



NYSE: SUP

**Second Quarter 2012  
Earnings Conference Call  
August 3, 2012**

Superior Industries International





## Forward Looking Statements

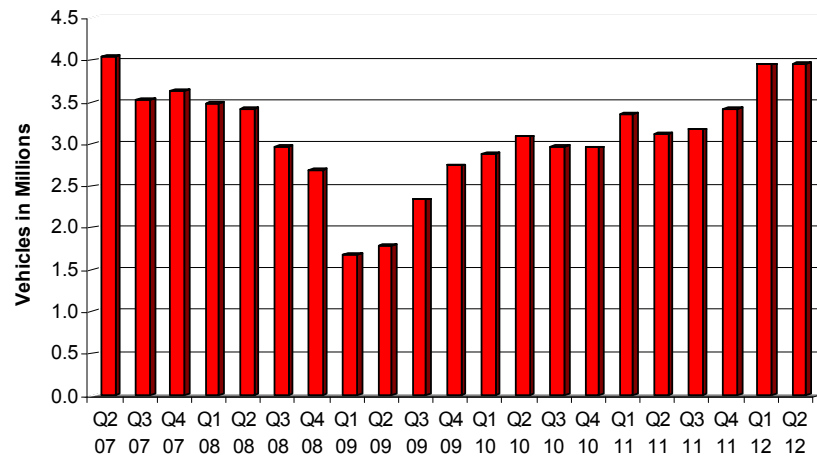
Any forward-looking statements made in this web cast or contained in this presentation are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Actual results could differ materially because of issues and uncertainties that need to be considered in evaluating our financial outlook. We assume no obligation to update publicly any forward-looking statements. Conditions, issues and uncertainties that may be discussed from time-to-time include, but are not limited to, global competition, product pricing and mix, domestic and foreign market demand, commodity prices including metal and energy, foreign currency, manufacturing capacity and productivity, capital investment, operating and manufacturing challenges, and our strategic and operating plans. Please refer to the company's SEC filings, including our 2011 Annual Report on Form 10-K, for a complete discussion on forward-looking statements and risk factors that may cause actual events to differ from these forward-looking statements.



## North American Vehicle Production vs. Superior Shipments

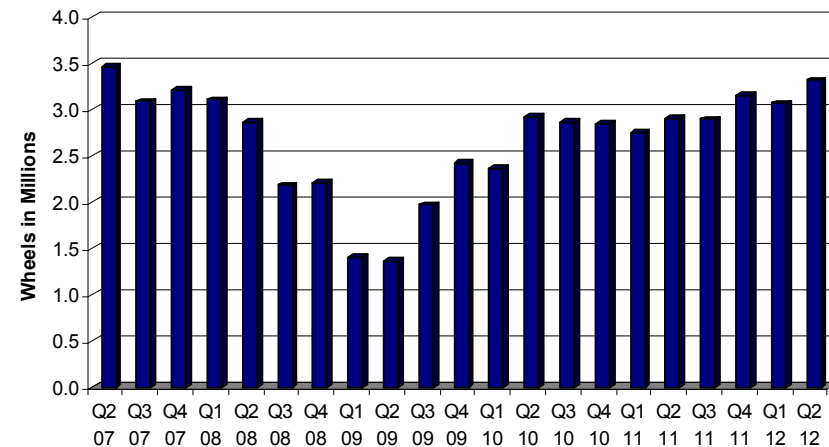
**NA Production increased 27% over the prior year – Highest levels since Q2 of 2007. Superior’s shipments were up 14% over the prior year.**

North American Light Vehicle Production



Source: Wards Automotive Group  
Includes Passenger Cars, Light Trucks and SUVs

Superior Shipped Units



Source: Superior Internal data

<u>Description (all units in millions)</u>	<u>NA Light Vehicle Production</u>	<u>Superior Shipments</u>
- Q2 total units:	3.11	2.91
	3.97	3.32
2012 vs. 2011	+27.4%	+14.1%



## NA Vehicle Production – Year-over-Year Comparison

**Several international brands continued to regain market share lost to GM and Ford in 2011.**

<u>Description (all units in millions)</u>		<u>NA Light Vehicle Production</u>	<u>Superior Shipments</u>
- Q2 total units:	2011	3.11	2.91
	2012	3.97	3.32
	2012 vs. 2011	+27.4%	+14.1%

- Our largest customers Ford and GM lagged the market in 2Q12, which contributed to our overall share decline.
  - Ford +4% - Light truck platforms +3% pass cars + 5% - F-Series, Flex, Explorer, Focus and Fusion
  - GM +2% - Gains in pass car platforms - light trucks flat due to GMT 900 changeover
- Chrysler maintained share with strong year over year growth.
  - Chrysler +22% - led by light trucks programs - Van programs, Dodge Ram Truck, Compass and Liberty programs all grew significantly
- Production for International Brands increased 65% in 2Q12
  - Toyota + 136% - Up on all programs compared to 2Q11 which was affected by Tsunami issues.
  - VW + 45% - Led by Passat and re-introduction of Beetle
  - Nissan + 25% - Light truck growth strongest, along with Versa, March and Altima
  - Subaru + 38% - Legacy/Outback



## Superior Shipments – Year-over-Year Comparison

**Superior shipments increased 14% year-over-year Lower market share primarily reflects customer / product mix shifts.**

<u>Description (all units in millions)</u>		<u>NA Light Vehicle Production</u>	<u>Superior Shipments</u>
- Q2 total units:	2011	3.11	2.91
	2012	3.97	3.32
	2012 vs. 2011	+27.4%	+14.1%

- Strong growth at Ford and the international brands - pacing with or exceeded the customer's increase in production
  - Ford + 19% - Strong growth in light trucks leading to market share gains - Flex and new Escape
  - Toyota + 114% - Tsunami recovery - Large increases on Camry, Avalon, Highlander, Tacoma and Sienna
  - Nissan + 28% - Maxima and Xterra / Frontier
  - BMW + 36% - X3
- Shipments to Chrysler were +8% but still lagged their increase in production as program mix had a impact.
  - Light truck shipments up on Caravan, Town & Country and Jeep Compass
  - Passenger car shipments were down slightly while production was up 10%
- Shipments to GM down 10% vs. NA production +2%
  - Largest declines were on GMT 900 (on platform changeover) and Malibu
  - Nice gains on Impala, SRX and Cadillac SRX



## NA Production / Superior – Sequential Quarter Comparison

**Q2 market share increased from 1Q12, as shipment growth outpaced NA Production.**

<u>Description (all units in millions)</u>	<u>NA Light Vehicle Production</u>	<u>Superior Shipments</u>
- Q1 total units: 2012	3.95	3.07
- Q2 total units: 2012	3.97	3.32
- Q1 2012 vs. Q2 2012	+.4%	8.3%

### Market

- Most OEMs, except Ford and Chrysler, were flat or down slightly.
  - Ford +9% and Chrysler +4%
  - GM down 3% on GMT 900
  - International brands down slightly after three consecutive quarters of double digit growth.
- Slight contraction in light-trucks reflects 1Q12 build ahead on GMT 900

### Superior

- Sequential shipment increase of 8% for strongest quarter since 2Q07.
- Ford +29% on strong light-truck and passenger car shipments - Up in almost all programs
- Chrysler + 6% on strong Caravan and Town and Country shipments.
- GM down 6% on GMT 900 changeover.
- International shipments flat.



## Q2 2012 Significant Highlights - Sales

**Volume was up strongly in Q2 of 2012. Net sales grew at lesser rate due to lower aluminum prices and weaker Peso.**

	Millions		Variance		Millions		Variance		
	<u>Q2 2012</u>	<u>Q2 2011</u>	<u>Amount</u>	<u>Percent</u>	<u>YTD 2012</u>	<u>YTD 2011</u>	<u>Amount</u>	<u>Percent</u>	
Volume (Wheels Shipped)	3.3	2.9	0.4	14.1%	6.4	5.7	0.7	12.8%	
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Net Sales:									
Total	\$215.1	\$208.7	\$6.4	3%	\$417.5	\$398.3	\$19.2	5%	
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Volume			\$28.7				\$48.3		
Project Development			\$0.1				-\$0.1		
Sales Adjustments			-\$0.5				-\$1.7		
Clad Upcharge			\$0.4				\$1.9		
Price / Mix			-\$22.3				-\$29.2		
<hr/>									
Aluminum Content - Price									
Aluminum Content - Weight									
FX Impact									
Price / Mix Other									



## Q2 2012 Significant Highlights – Gross Profit

	<u>Q2 2012</u>	<u>Q2 2011</u>	<u>Variance - Plus (Minus)</u>	
			<u>Amount</u>	<u>Percent</u>
Shipment (millions)	3.32	2.91	0.41	14.1%
Production (millions)	3.32	2.95	0.38	12.9%
Capacity Utilization (%) (adjusted for shutdowns)	101%	94%	7%	
	<b>Income / (Expense)</b>		<b>Percent to Sales</b>	
	<u>Q2 2012</u>	<u>Q2 2011</u>	<u>Q2 2012</u>	<u>Q2 2011</u>
- Gross profit :				
Total reported	\$15.7	\$19.5	7.3%	9.4%
Aluminum price impact on revenue			-0.4%	
Product mix	(\$3.7)		1.7%	
Foreign Exchange	(\$2.7)		1.3%	
Plant performance	\$1.5		-0.7%	
Repairs and Maintenance	(\$1.0)		0.5%	
Project Development Expense	(\$0.2)		0.1%	
Workers Comp Adjustmnets	(\$1.1)		0.5%	
Gross profit adjusted for comparability (Note 1)			10.2%	9.4%

- **Production level set a third consecutive record since the 2009 downturn**
- **Lower aluminum prices had a slightly favorable impact on margins**
- **Product mix impact on gross margin primarily reflects pricing**
- **Devaluation of Mexican Peso negatively impacted sales more than it favorably impacted cost**
- **Plant spending performance was favorable excluding increased maintenance cost - Mexico performing very well, while U.S. is facing challenges**
- **Maintenance expense increased because of capacity demands and vintage of equipment in Midwest plants**
- **Unfavorable workers compensation adjustments related to closed facilities**





## Q2 2012 Income Statements – Other Comments

- SG&A expense up 12% in 2Q12 compared to 2Q11
  - 2Q12 = 3.5% of sales - 2Q11 = 3.0% of sales
  - 2Q12 had additional expenses for legal, audit and consulting expenses - no systemic change in cost levels
- Prior year impairment was for facility sold in 3Q11
- Effective tax rate for 2Q12 was 24% compared to a benefit of 8% percent in 2Q11
  - 2012 reflects some benefit from FIN48 liability reversal for tolling of Mexico statute for 2006
  - 2011 net benefit reflected update of foreign taxes based on new information received during the quarter



## Balance Sheet & Cash Flow Comments

- Cash and short-term investments increased \$19.4M during the first half of 2012 to end the quarter at \$212.3M
- Net accounts receivable increased \$8.6M while net inventory was flat compared to year end 2011
  - Trade A/R increased due to higher sales volumes partially offset by FX impacts
  - Inventory dollars were flat - finished goods units have increased to buffer production / demand imbalance
- Capital expenditures = \$8.7M for the first half of the year
  - Pace of spending should increase in second half of the year
  - Investments being made in process improvements, equipment reliability and capacity
- Working capital and current ratio remained strong at \$345M and 5.2:1 at the end of the second quarter



## 2<sup>nd</sup> Quarter Income Statements

(US\$ in Thousands, except for per share amounts)

			Favorable (Unfavorable)	
	Q2 2012	Q2 2011	Amount	Percent
<b>Unit Shipments</b>	<b>3,318,662</b>	<b>2,908,335</b>	<b>410,327</b>	<b>14%</b>
<b>Total Revenues</b>	<b>\$ 215,053</b>	<b>\$ 208,734</b>	<b>\$ 6,319</b>	<b>3%</b>
<b>Gross Profit</b>	<b>\$ 15,716</b>	<b>\$ 19,547</b>	<b>\$ (3,831)</b>	<b>-20%</b>
% of Revenues	7.3%	9.4%	-2.1%	
<b>SG&amp;A Expenses</b>	<b>(7,490)</b>	<b>(6,354)</b>	<b>(1,136)</b>	<b>18%</b>
% of Revenues	-3.5%	-3.0%	-0.4%	
<b>Impairment Costs</b>	<b>-</b>	<b>(340)</b>	<b>340</b>	<b>-100%</b>
<b>Operating Income</b>	<b>8,226</b>	<b>12,853</b>	<b>(4,627)</b>	<b>-36%</b>
% of Revenues	3.8%	6.2%	-2.3%	
<b>Interest Income, net</b>	<b>216</b>	<b>358</b>	<b>(142)</b>	<b>-40%</b>
<b>Foreign Exchange Gain (Loss)</b>	<b>(91)</b>	<b>76</b>	<b>(167)</b>	<b>-220%</b>
<b>Miscellaneous Inc/Exp</b>	<b>87</b>	<b>358</b>	<b>(271)</b>	<b>-76%</b>
<b>Income Before Income Taxes and Equity Earnings of JVs</b>	<b>8,438</b>	<b>13,645</b>	<b>(5,207)</b>	<b>-38%</b>
<b>Income Tax (Provision) Benefit</b>	<b>(2,024)</b>	<b>1,055</b>	<b>(3,079)</b>	<b>-292%</b>
<b>Equity Income (Loss) - JVs</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Net Income</b>	<b>\$ 6,414</b>	<b>\$ 14,700</b>	<b>(8,286)</b>	<b>-56%</b>
<b>Income Per Share - Diluted</b>	<b>\$ 0.23</b>	<b>\$ 0.53</b>	<b>\$ (0.30)</b>	

Unaudited



## June Year-to-Date Income Statements

(US\$ in Thousands, except for per share amounts)

	YTD		Favorable (Unfavorable)	
	June 2012	June 2011	Amount	Percent
<b>Unit Shipments</b>	<b>6,384,399</b>	<b>5,661,237</b>	<b>723,162</b>	<b>13%</b>
<b>Total Revenues</b>	<b>\$ 417,510</b>	<b>\$ 398,268</b>	<b>\$ 19,242</b>	<b>5%</b>
<b>Gross Profit</b>	<b>\$ 32,824</b>	<b>\$ 36,424</b>	<b>\$ (3,600)</b>	<b>-10%</b>
% of Revenues	7.9%	9.1%	-1.3%	
<b>SG&amp;A Expenses</b>	<b>(14,375)</b>	<b>(13,046)</b>	<b>(1,329)</b>	<b>10%</b>
% of Revenues	-3.4%	-3.3%	-0.2%	
<b>Impairment Costs</b>	<b>-</b>	<b>(340)</b>	<b>340</b>	<b>-</b>
<b>Operating Income</b>	<b>18,449</b>	<b>23,038</b>	<b>(4,589)</b>	<b>-20%</b>
% of Revenues	4.4%	5.8%	-1.4%	
<b>Interest Income, net</b>	<b>516</b>	<b>649</b>	<b>(133)</b>	<b>-20%</b>
<b>Foreign Exchange Gain (Loss)</b>	<b>112</b>	<b>361</b>	<b>(249)</b>	<b>-69%</b>
<b>Miscellaneous Inc/Exp</b>	<b>224</b>	<b>764</b>	<b>(540)</b>	<b>-71%</b>
<b>Income Before Income Taxes and Equity Earnings of JVs</b>	<b>19,302</b>	<b>24,812</b>	<b>(5,510)</b>	<b>-22%</b>
<b>Income Tax (Provision) Benefit</b>	<b>(6,154)</b>	<b>(2,058)</b>	<b>(4,096)</b>	<b>199%</b>
<b>Equity Income (Loss) - JVs</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Net Income</b>	<b>\$ 13,147</b>	<b>\$ 22,754</b>	<b>(9,607)</b>	<b>-42%</b>
<b>Income Per Share - Diluted</b>	<b>\$ 0.48</b>	<b>\$ 0.83</b>	<b>\$ (0.35)</b>	

Unaudited



## Summary Balance Sheets

(US\$ in Millions)

	June <u>2012</u>	December <u>2011</u>	Increase <u>(Decrease)</u>
<b><u>ASSETS</u></b>			
Cash & Equivalents	\$ 207.5	\$ 187.8	\$ 19.7
S-T Investments	4.8	5.1	(0.3)
Accounts Receivable, net	128.5	119.9	8.6
Inventories, net	67.2	66.9	0.3
Prepaid Aluminum	6.9	11.7	(4.8)
Other Current Assets	12.0	12.9	(0.9)
Total Current Assets	426.9	404.3	22.6
Property, Plant & Equipment	142.2	145.7	(3.5)
Investments	4.6	4.7	(0.1)
Other Assets	34.2	38.5	(4.3)
Total Assets	\$ 607.9	\$ 593.2	\$ 14.7
<b><u>LIABILITIES &amp; EQUITY</u></b>			
Accounts Payable	\$ 39.0	\$ 29.0	\$ 10.0
Other Current Liabilities	43.2	39.5	3.7
Total Current Liabilities	82.2	68.5	13.7
Non-Current Liabilities	60.4	64.2	(3.8)
Shareholders' Equity	465.3	460.5	4.8
Total Liabilities & Equity	\$ 607.9	\$ 593.2	\$ 14.7

Unaudited



## Summary Cash Flow Statements

Unaudited

	<b>June 2012</b>	<b>June 2011</b>	<b>Increase</b>
	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>(Decrease)</u></b>
<b>Net Income (Loss)</b>	\$ 13.1	\$ 22.8	\$ (9.7)
<b>Depreciation</b>	12.9	14.2	(1.3)
<b>Deferred Income Taxes</b>	3.8	(7.1)	10.9
<b>Accounts Receivable</b>	(10.5)	(19.1)	8.6
<b>Inventories</b>	(0.8)	(4.9)	4.1
<b>Prepaid Aluminum</b>	4.8	8.9	(4.1)
<b>Accounts Payable</b>	9.7	(7.1)	16.8
<b>Liability for FIN 48</b>	(4.3)	1.7	(6.0)
<b>Other Operations Related Items</b>	5.9	0.0	5.9
<b>Cash Flow from Operations</b>	<b>34.6</b>	<b>9.4</b>	<b>25.2</b>
<b>Cash Dividends</b>	(8.7)	(8.7)	-
<b>Capital Expenditures</b>	(8.7)	(9.5)	0.8
<b>Proceeds from Exercise of Stock Options</b>	0.4	4.6	(4.2)
<b>Loan to / Investment in Synergies</b>			
<b>Net Change in Maturing Investments</b>	0.3	16.8	(16.5)
<b>All Other</b>	1.8	2.3	(0.5)
<b>Net Increase (Decrease)</b>	<b>19.7</b>	<b>14.9</b>	<b>4.8</b>
<b>Cash - Beginning</b>	<b>187.8</b>	<b>129.6</b>	
<b>Cash - Ending</b>	<b>\$ 207.5</b>	<b>\$ 144.5</b>	



## Conclusion

- NA auto production showed strong growth in 2Q12, hitting highest levels since 2Q07
- Superior's market share decline primarily driven by customer mix
- Plant utilization rates remain at high levels - surge capacity being utilized
- Margin pressure reflects pricing, product mix, foreign currency impact and higher operating cost
- Mexico operations running smoothly while U.S. facing challenges
- Liquidity remains strong - generating cash to support continuing investment and dividends



## Non-GAAP Financial Measures

This slide presentation contains a financial measure on page 8 -- “Q2 2012 Significant Highlights - Gross Profit” -- determined by methods other than in accordance with U.S. GAAP. This measure is labeled “Gross profit adjusted for comparability”, and is presented as additional information to explain the impact of certain elements of cost performance and the comparison of gross profit for the time periods presented. Management uses this non-GAAP financial measure to assess the performance of our core business. We believe this non-GAAP financial measure provides meaningful additional information about our operating results. These non-GAAP financial measure should not be considered as a substitute for operating results determined in accordance with U.S. GAAP and may not be comparable to other similarly titled measures of other companies.