Superior Plus

2014 ANNUAL REPORT

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Financial Results

(millions of dollars)	**2014**	2013
Revenues	**3,975.9**	3,752.8
Gross profit	**922.1**	868.8
EBITDA from operations [1]	**308.4**	284.4
Adjusted operating cash flow before restructuring costs [1]	**238.7**	207.6
Adjusted operating cash flow after restructuring costs [1]	**227.4**	192.3
Net earnings	**56.9**	52.7
Dividends	**77.0**	73.7
(dollar per basic share except shares outstanding)		
EBITDA from operations [1]	**2.44**	2.31
Adjusted operating cash flow before restructuring costs [1]	**1.89**	1.69
Adjusted operating cash flow after restructuring costs [1]	**1.80**	1.56
Net earnings	**0.45**	0.43
Dividends	**0.61**	0.60
Weighted average shares outstanding (millions)	**126.2**	123.1

Financial Position

(millions of dollars)	**2014**	2013
Total assets	**2,114.9**	2,141.1
Total liabilities	**1,564.5**	1,600.9
Net capital expenditures	**85.3**	71.9
Acquisitions	**–**	11.9
Senior debt [2]	**333.2**	578.7
Total debt [2]	**1,027.4**	1,073.2
Senior debt/Compliance EBITDA [3]	**1.2x**	2.2x
Total debt/Compliance EBITDA [3] before restructuring costs	**3.5x**	3.9x
Total debt/Compliance EBITDA [3] after restructuring costs	**3.6x**	4.1x

(1) Earnings before interest, taxes, depreciation and amortization (EBITDA), EBITDA from operations and adjusted operating cash flow (AOCF) are not recognized financial measures under International Financial Reporting Standards (IFRS). See Superior's Management's Discussion and Analysis, "Non-GAAP Financial measures" for additional details.

(2) Senior debt and total debt are stated before deferred issue costs.

(3) See Superior's Management's Discussion and Analysis for additional details and Superior's Consolidated Financial Statements for the calculation of Compliance EBITDA.

President's Message

As I look back at the year ended December 31, 2014, I am very pleased to report that we made significant progress on transforming Superior into a best-in-class operator across all of its businesses. Although we realized significant improvements in our operational and financial performance compared to 2013, we are at the initial stages of capturing all of the benefits and the process to evolve from good to great has just begun.

From a financial perspective, 2014 was a year in which we began to the see the financial impact of the significant restructuring efforts started in 2012, many of which were concluded in 2014. Superior recorded adjusted operating cash flow (before restructuring charges) of $1.89 per share in 2014 compared to $1.69 per share in 2013, an 12% increase. In addition, Superior continued its focus on improving the balance sheet, reducing its total debt to EBITDA ratio to 3.5 times at year-end from 3.9 times at the end of 2013. The focus on our balance sheet is prudent as it provides Superior with the necessary financial flexibility to manage our business for the long-term while providing safety from the short-term volatility in capital markets.

Our resolve to continue to improve Superior's day-to-day operations is as strong as it was three years ago when we established the operational and financial objectives that underpinned *Destination 2015*. As we begin fiscal 2015, I am very pleased to be able to confirm that the targets we set for ourselves were largely met. Although a small number of targets have not yet been met, we have a clear and defined path forward to ensure the successful completion of each remaining objective during 2015.

There is no doubt that *Destination 2015* has been a success from both a financial and operational perspective. This success has not bred complacency, and our desire for ongoing improvements is stronger than ever. The last two years were focused primarily on stabilizing the foundation of each of our businesses to provide a solid overall structure for future growth. With the majority of our significant initiatives complete, we can begin to roll

out and execute the next wave of improvements. Through a combination of continuous improvement initiatives, capital projects and acquisitions, I am extremely optimistic about Superior's future growth prospects. We are at the initial stages of formalizing the next wave of initiatives and improvements, which we have labelled *Evolution 2018*.

"We are very excited with what the future holds for Superior and I am confident that Evolution 2018 will enable Superior to achieve its next wave of financial and operational improvements."

Evolution 2018 will provide Superior with the road map for our transition from good to great and will be a continuation of the work that underpinned *Destination 2015*. In our Energy Services business we will continue our work on providing our customers with a best-in-class experience while maintaining our focus on continually improving our day-to-day operations. We will continue to find ways to improve our operations by leveraging technology and empowering our employees with the ability to make decisions that complement our existing processes. With this business's foundation stabilized, we will also look to grow this business through acquisitions. A commitment to and focus on our customers and operational continuous improvement will become cornerstones of the Energy Services business's culture.

In our Construction Products Distribution business, under the direction of a renewed leadership team, we will continue to optimize our margins through intelligent pricing and procurement initiatives while remaining focused on managing our costs. With tailwinds from an improving U.S. economy, the investment in a new leadership team and new technologies to facilitate our procurement and pricing initiatives, I am more confident than ever regarding the future success of the Construction Products Distribution business.

Improvements in our Specialty Chemicals business will come through balancing supply and demand fundamentals for our products and continuing to make prudent capital investments. I am hopeful that by optimizing our sodium chlorate supply agreement with Tronox, supply and demand fundamentals in the sodium chlorate market in 2016 and beyond will become more balanced, which should improve the outlook for sodium chlorate. We will continue to look for opportunities to invest and grow our chemicals business while maintaining our commitment to operational and engineering excellence.

We are very excited with what the future holds for Superior and I am confident that *Evolution 2018* will enable Superior to achieve its next wave of financial and operational improvements. While *Evolution 2018* will provide us with the roadmap, I want to assure you that we have not lost our short-term focus on executing the remaining initiatives established under *Destination 2015*.

Our decision-making has and continues to put the long-term interests of Superior and our shareholders ahead of moves that would merely drive short-term financial improvements. In the current environment, which often rewards short-term performance, we remain steadfast in our desire to create long-term, sustainable growth. Whether it relates to the costs needed to improve our customer service, adequate reinvestment of maintenance capital or execution of acquisitions, I want to reiterate that the long-term interests of our shareholders are at the forefront of our strategic thinking. We will not sacrifice the long-term stability of the business for short-term profitability.

Lastly, I would like to reiterate my commitment to fostering a culture of execution, transparency, accountability, acting with a sense of urgency and continuous improvement. It is through this culture that we will build an even more successful business – one that lifts its performance from good to great – and one that will provide our shareholders with sustainable growth for many years.

Acknowledgements

Superior's success will ultimately be due to the hard work and dedication of our 4,500 employees. I would like to thank each of you for your commitment to your respective business. We are working hard to develop a culture in which every employee is empowered and can flourish. I look forward to working with all of Superior's employees as well as each of Superior's directors in the coming year. On behalf of the entire organization, I would like to thank our shareholders and other security holders for your continued support and confidence in Superior.

I would like to thank Grant Billing and Jim MacDonald for their contributions to Superior's Board of Directors. Mr. Billing retired as a director during 2014 and Mr. MacDonald has decided to not stand for re-election in 2015. Mr. Billing has been a member of Superior in the capacity of either Chief Executive Officer or Chairman of the Board since 1996 and Mr. MacDonald has been a member of Superior's Board of Directors since 1998.

On behalf of the Board of Directors,

Luc Desjardins
President and Chief Executive Officer
February 19, 2015

Management Team

Luc Desjardins

PRESIDENT AND CHIEF EXECUTIVE OFFICER

Mr. Desjardins joined Superior Plus as President and Chief Executive Officer in 2011. Prior to joining Superior Plus, Mr. Desjardins was a partner of the Sterling Group LLP, a private equity firm. Mr. Desjardins also served as President and Chief Executive Officer at Transcontinental Inc. from 2004 to 2008 and Chief Operating Officer from 2000 to 2004. Mr. Desjardins holds a Masters of Business Administration degree from the University of Quebec and has taken the Harvard Business School Management Development Program.

Wayne M. Bingham

EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

Mr. Bingham joined Superior Plus in 2006. He previously was Chief Financial Officer at Finning International Inc. and Ontario Power Generation. He has extensive experience in financial reporting, strategy, compliance, risk management, treasury and supply chain operations. Mr. Bingham holds a B.Comm. (Honours) and is a Chartered Accountant.

Darren Hribar

CHIEF LEGAL OFFICER AND GENERAL COUNSEL

Mr. Hribar joined Superior Plus as Chief Legal Officer and General Counsel in 2015. He previously was a partner with Norton Rose Fulbright Canada LLP, an international legal practice. Mr. Hribar holds a Bachelor of Arts, Political Science (Distinction) from University of Lethbridge and an LLB from the University of Alberta. He was admitted to the Alberta bar in 1997.

Greg L. Mccamus

PRESIDENT, ENERGY SERVICES AND SUPERIOR PROPANE

Mr. McCamus joined Superior Energy Management as President in 2005 before being appointed President, Energy Services and Superior Propane in 2012. He previously was President of Sprint Canada Business Solutions and held various executive positions within the deregulated telecom industry over a 20-year period. He holds B.A. and M.B.A. designations.

Ed Bechberger

PRESIDENT, SPECIALTY CHEMICALS

Mr. Bechberger joined the Speciality Chemicals Division (ERCO Worldwide) in 1980 and has held various progressive positions including Senior Vice President Sales and Operations, Vice President & General Manager, Chloralkali Business, Vice President Business Development, Vice President & General Manager Global Pulp and Paper, and numerous manager and technical roles. He has commissioned over 30 chlorine dioxide chemical plants around the world. Inventor on 14 patents and has presented several papers at Pulp and Paper industry conferences around the world. Mr. Bechberger holds a Bachelor of Technology in Chemical Engineering.

Shawn B. Vammen

SENIOR VICE PRESIDENT, SUPERIOR GAS LIQUIDS

Mr Vammen joined Superior Gas Liquids in 2008. With over 20 years of experience in the natural gas liquids industry, Mr Vammen has held positions of increasing responsibility at Mobil Oil Canada, Gibson Energy, and Sempra Energy Trading. He was Vice President, Supply and Marketing at Superior Gas Liquids from 2010 to 2014, prior to moving into his current position. He holds a B.Comm. degree from the University of Alberta.

Michael Farrell

PRESIDENT, CONSTRUCTION PRODUCTS DISTRIBUTION

Mr. Farrell joined the Construction Products Distribution business in 2014. Mr. Farrell has over twenty-five years of progressively senior leadership roles in a variety of businesses, including construction products, communications and banking. Mr. Farrell was previously President and Chief Executive Officer of Roofing Supply Group LLC (RSG), the fourth largest wholesale distributor of roofing supplies in the United States. Mr. Farrell holds a Bachelor of Science from the University of Illinois and an MBA from DePaul University.

Keith Wrisley

PRESIDENT, U.S. REFINED FUELS

Mr. Wrisley joined Superior in 2009 as Director, U.S. Operations and was subsequently named President, USRF in June of 2012. Mr. Wrisley has held various executive positions within the energy sector over the past 25 years, most recently with Sunoco. Mr. Wrisley is a graduate of the State University of New York and the Leadership Philadelphia program.

Board of Directors

Catherine (Kay) Best (1)(4)

Director since 2007; corporate director and consultant; former Executive Vice President, Risk Management and Chief Financial Officer of the Calgary Health Region; previous partner with Ernst & Young; Director of Canadian Natural Resources Limited, AltaGas Ltd. and Aston Hill Financial Inc.

James S.A. MacDonald (1)(3)

Director in 1998 and since 2000; corporate director; former Chairman and Managing Partner of Enterprise Capital Management Inc.; Director of ICG Propane Inc. from 1998 to 2000; Director of Cymbria Inc.

David P. Smith (2)(3)

Chairman of the Board of Directors of Superior Plus Corp.; Director since 1998; corporate director; former Managing Partner of Enterprise Capital Management Inc.

Walentin (Val) Mirosh (3)(4)

Director since 2007; corporate director and President of Mircan Resources Ltd.; former Vice President and Special Advisor to the President and COO of Nova Chemicals Corp.; former Partner at Macleod Dixon LLP; Director of TC Pipelines, LP and Murphy Oil Corporation.

Luc Desjardins

President and Chief Executive Officer of Superior since November 14, 2011; previous partner, Sterling Group, a private equity firm; CEO, Transcontinental Inc., from 2004 to 2008, and President and COO from 2000 to 2004; director of CIBC, a Canadian chartered bank.

Mary Jordan (2)(3)

Director since May 2014; corporate director; former senior executive in the airline industry; Chair of the Board of the Vancouver International Airport Authority; director of Coast Capital Savings Credit Union and Timberwest Forest Corp.

Robert J. Engbloom, Q.C. (2)

Director since 1996; Partner and former Deputy Chair of Norton Rose Fulbright Canada LLP, formerly Macleod Dixon LLP; Director of Parex Resources Inc.

Eugene V.N. Bissell (1)(4)

Director since May 2014; corporate director; former Chief Executive Officer and director of AmeriGas, Propane LP.

Randall J. Findlay (2)(4)

Director since 2007; corporate director; Past President of Provident Energy; Director of Pembina Pipelines Corporation, HNZ Group Inc., Whitemud Resources Inc., and Spyglass Resources Inc.

Committees

(1) Audit Committee
(2) Governance and Nominating Committee
(3) Compensation Committee
(4) Healthy, Safety and Environment

Corporate Governance

Good governance involves all employees

Superior has earned a well-deserved reputation for honesty, integrity and maintaining a high standard of business conduct. Established and well-respected governance practices are essential to helping us maintain that reputation. It is the duty of our Board of Directors (the Board) and Senior Management to ensure that these governance practices are followed. It is a core principle of Superior to be socially responsible and lawful in all of our business dealings and operations. As such, we expect and demand that all of our employees understand and comply with all laws and corporate policies that are relevant to their responsibilities, that they abide by our company's principles and values and are good ambassadors for our company and industry in all dealings with our different stakeholders.

Superior has formally adopted corporate governance policies and guidelines that demonstrate the company's commitment to maintaining a high standard of honesty, integrity and governance. All directors, officers and employees of Superior must act in accordance with our Code of Business Conduct and Ethics (the Code). Our Code defines and summarizes what we expect of our businesses and people regardless of location or background. It provides both guidance in key areas and links to more detailed standards, policies, instructions and processes for further direction. While the Code establishes principles for business conduct that are applicable throughout the company, regardless of location, each of our employees is accountable for knowing and following the laws that apply to them where they work. Where differences exist as the result of local customs, norms, laws or regulations, our employees must apply either the Code or local requirements – whichever sets the highest standard of behaviour. As a minimum, we expect all of our employees to hold themselves to the highest standards of ethics, integrity, openness and accountability in the way they conduct business.

Our governance policies are forward-looking and our leadership team is committed to constantly evaluating and modifying these policies to ensure their effectiveness as our company continues to grow.

The Board has general authority over Superior's business and affairs. The Board's fundamental objectives are to enhance Superior's investments and ensure that Superior and its businesses meet their obligations and that management operates the underlying businesses of Superior in a responsible, reliable and safe manner while adhering to effective and sound governance practices. The Board works directly with Senior Management to identify business risks and to oversee the appropriate strategies to maximize shareholder value, while exercising oversight of the company's compliance and governance practices.

The Board is comprised of nine members, eight of whom are independent, including the Chairman. Luc Desjardins is not considered to be independent as he is the President and Chief Executive Officer. Each of the roles of Chairman and President and Chief Executive Officer are set out in a position description, and the responsibilities of the Board are set forth in a written mandate of the Board, each of which the Board reviews annually and changes as appropriate.

To assist the Board with its fiduciary responsibilities, the Board is supported by an Audit Committee, a Compensation Committee, a Governance and Nominating Committee, and a Health, Safety and Environment Committee. Each committee has a mandate that sets out its duties and responsibilities and each committee chair have position descriptions. Each committee makes regular reports to the Board. The Board reviews Superior's policies upon the recommendation of the Governance and Nominating Committee. Each of Superior's businesses also maintains appropriate programs and standards pertaining to compliance quality, health and safety, while being committed to environmental and social responsibility and support for its local communities. These and other programs are also overseen by the Board and its committees.

For complete information on our corporate governance practices, please read our 2014 Information Circular. All Committee mandates, our Code of Business Conduct and Ethics and our corporate governance policies and categorical standards are available at www.superiorplus.com.

Management's Discussion and Analysis

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 December 31, 2014 and for the years ended December 31, 2014 and 2013. The information in this MD&A is current to February 19, 2015. This MD&A should be read in conjunction with Superior's audited consolidated financial statements and notes thereto as at and for the years ended December 31, 2014 and 2013.

The accompanying audited consolidated financial statements of Superior were prepared by and are the responsibility of Superior's management. Superior's audited consolidated financial statements as at and for the years ended December 31, 2014 and 2013 were prepared using generally accepted accounting principles (GAAP) in accordance with International Financial Reporting Standards (IFRS) 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. All tables and graphs are for the 12 months ended December 31 of the year indicated, unless otherwise stated.

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 holds 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.

Summary of Adjusted Operating Cash Flow

(millions of dollars except per share amounts)	**2014**	2013
Revenue	**3,975.9**	3,752.8
Gross profit	**922.1**	868.8
EBITDA from operations [1]	**308.4**	284.4
Interest expense	**(48.0)**	(58.7)
Cash income tax expense	**(1.7)**	(0.2)
Corporate costs	**(20.0)**	(17.9)
Adjusted operating cash flow [1] before restructuring costs	**238.7**	207.6
Restructuring costs [2]	**(11.3)**	(15.3)
Adjusted operating cash flow [1]	**227.4**	192.3
Adjusted operating cash flow per share before restructuring costs, basic [1][2][3]	**$1.89**	$1.69
Adjusted operating cash flow per share before restructuring costs, diluted [1][2][3][4]	**$1.84**	$1.64
Adjusted operating cash flow per share, basic [1][2][3]	**$1.80**	$1.56
Adjusted operating cash flow per share, diluted [1][2][3][4]	**$1.75**	$1.53

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

(2) Superior has restated its 2013 financial results and presented its 2014 financial results on a before and after restructuring cost basis due to the one-time nature of these items. See "Non-GAAP Restructuring Costs" for further details.

(3) The weighted average number of shares outstanding for the year ended December 31, 2014, is 126.2 million (2013 – 123.1 million).

(4) For the year ended December 31, 2014, the dilutive impact of the 7.50%, October 31, 2016 convertible debentures was 6.6 million shares (132.8 million total shares on a dilutive basis) with a resulting impact on AOCF before restructuring costs of $5.6 million ($244.3 million total on a dilutive basis) and on AOCF of $5.6 million ($233.0 million total on a dilutive basis). For the year ended December 31, 2013, the dilutive impact of the 7.50%, October 31, 2016 convertible debentures was 6.6 million shares (129.7 million total shares on a dilutive basis) with a resulting impact on AOCF before restructuring costs of $5.6 million ($213.2 million total on a dilutive basis) and on AOCF of $5.6 million ($197.9 million total on a dilutive basis).

Comparable GAAP Financial Information [1]

(millions of dollars except per share amounts)	**2014**	2013
Net earnings	**56.9**	52.7
Net earnings per share basic	**$0.45**	$0.43
Net earnings per share diluted	**$0.41**	$0.40
Net cash flows from (used in) operating activities	**292.1**	250.3
Net cash flows from (used in) operating activities per share basic	**$2.31**	$2.03
Net cash flows from (used in) operating activities per share diluted	**$2.24**	$1.97

(1) See "Non-GAAP Financial Measures".

Segmented Information

	Three months ended December 31		Twelve months ended December 31	
(millions of dollars)	**2014**	2013	**2014**	2013
EBITDA from operations [1]:				
Energy Services	**59.0**	45.8	**163.4**	137.5
Specialty Chemicals	**28.6**	31.1	**110.2**	113.7
Construction Products Distribution	**11.6**	9.8	**34.8**	33.2
	99.2	86.7	**308.4**	284.4

(1) See "Non-GAAP Financial Measures".

AOCF Reconciled to Net Cash Flow from Operating Activities [1]

(millions of dollars)	2014	2013
Net cash flow from operating activities	**292.1**	250.3
Add: Non-cash interest expense	**6.3**	8.8
Less: Decrease in non-cash working capital	**(16.6)**	(0.3)
Cash income tax expense	**(1.7)**	(0.2)
Finance expense recognized in net earnings	**(52.7)**	(71.8)
Loss on debenture redemption	–	5.5
AOCF [2]	**227.4**	192.3

(1) See the audited consolidated financial statements for net cash flow from operating activities and changes in non-cash working capital.
(2) See "Non-GAAP Financial Measures".

AOCF for the year ended December 31, 2014 (before restructuring costs of $11.3 million) was $238.7 million ($227.4 million after restructuring costs), an increase of $31.1 million or 15% from the prior year before restructuring costs. The increase in AOCF was due to increased EBITDA from the operations of Energy Services and Construction Products Distribution and lower interest costs offset in part by higher corporate costs, lower contribution from Specialty Chemicals and higher cash taxes.

AOCF per share (before restructuring costs) was $1.89 per share ($1.80 per share after restructuring costs) for the year ended December 31, 2014, an increase of $0.20 per share or 12% before restructuring costs and an increase of $0.24 per share or 15% after restructuring costs from the prior year. The increase in AOCF as noted above was partially offset by the 3% increase in the weighted average number of shares outstanding. The number of weighted average shares outstanding increased due to the full year's impact of the equity offering of 13.0 million shares on March 27, 2013.

First and Second Quarter Adjustment Details

During the first and second quarter of 2014, Superior recognized $10.2 million or $0.08 per share in adjustments related to its supply portfolio management business and its U.S. refined fuels business. The adjustment in the supply portfolio management business was primarily the result of the over-accrual of freight charges during the fourth quarter of 2013 and throughout the first and second quarters of 2014. Recognizing this adjustment in 2014 increases Superior's 2014 first and second quarter financial results by $18.0 million as prior-period results were previously understated. The adjustment in the U.S. refined fuels business was due to inaccurate inventory costing in prior periods as a result of not appropriately recognizing book to physical inventory adjustments. Recognizing this adjustment in 2014 reduces Superior's 2014 full year financial results by $7.8 million as prior-period results were previously overstated.

Recognition and Disclosure

Superior has recognized an adjustment, as detailed below, of $10.2 million in its first and second quarter 2014 results within the Energy Services business. A summary of Superior's 2014 first and second quarter results and the impact of the adjustments is provided below. The net impact to Superior's prior-period financial results is an understatement of previously reported AOCF and net earnings of $0.3 million. Due to the immaterial nature of the net adjustment related to prior periods, Superior will not be adjusting its 2013 financial results on a comparative basis.

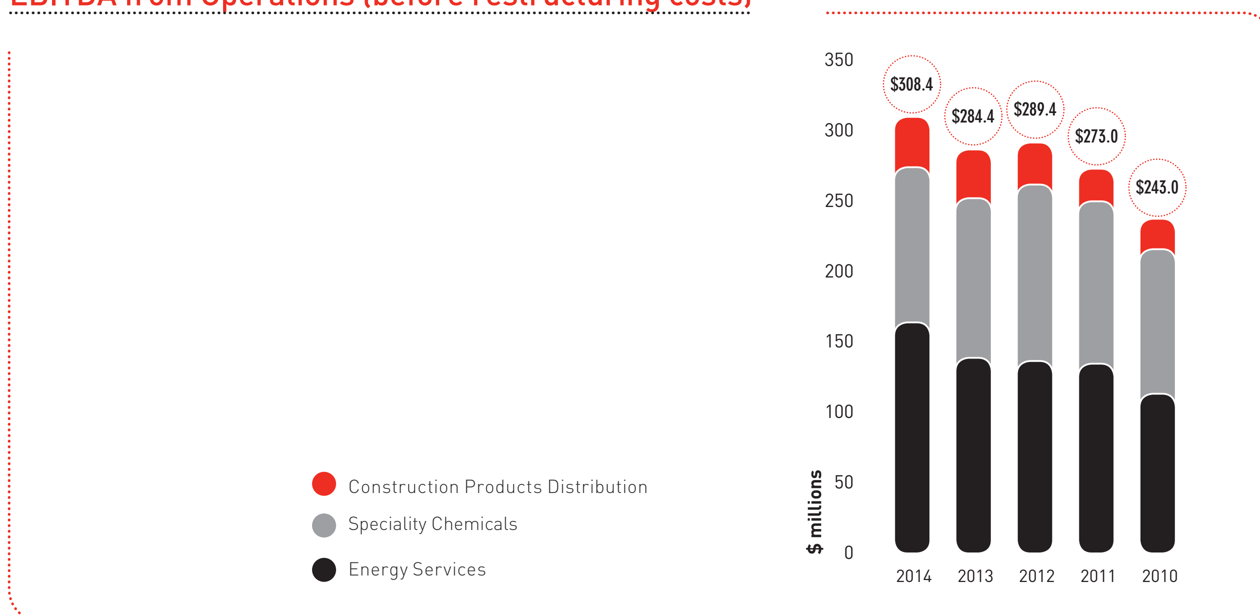
Both adjustments were discovered by management and Superior has taken all necessary steps to ensure that the issues requiring the adjustments have been fully remediated. As at December 31, 2014, Superior has assessed its control environment from both an application and design perspective, and has determined that the control environment is now operating effectively.

A summary of the adjustments recognized in the 2014 year-to-date results is as follows:

(millions of dollars)	2014
Supply portfolio management freight accrual and other adjustments related to fourth quarter of 2013	8.1
Supply portfolio management freight accrual and other adjustments relatedto first and second quarters of 2014	9.9
Total supply portfolio management freight accrual and other adjustments	18.0
U.S. refined fuels inventory costing adjustment related to 2013	(7.8)
Total	10.2
Energy services EBITDA from operations excluding above-noted items	150.9
Energy services EBITDA from operations as reported	161.1

As demonstrated in the following chart, Superior is well-diversified with Energy Services, Specialty Chemicals and Construction Products Distribution contributing respectively 53%, 36%, and 11% of EBITDA from operations before restructuring costs in 2014.

EBITDA from Operations (before restructuring costs)



Superior had net earnings of $56.9 million for 2014, compared to net earnings of $52.7 million for 2013. The $4.2 million increase was due to higher gross profits and lower interest costs, offset in part by higher unrealized losses on financial instruments in 2014 due to the appreciation of the U.S. dollar, higher operating expenses and higher income tax expense.

Consolidated revenues of $3,975.9 million in 2014 were $223.1 million higher than in the prior year due to increased revenue at Energy Services, Specialty Chemicals and Construction Products Distribution. Energy Services revenue was higher due primarily to increased commodity prices in the first quarter and effective price management. Specialty Chemicals revenue was higher due to increased sales volumes and increased chlorate pricing. Construction Products Distribution revenue was higher due to increased sales volumes and the impact of the appreciation of the U.S. dollar on U.S.-denominated sales. Gross profit of $922.1 million was $53.3 million higher than in the prior year due to improved gross profit at Energy Services, Specialty Chemicals and Construction Products Distribution.

Operating expenses were $744.7 million in 2014, an increase of $26.7 million or 4% from the prior year, due primarily to higher employee costs and the impact of the appreciation of the U.S. dollar on U.S.-denominated expenses, offset in part by the the capitalization of tank refurbishment costs that were previously expensed, and lower restructuring costs and amortization expense. Total restructuring costs of $11.3 million were incurred by Energy Services and Construction Products Distribution as part of Superior's operational improvement efforts. The decrease in amortization expense was due to fully amortizing certain intangible assets during 2013. Corporate costs were higher than in the prior year due to expenses incurred for the Construction Products Distribution strategic review process, partially offset by a decrease in long-term incentive costs related to the decline in Superior's share price.

Total finance expense of $52.7 million was $19.1 million lower than in the prior year due principally to lower average debt throughout the year and the full year benefit of redeeming Superior's 8.25% $150.0 million senior unsecured debentures on October 28, 2013 and the completion of an equity offering on March 27, 2013, partially offset by the interest on the 6.50% senior unsecured notes issued in December 2014. Unrealized losses on derivative financial instruments of $54.1 million were $49.0 million higher than in the prior year due to an increase in unrealized losses in the current year on Superior's foreign exchange forward contracts related to the appreciation of the U.S. dollar. Gains and losses on Superior's various financial instruments are without consideration of the fair value of the underlying customer or supplier commitment. Total income tax expense of $16.5 million was $10.8 million higher than in the prior year due to an increase in net earnings before tax in 2014, changes in statutory tax rates and decreased impact from permanent items.

Annual Financial Results of Superior's Operating Segments

Energy Services

Energy Services' condensed operating results for 2014 and 2013:

(millions of dollars)	**2014**	2013
Revenue [1]	**2,481.2**	2,372.9
Cost of sales [1]	**(1,977.0)**	(1,907.7)
Gross profit	**504.2**	465.2
Less: Cash operating and administrative costs [2]	**(340.8)**	(327.7)
EBITDA from operations [3]	**163.4**	137.5
Net earnings [3]	**75.2**	94.5

(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, Cost of Sales and Cash Operating and Administrative Costs Included in this MD&A" for detailed amounts.

(2) Energy Services EBITDA from operations has been restated and restructuring costs have been excluded from EBITDA from operations. The above results exclude restructuring costs of $11.0 million from 2014 and $9.1 million from 2013. See "Non-GAAP Restructuring Costs" for further details.

(3) EBITDA from operations is a Non-GAAP financial measure. See "Non-GAAP Financial Measures" and "Reconciliation of Net Earnings to EBITDA from Operations".

Revenues were $2,481.2 million in 2014, an increase of $108.3 million or 5% from the prior year. The increase was primarily due to higher commodity prices in the first half of the year, partially offset by modestly lower volumes. Total gross profit for 2014 was $504.2 million, an increase of $39.0 million or 8% from the prior year. The increase in gross profit was due primarily to the adjustments for 2013 and 2014 at supply portfolio management, and higher unit margins at Canadian propane distribution and U.S. refined fuels, offset in part by lower gross profits from the fixed-price energy services business and other services. A review of gross profit is provided below.

Gross Profit Review

(millions of dollars)	2014	2013
Canadian propane distribution	**264.0**	250.4
U.S. refined fuels distribution	**150.2**	130.2
Other services	**37.3**	42.1
Supply portfolio management	**48.3**	24.9
Fixed-price energy services	**4.4**	17.6
Total gross profit	**504.2**	465.2

Canadian Propane Distribution

Canadian propane distribution gross profit for 2014 was $264.0 million, an increase of $13.6 million or 5% from 2013, due to higher gross margins, offset in part by lower sales volumes. Residential sales volumes in 2014 were 4 million litres or 3% higher than in the prior year due to colder weather during the first quarter and the benefit of improved customer sales and retention efforts. Average weather across Canada for the year, as measured by degree days, was 1% colder than in the prior year and 4% colder than the five-year average. Commercial volumes were 13 million litres or 5% higher than in the prior year due to colder weather in the first quarter and improved sales efforts focused on national and large accounts. Industrial volumes decreased by 26 million litres or 3%, primarily due to lower oilfield services demand associated with gasification of certain customer sites and lower customer activity related to the decline in commodity prices. Agricultural volumes decreased by 4 million litres or 5% due to lower demand during the crop drying season. Automotive propane volumes decreased by 2 million litres or 3% due to the decline in the favourable price spread between propane and gasoline.

Average propane sales margins for 2014 increased to 20.1 cents per litre from 18.8 cents per litre in the prior year. The increase was principally due to improved pricing management and favourable movement in the sales mix as 2014 included an increased proportion of higher-margin sales volumes.

Canadian Propane Distribution Sales Volumes

Volumes by End-Use Application			Volumes by Region [1]		
(millions of litres)	2014	2013	(millions of litres)	2014	2013
Residential	**139**	135	Western Canada	**737**	766
Commercial	**291**	278	Eastern Canada	**472**	465
Agricultural	**69**	73	Atlantic Canada	**107**	100
Industrial	**738**	764			
Automotive	**79**	81			
	1,316	1,331		**1,316**	1,331

(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 region consists of New Brunswick, Newfoundland & Labrador, Nova Scotia and Prince Edward Island.

U.S. Refined Fuels Distribution

U.S. refined fuels gross profit for 2014 was $150.2 million, an increase of $20.0 million or 15% from the prior year. The increase in gross profit was due to higher unit margins across all lines of business and higher residential sales volumes. Residential sales volumes increased by 10 million litres or 3% from the prior year due to colder weather during the first quarter and continued growth of the propane customer base. Weather as measured by heating degree days for the year was 3% colder than the prior year and 9% colder than the five-year average. Commercial sales volumes

decreased by 23 million litres or 3% due to increased competition for commercial accounts, and automotive sales volumes decreased by 39 million litres or 7% due to challenging market conditions and increased competition.

Average U.S. refined fuels sales margins of 10.0 cents per litre increased 25% from the 8.0 cents per litre in the prior year. The increase in sales margins was due to sales mix and pricing management.

U.S. Refined Fuels Distribution Sales Volumes

Volumes by End-Use Application [(1)]			Volumes by Region [(2)]		
(millions of litres)	**2014**	2013	(millions of litres)	**2014**	2013
Residential	**314**	304	Northeast United States	**1,581**	1,633
Commercial	**752**	775			
Automotive	**515**	554			
	1,581	1,633		**1,581**	1,633

(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 $37.3 million in 2014, a decrease of $4.8 million or 11% from the prior year. The decrease in other services gross profit is due to exiting non-core service business offerings, lower installations and lower service contract business.

Supply Portfolio Management

Supply portfolio management gross profits were $48.3 million in 2014, including an adjustment of $8.1 million for freight accruals in 2013 as discussed above. Normalized supply portfolio management gross profits were $40.2 million and $33.0 million, respectively, for 2014 and 2013, an increase of $7.2 million or 22% year-over-year. The increase in gross profit was due primarily to improved market-related opportunities associated with the cold weather experienced during the first quarter of 2014, the benefit of lower supply costs and gains realized on fixed-price settlements.

Fixed-Price Energy Services

Fixed-Price Energy Services Gross Profit

	2014			2013		
(millions of dollars except volume and per unit amounts)	**Gross Profit**	**Volume**	**Per Unit**	Gross Profit	Volume	Per Unit
Natural gas [(1)]	**3.9**	**18.0 GJ**	**21.3 ¢/GJ**	11.1	18.8 GJ	59.0 ¢/GJ
Electricity [(2)]	**0.5**	**676.7 KWh**	**0.08 ¢/KWh**	6.5	891.4 KWh	0.73 ¢/KWh
Total	**4.4**			17.6		

(1) Natural gas volumes are expressed in millions of gigajoules (GJ).

(2) Electricity volumes are expressed in thousands of kilowatt hours (KWh).

Fixed-price energy services gross profit was $4.4 million in 2014, a decrease of $13.2 million or 75% from the prior year. Natural gas gross profit was $3.9 million, a decrease of $7.2 million or 65% from the prior year due primarily to the impact of the weather phenomenon known as the polar vortex in the first quarter on gross margins. Gross profit per unit was 21.3 cents per GJ, a decrease of 37.7 cents per GJ or 64% from the prior year. The natural gas gross margins were lower due to the significant increase in the spot price of natural gas associated with the extremely cold weather in the first quarter. The fixed-price energy services business had to purchase natural gas at high prices to cover balancing

and supply requirements, resulting in negative gross margins for the first quarter. Sales volumes of natural gas were 18.0 million GJ, modestly lower than in the prior year due to the continued decline in residential volumes as a result of focusing marketing efforts towards the commercial segment, partially offset by higher commercial demand and colder weather.

Electricity gross profit in 2014 was $0.5 million, a decrease of $6.0 million or 92% from the prior year due to lower gross margins in the first quarter related to the significant increase in customer demand associated with the extremely cold weather which required the purchase of supply at record-high market prices.

Operating Costs

Cash operating and administrative costs were $340.8 million in 2014, an increase of $13.1 million or 4% from the prior year. Operating costs increased due to higher employee costs related to adverse winter delivery conditions and significant residential demand in the first quarter, the impact of the appreciation of the U.S. dollar, higher employee incentive costs, higher truck maintenance costs and consulting costs, partially offset by the capitalization of approximately $5.0 million in tank refurbishment costs that were previously expensed and reduced employee headcount related to the operational improvement initiatives.

Fixed-Price Energy Service Asset Sale and Strategic Alternatives

On May 1, 2014, Superior closed the sale of its U.S.-based residential and commercial electricity customer base to Crius Energy. Superior had decided to exit both the residential and commercial Northeast U.S.-based electricity markets in order to focus on the Canadian market and reduce the risk of future losses associated with volatility in electricity prices. Superior received proceeds of $3.1 million upon closing and $0.6 million of deferred consideration on June 27, 2014 as certain conditions were satisfied. Another $0.5 million in deferred consideration is contingent upon the number of flowing customers still active with Crius in January 2015, and settlement is expected in March 2015.

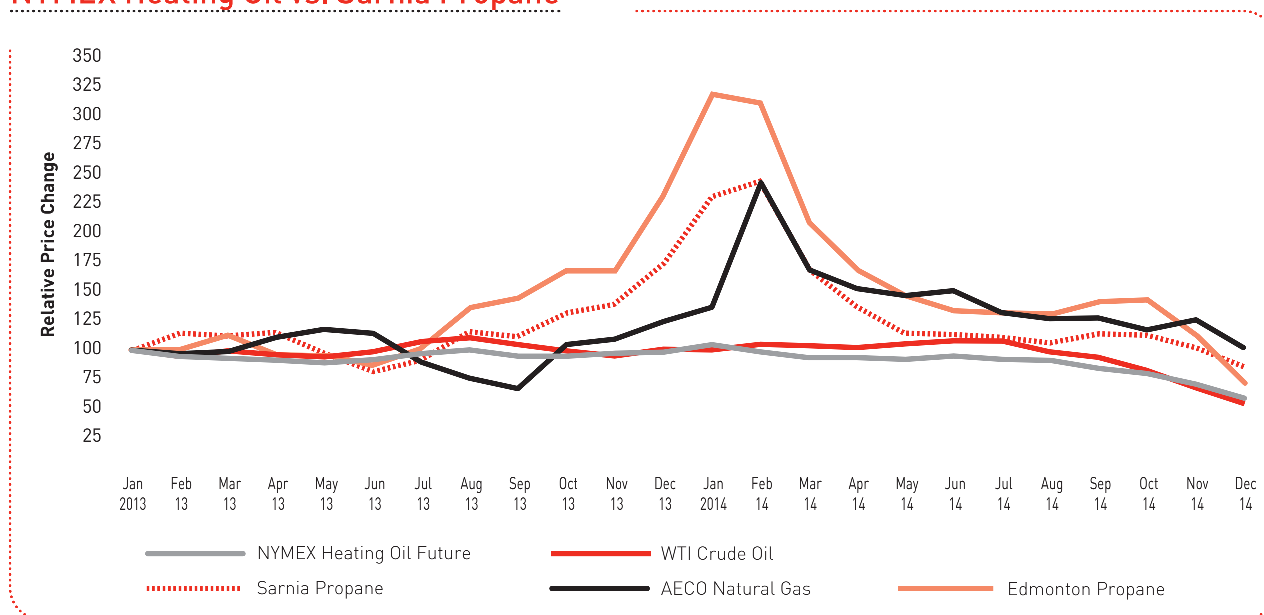
In the second quarter of 2014, Superior commenced an assessment of the strategic alternatives for its fixed-price energy services business and retained a financial advisor. As a result of the review, Superior's Board of Directors authorized a formal process to solicit and assess offers for the potential divestiture of the fixed-price energy services segment. During the third quarter, Superior concluded it was not in the shareholders' best interests to divest thefixed-price energy services segment.

Operational Information

Overall, Energy Services' operations benefit from the segment's leading market share in the Canadian propane distribution market and considerable operational and customer diversification throughout Canada and the Northeast United States through Superior's U.S. refined fuels assets. Energy Services' customer base is well diversified geographically and across end-use applications, and its largest customer contributed approximately 3% of gross profits in 2014. Energy Services' top 10 customers comprised approximately 7% of its revenues in 2014, with its largest customer representing approximately 4% of its revenues.

As shown in the chart below, wholesale propane and heating oil prices were abnormally high in the early part of 2014 and started to decrease significantly during October due to rising inventories in North America. Approximately 33% of Superior's fuel distribution sales volumes are for heating-related applications and 67% are related to general economic activity.

Relative Change in Edmonton Propane, WTI Crude Oil, Natural Gas, NYMEX Heating Oil vs. Sarnia Propane



Financial Outlook

EBITDA from operations for 2015 for the Energy Services business is anticipated to be consistent with 2014. EBITDA from the Canadian propane and U.S. refined fuels businesses should benefit from ongoing operational improvements offset by modestly lower gross profits. Operating costs as a percentage of gross profits are anticipated to continue to improve in 2015 due to a full year run rate of business initiatives and The Superior Way project. Gross profits in 2015 compared to 2014 will be impacted by the absence of record or near-record cold temperatures experienced in the first quarter of 2014, which increased 2014 gross profits. In addition, Superior is forecasting a reduction in gross profits related to oil and gas sales volumes in the Canadian propane business as a result of ongoing volatility in the price of crude oil.

Gross profit from the supply portfolio management business is anticipated to be similar to 2014 whereas gross profit from the fixed-price energy business should be higher in 2015 than in 2014 due to the absence of losses that resulted from the temperatures experienced in the first quarter of 2014. Average weather, as measured by degree days, for 2015 is anticipated to be consistent with the five-year average. Operating conditions for 2015 are anticipated to be similar to 2014 with the exception of the decline in the wholesale cost of propane experienced in the fourth quarter of 2014 which Superior anticipates will persist throughout 2015.

Initiatives to improve results in the Energy Services business continued during the fourth quarter of 2014 in conjunction with Superior's Destination 2015 initiative and Superior's goal for each of its businesses to become best-in-class. Business improvement projects for 2014 included: a) improving customer service; b) improving overall logistics and procurement functions; c) enhancing the management of margins; d) working capital management; e) improving existing and implementing new technologies to facilitate improvements to the business; f) headcount reductions; and g) execution of the detailed restructuring plan.

The restructuring plan for the Canadian propane distribution and U.S. refined fuels businesses is expected to accelerate realization of operating efficiencies by implementing a more disciplined and consistent management operating system across the segment, designed to leverage the new processes and information system investments, and by sizing the

organization to efficiently meet its operational business needs. The restructuring plan was completed at the end of 2014. All costs associated with the restructuring plan have been recognized and no additional costs are anticipated.

System Conversion

In 2013, Canadian propane distribution commenced the implementation of an order-to-cash, billing and logistics IT system to replace the distribution and invoicing functions of the previous enterprise system. During the second quarter of 2014, the new system was rolled out to the final three regions of Ontario, Quebec and Alberta. A total of $21.8 million was incurred to complete the entire project.

During 2014, Canadian propane distribution commenced the migration of its current data centre located in Calgary, Alberta to a new location in New Jersey, United States, along with approximately 140 computer servers and more than 70 applications. The migration was completed in the third quarter.

In addition to the significant assumptions referred to 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 2014 and 2013:

	2014		2013	
(millions of dollars except per metric tonne (MT) amounts)		**$ per MT**		$ per MT
Chemical revenue [1]	**659.3**	**724**	582.6	705
Chemical cost of sales [1]	**(394.2)**	**(433)**	(330.8)	(400)
Chemical gross profit	**265.1**	**291**	251.8	305
Less: Cash operating and administrative costs [1]	**(154.9)**	**(169)**	(138.1)	(167)
EBITDA from operations [2]	**110.2**	**122**	113.7	138
Chemical volumes sold (thousands of MTs)		**910**		826
Net earnings [2]	**53.0**		72.1	

(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 or gains related to U.S.-denominated working capital. See "Reconciliation of Divisional Segmented Revenue, Cost of Sales and Cash Operating and Administrative Costs Included in this MD&A" for detailed amounts.

(2) EBITDA from operations is a Non-GAAP financial measure. See "Non-GAAP Financial Measures" and "Reconciliation of Net Earnings to EBITDA from Operations".

Chemical revenue was $659.3 million in 2014, an increase of $76.7 million or 13% from the prior year, primarily as a result of increased sodium chlorate sales volumes and pricing and chloralkali/potassium volumes, and the strengthening of the U.S. dollar, partially offset by a decrease in chloralkali/potassium pricing. Gross profit of $264.2 million in 2014 was $12.4 million or 5% from the prior year due to increased contribution from sodium chlorate related to the Tronox strategic supply agreement and increased chloralkali/potassium sales volumes.

Sodium chlorate gross profits increased by $7.2 million or 4% from the prior year, due to higher sales volumes and modestly higher prices, partially offset by higher cost of sales. Sodium chlorate sales volumes increased by 75,000 tonnes or 14% over the prior year due to higher demand in North America as a result of increased demand for pulp and the impact of the strategic supply agreement, partially offset by decreased Chilean sale volumes.

Average selling prices for sodium chlorate were 2% higher than in the prior year due to price increases from contract renewals, offset in part by lower U.S. dollar forward exchange contract settlements on U.S. dollar-denominated sales. See "Financial Instruments – Risk Management" for a discussion of hedge positions.

Cost of sales for sodium chlorate was higher than in the prior year due to increased inventory purchase costs, higher average electrical input costs and transportation costs. Electrical costs, which represent 70% to 85% of the variable costs of the production of sodium chlorate, were higher than in the prior year due to upward pressure on overall electricity pricing.

Chloralkali/potassium gross profits increased by $5.2 million or 6%, due to higher sales volumes, partially offset by lower gross margins. Chloralkali/potassium sales volumes increased by 9,000 tonnes or 3% due to strong demand for hydrochloric acid (HCl) and contribution from the HCl expansion at Port Edwards, partially offset by lower chlorine volumes. Overall average selling prices decreased primarily to lower pricing for HCl and caustic, which reduced margins.

Total chemical sales volumes were 910,000 tonnes in 2014, an increase of 84,000 tonnes or 10% from the prior year, due to higher sodium chlorate and chloralkali/potassium sales volumes as noted above. Average chemical revenue per MT was $724, an increase of $19 per MT or 3% due to higher average selling prices for sodium chlorate, partially offset by lower prices for chloralkali and potassium. Sodium chlorate and chloralkali/potassium production capacity utilization in 2014 averaged 89% (2013 – 90%) and 89% (2013 – 87%), respectively.

Cash operating and administrative costs were $154.9 million in 2014, an increase of $16.8 million or 12% from the prior year. Operating expenses were affected by higher maintenance expenditures, higher engineering costs and general inflationary increases.

Strategic Supply Agreement

In October 2013, Specialty Chemicals entered into a supply agreement with Tronox LLC (Tronox) to purchase up to 130,000 MT of sodium chlorate per year from Tronox's Hamilton, Mississippi facility, as nominated annually by Specialty Chemicals. The initial term of the agreement extends to December 31, 2016 and may be automatically extended in one-year increments thereafter. Under the agreement, Tronox will continue to own and operate the facility, and Specialty Chemicals will purchase sodium chlorate to meet customer demand under certain customer contracts being assumed and to supply other existing and new customers. Specialty Chemicals paid an initial fee of $4.3 million and will incur a quarterly fee of $0.8 million during the initial term, plus a cost for sodium chlorate delivered. As part of the agreement, Specialty Chemicals acquired finished inventory and assumed existing railcar leases and customer contracts, as assigned. Additionally, the parties have entered into a strategic long-term agreement for the supply of chloralalkali product by Specialty Chemicals to service Tronox's requirements in North America. Under the agreement, if the annual nominated volume by Specialty Chemicals is less than the specified volume of product set out in the agreement, Tronox may terminate the agreement early, at its sole option and its sole cost to permanently shut down the plant for the manufacture of sodium chlorate.

Major Capital Projects

As announced in the first quarter of 2012, Superior approved an $18.0 million expansion of HCl production capacity at the Port Edwards, Wisconsin chloralkali facility. The plant's capacity of 110,000 wet metric tonnes (WMT), or 36,000 dry metric tonnes, is being increased to approximately 220,000 WMT. The Port Edwards burner expansion was completed and commissioned during September 2014 and HCl shipments from the new burner commenced in September.

As announced in the third quarter of 2012, Superior has approved a $25.0 million expansion of HCl production capacity at the Saskatoon, Saskatchewan chloralkali facility. The plant's capacity of 70,000 WMT, or 22,000 dry metric tonnes, will be increased to approximately 140,000 WMT. The HCl burner expansion was commissioned and commenced commercial production in the fourth quarter of 2014. The related rail loading facilities are expected to be completed

during the first quarter of 2015. The total estimated cost is expected to be $33.0 million as compared to the previously provided estimate of $25.0 million due to higher-than-anticipated complexity of the project, which extended construction time, combined with a tight Western Canada labour market, which increased overall contractor costs.

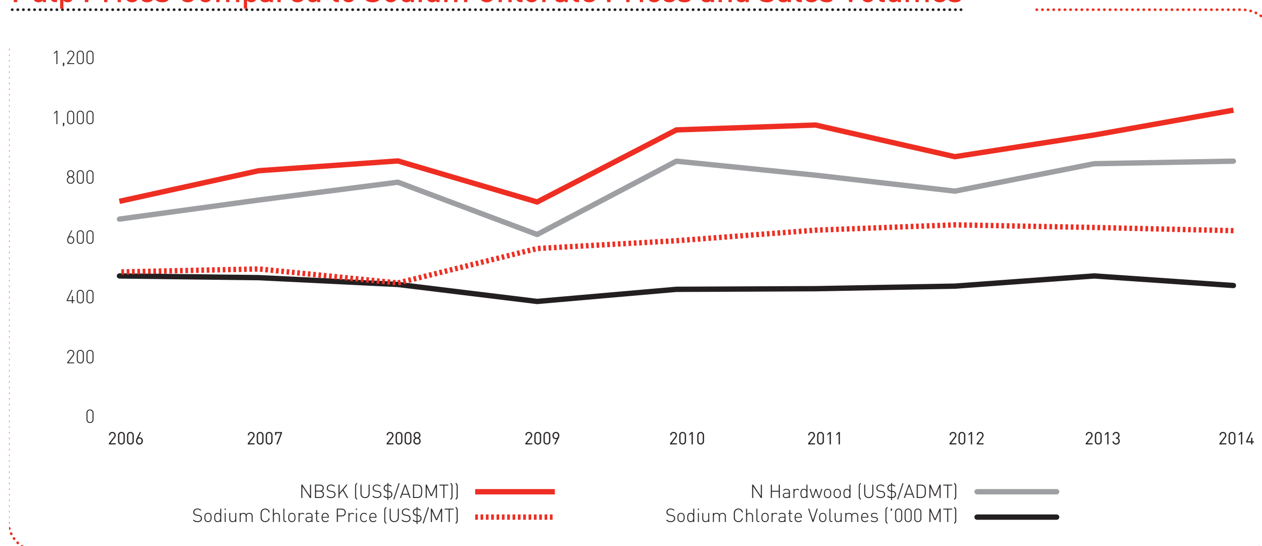
As at December 31, 2014, a total of $46.0 million had been spent on the two projects. Upon completion of both projects, Superior will have total hydrochloric acid production capacity of approximately 360,000 WMT. The two expansions will allow Superior to optimize overall returns at both facilities by converting a larger portion of its chlorine into higher-value hydrochloric acid.

On June 29, 2014, the Hargrave, Manitoba sodium chlorate facility, which represents 8% of Superior's North American sodium chlorate manufacturing capacity, was affected by local flooding. The plant was properly shut-down in advance; certain pumps and motors and some electrical equipment, however, were damaged as a result of the flooding. The facility was restarted during the third quarter and is operating at normal capacity. Physical damage to the property and loss of production are covered by Superior's insurance, subject to customary deductibles and waiting periods.

Operational Information

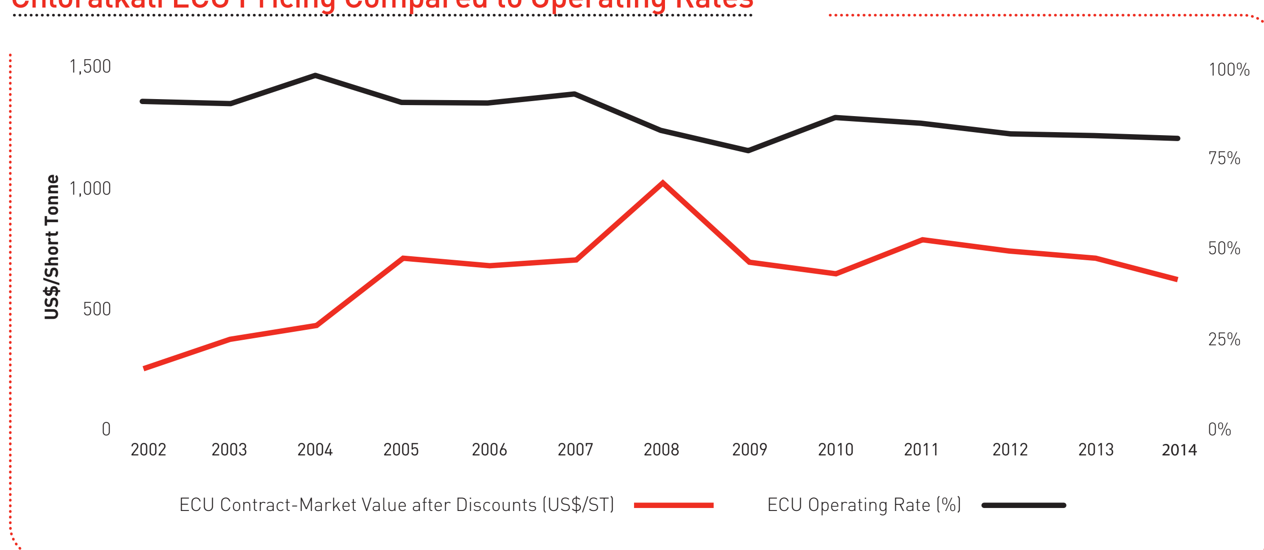
Sodium chlorate sales in 2014 represented 69% of Specialty Chemicals' EBITDA from operations, an increase of 2% from the 67% contribution in 2013. Sodium chlorate is principally sold to bleached pulp manufacturers. It is used to generate chlorine dioxide for bleaching pulp. Sodium chlorate represents approximately 5% of the variable cost to manufacture bleached pulp. As a result, sodium chlorate sales volumes and prices tend to be stable over time despite the volatility of bleached pulp prices (see the following chart).

Pulp Prices Compared to Sodium Chlorate Prices and Sales Volumes



Chloralkali/potassium sales in 2014 contributed 31% of EBITDA from operations, a decrease of 3% from 33% in 2013. Operating rates of the North American chloralkali segment and electrochemical unit (ECU) pricing remained relatively stable in 2014.

Chloralkali ECU Pricing Compared to Operating Rates



Specialty Chemicals' top 10 customers comprised approximately 53% of its revenues in 2014, with its largest customer representing 8% of its revenues.

Financial Outlook

Superior expects EBITDA from operations for 2015 to be consistent with 2014. Sodium chlorate gross profits are anticipated to be lower in 2015 due to higher electricity and plant operating costs, and modestly lower sales volumes. EBITDA from the chloralkali segment is anticipated to be higher in 2015 as a result of the hydrochloric acid expansions completed in the third and fourth quarters of 2014. Sales volumes of caustic soda, potassium caustic and hydrochloric acid are anticipated to be modestly higher than in 2014 with sales prices consistent to modestly higher than in 2014. Superior anticipates that pricing for hydrochloric acid may soften in the second half of 2015 due to reduced demand from the oil and gas industry. Supply and demand fundamentals in the chloralkali markets in which Superior operates are anticipated to remain similar to 2014 with the exception of hydrochloric acid as noted above.

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 2014 and 2013:

(millions of dollars)	2014	2013
Revenue [1]	**840.2**	800.2
Cost of sales [1]	**(632.6)**	604.2
Gross profit	**207.6**	196.0
Less: Cash operating and administrative costs	**(172.8)**	(162.8)
EBITDA from operations [2][3]	**34.8**	33.2
Net earnings [3]	**27.2**	20.3

(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, Cost of Sales and Cash Operating and Administrative Costs Included in this MD&A" for detailed amounts.

(2) Construction Products Distribution EBITDA from operations has been restated on a before-restructuring-cost basis, and the above results exclude restructuring costs of $0.4 million in 2014 and $6.2 million in 2013. See "Non-GAAP Restructuring Costs" for further details.

(3) EBITDA from operations is a Non-GAAP financial measure. See "Non-GAAP Financial Measures" and "Reconciliation of Net Earnings to EBITDA from Operations".

Revenues were $840.2 million for 2014, $40.0 million or 5% higher than in the prior year. Gypsum specialty distribution (GSD) revenue increased due to higher sales volumes as a result of ongoing improvement in the U.S. residential markets and contribution from the strengthening of the U.S. dollar, offset in part by lower contribution from some Canadian regions due to a slowdown in Canadian residential markets and the closure of some branches in 2013. Commercial and industrial (C&I) revenues were higher than in the prior year due to successful investments in sales and marketing and the strengthening of the U.S. dollar.

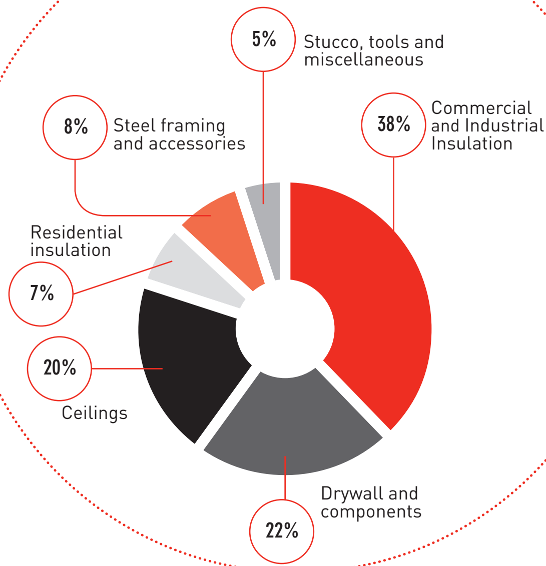
Gross profit was $207.6 million in 2014, an increase of $11.6 million or 6% from the prior year due to increased revenues as noted above and higher U.S. gross margins. The increase in U.S. gross margins was due to improved average selling prices and successful procurement initiatives, partially offset by a higher proportion of lower-margin large project sales, which realized strong growth in 2014. Canadian gross margins were consistent with the prior year.

Cash operating and administrative costs were $172.8 million in 2014, an increase of $10.0 million or 6% from the prior year. The increase was primarily due to higher employee costs associated with increased sales volumes, investment in additional sales capabilities, appreciation of the U.S. dollar, costs associated with the strategic review of the business, system integration project costs and $1.5 million in non-recurring severance costs.

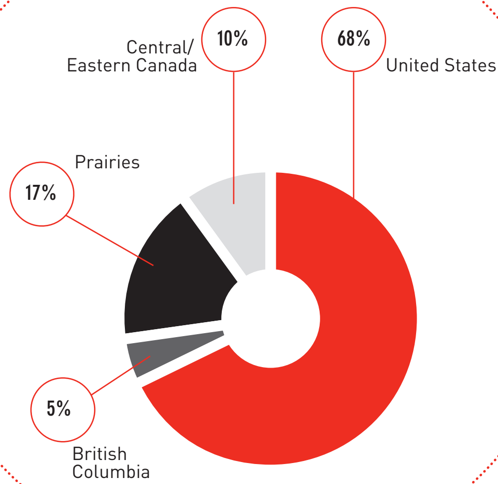
Operational Information

Construction Products Distribution enjoys considerable geographical and customer diversification, servicing over 14,000 customers from 115 distribution branches (see "Total Revenues by Region" pie chart). Its 10 largest customers represent approximately 8% of its annual distribution sales, with the largest customer generating approximately 1.5% of annual distribution sales. Construction Products Distribution enjoys a strong position in its operating markets, supported by its complete walls, ceilings, residential insulation, commercial and industrial insulation product lines, and by its procurement capabilities (see "Total Revenues by Product" pie chart).

Total Revenues by Product — 2014

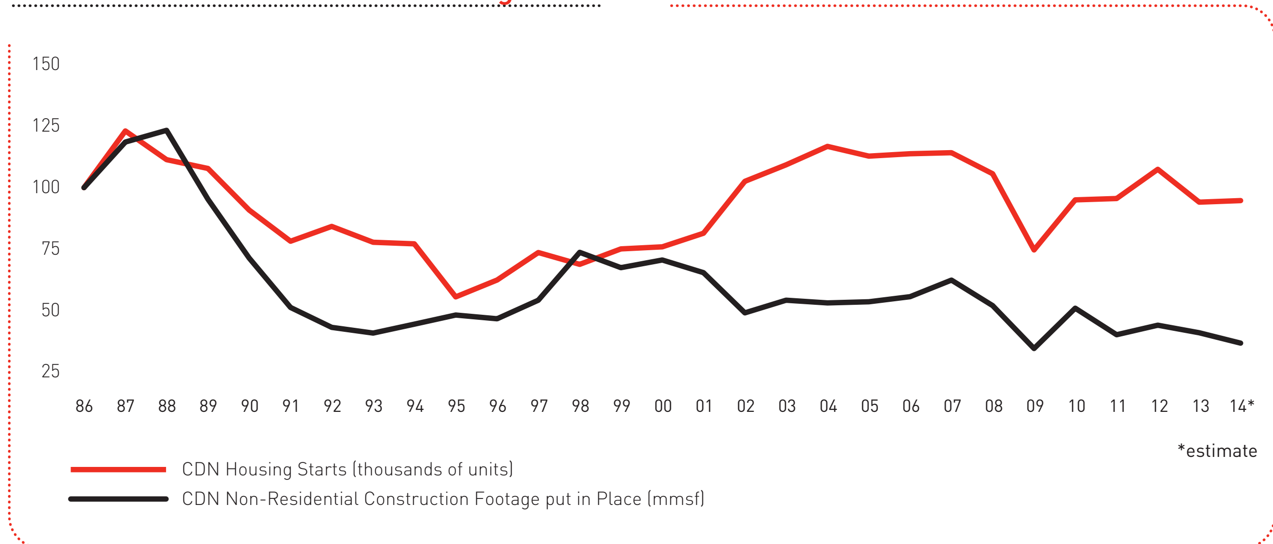


Total Revenues by Region — 2014

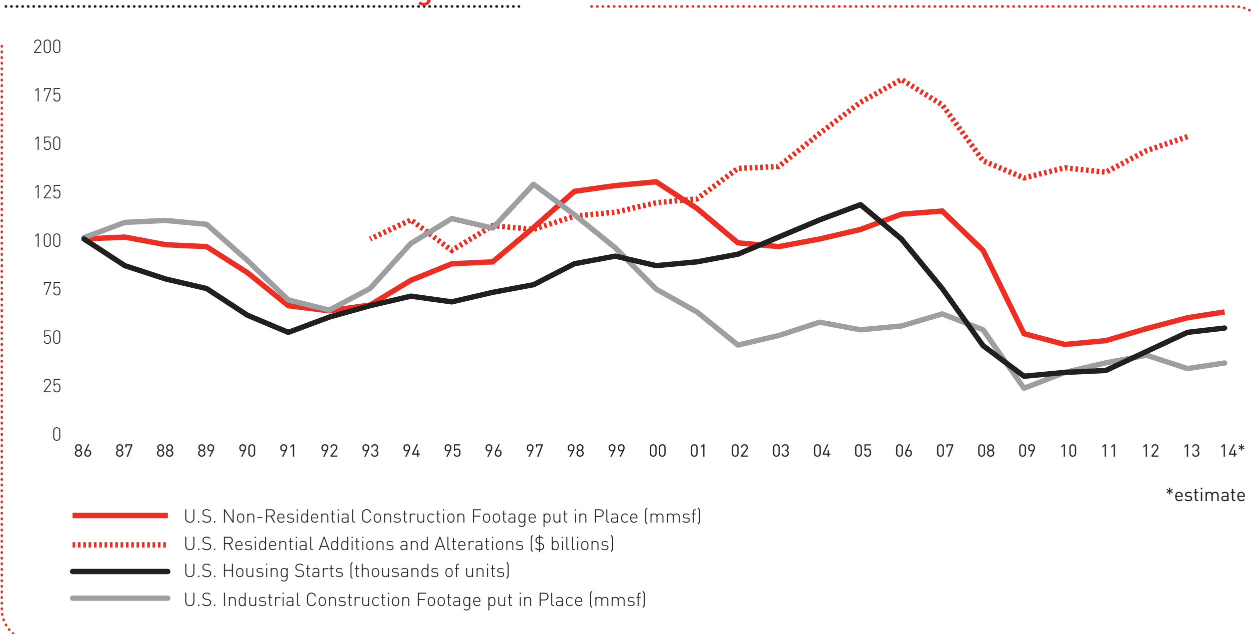


Sales to commercial and industrial builders and contractors are comprised of Construction Products Distribution's full product line, whereas sales to residential builders and contractors are principally comprised of drywall and components, insulation and plaster products. Demand for walls and ceiling construction products is influenced by overall economic conditions, with approximately 59% of sales from servicing commercial new construction and remodelling activity, 25% from servicing residential new construction and remodelling activity and 16% from servicing industrial activity. New commercial construction and industrial demand trends have historically lagged new residential construction (see charts on the Canadian and U.S. end-use construction segments below).

Canadian End-Use Construction Segments



U.S. End-Use Construction Segments



Financial Outlook

Superior anticipates that EBITDA from operations in 2015 will be higher than in 2014 due to continued improvements in the U.S. residential market, the product expansion of drywall into ceiling-only branches and benefits resulting from ongoing pricing and procurement initiatives. Superior anticipates that the U.S. commercial market will be modestly improved in 2015 compared to 2014 and that the Canadian residential market will continue to be challenging.

Initiatives to improve results in the Construction Products Distribution business continued during the fourth quarter of 2014. Ongoing projects include: a) assessment of overall logistics and existing branch network; b) review of supply chain management including procurement and transportation; c) review of product pricing; d) working capital management; e) sales growth in selected focus products/markets; and f) execution of the detailed restructuring plan.

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

(millions of dollars)	**2014**	2013
Efficiency, process improvement and growth-related	**51.0**	44.3
Other capital	**49.1**	34.2
	100.1	78.5
Proceeds from finance lease arrangement termination	**(8.2)**	–
Proceeds on disposition of capital and intangible assets	**(6.6)**	(6.6)
Investment in supply agreement	**–**	4.3
Acquisitions	**–**	7.6
Total net capital expenditures	**85.3**	83.8
Investment in finance leases	**13.8**	36.9
Total expenditures including finance leases	**99.1**	120.7

Efficiency, process improvement and growth-related expenditures were $51.0 million in 2014 compared to $44.3 million in the prior year. The increase was primarily related to the expansion projects at Specialty Chemicals and Energy Services' purchases of rental assets, truck-related expenditures and expenditures on the Canadian propane distribution system conversion.

Other capital expenditures were $49.1 million in 2014, compared to $34.2 million in the prior year, consisting primarily of required maintenance and general capital across Superior's segments.

During the second quarter of 2014, proceeds of $8.2 million were received as a customer of Specialty Chemicals exercised the early termination provision from a finance lease arrangement between the two parties.

Proceeds on the disposal of capital and intangible assets were $6.6 million in 2014 and consisted of Superior's disposition of surplus tanks, cylinders and other assets.

In 2013, Specialty Chemicals entered into a strategic supply agreement which required an initial investment of $4.3 million (see "Strategic Supply Agreement").

On November 27, 2013, Superior completed the acquisition of certain assets constituting a retail propane and commercial fuels distribution business ("Townsend") in Le Roy, New York for an aggregate price of $9.6 million including deferred consideration and net of adjustments for net working capital. The operations will provide U.S. refined fuels with access to additional propane customers.

During 2014, Superior entered into new leases with capital-equivalent value of $13.8 million, primarily related to delivery vehicles for the Energy Services and Construction Products Distribution segments. In the prior year, Superior entered into a finance lease of $21.5 million related to the strategic supply agreement and $15.4 million in new leases with capital-equivalent value related to delivery vehicles.

Capital expenditures were funded from a combination of operating cash flow, the issuance of common shares and revolving-term bank credit facilities.

Corporate and Interest Costs

Corporate costs were $20.0 million in 2014 compared to $17.9 million in the prior year. The increase was primarily due to costs associated with the sales process of Construction Products Distribution and professional fees for litigation regarding the Notices of Reassessment from the Canada Revenue Agency (CRA), partially offset by lower long-term incentive costs related to the decline in Superior's share price.

Interest expense on borrowing and finance lease obligations was $48.0 million for 2014, compared to $58.7 million in the prior year. The decrease was due to the full-year impact of lower average interest rates as a result of redeeming Superior's 8.25% $150.0 million senior unsecured notes on October 28, 2013 with lower-rate revolving debt and the benefit of debt repayment efforts. See "Liquidity and Capital Resources" for further details on the change in average debt levels.

Interest on Superior's convertible unsecured subordinated debentures ("debentures", which include all series of convertible unsecured subordinated debentures) was $30.3 million for 2014, a decrease of $0.8 million or 3% from the prior year.

Non-GAAP Restructuring Costs

Superior's restructuring costs have been categorized together and excluded from segmented results. Below is a table summarizing these costs:

(millions of dollars)	**2014**	2013
Severance costs	**5.4**	5.7
Branch closure costs and lease termination costs	**2.0**	4.7
Consulting costs	**3.9**	1.3
Inventory write-downs	**–**	3.6
Total restructuring costs	**11.3**	15.3

Restructuring costs incurred during 2014 and 2013 consisted of both costs included in and excluded from the restructuring provision. For the year ended December 31, 2014, Superior recognized restructuring costs of $11.3 million, of which only $11.1 million was recognized under the restructuring provision. For the year ended December 31, 2013, Superior recognized restructuring costs of $15.3 million, of which only $9.5 million was recognized under the restructuring provision. Total restructuring costs incurred during 2013 and 2014 in order to complete the restructuring projects were $26.6 million, higher than the range provided in Superior's first-quarter 2014 MD&A of $22.0 million to $25.0 million due to higher-than-expected facility termination costs.

Income Taxes

Consistent with prior periods, Superior recognizes a provision for income taxes for its subsidiaries that are subject to current and future income taxes, including U.S. income tax, U.S. non-resident withholding tax and Chilean income tax.

Total income tax expense for 2014 was $16.5 million, comprised of $1.7 million in cash income tax expense and $14.8 million in deferred income tax expense. This compares to a total income tax expense of $5.7 million in the prior year, which consisted of $0.2 million in cash income tax expense and a $5.5 million deferred income tax expense.

Cash income taxes for 2014 were $1.7 million, consisting of income taxes in the U.S. of $1.7 million (2013 – $0.2 million of U.S. cash tax expense). Deferred income tax expense for 2014 was $14.8 million (2013 – $5.5 million), resulting in a corresponding net deferred income tax asset of $275.4 million as at December 31, 2014 (December 31, 2013 – $288.3 million). Deferred income taxes in 2014 were impacted by higher net earnings in 2014, changes in statutory tax rates and decreased impact from permanent items.

As at December 31, 2014, Superior had the following tax pools available to be used in future years:

Canada	(millions of dollars)
Tax basis	327.6
Non-capital losses	60.5
Capital losses	582.5
Canadian scientific research expenditures	615.5
Investment tax credits	154.4
United States	
Tax basis	220.1
Non-capital losses	126.7
Chile	
Tax basis	16.7
Non-capital loss carry-forwards	5.0

See the audited consolidated financial statements for the year ended December 31, 2014 for a summary of the expiry of the non-capital loss carry-forwards and investment tax credits. Capital loss carry-forwards, Canadian scientific research expenditures and Chilean non-capital losses are eligible to be carried forward indefinitely.

CRA Income Tax Update

As previously disclosed, on April 2, 2013, Superior received, from the CRA, Notices of Reassessment for Superior's 2009 and 2010 taxation years reflecting the CRA's intent to challenge the tax consequences of Superior's corporate conversion transaction ("Conversion") which occurred on December 31, 2008. Subsequently on November 7, 2014, Superior received the Notices of Reassessment for the 2011 to 2013 taxation years. The CRA's position is based on the acquisition of control rules and the general anti-avoidance rules in the Income Tax Act (Canada).

The table below summarizes Superior's estimated tax liabilities and payment requirements associated with the received and anticipated Notices of Reassessment. Upon receipt of the Notices of Reassessment, 50% of the taxes payable pursuant to such Notice of Reassessment must be remitted to the CRA.

Taxation Year	Taxes Payable[1][2]	50% of the Taxes Payable[1][2]	Month/year Payable
2009/2010	$ 13.0	$ 6.5	April 2013
2011	$ 10.0[3]	$ 5.0	February 2015
2012	$ 10.0[3]	$ 5.0	February 2015
2013	$ 10.0[3]	$ 5.0	February 2015
2014	$ 20.0[3]	$ 10.0	2015
2015	$ 20.0[3]	$ 10.0	2016
Total	**$ 83.0**	**$ 41.5**	

(1) In millions of dollars.

(2) Includes estimated interest and penalties.

(3) Estimated based on Superior's previously filed tax returns, 2014 financial results and the midpoint of Superior's 2015 outlook.

On May 8, 2013 and August 7, 2013, respectively, Superior filed a Notice of Objection and a Notice of Appeal with respect to the Notice of Reassessment received on April 2, 2013. On February 4, 2015 Superior filed a Notice of Objection with respect to the Notice of Reassessment received on November 7, 2014. Superior anticipates that if the case proceeds in the Tax Court of Canada, the case could be heard within two years, with a decision rendered six to 12 months after completion of the court hearings. If a decision of the Tax Court of Canada were to be appealed, the appeal process could reasonably be expected to take an additional two years. If Superior receives a positive decision then any taxes, interest and penalties paid to the CRA will be refunded plus interest and if Superior is unsuccessful then any remaining taxes payable plus interest and penalties will have to be remitted.

Superior remains confident in the appropriateness of its tax filing position and the expected tax consequences of the Conversion and intends to vigorously defend such position and intends to file its future tax returns on a basis consistent with its view of the outcome of the Conversion.

Interim tax payments made by Superior will be recorded to the balance sheet and will not materially impact either AOCF or net earnings.

Based on the midpoint of Superior's 2015 financial outlooks of AOCF per share of $1.95, if the tax pools from the Conversion were not available to Superior, the impact would be an increase to cash income taxes of approximately $20.0 million or $0.15 per share for 2015. As previously stated, Superior intends to file its future income tax returns on a basis consistent with its view of the outcome of the Conversion.

Financial Outlook

Superior achieved AOCF per share for 2014 of $1.89 (before restructuring costs), within the 2014 financial outlook range provided in its third-quarter MD&A. See the detailed discussion on each segment for a breakdown of the results achieved.

Superior's 2015 financial outlook of AOCF per share of $1.80 to $2.10 is consistent with the financial outlook provided at the end of the third quarter of 2014. Superior sees its 2015 financial results as modestly higher to consistent with its 2014 financial results as ongoing operational and financial improvements in the Energy Services and CPD businesses will be largely offset by the absence of record or near record cold temperatures experienced in 2014, higher interest costs associated with the issuance of high-yield term debt and the impact of lower crude oil prices on certain customer segments. Specialty Chemicals results in 2015 are anticipated to be consistent with 2014.

In addition to the operating results of Superior's three operating segments, significant assumptions underlying Superior's 2015 outlooks are:

- Economic growth in Canada will be similar to 2014 while economic growth in the U.S. will increase modestly in 2015;
- Superior will continue to attract capital and obtain financing on acceptable terms;
- Superior's estimated total debt to EBITDA ratio is based on maintenance and growth-related expenditures of $74.0 million in 2015 and working capital funding requirements which do not contemplate any significant commodity price changes;
- The foreign currency exchange rate between the Canadian dollar and US dollar will average 0.80 in 2015 on all unhedged foreign currency transactions;
- Financial and physical counterparties will fulfil their obligations to Superior;
- Regulatory authorities will not impose any new regulations adversely affecting Superior;
- Superior's average interest rate on floating-rate debt will remain consistent with 2014; and
- Canadian and U.S.-based cash taxes will be minimal for 2015 based on existing statutory income tax rates and Superior's ongoing ability to use available tax basis.

Energy Services

Significant assumptions underlying Superior's outlook for Energy Services in 2015 are:

- Average weather across Canada and the Northeast U.S, as measured by degree days, will be consistent with the five-year average;
- Total propane and U.S. refined fuels-related sales volumes will decrease modestly in 2015 due primarily to lower oilfield customer demand related to the decline in the price of oil and lower residential volumes as weather is expected to be consistent with the five-year average, partially offset by customer growth initiatives and retention programs;
- Wholesale propane and U.S. refined fuels-related prices will not significantly affect demand for propane and refined fuels and related services;

- Supply portfolio management gross profit for 2015 will be consistent with 2014;
- Fixed-price energy services results for 2015 will increase from 2014 due to the assumption weather will be consistent with the five-year average, and the absence of market challenges experienced during the first quarter of 2014; and
- Operating costs will decrease in 2015 due to improvements in operational efficiencies from the completion of restructuring activities.

Specialty Chemicals

Significant assumptions underlying Superior's outlook for Specialty Chemicals in 2015 are:

- Sodium chlorate contribution will decrease from 2014 due to higher electricity and plant operating costs, and modestly lower sales volumes;
- Chloralkali contribution will increase from 2014 due to higher sales volumes associated with the completion of the Port Edwards and Saskatoon HCl burner expansions. Sales volumes of caustic soda, potassium caustic and hydrochloric acid are anticipated to be modestly higher than in 2014 with sales prices consistent to modestly higher than in 2014. Supply and demand fundamentals in the chloralkali markets in which Superior operates are anticipated to remain similar to 2014 ; and
- Average plant utilization will approximate 90%-95% in 2015.

Construction Products Distribution

Significant assumptions underlying Superior's outlook for Construction Products Distribution in 2015 are:

- Revenues will increase over 2014 due to continued growth in U.S.-based GSD sales as the U.S. residential market continues to improve, higher C&I sales revenue due to improvement in the U.S. industrial construction segment, a stronger U.S. dollar, and the product expansion of drywall into ceiling-only branches. Canada revenue will grow modestly as the Canadian residential market remains challenging;
- Sales margins will increase from 2014 due to the continued focus on price management, customer profitability and procurement. Gross profit for 2015 will increase due to higher revenue and higher gross margins; and
- Operating costs as a percentage of revenue will be comparable to 2014 due to anticipated savings from restructuring efforts and other cost management activities, offset in part by investments in sales and supply chain capability and system integration costs. Operating costs will increase modestly from 2014 due to higher sales volumes and activity, partially offset by further improvements in operational efficiency related to restructuring in 2013 and 2014.

Restructuring Costs

- Superior incurred $11.3 million in restructuring costs during 2014 associated with the restructuring efforts announced during the fourth quarter of 2013. Total restructuring costs incurred during 2013 and 2014 in order to complete the restructuring projects was $26.6 million, higher than the range provided in Superior's first-quarter MD&A of $22 million to $25 million due to higher than expected facility termination costs.

Debt Management Update

Superior remains focused on managing both its total debt and its total debt to EBITDA. Superior is currently forecasting a total debt to EBITDA ratio at December 31, 2015 of 3.0X to 3.4X which would bring Superior into its targeted leverage range of 3.0X to 3.5X. Superior's anticipated debt repayment for 2015 and total debt to EBITDA leverage ratio as at December 31, 2015, based on Superior's 2015 financial outlook is detailed in the chart below.

Debt Management Summary

	Dollar Per Share	Millions of Dollars
2015 financial outlook AOCF per share – midpoint [1]	1.95	247.0
Maintenance capital expenditures, net	(0.36)	(46.0)
Capital lease obligation repayments	(0.19)	(24.0)
Cash flow available for dividends and debt repayment before growth capital	1.40	177.0
Growth capital expenditures	(0.22)	(28.0)
Tax payments to CRA (50%)	(0.20)	(25.0)
Estimated 2015 free cash flow available for dividend and debt repayment	0.98	124.0
Conversion of 7.50% convertible debentures to equity-callable October 31, 2015	0.59	75.0
Dividends	(0.72)	(92.0)
Total estimated reduction in debt	0.85	107.0
Estimated total debt to EBTIDA as at December 31, 2015	3.0X – 3.4X	3.0X – 3.4X
Dividends	0.72	92.0
Calculated payout ratio after all capital (excluding tax payments to CRA)	61%	61%

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

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

Liquidity and Capital Resources

Superior's total and available sources of credit are detailed in the chart below:

Available Credit Facilities

As at December 31, 2014 (millions of dollars)	Total Amount	Borrowing	Letters of Credit Issued	Amount Available
Revolving term bank credit facilities [1]	**570.0**	**217.9**	**30.6**	**321.5**
Term loans [1]	**243.2**	**243.2**	**–**	**–**
Finance lease obligations	**72.1**	**72.1**	**–**	**–**
Total	**885.3**	**533.2**	**30.6**	**321.5**

(1) Revolving term bank credit facilities and term loan balances are presented before deferred financing fees.

Superior's revolving syndicated bank facility (Credit Facility), term loans and finance lease obligations before deferred financing fees totalled $533.2 million as at December 31, 2014, a decrease of $45.5 million from December 31, 2013. The decrease in overall borrowing through the three sources cited above was primarily due to lower net working capital requirements and higher cash flow from operating activities, offset in part by higher capital expenditures and dividend payments.

On June 20, 2014, and November 26, 2014 Superior extended the maturity date of its credit facility to June 27, 2018. Financial covenant ratios were unchanged with a consolidated secured debt to consolidated EBITDA ratio and a consolidated debt to consolidated EBITDA ratio of 3.0x and 5.0x, respectively. Superior maintains the flexibility to expand the facility up to $750.0 million. See "Summary of Cash Flow" for details on Superior's sources and uses of cash.

On December 9, 2014, Superior completed an offering of $200.0 million 6.50% senior unsecured notes (the Senior Notes). The Senior Notes were issued at par value and mature on December 9, 2021. The Senior Notes contain certain early redemption options under which Superior has the option to redeem all or a portion of the Senior Notes at various redemption prices, which include the principal amount plus accrued and unpaid interest, if any, to the applicable redemption date. Interest is payable semi-annually on June 9 and December 9, commencing June 9, 2015.

As at December 31, 2014, debentures (before deferred issuance fees and discount values) issued by Superior totalled $494.2 million which was $0.3 million lower than the balance as at December 31, 2013 due to the conversion of $0.3 million of 7.50% convertible debentures into common shares. See Note 19 to the audited consolidated financial statements for additional details on Superior's debentures.

As at December 31, 2014, approximately $321.5 million was available under the Credit Facility, which Superior considers sufficient to meet its expected net working capital, capital expenditure and refinancing requirements during 2015.

Consolidated net working capital was $264.8 million as at December 31, 2014, a decrease of $28.3 million from $293.1 million as at December 31, 2013. The decrease was primarily due to the decline in net working capital requirements at Energy Services related to lower commodity prices, offset in part by higher net working capital requirements at Construction Products Distribution associated with increased accounts receivable from the pickup in construction activity. Superior's net working capital requirements are financed from its Credit Facility.

Proceeds received from the dividend reinvestment program (DRIP) during 2014 were $nil as compared to $4.9 million in 2013. The decrease was due to Superior suspending the DRIP following payment of the March dividend in April 2013.

As at December 31, 2014, when calculated in accordance with the Credit Facility, the consolidated secured debt to compliance EBITDA ratio was 1.2:1 (December 31, 2013 – 2.2:1) and the consolidated debt to compliance EBITDA ratio was 1.9:1 (December 31, 2013 – 2.2:1). For both of these covenants, Debentures are excluded. These ratios are within the requirements of 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 3.0:1 and not more than 3.5:1 as a result of acquisitions.

In addition, Superior must maintain a consolidated debt to compliance EBITDA ratio of not more than 5.0:1, excluding Debentures. As at December 31, 2014, Superior's total debt to compliance EBITDA ratio was 3.6:1, and 3.5:1 on a before-restructuring-cost basis. Also, Superior is subject to several distribution tests and the most restrictive stipulates that distributions (including Debenture holders and related payments) cannot exceed compliance EBITDA less cash income taxes, plus $35.0 million on a trailing 12-month rolling basis. On a 12-month rolling basis as at December 31, 2014, Superior's available distribution amount was $165.0 million under the above-noted distribution test.

As of December 31, 2014, US$30 million of U.S. Notes, issued October 29, 2003 by way of private placement, were outstanding. On March 30, 2010, certain financial covenant ratios of the U.S. Note Agreement were amended to make them consistent with the financial covenant ratios under its amended Credit Facility other than the exclusion of any obligations owing under an accounts receivable securitization program from the calculation of consolidated secured debt for purposes of the consolidated secured debt to compliance EBITDA ratio calculation.

On June 27, 2014, Standard & Poor's confirmed Superior and Superior LP's long-term corporate credit rating of BB and the senior secured debt rating of BBB-. The outlook rating for Superior remains stable. On June 27, 2014, Dominion Bond Rating Service confirmed Superior LP's senior secured rating of BB (high) and Superior LP's senior unsecured rating of BB (low). The trend for both ratings is stable.

As at December 31, 2014, Superior had an estimated defined benefit pension solvency deficiency of approximately $12.3 million (December 31, 2013 – $12.8 million deficiency) and a going-concern surplus of approximately $22.6 million (December 31, 2013 – $11.5 million surplus). Funding requirements required by applicable pension legislation are based on 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 its Credit Facility and anticipated future operating cash flow to fund this deficiency over the prescribed 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.

Contractual Obligations and Other Commitments

			Payments Due In			
(millions of dollars)	Note [1]	Total	2015	2016-2017	2018-2019	Thereafter
Borrowing	18	533.2	66.7	32.2	229.5	204.8
Debentures	19	473.8	–	242.7	231.1	–
Minimum future lease payment under finance leases	18	72.1	27.1	35.0	12.9	(2.9)
Operating leases [2]	18	224.6	45.8	78.5	47.4	52.9
US$ foreign currency forward sales contracts (US$)	21	350.4	186.0	164.4	–	–
Natural gas, diesel, WTI, propane, heating oil, and electricity purchase commitments [3]	21	173.1	134.0	39.1	–	–
Total contractual obligations		**1,827.2**	**459.6**	**591.9**	**520.9**	**254.8**

(1) Notes to the audited consolidated financial statements.

(2) Operating leases comprise Superior's off-balance-sheet obligations.

(3) Does not include the impact of financial derivatives. See Note 21 to the consolidated financial statements.

Shareholders' Capital

The weighted average number of common shares issued and outstanding was 126.2 million shares in 2014 compared to 123.1 million in 2013, an increase of 3.1 million from the prior year due to the issuance of 13,415,425 common shares in 2013.

In 2013, Superior issued 0.4 million shares at an average price of $10.76 per share from January 15, 2013 to March 15, 2013 through Superior's DRIP, and 13.0 million shares at an average price of $11.10 per share on March 27, 2013 through an equity offering.

As at February 19, 2015, December 31, 2014 and December 31, 2013, the following common shares and securities convertible into common shares were issued and outstanding:

	February 19, 2015		**December 31, 2014**		December 31, 2013	
(millions)	**Convertible Securities**	**Shares**	**Convertible Securities**	**Shares**	Convertible Securities	Shares
Common shares outstanding		**126.2**		**126.2**		126.2
5.75% Debentures [1]	**$ 172.5**	**9.1**	**$ 172.5**	**9.1**	$ 172.5	9.1
6.00% Debentures [2]	**$ 150.0**	**9.9**	**$ 150.0**	**9.9**	$ 150.0	9.9
7.50% Debentures [3]	**$ 74.7**	**6.6**	**$ 74.7**	**6.6**	$ 75.0	6.6
6.00% Debentures [4]	**$ 97.0**	**5.8**	**$ 97.0**	**5.8**	$ 97.0	5.8
Shares outstanding and issuable upon conversion of Debentures		**157.6**		**157.6**		157.6

(1) Convertible at $19.00 per share.
(2) Convertible at $15.10 per share.
(3) Convertible at $11.35 per share.
(4) Convertible at $16.75 per share.

Dividends Paid to Shareholders

Dividends paid to Superior's shareholders depend on its cash flow from operating activities with consideration for Superior's changes in working capital requirements, investing activities and financing activities. See "Summary of Adjusted Operating Cash Flow (AOCF)" and "Summary of Cash Flow" for additional details.

On October 30, 2014, Superior announced that its monthly dividend would be increased by 20% to $0.06 per share or $0.72 per share on an annualized basis from the current dividend of $0.05 or $0.60 per share on an annualized basis. Dividends paid to shareholders for 2014 were $77.0 million (before DRIP proceeds of $nil) or $0.62 per share compared to $73.7 million (before DRIP proceeds of $4.9 million) or $0.60 per share in 2013. Dividends paid to shareholders increased by $3.3 million due primarily to the higher dividend rate and a higher number of shares outstanding associated with the equity offering completed on March 27, 2013. See "Debt Management Update" for further details. Dividends to shareholders are declared at the discretion of Superior's Board of Directors.

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

Summary of Cash Flow [1]

(millions of dollars)	**2014**	2013
Cash flow from operating activities	**237.8**	185.3
Investing activities [2]:		
Purchase of property, plant and equipment	**(100.1)**	(78.5)
Proceeds from finance lease arrangement termination	**8.2**	–
Proceeds on disposal of property, plant and equipment and intangible assets	**6.6**	6.6
Investment in supply agreement	**–**	(4.3)
Acquisitions	**–**	(7.6)
Cash flow used in investing activities	**(85.3)**	(83.8)
Financing activities:		
Net (repayment) proceeds of revolving term bank credits and other debt	**(223.1)**	87.4
Proceeds from issuance of 6.50% senior unsecured notes	**200.0**	–
Issuance costs incurred for 6.50% senior unsecured notes	**(4.4)**	–
Repayment of senior secured notes	**(33.4)**	(34.0)
Repayment of finance lease obligation	**(20.4)**	(15.9)
Redemption of senior unsecured debentures	**–**	(150.0)
Redemption premium on senior unsecured debentures	**–**	(6.2)
Redemption of 5.85% convertible debentures	**–**	(75.0)
Redemption of 7.50% convertible debentures	**–**	(68.9)
Proceeds from issuance of 6.00% convertible debentures	**–**	97.0
Issuance costs incurred on 6.00% convertible debentures	**–**	(3.8)
Proceeds from issuance of common shares	**–**	143.9
Issuance costs on common shares	**–**	(6.3)
DRIP proceeds	**–**	4.9
Dividends paid to shareholders	**(77.0)**	(73.7)
Cash flow used in financing activities	**(158.3)**	(100.6)
Net (decrease) increase in cash and cash equivalents	**(5.8)**	0.9
Cash and cash equivalents, beginning of period	**8.3**	7.6
Effect of translation of foreign-denominated cash and cash equivalents	**0.6**	(0.2)
Cash and cash equivalents, end of period	**3.1**	8.3

(1) See the consolidated statements of cash flow 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, share-based compensation 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.

Energy Services enters into natural gas financial swaps in order to manage its economic exposure of providing fixed-price natural gas to its customers and maintains its natural gas swap positions with six counterparties. Energy Services

monitors its fixed-price natural gas positions on a daily basis to evaluate compliance with established risk management policies. Superior maintains a substantially balanced fixed-price natural gas position in relation to its customer supply commitments.

Energy Services entered into electricity financial swaps with seven counterparties to manage the economic exposure of providing fixed-price electricity to its customers. Energy Services monitors its fixed-price electricity positions on a daily basis to evaluate compliance with established risk management policies. Energy Services maintains a substantially balanced fixed-price electricity position in relation to its customer supply commitments.

Energy Services entered into various propane forward purchase and sale agreements with more than 20 counterparties to manage the economic exposure of its wholesale customer supply contracts. Energy Services monitors its fixed-price propane positions on a daily basis to monitor compliance with established risk management policies. Energy Services maintains a substantially balanced fixed-price propane gas position in relation to its wholesale customer supply commitments.

Superior, on behalf of its operating divisions, entered into foreign currency forward contracts with 12 counterparties to manage the economic exposure of its operations to movements in foreign currency exchange rates. Energy Services contracts a portion of its fixed-price natural gas, propane and heating oil purchases and sales in U.S. dollars and enters into forward U.S. dollar purchase contracts to create an effective Canadian dollar fixed-price purchase cost. Specialty Chemicals enters into U.S. dollar forward sales contracts on an ongoing basis to mitigate the impact of foreign exchange fluctuations on sales margins on production from its Canadian plants that is sold in U.S. dollars. Interest expense on Superior's U.S. dollar debt is also used to mitigate the impact of foreign exchange fluctuations.

As at February 19, 2015, Superior had hedged approximately 97% of its estimated U.S. dollar exposure for 2015, and due to the hedge position, a change in the Canadian to U.S, dollar exchange rate for 2015 would not have a material impact to Superior. A summary of Superior's U.S. dollar forward contracts for 2015 and beyond as at February 19, 2015, is provided in the table below.

(US$ millions except exchange rates)	2015	2016	2017	2018	2019	2020 and Thereafter	Total
Energy Services – US$ forward sales	27.0	–	–	–	–	–	27.0
Construction Products Distribution – US$ forward sales	26.0	33.0	24.0	–	–	–	83.0
Specialty Chemicals – US$ forward sales	150.5	164.4	123.0	96.0	48.0	–	581.9
Net US$ forward sales	203.5	197.4	147.0	96.0	48.0	–	691.9
Energy Services – Average US$ forward sales rate	1.07	–	–	–	–	–	1.07
Construction Products Distribution – Average US$ forward sales rate	1.11	1.14	1.20	–	–	–	1.15
Specialty Chemicals – Average US$ forward sales rate	1.03	1.10	1.13	1.20	1.20	–	1.11
Net average external US$/CDN$ exchange rate	1.04	1.11	1.15	1.20	1.20	–	1.12

Superior has interest rate swaps with four counterparties to manage the interest rate mix of its total debt portfolio and related overall cost of borrowing. Superior manages its overall liquidity risk in relation to its general funding

requirements by utilizing a mix of short-term and longer-term debt instruments. Superior reviews its mix of short-term and longer-term debt instruments on an ongoing basis to ensure it is able to meet its liquidity requirements.

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 creditworthiness of its significant counterparties at the inception and throughout the term of a contract. Superior is also exposed to customer credit risk. Energy Services and Construction Products Distribution deal 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 its customers' overall creditworthiness. Energy Services' fixed-price energy services business has minimal exposure to customer credit risk as local natural gas and electricity distribution utilities have been mandated, for a nominal fee, to provide invoicing, collection and the assumption of bad debt risk for residential and small commercial customers. Fixed-price energy services actively monitors the creditworthiness of its direct-billed industrial customers. All of Superior's business segments have credit risk policies to minimize credit exposure.

For additional details on Superior's financial instruments, including the amount and classification of gains and losses recorded in Superior's year-end 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 21 to the audited consolidated financial statements.

Sensitivity Analysis

Superior's estimated cash flow sensitivity in 2015 to various changes is provided below:

	Change	Change	Impact on AOCF (millions)	Per Share
Energy Services				
Change in propane sales margin	$0.005/litre	3%	$6.6	$0.05
Change in propane sales volume	50 million litres	4%	$8.8	$0.07
Change in U.S. refined fuels sales margin	$0.005/litre	5%	$7.9	$0.06
Change in U.S. refined fuels sales volume	50 million litres	3%	$4.5	$0.04
Change in natural gas sales margin	$0.10/GJ	47%	$1.8	$0.01
Change in natural gas sales volume	6 million GJ	33%	$1.3	$0.01
Specialty Chemicals				
Change in sales price	$10.00/MT	1%	$9.1	$0.07
Change in sales volume	15,000 MT	2%	$5.1	$0.04
Construction Products Distribution				
Change in sales margin	1% change in average gross margin	4%	$8.1	$0.06
Change in sales volume	5% change in sales volume	5%	$5.5	$0.04
Corporate				
Change in CDN$/US$ exchange rate	$0.01	1%	$0.2	$nil
Corporate change in interest rates	0.5%	17%	$1.6	$0.01

Disclosure Controls and Procedures (DC&P) and Internal Controls Over Financial Reporting (ICFR)

Disclosure controls and procedures are designed by or designed under the supervision of Superior's President and Chief Executive Officer (CEO) and the Executive Vice President and Chief Financial Officer (CFO) in order to provide reasonable assurance that all material information relating to Superior is communicated to them by others in the organization as it becomes known and is appropriately disclosed as required under the continuous disclosure requirements of securities legislation and regulation. In essence, these types of controls are related to the quality and timeliness of financial and non-financial information in securities filings. The CEO and CFO are assisted in this responsibility by a Disclosure Committee (DC), which is composed of senior managers of Superior. The DC has established procedures so that it becomes aware of any material information affecting Superior in order to evaluate and discuss this information and determine the appropriateness and timing of its public release.

Internal Controls over Financial Reporting are also designed by or under the supervision of Superior's President and CEO and the Executive Vice President and CFO and effected by Superior's board of directors, management and other personnel in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

As previously disclosed in the third quarter 2014 MD&A, management discovered that certain controls in Superior's ICFR at Supply portfolio management and U.S. refined fuels were not operating as intended. The following accounting practices led to adjustments in Superior's third quarter results:

- Certain freight charges at Supply portfolio management were over accrued; and
- Certain inventory balances at U.S. refined fuels were overstated due to inaccurate inventory costing as a result of inappropriately recognizing book to physical inventory adjustments.

Based on an analysis by management, these errors were the result of the following:

- Former senior management at supply portfolio management had a lack of understanding of the key controls around freight charges within the segment. Such management did not adequately establish and enforce compliance with certain accrual related controls. Management at U.S. refined fuels also did not adequately enforce compliance with certain inventory related controls. This led to the override of inventory controls by some operational employees and a lack of focus on inventory controls in general.
- Internal controls over journal entries recognition were not operating as intended at Supply portfolio management. Staff turnover and a lack of knowledge transfer of existing controls led to over accrual of freight costs.

Management was able to detect these issues through compensating controls within the organization. Management assessed the impact of these issues on its ICFR and concluded that there was no material weakness in the design or operation of Superior's ICFR as at December 31, 2013, nor any material weakness in the design of Superior's ICFR at September 30, 2014.

Please refer to "First and Second Quarter Adjustment Details" for a summary of the financial impact of the accounting adjustments.

Changes in ICFR

Since September 30, 2014 and prior to December 31, 2014, Superior implemented certain changes to its ICFR that have materially affected such ICFR. These changes were designed to strengthen corporate governance, compliance and control processes, specifically at Supply portfolio management and U.S. refined fuels to address the issues identified, and, more generally, to enhance Superior's overall compliance and control processes.

- » Superior has enhanced the internal control testing function with the support of an independent third party, senior management and the audit committee. This has resulted in the standardization of the 2014 testing across the organization and should allow for a higher level of assurance for this function;
- » Increased organizational awareness and understanding of the importance of internal controls;
- » Completed a formal review of all process documents and the performance of walkthroughs with the assistance of an expert third party service provider in order to evaluate and, as necessary, enhance the existing controls;
- » Enhanced certain freight accrual and inventory controls; and
- » Added additional oversight and reviews, enhanced training, and hired additional qualified personnel.

No other changes were made in Superior's internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, Superior's internal control over financial reporting in the year ended December 31, 2014.

Effectiveness

The evaluation of the effectiveness of the design and operation of Superior's DC&P was conducted as at December 31, 2014 by and under the supervision of Superior's management, including the CEO and CFO. Based on this evaluation, the CEO and CFO have concluded that Superior's DC&P were effective as at December 31, 2014.

The evaluation of the effectiveness of Superior's internal controls over financial reporting was conducted as at December 31, 2014 by and under the supervision of Superior's management, including the CEO and CFO. Based on this evaluation, the CEO and CFO have concluded that Superior's internal controls over financial reporting were effective as at December 31, 2014.

Critical Accounting Policies and Estimates

Superior's audited consolidated financial statements were prepared in accordance with IFRS. The significant accounting policies are described in the audited consolidated financial statements for the year ended December 31, 2014. 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. Superior's 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, asset impairments and the assessment of potential asset retirement obligations.

Critical Accounting Estimates

Superior's significant accounting policies are described in Note 2 to the consolidated financial statements. Certain of these policies involve critical accounting estimates because they require Superior to make particularly subjective or complex judgments about matters that are inherently uncertain and because of the likelihood that materially different amounts could be reported under different conditions or using different assumptions. Superior constantly evaluates these estimates and assumptions.

Allowance for Doubtful Accounts

Superior expects that a certain portion of required customer payments will not be made and maintains an allowance for these doubtful accounts. This allowance is based on Superior's estimate of the likelihood of recovering its accounts receivable. It incorporates current and expected collection trends. If economic conditions change, actual results or specific industry trends differ from Superior's expectations, Superior will adjust its allowance for doubtful accounts and its bad debt expense accordingly.

Employee Future Benefits

The accrued benefit obligation is determined by independent actuaries using the projected benefit method prorated on service and based on management's best economic and demographic estimates. The benefit relates to Superior's defined benefit plans. The expected return on plan assets is determined by considering long-term historical returns, future estimates of long-term investment returns and asset allocations.

Asset Impairment

Superior reviews long-lived assets and intangible assets with finite lives whenever events or changes in circumstances indicate that the carrying amounts of such assets may not be fully recoverable. Determination of recoverability is based on an estimate of undiscounted future cash flow, and measurement of an impairment loss is based on the fair value of the assets.

Goodwill is not amortized, but is assessed for impairment at the reporting unit level annually, or sooner if events or changes in circumstances indicate that the carrying amount could exceed fair value. Goodwill is assessed for impairment using a two-step approach, with the first step being to assess whether the fair value of the reporting unit to which the goodwill is assigned is less than its carrying value. If this is the case, a second impairment test is performed which requires a comparison of the fair value of goodwill to its carrying amount. If fair value is less than the carrying value, goodwill is considered to be impaired and an impairment charge would be recognized immediately.

Valuation of Derivatives and Non-Financial Derivatives

The valuation of derivatives and non-financial derivatives is 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 determines fair value 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 observable market-based inputs.

Fair values determined using valuation models require assumptions concerning the amount and timing of estimated future cash flow and discount rates. In determining these assumptions, Superior looks primarily to external, readily observable market inputs including interest rate yield curves, currency rates, and price and rate volatilities as applicable. With respect to the valuation of Specialty Chemicals' fixed-price electricity agreements, Superior makes assumptions

about the long-term price of electricity in electricity markets for which active market information is not available. This assumption has a material impact on the fair value of these agreements. Any changes in the fair values of financial instruments classified or designated as held-for-trading are measured at fair value and are recognized in net income.

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, 2014 or later periods. The affected standards applicable to Superior are as follows:

International Accounting Standard (IAS) 32 – *Financial Instruments: Presentation*

The amendments to IAS 32 clarify the requirements relating to the offsetting of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of off-set" and "simultaneous realization and settlement". Superior adopted the amendments on January 1, 2014, with no impact to Superior.

IAS 36 – *Impairment of Assets*

The IASB issued Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36) on May 29, 2013. Superior has applied the amendments to IAS 36 for the first time in the current year. The amendments to IAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives has been allocated when there has been no impairment or reversal of impairment of the related CGU. Additionally, there are disclosure requirements applicable to when the recoverable amount of an asset of a CGU is measured at fair value less costs of disposal. These new disclosure requirements include the fair value hierarchy, key assumptions and valuation techniques used. Adoption of the amendments is required retrospectively for fiscal years beginning January 1, 2014, with earlier adoption permitted. Superior adopted the amendments on January 1, 2014, with no impact to Superior.

IFRIC 21 – *Levies*

The interpretation was issued on May 20, 2013 and provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 - Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy are certain. The interpretation covers the accounting for outflows imposed on entities by governments (including government agencies and similar bodies) in accordance with laws and/or regulations. However, it does not include income taxes (see IAS 12 – Income Taxes), fines and other penalties, liabilities arising from emissions trading schemes and outflows within the scope of other standards. It also provides the following guidance on recognition of a liability to pay levies: the liability is recognized progressively if the obligating event occurs over a period of time and, if an obligation is triggered on reaching a minimum threshold, the liability is recognized when that minimum threshold is reached. This standard must be applied for accounting periods beginning on or after January 1, 2014, with retrospective application from December 31, 2012. Superior adopted the interpretation on January 1, 2014, with no impact to Superior.

IFRS 10 – *Consolidated Financial Statements*, IFRS 12 – *Disclosure of Interests in Other Entities* and IAS 27 – *Separate Financial Statements*

The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. Consequently, IFRS 12 and IAS 27 were amended to introduce new disclosure requirements for investment entities. Superior adopted the amendments on January 1, 2014, with no impact to Superior.

New and Revised IFRS Standards Not Yet Effective

IFRS 9 – *Financial Instruments: Classification and Measurement*

IFRS 9 was issued in November 2009 and is intended to replace IAS 39 – Financial Instruments: Recognition and Measurement. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39 except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income. Another revised version of IFRS 9 was issued in July 2014 to include impairment requirements for financial assets and limited amendments to the classification and measurement requirements by introducing the fair value through other comprehensive income measurement category for certain simple debt instruments. This standard must be applied for accounting periods beginning on or after January 1, 2018, with earlier adoption permitted. Superior is assessing the effect of IFRS 9 on its financial results and financial position; changes, if any, are not expected to be material.

IFRS 15 – *Revenue from Contracts with Customers*

In May 2014, IFRS 15 was issued, establishing a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 supersedes the current revenue recognition guidance including IAS 18 – Revenue, IAS 11 – Construction Contracts and the related interpretation when it becomes effective. Under IFRS 15, an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity is required to recognize revenue when the performance obligation is satisfied. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2017 with early adoption permitted. Superior is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

IAS 16 and IAS 38 – *Property, Plant and Equipment and Intangible Assets*

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant, and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortization of an intangible asset. This presumption can only be rebutted in the event when the intangible asset is expressed as a measure of revenue or, when it can be demonstrated that revenue and consumption of the economic benefits of the intangible assets are highly correlated. This standard must be applied for accounting periods beginning on or after January 1, 2016, with earlier adoption permitted. Superior currently amortizes property, plant and equipment and intangible assets using the straight-line method and therefore, does not anticipate the application of these amendments to IAS 16 and IAS 18 having a material impact on Superior's consolidated financial statements.

IAS 19 – *Defined Benefit Plans: Employee Contributions*

The amendments to IAS 19 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the employee's number of years of service. For contributions independent of the number of years of services, the entity may either recognize the contributions as a reduction in the service cost in the period in which the related service is rendered, or attribute them to the employee's periods of service using the projected unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employee's period of

service. This standard must be applied for accounting periods beginning on or after July 1, 2014, with earlier adoption permitted. Superior is assessing the effect of IAS 19 amendments on its financial results and financial position; changes, if any, are not expected to be material.

Selected Financial Information

(millions of dollars except per share amounts)	**2014**	2013	2012
Total assets (as at December 31)	**2,114.9**	2,141.1	2,032.1
Revenues	**3,975.9**	3,752.8	3,624.3
Gross profit	**922.1**	868.3	846.3
Net earnings	**58.9**	52.7	90.0
Per share, basic	**$ 0.47**	$ 0.43	$ 0.80
Per share, diluted	**$ 0.42**	$ 0.40	$ 0.80
Cash flow from operating activities	**237.8**	185.3	273.3
AOCF	**227.4**	192.3	190.4
Per share, basic	**$ 1.80**	$ 1.56	$ 1.70
Per share, diluted	**$ 1.75**	$ 1.53	$ 1.66
AOCF before restructuring costs	**238.7**	207.6	200.4
Per share before restructuring costs, basic	**$ 1.89**	$ 1.69	$ 1.79
Per share before restructuring costs, diluted	**$ 1.84**	$ 1.64	$ 1.74
Dividends per share	**$ 0.62**	$ 0.60	$ 0.60
Current and long-term borrowing (1) (as at December 31)	**533.2**	578.7	639.6

(1) Current and long-term borrowing before deferred financing fees, option value and accounts receivable securitization and Debentures.

Non-GAAP Financial Measures

Throughout the MD&A, Superior has used the following terms that are not defined by GAAP, but are used by management to evaluate performance of Superior and its business. Since Non-GAAP financial measures do not have standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other companies, securities regulations require that Non-GAAP financial measures are clearly defined, qualified and reconciled to their nearest GAAP measures. Except as otherwise indicated, these Non-GAAP financial measures are calculated and disclosed on a consistent basis from period to period. Specific adjusting items may only be relevant in certain periods.

The intent of Non-GAAP financial measures is to provide additional useful information to investors and analysts and the measures do not have any standardized meaning under IFRS. The measures should not, therefore, be considered in isolation or used in substitute for measures of performance prepared in accordance with IFRS. Other issuers may calculate Non-GAAP financial measures differently.

Investors should be cautioned that EBITDA and AOCF should not be construed as alternatives to net earnings, cash flow from operating activities or other measures of financial results determined in accordance with GAAP as an indicator of Superior's performance.

Non-GAAP financial measures are identified and defined as follows:

Adjusted Operating Cash Flow

AOCF 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 in its calculation of AOCF; these items would generally, but not necessarily, be items of a non-recurring nature. AOCF is the main performance measure used by management and investors to evaluate Superior's performance. AOCF 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 AOCF. Adjustments recorded by Superior as part of its calculation of AOCF 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 expenses, which can differ significantly from quarter to quarter. Adjustments are also made to reclassify the cash flow related to natural gas and electricity customer contract-related costs in a manner consistent with the income statement's recognition of these costs. AOCF is reconciled to net cash flow from operating activities on page 10.

EBITDA

EBITDA represents earnings before taxes, depreciation, amortization, finance expense and certain other non-cash expenses, and is used by Superior to assess its consolidated results and those of its operating segments. The EBITDA of Superior's operating segments may be referred to as EBITDA from operations. Net earnings before income taxes are reconciled to EBITDA from operations on page 46.

Compliance EBITDA

Compliance EBITDA represents earnings before interest, taxes, depreciation, amortization and certain 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 compliance with its debt covenants and other credit information. See Note 23 to the audited consolidated financial statements for a reconciliation of net earnings to compliance EBITDA.

Payout Ratio

Payout ratio represents dividends as a percentage of AOCF 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 GAAP. Superior's calculation of payout ratio may differ from similar calculations used by comparable entities. See page 29 "Debt Management Summary" for Superior's anticipated payout ratio for 2015.

Fourth Quarter Results

Fourth quarter AOCF (before restructuring costs of $0.2 million) was $85.8 million, an increase of $15.7 million or 22% from the prior year's fourth quarter. The increase in AOCF was primarily due to higher operating results in Energy Services and Construction Products Distribution and lower interest and corporate costs.

AOCF (before restructuring costs) of $0.68 per share increased by $0.12 per share or 21% from the prior year's fourth quarter due to the increase in AOCF, offset in part by a modest increase in the weighted average number of shares.

Net earnings for the fourth quarter were $45.3 million, an increase of $34.4 million or 315% in the prior year quarter. Net earnings increased primarily due to higher revenue and gross profit, lower finance and operating expenses and lower income taxes. The decrease in expenses was due to an impairment charge of $15.5 million recognized during 2013 in the U.S. refined fuels business, and lower finance expenses.

Revenue of $956.8 million was $77.9 million lower than the prior year quarter due to decreased Energy Services revenue, partially offset by increased Specialty Chemicals and CPD revenue. Energy Services revenue decreased due to lower propane prices and sales volumes. Specialty Chemicals revenue increased due to higher sales volumes and pricing. CPD revenue increased due to higher sales volumes related to improvements in end-use markets and the impact of the strengthening U.S. dollar on U.S. dollar-denominated sales.

Gross profit of $247.5 million was $6.7 million higher than the prior year quarter primarily due to increased Energy Services, Specialty Chemicals and CPD gross profits. Energy Services gross profits were higher due to increased unit margins associated with effective price management and customer retention and growth initiatives, partially offset by lower volumes. CPD gross profits increased due to improved sales volumes and higher average selling prices. Specialty Chemicals gross profits were modestly higher due to an improved contribution from hydrochloric acid due to the completion of the acid burner expansions in Port Edwards, Wisconsin and Saskatoon, Saskatchewan.

Operating expenses of $182.8 million in the fourth quarter were $18.1 million lower than the prior year quarter due to decreased restructuring costs and employee costs related to headcount reduction initiatives at Energy Services, partially offset by an increase in operating expenses at Specialty Chemicals and Construction Products Distribution related to the impact of the appreciation of the U.S. dollar on U.S. dollar-denominated expenses. Total income tax recovery for the fourth quarter was $1.3 million, a decrease of $5.9 million compared to the prior year quarter. The decrease in income tax recovery was due to higher net earnings in the fourth quarter of 2014 and decreased impact from permanent items.

Quarterly Financial and Operating Information

GAAP Measures

	2014 Quarters [2]				2013 Quarters			
	Fourth	**Third**	**Second**	**First**	Fourth	Third	Second	First
Canadian propane sales volumes (millions of litres)	**377**	**230**	**255**	**454**	405	232	265	429
U.S. refined fuels sales volumes (millions of litres)	**407**	**335**	**347**	**492**	411	326	383	512
Natural gas sales volumes (millions of GJ)	**4**	**4**	**5**	**5**	5	5	5	5
Electricity sales volumes (millions of KWh)	**137**	**139**	**157**	**244**	228	249	205	205
Chemical sales volumes (thousands of MT)	**231**	**224**	**232**	**223**	220	204	199	203
Revenues (millions of dollars)	**956.8**	**841.4**	**895.4**	**1,282.3**	1,034.7	813.8	854.4	1,049.9
Gross profit (millions of dollars)	**244.9**	**188.4**	**196.0**	**290.2**	240.8	184.9	190.0	253.1
Net (loss) earnings (millions of dollars)	**36.5**	**(42.4)**	**5.9**	**50.1**	10.9	35.9	(25.5)	31.4
Per share, basic	**$0.34**	**$(0.34)**	**$0.05**	**$0.40**	$0.09	$0.28	$(0.20)	$0.28
Per share, diluted	**$(0.03)**	**$(0.34)**	**$(0.02)**	**$0.34**	$0.05	$0.12	$(0.20)	$0.27
Net working capital [1] (millions of dollars)	**264.1**	**225.1**	**248.9**	**345.8**	293.1	202.0	242.3	280.5

(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.

(2) The first and second quarters of 2014 have been adjusted and include the impact of the first and second quarter adjustment, see page 10 for details.

Non-GAAP Financial Measures

	2014 Quarters [1]				2013 Quarters			
	Fourth	**Third**	**Second**	**First**	Fourth	Third	Second	First
AOCF (millions of dollars)	**83.3**	**22.7**	**23.2**	**95.9**	55.9	24.2	30.2	82.0
Per share, basic	**$0.68**	**$0.18**	**$0.18**	**$0.76**	$0.44	$0.19	$0.24	$0.72
Per share, diluted	**$0.66**	**$0.18**	**$0.18**	**$0.73**	$0.43	$0.19	$0.24	$0.69
AOCF (millions of dollars) before restructuring costs	**83.5**	**22.7**	**32.5**	**97.7**	70.1	24.4	30.9	82.2
Per share, basic	**$0.68**	**$0.18**	**$0.26**	**$0.76**	$0.56	$0.19	$0.24	$0.72
Per share, diluted	**$0.66**	**$0.18**	**$0.26**	**$0.75**	$0.54	$0.19	$0.24	$0.72

(1) The first and second quarters of 2014 have been adjusted and include the impact of the first and second quarter adjustment, see page 10 for details.

Forward-Looking Information

Certain information included herein is forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking information may include statements regarding the objectives, business strategies to achieve those objectives, expected financial results (including those in the area of risk management), economic or market conditions, and the outlook of or involving Superior, Superior LP and its businesses. Such information is typically identified by words such as "anticipate", "believe", "continue", "could", "estimate", "expect", "plan", "intend", "forecast", "future", "guidance", "may", "predict", "project", "should", "strategy", "target", "will" or similar expressions suggesting future outcomes.

Forward-looking information in this document includes: future financial position, consolidated and business segment outlooks, expected EBITDA from operations, expected AOCF and AOCF per share, expected leverage ratios and debt repayment, debt management summary, expectations in terms of the cost of operations, capital spending and maintenance and the variability of these costs, business strategy and objectives, development plans and programs, business expansion and improvement projects, expected timing of commercial production and the costs and benefits associated therewith, market conditions in Canada and the U.S., expected tax consequences of the corporate conversion, the expected challenge by the CRA of the tax consequences of the conversion (and the expected timing and impact of such process including any payment of taxes and the quantum of such payments), future income taxes, the impact of proposed changes to Canadian tax legislation or U.S. tax legislation, future economic conditions, future exchange rates and exposure to such rates, dividend strategy, payout ratio, expected weather, expectations in respect of the global economic environment, Superior's trading strategy and the risk involved in executing it, the impact of certain hedges on future reported earnings and cash flows, commodity prices and costs, the impact of contracts for commodities, demand for propane, heating oil and similar products, demand for chemicals including sodium chlorate and chloralkali, effect of operational and technological improvements, anticipated costs and benefits of restructuring activities, business enterprise system upgrade plans, future working capital, expected government regulatory regimes and legislation and their expected impact on Superior's compliance costs, expectations for the outcome of existing or potential legal and contractual claims, Superior's ability to obtain financing on acceptable terms, expected life of facilities and statements regarding net working capital and capital expenditure requirements of Superior or Superior Plus LP.

Forward-looking information is provided for the purpose of providing information about management's expectations and plans about the future and may not be appropriate for other purposes. Forward-looking information herein is based on various assumptions and expectations that Superior believes are reasonable in the circumstances. No assurance can be given that these assumptions and expectations will prove to be correct. Those assumptions and expectations

are based on information currently available to Superior, including information obtained from third-party industry analysts and other third-party sources, and the historical performance of Superior's businesses. 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, Superior's ability to obtain financing on acceptable terms, and the assumptions set forth under "Financial Outlook" in this MD&A, and are subject to the risks and uncertainties set forth below.

By its very nature, forward-looking information involves numerous assumptions, risks and uncertainties, general and specific. Should one or more of these risks and uncertainties materialize or should underlying assumptions prove incorrect, as many important factors are beyond Superior's control, Superior's or Superior LP's actual performance and financial results may vary materially from those estimates and intentions contemplated, expressed or implied in the forward-looking information. These risks and uncertainties include incorrect assessments of value when making acquisitions, increases in debt service charges, the loss of key personnel, fluctuations in foreign currency and exchange rates, inadequate insurance coverage, liability for cash taxes, counterparty risk, compliance with environmental laws and regulations, operational risks involving Superior's facilities, force majeure, labour relations matters, Superior's ability to access external sources of debt and equity capital, and the risks identified in (i) this MD&A under "Risk Factors" and (ii) Superior's most recent Annual Information Form. The preceding list of assumptions, risks and uncertainties is not exhaustive.

When relying on Superior's forward-looking information to make decisions with respect to Superior, investors and others should carefully consider the preceding factors, other uncertainties and potential events. Any forward-looking information is provided as of the date of this MD&A and, except as required by law, neither Superior nor Superior LP undertakes to update or revise such information to reflect new information, subsequent or otherwise. For the reasons set forth above, investors should not place undue reliance on forward-looking information.

Reconciliation of Net Earnings to EBITDA from Operations [1][2]

2014 (millions of dollars)	Energy Services	Specialty Chemicals	Construction Products Distribution
Net earnings	**75.2**	**53.0**	**27.2**
Add: Depreciation included in selling, distribution, and administrative costs and amortization of intangible assets	**45.2**	**–**	**6.5**
Depreciation included in cost of sales	**–**	**50.0**	**–**
Customer contract-related costs	**(1.3)**	**–**	**–**
(Gains) losses on disposal of assets	**(3.6)**	**0.8**	**0.1**
Restructuring costs	**11.0**	**–**	**0.3**
Finance expense	**3.3**	**1.0**	**0.7**
Unrealized losses on derivative financial instruments	**33.6**	**5.4**	**–**
EBITDA from operations	**163.4**	**110.2**	**34.8**

2013 (millions of dollars)	Energy Services	Specialty Chemicals	Construction Products Distribution
Net earnings	94.5	72.1	20.3
Add: Depreciation included in selling, distribution, and administrative costs and amortization of intangible assets	55.1	–	6.0
Depreciation included in cost of sales	–	41.3	–
Customer contract-related costs	(0.8)	–	–
(Gains) losses on disposal of assets	(3.2)	0.2	0.1
Impairment of intangible assets and goodwill	15.5	–	–
Restructuring costs	9.1	–	6.2
Finance expense	2.7	0.4	0.6
Unrealized gains on derivative financial instruments	(35.4)	(0.3)	–
EBITDA from operations	137.5	113.7	33.2

(1) See the audited consolidated financial statements for net earnings before income taxes, depreciation included in selling, distribution and administrative costs, amortization of intangible assets, depreciation included in cost of sales, customer contract-related costs and unrealized losses on derivative financial instruments.

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

Reconciliation of Divisional Segmented Revenue, Cost of Sales and Cash Operating and Administrative Costs Included in this MD&A

(millions of dollars)	2014 Energy Services	2014 Specialty Chemicals	2014 Construction Products Distribution	2013 Energy Services	2013 Specialty Chemicals	2013 Construction Products Distribution
Revenue per financial statements	**2,481.2**	**654.5**	**840.2**	2,372.9	579.7	800.2
Foreign currency gains related to working capital	**–**	**4.8**	**–**	–	2.9	–
Revenue per the MD&A	**2,481.2**	**659.3**	**840.2**	2,372.9	582.6	800.2
Cost of products sold per financial statements	**(1,977.0)**	**(444.2)**	**(632.6)**	(1,907.7)	(372.1)	(604.2)
Non-cash amortization	**–**	**50.0**	**–**	–	41.3	–
Cost of products sold per the MD&A	**(1,977.0)**	**(394.2)**	**(632.6)**	(1,907.7)	(330.8)	(604.2)
Gross profit	**504.2**	**265.1**	**207.6**	465.2	251.8	196.0
Cash selling, distribution and administrative costs per financial statements	**(346.9)**	**(150.9)**	**(173.2)**	(332.8)	(135.4)	(169.1)
(Gains) losses on disposal of assets	**(3.6)**	**0.8**	**0.1**	(3.2)	0.2	0.1
Customer contract-related costs	**(1.3)**	**–**	**–**	(0.8)	–	–
Restructuring costs	**11.0**	**–**	**0.3**	9.1	–	6.2
Reclassification of foreign currency gains related to working capital	**–**	**(4.8)**	**–**	–	(2.9)	–
Cash operating and administrative costs per the MD&A	**(340.5)**	**(154.9)**	**(172.8)**	(327.7)	(138.1)	(162.8)

Reconciliation of Net Earnings to Compliance EBITDA [1][2]

(millions of dollars)	2014	2013
Net earnings	**56.9**	52.7
Adjusted for:		
Finance expense	**52.7**	71.8
Realized gains on derivative financial instruments included in finance expense	**5.6**	3.9
Depreciation included in selling, distribution and administrative costs	**47.2**	42.2
Depreciation included in cost of sales	**50.0**	41.3
Amortization of intangible assets	**4.9**	19.4
Losses (gains) on disposal of assets	**1.0**	(2.9)
Gain on sale of customer list	**(3.7)**	–
Impairment of property, plant and equipment	**–**	15.5
Income tax expense	**15.8**	5.7
Unrealized losses on derivative financial instruments	**52.0**	5.1
Pro-forma impact of acquisitions	**–**	8.5
Compliance EBITDA [1][2]	**282.4**	263.2
Restructuring costs	**11.3**	15.3
Compliance EBITDA before restructuring costs	**291.5**	278.5

(1) See the audited consolidated financial statements for additional details.

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

Risk Factors to Superior

The risk factors and uncertainties detailed below are a summary of Superior's assessment of its material risk factors as detailed in Superior's 2014 Annual Information Form under "Risk Factors", which is filed on the Canadian Securities Administrators' website, www.sedar.com, and on Superior's website, www.superiorplus.com.

Risks to Superior

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

There is no assurance regarding the amount of cash to be distributed by Superior LP or generated by Superior LP and, therefore, there is no assurance regarding funds available for dividends to shareholders. The 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., the general partner of Superior LP, 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.

As previously disclosed, On April 2, 2013, Superior received, from the CRA, Notices of Reassessment for Superior's 2009 and 2010 taxation years reflecting the CRA's intent to challenge the tax consequences of the Conversion. Subsequently on November 7, 2014, Superior received the Notices of Reassessment for the 2011 to 2013 taxation years. The CRA's position is based on the acquisition of control rules and the general anti-avoidance rules in the Income Tax Act (Canada). See "CRA Income Tax Update".

On May 8, 2013 and August 7, 2013, respectively, Superior filed a Notice of Objection and a Notice of Appeal with respect to the Notice of Reassessments received on April 2, 2013. On February 4, 2015 Superior filed a Notice of Objection with respect to the Notice of Reassessments received on November 7, 2014. Superior anticipates that if the case proceeds in the Tax Court of Canada, the case could be heard within two years, with a decision rendered six to twelve months after completion of the court hearings. If a decision of the Tax Court of Canada were to be appealed, the appeal process could reasonably be expected to take an additional two years. If Superior receives a positive decision then any taxes, interest and penalties paid to the CRA will be refunded plus interest and if Superior is unsuccessful then any remaining taxes payable plus interest and penalties will have to be remitted.

Superior remains confident in the appropriateness of its tax filing position and the expected tax consequences of the conversion and intends to vigorously defend such position. Superior also strongly believes that there was no acquisition of control of Ballard and that the general anti-avoidance rule does not apply to the conversion and, accordingly, Superior intends to file its future tax returns on a basis consistent with its view of the outcome of the conversion.

Upon receipt of the Notices of Reassessment, 50% of the reassessed taxes payable must be remitted to the CRA. Superior would also be required to make a payment of 50% of the taxes the CRA claims are owed in any future tax year if the CRA were to issue a similar notice of reassessment for such years and Superior were to appeal such other years. See "CRA Income Tax Update" for further details on the amounts paid and estimated amounts payable.

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

Superior maintains substantial floating interest rate exposure through a combination of floating interest rate borrowing 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 demand from Superior's customers, thereby increasing Superior's sales and its ability to pay higher interest costs, and vice-versa. In this way, there is a common relationship among economic activity levels, interest rates and Superior's ability to pay higher or lower rates. Increased interest rates, however, will affect Superior's borrowing costs, which may have an adverse effect on Superior.

A portion of Superior's net cash flow is denominated in U.S. dollars. Accordingly, fluctuations in the Canadian/U.S. dollar exchange rate can affect profitability. Superior attempts to mitigate this risk with derivative financial instruments.

The timing and amount of capital expenditures incurred by Superior LP or 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 assurance 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 CRA (or a provincial tax agency), the U.S. Internal Revenue Service (or a state or local tax agency), or the Chilean Internal Revenue Service will agree with how Superior calculates its income for tax purposes or that these various tax agencies reference herein will not change their administrative practices to the detriment of Superior or its shareholders.

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 with natural gas service. 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 future of the propane industry in general and Canadian propane distribution in particular.

The trend towards increased conservation measures and technological advances in energy efficiency may have a detrimental effect on propane demand and Canadian propane distribution's sales. Demand for traditional propane end-use applications is increasing marginally with general economic growth. However, increases in the cost of propane encourage customers to reduce fuel consumption and to invest in more energy efficient equipment, reducing demand.

Automotive propane demand is currently stabilizing after several years of decline but the decline trend could resume depending on propane pricing, the market's acceptance of propane conversion options and the availability of infrastructure.

Competition in the U.S. refined fuels business' markets generally occurs on a local basis between large, full-service, multi-state marketers and smaller, independent local marketers. Marketers primarily compete based on price and service and tend to operate in close proximity to customers, typically within a 35-mile marketing radius from a central depot, in order to minimize delivery costs and provide prompt service.

Weather and general economic conditions affect distillates market volumes. Weather influences the immediate demand for distillates, primarily for heating, while longer-term demand declines due to economic conditions as customers trend towards conservation and supplement heating with alternative sources such as wood pellets. Also, harsh weather can create conditions that exacerbate demand for propane, impede the transportation and delivery of propane, or restrict the ability for Superior to obtain propane from its suppliers. Such conditions may also increase Superior's operating costs and may reduce customers' demand for propane, any of which may have an adverse effect on Superior. Spikes in demand caused by weather or other factors can stress the supply chain and hamper Superior's ability to obtain additional quantities of propane. Transportation providers (rail and truck) have limited ability to provide resources in times of extreme peak demand. Changes in propane supply costs are normally passed through to customers, but timing lags (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. To mitigate risks, Superior has established a comprehensive environmental, health and safety protection program. It 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 pose the risk of spills which could adversely affect the soil 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 could either be more favourable to competing energy sources or increase compliance costs or otherwise negatively affect the operations of Energy Services in comparison with such competing energy sources. Any such changes could have an adverse effect on the operations of Energy Services.

During 2014, Canadian propane distribution completed the conversion to a new order to cash, billing and logistics information technology system to replace the distribution and invoicing functions of the present enterprise system across all its regions. No significant financial or business issues have resulted from completing the system change. Superior migrated its data centre located in Calgary, Alberta to a new location in New Jersey, United States during 2014; approximately 140 computer servers and more than 70 applications were transferred. There have been no disruptions in the business applications as a result of the migration.

Approximately 19% of Superior's Canadian propane distribution business employees and 5% of U.S. refined fuels distribution business 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 renegotiation process that could have an adverse impact on Superior.

Fixed-Price Energy Services Business

There may be new market entrants in the energy retailing business that compete directly for the customer base that Superior targets, slowing or reducing its market share.

Fixed-price energy services purchases natural gas to meet its estimated commitments to its customers based on their historical consumption of gas. 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 fixed-price energy services 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, fixed-price energy services closely monitors its balancing position and takes measures such as adjusting gas deliveries and transferring gas between pools of customers, minimizing imbalances. The reserve is reviewed monthly to ensure that it is sufficient to absorb any balancing losses.

Fixed-price energy services matches its customers' estimated electricity requirements by entering into electricity swaps. Depending on several factors, including weather, customers' energy consumption may vary from the volumes purchased by fixed-price energy services. Fixed-price energy services is able to invoice existing commercial electricity customers for balancing charges when the amount of energy used is greater or less than the tolerance levels set initially. In certain circumstances, there can be balancing issues for which fixed-price energy services 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 and financial natural gas and U.S. dollar foreign exchange purchase contracts for similar terms and volumes to create an effective Canadian dollar fixed-price cost of supply. Superior transacts with nine 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. The financial condition of each counterparty is, however, 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 mismatched; this is monitored daily, however, 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, Alberta and British Columbia. Changes to laws 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. As of May 1, 2014 fixed-price energy services no longer markets electricity in Pennsylvania and New York state or natural gas in New York state.

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 the segment's control, along with market pricing for pulp.

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 remain 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. Specialty Chemicals has limited ability to source KCl from additional suppliers.

Specialty Chemicals is exposed to fluctuations in the U.S. dollar and the euro versus the Canadian dollar. Specialty Chemicals manages its exposure to fluctuations between the U.S. dollar 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, health and safety laws, regulations and requirements. There is potential for the release of highly toxic and lethal substances, including chlorine from a facility or transportation equipment. 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 segment's facilities unsafe, they may order that such facilities be shut down.

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

Specialty Chemicals does not directly operate or control Tronox's Hamilton, Mississippi sodium chlorate facility. A major production outage or unplanned downtime could harm Specialty Chemicals' reputation and its ability to meet customer requirements.

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

Approximately 25% 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 negotiation process that could have an adverse impact on Superior.

Construction Products Distribution

Activity in the Construction Products Distribution segment is subject to changes in general economic activity and, in particular, residential and non-residential construction. New residential construction is subject to such factors as household income, employment levels, customer confidence, population changes and the local supply of residential units. 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 in these sectors is subject to many of the same general economic factors as 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 Superior's insulation businesses. As a result, changes to general economic activity or other factors mentioned above that affect the amount of construction or renovation in residential and non-residential markets can have an adverse effect on the segment's 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 the segment's ability to provide reliable service at competitive prices.

The 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 affect existing housing sales, new home construction, new non-residential construction, and office/commercial space turnover, all of which are significant factors in determining demand for products and services.

The C&I market is driven largely by C&I construction spending and economic growth. Demand is influenced by commercial construction and renovation, the construction, maintenance and expansion of industrial process facilities (such as oil refineries, petrochemical plants and power generation facilities) and institutional facilities in the government, healthcare and education sectors.

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 government statutes, regulations, guidelines or 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 their timing, if any. The business maintains safe working practices through proper procedures, 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.

In late 2013, Construction Products Distribution initiated a system integration project to fully integrate its C&I and GSD enterprise resource planning (ERP) systems. The project was suspended in February 2014, pending the outcome of Construction Products Distribution's strategic review, and will recommence early 2015 consisting of realigning the management structure along business segments, adopting best practice common business processes, and integrating all operations onto a single ERP system. Business process development in preparation of the implementation is underway. The project is expected to take approximately two years. Upon full commencement of the project, the scoping, requirements definition, business process definition, design, and testing of the integrated ERP system could

take approximately one year with the branch conversions taking place the following year. Implementation problems could result in disruption to the business and/or inaccurate information for management and financial reporting. Risk will be mitigated by extensive testing and a regionally phased implementation.

Approximately 5% 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 negotiation process that could have an adverse impact on the segment and Superior.

Management's Report

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Superior Plus Corp. (Superior) and all of the information in this annual report are the responsibility of management and have been approved by the Board of Directors.

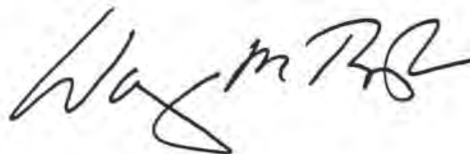
The consolidated financial statements were prepared by management in accordance with International Financial Reporting Standards and include certain estimates that are based on management's best judgments. Actual results may differ from these estimates and judgments. Management has ensured that the consolidated financial statements are presented fairly in all material respects.

Management has developed and maintains a system of internal controls to provide reasonable assurance that Superior's assets are safeguarded, transactions are accurately recorded, and the financial statements report Superior's operating and financial results in a timely manner. Financial information presented elsewhere in this annual report has been prepared on a basis consistent with that in the consolidated financial statements.

The Board of Directors of Superior is responsible for reviewing and approving the consolidated financial statements and primarily through its Audit Committee ensures that management fulfills its responsibilities for financial reporting. The Audit Committee meets with management and Superior's external auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities and to review the annual report, the consolidated financial statements and the external auditor's report. The Committee reports its findings to the Board for the Board's consideration in approving the consolidated financial statements for issuance to the shareholders. The Committee also considers, for review by the Board and approval by the shareholders, the engagement or re-appointment of the external auditor.

Deloitte LLP, an independent firm of Chartered Accountants, was appointed at Superior's last annual meeting to audit Superior's consolidated financial statements in accordance with International Financial Reporting Standards. Deloitte LLP has provided an independent opinion.

Luc Desjardins
President and Chief Executive Officer
Superior Plus Corp.



Wayne M. Bingham
Executive Vice-President and Chief Financial Officer
Superior Plus Corp.

Calgary, Alberta
February 19, 2015

Independent Auditor's Report

To the Shareholders of Superior Plus Corp.

We have audited the accompanying consolidated financial statements of Superior Plus Corp., which comprise the consolidated balance sheets as at December 31, 2014 and December 31, 2013, and the consolidated statement of changes in equity, consolidated statement of net earnings and total comprehensive income and consolidated statement of cash flows for the years then ended, and the notes to the consolidated financial statements.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Superior Plus Corp. as at December 31, 2014 and December 31, 2013, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Chartered Accountants
February 19, 2015

Calgary, Alberta

Consolidated Balance Sheets

(millions of Canadian dollars)	Note	**December 31 2014**	December 31 2013
ASSETS			
Current Assets			
Cash and cash equivalents		**3.1**	8.3
Trade and other receivables	5&21	**428.7**	479.8
Prepaid expenses	6	**48.2**	35.3
Inventories	7	**184.5**	206.3
Unrealized gains on derivative financial instruments	21	**10.7**	13.7
Total Current Assets		**675.2**	743.4
Non-Current Assets			
Property, plant and equipment	10	**932.2**	877.9
Intangible assets	11	**18.7**	19.0
Goodwill	12	**194.2**	193.7
Notes and finance lease receivables		**3.3**	10.2
Employee future benefits	20	**3.4**	–
Deferred tax	22	**284.4**	292.3
Unrealized gains on derivative financial instruments	21	**3.5**	4.6
Total Non-Current Assets		**1,439.7**	1,397.7
Total Assets		**2,114.9**	2,141.1
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	14	**379.0**	396.2
Deferred revenue	15	**9.1**	24.8
Borrowing	17&18	**66.7**	67.0
Dividends and interest payable		**8.5**	7.3
Unrealized losses on derivative financial instruments	21	**62.4**	25.1
Total Current Liabilities		**525.7**	520.4
Non-Current Liabilities			
Borrowing	17&18	**459.5**	509.1
Convertible unsecured subordinated debentures	19	**473.8**	469.4
Other liabilities	16	**1.9**	0.4
Provisions	13	**22.7**	19.5
Employee future benefits	20	**26.2**	23.3
Deferred tax	22	**8.3**	4.0
Unrealized losses on derivative financial instruments	21	**46.4**	54.8
Total Non-Current Liabilities		**1,038.8**	1,080.5
Total Liabilities		**1,564.5**	1,600.9
Equity			
Capital		**1,788.2**	1,787.9
Deficit	24	**(1,261.1)**	(1,239.8)
Accumulated other comprehensive gain (loss)	23	**23.3**	(7.9)
Total Equity		**550.4**	540.2
Total Liabilities and Equity		**2,114.9**	2,141.1

See accompanying Notes to the Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

(millions of Canadian dollars)	Note	Share Capital	Contributed Surplus [1]	**Total Capital**	**Deficit**	**Accumulated Other Comprehensive (Loss) Gain**	**Total**
January 1, 2013		1,644.0	2.5	**1,646.5**	**(1,218.2)**	**(53.9)**	**374.4**
Net earnings		–	–	**–**	**52.7**	**–**	**52.7**
Option value associated with redemption of convertible debentures		–	(1.1)	**(1.1)**	**–**	**–**	**(1.1)**
Shares issued under the Dividend Reinvestment Plan		4.9	–	**4.9**	**–**	**–**	**4.9**
Issuance of common shares		137.6	–	**137.6**	**–**	**–**	**137.6**
Dividends declared to shareholders	24	–	–	**–**	**(74.3)**	**–**	**(74.3)**
Unrealized foreign currency gains on translation of foreign operations		–	–	**–**	**–**	**26.6**	**26.6**
Actuarial defined benefit gains		–	–	**–**	**–**	**26.4**	**26.4**
Reclassification of derivatives losses previously deferred		–	–	**–**	**–**	**(0.4)**	**(0.4)**
Income tax expense on other comprehensive income		–	–	**–**	**–**	**(6.6)**	**(6.6)**
December 31, 2013		1,786.5	1.4	**1,787.9**	**(1,239.8)**	**(7.9)**	**540.2**
Net earnings		–	–	**–**	**56.9**	**–**	**56.9**
Conversion of 7.50% convertible unsecured debentures	19	0.3	–	**0.3**	**–**	**–**	**0.3**
Dividends declared to shareholders	24	–	–	**–**	**(78.2)**	**–**	**(78.2)**
Unrealized foreign currency gains on translation of foreign operations		–	–	**–**	**–**	**36.0**	**36.0**
Actuarial defined benefit losses		–	–	**–**	**–**	**(5.6)**	**(5.6)**
Reclassification of derivatives losses previously deferred		–	–	**–**	**–**	**(0.5)**	**(0.5)**
Income tax recovery on other comprehensive income		–	–	**–**	**–**	**1.3**	**1.3**
December 31, 2014		1,786.8	1.4	**1,788.2**	**(1,261.1)**	**23.3**	**550.4**

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

See accompanying Notes to the Consolidated Financial Statements.

Consolidated Statement of Net Earnings and Total Comprehensive Income

Years ended December 31 (millions of Canadian dollars except per share amounts)	Note	**2014**	2013
REVENUES	25	**3,975.9**	3,752.8
Cost of sales	25	**(3,053.8)**	(2,884.0)
Gross profit		**922.1**	868.8
EXPENSES			
Selling, distribution and administrative costs	25	**(744.7)**	(718.0)
Finance expense	25	**(52.7)**	(71.8)
Impairment of property, plant and equipment, intangible assets, and goodwill	10,11&12	**–**	(15.5)
Unrealized losses on derivative financial instruments	21	**(52.0)**	(5.1)
		(849.4)	(810.4)
Net earnings before income taxes		**72.7**	58.4
Income tax expense	22	**(15.8)**	(5.7)
Net earnings		**56.9**	52.7
Net earnings		**56.9**	52.7
Other comprehensive income:			
Unrealized foreign currency gains on translation of foreign operations	23	**36.0**	26.6
Actuarial defined benefit (losses) gains	23	**(5.6)**	26.4
Reclassification of derivatives losses previously deferred	23	**(0.5)**	(0.4)
Income tax recovery (expense) on other comprehensive income	22	**1.3**	(6.6)
Total Comprehensive Income		**88.1**	98.7
Net earnings per share			
Basic	26	**$ 0.45**	$ 0.43
Diluted	26	**$ 0.41**	$ 0.40

See accompanying Notes to the Consolidated Financial Statements.

Consolidated Statement of Cash Flows

Years ended December 31 (millions of Canadian dollars)	Note	**2014**	2013
OPERATING ACTIVITIES			
Net earnings		**56.9**	52.7
Adjustments for:			
Depreciation included in selling, distribution and administrative costs	10	**47.2**	42.2
Amortization of intangible assets	11	**4.9**	19.4
Depreciation included in cost of sales	10	**50.0**	41.3
Gain on sale of customer list		**(3.7)**	–
Losses (gains) on disposal of assets		**1.0**	(2.9)
Impairment of property, plant and equipment, intangible assets, and goodwill		**–**	15.5
Unrealized losses on derivative financial instruments	21	**52.0**	5.1
Customer contract-related costs		**(1.3)**	(0.8)
Finance expense recognized in net earnings		**52.7**	71.8
Income tax expense recognized in net earnings		**15.8**	5.7
Decrease in non-cash operating working capital	28	**16.6**	0.3
Net cash flows from operating activities		**292.1**	250.3
Income taxes paid		**(2.4)**	(6.5)
Interest paid		**(51.9)**	(58.5)
Cash flows from operating activities		**237.8**	185.3
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	10	**(100.1)**	(78.5)
Proceeds from termination of sales lease	8	**8.2**	–
Proceeds from disposal of property, plant and equipment and intangible assets	10&11	**6.6**	6.6
Investment in supply agreement		**–**	(4.3)
Acquisitions	4	**–**	(7.6)
Cash flows used in investing activities		**(85.3)**	(83.8)
FINANCING ACTIVITIES			
Net (repayment) proceeds of revolving term bank credits and other debt		**(223.1)**	87.4
Proceeds from issuance of 6.50% senior unsecured notes	17	**200.0**	–
Issuance costs incurred for 6.50% senior unsecured notes		**(4.4)**	–
Repayment of senior secured notes		**(33.4)**	(34.0)
Repayment of finance lease obligations		**(20.4)**	(15.9)
Redemption of senior unsecured debentures		**–**	(150.0)
Redemption premium on senior unsecured debentures		**–**	(6.2)
Redemption of 5.85% convertible debentures	19	**–**	(75.0)
Redemption of 7.50% convertible debentures	19	**–**	(68.9)
Proceeds from issuance of 6.00% convertible debentures	19	**–**	97.0
Issuance costs incurred for the 6.00% convertible debentures		**–**	(3.8)
Proceeds from issuance of common shares		**–**	143.9
Issuance costs for common shares		**–**	(6.3)
Proceeds from the Dividend Reinvestment Plan		**–**	4.9
Dividends paid to shareholders	23	**(77.0)**	(73.7)
Cash flows used in financing activities		**(158.3)**	(100.6)
Net (decrease) increase in cash and cash equivalents		**(5.8)**	0.9
Cash and cash equivalents, beginning of the year		**8.3**	7.6
Effect of translation of foreign currency-denominated cash and cash equivalents		**0.6**	(0.2)
Cash and cash equivalents, end of the year		**3.1**	8.3

See accompanying Notes to the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

(Tabular amounts in Canadian millions of dollars, except per share amounts and as otherwise noted. Tables labelled "2014" and "2013" are for the full year ended December 31.)

1. Organization

Superior Plus Corp. (Superior) is a diversified business corporation, incorporated under the Canada Business Corporations Act. The registered office is at Suite 1400, 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 shares 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 consolidated financial statements of Superior for the year ended December 31, 2014 and 2013 were authorized for issuance by the Board of Directors on February 19, 2015.

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 under the following: Canadian propane division and U.S. refined fuels division. Energy Services also provides fixed-price natural gas and electricity supply services under Superior Energy Management. Specialty Chemicals is a leading supplier of sodium chlorate and technology to the pulp and paper industries and a regional supplier of potassium and chloralkali products in the U.S. Midwest. Construction Products Distribution 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 32).

2. Basis of Presentation

The accompanying consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) using the accounting policies Superior adopted in its annual consolidated financial statements as at and for the year ended December 31, 2014. The financial statements were prepared on a going concern basis.

The consolidated financial statements are presented in Canadian dollars, Superior's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest hundred-thousand.

The consolidated financial statements were prepared on the historical cost basis except for the revaluation of certain financial instruments and incorporate the accounts of Superior and its 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 statement of net

earnings from date of acquisition, or in the case of disposals, up to the effective date of disposal. All transactions and balances between Superior and its subsidiaries are eliminated on consolidation. Superior's subsidiaries are all wholly owned directly or indirectly by Superior Plus Corp.

Significant Accounting Policies

(a) Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid short-term investments which, on acquisition, have a term to maturity of three months or less.

(b) Inventories

Energy Services

Inventories are valued at the lower of cost and net realizable value. Costs of inventories are determined either on a weighted average cost or first-in, first-out basis. Appliances, materials, supplies and other inventories are stated at the lower of cost and net realizable value, as appropriate. The net realizable value of inventory is based on estimated selling price in the ordinary course of business less the estimated costs necessary to complete the sale.

Specialty Chemicals

Inventories are valued at the lower of cost and net realizable value. The cost of chemical inventories is determined on a first-in, first-out basis. Stores and supply inventories are costed on an average basis. Transactions are entered into from time to time with other companies to exchange chemical inventories in order to minimize working capital requirements and to facilitate distribution logistics. The net realizable value of inventory is based on estimated selling price in the ordinary course of business less the estimated costs necessary to complete the sale. In the case of manufactured inventories, cost includes an appropriate share of production overhead based on normal operating capacity.

Construction Products Distribution

Inventories of building products are valued at the lower of cost and net realizable value. Cost is calculated on a weighted-average cost basis and any trade discounts and rebates are deducted from the cost. The net realizable value of inventory is based on estimated selling price in the ordinary course of business less the estimated costs necessary to complete the sale.

(c) Financial Instruments and Derivative Financial Instruments

Derivative Financial Instruments

Superior enters into a variety of derivatives to manage its exposure to certain financial risks. Further details of derivative financial instruments are disclosed in Note 21.

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently re-valued to their fair value at each balance sheet date. The resulting gain or loss is recognized in net earnings. Realized gains and losses on derivatives are recognized as a component of revenue, cost of sales or finance expense/revenue, the classification of which depends on the underlying nature of the economic exposure being managed. Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognized in net earnings.

Superior does not formally designate and document economic hedges, in accordance with the requirements of applying hedge accounting under IFRS and, therefore, does not apply hedge accounting.

Financial Assets

A financial asset is classified at fair value through net earnings (FVTNE) if it is classified as held for trading or is designated as such upon initial recognition. Upon initial recognition, attributable transaction costs are recognized in net earnings as incurred. Financial assets at FVTNE are measured at fair value, and changes therein are recognized in net earnings.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Separable embedded derivatives

Changes in the fair value of separable embedded derivatives are recognized immediately in net earnings.

Impairment of Financial Assets

Financial assets measured at amortized cost are assessed for indicators of impairment at each reporting date. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the financial asset's initial recognition, the estimated future cash flows of the investment have been negatively impacted enough so as to render recovery of the amortized value doubtful.

For certain categories of financial assets, such as trade receivables, assets that are assessed as not impaired individually are subsequently assessed for collective impairment. Objective evidence of the impairment of a portfolio of receivables could include Superior's past experience of collecting payments, an increase in the number of delayed payments past the average credit period, in addition to changes in economic conditions that correlate with defaults on receivables. For financial assets carried at amortized cost, the amount of impairment recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, in which case the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to the statement of net earnings and comprehensive income. Changes in the carrying amount of the allowance account are recognized in net earnings.

Classification as Debt or Equity

Debt and equity instruments are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity Instruments

An equity instrument is any contract which has a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Superior are recorded at the proceeds received, net of direct issuance costs.

Compound Financial Instruments

The components of compound instruments issued by Superior are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issuance, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity. The equity component is determined by deducting the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax, and is not subsequently re-measured.

Financial Liabilities

Financial liabilities are classified as either financial liabilities at FVTNE or other financial liabilities.

Financial Liabilities at FVTNE

Financial liabilities are classified as FVTNE upon initial recognition or when held for trading. Financial liabilities at FVTNE are stated at fair value with any resulting gain or loss recognized in net earnings. The net gain or loss recognized in net earnings incorporates any related interest expense. Upon initial recognition, attributable transaction costs are recognized in net earnings or loss as incurred. Fair value is determined in the manner described in Note 21.

Other Financial Liabilities

Other financial liabilities, including borrowing, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective interest basis. Financial liabilities are recognized at amortized cost, using the effective interest rate method, at each reporting period, net of transaction costs directly attributable to the issuance of the liability. Transaction costs related to the issuance of any liability are netted against the carrying value of the associated liability and amortized as part of financing costs over the life of that debt using the effective interest rate method.

Derecognition of Financial Liabilities

Superior derecognizes financial liabilities solely when Superior's obligations are discharged, cancelled or expire.

Financial Guarantees at FVTNE

Financial guarantees are classified as FVTNE when the financial liability is designated as FVTNE upon initial recognition. Financial guarantees at FVTNE are stated at fair value with any resulting gain or loss recognized in net earnings. Fair value is determined in the manner described in Note 21.

(d) Property, Plant and Equipment

Cost

Property, plant and equipment are recorded at cost less accumulated depreciation and impairment losses. Major renewals and improvements which provide future economic benefits and can be reliably measured are capitalized, while repair and maintenance expenses are charged to operations as incurred. Property, plant and equipment in the course of construction are carried at cost less any recognized impairment losses. Cost includes directly attributable expenses, professional fees and, for qualifying assets, borrowing costs capitalized in accordance with Superior's

accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are available for their intended use. Disposals are derecognized at carrying costs less accumulated depreciation and impairment losses, with any resulting gain or loss reflected in net earnings.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take substantial time to ready for their intended use or sale, are included in the cost of those assets, until such time as the assets are available for their intended use. All other borrowing costs are recognized in net earnings in the period in which they are incurred.

Depreciation

Depreciation is calculated using the straight-line method, based on the estimated useful life. Land is not depreciated. Depreciation of property in the course of construction commences when the assets are available for their intended use. In the majority of cases, residual value is estimated to be insignificant. Depreciation by class of assets is as follows:

Buildings	15 to 40 years
Leasehold improvements	over the lease term up to 10 years
Energy Services tanks and cylinders	30 years
Energy Services truck tank bodies, chassis and other	5 to 15 years
Construction Products Distribution equipment	5 to 15 years
Manufacturing equipment	5 to 40 years
Furniture and fixtures	10 years
Computer equipment	3 years

Depreciation rates, residual values and depreciation methods are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

(e) Intangible Assets

Intangible assets are reported at cost less accumulated amortization and accumulated impairment losses. For intangible assets with a determinate life, amortization is charged on a straight-line basis over their estimated useful lives.

Intangible assets acquired in a business combination are identified and recognized separately from goodwill when they satisfy the recognition criteria. The initial cost of such intangible assets is their fair value at the acquisition date. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Amortization rates, residual values and amortization methods are reviewed at least annually, with the effect of any changes in estimate being accounted for on a prospective basis.

Energy Services

Costs incurred by Energy Services to acquire natural gas and electricity customer contracts are capitalized as deferred costs at the time the cost is incurred. The costs are recognized in net earnings as an operating and administrative expense over the term of the underlying contracts. The contracts range from one to five years with the average remaining life being approximately two years.

Superior's other intangible assets and related amortization rates are summarized as follows:

Non-competition agreements	Term of the agreements (1-5 years)
Royalty agreements	1-10 years
Software	1-3 years
Technology patents	Approximately 10 years

(f) Investment Properties

Property held for a currently undetermined future use, long-term rental yields, or for capital appreciation, and that is not occupied by Superior is classified as investment property. Property being constructed or developed for future use as investment property is also classified as investment property.

Superior amortizes its investment property over a period of 40 years using the straight-line method.

Cost

Investment property is measured at cost, including related transaction costs and borrowing costs. After initial recognition, investment property is carried at cost less accumulated depreciation and any impairment losses.

Subsequent expenditure is capitalized to the investment property's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to Superior and the cost of the item can be measured reliably. Repair and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Borrowing Costs

Borrowing costs incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalized as part of its cost. Borrowing costs are capitalized while acquisition or construction is actively underway, which ceases once the asset is substantially complete or suspended if the development of the asset is suspended.

Depreciation

Depreciation is calculated using the straight-line method, based on the estimated useful life. Land is not amortized. Depreciation of investment property in the course of construction commences when the assets are ready for their intended use. In the majority of cases, residual value is estimated to be insignificant. Investment properties are depreciated over 40 years. The estimated useful life, depreciation method, and residual values are reviewed at least annually, with the effect of any changes in estimate being accounted for on a prospective basis.

Disclosure of Fair Value

Fair value is based on active market prices adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, Superior uses alternate valuation methods, such as recent prices in less active markets, discounted cash flow projections, or recent property tax assessments. Valuations performed by professional valuators can be used although Superior has sufficient internal resources to determine reliable fair values.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property nor the related future benefits from this future expenditure other than those a rational market participant would take into account when determining its value.

(g) Impairment of Property, Plant and Equipment, Intangible Assets and Investment Properties

At each balance sheet date and when circumstances indicate that the carrying value may be impaired, Superior reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss to confirm whether the assets have indeed suffered an impairment loss. If so, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, Superior estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. A CGU is the smallest level of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognized if the carrying amount of an asset, CGU or group of CGUs exceeds its recoverable amount. Impairment losses are recognized immediately as a separate line item in the consolidated statements of net earnings. When an impairment loss, other than an impairment loss on goodwill, is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, which cannot exceed the original carrying amount less normal depreciation.

A previous impairment, if any, is subsequently assessed for any indication that the impairment is reduced or no longer exists. An impairment loss is reversed if there has been an increase in the recoverable amount of an asset or CGU over its carrying value. Impairment losses are reversed only to the extent that the asset's or CGU's carrying amount would not exceed the carrying amount that would have been reported if no impairment loss had been recognized.

(h) Business Combinations

All business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair values, at the acquisition date of the assets given up, the liabilities incurred or assumed and equity instruments issued by Superior in exchange for control of the acquiree. Transaction costs, other than those associated with the issuance of debt or equity securities, that Superior incurs in connection with a business combination, are expensed as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 – Business Combinations are recognized at their fair values at the acquisition date, except for non-current assets that are classified as held for sale in accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, which are recognized at fair values less costs to sell, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognized and measured in accordance with International Accounting Standard (IAS) 12 – Income taxes and IAS 19 – Employee Benefits, respectively;
- Liabilities or equity instruments related to the replacement by Superior of an acquiree's share-based payment awards are measured in accordance with IFRS 2 – Share-based Payment; and

- Assets or disposals that are classified as held for sale in accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Contingent liabilities acquired in a business combination are initially measured at fair value at the date of acquisition. At subsequent reporting dates, such contingent liabilities are measured at the amount that would be recognized in accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets.

Intangible assets arising on acquisition are recognized at fair value at the date of acquisition. The fair value is based on detailed cash flow models and other metrics depending on the type of intangible asset being recognized.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over Superior's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If the net amounts assigned to the assets acquired and liabilities assumed exceed the cost of the purchase then Superior is required to reassess the value of both the cost and net assets acquired and any excess remaining after this reassessment is recognized immediately in net earnings. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, Superior will report provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances at the acquisition date that, if known, would have affected the amounts recognized at that date.

The measurement period is the period from the date of acquisition to the date Superior obtains complete information about facts and circumstances as of the acquisition date, to a maximum of one year.

(i) Goodwill

Goodwill arising in a business combination is recognized as an asset at the date control commences (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, Superior's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the previously held equity interest in the acquiree (if any), the excess is recognized immediately in net earnings as a bargain purchase gain.

Goodwill is not amortized but is reviewed for impairment at least annually, on December 31. For purposes of impairment testing, goodwill is allocated to each of Superior's CGUs expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually or more frequently upon indication of impairment. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the net earnings on disposal.

(j) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- Superior has transferred to the buyer the significant risks and rewards of ownership of the goods;
- Superior retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to Superior; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Energy Services

Revenues from sales are recognized at the time of delivery, or when related services are performed and the above conditions related to revenue from sale of goods are satisfied.

Natural gas revenues are recognized as gas is delivered to local distribution companies and when the above conditions related to revenue from sale of goods are satisfied. Costs associated with balancing the amount of gas used by Energy Services customers with the volumes delivered by Energy Services to the local distribution companies are recognized as period costs. Electricity revenues are recognized as the electricity is consumed by the end-use customer or sold to third parties.

Rental revenues arising from operating leases are accounted for based on the terms contained in the lease agreements as earned.

Specialty Chemicals

Revenues from chemical sales are recognized at the time of delivery and when the above conditions related to revenue from sale of goods are satisfied.

Construction Contracts

When the outcome of a construction contract for the construction of chlorine dioxide generators can be estimated reliably, revenues and costs are recognized by reference to the percentage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Engineer's reviews are used to determine the stage of completion of contracts in progress.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent it is probable that contract costs are recoverable. Contract costs are recognized as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is immediately recognized as an expense.

Construction Products Distribution

Revenue is recognized when products are delivered to the customer and when the above conditions related to revenue from sale of goods are satisfied. Revenue is stated net of discounts and rebates granted.

(k) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognized as assets of Superior at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to Superior is included in the balance sheet as a finance lease obligation as part of borrowing.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in net earnings, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with Superior's general policy on borrowing costs (see (d) above). Contingent rentals are recognized as expenses in the period in which they are incurred.

Operating lease payments are recognized as an expense based on terms contained in the lease agreements. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense and amortized over the term of the lease.

(l) Rebates – Construction Products Distribution

Purchase rebates are recognized as a reduction of cost of goods sold when the related performance is completed and the inventory is sold. Vendor rebates that are contingent upon completing a specified level of purchases are recognized as a reduction of cost of goods sold based on a systematic and rational allocation of the cash consideration to each of the underlying transactions that results in progress toward earning that rebate or refund, assuming that the rebate can be reasonably estimated and it is probable that the specified target will be obtained. Otherwise, the rebate is recognized as the milestone is achieved and the inventory is sold.

(m) Provisions

Provisions are recognized when there is a present legal or constructive obligation as a result of past events, for which it is probable that payment will be required to settle the obligation, and where the amount can be reliably estimated.

The amount is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefit required to settle a provision is expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the receivable can be measured reliably.

Decommissioning Costs

Liabilities for decommissioning costs are recognized when Superior has an obligation to dismantle and remove a facility or an item of plant and to restore the site on which it is located, and when a reliable estimate of that liability can be made. Generally, the costs relate to Specialty Chemicals facilities and Energy Services assets. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in net earnings as a finance expense. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. A corresponding item of property, plant and equipment of an amount equal to the provision is also created. This is subsequently amortized as part of the asset. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Environmental Expenditures and Liabilities

Environmental expenditures that relate to current or future revenues are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations and do not contribute to current or future earnings are expensed.

Liabilities for environmental costs are recognized when a clean-up is probable and the associated costs can be reliably estimated. Generally, the timing of recognition of these provisions coincides with the commitment to a formal plan of action or, if earlier, on divestment or on closure of inactive sites.

The amount recognized is the best estimate of the expenditure required. When the liability will not be settled for a number of years, the amount recognized is the present value of the estimated future expenditure.

Restructuring

A restructuring provision is recognized when Superior has developed a detailed formal restructuring plan and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring.

(n) Employee Future Benefits

Superior has a number of defined benefit and defined contribution plans providing pension and other post-employment benefits to most of its employees. Superior accrues its obligations under the plans and the related costs, net of plan assets.

Contributions to defined contribution plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income in the period in which they occur. The net obligation for each defined benefit plan is discounted to determine the present value using the yield at the reporting date on high-quality Canadian corporate bonds. Past service costs are recognized immediately to the extent that the benefits are already vested, and otherwise are amortized on a straight-line basis over the average period until the benefits become vested.

The defined benefit obligation recognized in the balance sheet represents the present value adjusted for unrecognized actuarial gains and losses and unrecognized past service cost, and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognized actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

(o) Income Taxes

Income tax expense represents the sum of current income taxes payable and deferred income taxes.

Current Income Taxes

The income tax currently payable is based on taxable net earnings for the year. Taxable net earnings differs from net earnings as reported in the consolidated statement of net earnings and total comprehensive income because it excludes items of income or expense that are taxable or deductible in other years as well as items that are never taxable or deductible. Superior's liability for current income tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred Income Taxes

Deferred income tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable net earnings. Deferred income tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable net earnings will be available against which those deductible temporary differences can be utilized. Deferred tax liabilities are recognized for all taxable temporary differences, except for the following:

- When the deferred tax liability arises from the initial recognition of goodwill; or
- When an asset or liability in a transaction is not a business combination and, at the time of the transaction, affects neither the accounting net earnings or taxable net earnings; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by Superior and it is unlikely that the temporary differences will be reversed in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that they are expected to be reversed in the foreseeable future and it is probable that there will be sufficient taxable net earnings against which to utilize the benefits of the temporary differences. A deferred tax asset may also be recognized for the benefit expected from unused tax losses available for carry-forward, to the extent that it is probable that future taxable earnings will be available against which the tax losses can be applied.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which Superior expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current liabilities and when they are related to income taxes levied by the same taxation authority and Superior intends to settle its current tax assets and liabilities on a net basis. Also, Superior recognizes any benefit associated with

investment tax credits as deferred tax assets to the extent they are expected to be utilized in accordance with IAS 12 – Income Taxes.

Uncertain Tax Positions

Superior is subject to taxation in numerous jurisdictions. There are many transactions and calculations during the course of business for which the ultimate tax determination is uncertain. It is possible, however, that at some future date, liabilities in excess of Superior's provisions could result from audits by or litigation with tax authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Current and Deferred Tax for the Period

Current and deferred tax are recognized as an expense in net earnings, except where they relate to amounts recognized outside of net earnings (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside net earnings, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

(p) Foreign Currencies

The financial statements of each subsidiary of Superior are translated into the currency of the subsidiary's primary economic environment (its functional currency). For the purpose of the consolidated financial statements, the results and balance sheets of each subsidiary are expressed in Canadian dollars, Superior's functional currency. Transactions are recognized at the rates of exchange prevailing at the transaction date.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured using fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was measured and are retranslated at the rates prevailing at the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction and are not retranslated.

For the purposes of presenting Superior's consolidated financial statements, the assets and liabilities of Superior's foreign operations, namely of Energy Services, Specialty Chemicals and Construction Products Distribution in the United States, and of Specialty Chemicals in Chile, are translated using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period.

Goodwill and fair value measurements of identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences are recognized in other comprehensive income for the period.

(q) Share-Based Payments

Superior has established share-based compensation plans whereby notional restricted shares and/or notional performance shares may be granted to employees. The fair value of these notional shares is estimated using the period-end quoted market price and recorded as an expense with an offsetting amount to accrued liabilities, re-measured at each balance sheet date. All share-based payments are settled in cash.

(r) Government Grants

Government grants are not recognized until there is reasonable assurance that Superior will meet the attached conditions and that the grants will be received.

Government grants whose primary condition is that Superior should purchase, construct or otherwise acquire non-current assets are recognized as a reduction of the carrying value of the related asset. Other government grants are recognized as income over the periods necessary to match them with the costs they are intended to compensate, on a systematic basis. Government grants receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to Superior with no future related costs are recognized in net earnings in the period in which they become receivable.

(s) Net Earnings per Common Share

Basic net earnings per share are calculated by dividing the net earnings by the weighted average number of shares outstanding during the period, which is calculated using the number of shares outstanding at the end of each month in that year. Diluted net earnings per share are calculated by factoring in the dilutive impact of the dilutive instruments, including the conversion of debentures to shares using the if-converted method to assess the impact of dilution. Superior uses the treasury stock method to determine the impact of dilutive options, which assumes that the proceeds from in-the-money share options are used to repurchase shares at the average market price during the period.

(t) 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 and related disclosure. The estimates and associated assumptions are based on historical experience and various other factors deemed 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 where assumptions and estimates are significant to the financial statements, are as follows:

Fair Value of Derivative and Non-Financial Derivative Instruments

Where the fair values of derivatives and non-financial derivatives cannot be derived from active markets, they are determined using valuation techniques including a discounted cash flow model. This requires assumptions concerning the amount and timing of estimated future cash flows and discount rates. Differences between actual values and assumed values will affect net earnings in the period when the determination of the difference is made.

Allowance for Doubtful Accounts

Superior recognizes an allowance for doubtful accounts based on historical customer collection history, general economic indicators and other customer-specific information, all of which require Superior to make certain assumptions. Where the actual collectability of accounts receivable differs from these estimates, such differences will have an impact on net earnings in the period such a determination is made.

Property, Plant and Equipment and Intangible Assets

Capitalized assets, including property, plant and equipment and intangible assets, are amortized over their respective estimated useful lives. All estimates of useful lives are set out in 2(d) and 2(e) above.

Provisions

Provisions have been estimated for decommissioning costs, restructuring and environmental expenditures. The actual costs and timing of future cash flows depend on future events. Any differences between estimates and the actual future liability will be accounted for in the period when such determination is made.

Employee Future Benefits

Superior has a number of defined benefit pension plans and other benefit plans. The cost of defined benefit pension plans and the present value of the pension obligation are determined using actuarial valuations. These require assumptions including the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the valuation's complexity, its underlying assumptions and long-term nature, a defined benefit obligation is highly sensitive to changes in the underlying assumptions.

Income Tax Assets and Liabilities

Superior recognizes expected tax assets and liabilities based on estimates of current and future taxable net earnings, which may require significant judgment regarding the ultimate tax determination of certain items. If taxable net earnings differ from the estimates, there may be an impact on current and future income tax provisions in the period when the difference is determined.

Decommissioning Liabilities

Determining decommissioning liabilities requires estimates regarding the useful life of certain operating facilities, the timing and cost of future remediation activities, discount rates and the interpretation and changes to various environmental laws and regulations. Differences between estimates and results will affect Superior's accrual for decommissioning liabilities, with an effect on net earnings.

Asset Impairments

Financial and non-financial assets are subject to impairment reviews based on whether current or future events and circumstances suggest that their recoverable amount may be less than their carrying value. Recoverable amounts are based on a calculation of expected future cash flows, which includes management assumptions and estimates of future performance.

Critical Judgments in Applying Accounting Policies

In applying Superior's accounting policies, described above, management makes judgments that could significantly affect the amounts recognized in the consolidated financial statements. The most critical of these judgments are:

Impairment of Property, Plant and Equipment

An impairment evaluation involves consideration of whether there are indicators of impairment. Indicators include: significant underperformance relative to historical or projected operating results, significant changes in the manner in which an asset is used or in Superior's overall business strategy, or significant negative industry or economic trends. In some cases, these events are clear. In many cases, however, there is no such clearly identifiable event. Instead, a series of individually insignificant events, some of them only later known, leads to an indication that an asset may be impaired. Management continually monitors Superior's segments, the markets, and the business environment, and makes judgments and assessments about conditions and events in order to conclude whether there may be an impairment.

Income Taxes

Preparation of the consolidated financial statements involves making an estimate of, or provision for, income taxes in each of the jurisdictions in which Superior operates. The process also involves estimating taxes currently payable and taxes expected to be payable or recoverable in future periods, referred to as deferred income taxes. Deferred income taxes result from the effects of temporary differences due to items that are treated differently for tax and accounting purposes. The tax effects of these differences are reflected in the balance sheet as deferred income tax assets and liabilities. An assessment must also be made to determine the likelihood that Superior's future taxable income will be sufficient to permit the recovery of deferred income tax assets. To the extent that such recovery is not probable, recognized deferred income tax assets must be reduced. Judgment is required in determining the provision for income taxes and recognition of deferred income tax assets and liabilities. Management must also exercise judgment in its assessment of continually changing tax interpretations, regulations and legislation, to ensure deferred income tax assets and liabilities are complete and fairly presented. The effects of differing assessments and applications could be material.

Financial Instruments

The fair value of financial instruments is determined and classified within three categories, which are outlined below and discussed in more detail in Note 21.

Level I

Fair values in Level I are determined using inputs that are unadjusted quoted prices in active markets for identical assets or liabilities that are accessible to Superior.

Level II

Fair values in Level II are determined, directly or indirectly, using inputs that are observable for the asset or liability.

Level III

Fair values in Level III are determined using inputs for the asset or liability that are not readily observable.

The fair value measurement of a financial instrument is included in only one of the three levels, the determination of which is based on the lowest-level input that is significant to the derivation of the fair value. Classification of financial instruments requires management to use judgment in respect of both the determination of fair value and the lowest-level input of significance.

Recent Accounting Pronouncements

Certain mandatory new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or International Financial Reporting Interpretations Committee (IFRIC) for accounting periods beginning January 1, 2014 or later. The affected standards applicable to Superior are as follows:

IAS 32 – *Financial Instruments: Presentation*

The amendments to IAS 32 clarify the requirements relating to the offsetting of financial assets and liabilities. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of off-set" and "simultaneous realization and settlement". The amendments to IAS 32 must be adopted retrospectively for annual periods beginning on or after January 1, 2014. Superior adopted the amendments on January 1, 2014, with no impact to Superior.

IAS 36 – *Impairment of Assets*

The IASB issued Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36) on May 29, 2013. Superior has applied the amendments to IAS 36 for the first time in the current year. The amendments to IAS 36 remove the requirement to disclose the recoverable amount of a CGU to which goodwill or other intangible assets with indefinite useful lives has been allocated when there has been no impairment or reversal of impairment of the related CGU. Additional disclosure requirements apply to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosure include the fair value hierarchy, key assumptions and valuation techniques used. The amendments must be adopted retrospectively for fiscal years beginning January 1, 2014, with earlier adoption permitted. Superior adopted the amendments on January 1, 2014, with no impact to Superior.

IFRIC 21 – *Levies*

The interpretation was issued on May 20, 2013, providing guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain. The Interpretation covers the accounting for outflows imposed on entities by governments (including government agencies and similar bodies) in accordance with laws and/or regulations. However, it does not include income taxes (see IAS 12 – Income Taxes), fines and other penalties, liabilities arising from emissions trading schemes and outflows within the scope of other Standards. It also provides the following guidance on recognition of a liability to pay levies: The liability is recognized progressively if the obligating event occurs over a period of time, and if an obligation is triggered on reaching a threshold, the liability is then recognized. This standard must be applied for accounting periods beginning on or after January 1, 2014, with retrospective application from December 31, 2012. Superior adopted the interpretation on January 1, 2014, with no impact to Superior.

IFRS 10 – *Consolidated Financial Statements*, IFRS 12 – *Disclosure of Interests in Other Entities* and IAS 27 – *Separate Financial Statements*

The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. Consequently, IFRS 12 and IAS 27 were amended to introduce new disclosure requirements for investment entities. Superior adopted the amendments on January 1, 2014, with no impact to Superior.

New and revised IFRS standards not yet effective

IFRS 9 – *Financial Instruments: Classification and Measurement*

IFRS 9 was issued in November 2009 and is intended to replace IAS 39 – Financial Instruments: Recognition and Measurement. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39 except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

Another revised version of IFRS 9 was issued in July 2014 to include impairment requirements for financial assets and limited amendments to the classification and measurement requirements by introducing a fair value through other comprehensive income measurement category for certain simple debt instruments. This standard must be applied for accounting periods beginning on or after January 1, 2018, with earlier adoption permitted. Superior is assessing the effect of IFRS 9 on its financial results and financial position; changes, if any, are not expected to be material.

IFRS 15- *Revenue from Contracts with Customers*

IFRS 15 was issued in May 2014, establishing a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 supersedes the current revenue recognition guidance including IAS 18 – Revenue and IAS 11 – Construction Contracts, as well as the related interpretation when it becomes effective. Under IFRS 15, an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity is required to recognize revenue when the performance obligation is satisfied. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2017 with early adoption permitted. Superior is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

IAS 16 and IAS 38 –*Property, Plant and Equipment and Intangible Assets*

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant, and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortization of an intangible asset. This presumption can only be rebutted in the event that the intangible asset is expressed as a measure of revenue or when it can be demonstrated that revenue and consumption of the economic benefits of the intangible assets are highly correlated. This standard must be applied for accounting periods beginning on or after January 1, 2016, with earlier adoption permitted. Superior currently amortizes property, plant and equipment and intangible assets using the straight-line method and, therefore, does not anticipate that the application of these amendments to IAS 16 and IAS 18 will have a material impact on its consolidated financial statements.

IAS 19- *Defined Benefit Plans: Employee Contributions*

The amendments to IAS 19 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the employee's number of years of service. For contributions that are independent of the number of years of services, the entity may either recognize the contributions as a reduction in the service cost in the period in which the related service is rendered, or attribute them to the employee's periods of service using the projected unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employee's period of service. This standard must be applied for accounting periods beginning on or after July 1, 2014, with earlier adoption permitted. Superior is assessing the effect of IAS 19 amendments on its financial results and financial position; changes, if any, are not expected to be material.

3. Seasonality of Operations

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 quarter, rising seasonally again in the fourth quarter with heating demand. Similarly, net working capital is typically at seasonal highs during the first and fourth quarter, and normally declines to seasonal lows in the second and third quarter. Net working capital is also significantly influenced by wholesale propane prices and other refined fuels.

Construction Products Distribution

Sales typically peak during the second and third quarter with the seasonal increase in building and renovation activities. They then decline through the fourth quarter and into the subsequent first quarter. Similarly, net working capital is typically at seasonal highs during the second and third quarter, and normally declines to seasonal lows in the fourth and first quarter.

4. Acquisitions

On November 27, 2013, Superior completed the acquisition of certain assets constituting a retail propane and commercial fuels distribution business (Townsend Energy) in Le Roy, New York for an aggregate purchase price of $9.6 million including adjustments to net working capital and deferred consideration. The operations will provide U.S. refined fuels with access to additional propane customers.

Townsend Energy Acquisition	Fair Value Recognized on Acquisition
Property, plant and equipment	2.6
Intangible assets	3.5
Trade and other payables	(2.0)
	4.1
Net identifiable assets and liabilities	4.1
Goodwill arising on acquisition	5.5
Total consideration	**9.6**
Purchase consideration components:	
Cash (paid on November 27, 2013)	7.6
Deferred consideration	2.0
Total purchase consideration	**9.6**

Revenue and net earnings for the 12 months ended December 31, 2013 would have been $102.1 million and $0.4 million, respectively, if the acquisition had occurred on January 1, 2013. Subsequent to the acquisition date of November 27, 2013, the acquisition contributed revenue and net earnings, respectively, of $6.3 million and $0.1 million to Energy Services for the period ended December 31, 2013.

5. Trade and Other Receivables

A summary of trade and other receivables is as follows:

	Note	**2014**	2013
Trade receivables, net of allowances	21	**392.5**	443.2
Accounts receivable – other		**36.2**	35.7
Finance lease receivable		**–**	0.9
Trade and other receivables		**428.7**	479.8

6. Prepaid expenses

	2014	2013
Balance at the beginning of the year	**35.3**	20.5
Added to prepaid assets	**125.1**	141.2
Expensed to net earnings	**(113.7)**	(127.2)
Foreign exchange impact	**1.5**	0.8
Balance at the end of the year	**48.2**	35.3

7. Inventories

	2014	2013
Propane, heating oil and other refined fuels	**58.0**	93.5
Propane retailing materials, supplies, appliances and other	**6.8**	9.0
Chemical finished goods and raw materials	**27.9**	21.3
Chemical stores, supplies and other	**11.4**	11.3
Wall, ceiling and insulation construction products	**80.4**	71.2
	184.5	206.3

The cost of inventories recognized as an expense in the year ended December 31, 2014 was $2,680.1 million (year ended December 31, 2013 – $2,540.1 million). Inventories of $nil as at December 31, 2014 (December 31, 2013 – $nil) are expected to be recovered after more than 12 months. Inventory was written down during the year ended December 31, 2014 by $14.6 million (year ended December 31, 2013 – $3.6 million). No write-down reversals were recorded during the years ended December 31, 2014 and 2013.

8. Finance Lease Receivable

In November 2010, Superior entered into a finance lease arrangement with a customer from the Specialty Chemicals segment related to capital assets used to produce electricity at a Specialty Chemicals sodium chlorate facility in Chile. The lease's interest rate was fixed at a constant effective interest rate of 10% per year and the lease contract term was 10 years with an early termination option for the customer after five years. In May 2014, the customer exercised the early termination option and Superior received proceeds of $8.2 million.

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	2014	2013	**2014**	2013
Current portion	–	1.7	–	0.9
Long-term portion	–	9.6	–	7.3
	–	11.3	–	8.2
Less: unearned finance income	–	(3.1)	–	–
Present value of minimum lease payments	–	8.2	–	8.2

9. Construction Contracts

Revenue relating to construction contracts is recognized based on the stage of completion, based in turn on engineering estimates of the proportion of work completed to date.

Contracts in progress at the balance sheet date:	**2014**	2013
Construction costs incurred plus recognized profits less recognized losses to date	**15.1**	14.9
Less: Progress billings to date	**(16.7)**	(16.2)
	(1.6)	(1.3)

Recognized and included in the financial statements as amounts due:

	Note	**2014**	2013
Accounts payable to customers under construction contracts	14	**1.6**	1.3
		1.6	1.3

10. Property, Plant and Equipment

	Land	Buildings	Specialty Chemicals Plant & Equipment	Energy Services Retailing Equipment	Construction Products Distribution Equipment	Leasehold Improvements	Total
Cost							
Balance at December 31, 2012	29.7	148.6	738.3	589.8	43.3	9.7	1,559.4
Additions	–	2.2	36.5	36.5	6.0	2.3	83.5
Additions from business combinations	–	–	–	2.6	–	–	2.6
Disposals	(0.7)	(0.5)	–	(10.9)	(2.8)	(0.9)	(15.8)
Investment in supply agreement	–	–	23.5	–	–	–	23.5
Net foreign currency exchange differences	0.5	4.5	17.9	12.3	1.5	0.2	36.9
Other	–	–	–	(0.9)	0.1	(0.1)	(0.9)
Balance at December 31, 2013	29.5	154.8	816.2	629.4	48.1	11.2	1,689.2
Additions	**0.3**	**8.0**	**48.2**	**47.2**	**10.0**	**0.5**	**114.2**
Additions related to ARO and provisions	**–**	**2.2**	**–**	**–**	**–**	**–**	**2.2**
Disposals	**(0.2)**	**–**	**(3.0)**	**(9.8)**	**(5.8)**	**–**	**(18.8)**
Net foreign currency exchange differences	**1.0**	**6.3**	**29.9**	**17.6**	**1.9**	**0.2**	**56.9**
Reclassification	**–**	**–**	**–**	**(0.2)**	**–**	**–**	**(0.2)**
Balance at December 31, 2014	**30.6**	**171.3**	**891.3**	**684.2**	**54.2**	**11.9**	**1,843.5**
Accumulated Depreciation							
Balance at December 31, 2012	–	43.4	346.3	306.0	25.6	8.2	729.5
Depreciation expense	–	6.0	36.5	34.6	5.4	0.5	83.0
Eliminated on disposal of assets	–	(0.5)	–	(7.8)	(2.6)	(0.8)	(11.7)
Net foreign currency exchange differences	–	1.1	6.3	2.5	1.0	0.1	11.0
Other	–	–	–	(0.6)	–	0.1	(0.5)
Balance at December 31, 2013	–	50.0	389.1	334.7	29.4	8.1	811.3
Depreciation expense	**–**	**6.4**	**45.1**	**38.9**	**6.3**	**0.4**	**97.1**
Eliminated on disposal of assets	**–**	**–**	**(2.2)**	**(8.1)**	**(5.6)**	**–**	**(15.9)**
Net foreign currency exchange differences	**–**	**1.8**	**11.5**	**4.4**	**0.8**	**0.2**	**18.7**
Other	**–**	**–**	**–**	**–**	**–**	**0.1**	**0.1**
Balance at December 31, 2014	**–**	**58.2**	**443.5**	**369.9**	**30.9**	**8.8**	**911.3**
Carrying Amount							
As at December 31, 2013	29.5	104.8	427.1	294.7	18.7	3.1	877.9
As at December 31, 2014	**30.6**	**113.1**	**447.8**	**314.3**	**23.3**	**3.1**	**932.2**

Depreciation per cost category:

	2014	2013
Cost of sales [(1)]	**50.0**	41.3
Selling, distribution and administrative costs	**47.2**	42.2
Total	**97.2**	83.5

(1) The cost of Specialty Chemicals' finished goods inventory includes an allocation of fixed production overheads, which includes depreciation. Depreciation included in costs of sales includes a charge of $0.1 million which is reflected in the cost of inventory as at December 31, 2014 (December 31, 2013 – $0.5 million).

Superior's property, plant and equipment was tested for impairment as at December 31, 2014 and 2013 and the Company did not identify any indicators of impairment. Therefore, the carrying value was not adjusted – see Note 12 for further details. The carrying value of Superior's property, plant, and equipment includes $86.6 million of leased assets as at December 31, 2014 (December 31, 2013 – $68.9 million).

11. Intangible Assets

	Customer Contract-Related Costs	Energy Services Trademarks, Customer Base & Non-Compete Agreements	Construction Products Distribution Intangible Assets	Specialty Chemicals Royalty Assets and Patents	Investment Property	Total
Cost						
Balance at December 31, 2012	40.9	70.5	1.7	65.4	1.0	179.5
Acquisitions through business combinations	–	3.5	–	–	–	3.5
Additions from internal development activities	–	7.7	–	–	–	7.7
Additions acquired separately	0.8	0.1	–	–	–	0.9
Impairment losses charged to net earnings	–	(43.1)	–	–	(0.7)	(43.8)
Disposals	–	(11.5)	–	–	–	(11.5)
Net foreign currency exchange differences	–	3.0	–	–	–	3.0
Other (derecognition of assets)	(25.1)	–	–	–	–	(25.1)
Balance at December 31, 2013	16.6	30.2	1.7	65.4	0.3	114.2
Additions acquired separately	**1.3**	**2.8**	**–**	**–**	**0.1**	**4.2**
Disposals	**(5.7)**	**–**	**–**	**–**	**–**	**(5.7)**
Net foreign currency exchange differences	**–**	**0.3**	**0.1**	**–**	**–**	**0.4**
Reclassifications	**–**	**0.2**	**–**	**–**	**–**	**0.2**
Balance at December 31, 2014	**12.2**	**33.5**	**1.8**	**65.4**	**0.4**	**113.3**
Accumulated Amortization and Impairment						
Balance at December 31, 2012	34.5	38.8	1.2	65.4	–	139.9
Amortization expense	2.9	16.3	0.2	–	–	19.4
Disposal	–	(11.6)	–	–	–	(11.6)
Impairment losses charged to net earnings	–	(29.2)	–	–	–	(29.2)
Net foreign currency exchange differences	–	1.7	–	–	–	1.7
Other (derecognition of assets)	(25.1)	0.1	–	–	–	(25.0)
Balance at December 31, 2013	12.3	16.1	1.4	65.4	–	95.2
Amortization expense	**2.5**	**2.4**	**–**	**–**	**–**	**4.9**
Disposal	**(5.7)**	**–**	**–**	**–**	**–**	**(5.7)**
Net foreign currency exchange differences	**–**	**0.1**	**–**	**–**	**–**	**0.1**
Other	**–**	**0.1**	**–**	**–**	**–**	**0.1**
Balance at December 31, 2014	**9.1**	**18.7**	**1.4**	**65.4**	**–**	**94.6**
Carrying value [1]						
As at December 31, 2013	4.3	14.1	0.3	–	0.3	19.0
As at December 31, 2014	**3.1**	**14.8**	**0.4**	**–**	**0.4**	**18.7**

(1) Superior has pledged 100% of the intangible assets balance as at December 31, 2014, excluding leased assets, as security on its borrowing.

Superior's intangibles were tested for impairment as at December 31, 2014 and 2013 and the Company did not identify any indicators of impairment as at December 31, 2014. Therefore, the carrying value was not adjusted for the current period. An impairment charge was recorded to the intangible assets of Superior's Energy Services' segment during the fourth quarter of 2013 – see Note 12 for further details.

Depreciation per cost category:

	2014	2013
Selling, distribution and administrative costs	**4.9**	19.4
Total	**4.9**	19.4

12. Goodwill

	2014	2013
Balance at the beginning of the year	**193.7**	189.1
Effect of foreign currency differences	**0.5**	–
Additional amounts recognized from business combinations during the year	**–**	5.5
Impairment of Energy Services	**–**	(0.9)
Balance at the end of the year	**194.2**	193.7

Goodwill is a result of a number of previous business combinations and is generally attributable to anticipated synergies expected from those acquisitions. Goodwill by definition has no useful life and, therefore, is not amortized.

Impairment of property, plant and equipment, goodwill and intangible assets

Goodwill is subject to impairment tests at least annually. For purposes of impairment testing, Superior assesses goodwill at the CGU level and allocated to the following: Energy Services, Specialty Chemicals and Construction Products Distribution.

Before recognition of impairment losses, the carrying amount of goodwill was allocated to the CGUs as follows:

	2014	2013
Energy Services	**194.2**	193.7
Specialty Chemicals	**–**	–
Construction Products Distribution	**–**	–
	194.2	193.7

Superior conducts assessments for indicators of impairment on a quarterly basis and performs a detailed impairment assessment at least annually. An impairment test was performed for each CGU as at December 31, 2014, and no impairment was identified. The recoverable amount of the CGU was based on its value in use and was determined by estimating the future cash flows that would be generated from the continuing use of the CGU, incorporating the following assumptions:

Basis on which recoverable amount was determined

The recoverable amount for each CGU is determined using a detailed cash flow model which is based on evidence from an internal budget approved by the Board of Directors. Management's internal budgets are based on past experience and are adjusted to reflect market trends and economic conditions.

Key rates used in calculation of recoverable amount

Growth rate to perpetuity

The first five years of cash flow projections used in the model are based on management's internal budgets and projections after five years are extrapolated using growth rates in line with historical long-term growth rates. The long-term growth rate used in determining the recoverable amount for each CGU is 2.0%.

Discount rates

Cash flows in the model are discounted using a discount rate specific to each CGU which is adjusted based on risk assessments for each CGU. Discount rates reflect the current market assessments of the time value of money and are derived from the CGU's weighted average cost of capital. The weighted average cost of capital is then adjusted to reflect the impact of tax in order to calculate an equivalent pre-tax discount rate. The after-tax discount rates used in determining the recoverable amount for the CGU's range from 11.5% to 13.0%.

Inflation rates

Inflation rates used in the cash flow model are based on a blend of a number of publicly available inflation forecasts. The inflation rate used in determining the recoverable amount for each CGU is 2.0%.

Key assumptions

In determining the recoverable amount of each CGU, business, market and industry factors were considered.

Energy Services

As at December 31, 2014, using the assumptions outlined above, Superior did not identify any indicators of impairment for the Energy Services CGU. Therefore, the carrying values of Energy Services' property, plant and equipment, goodwill and intangibles were not adjusted. During the fourth quarter of 2013, after a detailed assessment of the CGU's operations, it was determined that the Energy Services CGU was impaired. The recoverable amount of the Energy Services CGU was determined using a detailed cash flow model based on current market assumptions surrounding the U.S. refined fuels industry, which was adversely affected by challenging wholesale market conditions and lower-than-expected customer growth. Based on the calculated recoverable amount, a goodwill impairment charge of $0.9 million and an intangible assets impairment charge of $14.6 million was recognized as reductions in the carrying values of the respective balances during the fourth quarter of 2013. The impairment charge was recognized as an expense against Superior's net earnings for the year ended December 31, 2013.

Specialty Chemicals

As at December 31, 2014 and 2013, using the assumptions outlined above, Superior did not identify any indicators of impairment for the Specialty Chemicals CGU. Therefore, the carrying value of Specialty Chemicals' property, plant and equipment was not adjusted. Specialty Chemicals' intangibles are fully amortized.

Construction Products Distribution

As at December 31, 2014 and 2013, using the assumptions outlined above, Superior did not identify any indicators of impairment for the Construction Products Distribution CGU. Therefore, the carrying values of Construction Products Distribution's property, plant and equipment and intangibles were not adjusted.

13. Provisions

	Restructuring	Decommissioning	Environmental	Total
Balance at December 31, 2012	5.5	16.2	1.4	23.1
Utilization	(2.8)	–	(0.6)	(3.4)
Additions	9.5	0.2	0.4	10.1
Unwinding of discount	–	(0.6)	–	(0.6)
Impact of change in discount rate	–	(2.0)	–	(2.0)
Net foreign currency exchange difference	–	0.5	0.1	0.6
Balance at December 31, 2013	12.2	14.3	1.3	27.8
Utilization	**(9.9)**	**–**	**(0.5)**	**(10.4)**
Additions	**5.0**	**0.3**	**0.3**	**5.6**
Unwinding of discount	**–**	**0.3**	**–**	**0.3**
Impact of change in discount rate	**–**	**3.0**	**–**	**3.0**
Net foreign currency exchange difference	**0.1**	**0.8**	**0.1**	**1.0**
Balance at December 31, 2014	**7.4**	**18.7**	**1.2**	**27.3**

	Note	2014	2013
Current	14	**4.6**	8.3
Non-current		**22.7**	19.5
		27.3	27.8

Restructuring

Restructuring costs are recorded in selling, distribution, and administrative costs. As at December 31, 2014, the restructuring costs was $11.3 million (December 31, 2013 – $9.5 million). Provisions for restructuring are recorded in provisions, except for the current portion, which is recorded in trade and other payables. As at December 31, 2014, the current portion of restructuring costs was $4.6 million (December 31, 2013 – $8.3 million). As at December 31, 2014, the long-term portion of restructuring costs was $2.9 million (December 31, 2013 – $3.9 million). The provision is primarily for severance, lease costs and consulting fees.

Decommissioning

Specialty Chemicals

Superior makes full provision for the future cost of decommissioning Specialty Chemicals' chemical facilities. The provision is on a discounted basis and is based on existing technologies at current prices or long-term price assumptions, depending on the activity's expected timing. As at December 31, 2014, the discount rate used in Superior's calculation was 2.33% (December 31, 2013 – 3.14%). Superior estimates the total undiscounted expenditures required to settle its decommissioning liabilities to be approximately $21.4 million (December 31, 2013 – $20.6 million) which will be paid over the next 17 to 25 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, the amount and timing of incurring these costs is uncertain.

Energy Services

Superior makes full provision for the future costs of decommissioning certain assets associated with the Energy Services segment. Superior estimates the total undiscounted expenditures required to settle its asset retirement obligations to be approximately $9.6 million at December 31, 2014 (December 31, 2013 – $9.5 million) which will be paid over the next 17 years. The credit-adjusted free-risk rate of 2.33% at December 31, 2014 (December 31, 2013 – 3.14%) was used to calculate the present value of the estimated cash flows.

Environmental

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 or, if earlier, on divestment or closure of inactive sites. Superior estimates the total undiscounted expenditures required to settle its environmental expenditures to be approximately $1.2 million at December 31, 2014 (December 31, 2013 – $1.3 million) which will be paid over the next two years. The provision for environmental expenditures has been estimated using existing technology at current prices and discounted using a risk-free discount rate of 2.33% at December 31, 2014 (December 31, 2013 – 3.14%). 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 Superior's share of the liability.

14. Trade and Other Payables

A summary of trade and other payables is as follows:

	Note	**2014**	2013
Trade payables		**279.5**	300.7
Net benefit obligation	20	**4.6**	3.8
Restructuring provision	13	**4.6**	8.3
Other payables		**76.7**	63.2
Amounts due to customers unde.r construction contracts	9	**1.6**	1.3
Share-based payments	27	**12.0**	18.9
Trade and other payables		**379.0**	396.2

The average credit period on purchases by Superior is 28 days. No interest is charged on the trade payables between seven and 15 days from the date of the invoice. Thereafter, interest is charged at an average of 19% per annum on the balance. Superior's financial risk management policies ensure that payables are normally paid within the pre-agreed credit terms.

15. Deferred Revenue

	2014	2013
Balance at the beginning of the year	**24.8**	19.2
Deferred during the year	**17.9**	32.8
Released to net earnings	**(34.3)**	(28.5)
Foreign exchange impact	**0.7**	1.3
Balance at the end of the year	**9.1**	24.8

The deferred revenue relates to Energy Services' unearned service revenue and Specialty Chemicals' unearned product-related revenues.

16. Other Liabilities

	2014	2013
Supply agreement	**1.9**	0.4
	1.9	0.4

The supply agreement above relates to the Specialty Chemicals supply agreement with Tronox LLC (Tronox) to purchase up to 130,000 metric tonnes (MT) of sodium chlorate per year from Tronox's Hamilton, Mississipi facility as nominated annually by Specialty Chemicals. Refer to Note 18 for further details.

17. Borrowing

	Year of Maturity	Effective Interest Rate	**2014**	2013
Revolving Term Bank Credit Facilities [1]				
Bankers' Acceptances (BA)	2016	Floating BA rate plus applicable credit spread	**71.8**	246.5
Canadian Prime Rate Loan	2016	Prime rate plus credit spread	**16.4**	26.3
LIBOR Loans (US$92.0 million; 2013 – US$129.0 million)	2016	Floating LIBOR rate plus applicable credit spread	**106.7**	137.3
US Base Rate Loan (US$19.8 million; 2013 – US$11.5 million)	2016	U.S. prime rate plus credit spread	**23.0**	12.2
			217.9	422.3
Other Debt				
Accounts receivable factoring program [2]	–	Floating BA Plus	**5.6**	9.3
Deferred consideration	2015-2018	Non-interest-bearing	**2.8**	4.0
			8.4	13.3
Senior Secured Notes [3]				
Senior secured notes subject to fixed interest rates (US$30.0 million; 2013 – US$60.0million)	2015	7.62%	**34.8**	63.8
Senior Unsecured Notes				
Senior unsecured notes [4]	2021	6.50%	**200.0**	–
Finance Lease Obligations				
Finance lease obligations (Note 18)			**72.1**	79.3
Total borrowing before deferred financing fees			**533.2**	578.7
Deferred financing fees			**(7.0)**	(2.6)
Borrowing			**526.2**	576.1
Current maturities			**(66.7)**	(67.0)
Borrowing			**459.5**	509.1

(1) On June 20, 2014, and November 26, 2014, Superior and its wholly-owned subsidiaries, Superior Plus US Financing Inc. and Commercial E Industrial (Chile) Limitada, extended the maturity date of its credit facility, which totals $570.0 million, to June 27, 2018. The credit facility, which includes eight lenders, can be expanded up to $750.0 million. Superior maintains the flexibility to expand the facility up to $750.0 million. As at December 31, 2014, Superior had $30.6 million of outstanding letters of credit (December 31, 2013 – $27.9 million) and approximately $128.6 million of outstanding financial guarantees (December 31, 2013 – $115.3 million). The fair value of Superior's revolving term bank credit facilities, 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) Superior has entered into a Master Receivables Purchase Agreement with a financial institution by which it may purchase from time to time, on an uncommitted revolving basis, a 100% interest in receivables from Superior. The maximum aggregate amount of purchased receivables purchased by the financial institution under this agreement and outstanding at any time is limited to $15.0 million. As at December 31, 2014, the accounts receivable factoring program totalled CDN $5.6 million (December 31, 2013 – CDN $9.3 million).

(3) Senior secured notes (the notes) totalling US $30.0 million and US $60.0 million (respectively, CDN $34.8 million at December 31, 2014 and CDN $63.8 million at December 31, 2013) are 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 U.S. Treasury instruments with similar maturities, interest rates and credit risk profiles. The estimated fair value of the notes as at December 31, 2014 was CDN $36.6 million (December 31, 2013 – CDN $68.5 million).

(4) On December 9, 2014, Superior completed an offering of $200.0 million 6.50% senior unsecured notes (the senior notes). The senior notes were issued at par value and mature on December 9, 2021. The senior notes contain certain early redemption options under which Superior has the option to redeem all or a portion of the senior notes at various redemption prices, which include the principal amount plus accrued and unpaid interest, if any, to the application redemption date. Interest is payable semi-annually on June 9 and December 9, commencing June 9, 2015.

Repayment requirements of borrowing before deferred finance fees are as follows:

Current maturities	66.7
Due in 2016	22.3
Due in 2017	9.9
Due in 2018	224.6
Due in 2019	4.9
Due in 2020	4.8
Subsequent to 2020	200.0
Total	**533.2**

18. Leasing Arrangements

Operating Lease Commitments

Superior has entered into leases on certain vehicles, rail cars, premises and other equipment. Leases have an average life of between three and five years with no renewal option included in the contracts. There are no restrictions placed upon Superior by entering into these leases.

Future minimum lease payments under non-cancellable operating leases are as follows:

	2014	2013
Not later than one year	**45.8**	39.3
Later than one year and not later than five years	**125.9**	93.7
Later than five years	**52.9**	66.0
	224.6	199.0

Obligations under Finance Lease

Finance leases relate to fuel distribution and construction products vehicles, equipment and office space with lease terms of five to 15 years. Superior has options to purchase the assets for a nominal amount at the conclusion of the lease agreements. Superior's obligations under finance leases are secured by the lessors' title to the leased assets.

In October 2013, Specialty Chemicals entered into a supply agreement with Tronox to purchase up to 130,000 MT of sodium chlorate per year from Tronox's Hamilton, Mississippi facility, as nominated annually by Specialty Chemicals. The initial term of the agreement extends to December 31, 2016 and may be automatically extended in one year increments thereafter. Under the agreement, Tronox will continue to own and operate the facility, and Specialty Chemicals will purchase sodium chlorate to meet customer demands under certain customer contracts being assumed and to supply other existing and new customers. Specialty Chemicals paid an initial fee of $4.3 million and will incur a quarterly fee of $0.8 million during the initial term, plus a cost for sodium chlorate delivered. As part of the Agreement, Specialty Chemicals acquired finished inventory and assumed existing railcar leases and customer contracts, as assigned. Additionally, the parties entered into a strategic long-term agreement for the supply of chloralalkali product by Specialty Chemicals to service Tronox's requirements in North America. Under the agreement, if the annual nominated volume by Specialty Chemicals is less than the specified volume of product set out in the agreement, Tronox may terminate the agreement early, at its sole option and its sole cost to permanently shut down the plant for the manufacture of sodium chlorate. Superior recognized approximately $19.2 million of finance lease obligations upon execution of the agreement.

The present values of minimum lease payments are as follows:

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	2014	2013	**2014**	2013
Not later than one year	**27.1**	20.3	**25.3**	19.0
Later than one year and not later than five years	**47.9**	63.5	**42.0**	56.5
Later than five years	**5.1**	4.3	**4.8**	3.8
Less: future finance charges	**(8.0)**	(8.8)	**–**	–
Present value of minimum lease payments	**72.1**	79.3	**72.1**	79.3

Included in the consolidated balance sheets as at December 31:

	2014	2013
Current portion of finance lease	**25.3**	24.8
Non-current portion of finance lease	**46.8**	54.5
	72.1	79.3

19. Convertible Unsecured Subordinated Debentures

Superior's debentures are as follows:

Maturity	June 2017	June 2018	October 2016	June 2019	Total
Interest rate	5.75%	6.00%	7.50%	6.00%	Carrying
Conversion price per share	$19.00	$15.10	$11.35	$16.75	Value
Face value, December 31, 2013	172.5	150.0	75.0	97.0	494.5
Conversions	–	–	(0.3)	–	(0.3)
Face value, December 31, 2014	**172.5**	**150.0**	**74.7**	**97.0**	**494.2**
Issuance costs, December 31, 2013	(3.8)	(3.9)	(2.0)	(3.6)	(13.3)
Accretion of issuance costs	1.0	0.8	0.6	0.5	2.9
Issuance costs, December 31, 2014	**(2.8)**	**(3.1)**	**(1.4)**	**(3.1)**	**(10.4)**
Discount value, December 31, 2013	(0.1)	(1.2)	(0.3)	0.4	(1.2)
Accretion of discount value	–	0.2	0.1	1.5	1.8
Discount value, December 31, 2014	**(0.1)**	**(1.0)**	**(0.2)**	**1.9**	**0.6**
Option value, December 31, 2014	**–**	**–**	**–**	**(10.6)**	**(10.6)**
Debentures outstanding as at December 31, 2014	**169.6**	**145.9**	**73.1**	**85.2**	**473.8**
Debentures outstanding as at December 31, 2013	168.6	144.9	72.7	83.2	469.4
Quoted market value as at December 31, 2014	**176.0**	**155.3**	**80.9**	**100.4**	**512.6**
Quoted market value as at December 31, 2013	174.4	156.8	86.3	99.5	517.0

Superior's convertible debentures due in October 2016, June 2017, June 2018, and June 2019 carry multiple settlement options at conversion. The debentures may be converted into shares at the option of the holder at any time prior to the earlier of redemption by Superior or maturity. 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 to the debenture holders will be determined based on the conversion price per share at the time of issuance. Superior, at its option, may elect to pay the debenture holders cash in lieu of delivering common shares upon conversion.

As Superior has the option to pay the debenture holders cash in lieu of issuing common shares upon conversion, the convertible debentures are a financial liability with an embedded conversion option derivative. The embedded conversion option derivatives and liability components of the convertible debentures due in October 2016, June 2017, June 2018, and June 2019 were separated. The liability components, net of transaction costs, are accounted for at amortized cost with interest expense recognized on an effective yield basis. The embedded conversion option derivatives are accounted for at fair value through net earnings. See Note 21 for further details.

20. Employee Future Benefits

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out on December 31, 2014 by Aon Hewitt Associates LLC. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purpose of the actuarial valuation were as follows:

	Defined Benefit Plans		Other Benefit Plans	
	2014	2013	**2014**	2013
Discount rate	**4.50%**	3.75%	**4.50%**	3.75%
Expected rate of compensation increase	**3.00%**	3.00%	**3.00%**	3.00%
Mortality rate	**10.00%**	10.00%	**10.00%**	10.00%

Energy Services and Specialty Chemicals have defined benefit and defined contribution pension plans covering most employees. The benefits provided under defined benefit pension plans are based on the individual employee's years of service and the highest average earnings for a specified number of consecutive years. Information about Superior's defined benefit and other post-retirement benefit plans as at December 31, 2014 and December 31, 2013 in aggregate is as follows:

Recognized net (asset) liability arising from defined benefit obligation

	Energy Services Pension Benefit Plans	Specialty Chemicals Pension Benefit Plans	Other Benefit Plans
Balance as at December 31, 2014			
Present value of defined benefit obligations	**45.9**	**120.1**	**25.0**
Fair value of plan assets	**(49.3)**	**(114.3)**	**–**
Net (asset) liability arising from defined benefit obligation	**(3.4)**	**5.8**	**25.0**
Balance as at December 31, 2013			
Present value of defined benefit obligations	44.5	105.5	22.8
Fair value of plan assets	(46.3)	(99.4)	–
Net (asset) liability arising from defined benefit obligation	(1.8)	6.1	22.8

Movements in defined benefit obligations and plan assets:

	Energy Services Pension Benefit Plans		Specialty Chemicals Pension Benefit Plans		Other Benefit Plans	
	2014	2013	**2014**	2013	**2014**	2013
Movement in the present value of the defined benefit obligation during the year:						
Benefit obligation at January 1	**44.5**	49.3	**105.5**	108.3	**22.8**	24.6
Current service cost	**–**	–	**2.2**	2.7	**0.3**	0.3
Interest cost	**1.9**	1.9	**4.7**	4.1	**1.0**	0.7
Contributions by the plan participants	**–**	–	**0.1**	0.1	**–**	–
Actuarial losses (gains)	**3.3**	(2.0)	**12.0**	(6.7)	**1.9**	(1.6)
Past service cost	**–**	–	**–**	0.3	**–**	–
Benefits paid	**(3.8)**	(4.7)	**(4.4)**	(3.3)	**(1.0)**	(1.2)
Benefit obligation as at December 31	**45.9**	44.5	**120.1**	105.5	**25.0**	22.8
Movement in the fair value of the plan assets during the year:						
Fair value of plan assets at January 1	**46.3**	42.4	**99.4**	82.1	**–**	–
Expected return on plan assets	**2.0**	1.5	**4.5**	3.1	**–**	–
Excess return on plan assets	**2.0**	5.3	**9.7**	10.5	**–**	–
Contributions by the employer	**3.0**	3.0	**5.3**	7.2	**1.1**	1.2
Contributions by plan participants	**–**	–	**0.2**	0.1	**–**	–
Benefits paid	**(3.8)**	(4.7)	**(4.4)**	(3.3)	**(1.1)**	(1.2)
Partial plan wind-up surplus withdrawal	**–**	(0.8)	**–**	–	**–**	–
Administration expenses	**(0.2)**	(0.3)	**(0.4)**	(0.3)	**–**	–
Payment from defined benefit surplus to defined contribution plan	**–**	(0.1)	**–**	–	**–**	–
Fair value of plan assets as at December 31	**49.3**	46.3	**114.3**	99.4	**–**	–
Funded status - plan surplus (deficit)	**3.4**	1.8	**(5.8)**	(6.1)	**(25.0)**	(22.8)
Net asset (obligation) arising from defined benefit obligation	**3.4**	1.8	**(5.8)**	(6.1)	**(25.0)**	(22.8)
Current portion of net asset (obligation) recorded in trade and other payables	**–**	–	**(4.1)**	(3.4)	**(0.5)**	(0.4)
Non-current net benefit asset (obligation)	**3.4**	1.8	**(1.7)**	(2.7)	**(24.5)**	(22.4)

The accrued net pension asset related to the Energy Services pension benefit plan on December 31, 2014 was $3.4 million (December 31, 2013 – asset of $1.8 million), and the expense for 2014 was $0.1 million (year ended December 31, 2013 – $0.8 million). The accrued net benefit obligation related to the Specialty Chemicals pension benefit plan on December 31, 2014 was $5.8 million (December 31, 2013 – obligation of $6.1 million), and the expense for 2014 was $2.8 million (year ended December 31, 2013 – $4.2 million).

The accrued net benefit obligation related to the total other benefit plans of Energy Services and Specialty Chemicals on December 31, 2014 was $25.0 million (December 31, 2013 – obligation of $22.8 million), and the expense for 2014 was $1.3 million (December 31, 2013 – $1.1 million). Amounts recognized in net earnings in respect of these defined benefit plans are as follows for the years ended December 31:

	2014	2013
Service Cost:		
Current service cost	**2.5**	3.1
Past service cost	**–**	0.3
Administrative expense	**0.6**	0.6
Net interest expense	**1.1**	2.1
Components of defined benefit costs recognized in net earnings	**4.2**	6.1

The service cost, administrative expense and net interest expense related to Energy Services and Specialty Chemicals on December 31, 2014 was $4.2 million (December 31, 2013 – $6.1 million) and is included in selling, distribution and administrative costs.

The re-measurement of the net defined benefit liability is included in other comprehensive loss. The amounts recognized in accumulated other comprehensive loss in respect of these benefit plans are as follows:

	2014	2013
Actuarial defined benefit (losses) gains (before income taxes)	**(5.5)**	26.4
Cumulative actuarial losses (before income taxes)	**(13.2)**	(7.7)

Re-measurement on the net benefit obligation:	2014	2013
Cumulative actuarial losses, beginning of the year	**(7.7)**	(34.1)
Actuarial asset experience gain	**11.7**	15.9
Actuarial loss arising from changes in demographic assumptions	**(1.3)**	(4.4)
Actuarial (loss) gain arising from changes in financial assumptions	**(16.0)**	15.6
Actuarial gain (loss) arising from changes in experience adjustments	**0.1**	(0.7)
Cumulative actuarial losses, end of the year	**(13.2)**	(7.7)

Significant actuarial assumptions for the determination of the accrued defined benefit obligation are discount rate, compensation increase, mortality scale and trend rate. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring as at December 31, 2014, while holding all other assumptions constant.

Discount Rate

A 1% change in the discount rate would result in a change to the accrued defined benefit obligation related to Energy Services of $5.2 million at December 31, 2014 (December 31, 2013 – $4.8 million) and a change to the current service expense of $0.1 million at December 31, 2014 (December 31, 2013 – $0.1 million). A 1% change in the discount rate would result in a change to the accrued defined benefit obligation related to Specialty Chemicals of $20.2 million at December 31, 2014 (December 31, 2013 – $17.0 million) and a change to the current service expense of $1.2 million at December 31, 2014 (December 31, 2013 – $1.0 million).

Compensation Increase

A 1% change in the salary would result in a change to the accrued defined benefit obligation related to Energy Services of $nil at December 31, 2014 (December 31, 2013 – $nil) and a change to the current service expense of $nil at December 31, 2014 (December 31, 2013 – $nil). A 1% change in salary would result in a change to the accrued defined benefit obligation related to Specialty Chemicals of $1.9 million at December 31, 2014 (December 31, 2013 – $3.1 million) and a change to the current service expense of $0.2 million at December 31, 2014 (December 31, 2013 – $0.3 million).

Mortality Scale

A 10% change in the mortality scale would result in a change to the accrued defined benefit obligation related to Energy Services of $2.3 million at December 31, 2014 (December 31, 2013 – $2.0 million) and a change to the current service expense of $0.1 million at December 31, 2014 (December 31, 2013 – $0.1 million). A 10% change in the mortality scale would result in a change to the accrued defined benefit obligation related to Specialty Chemicals of $2.9 million at December 31, 2014 (December 31, 2013 – $2.3 million) and a change to the current service expense of $0.3 million at December 31, 2014 (December 31, 2013 – $0.2 million).

Trend Rate

A 1% change in the trend rate would result in a change to the accrued defined benefit obligation related to Energy Services of $0.9 million at December 31, 2014 (December 31, 2013 – $0.8 million) and a change to the current service expense of $nil at December 31, 2014 (December 31, 2013 – $nil). A 1% change in the trend rate would result in a change to the accrued defined benefit obligation liability related to Specialty Chemicals of $1.0 million at December 31, 2014 (December 31, 2013 – $0.7 million) and a change to the current service expense of $0.1 million at December 31, 2014 (December 31, 2013 – $nil).

The sensitivity presented above may not be representative of the actual change in the accrued defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation, as some of the assumptions may be correlated.

The present value of the defined benefit obligation has been calculated using the projected unit credit as at December 31, 2014, which is the same as that applied in calculating the accrued defined benefit obligation recognized in the consolidated balance sheets.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The average duration of the net benefit obligation related to Energy Services is 8.4 years at December 31, 2014 (December 31, 2013 – 7.9 years) and related to Specialty Chemicals is 14.0 years at December 31, 2014 (December 31, 2013 – 13.5 years).

At December 31, 2014 Superior expects to make a contribution to the Energy Services Pension Benefit Plans of $1.5 million (December 31, 2013 – $2.1 million) and to the Specialty Chemicals Pension Benefit Plans of $5.6 million (December 31, 2013 – $7.1 million) during 2015.

The fair values of plan assets as at December 31, 2014, by major asset category, are as follows:

	Energy Services Pension Benefit Plans [1]		Specialty Chemicals Pension Benefit Plans [2]	
	Level 2	**Percentage**	**Level 2**	**Percentage**
Canadian Equities	**7.5**	**15.3%**	**33.7**	**29.5%**
U.S. Equities	**4.0**	**8.1%**	**18.9**	**16.5%**
Foreign Equities	**–**	**–**	**14.4**	**12.6%**
Foreign Income	**4.2**	**8.5%**	**–**	**–**
Fixed Income	**33.0**	**66.9%**	**47.4**	**41.4%**
Cash	**0.6**	**1.2%**	**–**	**–**
Total	**49.3**	**100%**	**114.4**	**100%**

(1) The assets of the Energy Services Pension Benefit plans are held by Standard Life and are invested in the Beutel Goodman balanced fund as well as the Standard Life Liability Government Bond funds.

(2) The assets of the Specialty Chemicals Pension Benefit Plans are held by Sun Life Financial, and managed by TD Asset Management, Beutel Goodman and MFS.

The fair values of plan assets as at December 31, 2013, by major asset category, are as follows:

	Energy Services Pension Benefit Plans [1]		Specialty Chemicals Pension Benefit Plans [2]	
	Level 2	Percentage	Level 2	Percentage
Canadian Equities	14.4	31.1%	30.5	30.7%
U.S. Equities	7.7	16.6%	19.8	19.9%
Foreign Equities	8.8	19.0%	17.0	17.1%
Fixed Income	14.4	31.1%	32.1	32.3%
Cash	1.0	2.2%	–	–
Total	46.3	100%	99.4	100%

(1) The assets of the Energy Services Pension Benefit plans are held by Standard Life and are invested in the Beutel Goodman balanced fund as well as the Standard Life Liability Government Bond funds.

(2) The assets of the Specialty Chemicals Pension Benefit Plans are held by Sun Life Financial, and managed by TD Asset Management, Beutel Goodman and MFS.

The actual return on Energy Services and Specialty Chemicals plan assets in 2014 was 8.3% (year ended December 31, 2013 – 16.1%) and 13.9%, respectively (year ended December 31, 2013 – 12.9%).

As at December 31, 2014, the asset-matching strategic choices that are formulated in the actuarial and Superior's Statement of Investment Policy (SIPP) of the total defined benefit plan assets are:

	Energy Services Pension Benefit Plans Range [1][2]	Specialty Chemicals Pension Benefit Plans Range [1][2]	Other Range [1][2]
Canadian Equities	**10.0%-39.1%**	**25.0%-35.0%**	**7.5%-17.5%**
US Equities	**-**	**-**	**-**
Foreign Equities	**-**	**-**	**-**
Global Equities	**10.0%-28.4%**	**25.0%-35.0%**	**7.5%-17.5%**
Fixed Income	**47.5%-72.5%**	**35.0%-54.0%**	**65.0%-85.0%**
Cash	**0.0%-15.0%**	**-**	**-**

(1) Based on Superior's SIPP.

(2) Energy Services and Specialty Chemicals' SIPPs do not provide ranges for U.S. and Foreign Equities; instead they provide in aggregate ranges classified as global equities.

As at December 31, 2013, the asset-matching strategic choices that are formulated in the actuarial and Superior's SIPP of the total defined benefit plan assets are:

	Energy Services Pension Benefit Plans Range [1][2]	Specialty Chemicals Pension Benefit Plans Range [1][2]	Other Range [1][2]
Canadian Equities	10.0%-39.1%	25.0%-35.0%	7.5%-17.5%
US Equities	-	-	-
Foreign Equities	-	-	-
Global Equities	10.0%-28.4%	25.0%-35.0%	7.5%-17.5%
Fixed Income	47.5% to 72.5%	35.0%-54.0%	65.0%-85.0%
Cash	0.0%-15.0%	-	-

(1) Based on Superior's SIPP.

(2) Energy Services and Specialty Chemicals' SIPPs do not provide ranges for U.S. and Foreign Equities; instead they provide in aggregate ranges classified as global equities.

21. 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 input 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 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 consideration 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 (Level 1). Where bid and ask prices are unavailable, Superior uses the closing price of the instrument's most recent transaction. 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 (Level 2). Superior uses internally developed methodologies and unobservable inputs to determine the fair value of some financial instruments when required (Level 3).

Fair values determined using valuation models require 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 forecast commodity price curves, interest rate yield curves, currency rates, and price and rate volatilities as applicable.

With respect to the valuation of Specialty Chemicals' fixed-price electricity agreement, valuation requires Superior to make assumptions about the long-term price of electricity in electricity markets for which there is no active market information available. The impact of the assumption for the long-term forward price curve of electricity has a material impact on the fair value of this agreement. A $1/MWh change in the forecast price of electricity would result in a change in the fair value of this agreement of $0.7 million, with a corresponding impact to net earnings before income taxes.

All financial and non-financial derivatives are designated as held-for-trading upon their initial recognition.

As at	Level 1	Level 2	Level 3	December 31, 2014 Total
Assets				
Natural gas financial swaps - AECO	–	0.2	–	0.2
Electricity swaps – Energy Services	–	0.1	–	0.1
Interest rate swaps – CDN$	–	5.9	–	5.9
Equity derivative contracts	–	0.4	–	0.4
Propane wholesale purchase and sale contracts, net sale – Energy Services	–	7.6	–	7.6
Total assets	–	14.2	–	14.2
Liabilities				
Natural gas financial swaps - AECO	–	22.6	–	22.6
Electricity swaps – Energy Services	–	4.0	–	4.0
Foreign currency forward contracts, net sale	49.6	–	–	49.6
Interest rate swaps – CDN$	–	0.1	–	0.1
Debenture-embedded derivative	–	–	14.2	14.2
Propane wholesale purchase and sale contracts, net sale – Energy Services	–	14.1	–	14.1
Diesel wholesale purchase and sale contracts, net sale – Energy Services	–	0.6	–	0.6
WTI wholesale purchase and sale contract, net sale – Energy Services	–	0.1	–	0.1
Fixed-price electricity purchase agreements – Specialty Chemicals	–	–	3.4	3.4
Fixed-price natural gas purchase agreements – Specialty Chemicals	–	0.1	–	0.1
Total liabilities	49.6	41.6	17.6	108.8
Total net liability	(49.6)	(27.4)	(17.6)	(94.6)
Current portion of assets	–	10.7	–	10.7
Current portion of liabilities	28.0	32.9	1.5	62.4

As at				December 31, 2013
	Level 1	Level 2	Level 3	Total
Assets				
Natural gas financial swaps – AECO [(1)]	1.1	–	–	1.1
Electricity swaps – Energy Services	–	0.4	–	0.4
Foreign currency forward contracts, net sale	0.4	–	–	0.4
Foreign currency forward contracts, balance sheet-related	1.6	–	–	1.6
Interest rate swaps – CDN$	–	6.3	–	6.3
Equity derivative contracts	–	1.5	–	1.5
Propane wholesale purchase and sale contracts, net sale – Energy Services	–	4.8	–	4.8
Heating oil purchase and sale contracts – Energy Services	–	0.3	–	0.3
Fixed-price electricity purchase agreements – Specialty Chemicals	–	–	1.9	1.9
Total assets	3.1	13.3	1.9	18.3
Liabilities				
Natural gas financial swaps - AECO [(1)]	13.8	–	–	13.8
Electricity swaps – Energy Services	–	6.5	–	6.5
Foreign currency forward contracts, net sale	29.6	–	–	29.6
Interest rate swaps – CDN$	–	0.1	–	0.1
Debenture-embedded derivative	–	–	26.9	26.9
Propane wholesale purchase and sale contracts, net sale – Energy Services	–	2.9	–	2.9
Heating oil purchase and sale contracts – Energy Services	–	0.1	–	0.1
Total liabilities	43.4	9.6	26.9	79.9
Total net liability	(40.3)	3.7	(25.0)	(61.6)
Current portion of assets	3.1	9.6	1.0	13.7
Current portion of liabilities	18.7	6.4	–	25.1

(1) Management annually assesses valuation techniques used by divisions in measuring fair value of financial instruments at the end of each fiscal year. Additional information was gained relating to the valuation process and, as a result, the natural gas financial swaps net liability of $22.4 million was moved from Level 1 to Level 2 in the fair-value hierarchy as of December 31, 2014.

The following table outlines quantitative information about how the fair values of these financial and non-financial assets and liabilities are determined, including valuation techniques and inputs used:

Description	Notional [1]	Term	Effective Rate	Valuation Technique(s) and Key Input(s)
Level 1 fair value hierarchy:				
Foreign currency forward contracts, net sale	US$350.4[3]	2015-2017	1.02	Quoted bid prices in the active market.
Foreign currency forward contracts, balance sheet-related	$Nil	N/A	N/A	Quoted bid prices in the active market.
Level 2 fair value hierarchy:				
Natural gas financial swaps–AECO	24.9 GJ[2]	2015-2019	CDN $3.90/GJ	Discounted cash flow – Future cash flows are estimated based on forward market prices (from observable yield curves at the end of the reporting period) applied to contract volumes, discounted at a rate that reflects the credit risk of various counterparties.
Interest rate swaps – CDN$	$200.0[3]	2015-2017	Six-month BA rate plus 2.65%	Discounted cash flow – Future cash flows are estimated based on forward interest rates and contract interest rates, discounted at a various counterparties.
Equity derivative contracts	$19.2[3]	2015-2017	$12.02/share	Discounted cash flow – Future cash flows are estimated based on equity derivative contracts.
Diesel wholesale purchase and sale contracts, net sale – Energy Services	2.2 USG[4]	2015	$1.70/USG	Quoted bid prices for similar products in the active market.
Propane wholesale purchase and sale contracts, net sale – Energy Services	14.15 USG[4]	2015-2016	$0.82/USG	Quoted bid prices for similar products in the active market.
Electricity swaps – Energy Services	0.7MWh[5]	2015-2018	$38.10/MWh	Discounted cash flow – Future cash flows are estimated based on forward market prices (from observable yield curves at the end of the reporting period) applied to contract volumes, discounted at a rate that reflects the credit risk of various counterparties.
Heating oil purchase and sale contracts – Energy Services	2.2 USG[4]	2015	US $1.99 /USG	Quoted bid prices for similar products in the active market.
Fixed-price natural gas purchase agreements – Specialty Chemicals	67,620 DTH[7]	2015	$4.25-$5.64/DTH	Quoted bid prices for similar products in the active market.
Level 3 fair value hierarchy:				
Debenture-embedded derivative	$321.7[3]	2015-2019	–	Black-Scholes model – see "Valuation techniques and significant unobservable inputs" for further details.
Fixed-price electricity purchase agreements – Specialty Chemicals	35-45 MW[6]	2015-2017	$45/MWh	Discounted cash flow – see "Valuation techniques and significant unobservable inputs" for further details.

(1) Notional values as at December 31, 2014.
(2) Millions of gigajoules (GJ) purchased.
(3) Millions of dollars.
(4) Millions of United States gallons (USG) purchased.
(5) Millions of mega-watt hours (MWh).
(6) Megawatts (MW) on a 24/7 continual basis per year purchased.
(7) Dekatherms (DTH) purchased.

Valuation techniques and significant unobservable inputs

Financial Instrument	Valuation Technique	Significant Unobservable Inputs	Sensitivity of Input to Fair Value
Debenture-embedded derivative	Black-Scholes model	Volatility – 23.47%-24.22% (2013 – 21.20%-21.33%) Risk-free rate – 1.34%-1.46% (2013 – 1.90%-2.17%)	The estimated fair value would increase (decrease) if: - Volatility decreased (increased) - Risk-free rate decreased (increased)
Fixed-price electricity purchase agreements	Discounted cash flow	Forward electricity prices [1] – $35.40-$44.50 (2013 - $45.25-$49.25) WACC – 9% (2013 – 9%)	The estimated fair value would increase (decrease) if: - Forward prices increased (decreased) - WACC decreased (increased)

(1) Net of greenhouse gas charge of $4/MWh.

The change in the fair value of Superior's Level 3 financial instruments for the years ended December 31, 2013 and 2014 are as follows:

Description	Debenture - Embedded Derivative	Fixed Price Electricity Purchase Agreements	Total
Balance at December 31, 2012	(19.8)	1.6	(18.2)
Unrealized change in fair value [1]	3.6	0.3	3.9
Issuance – option valuation	(10.6)	–	(10.6)
Other	(0.1)	–	(0.1)
Balance at December 31, 2013	(26.9)	1.9	(25.0)
Unrealized gains (losses) [1]	**12.7**	**(5.3)**	**7.4**
Balance at December 31, 2014	**(14.2)**	**(3.4)**	**(17.6)**

(1) Recorded in "Unrealized losses on derivative financial instruments" through net income in the Statement of Net Earnings and Total Comprehensive Income.

Superior's realized and unrealized financial instrument gains (losses) for the years ended December 31, 2014 and 2013 are as follows:

Description	2014 Realized Gain (Loss)	2014 Unrealized Gain (Loss)	2013 Realized Gain (Loss)	2013 Unrealized Gain (Loss)
Natural gas financial swaps – AECO	**(3.2)**	**(9.7)**	(26.9)	29.5
Electricity swaps – Energy Services	**3.7**	**2.2**	(6.7)	4.2
Foreign currency forward contracts, net sale	**(16.7)**	**(19.9)**	3.9	(39.5)
Foreign currency forward contracts, balance sheet-related	**3.0**	**(1.6)**	1.3	1.5
Interest rate swaps	**2.5**	**(0.4)**	2.4	(3.2)
Equity derivative contracts	**0.1**	**(0.9)**	1.5	0.8
Propane wholesale purchase and sale contracts – Energy Services	**8.7**	**(18.7)**	0.2	1.2
Butane wholesale purchase and sale contracts – Energy Services	**0.2**	**–**	–	0.2
Diesel wholesale purchase and sale contracts – Energy Services	**–**	**(0.7)**	–	–
Heating oil purchase and sale contracts – Energy Services	**3.6**	**(6.6)**	–	0.4
WTI wholesale purchase and sale contracts – Energy Services	**–**	**(0.1)**	–	–
Fixed-price electricity purchase agreements – Specialty Chemicals	**0.6**	**(5.3)**	0.2	0.3
Fixed-price natural gas purchase agreements – Specialty Chemicals	**–**	**(0.1)**	–	–
Total gains (losses) on financial and non-financial derivatives	**2.5**	**(61.8)**	(24.1)	(4.6)
Foreign currency translation of senior secured notes	**(1.5)**	**(2.9)**	(0.8)	(4.1)
Unrealized change in fair value of debenture-embedded derivative	**–**	**12.7**	–	3.6
Total gains (losses)	**1.0**	**(52.0)**	(24.9)	(5.1)

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

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported on the consolidated balance sheets when Superior currently has a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. In the normal course of business, Superior enters into various master netting agreements or other similar arrangements that do not meet the criteria for offsetting, but that do, however, still allow for the related amount to be set-off in certain circumstances, such as bankruptcy or the termination of contracts.

Derivative Assets		Amounts Offset		Amounts not offset		
December 31, 2014	Gross Assets	Gross Liabilities Offset	Net Amounts Presented	Financial Instruments	Cash Collateral Pledged	Net
Natural gas financial swaps – AECO [1]	**0.2**	–	**0.2**	–	–	**0.2**
Electricity swaps – Energy Services [1]	**0.2**	**(0.1)**	**0.1**	–	–	**0.1**
Propane purchase and sale contracts – Energy Services [2][3]	**0.1**	–	**0.1**	–	–	**0.1**
Total	**0.5**	**(0.1)**	**0.4**	–	–	**0.4**

(1) Subject to an enforceable master netting agreement in the form of an International Swaps and Derivatives Association (ISDA) agreement.

(2) Regularly settled net in the normal course of business and considered standardized brokerage accounts. As at December 31, 2014.

(3) Regularly settled gross in the normal course of business.

Derivative Liabilities		Amounts Offset		Amounts not offset		
December 31, 2014	Gross Liabilities	Gross Assets Offset	Net Amounts Presented	Financial Instruments	Cash Collateral Pledged	Net
Natural gas financial swaps – AECO [1]	**22.9**	**(0.3)**	**22.6**	–	–	**22.6**
Electricity swaps – Energy Services [1]	**4.8**	**(0.8)**	**4.0**	–	–	**4.0**
Propane wholesale purchase and sale contracts – Energy Services [3]	**24.4**	**(10.3)**	**14.1**	–	–	**14.1**
Heating oil purchase and sale contracts – Energy Services [2]	**7.5**	**(7.5)**	–	–	–	–
Fixed-price electricity purchase agreements – Specialty Chemicals [4]	**41.8**	**(38.4)**	**3.4**	–	–	**3.4**
Fixed-price natural gas agreements – Specialty Chemicals [4]	**0.1**	–	**0.1**	–	–	**0.1**
Total	**101.5**	**(57.3)**	**44.2**	–	–	**44.2**

(1) Subject to an enforceable master netting agreement in the form of an ISDA agreement.

(2) Regularly settled net in the normal course of business and considered standardized brokerage accounts. As at December 31, 2014.

(3) Regularly settled gross in the normal course of business.

(4) Standard terms of the PPA allowing net settlement of payments in the normal course of business.

Derivative Assets		Amounts Offset		Amounts not offset		
December 31, 2013	Gross Assets	Gross Liabilities Offset	Net Amounts Presented	Financial Instruments	Cash Collateral Pledged	Net
Natural gas financial swaps – AECO [1]	1.2	(0.1)	1.1	–	–	1.1
Electricity swaps – Energy Services [1]	0.7	(0.3)	0.4	–	–	0.4
Propane wholesale purchase and sale contracts – Energy Services [2][4]	1.1	(0.2)	0.9	3.9	–	4.8
Heating oil purchase and sale contracts – Energy Services [2]	0.3	–	0.3	–	0.4	0.7
Fixed-price electricity purchase agreements – Specialty Chemicals [3]	56.1	(54.2)	1.9	–	–	1.9
Total	59.4	(54.8)	4.6	3.9	0.4	8.9

(1) Subject to an enforceable master netting agreement in the form of an ISDA agreement.

(2) Regularly settled net in the normal course of business and considered standardized brokerage accounts. As at December 31, 2013, Energy Services had pledged cash of $0.4 million under a standardized agreement with respect to open derivative contracts.

(3) Standard terms of the PPA allowing net settlement of payments in the normal course of business.

(4) Regularly settled gross in the normal course of business.

Derivative Liabilities		Amounts Offset		Amounts not offset		
December 31, 2013	Gross Liabilities	Gross Assets Offset	Net Amounts Presented	Financial Instruments	Cash Collateral Pledged	Net
Natural gas financial swaps – AECO [1]	14.9	(1.1)	13.8	–	–	13.8
Electricity swaps – Energy Services [1]	6.9	(0.4)	6.5	–	–	6.5
Propane wholesale purchase and sale contracts – Energy Services [3]	–	–	–	2.9	–	2.9
Heating oil purchase and sale contracts – Energy Services [2]	0.2	(0.1)	0.1	–	–	0.1
Total	22.0	(1.6)	20.4	2.9	–	23.3

(1) Subject to an enforceable master netting agreement in the form of an ISDA agreement.

(2) Regularly settled net in the normal course of business and considered standardized brokerage accounts.

(3) Regularly settled gross in the normal course of business.

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	FVTNE	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
Borrowing	Other liabilities	Amortized cost
Convertible unsecured subordinated debentures [1]	Other liabilities	Amortized cost
Derivative liabilities	FVTNE	Fair Value

(1) Except for derivatives embedded in the related financial instruments that are classified as FVTNE 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 borrowing and debentures is provided in Notes 17 and 19.

Financial Instruments – Risk Management

Market Risk

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.

Energy Services enters into natural gas financial swaps to manage its economic exposure of providing fixed-price natural gas to its customers and maintains its historical natural gas swap positions with six counterparties. Energy Services monitors its fixed-price natural gas positions on a daily basis to monitor compliance with established risk management policies. Energy Services maintains a substantially balanced fixed-price natural gas position in relation to its customer supply commitments.

Energy Services enters into electricity financial swaps with four counterparties to manage the economic exposure of providing fixed-price electricity to its customers. Energy Services monitors its fixed-price electricity positions on a daily basis to monitor compliance with established risk management policies. Energy Services maintains a substantially balanced fixed-price electricity position in relation to its customer supply commitments.

Specialty Chemicals has entered into a fixed-price electricity purchase agreement to manage the economic exposure of certain chemical facilities to changes in the market price of electricity, in a market where the price of electricity is not fixed. The fair value with respect to this agreement is with a single counterparty.

Energy Services enters into various propane forward purchase and sale agreements with more than 20 counterparties to manage the economic exposure of its wholesale customer supply contracts. Energy Services monitors its fixed-price propane positions on a daily basis to monitor compliance with established risk management policies. Energy Services maintains a substantially balanced fixed-price propane gas position in relation to its wholesale customer supply commitments.

Superior, on behalf of its operating divisions, enters into foreign currency forward contracts with 12 counterparties to manage the economic exposure of its operations to movements in foreign currency exchange rates. Energy Services contracts a portion of its fixed-price natural gas, and propane purchases and sales in U.S. dollars and enters into forward U.S. dollar purchase contracts to create an effective Canadian dollar fixed-price purchase cost. Specialty Chemicals enters into U.S. dollar forward sales contracts on an ongoing basis to mitigate the impact of foreign exchange fluctuations on sales margins on production from its Canadian plants that is sold in U.S. dollars. Interest expense on Superior's U.S. dollar debt is also used to mitigate the impact of foreign exchange fluctuations.

Superior has interest rate swaps with four counterparties to manage the interest rate mix of its debt portfolio and related overall cost of borrowing. Superior manages its overall liquidity risk in relation to its general funding requirements by utilizing a mix of short-term and longer-term debt instruments. Superior reviews its mix of short-term and longer-term debt instruments on an ongoing basis to ensure it is able to meet its liquidity requirements.

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 debt 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 geographical (primarily Canada and the United States) and end-use (primarily commercial, residential and industrial) markets.

Allowances for doubtful accounts and past due receivables are reviewed by Superior at each balance sheet date. Superior updates its estimate of the allowance for doubtful accounts based on the evaluation of the recoverability of trade receivables with each customer, taking into account historical collection trends of past due accounts and current economic conditions. Trade receivables are written-off once it is determined they are uncollectible.

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

	2014	2013
Current	**282.4**	317.8
Past due less than 90 days	**101.4**	118.0
Past due over 90 days	**17.2**	14.7
Trade receivables	**401.0**	450.5

The current portion of Superior's trade receivables is neither impaired nor past due and there are no indications as of the reporting date that the debtors will not make payment.

Superior's trade receivables are stated after deducting a provision of $8.5 million as at December 31, 2014 (December 31, 2013 – $7.3 million). The movement in the provision for doubtful accounts was as follows:

	2014	2013
Allowance for doubtful accounts, beginning of the year	**(7.3)**	(7.2)
Additions	**(10.7)**	(3.6)
Amounts written off during the year as uncollectible	**8.2**	3.0
Amounts recovered	**1.3**	0.5
Allowance for doubtful accounts, end of the year	**(8.5)**	(7.3)

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 it is able to react to contingencies and investment opportunities quickly, Superior maintains sources of liquidity at the corporate and subsidiary levels. The main sources of liquidity are cash and other financial assets, the 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. Superior also seeks to include in its agreements terms that protect it from liquidity issues of counterparties that might otherwise affect liquidity.

Equity Price Risk

Equity price risk is the risk of volatility in earnings as a result of volatility in Superior's share price. Superior has equity price risk exposure to shares that it issues under various forms of share-based compensation programs which affect earnings when outstanding units are revalued at each reporting period. Superior uses equity derivatives to manage volatility derived from its share-based compensation program.

As at December 31, 2014, Superior estimates that a 10% increase in its share price would have resulted in a $1.9 million increase in earnings due to the revaluation of equity derivative contracts.

Superior's contractual obligations associated with its financial liabilities are as follows:

	2015	2016	2017	2018	2019	2020 and thereafter	Total
Borrowing	66.7	22.3	9.9	224.6	4.9	204.8	533.2
Convertible unsecured subordinated debentures	–	73.1	169.6	145.9	85.2	–	473.8
US$ foreign currency forward sales contracts	186.0	113.4	51.0	–	–	–	350.4
CDN$ natural gas purchases	15.9	0.4	0.2	–	–	–	16.5
US$ natural gas purchases	1.2	–	–	–	–	–	1.2
CDN$ diesel purchases	0.6	–	–	–	–	–	0.6
US$ propane purchases	55.3	–	–	–	–	–	55.3
US$ WTI purchases	0.1	–	–	–	–	–	0.1
US$ heating oil purchases	42.8	3.1	–	–	–	–	45.9
US$ fixed-price natural gas commitments	0.4	–	–	–	–	–	0.4
Fixed-price electricity purchase commitments	17.7	17.7	17.7	–	–	–	53.1

Superior's contractual obligations are considered 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 its revolving term bank credit facilities and proceeds on the issuance of share capital.

Superior's financial instruments' sensitivities to changes in foreign currency exchange rates, interest rates and various commodity prices and the resulting impact to net earnings are detailed below:

	2014
Increase (decrease) to net earnings of a $0.01 increase in the CDN$ to the US$	**(7.1)**
Increase (decrease) to net earnings of a 0.5% increase in interest rates	**(2.0)**
Increase (decrease) to net earnings of a $0.40/GJ increase in the price of natural gas	**9.7**
Increase (decrease) to net earnings of a $0.04/litre increase in the price of propane	**4.0**
Increase (decrease) to net earnings of a $0.04/litre increase in the price of diesel	**0.3**
Increase (decrease) to net earnings of a $1.00/KWh increase in the price of electricity	**0.7**

The calculation of Superior's sensitivity to changes in foreign currency exchange rates, interest rates and various commodity prices represent the change in fair value of the financial instrument without consideration of the value of the underlying variable, for example, the underlying customer contracts. The recognition of the sensitivities identified above would have affected Superior's unrealized gain or loss on financial instruments and would not have had a material impact on Superior's cash flow from operations.

22. 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, United States non-resident withholding tax and Chilean income tax.

Total income taxes are different from the amount computed by applying the corporate Canadian enacted statutory rate for 2014 of 26.3% (2013 – 26.2%). The reduction in statutory rates reflects previously enacted federal tax rate reductions. The reasons for these differences are as follows:

	2014	2013
Net earnings	**56.9**	52.7
Income tax expense	**15.8**	5.7
Net earnings of Superior before taxes	**72.7**	58.4
Computed income tax expense	**19.1**	15.3
Changes in effective foreign tax rates	**0.6**	(1.1)
Changes in future income tax rates	**2.7**	–
Non-deductible costs and other	**(5.9)**	(5.5)
Prior-period adjustment	**(2.0)**	(3.4)
Recognition of previously unrecognized asset	**–**	(0.9)
Other	**1.3**	1.3
	15.8	5.7

Income tax expense for the years ended December 31, 2014 and 2013 is comprised of the following:

	2014	2013
Current income tax expense		
Current income tax charge	**1.7**	1.0
Adjustments in respect of previous year	**–**	(0.7)
Total current income tax expense	**1.7**	0.3
Deferred income tax expense		
Relating to origination and reversal of temporary difference	**14.1**	8.6
Relating to changes in tax rates or the imposition of new taxes	**2.7**	–
Adjustments in respect of previous year	**(2.0)**	(2.7)
Other	**(0.7)**	(0.5)
Total deferred income tax expense	**14.1**	5.4
Total income tax expense	**15.8**	5.7

Income tax recognized in other comprehensive income	**2014**	2013
Deferred tax		
Amortization of actuarial losses	**1.3**	(6.6)
Total income tax expense recognized in other comprehensive income	**1.3**	(6.6)

Deferred tax for the years ended December 31, 2014 and 2013 is comprised of the following:

2014	Opening Balance	(Credited) Charged to Net Earnings	(Credited) Charged to Other Comprehensive Loss	Exchange Differences	Other	Closing Balance
Provisions	**5.3**	**1.2**	**–**	**0.4**	**–**	**6.9**
Finance leases	**25.0**	**(1.1)**	**–**	**1.5**	**–**	**25.4**
Borrowing	**(2.0)**	**(9.1)**	**–**	**–**	**–**	**(11.1)**
Financing fees	**2.6**	**(0.3)**	**–**	**–**	**–**	**2.3**
Investment tax credits	**111.9**	**(3.0)**	**–**	**–**	**–**	**108.9**
Non-capital losses	**74.1**	**(16.9)**	**–**	**4.5**	**–**	**61.7**
Property, plant and equipment	**(114.9)**	**(11.6)**	**–**	**(7.2)**	**–**	**(133.7)**
Reserves and employee benefits	**21.1**	**0.9**	**1.3**	**0.9**	**–**	**24.2**
Scientific research and development	**158.1**	**3.6**	**–**	**–**	**–**	**161.7**
Unrealized foreign exchange gains	**8.8**	**22.0**	**–**	**0.3**	**–**	**31.1**
Other	**(1.7)**	**0.3**		**0.1**		**(1.3)**
Total	**288.3**	**(14.0)**	**1.3**	**0.5**	**–**	**276.1**

2013	Opening Balance	(Credited) Charged to Net Earnings	(Credited) Charged to Other Comprehensive Loss	Exchange Differences	Other	Closing Balance
Provisions	5.9	(0.9)	–	0.3	–	5.3
Finance leases	17.0	7.3	–	0.7	–	25.0
Borrowing	(0.7)	(1.3)	–	–	–	(2.0)
Financing fees	3.7	(1.1)	–	–	–	2.6
Investment tax credits	111.0	0.9	–	–	–	111.9
Non-capital losses	65.9	5.4	–	2.8	–	74.1
Other	(2.2)	0.5	–	–	–	(1.7)
Property, plant and equipment	(98.5)	(11.5)	–	(4.9)	–	(114.9)
Reserves and employee benefits	31.6	(4.1)	(6.7)	0.3	–	21.1
Scientific research and development	159.1	(1.0)	–	–	–	158.1
Unrealized foreign exchange gains	7.8	0.9	0.1	–	–	8.8
Total	300.6	(4.9)	(6.6)	(0.8)	–	288.3

Deferred taxes reported in the two preceding tables are presented on a functional basis while deferred taxes reported on the balance sheet are on a legal-entity basis.

The net deferred income tax asset relates to the following tax jurisdictions as at December 31, 2014 and 2013:

	2014	2013
Canada	**276.5**	284.2
United States	**7.8**	7.8
Chile	**(8.2)**	(3.7)
Total net deferred income tax asset	**276.1**	288.3

Superior has available to carry forward the following as at December 31, 2014 and 2013:

	2014	2013
Canadian non-capital losses	**60.5**	115.4
Canadian scientific research expenditures	**615.5**	604.6
Canadian capital losses	**582.5**	582.5
United States non-capital losses – federal	**126.7**	119.1
United States non-capital losses – state	**150.1**	140.5
Chilean non-capital losses	**5.0**	14.6
Canadian federal and provincial investment tax credits	**154.4**	163.1

As at December 31, 2014, Superior had non-capital loss carry-forwards available to reduce future years' taxable income, which expire as follows:

	United States	Canada
2015	–	–
2016	–	–
2017	–	–
2018	–	–
2019	–	–
Thereafter	126.7	60.5
Total	**126.7**	**60.5**

The Canadian scientific research expenditures, Canadian capital losses and the Chilean non-capital losses may be carried forward indefinitely. Management believes there will be sufficient taxable profits in the future to offset these losses.

In Chile, the local tax laws provide that any profits distributed outside of Chile be subject to a 35% tax. Superior controls whether the profits will be distributed and is satisfied that there will be no liability in the foreseeable future as there is no plan to repatriate funds from Chile.

As at December 31, 2014, Superior had Canadian federal and provincial investment tax credits available to reduce future years' taxable income, which expire as follows:

2015	5.9
2016	4.5
2017	4.6
2018	–
2019	–
Thereafter	139.4
Total	**154.4**

As at December 31 Superior has the following balances in respect of which no deferred tax asset was recognized:

	2014	2013
Canadian non-capital losses	**24.6**	24.6
United States non-capital losses - state	**23.4**	21.4
Canadian capital losses	**582.5**	582.6
Total unrecognized deferred income tax assets	**630.5**	628.6

Deferred tax assets have not been recognized for the above temporary differences as it is not probable that the respective entities to which they relate will generate sufficient future taxable income against which to utilize the temporary differences.

As previously disclosed, on April 2, 2013 Superior received, from the CRA, Notices of Reassessment for Superior's 2009 and 2010 taxation years reflecting the CRA's intention to challenge the tax consequences of Superior's corporate conversion transaction (Conversion) which occurred on December 31, 2008. Subsequently on November 7, 2014, Superior received the Notices of Reassessment for the 2011 to 2013 taxation years. The CRA's position is based on the acquisition of control rules and the general anti-avoidance rules in the Income Tax Act (Canada).

The table below summarizes Superior's estimated tax liabilities and payment requirements associated with the received and anticipated Notices of Reassessment. Upon receipt of the Notices of Reassessment, 50% of the taxes payable pursuant to such Notices of Reassessment must be remitted to the CRA.

Taxation Year	Taxes Payable [1][2]	50% of the Taxes Payable [1][2]	Month/year payable
2009/2010	$ 13.0	$ 6.5	Paid in April 2013
2011	$ 10.0 [3]	$ 5.0	February 2015
2012	$ 10.0 [3]	$ 5.0	February 2015
2013	$ 10.0 [3]	$ 5.0	February 2015
2014	$ 20.0 [3]	$ 10.0	2015
2015	$ 20.0 [3]	$ 10.0	2016
Total	**$ 83.0**	**$ 41.5**	

(1) In millions of dollars.

(2) Includes estimated interest and penalties.

(3) Estimated based on Superior's previously filed tax returns, 2014 financial results and the midpoint of Superior's 2015 outlook.

On May 8, 2013 and August 7, 2013, respectively, Superior filed a Notice of Objection and a Notice of Appeal with respect to the Notice of Reassessment received on April 2, 2013. On February 4, 2015 Superior filed a Notice of Objection with respect to the Notice of Reassessment received on November 7, 2014. Superior anticipates that if the case proceeds in the Tax Court of Canada, the case could be heard within two years, with a decision rendered six to 12 months after completion of the court hearings. If a decision of the Tax Court of Canada were to be appealed, the appeal process could reasonably be expected to take an additional two years. If Superior receives a positive decision then any taxes, interest and penalties paid to the CRA will be refunded plus interest and if Superior is unsuccessful then any remaining taxes payable plus interest and penalties will have to be remitted.

Superior remains confident in the appropriateness of its tax filing position and the expected tax consequences of the Conversion and intends to vigorously defend such position and intends to file its future tax returns on a basis consistent with its view of the outcome of the Conversion.

23. 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 shareholders' meetings; 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 is 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 over 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 has no preferred shares outstanding.

	Issued Number of Common Shares (Millions)	Total Equity
Total equity, December 31, 2012	112.8	374.4
Net earnings	–	52.7
Other comprehensive loss	–	46.0
Option value associated with the redemption of the convertible debentures	–	(1.1)
Shares issued under Dividend Reinvestment Plan	0.4	4.9
Issuance of common shares	13.0	137.6
Dividends declared to shareholders	–	(74.3)
Total equity, December 31, 2013	126.2	540.2
Net earnings	**–**	**56.9**
Other comprehensive income	**–**	**31.2**
Conversion of 7.50% convertible unsecured debentures	**–**	**0.3**
Dividends declared to shareholders [1]	**–**	**(78.2)**
Total equity, December 31, 2014	**126.2**	**550.4**

(1) Dividends to shareholders are declared at the discretion of Superior's Board of Directors. During the year ended December 31, 2014, Superior paid dividends of $77.0 million or $0.62 per share (year ended December 31, 2013 – $73.7 million or $0.60 per share).

Accumulated other comprehensive loss as at December 31, 2014 and 2013 consisted of the following components:

	2014	2013
Accumulated other comprehensive loss before reclassification		
Currency translation adjustment		
Balance at the beginning of the year	**4.0**	(22.6)
Unrealized foreign currency gains on translation of foreign operations	**36.0**	26.6
Balance at the end of the year	**40.0**	4.0
Actuarial defined benefits		
Balance at the beginning of the year	**(5.5)**	(25.3)
Actuarial defined benefit (losses) gains	**(5.6)**	26.4
Income tax expense on other comprehensive gain (loss)	**1.3**	(6.6)
Balance at the end of the year	**(9.8)**	(5.5)
Total accumulated other comprehensive gain (loss) before reclassification	**30.2**	(1.5)
Amounts reclassified from accumulated other comprehensive loss		
Accumulated derivative losses		
Balance at the beginning of the year	**(6.4)**	(6.0)
Reclassification of derivative losses previously deferred [(1)]	**(0.5)**	(0.4)
Balance at the end of the year	**(6.9)**	(6.4)
Total amounts reclassified from accumulated other comprehensive loss	**(6.9)**	(6.4)
Accumulated other comprehensive loss at the end of the year	**23.3**	(7.9)

(1) The reclassification of derivative losses previously deferred is included in unrealized lossed on derivative financial instruments on the statement of net earnings.

Other Capital Disclosure

Additional Capital Disclosure

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 its assets while 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) income), current and long-term borrowing, convertible unsecured subordinated debentures and cash and cash equivalents. Superior manages its capital structure and makes adjustments in light of changes in economic conditions and the 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, conduct additional borrowing or issue convertible unsecured subordinated debentures, or conduct new borrowing or issue convertible unsecured subordinated debentures with different characteristics.

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 its other public reports.

Superior is subject to various financial covenants in its credit facility agreements, including senior debt, total debt to EBITDA ratio and restricted payments tests, which are measured on a quarterly basis. As at December 31, 2014 and December 31, 2013 Superior was in compliance with all of its financial covenants.

Superior's financial objectives and strategy related to managing its capital as described above remained unchanged from the prior 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.

Non-IFRS 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 December 31	**2014**	2013
Total shareholders' equity	**550.4**	540.2
Exclude accumulated other comprehensive (gain) loss	**(23.3)**	7.9
Shareholders' equity excluding accumulated other comprehensive loss	**527.1**	548.1
Current borrowing [(1)]	**66.7**	67.0
Borrowing [(1)]	**466.5**	511.7
Less: Senior unsecured debt	**(200.0)**	–
Consolidated secured debt	**333.2**	578.7
Add: Senior unsecured debt	**200.0**	–
Consolidated debt	**533.2**	578.7
Convertible unsecured subordinated debentures [(1)]	**494.2**	494.5
Total debt	**1,027.4**	1,073.2
Total capital	**1,554.5**	1,621.3

(1) Borrowing and convertible unsecured subordinated debentures are before deferred issuance costs and option value.

	2014	2013
Net earnings	**56.9**	52.7
Adjusted for:		
Finance expense	**52.7**	71.8
Realized gains on derivative financial instruments included in finance expense	**5.6**	3.9
Depreciation included in selling, distribution and administrative costs	**47.2**	42.2
Depreciation included in cost of sales	**50.0**	41.3
Losses (gains) on disposal of assets	**1.0**	(2.9)
Gain on sale of customer list	**(3.7)**	–
Amortization of intangible assets	**4.9**	19.4
Impairment of property, plant and equipment, intangible assets, and goodwill	**–**	15.5
Income tax expense	**15.8**	5.7
Unrealized losses on derivative financial instruments	**52.0**	5.1
Pro-forma impact of acquisitions	**–**	8.5
Compliance EBITDA [(1)]	**282.4**	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.

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

	2014	2013
Consolidated secured debt to compliance EBITDA	**1.2:1**	2.2:1
Consolidated debt to compliance EBITDA	**1.9:1**	2.2:1
Total debt to compliance EBITDA	**3.6:1**	4.1:1

24. Deficit and Dividends

	2014	2013
Balance at the beginning of the year	**(1,239.8)**	(1,218.2)
Net earnings	**56.9**	52.7
Dividends declared	**(78.2)**	(74.3)
Balance at the end of the year	**(1,261.1)**	(1,239.8)

On December 31, 2014, Superior declared dividends of $7.6 million or $0.06 per share payable on January 15, 2015 to shareholders of record on December 31, 2014. On January 8, 2015, Superior declared dividends of $7.6 million or $0.06 per share payable on February 13, 2015. On February 5, 2015, Superior declared dividends of $7.6 million or $0.06 per share payable on March 13, 2015. This dividend is an eligible dividend for Canadian income tax purposes.

25. Supplemental Disclosure of Consolidated Statement of Total Comprehensive Income

Revenue is recognized at the fair value of consideration received or receivable when the significant risks and rewards of ownership have been transferred.

	2014	2013
Revenues		
Revenue from products	**3,889.2**	3,659.8
Revenue from the rendering of services	**62.8**	63.8
Rental revenue	**26.7**	27.3
Construction contract revenue	**2.3**	(0.4)
Realized (losses) gains on derivative financial instruments	**(5.1)**	2.3
	3,975.9	3,752.8
Cost of sales (includes products and services)		
Cost of products and services	**(3,005.6)**	(2,810.8)
Depreciation included in cost of sales	**(50.0)**	(41.3)
Realized gains (losses) on derivative financial instruments	**1.8**	(31.9)
	(3,053.8)	(2,884.0)
Selling, distribution and administrative costs		
Other selling, distribution and administrative costs	**(289.2)**	(281.6)
Restructuring costs	**(11.3)**	(9.5)
Employee future benefit expense	**(4.2)**	(6.2)
Employee costs	**(395.4)**	(364.9)
Depreciation included in selling, distribution and administrative costs	**(47.2)**	(42.2)
Amortization of intangible assets	**(4.9)**	(19.4)
Gains on disposal of assets	**2.7**	2.9
Realized gains on the translation of U.S.-denominated net working capital	**4.8**	2.9
	(744.7)	(718.0)
Finance expense		
Interest on borrowing	**(17.2)**	(27.0)
Interest on convertible unsecured subordinated debentures	**(30.3)**	(31.1)
Interest on obligations under finance leases	**(4.5)**	(3.3)
Loss on debenture redemptions	**–**	(5.5)
Unwinding of discount on debentures, borrowing and decommissioning liabilities	**(6.3)**	(8.8)
Realized gains on derivative financial instruments	**5.6**	3.9
	(52.7)	(71.8)

26. Net Earnings per Share

	2014	2013
Net earnings per share computation, basic		
Net earnings for the period	**56.9**	52.7
Weighted average shares outstanding (millions)	**126.2**	123.1
Net earnings per share, basic	**$0.45**	$0.43

	2014	2013
Net earnings per share computation, diluted		
Net earnings for the period	**54.2**	52.1
Weighted average shares outstanding (millions)	**132.8**	128.9
Net earnings per share, diluted	**$0.41**	$0.40

The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purposes of diluted earnings per share in each period.

(millions)	Maturity	Note	2014	2013
Convertible Debentures				
5.75%	June 2017	19	**9.1**	9.1
6.00%	June 2018	19	**9.9**	9.9
7.50%	October 2016	19	**–**	6.6
6.00%	June 2019	19	**5.8**	–
Total anti-dilutive instruments			**24.8**	25.6

27. Share-Based Compensation

Restricted and Performance Shares

Under Superior's long-term incentive program, restricted shares (RSs), performance shares (PSs) and/or director shares (DSs) can be granted to directors, senior officers and employees of Superior. All three types of shares entitle the holder to receive cash compensation in relation to the value of a specified number of underlying notional shares. RSs vest evenly over three years from the grant date, except for RSs issued to directors which vest three years from the grant date. Payments are made on the anniversaries of the RS to the holders entitled to receive them on the basis of a cash payment equal to the value of the underlying notional shares. PSs vest three years from the grant date and their notional value depends on Superior's performance as compared to established benchmarks. DSs vest immediately on the grant date and payments are made to directors once they resign or retire based on the number of notional shares outstanding and the value of the shares on that date. Employee compensation expense for these plans is charged against net earnings or loss over the vesting period of the RSs, PSs, and DSs. The amount payable by Superior in respect of RSs, PSs and DSs changes as a result of dividends and share price movements. The fair value of all the RSs, PSs and DSs is equal to Superior's common share market price and the divisional notional share price if related to a divisional plan. In the event of an employee termination, any unvested shares are forfeited on that date.

For the year ended December 31, 2014 total compensation expense related to RSs, PSs and DSs was $11.1 million (year ended December 31, 2013 – $14.8 million). Exercises during the year ended December 31, 2014 under the long-term incentive plan were completed at a weighted average price of $12.86 per share (2013 – $10.75 per share) for RSs, $14.70 per share (2013 – $11.28 per share) for PSs and $14.23 per share (2013 – $11.12 per share) for DSs. For the year ended December 31, 2014 the total carrying amount of the liability related to RSs, PSs and DSs was $12.0 million (2013 – $18.9 million).

The movement in the number of shares under the long-term incentive program was as follows:

	2014				2013			
	RSs	**PSs**	**DSs**	**Total**	RSs	PSs	DSs	Total
Opening number of shares	**451,994**	**956,885**	**334,738**	**1,743,617**	880,506	1,260,077	281,828	2,422,411
Granted	**331,628**	**331,628**	**62,467**	**725,723**	2,339	–	64,178	66,517
Performance factor adjustment	**–**	**421,292**	**–**	**421,292**	–	20,982	–	20,982
Dividends reinvested	**34,340**	**48,673**	**16,963**	**99,976**	36,096	53,879	15,594	105,569
Forfeited	**(65,374)**	**(214,234)**	**(259)**	**(279,867)**	(26,425)	(234,741)	–	(261,166)
Exercised	**(330,881)**	**(824,066)**	**(26,647)**	**(1,181,594)**	(440,522)	(143,312)	(26,862)	(610,696)
Ending number of shares	**421,707**	**720,178**	**387,262**	**1,529,147**	451,994	956,885	334,738	1,743,617

Superior entered into equity derivative contracts in order to manage the volatility and costs associated with its share-based compensation plans. As at December 31, 2014, Superior had outstanding notional values of $19.2 million of equity derivative contracts at an average share price of $12.02. See Note 21 for further details.

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

	2014	2013
Changes in non-cash working capital		
Trade receivables and other	**45.1**	(105.7)
Inventories	**21.8**	7.4
Trade and other payables	**(31.0)**	86.4
Purchased working capital	**–**	(2.0)
Other	**(19.3)**	14.2
	16.6	0.3

29. Commitments

Purchase commitments under long-term natural gas and propane contracts for the next five years and thereafter are as follows:

	CDN$[1] Natural Gas	US$[1] Natural Gas	CDN$ Propane	US$ Propane	US$ Heating oil
2015	15.9	1.6	–	55.3	42.8
2016	0.4	–	–	–	3.1
2017	0.2	–	–	–	–
2018	–	–	–	–	–
2019	–	–	–	–	–
2020 and thereafter	–	–	–	–	–

(1) Does not include the impact of financial derivatives (See Note 21).

Superior is similarly committed to long-term natural gas and propane sales contracts to supply customers.

30. Related-Party Transactions and Agreements

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

For the year ended December 31, 2014, Superior incurred $0.9 million (2013 – $1.0 million) in legal fees respectively, with Norton Rose Canada LLP, a related party with Superior because a member of Superior's Board of Directors is a partner at the law firm.

Remuneration of directors and other key management personnel

The key management personnel of Superior are comprised of executives of Superior and presidents of Superior's business segments.

The remuneration of directors and other members of key management personnel over the past two years is as follows:

Year ended December 31	**2014**	2013
Short-term employee benefits [(1)]	**6.2**	5.7
Other long-term employee benefits	**0.1**	0.1
Share-based payments	**11.3**	3.8
	17.6	9.6

(1) Short-term employee benefits paid to directors and other members of key management personnel include salaries and bonuses.

31. Group Entities

Significant Subsidiaries	Country of Organization	Ownership Interest (Direct and Indirect)
Superior Plus LP	Canada	100%
Superior Gas Liquids Partnership	Canada	100%
619220 Saskatchewan Ltd.	Canada	100%
Superior International Inc.	Canada	100%
Superior General Partner Inc.	Canada	100%
Superior Plus Canada Financing Inc.	Canada	100%
Superior Energy Management Operations Inc.	Canada	100%
Superior Energy Management Holdings LP	Canada	100%
Superior Energy Management Electricity Inc.	Canada	100%
Superior Energy Management Electricity LP	Canada	100%
Superior Energy Management Gas Holdings LP	Canada	100%
6751261 Canada Inc.	Canada	100%
Superior Energy Management Gas Inc.	Canada	100%
Superior Energy Management Gas LP	Canada	100%
Superior Plus US Holdings Inc.	United States	100%
Superior Plus US Financing Inc.	United States	100%
ERCO Worldwide Inc.	United States	100%
ERCO Worldwide (USA) Inc.	United States	100%
Superior Plus Construction Products Corp.	United States	100%
The Winroc Corporation (Midwest)	United States	100%
Superior Plus US Energy Services Inc.	United States	100%
Superior Plus US Capital Corp.	United States	100%
Burnwell Gas of Canada	Canada	100%
Commercial E Industrial ERCO (Chile) Limitada	Chile	100%

32. 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.

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 under the following: Canadian propane division and U.S. refined fuels division. Energy Services also provides fixed-price natural gas and electricity supply services under Superior Energy Management. Specialty Chemicals is a leading supplier of sodium chlorate and technology to the pulp and paper industries and a regional supplier of potassium and chloralkali products in the U.S. Midwest. Construction Products Distribution 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.

Superior's corporate office arranges intersegment foreign exchange contracts from time to time. Realized gains and losses pertaining to intersegment foreign exchange gains and losses are eliminated under the corporate cost column. All of Superior's operating segments conduct business with customers of various sizes and do not rely extensively on any single customer for their revenue stream.

2014	Energy Services	Specialty Chemicals	Construction Products Distribution	Corporate	Total Consolidated
Revenue	**2,481.2**	**654.5**	**840.2**	**–**	**3,975.9**
Cost of sales (includes product and services)	**(1,977.0)**	**(444.2)**	**(632.6)**	**–**	**(3,053.8)**
Gross Profit	**504.2**	**210.3**	**207.6**	**–**	**922.1**
Expenses					
Depreciation included in selling, distribution and administrative costs	**(40.7)**	**–**	**(6.5)**	**–**	**(47.2)**
Amortization of intangible assets	**(4.5)**	**–**	**–**	**(0.4)**	**(4.9)**
Selling, distribution and administrative costs	**(346.9)**	**(150.9)**	**(173.2)**	**(21.6)**	**(692.6)**
Finance expense	**(3.3)**	**(1.0)**	**(0.7)**	**(47.7)**	**(52.7)**
Unrealized losses on derivative financial instruments	**(33.6)**	**(5.4)**	**–**	**(13.0)**	**(52.0)**
	(429.0)	**(157.3)**	**(180.4)**	**(82.7)**	**(849.4)**
Net earnings (loss) before income taxes	**75.2**	**53.0**	**27.2**	**(82.7)**	**72.7**
Income tax expense	**–**	**–**	**–**	**(15.8)**	**(15.8)**
Net Earnings (Loss)	**75.2**	**53.0**	**27.2**	**(98.5)**	**56.9**

2013	Energy Services	Specialty Chemicals	Construction Products Distribution	Corporate	Total Consolidated
Revenue	2,372.9	579.7	800.2	–	3,752.8
Cost of sales (includes product and services)	(1,907.7)	(372.1)	(604.2)	–	(2,884.0)
Gross Profit	465.2	207.6	196.0	–	868.8
Expenses					
Depreciation included in selling, distribution and administrative costs	(36.4)	–	(5.8)	–	(42.2)
Amortization of intangible assets	(18.7)	–	(0.2)	(0.5)	(19.4)
Selling, distribution and administrative costs	(332.8)	(135.4)	(169.1)	(19.1)	(656.4)
Finance expense	(2.7)	(0.4)	(0.6)	(68.1)	(71.8)
Impairment of property, plant, and equipment, intangible assets and goodwill	(15.5)	–	–	–	(15.5)
Unrealized gains (losses) on derivative financial instruments	35.4	0.3	–	(40.8)	(5.1)
	(370.7)	(135.5)	(175.7)	(128.5)	(810.4)
Net earnings (loss) before income taxes	94.5	72.1	20.3	(128.5)	58.4
Income tax expense	–	–	–	(5.7)	(5.7)
Net Earnings (Loss)	94.5	72.1	20.3	(134.2)	52.7

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 December 31, 2014					
Net working capital [(1)]	**88.9**	**56.4**	**128.9**	**(9.4)**	**264.8**
Total assets	**685.8**	**637.1**	**246.2**	**545.8**	**2,114.9**
Total liabilities	**298.3**	**162.5**	**104.0**	**999.7**	**1,564.5**
As at December 31, 2013					
Net working capital [(1)]	178.7	28.5	103.1	(17.2)	293.1
Total assets	779.3	651.3	209.6	500.9	2,141.1
Total liabilities	317.9	178.0	96.4	1,008.6	1,600.9
For the year ended December 31, 2014					
Purchase of property, plant and equipment	**39.9**	**55.8**	**4.4**	**–**	**100.1**
For the year ended December 31, 2013					
Acquisitions	7.6	4.3	–	–	11.9
Purchase of property, plant and equipment	35.5	40.3	2.7	–	78.5

(1) Net working capital reflects amounts at year-end and is comprised of trade and other receivables, prepaid expenses and inventories, less trade and other accounts payable, deferred revenue and dividends and interest payable.

33. Geographical Information

	Canada	United States	Other	Total Consolidated
Revenue for the year ended December 31, 2014	**1,528.3**	**2,352.1**	**95.5**	**3,975.9**
Property, plant and equipment as at December 31, 2014	**477.2**	**409.1**	**45.9**	**932.2**
Intangible assets as at December 31, 2014	**15.0**	**3.7**	**–**	**18.7**
Goodwill as at December 31, 2014	**188.2**	**6.0**	**–**	**194.2**
Total assets as at December 31, 2014	**1,382.1**	**676.6**	**56.2**	**2,114.9**
Revenue for the year ended December 31, 2013	1,413.6	2,248.5	90.7	3,752.8
Property, plant and equipment as at December 31, 2013	458.9	374.6	44.4	877.9
Intangible assets as at December 31, 2013	15.2	3.8	–	19.0
Goodwill as at December 31, 2013	188.2	5.5	–	193.7
Total assets as at December 31, 2013	1,388.1	691.4	61.6	2,141.1

Selected Historical Information

Energy Services

(millions of dollars except where noted)	**2014**	Years Ended December 31 2013	2012	2011	2010
Canadian Propane Distribution sales volumes (million of litres sold)	**1,316**	1,331	1,292	1,305	1,235
U.S. Refined Fuels sales volumes (millions of litres sold) (1)	**1,581**	1,633	1,599	1,741	1,702
Fixed-price natural gas volumes (millions of GJs sold)	**18**	19	19	21	27
Total Canadian Propane Distribution sales margin (cents per litre)	**20.1**	18.8	18.2	17.1	17.5
Total U.S. Refined Fuels sales margin (cents per litre) (1)	**10.0**	8.0	7.7	7.9	7.6
Natural gas sales margin (cents per GJ)	**21.3**	59.0	115.0	146.9	91.2
Gross profit	**504.2**	465.2	447.4	455.2	434.9
EBITDA from operations	**163.4**	137.5	136.4	133.6	114.7

Specialty Chemicals

(millions of dollars except where noted)	**2014**	Years Ended December 31 2013	2012	2011	2010
Total chemical sales volume (MT)	**910**	826	771	772	735
Average chemical selling price (dollars per MT)	**724**	705	703	685	655
Gross profit	**265.1**	251.8	258.3	238.7	220.2
EBITDA from operations	**110.2**	113.7	125.7	115.2	101.5

Construction Products Distribution

(millions of dollars except where noted)	**2014**	Years Ended December 31 2013	2012	2011	2010
Gross profit	**207.6**	196.0	183.9	174.7	172.3
EBITDA from operations	**34.8**	33.2	27.3	24.2	26.8

Superior Plus Corp. Consolidated

(millions of dollars except where noted)	**2014**	Years Ended December 31 2013	2012	2011	2010
Revenues	**3,975.9**	3,752.8	3,624.3	3,925.6	3,537.4
Gross profit	**922.1**	868.8	846.3	827.5	780.6
EBITDA from operations	**308.4**	284.4	289.4	273.0	243.0
Adjusted operating cash flow before restructuring	**238.7**	207.6	200.4	180.4	162.9
Adjusted operating cash flow after restructuring	**227.4**	192.3	190.4	180.4	162.9
Adjusted operating cash flow per share before restructuring	**1.89**	$ 1.69	$ 1.79	$ 1.65	$ 1.54
Adjusted operating cash flow per share after restructuring	**1.80**	$ 1.56	$ 1.70	$ 1.65	$ 1.54
Average number of shares outstanding (millions)	**126.2**	123.1	111.9	109.2	105.6
Total assets	**2,114.9**	2,141.1	2,032.1	2,193.4	2,696.9
Senior debt (2)	**333.2**	578.7	489.6	612.1	590.0
Total debt (2)	**1,027.4**	1,073.2	1,181.1	1,353.5	1,381.4

(1) U.S. Refined Fuels assets were purchased during 2009 and 2010.

(2) Senior debt and total debt are stated before deferred issue costs.

Businesses

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U.S. Refined Fuels
Superior Energy Services
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Supply Portfolio Management
Superior Gas Liquids
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Fixed-Price Energy Services
Superior Energy Management
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Corporate Information

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Gladwyne, Pennsylvania

Luc Desjardins
President and Chief Executive Officer
Calgary, Alberta

Robert J. Engbloom, Q.C.
Calgary, Alberta

Randall J. Findlay
Calgary, Alberta

Mary Jordan
Vancouver, British Columbia

James S.A. MacDonald
Toronto, Ontario

Walentin (Val) Mirosh
Calgary, Alberta

David P. Smith
Chairman
Toronto, Ontario

Corporate Officers and Senior Management

Jay Bachman
Vice President, Investor Relations and Treasurer

Ed Bechberger
President, Specialty Chemicals

Wayne M. Bingham
Executive Vice President
and Chief Financial Officer

Luc Desjardins
President and Chief Executive Officer

Rob Dorran
Director, Finance and Planning

Michael Farrell
President, Construction Products Distribution

Darren Hribar
Chief Legal Officer and General Counsel

Greg L. McCamus
President, Energy Services and Superior Propane

Shawn Vammen
Senior Vice President, Superior Gas Liquids

Keith Wrisley
President, U.S. Refined Fuels

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Trustee and Transfer Agent

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or:
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Toronto, Ontario M5J 2Y1
Toll Free: 1-800-564-6253
Website: www.computershare.com/ca

Auditors

Deloitte LLP
Chartered Accountants
Suite 700, 850 – 2nd Street SW
Calgary, Alberta T2P 0R8

Annual Meeting of Shareholders

The Corporation's Annual Meeting of shareholders will be held at the Petroleum Club, 319 5 Avenue SW, Calgary, Alberta, Canada on Friday, May 1, 2015 at 2:00 p.m. (MDT).

Toronto Stock Exchange (TSX) Listings

SPB:	Superior Plus Corp. shares
SPB.db.e:	5.75% Convertible Debentures, convertible at $19.00 per share Maturity date: June 30, 2017
SPB.db.f:	6.00% Convertible Debentures, convertible at $15.10 per share Maturity date: June 30, 2018
SPB.db.g:	7.50% Convertible Debentures, convertible at $11.35 per share Maturity date: October 31, 2016
SPB.db.h:	6.00% Convertible Debentures, convertible at $16.75 per share Maturity date: June 30, 2019

Superior Plus Share Price and Volumes – TSX

Quarterly high, low, close and volumes for 2014 and 2013. The table below sets forth the high and low prices, as well as the volumes, for the shares as traded on the TSX, on a quarterly basis.

	2014			2013		
	High	**Low**	**Volume**	High	Low	Volume
First quarter	**$ 12.81**	**$ 11.71**	**17,188,423**	$ 11.95	$ 10.20	24,636,063
Second quarter	**$ 14.19**	**$ 12.07**	**23,214,517**	$ 13.15	$ 10.82	29,666,539
Third quarter	**$ 15.06**	**$ 13.45**	**18,604,452**	$ 12.98	$ 10.30	18,075,919
Fourth quarter	**$ 14.26**	**$ 11.31**	**22,846,858**	$ 12.42	$ 10.42	18,363,871
Year	**$ 15.06**	**$ 11.31**	**81,854,250**	$ 13.15	$ 10.20	90,742,392

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