Canada and the United States is expected to continue with slow growth through the fourth quarter of 2011 with similar growth expected for 2012
- Superior is expected to continue to attract capital and obtain financing on acceptable terms;

- The foreign currency exchange rate between the Canadian and US dollar is expected to be US$0.97 per Canadian dollar in 2011 and at par with the US dollar in 2012 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 at current levels;
- The consolidated outlook for 2011 and 2012 includes the impact of the DRIP; and
- Canadian and U.S. based cash taxes are expected to be minimal in 2011 and 2012 and have been based on existing statutory income tax rates.

In addition to Superior's significant assumptions detailed above, refer to the section "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 (Borrowings) before deferred financing fees totaled $672.0 million as at September 30, 2011, a decrease of $68.0 million from December 31, 2010. Overall Borrowings decreased as compared to year end due to lower net working capital requirements offset in part by funding requirements for finance lease repayments, dividends payments and net capital expenditures.

On June 20, 2011, Superior completed an extension of its Credit Facility with ten lenders and increased the size of the facility from $450 million to $615 million. The secured revolving credit facility matures on June 27, 2014 and can be expanded up to $750 million. Financial covenant ratios were unchanged with Consolidated Secured Debt to Consolidated EBITDA ratio and Consolidated Debt to Consolidated EBITDA ratio of 3.0x and 5.0x, respectively. Additionally, in conjunction with the extension of the syndicated credit facility, Superior has terminated its accounts receivable securitization program which provided up to $130 million of additional credit on a seasonally adjusted basis. See "Summary of Cash Flows" for details on Superior's sources and uses of cash.

As at September 30, 2011, Debentures (before deferred issue costs) issued by Superior totaled $638.4 million which was consistent with the $637.8 million outstanding as at December 31, 2010. See Note 15 to the Unaudited Condensed Consolidated Financial Statements for additional details on Superior's Debentures.

As at September 30, 2011, approximately $270.0 million was available under the Credit Facility which Superior considers sufficient to meet its net working capital funding requirements, expected capital expenditures and refinancing requirements.

Consolidated net working capital was $295.0 million as at September 30, 2011, a decrease of $104.8 million from net working capital of $399.8 million as at December 31, 2010. The decrease in net working capital was primarily due to impact of the seasonal reduction in net working capital requirements at Energy Services and significant collections of past due accounts receivable related to the System Upgrade (refer to "System Upgrade" for additional details) at Canadian propane distribution. Lower net working capital levels at Specialty Chemicals were due to a prepayment of approximately $10.8 million from a large customer. Superior's net working capital requirements are financed from revolving term bank credit facilities.

In May 2010, Superior reestablished its DRIP, commencing with the payment of the May 2010 dividend. The DRIP provides Shareholders with the opportunity to reinvest their cash dividends at a 5% discount to the market price of Superior's shares. Proceeds received from the DRIP were $6.9 million (Three months ended September 30, 2010 - $6.9 million) and $23.4 million (Nine months ended September 30, 2010 - $8.4 million) for the three and nine months ended September 30, 2011, respectively.

As at September 30, 2011, when calculated in accordance with the Credit Facility, the Consolidated Secured Debt to Compliance EBITDA ratio was 2.1 to 1.0 (December 31, 2010 – 2.6 to 1.0) and the Consolidated Debt to Compliance EBITDA ratio was 2.6 to 1.0 (December 31, 2010 – 3.2 to 1.0). For both of these covenants all outstanding Convertible Debentures are not considered. These ratios are within the requirements contained in Superior's debt covenants, which restrict its ability to pay dividends. 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 convertible unsecured subordinated debentures. Distributions (including payments to Debenture holders) cannot exceed Compliance EBITDA less cash income taxes, plus $35.0 million on a trailing twelve month rolling basis.

As at September 30, 2011 proceeds of $nil million (December 31, 2010 – $90.1 million) had been raised under the accounts receivable securitization program. During the month of June of 2011, Superior terminated the accounts receivable securitization program. (See Note 13 to the Unaudited Condensed Consolidated Financial Statements).

On March 8, 2011, Standard and Poor's lowered both Superior and Superior LP's long-term corporate credit rating to BB- from BB and reduced the secured debt rating to BB+ from BBB-. The outlook rating for both Superior and Superior LP remains stable and the credit rating on Superior's unsecured debt is unchanged at BB-. On September 12, 2011, DBRS lowered Superior LP's senior secured rating to BB (high) from BBB(low) and lowered Superior LP's senior unsecured rating to BB (low) from BB (high). The trend for both ratings has been changed to stable from negative.

At September 30, 2011, Superior had an estimated defined benefit pension solvency deficiency of approximately $38.0 million (December 31, 2010 - $23.7 million) and a going concern solvency deficiency of approximately $21.3 million (December 31, 2010 - $17.7 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 existing revolving term bank credits and anticipated future operating cash flow to fund this deficiency over the prescribed funding 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 shares outstanding during the third quarter was 109.5 million shares, an increase of 2.9 million shares compared to the prior year quarter due to the issuance of 3,072,702 common shares over the past twelve months and the resulting impact on weighted average number of shares outstanding. The following table provides a detailed breakdown of the common shares issued over the last twelve months:

	Closing Date	Issuance Price per Share	Issued Number of Common Shares (Millions)
As at September 30, 2010			**106.8**
Issuance of common shares under Superior's DRIP	October 15, 2010 through September 15, 2011	$10.49	3.1
As at September 30, 2011			**109.9**

As at November 2, 2011, June 30, 2011 and December 31, 2010, the following common shares and securities convertible into common shares were outstanding:

	November 2, 2011		**September 30, 2011**		December 31, 2010	
(millions)	**Convertible Securities**	**Shares**	**Convertible Securities**	**Shares**	Convertible Securities	Shares
Common shares outstanding [(1)]		**110.2**		**109.9**		107.7
5.75% Debentures [(2)]	**$174.9**	**4.9**	**$174.9**	**4.9**	$174.9	4.9
5.85% Debentures [(3)]	**$75.0**	**2.4**	**$75.0**	**2.4**	$75.0	2.4
7.50% Debentures [(4)]	**$69.0**	**5.3**	**$69.0**	**5.3**	$69.0	5.3
5.75% Debentures [(5)]	**$172.5**	**9.1**	**$172.5**	**9.1**	$172.5	9.1
6.00% Debentures [(6)]	**$150.0**	**9.9**	**$150.0**	**9.9**	$150.0	9.9
Shares outstanding and issuable upon conversion of Debentures		**141.8**		**141.5**		139.3

(1) Common shares outstanding as at November 2, 2011, includes 332,752 common shares issued under Superior's DRIP program during the month of October.
(2) Convertible at $36.00 per share.
(3) Convertible at $31.25 per share.
(4) Convertible at $13.10 per share.
(5) Convertible at $19.00 per share.
(6) Convertible at $15.10 per share.

Dividends Paid to Shareholders

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

Dividends declared to shareholders in the third quarter were $32.9 million (before DRIP proceeds of $6.9 million) or $0.30 per share, a decrease of $10.2 million as compared to the third quarter of 2010 due to the revision of Superior's dividend rate to $0.10 per share per month effective with the March 2011 dividend payment. On November 2, 2011, Superior announced that the monthly dividend has been reduced to $0.05 per share or $0.60 per share on an annualized basis which decreased from the prior level of $0.10 per share per month or $1.20 per share on an annualized basis effective with Superior's November 2011 dividend. Superior has made the determination that it is prudent to accelerate its debt reduction plan by reducing its monthly dividend. See Superior's "Debt Management and Dividend Payout Ratio" section for further details. Dividends to shareholders are declared at the discretion of Superior.

Debt Management and Dividend Payout Ratio

As a result of the volatility in global and North American capital markets, and the performance of Superior's publicly traded securities, Superior has made the determination that it is prudent to accelerate its debt reduction plan by reducing its monthly dividend to $0.05 per share, effective with the November 2011 dividend. The reduction of the dividend will result in Superior retaining approximately $70 to $75 million of cash flow per annum, which combined with approximately $270 million of available bank debt, will be used for general debt repayment and refinancing purposes, including the repayment of the remaining December 2012, 5.75% convertible debenture (2012 Debentures). The reduction in the dividend will significantly enhance Superior's overall financial flexibility, including its restricted payments-based financial covenant, which will reduce Superior's exposure to ongoing volatility in capital markets and minimize the risk of future debt refinancings.

The reduction of Superior's monthly dividend to $0.05 per share enhances the stability of the dividend by reducing Superior estimated 2012 payout ratio to approximately 45% of AOCF less maintenance capital expenditures. The reduced payout ratio benefits all of Superior's stakeholders by ensuring that Superior will maintain the required financial flexibility to prudently manage its debt maturities and total debt leverage levels. Based on Superior's 2011 and 2012 financial outlook, Superior's total debt to EBITDA is anticipated to be between 4.4X to 4.6X as at December 31, 2012, a significant reduction from 5.2X at September 30, 2011. Details are further highlighted in the "Debt Management Summary" table below.

Superior expects to retain $70 to $75 million in cash flow per annum which, in combination with funds available through the syndicated bank facility, will provide Superior with approximately $150 million to $170 million of room under its various restricted payments financial covenants. This is sufficient to allow for the retirement of the remaining 2012 Debentures without reliance on access to the capital markets.

Debt Management Summary (1)

2012 financial outlook AOCF per share – mid-point (2)	$1.72
Maintenance capital expenditures	(0.20)
Capital lease obligation repayments	(0.15)
Cash flow available for dividends and debt repayment before growth capital	$1.37
Port Edward's 2012 one-time environmental expenditures and related	(0.10)
Other growth capital expenditures	(0.10)
Proceeds from dividend reinvestment program	0.10
Estimated 2012 free cash flow available for dividend and debt repayment	$1.27
Dividends (annualized)	$(0.60)
Cash flow available for debt repayment per share	$0.67
Cash flow available for debt repayment gross (millions of dollars)	$74.0
Dividend per share (annualized)	$0.60
Calculated payout ratio before growth capital	44%

(1) All amounts per share unless otherwise indicated.

(2) See "2012 Financial Outlook" for additional details including assumptions, definitions and risk factors.

Subsequent Events
On October 4, 2011, Superior completed the issuance of $75,000,000 aggregate principal amount of 7.50% convertible unsecured subordinated debentures at a price of $1,000 per Debenture. The Underwriters maintain an over-allotment option to purchase up to an additional $11,250,000 aggregate principal amount of Debentures at the same price, exercisable in whole or in part at any time for a period of up to 30 days following October 4, 2011. The Debentures are listed on the Toronto Stock Exchange under the symbol "SPB.DB.G".

On October 4, 2011, Superior also announced that it has provided notice that it will redeem $75 million principal amount of its previously issued 5.75% convertible subordinated debentures due December 31, 2012 on November 7, 2011. As previously announced, Superior will use the net proceeds from the Offering and funds from its bank facility to fund the redemption of the 2012 Debentures. The 5.75% convertible subordinated debentures will, in accordance with their terms, be redeemed at the redemption price of $1,000 in cash per $1,000 principal amount of 2012 Debentures plus accrued and unpaid interest up to but excluding the redemption date. The record date for the partial redemption is November 4, 2011.

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

Summary of Cash Flows [1]

(millions of dollars)	Three months ended September 30, **2011**	2010	Nine months ended September 30, **2011**	2010
Cash flows from operating activities	**109.2**	0.2	**230.9**	84.6
Investing activities:				
Purchase of property, plant and equipment [2]	**(9.0)**	(6.4)	**(23.6)**	(24.5)
Proceeds on disposal of property, plant and equipment	**0.6**	0.7	**2.2**	2.5
Acquisition of Griffith	**–**	–	**–**	(142.6)
Other acquisitions	**(8.8)**	–	**(13.7)**	(18.1)
Cash flows used in investing activities	**(17.2)**	(5.7)	**(35.1)**	(182.7)
Financing activities:				
Net proceeds (repayment) of borrowings	**(61.9)**	33.0	**6.9**	(40.6)
Repayment of finance lease obligation	**(2.9)**	(3.3)	**(10.8)**	(9.4)
Net proceeds (repayment) of accounts receivable securitization program	**–**	(2.8)	**(90.1)**	(10.1)
Proceeds from the issuance of 5.75% convertible debentures	**–**	–	**–**	172.5
Costs incurred for the issuance of 5.75% convertible debentures	**–**	–	**–**	(6.9)
Issuance of common shares	**–**	–	**–**	82.2
Proceeds from the dividend reinvestment plan	**7.0**	6.9	**23.4**	8.4
Dividends paid to shareholders	**(32.9)**	(43.1)	**(105.6)**	(127.7)
Increase (decrease) in non-cash financing working capital	**0.1**	7.6	**(3.5)**	8.5
Cash flows from (used in) financing activities	**(90.6)**	(1.7)	**(179.7)**	76.9
Net increase (decrease) in cash and cash equivalents	**1.4**	(7.2)	**16.1**	(21.2)
Cash and cash equivalents, beginning of period	**23.2**	10.6	**8.9**	24.3
Effect of translation of foreign denominated cash and cash equivalents	**1.4**	(0.2)	**1.0**	0.1
Cash and cash equivalents, end of period	**26.0**	3.2	**26.0**	3.2

(1) See the Consolidated Statements of Cash Flows for additional details.
(2) See "Consolidated Capital Expenditure Summary" for additional details.

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 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.

Effective 2008, Energy Services entered into natural gas financial swaps primarily with Macquarie Cook Energy Canada Ltd. (formerly, Constellation Energy Commodities Group Inc.) for distributor billed natural gas business in Canada to manage its economic exposure of providing fixed-price natural gas to its customers. Additionally, Energy Services maintains its natural gas swap positions with seven additional counterparties. Energy Services monitors its fixed-price natural gas positions on a daily basis to evaluate compliance with established risk management policies. Superior maintains a substantially balanced fixed-price natural gas position in relation to its customer supply commitments.

Energy Services entered into electricity financial swaps with three counterparties to manage the economic exposure of providing fixed-price electricity to its customers. Energy Services monitors its fixed-price electricity positions on a daily basis to evaluate compliance with established risk management policies. Energy Services maintains a substantially balanced fixed-price electricity position in relation to its customer supply commitments.

Energy Services entered into various propane forward purchase and sale agreements with more than 20 counterparties to manage the economic exposure of its wholesale customer supply contracts. Energy Services monitors its fixed-price propane positions on a daily basis to monitor compliance with established risk management policies. Energy Services maintains a substantially balanced fixed-price propane gas position in relation to its wholesale customer supply commitments.

Specialty Chemicals has entered into fixed-price electricity purchase agreements to manage the economic exposure of certain of its chemical facilities to changes in the market price of electricity, in markets where the price of electricity is not fixed. Substantially all of the fair value with respect to these agreements is with a single counterparty.

Superior, on behalf of its operating divisions, entered into foreign currency forward contracts with twelve counterparties to manage the economic exposure of Superior’s operations to movements in foreign currency exchange rates. Energy Services contracts a portion of its fixed-price natural gas, propane and heating oil purchases and sales in US dollars and enters into forward US dollar purchase contracts to create an effective Canadian dollar fixed-price purchase cost. Specialty Chemicals enters into US dollar forward sales contracts on an ongoing basis to mitigate the impact of foreign exchange fluctuations on sales margins on production from its Canadian plants that is sold in US dollars. Interest expense on Superior’s US dollar debt is also used to mitigate the impact of foreign exchange fluctuations.

As at September 30, 2011, Energy Services had hedged approximately 100% of its US dollar natural gas and propane purchase (sales) obligations for the remainder of 2011. Overall Superior has hedged principally all of its estimated US dollar exposure for 2011 and approximately 90% for 2012. The estimated sensitivity on 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 2011 is $0.1 million, respectively after giving effect to United States forward contracts for 2011, 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 2011 of 0.97 and for 2012 at par with the US dollar.

(US$ millions except exchange rates)	2011	2012	2013	2014	2015	2016 and Thereafter	Total
Energy Services – US$ forward purchases (sales) (1)	13.8	48.4	44.0	26.0	26.0	–	158.2
Construction Products Distribution – US$ forward sales	4.5	24.0	24.0	12.0	12.0	–	76.5
Specialty Chemicals – US$ forward sales	36.0	134.5	132.0	118.0	106.0	–	526.5
Corporate – US$ forward purchases	(5.2)	–	–	–	–	–	(5.2)
Net US $ forward sales	49.1	206.9	200.0	156.0	144.0	–	756.0
Energy Services – Average US$ forward sales rate (1)	1.05	1.05	1.06	1.01	1.01	–	1.04
Construction Products Distribution – Average US$ forward sales rate	1.06	1.06	1.07	1.00	1.00	–	1.04
Specialty Chemicals – US$ forward sales rate	1.10	1.04	1.04	1.03	1.00	–	1.04
Corporate – US$ forward purchases	1.00	–	–	–	–	–	1.00
Net average external US$/Cdn$ exchange rate	1.09	1.05	1.05	1.03	1.00	–	1.04
Specialty Chemicals – Euro forward sales	1.20	–	–	–	–	–	1.20
Specialty Chemicals – Average Euro forward sales rate	1.40	–	–	–	–	–	1.40

(1) Fixed-price energy services is now sourcing its fixed-price natural gas requirements in Canadian dollars; as such, Fixed-price energy services will no longer be required to use US-dollar forward contracts to fix its Canadian dollar exposure.

Superior has interest rate swaps with four counterparties to manage the interest rate mix of its total debt portfolio and related overall cost of borrowing. Superior manages its overall liquidity risk in relation to its general funding requirements by utilizing a mix of short-term and longer-term maturity debt instruments. Superior reviews its mix of short-term and longer-term debt instruments on an on-going basis to ensure it is able to meet its liquidity requirements.

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 and Construction Products Distribution deal 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 fixed-price energy services business has minimal exposure to customer credit risk as local natural gas and electricity distribution utilities have been mandated, for a nominal fee, to provide invoicing, collection and the assumption of bad debts risk for residential and small commercial customers. Fixed-price energy services actively monitor the credit worthiness of its direct bill industrial customers. All of Superior's business segments have credit risk policies in place in order to minimize credit exposures.

For additional details on Superior's financial instruments, including the amount and classification of gains and losses recorded in Superior's third quarter 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 17 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 September 30, 2011.

During 2010, the Canadian propane distribution business completed a system upgrade of their JD Edwards enterprise system to the most recent version. Superior has experienced improvements in areas such as process efficiency and certain internal controls as a result of the upgrade. The Canadian propane distribution management team resolved all the significant technical invoicing issues with the JD Edwards enterprise system during the second quarter. Superior is focused on reducing any outstanding accounts receivable balances associated with the system conversion and expects accounts receivable levels to return to historical levels during the fourth quarter 2011.

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 September 30, 2011. 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 asset retirement obligations.

Adoption of IFRS

The Accounting Standards Board of Canada (AcSB) announced plans in 2008 which require the convergence of GAAP with IFRS for publicly accountable enterprises, including Superior. The changeover date from GAAP to IFRS is for annual and quarterly financial statements relating to fiscal years beginning on or after January 1, 2011.

The initial adoption of IFRS has required Superior to review each of its accounting policies and determine whether or not a change is required or permitted under IFRS and whether any amended policy is required to be applied on a retrospective or prospective basis. This review was performed in accordance with IFRS 1 *First-time Adoption of International Financial Reporting Standards* which provides guidance for initial adoption, policy choice option and exemptions available.

IFRS accounting standards are similar to the conceptual framework of GAAP, although significant differences exist in certain matters of recognition, measurement and disclosure. The adoption of IFRS has had a material impact on Superior's consolidated balance sheets and statement of comprehensive income.

Transition to IFRS

Superior has restated previously reported unaudited financial figures for 2010 under GAAP to reflect the impact of adopting IFRS. Superior's financial information has been compiled from the underlying IFRS basis of financial information included in the accompanying financial statements as at September 30, 2011 and for the three and nine months periods ended September 30, 2011 and 2010. See Note 29 to Superior's Unaudited Condensed Consolidated Financial Statements for the details on Superior's transition to IFRS.

Superior will continue to assess the impact of changes to IFRS on its opening balance sheet adjustments and other reporting periods. The actual adjustments recorded in Superior's opening balance sheet as at January 1, 2010 for the year ending December 31, 2011, may differ from those presented in the Unaudited Condensed Consolidated Financial Statements as a September 30, 2011 pending changes to IFRS accounting standards.

Reconciliation from GAAP to IFRS

The following table reconciles Superior's audited financial information for the three and nine months ended September 30, 2010 under GAAP to that under IFRS. Superior has also provided additional analysis describing the reconciling items affecting AOCF for the period.

Reconciliation of Net Earnings (Loss) for the Three and Nine Months Ended September 30, 2010

Three months ended September 30, 2010 (millions of dollars)	**GAAP**	Adjustments	Reclassifications	**IFRS**	IFRS Accounts
Revenues	**767.0**	(1.5)	3.6	**769.1**	Revenues
Cost of products sold	**(571.1)**	0.7	(26.3)	**(596.7)**	Cost of sales
Realized gains (losses) on derivative financial instruments	**(19.9)**	–	19.9	–	
Gross profit	**176.0**	(0.8)	(2.8)	**172.4**	
Operating and administrative costs	**148.8**	(5.4)	15.1	**158.5**	Selling, distribution and administrative costs
	–	1.0	–	**1.0**	Other expenses
Deprecation of property, plant and equipment	**11.3**	2.9	(14.2)	–	
Amortization of intangible assets	**3.2**	0.5	(3.7)	–	
Interest on revolving term bank credits and term loan	**9.8**	1.3	9.0	**20.1**	Finance expense
Interest on convertible unsecured subordinated debt	**7.4**	–	(7.4)	–	
Accretion of convertible debenture and borrowings issue costs	**1.6**	–	(1.6)	–	
Unrealized losses (gains) on derivative financial instruments	**(1.2)**	–	–	**(1.2)**	Unrealized losses (gains) on derivative financial instruments
	180.9	0.3	(2.8)	**178.4**	
Net earnings (loss) before income taxes	**(4.9)**	(1.1)	–	**(6.0)**	Net earnings (loss) before income taxes
Income tax recovery (expense)	**0.9**	–	(8.7)	**(7.8)**	Income tax recovery (expense)
Net Earnings (Loss)	**(4.0)**	(1.1)	(8.7)	**(13.8)**	**Net Earnings (Loss)**

Nine months ended September 30, 2010 (millions of dollars)	**GAAP**	Adjustments	Reclassifications	**IFRS**	IFRS Accounts
Revenues	**2,520.0**	(0.1)	6.3	**2,526.2**	Revenues
Cost of products sold	**(1,899.4)**	(1.9)	(69.0)	**(1,970.3)**	Cost of sales
Realized gains (losses) on derivative financial instruments	**(58.5)**	–	58.5	–	
Gross profit	**562.1**	(2.0)	(4.2)	**555.9**	
Operating and administrative costs	**462.1**	(16.9)	53.6	**498.8**	Selling, distribution and administrative costs
	–	3.3	–	**3.3**	Other expenses
Deprecation of property, plant and equipment	**28.5**	10.1	(38.6)	**–**	
Amortization of intangible assets	**16.3**	1.6	(17.9)	**–**	
Interest on revolving term bank credits and term loan	**29.8**	3.5	23.7	**57.0**	Finance expense
Interest on convertible unsecured subordinated debt	**20.2**	–	(20.2)	**–**	
Accretion of convertible debenture and borrowings issue costs	**4.9**	–	(4.9)	**–**	
Unrealized losses (gains) on derivative financial instruments	**31.2**	–	–	**31.2**	Unrealized losses (gains) on derivative financial instruments
	593.0	1.6	(4.3)	**590.3**	
Net earnings (loss) before income taxes	**(30.9)**	(3.6)	0.1	**(34.4)**	Net earnings (loss) before income taxes
Income tax recovery (expense)	**17.5**	–	(2.9)	**14.6**	Income tax recovery (expense)
Net Earnings (Loss)	**(13.4)**	(3.6)	(2.8)	**(19.8)**	**Net Earnings (Loss)**

In the above table, any amounts under IFRS adjustments represents changes made to GAAP information due to the adoption of IFRS. See Note 29 to Superior’s Unaudited Condensed Consolidated Financial Statements as at and for the three and nine months ended September 30, 2011 for details of these changes.

Reconciliation from AOCF under GAAP to AOCF under IFRS

(millions of dollars)	**Three months ended September 30, 2010**	**Nine months ended September 30, 2010**	**Year ended December 31, 2010**
AOCF as reported under GAAP	22.2 [(1)]	86.2 [(1)]	143.4 [(1)]
IFRS Adjustments:			
Finance leases	3.3	9.4	12.8
Employee future benefits	(0.3)	1.5	1.1
Capitalization of major inspections and overhauls	1.1	2.5	4.0
Add back of non-recurring other expenses	–	–	1.2
Non-IFRS Adjustments:			
Revenue recognition adjustment	0.1	0.8	0.4
AOCF as revised under IFRS	26.4	100.4	162.9

(1) In order to better reflect the results of its operations, Superior has revised the treatment of customer contract related costs and non-cash interest expenses in the prior year AOCF.

Adjustments:

Finance leases: Under IFRS, Superior is required to capitalize leases which qualify as finance leases based on the criteria set out in IAS 17 *Leases*. AOCF has increased by an amount equal to the principal repayment of leases treated as finance under IFRS. Also Superior has increased borrowings by $69.7 million as at December 31, 2010 due to the recognition of finance leases under IFRS.

Employee Future Benefits: Under IFRS, Superior was required to revalue its employee benefit obligation as at January 1, 2010, which reduced the period expense for employee future benefits during 2010.

Capitalization of major inspections and overhauls: Under IFRS, Superior has capitalized various expenditures for major inspections and overhauls which did not qualify for capitalization under GAAP. As such AOCF have increased due to the capitalization of those types of costs.

Revenue Recognition Adjustment: Superior has adjusted the amount of previously recorded revenue and cost of goods sold for the three and nine months ended September 30, 2010 and the impact will substantially reverse in the fourth quarter of the 2010 comparative figures.

Quarterly Financial and Operating Information

(millions of dollars except per share amounts)	2011 Quarters			2010 Quarters [2]				2009 Quarters [3]
	Third	Second	First	Fourth	Third	Second	First	Fourth
Canadian propane sales volumes (millions of litres)	**239**	260	439	372	234	249	380	390
U.S. refined fuels sales volumes (millions of litres)	**344**	405	552	499	331	371	469	–
Natural gas sales volumes (millions of GJs)	**5**	6	6	6	7	7	7	8
Electricity sales volumes (millions of KwH)	**176**	146	117	133	86	73	74	68
Chemical sales volumes (thousands of metric tonnes)	**197**	192	196	193	189	183	170	160
Revenues (millions of dollars)	**845.0**	898.4	1,138.8	1,011.2	769.1	791.2	965.9	747.5
Gross profit	**178.5**	176.0	238.4	224.7	172.4	165.9	217.6	203.3
Net earnings (loss)	**(113.4)**	1.1	41.1	(57.2)	(13.8)	(5.5)	(0.5)	17.4
Per share, basic and diluted	**$(1.04)**	$0.01	$0.38	($0.53)	($0.13)	($0.05)	$(0.00)	$0.18
Adjusted operating cash flow (millions of dollars)	**23.5**	19.8	73.3	62.5	26.5	12.9	61.0	64.4
Per share, basic and diluted	**$0.21**	$0.18	$0.68	$0.58	$0.25	$0.12	$0.59	$0.65
Net working capital [1] (millions of dollars)	**295.0**	365.3	416.1	399.8	280.9	268.3	228.8	183.8

(1) Net working capital reflects amounts as at the quarter-end and is comprised of accounts receivable and inventories, less trade and other payables and deferred revenue.

(2) All 2010 figures have been restated for the adoption of IFRS.

(3) All 2009 figures are based on GAAP.

Non-IFRS Financial Measures

Adjusted Operating Cash Flow

Adjusted operating cash flow is equal to cash flow from operating activities as defined by IFRS, adjusted for changes in non-cash working capital. Superior may deduct or include additional items to its calculation of adjusted operating cash flow; these items would generally, but not necessarily, be items of a non-recurring nature. Adjusted operating cash flow is the main performance measure used by management and investors to evaluate the performance of Superior. Readers are cautioned that adjusted operating cash flow is not a defined performance measure under IFRS and that adjusted operating cash flow cannot be assured. Superior's calculation of adjusted operating cash flow may differ from similar calculations used by comparable entities. Adjusted operating cash flow 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 adjusted operating cash flow. Adjustments recorded by Superior as part of its calculation of adjusted operating cash flow 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 expense, which can differ significantly from quarter to quarter. Adjustments are also made to reclassify the cash flows related to natural gas and electricity customer contract related costs in a manner consistent with the income statement recognition of these costs. Adjusted operating cash flow is reconciled to cash flow from operating activities on page 10.

EBITDA

EBITDA represents earnings before taxes, depreciation, amortization, finance expense and other non-cash expenses, and is used by Superior to assess its consolidated results and the results 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. EBITDA of Superior's operating segments may be referred to as EBITDA from operations. Net earnings are reconciled to EBITDA from operations on page 34.

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. See Note 19 to the Unaudited Condensed Consolidated Financial Statements for a reconciliation of net earnings (loss) to Compliance EBITDA.

Payout Ratio

Payout ratio represents dividends as a percentage of adjusted operating cash flow less maintenance 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 (Loss) to EBITDA from Operations [1] [2]

For the three months ended September 30, 2011	Energy Services	Specialty Chemicals	Construction Products Distribution
Net earnings (loss)	**(3.1)**	**17.3**	**(73.5)**
Add: Amortization of property, plant and equipment and intangible assets	**19.2**	**1.6**	**2.2**
Amortization included in cost of sales	**–**	**11.2**	**–**
Amortization of customer contract costs	**1.3**	**–**	**–**
Customer contract related costs	**(0.8)**	**–**	**–**
Impairment of property, plant and equipment	**3.4**	**–**	**–**
Impairment of intangible assets and goodwill	**–**	**–**	**78.0**
Finance costs	**0.9**	**0.1**	**0.4**
Unrealized losses on derivative financial instruments	**(12.8)**	**–**	**–**
EBITDA from operations	**8.1**	**30.2**	**7.1**

For the three months ended September 30, 2010	Energy Services	Specialty Chemicals	Construction Products Distribution
Net earnings (loss)	(25.9)	7.5	6.5
Add: Amortization of property, plant and equipment, intangible assets and accretion	14.8	1.6	1.5
Amortization included in cost of sales	–	12.5	–
Amortization of customer contract costs	1.7	–	–
Customer contract related costs	(0.6)	–	–
Finance costs	1.0	0.1	0.2
Other expenses	1.0	–	–
Unrealized gains on derivative financial instruments	18.7	5.2	–
EBITDA from operations	10.7	26.9	8.2

For the nine months ended September 30, 2011	Energy Services	Specialty Chemicals	Construction Products Distribution
Net earnings (loss)	**63.7**	**36.7**	**(68.5)**
Add: Amortization of property, plant and equipment and intangible assets	**51.0**	**4.9**	**6.9**
Amortization included in cost of sales	**–**	**33.5**	**–**
Amortization of customer contract costs	**3.7**	**–**	**–**
Customer contract related costs	**(1.8)**	**–**	**–**
Impairment of property, plant and equipment	**3.4**	**–**	**–**
Impairment of intangible assets and goodwill	**–**	**–**	**78.0**
Finance costs	**2.9**	**0.2**	**0.9**
Unrealized losses on derivative financial instruments	**(35.8)**	**5.4**	**–**
EBITDA from operations	**87.1**	**80.7**	**17.3**

For the nine months ended September 30, 2010	Energy Services	Specialty Chemicals	Construction Products Distribution
Net earnings (loss)	(19.5)	23.6	10.1
Add: Amortization of property, plant and equipment, intangible assets and accretion	43.4	4.9	8.2
Amortization included in cost of sales	–	36.8	–
Amortization of customer contract costs	4.9	–	–
Finance costs	3.0	0.2	0.4
Customer contract related costs	(2.0)	–	–
Other expenses	3.1	–	0.2
Unrealized losses on derivative financial instruments	36.7	7.4	–
EBITDA from operations	69.6	72.9	18.9

(1) See the Unaudited Condensed Consolidated Financial Statements for net earnings (loss), amortization of property, plant and equipment, intangible assets and accretion of convertible debenture issue costs, amortization included in cost of sales, amortization of customer contract costs, customer contract related costs and unrealized (gains) losses on derivative financial instruments.

(2) See "Non-IFRS Financial Measures" for additional details.

Reconciliation of Divisional Segmented Revenue, Cost of Sales and cash operating and administrative costs included in this MD&A

	For the three months ended September 30, 2011			For the three months ended September 30, 2010		
	Energy Services	Specialty Chemicals	Construction Products Distribution	Energy Services	Specialty Chemicals	Construction Products Distribution
Revenue per Financial Statements	**522.6**	**133.1**	**189.3**	454.6	124.3	190.2
Foreign currency gains (losses) related to working capital	–	**1.1**	–	–	0.1	–
Revenue per the MD&A	**522.6**	**134.2**	**189.3**	454.6	124.4	190.2
Cost of products sold per Financial Statements	**(437.3)**	**(84.6)**	**(144.6)**	(373.5)	(80.8)	(142.4)
Risk reserve recovery reclassification	**(3.0)**	–	–	–	–	–
Non-cash amortization	–	**11.2**	–	–	12.5	–
Cost of products sold per the MD&A	**(440.3)**	**(73.4)**	**(144.6)**	(373.5)	(68.3)	(142.4)
Gross profit	**82.3**	**60.8**	**44.7**	81.1	56.1	47.8
Cash operating and administrative Costs per Financial Statements	**(100.3)**	**(31.1)**	**(39.8)**	(86.3)	(30.7)	(41.1)
Amortization and depreciation expenses	**19.2**	**1.6**	**2.2**	14.8	1.6	1.5
Amortization of customer contract related costs	**1.3**	–	–	1.7	–	–
Customer contract related costs	**(0.8)**	–	–	(0.6)	–	–
Impairment of property, plant and equipment, intangible assets and goodwill	**3.4**	–	–	–	–	–
Risk reserve recovery reclassification	**3.0**	–	–	–	–	–
Reclassification of foreign currency (gains) and losses related to working capital	–	**(1.1)**	–	–	(0.1)	–
Cash operating and administrative costs per the MD&A	**(74.2)**	**(30.6)**	**(37.6)**	(70.4)	(29.2)	(39.6)

	For the nine months ended September 30, 2011			For the nine months ended September 30, 2010		
	Energy Services	**Specialty Chemicals**	**Construction Products Distribution**	Energy Services	Specialty Chemicals	Construction Products Distribution
Revenue per Financial Statements	**1,958.5**	**390.0**	**533.7**	1,636.0	353.4	536.8
Foreign currency gains (losses) related to working capital	**–**	**0.7**	**–**	–	(0.3)	–
Revenue per the MD&A	**1,958.5**	**390.7**	**533.7**	1,636.0	353.1	536.8
Cost of products sold per Financial Statements	**(1,630.1)**	**(252.5)**	**(406.7)**	(1,333.1)	(228.8)	(408.4)
Risk reserve recovery reclassification	**(3.0)**	**–**	**–**	–	–	–
Non-cash amortization	**–**	**33.5**	**–**	–	36.8	–
Cost of products sold per the MD&A	**(1,633.1)**	**(219.0)**	**(406.7)**	(1,333.1)	(192.0)	(408.4)
Gross profit	**325.4**	**171.7**	**127.0**	302.9	161.1	128.4
Cash operating and administrative Costs per Financial Statements	**(297.6)**	**(95.2)**	**(116.6)**	(279.6)	(93.4)	(117.7)
Amortization and depreciation expenses	**51.0**	**4.9**	**6.9**	43.4	4.9	8.2
Amortization of customer contract related costs	**3.7**	**–**	**–**	4.9	–	–
Customer contract related costs	**(1.8)**	**–**	**–**	(2.0)	–	–
Impairment of property, plant and equipment, intangible assets and goodwill	**3.4**	**–**	**–**	–	–	–
Risk reserve recovery reclassification	**3.0**	**–**	**–**	–	–	–
Reclassification of foreign currency (gains) and losses related to working capital	**–**	**(0.7)**	**–**	–	0.3	–
Cash operating and administrative costs per the MD&A	**(238.3)**	**(91.0)**	**(109.7)**	(233.3)	(88.2)	(109.5)

Risk Factors to Superior

The risks factors and uncertainties detailed below are a summary of Superior's assessment of its material risk factors as identified in Superior's 2010 Annual Information Form under the heading "Risk Factors". For a detailed discussion of these risks, see Superior's 2010 Annual Information Form filed on the Canadian Securities Administrator's website, www.sedar.com and Superior's website, www.superiorplus.com.

Risks to Superior

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

There is no assurance regarding the amounts of cash to be distributed by Superior LP or generated by Superior LP and therefore funds available for dividends to shareholders. The actual 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., 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.

The credit facilities 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 under its term credit facilities may be impaired.

Superior maintains a substantial floating interest rate exposure through a combination of floating interest rate borrowings 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 sales demand from Superior's customers, thereby increasing Superior's ability to pay higher interest costs and vice versa. In this way, there is a common relationship between economic activity levels, interest rates and Superior's ability to pay higher or lower rates.

A portion of Superior's net cash flows is denominated in US dollars. Accordingly, fluctuations in the Canadian/US dollar exchange rate can impact profitability. Superior attempts to mitigate this risk by hedging.

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 assurances 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 Canada Revenue Agency (or provincial tax agency), 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.

Without limiting the generality of the foregoing, since the beginning of 2010, the Canada Revenue Agency has requested and reviewed information from Superior relating to the plan of arrangement (Arrangement) involving the Fund and Ballard Power Systems Inc. and the conversion of the Fund to a corporation (Conversion). While Superior is confident in the appropriateness of its tax filing position and the expected tax consequences of the Arrangement and the Conversion transaction, there remains a possibility that, if the Canada Revenue Agency elects to challenge Superior’s tax filing and such challenge is successful, it could potentially affect the availability or quantum of the tax basis or other tax accounts of Superior. Although it is difficult to quantify the potential impact of any such outcome, it could be materially adverse to Superior.

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, along with alternative energy sources that are currently under development. In addition to competition from other energy sources, Superior competes with other retail marketers. Superior’s ability to remain an industry leader depends on its ability to provide reliable service at competitive selling prices.

Competition in the U.S. Refined Fuels business markets generally occurs on a local basis between large full service, multi-state marketers and smaller local independent marketers. Although the industry has seen a continued trend of consolidation over the past several years, the top ten multi-state marketers still generate only one-third of total retail sales in the United States. Marketers primarily compete based upon price and service and tend to operate in close proximity to customers, typically within a 35-mile marketing radius from a central depot, to lower delivery costs and provide prompt service.

Weather and general economic conditions affect propane and refined fuels market volumes. Weather influences the demand for propane and heating oil used primarily for space heating uses and also for agricultural applications.

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 (the time 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 program directed at environmental, health and safety protection. This program 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 poses the potential for spills which impact the soils 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 may either be more favourable to competing energy sources or increase 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.

Approximately 14% of Superior's Canadian propane distribution and U.S. refined fuels distribution businesses 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 re-negotiation process that could have an adverse impact to Superior.

Fixed-price energy services business
New entrants in the energy retailing business may enter the market and 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 upon their historical consumption. Depending on a number of factors, including weather, customer attrition and poor economic conditions affecting commercial customers' production levels, customers' combined natural gas consumption may vary from the volume purchased. This variance must be reconciled and settled at least annually and may require Superior to purchase or sell natural gas at market prices, which may have an adverse impact on the results of this business. To mitigate balancing risk, Superior closely monitors its balancing position and takes measures such as adjusting gas deliveries and transferring gas between pools of customers, so that imbalances are minimized. In addition, Superior maintains a reserve for potential balancing costs. The reserve is reviewed on a monthly basis to ensure that it is sufficient to absorb any losses that might arise from balancing.

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, customer energy consumption may vary from the volumes purchased by Superior. Superior is able to invoice existing commercial electricity customers for balancing charges when the amount of energy used is greater than or less than the tolerance levels set initially. In certain circumstances, there can be balancing issues for which Superior 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 natural gas and US dollar foreign exchange purchase contracts for similar terms and volumes to create an effective Canadian dollar fixed-price cost of supply. Superior transacts with nine 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. However, the financial condition of each counterparty is 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 unmatched; 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 existing legislation 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.

The Ontario Energy Board issued an update to the revised Codes of Conduct supporting the Energy Consumer Protection Act. Although the industry had anticipated automatic renewal of natural gas accounts on a month-to-month basis, the OEB has confirmed that the automatic renewal of natural gas contracts will be allowed for a period of one year capped at the customer's existing rate. Only one automatic renewal will be allowed emphasizing the need to positively convert automatic renewals to other products before the customer is returned to the utility at the end of the renewal term. Renewal notifications will require a standard disclosure form and a price comparison between fixed-price energy service's renewal price and the utility default rate.

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 its 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 continue to be 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 (Potash). Specialty Chemicals currently has a limited ability to source KCL from additional suppliers.

Specialty Chemicals is exposed to fluctuations in the US dollar and the euro versus the Canadian dollar. Specialty Chemicals manages its exposure to fluctuations between the United States 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 and health and safety laws, regulations and requirements. The potential exists for the release of highly toxic and lethal substances, including chlorine. 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 facilities unsafe, they may order that such facilities be shut down.

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

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 re-negotiation process that could have an adverse impact to Superior.

Construction Products Distribution

Activity in the Construction Products Distribution segment is subject to changes in the level of general economic activity and in particular to the level of activity in residential and non-residential construction subsectors. New construction in residential markets is subject to such factors as household income, employment levels, customer confidence, population changes and the supply of residential units in any local area. Non-residential activity can be subdivided into commercial, industrial and institutional. New construction activity in these sectors is subject to many of the same general economic factors as for 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 our insulation businesses. As a result, changes to the level of general economic activity or any of the above mentioned factors that affect the amount of construction or renovations in residential and non-residential markets can have an adverse affect on the CPD 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 its ability to provide reliable service at competitive prices.

The gypsum specialty distributor (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 impact the level of existing housing sales, new home construction, new non-residential construction, and office/commercial space turnover, all of which are significant factors in the determination of demand for products and services.

The commercial & industrial (C&I) market is driven largely by C&I construction spending and economic growth. Sectors within the C&I market that are particularly influential to demand include commercial construction and renovation, construction or expansion of industrial process facilities, such as oil refineries and petrochemical plants, as well as institutional facilities (e.g., government, health care and schools).

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 governmental statutes, regulations, guidelines and policies. Operations are also subject to various hazards incidental to the handling, processing, storage and transportation of certain hazardous materials, including industrial chemicals. The business maintains safe working practices through proper procedures and 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.

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 re-negotiation process that could have an adverse impact to Superior.

SUPERIOR PLUS CORP.
Condensed Consolidated Balance Sheets

(unaudited, millions of Canadian dollars)	Notes	September 30, 2011	December 31, 2010[1]	January 1, 2010[1]
Assets				
Current Assets				
Cash and cash equivalents		26.0	8.9	24.3
Trade and other receivables	5 & 17	418.2	551.0	394.3
Prepaid expenses		21.1	23.3	21.3
Inventories	6	196.8	167.1	143.5
Unrealized gains on derivative financial instruments	17	14.1	31.4	22.2
Total current assets		676.2	781.7	605.6
Non-Current Assets				
Property, plant and equipment	7	892.6	910.2	880.0
Intangible assets and investment property	8	150.4	182.2	185.6
Goodwill	9	413.9	471.7	527.5
Notes and finance lease receivable		10.3	12.1	–
Deferred tax	18	306.9	340.1	326.6
Unrealized gains on derivative financial instruments	17	10.8	26.6	28.5
Total non-current assets		1,784.9	1,942.9	1,948.2
Total assets		2,461.1	2,724.6	2,553.8
Liabilities and Equity				
Current Liabilities				
Trade and other payables	11	301.8	319.3	295.4
Deferred revenue	12	17.8	6.8	5.8
Borrowings	13 & 14	49.5	136.2	108.9
Dividends and interest payable to shareholders and debentureholders		21.5	15.5	14.2
Unrealized losses on derivative financial instruments	17	53.2	78.6	77.8
Total current liabilities		443.8	556.4	502.1
Non-Current Liabilities				
Borrowings	13 & 14	615.5	596.7	680.1
Convertible unsecured subordinated debentures	15	622.0	619.1	308.4
Provisions	10	13.3	11.0	6.9
Employee future benefits	16	62.2	45.5	30.1
Deferred tax liabilities	18	43.2	84.9	38.5
Unrealized losses on derivative financial instruments	17	48.0	57.8	52.6
Total non-current liabilities		1,404.2	1,415.0	1,116.6
Total liabilities		1,848.0	1,971.4	1,618.7
Equity				
Capital		1,629.8	1,606.4	1,507.3
Deficit	19	(975.9)	(799.1)	(551.1)
Accumulated other comprehensive loss	19	(40.8)	(54.1)	(21.1)
Total equity		613.1	753.2	935.1
Total liabilities and equity		2,461.1	2,724.6	2,553.8

(See Notes to the Condensed Consolidated Financial Statements)
[1]Refer to Note 29 for impact of adopting IFRS

SUPERIOR PLUS CORP.
Condensed Consolidated Statement of Changes in Equity

(unaudited, millions of Canadian dollars)	Share Capital	Contributed Surplus[2]	**Total Capital**	**Deficit**	**Accumulated other comprehensive loss**	**Total**
January 1, 2010 [1]	1,502.0	5.3	**1,507.3**	**(551.1)**	**(21.1)**	**935.1**
Net loss for the period	–	–	**–**	**(19.8)**	**–**	**(19.8)**
Net proceeds on issuance of share capital	81.7	–	**81.7**	**–**	**–**	**81.7**
Option value associated with the issuance of the convertible debentures	–	0.2	**0.2**	**–**	**–**	**0.2**
Share issued under Dividend Reinvestment Plan	8.4	–	**8.4**			**8.4**
Dividends paid to shareholders (Note 19)	–	–	**–**	**(127.7)**	**–**	**(127.7)**
Unrealized foreign currency gains (losses) on translation of foreign operations	–	–	**–**	**–**	**(7.9)**	**(7.9)**
Actuarial defined benefit gains (losses)	–	–	**–**	**–**	**(22.4)**	**(22.4)**
Reclassification of derivative gains and losses previously deferred	–	–	**–**	**–**	**9.2**	**9.2**
Income tax on other comprehensive income	–			**–**	**5.8**	**5.8**
Prior period adjustment	–	–	**–**	**0.2**	**–**	**0.2**
September 30, 2010 [1]	1,592.1	5.5	**1,597.6**	**(698.4)**	**(36.4)**	**862.8**
Net loss for the period	–	–	**–**	**(57.2)**	**–**	**(57.2)**
Share issued under Dividend Reinvestment Plan	8.8	–	**8.8**	**–**	**–**	**8.8**
Dividends paid to shareholders	–	–	**–**	**(43.5)**	**–**	**(43.5)**
Unrealized foreign currency gains (losses) on translation of foreign operations	–	–	**–**	**–**	**(19.5)**	**(19.5)**
Actuarial defined benefit gains (losses)	–	–	**–**	**–**	**2.5**	**2.5**
Reclassification of derivative gains and losses previously deferred	–	–	**–**	**–**	**2.9**	**2.9**
Income tax on other comprehensive income	–	–	**–**	**–**	**(3.6)**	**(3.6)**
December 31, 2010 [1]	1,600.9	5.5	**1,606.4**	**(799.1)**	**(54.1)**	**753.2**
Net loss for the period	–	–	**–**	**(71.2)**	**–**	**(71.2)**
Share issued under Dividend Reinvestment Plan	23.4	–	**23.4**	**–**	**–**	**23.4**
Dividends paid to shareholders (Note 19)	–	–		**(105.6)**	**–**	**(105.6)**
Unrealized foreign currency gains (losses) on translation of foreign operations	–	–	**–**	**–**	**24.6**	**24.6**
Actuarial defined benefit gains (losses)	–	–	**–**	**–**	**(20.1)**	**(20.1)**
Reclassification of derivative gains and losses previously deferred	–	–	**–**	**–**	**5.3**	**5.3**
Income tax on other comprehensive income	–	–	**–**	**–**	**3.5**	**3.5**
September 30, 2011	**1,624.3**	**5.5**	**1,629.8**	**(975.9)**	**(40.8)**	**613.1**

(See Notes to the Condensed Consolidated Financial Statements)

[1] Refer to Note 29 for impact of adopting IFRS

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

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

(unaudited, millions of Canadian dollars except per share amounts)	Notes	Three Months Ended September 30, 2011	2010	Nine Months Ended September 30, 2011	2010
REVENUES	23	**845.0**	769.1	**2,882.2**	2,526.2
Cost of sales (includes products & services)	23	**(666.5)**	(596.7)	**(2,289.3)**	(1,970.3)
Gross profit		**178.5**	172.4	**592.9**	555.9
EXPENSES					
Selling, distribution and administrative costs	23	**172.7**	158.5	**518.0**	498.8
Other expenses		**–**	1.0	**–**	3.3
Finance expense	23	**22.2**	20.1	**64.8**	57.0
Impairment of intangible assets and goodwill	9	**78.0**	–	**78.0**	–
Unrealized losses (gains) on derivative financial instruments	17	**38.7**	(1.2)	**10.0**	31.2
		311.6	178.4	**670.8**	590.3
Net loss before income taxes		**(133.1)**	(6.0)	**(77.9)**	(34.4)
Income tax (expense) recovery	18	**19.7**	(7.8)	**6.7**	14.6
Net loss		**(113.4)**	(13.8)	**(71.2)**	(19.8)
Net loss		**(113.4)**	(13.8)	**(71.2)**	(19.8)
Other comprehensive loss:					
Unrealized foreign currency gains (losses) on translation of foreign operations	19	**43.0**	(18.2)	**24.6**	(7.9)
Actuarial defined benefit losses	19	**(14.5)**	(3.4)	**(20.1)**	(22.4)
Reclassification of derivative gains previously deferred	19	**1.8**	4.6	**5.3**	9.2
Income tax recovery on other comprehensive loss	19	**3.1**	1.0	**3.5**	5.8
Total comprehensive loss for the period		**(80.0)**	(29.8)	**(57.9)**	(35.1)
Net Loss per Share					
From operations:					
Basic and diluted	20	**$(1.04)**	$(0.13)	**$(0.65)**	$(0.19)

(See Notes to the Condensed Consolidated Financial Statements)

(1) Refer to Note 29 for impact of adopting IFRS

SUPERIOR PLUS CORP.
Condensed Consolidated Statement of Cash Flows

(unaudited, millions of Canadian dollars)	Notes	Three Months Ended September 30, 2011	2010	Nine Months Ended September 30, 2011	2010
OPERATING ACTIVITIES					
Net loss for the period		**(113.4)**	(13.8)	**(71.2)**	(19.8)
Adjustments for:					
Depreciation included in selling, distribution and administrative costs	7	**9.6**	14.2	**34.1**	38.6
Amortization of intangible assets	8	**16.8**	3.7	**32.1**	17.9
Depreciation included in cost of sales	7	**11.2**	12.5	**33.5**	36.8
Amortization of customer related costs		**1.3**	1.7	**3.7**	4.9
Impairment of intangible assets and goodwill	9	**78.0**	–	**78.0**	–
Unrealized losses (gains) on derivative financial instruments	17	**38.7**	(1.2)	**10.0**	31.2
Customer contract related costs		**(0.8)**	(0.6)	**(1.8)**	(2.0)
Finance costs recognized in net loss		**22.2**	20.1	**64.8**	57.0
Income tax recovery recognized in net loss		**(19.7)**	7.8	**(6.7)**	(14.6)
(Increase) decrease in non-cash operating working capital items	22	**69.3**	(36.4)	**98.8**	(24.8)
Net cash flows from operating activities		**113.2**	8.0	**275.3**	125.2
Income taxes (paid) received		**–**	0.3	**(0.4)**	(0.4)
Interest paid		**(4.0)**	(8.1)	**(44.0)**	(40.2)
Cash flows from operating activities		**109.2**	0.2	**230.9**	84.6
INVESTING ACTIVITIES					
Purchase of property, plant and equipment	7	**(9.0)**	(6.4)	**(23.6)**	(24.5)
Proceeds from disposal of property, plant and equipment	7	**0.6**	0.7	**2.2**	2.5
Acquisition of Griffith	4	**–**	–	**–**	(142.6)
Other acquisitions	4	**(8.8)**	–	**(13.7)**	(18.1)
Cash flows used in investing activities		**(17.2)**	(5.7)	**(35.1)**	(182.7)
FINANCING ACTIVITIES					
Net proceeds (repayment) of borrowings and loans		**(61.9)**	33.0	**6.9**	(40.6)
Net payment of finance lease obligations		**(2.9)**	(3.3)	**(10.8)**	(9.4)
Net proceeds (repayment) from accounts receivable sales program		**–**	(2.8)	**(90.1)**	(10.1)
Proceeds from issuance of 5.75% convertible debentures		**–**	–	**–**	172.5
Issue costs incurred for the 5.75% convertible debentures		**–**	–	**–**	(6.9)
Proceeds from issuance of common shares		**–**	–	**–**	82.2
Proceeds from the dividend reinvestment program		**7.0**	6.9	**23.4**	8.4
Dividends paid to shareholders		**(32.9)**	(43.1)	**(105.6)**	(127.7)
(Decrease) increase in non-cash working capital		**0.1**	7.6	**(3.5)**	8.5
Cash flows (used in) from financing activities		**(90.6)**	(1.7)	**(179.7)**	76.9
Net increase (decrease) in cash and cash equivalents		**1.4**	(7.2)	**16.1**	(21.2)
Cash and cash equivalents, beginning of period		**23.2**	10.6	**8.9**	24.3
Effect of translation of foreign denominated cash and cash equivalents		**1.4**	(0.2)	**1.0**	0.1
Cash and cash equivalents, end of period		**26.0**	3.2	**26.0**	3.2

(See Notes to the Condensed Consolidated Financial Statements)

(1) Refer to Note 29 for impact of adopting IFRS

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

1. Organization

Superior Plus Corp. (Superior) is a diversified business corporation, incorporated under the Canada Business Corporations Act. The address of the registered office is 840 – 7th Avenue SW, 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 shares of Superior General Partner Inc. Superior does not conduct active business operations but rather distributes to shareholders 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 September 30, 2011 and the three months and the nine months ended September 30, 2011 and 2010 were authorized for issue by the Board of Directors on November 2, 2011.

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. Energy Services also provides fixed-price natural gas and electricity supply services. Superior's Specialty Chemicals operating segment is a leading supplier of sodium chlorate and technology to the pulp and paper industries and a regional supplier of potassium and chloralkali products to the U.S. Midwest. Superior's Construction Products Distribution operating segment 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 25)

2. Basis of Presentation

The accompanying Consolidated Financial Statements have been prepared in accordance with International Accounting Standards 34 *Interim Financial Reporting* (IAS 34) as issued by the International Accounting Standards Board (IASB) and using the accounting policies Superior expects to adopt in its annual consolidated financial statements as at and for the year ending December 31, 2011. Those accounting policies are based on the International Financial Reporting Standards (IFRS) standards and International Financial Reporting Interpretations Committee (IFRIC) interpretations that Superior expects to be applicable at that time. Superior applied IFRS 1 "first-time adoption of International Reporting Standards" (IFRS 1) as at January 1, 2010 (Transition Date). An explanation of the transition to International Financial Reporting Standards (IFRS) is provided in Note 29.

The Company's accounting policies applied upon conversion to IFRS have been disclosed in the first unaudited interim condensed consolidated financial statements for the three-month period ended March 31, 2011. There have been no changes to these accounting policies previously disclosed in the March 31, 2011 statements. 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.

These Consolidated Financial Statements are presented in Canadian dollars, which is Superior's functional and presentation currency. All financial information presented in Canadian dollars has been rounded to the nearest million. These Consolidated Financial Statements should be read in conjunction with Superior's 2011 first quarter interim financial statements, Superior's 2010 annual consolidated financial statements and in consideration of the IFRS transition disclosures included in Note 29 to these Consolidated Financial Statements and the additional disclosures included herein.

The Consolidated Financial Statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value as explained in the accounting policies below 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 income statement from date of acquisition, or in the case of disposals, up to the date of disposal. All transactions and balances between Superior and Superior's subsidiaries have been eliminated on consolidation. Superior's subsidiaries are all wholly owned directly or indirectly by Superior Plus Corp.

Superior's Consolidated Financial Statements were previously prepared in accordance with Canadian generally accepted accounting principles (GAAP). GAAP differs in some areas from IFRS and in preparing these Consolidated Financial Statements, management has amended certain accounting, measurements and consolidation methods previously applied in the GAAP financial statements to comply with IFRS. The comparative figures for 2010 were restated to reflect these adjustments. Note 29 contains reconciliations and descriptions of the effect of the transition from GAAP to IFRS on equity, earnings, and comprehensive income along with line-by-line reconciliations of the statement of net earnings (loss) and comprehensive income (loss) and balance sheets for the year ended December 31, 2010 as well as the interim periods relevant to the computation of theses Consolidated Financial Statements.

In preparation of these Consolidated Financial Statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying Superior's accounting policies. The areas involving a higher degree of judgment or complexity are areas where assumptions and estimates are significant to these Consolidated Financial Statements are disclosed in note 2 (a).

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 (loss) and related disclosures. The estimates and associated assumptions are based on historical experience and various other factors that are deemed to be 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 areas where assumptions and estimates are significant to the financial statements are as follows:

Fair Value of Derivative and Non-Financial Derivative Instruments
Where the fair value of derivatives and non-financial derivatives cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flow model. This requires the use of assumptions concerning the amount and timing of estimated future cash flows and discount rates. Differences between actual values and assumed values will impact net earnings in the period when the determination of the difference is made.

Allowance for Doubtful Accounts
Superior recognizes an allowance for doubtful accounts based on historical customer collection history, general economic indicators and other customer specific information, all of which require Superior to make certain assumptions. Where the actual collectability of accounts receivable differs from these estimates, such differences will have an impact on net income in the period such a determination is made.

Property, Plant and Equipment and Intangible Assets
Capitalized assets, including property, plant and equipment and intangible assets are amortized over their respective estimated useful lives.

Provisions
Provisions have been estimated for decommissioning costs, restructuring and environmental expenditures. These provisions are estimates and the actual costs and timing of future cash flows are dependent on future events. Any differences between estimates and the actual future liability will be accounted for in the period when such determination is made.

Employee Future Benefits
Superior has a number of defined benefits pension plans and other benefit plans. The cost of defined benefit pension plans and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

Income Tax Assets and Liabilities
Superior recognizes expected tax assets and liabilities based on estimates of current and future taxable net earnings, which may require significant judgment regarding the ultimate tax determination of certain items. If taxable net earnings differ from the estimates it may have an impact on current and future income tax provisions in the period when the determination of the difference is made.

Decommissioning Liabilities
The determination of decommissioning liabilities requires Superior to make estimates regarding the useful life of certain operating facilities, the timing and dollar value of future remediation activities, discount rates and the interpretation and changes to various environmental laws and regulations. Any differences between estimates and actual results will impact Superior's accrual for decommissioning liabilities and will result in an impact to net earnings.

Asset Impairments
Financial and non-financial assets are subject to impairment reviews based on whether current or future events and circumstances suggest that their recoverable amount may be less than their carrying value. Recoverable amounts are based on a calculation of expected future cash flows which include management assumptions and estimates of future performance.

Critical Judgments in Applying Accounting Policies
In the process of applying Superior's accounting policies, which are described above, management makes judgments that could significantly affect the amounts recognized in the consolidated financial statements. The most critical of these judgments are:

Impairment of Property, Plant and Equipment
An evaluation of whether or not an asset is impaired involves consideration of whether indicators of impairment exist. Factors which could indicate that impairment exists include: significant underperformance relative to historical or projected operating results, significant changes in the manner in which an asset is used or in Superior's overall business strategy, or significant negative industry or economic trends. In some cases, these events are clear. However, in many cases, a clearly identifiable event indicating possible impairment does not occur. Instead, a series of individually insignificant events occur over a period of time leading to an indication that an asset may be impaired. Events can occur in these situations that may not be known until a date subsequent to their occurrence. Management continually monitors Superior's segments, the markets, and the business environment, and make judgments and assessments about conditions and events in order to conclude whether a possible impairment exists.

Income Taxes
Preparation of the Consolidated Financial Statements involves determining an estimate of, or provision for, income taxes in each of the jurisdictions in which Superior operates. The process also involves making an estimate of taxes currently payable and taxes expected to be payable or recoverable in future periods, referred to as deferred income taxes. Deferred income taxes result from the effects of temporary differences due to items that are treated differently

for tax and accounting purposes. The tax effects of these differences are reflected in the Balance Sheet as deferred income tax assets and liabilities. An assessment must also be made to determine the likelihood that Superior's future taxable income will be sufficient to permit the recovery of deferred income tax assets. To the extent that such recovery is not probable, recognized deferred income tax assets must be reduced. Judgment is required in determining the provision for income taxes and recognition of deferred income tax assets and liabilities. Management must also exercise judgment in its assessment of continually changing tax interpretations, regulations and legislation, to ensure deferred income tax assets and liabilities are complete and fairly presented. The effects of differing assessments and applications could be material.

Financial Instruments
The fair value of financial instruments are determined and classified within three categories, which are outlined below and discussed in more detail in Note 17.

Level I
Fair values in Level I are determined using inputs that are unadjusted quoted prices in active markets for identical assets or liabilities that Superior has the ability to access.

Level II
Fair values in Level II are determined, directly or indirectly, using inputs that are observable for the asset or liability.

Level III
Fair values in Level III are determined using inputs for the asset or liability that are not readily observable.

The fair value measurement of a financial instrument is included in only one of the three levels, the determination of which is based upon the lowest level input that is significant to the derivation of the fair value. Classification of financial instruments requires management to use judgment in respect of both the determination of fair value and the lowest level input of significance.

(b) Recent Accounting Pronouncements
Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning January 1, 2011 or later periods. The standards impacted that are applicable to Superior are as follows:

IFRS 7 - *Financial Instruments: Disclosure, amendments regarding disclosures – Transfer of Financial Assets;*
In October 2010, IASB amended IFRS 7 – Financial Instruments: Disclosures to require quantitative and qualitative disclosures for transfers of financial assets where the transferred assets are not derecognized in their entirety or the transferor retains continuing managerial involvement. The amendment also requires disclosure of supplementary information if a substantial portion of the total amount of the transfer activity occurs in the closing days of a reporting period. The amendments to IFRS 7 must be applied for annual periods beginning on or after July 1, 2011, with early adoption permitted. Superior is assessing the effect of IFRS 7 on its disclosures, however changes, if any, are not expected to be material.

IFRS 9 - *Financial Instruments: Classification and Measurement;*
IFRS 9, Financial Instruments, 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, *Financial Instruments – Recognition and Measurement*, 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, 2013, with earlier adoption permitted. Superior is assessing the

effect of IFRS 9 on its financial results and financial position, however changes, if any, are not expected to be material.

IFRS 10 - *Consolidated Financial Statements;*
IFRS 10, *Consolidated Financial Statements,* establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The revised standard is effective for Superior on January 1, 2013, with earlier adoption permitted. Superior is assessing the effect of the changes to IFRS 10 on its financial results and financial position.

IFRS 11 – *Joint Arrangements;*
IFRS 11, *Joint Arrangements*, requires a venture to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting, whereas joint operations will require the venture to recognize its share of the assets, liabilities, revenue and expenses. This standard is required to be applied for accounting periods beginning on or after January 1, 2013, with earlier adoption permitted. Superior is assessing the effect of the changes to IFRS 11 on its financial results and financial position.

IFRS 12 – *Disclosure of Interests in Other Entities;*
IFRS 12, *Disclosure of Interests in Other Entities*, establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities. This standard is effective for Superior on January 1, 2013, with early adoption permitted. Superior has not assessed the impact the adoption of this revised standard will have, nor has it determined if it will early adopt the standard.

IFRS 13 – *Fair Value Measurements;*
IFRS 13, *Fair Value Measurements*, defines fair value, sets out a single IFRS framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies to IFRSs that require or permit fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except in specified circumstances. IFRS 13 is to be applied for annual periods beginning on or after January 1, 2013. Earlier application is permitted. Superior is assessing the effect of the changes to IFRS 13 on its financial results and financial position.

IAS 12 – *Income Taxes, amendments regarding Deferred Tax: Recovery of Underlying Assets;*
IAS 12, *Income taxes,* was amended in December 2010 to remove subjectivity in determining on which basis an entity measures the deferred tax relating to an asset. The amendment introduces a presumption that an entity will assess whether the carrying amount of an asset will be recovered through the sale of the asset. The amendment to IAS 12 is effective for reporting periods beginning on or after January 1, 2012. Superior is assessing the effect of the changes to IAS 12 on its financial results and financial position.

IAS 19 – *Employee Benefit, amendments;*
IAS 19 amendments were issued in June 2011 that will change the accounting for defined benefit plans and termination benefits. This standard requires that the changes in defined benefit obligations are recognized as they occur, eliminating the corridor approach and accelerating the recognition of past service costs. The changes in defined benefit obligation and plan assets are to be disaggregated into three components: service costs, net interest on the net defined benefit liabilities (assets) and re-measurements of the net defined benefit liabilities (assets). This standard is required to be applied for accounting periods beginning on or after January 1, 2013, with early adoption permitted.

IAS 1 - *Amendments to IAS 1, Presentation of Financial Statements: Other Comprehensive Income;*
On June 16, 2011, the IASB issued amendments to IAS 1, *Presentation of Financial Statements,* which require entities preparing financial statements in accordance with IFRSs to group together items within other comprehensive

income (OCI) that may be reclassified to the net earnings or loss section of the income statement and to separately group together items that will not be reclassified to the profit or loss section of the income statement. The amendments also reaffirm existing requirements that net earnings or loss and OCI should be presented as either a single statement or two consecutive statements. The amendments are effective for financial years commencing on or after July 1, 2012.

Superior does not anticipate that any of these changes will have a material impact on its results of operations or financial position.

3. Seasonality of Operations

Energy Services

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 levels are typically at seasonally high levels during the first and fourth quarter, and normally decline to seasonally low levels in the second and third quarters. Net working capital levels are also significantly influenced by wholesale propane prices and other refined fuels.

Construction Products Distribution

Construction Products Distribution sales typically peak during the second and third quarters with the seasonal increase in building and remodeling activities. They then decline through the first and fourth quarters. Similarly, net working capital levels are typically at seasonally high levels during the second and third quarters, and normally decline to seasonally low levels in the first and fourth quarters.

4. Acquisitions

On September 8, 2011, Superior completed the acquisition of certain assets (Elkhorn) which constitutes propane distribution business for an aggregate purchase price of $6.5 million including adjustments for working capital. The primary purpose of the acquisition is to expand the Energy Services business in Pennsylvania and benefit from synergies. The below noted fair values have been prepared on a preliminary basis pending finalization of net working capital adjustments.

Elkhorn	Fair Value Recognized on Acquisition
Intangible assets	4.1
Property, plant and equipment	2.3
	6.4
Trade and other payables	(0.1)
	(0.1)
Net identifiable assets and liabilities	6.3
Goodwill arising on acquisition	0.2
Total consideration	**6.5**

The components of the purchase consideration are as follows:	
Cash (paid on September 8, 2011)	6.0
Deferred consideration	0.5
Total purchase consideration	**6.5**

Subsequent to the acquisition date of September 8, 2011, revenues and net earnings contributed by Elkhorn were not significant. Superior cannot reasonably determine the revenue and net earnings amount attributable to Elkhorn had the acquisition closed on January 1, 2011 due to limited access to the related financial information.

On August 4, 2011, Superior completed the acquisition of certain assets which constitutes a refined fuel and propane distribution business (Brennan) for an aggregate purchase price of $3.7 million including adjustments for working capital. Superior elected to not disclose a purchase price equation for the acquisition as it was considered immaterial. Superior cannot reasonably determine the net earnings amount attributable to Brennan had the acquisition closed on January 1, 2011 or from the date of acquisition as operations were integrated into Superior's existing operations.

On April 29, 2011, Superior completed the acquisition of certain assets which constitutes a refined fuel and propane distribution business located in New Hartford, Connecticut (Country Comfort) for an aggregate purchase price of $0.4 million including adjustments for working capital. Superior elected to not disclose a purchase price equation for the acquisition as it was considered immaterial. Superior cannot reasonably determine the net earnings amount attributable to Country Comfort had the acquisition closed on January 1, 2011 or from the date of acquisition as operations were integrated into Superior's existing operations.

On March 9, 2011, Superior completed the acquisition of certain assets (Propane Acquisition) which constitutes propane distribution business for an aggregate purchase price of $5.3 million including adjustments for working capital. The primary purposes of the acquisition are to expand Energy Services business in Ontario and benefit from synergies. The below noted fair values have been prepared on a provisional basis pending finalization of net working capital adjustments.

Propane Acquisition	Fair Value Recognized on Acquisition
Trade and other receivables[1]	1.3
Inventories	0.2
Property, plant and equipment	1.1
	2.6
Trade and other payables	(0.4)
	(0.4)
Net identifiable assets and liabilities	2.2
Goodwill arising on acquisition	3.1
Total consideration	**5.3**
The components of the purchase consideration are as follows:	
Cash (paid on March 9, 2011)	4.3
Deferred consideration	1.0
Total purchase consideration	**5.3**

(1) The gross amount of trade receivables is $1.4 million, of which $0.1 is expected to be uncollectible.

Superior cannot reasonably determine the revenue and net earnings contributed since the acquisition or the amounts attributable to the Propane Acquisition had the acquisition closed on January 1, 2011 as operations were integrated into Superior's existing operations.

On January 15, 2011, Superior completed the acquisition of certain assets which constitutes a refined fuel and propane distribution business (Butler) for an aggregate purchase price of $0.5 million including adjustments for working capital. Superior elected to not disclose a purchase price equation for the acquisition as it was considered immaterial. Superior cannot reasonably determine the net earnings amount attributable to Butler had the acquisition closed on January 1, 2011 or from the date of acquisition as operations were integrated into Superior's existing operations.

On October 25, 2010, Superior completed the acquisition of certain assets which constitutes a US retail heating oil and propane distribution business (KW Acquisition) for an aggregate purchase price of $4.9 million including adjustments for working capital. The assets provide a broad range of services, including heating, ventilation and air conditioning repair and other related services.

KW Acquisition	Fair Value Recognized on Acquisition
Inventories	0.2
Property, plant and equipment	3.3
Intangible assets	2.1
	5.6
Trade and other payables	(0.7)
Net identifiable assets and liabilities	4.9
Goodwill arising on acquisition	–
Total consideration	**4.9**
The components of the purchase consideration are as follows:	
Cash (paid on October 25 and November 4, 2010)	4.4
Deferred consideration	0.5
Total purchase consideration	**4.9**

Superior cannot reasonably determine the net earnings amount attributable to the KW Acquisition had the acquisition closed on January 1, 2011 or from the date of acquisition as operations were integrated into Superior's existing operations.

On June 28, 2010, Superior completed the acquisition of certain assets of a Western Canadian commercial and industrial insulation distributor (Burnaby) for an aggregate purchase price of $17.7 million, inclusive of $0.1 million in transaction costs which have been expensed through other expenses in the consolidated statement of comprehensive income. The assets acquired consist of three operating branches in Alberta and British Columbia and allows Construction Products Distribution to expand its commercial and industrial distribution business in Canada.

Burnaby	Fair Value Recognized on Acquisition
Trade and other receivables(1)	8.4
Inventories	2.9
Property, plant and equipment	0.5
Intangible assets(2)	2.1
	13.9
Trade and other payables	(3.0)
Net identifiable assets and liabilities	10.9
Goodwill arising on acquisition	6.8
Total consideration	**17.7**

(1) The gross amount of trade receivables is $8.6 million, of which $0.2 million is expected to be uncollectible.
(2) Superior has reclassified $2.1 million to separable identifiable intangible assets from goodwill as part of the finalization of the Burnaby purchase allocation.

The components of the purchase consideration are as follows:	
Cash (paid on June 28, 2010)	2.0
Common shares	15.7
Total purchase consideration	**17.7**

Superior completed the acquisition of Burnaby in order expand its commercial and industrial insulation business in Canada.

Revenue and net earnings for the nine months ended September 30, 2010 would have been $29.7 million and $4.5 million, respectively, if the Burnaby acquisition had occurred on January 1, 2010. Superior cannot reasonably determine the amount of revenue and net earnings contributed to Construction Products Distribution since the closing date as the operations were integrated into Superior's operations.

On January 20, 2010, Superior acquired 100% of the shares of Griffith Holdings Inc. (Griffith) for consideration of $142.6 million, net of $2.5 million in cash assumed. Additionally, $1.6 million in transaction costs were incurred during the course of this acquisition, which has been expensed through other expenses in the consolidated statement of comprehensive income. The fair value of the identifiable assets and liabilities of Griffith as at the date of acquisition were:

Griffith Acquisition	Fair Value Recognized on Acquisition
Trade and other receivables(1)	41.1
Inventories	23.2
Unrealized gains on derivative financial instruments	1.2
Property, plant and equipment	83.2
Intangible assets	54.4
	203.1
Trade and other payables	(32.8)
Provisions	(3.6)
Assumed deferred consideration obligations	(0.6)
Deferred tax liability	(41.7)
	(78.7)
Net identifiable assets and liabilities	124.4
Goodwill arising on acquisition(2)	18.2
Total consideration	**142.6**
The components of the purchase consideration are as follows:	
Cash paid	142.6
Total purchase consideration	**142.6**

(1) The gross amount of trade receivables is $34.7 million, of which $0.9 million is expected to be uncollectible.
(2) The amount of goodwill that is expected to be deductible for tax purposes is approximately $7.0 million.

Superior completed the acquisition of Griffith in order expand its refined fuels distribution business into the north eastern U.S. The Company's business is complementary to Superior's other operations in New York state.

Revenue and net earnings for the nine months ended September 30, 2010 for Energy Services would have included $508.4 million and $1.1 million, respectively, if the Griffith acquisition had occurred on January 1, 2010. Subsequent to the acquisition date of January 20, 2010, Griffith contributed to Energy Services revenue and net earnings were $460.7 million and $0.1 million, respectively for the nine months ended September 30, 2010.

5. Trade and Other Receivables

A summary of trade and other receivables are as follows:

	Notes	**September 30, 2011**	December 31, 2010	January 1, 2010
Trade receivables, net of allowances	**17**	**382.0**	499.7	330.3
Accounts receivable – other		**35.5**	50.7	64.0
Finance lease receivable		**0.7**	0.6	–
Trade and other receivables		**418.2**	551.0	394.3

6. Inventories

For the three and nine months ended September 30, 2011 inventories of $584.30 million (2010 - $508.8 million) and $2,026.7 million (2010 - $1,659.9 million) were expensed through cost of products sold. No write-downs of inventory or reversals of write-downs were recorded during the three months ended September 30, 2011 and 2010.

7. Property, Plant and Equipment

	Land	Buildings	Specialty Chemicals Plant & Equipment	Energy Services Retailing Equipment	Construction Products Distribution Equipment	Leasehold Improve- -ments	Total
Cost							
Balance at January 1, 2010	22.2	129.0	719.1	481.4	45.9	2.6	1,400.2
Balance at December 31, 2010	37.1	140.3	713.8	568.4	38.6	8.8	1,507.0
Balance at September 30, 2011	**30.0**	**144.3**	**734.9**	**585.6**	**39.7**	**9.0**	**1,543.5**
Accumulated Depreciation and Impairment							
Balance at January 1, 2010	–	28.4	230.8	240.0	19.1	1.9	520.2
Balance at December 31, 2010	–	32.8	269.1	269.3	19.0	6.6	596.8
Balance at September 30, 2011	**–**	**37.0**	**302.7**	**282.3**	**21.7**	**7.2**	**650.9**
Carrying Value							
As at January 1, 2010	22.2	100.6	488.3	241.4	26.8	0.7	880.0
As at December 31, 2010	37.1	107.5	444.7	299.1	19.6	2.2	910.2
As at September 30, 2011	**30.2**	**107.3**	**432.2**	**303.3**	**18.0**	**1.8**	**892.6**

Depreciation per cost category:

	For the three months ended September 30,		**For the nine months ended September 30,**	
	2011	2010	**2011**	2010
Cost of sales	**11.2**	12.5	**33.5**	36.8
Selling, distribution and administrative costs	**9.6**	14.2	**34.1**	38.6
Total	**20.7**	26.7	**67.6**	75.4

The carrying value of Superior's property, plant, and equipment includes $75.6 million as at September 30, 2011 (December 31, 2010 - $73.7 million and January 1, 2010 - $59.5 million) of leased assets.

During the third quarter of 2011, a fire occurred at U.S. Refined Fuel's Mumford, New York fuel distribution location damaged and flooding occurred at Mountoursville, Pennsylvania distribution location causing damage to both facilities. Superior recognized an impairment charge of $3.4 million associated with the damage. Currently, it is not possible to estimate the expected amount of recovery that Superior will receive under its business interruption insurance policies and therefore as at September 30, 2011, no receivable for insurance recovery has been recorded. Insurance recoveries are recorded when the amount of the recovery has been agreed with the insurer or when payments are received.

8. Intangible Assets and Investment Property

	Customer Contract Related Costs	Energy Services Trademarks & Non-Compete Agreements	Construction Products Distribution Intangible Assets	Specialty Chemicals Royalty Assets and Patents	Investment Property	Total
Cost						
Balance at January 1, 2010	36.5	108.8	46.1	65.4	1.0	257.8
Balance at December 31, 2010	38.2	163.3	21.0	65.4	1.0	288.9
Balance at September 30, 2011	**39.6**	**162.0**	**22.1**	**65.4**	**2.1**	**291.2**
Accumulated Amortization and Impairment						
Balance at January 1, 2010	21.8	2.0	2.4	46.0	–	72.2
Balance at December 31, 2010	27.0	23.7	3.4	52.6	–	106.7
Balance at September 30, 2011	**30.3**	**39.4**	**13.0**	**57.4**	**0.7**	**140.8**
Carrying value						
As at January 1, 2010	14.7	106.8	43.7	19.4	1.0	185.6
As at December 31, 2010	11.2	139.6	17.6	12.8	1.0	182.2
As at September 30, 2011	**9.3**	**122.6**	**9.1**	**8.0**	**1.4**	**150.4**

Amortization per cost category:

	For the three months ended September 30,		**For the nine months ended September 30,**	
	2011	2010	**2011**	2010
Selling, distribution and administrative costs	**16.8**	3.7	**32.1**	17.9
Total	**16.8**	3.7	**32.1**	17.9

An impairment charge was recorded to the intangible assets of Superior's Construction Products Distribution segment during the third quarter; see Note 9 for further details.

9. Goodwill

	September 30, 2011	December 31, 2010	January 1, 2010
Balance at beginning of period	**471.7**	527.5	527.5
Additional amounts recognized from business combinations occurring during the period (Note 4)	**3.6**	38.3	–
Adjustment to Purchase Price Allocations (Note 4)	**(2.1)**	–	–
Impairment losses	**(61.2)**	(88.4)	–
Effect of foreign currency differences	**1.9**	(5.7)	–
Balance at end of period	**413.9**	471.7	527.5

Impairment of goodwill and intangible assets

Goodwill acquired through business combinations and intangible assets have been allocated for impairment testing to individual cash-generating units each representing the lowest level within Superior at which goodwill and intangible assets is monitored for internal management purposes. The cash generating units identified by management is consistent with the business segments disclosed in Note 25. On a quarterly basis Superior assesses whether any indications of impairment have occurred which would require a testing goodwill for impairment using a two-step process, with the first step being to assess whether the recoverable amount of a reporting unit to which goodwill is assigned is less than its carrying value. If this is the case, a second impairment test is performed which requires a comparison of the recoverable amount to its carrying value. Value in use calculations have been used to determine the recoverable amount for the goodwill and intangible assets allocated to Superior's cash generating units.

During the third quarter of 2011 it was determined that Superior's Construction Products Distribution segment had indications of impairment. As such Superior completed a detailed assessment of the business segment's operations; the recoverable amount of the Construction Products Distribution segment was determined using a detailed cash flow model based on current market assumptions surrounding the construction products industry which was negatively impacted by the continued economic slowdown across North America, the reduction in new home residential housing starts and ongoing weakness in commercial construction markets. Based on the calculated recoverable amount, it was determined that the goodwill and intangible assets in the Construction Products Distribution segment were impaired and a goodwill impairment charge of $61.2 million and an intangible assets impairment charge of $16.8 million were recognized during the third quarter of 2011.

Basis on which recoverable amount has been determined
The recoverable amount for the Construction Products Distribution segment was determined using a detailed cash flow model which was based on evidence from an internal Board approved budget. Management's internal budgets are based on past experience and were adjusted to reflect market trends and economic conditions. The resulting recoverable amount was then compared to the carrying amount of the business segment which resulted in an impairment charge that was allocated to goodwill and intangible assets of the Construction Products Distribution segment. The impairment charge was recognized as an expense against Superior's net loss for the period ended September 30, 2011.

Key rates used in calculation of recoverable amount
Growth rate to perpetuity
The first five years of cash flow projections used in the model were based on management's internal budgets and projections after five years were extrapolated using growth rates in line with historical long term growth rates in the construction products industry. The long term growth rate used in determining the recoverable amount for the Construction Distribution Product's segment was 1.5%.

Discount rates
Cash flows in the model were discounted using a discount rate specific to the Construction Products Distribution segment. Discount rates reflect the current market assessments of the time value of money and are derived from the business segment's weighted average cost of capital. Risks specific to the Construction Products Distribution segment were reflected within the cash flow model. The weighted average cost of capital was then adjusted to reflect the impact of tax in order to calculate an equivalent pre-tax discount rate. The pre-tax discount rate used in determining the recoverable amount for the Construction Distribution Product's segment was 12.0%.

Inflation rates
Inflation rates used in the cash flow model were based on a blend of a number of publically available inflation forecasts. The inflation rate used in determining the recoverable amount for the Construction Distribution Product's segment was 2%.

Key assumptions
The model used to determine the recoverable amount of the Construction Products Distribution segment is based on the assumption that sales revenue is expected to decline from 2010 levels due to market conditions which are expected to continue to impact the financial results of the business segment for the remainder of 2011 and through to the end of 2012.

10. Provisions

	Decommissioning Costs	Environmental Expenditures	Total
Balance as at January 1, 2010	6.9	–	6.9
Balance as at December 31, 2010	8.0	3.0	11.0
Additional provisions recognized during the period	3.1	–	3.1
Utilization	–	(0.4)	(0.4)
Unwinding of discount and effect of change in discount rate	0.2	–	0.2
Effect of foreign currency differences	0.3	–	0.3
Re-classification to other payables	–	(0.9)	(0.9)
Balance at September 30, 2011	**11.6**	**1.7**	**13.3**

Decommissioning costs
Specialty Chemicals
Superior makes full provision for the future cost of decommissioning Specialty Chemicals' chemical facilities. The provision for decommissioning costs is on a discounted basis and is based on existing technologies at current prices or long-term price assumptions, depending on the expected timing of the activity. As at September 30, 2011, the discount rate used in Superior's calculation was 2.8% (December 31, 2010 – 4.0%). Superior estimates the total undiscounted amount of expenditures required to settle its decommissioning liabilities is approximately $20.4 million (December 31, 2010 - $20.1 million) which will be paid out over the next twenty to twenty five 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, there is uncertainty regarding both the amount and timing of incurring these costs.

Energy Services
Superior makes full provision for the future costs of decommissioning certain assets associated with Superior's Energy Services operating segment. Superior estimates the total undiscounted amount of expenditures required to settle its decommissioning liabilities is approximately $5.2 million (December 31, 2010 – $9.8 million) which will be paid out over the next twenty to twenty five years. The risk-free rate of 2.8% (December 31, 2010 – 4.0%) was used to calculate the present value of the estimated cash flows.

Environmental Expenditures
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 of action or, if earlier, on divestment or on closure of inactive sites. The provision for environmental liabilities has been estimated using existing technology, at current prices and discounted using a risk-free discount rate of 2.8% (December 31, 2010 – 4.0%). The majority of these costs are expected to be incurred over the next 10 years. 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 also Superior's share of the liability.

11. Trade and Other Payables

A summary of trade and other payables are as follows:

	Notes	**September 30, 2011**	December 31, 2010	January 1,2010
Trade payables	**17**	**220.8**	256.9	210.5
Other payables		**69.5**	52.9	74.8
Amounts due to customers under construction contracts		**2.1**	0.7	1.0
Share based payments	**21**	**9.4**	8.8	9.1
Trade and other payables		**301.8**	319.3	295.4

12. Deferred Revenue

	September 30, 2011	December 31, 2010	January 1, 2010
Balance at beginning of the period	**6.8**	5.8	5.8
Deferred during the period	**17.5**	15.0	–
Released to net earnings (loss)	**0.3**	(14.0)	–
Foreign exchange impact	**(6.8)**	–	–
Balance at end of period	**17.8**	6.8	5.8

	September 30, 2011	December 31, 2010	January 1, 2010
Current	**17.8**	6.8	5.8
Non-current	**–**	–	–
	17.8	6.8	5.8

The deferred revenue relates to Energy Services unearned service revenue and deferred sales to a customer within the Specialty Chemicals segment.

13. Borrowings

	Year of Maturity	Effective Interest Rate	**September 30, 2011**	December 31, 2010	January 1, 2010
Revolving term bank credits [1]					
Bankers Acceptances (BA)	2014	Floating BA rate plus applicable credit spread	**209.5**	60.8	174.6
Canadian Prime Rate Loan	2014	Prime rate plus credit spread	**3.0**	40.0	–
LIBOR Loans (US$49.0 million; 2010– US$143.0 million)	2014	Floating LIBOR rate plus applicable credit spread	**63.4**	142.3	146.1
US Base Rate Loan (US$12.0 million; 2010– US$31.0 million)	2014	US Prime rate plus credit spread	**12.5**	30.8	6.3
			288.4	273.9	327.0
Other Debt					
Notes payable	2010	Prime	**–**	–	0.6
Deferred consideration	2011-2012	Non-interest bearing	**3.9**	1.2	2.4
Accounts receivable securitization [2]			**–**	90.1	92.7
			3.9	91.3	95.7
Senior Secured Notes[3]					
Senior secured notes subject to fixed interest rates (US$156.0 million; 2010 – US$156.0 million)	2011-2015	7.65%	**162.1**	155.1	165.4
Senior Unsecured Debentures					
Senior unsecured debentures	2016	8.25%	**150.0**	150.0	150.0
Leasing Obligations					
Leasing obligations (see Note 14)			**67.6**	69.7	58.0
Total Borrowings before deferred financing fees			**672.0**	740.0	796.1
Deferred financing fees			**(7.0)**	(7.1)	(7.1)
Borrowings			**665.0**	732.9	789.0
Current maturities			**(49.5)**	(136.2)	(108.9)
Borrowings			**615.5**	596.7	680.1

(1) Superior and its wholly-owned subsidiaries, Superior Plus Financing Inc. and Commerciale Industrial (Chile) Limitada, expanded the revolving term bank credit borrowing capacity to $615 million from $450 million on June 20, 2011. The credit facilities mature on June 27, 2014 and are secured by a general charge over the assets of Superior and certain of its subsidiaries. As at September 30, 2011, Superior had $32.9 million of outstanding letters of credit (December 31, 2010 - $28.6 million) and approximately $84.2 million of outstanding financial guarantees (December 31, 2010 - $28.6 million). The fair value of Superior's revolving term bank credits and other debt approximates its carrying value as a result of the market based interest rates and the short-term nature of the underlying debt instruments.

(2) Superior sells, with limited recourse, certain trade accounts receivable on a revolving basis to an entity sponsored by a Canadian chartered bank. The accounts receivable are sold at a discount to face value based on prevailing money market rates. The level of accounts receivable sold under the program fluctuates seasonally with the level of accounts receivable. As at September 30, 2011 proceeds of $nil million (December 31, 2010 – $90.1 million) had been received. Superior terminated the accounts receivable securitization program on May 30, 2011.

(3) Senior secured notes (the Notes) totaling Cdn$162.1 million and US$156.0 million, respectively (Cdn$162.7 million at September 30, 2010 and Cdn$155.1 million at December 31, 2010) 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 September 30, 2011 was Cdn$168.7 million (December 31, 2010 – Cdn$156.6 million).

Repayment requirements of Borrowings before deferred financing costs are as follows:

Current maturities	49.5
Due in 2012	48.4
Due in 2013	48.4
Due in 2014	331.5
Due in 2015	40.7
Due in 2016	153.5
Subsequent to 2016	–
Total	672.0

14. Leasing Arrangements

Operating Lease Commitments

Superior has entered into leases on certain vehicles, rail cars, premises and other equipment. These leases have an average life of between three and five years with no renewal option included in the contracts. There are no restrictions placed upon Superior by entering into these leases.

Future minimum lease payments under non-cancellable operating leases are as follows:

	September 30, 2011	December 31, 2010	January 1, 2010
Not later than one year	**27.6**	27.7	26.5
Later than one year and not later than five years	**62.5**	65.6	60.4
Later than five years	**30.4**	20.7	15.8
	120.5	114.0	102.7

Obligations under finance lease

Finance leases relate to fuel distribution and construction products vehicles and equipment with lease terms of 5 years. Superior has options to purchase the assets for a nominal amount at the conclusion of the lease agreements. Superior's obligations under finance leases are secured by the lessor's title to the leased assets.

Minimum Lease Payments	**September 30, 2011**	December 31, 2010	January 1, 2010
Not later than one year	**19.2**	17.4	14.1
Later than one year and not later than five years	**54.9**	55.2	45.0
Later than five years	**4.6**	7.3	9.1
Less: future finance charges	**(11.1)**	(10.2)	(10.2)
Present value of minimum lease payments	**67.6**	69.7	58.0

Present Value of Minimum Lease Payments	**September 30, 2011**	December 31, 2010	January 1, 2010
Not later than one year	**15.1**	13.9	11.1
Later than one year and not later than five years	**48.2**	48.8	38.0
Later than five years	**4.3**	7.0	8.9
Less: future finance charges	**–**	–	–
Present value of minimum lease payments	**67.6**	69.7	58.0

Included in the Consolidated Financial Statements as:

	Notes	**September 30, 2011**	December 31, 2010	January 1, 2010
Current portion of leasing obligations	**13**	**15.1**	13.9	11.1
Non-current portion of leasing obligations		**52.5**	55.8	46.9
		67.6	69.7	58.0

15. Convertible Unsecured Subordinated Debentures

Superior's debentures are as follows:

Maturity	December 2012	October 2015	December 2014	June 2017[1]	June 2018	**Total**
Interest rate	5.75%	5.85%	7.50%	5.75%	6.0%	**Carrying**
Conversion price per share	$36.00	$31.25	$13.10	$19.00	$15.10	**Value**
Face value, December 31, 2010	174.9	75.0	69.0	172.5	150.0	641.4
Debentures issued	–	–	–	–	–	–
Face value, September 30, 2011	**174.9**	**75.0**	**69.0**	**172.5**	**150.0**	**641.4**
Issue costs, December 31, 2010	(2.7)	(1.2)	(2.7)	(6.5)	(5.7)	(18.9)
Accretion of issue costs	0.7	0.2	0.4	0.6	0.5	2.5
Issue costs, September 30, 2011	**(2.0)**	**(1.0)**	**(2.3)**	**(5.9)**	**(5.2)**	**(16.4)**
Discount value, December 31, 2010	(0.8)	(0.3)	(0.4)	(0.2)	(1.8)	(3.6)
Accretion of discount value	0.2	0.1	0.1	–	0.1	0.6
Discount value, September 30, 2011	**(0.6)**	**(0.2)**	**(0.3)**	**(0.2)**	**(1.7)**	**(3.0)**
Debentures outstanding as at September 30, 2011	**172.3**	**73.8**	**66.4**	**166.4**	**143.1**	**622.0**
Debentures outstanding as at December 31, 2010	171.4	73.5	65.9	165.8	142.5	619.1
Debentures outstanding as at January 1, 2010	170.0	73.1	65.3	–	–	308.4
Quoted market value as at September 30, 2011	**148.7**	**52.5**	**55.2**	**110.8**	**102.0**	**469.2**
Quoted market value as at December 31, 2010	175.8	74.9	71.6	162.6	144.6	629.5
Quoted market value as at January 1, 2010	177.1	74.4	78.3	–	–	329.8

(1) Superior issued $172.5 million in 5.75% convertible unsecured subordinated debentures during the first quarter of 2010. In conjunction with the issuance of these debentures, Superior swapped $150 million of the fixed rate obligation into a floating-rate obligation of floating BA rate plus 2.65%.

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. Also Superior 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 June 2018 convertible debentures. The cash conversion put option has been classified as an embedded derivative and measured at fair value through net earnings and loss (see Note 17 for further details).

16. Employee Future Benefits

Amounts recognized in net earnings (loss) in respect of these defined benefit plans are as follows for the periods ended:

	For the three months ended September 30,		**For the nine months ended September 30,**	
	2011	2010	**2011**	2010
Current service cost	**0.6**	0.5	**1.7**	1.5
Interest on obligation	**2.0**	2.1	**6.2**	6.4
Expected return on plan assets	**(2.1)**	(1.7)	**(5.7)**	(5.4)
	0.5	0.9	**2.2**	2.5

The total expense for the period is included in the “Selling, distribution and administrative costs” expense in the income statement.

The amount recognized in “Other Comprehensive Income” is as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2011	2010	**2011**	2010
Actuarial gains and (losses)	**(14.5)**	(3.4)	**(20.1)**	(22.4)
Cumulative actuarial losses			**(40.0)**	(22.4)

17. 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 inputs 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 amount of consideration that would be 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. Where bid and ask prices are unavailable, Superior uses the closing price of the most recent transaction of the instrument. 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.

Fair values determined using valuation models require the use of 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 factors such as forecast commodity price curves, interest rate yield curves, currency rates, and price and rate volatilities as applicable.

Description	Notional (1)	Term	Effective Rate	Fair Value Input Level	Asset (Liability) September 30 , 2011	December 31, 2010	January 1, 2010
Natural gas financial swaps−NYMEX	–	–	–	Level 1	**–**	(101.1)	(22.2)
Natural gas financial swaps−AECO	31.18 GJ(2)	2011-2015	CDN$6.18/ GJ	Level 1	**(66.4)**	(2.9)	(69.3)
Foreign currency forward contracts, net sale	US$473.8(3)	2011-2015	1.04	Level 1	**(10.9)**	33.8	12.5
Foreign currency forward contracts	EURO €2.4(3)	2011	1.40	Level 1	**–**	0.1	0.4
Interest rate swaps – CDN$	$150.0	2011-2017	Six month BA rate plus 2.65%	Level 2	**10.9**	1.6	–
Energy Services Propane wholesale purchase and sale contracts, net sale	4.08 USG(4)	2011-2012	$1.62/USG	Level 2	**0.4**	(1.6)	(2.2)
Energy Services Butane wholesale purchase and sale contracts, net sale	0.40 USG(4)	2011-2012	$1.17/USG	Level 2	**0.2**	–	(0.2)
Energy Services electricity swaps	1.20MWh(5)	2011-2016	$43.75/MWh	Level 2	**(11.9)**	(13.0)	(9.3)
Energy Services swaps and option purchase and sale contracts	19.6 Gallons(4)	2011	$2.50 US/Gallon	Level 2	**1.4**	1.2	0.1
Specialty Chemicals fixed-price electricity purchase agreement	12-45 MW (6)	2011-2017(7)		Level 3	**–**	5.3	10.5

(1) Notional values as at September 30, 2011 (2) Millions of gigajoules purchased (3) Millions of dollars/EUROS purchased (4) Millions of United States gallons purchased (5) Millions of mega watt hours (MWh) (6) Mega watts (MW) on a 24/7 continual basis per year purchased (7) Specialty Chemicals fixed-price electricity purchase agreement has been impacted by the TransAlta Corporate force majeure issued in December 2010 and the value of the agreement is estimated as $nil million.

All financial and non-financial derivatives are designated as fair value through net earnings or loss upon their initial recognition.

Description	Current Assets	Long-term Assets	Current Liabilities	Long-term Liabilities
Natural gas financial swaps – NYMEX and AECO	0.2	–	40.3	26.3
Energy Services electricity swaps	–	–	6.4	5.5
Foreign currency forward contracts, net	6.1	2.7	3.5	16.2
Interest rate swaps	2.8	8.1	–	–
Debenture embedded derivative	–	–	–	–
Energy Services propane wholesale purchase and sale contracts	3.1	–	1.7	–
Energy Services butane wholesale purchase and sale contracts	0.3	–	0.1	–
Energy Services heating oil purchase and sale contracts	1.6	–	1.2	–
As at September 30, 2011	**14.1**	**10.8**	**53.2**	**48.0**
As at December 31, 2010	31.4	26.6	78.6	57.8
As at January 1, 2010	22.2	28.5	77.8	52.6

Description	For the three months ended September 30 , 2011 Realized gain(loss)	Unrealized gain (loss)	For the three months ended September 30, 2010 Realized gain(loss)	Unrealized gain (loss)
Natural gas financial swaps – NYMEX and AECO	**(14.9)**	**9.8**	(23.2)	(20.5)
Energy Services electricity swaps	**(1.9)**	**0.6**	(0.6)	0.1
Foreign currency forward contracts, net	**3.6**	**(46.2)**	2.1	13.8
Interest rate swaps	**1.2**	**8.1**	–	6.4
Foreign currency forward contracts, balance sheet related	**–**	**(4.4)**	–	–
Energy Services propane wholesale purchase and sale contracts	**–**	**(1.9)**	–	–
Energy Services butane wholesale purchase and sale contracts	**–**	**2.9**	–	0.9
Energy Services heating oil purchase and sale contracts	**(0.6)**	**1.3**	(0.1)	0.8
Specialty Chemicals fixed-price power purchase agreements	**(1.3)**	**–**	1.9	(5.2)
Total realized and unrealized gains (losses) on financial and non-financial derivatives	**(13.9)**	**(29.8)**	(19.9)	(3.7)
Foreign currency translation of senior secured notes	**–**	**(11.6)**	–	4.9
Change in fair value of debenture embedded derivative	**–**	**2.7**	–	–
Total realized and unrealized gains (losses)	**(13.9)**	**(38.7)**	(19.9)	1.2

Description	For the nine months ended September 30 , 2011 Realized gain(loss)	Unrealized gain (loss)	For the nine months ended September 30, 2010 Realized gain(loss)	Unrealized gain (loss)
Natural gas financial swaps – NYMEX and AECO	**(50.3)**	**32.4**	(60.4)	(40.0)
Energy Services electricity swaps	**(4.9)**	**1.1**	(2.9)	(0.1)
Foreign currency forward contracts, net	**15.2**	**(46.2)**	0.4	3.2
Interest rate swaps	**1.2**	**9.3**	1.4	7.0
Foreign currency forward contracts, balance sheet related	**–**	**1.6**	–	–
Energy Services propane wholesale purchase and sale contracts	**–**	**–**	–	–
Energy Services butane wholesale purchase and sale contracts	**–**	**3.1**	–	3.8
Energy Services heating oil purchase and sale contracts	**(1.1)**	**(0.8)**	0.1	(0.4)
Specialty Chemicals fixed-price power purchase agreements	**(2.5)**	**(5.4)**	2.9	(7.4)
Total realized and unrealized gains (losses) on financial and non-financial derivatives	**(42.4)**	**(4.9)**	(58.5)	(33.9)
Foreign currency translation of senior secured notes	**–**	**(6.9)**	–	2.7
Change in fair value of debenture embedded derivative	**–**	**1.8**	–	–
Total realized and unrealized gains (losses)	**(42.4)**	**(10.0)**	(58.5)	(31.2)

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

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
Inventories	Loans and receivables	Amortized cost
Derivative assets	FVTNL	Fair Value
Notes and finance lease receivable	Loans and receivables	Amortized cost
Financial liabilities		
Trade and other payables	Other liabilities	Amortized cost
Provisions	Other liabilities	Amortized cost
Borrowings	Other liabilities	Amortized cost
Convertible unsecured subordinated debentures	Other liabilities	Amortized cost
Derivative liabilities	FVTNL	Fair Value

Non-Derivative Financial Instruments
The fair value of Superior's cash and cash equivalents, trade and other receivables, trade and other payables, and dividends and interest payable to shareholders and debenture holders approximates their carrying value due to the short-term nature of these amounts. The carrying value and the fair value of Superior's borrowings and debentures, is provided in Notes 13 and 15.

Financial Instruments – Risk Management
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; 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 profit or loss.

Effective 2008, Energy Services enters into natural gas financial swaps primarily with Macquarie Cook Energy Canada Ltd. for distributor billed natural gas business in Canada to manage its economic exposure of providing fixed-price natural gas to its customers. Additionally, Energy Services continues to maintain its historical natural gas swap positions with seven additional counterparties. Energy Services monitors its fixed-price natural gas positions on a daily basis to monitor compliance with established risk management policies. Energy Services maintains a substantially balanced fixed-price natural gas position in relation to its customer supply commitments.

Energy Services enters into electricity financial swaps with three counterparties to manage the economic exposure of providing fixed-price electricity to its customers. Energy Services monitors its fixed-price electricity positions on a daily basis to monitor compliance with established risk management policies. Energy Services maintains a substantially balanced fixed-price electricity position in relation to its customer supply commitments.

Specialty Chemicals has entered into a fixed-price electricity purchase agreement to manage the economic exposure of certain chemical facilities to changes in the market price of electricity, in a market where the price of electricity is not fixed. The fair value with respect to this agreement is with a single counterparty.

Energy Services enters into various propane forward purchase and sale agreements with more than twenty counterparties to manage the economic exposure of its wholesale customer supply contracts. Energy Services monitors its fixed-price propane positions on a daily basis to monitor compliance with established risk management policies. Energy Services maintains a substantially balanced fixed-price propane gas position in relation to its wholesale customer supply commitments.

Superior, on behalf of its operating divisions, enters into foreign currency forward contracts with ten counterparties to manage the economic exposure of Superior's operations to movements in foreign currency exchange rates.

Energy Services contract a portion of their fixed-price natural gas, and propane purchases and sales in US dollars and enter into forward US dollar purchase contracts to create an effective Canadian dollar fixed-price purchase cost. Specialty Chemicals enters into US dollar forward sales contracts on an ongoing basis to mitigate the impact of foreign exchange fluctuations on sales margins on production from its Canadian plants that is sold in US dollars. Interest expense on Superior's US dollar debt is also used to mitigate the impact of foreign exchange fluctuations.

Superior has interest rate swaps with variety of counterparties to manage the interest rate mix of its total debt portfolio and related overall cost of borrowing. Superior manages its overall liquidity risk in relation to its general funding requirements by utilizing a mix of short-term and longer-term maturity debt instruments. Superior reviews its mix of short-term and longer-term debt instruments on an on-going basis to ensure it is able to meet its liquidity requirements.

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 debts risk for residential customers. Energy Services actively monitors the credit worthiness of its commercial customers.

Allowance for doubtful accounts and past due receivables are reviewed by Superior at each reporting date. Superior updates its estimate of the allowance for doubtful accounts based on the evaluation of the recoverability of trade receivable balances of each customer taking into account historic collection trends of past due accounts and current economic conditions. Trade receivables are written-off once it is determined they are not collectable.

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

	September 30, 2011	December 31, 2010	January 1, 2010
Current	**245.4**	294.9	265.8
Past due less than 90 days	**108.2**	182.3	63.7
Past due over 90 days	**47.1**	36.5	11.0
Trade Receivable	**400.7**	513.7	340.5

Superior's trade receivables are stated after deducting a provision of $18.7 million as at September 30, 2011 (December 31, 2010 − $14.0 million). The movement in the provision for doubtful accounts was as follows:

	Nine months ended September 30, 2011	Twelve months ended December 31, 2010	January 1, 2010
Allowance for doubtful accounts, opening	**(14.0)**	(10.2)	(10.2)
Opening adjustment due to acquisitions	**–**	(1.0)	–
Impairment losses recognized on receivables	**(6.9)**	(6.3)	–
Amounts recovered	**(0.1)**	–	–
Amounts written off during the period as uncollectible	**2.3**	3.5	–
Allowance for doubtful accounts, ending	**(18.7)**	(14.0)	(10.2)

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

	2011	2012	2013	2014	2015	2016	2017 and Thereafter	Total
Borrowings	49.5	87.6	33.6	319.9	31.4	150.0	–	**672.0**
Convertible unsecured subordinated debentures	–	172.3	–	66.4	73.8	–	309.5	**622.0**
US$ foreign currency forward purchase contracts (US$)	37.2	–	–	–		–	–	**37.2**
US$ foreign currency forward sales contracts (US$)	54.4	206.9	200.0	156.0	144.0	–	–	**761.3**
€ foreign currency forward sales contracts (EURO)	1.2	–	–	–	–	–	–	**1.2**
Fixed-price electricity purchase commitments	1.5	–	–	–	–	–	–	**1.5**
CDN$ natural gas purchases	9.3	13.4	10.4	1.1	(0.2)	–	–	**34.0**
US$ propane purchases (US$)	1.1	–	–	–	–	–	–	**1.1**
US$ butane purchases (US$)	0.5	–	–	–	–	–	–	**0.5**

Superior's contractual obligations are considered to be 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 credits and proceeds on the issuance of share capital. Superior's financial instruments' sensitivities to changes in foreign currency exchange rates, interest rates and various commodity prices and the impact to net earnings are detailed below:

	Nine months ended September 30, 2011
Increase (decrease) to net earnings (loss) of a $0.01 increase in the CDN$ to the US$	(6.7)
Increase (decrease) to net earnings (loss) of a 0.5% increase in interest rates	(1.1)
Increase (decrease) to net earnings (loss) of a $0.40/GJ increase in the price of natural gas	2.5
Increase (decrease) to net earnings (loss) of a $0.04/litre increase in the price of propane	0.4
Increase (decrease) to net earnings (loss) of a $0.10/gallon increase in the price of heating oil	1.2
Increase (decrease) to net earnings (loss) of a $1.00/KwH increase in the price of electricity	1.1
Increase (decrease) to net earnings of a $0.04/litre increase in the price of butane	–

The calculation of Superior's sensitivity to changes in foreign currency exchange rates, interest rates and various commodity prices represent the change in fair value of the financial instrument without consideration of the value of the underlying variable, for example, the underlying customer contracts. The recognition of the sensitivities identified above would have impacted Superior's unrealized gain (loss) on financial instruments and would not have a material impact on Superior's cash flow from operations.

18. 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 recovery (expense), comprised of current taxes and deferred taxes for the three and nine months ended September 30, 2011 was $19.7 million and $6.7 million, respectively, compared to ($7.8) million and $14.6 million in the comparative period. Income taxes were impacted by the unrealized losses on derivative financial instruments, and the impairment of intangible assets. For the three and nine months ended September 30, 2011, deferred income tax recovery from operations in Canada, the United States and Chile was $19.6 million and $6.8 million, respectively, which resulted in a corresponding total net deferred income tax asset of $263.7 million. The deferred income tax recovery (expense) for the three and nine months ended September 30, 2010 was ($7.3) million and $15.5 million, respectively.

19. 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 meetings of the holders of common shares; 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 are 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 to 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 to be paid rateably with holders of each other series of preferred shares the amount, if any, specified as being payable preferentially to holders of such series. Superior does not have any preferred shares outstanding.

Common shares outstanding as at January 1, 2010, December 31, 2010 and September 30, 2011 have par value of $nil million. No common shares have been reserved in relation to any share option programs.

	Issued Number of Common Shares (Millions)	Shareholders' Equity
Shareholders' equity, January 1, 2010	99.9	935.1
Shareholders' equity, December 31, 2010	107.7	753.2
Net loss for the period	–	(71.2)
Other comprehensive income	–	13.3
Issuance of common shares for the dividend reinvestment plan	2.2	23.4
Dividends paid to shareholders (1)	–	(105.6)
Shareholders' equity, September 30, 2011	**109.9**	**613.1**

(1) Dividends to shareholders are declared at the discretion of Superior. During the nine months ended September 30, 2011, Superior paid dividends of $105.6 million or $0.96 per share (2010: $127.7 million or $1.17 per share).

Accumulated other comprehensive income (loss) consisted of the following components:

	September 30, 2011	December 31, 2010	January 1, 2010
Currency translation adjustment			
Balance at beginning of period	**(27.4)**	–	-
Unrealized foreign currency losses on translation of foreign operations	**24.6**	(27.4)	-
Balance at end of period	**(2.8)**	(27.4)	-
Actuarial defined benefits			
Balance at beginning of period	**(14.8)**	–	-
Actuarial defined benefit losses	**(20.1)**	(19.9)	-
Income tax recovery	**3.5**	5.1	-
Balance at end of period	**(31.4)**	(14.8)	-

Accumulated derivative gains (losses)			
Balance at beginning of period	**(11.9)**	(21.1)	(21.1)
Reclassification of derivative gains previously deferred	**5.3**	12.1	–
Income tax recovery (expense)	**–**	(2.9)	–
Balance at end of period	**(6.6)**	(11.9)	(21.1)
Accumulated other comprehensive loss at end of period	**(40.8)**	(54.1)	(21.1)

Other Capital Disclosures

Additional Capital Disclosures

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 Superior's assets while at the same time maximizing the growth of its businesses and returns to its shareholders.

In the management of capital, Superior includes shareholders' equity (excluding accumulated other comprehensive income) (AOCI), current and long-term debt, convertible 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 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 debentures, issue new debt or convertible debentures with different characteristics and/or increase or decrease the amount of securitized accounts receivable.

Superior monitors its capital based on the ratio of senior 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 other public reports of Superior.

Superior is subject to various financial covenants in its credit facility agreements, including senior debt and total debt to EBITDA ratios, which are measured on a quarterly basis. As at September 30, 2011, December 31, 2010 and January 1, 2010 Superior was in compliance with all of its financial covenants.

Superior's financial objectives and strategy related to managing its capital as described above have 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.

Non-IFRS 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	**September 30, 2011**	December 31, 2010
Total shareholders' equity	**613.1**	753.2
Exclude accumulated other comprehensive loss	**40.8**	54.1
Shareholders' equity (excluding AOCI)	**653.9**	807.3
Current borrowings	**49.5**	136.2
Borrowings [(1)]	**622.5**	603.8
Less: Senior unsecured debentures	**(150.0)**	(150.0)
Consolidated secured debt	**522.0**	590.0
Add: Senior unsecured debentures	**150.0**	150.0
Consolidated debt	**672.0**	740.0
Convertible unsecured subordinated debentures [(1)]	**638.4**	638.0
Total debt	**1,310.4**	1,378.0
Total capital	**1,964.3**	2,185.3

Twelve months ended	**September 30, 2011**	December 31, 2010
Net loss	**(128.4)**	(77.0)
Adjusted for:		
Finance expense	**83.0**	75.2
Depreciation of property, plant and equipment	**46.9**	51.4
Depreciation and amortization included in cost of sales	**43.1**	46.4
Amortization of intangible assets	**42.2**	28.0
Impairment of intangible assets and goodwill	**167.5**	89.5
Income tax expense	**14.4**	6.5
Unrealized (gains) losses on derivative financial instruments	**(19.0)**	2.2
Realized gain on derivative financial instruments included in finance expense	**2.7**	2.9
Proforma impact of acquisitions	**2.0**	4.8
Compliance EBITDA [(2)]	**254.4**	229.9

	September 30, 2011	December 31, 2010
Consolidated debt to Compliance EBITDA[(2)]	**2.6:1**	3.2:1
Total debt to Compliance EBITDA[(2)]	**5.2:1**	6.0:1

(1) Borrowings and convertible unsecured subordinated debentures are before deferred issue costs.

(2) 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.

20. Net Earnings (loss) per Share

	Three months ended September 30,		**Nine months ended September 30,**	
	2011	2010	**2011**	2010
Net loss per share computation, basic and diluted [(1)]				
Net loss for the period	**(113.4)**	(13.8)	**(71.2)**	(19.8)
Weighted average shares outstanding	**109.5**	106.6	**108.8**	104.9
Net loss per share, basic and diluted	**$(1.04)**	$(0.13)	**$(0.65)**	$(0.19)

(1) All outstanding convertible debentures have been excluded from this calculation as they were anti-dilutive.

The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purposes of diluted earnings per share.

	Notes	Three months ended September 30, 2011	Three months ended September 30, 2010	Nine months ended September 30, 2011	Nine months ended September 30, 2010
Convertible Debentures					
5.75% Series III	**15**	**4.9**	4.9	**4.9**	4.9
5.85% Series IV	**15**	**2.4**	2.4	**2.4**	2.4
7.50% Series V	**15**	**5.3**	5.3	**5.3**	5.3
5.75% Series VI	**15**	**9.1**	9.9	**9.1**	9.1
6.00% Series VII	**15**	**9.9**	–	**9.9**	–
Total anti-dilutive instruments		**31.6**	22.5	**31.6**	21.7

21. Share Based Compensation

Restricted/Performance Shares

Under the terms of Superior's long-term incentive program, restricted shares (RSs) and/or performance shares (PSs) can be granted to directors, senior officers and employees of Superior. Both types of shares entitle the holder to receive cash compensation in relation to the value of a specified number of underlying notional shares. RSs vest evenly over a period of three years commencing from the date of grant, except for RSs issued to directors which vest three years from the date of grant. Payments are made on the anniversary dates of the RS to the holders entitled to receive them on the basis of a cash payment equal to the value of the underlying notional shares. PSs vest three years from the date of grant and their notional value is dependent on Superior's performance vis-à-vis other companies/trusts' performance and on certain benchmarks. As at September 30, 2011 there were 850,398 RSs outstanding (2010 –882,798 RSs) and 983,557 PSs outstanding (2010 – 716,995 PSs). For the three months and nine months ended September 30, 2011 total compensation expense related to RSs and PSs was $(0.6) million (2010 - $1.3 million) and $4.1 million (2010 - $3.6million) respectively. For the period ended September 30, 2011 the total carrying amount of the liability related to RSs and PSs was $9.4 million (December 31, 2010 - $8.8 million).

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

	Three month ended September 30, 2011	Three month ended September 30, 2010	Nine months ended September 30, 2011	Nine months ended September 30, 2010
Changes in non-cash working capital				
Trade receivable and other	**48.8**	0.8	**136.8**	(4.5)
Inventories	**(40.7)**	(13.7)	**(29.7)**	(13.4)
Trade and other payables	**45.7**	(7.0)	**(12.4)**	(32.1)
Purchased working capital	**(0.5)**	–	**0.6**	39.5
Other	**16.0**	(16.5)	**3.5**	(14.3)
	69.3	(36.4)	**98.8**	(24.8)

23. Supplemental Disclosure of Condensed Consolidated Statement of Comprehensive Income

	Three months ended September 30, 2011	Three months ended September 30, 2010	Nine months ended September 30, 2011	Nine months ended September 30, 2010
Revenues				
Revenue from products and services	**840.4**	771.2	**2,868.2**	2,525.4
Finance income	**(0.1)**	–	**0.2**	–
Realized gains (losses) on derivative financial instruments	**4.7**	(2.1)	**13.8**	0.8
	845.0	769.1	**2,882.2**	2,526.2

Cost of sales (includes products and services)				
Cost of products and services	**(636.7)**	(565.1)	**(2,198.4)**	(1,870.0)
Depreciation of property, plant and equipment	**(11.2)**	(12.5)	**(33.5)**	(36.8)
Realized losses on derivative financial instruments	**(18.6)**	(19.1)	**(57.4)**	(63.5)
	(666.5)	(596.7)	**(2,289.3)**	(1,970.3)
Selling, distribution and administration costs				
Other selling, distribution and administrative costs	**(145.8)**	(139.8)	**(449.6)**	(442.3)
Employee future benefit expense	**(0.5)**	(0.8)	**(2.2)**	(1.7)
Depreciation of property, plant and equipment	**(9.6)**	(14.2)	**(34.1)**	(38.6)
Amortization of intangible assets	**(13.4)**	(3.7)	**(28.7)**	(17.9)
Impairment of property, plant and equipment	**(3.4)**	–	**(3.4)**	–
	(172.7)	(158.5)	**(518.0)**	(498.8)
Finance expense				
Interest on borrowings	**(9.4)**	(9.8)	**(28.2)**	(29.8)
Interest on convertible unsecured subordinated debentures	**(9.8)**	(7.5)	**(29.0)**	(20.2)
Interest on obligations under finance leases	**(1.3)**	(1.2)	**(3.8)**	(3.4)
Unwind of discount on debentures, borrowing and decommissioning liabilities	**(1.7)**	(1.6)	**(5.0)**	(5.0)
Realized gains on derivative financial instruments	–	–	**1.2**	1.4
	(22.2)	(20.1)	**(64.8)**	(57.0)

24. 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 nine months ended September 30, 2011, Superior incurred $0.2 million (2010 - $0.3 million) and $1.3 million (2010 - $0.8 million) in legal fees respectively, with Macleod Dixon LLP. Macleod Dixon LLP is a related party with Superior as a board member is a Partner at the law firm.

25. 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. Segment revenues reported below represents revenues generated from external customers.

For the three months ended September 30, 2011	**Energy Services**	**Specialty Chemicals**	**Construction Products Distribution**	**Corporate**	**Total Consolidated**
Revenues	**522.6**	**133.1**	**189.3**	**–**	**845.0**
Cost of sales (includes product & services)	**(437.3)**	**(84.6)**	**(144.6)**	**–**	**(666.5)**
Gross Profit	**85.3**	**48.5**	**44.7**	**–**	**178.5**
Expenses					
Selling, distribution and administrative costs	**100.3**	**31.1**	**39.8**	**1.5**	**172.7**
Finance expense	**0.9**	**0.1**	**0.4**	**20.8**	**22.2**
Impairment of intangible assets and goodwill	**–**	**–**	**78.0**	**–**	**78.0**
Unrealized losses (gains) on derivative financial instruments	**(12.8)**	**–**	**–**	**51.5**	**38.7**
	88.4	**31.2**	**118.2**	**73.8**	**311.6**
Net earnings (loss) before income taxes	**(3.1)**	**17.3**	**(73.5)**	**(73.8)**	**(133.1)**
Income tax recovery	**–**	**–**	**–**	**19.7**	**19.7**
Net earnings (loss)	**(3.1)**	**17.3**	**(73.5)**	**(54.1)**	**(113.4)**

For the three months ended September 30, 2010	**Energy Services**	**Specialty Chemicals**	**Construction Products Distribution**	**Corporate**	**Total Consolidated**
Revenues	454.6	124.3	190.2	–	769.1
Cost of sales (includes products & services)	(373.5)	(80.8)	(142.4)	–	(596.7)
Gross Profit	81.1	43.5	47.8	–	172.4
Expenses					
Selling, distribution and administrative costs	86.3	30.7	41.1	0.4	158.5
Other expenses	1.0	–	–	–	1.0
Finance expense	1.0	0.1	0.2	18.8	20.1
Unrealized losses (gains) on derivative financial instruments	18.7	5.2	–	(25.1)	(1.2)
	107.0	36.0	41.3	(5.9)	178.4
Net earnings (loss) before income taxes	(25.9)	7.5	6.5	5.9	(6.0)
Income tax expense	–	–	–	(7.8)	(7.8)
Net earnings (loss)	**(25.9)**	**7.5**	**6.5**	**(1.9)**	**(13.8)**

For the nine months ended September 30, 2011	**Energy Services**	**Specialty Chemicals**	**Construction Products Distribution**	**Corporate**	**Total Consolidated**
Revenues	**1,958.5**	**390.0**	**533.7**	**–**	**2,882.2**
Cost of sales (includes product & services)	**(1,630.1)**	**(252.5)**	**(406.7)**	**–**	**(2,289.3)**
Gross Profit	**328.4**	**137.5**	**127.0**	**–**	**592.9**
Expenses					
Selling, distribution and administrative costs	**297.6**	**95.2**	**116.6**	**8.6**	**518.0**
Finance expense	**2.9**	**0.2**	**0.9**	**60.8**	**64.8**
Impairment of intangible assets and goodwill	**–**	**–**	**78.0**	**–**	**78.0**
Unrealized losses (gains) on derivative financial instruments	**(35.8)**	**5.4**	**–**	**40.4**	**10.0**
	264.7	**100.8**	**195.5**	**109.8**	**670.8**
Net earnings (loss) before income taxes	**63.7**	**36.7**	**(68.5)**	**(109.8)**	**(77.9)**
Income tax recovery	**–**	**–**	**–**	**6.7**	**6.7**
Net earnings (loss)	**63.7**	**36.7**	**(68.5)**	**(103.1)**	**(71.2)**

For the nine months ended September 30, 2010	**Energy Services**	**Specialty Chemicals**	**Construction Products Distribution**	**Corporate**	**Total Consolidated**
Revenues	1,636.0	353.4	536.8	−	2,526.2
Cost of sales (includes products & services)	(1,333.1)	(228.8)	(408.4)	−	(1,970.3)
Gross Profit	302.9	124.6	128.4	−	555.9
Expenses					
Selling, distribution and administrative costs	279.6	93.4	117.7	8.1	498.8
Other expenses	3.1	−	0.2	−	3.3
Finance expense	3.0	0.2	0.4	53.4	57.0
Unrealized losses (gains) on derivative financial instruments	36.7	7.4	−	(12.9)	31.2
	322.4	101.0	118.3	48.6	590.3
Net earnings (loss) before income taxes	(19.5)	23.6	10.1	(48.6)	(34.4)
Income tax recovery	−	−	−	14.6	14.6
Net earnings (loss)	**(19.5)**	**23.6**	**10.1**	**(34.0)**	**(19.8)**

Net working capital, Total assets, Total liabilities, Acquisitions and Purchase of property, plant and equipment

	Energy Services	Specialty Chemicals	Construction Products Distribution	Corporate	Total Consolidated
As at September 30, 2011					
Net working capital [(1)]	**199.7**	**19.4**	**114.6**	**(38.7)**	**295.0**
Total assets	**1,259.0**	**633.3**	**226.6**	**342.2**	**2,461.1**
Total liabilities	**361.7**	**222.9**	**91.7**	**1,171.7**	**1,848.0**
As at December 31, 2010					
Net working capital [(1)]	290.2	33.5	107.2	(31.1)	399.8
Total assets	1,406.7	653.1	279.4	385.4	2,724.6
Total liabilities	447.2	177.3	75.0	1,271.9	1,971.4
For the three months ended September 30, 2011					
Acquisitions	**8.8**	**–**	**–**	**–**	**8.8**
Purchase of property, plant and equipment	**4.3**	**4.3**	**0.4**	**–**	**9.0**
For the three months ended September 30, 2010					
Acquisitions	–	–	–	–	–
Purchase of property, plant and equipment	4.3	1.5	0.4	0.2	6.4
For the nine months ended September 30, 2011					
Acquisitions	**13.7**	**–**	**–**	**–**	**13.7**
Purchase of property, plant and equipment	**11.7**	**10.4**	**1.5**	**–**	**23.6**
For the nine months ended September 30, 2010					
Acquisitions	142.6	–	18.1	–	160.7
Purchase of property, plant and equipment	11.4	9.6	2.3	1.2	24.5

(1) 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 to shareholders and debenture holders.

26. Geographic Information

	Canada	United States	Other	Total Consolidated
Revenues for the three months ended September 30, 2011	**363.0**	**459.5**	**22.5**	**845.0**
Revenues for the nine months ended September 30, 2011	**1,252.3**	**1,564.0**	**65.9**	**2,882.2**
Property, plant and equipment as at September 30, 2011	**488.5**	**353.3**	**50.8**	**892.6**
Goodwill as at September 30, 2011	**385.7**	**28.2**	**–**	**413.9**
Total assets as at September 30, 2011	**1,616.3**	**775.4**	**69.4**	**2,461.1**
Revenues for the three months ended September 30, 2010	353.5	392.8	22.8	769.1
Revenues for the nine months ended September 30, 2010	1,208.9	1,253.3	64.0	2,526.2
Property, plant and equipment as at December 31, 2010	503.0	352.5	54.7	910.2
Goodwill as at December 31, 2010	391.9	79.8	–	471.7
Total assets as at December 31, 2010	1,930.6	737.3	56.7	2,724.6

27. Subsequent Event

On October 4, 2011, Superior completed the issuance of $75,000,000 aggregate principal amount of 7.50% convertible unsecured subordinated debentures at a price of $1,000 per Debenture. The Underwriters maintain an over-allotment option to purchase up to an additional $11,250,000 aggregate principal amount of Debentures at the same price, exercisable in whole or in part at any time for a period of up to 30 days following October 4, 2011. The Debentures are listed on the Toronto Stock Exchange under the symbol "SPB.DB.G".

On October 4, 2011, Superior also announced that it has provided notice that it will redeem $75 million principal amount of its previously issued 5.75% convertible subordinated debentures due December 31, 2012 on November 7, 2011. As previously announced, Superior will use the net proceeds from the Offering and funds from its bank facility to fund the redemption of the 2012 Debentures. The 5.75% convertible subordinated debentures will, in accordance with their terms, be redeemed at the redemption price of $1,000 in cash per $1,000 principal amount of 2012 Debentures plus accrued and unpaid interest up to but excluding the redemption date. The record date for the partial redemption is November 4, 2011.

28. Comparative Figures

Certain reclassifications of prior year amounts have been made to conform to current period presentation. Specifically, $16.1 million, $11.8 million and $15.4 million have been reclassified to trade and other receivables from trade and other payables to provide comparative presentation of certain of Construction Products Distribution vendor and customer rebates as at January 1, 2010, September 30, 2010 and December 31, 2010, respectively.

29. Explanation of transition to IFRS

Superior’s financial statements for the year ending December 31, 2011 will be the first annual financial statements that comply with IFRS and these financial statements were prepared as described in Note 2, including the application of IFRS 1. IFRS 1 requires an entity to adopt IFRS in its first annual financial statements prepared under IFRS by making an explicit and unreserved statement in those financial statements of compliance with IFRS. Superior will make this statement when it issues its 2011 annual financial statements.

IFRS also requires that comparative financial information be provided. As a result, the first date at which Superior has applied IFRS was January 1, 2010 (Transition Date). IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS standards as of the reporting date, which for Superior will be December 31, 2011. However, it also provides for certain optional exemptions and certain mandatory exceptions for first time IFRS adopters.

First-time adoption of IFRS
Set forth below are the applicable IFRS 1 elective exemptions and mandatory exceptions applied in the conversion from GAAP to IFRS.

IFRS Elective Exemptions
Share-Based Payment Transactions
IFRS 2, *Share-based Payments*, encourages application of its provisions to equity instruments granted on or before November 7, 2002, but requires the application only to equity instruments granted after November 7, 2002 that had not vested by the Transition Date. Superior has elected to utilize this exemption to avoid applying IFRS 2 *Share-Based Payments* retrospectively and restate all share-based liabilities that were settled before the date of transition to IFRS. Accordingly, all unsettled liabilities arising from share-based payment transactions are in compliance with the principles of IFRS after the Transition Date.

Changes in the Decommissioning Liabilities Included in the Cost of Property, Plant and Equipment
Superior as elected to utilize this exemption to avoid retrospective restatement of all changes in decommissioning, restoration, and similar liabilities that are included in property, plant and equipment prior to the Transition Date.

Leases
Superior has elected to apply the transitional provisions of IFRIC 4 *Determining Whether an Arrangement Contains a Lease* to determine only whether any existing contract or arrangements at the Transition Date contains a lease under IFRIC 4 and if so, to apply IAS 17 *Leases* from the inception of that arrangement. Furthermore, Superior has elected to utilize the leases exemption to avoid the reassessment of determining whether an arrangement contained a lease at the Transition Date for all arrangements assessed prior to the Transition Date which resulted in the same outcome under IFRS and previous GAAP.

Fair Value or Revaluation as Deemed Cost
Generally, for Energy Services, Specialty Chemicals and Construction Products Distribution property, plant, equipment, Superior has elected to use the fair value as deemed cost exemption. Deemed cost will be the cost under previous GAAP that was established by measuring items at fair value due to business combinations. For certain

Energy Services property, plant and equipment, Superior has revalued assets at deemed cost and recorded accumulated depreciation and amortization of its property, plant and equipment in accordance with its IFRS policies.

Business Combinations
A first-time adopter may elect not to apply IFRS 3 *Business Combinations,* retrospectively to business combinations completed before the Transition Date. However, if a first-time adopter restates any business combinations to comply with IFRS 3, it shall restate all later business combinations and shall also apply IAS 27 from that same date. Superior has elected not to apply IFRS 3 to business combinations completed before the Transition Date. Superior has applied IFRS 3, *Business Combinations*, to all acquisitions completed during 2010 in accordance with IFRS. Superior has also tested all goodwill for impairment from acquisitions completed in 2010 and restated under IFRS 3. Superior also tested goodwill for impairment at the Transition Date to IFRS which resulted in no adjustments to goodwill.

Employee Benefits
IFRS 1 provides the option to retrospectively apply the corridor approach under IAS 19, *Employee Benefits*, for the recognition of actuarial gains and losses, or recognize all cumulative gains and losses deferred under GAAP in opening retained earnings at the Transition Date. Superior elected to recognize all cumulative actuarial gains and losses that existed at its Transition Date in opening deficit for all of its employee benefit plans.

Cumulative Translation Differences
Retrospective application of IFRS would require Superior to determine cumulative currency translation differences in accordance with IAS 21, *The Effects of Changes in Foreign Exchange Rates*, from the date a subsidiary or equity method investee was formed or acquired. IFRS 1 permits cumulative translation gains and losses to be reset to zero at the Transition Date. Superior elected to reset all cumulative translation gains and losses to zero in opening deficit at its Transition Date.

Borrowing Costs
IAS 23, *Borrowing Costs*, requires an entity to capitalize the borrowing costs related to all qualifying assets for which the commencement date for capitalization is on or after January 1, 2009 or date of transition whichever is later. Superior has applied the transitional provisions prescribed in IAS 23, which has constituted a change in accounting policy. All borrowing costs related to qualifying assets for which the commencement date for capitalization is on or after the Transition Date have been capitalized.

IFRS Mandatory Exceptions
Derecognition of financial assets and liabilities
A first-time adopter should apply the derecognition requirements in IAS 39 *Financial Instruments: Recognition and Measurement*, prospectively to transactions occurring on or after January 1, 2004. Superior has applied this mandatory exception which did not impact any of Superior’s previously reported results.

Hedge Accounting
Hedge accounting can only be applied prospectively from the Transition Date to transactions that satisfy the hedge accounting criteria in IAS 39 at that date. Hedging relationships cannot be designated retrospectively and the supporting documentation cannot be created retrospectively. Superior has applied this mandatory exception which did not impact any of Superior’s previously reported results.

Non-controlling Interests
A first-time adopter that applies IAS 27 *Consolidated and Separate Financial Statements*, should apply the standard retrospectively, with the exception of the following requirements which are applied prospectively from the Transition Date:

- The requirement that total comprehensive income is attributed to the owners of the parent and to the non-controlling interests have a deficit balance;

- The requirements on accounting for changes in the parent’s ownership interest in a subsidiary that do not results in a loss of control; and

- The requirements on accounting for a loss of control over a subsidiary, and the related requirements of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations.*

Estimates
An entity's estimates in accordance with IFRS at the date of transition to IFRS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Superior has applied these mandatory exceptions which did not impact any of Superior’s previously reported results.

Reconciliations between GAAP and IFRS
IFRS 1 requires an entity to reconcile equity, net earnings (loss) and comprehensive income and cash flows for prior periods. The Company’s first time adoption of IFRS did not have a material impact on the total operating, investing or financing cash flows. The following represents the reconciliations from GAAP to IFRS for the respective periods noted for equity, earnings and comprehensive income.

Reconciliation of equity as at January 1, 2010

GAAP accounts (millions of dollars)	Notes	GAAP	Adjustments	Reclassifications	IFRS	IFRS accounts
Assets						
Current Assets						*Current Assets*
Cash and cash equivalents		24.3	−	−	**24.3**	Cash and cash equivalents
Accounts receivable and other	(a) (j)	329.9	85.7	(21.3)	**394.3**	Trade and other receivables
		−	−	21.3	**21.3**	Prepaid expenses
Inventories	(k)	145.7	(2.2)	−	**143.5**	Inventories
Future income tax asset		59.0	−	(59.0)	−	
Current portion of unrealized gains on derivative financial instruments		22.2	−	−	**22.2**	Unrealized gains on derivative financial instruments
		581.1	83.5	(59.0)	**605.6**	
						Non Current Assets
Property, plant and equipment	(b) (d)	668.0	213.6	(1.6)	**880.0**	Property, plant and equipment
Intangible assets	(l)	180.0	4.0	1.6	**185.6**	Intangible assets and investment property
Goodwill	(m)	528.4	(0.9)	−	**527.5**	Goodwill
Accrued pension asset	(c)	18.2	(18.2)	−	**−**	Pension Asset
Deferred income tax asset	(g)	165.7	(18.3)	179.2	**326.6**	Deferred tax
Investment tax credits		120.2	−	(120.2)	−	Deferred tax
Long-term portion of unrealized gains on derivative financial instruments		28.5	−	−	**28.5**	Unrealized gains on derivative financial instruments
		2,290.1	263.7	−	**2,553.8**	
Liabilities and Shareholders' Equity						
Current Liabilities						*Current Liabilities*
Accounts payable and accrued liabilities	(n)	296.8	(1.4)	−	**295.4**	Trade and other payables
Unearned revenue		5.8	−	−	**5.8**	Deferred revenue
Current portion of term loans	(a) (d)	5.1	103.8	−	**108.9**	Borrowings
Dividends and interest payable to shareholders and debenture-holders		14.2	−	−	**14.2**	Dividends and interest payable to shareholders and debenture-holders
Current portion of deferred credit	(e)	24.5	(24.5)	−	−	
Current portion of unrealized losses on derivative financial instruments		77.8	−	−	**77.8**	Unrealized losses on derivative financial instruments
		424.2	77.9	−	**502.1**	
						Non Current Liabilities
Revolving term bank credits and term loans	(d)	633.2	46.9	−	**680.1**	Borrowings
Convertible unsecured subordinated debentures	(o)	309.0	(0.6)	−	**308.4**	Convertible unsecured subordinated debentures
Asset retirement obligations and environmental liabilities	(f)	0.9	6.0	−	**6.9**	Provisions
Employee future benefits	(c)	17.2	12.9	−	**30.1**	Employee future benefits
Future income tax liability	(g)	22.1	16.4	−	**38.5**	Deferred income tax liability
Deferred credit	(e)	246.4	(246.4)	−	−	
Long-term portion of unrealized losses on derivative financial instruments		52.6	−	−	**52.6**	Unrealized losses on derivative financial instruments
Total Liabilities		1,705.6	(86.9)	−	**1,618.7**	
Shareholders' Equity						
Shareholders' capital		1,502.0	−	5.3	**1,507.3**	Capital
Contributed surplus		5.3	−	(5.3)	−	
Deficit		(883.3)	332.2	−	**(551.1)**	Deficit
Accumulated other comprehensive loss	(h)	(39.5)	18.4	−	**(21.1)**	Accumulated other comprehensive loss
Total Shareholders' Equity		584.5	350.6	−	**935.1**	
		2,290.1	263.7	−	**2,553.8**	

Reconciliation of equity as at December 31, 2010 (balance sheet last reported under GAAP)

GAAP accounts (millions of dollars)	Notes	GAAP	Adjustments	Reclassifications	IFRS	IFRS accounts
Assets						
Current Assets						
Cash and cash equivalents		8.9		−	**8.9**	Cash and cash equivalents
Accounts receivable and other	(a)(j)	487.2	87.1	(23.3)	**551.0**	Trade and other receivables
			−	23.3	**23.3**	Prepaid expenses
Inventories	(k)	173.3	(6.2)	−	**167.1**	Inventories
Future income tax asset		48.6	−	(48.6)	−	
Current portion of unrealized gains on derivative financial instruments		31.4	−	−	**31.4**	Unrealized gains on derivative financial instruments
		749.4	80.9	(48.6)	**781.7**	
Property, plant and equipment	(b)(d)	687.7	223.7	(1.2)	**910.2**	Property, plant and equipment
Intangible assets		181.0	−	1.2	**182.2**	Intangible assets and investment property
Goodwill	(i)(m)	478.7	(7.0)	−	**471.7**	Goodwill
Accrued pension asset	(c)	21.0	(21.0)	−	**−**	Employee future benefits
Long-term portion of notes and finance lease receivable		12.1	−	−	**12.1**	Notes and finance lease receivables
Future income tax asset	(g)	191.1	(17.0)	166.0	**340.1**	Deferred tax
Investment tax credits		117.4	−	(117.4)	**−**	
Long-term portion of unrealized gains on derivative financial instruments		26.6	−	−	**26.6**	Unrealized gains on derivative financial instruments
		2,465.0	**259.6**	−	**2,724.6**	
Liabilities and Shareholders' Equity						
Current Liabilities						
Accounts payable and accrued liabilities	(n)	317.8	1.5	−	**319.3**	Trade and other payables
Unearned revenue		6.8	−	−	**6.8**	Deferred revenue
Current portion of term loans	(a)(d)	32.2	104.0	−	**136.2**	Borrowings
Dividends and interest payable to shareholders and debenture-holders		15.5	−	−	**15.5**	Dividends and interest payable to shareholders and debenture-holders
Current portion of deferred credit	(e)	18.2	(18.2)	−	**−**	
Future income tax liability		1.3		(1.3)	**−**	
Current portion of unrealized losses on derivative financial instruments		78.6	−	−	**78.6**	Unrealized losses on derivative financial instruments
		470.4	87.3	(1.3)	**556.4**	
Revolving term bank credits and term loans	(d)	540.9	55.8	−	**596.7**	Borrowings
Convertible unsecured subordinated debentures	(o)	621.7	(0.8)	(1.8)	**619.1**	Convertible unsecured subordinated debentures
Asset retirement obligations and environmental liabilities	(f)	7.1	3.9	−	**11.0**	Provisions
Employee future benefits	(c)	19.2	26.3	−	**45.5**	Employee future benefits
Future income tax liability	(g)	70.0	13.6	1.3	**84.9**	Deferred tax
Deferred credit	(e)	229.6	(229.6)	−	**−**	
Long-term portion of unrealized losses on derivative financial instruments		56.0	−	1.8	**57.8**	Unrealized losses on derivative financial instruments
Total Liabilities		**2,014.9**	**(43.5)**	−	**1,971.4**	
Shareholders' Equity						
Shareholders' capital	(i)	1,601.2	(0.3)	5.5	**1,606.4**	Capital
Contributed surplus		5.5	−	(5.5)	−	
Deficit		(1,101.3)	302.2	−	**(799.1)**	Deficit
Accumulated other comprehensive loss	(h)	(55.3)	1.2	−	**(54.1)**	Accumulated other comprehensive loss
Total Shareholders' Equity		**450.1**	**303.1**	−	**753.2**	
		2,465.0	**259.6**	−	**2,724.6**	

Reconciliation of equity as at September 30, 2010 (balance sheet last reported under GAAP)

GAAP accounts (millions of dollars)	Notes	GAAP	Adjustments	Reclassifications	IFRS	IFRS accounts
Assets						
Current Assets						
Cash and cash equivalents		**3.2**	–	–	**3.2**	Cash and cash equivalents
Accounts receivable and other	(a) (j)	**335.6**	80.2	(17.8)	**398.0**	Trade and other receivables
			–	17.8	**17.8**	Prepaid expenses
Inventories	(k)	**163.1**	(6.2)	–	**156.9**	Inventories
Future income tax asset		**57.4**	–	(57.4)	**-**	
Current portion of unrealized gains on derivative financial instruments		**29.4**	–	–	**29.4**	Unrealized gains on derivative financial instruments
		588.7	74.0	(57.4)	**605.3**	
Property, plant and equipment	(b)(d)	**705.4**	225.5	(1.0)	**929.9**	Property, plant and equipment
Intangible assets	(l)	**188.8**	3.1	1.0	**192.9**	Intangible assets and investment property
Goodwill	(i)(m)	**570.8**	(7.3)	–	**563.5**	Goodwill
Accrued pension asset	(c)	**18.9**	(18.9)	–	**-**	Employee future benefits
Long-term portion of notes and finance lease receivable		**4.3**	–	–	**4.3**	Notes and lease receivables
Future income tax asset	(g)	**184.8**	–	170.2	**355.0**	Deferred tax
Investment tax credits		**117.4**	–	(117.4)	**-**	
Long-term portion of unrealized gains on derivative financial instruments		**19.0**	–	–	**19.0**	Unrealized gains on derivative financial instruments
		2,398.1	**276.4**	**(4.6)**	**2,669.9**	
Liabilities and Shareholders' Equity						
Current Liabilities						
Accounts payable and accrued liabilities	(i) (n)	**266.0**	(4.2)	–	**261.8**	Trade and other payables
Unearned revenue		**7.3**	–	–	**7.3**	Deferred revenue
Current portion of term loans	(a) (d)	**2.6**	96.1	–	**98.7**	Borrowings
Dividends and interest payable to shareholders and debenture-holders		**22.7**	–	–	**22.7**	Dividends and interest payable to shareholders and debenture-holders
Future income tax liability		**1.2**	–	(1.2)	–	
Current portion of deferred credit	(e)	**21.9**	(21.9)	–	–	
Current portion of unrealized losses on derivative financial instruments		**91.3**	–	–	**91.3**	Unrealized losses on derivative financial instruments
		413.0	**70.0**	**(1.2)**	**481.8**	
Revolving term bank credits and term loans	(d)	**591.0**	57.4	–	**648.4**	Borrowings
Convertible unsecured subordinated debentures	(o)	**476.4**	(0.7)	–	**475.7**	Convertible unsecured subordinated debentures
Asset retirement obligations and environmental liabilities	(f)	**3.9**	7.3	–	**11.2**	Provisions
Employee future benefits	(c)	**18.9**	33.0	–	**51.9**	Employee future benefits
Future income tax liability	(g)	**65.7**	10.6	1.2	**77.5**	Deferred tax
Deferred credit	(e)	**232.7**	(232.7)	–	–	
Long-term portion of unrealized losses on derivative financial instruments		**60.6**	–	–	**60.6**	Unrealized losses on derivative financial instruments
Total Liabilities		**1,862.2**	**(55.1)**	–	**1,807.1**	
Shareholders' Equity						
Shareholders' capital	(i)	**1,592.4**	(0.3)	5.5	**1,597.6**	Capital
Contributed surplus		**5.5**	–	(5.5)	**-**	
Deficit		**(1,024.2)**	325.8	–	**(698.4)**	Deficit
Accumulated other comprehensive loss	(h)	**(37.8)**	1.4	–	**(36.4)**	Accumulated other comprehensive loss
Total Shareholders' Equity		**535.9**	**326.9**	–	**862.8**	
		2,398.1	**271.8**	–	**2,669.9**	

The following narratives explain the significant differences between the previous historical GAAP accounting policies and the current IFRS policies applied by Superior.

(a) Derecognition of Financial Assets

GAAP: Certain financial assets are derecognized under GAAP when entities do not retain access to all the economic benefits of the asset after a transfer of the receivable to a third party, including the accounts receivable securitization program.

IFRS: Under IFRS only certain financial assets can be derecognized when the related criteria are met. Based on a review of the IFRS criteria Superior's accounts receivable securitization program does not qualify for derecognition. As such the previously derecognized balances have been recognized under IFRS and included under trade and other receivables and borrowings.

(b) *Property, Plant and Equipment*

Componentization and Major inspection and repairs

GAAP: The cost of an item of property, plant and equipment made up of significant separable component parts should be allocated to the component parts when practicable. Costs meeting the criteria to be classified as a betterment are capitalized. GAAP specifies that the costs incurred in the maintenance of the service potential of an item of property, plant and equipment is a repair, not betterment.

IFRS: An entity is required to separately depreciate each part of property, plant and equipment that is significant in relation to the total cost of the property, plant and equipment item. Also, major inspections or overhauls required at regular intervals over the useful life of an item of property, plant and equipment which allows the continued use of the asset are required to be capitalized. As a result, Superior adjusted its depreciation of property, plant and equipment based on the each item's component parts and capitalized certain recertification, inspections and overhauls related to certain Energy Services assets.

Reversal of Prior Asset Impairment

GAAP: An impairment loss recognized in a prior period shall not be reversed if the fair value of the asset subsequently increases.

IFRS: An impairment loss recognized in a prior period for an asset other than goodwill may be reversed if, and only if, there has been a change in the estimates used to determine the recoverable amount of the asset since the last impairment loss was recognized. Under previous GAAP, Superior recognized an impairment loss on a Specialty Chemicals' facility. Upon transition to IFRS, Superior has reversed this impairment based on several market factor developments including the lower power rate trend in the facility's region, major cell upgrade investments made between the time the impairment was recognized and the Transition Date and improved North American pulp and paper fundamentals.

Capitalized assets related to finance leases

GAAP: To determine the appropriate classification of a lease as either capital or operating, an entity uses the following tests: the fair value versus the present value of the minimum lease payments, the lease term versus economic useful life, and the transfer or risks and rewards.

IFRS: To determine the appropriate classification of a lease as either finance or operating, an entity uses the same tests as under GAAP keeping in mind that IFRS adds an additional criterion noting that leased assets of a highly specialized nature might also be an indicator of a finance lease. Although the tests are consistent with GAAP and IFRS, the criteria in IAS 17 *Leases* is not framed in the same context as they do not provide a "bright line" and leaves more room for judgment when assessing when a lease transfers substantially all of the risks and rewards incidental to ownership. As a result, on transition to IFRS, Superior re-evaluated its leases and determined the appropriate classification between finance and operating leases. For those resulting finance leases, certain assets were capitalized and associated liabilities were recorded related to Energy Services and Construction Products Distribution.

(c) *Accrued Pension Asset and Employee Future Benefits*
As noted in the section discussing the IFRS applicable elective exemptions applied in the conversion from GAAP to IFRS, Superior has elected to recognize all cumulative actuarial gains and losses that existed at the Transition Date in opening retained earnings for all of its employee future benefit plans.

Actuarial Gains and Losses
GAAP: Actuarial gains and losses that arise in calculating the present value of the defined benefit obligation and the fair value of plan assets are recognized on a systematic and consistent basis, subject to a minimum required amortization based on a "corridor" approach. The corridor was 10% of the greater of the accrued benefit obligation at the beginning of the year and the fair value of plan assets at the beginning of the year. This excess is amortized as a component of pension expense into net earnings (loss) over the expected average remaining life of the active employees participating in the plans. Actuarial gains and losses below the 10% corridor are deferred.

IFRS: Superior has elected to recognize all actuarial gains and losses immediately in a separate statement of comprehensive income without recycling to the income statement in subsequent periods. As a result, actuarial gains and losses are not amortized to net earnings (loss) but rather are recorded directly to other comprehensive income at the end of each period. As a result, Superior adjusted its pension expense to remove the amortization of actuarial gains and losses. Also Superior reclassified any accrued pension asset related to actuarial gains (loss) to Deficit at the Transition Date.

Measurement Date
GAAP: The measurement date of the defined benefit and plan assets can be a date up to three months prior to the date of the financial statements, provided the entity adopted this practice consistently from year to year. Superior used a measurement date of November 30th for the pension plans and December 31st for the other post-employment plans.

IFRS: An entity is required to determine the present value of the pension obligation and the fair value of plan assets with sufficient regularity such that the amounts recognized in the financial statements do not differ materially from the amounts that would be determined at the balance sheet date. As a result, on transition to IFRS, Superior re-measured its pension obligations and plan assets as of January 1, 2010, which impacted the calculation of the pension expense.

Fair Value of Expected Return on Plan Assets
GAAP: The expected return on plan assets is the product of the expected long-term rate of return on plan assets and a market-related fair value of plan assets. The market-related fair value recognized changes in the fair value of plan assets over a five year period.

IFRS: The expected return on plan assets is a product of the expected long-term rate of return on plan assets and the fair value of plan assets on the balance sheet date. As a result, Superior adjusted its pension expense to reflect an expected return on plan assets using the fair value of its plan assets at the end of each reporting period.

(d) *Finance Leasing Obligations*
GAAP: To determine the appropriate classification of a lease as either capital or operating, an entity uses the following tests: the fair value versus the present value of the minimum lease payments, the lease term versus economic useful life, and the transfer or risks and rewards.

IFRS: To determine the appropriate classification of a lease as either finance or operating, an entity uses the same tests as under GAAP keeping in mind that IFRS adds an additional criterion noting that leased assets of a highly specialized nature might also be an indicator of a finance lease. Although the tests are consistent with GAAP and IFRS, the criteria in IAS 17 *Leases* is not framed in the same context as they do not provide a "bright line" and leaves more room for judgment when assessing when a lease transfers substantially all of the risks and rewards incidental to ownership. As a result, on transition to IFRS, Superior re-evaluated its leases and determined the appropriate classification between finance and operating leases. Any finance lease obligations have been grouped with current and non-current borrowings. For those resulting finance leases, certain assets were capitalized and associated liabilities were recorded related to Energy Services and Construction Products Distribution.

(e) ***Deferred Credit***
GAAP: When, through a business combination or reorganization, an entity obtains tax basis that can be used to offset future income taxes payable, EIC-110 stipulates that these future tax benefits should be recorded as future tax assets on the balance sheet. Any excess of the amounts assigned to the acquired assets over the consideration paid should be allocated pro rata to reduce the values assigned to any non-monetary assets acquired. If the allocation reduces the non-monetary assets to zero, then the remainder should be classified as a deferred credit and amortized to net earnings (loss) over the life of the tax asset.

IFRS: When, through a business combination or reorganization, an entity obtains tax basis that can be used to offset future income taxes payable, IFRS stipulates that the difference between the recognized tax asset and the consideration paid to a third party to obtain those benefits is to be fully recognized in the income statement during the period in which the transaction occurred. As a result, on transition to IFRS, all deferred credits related to prior acquisitions were reclassified to opening deficit.

(f) ***Provisions***
GAAP: An entity is required to recognize a liability for an asset retirement obligation in the period in which it is incurred when a reasonable estimate of the amount of the obligation can be made. If a reasonable estimate of the amount of the obligation cannot be made in the period the asset retirement obligation is incurred, the liability shall be recognized when a reasonable estimate of the amount of the obligation can be made. Additionally, only a legal obligation associated with the retirement of a tangible long-lived asset establishes a clear duty or responsibility to another party that justifies the recognition of the liability.

IFRS: An entity is required to recognize a provision for obligations arising from both legal and constructive obligations regardless of the uncertainty of the nature or timing of the provision. As a result, on transition to IFRS, a provision for decommissioning costs related to certain Specialty Chemicals facilities has been recorded.

Also restructuring provisions are only included as part of acquired liabilities when the acquiree has recognized an existing liability for restructuring in accordance with application IFRS standards. As a result, restructuring provisions recorded as part of the purchase price allocation under GAAP are charged to earnings under IFRS. Superior recognized various restructuring provisions related to business combinations completed in 2010 which could not be recognized under IFRS, as such the related amounts were adjusted through retained earnings.

(g) ***Deferred Income taxes***
Superior has adjusted both deferred tax assets and liabilities due to recognizing deferred income taxes on the various adjustments made to Superior balance sheet due to the transition to IFRS.

(h) ***Accumulated Other Comprehensive Income (Loss)***
As noted in the section discussing the IFRS applicable elective exemptions applied in the conversion from GAAP to IFRS, Superior has applied the one-time exemption to set the unrealized foreign currency gains (losses) on translation of self-sustaining foreign operations ("currency cumulative translation adjustment" or "CTA") to zero as of January 1, 2010. The cumulative translation adjustment balance as of January 1, 2010 of $22.1 million was recognized as an adjustment to opening deficit. The application of the exemption had no impact on net equity.

(i) Goodwill
Business Combinations
As stated in the section entitled "IFRS Exemption Options", Superior did not early adopt IFRS 3 for business combinations completed during 2010. Consequently, business combinations completed prior to January 1, 2010 have not been restated and the carrying amount of goodwill under IFRS as of January 1, 2010 is equal to the carrying amount under GAAP as of that date. The IFRS adjustments below relate to acquisitions completed on or after January 1, 2010.

Measurement of Purchase Price
GAAP: Share issued as consideration to complete a business combination are measured at their market price a few days before and after the date the parties reached an agreement on the purchase price and the proposed transaction is announced.

IFRS: Shares issued as consideration to complete a business combination are measured at their market value at the acquisition closing date. As a result, goodwill and shareholders' capital were reduced relative to the re-measurement of the shares issued as consideration for the Burnaby Assets acquisition.

Acquisition related costs
GAAP: If certain conditions are met, the costs of restructuring an acquisition can be included in the purchase price and the allocation of the acquisition costs. Also direct costs incurred to complete an acquisition can be included in the allocation of acquisition costs to the assets acquired.

IFRS: Restructuring provisions are only included as part of the acquired liabilities when the acquiree has recognized an existing liability for restructuring in accordance with application IFRS standards. As a result, restructuring provisions recorded as part of the purchase price allocation under GAAP are charged to earnings under IFRS. Superior recognized various restructuring provisions which could not be recognized under IFRS, as such the related amounts were adjusted through goodwill and other payables.

Under IFRS all direct acquisition costs incurred to complete a business combination are charged to earnings. As such, Superior has adjusted goodwill and earnings due to previously capitalizing acquisition costs under GAAP.

Correction of historical GAAP differences

The net impact of correcting historical GAAP differences was a decrease of $3.2 million in total assets, a $2.0 million increase in total liabilities and a $5.2 million decrease in total equity, as at January 1, 2010. The net impact as at September 30, 2010 and December 31, 2010 was consistent with the above noted amounts. See below for further details on the corrected items.

(j) Superior has reduced accounts receivables within the Specialty Chemicals segment due to previous revenue recognition differences with GAAP.

(k) Superior has reduced inventories in order adjust for previous reconciliation issues associated with inventory balances within the Energy Services segment. Also inventories have been reduced due to a reclassification of parts related inventory within Specialty Chemicals into property, plant and equipment and retained earnings.

(l) Superior has increased the value of its intangible assets in order to correct a previous revaluation issue under GAAP.

(m) Superior has reclassified a portion of the Sunoco purchase equation under GAAP into property, plant and equipment as certain amounts were previously incorrectly grouped with goodwill.

(n) Superior has increased trade and other payables as certain liabilities under GAAP were not properly recognized.

(o) Superior has adjusted the outstanding convertible debentures in order to comply with the effective interest rate method under GAAP.

Presentation Reclassifications

1) *Prepaid expenses*
All prepaid expenses are presented separately on the face of the balance sheet.

2) *Investment property*

Under GAAP investment properties can be grouped with property, plant and equipment and under IFRS any amounts associated with investment property should be reclassified. Superior has grouped all investment property with intangible assets and investment property.

3) *Deferred taxes and Investment tax credits*
Superior has reclassified all current deferred tax amounts and investment tax credits with non-current deferred taxes on the face of the balance sheet.

4) *Contributed Surplus*
Superior has reclassified all contributed surplus with share capital on the face of the balance sheet.

Reconciliation of Net Earnings (Loss) and Comprehensive Income (Loss) for the Three Months Ended September 30, 2010

(millions of dollars except per share amounts)	Notes	**GAAP**	Adjustments	Reclassifications	**IFRS**	IFRS Accounts
Revenues	(i)	**767.0**	(1.5)	3.6	**769.1**	Revenues
Cost of products sold	(a) (i)	**(571.1)**	0.7	(26.3)	**(596.7)**	Cost of sales
Realized gains (losses) on derivative financial instruments		**(19.9)**	−	19.9	**-**	
Gross profit		**176.0**	(0.8)	(2.8)	**172.4**	Gross Profit
Operating and administrative costs	(b)	**148.8**	(5.4)	15.1	**158.5**	Selling, distribution and administrative costs
	(c)	**−**	1.0	−	**1.0**	Other expenses
Deprecation of property, plant and equipment	(d)	**11.3**	2.9	(14.2)	**-**	
Amortization of intangible assets	(j)	**3.2**	0.5	(3.7)	**-**	
Interest on revolving term bank credits and term loan	(e)	**9.8**	1.3	9.0	**20.1**	Finance expense
Interest on convertible unsecured subordinated debentures		**7.4**	−	(7.4)	**-**	
Accretion of convertible debenture issue costs and asset retirement obligations		**1.6**	−	(1.6)	**-**	
Unrealized losses (gains) on derivative financial instruments		**(1.2)**	−	−	**(1.2)**	Unrealized losses (gains) on derivative financial instruments
		180.9	0.3	(2.8)	**178.4**	
Net earnings (loss) before income taxes		**(4.9)**	(1.1)	-	**(6.0)**	Net earnings (loss) before income taxes
Income tax recovery (expense)	(f)	**0.9**	-	(8.7)	**(7.8)**	Income tax recovery (expense)
Net Earnings (Loss)		**(4.0)**	(1.1)	(8.7)	**(13.8)**	**Net Earnings (Loss)**
Net Earnings (Loss)		**(4.0)**	(1.1)	(8.7)	**(13.8)**	Net Earnings (Loss)
Other comprehensive income (loss):					**-**	
Unrealized foreign currency gains (losses) on translation of foreign operations	(g)	**(16.6)**	(1.6)	−	**(18.2)**	Unrealized foreign currency gains (losses) on translation of foreign operations
Amortization of actuarial defined benefit gains (losses)	(h)	−	(2.4)	−	**(2.4)**	Amortization of actuarial defined benefit gains (losses)
Reclassification of derivative losses previously deferred		**4.6**	−	−	**4.6**	Reclassification of derivative losses previously deferred
Comprehensive Loss		**(16.0)**	(5.1)	(8.7)	**(29.8)**	**Comprehensive Loss**

Reconciliation of Net Earnings (Loss) and Comprehensive Income (Loss) for the Nine Months Ended September 30, 2010

(millions of dollars except per share amounts)	Notes	GAAP	Adjustments	Reclassifications	IFRS	IFRS Accounts
Revenues	(i)	**2,520.0**	(0.1)	6.3	**2,526.2**	Revenues
Cost of products sold	(a) (i)	**(1,899.4)**	(1.9)	(69.0)	**(1,970.3)**	Cost of sales
Realized gains (losses) on derivative financial instruments		**(58.5)**	–	58.5	**-**	
Gross profit		**562.1**	**(2.0)**	**(4.2)**	**555.9**	Gross Profit
Operating and administrative costs	(b)	**462.1**	(16.9)	53.6	**498.8**	Selling, distribution and administrative costs
	(c)	**–**	3.3	–	**3.3**	Other expenses
Deprecation of property, plant and equipment	(d)	**28.5**	10.1	(38.6)	**-**	
Amortization of intangible assets	(j)	**16.3**	1.6	(17.9)	**-**	
Interest on revolving term bank credits and term loan	(e)	**29.8**	3.5	23.7	**57.0**	Finance expense
Interest on convertible unsecured subordinated debentures		**20.2**	–	(20.2)	**-**	
Accretion of convertible debenture issue costs and asset retirement obligations		**4.9**	–	(4.9)	**-**	
Unrealized losses (gains) on derivative financial instruments		**31.2**	–	–	**31.2**	Unrealized losses (gains) on derivative financial instruments
		593.0	**1.6**	**(4.3)**	**590.3**	
Net earnings (loss) before income taxes		**(30.9)**	(3.6)	0.1	**(34.4)**	Net earnings (loss) before income taxes
Income tax recovery (expense)	(f)	**17.5**	-	(2.9)	**14.6**	Income tax recovery (expense)
Net Earnings (Loss)		**(13.4)**	**(3.6)**	**(2.8)**	**(19.8)**	**Net Earnings (Loss)**
Net Earnings (Loss)		**(13.4)**	**(3.6)**	**(2.8)**	**(19.8)**	Net Earnings (Loss)
Other comprehensive income (loss):						
Unrealized foreign currency gains (losses) on translation of foreign operations	(g)	**(7.5)**	(0.4)	–	**(7.9)**	Unrealized foreign currency gains (losses) on translation of foreign operations
Amortization of actuarial defined benefit gains (losses)	(h)	**–**	(16.6)	–	**(16.6)**	Amortization of actuarial defined benefit gains (losses)
Reclassification of derivative losses previously deferred		**9.2**	–	–	**9.2**	Reclassification of derivative losses previously deferred
Comprehensive Loss		**(11.7)**	**(20.6)**	**(2.8)**	**(35.1)**	**Comprehensive Loss**

Reconciliation of Net Earnings (Loss) and Comprehensive Income (Loss) for the Year Ended December 31, 2010

(millions of dollars except per share amounts)	Notes	GAAP	Adjustments	Reclassifications	IFRS	IFRS Accounts
Revenues	(i)	**3,529.2**	–	8.2	**3,537.4**	Revenues
Cost of products sold	(a) (i)	**(2,661.3)**	(1.3)	(94.2)	**(2,756.8)**	Cost of sales
Realized gains (losses) on derivative financial instruments		**(80.3)**	–	80.3	–	
Gross profit		**787.6**	(1.3)	(5.7)	**780.6**	Gross Profit
Operating and administrative costs	(b)	**624.4**	(22.2)	75.4	**677.6**	Selling, distribution and administrative costs
	(c)	**–**	5.4	1.2	**6.6**	Other expenses
Deprecation of property, plant and equipment	(d)	**37.7**	13.7	(51.4)	**–**	
Amortization of intangible assets	(j)	**25.0**	3.0	(28.0)	**–**	
Interest on revolving term bank credits and term loan	(e)	**39.6**	4.4	31.2	**75.2**	Finance expense
Interest on convertible unsecured subordinated debentures		**27.6**	–	(27.6)	**–**	
Accretion of convertible debenture issue costs and asset retirement obligations	(k)	**6.7**	(0.4)	(6.3)	**–**	
Impairment of goodwill and intangible assets		**89.5**	–	–	**89.5**	Impairment of goodwill and intangible assets
Unrealized losses (gains) on derivative financial instruments		**2.2**	–	–	**2.2**	Unrealized losses (gains) on derivative financial instruments
		852.7	3.9	(5.5)	**851.1**	
Net earnings (loss) before income taxes		**(65.1)**	(5.2)	(0.2)	**(70.5)**	Net earnings (loss) before income taxes
Income tax recovery (expense)	(f)	**18.1**	(24.8)	0.2	**(6.5)**	Income tax recovery (expense)
Net Earnings (Loss)		**(47.0)**	(30.0)	–	**(77.0)**	**Net Earnings (Loss)**
Net Earnings (Loss)		**(47.0)**	(30.0)	–	**(77.0)**	Net Earnings (Loss)
Other comprehensive income (loss):						
Unrealized foreign currency gains (losses) on translation of foreign operations	(g)	**(25.0)**	(2.3)	–	**(27.4)**	Unrealized foreign currency gains (losses) on translation of foreign operations
Amortization of actuarial defined benefit gains (losses)	(h)	**–**	(14.8)	–	**(14.8)**	Amortization of actuarial defined benefit gains (losses)
Reclassification of derivative losses previously deferred		**9.2**	–	–	**9.2**	Reclassification of derivative losses previously deferred
Comprehensive Loss		**(62.8)**	(47.1)	–	**(110.0)**	**Comprehensive Loss**

The following narratives explain the significant differences between the previous historical GAAP accounting policies and the current IFRS policies applied by Superior.

(a) ***Cost of products sold***
GAAP: Under GAAP, all manufacturing costs are absorbed into the carrying cost of manufactured inventory and flow through the income statement only once the related inventory has been sold. These manufacturing costs (depreciation and amortization included) will then become part of the entity's cost of products sold.

IFRS: Under IFRS, inventory is accounted for in the same manner as under GAAP, with manufacturing costs being absorbed into the inventory's carrying value and expensed through the income statement as a cost of product sold. The depreciation and amortization component of inventory is larger under IFRS than GAAP, due to the componentization of Superior's property, plant & equipment described and the impairment reversal detailed above in note (b).

(b) ***Operating and administrative costs & selling, distribution and administrative costs***

Leases
GAAP: To determine the appropriate classification of a lease as either capital or operating, an entity uses the following tests: the fair value versus the present value of the minimum lease payments, the lease term versus economic useful life, and the transfer or risks and rewards.

IFRS: To determine the appropriate classification of a lease as either finance or operating, an entity uses the same tests as under GAAP keeping in mind that IFRS adds an additional criterion noting that leased assets of a highly specialized nature might also be an indicator of a finance lease. Although the tests are consistent with GAAP and IFRS, the criteria in IAS 17 *Leases* is not framed in the same context as they do not provide a "bright line" and leaves more room for judgment when assessing when a lease transfers substantially all of the risks and rewards incidental to ownership. As a result, on transition to IFRS, Superior re-evaluated its leases and determined the appropriate classification between finance and operating leases, any finance lease obligations have been grouped with current and non-current borrowings. The classification of a number of leases as finance type has resulted in decrease in operating costs as lease payments are now broken into principal repayments and interest costs.

Componentization and Major inspection and repairs
GAAP: The cost of an item of property, plant and equipment made up of significant separable component parts should be allocated to the component parts when practicable. Costs meeting the criteria to be classified as a betterment are capitalized. GAAP specifies that the costs incurred in the maintenance of the service potential of an item of property, plant and equipment is a repair, not a betterment.

IFRS: An entity is required to separately depreciate each part of property, plant and equipment that is significant in relation to the total cost of the property, plant and equipment item. Also, major inspections or overhauls required at regular intervals over the useful life of an item of property, plant and equipment which allows the continued use of the asset are required to be capitalized. As a result operating costs were reduced due to the capitalization of various expenditures for major inspections and overhauls.

Employee benefit expense
Fair Value of Expected Return on Plan Assets
GAAP: The expected return on plan assets is the product of the expected long-term rate of return on plan assets and a market-related fair value of plan assets. The market-related fair value recognized changes in the fair value of plan assets over a five year period.

IFRS: The expected return on plan assets is a product of the expected long-term rate of return on plan assets and the fair value of plan assets on the balance sheet date. As a result, Superior adjusted its pension expense to reflect an expected return on plan assets using the fair value of its plan assets at the end of each reporting period. This adjustment has resulted in a reduction of the annual employee benefits expense during the period.

(c) Other expenses

Acquisition related costs
GAAP: If certain conditions are met, the costs of restructuring an acquisition can be included in the purchase price and the allocation of the acquisition costs. Also direct costs incurred to complete an acquisition can be included in the allocation of acquisition costs to the assets acquired.

IFRS: Under IFRS all direct acquisition costs incurred to complete a business combination are charged to earnings. As such, Superior has increased other expenses due to the recognition in earnings of previously capitalizing acquisition costs under GAAP.

(d) ***Depreciation of property, plant and equipment***

GAAP: When an entity owns complex assets that are comprised of numerous parts, each of the asset's major components must be separated and depreciated over its particular useful life. A component should be separately tracked if its individual cost is significant in relation to the total cost of the asset. Although this concept was theoretically included in Canadian GAAP, it was only required to be applied when practical to do so.

IFRS: In contrast to GAAP's treatment of limiting the application of componentization to situations where such application is practical, IFRS requires that an entity will apply componentization to all of its assets.

Reversal of impairment of property, plant and equipment
GAAP: Reversal of impairment losses in not permitted.

IFRS: Reversal of impairment losses is required for assets other than goodwill if certain criteria are met. As a result, Superior reversed the impairment on Specialty Chemicals Valdosta, Georgia sodium chlorate facility due changes in the North American chlorate market. The reversal of the impairment has increased the amount of depreciation of property, plant and equipment.

Capitalized assets related to finance leases
GAAP: To determine the appropriate classification of a lease as either capital or operating, an entity uses the following tests: the fair value versus the present value of the minimum lease payments, the lease term versus economic useful life, and the transfer or risks and rewards.

IFRS: To determine the appropriate classification of a lease as either finance or operating, an entity uses the same tests as under GAAP keeping in mind that IFRS adds an additional criterion noting that leased assets of a highly specialized nature might also be an indicator of a finance lease. Although the tests are consistent with GAAP and IFRS, the criteria in IAS 17 *Leases* is not framed in the same context as they do not provide a "bright line" and leaves more room for judgment when assessing when a lease transfers substantially all of the risks and rewards incidental to ownership. As a result, on transition to IFRS, Superior re-evaluated its leases and determined the appropriate classification between finance and operating leases. For those resulting finance leases, certain assets were capitalized and associated liabilities were recorded related to Energy Services and Construction Products Distribution. Depreciation of property, plant and equipment has increased due to the capitalization of various finance type leases as part of the transition to IFRS.

(e) ***Finance expense***
GAAP: Consistent with note (d) to the above reconciliation of comprehensive income (loss), the criteria for capitalization of leases are narrower and less judgmental than under IFRS. Consequently, fewer leases were capitalized under GAAP as compared to IFRS, resulting in a smaller interest expense on Superior's leasing obligations.

IFRS: Consistent with note (d) to the above reconciliations of financial position, the criteria for capitalization of leases are broader and more judgmental under IFRS than GAAP. Consequently, upon transition to IFRS, Superior has capitalized numerous Energy Services and Construction Products Distribution leases under IFRS that were classified as operating leases under GAAP. The increased interest expense is reflective of the interest incurred on these additional leasing obligations.

(f) ***Income tax recovery (expense)***
Superior has adjusted income tax recovery (expense) due to the impact of the various adjustments made to Superior balance sheet as a result of the transition to IFRS. Specifically, the changes to income taxes are primarily related to the impact of reversing any amounts associated with previously recognized deferred credits and adjustments to property, plant and equipment.

(g) Unrealized foreign currency gains (losses) on translation of foreign operations
The change in unrealized foreign currency gains (losses) on translation of foreign operations is due to the revaluation of IFRS related adjustments recognized in Superior's foreign operations.

(h) ***Amortization of actuarial defined benefit gains (losses)***
Canadian GAAP: Actuarial gains and losses that arise in calculating the present value of the defined benefit obligation and the fair value of plan assets are recognized on a systematic and consistent basis, subject to a minimum required amortization based on a “corridor” approach. The corridor was 10% of the greater of the accrued benefit obligation at the beginning of the year and the fair value of plan assets at the beginning of the year, with the excess being amortized into the income statement over the expected average remaining life of the active employees participating in the plans.

IFRS: An entity may adopt any systematic method that results in faster recognition of actuarial gains and losses than the 10% corridor method, provided that the same basis is applied to both gains and losses and is applied consistently from period to period. Superior has elected to recognize the entirety of actuarial gains and losses during the period in which they occur. If an entity adopts a policy of recognizing actuarial gains and losses in the period in which they occur, it may recognize them in other comprehensive income, provided that it does so for all of its defined benefit plans and for all of its actuarial gains and losses. Consistent with this, Superior’s actuarial gains and losses are now included in its accumulated other comprehensive income.

Correction of historical GAAP related items

The net impact of correcting the historical GAAP differences was a $3.0 million increase in amortization of intangible assets and a $0.2 million decrease in accretion of convertible debentures, for the twelve months ended December 31, 2010. The pro rata net impact on the three and nine months ended September 30, 2010 was consistent with the above noted amounts. See below for further details on the corrected items.

(i) Revenues and cost of products sold
The increase in revenue and cost of products sold was due to adjusting Specialty Chemical’s revenue recognition policy in accordance with GAAP.

(j) Amortization of intangible assets
The increase in amortization of intangible assets is due to an increase in Specialty Chemicals’ amortization of patents due to the correction of a prior period revaluation issue under GAAP.

(k) Accretion of convertible debentures
A portion of the decrease in accretion of convertible debentures, borrowings and decommissioning liabilities is due the impact of adoption the GAAP interest rate method.

Presentation Reclassification

Reclassification of realized gains (losses) on derivative financial instruments
Superior has chosen to present expenses in the statement of comprehensive income on the nature of the expense. As such any realized gains (losses) have been allocated between revenue and cost of sales based on their nature.

Reclassification of depreciation of property, plant and equipment and amortization of intangible assets
Superior has chosen to present expenses in the statement of comprehensive income on the nature of the expense. As such any depreciation and amortization amounts have been allocated to selling, distribution and administrative costs based on their nature.

Reclassification of interest on revolving term bank credits, interest on convertible debentures and accretion of debenture issues costs
Superior has chosen to present expenses in the statement of comprehensive income on the nature of the expense. As such any interest and accretion amounts associated with obligations have been allocated to interest expense based on their nature.