TSX: SPB

February 19, 2014

Superior Plus Corp. Announces 2013 Annual and Fourth Quarter Results

Highlights

- For the quarter ended December 31, 2013, Superior generated adjusted operating cash flow (AOCF) before restructuring costs per share of $0.56 which was modestly lower than the prior year quarter of $0.59 per share. After restructuring costs, Superior generated AOCF per share of $0.44 compared to $0.55 per share in the prior year quarter. Due to the one-time nature of the restructuring costs Superior has reported AOCF on a before and after basis. Superior's results for the fourth quarter were consistent with management's expectations. AOCF per share was impacted by reduced interest expense which was offset by a higher number of weighted average common shares outstanding. EBITDA from operations was consistent with the prior year quarter.
- For the year ended December 31, 2013, Superior generated AOCF per share before restructuring costs of $1.69 compared to $1.79 per share in the prior year. AOCF per share was impacted by reduced interest expense which was offset by a higher number of weighted average common shares outstanding. In addition, the prior year results included a one-time payment from TransCanada of $12.5 million or $0.11 per share. Current year results were consistent with management's expectations and Superior's previously provided 2013 financial outlook of $1.60 to $1.85 per share (before restructuring costs).
- Superior's 2014 financial outlook of AOCF per share has been confirmed at $1.65 to $1.95 before restructuring costs. See "2014 Financial Outlook" for additional details.
- The initiatives that underpin Superior's *Destination 2015* continue to track to plan.
- Energy Services results for the fourth quarter were consistent with the prior year quarter as a result of improved gross profits, particularly within the Canadian propane business due to higher average sales margins and higher sales volumes. Sales volumes benefitted from colder than average temperatures during the fourth quarter and ongoing customer sales and retention efforts. Higher gross profits as noted above were offset by higher operating costs and a reduction in gross profit from the fixed-price energy services business. Business improvement initiatives throughout the Energy Services business continue to track consistent with management's expectations.
- Specialty Chemicals results for the fourth quarter were higher than the prior year as a result of improved sodium chlorate gross profits due to improved sales volumes as a result of the supply agreement with Tronox LLC, offset in part, by higher cost of sales resulting from higher average electricity costs. Chloralkali gross profits were consistent with the prior year quarter as higher caustic soda and potassium caustic gross profits were offset by reduced chlorine gross profits.
- The expansion of the hydrochloric acid production capacity at the Port Edwards, Wisconsin and Saskatoon, Saskatchewan chloralkali facilities remain scheduled to be in commercial production in the fourth quarter of 2014 and continue to be on budget.
- The Construction Products Distribution business results for the fourth quarter benefitted from higher average selling prices and improved average sales margins, offset by higher operating costs.
- Superior recognized $14.2 million of restructuring costs in the quarter associated with its ongoing business improvement initiatives. See "Restructuring Cost Summary" for additional details.
- Superior's forecasted December 31, 2014, total debt to EBITDA ratio before restructuring costs has been updated to 3.6X to 4.0X, compared to the previously provided outlook of 3.3X to 3.7X. The

increase in the forecasted total debt to EBITDA ratio is due to higher than expected actual debt levels at December 31, 2013, higher than previously forecasted working capital levels and the impact of a stronger U.S. dollar on U.S. denominated debt. Superior remains committed to reducing its total debt to EBITDA to a range of 3.0X to 3.5X over the medium term. See “Debt Management Update” for additional details.

- On December 11, 2013, Standard & Poor’s (S&P) upgraded Superior’s long-term corporate credit rating to BB from BB- and increased Superior Plus LP’s senior secured note rating to BBB- from BB+. The outlook for the long-term corporate credit rating remains stable.

Fourth Quarter Financial Summary

	Three months ended December 31,		Twelve months ended December 31,	
(millions of dollars except per share amounts)	**2013**	2012	**2013**	2012
Revenue	**1,034.7**	934.0	**3,752.8**	3,624.3
Gross profit	**240.8**	228.2	**868.8**	846.3
EBITDA from operations [1]	**86.7**	86.3	**284.4**	289.4
Interest	**(12.4)**	(16.6)	**(58.7)**	(71.7)
Cash income tax recovery (expense)	**0.2**	(0.3)	**(0.2)**	(1.1)
Corporate costs	**(4.4)**	(3.5)	**(17.9)**	(16.2)
Adjusted operating cash flow before restructuring costs [1]	**70.1**	65.9	**207.6**	200.4
Restructuring costs [2]	**(14.2)**	(4.0)	**(15.3)**	(10.0)
Adjusted operating cash flow after restructuring costs	**55.9**	61.9	**192.3**	190.4
Adjusted operating cash flow per share before restructuring costs, basic [1][2][3][4]	**$0.56**	$0.59	**$1.69**	$1.79
Adjusted operating cash flow per share before restructuring costs, diluted [1][2][3][4][5]	**$0.54**	$0.57	**$1.64**	$1.74
Adjusted operating cash flow per share, basic [1][2][3][4]	**$0.44**	$0.55	**$1.56**	$1.70
Adjusted operating cash flow per share, diluted [1][2][3][4][5]	**$0.43**	$0.53	**$1.53**	$1.66
Dividends paid per share	**$0.15**	$0.15	**$0.60**	$0.60

(1) EBITDA from operations and adjusted operating cash flow are key performance measures used by management to evaluate the performance of Superior. These measures are defined under “Non-IFRS Financial Measures” in Superior’s 2013 Fourth Quarter Financial Discussion and Analysis (FD&A).

(2) Superior has restated its 2012 financial results and presented its 2013 financial results on a before and after restructuring cost basis due to the one-time nature of these costs. See “Restructuring Costs” in Superior’s 2013 Fourth Quarter FD&A for additional details.

(3) The prior year results have been restated for the impact of adopting International Accounting Standard 19 *–Employee Benefits, amendments* effective January 1, 2013. See “Supplemental Financial Information” for additional details.

(4) The weighted average number of shares outstanding for the three months ended December 31, 2013 is 126.2 million (2012 – 112.6 million) and for the twelve months ended December 31, 2013 is 123.1 million (2012 – 111.9 million).

(5) See “Supplemental Financial Information” for additional details on diluted per share amounts.

Segmented Information

(millions of dollars)	Three months ended December 31, **2013**	2012	Twelve months ended December 31, **2013**	2012
EBITDA from operations:				
Energy Services	**45.8**	47.3	**137.5**	136.4
Specialty Chemicals	**31.1**	28.8	**113.7**	125.7
Construction Products Distribution	**9.8**	10.2	**33.2**	27.3
	86.7	86.3	**284.4**	289.4

Energy Services

- Energy Services EBITDA from operations for the fourth quarter was $45.8 million compared to $47.3 million in the prior year quarter. Results were impacted by higher gross profits from the Canadian propane business offset by a reduction in the fixed-price energy services business.
- The Canadian propane business generated gross profit of $75.5 million in the fourth quarter compared to $68.1 million in the prior year quarter due to improved sales volumes and higher average sales margins.
- Canadian propane average sales margins were 18.6 cents per litre in the fourth quarter compared to 17.8 cents per litre in the prior year quarter. The increase in average sales margin was due in part to an improved sales mix as a result of a higher proportion of residential sales volumes combined with the impact of improved pricing management.
- Canadian propane distribution sales volumes were 22 million litres or 6% higher than the prior year quarter due to improved volumes in all lines of business except for industrial. Industrial volumes were consistent with the prior year quarter. Residential and commercial sale volumes, benefited from colder than average temperatures across Canada and the benefit of improved customer sales and retention efforts. Industrial sales volumes were impacted by reduced oilfield demand, offset in part, by the impact of colder than average temperatures compared to the prior year quarter.
- Average weather across Canada, as measured by degree days, for the fourth quarter was 4% colder than the prior year and 7% colder than the 5-year average.
- The U.S. refined fuels business generated gross profits of $36.0 million in the fourth quarter compared to $37.3 million in the prior year quarter. The decrease in gross profit was due to reduced wholesale (commercial and automotive) sales volumes, offset in part, by higher residential sales volumes due to colder than average temperatures compared to the prior year quarter.
- U.S. refined fuels average sales margins of 8.8 cents per litre in the quarter were consistent with the prior year quarter of 8.7 cents per litre. Average sales margins benefitted from an increased proportion of higher margin residential sales volumes, offset by weaker margins in the wholesale business as a result of challenging market conditions. Market conditions for the wholesale business throughout the fourth quarter were difficult due to unusually low rack/spot market prices which resulted in wholesale customers purchasing directly from the rack at discounted prices. Superior has been able to negotiate improved supply terms with its suppliers to help mitigate a portion of this weakness but anticipates that the difficult operating conditions will continue throughout 2014.
- Sales volumes within the U.S. refined fuels business were 17 million litres or 4% lower than the prior year. Sales volumes were impacted by reduced wholesale volumes as noted above, offset by improved residential sales margins due to colder than average weather experienced during the fourth quarter.
- Average weather for the U.S. refined fuel business, as measured by degree days, for the fourth quarter was 13% colder than the prior year and 6% colder than the 5-year average.
- The fixed-price energy services business generated gross profits of $3.7 million compared to $6.3 million in the prior year quarter due to reduced natural gas profits. Lower natural gas gross profits

were due to a reduction in sales volumes as a result of a reduced contribution from the residential segment which has been in decline due to a change in strategy in prior years to exit that market and focus on small commercial and industrial accounts. Gross profit related to the electricity segment was lower than the prior year as reduced contributions from the Ontario market more than offset improvements in the U.S. market.

- The supply portfolio management business generated gross profits of $6.9 million in the fourth quarter which was consistent with the prior year quarter. Market conditions were favourable during the fourth quarter but the benefit was mitigated in part, by a difficult environment for transporting wholesale liquids. Limitations on the ability to efficiently transport wholesale liquids during the quarter were significantly constrained due to difficult weather conditions throughout much of Eastern Canada and the Northeast U.S. due to numerous winter storms which resulted in reduced availability of truck and rail. Due in part to Superior's supply portfolio management business, Superior's Canadian propane and U.S. refined fuels businesses were able to continue to supply their customers with product during this very challenging environment. The difficult conditions did result in higher transportation costs in December and into the beginning of the first quarter of 2014.
- Operating expenses were $88.3 million in the fourth quarter compared to $82.3 million in the prior year quarter. Operating expenses were impacted by higher sales volumes in the Canadian propane business combined with difficult operating conditions throughout the later portion of the current year quarter. Additionally, operating expenses were impacted by higher employee costs and professional costs associated with the implementation of the ADD IT system, offset in part, by cost reduction initiatives implemented throughout 2012.
- EBITDA from operations for 2014 is anticipated to be higher than in 2013 due to improved results at the Canadian propane and U.S. refined fuels businesses. Improvement in EBITDA is anticipated as a result of modestly higher sales volumes and improved average sales margins due to the ongoing implementation of business initiatives. EBITDA from the fixed-price energy services and wholesale supply business are anticipated to be consistent with 2013. Operating expenses are anticipated to be consistent with 2013 due to improvements in operational efficiencies from business initiatives offset by costs associated with higher volumes. Average weather, as measured by degree days, is anticipated to be consistent with the 5-year average period for 2014. Operating conditions for 2014 are anticipated to be similar to 2013. Superior anticipates that the difficult wholesale propane supply conditions experienced at the beginning of 2014 which were due in part to lower than average propane storage levels and colder than average temperatures which increased demand and caused difficulty in transporting product will moderate towards the end of the first quarter of 2014.

Specialty Chemicals

- EBITDA from operations for the fourth quarter was $31.1 million compared to $28.8 million in the prior year quarter.
- Sodium chlorate gross profits were higher than the prior year quarter due to improved sales volumes. Gross margin was consistent with the prior year as modestly higher selling prices were fully offset by higher electricity costs.
- Sodium chlorate sales volumes were 17% higher than the prior year quarter due to sales volumes associated with the agreement with Tronox LLC (Tronox) that was announced on October 31, 2013, as part of Superior's 2013 third quarter earnings release. The agreement with Tronox, which was effective for November and December of 2013, provides that Superior can purchase and market up to 130,000 metric tonnes of sodium chlorate on an annual basis.
- Chloralkali gross profits were consistent with the prior year quarter as improved average selling prices for caustic soda and improved sales volumes of potassium caustic due to strong runway deicing demand, were offset by reduced sales volumes of chlorine. Sales volumes were lower than the prior year quarter due to modest production curtailments at the Port Edwards facility as a result of weak demand for chlorine.

- Operating expenses of $37.1 million were $2.9 million higher than the prior year due to higher maintenance costs, internal engineering costs associated with the hydrochloric acid expansions and general inflationary increases.
- As previously announced, Superior has approved an expansion of its hydrochloric acid production capacity at its Port Edwards, Wisconsin and Saskatoon, Saskatchewan facilities. Upon completion of both projects, Superior will have doubled its total hydrochloric acid production capacity to 360,000 wet metric tonnes. The expansion of the production capacity will allow Superior to optimize overall returns at both facilities by converting a larger portion of its chlorine into higher value hydrochloric acid, thus reducing Superior's exposure to chlorine. The Port Edwards project is anticipated to cost $18 million with commercial production expected early in the fourth quarter of 2014. The Saskatoon project is anticipated to cost $25 million with commercial production expected in the fourth quarter of 2014. To date, cumulative costs of $19.0 million have been incurred with respect to both projects.
- Superior expects EBITDA from operations for 2014 to be lower than in 2013 due to a reduced contribution from sodium chlorate due to higher electricity prices and plant operating costs, offset in part, by the contribution from the supply agreement with Tronox. Contribution from the chloralkali segment is anticipated to be higher than 2013 due to the completion of the hydrochloric acid facility expansions during 2014. Selling prices and sales volumes of caustic, chlorine and hydrochloric acid are anticipated to be similar to 2013 as supply and demand fundamentals in the chloralkali markets in which Superior operates are anticipated to remain consistent with the prior year.

Construction Products Distribution

- EBITDA from operations for the fourth quarter was $9.8 million compared to $10.2 million in the prior year quarter. Results in the current year quarter benefited from higher average selling prices and improved average sales margins, offset by higher operating costs.
- Gross profit was higher than the prior year quarter as improved average selling prices and modestly higher average sales margins more than offset modestly lower sales volumes. Gypsum sales volumes were modestly lower than the prior year quarter, as improved U.S. sales volumes due to ongoing improvements in residential construction activity, were more than offset by lower sales volumes in Canada due to the closing of a number of branch locations as part of 2012 restructuring activities combined with a slowdown in Canadian new housing starts and general construction related activity. Gypsum sales margins benefited from improved board pricing, the success of intelligent pricing initiatives, and the withdrawal from certain Canadian markets that were less profitable.
- Commercial and industrial insulation (C&I) sales volumes increased over the prior year quarter due to modest improvements in end-use markets, an increase in market share due to investments in sales and marketing and the opening of a new branch in Baton Rouge, Louisiana. C&I gross margins were modestly higher than the prior year due to marginally improved market conditions and the implementation of intelligent pricing initiatives.
- Operating expenses for the fourth quarter were $41.2 million compared to $37.4 million in the prior year quarter. Operating costs were impacted by costs associated with higher sales volumes in the U.S., the impact of foreign currency translation on U.S. denominated expenses, investments in sales and marketing in the C&I segment and general inflationary increases of wages and other system integration costs. Operating expenses as a percentage of sales were modestly higher than the prior year quarter due to lower Canadian revenues.
- Superior anticipates that EBITDA from operations in 2014 will be higher than in 2013 due to continued improvements in U.S. residential construction markets as well as benefits resulting from ongoing business initiatives. Superior anticipates that the U.S. commercial market will be modestly improved in 2014 compared to 2013 and that the Canadian residential market will continue to be challenging. In light of the ongoing improvements in the U.S. construction industry, Superior is currently assessing strategic alternatives for its Construction Products Distribution business.

Corporate Related

- Interest expense for the fourth quarter was $12.4 million compared to $16.6 million in the prior year quarter. Interest expense was lower than the prior year quarter as a result of lower average effective interest rates and lower debt levels due to Superior's ongoing focus to reduce its total debt levels.
- Corporate costs were $4.4 million in the fourth quarter which was $0.9 million higher than the prior year quarter. The increase in corporate costs is due to higher long-term incentive plan costs due to the increase in Superior's share price during the fourth quarter.
- Superior's total debt (including convertible debentures) to Compliance EBITDA before restructuring costs was 3.9X as at December 31, 2013 (4.1X after restructuring costs), compared to 4.3X as at December 31, 2012. See "Debt Management Update" for additional details.
- On December 11, 2013, Standard & Poor's (S&P) upgraded Superior's long-term corporate credit rating to BB from BB- and increased Superior Plus LP's senior secured note rating to BBB- from BB+. The outlook for the long-term corporate credit rating remains stable.
- On February 14, 2014, Superior closed a $125 million term loan facility which matures on August 14, 2014. The term loan facility provides additional liquidity to ensure Superior has sufficient financial flexibility to manage short term fluctuations in working capital requirements. Throughout the fourth quarter of 2013 and the first quarter of 2014, Superior's working capital requirements have increased due to a rise in the wholesale cost of propane. Superior's anticipates that the wholesale cost of propane and the related working capital levels will normalize throughout the remainder of the 2014 heating season. Superior intends to repay the term loan facility prior to its maturity.

CRA Income Tax Update

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

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

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

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

During 2013, Superior filed a Notice of Objection and a Notice of Appeal with respect to the Notice of Reassessments received on May 8, 2013. Superior anticipates that if the case proceeds in the Tax Court of Canada, the case could be heard in the first quarter of 2015, with a decision rendered by the end of fiscal 2015. If a decision of the Tax Court of Canada were to be appealed, the appeal process could reasonably be expected to take an additional 2 years. If Superior receives a positive decision then any taxes, interest

and penalties paid to the CRA will be refunded plus interest and if Superior is unsuccessful then any remaining taxes payable plus interest and penalties will have to be remitted.

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

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

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

2014 Financial Outlook

Superior expects 2014 AOCF per share of $1.65 to $1.95, consistent with the financial outlook provided at the end of the third quarter of 2013. Superior’s 2014 financial outlook is stated before the impact of one-time restructuring costs anticipated to be incurred in 2014.

For additional details on the assumptions underlying the 2014 financial outlook, see Superior’s 2014 Fourth Quarter Financial Discussion and Analysis.

Restructuring Cost Summary

	Three months ended December 31,		**Twelve months ended December 31,**	
(millions of dollars)	**2013**	2012	**2013**	2012
Severance	**5.1**	0.3	**5.7**	4.3
Branch closure and lease termination	**4.2**	3.7	**4.7**	5.7
Consulting	**1.3**	–	**1.3**	–
Inventory write-down	**3.6**	–	**3.6**	–
	14.2	4.0	**15.3**	10.0

As previously disclosed in Superior’s 2013 third quarter Management’s Discussion and Analysis, Superior is undertaking restructuring activities in its Energy Services and Construction Products Distribution businesses to accelerate ongoing operational improvements. As a result of these activities, Superior incurred $14.2 million in costs in the fourth quarter of 2013. Superior anticipates that an additional $7 to $10 million in restructuring costs will be expensed during the first and second quarter of 2014. Superior’s forecasted total restructuring costs will be in the range of $22 to $25 million which is higher than the previously provided range of $15 to $20 million that was provided in the third quarter of 2013. The increase in restructuring costs is due to the inclusion of inventory write-downs associated with exiting portions of Superior’s service business within the Energy Services business in addition to higher costs associated with the termination of leases.

Debt Management Update

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

	Dollar Per Share	Millions of Dollars
2014 financial outlook AOCF per share – mid-point [1]	1.80	227.1
Maintenance capital expenditures, net	(0.26)	(33.0)
Capital lease obligation repayments	(0.19)	(24.5)
Restructuring costs	(0.16)	(20.0)
Cash flow available for dividends and debt repayment before growth capital	1.19	149.6
Expansion of Port Edward's and Saskatoon facilities	(0.19)	(23.5)
Other growth capital expenditures	(0.12)	(15.5)
Estimated 2014 free cash flow available for dividend and debt repayment	0.88	110.6
Dividends	(0.60)	(75.7)
Total estimated debt repayment	0.28	34.9
Estimated total debt to EBTIDA as at December 31, 2014	3.6X – 4.0X	3.6X – 4.0X
Dividends	0.60	75.7
Calculated payout ratio after all capital and payment to CRA	69%	69%

[1] See "Financial Outlook" in Superior's 2014 Fourth Quarter Financial Discussion and Analysis for additional details including assumptions, definitions and risk factors.

Superior's total debt (including convertible debentures) to Compliance EBITDA before restructuring costs was 3.9X as at December 31, 2013 (4.1X after restructuring costs), compared to 4.3X as at December 31, 2012. The reduction in total leverage compared to December 31, 2012 is due primarily to reduced debt levels as a result of the $137.8 million in net proceeds from the common share equity issue in the first quarter of 2013, cash flow from operations in excess of dividends and capital expenditures. Superior continues to focus on reducing its total leverage through ongoing debt reduction, including reducing working capital requirements and improving business operations.

As provided above, Superior's total debt to EBITDA ratio as at December 31, 2013 was 3.9X, which was higher than the estimated range provided in the third quarter of 2013 of 3.3X to 3.7X. Superior's total debt to EBITDA ratio was higher than the previously provided estimate due to higher than anticipated working capital levels in the Energy Services business as a result of a significant increase in the wholesale cost of propane and heating oil due to tight supply conditions experienced through the fourth quarter of 2013. The tight supply conditions were as a result of colder than average weather and numerous winter storms throughout Canada and the U.S. which created significant constraints on supply. In addition, total debt was negatively impacted by a weaker Canadian dollar relative to the U.S. dollar as it relates to Superior's U.S. denominated debt.

Superior remains focused on managing both its total debt and its total debt to EBITDA. Superior's forecasted total debt to EBITDA at December 31, 2014 is 3.6X to 4.0X, compared to the previously provided forecast of 3.3X to 3.7X. The increase in the forecasted total debt to EBITDA ratio is due to higher than expected actual debt levels at December 31, 2013, higher than previously forecasted working capital levels and the impact of a stronger U.S. dollar on U.S. denominated debt. Superior will continue to pursue all opportunities to reduce its debt by focusing on reducing its working capital requirements.

2013 Detailed Fourth Quarter Results

Superior's 2013 Fourth Quarter Financial Discussion and Analysis is attached and is also available on Superior's website at www.superiorplus.com under the Investor Relations section.

2013 Fourth Quarter and Annual Results Conference Call

Superior will be conducting a conference call and webcast for investors, analysts, brokers and media representatives to discuss the 2013 Fourth Quarter Results at 8:30 a.m. MST on Thursday, February 20, 2014. To participate in the call, dial:1-800-769-8320. An archived recording of the call will be available for replay until midnight, Sunday, April 20, 2014. To access the recording, dial: 1-800-408-3053 and enter pass code 8012593 followed by the # key. Internet users can listen to the call live, or as an archived call, on Superior's website at www.superiorplus.com.

Supplemental Financial Information

Adoption of IAS 19

The impact to EBITDA from operations was a decrease to Energy Services of $0.4 million and $1.3 million for the three and twelve months ended period December 31, 2012, and a decrease to Specialty Chemicals of $0.3 million and $1.8 million for the three and twelve months ended December 31, 2012. See Superior's 2013 Fourth Quarter FD&A for additional details.

Diluted AOCF Per Share

For the three months ended December 31, 2013, the dilutive impact of the 7.50%, October 31, 2016 convertible debentures was 6.6 million shares (132.8 million total shares on a dilutive basis) with a resulting impact on AOCF before restructuring costs of $5.6 million ($75.7 million total on a dilutive basis) and on AOCF of $5.6 million ($61.5 million total on a dilutive basis). For the three months ended December 31, 2012, the dilutive impact of the 7.50%, October 31, 2016 convertible debentures was 6.6 million shares (119.2 million total shares on a dilutive basis) with a resulting impact on AOCF of $5.6 million ($71.5 million total on a dilutive basis) and on AOCF of $5.6 million ($67.5 million total on a dilutive basis). For the year ended December 31, 2013, the dilutive impact of the 7.50%, October 31, 2016 convertible debentures was 6.6 million shares (129.7 million total shares on a dilutive basis) with a resulting impact on AOCF before restructuring costs of $5.6 million ($213.2 million total on a dilutive basis) and on AOCF of $5.6 million ($197.9 million total on a dilutive basis). For the year ended December 31, 2012, the dilutive impact of the 7.50%, October 31, 2016 convertible debentures was 6.6 million shares (118.5 million total shares on a dilutive basis) with a resulting impact on AOCF before restructuring costs of $5.6 million ($206.0 million total on a dilutive basis) and on AOCF of $5.6 million (196.0 million total on a dilutive basis).

Forward Looking Information

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

Forward-looking information in this document includes: future financial position, consolidated and business segment outlooks, expected EBITDA from operations, expected adjusted operating cash flow (AOCF) and adjusted operating cash flow per share, expected leverage ratios and debt repayment, debt

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

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

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

When relying on our forward-looking information to make decisions with respect to Superior, investors and others should carefully consider the preceding factors, other uncertainties and potential events. Any forward-looking information is provided as of the date of this document and, except as required by law, neither Superior nor Superior LP undertakes to update or revise such information to reflect new

information, subsequent or otherwise. For the reasons set forth above, investors should not place undue reliance on forward-looking information.

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

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)

Financial Discussion of 2013 Fourth Quarter and 2013 Year End Results
February 19, 2014

The following Financial Discussion is a review of the financial performance and position of Superior Plus Corp. (Superior) as at December 31, 2013 and for the three and twelve months ended December 31, 2013 and 2012. The information in this Financial Discussion is current to February 19, 2014. This Financial Discussion should be read in conjunction with Superior's audited consolidated financial statements and notes thereto as at and for the twelve months ended December 31, 2013 and its unaudited condensed consolidated financial statements as at and for the three and twelve months ended December 31, 2013 and 2012.

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

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

Fourth Quarter Results

Summary of Adjusted Operating Cash Flow

(millions of dollars except per share amounts)	**Three months ended December 31, 2013**[5]	Three months ended December 31, 2012[4][5]	**Twelve months ended December 31, 2013**[5]	Twelve months ended December 31, 2012[4][5]
EBITDA from operations: [1]				
Energy Services	**45.8**	47.3	**137.5**	136.4
Specialty Chemicals	**31.1**	28.8	**113.7**	125.7
Construction Products Distribution	**9.8**	10.2	**33.2**	27.3
	86.7	86.3	**284.4**	289.4
Interest expense	**(12.4)**	(16.6)	**(58.7)**	(71.7)
Cash income tax recovery (expense)	**0.2**	(0.3)	**(0.2)**	(1.1)
Corporate costs	**(4.4)**	(3.5)	**(17.9)**	(16.2)
Adjusted operating cash flow before restructuring costs	**70.1**	65.9	**207.6**	200.4
Restructuring costs	**(14.2)**	(4.0)	**(15.3)**	(10.0)
Adjusted operating cash flow[1]	**55.9**	61.9	**192.3**	190.4
Adjusted operating cash flow per share before restructuring costs, basic[2]	**$0.56**	$0.59	**$1.69**	$1.79
Adjusted operating cash flow per share before restructuring costs, diluted[3]	**$0.54**	$0.57	**$1.64**	$1.74
Adjusted operating cash flow per share, basic[2]	**$0.44**	$0.55	**$1.56**	$1.70
Adjusted operating cash flow per share, diluted[3]	**$0.43**	$0.53	**$1.53**	$1.66

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

(2) The weighted average number of shares outstanding for the three months ended December 31, 2013, is 126.2 million (December 31, 2012 – 112.6 million) and for the twelve months ended December 31, 2013, is 123.1 million (December 31, 2012 – 111.9 million).

(3) For the three months ended December 31, 2013, the dilutive impact of the 7.50%, October 31, 2016 convertible debentures was 6.6 million shares (132.8 million total shares on a dilutive basis) with a resulting impact on AOCF before restructuring costs of $5.6 million ($75.7 million total on a dilutive basis) and on AOCF of $5.6 million ($61.5 million total on a dilutive basis). For the three months ended December 31, 2012, the dilutive impact of the 7.50%, October 31, 2016 convertible debentures was 6.6 million shares (119.2 million total shares on a dilutive basis) with a resulting impact on AOCF of $5.6 million ($71.5 million total on a dilutive basis) and on AOCF of $5.6 million ($67.5 million total on a dilutive basis). For the year ended December 31, 2013, the dilutive impact of the 7.50%, October 31, 2016 convertible debentures was 6.6 million shares (129.7 million total shares on a dilutive basis) with a resulting impact on AOCF before restructuring costs of $5.6 million ($213.2 million total on a dilutive basis) and on AOCF of $5.6 million ($197.9 million total on a dilutive basis). For the year ended December 31, 2012, the dilutive impact of the 7.50%, October 31, 2016 convertible debentures was 6.6 million shares (118.5 million total shares on a dilutive basis) with a resulting impact on AOCF before restructuring costs of $5.6 million ($206.0 million total on a dilutive basis) and on AOCF of $5.6 million (196.0 million total on a dilutive basis).

(4) The prior year and quarter has been restated for the impact of adopting International Accounting Standard (*IAS) 19 Employee Benefits* effective January 1, 2013. The impact to EBITDA from operations was a decrease to Energy Services of $0.4 million and $1.3 million for the three and twelve months ended December 31, 2012 and a decrease to Specialty Chemicals of $0.3 million and $1.8 million for the three and twelve months ended December 31 2012, see IAS 19 – *Employee Benefits, amendments* for further details.

(5) Superior has restated its 2012 financial results and presented its 2013 financial results on a before and after restructuring cost basis due to the one-time nature of these items. See Restructuring Costs for further details.

Adjusted Operating Cash Flow Reconciled to Net Cash Flow from Operating Activities (1)

(millions of dollars)	**Three months ended December 31, 2013**	2012	**Twelve months ended December 31, 2013**	2012
Net (used in) cash flow from operating activities	**(5.1)**	21.6	**250.3**	347.9
Add: Non cash interest expense	**2.9**	1.6	**8.8**	6.7
Less: Increase (decrease) in non-cash working capital	**72.0**	57.2	**(0.3)**	(84.7)
Income tax recovery (expense)	**0.2**	(0.3)	**(0.2)**	(1.1)
Finance expense recognized in net earnings	**(20.3)**	(18.2)	**(71.8)**	(77.6)
Loss (gain) on debenture redemptions	**6.2**	–	**5.5**	(0.8)
Adjusted operating cash flow	**55.9**	61.9	**192.3**	190.4

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

Fourth quarter adjusted operating cash flow (before restructuring costs of $14.2 million) was $70.1 million, an increase of $4.2 million or 6% from the prior year quarter. The increase in adjusted operating cash flow was primarily due to higher operating results at Specialty Chemicals and lower interest costs. Adjusted operating cash flow (before restructuring costs) of $0.56 per share, decreased by $0.03 per share from the prior year quarter due to a 12% increase in the weighted average number of shares outstanding offset in part by the increase in adjusted operating cash flow as noted above. The average number of shares outstanding increased in 2013 as a result of shares issued from Superior’s Dividend Reinvestment Program and Optional Share Purchase Plan (DRIP) and the completion of an equity offering on March 27, 2013 for gross proceeds of $137.6 million and 13.0 million shares.

Adjusted operating cash flow for the year ended December 31, 2013 (before restructuring costs of $15.3 million) was $207.6 million ($192.3 million after restructuring costs), an increase of $7.2 million or 4% from the prior year before restructuring costs. The increase in adjusted operating cash flow was due to

increased EBITDA from operations of Construction Products Distribution and lower interest costs offset in part by higher corporate costs and a lower Specialty Chemicals contribution due to the one-time TransCanada Energy Ltd. settlement included in the prior year. Adjusted operating cash flow per share (before restructuring costs) was $1.69 per share ($1.56 per share after restructuring costs) for the year ended December 31, 2013, a decrease of $0.10 per share or 6% before restructuring costs and a decrease of $0.14 per share or 8% after restructuring costs from the prior year. The increase in adjusted operating cash flow as noted above was more than offset by a 10% increase in the weighted average number of shares outstanding. The number increased in 2013 as a result of shares issued from Superior's DRIP and the completion of an equity offering of 13.0 million shares on March 27, 2013 for gross proceeds of $137.6 million.

The net loss for the fourth quarter was $10.9 million, compared to net earnings of $13.5 million in the prior year quarter. Net earnings were reduced mainly by higher restructuring costs and impairments offset in part by a lower unrealized derivative financial instrument losses and a higher income tax recovery. The decrease in unrealized losses on derivative financial instruments was principally due to lower losses in the fourth quarter on Superior's foreign currency financial derivatives compared to the prior year quarter as a result of fluctuations in the spot and forward price for U.S. dollars. An intangible asset and goodwill impairment charge of $15.5 million was recognized during 2013 within the U.S. refined fuels business due to reductions in the short term forecast for the business and challenging wholesale market conditions. Revenue of $1,034.7 million was $100.7 million higher than in the prior year's quarter due to increased Energy Services revenue as a result of higher propane prices and sales volumes and increased Specialty Chemicals revenue due to higher sales volumes and pricing. Gross profit of $240.8 million was $12.6 million higher than in the prior year quarter primarily due to increased Energy Services gross profits due in turn to higher sales volumes and gross margins and higher Construction Products Distribution gross profits due to higher gross margins. Operating expenses of $200.9 million in the fourth quarter were $22.3 million higher than in the prior year quarter due to increased operating expenses associated with higher sales volumes and restructuring costs incurred at Construction Products Distribution and Energy Services. Total income tax recovery for the fourth quarter was $7.2 million compared to income tax recovery of $0.9 million in the prior year quarter. The increase in income tax recovery was due to lower net earnings in the fourth quarter of 2013 and decreased impact from permanent tax items.

Superior had net earnings of $52.7 million for 2013, compared to net earnings of $90.0 million for 2012. The decrease was primarily due to unrealized losses on financial instruments in 2013 as compared to gains in the prior year due to the appreciation of the U.S. dollar offset in part by higher gross profits and lower interest costs. Consolidated revenues of $3,752.8 million in 2013 were $128.5 million higher than in the prior year. This was due primarily to higher Energy Services revenue as a result of increased commodity prices and sales volumes, higher Specialty Chemicals revenue due to higher sales volumes and higher Construction Products Distribution revenue due to improved sales volumes and the benefit of sales initiatives. Gross profit of $868.8 million was $22.5 million higher than in the prior year due to improved gross profit at Energy Services and Construction Products Distribution due to increased sales volumes, higher revenues and margins offset in part by lower gross profits at Specialty Chemicals due to lower margins.

Operating expenses of $718.0 million in 2013 were $20.9 million higher than in the prior year, due to restructuring costs and higher operating expenses associated with increased volumes offset in part by lower amortization expense. The decrease in amortization expense was due to fully amortizing certain intangible assets during 2013. Total restructuring costs of $15.3 million were incurred by Energy Services and Construction Products Distribution as part of Superior's operational improvement efforts. Corporate costs were higher than in the prior year due to increased long-term incentive costs, which resulted from the increase in Superior's share price. Total interest expense of $71.8 million was $5.8 million lower than

in the prior year due principally to lower average debt throughout the year and the benefit of redeeming Superior's 8.25% $150.0 million senior unsecured debentures on October 28, 2013 and completion of an equity offering on March 27, 2013. An intangible asset and goodwill impairment charge of $15.5 million was recognized during 2013 within the U.S. refined fuels business due to reductions in the short-term forecast for the business and challenging wholesale market conditions. Unrealized losses on derivative financial instruments were $5.1 million in 2013 compared to unrealized gains of $32.1 million in the prior year. The increase in unrealized losses from the prior year is primarily due to higher unrealized losses in the current year on Superior's foreign exchange forward contracts due to the appreciation of the U.S. dollar offset in part by unrealized gains on natural gas forward contracts from positive fluctuations in the spot prices of natural gas. Gains and losses on Superior's various financial instruments are without consideration of the fair value of the underlying customer or supplier commitment. Total income tax expense was $5.7 million for 2013 compared to an expense of $9.0 million for 2012 and decreased due to lower net earnings in 2013 and the absence of adjustments associated with changes in enacted tax rates.

Energy Services

Energy Services' condensed operating results for 2013 and 2012:

	Three months ended December 31,		Twelve months ended December 31,	
(millions of dollars)	**2013**	2012[2]	**2013**	2012[2]
Revenue[1]	**682.9**	602.2	**2,372.9**	2,301.6
Cost of sales[1]	**(548.8)**	(472.6)	**(1,907.7)**	(1,854.2)
Gross profit	**134.1**	129.6	**465.2**	447.4
Less: Cash operating and administrative costs[1][3]	**(88.3)**	(82.3)	**(327.7)**	(311.0)
EBITDA from operations	**45.8**	47.3	**137.5**	136.4

[1] In order to better reflect the results of its operations, Superior has reclassified certain non-cash expenses for purposes of this Financial Discussion. See "Reconciliation of Divisional Segmented Revenue, Cost of Sales and Cash Operating and Administrative Costs Included in this Financial Discussion" for detailed amounts.

[2] The prior year has been restated for the impact of adopting IAS 19 *Employee Benefits, amendments* effective January 1, 2013. Cash operating and administrative costs were increased by $0.4 million for three months ended December 31, 2012 and $1.3 million for the twelve months ended year ended December 31, 2012.

[3] Energy Services EBITDA from operations has been restated and restructuring cost have been excluded from EBITDA from operations. The above results exclude restructuring costs for the three and twelve months ended December 31, 2013 of $8.5 million and $10.3 million, respectively and for the three and twelve months ended December 31, 2012, $1.6 million and $3.5 million, respectively. See Restructuring Costs for further details.

Revenues for the fourth quarter of 2013 were $682.9 million, an increase of $80.7 million from $602.2 million in 2012. The increase is primarily due to higher commodity prices and sales volumes as compared to the prior year quarter. Total gross profit for the fourth quarter of 2013 was $134.1 million, an increase of $4.5 million or 3% over the prior year quarter. The increase in gross profit is primarily due to higher gross margins and sales volumes within the Canadian propane segment offset in part by lower fixed-price energy services gross profits. A detailed review of gross profit is provided below.

Gross Profit Review

	Three months ended December 31,		Twelve months ended December 31,	
(millions of dollars)	**2013**	2012	**2013**	2012
Canadian propane distribution	**75.5**	68.1	**250.4**	235.7
U.S. refined fuels distribution	**36.0**	37.3	**130.2**	123.1
Other services	**12.0**	11.4	**42.1**	39.6
Supply portfolio management	**6.9**	6.5	**24.9**	18.3
Fixed-price energy services	**3.7**	6.3	**17.6**	30.7
Total gross profit	**134.1**	129.6	**465.2**	447.4

Canadian Propane Distribution

Canadian propane distribution gross profit for the fourth quarter was $75.5 million, an increase of $7.4 million or 11% from 2012, due to higher sales volumes and gross margins. Residential and commercial sales volumes increased by 11 million litres or 9% from the prior year quarter, due to colder weather during the fourth quarter of 2013 as compared to the prior year quarter and the benefit of improved customer sales and retention efforts. Average weather across Canada for the fourth quarter, as measured by degree days, was 4% colder than the prior year and 7% colder than the five-year average. Industrial volumes decreased by 3 million litres or 1%, due to lower oilfield demand as a result of customer site gasification and lower customer activity. Automotive propane volumes increased by 2 million litres or 12%, this increase is in contrast to the historical structural decline in this end-use market, and is due to the favourable price spread between propane and gasoline.

Average propane sales margins for the fourth quarter increased to 18.6 cents per litre from 17.8 cents per litre in the prior year quarter. The increase was principally due to improved pricing management and favourable movement in the sales mix as the current quarter included a higher proportion of higher-margin sales volumes.

Canadian Propane Distribution Sales Volumes

Volumes by End-Use Application

Three months ended December 31,		
(millions of litres)	**2013**	2012
Residential	**47**	42
Commercial	**85**	79
Agricultural	**42**	30
Industrial	**212**	215
Automotive	**19**	17
	405	383

Volumes by Region [1]

Three months ended December 31,		
(millions of litres)	**2013**	2012
Western Canada	**234**	228
Eastern Canada	**142**	129
Atlantic Canada	**29**	26
	405	383

Volumes by End-Use Application [1]

Twelve months ended December 31,		
(millions of litres)	**2013**	2012
Residential	**135**	121
Commercial	**278**	255
Agricultural	**73**	60
Industrial	**764**	781
Automotive	**81**	75
	1,331	1,292

Volumes by Region [1]

Twelve months ended December 31,		
(millions of litres)	**2013**	2012
Western Canada	**766**	751
Eastern Canada	**465**	440
Atlantic Canada	**100**	101
	1,331	1,292

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

U.S. Refined Fuels Distribution

U.S. refined fuels distribution gross profit for the fourth quarter was $36.0 million, a decrease of $1.3 million from the prior year quarter. The decrease in gross profit is due to lower sales volumes offset in part by slightly higher gross margins. Sales volumes of 411 million litres, decreased by 17 million litres or 4% from the prior year quarter. The decrease was primarily due to challenging market conditions for the wholesale business throughout the fourth quarter due to unusually low rack/spot market prices which resulted in wholesale customers purchasing directly from the rack at discounted prices offset in part by strong propane demand due to successful customer growth initiatives, and colder weather. Weather as measured by heating degree days for the fourth quarter was 13% higher than the prior year quarter and 6% colder than the five-year average. Average U.S. refined fuels sales margins of 8.8 cents per litre

increased slightly from 8.7 cents per litre in the prior year quarter. Sales margins were positively impacted by sales mix offset in part by challenging wholesale market conditions and rising commodity costs.

U.S. Refined Fuels Distribution Sales Volumes

Volumes by End-Use Application [1]

	Three months ended December 31,	
(millions of litres)	**2013**	2012
Residential	**96**	88
Commercial	**190**	200
Automotive	**125**	140
	411	428

Volumes by Region [2]

	Three months ended December 31,	
(millions of litres)	**2013**	2012
Northeast United States	**411**	428
	411	428

Volumes by End-Use Application [1]

	Twelve months ended December 31,	
(millions of litres)	**2013**	2012
Residential	**304**	274
Commercial	**775**	764
Automotive	**554**	561
	1,633	1,599

Volumes by Region [2]

	Twelve months ended December 31,	
(millions of litres)	**2013**	2012
Northeast United States	**1,633**	1,599
	1,633	1,599

[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 $12.0 million in the fourth quarter, an increase of $0.6 million from the prior year quarter due to increased installations and the receipt of insurance proceeds.

Supply Portfolio Management

Supply portfolio management gross profits were $6.9 million in the fourth quarter and consistent with the prior year quarter as market conditions remained favourable.

Fixed-Price Energy Services

Fixed-Price Energy Services Gross Profit

	Three months ended December 31, 2013			Three months ended December 31, 2012		
(millions of dollars except volume and per unit amounts)	**Gross Profit**	**Volume**	**Per Unit**	Gross Profit	Volume	Per Unit
Natural gas [1]	**1.9**	**4.6 GJ**	**41.3¢/GJ**	3.9	4.7 GJ	83.0¢/GJ
Electricity [2]	**1.8**	**228.0 KWh**	**0.79¢/KWh**	2.4	199.9 KWh	1.20¢/KWh
Total	**3.7**			6.3		

	Twelve months ended December 31, 2013			Twelve months ended December 31, 2012		
(millions of dollars except volume and per unit amounts)	**Gross Profit**	**Volume**	**Per Unit**	Gross Profit	Volume	Per Unit
Natural gas [1]	**11.1**	**18.8 GJ**	**59.0¢/GJ**	21.5	18.7 GJ	115.0¢/GJ
Electricity [2]	**6.5**	**891.4 KWh**	**0.73¢/KWh**	9.2	816.7 KWh	1.13¢/KWh
Total	**17.6**			30.7		

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

Fixed-price energy services gross profit was $3.7 million in the fourth quarter, a decrease of $2.6 million or 41% from $6.3 million in the prior year quarter. Natural gas gross profit was $1.9 million, a decrease of $2.0 million from the prior year quarter due to lower gross margins and a slight decrease in sales volumes. Gross profit per unit was 41.3 cents per gigajoule (GJ), a decrease of 41.7 cents per GJ or 50% from the prior year quarter. The decrease in natural gas gross margin was due to sales mix as the existing

customer base contains a lower proportion of higher margin residential customers and the continued decline in the residential customer base. Sales volumes of natural gas were 4.6 million GJ, 0.1 million GJ or 2% lower than the prior year quarter due to lower customer aggregation as a result of continued historically low system price for natural gas. Electricity gross profit in the fourth quarter of 2013 was $1.8 million, a decrease of $0.6 million or 25% from the prior year quarter due to sales mix as the current quarter includes a higher proportion of lower margins customers and challenging market conditions.

Operating Costs

Cash operating and administrative costs were $88.3 million in fourth quarter of 2013, an increase of $6.0 million or 7% from the prior year quarter. The increase in expenses was primarily due to the impact of higher sales volumes on operating expenses, increased employee incentive costs, professional fees associated with the system conversion and higher maintenance costs.

Impairment

During the fourth quarter of 2013, Energy Services performed a detailed impairment review of its intangible assets and goodwill. This calculation was performed as part of the annual impairment test and resulted in indications of impairment in the U.S. refined fuels segment of Energy Services. As a result of a detailed cash flow evaluation, Energy Services recorded an impairment charge of $15.5 million to the intangible assets and goodwill of U.S. refined fuels.

On October 20, 2012, a kerosene leak was discovered in the bottom of a storage tank at U.S. refined fuels Marcy terminal location. The leak was investigated and contained by management. U.S. refined fuels then notified the Department of Environmental Conservation (DEC) which performed an independent review of the leak and other tanks at this location. On December 27, 2012, the DEC issued a notice of violation based on its inspections and subsequent to discussions between management and the DEC, a consent order was issued to U.S. refined fuels on February 4, 2013. The consent order stated that the secondary containment system and storage tanks were not in compliance with DEC design requirements and needed to be rebuilt to specific standards by September 1, 2013 in order to remain operational. The consent order was modified in October 2013 to extend the requirement to rebuild to specific standards by September 1, 2014. Repair of the facility has been suspended pending the outcome of a dispute between Superior and the previous owner and operator of the facility as to responsibility for the repair. This decision is not expected to have any material impact on the operations of U.S. refined fuels or operating results going forward.

Due to the leak and receipt of the consent order, management has performed a detailed impairment review of the Marcy terminal to assess whether the carrying value of all the storage tanks does not exceed the recoverable amount. The recoverable amount of the assets was based on management's estimate of the fair value less costs to sell. Based on a detailed review by management, the fair value less costs to sell of the storage tanks was lower than the carrying value. An impairment charge of $4.7 million was recorded during the fourth quarter of 2012 against net earnings along with a $4.7 million reduction in the carrying value of the impaired storage tanks.

Acquisitions

On November 27, 2013, Superior completed the acquisition of certain assets constituting a retail propane and commercial fuels distribution business (Townsend) in Le Roy, New York for an aggregate price of $9.6 million including deferred consideration and net of adjustments for net working capital. The operations will provide U.S. refined fuels with access to additional propane and fuel oil customers, improved geographic coverage in upstate New York and additional distribution facilities.

On July 17, 2012, Superior completed the acquisition of certain assets constituting a propane distribution business for an aggregate price of $5.5 million including adjustments for net working capital. The primary

purpose of the acquisition was to expand Energy Services' business in British Columbia and benefit from synergies and certain operating assets.

Financial Outlook

EBITDA from operations for 2014 is anticipated to be higher than in 2013 due to improved results at the Canadian propane and U.S. refined fuels businesses. Improvement in EBITDA is anticipated as a result of modestly higher sales volumes and improved average sales margins due to the ongoing business operational improvements. EBITDA from the fixed-price energy services and wholesale supply business is anticipated to be consistent with 2013. Operating expenses are anticipated to be lower than in 2013 due to improved efficiency from the operational restructuring offset in part by costs associated with higher volumes. Average weather, as measured by degree days, is anticipated to be consistent with the five-year average in 2014. Operating conditions for 2014 are anticipated to be similar to 2013. Superior anticipates that the difficult wholesale propane supply conditions experienced at the beginning of 2014 which were due in part to lower than average propane storage levels and colder than average temperatures which in turn increased demand and caused difficulty in transporting product will moderate towards the end of the first quarter of 2014.

Initiatives to improve results in the Energy Services business continued during the fourth quarter of 2013 in conjunction with Superior's *Destination 2015* initiative and Superior's goal for each of its businesses to become best-in-class. Business improvement projects for 2013 and 2014 include: a) improving customer service, b) improving overall logistics and procurement functions, c) enhancing the management of margins, d) working capital management e) improving existing and implementing new technologies to facilitate improvements to the business, f) headcount reductions and g) completing a detailed restructuring plan and commencing the related work.

The restructuring plan for the Canadian Propane distribution and U.S. refined fuels businesses will accelerate realization of operating efficiencies by implementing a more disciplined and consistent management operating system across the segment designed to leverage the new processes and information system investments and by sizing the organization to efficiently meet its operational business needs. The restructuring plan is expected to be completed by mid-2014.

System Conversion

In 2013, Canadian propane distribution commenced the implementation of an order-to-cash, billing and logistics IT system to replace the distribution and invoicing functions of the present enterprise system. To mitigate the risk associated with system changes, Canadian propane distribution will leverage what was learned in the U.S refined fuels organization, which has been using this system for several years. The total estimated cost of the implementation is $19.2 million. Approximately $16.5 million has been incurred to date and the estimated completion is the summer of 2014. During the third and fourth quarters of 2013, the new system was successfully implemented in the Atlantic and British Columbia regions. The remaining regions will be converted throughout the first half of 2014. The implementation has been phased in order to minimize the impact on the business during the heating season.

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

Specialty Chemicals

Specialty Chemicals' condensed operating results for 2013 and 2012:

(millions of dollars except per metric tonne (MT) amounts)	Three months ended December 31,				Twelve months ended December 31,			
	2013		2012		**2013**		2012	
		$ per MT		$ per MT		**$ per MT**		$ per MT
Chemical revenue[1]	**156.7**	**712**	139.1	696	**582.6**	**705**	542.2	703
Chemical cost of sales [1]	**(88.5)**	**(402)**	(76.1)	(381)	**(330.8)**	**(400)**	(283.9)	(368)
Chemical gross profit	**68.2**	**310**	63.0	315	**251.8**	**305**	258.3	335
Less: Cash operating and administrative costs[1]	**(37.1)**	**(169)**	(34.2)	(171)	**(138.1)**	**(167)**	(132.6)	(172)
EBITDA from operations	**31.1**	**141**	28.8	144	**113.7**	**138**	125.7	163
Chemical volumes sold (thousands of MTs)	**220**		200		**826**		771	

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

Chemical revenue for the fourth quarter of $156.7 million was $17.6 million or 13% higher than in the prior year quarter primarily due to higher sales volumes and average selling prices for sodium chlorate. Fourth quarter gross profit of $68.2 million was $5.2 million higher than in the prior year quarter due to increased sodium chlorate gross profits and slightly higher chloralkali/potassium gross profits. Sodium chlorate gross profits were higher than the prior year quarter due to higher sales volumes as gross margins were consistent with the prior year quarter. Sodium chlorate sales volumes increased by 21,000 tonnes or 17% compared to the prior year quarter due to additional sales volume contribution form the Strategic Supply Agreement and Chilean based demand. Chloralkali/potassium products gross profits were slightly higher than in the prior year quarter due to higher average margins for caustic offset in part by lower sales volumes. Sales volumes were lower than the prior year quarter due to production curtailments at the Port Edwards facility due to weaker chlorine demand.

Cash operating and administrative costs of $37.1 million were $2.9 million or 8% higher than in the prior year quarter due to additional maintenance expenditures, engineering costs and general inflationary pressures.

Major Capital Projects

As announced in the first quarter of 2012, Superior approved an $18.0 million expansion of hydrochloric acid production capacity at the Port Edwards, Wisconsin chloralkali facility. The plant's capacity of 110,000 wet metric tonnes (WMT), or 36,000 dry metric tonnes, is being increased to approximately 220,000 WMT. The expansion project commenced in 2012, with commercial production expected early in the fourth quarter of 2014.

As announced in the third quarter of 2012, Superior has approved a $25.0 million expansion of hydrochloric acid production capacity at the Saskatoon, Saskatchewan chloralkali facility. The plant's capacity of 70,000 WMT, or 22,000 dry metric tonnes, will be increased to approximately 140,000 WMT. The expansion project commenced in 2012, with commercial production expected in the fourth quarter of 2014.

As at December 31, 2013, a total of $19.0 million had been spent on the two projects. Upon completion of both projects, Superior will have total hydrochloric acid production capacity of approximately 360,000

WMT. The two expansions will allow Superior to optimize overall returns at both facilities by converting a larger portion of its chlorine into higher-value hydrochloric acid.

Strategic Supply Agreement

In October 2013, Specialty Chemicals entered into a supply agreement with Tronox LLC ("Tronox") to purchase up to 130,000 MT of sodium chlorate per year from Tronox's Hamilton, Mississippi facility, as nominated annually by Specialty Chemicals. The initial term of the agreement extends to December 31, 2016 and may be automatically extended in one year increments thereafter. Under the agreement, Tronox will continue to own and operate the facility, and Specialty Chemicals will purchase sodium chlorate to meet customer demands under certain customer contracts being assumed and to supply other existing and new customers. Specialty Chemicals paid an initial fee of $4.3 million and will incur a quarterly fee of $0.8 million during the initial term, plus a cost for sodium chlorate delivered. As part of the Agreement, Specialty Chemicals will acquire finished inventory and assume existing railcar leases and customer contracts, as assigned. Additionally, the parties have entered into a strategic long-term agreement for the supply of chloralalkali product by Specialty Chemicals to service Tronox's requirements in North America. Under the agreement, if the annual nominated volume by Specialty Chemicals is less than the specified volume of product set out in the agreement, Tronox may terminate the agreement early, at its sole option and its sole cost to permanently shut down the plant for the manufacture of sodium chlorate.

Financial Outlook

EBITDA from operations for 2014 is expected to be lower than in 2013 due to lower sodium chlorate contribution from higher average electricity prices, offset in part by the contribution from the strategic supply agreement described above. Contribution from the chloralkali segment is anticipated to be higher than in 2013 due to the completion of the hydrochloric acid facility expansions during 2014. Selling prices and sales volumes of caustic, chlorine and hydrochloric acid are anticipated to be similar to 2013 as supply and demand fundamentals in the chloralkali markets in which Superior operates are anticipated to remain consistent with the prior year.

In addition to the significant assumptions noted 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 2013 and 2012:

	Three months ended December 31,		**Twelve months ended December 31,**	
(millions of dollars)	**2013**	2012	**2013**	2012
Revenue				
Gypsum Specialty Distribution (GSD) revenue	**125.8**	129.4	**525.4**	517.9
Commercial and Industrial Insulation (C&I) revenue	**70.9**	63.8	**274.8**	261.0
Cost of sales				
GSD cost of sales	**(93.4)**	(98.3)	**(400.0)**	(401.6)
C&I cost of sales	**(52.3)**	(47.3)	**(204.2)**	(193.4)
Gross profit	**51.0**	47.6	**196.0**	183.9
Less: Cash operating and administrative costs	**(41.2)**	(37.4)	**(162.8)**	(156.6)
EBITDA from operations	**9.8**	10.2	**33.2**	27.3

(1) In order to better reflect the results of its operations, Superior has reclassified certain non-cash expenses for purposes of this Financial Discussion. See "Reconciliation of Divisional Segmented Revenue, Cost of Sales and Cash Operating and Administrative Costs Included in this Financial Discussion" for detailed amounts.

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

(3) Construction Products Distribution EBITDA from operations has been restated and restructuring cost have been excluded from EBITDA from operations. The above results exclude restructuring costs for the three and twelve months ended December 31,

2013 of $5.7 million and $6.2 million, respectively and for the three and twelve months ended December 31, 2012, $2.4 million and $6.5 million, respectively. See Restructuring costs for further details.

GSD and C&I revenues of $196.7 million for the fourth quarter of 2013 were $3.5 million or 2% higher than in the prior year quarter. GSD revenue decreased due to continued focus on higher margins sales and impact of branch closures during the prior year quarter offset in part by stronger U.S. based demand from the recovery of the U.S. residential construction market. C&I revenues increased from the prior year quarter due to successful investments in sales and marketing and other initiatives to increase sales.

Gross profits of $51.0 million in the fourth quarter were $3.4 million higher than in the prior year quarter primarily due to the impact of higher gross margins. This was due to successful procurement and intelligent pricing initiatives and the benefit of exiting less profitable markets.

Cash operating and administrative costs were $41.2 million in the fourth quarter, an increase of $3.8 million or 10% from the prior year quarter. The increase was primarily due to higher employee incentive costs, higher operating costs associated with increased sales volumes, appreciation of the U.S. dollar, the system integration costs and general inflationary increases.

Financial Outlook

Superior anticipates that EBITDA from operations in 2014 will be higher than in 2013 due to continued improvements in U.S. residential construction markets as well as benefits resulting from completing ongoing business initiatives. Superior anticipates that the U.S. commercial market will modestly improve in 2014 over 2013 and that the Canadian residential markets will continue to be challenging. In light of the ongoing improvements in the U.S. construction industry, Superior is currently assessing strategic alternatives for its Construction Products Distribution segment.

Initiatives to improve results in the Construction Products Distribution business continued during the fourth quarter of 2013. Ongoing business improvement projects for 2013 and 2014 include: a) assessment of overall logistics and existing branch network, b) review of supply chain management including procurement and transportation, c) review of product pricing, d) working capital management, e) sales growth in select focus products/markets, and f) completing the detailed restructuring plan.

In late 2013, CPD initiated a business transformation project to fully integrate its C&I and GSD operations. The project consists of realigning the management structure along geographic lines, adopting best practice common business processes, and integrating all operations onto a single ERP (computer) system. The project is expected to take approximately two years and conclude at the end of 2015.

As part of the business transformation project, the Calgary, Alberta corporate office will relocate to Dallas, Texas. This will position the corporate office in a central location and a major North American travel hub, closer to its customers and suppliers and the majority of its revenue base. The relocation commenced in the fourth quarter of 2013 and will be completed during the fall of 2014.

During 2012 and 2013, Construction Products Distribution underwent successful operational restructuring through branch rationalization to reduce operating expenses. In 2014, it will complete its management realignment to make the organization more agile and increase its ability to capitalize on the U.S. residential and commercial construction recovery. Common business processes and systems will be implemented across the business, a project that was delayed over the past several years due to challenging market conditions.

As part of Superior's plan to maximize shareholder value, Superior conducts an ongoing review of its portfolio of businesses and assesses the strategic fit of all its businesses from time-to-time. In light of the ongoing improvements in the U.S. construction industry, Superior is currently assessing strategic alternatives for its Construction Products Distribution segment and has hired a financial advisor.

In addition to the Construction Products Distribution segment's significant assumptions noted 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 December 31,		**Twelve months ended December 31,**	
(millions of dollars)	**2013**	2012	**2013**	2012
Efficiency, process improvement and growth-related	**13.9**	4.7	**44.3**	11.4
Other capital	**12.5**	17.4	**34.2**	32.4
	26.4	22.1	**78.5**	43.8
Investment in supply agreement	**4.3**	–	**4.3**	–
Acquisitions	**7.6**	–	**7.6**	5.5
Proceeds on disposition of capital	**(0.8)**	(0.4)	**(6.6)**	(4.5)
Total net capital expenditures	**37.5**	21.7	**83.8**	44.8
Capital-equivalent of finance leases	**34.2**	2.8	**36.9**	8.1
Total expenditures including finance leases	**71.7**	24.5	**120.7**	52.9

Efficiency, process improvement and growth related expenditures were $13.9 million in the fourth quarter compared to $4.7 million in the prior year quarter. The increase was primarily related to the expansion projects at Specialty Chemicals and Energy Services' purchases of rental assets, truck related expenditures and expenditures on the Canadian propane distribution system conversion.

Other capital expenditures were $12.5 million in the fourth quarter compared to $17.4 million in the prior year quarter, consisting primarily of required maintenance and general capital across all of Superior's segments.

During October, Specialty Chemicals entered into a strategic supply agreement which required an initial investment of $4.3 million (see Strategic Supply Agreement).

On November 27, 2013, Superior completed the acquisition of certain assets constituting a retail propane and commercial fuels distribution business (Townsend) in Le Roy, New York for an aggregate price of $9.6 million including deferred consideration and net of adjustments for net working capital. The operations will provide U.S. refined fuels with access to additional propane customers.

Proceeds on the disposal of capital were $0.8 million in the fourth quarter and consisted of Superior's disposition of surplus tanks, cylinders and other assets. During the fourth quarter Superior entered into new leases with capital equivalent value of $34.2 million primarily related to delivery vehicles for the Energy Services and Construction Products Distribution segments and a finance lease of $21.5 million related to the strategic supply agreement.

Corporate and Interest Costs

Corporate costs for the fourth quarter were $4.4 million, compared to $3.5 million in the prior year quarter. The increase was primarily due to higher long term incentive costs as a result of an increase in Superior's share price and higher professional fees.

Interest expense on borrowing and finance lease obligations for the fourth quarter was $6.1 million compared to $9.4 million in the prior year quarter. The decrease was due to lower average debt as a result of Superior's $143.9 million equity offering ($137.6 million net of issuance costs) which closed on March 27, 2013, redemption of Superior's 8.25% $150.0 million senior unsecured notes on October 28, 2013 with lower rate revolving debt and the benefit of debt repayments during the 2013. See "Liquidity and Capital Resources" for further details on the change in average debt levels.

Interest on Superior's convertible unsecured subordinated debentures ("Debentures" which include all series of convertible unsecured subordinated debentures) for the fourth quarter was $6.3 million and lower than in the prior year quarter of $7.2 million. The decrease was due to the redemption of $49.9 million of Superior's 5.75% convertible subordinated debentures due December 31, 2012 on August 1, 2012, $50.0 million of Superior's 5.85% convertible subordinated debentures due October 31, 2015 on January 3, 2013, $25.0 million of Superior's 5.85% convertible subordinated debentures due October 31, 2015 on April 9, 2013 and $68.9 million of Superior's 7.50% convertible subordinated debentures due December 31, 2014 on September 3, 2013. The above noted decrease was offset in part by the issuance of $97.0 million of 6.00% convertible subordinated debentures on July 22, 2013 which mature on June 30, 2019.

Restructuring Costs

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

	Three months ended December 31,		**Twelve months ended December 31,**	
(millions of dollars)	**2013**	2012	**2013**	2012
Severance costs	**5.1**	0.3	**5.7**	4.3
Branch closure costs and lease termination costs	**4.2**	3.7	**4.7**	5.7
Consulting costs	**1.3**	–	**1.3**	–
Inventory write-downs	**3.6**	–	**3.6**	–
Total restructuring costs	**14.2**	4.0	**15.3**	10.0

Superior recognized $14.2 million of restructuring costs during the fourth quarter 2013 as compared to $4.0 million in the prior year quarter. The increase was due to the completion of a comprehensive restructuring plan during the fourth quarter of 2013 for the Energy Services and Construction Products Distribution segments. Total costs of $9.1 million were recognized by Energy Services during 2013 primarily related to employee severance costs, consulting costs and inventory write-downs due to exiting certain portion of the service business. Construction Products Distribution recognized a total of $6.2 million in costs during 2013 related to employee severance, branch closure and lease termination costs. Superior expects to incur between $7 million and $10 million of additional restructuring costs during the first half of 2014. Superior disclosed in its MD&A for the third quarter of 2013 that it anticipated incurring between $15 million to $20 million of restructuring costs. This estimate was before inventory write-downs, including inventory write-downs Superior anticipates incurring a total of between $22 million and $25 million during 2013 and 2014.

Income Taxes

Total income tax recovery for the fourth quarter was $7.2 million and consists of $0.2 million in cash income tax recovery and $7.0 million in deferred income tax recovery, compared to a total income tax recovery of $0.9 million in the prior year quarter, which consisted of $0.3 million in cash income tax expense and a $1.2 million deferred income tax recovery.

Cash income tax recovery for the fourth quarter was $0.2 million and consisted of income tax recovery in the U.S. of $0.2 million (2012 Q4 - $0.3 million of U.S. cash tax expense). Deferred income tax recovery for the fourth quarter was $7.0 million (2012 Q4 - $1.2 million deferred income tax recovery), resulting in a corresponding net deferred income tax asset of $288.3 million as at December 31, 2013. The increase in deferred income tax recovery was due to lower net earnings in the fourth quarter of 2013 and decreased impact from permanent tax items.

Canada Revenue Agency (CRA) Income Tax Update

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

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

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

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

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

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

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

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

Financial Outlook

Superior achieved adjusted operating cash flow per share for 2013 of $1.69 (before restructuring costs), within the 2013 financial outlook range provided in its 2013 third-quarter MD&A. See the detailed discussion on each segment for a breakdown of the results achieved.

Superior's outlook is for adjusted operating cash flow for 2014 to be between $1.65 per share and $1.95 per share, before restructuring costs, consistent with the outlook included in Superior's 2013 third-quarter MD&A. Achieving Superior's adjusted operating cash flow depends on the operating results of its three operating segments.

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

- Economic growth in Canada and the U.S. is expected to be similar to or modestly higher than in 2013;
- Superior is expected to continue to attract capital and obtain financing on acceptable terms;
- Superior's estimated total debt to EBITDA ratio is based on maintenance and growth related expenditures of $72.0 million in 2014 and working capital funding requirements which do not contemplate any significant commodity price changes;
- The foreign currency exchange rate between the Canadian dollar and US dollar is expected to average 1.05 in 2014 on all unhedged foreign currency transactions;
- Financial and physical counterparties are expected to continue fulfilling their obligations to Superior;
- Regulatory authorities are not expected to impose any new regulations impacting Superior;
- Superior's average interest rate on floating-rate debt is expected to remain consistent with 2013 levels; and
- Canadian and U.S. based cash taxes are expected to be minimal for 2014 based on existing statutory income tax rates and the ability to use available tax basis.

Energy Services

- Average temperatures across Canada and the Northeast U.S. in 2014 are expected to be consistent with the recent five-year average;
- Total propane and U.S. refined fuels-related sales volumes are expected to increase in 2014 due to the impact from customer win-back and retention programs;
- Wholesale propane and U.S. refined fuels-related prices are not anticipated to significantly affect demand for propane, refined fuels and related services;
- Supply portfolio management market results for 2014 are expected to increase modestly from 2013 due to growth in sales volumes and margins;
- Fixed-price energy services results for 2014 are expected to decrease slightly from 2013 due to continued declines in the natural gas segment as the system price of natural gas is expected to remain low offset in part by growth in the electricity segment; and
- Operating costs are expected to decrease in 2014 from 2013 due to improvements in operational efficiencies from business initiatives.

Specialty Chemicals

- Sodium chlorate contribution in 2014 is expected to decrease from 2013 due to lower gross margins associated with higher electricity prices. Sales volumes in 2014 are expected to increase as compared to 2013 due to the impact of the strategic supply agreement;
- Chloralkali contribution in 2014 is expected to be higher than in 2013 due to higher sales volumes associated with the completion of the Port Edwards and Saskatoon expansions;
- Electricity costs are expected to increase slightly in 2014 as compared to the prior year; and

- Average plant utilization will approximate greater than 94% in 2014.

Construction Products Distribution

- Revenues in 2014 are expected to increase as compared 2013 due to continued growth in U.S. based GSD sales as the U.S. residential market continues to improve, and higher C&I sales revenue due to limited recovery in the U.S. commercial construction segment;
- Sales margins in 2014 are expected to increase modestly from 2013 due to continued focus on price management, profitability and procurement; and
- Operating costs in 2014 are expected to decrease as a percentage of revenue compared to 2013 due to anticipated savings from restructuring efforts.

Restructuring Charges

- Superior incurred $15.3 million of restructuring costs during the fourth quarter of 2013, within the range of $15 million to $20 million provided in Superior's third-quarter MD&A. Total estimated restructuring costs are expected to be between $22 million and $25 million, this range includes inventory impairments which were excluded from the range provided during the third-quarter of 2013. These one-time restructuring costs are associated with further operational improvements in the Energy Services and Construction Products Distribution segments. Superior expects to incur between $7 million and $10 million of additional restructuring costs during the first half of 2014. These costs are excluded from Superior's 2013 and 2014 financial outlooks.

Debt Management Update

Superior's total debt to EBITDA ratio (before restructuring costs) as at December 31, 2013 of 3.9X was slightly higher than Superior's third-quarter 2013 MD&A outlook range of 3.3X to 3.7X. This was due to higher than anticipated working capital in the Energy Services business as a result of a significant increase in the wholesale cost of propane and heating oil due to tight supply conditions experienced through the fourth quarter of 2013. The tight supply conditions were as a result of colder than average weather and numerous winter storms throughout Canada and the U.S. which created significant constraints on supply. In addition, total debt was negatively impacted by a weaker Canadian dollar relative to the U.S. dollar as it relates to Superior's U.S. denominated debt.

Superior's December 31, 2014 forecast total debt to EBITDA ratios are stated before restructuring costs. Superior anticipates additional restructuring costs will be recognized over the first and second quarters of 2014. Superior's forecast December 31, 2014, total debt to EBITDA ratio has been updated to a range of 3.6X to 4.0X, compared to the previously provided outlook range of 3.3X to 3.7X. The forecast increase is due to higher than expected actual debt at December 31, 2013, higher than previously forecast working capital and the impact of a stronger U.S dollar on U.S. denominated debt.

Superior's anticipated debt repayment for 2014 and total debt to EBITDA leverage ratio as at December 31, 2014, based on Superior's 2014 financial outlooks and 2013 results, are detailed in the table below.

Debt Management Summary

		Per Share	Millions of dollars
2014 financial outlook AOCF per share – mid-point [1]	$	1.80	227.1
Maintenance capital expenditures, net		(0.26)	(33.0)
Capital lease obligation repayments		(0.19)	(24.5)
Restructuring costs		(0.16)	(20.0)
Cash flow available for dividends and debt repayment before growth capital	$	1.19	149.6
Expansion of Port Edward's and Saskatoon facilities		(0.19)	(23.5)
Other growth capital expenditures		(0.12)	(15.5)
Estimated 2014 free cash flow available for dividends and debt repayment	$	0.88	110.6
Dividends		(0.60)	(75.7)
Total estimated debt repayment	$	0.28	34.9
Estimated total debt to EBITDA ratio as at December 31, 2014		3.6X – 4.0X	3.6X – 4.0X
Dividends	$	0.60	75.7
Calculated payout ratio after all capital and payment to CRA		69%	69%

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

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

Liquidity and Capital Resources

Superior's revolving syndicated bank facility (Credit Facility), term loans and finance lease obligations (collectively Borrowing) before deferred financing fees totaled $578.7 million as at December 31, 2013, a decrease of $60.9 million from December 31, 2012. The decrease in Borrowing was primarily due to the equity offering that Superior closed on March 27, 2013 for net proceeds of $137.6 million and the proceeds from the issuance of $97.0 million of 6.00% debentures on July 22, 2013 offset in part by $143.9 million of debenture redemptions (see Redemptions below) during 2013.

On October 28, 2013, Superior early redeemed all of its outstanding $150.0 million, 8.25% senior unsecured debentures due October 27, 2016. The early redemption allows for Superior to benefit from lower average interest costs.

On June 10, 2013, Superior completed an extension of its $570.0 million Credit Facility with eight lenders. The Credit Facility matures on June 27, 2016 and can be expanded to $750.0 million. Financial covenant ratios were unchanged with a consolidated secured debt to consolidated EBITDA ratio and a consolidated debt to consolidated EBITDA ratio of 3.0x and 5.0x, respectively. See "Summary of Cash Flow" for details on Superior's sources and uses of cash.

As at December 31, 2013, Debentures (before deferred issuance fees and discount values) issued by Superior totaled $494.5 million which was $47.0 million lower than the balance as at December 31, 2012 due to the redemption of the 5.85%, 5.85%, and 7.50% convertible unsecured subordinated debentures during 2013, (see Redemptions), offset in part by the issuance of $97.0 million of unsecured subordinated debentures on July 22, 2013. See Note 14 to the unaudited condensed consolidated financial statements for additional details on Superior's Debentures.

Redemptions

On January 3, 2013, Superior completed the previously announced redemption of $50.0 million in principal of its previously issued 5.85% convertible subordinated debentures (2015 Debentures) due October 31, 2015 and the remaining $25.0 million principal on April 9, 2013. Superior used funds from its Credit Facility to fund the redemption of the 2015 Debentures. The debentures were redeemed, at the redemption price of $1,000 in cash per $1,000 principal of 2015 Debentures plus accrued and unpaid interest up to but excluding the redemption date.

On September 3, 2013, Superior redeemed the entire $68.9 million principal of its 7.50% convertible unsecured subordinated debentures (7.50% Debentures) in accordance with their governing indenture. The 7.50% Debentures were redeemed at the redemption price which is equal to the principal to be redeemed, together with all accrued and unpaid interest thereon up to the redemption date, being $1,013.3562 per $1,000 principal. The 7.50% Debentures ceased to bear interest from the redemption date.

On February 14, 2014, Superior closed a $125.0 million term loan facility which matures on August 14, 2014. The term loan facility provides additional liquidity to ensure Superior has sufficient financial flexibility to manage short term fluctuations in working capital requirements. Throughout the end of 2013 and the beginning of 2014, Superior's working capital requirements have increased due to a rise in the wholesale cost of propane. Superior anticipates that the wholesale cost of propane and the related working capital will normalize throughout the remainder of the 2014 heating season. Superior intends to repay the credit facility before the facility maturity date. As at December 31, 2013, approximately $119.8 million was available under the Credit Facility which Superior considers sufficient to meet its expected net working capital, capital expenditure and refinancing requirements during 2014 when combined with the above noted $125.0 million term loan facility.

Consolidated net working capital was $293.1 million as at December 31, 2013, an increase of $13.9 million from net working capital of $279.2 million as at December 31, 2012. The increase was primarily due to higher Specialty Chemicals accounts receivable due to increased revenues. Superior's net working capital requirements are financed from its Credit Facility.

Proceeds received from the DRIP for 2013 were $4.9 million as compared to $14.2 million in 2012. The decrease was primarily a result of Superior announcing on March 7, 2013 that it will cease the active operation of its DRIP following payment of the March dividend in April 2013.

As at December 31, 2013, when calculated in accordance with the Credit Facility, the consolidated secured debt to compliance EBITDA ratio was 2.2 to 1.0 (December 31, 2012 – 1.9 to 1.0) and the consolidated debt to compliance EBITDA ratio was 2.2 to 1.0 (December 31, 2012 – 2.4 to 1.0). For both of these covenants, Debentures are excluded. These ratios are within the requirements of Superior's debt covenants. In accordance with the Credit Facility, Superior must maintain a consolidated secured debt to compliance EBITDA ratio of not more than 3.0 to 1.0 and not more than 3.5 to 1.0 as a result of acquisitions. In addition, Superior must maintain a consolidated debt to compliance EBITDA ratio of not more than 5.0 to 1.0, excluding Debentures. Superior's total debt to compliance EBITDA ratio was 4.1 to 1.0 as at December 31, 2013 and 3.9 to 1.0 on a before restructuring cost basis. Also, Superior is subject to several distribution tests and the most restrictive stipulates that Distributions (including Debenture holders and related payments) cannot exceed compliance EBITDA less cash income taxes, plus $35.0 million on a trailing 12-month rolling basis. On a 12-month rolling basis as at December 31, 2013, Superior's available distribution amount was $145.0 million under the above noted distribution test.

On December 11, 2013, Standard & Poor's raised Superior and Superior LP's long-term corporate credit rating to BB from BB- and the senior secured debt rating to BBB- from BB+. The outlook rating for Superior remains stable. On July 2, 2013, Dominion Bond Rating Service confirmed Superior LP's senior secured rating of BB (high) and Superior LP's senior unsecured rating of BB (low). The trend for both ratings is stable.

As at December 31, 2013, Superior had an estimated defined benefit pension solvency deficiency of approximately $12.8 million (December 31, 2012 - $36.7 million) and a going concern solvency surplus of approximately $11.5 million (December 31, 2012 – (deficiency $6.5) million). Funding requirements required by applicable pension legislation are based upon going concern and solvency actuarial assumptions. These assumptions differ from the going concern actuarial assumptions used in Superior's financial statements. Superior has sufficient liquidity through existing its Credit Facility and anticipated future operating cash flow to fund this deficiency over the prescribed period.

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

Shareholders' Capital

The weighted average number of common shares issued and outstanding during the fourth quarter was 126.2 million shares, an increase of 13.6 million from the prior year quarter due to the issuance of 13,415,425 common shares over the year. The following table provides details:

	Closing Date	Average Issuance Price per Share	Issued Number of Common Shares (Millions)
As at December 31, 2012			**112.8**
Issuance of common shares under Superior's DRIP	January 15, 2013 through March 15, 2013	$10.76	0.4
Issuance of common shares	March 27, 2013	$11.10	13.0
As at December 31, 2013			**126.2**

As at February 19, 2014, December 31, 2013 and December 31, 2012, the following common shares and securities convertible into common shares were issued and outstanding:

	February 19, 2014		**December 31, 2013**		December 31, 2012	
(millions)	**Convertible Securities**	**Shares**	**Convertible Securities**	**Shares**	Convertible Securities	Shares
Common shares outstanding[1]		**126.2**		**126.2**		112.8
5.85% Debentures [1]	**–**	**–**	**–**	**–**	$75.0	2.4
7.50% Debentures [2]	**–**	**–**	**–**	**–**	$69.0	5.3
5.75% Debentures [3]	**$172.5**	**9.1**	**$172.5**	**9.1**	$172.5	9.1
6.00% Debentures [4]	**$150.0**	**9.9**	**$150.0**	**9.9**	$150.0	9.9
7.50% Debentures [5]	**$75.0**	**6.6**	**$75.0**	**6.6**	$75.0	6.6
6.00% Debentures [6]	**$97.0**	**5.8**	**$97.0**	**5.8**	–	–
Common shares outstanding and issuable upon conversion of Debentures		**157.6**		**157.6**		146.1

(1) Convertible at $31.25 per share.
(2) Convertible at $13.10 per share.
(3) Convertible at $19.00 per share.
(4) Convertible at $15.10 per share.
(5) Convertible at $11.35 per share.
(6) Convertible at $16.75 per share.

Dividends Paid to Shareholders

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

Dividends paid to shareholders for 2013 were $73.7 million (before DRIP proceeds of $4.9 million) or $0.60 per share compared to $67.1 million or $0.60 per share in 2012. The increase of $6.6 million was due to the issuance of shares under Superior's DRIP during 2013 and the equity offering completed on March 27, 2013. Superior's monthly dividend is $0.05 per share or $0.60 per share on an annualized basis. See "Debt Management Update" for further details. Dividends to shareholders are declared at the discretion of Superior's Board of Directors.

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

Summary of Cash Flow [1]

(millions of dollars)	Three months ended December 31, **2013**	2012	Twelve months ended December 31, **2013**	2012
Cash flow (used in) from operating activities	**(27.7)**	(8.1)	**185.3**	273.3
Investing activities[2]:				
Purchase of property, plant and equipment	**(26.4)**	(22.1)	**(78.5)**	(43.8)
Proceeds on disposal of property, plant and equipment	**0.8**	0.4	**6.6**	4.5
Investment in supply agreement	**(4.3)**	–	**(4.3)**	–
Acquisitions	**(7.6)**	–	**(7.6)**	(5.5)
Cash flow used in investing activities	**(37.5)**	(21.7)	**(83.8)**	(44.8)
Financing activities:				
Net proceeds (repayment) of of revolving term bank credits and other debt	**120.5**	78.9	**(62.6)**	(74.4)
Redemption of senior unsecured debentures	**(150.0)**	–	**(150.0)**	–
Redemption premium on senior unsecured debentures	**(6.2)**	–	**(6.2)**	–
Repayment of senior secured notes	**(34.0)**	(31.8)	**(34.0)**	(31.8)
Repayment of finance lease obligations	**(3.8)**	(4.1)	**(15.9)**	(16.4)
Redemption of 5.75% convertible debentures	**–**	–	**–**	(49.9)
Redemption of 5.85% convertible debentures	**–**	–	**(75.0)**	–
Redemption of 7.50% convertible debentures	**–**	–	**(68.9)**	–
Proceeds from issuance of 6.00% convertible debentures	**–**	–	**97.0**	–
Issuance costs incurred of 6.00% convertible debentures	**–**	–	**(3.8)**	–
Proceeds from issuance of common shares	**–**	–	**143.9**	–
Issuance costs for common shares	**–**	–	**(6.3)**	–
Proceeds from the Dividend Reinvestment Plan	–	3.6	**4.9**	14.2
Dividends paid to shareholders	**(18.9)**	(16.9)	**(73.7)**	(67.1)
Cash flow from (used in) financing activities	**57.6**	29.7	**(100.6)**	(225.4)
Net (decrease) increase in cash and cash equivalents	**(7.6)**	(0.1)	**0.9**	3.1
Cash and cash equivalents, beginning of period	**16.1**	7.7	**7.6**	5.2
Effect of translation of foreign currency-denominated cash and cash equivalents	**(0.2)**	–	**(0.2)**	(0.7)
Cash and cash equivalents, end of period	**8.3**	7.6	**8.3**	7.6

[1] See the consolidated statement of cash flow 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, share-based compensation and commodity prices. Superior assesses the inherent risks of these instruments by grouping derivative and non-financial derivatives related to the exposures these instruments mitigate. Superior's policy is not to use derivative or non-financial derivative instruments for speculative purposes. Superior does not formally designate its derivatives as hedges and, as a result, Superior does not apply hedge accounting and is required to designate its derivatives and non-financial derivatives as held for trading. Refer to Superior's 2013 Annual MD&A for further details on financial instrument risk management.

As at December 31, 2013, Superior had hedged approximately 86% of its estimated US dollar exposure for 2014. The estimated sensitivity of adjusted operating cash flow for Superior, including divisional US exposures and the impact on US-denominated debt with respect to a $0.01 change in the Canadian to United States exchange rate for 2014 is $0.2 million after giving effect to U.S. dollar forward contracts for 2014, as shown in the table below. Superior's sensitivities and guidance are based on an anticipated average Canadian to US dollar foreign currency exchange rate for 2014 of 1.05.

(US$ millions except exchange rates)	**2014**	**2015**	**2016**	**2017**	**2018**	**2019 and Thereafter**	**Total**
Energy Services - U.S.$ forward sales	26.0	26.0	–	–	–	–	52.0
Construction Products Distribution -U.S.$ forward sales	12.0	12.0	12.0	–	–	–	36.0
Specialty Chemicals - U.S.$ forward sales	181.0	148.0	101.4	51.0	–	–	481.4
Corporate - US$ forward purchases	(27.0)	–	–	–	–	–	(27.0)
Net U.S.$ forward sales	192.0	186.0	113.4	51.0	–	–	542.4
Energy Services - Average U.S.$ forward sales rate	1.01	1.01	–	–	–	–	1.01
Construction Products Distribution -Average U.S.$ forward sales rate	1.00	1.00	1.03	–	–	–	1.01
Specialty Chemicals - Average U.S.$ forward sales rate	1.03	1.02	1.04	1.04	–	–	1.03
Corporate - U.S.$ forward purchases rate	1.01	–	–	–	–	–	1.01
Net average external U.S.$/CDN$ exchange rate	1.02	1.01	1.04	1.04	–	–	1.02

For additional details on Superior's financial instruments, including the amount and classification of gains and losses recorded in Superior's year-end 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 15 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 December 31, 2013.

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 year ended December 31, 2013. 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.

Recent Accounting Pronouncements

Certain new standards, interpretations, amendments or improvements to existing standards were issued by the IASB or the International Financial Reporting Interpretations Committee (IFRIC) that are mandatory for accounting periods beginning on January 1, 2013 or later. The affected standards that apply to Superior are as follows:

IFRS 9 – *Financial Instruments: Classification and Measurement*

IFRS 9, Financial Instruments, was issued in November 2009 and is intended to replace International Accounting Standard (IAS) 39*, Financial Instruments: Recognition and Measurement*. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income. This standard must be applied for accounting periods beginning on or after January 1, 2017, with earlier adoption permitted. Superior is assessing the effect of IFRS 9 on its financial results and financial position; changes, if any, are not expected to be material.

International Financial Reporting Interpretations Committee (IFRIC) 21, *Levies*

IFRIC 21, *Levies*, was issued on May 20, 2013 provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain. The Interpretation covers the accounting for outflows imposed on entities by governments (including government agencies and similar bodies) in accordance with laws and/or regulations. However, it does not include income taxes (see IAS 12 Income Taxes), fines and other penalties, liabilities arising from emissions trading schemes and outflows within the scope of other Standards. It also provides the following guidance on recognition of a liability to pay levies: The liability is recognized progressively if the obligating event occurs over a period of time and if an obligation is triggered on reaching a minimum threshold, the liability is recognized when that minimum threshold is reached. This standard must be applied for accounting periods beginning on or after January 1, 2014, with retrospective application from December 31, 2012. Superior is assessing the effect of IFRIC 21 on its financial results and financial position; changes, if any, are not expected to be material to Superior's annual results although significant changes may result on a quarterly basis.

Superior adopted the following on January 1, 2013:

IFRS 7-*Financial Instruments: Disclosures, amendments*

The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements under an enforceable master netting agreement or similar arrangement). Financial assets and liabilities are offset and the net amount reported in the balance sheet when Superior has the legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. This standard must be applied for accounting periods beginning on or after January 1, 2013. Superior adopted IFRS 7 *amendments* on January 1, 2013, with retrospective application from December 31, 2012 with no impact to its financial results.

IFRS 7 – *Financial Instruments: Disclosures, Amendments Regarding Disclosures – Transfer of Financial Assets*

The December 2011 changes by the IASB and the Financial Accounting Standards Board (FASB) to IFRS 7 require quantitative and qualitative disclosure regarding transfers of financial assets when 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. Superior adopted the amendments on January 1, 2012, with no impact to Superior.

IFRS 10 – *Consolidated Financial Statements*

IFRS 10 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 was effective for Superior on January 1, 2013. Superior adopted the amendments on January 1, 2013, with no impact to Superior.

IFRS 11 – *Joint Arrangements*

IFRS 11 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, whereas joint operations will require the venture to recognize its share of the assets, liabilities, revenue and expenses. This standard became applicable on January 1, 2013. Superior adopted the amendments on January 1, 2013, with no impact to Superior.

IFRS 12 – *Disclosure of Interests in Other Entities*

IFRS 12 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 disclosure and introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities. This standard became effective for Superior on January 1, 2013. Superior adopted the amendments on January 1, 2013, with no impact to Superior.

IFRS 13 – *Fair Value Measurement*

IFRS 13 defines fair value, sets out a single IFRS framework for measuring fair value and requires disclosure about fair value measurements. IFRS 13 applies to accounting standards that require or permit fair value measurements or disclosure about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosure about those measurements), except in specified circumstances. IFRS 13 became applicable on January 1, 2013. Superior adopted the amendments on January 1, 2013, with no impact to Superior.

IAS 1 – *Presentation of Other Comprehensive Income*

The amendments to IAS 1, *Presentation of Financial Statements*, issued in June 2011, require entities to group items presented in other comprehensive income on the basis of whether they might be reclassified to the consolidated statement of income in subsequent periods and items that will not be reclassified to the consolidated statement of income. The amendments did not address which items are presented in other comprehensive income and did not change the option to present items net of tax. The amendments to IAS 1 became effective for annual periods beginning on or after July 1, 2012, which was January 1, 2013 for Superior, and are to be applied retrospectively. Superior adopted the amendments on January 1, 2013, with no impact to Superior.

IAS 12 – *Income Taxes, Amendments Regarding Deferred Tax: Recovery of Underlying Assets*

IAS 12 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 introduced a presumption that an entity will assess whether an asset's sale will recover its carrying amount. Superior's adoption of IAS 12 on January 1, 2012 did not affect Superior's financial results or financial position.

IAS 19 – *Employee Benefits, amendments*

IAS 19 amendments were issued in June 2011 that changed the accounting and disclosure 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 obligations 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 must be applied for accounting periods beginning on or after January 1, 2013. Superior adopted IAS 19 on January 1, 2013, with retrospective application from January 1, 2012. Under the retrospective application of the new standard, the financial impact is an increase of $3.1 million to pension expense and a corresponding decrease to accumulated other comprehensive loss for the year ended December 31, 2012. The impact on Superior's balance sheet as at January 1, 2012 is a $4.0 million increase to deficit, a $0.1 million decrease in employee benefit obligations and a corresponding decrease to accumulated other comprehensive loss of $4.1 million. The impact on the year end December 31, 2012 was an increase in selling, distribution and administrative costs of $3.1 million, respectively. See below for the quarterly impact to AOCF in 2012.

Reconciliation of the retrospective impact of IAS 19

	(millions of dollars)	(per share)
AOCF as reported under IFRS in 2012	193.5	$1.73
IAS 19 quarterly impact:		
Q1 decrease in AOCF	(0.8)	$(0.01)
Q2 decrease in AOCF	(0.8)	$(0.01)
Q3 decrease in AOCF	(0.8)	$(0.01)
Q4 decrease in AOCF	(0.7)	–
AOCF as revised for 2012	190.4	$1.70

Quarterly Financial and Operating Information

(millions of dollars except per share amounts)	2013 Quarters				2012 Quarters [2][3]			
	Fourth	Third	Second	First	Fourth	Third	Second	First
Canadian propane sales volumes (millions of litres)	**405**	232	265	429	383	240	255	413
U.S. refined fuels sales volumes (millions of litres)	**411**	326	383	512	428	335	363	473
Natural gas sales volumes (millions of GJs)	**5**	5	5	5	5	5	5	5
Electricity sales volumes (millions of KwH)	**228**	249	205	205	200	245	187	185
Chemical sales volumes (thousands of metric tonnes)	**220**	204	199	203	200	193	190	188
Revenues	**1,034.7**	813.8	854.4	1,049.9	934.0	790.1	834.3	1,065.9
Gross profit	**240.8**	184.9	190.0	253.1	228.2	195.9	184.1	238.1
Net earnings (loss)	**10.9**	35.9	(25.5)	31.4	13.5	35.9	12.7	27.9
Per share, basic	**$0.09**	$0.28	$(0.20)	$0.28	$0.12	$0.32	$0.11	$0.25
Per share, diluted	**$0.05**	$0.12	$(0.20)	$0.27	$0.12	$0.29	$0.11	$0.24
Adjusted operating cash flow	**55.9**	24.2	30.2	82.0	61.9	33.7	28.2	66.6
Per share, basic	**$0.44**	$0.19	$0.24	$0.72	$0.55	$0.30	$0.25	$0.60
Per share, diluted	**$0.43**	$0.19	$0.24	$0.69	$0.53	$0.30	$0.25	$0.60
Adjusted operating cash flow before restructuring costs	**70.1**	24.4	30.9	82.2	65.9	37.3	29.3	67.9
Per share, basic	**$0.56**	$0.19	$0.24	$0.72	$0.59	$0.33	$0.26	$0.61
Per share, diluted	**$0.54**	$0.19	$0.24	$0.72	$0.57	$0.33	$0.26	$0.61
Net working capital [1] (millions of dollars)	**293.1**	202.0	242.3	280.5	279.2	218.3	234.4	325.3

(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) Superior's 2012 quarterly results were restated for the adoption of IAS 19 *Employee Benefits, amendments.*
(3) December 31, 2012 was restated for the impact of a prior-period adjustment. Refer to Note 11 in the financial statements.

Non-IFRS Financial Measures

Adjusted Operating Cash Flow

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

The seasonality of Superior's individual quarterly results must be assessed in the context of annualized AOCF. Adjustments recorded by Superior as part of its calculation of AOCF include, but are not limited to, the impact of the seasonality of Superior's businesses, principally the Energy Services segment, by adjusting for non-cash working capital items, thereby eliminating the impact of the timing between the recognition and collection/payment of Superior's revenues and expenses, which can differ significantly

from quarter to quarter. Adjustments are also made to reclassify the cash flow related to natural gas and electricity customer contract-related costs in a manner consistent with the income statement's recognition of these costs. AOCF is reconciled to net cash flow from operating activities on page 12.

EBITDA

EBITDA represents earnings before taxes, depreciation, amortization, finance expense and certain other non-cash expenses, and is used by Superior to assess its consolidated results and those of its operating segments. EBITDA is not a defined performance measure under IFRS. Superior's calculation of EBITDA may differ from similar calculations used by comparable entities. The EBITDA of Superior's operating segments may be referred to as EBITDA from operations. Net earnings before income taxes are reconciled to EBITDA from operations on page 39.

Compliance EBITDA

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

Payout Ratio

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

Reconciliation of Net Earnings before Income Taxes to EBITDA from Operations [(1)] [(2)]

For the three months ended December 31, 2013	**Energy Services**	**Specialty Chemicals**	**Construction Products Distribution**
Net earnings before income taxes	**20.9**	**17.5**	**2.4**
Add: Amortization of property, plant and equipment, intangible assets and accretion	**14.4**	**–**	**1.5**
Depreciation included in cost of sales	**–**	**10.9**	**–**
Losses on disposal of assets	**0.1**	**0.2**	**–**
Customer contract-related costs	**(0.2)**	**–**	**–**
Impairment of property, plant and equipment, intangible assets and goodwill	**15.5**	**–**	**–**
Restructuring costs	**8.5**	**–**	**5.7**
Finance expense	**0.8**	**0.2**	**0.2**
Unrealized (gains) losses on derivative financial instruments	**(14.2)**	**2.3**	**–**
EBITDA from operations	**45.8**	**31.1**	**9.8**

For the three months ended December 31, 2012	**Energy Services**	**Specialty Chemicals**	**Construction Products Distribution**
Net earnings before income taxes[(3)]	27.3	16.9	6.1
Add: Amortization of property, plant and equipment, intangible assets and accretion	13.4	1.3	1.4
Depreciation included in cost of sales	–	11.5	–
Losses on disposal of assets	1.0	0.6	0.1
Customer contract-related costs	(0.2)	–	–
Impairment of property, plant and equipment, intangible assets and goodwill	4.7	–	–
Restructuring costs	1.6	–	2.4
Finance expense	1.2	0.1	0.2
Unrealized gains on derivative financial instruments	(1.7)	(1.6)	–
EBITDA from operations	47.3	28.8	10.2

For the twelve months ended December 31, 2013	**Energy Services**	**Specialty Chemicals**	**Construction Products Distribution**
Net Earnings before income taxes	**94.5**	**72.1**	**20.3**
Add: Amortization of property, plant and equipment, intangible assets and accretion	**55.1**	–	**6.0**
Depreciation included in cost of sales	–	**41.3**	–
(Gains) losses on disposal of assets	**(3.2)**	**0.2**	**0.1**
Customer contract-related costs	**(0.8)**	–	–
Impairment of property, plant and equipment, intangible assets and goodwill	**15.5**	–	–
Restructuring costs	**9.1**	–	**6.2**
Finance expense	**2.7**	**0.4**	**0.6**
Unrealized gains on derivative financial instruments	**(35.4)**	**(0.3)**	–
EBITDA from operations	**137.5**	**113.7**	**33.2**

For the twelve months ended December 31, 2012	**Energy Services**	**Specialty Chemicals**	**Construction Products Distribution**
Net Earnings before income taxes[(3)]	111.7	75.2	13.8
Add: Amortization of property, plant and equipment, intangible assets and accretion	56.7	6.3	6.1
Depreciation included in cost of sales	–	44.9	–
Losses on disposal of assets	0.2	0.6	0.2
Customer contract-related costs	(1.1)	–	–
Impairment of property, plant and equipment, intangible assets and goodwill	4.7	–	–
Restructuring costs	3.5	–	6.5
Finance expense	4.5	0.3	0.7
Unrealized gains on derivative financial instruments	(43.8)	(1.6)	–
EBITDA from operations	136.4	125.7	27.3

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

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

(3) The three and twelve months ended December 31, 2012 was restated for the impact of adopting IAS 19 - *Employee Benefits, amendments* effective January 1, 2013. The impact to EBITDA from operations for the three and twelve months ended December 31, 2012 was a decrease to Energy Services of $0.4 million and $1.3 million, respectively and a decrease to Specialty Chemicals of $0.3 million and $1.8 million, respectively, see IAS 19 – *Employee Benefits, amendments* for further details.

Reconciliation of Segmented Revenue, Cost of Sales and Cash Operating and Administrative Costs included in this Financial Discussion

(millions of dollars)	**For the three months ended December 31, 2013**			For the three months ended December 31, 2012		
	Energy Services	**Specialty Chemicals**	**Construction Products Distribution**	Energy Services	Specialty Chemicals	Construction Products Distribution
Revenue per financial statements	**682.9**	**155.1**	**196.7**	602.2	138.6	193.2
Foreign currency gains related to working capital	**–**	**1.6**	**–**	–	0.5	–
Revenue per the Financial Discussion	**682.9**	**156.7**	**196.7**	602.2	139.1	193.2
Cost of products sold per financial statements	**(548.8)**	**(99.4)**	**(145.7)**	(472.6)	(87.6)	(145.6)
Non-cash amortization	**–**	**10.9**	**–**	–	11.5	–
Cost of products sold per the Financial Discussion	**(548.8)**	**(88.5)**	**(145.7)**	(472.6)	(76.1)	(145.6)
Gross profit	**134.1**	**68.2**	**51.0**	129.6	63.0	47.6
Cash operating and administrative costs per financial statements	**(111.1)**	**(35.7)**	**(48.4)**	(98.1)	(35.6)	(41.3)
Amortization and depreciation expenses	**14.4**	**–**	**1.5**	13.4	1.3	1.4
Losses on disposal of assets	**0.1**	**0.2**	**–**	1.0	0.6	0.1
Customer contract-related costs	**(0.2)**	**–**	**–**	(0.2)	–	–
Restructuring costs	**8.5**	**–**	**5.7**	1.6	–	2.4
Reclassification of foreign currency gains related to working capital	**–**	**(1.6)**	**–**	–	(0.5)	–
Cash operating and administrative costs per the Financial Discussion	**(88.3)**	**(37.1)**	**(41.2)**	(82.3)	(34.2)	(37.4)

(millions of dollars)	**Energy Services**	**Specialty Chemicals**	**Construction Products Distribution**	Energy Services	Specialty Chemicals	Construction Products Distribution
	For the twelve months ended December 31, 2013			For the twelve months ended December 31, 2012		
Revenue per financial statements	**2,372.9**	**579.7**	**800.2**	2,301.6	543.8	778.9
Foreign currency gains (losses) related to working capital	**–**	**2.9**	**–**	–	(1.6)	–
Revenue per the Financial Discussion	**2,372.9**	**582.6**	**800.2**	2,301.6	542.2	778.9
Cost of products sold per financial statements	**(1,907.7)**	**(372.1)**	**(604.2)**	(1,854.2)	(328.8)	(595.0)
Non-cash amortization	**–**	**41.3**	**–**	–	44.9	–
Cost of products sold per the Financial Discussion	**(1,907.7)**	**(330.8)**	**(604.2)**	(1,854.2)	(283.9)	(595.0)
Gross profit	**465.2**	**251.8**	**196.0**	447.4	258.3	183.9
Cash operating and administrative costs per financial statements	**(387.9)**	**(135.4)**	**(175.1)**	(370.3)	(141.1)	(169.4)
Amortization and depreciation expenses	**55.1**	**–**	**6.0**	56.7	6.3	6.1
(Gains) losses on disposal of assets	**(3.2)**	**0.2**	**0.1**	0.2	0.6	0.2
Customer contract-related costs	**(0.8)**	**–**	**–**	(1.1)	–	–
Restructuring costs	**9.1**	**–**	**6.2**	3.5	–	6.5
Reclassification of foreign currency (gains) and losses related to working capital	**–**	**(2.9)**	**–**	–	1.6	–
Cash operating and administrative costs per the Financial Discussion	**(327.7)**	**(138.1)**	**(162.8)**	(311.0)	(132.6)	(156.6)

Risk Factors to Superior

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

Risks to Superior

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

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

Superior's dividend policy and the distribution policy of Superior LP are subject to change at the discretion of the Board of Directors of Superior or the Board of Directors of Superior General Partner Inc., the general partner of Superior LP, as applicable. Superior's dividend policy and the distribution

policy of Superior LP are also limited by contractual agreements including agreements with lenders to Superior and its affiliates and by restrictions under corporate law.

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

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

Superior remains confident in the appropriateness of its tax filing position and the expected tax consequences of the Conversion and intends to vigorously defend such position. Superior also strongly believes that there was no acquisition of control of Ballard and that the general anti-avoidance rule does not apply to the Conversion and intends to file its future tax returns on a basis consistent with its view of the outcome of the Conversion.

Upon receipt of the Notices of Reassessment, 50% of the taxes payable pursuant to such Notices of Reassessment, must be remitted to the CRA. Superior would also be required to make a payment of 50% of the tax liability claimed by the CRA in order to appeal any reassessment and, based on Superior's 2011 and 2012 taxation years, that amount would be approximately $10 million. Superior would also be required to make a payment of 50% of the taxes the CRA claims are owed in any future tax year if the CRA were to issue a similar notice of reassessment for such years and Superior were to appeal such other years. Superior has 90 days from any future Notice of Reassessment to prepare and file a Notice of Objection, which would be reviewed by the CRA's appeals division. If the CRA is not in agreement with Superior's Notice of Objection, Superior has the option to appeal to the Tax Court of Canada following the same process described above.

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

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

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

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

A portion of Superior's net cash flow is denominated in US dollars. Accordingly, fluctuations in the Canadian/US dollar exchange rate can affect profitability. Superior attempts to mitigate this risk 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 assurance that income tax laws in the numerous jurisdictions in which Superior operates will not be changed, interpreted or administered in a manner which adversely affects Superior and its shareholders. In addition, there can be no assurance that the CRA (or a provincial tax agency), the U.S. Internal Revenue Service (or a state or local tax agency), or the Chilean Internal Revenue Service (collectively, the Tax Agencies) will agree with how Superior calculates its income for tax purposes or that the various Tax Agencies will not change their administrative practices to the detriment of Superior or its shareholders.

Risks to Superior's Segments

Energy Services

Canadian Propane Distribution and U.S. Refined Fuels

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

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

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

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

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

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

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

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

In 2013, two regions at Superior Propane converted to a new order to cash, billing and logistics IT system to replace the distribution and invoicing functions of the present enterprise system. While no significant financial or business issues have resulted, in 2014, Superior Propane is expected to implement the same system in its remaining four regions in 2014. To mitigate the risk associated with system changes, Superior Propane has leveraged operational learnings from the USRF organization, which has have been using this system and implementation will be rolled out one region at a time. Superior will migrate its current data center located in Calgary, Alberta to a new location in New Jersey, United States through 2014; approximately 120 servers and more than 200 applications will be transferred. A disruption in the availability of current and future business applications may result from the migration, leading to Superior being unable to carry out required business transactions.

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

Fixed-price Energy Services Business

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

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

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

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

Fixed-price energy services must retain qualified sales agents in order to properly execute its business strategy. The continued growth of fixed-price energy services is reliant on the services of agents to sign up new customers. There can be no assurance that competitive conditions will allow these agents to

achieve these customer additions. Lack of success in the marketing programs of fixed-price energy services would limit future growth of cash flow.

Fixed-price energy services operates in the highly regulated energy industry in Ontario and Quebec. Changes to laws could impact this business' operations. As part of the current regulatory framework, local delivery companies are mandated to perform certain services on behalf of fixed-price energy services, including invoicing, collection, assuming specific bad debt risks, and storage and distribution of natural gas. Any elimination or changes to these rules could have a significant adverse effect on the results of this business. Fixed-price energy services also markets electricity in Pennsylvania and New York State and natural gas in New York State. The regulatory environment in Pennsylvania is favourable to retail choice. The Pennsylvania Utility Commission's Retail Market Investigation focused on solutions to increase retail market share and included orders for utilities to investigate retail opt-in auctions to entice customers to consider retail choice, reduce enrolment timelines, implement retail referral programs and design seamless moves that would reduce churn as a customer moves or changes accounts.

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

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

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

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

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

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

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

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

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

Construction Products Distribution

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

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

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

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

The distribution of walls and ceilings and C&I products involves risks, including the failure or substandard performance of equipment, human error, natural disasters, suspension of operations and new government statutes, regulations, guidelines or policies. Operations are also subject to various hazards

incidental to the handling, processing, storage and transportation of certain hazardous materials, including industrial chemicals. These hazards can result in personal injury including fatalities, damage to and destruction of property and equipment and environmental damage. There can be no assurance that as a result of past or future operations, there will not be claims of injury by employees or members of the public due to exposure, or alleged exposure, to these materials. There can be no assurance as to the actual amount of these liabilities or their timing, if any. The business maintains safe working practices through proper procedures, direction and utilization of equipment such as forklifts, boom trucks, fabrication equipment and carts/dollies. The business handles and stores a variety of construction materials and maintains appropriate material handling compliance programs in accordance with local, state/provincial and federal regulations.

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

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

SUPERIOR PLUS CORP.
Condensed Consolidated Balance Sheets

(unaudited, millions of Canadian dollars)	Note	December 31, 2013	December 31, 2012[(1)(2)]
Assets			
Current Assets			
Cash and cash equivalents		**8.3**	7.6
Trade and other receivables	**5&15**	**479.8**	389.0
Prepaid expenses	**11**	**35.3**	20.5
Inventories	**6**	**206.3**	213.7
Unrealized gains on derivative financial instruments	**15**	**13.7**	16.6
Total Current Assets		**743.4**	647.4
Non-Current Assets			
Property, plant and equipment	**7**	**877.9**	829.9
Intangible assets	**8**	**19.0**	39.6
Goodwill	**9**	**193.7**	189.1
Notes and finance lease receivables		**10.2**	10.1
Deferred tax	**16**	**292.3**	303.1
Unrealized gains on derivative financial instruments	**15**	**4.6**	12.9
Total Non-Current Assets		**1,397.7**	1,384.7
Total Assets		**2,141.1**	2,032.1
Liabilities and Equity			
Current Liabilities			
Trade and other payables	**11**	**396.2**	318.5
Deferred revenue	**12**	**24.8**	18.2
Borrowing	**13**	**67.0**	59.7
Convertible unsecured subordinated debentures	**14**	**–**	50.0
Dividends and interest payable		**7.3**	7.3
Unrealized losses on derivative financial instruments	**15**	**25.1**	36.5
Total Current Liabilities		**520.4**	490.2
Non-Current Liabilities			
Borrowing	**13**	**509.1**	574.7
Convertible unsecured subordinated debentures	**14**	**469.4**	475.1
Other liabilities	**12**	**0.4**	1.0
Provisions	**10**	**19.5**	17.6
Employee future benefits		**23.3**	54.0
Deferred tax	**16**	**4.0**	2.5
Unrealized losses on derivative financial instruments	**15**	**54.8**	42.6
Total Non-Current Liabilities		**1,080.5**	1,167.5
Total Liabilities		**1,600.9**	1,657.7
Equity			
Capital		**1,787.9**	1,646.5
Deficit		**(1,239.8)**	(1,218.2)
Accumulated other comprehensive loss		**(7.9)**	(53.9)
Total Equity	**17**	**540.2**	374.4
Total Liabilities and Equity		**2,141.1**	2,032.1

[(1)] December 31, 2012 has been restated for the impact of adopting IAS 19 – *Employee Benefits, amendments* effective January 1, 2013. Refer to Note 2.
[(2)] December 31, 2012 has been restated for the impact of a prior-period adjustment. Refer to Note 11.

See accompanying Notes to the Condensed Consolidated Financial Statements.

SUPERIOR PLUS CORP.
Condensed Consolidated Statement of Changes in Equity

(unaudited millions of Canadian dollars)	Share Capital	Contributed Surplus[1]	**Total Capital**	**Deficit**	**Accumulated other comprehensive loss**	**Total**
January 1, 2012	1,629.8	3.3	**1,633.1**	**(1,228.2)**	**(55.3)**	**349.6**
Impact of adopting IAS 19 – *Employee Benefits, amendments* [2]	–	–	**–**	**(4.0)**	**4.1**	**0.1**
Impact of prior-period adjustment [3]	–	–	**–**	**(8.8)**	**–**	**(8.8)**
Restated as at January 1, 2012	1,629.8	3.3	**1,633.1**	**(1,241.0)**	**(51.2)**	**340.9**
Net earnings	–	–	**–**	**90.0**	**–**	**90.0**
Option value associated with redemption of convertible debentures	–	(0.8)	**(0.8)**	**–**	**–**	**(0.8)**
Shares issued under Dividend Reinvestment Plan	14.2	–	**14.2**	**–**	**–**	**14.2**
Dividends declared to shareholders	–	–	**–**	**(67.2)**	**–**	**(67.2)**
Unrealized foreign currency losses on translation of foreign operations	–	–	**–**	**–**	**(8.8)**	**(8.8)**
Actuarial defined benefit gains	–	–	**–**	**–**	**7.2**	**7.2**
Income tax expense on other comprehensive income	–	–	**–**	**–**	**(1.1)**	**(1.1)**
December 31, 2012	1,644.0	2.5	**1,646.5**	**(1,218.2)**	**(53.9)**	**374.4**
Net earnings	–	–	**–**	**52.7**	**–**	**52.7**
Option value associated with redemption of convertible debentures	–	(1.1)	**(1.1)**	**–**	**–**	**(1.1)**
Shares issued under Dividend Reinvestment Plan	4.9	–	**4.9**	**–**	**–**	**4.9**
Issuance of common shares	137.6	–	**137.6**	**–**	**–**	**137.6**
Dividends declared to shareholders	–	–	**–**	**(74.3)**	**–**	**(74.3)**
Unrealized foreign currency gains on translation of foreign operations	–	–	**–**	**–**	**26.6**	**26.6**
Actuarial defined benefit gains	–	–	**–**	**–**	**26.4**	**26.4**
Reclassification of derivative losses previously deferred	–	–	**–**	**–**	**(0.4)**	**(0.4)**
Income tax expense on other comprehensive income	–	–	**–**	**–**	**(6.6)**	**(6.6)**
December 31, 2013	1,786.5	1.4	**1,787.9**	**(1,239.8)**	**(7.9)**	**540.2**

[1]Contributed surplus represents Superior's equity reserve for the option value associated with the issuance of convertible unsecured subordinate debentures and warrants.
[2]December 31, 2012 has been restated for the impact of adopting IAS 19 – *Employee Benefits, amendments* effective January 1, 2013. Refer to Note 2.
[3] Superior restated the January 1, 2012 deficit by $8.8 million due to a prior-period adjustment. Refer to Note 11.

See accompanying Notes to the Consolidated Financial Statements.

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

(unaudited, millions of Canadian dollars except per share amounts)	Note	Three Months Ended December 31, 2013	Three Months Ended December 31, 2012[1]	Twelve Months Ended December 31, 2013	Twelve Months Ended December 31, 2012[1]
Revenues	**20**	**1,034.7**	934.0	**3,752.8**	3,624.3
Cost of sales (includes products & services)	**20**	**(793.9)**	(705.8)	**(2,884.0)**	(2,778.0)
Gross profit		**240.8**	228.2	**868.8**	846.3
Expenses					
Selling, distribution and administrative costs	**20**	**(200.9)**	(178.6)	**(718.0)**	(697.1)
Finance expense	**20**	**(20.3)**	(18.2)	**(71.8)**	(77.6)
Impairment of property, plant and equipment, intangible assets and goodwill		**(15.5)**	(4.7)	**(15.5)**	(4.7)
Unrealized (losses) gains on derivative financial instruments	**15**	**(0.4)**	(14.1)	**(5.1)**	32.1
		(237.1)	(215.6)	**(810.4)**	(747.3)
Net earnings before income taxes		**3.7**	12.6	**58.4**	99.0
Income tax recovery (expense)	**16**	**7.2**	0.9	**(5.7)**	(9.0)
Net earnings		**10.9**	13.5	**52.7**	90.0
Net earnings		**10.9**	13.5	**52.7**	90.0
Other comprehensive income:					
Unrealized foreign currency gains (losses) on translation of foreign operations	**17**	**13.7**	4.7	**26.6**	(8.8)
Actuarial defined benefit gains	**17**	**2.1**	14.9	**26.4**	7.2
Reclassification of derivatives losses previously deferred	**17**	**(0.4)**	–	**(0.4)**	–
Income tax expense on other comprehensive income	**16**	**(0.2)**	(3.8)	**(6.6)**	(1.1)
Total comprehensive income for the period		**26.1**	29.3	**98.7**	87.3
Net earnings per share					
Basic	**18**	**$0.09**	$0.12	**$0.43**	$0.80
Diluted	**18**	**$0.05**	$0.12	**$0.40**	$0.80

[1] Three and twelve months ended December 31, 2012 has been restated for the impact of adopting IAS *19 – Employee Benefits, amendments* effective January 1, 2013. Refer to Note 2.

See accompanying Notes to the Condensed Consolidated Financial Statements.

SUPERIOR PLUS CORP.
Condensed Consolidated Statement of Cash Flows

(unaudited, millions of Canadian dollars)	Notes	Three months ended December 31, 2013	Three months ended December 31, 2012[1]	Twelve Months Ended December 31, 2013	Twelve Months Ended December 31, 2012[1]
OPERATING ACTIVITIES					
Net earnings for the period		**10.9**	13.5	**52.7**	90.0
Adjustments for:					
Depreciation included in selling, distribution and administrative costs	**7**	**10.9**	10.7	**42.2**	42.4
Amortization of intangible assets		**5.1**	5.5	**19.4**	26.8
Depreciation included in cost of sales	**7**	**10.9**	11.5	**41.3**	44.9
Losses (gains) on disposal of assets		**0.3**	1.7	**(2.9)**	1.0
Impairment of property, plant and equipment		**15.5**	4.7	**15.5**	4.7
Unrealized losses (gains) on derivative financial instruments	**15**	**0.4**	14.1	**5.1**	(32.1)
Customer contract-related costs		**(0.2)**	(0.2)	**(0.8)**	(1.1)
Finance expense recognized in net earnings		**20.3**	18.2	**71.8**	77.6
Income tax expense (recovery) recognized in net earnings		**(7.2)**	(0.9)	**5.7**	9.0
(Increase) decrease in non-cash operating working capital	**19**	**(72.0)**	(57.2)	**0.3**	84.7
Net cash flows (used in) from operating activities		**(5.1)**	21.6	**250.3**	347.9
Income taxes paid		**–**	(0.7)	**(6.5)**	(0.3)
Interest paid		**(22.6)**	(29.0)	**(58.5)**	(74.3)
Cash flows (used in) from operating activities		**(27.7)**	(8.1)	**185.3**	273.3
INVESTING ACTIVITIES					
Purchase of property, plant and equipment	**7**	**(26.4)**	(22.1)	**(78.5)**	(43.8)
Proceeds from disposal of property, plant and equipment	**7**	**0.8**	0.4	**6.6**	4.5
Investment in supply agreement		**(4.3)**	–	**(4.3)**	–
Acquisitions	**4**	**(7.6)**	–	**(7.6)**	(5.5)
Cash flows used in investing activities		**(37.5)**	(21.7)	**(83.8)**	(44.8)
FINANCING ACTIVITIES					
Net proceeds (repayment) of revolving term bank credits and other debt		**270.5**	78.9	**87.4**	(74.4)
Redemption of senior unsecured debentures		**(150.0)**	–	**(150.0)**	–
Redemption premium of senior unsecured debentures		**(6.2)**	–	**(6.2)**	–
Repayment on senior secured notes		**(34.0)**	(31.8)	**(34.0)**	(31.8)
Repayment of finance lease obligations		**(3.8)**	(4.1)	**(15.9)**	(16.4)
Redemption of 5.75% convertible debentures	**14**	**–**	–	**–**	(49.9)
Redemption of 5.85% convertible debentures	**14**	**–**	–	**(75.0)**	–
Redemption of 7.50% convertible debentures	**14**	**–**	–	**(68.9)**	–
Proceeds from issuance of 6.00% convertible debentures	**14**	**–**	–	**97.0**	–
Issue costs incurred for of 6.00% convertible debentures		**–**	–	**(3.8)**	–
Proceeds from issuance of common shares		**–**	–	**143.9**	–
Issuance costs for common shares		**–**	–	**(6.3)**	–
Proceeds from the Dividend Reinvestment Program		**–**	3.6	**4.9**	14.2
Dividends paid to shareholders		**(18.9)**	(16.9)	**(73.7)**	(67.1)
Cash flows from (used in) financing activities		**57.6**	29.7	**(100.6)**	(225.4)
Net (decrease) increase in cash and cash equivalents		**(7.6)**	(0.1)	**0.9**	3.1
Cash and cash equivalents, beginning of period		**16.1**	7.7	**7.6**	5.2
Effect of translation of foreign currency-denominated cash and cash equivalents		**(0.2)**	–	**(0.2)**	(0.7)
Cash and cash equivalents, end of period		**8.3**	7.6	**8.3**	7.6

[1] Three and Twelve month ended December 31, 2012 has been restated for the impact of adopting IAS 19 – *Employee Benefits, amendments* effective January 1, 2013. Refer to Note 2.

See accompanying Notes to the Condensed Consolidated Financial Statements.

Notes to the Unaudited Condensed Consolidated Financial Statements

(unaudited, Tabular amounts in millions of Canadian dollars, except per share amounts and as otherwise noted. Tables labelled "2012" and "2013" are for the full year ended December 31.)

1. Organization

Superior Plus Corp. (Superior) is a diversified business corporation, incorporated under the Canada Business Corporations Act. The registered office is at suite 1400, 840 – 7th Avenue S.W., Calgary, Alberta. Superior holds 100% of Superior Plus LP (Superior LP), a limited partnership formed between Superior General Partner Inc., as general partner and Superior as limited partner. Superior holds 100% of the interest of Superior General Partner Inc. Superior does not conduct active business operations but rather distributes to shareholders 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 December 31, 2013 and the three and twelve months ended December 31, 2013 and 2012 were authorized for issuance by the Board of Directors on February 19, 2014.

Reportable Operating Segments

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

2. Basis of Presentation

The accompanying consolidated financial statements were prepared in accordance with International Accounting Standards *Interim Financial Reporting* (IAS 34) as issued by the International Accounting Standard Board (IASB) using the accounting policies Superior adopted in its annual consolidated financial statements as at and for the year ended December 31, 2012. The accounting policies are based on the International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations that were applicable at that time. These accounting policies have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently throughout the consolidated entities.

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

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

Significant Accounting Policies

(a) Significant Accounting Judgments, Estimates and Assumptions

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

(b) 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, 2013 or later periods. The affected standards are consistent with those disclosed in Superior's 2013 annual consolidated financial statements.

Superior adopted the following standard on January 1, 2013:

IFRS 7 – *Financial Instruments: Disclosures, amendments*

The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements under an enforceable master netting agreement or similar arrangement. Financial assets and liabilities are offset and the net amount reported in the balance sheet where Superior has the legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. This standard must be applied for accounting periods beginning on or after January 1, 2013. Superior adopted IFRS 7 *amendments* on January 1, 2013, with retrospective application from December 31, 2012 with no impact to Superior.

IFRS 10 – *Consolidated Financial Statements*

IFRS 10 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 previous 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 was effective for Superior on January 1, 2013. Superior adopted the amendments with no impact.

IFRS 11 – *Joint Arrangements*

IFRS 11 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, relating to its interest in the joint operation. This standard became applicable on January 1, 2013. Superior adopted the amendments on January 1, 2013, with no impact to Superior.

IFRS 12 – *Disclosure of Interests in Other Entities*

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, and/or unconsolidated structured entities. The standard carries forward existing disclosure 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 was effective for Superior on January 1, 2013 and Superior adopted the amendments with no impact.

IFRS 13 – *Fair Value Measurement*

IFRS 13 defines fair value, sets out a single IFRS framework for measuring fair value and requires disclosure about fair value measurements. IFRS 13 applies to accounting standards that require or permit fair value measurements or disclosure about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosure about those measurements), except in specified circumstances. IFRS 13 became applicable on January 1, 2013. Superior adopted the amendments on January 1, 2013, with no impact to Superior.

IAS 1 – *Presentation of Other Comprehensive Income*

The amendments to IAS 1 – *Presentation of Financial Statements*, issued in June 2011, require entities to group items presented in other comprehensive income on the basis of whether they might be reclassified to the consolidated statement of net earnings in subsequent periods and items that will not be reclassified to the consolidated statement of net earnings. The amendments did not address which items are presented in other comprehensive income and did not change the option to present items either before or net of tax. The amendments to IAS 1 became effective for annual periods beginning on or after July 1, 2012, which was January 1, 2013 for Superior, and are to be applied retrospectively. Superior adopted the amendments on January 1, 2013, with no impact to Superior.

IAS 19 – *Employee Benefits, amendments*

IAS 19 amendments were issued in June 2011 that changed the accounting and disclosure 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 obligations and plan assets are to be disaggregated into three components: service costs, net interest on the net defined benefit liabilities or assets and re-measurements of the net defined benefit liabilities or assets. This standard must be applied for accounting periods beginning on or after January 1, 2013. Superior adopted IAS 19 on January 1, 2013, with retrospective application from January 1, 2012. The financial impact was an increase of $3.1 million to pension expense and a corresponding decrease to accumulated other comprehensive loss for the year ended December 31, 2012. The impact on Superior's balance sheet as at January 1, 2012 is a $4.0 million increase to deficit, a $0.1 million decrease in employee benefit obligations and a corresponding decrease to accumulated other comprehensive loss of $4.1 million. The impact on the three and twelve months ended December 31, 2012 was an increase in selling, distribution and administrative costs of $0.7 million and $3.1 million, respectively.

New and revised IFRS standards issued but not yet effective:

IFRS 9 – *Financial Instruments: Classification and Measurement*
IFRS 9 was issued in November 2009 and is intended to replace IAS 39 – *Financial Instruments: Recognition and Measurement*. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39 except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income. This standard must be applied for accounting periods beginning on or after January 1, 2017, with earlier adoption permitted. Superior is assessing the effect of IFRS 9 on its financial results and financial position; changes, if any, are not expected to be material.

IFRS 10 – *Consolidated Financial Statements*, IFRS 12 – *Disclosure of Interests in Other Entities* and IAS 27 – *Separate Financial Statements*
The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through net earnings in its consolidated and separate financial statements. Consequently, IFRS 12 and IAS 27 were amended to introduce new disclosure requirements for investment entities. Superior does not anticipate these will have any effect on its consolidated financial statements as Superior is not an investment entity.

IAS 32 – *Financial Instruments*: *Presentation*
The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of ‘currently has a legally enforceable right of off-set and ‘simultaneous realization and settlement’. Superior does not anticipate a significant impact on its consolidated financial statements from these amendments.

IFRIC 21 – *Levies*
The interpretation was issued on May 20, 2013 provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets* and those where the timing and amount of the levy is certain. The Interpretation covers the accounting for outflows imposed on entities by governments (including government agencies and similar bodies) in accordance with laws and/or regulations. However, it does not include income taxes (see IAS 12 – *Income Taxes*), fines and other penalties, liabilities arising from emissions trading schemes and outflows within the scope of other Standards. It also provides the following guidance on recognition of a liability to pay levies: The liability is recognized progressively if the obligating event occurs over a period of time and if an obligation is triggered on reaching a minimum threshold, the liability is recognized when that minimum threshold is reached. This standard must be applied for accounting periods beginning on or after January 1, 2014, with retrospective application from December 31, 2012. Superior is assessing the effect of IFRIC 21 on its financial results and financial position; changes, if any, are not expected to be material to Superior's annual results although significant changes may result on a quarterly basis.

3. Seasonality of Operations

Energy Services

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

Construction Products Distribution

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

4. Acquisitions

On November 27, 2013, Superior completed the acquisition of certain assets constituting a retail propane and commercial fuels distribution business (Townsend Energy) in Le Roy, New York for an aggregate purchase price of $9.6 million including adjustments to net working capital and deferred consideration. The operations will provide U.S. refined fuels with access to additional propane customers.

Townsend Energy Acquisition	Fair Value Recognized on Acquisition
Property, plant and equipment	2.6
Intangible assets	3.5
Trade and other payables	(2.0)
	4.1
Net identifiable assets and liabilities	4.1
Goodwill arising on acquisition	5.5
Total consideration	**9.6**
Purchase consideration components:	
Cash (paid on November 27, 2013)	7.6
Deferred consideration	2.0
Total purchase consideration	**9.6**

Revenue and net earnings for the 12 months ended December 31, 2013 would have been $102.1 million and $0.4 million, respectively, if the acquisition had occurred on January 1, 2013. Subsequent to the acquisition date of November 27, 2013, the acquisition contributed revenue and net earnings, respectively, of $6.3 million and $0.1 million to Energy Services for the period ended December 31, 2013.

On July 17, 2012, Superior completed the acquisition of certain assets which constitute a propane distribution business for an aggregate purchase price of $5.5 million including adjustments for net working capital. The main purposes were to expand Energy Services business in British Columbia and benefit from synergies.

Propane Acquisition	Fair Value Recognized on Acquisition
Trade and other receivables[1]	0.9
Inventories	0.1
Property, plant and equipment	1.9
	2.9
Net identifiable assets and liabilities	2.9
Goodwill arising on acquisition	2.6
Total consideration	**5.5**
Purchase consideration components:	
Cash (paid on August 2, 2012)	5.5
Total purchase consideration	**5.5**

[1]The gross amount of trade and other receivables is $0.9 million, of which $nil is expected to be uncollectible.

Revenue and net earnings for the 12 months ended December 31, 2012 would have been $8.3 million and $1.9 million, respectively, if the acquisition had occurred on January 1, 2012. Subsequent to the acquisition date of July 17, 2012, the acquisition contributed revenue and net earnings, respectively, of $4.4 million and $1.5 million to Energy Services for the period ended December 31, 2012.

5. Trade and Other Receivables

A summary of trade and other receivables is as follows:

	Note	**December 31, 2013**	December 31, 2012
Trade receivables, net of allowances	**15**	**443.2**	355.9
Accounts receivable - other		**35.7**	32.3
Finance lease receivable		**0.9**	0.8
Trade and other receivables		**479.8**	389.0

6. Inventories

The cost of inventories recognized as an expense during the three and twelve months ended December 31, 2013 was $636.5 million (December 31, 2012 – $649.0 million) and $2,540.1 million (December 31, 2012 – $2,528.9 million). Superior recorded an inventory write down during the three and 12 months ended December 31, 2013 of $3.6 million (December 31, 2012 – $0.7 million) and $3.6 million (December 31, 2012 – $3.6 million), respectively. No write-down reversals were recorded for the three and twelve months ended December 31, 2013 and 2012.

7. Property, Plant and Equipment

	Land	Buildings	Specialty Chemicals Plant & Equipment	Energy Services Retailing Equipment	Construction Products Distribution Equipment	Leasehold Improvements	Total
Cost							
Balance at December 31, 2012	29.7	148.6	738.3	589.8	43.3	9.7	1,559.4
Balance at December 31, 2013	**29.5**	**154.8**	**816.2**	**629.4**	**48.1**	**11.2**	**1,689.2**
Accumulated Depreciation							
Balance at December 31, 2012	–	43.4	346.3	306.0	25.6	8.2	729.5
Balance at December 31, 2013	**–**	**50.0**	**389.1**	**334.7**	**29.4**	**8.1**	**811.3**
Carrying Amount							
Balance at December 31, 2012	29.7	105.2	392.0	283.8	17.7	1.5	829.9
Balance at December 31, 2013	**29.5**	**104.8**	**427.1**	**294.7**	**18.7**	**3.1**	**877.9**

The carrying value of Superior's property, plant, and equipment includes $68.9 million of leased assets as at December 31, 2013 (December 31, 2012 – $67.8 million).

Depreciation per cost category:

	Three Months Ended December 31,		**Twelve Months Ended December 31,**	
	2013	2012	**2013**	2012
Cost of sales[(1)]	**10.9**	11.5	**41.3**	44.9
Selling, distribution and administrative costs	**10.9**	10.7	**42.2**	42.4
Total	**21.8**	22.2	**83.5**	87.3

[(1)]The cost of Specialty Chemical finished goods inventory includes an allocation of fixed production overheads, which includes depreciation. Depreciation included in costs of sales includes a charge of $0.5 million which is reflected in the cost of inventory (December 31, 2012 – $0.2 million).

On October 20, 2012, a kerosene leak was discovered in the bottom of a storage tank at U.S. refined fuels Marcy terminal location. The leak was investigated and contained by management. U.S. refined fuels then notified the Department of Environmental Conservation (DEC) which performed an independent review of the leak and other tanks at this location. On December 27, 2012, the DEC issued a notice of violation based on its inspections and subsequent to discussions between management and the DEC, a consent order was issued to U.S. refined fuels on February 4, 2013. The consent order stated that the secondary containment system and storage tanks were not in compliance with DEC design requirements and needed to be rebuilt to specific standards by September 1, 2013 in order to remain operational. The consent order was modified in October 2013 to extend the requirement to rebuild to specific standards by September 1, 2014. Repair of the facility has been suspended pending the outcome of a dispute between Superior and the previous owner and operator of the facility as to responsibility for the repair. This decision is not expected to have any material impact on the operations of U.S. refined fuels or operating results going forward.

Due to the leak and receipt of the consent order, management has performed a detailed impairment review of the Marcy terminal to assess whether the carrying value of all the storage tanks exceeds their recoverable amount. The recoverable amount of the assets was based on management's estimate of the fair value less costs to sell. Based on a detailed review by management, the fair value less costs to sell of the storage tanks was lower than the carrying value. An impairment charge of $4.7 million was recorded

against net earnings along with a $4.7 million reduction in the carrying value of the impaired storage tanks.

8. Intangible Assets

	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 December 31, 2012	40.9	70.5	1.7	65.4	1.0	179.5
Balance at December 31, 2013	**16.6**	**30.2**	**1.7**	**65.4**	**0.3**	**114.2**
Accumulated Amortization and Impairment						
Balance at December 31, 2012	34.5	38.8	1.2	65.4	–	139.9
Balance at December 31, 2013	**12.3**	**16.1**	**1.4**	**65.4**	**–**	**95.2**
Carrying value						
As at December 31, 2012	6.4	31.7	0.5	–	1.0	39.6
As at December 31, 2013	**4.3**	**14.1**	**0.3**	**–**	**0.3**	**19.0**

(1) Superior has pledged 100% of the intangible assets balance as at December 31, 2013 excluding leased assets as security on Superior's borrowing.

An impairment charge was recorded to the intangible assets of Superior's Energy Services' segment during the fourth quarter; see Note 9 for further details.

Depreciation per cost category:	**2013**	2012
Selling, distribution and administrative costs	**19.4**	26.8
Total	**19.4**	26.8

9. Goodwill

	2013	2012
Balance at the beginning of the period	**189.1**	186.1
Additional amounts recognized from business combinations during the year	**5.5**	2.6
Purchase price equation adjustments	**–**	0.4
Impairment of Energy Services	**(0.9)**	–
Balance at the end of the period	**193.7**	189.1

Impairment of goodwill and intangible assets
All CGU's to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. Below is a summary of the result of the annual impairment test of the U.S. refined fuels CGU.

Energy Services
During the fourth quarter of 2013 it was determined that Superior's Energy Services segment was impaired. As such, Superior completed a detailed assessment of the business segment's operations. The recoverable amount of the Energy Services segment was determined using a detailed cash flow model based on current market assumptions surrounding the U.S. refined fuels industry, which was adversely affected by the challenging wholesale market conditions and lower-than-expected customer growth. Based on the calculated recoverable amount, it was determined that the goodwill and intangible assets for U.S. refined fuels were impaired. A goodwill impairment charge of $0.9 million and an intangible assets impairment charge of $14.6 million were recognized as reduction in the carrying value of the respective balances during the fourth quarter of 2013.

Basis on which recoverable amount was determined
The recoverable amount for U.S. refined fuels was determined using a detailed cash flow model which was based on evidence from an internal budget approved by the Board of Directors. 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. The impairment charge was recognized as an expense against Superior's net earnings for the year ended December 31, 2013.

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. The long-term growth rate used in determining the recoverable amount for U.S. refined fuels CGU was 2.0%.

Discount rates
Cash flows in the model were discounted using a discount rate specific to U.S. refined fuels. 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 U.S. refined fuels 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 after-tax discount rate used in determining the recoverable amount for U.S. refined fuels was 11.2%.

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 U.S. refined fuels was 2.0%.

Key assumptions
The model used to determine the recoverable amount of U.S. refined fuels includes the assumption that the growth of the business in 2014 will be less than anticipated and wholesale market challenges will continue into 2014.

10. Provisions

	Restructuring	Decommissioning	Environmental	Total
Balance at the beginning of the period	**5.5**	**16.2**	**1.4**	**23.1**
Utilization	(2.8)	–	(0.6)	(3.4)
Additions	9.5	0.2	0.4	10.1
Unwinding of discount	–	(0.6)	–	(0.6)
Impact of change in discount rate	–	(2.0)	–	(2.0)
Net foreign currency exchange difference	–	0.5	0.1	0.6
Balance at the end of the period	**12.2**	**14.3**	**1.3**	**27.8**

	December 31, 2013	December 31, 2012
Current	**8.3**	5.5
Non-current	**19.5**	17.6
	27.8	23.1

Decommissioning

Restructuring
Restructuring costs are recorded in selling, distribution, and administrative costs. As at December 31, 2013, the restructuring expense was $9.5 million (December 31, 2012 - $5.5 million). Provisions for restructuring are recorded in provisions, except for the current portion, which is recorded in trade and other payables. As at December 31, 2013, the current portion of restructuring costs was $8.3 million (December 31, 2012 – $5.5 million). As at December 31, 2013, the long term portion of restructuring costs was $3.9 million (December 31, 2013- $nil). The provision is primarily for severance, lease costs and consulting fees.

Specialty Chemicals
Superior makes full provision for the future cost of decommissioning Specialty Chemicals' chemical facilities. The provision is on a discounted basis and is based on existing technologies at current prices or long-term price assumptions, depending on the activity's expected timing. As at December 31, 2013, the discount rate used in Superior's calculation was 3.14% (December 31, 2012 – 2.4%). Superior estimates the total undiscounted expenditures required to settle its decommissioning liabilities to be approximately $20.6 million (December 31, 2012 – $20.1 million) which will be paid over the next 16 to 26 years. While Superior's provision for decommissioning costs is based on the best estimate of future costs and the economic lives of the chemical facilities, the amount and timing of incurring these costs is uncertain

Energy Services
Superior makes full provision for the future costs of decommissioning certain assets associated with the Energy Services segment. Superior estimates the total undiscounted expenditures required to settle its

asset retirement obligations to be approximately $9.5 million at December 31, 2013 (December 31, 2012 – $8.8 million) which will be paid over the next 18 years. The credit-adjusted free-risk rate of 3.14% at December 31, 2013 (December 31, 2012 – 2.4%) was used to calculate the present value of the estimated cash flows.

Environmental

Provisions for environmental remediation are made when a clean-up is probable and the amount of the obligation can be reliably estimated. Generally, this coincides with commitment to a formal plan or, if earlier, on divestment or closure of inactive sites. Superior estimates the total undiscounted expenditures required to settle its environmental expenditures to be approximately $1.3 million at December 31, 2013 (December 31, 2012 – $1.4 million) which will be paid over the next two years. The provision for environmental expenditures has been estimated using existing technology, at current prices and discounted using a risk-free discount rate of 3.14% at December 31, 2013 (December 31, 2012 – 2.4%). The extent and cost of future remediation programs are inherently difficult to estimate. They depend on the scale of any possible contamination, the timing and extent of corrective actions, and Superior's share of the liability.

11. Trade and Other Payables

A summary of trade and other payables is as follows:	**Note**	**December 31, 2013**	December 31, 2012[1]
Trade payables		**300.7**	236.1
Net benefit obligation		**3.8**	3.6
Restructuring	**10**	**8.3**	5.5
Other payables		**63.2**	62.1
Amounts due to customers under construction contracts		**1.3**	1.3
Share-based payments		**18.9**	9.9
Trade and other payables		**396.2**	318.5

[1] In the third quarter of 2013, Superior discovered an understatement of trade and other payables and an overstatement of prepaid expenses, which relates to fiscal 2010 and 2009. Superior has corrected the prior-period error in accordance with IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors* which states that an entity shall correct material prior-period errors retrospectively in the first set of financial statements authorized for issuance after their discovery, by restating the comparative amounts for the prior-period presented in which the error occurred or if the error occurred before the earliest prior-period presented, restating the opening balances of assets, liabilities and equity for the earliest prior-period presented. Consequently, as at January 1, 2012, to correct the error, Superior increased the deficit by $8.8 million (refer to the condensed consolidated statement of changes in equity) and increased trade and other payables by $4.4 million, reduced prepaid expenses by $4.2 million, and decreased accumulated other comprehensive loss by $0.2 million.

12. Deferred Revenue

	December 31, 2013	December 31, 2012
Balance at the beginning of the period	**19.2**	14.2
Deferred during the period	**33.2**	29.1
Released to net earnings	**(28.5)**	(23.9)
Foreign exchange impact	**1.3**	(0.2)
Balance at the end of the period	**25.2**	19.2

	December 31, 2013,	December 31, 2012
Current	**24.8**	18.2
Non-current	**0.4**	1.0
	25.2	19.2

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

13. Borrowing

	Year of Maturity	Effective Interest Rate	**December 31, 2013**	December 31, 2012
Revolving Term Bank Credit Facilities[1]				
Bankers Acceptances (BA)	2016	Floating BA rate plus applicable credit spread	**246.5**	148.6
Canadian Prime Rate Loan	2016	Prime rate plus credit spread	**26.3**	13.0
LIBOR Loans (US $129.0 million; 2012 US $138.0 million)	2016	Floating LIBOR rate plus applicable credit spread	**137.3**	137.3
US Base Rate Loan (US$11.5 million; 2012– US$34.6 million)	2016	US prime rate plus credit spread	**12.2**	34.5
			422.3	333.4
Other Debt				
Accounts receivable factoring program[2]	–	Floating BA plus	**9.3**	–
Deferred consideration	2014-2016	Non-interest-bearing	**4.0**	2.7
			13.3	2.7
Senior Secured Notes[3]				
Senior secured notes subject to fixed interest rates (US$60.0 million; 2012 – US$92.0 million)	2014-2015	7.62%	**63.8**	91.5
Senior Unsecured Debentures				
Senior unsecured debentures[4]	2016	8.25%	**–**	150.0
Finance Lease Obligations				
Finance lease obligations[5]			**79.3**	62.0
Total borrowing before deferred financing fees			**578.7**	639.6
Deferred financing fees			**(2.6)**	(5.2)
Borrowing			**576.1**	634.4
Current maturities			**(67.0)**	(59.7)
Borrowing			**509.1**	574.7

(1) On June 10, 2013, Superior and its wholly-owned subsidiaries, Superior Plus Financing Inc. and Commercial E Industrial (Chile) Limitada, extended their $570.0 million credit facility which can be expanded up to $750.0 million. The credit facility matures on June 27, 2016 and is secured by a general charge over the assets of Superior and certain of its subsidiaries. As at December 31, 2013, Superior had $27.9 million of outstanding letters of credit (December 31, 2012 – $31.1 million) and approximately $115.3 million of outstanding financial guarantees (December 31, 2012 – $121.9 million). The fair value of Superior's revolving term bank credit facilities, other debt, letters of credit, and financial guarantees approximates their carrying value as a result of the market based-interest rates, the short-term nature of the underlying debt instruments and other related factors.

(2) Superior has entered into a Master Receivables Purchase Agreement (MRPA) with a financial institution by which it may purchase from time to time, on an uncommitted revolving basis, a 100% interest in receivables from Superior. The maximum aggregate amount of purchased receivables purchased by the financial institution under this agreement and outstanding at any time is limited to $15.0 million. As at December 31, 2013, the accounts receivable factoring program totalled CDN $9.3 million (December 31, 2012 – CDN $nil).

(3) Senior secured notes (the Notes) totalling US $60.0 million and US $92.0 million (respectively, CDN $63.8 million at December 31, 2013 and CDN $91.5 million at December 31, 2012) 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 December 31, 2013 was CDN $68.5 million (December 31, 2012 – CDN $94.4 million).

(4) Superior redeemed all of its outstanding $150.0 million 8.25% senior unsecured debentures due October 27, 2016 in accordance with the indenture governing the 8.25% Debentures on October 28, 2013. The 8.25% Debentures were redeemed at the redemption price set forth in the indenture of $1,041.25 per $1,000 principal amount of 8.25% Debentures, together with all accrued and unpaid interest thereon up to October 28, 2013, for a total amount on redemption of $1,041.47603 per $1,000 principal amount of 8.25% Debentures.

(5) In October 2013, Specialty Chemicals entered into a supply agreement with Tronox LLC ("Tronox") to purchase up to 130,000 MT of sodium chlorate per year from Tronox's Hamilton, Mississippi facility, as nominated annually by Specialty Chemicals. The initial term of the agreement extends to December 31, 2016 and may be automatically extended in one year increments thereafter. Under the agreement, Tronox will continue to own and operate the facility, and Specialty Chemicals will purchase sodium chlorate to meet customer demands under certain customer contracts being assumed and to supply other existing and new customers. Specialty Chemicals paid an initial fee of $4.3 million and will incur a quarterly fee of $0.8 million during the initial term, plus a cost for sodium chlorate delivered. As part of the Agreement, Specialty Chemicals will acquire finished inventory and assume existing railcar leases and customer contracts, as assigned. Additionally, the parties have entered into a strategic long-term agreement for the supply of chloralalkali product by Specialty Chemicals to service Tronox's requirements in North America. Under the agreement, if the annual nominated volume by Specialty Chemicals is less than the specified volume of product set out in the agreement, Tronox may terminate the agreement early, at its sole option and its sole cost to permanently shut down the plant for the manufacture of sodium chlorate. Superior recognized approximately $19.1 million of finance lease obligations upon execution of the agreement.

(6) On February 14, 2014, Superior closed a $125.0 million term loan facility which matures on August 14, 2014. The term loan facility provides additional liquidity to ensure Superior has sufficient financial flexibility to manage short term fluctuations in working capital requirements. Throughout the end of 2013 and the beginning of 2014, Superior's working capital requirements have increased due to a rise in the wholesale cost of propane. Superior anticipates that the wholesale cost of propane and the related working capital will normalize throughout the remainder of the 2014 heating season. Superior intends to repay the credit facility before the facility maturity date.

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

Current maturities	67.0
Due in 2015	57.2
Due in 2016	439.5
Due in 2017	6.5
Due in 2018	4.6
Due in 2019	3.9
Subsequent to 2019	–
Total	**578.7**

14. Convertible Unsecured Subordinated Debentures

Superior's debentures are as follows:

Maturity	October 2015[1][2]	December 2014[3]	June 2017	June 2018	October 2016	June 2019[4]	Total
Interest rate	5.85%	7.50%	5.75%	6.00%	7.50%	6.00%	Carrying
Conversion price per share	$31.25	$13.10	$19.00	$15.10	$11.35	$16.75	Value
Debentures outstanding as at December 31, 2013	–	–	**168.6**	**144.9**	**72.7**	**83.2**	**469.4**
Debentures outstanding as at December 31, 2012	74.1	67.4	167.6	144.0	72.0	–	525.1
Quoted market value as at December 31, 2013	–	–	**174.4**	**156.8**	**86.3**	**99.5**	**517.0**
Quoted market value as at December 31, 2012	75.2	71.4	169.2	148.0	84.2	–	548.0

(1) Superior redeemed $50.0 million of the 5.85% October 2015 convertible unsecured subordinated debentures, on January 3, 2013.

(2) Superior redeemed the remaining $25.0 million 5.85% October 2015 convertible unsecured subordinated debentures, on April 9, 2013.

(3) Superior redeemed the full $68.9 million 7.50% December 2014 convertible unsecured subordinated debentures, on September 3, 2013.

(4) Superior issued the 6.00% unsecured subordinated debentures due June 2019 on July 22, 2013.

The debentures may be converted into shares at the option of the holder at any time prior to maturity and may be redeemed by Superior in certain circumstances. Superior may elect to pay interest and principal upon maturity or redemption by issuing shares to a trustee in the case of interest payments, and to the debenture holders in the case of payment of principal. The number of any shares issued will be determined based on market prices for the shares at the time of issuance. Superior also has a cash conversion put option which allows Superior to settle any conversion of debentures in cash, in lieu of delivering common shares to the debenture holders of the October 2016, June 2018 and June 2019 convertible debentures. The cash conversion put option has been classified as an embedded derivative and measured at fair value through net earnings (FVTNE) (see Note 15 for further details).

15. Financial Instruments

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

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

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

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

In August 2012, Specialty Chemicals received a payment of $15.8 million from TransCanada Energy Ltd., a subsidiary of TransCanada Corporation, in connection with the arbitration ruling related to the Sundance Power Purchase Agreement (PPA) between TransAlta Corporation and TransCanada Corporation. The payment resulted from the electrical sales agreement (ESA) between TransCanada Corporation and Superior whereby TransCanada Corporation supplies Superior with fixed-priced energy from the PPA. A one-time gain of $12.5 million, representing the payment, net of certain settlement costs, was recorded in cost of goods sold. This settlement relates to Specialty Chemicals' fixed-price electricity purchase agreement, which expires in 2017. Specialty Chemicals has begun to receive electricity production from the PPA as the Sundance units have partially started and, therefore, are participating in accordance with the ESA's terms.

With respect to the valuation of Specialty Chemicals' fixed-price electricity agreement, the valuation of this agreement requires Superior to make assumptions about the long-term price of electricity in electricity markets for which active market information is not available. The impact of the assumption for the long-term forward price curve of electricity has a material impact on the fair value of this agreement. A $1/MWh change in the forecast price of electricity would result in a change in the fair value of this agreement of $0.9 million, with a corresponding impact to net earnings before income taxes.

No changes in valuation techniques were made by Superior during the period ended December 31, 2013 and no financial instruments have been reclassified between the different fair value input levels.

					Asset (Liability)	
Description	**Notional**[1]	**Term**	**Effective Rate**	**Fair Value Input Level**	**December 31, 2013**	December 31, 2012
Natural gas financial swaps–AECO	22.42 GJ[2]	2014-2018	CDN $4.22 /GJ	Level 1	**(12.6)**	(42.2)
Foreign currency forward contracts, net sale	US$569.4[3]	2014-2017	1.03	Level 1	**(29.2)**	10.7
Foreign currency forward contracts, balance sheet-related	US$27.0[3]	2014	1.01	Level 1	**1.6**	0.2
Interest rate swaps – CDN$	$200.0[3]	2014-2017	Six-month BA rate plus 2.65%	Level 2	**6.2**	9.4
Equity derivative contracts	$7.6[3]	2014-2015	$11.43 /share	Level 2	**1.5**	0.5
Debenture-embedded derivative	$255.0[3]	2014-2018	–	Level 3	**(26.9)**	(19.8)
Energy Services butane wholesale purchase and sale contracts, net sale	1.55 USG [4]	2014-2015	$1.36 /USG	Level 2	**–**	(0.2)
Energy Services propane wholesale purchase and sale contracts, net sale	6.33 USG[4]	2014-2015	$1.20 /USG	Level 2	**1.9**	0.7
Energy Services electricity swaps	0.89MWh [5]	2014-2018	$39.17 /MWh	Level 2	**(6.1)**	(10.3)
Energy Services heating oil purchase and sale contracts	12.6 Gallons[4]	2014	US $3.38 /Gallon	Level 2	**0.1**	(0.2)
Specialty Chemicals fixed-price electricity purchase agreements	29-45 MW[6]	2014-2017	$37-$59 /MWh	Level 3	**1.9**	1.6

[1] Notional values as at December 31, 2013. [2] Millions of gigajoules (GJ) purchased. [3] Millions of dollars.
[4] Millions of United States gallons purchased. [5] Millions of mega watt hours (MWh). [6] Megawatts (MW) on a 24/7 continual basis per year purchased.

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

Description	Current Assets	Long-term Assets	Current Liabilities	Long-term Liabilities
Natural gas financial swaps –AECO	**1.1**	**–**	**8.8**	**5.0**
Energy Services electricity swaps	**0.4**	**–**	**3.3**	**3.2**
Foreign currency forward contracts, net sale	**0.4**	**–**	**9.9**	**19.7**
Foreign currency forward contracts, balance sheet-related	**1.6**	**–**	**–**	**–**
Interest rate swaps	**2.6**	**3.7**	**0.1**	**–**
Equity derivative contracts	**1.5**	**–**	**–**	**–**
Debenture-embedded derivative	**–**	**–**	**–**	**26.9**
Energy Services propane wholesale purchase and sale contracts	**4.8**	**–**	**2.9**	**–**
Energy Services heating oil purchase and sale contracts	**0.3**	**–**	**0.1**	**–**
Specialty Chemicals fixed-price electricity purchase agreements	**1.0**	**0.9**	**–**	**–**
As at December 31, 2013	**13.7**	**4.6**	**25.1**	**54.8**
As at December 31, 2012	16.6	12.9	36.5	42.6

	For the three months ended December 31, 2013		For the three months ended December 31, 2012	
Description	**Realized Gain (Loss)**	**Unrealized Gain (Loss)**	Realized Gain (Loss)	Unrealized Gain (Loss)
Natural gas financial swaps –AECO	**(5.6)**	**10.6**	(9.3)	1.3
Energy Services electricity swaps	**(1.5)**	**1.7**	(2.3)	1.4
Foreign currency forward contracts, net sale	**(0.4)**	**(17.3)**	3.4	(6.8)
Foreign currency forward contracts, balance sheet-related	**1.3**	**(0.2)**	(0.3)	(0.7)
Interest rate swaps	**1.1**	**(0.7)**	1.3	(1.6)
Equity derivative contracts	**1.0**	**0.8**	–	0.5
Energy Services propane wholesale purchase and sale contracts	**0.1**	**1.6**	–	0.2
Energy Services butane wholesale purchase and sale contracts	**–**	**0.1**	–	(0.9)
Energy Services heating oil purchase and sale contracts	**(0.7)**	**0.3**	(0.3)	(0.2)
Energy Services diesel purchase and sale contracts	**–**	–	–	(0.1)
Specialty Chemicals fixed-price electricity purchase agreements	**(0.1)**	**(2.3)**	(0.2)	1.6
Total losses on financial and non-financial derivatives	**(4.8)**	**(5.4)**	(7.7)	(5.3)
Foreign currency translation of senior secured notes	**(0.8)**	**(1.0)**	–	(2.4)
Change in fair value of debenture-embedded derivative	**–**	**6.0**	–	(6.4)
Total losses	**(5.6)**	**(0.4)**	(7.7)	(14.1)

Description	For the twelve months ended December 31, 2013		For the twelve months ended December 31, 2012	
	Realized gain (loss)	**Unrealized gain (loss)**	Realized gain (loss)	Unrealized gain (loss)
Natural gas financial swaps –AECO	**(26.9)**	**29.5**	(53.6)	36.7
Energy Services electricity swaps	**(6.7)**	**4.2**	(11.6)	5.7
Foreign currency forward contracts, net sale	**3.9**	**(39.5)**	10.1	7.2
Foreign currency forward contracts, balance sheet-related	**1.3**	**1.5**	(0.3)	(2.0)
Interest rate swaps	**2.4**	**(3.2)**	2.5	(1.5)
Equity derivative contracts	**1.5**	**0.8**	–	0.5
Energy Services propane wholesale purchase and sale contracts	**0.2**	**1.2**	–	1.3
Energy Services butane wholesale purchase and sale contracts	**–**	**0.2**	–	(0.4)
Energy Services heating oil purchase and sale contracts	**–**	**0.4**	(5.9)	0.5
Specialty Chemicals fixed-price electricity purchase agreements	**0.2**	**0.3**	(2.0)	1.6
Total (losses) gains on financial and non-financial derivatives	**(24.1)**	**(4.6)**	(60.8)	49.6
Foreign currency translation of senior secured notes	**(0.8)**	**(4.1)**	–	1.7
Change in fair value of debenture-embedded derivative	**–**	**3.6**	–	(19.2)
Total (losses) gains	**(24.9)**	**(5.1)**	(60.8)	32.1

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

Offsetting of financial instruments

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

Derivative Assets	Amounts Offset			Amounts not offset		
December 31, 2012	Gross Assets	Gross Liabilities Offset	Net Amounts	Financial Instruments	Cash Collateral Pledged	Amounts Presented
Energy Services heating oil purchase and sale contracts [1]	0.5	(0.2)	0.3	–	3.7	4.0
Energy Services propane purchase and sale contracts [2][3]	–	–	–	2.8	–	2.8
Specialty Chemicals fixed-price electricity purchase agreements [2]	51.2	(49.6)	1.6	–	–	1.6
Total	51.7	(49.8)	1.9	2.8	3.7	8.4

[1] Regularly settled net in the normal course of business and is considered standardized brokerage accounts. As at December 31, 2012, Energy Services has pledged cash of $3.7 million under a standardized agreement with respect to open derivative contracts.

[2] Standard terms of the Power Purchase Agreement (“PPA”) allowing net settlement of payments in the normal course of business.

[3] Regularly settled gross in the normal course of business.

Derivative Liabilities	Amounts Offset			Amounts not offset		
December 31, 2012	Gross Liabilities	Gross Asset Offset	Net Amounts	Financial Instruments	Cash Collateral Pledged	Amounts Presented
Natural gas financial swaps – AECO [1]	42.6	(0.4)	42.2	–	–	42.2
Energy Services electricity swaps [1]	10.6	(0.3)	10.3	–	–	10.3
Energy Services wholesale propane purchase and sale contracts [2][3]	0.6	(0.2)	0.4	1.7	–	2.1
Energy Services heating oil purchase and sale contracts[2]	0.7	(0.2)	0.5	–	–	0.5
Total	54.5	(1.1)	53.4	1.7	–	55.1

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

[2]Regularly settled net in the normal course of business and are considered standardized brokerage accounts.

[3]Regularly settled gross in the normal course of business.

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

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

(2) Regularly settled net in the normal course of business and is considered standardized brokerage accounts. As at December 31, 2013, Energy Services has pledged cash of $0.4 million under a standardized agreement with respect to open derivative contracts.

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

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

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

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

(2) Regularly settled net in the normal course of business and are considered standardized brokerage accounts.

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

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

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

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

Non-Derivative Financial Instruments
The fair value of Superior's cash and cash equivalents, trade and other receivables, notes and finance lease receivables, trade and other payables, and dividends and interest payable approximates their carrying value due to the short-term nature of these amounts. The carrying value and the fair value of Superior's borrowing and debentures is provided in Notes 13 and 14.

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

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

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

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

	December 31, 2013	December 31, 2012
Current	**317.8**	243.1
Past due less than 90 days	**118.0**	108.2
Past due over 90 days	**14.7**	11.8
Trade receivables	**450.5**	363.1

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

Superior's trade receivables are stated after deducting a provision of $7.3 million as at December 31, 2013 (December 31, 2012 – $7.2 million). The movement in the provision for doubtful accounts was as follows:

	December 31, 2013	December 31, 2012
Allowance for doubtful accounts, at the beginning of the period	**(7.2)**	(20.8)
Impairment losses recognized on receivables	**(3.6)**	(3.9)
Amounts written off during the period as uncollectible	**3.0**	17.5
Amounts recovered	**0.5**	–
Allowance for doubtful accounts, at the end of the period	**(7.3)**	(7.2)

Liquidity Risk

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

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

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

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

	2014	**2015**	**2016**	**2017**	**2018**	**2019 and Thereafter**	**Total**
Borrowing	67.0	57.2	439.5	6.5	4.6	3.9	578.7
Convertible unsecured subordinated debentures	–	–	72.7	168.6	144.9	83.2	469.4
US$ foreign currency forward sales contracts (US$)	219.0	186.0	113.4	51.0	–	–	569.4
US$ foreign currency forward purchases contracts (US$)	(27.0)	–	–	–	–	–	(27.0)
CDN$ natural gas purchases	9.6	0.8	0.3	0.2	–	–	10.9
CDN$ propane purchases (CDN$)	6.1	0.2	–	–	–	–	6.3
US$ propane purchases (US$)	1.5	–	–	–	–	–	1.5
Fixed-price electricity purchase commitments	3.7	17.7	17.7	17.7	17.7	–	74.5

Superior's contractual obligations are considered normal-course operating commitments and do not include the impact of mark-to-market fair values on financial and non-financial derivatives. Superior expects to fund these obligations through a combination of cash flow from operations, proceeds on revolving term bank credits and proceeds on the issuance of share capital. Superior's financial instruments' sensitivities as at December 31, 2013 are consistent with those disclosed in Superior's 2013 annual consolidated financial statements.

16. 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 twelve months ended December 31, 2013 was $7.2 million and $(5.7) million, respectively, compared to $0.9 million and $(9.0) million in the comparative periods. For the three and twelve months ended December 31, 2013, deferred income tax recovery (expense) from operations in Canada, the United States and Chile was $7.0 million and $(5.4) million, respectively, which resulted in a corresponding total deferred net income tax asset of $288.3 million. The deferred net income tax recovery for the three and twelve months ended December 31, 2012 was a $1.2 million and $(7.9) million, respectively.

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

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

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

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

During 2013, Superior filed a Notice of Objection and a Notice of Appeal with respect to the Notice of Reassessments received on May 8, 2013. Superior anticipates that if the case proceeds in the Tax Court of Canada, the case could be heard in the second half of 2014, with a decision rendered by the beginning of fiscal 2015. If a decision of the Tax Court of Canada were to be appealed, the appeal process could reasonably be expected to take an additional 2 years. If Superior receives a positive decision then any taxes, interest and penalties paid to the CRA will be refunded plus interest and if Superior is unsuccessful then any remaining taxes payable plus interest and penalties will have to be remitted.

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

17. Total Equity

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

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

	Issued Number of Common Shares (Millions)	Total Equity[1]
Total Equity, December 31, 2012	**112.8**	**374.4**
Net earnings	–	52.7
Other comprehensive income	–	46.0
Option value associated with redemption of convertible debentures	–	(1.1)
Shares issued under Dividend Reinvestment Plan	0.4	4.9
Issuance of common shares	13.0	137.6
Dividends declared to shareholders [2]	–	(74.3)
Total Equity, December 31, 2013	**126.2**	**540.2**

[1] December 31, 2012 has been restated for the impact of a prior-period adjustment. Refer to Note 11.

[2] Dividends to shareholders are declared at the discretion of Superior. During the twelve months ended December 31, 2012, Superior paid dividends of $73.7 million or $0.60 per share (December 31, 2012 – $67.1 million or $0.60 per share).

	December 31, 2013	December 31, 2012[1][2]
Accumulated other comprehensive loss before reclassification		
Currency translation adjustment		
Balance at the beginning of the period	**(22.6)**	(13.8)
Unrealized foreign currency gains (losses) on translation of foreign operations	**26.6**	(8.8)
Balance at the end of the period	**4.0**	(22.6)
Actuarial defined benefits		
Balance at the beginning of the period	**(25.3)**	(31.4)
Actuarial defined benefit gains	**26.4**	7.2
Income tax expense on other comprehensive loss	**(6.6)**	(1.1)
Balance at the end of the period	**(5.5)**	(25.3)
Total accumulated other comprehensive loss before reclassification	**(1.5)**	(47.9)
Amounts reclassified from accumulated other comprehensive loss		
Accumulated derivative losses		
Balance at the beginning of the period	**(6.0)**	(6.0)
Reclassification of derivative losses previously deferred[3]	**(0.4)**	–
Balance at the end of the period	**(6.4)**	(6.0)
Total amounts reclassified from accumulated other comprehensive loss	**(6.4)**	(6.0)
Accumulated other comprehensive loss at the end of the period	**(7.9)**	(53.9)

[1] December 31, 2012 has been restated for the impact of adopting IAS 19 – *Employee Benefits, amendments* effective January 1, 2013. Refer to Note 2

[2] December 31, 2012 has been restated for the impact of a prior-period adjustment. Refer to Note 11.

[3] The reclassification of derivative losses previously deferred is included in unrealized (losses) gains on derivative financial instruments on the statement of net earnings.

Other Capital Disclosures

Additional Capital Disclosure

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

In the management of capital, Superior includes shareholders' equity (excluding accumulated other comprehensive income), 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 the nature of the underlying assets. In order to maintain or adjust the capital structure, Superior may adjust the amount of dividends to Shareholders, issue additional share capital, issue new debt or convertible debentures, issue new debt or convertible debentures with different characteristics.

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 its other public reports.

Superior is subject to various financial covenants in its credit facility agreements, including senior debt, total debt to EBITDA ratio and restricted payments tests, which are measured on a quarterly basis. As at December 31, 2013 and December 31, 2012 Superior was in compliance with all of its financial covenants.

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

Financial Measures utilized for bank covenant purposes

Compliance EBITDA

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

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

As at	**December 31, 2013**	December 31, 2012 [(1)(3)]
Total shareholders' equity	**540.2**	374.4
Exclude accumulated other comprehensive loss	**7.9**	53.9
Shareholders' equity excluding accumulated other comprehensive loss	**548.1**	428.3
Current borrowing [(2)]	**67.0**	59.7
Borrowing [(2)]	**511.7**	579.9
Less: Senior unsecured debentures[(4)]	–	(150.0)
Consolidated secured debt	**578.7**	489.6
Add: Senior unsecured debentures[(4)]	–	150.0
Consolidated debt	**578.7**	639.6
Current portion of convertible unsecured subordinated debentures [(2)]	–	50.0
Convertible unsecured subordinated debentures [(2)]	**494.5**	491.5
Total debt	**1,073.2**	1,181.1
Total capital	**1,621.3**	1,609.4

(1) December 31, 2012 has been restated for the impact of a prior-period adjustment. Refer to Note 11.
(2) Borrowing and convertible unsecured subordinated debentures are before deferred financing fees and option value.
(3) December 31, 2012 has been restated for the impact of adopting IAS 19 – *Employee Benefits, amendments* effective January 1, 2012. Refer to Note 2.
(4) Superior redeemed all of its outstanding $150.0 million 8.25% senior unsecured debentures due October 27, 2016 in accordance with the indenture governing the 8.25% Debentures on October 28, 2013.

	2013	2012[2]
Net earnings	**52.7**	90.0
Adjusted for:		
Finance expense	**71.8**	77.6
Realized gains on derivative financial instruments included in finance expense	**3.9**	2.2
Depreciation included in selling, distribution and administrative costs	**42.2**	42.4
Depreciation included in cost of sales	**41.3**	44.9
(Gains) losses on disposal of assets	**(2.9)**	1.0
Amortization of intangible assets	**19.4**	23.5
Impairment of property, plant and equipment, intangible assets and goodwill	**15.5**	4.7
Income tax expense	**5.7**	9.0
Unrealized losses (gains) on derivative financial instruments	**5.1**	(32.1)
Pro-forma impact of acquisitions	**8.5**	–
Compliance EBITDA [1][2]	**263.2**	263.2

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

[2] The twelve months ended December 31, 2012 has been restated for the impact of adopting IAS 19 – *Employee Benefits, amendments* effective January 1, 2013. Refer to Note 2.

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

	December, 2013	December 31,
Consolidated secured debt to compliance EBITDA	**2.2:1**	1.9:1
Consolidated debt to compliance EBITDA	**2.2:1**	2.4:1
Total debt to compliance EBITDA	**4.1:1**	4.5:1

[1] The compliance ratios have been restated for the impact of adopting IAS 19 – *Employee Benefits, amendments* effective January 1, 2013. Refer to Note 2.

18. Net Earnings per Share

	Three months ended December 31,		**Twelve months ended December 31,**	
	2013	2012[1]	**2013**	2012[1]
Net earnings per share computation, basic				
Net earnings for the period	**10.9**	13.5	**52.7**	90.0
Weighted average shares outstanding (millions)	**126.2**	112.6	**123.1**	111.9
Net earnings per share, basic	**$0.09**	$0.12	**$0.43**	$0.80

[1] Three and Twelve months ended December 31, 2012 has been restated for the impact of adopting IAS *19 – Employee Benefits, amendments* effective January 1, 2013. Refer to Note 2.

	Three months ended December 31,		**Twelve months ended December 31,**	
	2013[2]	2012[1]	**2013**[3]	2012[1]
Net earnings per share computation, diluted				
Net earnings for the period	**7.5**	13.5	**52.1**	90.0
Weighted average shares outstanding (millions)	**141.9**	112.6	**128.9**	111.9
Net earnings per share, diluted	**$0.05**	$0.12	**$0.40**	$0.80

[1] Three and Twelve months ended December 31, 2012 has been restated for the impact of adopting IAS *19 – Employee Benefits, amendments* effective January 1, 2013. Refer to Note 2.

[2] The following outstanding convertible debentures have been excluded from the calculation for the three months ended December 31, 2013 as they were anti-dilutive: 7.50% convertible debentures due October 2016 and 5.75% convertible debentures due June 2017.

[3] The following outstanding convertible debentures have been excluded from the calculation for the twelve months ended December 31, 2013 as they were anti-dilutive: 6.00% convertible debentures due June 2018, 5.75% convertible debentures due June 2017, 7.50% convertible debenture due October 2016.

19. Supplemental Disclosure of Non-Cash Operating Working Capital Change

	Three months ended December 31,		**Twelve months ended December 31,**	
	2013	2012	**2013**	2012
Changes in non-cash working capital				
Trade receivables and other	**(137.3)**	(47.0)	**(105.7)**	84.0
Inventories	**(22.5)**	(20.4)	**7.4**	(10.6)
Trade and other payables	**83.6**	18.3	**86.4**	25.9
Purchased working capital	**(2.0)**	–	**(2.0)**	1.1
Other	**6.2**	(8.1)	**14.2**	(15.7)
	(72.0)	(57.2)	**0.3**	84.7

20. Supplemental Disclosure of Condensed Consolidated Statement of Total Comprehensive Income

	Three months ended December 31,		Twelve months ended December 31,	
	2013	2012[(1)]	**2013**	2012[(1)]
Revenues				
Revenue from products	**1,007.6**	906.0	**3,659.8**	3,526.3
Revenue from the rendering of services	**20.1**	18.4	**63.8**	59.3
Rental revenue	**8.0**	7.7	**27.3**	26.1
Construction contract revenue	**(0.5)**	(0.5)	**(0.4)**	4.9
Realized (losses) gains on derivative financial instruments	**(0.5)**	2.4	**2.3**	7.7
	1,034.7	934.0	**3,752.8**	3,624.3
Cost of sales (includes products and services)				
Cost of products and services	**(775.1)**	(683.2)	**(2,810.8)**	(2,662.5)
Depreciation included in cost of sales	**(10.9)**	(11.5)	**(41.3)**	(44.9)
Realized losses on derivative financial instruments	**(7.9)**	(11.1)	**(31.9)**	(70.6)
	(793.9)	(705.8)	**(2,884.0)**	(2,778.0)
Selling, distribution and administrative costs				
Other selling, distribution and administrative costs	**(83.0)**	(71.1)	**(281.6)**	(274.5)
Restructuring costs	**(9.0)**	(2.4)	**(9.5)**	(6.6)
Employee future benefit expense	**(1.5)**	(2.2)	**(6.2)**	(6.8)
Employee costs	**(92.7)**	(85.3)	**(364.9)**	(337.4)
Depreciation included in selling, distribution and administrative costs	**(10.9)**	(10.7)	**(42.2)**	(42.4)
Amortization of intangible assets	**(5.1)**	(5.5)	**(19.4)**	(26.8)
(Losses) gains on disposal of assets	**(0.3)**	(1.7)	**2.9**	(1.0)
Realized losses (gains) on the translation of U.S. denominated net working capital	**1.6**	0.3	**2.9**	(1.6)
	(200.9)	(178.6)	**(718.0)**	(697.1)
Finance expense				
Interest on borrowing	**(5.1)**	(7.9)	**(27.0)**	(33.1)
Interest on convertible unsecured subordinated debentures	**(7.6)**	(8.5)	**(31.1)**	(35.8)
Interest on obligations under finance leases	**(1.1)**	(1.3)	**(3.3)**	(5.0)
(Loss) gain on debenture redemptions	**(6.1)**	–	**(5.5)**	0.8
Unwinding of discount on debentures, borrowing and decommissioning liabilities	**(3.0)**	(1.6)	**(8.8)**	(6.7)
Realized gains on derivative financial instruments	**2.6**	1.1	**3.9**	2.2
	(20.3)	(18.2)	**(71.8)**	(77.6)

(1) December 31, 2012 has been restated for the impact of adopting IAS *19 – Employee Benefits, amendments* effective January 1, 2013. Refer to Note 2.

21. 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 twelve months ended December 31, 2013, Superior incurred $0.1 million (December 31, 2012 -$0.1 million) and $1.0 million (December 31, 2012- $0.7 million) in legal fees respectively, with Norton Rose Canada LLP, a related party with Superior because a member of Superior's Board of Directors is a partner at the law firm.

22. Reportable Segment Information

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

For the three months ended December 31, 2013	**Energy Services**	**Specialty Chemicals**	**Construction Products Distribution**	**Corporate**	**Total Consolidated**
Revenue	**682.9**	**155.1**	**196.7**	**–**	**1,034.7**
Cost of sales (includes product & services)	**(548.8)**	**(99.4)**	**(145.7)**	**–**	**(793.9)**
Gross Profit	**134.1**	**55.7**	**51.0**	**–**	**240.8**
Expenses					
Selling, distribution and administrative costs	**(111.1)**	**(35.7)**	**(48.4)**	**(5.7)**	**(200.9)**
Finance expense	**(0.8)**	**(0.2)**	**(0.2)**	**(19.1)**	**(20.3)**
Impairment of property, plant, and equipment, intangible assets and goodwill	**(15.5)**	**–**	**–**	**–**	**(15.5)**
Unrealized gains (losses) on derivative financial instruments	**14.2**	**(2.3)**	**–**	**(12.3)**	**(0.4)**
	(113.2)	**(38.2)**	**(48.6)**	**(37.1)**	**(237.1)**
Net earnings (loss) before income taxes	**20.9**	**17.5**	**2.4**	**(37.1)**	**3.7**
Income tax recovery	**–**	**–**	**–**	**7.2**	**7.2**
Net Earnings (Loss)	**20.9**	**17.5**	**2.4**	**(29.9)**	**10.9**

For the three months ended December 31, 2012	**Energy Services**	**Specialty Chemicals**	**Construction Products Distribution**	**Corporate**	**Total Consolidated**
Revenue	602.2	138.6	193.2	–	934.0
Cost of sales (includes product & services)	(472.6)	(87.6)	(145.6)	–	(705.8)
Gross Profit	129.6	51.0	47.6	–	228.2
Expenses					
Selling, distribution and administrative costs	(98.1)	(35.6)	(41.3)	(3.6)	(178.6)
Finance expense	(1.2)	(0.1)	(0.2)	(16.7)	(18.2)
Impairment of property, plant, and equipment, intangible assets and goodwill	(4.7)	–	–	–	(4.7)
Unrealized gains (losses) on derivative financial instruments	1.7	1.6	–	(17.4)	(14.1)
	(102.3)	(34.1)	(41.5)	(37.7)	(215.6)
Net earnings (loss) before income taxes	27.3	16.9	6.1	(37.7)	12.6
Income tax recovery	–	–	–	0.9	0.9
Net Earnings (Loss)	27.3	16.9	6.1	(36.8)	13.5

For the year ended December 31, 2013	**Energy Services**	**Specialty Chemicals**	**Construction Products Distribution**	**Corporate**	**Total Consolidated**
Revenue	**2,372.9**	**579.7**	**800.2**	**–**	**3,752.8**
Cost of sales (includes product & services)	**(1,907.7)**	**(372.1)**	**(604.2)**	**–**	**(2,884.0)**
Gross Profit	**465.2**	**207.6**	**196.0**	**–**	**868.8**
Expenses					
Selling, distribution and administrative costs	**(387.9)**	**(135.4)**	**(175.1)**	**(19.6)**	**(718.0)**
Finance expense	**(2.7)**	**(0.4)**	**(0.6)**	**(68.1)**	**(71.8)**
Impairment of property, plant, and equipment, intangible assets and goodwill	**(15.5)**	**–**	**–**	**–**	**(15.5)**
Unrealized gains (losses) on derivative financial instruments	**35.4**	**0.3**	**–**	**(40.8)**	**(5.1)**
	(370.7)	**(135.5)**	**(175.7)**	**(128.5)**	**(810.4)**
Net earnings (loss) before income taxes	**94.5**	**72.1**	**20.3**	**(128.5)**	**58.4**
Income tax expense	**–**	**–**	**–**	**(5.7)**	**(5.7)**
Net Earnings (Loss)	**94.5**	**72.1**	**20.3**	**(134.2)**	**52.7**

For the year ended December 31, 2012	**Energy Services**	**Specialty Chemicals**	**Construction Products Distribution**	**Corporate**	**Total Consolidated**
Revenue	2,301.6	543.8	778.9	–	3,624.3
Cost of sales (includes product & services)	(1,854.2)	(328.8)	(595.0)	–	(2,778.0)
Gross Profit	447.4	215.0	183.9	–	846.3
Expenses					
Selling, distribution and administrative costs	(370.3)	(141.1)	(169.4)	(16.3)	(697.1)
Finance expense	(4.5)	(0.3)	(0.7)	(72.1)	(77.6)
Impairment of property, plant, and equipment, intangible assets and goodwill	(4.7)	–	–	–	(4.7)
Unrealized gains (losses) on derivative financial instruments	43.8	1.6	–	(13.3)	32.1
	(335.7)	(139.8)	(170.1)	(101.7)	(747.3)
Net earnings (loss) before income taxes	111.7	75.2	13.8	(101.7)	99.0
Income tax expense	–	–	–	(9.0)	(9.0)
Net Earnings (Loss)	111.7	75.2	13.8	(110.7)	90.0

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 December 31, 2013					
Net working capital [1]	**178.7**	**28.5**	**103.1**	**(17.2)**	**293.1**
Total assets	**779.3**	**651.3**	**209.6**	**500.9**	**2,141.1**
Total liabilities	**317.9**	**178.0**	**96.4**	**1,008.6**	**1,600.9**
As at December 31, 2012					
Net working capital [1][2]	179.5	16.3	105.5	(22.1)	279.2
Total assets	725.4	585.6	199.6	521.5	2,032.1
Total liabilities	303.1	171.7	84.2	1,098.7	1,657.7
For the three months ended December 31, 2013					
Acquisitions	**7.6**	**4.3**	**–**	**–**	**11.9**
Purchase of property, plant and equipment	**9.2**	**15.7**	**1.5**	**–**	**26.4**
For the three months ended December 31, 2012					
Acquisitions	–	–	–	–	–
Purchase of property, plant and equipment	12.1	9.6	0.4	–	22.1
For the twelve months ended December 31, 2013					
Acquisitions	**7.6**	**4.3**	**–**	**–**	**11.9**
Purchase of property, plant and equipment	**35.5**	**40.3**	**2.7**	**–**	**78.5**
For the twelve months ended December 31, 2012					
Acquisitions	5.5	–	–	–	5.5
Purchase of property, plant and equipment	21.9	20.3	1.6	–	43.8

[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.
[2] December 31, 2012 has been restated for the impact of a prior-period adjustment. Refer to Note 11.

23. Geographical Information

	Canada	United States	Other	Total Consolidated
Revenue for the three months ended December 31, 2013	**432.8**	**583.3**	**18.6**	**1,034.7**
Revenue for the twelve months ended December 31, 2013	**1,413.6**	**2,248.5**	**90.7**	**3,752.8**
Property, plant and equipment as at December 31, 2013	**458.9**	**374.6**	**44.4**	**877.9**
Intangible assets as at December 31, 2013	**15.2**	**3.8**	**–**	**19.0**
Goodwill as at December 31, 2013	**188.2**	**5.5**	**–**	**193.7**
Total assets as at December 31, 2013	**1,388.1**	**691.4**	**61.6**	**2,141.1**
Revenue for the three months ended December 31, 2012	368.4	542.3	23.3	934.0
Revenue for the twelve months ended December 31, 2012	1,428.5	2,094.6	101.2	3,624.3
Property, plant and equipment as at December 31, 2012	460.6	324.4	44.9	829.9
Intangible assets as at December 31, 2012	15.8	23.8	–	39.6
Goodwill as at December 31, 2012	188.3	0.8	–	189.1
Total assets as at December 31, 2012	1,320.6	645.4	66.1	2,032.1