TSX: SPB

Superior Plus

August 2, 2012

Superior Plus Corp. Announces a 44% Increase in 2012 Second Quarter Results

Second Quarter Highlights

- For the quarter ended June 30, 2012, Superior generated adjusted operating cash flow (AOCF) per share of $0.26 compared to $0.18 per share in the comparative period due to improved results at the Energy Services and Specialty Chemicals businesses, offset in part, by a higher number of average shares outstanding due to Superior's dividend reinvestment plan.
- Energy Services results benefited from improved margins in the Canadian propane and U.S. refined fuels businesses.
- Specialty Chemicals results benefitted from higher sodium chlorate gross profits due to improved sales mix which more than offset the impact of reduced chloralkali gross profits.
- Superior's 2012 financial outlook of AOCF per share of $1.45 to $1.80 is unchanged from the financial outlook provided at the end of the first quarter of 2012. Superior anticipates that one-time costs of approximately $0.05 to $0.08 per share related to the implementation of business improvement initiatives will be incurred in fiscal 2012 ($0.02 per share incurred year-to-date), the impact of which is included in Superior's 2012 financial outlook. See "2012 Financial Outlook" for additional details.
- Superior's total debt to EBITDA improved to 4.4X as at June 30, 2012, compared to 5.1X at December 31, 2011 and 5.3X at June 30, 2011. Superior continues to make excellent progress on its debt reduction initiative and is currently on track to meet its December 31, 2012 forecasted total debt to EBITDA ratio of 4.4X to 4.6X. The seasonality of Superior's business impacts Superior's debt to EBITDA ratios due to changes in working capital requirements which are typically at a seasonal low as at June 30. See "Debt Management Update" for additional details on the forecasted December 31, 2012 debt to EBITDA ratio. Superior's targeted total debt to EBITDA remains unchanged at 3.5X to 4.0X.
- Superior redeemed the remaining $49.94 million, 5.75% 2012 convertible debentures on August 1, 2012.

Second Quarter Financial Summary

(millions of dollars except per share amounts)	**Three months ended June 30, 2012**	Three months ended June 30, 2011	**Six months ended June 30, 2012**	Six months ended June 30, 2011
Revenue	**834.3**	898.4	**1,900.2**	2,037.2
Gross profit	**184.8**	176.0	**422.2**	414.4
EBITDA from operations [(1)]	**49.8**	44.6	**141.1**	139.7
Interest	**(17.1)**	(20.8)	**(36.8)**	(39.3)
Cash income tax expense	**(0.3)**	(0.1)	**(0.5)**	(0.2)
Corporate costs	**(3.4)**	(3.9)	**(7.4)**	(7.1)
Adjusted operating cash flow [(1)]	**29.0**	19.8	**96.4**	93.1
Adjusted operating cash flow per share, basic and diluted [(1)(2)(3)]	**$0.26**	$0.18	**$0.87**	$0.86
Dividends paid per share	**$0.15**	$0.30	**$0.30**	$0.67

(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 2012 Second Quarter Management's Discussion and Analysis.

(2) The weighted average number of shares outstanding for the three months ended June 30, 2012 is 111.6 million (2011 – 108.9 million) and for the six months ended June 30, 2012 is 111.4 million (2011 – 108.5 million).

(3) For the three and six months ended June 30, 2012 and 2011, there were no dilutive instruments.

Segmented Information

(millions of dollars)	**Three months ended June 30, 2012**	Three months ended June 30, 2011	**Six months ended June 30, 2012**	Six months ended June 30, 2011
EBITDA from operations:				
Energy Services	**16.4**	13.4	**74.8**	79.0
Specialty Chemicals	**27.3**	24.8	**56.9**	50.5
Construction Products Distribution	**6.1**	6.4	**9.4**	10.2
	49.8	44.6	**141.1**	139.7

Energy Services

- Energy Services EBITDA from operations for the second quarter was $16.4 million compared to $13.4 million in the prior year quarter. The increase is due to higher results from the Canadian propane business and supply portfolio management business. Results from the other businesses within the Energy Services segment were consistent with the prior year period.
- During the second quarter steps were taken to improve the senior leadership and management team at the Canadian Propane business, including a change of the President of the Canadian propane operations. Greg McCamus, President of the U.S. refined fuels business assumed the role of acting President of the Canadian propane operations. Keith Wrisley, the Vice-President of operations of the U.S. refined fuels business will serve as acting President of the U.S. refined fuels business. Both Mr. McCamus and Mr. Wrisley are proven business leaders with a strong track record of improving business performance.
- The Canadian propane business generated gross profit of $47.5 million in the second quarter compared to $45.6 million in the prior year quarter, as an improvement in average sales margins more than offset a modest reduction in sales volumes.

- Canadian propane average sales margins were 18.6 cents per litre in the second quarter compared to 17.5 cents per litre in the prior year quarter. The increase in the average sales margin was due to improved pricing on industrial and commercial contracts, benefits associated with a reduction in the wholesale cost of propane, and improvements to overall pricing management. These improvements were partially offset by a higher proportion of lower margin industrial volumes.
- Canadian propane distribution sales volumes were 5 million litres or 2% lower than the prior year quarter due principally to the impact of weather on heating related volumes. Non-heating based industrial volumes continued to benefit from strong demand from the oil and gas sector.
- Although weather does not typically have a material impact on second quarter total sales volumes, heating related volumes, in particular, residential and commercial volumes within the Canadian propane business were negatively impacted by warm weather throughout most of Canada in the second quarter. In addition, record or near record warm temperatures experienced during the first quarter which had an ongoing impact into the beginning of the second quarter. Average weather across Canada, as measured by degree days, for the second quarter was 4% warmer than the prior year and 1% warmer than the 5-year average.
- The U.S. refined fuels business generated gross profits of $23.6 million in the second quarter compared to $23.7 million in the prior year quarter. Gross profits were consistent with the prior year period as a 10% improvement in gross margins fully offset the impact of a 10% reduction in sales volumes.
- U.S. refined fuels average sales margins were 6.5 cents per litre in the quarter, compared to 5.9 cents per litre in the prior year quarter. Sales margins benefited from a reduction in the wholesale cost of propane and heating oil, in addition to a modest improvement in overall sales mix relative to the prior year period.
- Similar to the Canadian propane operations, weather does not typically have a material impact on second quarter total sales volumes due to the seasonality of heating related volumes. Although not as significant as in the first quarter, heating related volumes, in particular, residential and commercial volumes within the U.S. refined fuels business were negatively impacted by warm weather throughout most of the Northeast U.S. in the second quarter. Again, record or near record warm temperatures experienced during the first quarter had an ongoing impact into the beginning of the second quarter. Average weather across the Northeast U.S., as measured by degree days, for the second quarter was 1% warmer than the prior year and 9% warmer than the 5-year average.
- The fixed-price energy services business generated gross profits of $8.9 million compared to $9.0 million in the prior year quarter as reduced natural gas profits more than offset improved electricity gross 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 due to a change in strategy in prior years to focus on small commercial and industrial accounts, offset in part, by improved unit margins due to reduced risk balancing reserves as a result of improvements in the spot price of natural gas. Improved electricity gross profits were due to the aggregation of new customers compared to the prior year quarter.
- The supply portfolio management business generated gross profits of $1.7 million in the second quarter compared to $3.2 million in the comparative period. The decrease in gross profit is due to the

write-down of propane inventory as a result of lower market prices, offset in part, by improved market trading opportunities throughout the quarter relative to the prior year quarter.

- Operating expenses were $73.3 million in the quarter compared to $76.2 million in the prior year quarter. The decrease in operating expenses is due to lower operating costs within the Canadian propane and Northeast U.S. refined fuels businesses as a result of reduced sales volumes as noted previously.
- Initiatives to improve results in the Energy Services business continued during the second quarter in conjunction with Superior's goal for each of its businesses to become best in class. Business improvement projects for 2012/2013 will be focused on: a) improving customer service levels, b) improving overall logistics and procurement functions, c) enhancing the management of margins through intelligent pricing, d) working capital management, and e) improving existing and implementing new technologies to facilitate improvements to the business.
- Superior expects business conditions in 2012 for its Energy Services business will be similar to 2011, with the exception of a reduced contribution from its fixed-price energy services business. The fixed-price energy services business profitability will moderate as it is expected there will be fewer renewals of residential customers at favourable margins due to market conditions. Additionally, weather is anticipated to be consistent with the 5-year average for the second half of 2012.

Specialty Chemicals

- EBITDA from operations for the second quarter was $27.3 million compared to $24.8 million in the prior year quarter as higher average realized selling prices and improved sodium chlorate sales volumes more than offset a reduction in chloralkali sales volumes.
- Sodium chlorate gross profits were higher than the prior year quarter due to higher average realized selling prices and the absence of higher cost external purchases required in the prior year quarter resulting from a temporary production outage at the Buckingham, Quebec facility. These improvements more than offset increased transportation charges as a result of changes to sales mix.
- Sodium chlorate sales volumes were 2% higher than the prior year quarter due to higher demand from North American and international customers.
- Chloralkali gross profits were lower than the prior year as reduced sales volumes and higher input costs more than offset higher average realized selling prices. Sales volumes of chloralkali products decreased by 4,000 tonnes or 6% due in part to the timing of maintenance and repair activities and reduced demand as a result of ongoing economic uncertainty.
- Operating expenses were $4.3 million higher than the prior year as result of higher plant maintenance costs due in part to the timing of maintenance compared to the prior year, higher employee costs and general inflationary increases.
- As previously announced in the first quarter, Superior has approved an $18 million expansion of the hydrochloric acid production capacity at the Port Edwards, Wisconsin chloralkali facility. The existing capacity of 110,000 wet metric tonnes (WMT), or 36,000 dry metric tonnes, will increase to approximately 220,000 WMT upon completion of the expansion. The project will be completed through 2012 and 2013 with commercial production expected in the first quarter of 2014.
- Superior expects business conditions in 2012 for its Specialty Chemicals business will be similar to 2011. Superior continues to see a stable market for sodium chlorate as a result of the current market

for pulp. Superior also expects a moderation in chloralkali sales volumes as the North American supply demand fundamentals have returned to balanced levels; the market for chloralkali continues to be supported by low natural gas prices.

Construction Products Distribution

- EBITDA from operations for the second quarter, including one-time restructuring charges of $0.5 million was $6.1 million compared to $6.4 million in the prior year quarter.
- Construction Products Distribution's results were $0.3 million lower than the prior year quarter as higher operating costs, due in part to the restructuring costs noted above, were offset by improved gross profit.
- Gross profit was $3.0 million higher than the prior year quarter as a result of improved sales volumes. Gross profit and sales volumes benefited from improved demand within the commercial and industrial insulation segment, due to a stronger focus on sales and marketing and the impact of improved industrial project activity. In addition, gypsum sales volumes increased over the prior year due to improved U.S. demand and the introduction of the full interiors product line into select U.S. markets that were previously acoustical ceiling focused. Gross margins as a percentage of sales were lower than the prior year due to competitive pressures and manufacturer price increases.
- Operating expenses were $3.3 million higher than the prior year. The increase in operating expenses is due to higher sales volumes and inflationary increases on wages and other operating costs. Additionally, the second quarter includes $0.5 million ($1.6 million year-to-date) in costs associated with operational restructuring. Operating expenses as a percentage of sales were lower than the prior year quarter.
- The Construction Products Distribution business continues to review all aspects of operations to optimize its cost structure and improve gross margins. Superior anticipates that an additional $2.5 to $3.5 million in restructuring costs will be incurred in 2012 due principally to the reorganization or closure of approximately 10 to 15 branches. Restructuring activities are being actively managed to minimize costs and the impact on customers.
- Initiatives to improve results in the Construction Products Distribution business continued during the second quarter. Business improvement projects for 2012/2013 will be focused on: a) assessment of overall logistics and existing branch network, b) review of supply chain management including procurement and transportation, c) review of product pricing, and d) working capital management.
- Superior expects business conditions in 2012 for its Construction Products Distribution business to be similar to 2011. EBITDA from operations is anticipated to be lower than in 2011 due to anticipated costs associated with further restructuring activities and ongoing adverse market conditions in both the residential and commercial segments in both Canada and the U.S. Superior does not anticipate significant improvements in the end-use markets in the near term.

Corporate Related

- Total interest expense for the second quarter was $17.1 million compared to $20.8 million in the prior year quarter. Interest expense was lower than the prior year quarter as a result of lower average debt levels due to Superior's ongoing focus to reduce its total debt levels.

- Corporate costs were $3.4 million in the current quarter, a $0.5 million decrease over the prior year quarter due to lower costs associated with Superior's long-term incentive plans as a result of a reduction in Superior's share price during the second quarter of 2012.
- Superior's dividend re-investment program (DRIP) generated proceeds of $3.4 million during the second quarter ($7.0 million year-to-date). Proceeds from the DRIP will be used to reduce existing debt levels. The DRIP provides Superior's shareholders with the opportunity to reinvest their cash dividends in the future growth of the business at a 5% discount to the market price of Superior's common shares.
- Superior's total debt (including convertible debentures) to Compliance EBITDA improved to 4.4X as at June 30, 2012, compared to 5.1X as at December 31, 2011, and 5.3X as at June 30, 2011. Superior continues to make progress on reducing its total leverage by focusing on debt reduction, including reducing working capital requirements and improving business operations.
- On August 1, 2012, Superior redeemed its remaining $49.94 million, 5.75% 2012 convertible debenture obligation.

2012 Financial Outlook

Superior expects 2012 AOCF per share of $1.45 to $1.80, consistent with the 2012 financial outlook provided at the first quarter of 2012.

Luc Desjardins, Superior's President and Chief Executive Officer stated "Superior is pleased with the results for the second quarter and we are encouraged that our results are beginning to demonstrate the improvements associated with a number of the business initiatives that were implemented in the first quarter of 2012. Superior remains committed to transforming into a best in class organization and while much work remains to achieve this goal, I remain confident that with the hard work of Superior's employees and the support of our various stakeholders, Superior will successfully complete the transformation to be best in class. Additionally, I am pleased to confirm that Superior remains confident in its ability to achieve its 2012 financial outlook of $1.45 to $1.80 of AOCF per share based on the current state of the North American economy and the assumption average temperatures return to historical levels for the second half of 2012."

For additional details on the assumptions underlying the 2012 financial outlook, see Superior's 2012 Second Quarter Management's Discussion and Analysis.

Debt Management Update

Superior remains committed to reducing its total debt and its total debt leverage ratios. An update to the anticipated total debt and total debt leverage ratios as at December 31, 2012, based on Superior's 2012 financial outlook and Superior's 2012 second quarter year-to-date results, is detailed in the chart below.

	(Dollar Per Share)	(Millions of Dollars)
2012 financial outlook AOCF per share – mid-point [1]	1.62	181.4
Maintenance capital expenditures, net	(0.14)	(15.5)
Capital lease obligation repayments	(0.14)	(15.3)
Cash flow available for dividends and debt repayment before growth capital	1.34	150.6
Expansion of Port Edward's facility and one-time environmental costs	(0.10)	(11.0)
Other growth capital expenditures	(0.17)	(19.4)
Proceeds from dividend reinvestment program	0.12	13.8
Estimated 2012 free cash flow available for dividend and debt repayment	1.19	134.0
Dividends (annualized)	(0.60)	(67.2)
Cash flow available for debt repayment before working capital initiatives	0.59	66.8
Working capital reduction initiatives	0.40	45.0
Total estimated debt repayment (including Q2 2012 Actuals)	0.99	111.8
Estimated total debt to EBTIDA as at December 31, 2012	4.4X – 4.6X	4.4X – 4.6X
Dividends (annualized)	0.60	67.2
Calculated payout ratio after all capital expenditures	50%	50%

[1] See "2012 Financial Outlook" in Superior's 2012 Second Quarter Management's Discussion and Analysis for additional details including assumptions, definitions and risk factors.

2012 Detailed Second Quarter Results

Superior's 2012 Second Quarter Management's Discussion and Analysis is attached and is also available on Superior's website at: www.superiorplus.com under the Investor Relations section.

Second Quarter Conference Call

Superior will be conducting a conference call and webcast for investors, analysts, brokers and media representatives to discuss the 2012 Second Quarter Results at 8:30 a.m. MDT on Friday, August 3, 2012. To participate in the call, dial: 1-877-240-9772. An archived recording of the call will be available for replay until midnight, Wednesday, October 3, 2012. To access the recording, dial: 1-800-408-3053 and enter pass code 7899460 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.

Superior has posted an updated corporate presentation on its website which will be reviewed during the second quarter conference call. The presentation can be found at www.superiorplus.com.

Forward Looking Information

Certain information included herein is forward-looking, within the meaning of applicable Canadian securities laws. Forward-looking information includes, without limitation, statements regarding the future financial position and debt repayment, restructuring costs, business strategy and improvement projects, market conditions, budgets, litigation, projected costs, capital expenditures, financial results, adjusted operating cash flow, EBITDA from operations, taxes and plans and objectives of or involving Superior and Superior Plus LP. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "believe", "expect", "plan", "intend", "forecast", "target", "project", "guidance", "may", "will", "should", "could", "estimate", "predict" or similar words suggesting future outcomes or language suggesting an outlook. Forward-looking information in this press release, including the attached 2012 Second Quarter Management's Discussion and Analysis, includes but is not limited to, consolidated and business segment outlooks, product production, expected EBITDA from operations, expected AOCF, expected AOCF per share, expected leverage ratios and debt repayment, debt management summary, future capital expenditures, future economic conditions, tax horizon, future income taxes, exchange rates, dividend strategy, commodity prices and costs, development plans and programs, business improvement projects, effects of operational and technological improvements, expansion projects, restructuring costs, impact of accounts receivable collection delays, demand for chemicals including sodium chlorate and chloralkali, business strategy and objectives, payout ratio, future dividend payments, future cash flows, anticipated taxes, benefits and synergies resulting from corporate and asset acquisitions, expected life of facilities and statements regarding the future financial position of Superior and Superior Plus LP. Superior believes the expectations reflected in such forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

Forward-looking information is based on various assumptions. Those assumptions are based on information currently available to Superior, including information obtained from third party industry analysts and other third party sources, the historic performance of Superior's businesses, and such assumptions include anticipated financial performance, current business and economic trends, the amount of future dividends paid by Superior, business prospects, availability and utilization of tax basis, regulatory developments, currency, exchange and interest rates, trading data, cost estimates, our ability to obtain financing on acceptable terms, and the other assumptions set forth under the "Outlook" sections contained in the attached 2012 Second Quarter Management's Discussion and Analysis. Readers are cautioned that the preceding list of assumptions is not exhaustive.

Forward-looking information is not a guarantee of future performance. By its very nature, forward-looking information involves inherent risks and uncertainties, both general and specific, and risks that predictions, forecasts, projections and other forward-looking information will not be achieved, some of which are described herein and in the attached 2012 Second Quarter Management's Discussion and Analysis. Such risks and uncertainties may cause Superior's or Superior Plus LP's actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking information. We caution readers not to place undue reliance on this information as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations and anticipations, estimates and intentions expressed in such forward-looking information. These risks and uncertainties include but are not limited to the risks referred to under the section entitled "Risk Factors to Superior", in the attached 2012 Second Quarter Management's Discussion and Analysis, the risks associated with the availability and amount of the tax basis and the risks identified in Superior's 2011 Annual Information Form under the heading "Risk Factors". Superior's 2011 Annual Information Form is available at www.sedar.com and from Superior's website at www.superiorplus.com.

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

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

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

Management's Discussion and Analysis of 2012 Second Quarter Results
August 2, 2012

The following Management's Discussion and Analysis (MD&A) is a review of the financial performance and position of Superior Plus Corp. (Superior) as at June 30, 2012 and for the three and six months ended June 30, 2012 and 2011. The information in this MD&A is current to August 2, 2012. This MD&A should be read in conjunction with Superior's audited consolidated financial statements and notes to those statements as at and for the twelve months ended December 31, 2011 and its December 31, 2011 MD&A.

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

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

Second Quarter Results

Summary of Adjusted Operating Cash Flow

	Three months ended June 30,		Six months ended June 30,	
(millions of dollars except per share amounts)	**2012**	2011	**2012**	2011
EBITDA from operations: [1]				
Energy Services	**16.4**	13.4	**74.8**	79.0
Specialty Chemicals	**27.3**	24.8	**56.9**	50.5
Construction Products Distribution	**6.1**	6.4	**9.4**	10.2
	49.8	44.6	**141.1**	139.7
Interest	**(17.1)**	(20.8)	**(36.8)**	(39.3)
Cash income tax expense	**(0.3)**	(0.1)	**(0.5)**	(0.2)
Corporate costs	**(3.4)**	(3.9)	**(7.4)**	(7.1)
Adjusted operating cash flow[1]	**29.0**	19.8	**96.4**	93.1
Adjusted operating cash flow per share [2], basic [2] and diluted [3]	**$0.26**	$0.18	**$0.87**	$0.86

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

(2) The weighted average number of shares outstanding for the three months ended June 30, 2012, is 111.6 million (2011 – 108.9 million) and for the six months ended June 30, 2012, is 111.4 million (2011 – 108.5 million).

(3) For the three and six months ended June 30, 2012 and 2011, there were no dilutive instruments.

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

(millions of dollars)	Three months ended June 30, 2012	2011	Six months ended June 30, 2012	2011
Net cash flow from operating activities	**141.0**	104.4	**261.9**	162.1
Add: Decrease in non-cash working capital	**(94.6)**	(65.0)	**(128.2)**	(29.5)
Non cash interest expense	**1.6**	1.5	**3.3**	3.3
Less: Income taxes expense	**(0.3)**	(0.1)	**(0.5)**	(0.2)
Finance costs recognized in net earnings	**(18.7)**	(21.0)	**(40.1)**	(42.6)
Adjusted operating cash flow	**29.0**	19.8	**96.4**	93.1

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

Second quarter adjusted operating cash flow was $29.0 million, an increase of $9.2 million or 46% from the prior year quarter. The increase in adjusted operating cash flow was primarily due to higher operating results at Energy Services and Specialty Chemicals along with lower interest costs. Adjusted operating cash flow of $0.26 per share, increased by $0.08 per share as compared to the prior year quarter due to a 46% increase in adjusted operating cash flow as noted above offset in part by a 2% increase in the weighted average number of shares outstanding. The average number of shares outstanding increased in 2012 as a result of shares issued from Superior's Dividend Reinvestment Program and Optional Share Purchase Plan (DRIP).

Adjusted operating cash flow for the six months ended June 30, 2012 was $96.4 million, an increase of $3.3 million or 4% compared to the prior year period. The increase in adjusted operating cash flow was due to increased EBITDA from operations of Specialty Chemicals and lower interest costs. Adjusted operating cash flow per share was $0.87 per share for the six months ended June 30, 2012, an increase of $0.01 per share or 1% due to the increase in adjusted operating cash flow as noted above offset in part by a 3% increase in the weighted average number of shares outstanding. The average number of shares outstanding increased in 2012 as a result of shares issued from the DRIP.

The net earnings for the second quarter were $13.5 million, compared to net earnings of $1.1 million in the prior year quarter. Net earnings were primarily impacted by higher gross profits and lower unrealized gains on financial instruments in the current quarter as compared to unrealized financial instrument gains in the prior year quarter. The change in the unrealized gains on financial instruments was due principally to lower gains in the current quarter on Superior's natural gas financial derivatives compared to the prior year quarter as a result of fluctuations in the spot price of natural gas. Revenues of $834.3 million were $64.1 million lower than the prior year quarter due to lower Energy Services revenue as a result of lower commodity prices offset in part by higher revenue at Specialty Chemicals due to increased pricing and higher revenue at Construction Products Distribution as a result of increased demand. Gross profit of $184.8 million was $8.8 million higher than the prior year quarter primarily due to increased Energy Services gross profits on higher sales margins and Specialty Chemical gross profits due to lower electricity costs and higher gross margins. Operating expenses of $166.2 million in the second quarter were $3.4 million lower than in the prior year quarter due to lower amortization expense. Total income tax recovery for the second quarter was $3.8 million compared to income tax recovery of $1.4 million in the prior year quarter. The increased in income tax recovery was primarily due to a changes to statutory tax rates in Canada and lower unrealized gains on financial instruments.

Net earnings for the six months ended June 30, 2012 were $42.2 million, compared to net earnings of $42.2 million in the prior year period. Net earnings were impacted by $7.4 million in unrealized gains on financial instruments in the current period, compared to unrealized gains of $28.7 million in the prior year period. The change in the unrealized gains and losses on financial instruments was due principally to reduced gains on Energy Services natural gas financial derivatives compared to the prior year as a result of fluctuations in the spot price for natural gas. Revenues of $1,900.2 million were $137.0 million lower than the prior year period principally due to reduced Energy Services revenue as a result of lower commodity prices and sales volumes offset in part by higher Specialty Chemicals and Construction Products Distribution revenues due to increased sales volumes and demand. Gross profit of $422.2 million was $7.8 million higher than the prior year period due to improved gross profit at Specialty Chemicals and Construction Products Distribution due to higher revenues offset in by lower Energy Services gross profits due to lower sales volumes. Total income tax expense for the six months ended June 30, 2012 was $2.3 million compared to $13.0 million in the prior year period. The decreased in income tax expense in 2012 was due to changes to statutory tax rates in Canada and lower unrealized gains on financial instruments.

Energy Services

Energy Services' condensed operating results for 2012 and 2011 are provided in the following table.

	Three months ended June 30,		**Six months ended June 30,**	
(millions of dollars)	**2012**	2011	**2012**	2011
Revenue[1]	**498.0**	594.3	**1,245.6**	1,435.9
Cost of sales[1]	**(408.3)**	(504.7)	**(1,013.2)**	(1,192.8)
Gross profit	**89.7**	89.6	**232.4**	243.1
Less: Cash operating and administration costs[1]	**(73.3)**	(76.2)	**(157.6)**	(164.1)
EBITDA from operations	**16.4**	13.4	**74.8**	79.0

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

Revenues for the second quarter of 2012 were $498.0 million, a decrease of $96.3 million from revenues of $594.3 million in 2011. The decrease in revenues is primarily due to lower commodity prices and sales volumes as compared to the prior year quarter. Total gross profit for the second quarter of 2012 was $89.7 million, an increase of $0.1 million or 1% over the prior year quarter. The increase in gross profit is primarily due to higher gross margins within the Canadian propane segment offset in part by lower Supply portfolio management gross profits. A summary and detailed review of gross profit is provided below.

Gross Profit Detail

	Three months ended June 30,		**Six months ended June 30,**	
(millions of dollars)	**2012**	2011	**2012**	2011
Canadian propane distribution	**47.5**	45.6	**120.3**	115.3
U.S. refined fuels distribution	**23.6**	23.7	**69.3**	84.1
Other services	**8.0**	8.1	**18.5**	19.6
Supply portfolio management	**1.7**	3.2	**7.9**	6.8
Fixed-price energy services	**8.9**	9.0	**16.4**	17.3
Total gross profit	**89.7**	89.6	**232.4**	243.1

Canadian Propane Distribution

Canadian propane distribution gross profit for the second quarter was $47.5 million, an increase of $1.9 million or 4% from 2011, due to higher gross margins offset in part by lower sales volumes. Residential and commercial sales volumes decreased by 6 million litres or 9%, due to warm weather in Ontario and Quebec and the ongoing impact of record or near record temperatures during the first quarter. Average weather across Canada for the quarter, as measured by degree days, was 4% warmer than the prior year and 1% warmer than the five-year average. However, heating related volumes in the second and third quarters are generally not materially impacted by average weather due to the seasonality of Canadian propane distributions operations. Industrial volumes increased by 4 million litres or 2%, due to increased oilfield sales volumes as a result of continued strength in the energy sector and the favourable impact of the early onset of the barbeque season. Automotive propane volumes declined by 1 million litres or 5%, due to the continued structural decline in this end-use market although the decline was lower than expected due to favourable price spread between propane and gasoline.

Average propane sales margins for the second quarter increased to 18.6 cents per litre from 17.5 cents per litre in the prior year quarter. The increase in average margins compared to the prior year quarter is principally due to price increases to industrial and commercial sales contracts and improved pricing management offset in part by sales mix as the current quarter included a higher proportion of lower margin sales volumes due to the warm weather.

Canadian Propane Distribution Sales Volumes

Volumes by End-Use Application (1)			***Volumes by Region*** (2)		
	Three months ended June 30,			**Three months ended June 30,**	
(millions of litres)	**2012**	2011	*(millions of litres)*	**2012**	2011
Residential	**17**	20	Western Canada	**143**	141
Commercial	**43**	46	Eastern Canada	**90**	96
Agricultural	**6**	8	Atlantic Canada	**22**	23
Industrial	**168**	164			
Automotive	**21**	22			
	255	260		**255**	260

Volumes by End-Use Application (1)			***Volumes by Region*** (2)		
	Six months ended June 30,			**Six months ended June 30,**	
(millions of litres)	**2012**	2011	*(millions of litres)*	**2012**	2011
Residential	**18**	72	Western Canada	**386**	390
Commercial	**140**	153	Eastern Canada	**228**	250
Agricultural	**22**	29	Atlantic Canada	**55**	58
Industrial	**454**	406			
Automotive	**35**	38			
	669	698		**669**	698

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

U.S. Refined Fuels Distribution

U.S. refined fuels distribution gross profit for the second quarter was $23.6 million, a decrease of $0.1 million from the prior year quarter. The decrease in gross profit is due to lower sales volumes offset in part by higher gross margins. Sales volumes of 363 million litres, decreased by 42 million litres or 10% as compared to the prior year quarter. The decrease in sales volumes was primarily due to lower residential and commercial volumes as a result of slightly warmer weather, commercial customer losses and ongoing impact of record or near record temperatures during the first quarter. Weather as measured by heating degree days for the second quarter was 1% warmer than the prior year quarter. Average U.S. refined fuels sales margins of 6.5 cents per litre increased from the 5.9 cents per litre in the prior year quarter. The increase in sales margins is primarily due to a decreasing supply cost environment and favourable sales mix.

U.S. Refined Fuels Distribution Sales Volumes

Volumes by End-Use Application [1]		
	Three months ended June 30,	
(millions of litres)	**2012**	2011
Residential	**37**	46
Commercial	**184**	223
Wholesale	**141**	137
	363	405

Volumes by Region [2]		
	Three months ended June 30,	
(millions of litres)	**2012**	2011
Northeast United States	**363**	405
	363	405

Volumes by End-Use Application [1]		
	Six months ended June 30,	
(millions of litres)	**2012**	2011
Residential	**163**	219
Commercial	**400**	479
Wholesale	**272**	259
	835	957

Volumes by Region [2]		
	Six months ended June 30,	
(millions of litres)	**2012**	2011
Northeast United States	**835**	957
	835	957

(1) **Volume**: Volume of heating oil, propane, diesel and gasoline sold (millions of litres).

(2) **Regions**: Northeast United States region consists of Pennsylvania, Connecticut, New York, and Rhode Island.

Other Services

Other services gross profit was $8.0 million in the second quarter, a decrease of $0.1 million or 1% from the prior year quarter. The decrease in other services gross profit is due to slightly lower customer demand.

Supply Portfolio Management

Supply portfolio management gross profits were $1.7 million in the second quarter, a decrease of $1.5 million from the prior year quarter due to the write down of propane inventory as a result of lower market prices offset in part by increased market opportunities.

Fixed-Price Energy Services

Fixed-Price Energy Services Gross Profit

	Three months ended June 30, 2012			Three months ended June 30, 2011		
(millions of dollars except volume and per unit amounts)	**Gross Profit**	**Volume**	**Per Unit**	Gross Profit	Volume	Per Unit
Natural Gas [1]	**6.6**	**4.6 GJ**	**143.5 ¢/GJ**	7.5	5.5 GJ	136.4 ¢/GJ
Electricity [2]	**2.3**	**186.6 KWh**	**1.23 ¢/KWh**	1.5	146.1 KWh	1.03 ¢/KWh
Total	**8.9**			9.0		

	Six months ended June 30, 2012			Six months ended June 30, 2011		
(millions of dollars except volume and per unit amounts)	**Gross Profit**	**Volume**	**Per Unit**	Gross Profit	Volume	Per Unit
Natural Gas [1]	**11.8**	**9.4 GJ**	**125.5 ¢/GJ**	14.6	11.1 GJ	131.5 ¢/GJ
Electricity [2]	**4.6**	**371.7 KWh**	**1.24 ¢/KWh**	2.7	263.2 KWh	1.03 ¢/KWh
Total	**16.4**			17.3		

(1) Natural gas volumes and per unit amounts are expressed in millions of gigajoules (GJ).

(2) Electricity volumes and per unit amounts are expressed in millions of kilowatt hours (KWh).

Fixed-price energy services gross profit was $8.9 million in the second quarter, a decrease of $0.1 million (1%) from $9.0 million in the prior year quarter. Natural gas gross profit was $6.6 million, a decrease of $0.9 million from the prior year quarter due to lower sales volumes offset in part by higher gross margins. Gross profit per unit was 143.5 cents per gigajoule (GJ), an increase of 7.1 cents per GJ (5%) from the prior year quarter. The slight increase in natural gas gross margin was due to reduced provisions for potential load balancing losses as a result of increased natural gas prices. Sales volumes of natural gas were 4.6 million GJ, 0.9 million GJ (16%) lower than the prior year quarter due to a continued decline in residential volumes and slower sales aggregation as a result of historically low system price for natural gas. Electricity gross profit in the second quarter of 2012 was $2.3 million, an increase of $0.8 million or 53% from the prior year quarter due to the aggregation of additional commercial customers in the Ontario market, increased customer electricity usage and higher margins.

Operating costs

Cash operating and administrative costs were $73.3 million in second quarter of 2012, a decrease of $2.9 million or 4% from the prior year quarter. The decrease in expenses was primarily due to reduced commissions paid in the fixed-price energy services segment and lower operating costs associated with reduced sales volumes within the Canadian propane distribution and US Refined Fuels distribution segments.

Outlook

Superior expects business conditions in 2012 for its Energy Services segment to be similar to 2011, with the exception of a reduced contribution from its fixed-price energy services business. The fixed-price energy services business profitability will moderate as it is expected that there will be fewer renewals of residential customers at favourable margins due to market conditions. Additionally, weather is anticipated to be consistent with the 5-year average for the second half of 2012.

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

Specialty Chemicals

Specialty Chemicals' condensed operating results for 2012 and 2011 are provided in the following table.

(millions of dollars except per metric tonne (MT) amounts)	**Three months ended June 30,**				**Six months ended June 30,**			
	2012		2011		**2012**		2011	
		$ per MT		$ per MT		**$ per MT**		$ per MT
Chemical Revenue(1)	**137.6**	**726**	125.7	655	**270.5**	**717**	256.5	661
Chemical Cost of Sales (1)	**(76.2)**	**(402)**	(71.1)	(371)	**(148.0)**	**(392)**	(145.6)	(375)
Chemical Gross Profit	**61.4**	**324**	54.6	284	**122.5**	**325**	110.9	286
Less: Cash operating and administrative costs(1)	**(34.1)**	**(180)**	(29.8)	(155)	**(65.6)**	**(174)**	(60.4)	(156)
EBITDA from operations	**27.3**	**144**	24.8	129	**56.9**	**151**	50.5	130
Chemical volumes sold (thousands of MTs)	**190**		192		**377**		388	

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

Chemical revenue for the second quarter of $137.6 million was $11.9 million or 9% higher than the prior year quarter primarily due to increased sodium chlorate pricing as a result of favourable contract renewals. Second quarter gross profit of $61.4 million was $6.8 million higher than the prior year quarter due to increased sodium chlorate gross profits. Sodium chlorate gross profits were higher than the prior year quarter due to increased realized pricing on contract renewals and the one-time impact of external product purchases in the prior year due to a temporary production line issue. Sodium chlorate sales volumes increased by 2,000 tonnes or 2% compared to the prior year quarter due to slightly higher demand from North American and offshore customers. Chloralkali/potassium gross profits were lower than the prior year quarter as a result of decreased sales volumes and gross margins. Chloralkali/potassium sales volumes decreased by 4,000 tonnes or 6% compared to the prior year quarter due to lower demand for hydrochloric acid from the oil and gas sector and reduced production levels at the Port Edwards production facility. Gross margins were lower than the prior year quarter due to sales mix and slightly higher electrical rates.

Cash operating and administrative costs of $34.1 million were $4.3 million or 14% higher than the prior year quarter due to higher plant maintenance costs, timing of plant maintenance and higher employee compensation costs.

Major Capital Project

As previously announced in the first quarter, Superior has approved an $18 million expansion of the hydrochloric acid production capacity at the Port Edwards, Wisconsin chloralkali facility. The existing capacity of 110,000 wet metric tonnes (WMT), or 36,000 dry metric tonnes, will increase to approximately 220,000 WMT upon completion of the expansion. The project will be completed through 2012 and 2013 with commercial production expected in the first quarter of 2014.

Outlook

Superior expects business conditions in 2012 for its Specialty Chemicals segment will be similar to 2011. Superior continues to see a stable market for sodium chlorate as a result of the current market for pulp. Superior also expects a moderation in chloralkali sales volumes as the North American supply demand fundamentals have returned to balanced levels; the market for chloralkali continues to be supported by low natural gas prices.

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

Construction Products Distribution

Construction Products Distribution’s condensed operating results for 2012 and 2011 are provided in the following table.

	Three months ended June 30,		**Six months ended June 30,**	
(millions of dollars)	**2012**	2011	**2012**	2011
Revenue				
Gypsum Specialty Distribution (GSD) revenue	**133.4**	122.4	**254.5**	233.1
Commercial and Industrial Insulation (C&I) revenue	**66.3**	55.9	**129.4**	111.3
Cost of sales				
GSD cost of sales	**(104.8)**	(95.2)	**(198.9)**	(181.1)
C&I cost of sales	**(49.3)**	(40.5)	**(95.4)**	(81.0)
Gross profit	**45.6**	42.6	**89.6**	82.3
Less: Cash operating and administrative costs	**(39.5)**	(36.2)	**(80.2)**	(72.1)
EBITDA from operations	**6.1**	6.4	**9.4**	10.2

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

GSD and C&I revenues of $199.7 million for the second quarter of 2012 were $21.4 million (12%) higher than the prior year quarter. GSD revenue increased due to higher demand and sales volumes from some Canadian and U.S. based regions and from the expansion of the GSD product line into existing U.S. based branches. C&I revenues also increased due to sale efforts, higher demand and project activity.

Gross profits of $45.6 million in the second quarter were $3.0 million higher than the prior year quarter primarily due to the impact of higher revenues in both GSD and C&I offset in part by lower C&I gross margins. The increase in revenue was due to sales volumes, price increases and higher demand. C&I sales margins declined due to competitive pressures and manufacturer price increases which negatively impacted margins.

Cash operating and administration costs were $39.5 million in the second quarter, an increase of $3.3 million or 9% from the prior year quarter. The increase in expenses was primarily due to higher operating costs associated with increased sales volumes, restructuring charges of $0.5 million related to the closure of the Vernon, B.C. branch and the consolidation of four Vancouver, B.C. branches into three, and higher employee compensation costs.

Outlook

Superior expects business conditions in 2012 for its Construction Products Distribution business to be similar to 2011. EBITDA from operations is anticipated to be lower than in 2011 due to anticipated costs associated with further restructuring activities and ongoing difficult market conditions in the residential and commercial segments in both Canada and the U.S. Superior does not anticipate significant improvements in the end-use markets in the near term.

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

Consolidated Capital Expenditure Summary

	Three months ended June 30,		Six months ended June 30,	
(millions of dollars)	**2012**	2011	**2012**	2011
Efficiency, process improvement and growth related	**0.5**	2.8	**2.3**	7.4
Other capital	**6.7**	4.0	**10.9**	7.2
	7.2	6.8	**13.2**	14.6
Other acquisitions	−	0.3	−	4.9
Proceeds on disposition of capital	**(2.8)**	(0.6)	**(3.7)**	(1.6)
Total net capital expenditures	**4.4**	6.5	**9.5**	17.9
Investment in finance leases	**0.5**	0.9	**3.8**	4.2
Total expenditures	**4.9**	7.4	**13.3**	22.1

Efficiency, process improvement and growth related expenditures were $0.5 million in the second quarter compared to $2.8 million in the prior year quarter. These were incurred primarily in relation to Energy Services' purchases of rental assets and truck related expenditures. Other capital expenditures were $6.7 million in the second quarter compared to $4.0 million in the prior year quarter, consisting primarily of required maintenance and general capital across all of Superior's segments. Proceeds on the disposal of capital were $2.8 million in the second quarter and consisted of Superior's disposition of surplus tanks, cylinders and other assets. During the second quarter Superior entered into new leases with capital equivalent value of $0.5 million primarily related to delivery vehicles for the Energy Services and Construction Products Distribution segments.

Corporate and Interest Costs
Corporate costs for the second quarter were $3.4 million, compared to $3.9 million in the prior year quarter. The decrease in corporate costs was primarily due to lower long term incentive costs as a result of a decrease in Superior share price as compared to the first quarter offset in part by higher employee costs and professional fees.

Interest expense on borrowings and finance lease obligations for the second quarter was $8.2 million compared to $12.1 million in the prior year quarter. The decrease of $3.9 million in interest expense was due to lower average debt levels as a result of the seasonal decline in net working capital requirements of the Energy Services segment and reduction in accounts receivable balances within the Canadian propane business. See “Liquidity and Capital Resources” discussion for further details on the change in average debt levels.

Interest on Superior’s convertible unsecured subordinated debentures (“Debentures” which includes all series of convertible unsecured subordinated debentures) was $8.0 million for the second quarter of 2012, slightly lower than the prior year quarter of $8.7 million.

Taxation
Total income tax recovery for the second quarter was $3.8 million and consists of $0.3 million in cash income tax expense and $3.5 million in deferred income tax recovery, compared to a total income tax recovery of $1.4 million in the prior year quarter, which consisted of $0.1 million in cash income tax expense and a $1.5 million deferred income tax recovery.

Cash income tax expense for the second quarter was $0.3 million and consisted of income tax expense in the U.S. of $0.3 million (2011 Q2 - $0.1 million of U.S. cash tax expense). Deferred income tax recovery for the second quarter was $3.5 million (2011 Q2 - $1.5 million deferred income tax recovery), resulting in a corresponding net deferred income tax asset of $309.0 million as at June 30, 2012. Deferred income tax recovery for the second quarter increased primarily due to changes to the statutory tax rates in Canada and lower unrealized gains on financial instruments.

2012 Financial Outlook
Superior outlook for cash flow from operations for 2012 is expected to be between $1.45 and $1.80 per share, consistent with Superior’s financial outlook as provided in the 2012 first quarter Management’s Discussion and Analysis. Superior’s consolidated adjusted operating cash flow outlook is dependent on the operating results of its three operating segments.

In addition to the operating results of Superior’s three operating segments, significant assumptions underlying Superior’s current 2012 outlook are:

- Economic growth in Canada and the U.S. is expected to be similar or modestly lower than 2011;
- Superior is expected to continue to attract capital and obtain financing on acceptable terms;
- The foreign currency exchange rate between the Canadian and U.S. dollar is expected to average par in 2012 on all unhedged foreign currency transactions;
- Financial and physical counterparties are expected to continue fulfilling their obligations to Superior;
- Regulatory authorities are not expected to impose any new regulations impacting Superior;

- Superior's average interest rate on floating-rate debt is expected to remain consistent with 2011 levels; and
- Canadian and U.S. based cash taxes are expected to be minimal in 2012 and have been based on existing statutory income tax rates.

Energy Services

- Average temperatures across Canada and the Northeast U.S. are expected to be consistent with the recent five-year average for the remainder of 2012;
- Total propane and U.S. refined fuels-related sales volumes in 2012 compared to 2011 are anticipated to decrease due to warmer than average weather during the first quarter of 2012 offset in part by economic improvement and sales and marketing initiatives;
- Wholesale propane, and U.S. refined fuels-related prices are not anticipated to significantly impact demand for propane, refined fuels and related services;
- Supply portfolio management market opportunities are expected to improve as compared to 2011 although growth is expected to be moderate; and
- Fixed price energy services is expected to be able to access sales channel agents on acceptable contract terms and expects gross profit to decrease as compared to 2011. The decrease in gross profit is primarily related to lower natural gas gross margins as transportation related gross profits and contribution from residential customer renewals begins to decrease. Total new customer aggregation volumes are expected to be consistent with 2011.

Specialty Chemicals

- Supply and demand fundamentals for sodium chlorate are expected to remain strong in 2012, resulting in increased sales volumes as compared to 2011. Pricing is expected to remain consistent or slightly improved as compared to 2011 levels; and
- Chloralkali revenues, gross profits and sales volumes are expected to be consistent with 2011 as market conditions expected to remain challenging for the remainder of the year.

Construction Products Distribution

- GSD sales revenue from Canada is expected to increase from 2011 levels due to the successful introduction of new products and market improvements in some regions. GSD sales revenue from the United States is expected to increase from 2011 due to continued expansion of existing product lines into U.S. branches, price increases and market improvements in some regions. C&I sales revenue is expected to increase from 2011 due to a focus on increasing the fabrication and export business, as well as market improvements in some regions;
- Sales margins for both GSD and C&I as compared to 2011 are expected to decrease slightly due to competitive pressures; and
- Construction Products Distribution has performed a detailed review of its existing operations and expects to reorganize or close 10 to 15 branches during 2012 as part of its restructuring efforts.

Debt Management Update

Superior remains committed to reducing its total debt and its total debt leverage ratios. An update to the anticipated total debt and total debt leverage ratios as at December 31, 2012 based on the 2012 Outlook and Superior's 2012 second quarter year-to-date results is detailed in the chart below.

Debt Management Summary

	(Per Share)	(Millions of dollars)
2012 financial outlook AOCF per share – mid-point [(1)]	$1.62	181.4
Maintenance capital expenditures	(0.14)	(15.5)
Capital lease obligation repayments	(0.14)	(15.3)
Cash flow available for dividends and debt repayment before growth capital	$1.35	150.6
Expansion of Port Edward's facility and one-time environmental costs	(0.10)	(11.0)
Other growth capital expenditures	(0.17)	(19.4)
Proceeds from dividend reinvestment program	0.12	13.8
Estimated 2012 free cash flow available for dividend and debt repayment	$1.20	134.0
Dividends (annualized)	$(0.60)	(67.2)
Cash flow available for debt repayment before working capital initiatives	$0.60	66.8
Working capital reduction initiatives	0.40	45.0
Total estimated debt repayment (including Q2 2012 Actuals)	$1.00	111.8
Estimated total debt to EBITDA as at December 31, 2012	4.4X – 4.6X	4.4X – 4.6X
Dividend per share (annualized)	$0.60	67.2
Calculated payout ratio after all capital expenditures	52%	52%

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

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

Liquidity and Capital Resources

Superior's revolving syndicated bank facility (Credit Facility), term loans and finance lease obligations (collectively "Borrowings") before deferred financing fees totaled $504.6 million as at June 30, 2012, a decrease of $257.5 million from December 31, 2011. The decrease in Borrowings was primarily due to lower net working capital funding requirements as a result of the seasonality of the Energy Services segment and proceeds from the DRIP offset in part by finance lease repayments, dividends payments and net capital expenditures.

On March 28, 2012, Superior completed an extension of its Credit Facility with eight lenders and reduced the size of the facility from $615 million to $570 million. The Credit Facility matures on June 27, 2015 and can be expanded up to $750 million. The Credit Facility was reduced to reflect Superior's anticipated credit requirements as a result of Superior's ongoing debt reduction plan. Financial covenant ratios were unchanged with Consolidated Secured Debt to Consolidated EBITDA ratio and Consolidated Debt to Consolidated EBITDA ratio of 3.0x and 5.0x, respectively. See "Summary of Cash Flows" for details on Superior's sources and uses of cash.

As at June 30, 2012, Debentures (before deferred issue costs) issued by Superior totaled $591.4 million, consistent with the balance outstanding as at December 31, 2011. See Note 11 to the Unaudited Condensed Consolidated Financial Statements for additional details on Superior's Debentures.

On August 1, 2012, Superior completed the previously announced redemption of the remaining $49.9 million principal amount of its previously issued 5.75% convertible subordinated debentures (2012 Debentures) due December 31, 2012. Superior used funds from its credit facility to fund the redemption of the 2012 Debentures. The 5.75% convertible subordinated debentures were, in accordance with their terms, redeemed at the redemption price of $1,000 in cash per $1,000 principal amount of 2012 Debentures plus accrued and unpaid interest thereon up to the redemption date of August 1, 2012, being $1,005.0411 per $1,000 principal amount of 2012 Debentures.

As at June 30, 2012, approximately $317.2 million was available under the Credit Facility which Superior considers sufficient to meet its net working capital funding requirements, expected capital expenditures and refinancing requirements.

Consolidated net working capital was $234.4 million as at June 30, 2012, a decrease of $166.5 million from net working capital of $400.9 million as at December 31, 2011. The decrease in net working capital was primarily due to increased cash collections of accounts receivable within the Canadian propane distribution segment and the impact of lower inventory levels and commodity prices on the Energy Services segment. Also contributing to the decrease in net working capital was debenture interest accruals at corporate. Superior's net working capital requirements are financed from revolving term bank credit facilities.

Proceeds received from the DRIP were $3.4 million for the three months ended June 30, 2012 (three months ended June 30, 2011 $7.2 million), a decrease of $3.8 million from the year prior quarter due to a reduction in Superior's dividend rate during 2011. Proceeds received from the DRIP were $7.0 million for the six months ended June 30, 2012 as compared to 16.4 million during the six months ended June 30, 2011.

As at June 30, 2012, when calculated in accordance with the Credit Facility, the Consolidated Secured Debt to Compliance EBITDA ratio was 1.6 to 1.0 (December 31, 2011 – 2.3 to 1.0) and the Consolidated Debt to Compliance EBITDA ratio was 2.2 to 1.0 (December 31, 2011 – 2.9 to 1.0). For both of these covenants all outstanding Debentures are not considered. These ratios are within the requirements contained in 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. Distributions (including payments to Debenture holders) cannot exceed Compliance EBITDA less cash income taxes, plus $35.0 million on a trailing twelve month rolling basis.

On March 30, 2012, Standard and Poor's confirmed both Superior and Superior LP's long-term corporate credit rating as BB- and the secured debt rating to BB+. The outlook rating for both Superior and Superior LP remains stable and the credit rating on Superior's unsecured debt is unchanged at BB-. On September 12, 2011, DBRS lowered Superior LP's senior secured rating to BB (high) from BBB(low) and lowered Superior LP's senior unsecured rating to BB (low) from BB (high). The trend for both ratings has been changed to stable from negative.

As at June 30, 2012, Superior had an estimated defined benefit pension solvency deficiency of approximately $38.3 million (December 31, 2011 - $36.3 million) and a going concern solvency deficiency of approximately $13.4 million (December 31, 2011 - $16.6 million). Funding requirements required by applicable pension legislation are based upon going concern and solvency actuarial assumptions. These assumptions differ from the going concern actuarial assumptions used in Superior's financial statements. Superior has sufficient liquidity through existing revolving term bank credits and anticipated future operating cash flow to fund this deficiency over the prescribed funding period.

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

Shareholders' Capital

The weighted average number of shares outstanding during the second quarter was 111.6 million shares, an increase of 2.7 million shares compared to the prior year quarter due to the issuance of 2,689,654 common shares over the past twelve months and the resulting impact on weighted average number of shares outstanding. The following table provides a detailed breakdown of the common shares issued over the last twelve months:

	Closing Date	Average Issuance Price per Share	Issued Number of Common Shares (Millions)
As at June 30, 2011			**109.2**
Issuance of common shares under Superior's DRIP	August 15, 2011 through June 15, 2012	$7.23	2.7
As at June 30, 2012			**111.9**

As at August 2, 2012, June 30, 2012 and December 31, 2011, the following common shares and securities convertible into common shares were outstanding:

	August 2, 2012		**June 30, 2012**		December 31, 2011	
(millions)	**Convertible Securities**	**Shares**	**Convertible Securities**	**Shares**	Convertible Securities	Shares
Common shares outstanding [1]		**112.1**		**111.9**		110.8
5.75% Debentures [2]	**$49.9**	**1.4**	**$49.9**	**1.4**	$49.9	1.4
5.85% Debentures [3]	**$75.0**	**2.4**	**$75.0**	**2.4**	$75.0	2.4
7.50% Debentures [4]	**$69.0**	**5.3**	**$69.0**	**5.3**	$69.0	5.3
5.75% Debentures [5]	**$172.5**	**9.1**	**$172.5**	**9.1**	$172.5	9.1
6.00% Debentures [6]	**$150.0**	**9.9**	**$150.0**	**9.9**	$150.0	9.9
7.50% Debentures [7]	**$75.0**	**6.6**	**$75.0**	**6.6**	$75.0	6.6
Shares outstanding and issuable upon conversion of Debentures		**146.8**		**146.6**		145.5

(1) Common shares outstanding as at August 2, 2012, includes 207,084 common shares issued under Superior's DRIP program during the month of July.
(2) Convertible at $36.00 per share.
(3) Convertible at $31.25 per share.
(4) Convertible at $13.10 per share.
(5) Convertible at $19.00 per share.
(6) Convertible at $15.10 per share.
(7) Convertible at $11.35 per share.

Dividends Paid to Shareholders

Dividends paid to Superior's shareholders are dependent on its cash flow from operating activities with consideration for changes in working capital requirements, investing activities and financing activities of

Superior. See "Summary of Adjusted Operating Cash Flow" and "Summary of Cash Flows" for additional details on the sources and uses of Superior's cash flow.

Dividends paid to shareholders in the second quarter were $16.7 million (before DRIP proceeds of $3.4 million) or $0.15 per share, a decrease of $16.0 million as compared to the second quarter of 2011 due to the revision of Superior's dividend rate to $0.05 per share per month effective with the November 2011 dividend. On November 2, 2011, Superior announced that the monthly dividend has been reduced to $0.05 per share or $0.60 per share on an annualized basis which decreased from the prior level of $0.10 per share per month or $1.20 per share on an annualized basis. Superior has made the determination that it is prudent to accelerate its debt reduction plan by reducing its monthly dividend. See Superior's "Debt Management and Dividend Payout Ratio" section for further details. Dividends to shareholders are declared at the discretion of the board of directors of Superior.

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

Summary of Cash Flows [(1)]

	Three months ended June 30,		**Six months ended June 30,**	
(millions of dollars)	**2012**	2011	**2012**	2011
Cash flows from (used in) operating activities	**121.2**	68.3	**237.6**	121.7
Investing activities:				
Purchase of property, plant and equipment [(2)]	**(7.2)**	(6.8)	**(13.2)**	(14.6)
Proceeds on disposal of property, plant and equipment	**2.8**	0.6	**3.7**	1.6
Other acquisitions	**−**	(0.3)	**−**	(4.9)
Cash flows used in investing activities	**(4.4)**	(6.5)	**(9.5)**	(17.9)
Financing activities:				
Net proceeds (repayment) of borrowings	**(94.4)**	60.5	**(186.6)**	68.8
Repayment of finance lease obligation	**(4.0)**	(3.8)	**(7.6)**	(7.9)
Net proceeds (repayment) of accounts receivable securitization program	**−**	(89.3)	**−**	(90.1)
Proceeds from the dividend reinvestment plan	**3.4**	7.2	**7.0**	16.4
Dividends paid to shareholders	**(16.7)**	(32.7)	**(33.4)**	(76.3)
Cash flows from (used in) financing activities	**(111.7)**	(58.1)	**(220.6)**	(89.1)
Net increase in cash and cash equivalents	**5.1**	3.7	**7.5**	14.7
Cash and cash equivalents, beginning of period	**7.3**	19.5	**5.2**	8.9
Effect of translation of foreign denominated cash and cash equivalents	**0.1**	−	**(0.2)**	(0.4)
Cash and cash equivalents, end of period	**12.5**	23.2	**12.5**	23.2

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

Financial Instruments – Risk Management

Derivative and non-financial derivatives are used by Superior to manage its exposure to fluctuations in foreign currency exchange rates, interest rates and commodity prices. Superior assesses the inherent risks of these instruments by grouping derivative and non-financial derivatives related to the exposures these instruments mitigate. Superior's policy is not to use derivative or non-financial derivative instruments for speculative purposes. Superior does not formally designate its derivatives as hedges and, as a result, Superior does not apply hedge accounting and is required to designate its derivatives and non-financial derivatives as held for trading. Refer to Superior's 2011 Annual MD&A for further details on financial instrument risk management.

Overall Superior has hedged approximately 95% of its estimated US dollar exposure for the remainder of 2012 and approximately 86% for 2013. The estimated sensitivity on adjusted operating cash flow for Superior, including divisional US exposures and the impact on US-denominated debt with respect to a $0.01 change in the Canadian to United States exchange rate for 2012 is $0.1 million, respectively after giving effect to United States forward contracts for 2012, 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 2012 at par with the US dollar.

(US$ millions except exchange rates)	**2012**	**2013**	**2014**	**2015**	**2016**	**2017 and Thereafter**	**Total**
Energy Services – US$ forward sales	15.4	44.0	26.0	26.0	–	–	111.4
Construction Products Distribution – US$ forward sales	12.0	24.0	12.0	12.0	–	–	60.0
Specialty Chemicals – US$ forward sales	95.0	150.0	118.0	106.0	56.4	–	525.4
Corporate – US$ forward purchases	(36.7)	(28.5)	(12.0)	–	–	–	(77.2)
Net US $ forward sales	85.6	189.5	144.0	144.0	56.4	–	619.5
Energy Services – Average US$ forward sales rate	1.05	1.06	1.01	1.01	–	–	1.03
Construction Products Distribution – Average US$ forward sales rate	1.06	1.07	1.00	1.00	–	–	1.04
Specialty Chemicals – US$ forward sales rate	1.03	1.04	1.03	1.00	1.04	–	1.03
Corporate – US$ forward purchases	1.01	1.01	1.02	–	–	–	1.01
Net average external US$/Cdn$ exchange rate	1.04	1.05	1.03	1.00	1.04	–	1.03

For additional details on Superior's financial instruments, including the amount and classification of gains and losses recorded in Superior's first quarter Condensed Consolidated Financial Statements, summary of fair values, notional balances, effective rates and terms, and significant assumptions used in the calculation of the fair value of Superior's financial instruments, see Note 12 to the Unaudited Condensed Consolidated Financial Statements.

Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

No changes have been made in Superior's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, Superior's internal control over financial reporting in the quarter ended June 30, 2012.

Critical Accounting Policies and Estimates

Superior's Unaudited Condensed Consolidated Financial Statements have been prepared in accordance with IFRS. The significant accounting policies are described in the unaudited Condensed Consolidated Financial Statements for the period ended June 30, 2012. 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.

Quarterly Financial and Operating Information

	2012 Quarters		2011 Quarters				2010 Quarters	
(millions of dollars except per share amounts)	Second	First	Fourth	Third	Second	First	Fourth	Third
Canadian propane sales volumes (millions of litres)	**255**	413	368	239	260	439	372	234
U.S. refined fuels sales volumes (millions of litres)	**363**	473	440	344	405	552	499	363
Natural gas sales volumes (millions of GJs)	**5**	5	5	5	6	6	6	7
Electricity sales volumes (millions of KwH)	**187**	185	167	176	146	117	133	86
Chemical sales volumes (thousands of metric tonnes)	**190**	188	187	197	192	196	193	189
Revenues	**834.3**	1,065.9	1,043.4	845.0	898.4	1,138.8	1,011.2	769.1
Gross profit	**184.8**	238.1	234.6	178.5	176.0	238.4	224.7	172.4
Net earnings (loss)	**13.5**	28.7	(231.4)	(113.4)	1.1	41.1	(56.0)	(13.8)
Per share, basic and diluted	**$0.12**	$0.26	($2.10)	($1.04)	$0.01	$0.38	($0.53)	($0.13)
Adjusted operating cash flow	**29.0**	67.4	63.8	23.5	19.8	73.3	62.5	26.5
Per share, basic and diluted	**$0.26**	$0.61	$0.58	$0.21	$0.18	$0.68	$0.58	$0.25
Net working capital (1) (millions of dollars)	**234.4**	325.3	377.3	295.0	365.3	416.1	400.9	280.9

(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.

Non-IFRS Financial Measures

Adjusted Operating Cash Flow

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

The seasonality of Superior's individual quarterly results must be assessed in the context of annualized adjusted operating cash flow. Adjustments recorded by Superior as part of its calculation of adjusted operating cash flow include, but are not limited to, the impact of the seasonality of Superior's businesses, principally the Energy Services segment, by adjusting for non-cash working capital items, thereby eliminating the impact of the timing between the recognition and collection/payment of Superior's revenues and expense, which can differ significantly from quarter to quarter. Adjustments are also made to reclassify the cash flows related to natural gas and electricity customer contract related costs in a manner consistent with the income statement recognition of these costs. Adjusted operating cash flow is reconciled to cash flow from operating activities on page 11.

EBITDA

EBITDA represents earnings before taxes, depreciation, amortization, finance expense and other non-cash expenses, and is used by Superior to assess its consolidated results and the results of its operating segments. EBITDA is not a defined performance measure under IFRS. Superior's calculation of EBITDA may differ from similar calculations used by comparable entities. EBITDA of Superior's operating segments may be referred to as EBITDA from operations. Net earnings are reconciled to EBITDA from operations on page 27.

Compliance EBITDA

Compliance EBITDA represents earnings before interest, taxes, depreciation, amortization and other non-cash expenses calculated on a 12 month trailing basis giving pro forma effect to acquisitions and divestitures and is used by Superior to calculate its debt covenants and other credit information. Compliance EBITDA is not a defined performance measure under IFRS. Superior’s calculation of Compliance EBITDA may differ from similar calculations used by comparable entities. See Note 14 to the Unaudited Condensed Consolidated Financial Statements for a reconciliation of net earnings (loss) to Compliance EBITDA.

Payout Ratio

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

For the three months ended June 30, 2012	**Energy Services**	**Specialty Chemicals**	**Construction Products Distribution**
Net earnings	**24.2**	**14.0**	**4.5**
Add: Amortization of property, plant and equipment and intangible assets	**12.3**	**1.7**	**1.6**
Amortization included in cost of sales	**–**	**11.6**	**–**
Amortization of customer contract costs	**0.8**	**–**	**–**
Customer contract related costs	**(0.2)**	**–**	**–**
Finance costs	**1.0**	**–**	**–**
Unrealized gains on derivative financial instruments	**(21.7)**	**–**	**–**
EBITDA from operations	**16.4**	**27.3**	**6.1**

For the three months ended June 30, 2011	**Energy Services**	**Specialty Chemicals**	**Construction Products Distribution**
Net earnings	1.6	12.2	3.1
Add: Amortization of property, plant and equipment and intangible assets	16.6	1.7	2.8
Amortization included in cost of sales	–	10.9	–
Amortization of customer contract costs	1.2	–	–
Customer contract related costs	(0.2)	–	–
Finance costs	2.0	–	0.5
Unrealized gains on derivative financial instruments	(7.8)	–	–
EBITDA from operations	13.4	24.8	6.4

For the six months ended June 30, 2012	**Energy Services**	**Specialty Chemicals**	**Construction Products Distribution**
Net earnings	**59.3**	**31.0**	**6.0**
Add: Amortization of property, plant and equipment, intangible assets and accretion	**26.5**	**3.3**	**3.1**
Amortization included in cost of sales	**–**	**22.5**	**–**
Amortization of customer contract costs	**1.7**	**–**	**–**
Customer contract related costs	**(0.6)**	**–**	**–**
Finance costs	**2.0**	**0.1**	**0.3**
Unrealized gains on derivative financial instruments	**(14.1)**	**–**	**–**
EBITDA from operations	**74.8**	**56.9**	**9.4**

For the six months ended June 30, 2011	**Energy Services**	**Specialty Chemicals**	**Construction Products Distribution**
Net earnings (loss)	66.8	19.4	5.0
Add: Amortization of property, plant and equipment, intangible assets and accretion	31.8	3.3	4.7
Amortization included in cost of sales	–	22.3	–
Amortization of customer contract costs	2.4	–	–
Customer contract related costs	(1.0)	–	–
Finance costs	2.0	0.1	0.5
Unrealized (gains) losses on derivative financial instruments	(23.0)	5.4	–
EBITDA from operations	79.0	50.5	10.2

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

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

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

	For the three months ended June 30, 2012			For the three months ended June 30, 2011		
	Energy Services	**Specialty Chemicals**	**Construction Products Distribution**	Energy Services	Specialty Chemicals	Construction Products Distribution
Revenue per Financial Statements	**498.0**	**136.6**	**199.7**	594.3	125.8	178.3
Foreign currency gains (losses) related to working capital	**–**	**1.0**	–	–	(0.1)	–
Revenue per the MD&A	**498.0**	**137.6**	**199.7**	594.3	125.7	178.3
Cost of products sold per Financial Statements	**(408.3)**	**(87.8)**	**(154.1)**	(504.7)	(82.0)	(135.7)
Non-cash amortization	**–**	**11.6**	**–**	–	10.9	–
Cost of products sold per the MD&A	**(408.3)**	**(76.2)**	**(154.1)**	(504.7)	(71.1)	(135.7)
Gross profit	**89.7**	**61.4**	**45.6**	89.6	54.6	42.6
Cash operating and administrative costs per Financial Statements	**(86.2)**	**(34.8)**	**(41.1)**	(94.8)	(31.6)	(39.3)
Amortization and depreciation expenses	**12.3**	**1.7**	**1.6**	16.6	1.7	2.8
Amortization of customer contract related costs	**0.8**	**–**	**–**	1.2	–	–
Customer contract related costs	**(0.2)**	**–**	**–**	(0.2)	–	–
Interest reclassification impact				1.0	–	0.3
Reclassification of foreign currency (gains) and losses related to working capital	**–**	**(1.0)**	**–**	–	0.1	–
Cash operating and administrative costs per the MD&A	**(73.3)**	**(34.1)**	**(39.5)**	(76.2)	(29.8)	(36.2)

	For the three months ended June 30, 2012			For the three months ended June 30, 2011		
	Energy Services	**Specialty Chemicals**	**Construction Products Distribution**	Energy Services	Specialty Chemicals	Construction Products Distribution
Revenue per Financial Statements	**1,245.6**	**270.7**	**383.9**	1,435.9	256.9	344.4
Foreign currency gains (losses) related to working capital	**–**	**(0.2)**	–	–	(0.4)	–
Revenue per the MD&A	**1,245.6**	**270.5**	**383.9**	1,435.9	256.5	344.4
Cost of products sold per Financial Statements	**(1,013.2)**	**(170.5)**	**(294.3)**	(1,192.8)	(167.9)	(262.1)
Non-cash amortization	**–**	**22.5**	**–**	–	22.3	–
Cost of products sold per the MD&A	**(1,013.2)**	**(148.0)**	**(294.3)**	(1,192.8)	(145.6)	(262.1)
Gross profit	**232.4**	**122.5**	**89.6**	243.1	110.9	82.3
Cash operating and administrative costs per Financial Statements	**(185.2)**	**(69.1)**	**(83.3)**	(197.3)	(64.1)	(76.8)
Amortization and depreciation expenses	**26.5**	**3.3**	**3.1**	31.8	3.3	4.7
Amortization of customer contract related costs	**1.7**	**–**	**–**	2.4	–	–
Customer contract related costs	**(0.6)**	**–**	**–**	(1.0)	–	–
Interest reclassification impact	**–**	**0.2**	**–**	–	0.4	–
Reclassification of foreign currency (gains) and losses related to working capital	**(157.6)**	**(65.6)**	**(80.2)**	(164.1)	(60.4)	(72.1)
Cash operating and administrative costs per the MD&A	**1,245.6**	**270.7**	**383.9**	1,435.9	256.9	344.4

Risk Factors to Superior

The risks factors and uncertainties detailed below are a summary of Superior's assessment of its material risk factors as identified in Superior's 2011 Annual Information Form under the heading "Risk Factors". For a detailed discussion of these risks, see Superior's 2011 Annual Information Form filed on the Canadian Securities Administrator's website, www.sedar.com and Superior's website, www.superiorplus.com.

Risks to Superior

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

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

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

The credit facilities 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 approximately half of its available cash flow means that significant 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, to make necessary principal payments and debenture redemptions under its term credit facilities may be impaired.

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

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

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

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

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

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

Risks to Superior's segments

Energy Services

Canadian Propane Distribution and U.S. Refined Fuels

Propane is sold in competition with other energy sources such as fuel oil, electricity and natural gas, 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 where natural gas already exists. 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 and Superior Propane in the future. The trend towards increased conservation measures and technological advances in energy efficiency may have a detrimental effect on propane demand and Superior Propane's sales. Demand for automotive uses is presently declining at a rate of approximately 10% to 15% per year due to the development of more fuel efficient and complicated engines which increase the cost of converting engines to propane and reduce the savings per kilometre driven. Propane commodity prices are affected by crude oil and natural gas commodity prices.

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

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

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

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

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

The U.S. refined fuels business, through a centralized safety and environment management system, ensures that safety practices and regulatory compliance are an important part of its business. The storage and delivery of refined fuels poses the potential for spills which impact the soils and water of storage facilities and customer properties.

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

Approximately 12% of Superior's Canadian propane distribution and U.S. refined fuels distribution businesses employees are unionized. Collective bargaining agreements are renegotiated in the normal course of business. While labour disruptions are not expected, there is always risk associated with the re-negotiation process that could have an adverse impact to Superior.

Fixed-price energy services business
New entrants in the energy retailing business may enter the market and compete directly for the customer base that Superior targets, slowing or reducing its market share.

SEM purchases natural gas to meet its estimated commitments to its customers based upon the historical consumption of gas of its customers. 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, so that imbalances are minimized. The reserve is reviewed on a monthly basis to ensure that it is sufficient to absorb any losses that might arise from balancing.

SEM matches its customers estimated electricity requirements by entering into electricity swaps in advance of acquiring customers. Depending on several factors, including weather, customer's 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 than 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 natural gas and US dollar foreign exchange purchase contracts for similar terms and volumes to create an effective Canadian dollar fixed-price cost of supply. Superior transacts with eight financial and physical natural gas counterparties. There can be no assurance that any of these counterparties will not default on any of their obligations to Superior. However, the financial condition of each counterparty is evaluated and credit limits are established to minimize Superior's exposure to this risk. There is also a risk that supply commitments and foreign exchange positions may become unmatched; however, this is monitored daily in compliance with Superior's risk management policy.

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

Fixed-price energy services operates in the highly regulated energy industry in Ontario, Quebec, British Columbia and the Northeastern U.S. Changes to existing legislation could impact this business' operations. As part of the current regulatory framework, local delivery companies are mandated to perform certain services on behalf of fixed-price energy services, including invoicing, collection, assuming specific bad debt risks and storage and distribution of natural gas. Any elimination or changes to these rules could have a significant adverse effect on the results of this business.

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

Specialty Chemicals

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

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

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

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

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

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

Specialty Chemicals' production facilities maintain complex process and electrical equipment. The facilities have existed for many years and undergone upgrades and improvements over time. 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 capacity at the affected facility. Although insurance coverage exists to mitigate substantial loss due to equipment outage, Specialty Chemicals' reputation and its ability to meet customer requirements could be negatively affected due to a major electrical equipment failure.

Approximately 23% of Specialty Chemicals' employees are unionized. Collective bargaining agreements are renegotiated in the normal course of business. While labour disruptions are not expected, there is always risk associated with the re-negotiation process that could have an adverse impact to Superior.

Construction Products Distribution

Activity in the Construction Products Distribution segment is subject to changes in the level of general economic activity and in particular to the level of activity in residential and non-residential construction subsectors. New construction in residential markets is subject to such factors as household income, employment levels, customer confidence, interest rates, population changes and the supply of residential units in any local area. 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 activity in these sectors is subject to many of the same general economic factors as for residential activity. In the industrial and institutional subsectors, government and regulatory programs can also have a significant impact on the outlook for product distribution, particularly as related to our insulation businesses. As a result, changes to the level of general economic activity or any of the above mentioned factors that affect the amount of construction or renovations in residential and non-residential markets can have an adverse affect on the CPD business and Superior.

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

The gypsum specialty distributor (GSD) market is driven largely by residential and non-residential construction. Demand for wall and ceiling building materials is affected by changes in general and local economic factors including demographic trends, employment levels, interest rates, consumer confidence and overall economic growth. These factors in turn impact the level of existing housing sales, new home

construction, new non-residential construction, and office/commercial space turnover, all of which are significant factors in the determination of demand for products and services.
The commercial & industrial (C&I) market is driven largely by C&I construction spending and economic growth. Sectors within the C&I market that are particularly influential to demand include: commercial construction and renovation, the construction, maintenance and expansion of industrial process facilities (i.e. oil refineries and petrochemical plants, power generation facilities) and institutional facilities (i.e. government, healthcare and education).

The distribution of walls and ceilings and C&I products involves risks, including the failure or substandard performance of equipment, human error, natural disasters, suspension of operations and new governmental statutes, regulations, guidelines and policies. Operations are also subject to various hazards incidental to the handling, processing, storage and transportation of certain hazardous materials, including industrial chemicals. 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 the timing of them, if any. The business maintains safe working practices through proper procedures and direction and utilization of equipment such as forklifts, boom trucks, fabrication equipment and carts/dollies. The business handles and stores a variety of construction materials and maintains appropriate material handling compliance programs in accordance with local, state/provincial and federal regulations.

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

SUPERIOR PLUS CORP.
Condensed Consolidated Balance Sheets

(unaudited, millions of Canadian dollars)	Notes	June 30, 2012	December 31, 2011
Assets			
Current Assets			
Cash and cash equivalents		**12.5**	5.2
Trade and other receivables	4 & 12	**342.6**	472.9
Prepaid expenses		**15.8**	20.7
Inventories		**161.3**	203.1
Unrealized gains on derivative financial instruments	12	**17.9**	13.3
Total current assets		**550.1**	715.2
Non-Current Assets			
Property, plant and equipment	6	**856.0**	885.0
Intangible assets		**51.1**	65.6
Goodwill		**186.5**	186.1
Notes and finance lease receivables		**10.5**	10.0
Deferred tax	13	**314.2**	315.5
Unrealized gains on derivative financial instruments	12	**12.2**	16.0
Total non-current assets		**1,430.5**	1,478.2
Total assets		**1,980.6**	2,193.4
Liabilities and Equity			
Current Liabilities			
Trade and other payables	8	**258.2**	297.6
Deferred revenue	9	**6.4**	14.2
Borrowings	10	**48.0**	54.3
Convertible unsecured subordinated debentures	11	**49.7**	49.3
Dividends and interest payable		**20.7**	7.6
Unrealized losses on derivative financial instruments	12	**58.4**	61.7
Total current liabilities		**441.4**	484.7
Non-Current Liabilities			
Borrowings	10	**517.8**	701.4
Convertible unsecured subordinated debentures	11	**523.3**	521.7
Provisions	7	**18.1**	17.2
Employee future benefits		**67.8**	65.3
Deferred tax	13	**5.2**	5.9
Unrealized losses on derivative financial instruments	12	**43.9**	47.6
Total non-current liabilities		**1,176.1**	1,359.1
Total liabilities		**1,617.5**	1,843.8
Equity			
Capital		**1,640.1**	1,633.1
Deficit		**(1,219.5)**	(1,228.2)
Accumulated other comprehensive loss		**(57.5)**	(55.3)
Total equity	14	**363.1**	349.6
Total liabilities and equity		**1,980.6**	2,193.4

(See 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, 2011	1,600.9	5.5	**1,606.4**	**(797.9)**	**(54.1)**	**754.4**
Net earnings	–	–	**–**	**42.2**	**–**	**42.2**
Share issued under Dividend Reinvestment Plan	16.4	–	**16.4**	**–**	**–**	**16.4**
Dividends declared to shareholders	–	–		**(72.7)**	**–**	**(72.7)**
Unrealized foreign currency losses on translation of foreign operations	–	–	**–**	**–**	**(18.4)**	**(18.4)**
Actuarial defined benefit losses	–	–	**–**	**–**	**(5.6)**	**(5.6)**
Reclassification of derivative gains and losses previously deferred	–	–	**–**	**–**	**3.5**	**3.5**
Income tax on other comprehensive loss	–	–	**–**	**–**	**0.4**	**0.4**
June 30, 2011	1,617.3	5.5	**1,622.8**	**(828.4)**	**(74.2)**	**720.2**
Net loss	–	–	**–**	**(344.8)**	**–**	**(344.8)**
Option value associated with redemption of convertible debentures	–	(2.2)	**(2.2)**	–	–	**(2.2)**
Shares issued under Dividend Reinvestment Plan	12.5	–	**12.5**	**–**	**–**	**12.5**
Dividends declared to shareholders	–	–	–	**(55.0)**	**–**	**(55.0)**
Unrealized foreign currency gains on translation of foreign operations	–	–	**–**	**–**	**32.0**	**32.0**
Actuarial defined benefit losses	–	–	**–**	**–**	**(19.9)**	**(19.9)**
Reclassification of derivative gains and losses previously deferred	–	–	**–**	**–**	**2.4**	**2.4**
Income tax on other comprehensive income	–	–	**–**	**–**	**4.4**	**4.4**
December 31, 2011	1,629.8	3.3	**1,633.1**	**(1,228.2)**	**(55.3)**	**349.6**
Net earnings	–	–	**–**	**42.2**	**–**	**42.2**
Shares issued under Dividend Reinvestment Plan	7.0	–	**7.0**	**–**	**–**	**7.0**
Dividends declared to shareholders	–	–	–	**(33.5)**	**–**	**(33.5)**
Unrealized foreign currency gains on translation of foreign operations	–	–	**–**	**–**	**1.6**	**1.6**
Actuarial defined benefit losses	–	–	**–**	**–**	**(5.2)**	**(5.2)**
Income tax on other comprehensive loss	–	–	**–**	**–**	**1.4**	**1.4**
June 30, 2012	1,636.8	3.3	**1,640.1**	**(1,219.5)**	**(57.5)**	**363.1**

(See Notes to the Condensed Consolidated Financial Statements)

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

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

(unaudited, millions of Canadian dollars except per share amounts)	Notes	Three Months Ended June 30, **2012**	2011	Six Months Ended June 30, **2012**	2011
REVENUES	17	**834.3**	898.4	**1,900.2**	2,037.2
Cost of sales (includes products & services)	17	**(649.5)**	(722.4)	**(1,478.0)**	(1,622.8)
Gross profit		**184.8**	176.0	**422.2**	414.4
EXPENSES					
Selling, distribution and administrative costs	17	**166.2**	169.6	**345.0**	345.3
Finance expense	17	**18.7**	21.0	**40.1**	42.6
Unrealized gains on derivative financial instruments	12	**(9.8)**	(14.3)	**(7.4)**	(28.7)
		175.1	176.3	**377.7**	359.2
Net earnings (loss) before income taxes		**9.7**	(0.3)	**44.5**	55.2
Income tax recovery(expense)	13	**3.8**	1.4	**(2.3)**	(13.0)
Net earnings		**13.5**	1.1	**42.2**	42.2
Net earnings		**13.5**	1.1	**42.2**	42.2
Other comprehensive income:					
Unrealized foreign currency (losses) gains on translation of foreign operations		**8.1**	(5.1)	**1.6**	(18.4)
Actuarial defined benefit losses		**(9.5)**	(6.9)	**(5.2)**	(5.6)
Reclassification of derivative gains previously deferred		**–**	2.9	–	3.5
Income tax expense on other comprehensive loss		**2.5**	0.9	**1.4**	0.4
Total comprehensive income (loss) for the period		**14.6**	(7.1)	**40.0**	22.1
Net Earnings per Share					
From operations:					
Basic and diluted	15	**$0.12**	$0.01	**$0.38**	$0.39

(See 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 June 30, 2012	2011	Six Months Ended June 30, 2012	2011
OPERATING ACTIVITIES					
Net earnings for the period		**13.5**	1.1	**42.2**	42.2
Adjustments for:					
Depreciation included in selling, distribution and administrative costs	6	**9.2**	12.3	**20.2**	24.5
Amortization of intangible assets		**6.4**	8.8	**12.7**	15.3
Depreciation included in cost of sales	6	**11.6**	10.9	**22.5**	22.3
Amortization of customer related costs		**0.8**	1.2	**1.7**	2.4
Unrealized gains on derivative financial instruments	12	**(9.8)**	(14.3)	**(7.4)**	(28.7)
Customer contract related costs		**(0.2)**	(0.2)	**(0.6)**	(1.0)
Finance costs recognized in net earnings		**18.7**	21.0	**40.1**	42.6
Income tax expense (recovery) recognized in net earnings		**(3.8)**	(1.4)	**2.3**	13.0
Decrease in non-cash operating working capital items	16	**94.6**	65.0	**128.2**	29.5
Net cash flows from operating activities		**141.0**	104.4	**261.9**	162.1
Income taxes (paid) received		–	(0.3)	**0.4**	(0.4)
Interest paid		**(19.8)**	(35.8)	**(24.7)**	(40.0)
Cash flows from operating activities		**121.2**	68.3	**237.6**	121.7
INVESTING ACTIVITIES					
Purchase of property, plant and equipment		**(7.2)**	(6.8)	**(13.2)**	(14.6)
Proceeds from disposal of property, plant and equipment		**2.8**	0.6	**3.7**	1.6
Acquisitions		**–**	(0.3)	**–**	(4.9)
Cash flows used in investing activities		**(4.4)**	(6.5)	**(9.5)**	(17.9)
FINANCING ACTIVITIES					
Net proceeds (repayment) of borrowings and loans		**(94.4)**	60.5	**(186.6)**	68.8
Net payment of finance lease obligations		**(4.0)**	(3.8)	**(7.6)**	(7.9)
Net proceeds (repayment) from accounts receivable sales program		**–**	(89.3)	**–**	(90.1)
Proceeds from the dividend reinvestment program		**3.4**	7.2	**7.0**	16.4
Dividends paid to shareholders		**(16.7)**	(32.7)	**(33.4)**	(76.3)
Cash flows used in from financing activities		**(111.7)**	(58.1)	**(220.6)**	(89.1)
Net increase in cash and cash equivalents		**5.1**	3.7	**7.5**	14.7
Cash and cash equivalents, beginning of period		**7.3**	19.5	**5.2**	8.9
Effect of translation of foreign denominated cash and cash equivalents		**0.1**	–	**(0.2)**	(0.4)
Cash and cash equivalents, end of period		**12.5**	23.2	**12.5**	23.2

(See Notes to the Condensed Consolidated Financial Statements)

Notes to the Unaudited Condensed Consolidated Financial Statements

(unaudited, Tabular amounts in millions of Canadian dollars, unless noted otherwise, except per share amounts.)

1. Organization

Superior Plus Corp. (Superior) is a diversified business corporation, incorporated under the Canada Business Corporations Act. The address of the registered office is 840 – 7th Avenue SW, Calgary, Alberta. Superior holds 100% of Superior Plus LP (Superior LP), a limited partnership formed between Superior General Partner Inc., as general partner and Superior as limited partner. Superior holds 100% of the 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 June 30, 2012 and the three and six months ended June 30, 2012 and 2011 were authorized for issue by the Board of Directors on August 2, 2012.

Reportable Operating Segments

Superior operates three distinct reportable operating segments: Energy Services, Specialty Chemicals and Construction Products Distribution. Superior's Energy Services operating segment provides distribution, wholesale procurement and related services in relation to propane, heating oil and other refined fuels. Energy Services also provides fixed-price natural gas and electricity supply services. Superior's Specialty Chemicals operating segment is a leading supplier of sodium chlorate and technology to the pulp and paper industries and a regional supplier of potassium and chloralkali products to the U.S. Midwest. Superior's Construction Products Distribution operating segment is one of the largest distributors of commercial and industrial insulation in North America and the largest distributor of specialty construction products to the walls and ceilings industry in Canada (See Note 19).

2. Basis of Presentation

The accompanying Consolidated Financial Statements have been prepared in accordance and comply with International Accounting Standards 34 *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, 2011. Those 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.

These Consolidated Financial Statements are presented in Canadian dollars, which is Superior's functional and presentation currency. All financial information presented in Canadian dollars has been rounded to the nearest hundred thousand. These Consolidated Financial Statements should be read in conjunction with Superior's 2011 annual consolidated financial statements.

The Consolidated Financial Statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value as explained in Superior's 2011 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 income statement from date of acquisition, or in the case of disposals, up to the date of disposal. All transactions and balances between Superior and Superior's subsidiaries have been eliminated on consolidation. Superior's subsidiaries are all wholly owned directly or indirectly by Superior Plus Corp.

Significant Accounting Policies

(a) Significant Accounting Judgments, Estimates and Assumptions
The preparation of Superior's Consolidated Financial Statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, net earnings (loss) and related disclosures. The estimates and associated assumptions are based on historical experience and various other factors that are deemed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are consistent with those disclosed in Superior's 2011 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, 2012 or later periods. The standards are consistent with those disclosed in Superior's 2011 annual consolidated financial statements.

Superior adopted the following standard on January 1, 2012:

IAS 12 – *Income Taxes, amendments regarding Deferred Tax: Recovery of Underlying Assets;*
IAS 12, *Income Taxes,* was amended in December 2010 to remove subjectivity in determining on which basis an entity measures the deferred tax relating to an asset. The amendment introduces a presumption that an entity will assess whether the carrying amount of an asset will be recovered through the sale of the asset. The amendment to IAS 12 is effective for reporting periods beginning on or after January 1, 2012. The adoption of IAS 12 did not impact Superior's financial results and financial position.

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

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

4. Trade and Other Receivables

A summary of trade and other receivables are as follows:

	Notes	**June 30, 2012**	December 31, 2011
Trade receivables, net of allowances	12	**310.7**	427.1
Accounts receivable – other		**31.1**	45.1
Finance lease receivable		**0.8**	0.7
Trade and other receivables		**342.6**	472.9

5. Inventories

The cost of inventories recognized as an expense during the three and six months ended June 30, 2012 was $582.9 million (June 30, 2011 - $623.5 million) and $1,339.1 million (June 30, 2011 - $1,442.4 million). Superior recorded an inventory write down during the three and six months ended June 30, 2012 of $3.6 million (June 30, 2011 - $nil million) and $2.9 million (June 30, 2011 - $nil million), respectively. Superior recorded no reversals of inventory write downs during the three and six months ended June 30, 2012 and 2011.

6. Property, Plant and Equipment

	Land	Buildings	Specialty Chemicals Plant & Equipment	Energy Services Retailing Equipment	Construction Products Distribution Equipment	Leasehold Improve- -ments	Total
Cost							
Balance at December 31, 2011	29.7	147.3	728.4	591.5	41.2	9.6	1,547.7
Balance at June 30, 2012	**30.1**	**147.8**	**735.8**	**586.4**	**41.9**	**9.9**	**1,551.9**
Accumulated Depreciation and Impairment							
Balance at December 31, 2011	–	38.8	308.2	285.8	22.4	7.5	662.7
Balance at June 30, 2012	**–**	**40.9**	**329.0**	**294.4**	**23.6**	**8.0**	**695.9**
Carrying Amount							
Balance at December 31, 2011	29.7	108.5	420.2	305.7	18.8	2.1	885.0
Balance at June 30, 2012	**30.1**	**106.9**	**406.8**	**292.0**	**18.3**	**1.9**	**856.0**

Depreciation per cost category:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	**2012**	2011
Cost of sales	**11.6**	10.9	**22.5**	22.3
Selling, distribution and administrative costs	**9.2**	12.3	**20.2**	24.5
Total	**20.8**	23.2	**42.7**	46.8

The carrying amount of Superior's property, plant, and equipment includes $76.2 million as at June 30, 2012 (December 31, 2011 – $74.2 million) of leased assets.

7. Provisions

	Decommissioning Costs	Environmental Expenditures	Total
Balance at December 31, 2011	15.5	1.7	17.2
Utilization	–	(0.1)	(0.1)
Unwinding of discount	0.2	–	0.2
Impact of change in discount rate	0.8	–	0.8
Balance at June 30, 2012	**16.5**	**1.6**	**18.1**

Decommissioning costs
Specialty Chemicals
Superior makes full provision for the future cost of decommissioning Specialty Chemicals' chemical facilities. The provision for decommissioning costs is on a discounted basis and is based on existing technologies at current prices or long-term price assumptions, depending on the expected timing of the activity. As at June 30, 2012, the discount rate used in Superior's calculation was 2.3% (December 31, 2011 – 2.5%). Superior estimates the total undiscounted amount of expenditures required to settle its decommissioning liabilities is approximately $20.3 million (December 31, 2011 - $20.3 million) which will be paid out over the next twenty to twenty eight years. While Superior's provision for decommissioning costs is based on the best estimate of future costs and the economic lives of the chemical facilities, there is uncertainty regarding both the amount and timing of incurring these costs.

Energy Services
Superior makes full provision for the future costs of decommissioning certain assets associated with Superior's Energy Services operating segment. Superior estimates the total undiscounted amount of expenditures required to settle its decommissioning liabilities is approximately $8.8 million (December 31, 2011 – $9.2 million) which will be paid out over the next twenty to twenty five years. The risk-free rate of 2.3% (December 31, 2011 – 2.5%) was used to calculate the present value of the estimated cash flows.

Environmental Expenditures
Provisions for environmental remediation are made when a clean-up is probable and the amount of the obligation can be reliably estimated. Generally, this coincides with commitment to a formal plan of action or, if earlier, on divestment or on closure of inactive sites. The provision for environmental liabilities has been estimated using existing technology, at current prices and discounted using a risk-free discount rate of 2.3% (December 31, 2011 – 2.5%). The majority of these costs are expected to be incurred over the next 5 years. The extent and cost of future remediation programs are inherently difficult to estimate. They depend on the scale of any possible contamination, the timing and extent of corrective actions, and also Superior's share of the liability.

8. Trade and Other Payables

A summary of trade and other payables is as follows:

	June 30, 2012	December 31, 2011
Trade payables	**198.2**	243.9
Other payables	**52.7**	47.8
Amounts due to customers under construction contracts	**2.5**	2.2
Share based payments	**4.8**	3.7
Trade and other payables	**258.2**	297.6

9. Deferred Revenue

	June 30, 2012	December 31, 2011
Balance at beginning of the period	**14.2**	6.8
Deferred during the period	**4.3**	21.4
Released to net earnings	**(12.1)**	(14.5)
Foreign exchange impact	**–**	0.5
Balance at end of period	**6.4**	14.2

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

10. Borrowings

	Year of Maturity	Effective Interest Rate	**June 30, 2012**	December 31, 2011
Revolving term bank credits [(1)]				
Bankers Acceptances (BA)	2015	Floating BA rate plus applicable credit spread	**107.8**	219.5
Canadian Prime Rate Loan	2015	Prime rate plus credit spread	**4.0**	19.8
LIBOR Loans (US$99.0 million; 2011– US$138.9 million)	2015	Floating LIBOR rate plus applicable credit spread	**100.9**	141.3
US Base Rate Loan (US$11.8 million; 2011– US$29.2 million)	2015	US Prime rate plus credit spread	**12.0**	29.7
			224.7	410.3
Other Debt				
Deferred consideration	2012-2016	Non-interest bearing	**3.5**	4.0
			3.5	4.0
Senior Secured Notes[(2)]				
Senior secured notes subject to fixed interest rates (US$124.0 million; 2011 – US$124.0 million)	2012-2015	7.65%	**126.4**	126.1
Senior Unsecured Debentures				
Senior unsecured debentures	2016	8.25%	**150.0**	150.0
Leasing Obligations				
Leasing obligations			**67.3**	71.7
Total Borrowings before deferred financing fees			**571.9**	762.1
Deferred financing fees			**(6.1)**	(6.4)
Borrowings			**565.8**	755.7
Current maturities			**(48.0)**	(54.3)
Borrowings			**517.8**	701.4

(1) Superior and its wholly-owned subsidiaries, Superior Plus Financing Inc. and Commercial E Industrial (Chile) Limitada, reduced the revolving term bank credit borrowing capacity to $570 million from $615 million on March 28, 2012. The credit facilities mature on June 27, 2015 and are secured by a general charge over the assets of Superior and certain of its subsidiaries. As at June 30, 2012, Superior had $27.9 million of outstanding letters of credit (December 31, 2011 – $34.8 million) and approximately $95.5 million of outstanding financial guarantees (December 31, 2011 – $84.2 million). The fair value of Superior’s revolving term bank credits, 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) Senior secured notes (the Notes) totaling US$124.0 million and US$124.0 million (respectively, Cdn$126.4 million at June 30, 2012 and Cdn$126.1 million at December 31, 2011) 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 at June 30, 2012 was Cdn$127.6 million (December 31, 2011 – Cdn$121.1 million).

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

Current maturities	48.0
Due in 2013	54.6
Due in 2014	46.2
Due in 2015	266.3
Due in 2016	155.6
Due in 2017	1.2
Subsequent to 2017	–
Total	571.9

11. Convertible Unsecured Subordinated Debentures

Superior's debentures are as follows:

Maturity	December 2012	October 2015	December 2014	June 2017	June 2018	October 2016[(1)]	**Total Carrying Value**
Interest rate	5.75%	5.85%	7.50%	5.75%	6.0%	7.5%	
Conversion price per share	$36.00	$31.25	$13.10	$19.00	$15.10	$11.35	
Debentures outstanding as at June 30, 2012	49.7	74.0	67.0	167.1	143.5	71.7	573.0
Less current maturities	(49.7)	–	–	–	–	–	(49.7)
Debentures outstanding as at June 30, 2012	**–**	**74.0**	**67.0**	**167.1**	**143.5**	**71.7**	**523.3**
Debentures outstanding as at December 31, 2011	–	73.9	66.6	166.6	143.1	71.5	521.7
Quoted market value as at June 30, 2012	**50.0**	**73.1**	**69.5**	**152.7**	**135.8**	**74.6**	**555.7**
Quoted market value as at December 31, 2011	50.0	63.0	65.2	122.5	105.6	62.3	468.6

(1) Superior issued $75.0 million in 7.5% convertible unsecured subordinated debentures during the fourth quarter of 2011.

The debentures may be converted into shares at the option of the holder at any time prior to maturity and may be redeemed by Superior in certain circumstances. Superior may elect to pay interest and principal upon maturity or redemption by issuing shares to a trustee in the case of interest payments, and to the debenture holders in the case of payment of principal. The number of any shares issued will be determined based on market prices for the shares at the time of issuance. Also Superior has a cash conversion put option which allows Superior to settle any conversion of debentures in cash, in lieu of delivering common shares to the debenture holders of the June 2018 and October 2016 convertible debentures. The cash conversion put option has been classified as an embedded derivative and measured at fair value through net earnings (loss) (FVTNL) (see Note 12 for further details).

12. Financial Instruments

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

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

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

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

					Asset (Liability)	
Description	**Notional[1]**	**Term**	**Effective Rate**	**Fair Value Input Level**	**June 30, 2012**	December 31, 2011
Natural gas financial swaps−AECO	26.74 GJ[2]	2012-2017	CDN$4.49/GJ	Level 1	**(63.5)**	(78.9)
Foreign currency forward contracts, net sale	US$688.5[3]	2012-2016	1.03	Level 1	**(0.2)**	5.7
Foreign currency forward contracts, balance sheet related	US$69.0	2012-2014	1.01	Level 1	**1.1**	–
Interest rate swaps – CDN$	$150.0	2012-2017	Six month BA rate plus 2.65%	Level 2	**9.4**	10.9
Debenture embedded derivative	$225.0	2012-2018	–	Level 3	**(0.9)**	(0.6)
Energy Services Propane wholesale purchase and sale contracts, net sale	4.08 USG[4]	2012-2013	$1.23/USG	Level 2	**1.0**	(0.6)
Energy Services Butane wholesale purchase and sale contracts, net sale	0.40 USG[4]	2012-2013	$0.89/USG	Level 2	**(0.2)**	0.2
Energy Services Diesel wholesale purchase and sale contracts, net sale	3.9 USG[4]	2012	$3.9/USG	Level 2	**–**	–
Energy Services electricity swaps	0.15MWh[5]	2012-2016	$44.05/MWh	Level 2	**(17.4)**	(16.0)
Energy Services swaps and option purchase and sale contracts	11.4 Gallons[4]	2012	$2.06 US/Gallon	Level 2	**(1.5)**	(0.7)

(1) Notional values as at June 30, 2012 (2) Millions of gigajoules purchased (3) Millions of dollars purchased
(4) Millions of United States gallons purchased (5) Millions of mega watt hours (MWh)

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

Description	Current Assets	Long-term Assets	Current Liabilities	Long-term Liabilities
Natural gas financial swaps – NYMEX and AECO	–	–	38.8	24.7
Energy Services electricity swaps	0.1	0.1	9.0	8.6
Foreign currency forward contracts, net	6.7	4.4	1.6	9.7
Foreign currency forward contracts, balance sheet	0.4	0.7	–	–
Interest rate swaps	2.4	7.0	–	–
Debenture embedded derivative	–	–	–	0.9
Energy Services propane wholesale purchase and sale contracts	7.0	–	6.0	–
Energy Services butane wholesale purchase and sale contracts	0.6	–	0.8	–
Energy Services heating oil purchase and sale contracts	0.4	–	1.9	–
Energy Services diesel purchase and sale contracts	0.3	–	0.3	–
As at June 30, 2012	**17.9**	**12.2**	**58.4**	**43.9**
As at December 31, 2011	13.3	16.0	61.7	47.6

	For the three months ended June 30, 2012		For the three months ended June 30, 2011	
Description	**Realized gain (loss)**	**Unrealized gain (loss)**	Realized gain (loss)	Unrealized gain (loss)
Natural gas financial swaps – NYMEX and AECO	**(15.9)**	**18.0**	(17.5)	9.1
Energy Services electricity swaps	**(3.4)**	**5.4**	(1.6)	(0.1)
Foreign currency forward contracts, net	**1.2**	**(12.7)**	5.8	–
Foreign currency forward contracts, balance sheet related	**–**	**1.4**	–	1.5
Interest rate swaps	**1.2**	**1.2**	–	3.9
Energy Services propane wholesale purchase and sale contracts	**–**	**1.6**	–	(0.5)
Energy Services butane wholesale purchase and sale contracts	**–**	**(0.4)**	–	0.3
Energy Services heating oil purchase and sale contracts	**2.7**	**(2.0)**	1.6	(0.9)
Specialty Chemicals fixed-price power purchase agreements	**(0.7)**	**–**	(0.3)	–
Total realized and unrealized (losses) gains on financial and non-financial derivatives	**(14.9)**	**12.5**	(12.0)	13.3
Foreign currency translation of senior secured notes	**–**	**(2.5)**	–	1.1
Change in fair value of debenture embedded derivative	**–**	**(0.2)**	–	(0.1)
Total realized and unrealized (losses) gains	**(14.9)**	**9.8**	(12.0)	14.3

Description	For the six months ended June 30, 2012 Realized gain (loss)	Unrealized gain (loss)	For the six months ended June 30, 2011 Realized gain (loss)	Unrealized gain (loss)
Natural gas financial swaps – NYMEX and AECO	**(30.4)**	**15.4**	(35.4)	22.6
Energy Services electricity swaps	**(7.1)**	**(1.4)**	(3.0)	0.5
Foreign currency forward contracts, net	**2.6**	**(5.9)**	11.6	–
Foreign currency forward contracts, balance sheet related	**–**	**1.1**	–	6.0
Interest rate swaps	**1.2**	**(1.5)**	–	1.2
Energy Services propane wholesale purchase and sale contracts	**–**	**1.6**	–	1.9
Energy Services butane wholesale purchase and sale contracts	**–**	**(0.4)**	–	0.2
Energy Services heating oil purchase and sale contracts	**0.5**	**(0.9)**	(0.5)	(2.1)
Specialty Chemicals fixed-price power purchase agreements	**(1.4)**	**–**	(1.2)	(5.4)
Total realized and unrealized (losses) gains on financial and non-financial derivatives	**(34.6)**	**8.0**	(28.5)	24.9
Foreign currency translation of senior secured notes	**–**	**(0.3)**	–	4.7
Change in fair value of debenture embedded derivative	**–**	**(0.3)**	–	(0.9)
Total realized and unrealized (losses) gains	**(34.6)**	**7.4**	(28.5)	28.7

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

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

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

[1] Except for derivatives embedded in the related financial instruments that are classified as FVTNL 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 borrowings and debentures, are provided in Notes 10 and 11.

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; 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 or loss. Details on Superior's market risk policies are consistent with those disclosed in Superior's 2011 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 debts 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 both geographic (primarily Canada and North America) and end-use (primarily commercial, residential and industrial) markets.

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

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

	June 30, 2012	December 31, 2011
Current	**211.5**	280.3
Past due less than 90 days	**84.1**	128.1
Past due over 90 days	**30.8**	39.5
Trade Receivable	**326.4**	447.9

The current portion of Superior's trade receivable is neither impaired nor past due and there are no indications as of the reporting date that the debtors will not meet their obligations to pay.

Superior's trade receivables are stated after deducting a provision of $15.7 million as at June 30, 2012 (December 31, 2011 − $20.8 million). The movement in the provision for doubtful accounts was as follows:

	June 30, 2012	December 31, 2011
Allowance for doubtful accounts, opening	**(20.8)**	(14.0)
Opening adjustment due to acquisitions	–	0.3
Impairment losses recognized on receivables	**(2.1)**	(10.8)
Amounts recovered	**0.2**	3.7
Amounts written off during the period as uncollectible	**7.0**	–
Allowance for doubtful accounts, ending	**(15.7)**	(20.8)

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 Superior is able to react to contingencies and investment opportunities quickly, Superior maintains sources of liquidity at the corporate and subsidiary level. The primary source of liquidity consists of cash and other financial assets, 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 of time. 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:

	2012	2013	2014	2015	2016	2017 and Thereafter	Total
Revolving tern bank credits and term loans	48.0	54.6	46.2	266.3	155.6	1.2	571.9
Convertible unsecured subordinated debentures	49.9	–	69.0	75.0	75.0	322.5	591.4
US$ foreign currency forward sales contracts (US$)	85.6	189.5	144.0	144.0	56.4	–	619.5
CDN$ natural gas purchases	10.0	9.7	2.3	0.3	0.4	0.2	22.9
CDN$ butane purchases	0.6	–	–	–	–	–	0.6
CDN$ propane purchases (CDN$)	2.8	2.4	–	–	–	–	5.5
US$ propane purchases (US$)	1.8	–	–	–	–	–	1.8
CDN$ diesel purchases (CDN$)	0.3	–	–	–	–	–	0.3

Superior's contractual obligations are considered to be normal course operating commitments and do not include the impact of mark-to-market fair values on financial and non-financial derivatives. Superior expects to fund these obligations through a combination of cash flow from operations, proceeds on revolving term bank credits and proceeds on the issuance of share capital. Superior's financial instruments' sensitivities as at June 30, 2012 are consistent with those disclosed in Superior's 2011 annual consolidated financial statements.

13. 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 six months ended June 30, 2012 was $3.8 million and $(2.3) million, respectively, compared to $1.4 million and $(13.0) million in the comparative periods. Income taxes were impacted by changes to the statutory tax rates in Canada and lower unrealized gains on financial instruments. For the three and six months ended June 30, 2012, deferred income tax recovery (expense) from operations in Canada, the United States and Chile was $4.1 million and $(1.8) million, respectively, which resulted in a corresponding total net deferred income tax asset of $309.0 million. The deferred income tax recovery (expense) for the three and six months ended June 30, 2011 was a $1.5 million and $(12.8) million, respectively.

14. 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 meetings of the holders of common shares; and upon liquidation, dissolution or winding up of Superior to receive pro rata the remaining property and assets of Superior, subject to the rights of any shares having priority over the common shares, of which none are outstanding.

Preferred shares are issuable in series with each class of preferred share having such rights as the Board of Directors may determine. Holders of preferred shares are entitled, in priority to holders of common shares, to be paid ratably with holders of each other series of preferred shares the amount of accumulated dividends, if any, specified to be payable preferentially to the holders of such series upon liquidation, dissolution or winding up of Superior. Superior does not have any preferred shares outstanding.

	Issued Number of Common Shares (Millions)	Total Equity
Total equity, December 31, 2011	110.8	349.6
Net earnings for the period	–	42.2
Other comprehensive loss	–	(2.2)
Issuance of common shares for the dividend reinvestment plan	1.1	7.0
Dividends declared to shareholders (1)	–	(33.5)
Total equity, June 30, 2012	**111.9**	**363.1**

(1) Dividends to shareholders are declared at the discretion of Superior. During the six months ended June 30, 2012, Superior paid dividends of $33.4 million or $0.30 per share (June 30, 2011 – $72.7 million or $0.67 per share).

Other Capital Disclosures

Additional Capital Disclosures

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

In the management of capital, Superior includes shareholders’ equity (excluding accumulated other comprehensive loss) (AOCL), current and long-term debt, convertible debentures, securitized accounts receivable and cash and cash equivalents.

Superior manages its capital structure and makes adjustments in light of changes in economic conditions and nature of the underlying assets. In order to maintain or adjust the capital structure, Superior may adjust the amount of dividends to Shareholders, issue additional share capital, issue new debt or convertible debentures, issue new debt or convertible debentures with different characteristics and/or increase or decrease the amount of securitized accounts receivable.

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

Superior is subject to various financial covenants in its credit facility agreements, including senior debt and total debt to EBITDA ratios, which are measured on a quarterly basis. As at June 30, 2012 and December 31, 2011 Superior was in compliance with all of its financial covenants.

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

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

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

As at	**June 30, 2012**	December 31, 2011
Total shareholders' equity	**363.1**	349.6
Exclude accumulated other comprehensive loss	**57.5**	55.3
Shareholders' equity (excluding AOCL)	**420.6**	404.9
Current borrowings [(1)]	**48.0**	54.3
Borrowings [(1)]	**523.9**	707.8
Less: Senior unsecured debentures	**(150.0)**	(150.0)
Consolidated secured debt	**421.9**	612.1
Add: Senior unsecured debentures	**150.0**	150.0
Consolidated debt	**571.9**	762.1
Current portion of convertible unsecured subordinated debentures[(1)]	**49.9**	49.9
Convertible unsecured subordinated debentures [(1)]	**541.5**	539.3
Total debt	**1,163.3**	1,351.3
Total capital	**1,583.9**	1,756.2

[(1)] Borrowings and convertible unsecured subordinated debentures are before deferred issue costs and option value.

Twelve months ended	**June 30, 2012**	December 31, 2011
Net loss	**(302.6)**	(302.6)
Adjusted for:		
Finance expense	**83.0**	85.5
Realized gains on derivative financial instruments included in finance expense	**2.2**	2.3
Depreciation of property, plant and equipment	**44.1**	48.4
Depreciation and amortization included in cost of sales	**45.1**	44.9
Amortization of intangible assets	**39.3**	41.9
Impairment of intangible assets and goodwill	**378.6**	378.6
Impairment of property, plant and equipment	**3.4**	3.4
Income tax recovery	**(61.1)**	(50.4)
Unrealized losses on derivative financial instruments	**31.0**	9.7
Proforma impact of acquisitions	**–**	1.5
Compliance EBITDA [(1)]	**263.0**	263.2

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

	June 30, 2012	December 31, 2011
Consolidated secured debt to Compliance EBITDA	**1.6:1**	2.3:1
Consolidated debt to Compliance EBITDA	**2.2:1**	2.9:1
Total debt to Compliance EBITDA	**4.4:1**	5.1:1

15. Net Earnings per Share

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	**2012**	2011
Net earnings per share computation, basic and diluted [(1)]				
Net earnings for the period	**13.5**	1.1	**42.2**	42.2
Weighted average shares outstanding	**111.6**	108.9	**111.4**	108.5
Net earnings per share, basic and diluted	**$0.12**	$0.01	**$0.38**	$0.39

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

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

	Three months ended June 30,		Six months ended June 30,	
	2012	2011	**2012**	2011
Changes in non-cash working capital				
Trade receivable and other	**94.2**	109.4	**134.7**	88.0
Inventories	**13.7**	0.1	**41.8**	11.0
Trade and other payables	**(15.6)**	(39.8)	**(47.4)**	(58.1)
Purchased working capital	**–**	–	**–**	1.1
Other	**2.3**	(4.7)	**(0.9)**	(12.5)
	94.6	65.0	**128.2**	29.5

17. Supplemental Disclosure of Condensed Consolidated Statement of Comprehensive Income

	Three months ended June 30,		Six months ended June 30,	
	2012	2011	**2012**	2011
Revenues				
Revenue from products	**812.7**	873.0	**1,853.1**	1,984.6
Revenue from the rendering of services	**11.6**	12.6	**27.5**	28.8
Rental revenue	**6.0**	7.6	**11.3**	14.4
Construction contract revenue	**2.7**	0.2	**5.3**	0.3
Realized gains on derivative financial instruments	**1.3**	5.0	**3.0**	9.1
	834.3	898.4	**1,900.2**	2,037.2
Cost of sales (includes products and services)				
Cost of products and services	**(621.6)**	(693.3)	**(1,416.9)**	(1,561.7)
Depreciation of property, plant and equipment	**(11.6)**	(10.9)	**(22.5)**	(22.3)
Realized losses on derivative financial instruments	**(16.3)**	(18.2)	**(38.6)**	(38.8)
	(649.5)	(722.4)	**(1,478.0)**	(1,622.8)
Selling, distribution and administrative costs				
Other selling, distribution and administrative costs	**81.8**	78.7	**167.5**	157.9
Employee future benefit expense	**0.7**	0.8	**1.4**	1.5
Employee costs	**69.2**	68.9	**143.1**	145.7
Depreciation of property, plant and equipment	**9.1**	11.5	**20.1**	22.9
Amortization of intangible assets	**6.5**	9.6	**12.8**	16.9
Realized (gains) losses on the translation of U.S. denominated net working capital	**(1.1)**	0.1	**0.1**	0.4
	166.2	169.6	**345.0**	345.3
Finance expense				
Interest on borrowings	**8.0**	9.6	**17.2**	18.8
Interest on convertible unsecured subordinated debentures	**9.3**	9.9	**18.5**	19.2
Interest on obligations under finance leases	**0.9**	1.2	**2.2**	2.5
Unwind of discount on debentures, borrowing and decommissioning liabilities	**1.6**	1.5	**3.3**	3.3
Realized gains on derivative financial instruments	**(1.1)**	(1.2)	**(1.1)**	(1.2)
	18.7	21.0	**40.1**	42.6

18. Related Party Transactions

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

For the three and six months ended June 30, 2012, Superior incurred $0.3 million (June 30, 2011 - $0.2 million) and $0.4 million (June 30, 2011- $1.1 million), respectively in legal fees respectively with Norton Rose Canada LLP. Norton Rose Canada LLP is a related party with Superior as a board member is a Partner at the law firm.

19. 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 June 30, 2012	**Energy Services**	**Specialty Chemicals**	**Construction Products Distribution**	**Corporate**	**Total Consolidated**
Revenues	**498.0**	**136.6**	**199.7**	**–**	**834.3**
Cost of sales (includes product & services)	**(407.6)**	**(87.8)**	**(154.1)**	**–**	**(649.5)**
Gross Profit	**90.4**	**48.8**	**45.6**	**–**	**184.8**
Expenses					
Selling, distribution and administrative costs	**86.9**	**34.8**	**41.1**	**3.4**	**166.2**
Finance expense	**1.0**	**–**	**–**	**17.7**	**18.7**
Unrealized losses (gains) on derivative financial instruments	**(21.9)**	**–**	**–**	**12.1**	**(9.8)**
	66.0	**34.8**	**41.1**	**33.2**	**175.1**
Net earnings (loss) before income taxes	**24.4**	**14.0**	**4.5**	**(33.2)**	**9.7**
Income tax recovery	**–**	**–**	**–**	**3.8**	**3.8**
Net earnings (loss)	**24.4**	**14.0**	**4.5**	**(29.4)**	**13.5**

For the three months ended June 30, 2011	**Energy Services**	**Specialty Chemicals**	**Construction Products Distribution**	**Corporate**	**Total Consolidated**
Revenues	594.3	125.8	178.3	–	898.4
Cost of sales (includes product & services)	(504.7)	(82.0)	(135.7)	–	(722.4)
Gross Profit	89.6	43.8	42.6	–	176.0
Expenses					
Selling, distribution and administrative costs	94.8	31.6	39.3	3.9	169.6
Finance expense	1.0	–	0.2	19.8	21.0
Unrealized gains on derivative financial instruments	(7.8)	–	–	(6.5)	(14.3)
	88.0	31.6	39.5	17.2	176.3
Net earnings (loss) before income taxes	1.6	12.2	3.1	(17.2)	(0.3)
Income tax recovery	–	–	–	1.4	1.4
Net earnings (loss)	1.6	12.2	3.1	(15.8)	1.1

For the six months ended June 30, 2012	**Energy Services**	**Specialty Chemicals**	**Construction Products Distribution**	**Corporate**	**Total Consolidated**
Revenues	**1,245.6**	**270.7**	**383.9**	**–**	**1,900.2**
Cost of sales (includes product & services)	**(1,013.2)**	**(170.5)**	**(294.3)**	**–**	**(1,478.0)**
Gross Profit	**232.4**	**100.2**	**89.6**	**–**	**422.2**
Expenses					
Selling, distribution and administrative costs	**185.2**	**69.1**	**83.3**	**7.4**	**345.0**
Finance expense	**2.0**	**0.1**	**0.3**	**37.7**	**40.1**
Unrealized losses (gains) on derivative financial instruments	**(14.3)**	**–**	**–**	**6.9**	**(7.4)**
	172.9	**69.2**	**83.6**	**52.0**	**377.7**
Net earnings (loss) before income taxes	**59.5**	**31.0**	**6.0**	**(52.0)**	**44.5**
Income tax expense	**–**	**–**	**–**	**(2.3)**	**(2.3)**
Net earnings (loss)	**59.5**	**31.0**	**6.0**	**(54.3)**	**42.2**

For the six months ended June 30, 2011	Energy Services	Specialty Chemicals	Construction Products Distribution	Corporate	Total Consolidated
Revenues	1,435.9	256.9	344.4	–	2,037.2
Cost of sales (includes product & services)	(1,192.8)	(167.9)	(262.1)	–	(1,622.8)
Gross Profit	243.1	89.0	82.3	–	414.4
Expenses					
Selling, distribution and administrative costs	197.3	64.1	76.8	7.1	345.3
Finance expense	2.0	0.1	0.5	40.0	42.6
Unrealized losses (gains) on derivative financial instruments	(23.0)	5.4	–	(11.1)	(28.7)
	176.3	69.6	77.3	36.0	359.2
Net earnings (loss) before income taxes	66.8	19.4	5.0	(36.0)	55.2
Income tax expense	–	–	–	(13.0)	(13.0)
Net earnings (loss)	66.8	19.4	5.0	(49.0)	42.2

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 June 30, 2012					
Net working capital [1]	**121.9**	**28.3**	**118.1**	**(33.9)**	**234.4**
Total assets	**816.3**	**599.0**	**219.8**	**345.5**	**1,980.6**
Total liabilities	**288.4**	**207.2**	**86.7**	**1,035.2**	**1,617.5**
As at December 31, 2011					
Net working capital [1]	239.8	25.7	129.8	(18.0)	377.3
Total assets	1,008.3	618.8	218.8	347.5	2,193.4
Total liabilities	369.2	208.3	68.8	1,197.5	1,843.8
For the three months ended June 30, 2012					
Acquisitions	**–**	**–**	**–**	**–**	**–**
Purchase of property, plant and equipment	**2.4**	**4.7**	**0.1**	**–**	**7.2**
For the three months ended June 30, 2011					
Acquisitions	0.3	–	–	–	0.3
Purchase of property, plant and equipment	3.3	3.3	0.2	–	6.8
For the six months ended June 30, 2012					
Acquisitions	**–**	**–**	**–**	**–**	**–**
Purchase of property, plant and equipment	**5.3**	**7.2**	**0.7**	**–**	**13.2**
For the six months ended June 30, 2011					
Acquisitions	4.9	–	–	–	4.9
Purchase of property, plant and equipment	7.4	6.1	1.1	–	14.6

(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.

20. Geographic Information

	Canada	United States	Other	Total Consolidated
Revenues for the three months ended June 30, 2012	**313.6**	**492.3**	**28.4**	**834.3**
Revenues for the six months ended June 30, 2012	**767.8**	**1,076.1**	**56.3**	**1,900.2**
Property, plant and equipment as at June 30, 2012	**467.4**	**340.9**	**47.7**	**856.0**
Intangible assets as at June 30, 2012	**20.6**	**30.5**	**–**	**51.1**
Goodwill as at June 30, 2012	**185.7**	**0.8**	**–**	**186.5**
Total assets as at June 30, 2012	**1,310.7**	**603.6**	**66.3**	**1,980.6**
Revenues for the three months ended June 30, 2011	374.4	502.4	21.6	898.4
Revenues for the six months ended June 30, 2011	890.4	1,103.4	43.4	2,037.2
Property, plant and equipment as at December 31, 2011	486.5	349.3	49.2	885.0
Intangible assets as at December 31, 2011	26.9	38.7	–	65.6
Goodwill as at December 31, 2011	185.6	0.5	–	186.1
Total assets as at December 31, 2011	1,337.9	788.3	67.1	2,193.4

21. Subsequent Event

On August 1, 2012, Superior completed the redemption of the remaining $49.9 million principal amount of its previously issued 5.75% convertible subordinated debentures (2012 Debentures) due December 31, 2012. Superior used funds from its credit facility to fund the redemption of the 2012 Debentures. The 5.75% convertible subordinated debentures were, in accordance with their terms, redeemed at the redemption price of $1,000 in cash per $1,000 principal amount of 2012 Debentures plus accrued and unpaid interest thereon up to the redemption date of August 1, 2012, being $1,005.0411 per $1,000 principal amount of 2012 Debentures.