

NYSE: SUP

**Third Quarter 2011
Earnings Conference Call
October 28, 2011**



Superior Industries International



Forward Looking Statements

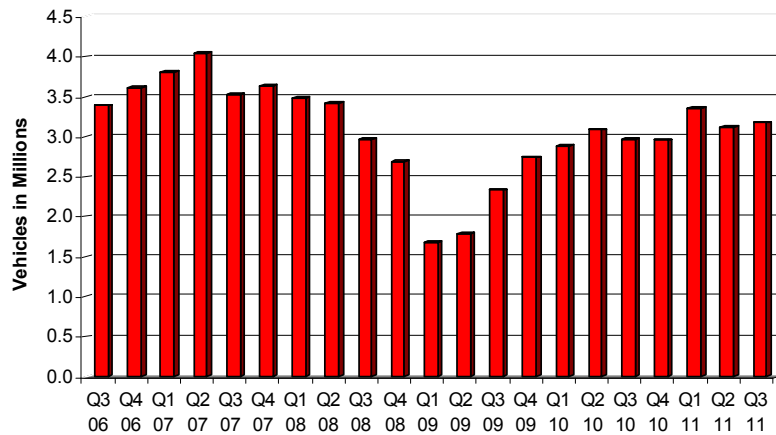
Any forward-looking statements made in this web cast or contained in this presentation are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Actual results could differ materially because of issues and uncertainties that need to be considered in evaluating 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 and mix, domestic and foreign market demand, commodity prices including metal and energy, foreign currency, manufacturing capacity and productivity 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 demand remains strong as Q3 2011 NA Production increased over the prior year and rose slightly on a sequential basis.

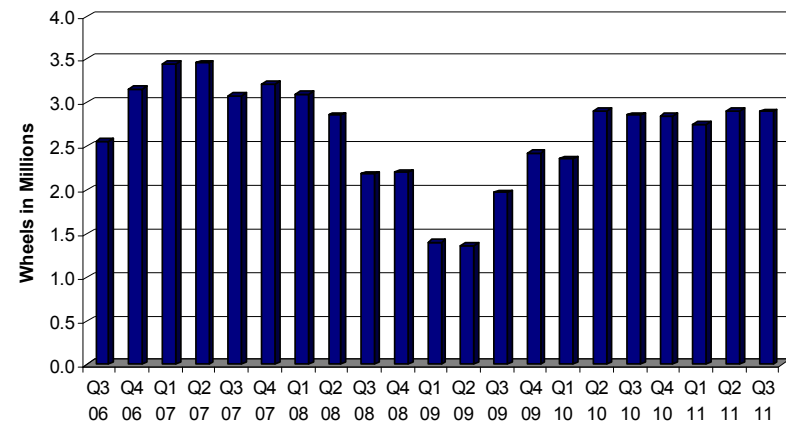
North American Light Vehicle Production



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>
- Q3 total units:	2010	2.98	2.86
	2011	3.17	2.90
	2011 vs. 2010	+6.4%	+1.4%
- Sept. YTD total units:	2010	8.95	8.14
	2011	9.65	8.56
	2011 vs. 2010	+7.8%	+5.2%



Superior Shipments – Year-over-Year Comparison

Superior's market share declined in the third quarter. 3Q11 customer mix reflects recovery of Toyota production.

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- The market grew nicely in Q3 as international brands (i.e., Japanese) recovered from Q2 problems
 - Ford and Chrysler were the biggest gainers year-over-year
 - Solid overall gains occurred in both passenger car and light truck categories
- Superior's share loss was at the domestic brands, with the largest change at Chrysler
 - Chrysler losses include Dodge Charger & Ram and Chrysler 300
 - Shipments to Ford increased about 8% despite small share decline - strong growth in light trucks (F-Series, Explorer, Expedition and Edge), with passenger car decline due to loss of Focus (some offset from growth in Fusion, Fiesta and Taurus)
- Superior's international market share continues to increase, as we see strong demand from Nissan, BMW and other International OEM's
 - Nissan shipments +32% - Altima, Sentra and Maxima
 - Toyota business rebounded in Q3 + 7%
 - BMW shipments +148% - X3 -- VW shipments + 32% - Jetta



Superior Shipments – Sequential Quarter Comparison

Superior shipments were about flat on a sequential quarter basis against modest industry growth.

<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
- Q3 total units: 2011	3.17	2.90
- Q2 2011 vs. Q3 2011	+1.9%	-0.3%

- Overall market growth masks underlying change, as market share shifted back to fit the YTD trend
 - Volume declines occurred at all domestic brands
 - Japan came roaring back from Q2 difficulties - international brands overall +25%
- Superior's mix of business reacted similarly as volume declines at domestic brands was largely offset with international growth
 - Domestic - Superior shipments for light trucks declined 6.6% in line with the market
 - International - Superior growth was +32% overall, especially strong against the market for passenger cars - Nissan and Toyota



Q3 2011 and YTD Significant Highlights - Sales

Volume was flat in Q3 of 2011 but has increased on a YTD basis. Q3 2011 revenue increase was mostly aluminum.

	Millions		Variance		Millions		Variance	
	<u>Q3 2011</u>	<u>Q3 2010</u>	<u>Amount</u>	<u>Percent</u>	<u>YTD 2011</u>	<u>YTD 2010</u>	<u>Amount</u>	<u>Percent</u>
Volume (Wheels Shipped)	2.90	2.86	0.04	1.4%	8.56	8.14	0.42	5.2%
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Net Sales:								
Total	\$207.1	\$183.7	\$23.4	13%	\$605.3	\$528.5	\$76.8	15%
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Volume			\$2.2				\$26.8	
Project Development			\$0.4				-\$0.3	
Price / Mix			\$20.8				\$50.3	
<hr/>								
Aluminum Content - Price							\$42.5	
Aluminum Content - Weight							\$5.1	
Clad Volume							\$5.7	
Price / Mix Other							-\$3.0	
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Q3 2011 Significant Highlights – Gross Profit

	<u>Q3 2011</u>	<u>Q3 2010</u>	<u>Variance - Plus (Minus)</u>	
			<u>Amount</u>	<u>Percent</u>
Shipment (millions)	2.90	2.86	0.04	1.4%
Production (millions)	2.89	2.93	(0.04)	-1.4%
Capacity Utilization (%) (adjusted for shutdowns)	96%	95%	1 pts	
	Income / (Expense)		Percent to Sales	
	<u>Q3 2011</u>	<u>Q3 2010</u>	<u>Q3 2011</u>	<u>Q3 2010</u>
- Gross profit :				
Total reported	\$12.6	\$19.7	6.1%	10.7%
Aluminum price impact on revenue			0.7%	
Product mix	(\$3.2)		1.5%	
Plant performance	(\$1.9)		0.9%	
Maintenance shutdowns	(\$1.2)		0.6%	
Repairs & maintenance	(\$0.7)		0.3%	
Project Development Expense	\$0.2		-0.1%	
Plant closures		(\$0.7)	0.0%	0.4%
Natural gas contracts		\$0.5		-0.3%
Gross profit adjusted for comparability (Note 1)			10.1%	10.8%

- **Capacity utilization remains very high**
- **Gross Margin percentage for the quarter was diluted due to higher aluminum selling prices**
- **Product mix and plant performance continue to be challenges**
 - Price pressure, wheel complexity, more stringent quality standards and new product ramp-ups are factors
 - Equipment reliability / downtime also affect productivity
- **Maintenance shutdowns were essential in most of our operating facilities in Q3 2011**
- **Repair and maintenance expense +15% - emergency maintenance drove some of this**



3rd Quarter Income Statements – Other Comments

- SG&A expense decreased \$1.7 million
 - SG&A = 3.2% of sales - 1.3 pts lower than Q3 2010
 - Decrease - Provision for bad debts of \$.9 million and disposal of fixed assets \$.6 million
- Interest and other income decreased \$.8 million - interest rates, small sales tax adjustment
- FX loss increased \$1.3 million due to sudden Peso devaluation in September
- The effective income tax rate for the third quarter of 2011 was an expense of 17%, flat in comparison to the third quarter of 2010
 - Current year includes a \$1M benefit for release of a portion of the valuation allowance
 - 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 third quarter 2011 is \$34.7M



Balance Sheet & Cash Flow Comments - YTD

- In 2011 cash and short-term investments increased \$.7 million to end the quarter at \$152.2M, \$16.2M over the third quarter ending 2010
- Accounts receivable and inventories increased \$17M over the prior year end predominately due to higher aluminum prices
- Prepaid aluminum down (\$8M) - reflects action to better optimize inventory levels
- Working capital and current ratio remained strong at \$329M and 5.9:1 at the end of the third quarter 2011
- Capital expenditures increased \$8.3M over the prior year - capacity investments are largest increase



Third Quarter Income Statements

			Favorable (Unfavorable)	
	2011	2010	Amount	Percent
(US\$ in Thousands, except for per share amounts)				
Unit Shipments	2,895,899	2,861,671	34,228	1%
Total Revenues	\$ 207,057	\$ 183,712	\$ 23,346	13%
Gross Profit	\$ 12,575	\$ 19,718	\$ (7,143)	-36%
% of Revenues	6.1%	10.7%	-4.7%	
SG&A Expenses	(6,607)	(8,337)	1,731	21%
% of Revenues	-3.2%	-4.5%	1.3%	
Impairment Costs	-	-	-	-
Operating Income	5,968	11,381	(5,412)	-48%
% of Revenues	2.9%	6.2%	-3.3%	
Loss on Sale of Suoftec	-	-	-	
Interest and Other Income, net	533	1,320	(787)	-60%
Foreign Exchange Gain (Loss)	(1,377)	(100)	(1,277)	-1275%
Income Before Income Taxes and Equity Earnings of JVs	5,124	12,601	(7,477)	-59%
Income Tax (Provision) Benefit	(896)	(2,204)	1,308	59%
Equity Income (Loss) - JVs	-	-	-	
Net Income	\$ 4,228	\$ 10,397	(6,169)	-59%
Income Per Share	\$ 0.16	\$ 0.39	\$ (0.23)	

Unaudited



September Year-to-Date Income Statements

			Favorable (Unfavorable)		
	(US\$ in Thousands, except for per share amounts)	2011	2010	Amount	Percent
Unit Shipments		8,557,136	8,139,367	417,769	5%
Total Revenues		\$ 605,325	\$ 528,470	\$ 76,855	15%
Gross Profit		\$ 48,999	\$ 60,238	\$ (11,240)	-19%
% of Revenues		8.1%	11.4%	-3.3%	
SG&A Expenses		(19,653)	(21,886)	2,233	10%
% of Revenues		-3.2%	-4.1%	0.9%	
Impairment Costs		(340)	-	(340)	-
Operating Income		29,006	38,352	(9,346)	-24%
% of Revenues		4.8%	7.3%	-2.5%	
Loss on Sale of Suoftec		-	(4,110)	4,110	100%
Interest and Other Income, net		1,946	2,315	(369)	-16%
Foreign Exchange Gain (Loss)		(1,016)	(1,620)	603	37%
Income Before Income Taxes and Equity Earnings of JVs		29,936	34,937	(5,001)	-14%
Income Tax (Provision) Benefit		(2,954)	(2,705)	(250)	-9%
Equity Income (Loss) - JVs		-	(2,847)	2,847	100%
Net Income		\$ 26,982	\$ 29,385	(2,403)	-8%
Income Per Share		\$ 0.99	\$ 1.10	\$ (0.11)	

Unaudited



Summary Balance Sheets

(US\$ in Millions)

	September <u>2011</u>	December <u>2010</u>	Increase <u>(Decrease)</u>
<u>ASSETS</u>			
Cash & Equivalents	\$ 147.1	\$ 129.6	\$ 17.5
S-T Investments	5.1	21.9	(16.8)
Accounts Receivable, net	126.4	116.7	9.7
Inventories, net	81.7	74.9	6.8
Prepaid Aluminum	19.0	26.9	(7.9)
Other Current Assets	15.9	11.6	4.3
Total Current Assets	395.2	381.6	13.6
Property, Plant & Equipment	148.7	167.2	(18.5)
Investments	4.7	4.5	0.2
Other Assets	18.2	19.1	(0.9)
Total Assets	\$ 566.8	\$ 572.4	\$ (5.6)
<u>LIABILITIES & EQUITY</u>			
Accounts Payable	\$ 26.3	\$ 30.2	\$ (3.9)
Other Current Liabilities	40.2	40.3	(0.1)
Total Current Liabilities	66.5	70.5	(4.0)
Non-Current Liabilities	75.9	88.4	(12.5)
Shareholders' Equity	424.4	413.5	10.9
Total Liabilities & Equity	\$ 566.8	\$ 572.4	\$ (5.6)

Unaudited



Summary Cash Flow Statements

(US\$ in Millions)

	2011 <u>Actual</u>	2010 <u>Actual</u>	Increase <u>(Decrease)</u>
Net Income (Loss)	\$ 27.0	\$ 29.4	\$ (2.4)
Depreciation	20.9	22.3	(1.3)
Equity Income Loss	-	4.1	(4.1)
Loss on Sale of Suoftec	-	2.8	(2.8)
Accounts Receivable	(15.9)	(41.3)	25.4
Inventories	(7.4)	(13.2)	5.7
Accounts Payable	(3.1)	6.2	(9.3)
Deferred Income Taxes	(7.4)	11.5	(18.9)
Liability for FIN 48	1.9	(16.3)	18.2
Other Operations Related Items	5.4	1.5	3.9
Cash Flow from Operations	21.3	7.0	14.3
Cash Dividends	(13.0)	(12.8)	(0.2)
Capital Expenditures	(13.7)	(5.5)	(8.3)
Proceeds from Sale of Suoftec	2.9	4.9	(2.1)
Proceeds from Exercise of Stock Options	4.7	0.0	4.6
Loan to / Investment in Synergies	(0.5)	(2.5)	2.1
Net Change in Maturing Investments	16.8	6.5	10.3
All Other	(1.0)	0.3	(1.3)
Net Increase (Decrease)	17.4	(2.0)	19.4
Cash & Cash Equivalents - Beginning	129.6	108.6	21.1
Cash & Cash Equivalents - Ending	\$ 147.1	\$ 106.6	\$ 40.5

Unaudited



Conclusion

- NA production in the third quarter increased year-over-year and remains stable - customer releases remain strong
- Superior's market share was down slightly as underlying customer mix and product category mix both shifted
- The Company's gross margins were lower in the third quarter reflecting:
 - Challenging product mix - price, quality standards, launches
 - Plant performance - higher labor cost, lower efficiency due to product mix, equipment reliability
 - Increased repairs & maintenance expense - maintenance shutdown and emergency maintenance
- Liquidity remains strong - generating cash to support continuing investment



Non-GAAP Financial Measures

This slide presentation contains a financial measure on page 7 -- “Q3 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.