

NYSE: SUP

**Second Quarter 2011  
Earnings Conference Call  
August 5, 2011**

Superior Industries International



## Forward Looking Statements

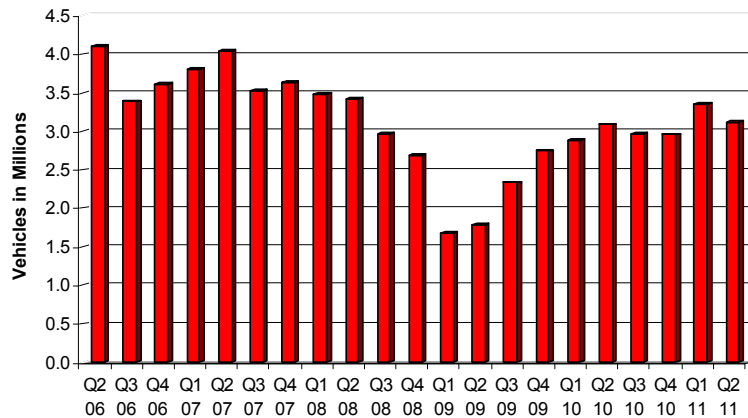
**Any forward-looking statements made in this web cast or contained in this presentation are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Actual results could differ materially because of issues and uncertainties that need to be considered in evaluating 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

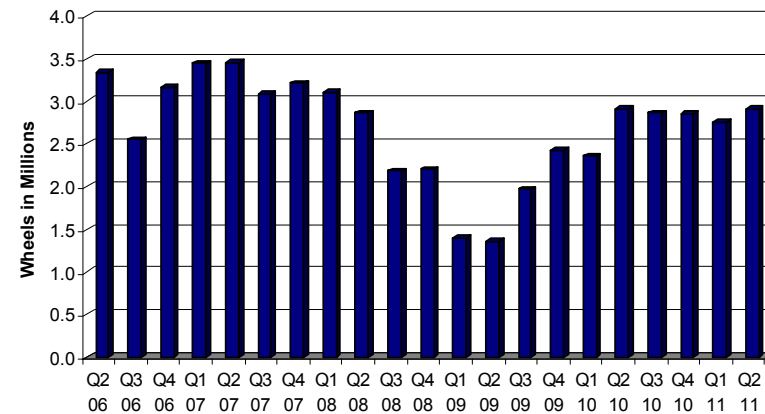
Industry growth in Q2 2011 was up slightly compared to the prior year, however, growth weakened compared to Q1 2011.

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>
- Q2 total units:	2010	3.08	2.92
	2011	3.11	2.91
	2011 vs. 2010	+1%	- 1/2 %
- June YTD total units:	2010	5.97	5.28
	2011	6.48	5.66
	2011 vs. 2010	+8.5%	+7.2%



## Superior Shipments – Year-over-Year Comparison

**Superior’s market share was largely unchanged in the second quarter and year-to-date. However, there was significant shift between customers and mix.**

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- Q2 total units:	2010	3.08	2.92
	2011	3.11	2.91
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- In the second quarter the domestic OEM’s gained market share at the expense of some the internationals.
  - Ford, GM and Chrysler all posted solid year over year growth.
  - International OEM production dropped 17% on a year over year basis. Toyota and Honda were both down by 45% and Subaru was down by 17%. Nissan was up slightly.
- **Superior held market share with Ford but slipped with GM and Chrysler.**
  - Ford - helped by the F-Series +10%, Fusion +14%, Fiesta + 130% and new programs (Edge and Taurus). GM - down on Cobalt and Acadia; Chrysler - down on the 300 and Charger.
- **Superior’s international market share increased despite a decrease in Toyota shipments of 42%.**
  - Toyota - down on Avalon -55%, Highlander -25%, Sienna - 41% and Venza - 38%.
  - Strong position with Nissan and new business with BMW and VW drove a 2.5 pts gain in overall international market share.
    - Nissan Sentra and Altima.
    - BMW - new business on X3; VW - new business on the Jetta.



## Superior Shipments – Sequential Quarter Comparison

**Superior shipments outperformed the North American market on a sequential quarter basis.**

<u>Description (all units in millions)</u>	<u>NA Light Vehicle Production</u>	<u>Superior Shipments</u>
- Q1 total units: 2011	3.36	2.75
- Q2 total units: 2011	3.11	2.91
Q1 2011 vs. Q2 2011	-7.4%	+5.6%

- Superior's sequential quarterly growth outpaced the market which was partially the result of solid positions with Ford, GM and Chrysler. International business trended downward with the market as a result of the shutdowns caused by the disaster in Japan.
  - Domestic - solid market share gains at Ford, GM and Chrysler. Shipments increased on the average of 18% from Q1 to Q2 of 2011.
  - International - market share was unchanged as shipments fell in line with market.
- **Specific program positions benefiting Superior - examples include:**
  - Domestic - Ford: F-Series, Edge and Fiesta. GM: GMT 900 and Chevy Malibu, Cadillac SRX. Chrysler: Journey, Caravan, and Grand Cherokee.
- **Specific program positions hurting Superior - examples include:**
  - International - Toyota: Highlander, Sienna and Avalon; Subaru: Legacy/Outback.



## Q2 2011 and YTD Significant Highlights - Sales

**Volume leveled out in Q2 2011 but increased on a YTD basis. Revenue increase was heavily impacted by aluminum.**

	Millions		Variance		Millions		Variance	
	Q2 2011	Q2 2010	Amount	Percent	YTD 2011	YTD 2010	Amount	Percent
Volume (Wheels Shipped)	2.9	2.9	0	0%	5.7	5.3	0.4	8%
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Net Sales:								
Total	\$208.7	\$194.6	\$14.1	7%	\$398.3	\$344.8	\$53.5	16%
Volume			-\$0.6				\$24.6	
Project Development			-\$0.8				-\$0.7	
Price / Mix			\$15.5				\$29.6	
<hr/>								
Aluminum Content - Price								
Aluminum Content - Weight								
Clad Volume								
Price / Mix Other								
		\$15.5	\$13.7		\$15.3		\$23.6	
			\$1.6				\$3.3	
			\$2.2				\$5.1	
			-\$2.0				-\$2.4	
								\$26.9



## Q2 2011 Significant Highlights – Gross Profit

	<u>Variance - Plus (Minus)</u>			
	<u>Q2 2011</u>	<u>Q2 2010</u>	<u>Amount</u>	<u>Percent</u>
Shipment (millions)	2.90	2.90	-	0%
Production (millions)	2.95	2.90	0.05	2%
Capacity Utilization (%)	97%	96%	1 pts	
	<u>Income / (Expense)</u>		<u>Percent to Sales</u>	
	<u>Q2 2011</u>	<u>Q2 2010</u>	<u>Q2 2011</u>	<u>Q2 2010</u>
- Gross profit :				
Total reported	\$19.5	\$27.9	9.4%	14.3%
Product mix	(\$1.3)		0.6%	
Plant performance	(\$1.7)		0.8%	
Repairs & maintenance	(\$1.7)		0.8%	
Increased wheel development expense	(\$1.4)		0.7%	
Aluminum price impact on revenue			0.8%	
Plant closures	(\$0.4)	(\$1.0)	0.2%	0.5%
Natural gas contracts		\$1.1		-0.6%
Gross profit adjusted for comparability (Note 1)			13.3%	14.2%

- **Product mix is a challenged - Price pressure, more stringent quality standards, and new product ramp-ups.**
  - 15" Ford Focus -175K units for the quarter replaced by larger Edge +103K, Fiesta +65K and BMW wheels +50K.
  - Mix changes drove higher labor cost reflected in Plant Performance.
- **Repairs and maintenance expense increased 36% over the prior year due to higher utilization rates of equipment and prior year maintenance deferment.**
- **Wheel development cost increases due to higher program activity to facilitate future volumes.**
- **Gross Margin percentage for the quarter was diluted by 80 bps due to higher aluminum selling prices.**



## 2nd Quarter Income Statements – Other Comments

- **SG&A expense decreased \$0.9M - 0.8 pts. measured against net sales.**
  - Decrease - Professional fees of \$1.1 million and incentive compensation expense of \$600,000.
  - Increase - Provision for bad debts of \$400,000.
- **Impairment charges = \$0.3 million to reduce Johnson City building to (\$1.7) market value.**
- **Loss on the sale of the Hungarian joint venture in 2010 = (\$4.1M)**
- **FX loss in 2010 = (\$1M) - due to Peso devaluation.**
- **Equity losses from the Hungarian joint venture in 2010 = (\$1.5M)**
- **The effective income tax rate for the second quarter of 2011 was a benefit of 8%, compared to an expense of 29% in the second quarter of 2010.**
  - The current year benefit reflects an update in estimate for foreign taxes based on information received during quarter.
  - Policy is to release valuation 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 circumstances related to realization.
  - The valuation allowance remaining at the end of the second quarter 2011 is \$36M.



## Balance Sheet & Cash Flow Comments - YTD

- In 2011 cash and short-term investments decreased by (\$2M) to end the quarter at \$150M, \$6.2M over the second quarter ending 2010.
- Accounts receivable and inventories increased \$23M over the prior year end due to increased sales and higher aluminum prices.
- Prepaid aluminum down (\$9M) - reflects action to adjust inventory levels.
- Working capital and current ratio remained strong at \$333M and 6.1:1 at the end of the second quarter 2011.
- Capital expenditures increased \$6.7M over the prior year - capacity investments.



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

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

	<u>2011</u>	<u>2010</u>	<u>Favorable</u> <u>(Unfavorable)</u>	<u>Amount</u>	<u>Percent</u>
Unit Shipments	<u>2,908,335</u>	<u>2,917,707</u>	(9,372)		0%
Total Revenues	\$ 208,734	\$ 194,562	\$ 14,172		7%
Gross Profit	\$ 19,547	\$ 27,892	\$ (8,345)		-30%
% of Revenues	9.4%	14.3%	-4.9%		
SG&A Expenses	(6,354)	(7,323)	969		13%
% of Revenues	-3.0%	-3.8%	0.8%		
Impairment of Long-Lived Assets	(340)	-	(340)		
Operating Income	12,853	20,569	(7,716)		-38%
% of Revenues	6.2%	10.6%	-4.4%		
Loss on Sale of Suoftec	-	(4,110)	4,110		100%
Interest and Other Income, net	716	820	(104)		-13%
Foreign Exchange Gain (Loss)	76	(1,027)	1,103		107%
Income Before Income Taxes and Equity Earnings of JVs	13,645	16,252	(2,607)		-16%
Income Tax Benefit (Provision)	1,055	(4,674)	5,729		123%
Equity Income (Loss) - JVs	-	(1,489)	1,489		100%
Net Income	\$ 14,700	\$ 10,089	4,611		46%
Income Per Share	\$ 0.53	\$ 0.38	\$ 0.16		

Unaudited



## June Year-to-Date Income Statements

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

	<u>2011</u>	<u>2010</u>	<u>Amount</u>	<u>Percent</u>
Unit Shipments	5,661,237	5,273,682	387,555	7%
Total Revenues	\$ 398,268	\$ 344,758	\$ 53,510	16%
Gross Profit	\$ 36,424	\$ 40,520	\$ (4,096)	-10%
% of Revenues	9.1%	11.8%	-2.7%	
SG&A Expenses	(13,046)	(13,549)	503	4%
% of Revenues	-3.3%	-3.9%	0.6%	
Impairment Costs	(340)	-	(340)	-
Operating Income	23,038	26,971	(3,933)	-15%
% of Revenues	5.8%	7.8%	-2.0%	
Loss on Sale of Suoftec	-	(4,110)	4,110	100%
Interest and Other Income, net	1,413	994	419	42%
Foreign Exchange Gain (Loss)	361	(1,519)	1,880	124%
Income Before Income Taxes and Equity Earnings of JVs	24,812	22,336	2,476	11%
Income Tax (Provision)	(2,058)	(501)	(1,557)	-311%
Equity Income (Loss) - JVs	-	(2,847)	2,847	100%
Net Income	\$ 22,754	\$ 18,988	3,766	20%
Income Per Share	\$ 0.83	\$ 0.71	\$ 0.12	

Unaudited



## Summary Balance Sheets

(US\$ in Millions)

	June 2011 <u>Actual</u>	December <u>2010</u>	Increase <u>(Decrease)</u>
<b><u>ASSETS</u></b>			
Cash & S-T Investments	\$ 149.6	\$ 151.6	\$ (2.0)
Accounts Receivable, net	134.7	116.7	18.0
Inventories, net	79.9	74.9	5.0
Prepaid Aluminum	17.9	26.9	(9.0)
Other Current Assets	16.6	11.5	5.1
<b>Total Current Assets</b>	<b>398.7</b>	<b>381.6</b>	<b>17.1</b>
Property, Plant & Equipment	167.8	167.2	0.6
Investments	4.8	4.5	0.3
Other Assets	17.5	19.1	(1.6)
<b>Total Assets</b>	<b>\$ 588.8</b>	<b>\$ 572.4</b>	<b>\$ 16.4</b>
<b><u>LIABILITIES &amp; EQUITY</u></b>			
Accounts Payable	\$ 24.4	\$ 30.2	\$ (5.8)
Other Current Liabilities	41.3	40.3	1.0
<b>Total Current Liabilities</b>	<b>65.7</b>	<b>70.5</b>	<b>(4.8)</b>
Non-Current Liabilities	86.9	88.4	(1.5)
Shareholders' Equity	436.2	413.5	22.7
<b>Total Liabilities &amp; Equity</b>	<b>\$ 588.8</b>	<b>\$ 572.4</b>	<b>\$ 16.4</b>

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## Summary Cash Flow Statements

(US\$ in Millions)	2011 <u>Actual</u>	2010 <u>Actual</u>	Increase <u>(Decrease)</u>
Net Income (Loss)	\$ 22.8	\$ 19.0	\$ 3.8
Depreciation	14.2	15.1	(0.9)
Equity Income Loss	-	2.8	(2.8)
Loss on Sale of Suoftec	-	4.1	(4.1)
Accounts Receivable	(19.1)	(40.8)	21.7
Inventories	(4.9)	(4.9)	-
Accounts Payable	(7.1)	7.0	(14.1)
Deferred Income Taxes	(7.1)	12.5	(19.6)
Liability for FIN 48	1.7	(17.3)	19.0
Other Operations Related Items	8.8	7.5	1.3
<b>Cash Flow from Operations</b>	<b>9.3</b>	<b>5.0</b>	<b>4.3</b>
Cash Dividends	(8.7)	(8.5)	(0.2)
Capital Expenditures	(9.5)	(2.8)	(6.7)
Proceeds from Sale of Suoftec	2.9	4.9	(2.0)
Proceeds from Exercise of Stock Options	4.6	-	4.6
Loan to / Investment in Synergies	(0.5)	-	(0.5)
Net Change in Maturing Investments	0.1	4.3	(4.2)
All Other	(0.2)	-	(0.2)
<b>Net Increase (Decrease)</b>	<b>(2.0)</b>	<b>2.9</b>	<b>(4.9)</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>\$ 149.6</b>	<b>\$ 143.4</b>	<b>\$ 6.2</b>

Unaudited



## Conclusion

- **Second quarter NA production was relatively flat year over year - share shift between domestic and international OEM's due to the natural disaster in Japan.**
- **Superior's domestic/international mix largely unchanged - share gain in international offset by domestic share loss.**
- **Superior shipments outpaced the market on a sequential quarter basis.**
- **The Company's gross margins were lower in the second quarter reflecting:**
  - Challenging product mix - higher labor cost.
  - Increased repairs & maintenance expense.
  - Higher wheel development cost to facilitate current and future business.
  - Increased aluminum price diluted margin percentage.
- **Customer releases remain strong.**
- **Liquidity remains strong - generating cash to support continuing investment.**



## Non-GAAP Financial Measures

This slide presentation contains a financial measure on page 7 -- “Q2 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. 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.