



NYSE: SUP

**First Quarter 2011  
Earnings Conference Call  
May 6, 2011**

Superior Industries International



## Forward Looking Statements

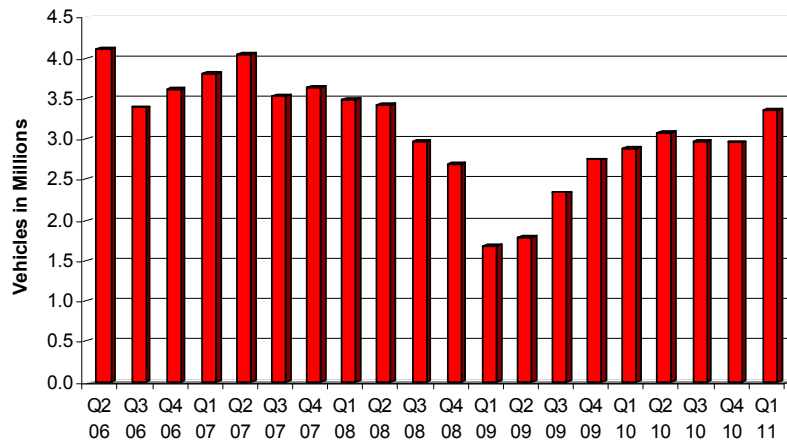
**Any forward-looking statements made in this web cast or contained in this presentation are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Actual results could differ materially because of issues and uncertainties that need to be considered in evaluating 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, domestic and foreign market demand, commodity prices including metal and energy, foreign currency, manufacturing capacity and our strategic and operating plans. Please refer to the company's SEC filings, including our 2010 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

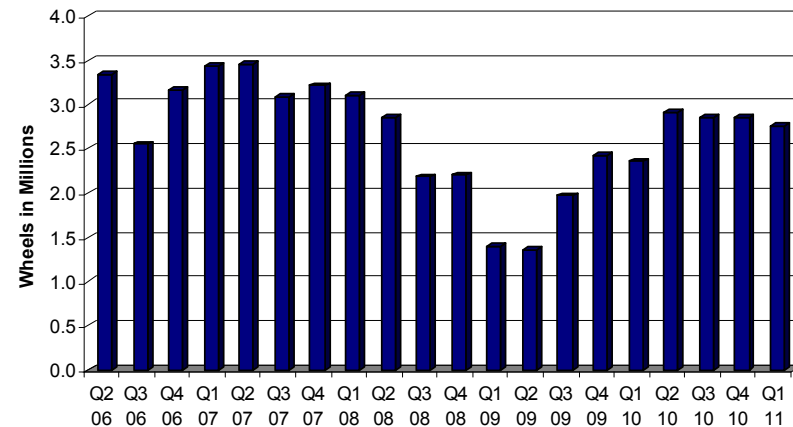
**Industry growth from the prior year continued into Q1 2011.**

**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>
- Q1 total units:	2.9	2.4
2011	3.4	2.8
2011 vs. 2010	+16%	+17%



## Key Sources of Volume Growth

Superior's strong position in the industry allowed the company to keep pace with the market on a year-over-year basis.

<u>Description (all units in millions)</u>		<u>NA Light Vehicle Production</u>	<u>Superior Shipments</u>
- Q1 total units:	2010	2.9	2.4
	2011	3.4	2.8
	2011 vs. 2010	+16%	+17%

- Our overall growth was consistent with the market which was partially the result of solid positions with Ford light trucks and International passenger cars and light trucks.
  - Ford – share gain quarter-over-quarter = 2.5 pts, light trucks +24 pts over market
  - International – share gain quarter-over-quarter = 6.2 pts, passenger cars + 63 pts over market, light trucks + 28 pts over market. Unit shipments to international brands increased by 62 pts reducing domestic concentration by almost 8 pts.
- Superior also benefitted from specific program positions – examples include:
  - Domestic Ford - F-Series, Edge and Fiesta. GM - GMT 900, Chevy Malibu and Traverse, Buick Enclave, Cadillac SRX, Chrysler – 200, Grand Cherokee
  - International Nissan - Altima, Versa and Sentra, Toyota - Highlander and Avalon, BMW - X3, Subaru – Legacy/Outback



## Q1 2011 Significant Highlights - Sales

**Improved demand, stable market position and resulting volume growth led to positive sales gains in Q1 2011.**

	Millions		Variance	
	<u>Q1 2011</u>	<u>Q1 2010</u>	<u>Amount</u>	<u>Percent</u>
Volume (Wheels Shipped)	2.8	2.4	0.4	17%
<hr/>				
Net Sales:				
Total	\$189.5	\$150.2	\$39.3	26%
Volume			\$24.5	
Project Development			0.1	
Price / Mix			\$14.7	
<hr/>				
Aluminum Content - Price			\$10.7	} \$12.4
Aluminum Content - Weight			\$1.7	
Price / Mix Excluding Aluminum		\$14.7	\$2.3	



## Q1 2011 Significant Highlights – Gross Profit

	<u>Q1 2011</u>	<u>Q1 2010</u>	<u>Variance - Plus (Minus)</u>	
			<u>Amount</u>	<u>Percent</u>
Shipment (millions)	2.8	2.4	0.4	17%
Production (millions)	2.7	2.4	0.3	13%
Capacity Utilization (%)*	98%	83%	15 pts	

\* Includes impact of maintenance shutdowns which added 5 pts on the Q1 2011 to Q1 2010 variance

	<u>Income / (Expense)</u>		<u>Percent to Sales</u>	
	<u>Q1 2011</u>	<u>Q1 2010</u>	<u>Q1 2011</u>	<u>Q1 2010</u>
- Gross profit :				
Q4: Total reported	\$16.9	\$12.6	8.9%	8.4%
Maintenance shutdowns	-\$2.3	-\$0.6	1.2%	0.4%
Weather related shutdowns	-\$1.1		0.6%	
Plant closures		-\$1.5		1.0%
Natural gas contracts		-\$0.5		0.3%
Aluminum price impact on revenue			0.6%	
Gross profit adjusted for comparability			11.3%	10.1%

- **Gross profit for the first quarter 2011 benefited from increased sales volume and the favorable impact of higher production levels**
- **Gross margin was impacted negatively by approximately \$2.8 million of costs or 1.5 pts associated primarily with critically needed plant maintenance shut downs and unexpected production curtailments due to inclement weather during the first quarter of 2011**
- **Operating inefficiencies were incurred in the first quarter of 2011 as start-up cost resulted from increasing headcount to better balance manpower with production levels and due to new program launches**
- **Gross Margin percentage was diluted by .6 pts due to higher aluminum selling prices and weight content in first quarter of 2011 compared to the first quarter of 2010**



## 1st Quarter Statement of Operations – Other Comments

- SG&A expense increased \$.5M for the first quarter 2011 but fell .6 pts. measured against net sales
  - Most of the increase had to do with increases in salary related expense, professional fees and repairs and maintenance.
- Interest and other income was \$1.3M more favorable for the first quarter ending 2011 - FX gains of \$.8M and miscellaneous income of \$.6M partially offset by reduced interest income for lower interest rates
- Equity losses were (\$1.4M) lower because we were still reporting the results from our Hungarian joint venture in the first quarter of 2010
- The effective income tax rate moved more in line with the statutory rate - Q1 2011 rate = 28% provision; Q1 2010 rate = 68% benefit
  - Q1 2010 reflects the recognition of tax benefits as a result of having completed certain audits
  - Q1 2011 includes a release of a portion of the valuation allowance for realized deferred tax assets and use of NOL carryforwards
  - Policy is to release deferred tax allowance after (i) 3 years of cumulative taxable income, and (ii) sustained profitability evidenced by at least two consecutive years of taxable income, subject to review of specific facts and circumstance related to realization



## Balance Sheet Comments

- In the first quarter of 2011 cash and short-term investments increased by \$26M to end the quarter at \$178M, + \$40M over the first quarter ending 2010
- Other current assets fell (\$22M) in the first quarter of 2011 mainly due to a reduction in prepaid aluminum
- Accounts receivable and inventories increased \$13.3M over the prior year end due to increased sales, (+ \$47M over the first quarter of 2010)
- Working capital and current ratio remained strong at \$321M and 5.1:1 at the end of the first quarter 2011



## Cash Flow Comments

- The net increase in cash in the first quarter 2011 was \$26M, + \$40M over the ending balance of the first quarter 2010
- A substantial decrease in prepaid aluminum of \$23.6 resulting from a temporary change in vendor terms accounted for most of the cash increase.
- The continued payments of dividends (\$4.3M), capital spending (\$4.6M) along with (\$13.7M) of additional working capital requirements, AR and inventory, were the main uses of cash in the first quarter 2011.



# 1<sup>st</sup> Quarter Statement of Operations

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

	<u>2011</u>	<u>2010</u>	<u>Amount</u>	<u>Percent</u>
Unit Shipments	2,752,902	2,359,989	392,913	17%
Total Revenues	\$ 189,534	\$ 150,196	\$ 39,338	26%
Gross Profit	\$ 16,877	\$ 12,628	\$ 4,249	34%
% of Revenues	8.9%	8.4%	0.5%	
SG&A Expenses	(6,692)	(6,226)	(466)	-7%
% of Revenues	-3.5%	-4.1%	0.6%	
Operating Income	10,185	6,402	3,783	59%
% of Revenues	5.4%	4.3%	1.1%	
Interest and Other Income, net	697	174	523	301%
Foreign Exchange Gain (Loss)	285	(492)	777	158%
Income Before Income Taxes and Equity Earnings - Affiliates	11,167	6,084	5,083	84%
Income Tax (Provision) Benefit	(3,113)	4,173	(7,286)	-175%
Equity Income (Loss) - Affiliates	-	(1,358)	1,358	100%
Net Income	\$ 8,054	\$ 8,899	(845)	-9%
Income Per Share - Diluted	\$ 0.29	\$ 0.33	\$ (0.04)	

Unaudited



## Summary Balance Sheets

(US\$ in Millions)

	Actual March <u>2011</u>	Actual December <u>2010</u>	Increase (Decrease)
<b><u>ASSETS</u></b>			
Cash & S-T Investments	\$ 177.5	\$ 151.6	\$ 25.9
Accounts Receivable, net	124.2	116.7	7.5
Inventories, net	80.7	74.9	5.8
Other Current Assets	16.7	38.4	(21.7)
<b>Total Current Assets</b>	<b>399.1</b>	<b>381.6</b>	<b>17.5</b>
Property, Plant & Equipment	168.2	167.2	1.0
Investments	4.8	4.5	0.3
Other Assets	18.5	19.1	(0.6)
<b>Total Assets</b>	<b>\$ 590.6</b>	<b>\$ 572.4</b>	<b>\$ 18.2</b>
<b><u>LIABILITIES &amp; EQUITY</u></b>			
Accounts Payable	\$ 30.2	\$ 30.2	\$ -
Other Current Liabilities	47.7	40.3	7.4
<b>Total Current Liabilities</b>	<b>77.9</b>	<b>70.5</b>	<b>7.4</b>
Non-Current Liabilities	90.9	88.4	2.5
Shareholders' Equity	421.8	413.5	8.3
<b>Total Liabilities &amp; Equity</b>	<b>\$ 590.6</b>	<b>\$ 572.4</b>	<b>\$ 18.2</b>

Unaudited



# Summary Cash Flow Statements

(US\$ in Millions)

	<u>Actual</u> <u>2011</u>	<u>Actual</u> <u>2010</u>	<u>Increase</u> <u>(Decrease)</u>
Net Income (Loss)	\$ 8.1	\$ 8.9	\$ (0.8)
Depreciation	7.0	7.5	(0.5)
Equity Income Loss	-	1.4	(1.4)
Accounts Receivable	(8.0)	(11.8)	3.8
Inventories	(5.7)	(6.0)	0.3
Prepaid Aluminum	23.6	(6.4)	30.0
Income Taxes Payable	4.9	11.1	(6.2)
Deferred Income Taxes	(1.7)	11.7	(13.4)
Liability for FIN 48	1.8	(17.5)	19.3
Other Operations Related Items	2.6	(0.8)	3.4
<b>Cash Flow from Operations</b>	<b>32.6</b>	<b>(1.9)</b>	<b>34.5</b>
Cash Dividends	(4.3)	(4.3)	-
Capital Expenditures	(4.6)	(1.1)	(3.5)
Proceeds from Stock Options	1.5	-	1.5
Loan to Synergies	0.4	-	0.4
Long-Term Certificates of Deposit	-	4.0	(4.0)
All Other	0.3	0.1	0.2
<b>Net Increase (Decrease)</b>	<b>25.9</b>	<b>(3.2)</b>	<b>29.1</b>
<b>Cash &amp; ST Investments - Beginning</b>	<b>151.6</b>	<b>140.5</b>	<b>11.1</b>
<b>Cash &amp; ST Investments - Ending</b>	<b>\$ 177.5</b>	<b>\$ 137.3</b>	<b>\$ 40.2</b>

Unaudited



## Conclusion

- Automotive market conditions in North America continued to remain strong in the first quarter of 2011.
- Improved year-over-year financial results for the first quarter of 2011 primarily resulted from:
  - Strong position in the market
  - Substantial increase in shipments
- Despite overall improvement, income was hampered by:
  - Higher cost and reduced absorption due to maintenance shutdowns and weather related disruptions
  - Lower efficiencies and start-up costs resulting from increased manpower requirements and program launches
- Overall demand levels remain strong - negative impact from part shortages and rising fuel prices could impact Superior's shipments.
- Liquidity remains strong and the company continues to generate cash



## Non-GAAP Financial Measures

This slide presentation contains a financial measure on page 6 -- “Q1 2011 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. We define Gross Profit Adjusted for Comparability as gross profit divided by net sales after adjustment to exclude the effect on reported gross profit of maintenance shutdowns, weather related shutdowns, plant closures, changes associated with natural gas contracts, and aluminum price impact on revenue. 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, because these non-operating items are often episodic in nature and can obscure our core 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.