TSX: SPB

Superior Plus

**A DIVERSIFIED BUSINESS CORPORATION**
**Focused on dividend stability with value growth**

May 6, 2009

# Superior Plus Announces a 10% Increase in First Quarter Adjusted Operating Cash Flow per Share

## HIGHLIGHTS

- Revenue for the first quarter of 2009 was $603.5 million compared to the prior year quarter of $681.4 million, a decrease of 11% primarily due to the lower selling price of propane and lower sales volumes in all divisions as a result of the impact from the global economic recession.
- Gross profit increased by 11% to $188.3 million in the first quarter of 2009 from $169.9 million in the first quarter of 2008 as increased margins more than offset decreased sales volumes.
- First quarter 2009 EBITDA from operations increased by 13% to $80.0 million from the prior year quarter of $70.7 million reflecting stronger performance at Superior Propane and ERCO, which was partially offset by weaker performance at Winroc and SEM.
- Adjusted operating cash flow per share for the first quarter ending March 31, 2009 was $0.69, an increase of 10% from the prior year quarter.
- The Port Edwards expansion project continues to be on-budget and is expected to be placed into service during the third quarter of 2009.
- Four quarter trailing EBITDA was $251.9 million resulting in Senior Debt to EBITDA ratio of 2.2x and Total Debt to EBITDA ratio of 3.2x as at March 31, 2009.
- As of May 6, 2009, Superior had received $570 million of credit commitments relating to the extension of its $595 million syndicated credit facility from June 28, 2010 to June 28, 2011.

## FINANCIAL SUMMARY

| | **Three months ended March 31** | |
|---|---|---|
| *(millions of dollars except per share amounts)* | **2009** | 2008 |
| Revenue | **603.5** | 681.4 |
| Gross profit | **188.3** | 169.9 |
| EBITDA from operations[1] | **80.0** | 70.7 |
| Interest | **(10.3)** | (9.8) |
| Cash taxes | **(5.0)** | (1.7) |
| Corporate costs | **(3.4)** | (3.5) |
| Adjusted operating cash flow[1] | **61.3** | 55.7 |
| | | |
| Adjusted operating cash flow per share, basic [1][2] and diluted [1][3] | **$0.69** | $0.63 |
| Dividends/Distributions paid per share/unit | **$0.405** | $0.395 |

## SEGMENTED INFORMATION

| | Three months ended March 31 | |
|---|---|---|
| *(millions of dollars)* | **2009**(1) | 2008(1) |
| EBITDA from operations: | | |
| Propane Distribution | **44.9** | 37.9 |
| Specialty Chemicals | **32.1** | 26.0 |
| Construction Products Distribution | **1.5** | 4.8 |
| Fixed-Price Energy Services | **1.5** | 2.0 |
| | **80.0** | 70.7 |

(1) EBITDA from operations and adjusted operating cash flow are key performance measures used by management and investors to evaluate the performance of Superior. These measures are defined under Non-GAAP Financial Measures in Management's Discussion and Analysis of 2009 First Quarter Results.

(2) The weighted average number of shares outstanding for the three months ended March 31, 2009 is 88.4 million (2008 – 88.1 million)

(3) For the three months ended March 31, 2009, there were no dilutive instruments.

## Propane Distribution

- EBITDA from operations was $44.9 million in the first quarter of 2009, an increase of $7.0 million compared to the prior year quarter primarily due to a 10% increase in total gross profit.
- Total gross profit per litre for the first quarter of 2009 was 23.4 cents, an increase of 3.9 cents per litre compared to the prior year quarter.
- Retail propane and delivery gross profit of $79.6 million decreased by $1.1 million in the first quarter of 2009 compared to the prior year quarter as an increase in average retail and delivery margin was more than offset by a reduction in sales volume due to the impact of the economic recession in Canada. Superior refocused its sales and marketing program in late 2008 producing positive initial results in the first quarter with the addition of over 30 million litres of annualized new customer volumes.
- Wholesale and related gross profits were $15.4 million in the first quarter of 2009, an increase of $9.7 million compared to the prior year quarter substantially due to improved wholesale gross profits resulting from the high level of volatility in supply and prices for propane experienced during the winter heating season.
- In response to the severe economic recession and continuing efforts to improve the business, Superior commenced implementation of its new routing and scheduling system which is expected to improve employee productivity. Superior also reduced fleet and employment levels to adjust to reduced volumes created by the economic recession. The 2009 outlook includes $2.4 million to implement these changes and will have a positive impact on reducing cost structure in the future.
- EBITDA from operations is expected to be $95 - $105 million for 2009 consistent with the previous outlook provided in the fourth quarter 2008 Financial Discussion. The benefits of sales marketing initiatives and projected efficiency improvements in cost structure are expected to partially offset the impact of reduced economic activity.

## Specialty Chemicals

- EBITDA from operations was $32.1 million in the first quarter of 2009, a $6.1 million increase over the prior year quarter driven by higher sales prices more than offsetting lower chemical sales volumes.
- Gross profit increased by $9.0 million to $62.7 million from $53.7 million due to strong pricing and the positive impact of foreign exchanges rates on chloralkali/potassium and sodium chlorate products partially offset by lower chemical sales volumes compared to the prior year quarter.
- Chemical sales volumes of 155,000 (MTs) were 36,000 (MTs) lower than the prior year quarter primarily due to reduced demand for specialty chemical products as a result of the impact of the global economic recession. In response to the reduced demand for sodium chlorate, the Valdosta facility has been temporarily idled reducing capacity by 8,000 MT per month while cell line upgrades are completed to improve the efficiency and cost structure. The facility is expected to restart as demand for sodium chlorate improves in the future.
- The Port Edwards Wisconsin chloralkali facility expansion project remains on budget and is expected to be placed into service during the third quarter of 2009. The conversion project will require a temporary closure of the facility for approximately 4-6 weeks resulting in reduced sales and production which has been reflected in the revised financial outlook. When production restarts, it is expected to provide an annual incremental US$20 - $30 million of positive EBITDA contribution at full capacity.
- EBITDA from operations is expected to be $100 - $110 million for 2009, a decrease of $5 million from the previous outlook provided in the fourth quarter 2008 Financial Discussion reflecting the impact of the down time at Port Edwards for the plant expansion and lower chloralkali pricing.

## Construction Products Distribution

- EBITDA from operations was $1.5 million in the first quarter of 2009, a $3.3 million decrease from the prior year quarter.
- Gross profit in the first quarter of 2009 was $24.4 million, a $4.2 million decrease from the prior year quarter primarily due to a 21% decline in drywall sales volumes marginally offset by improved sales volumes relating to the Ontario GSD acquisition completed on May 9, 2008. Sales volumes declined as a result of the residential housing slowdown in Canada and the US and were exacerbated by more severe than normal weather conditions compared to the prior year.
- Sales margins were consistent or modestly higher in most operating areas in the first quarter of 2009 compared to the prior year quarter due to a continued focus on margin management initiatives and the impact of purchasing programs.
- Significant restructuring and cost reduction initiatives have and continue to be made to adjust to the changes in the market. These include closure or consolidation of locations, fleet and personnel reductions. The 2009 outlook includes $0.7 million to implement identified changes and will have a positive impact on reducing cost structure in the future.
- The fragmented nature of the specialty buildings products industry, combined with the market downturn, provide for additional consolidation and product expansion opportunities for Winroc.
- EBITDA from operations is expected to be $20 - $27 million for 2009, a decrease of $8 million from the previous outlook provided in the fourth quarter 2008 Financial Discussion as a result of the severe demand reduction which is not expected to improve until the second half of 2009.

## Fixed-Price Energy Services

- EBITDA from operations was $1.5 million in the first quarter of 2009, a $0.5 million decrease over the prior year quarter.
- Gross profit was $7.0 million in the first quarter of 2009, a $0.2 million increase over the prior year quarter as improvement in natural gas margin and increase electricity volumes more than offset a decrease in natural gas sales volumes.
- SEM continues to focus on developing and implementing alternative sales channel models and products to enhance its competitive position in energy retail markets. In response to the difficult Ontario residential markets, SEM has refocused its sales channels towards acquiring and retaining Ontario commercial natural gas and electricity customers, Quebec commercial natural gas customers and British Columbia natural gas residential and commercial customers.
- Currently, SEM's portfolio of customers is approximately 70% commercial and 30% residential by volume.
- EBITDA from operations is expected to be $9 - $12 million for 2009, consistent with the previous outlook provided in the fourth quarter 2008 Financial Discussion.

## Key Quarterly Corporate Items

- Total interest expense of $10.3 million in the first quarter increased by $0.5 million compared to the prior year quarter primarily due to higher average debt levels and the impact of the appreciation of the US dollar on US denominated interests costs partially offset by lower average interest rates.
- Superior had a $595 million syndicated credit facility with undrawn credit capacity of approximately $339 million (excluding its securitization program) as at March 31, 2009. As of May 6, 2009, Superior had received $570 million of credit commitments relating to the extension of its $595 million syndicated credit facility from June 28, 2010 to June 28, 2011. Closing of the syndicated credit facility is expected to occur in May 2009 and is subject to standard review of the documentation
- As at March 31, 2009, Superior had utilized $125 million of its existing securitization program. Effective April 30, 2009, Superior extended its securitization receivable program to June 29, 2010.

## Capital Expenditures

### Consolidated Capital Expenditure Summary

| | Three months ended March 31 | |
|---|---|---|
| *(millions of dollars)* | **2009** | 2008 |
| Efficiency, process improvement and growth related | **7.8** | 3.8 |
| Other capital | **1.5** | 1.6 |
| Port Edwards expansion project | **26.6** | 5.2 |
| | **35.9** | 10.6 |
| Earn-out payment on prior acquisition | **0.6** | – |
| Proceeds on disposition of capital | **(1.8)** | (0.2) |
| Total net capital expenditures | **34.7** | 10.4 |

In the first quarter of 2009, Superior continued to improve its cost structure by investing $7.8 million of capital in efficiency projects primarily in the propane distribution and specialty chemicals divisions. The Port Edwards conversion project made good progress in the first quarter of 2009 with capital spending of $26.6 million (US$21.2 million). The project is on budget and scheduled for conversion during the third quarter of 2009. Superior has incurred $77.6 million (US$66.0 million) of the estimated US$130 million costs to complete the Port Edwards project.

## Financial Outlook

| *(millions of dollars, except per share amounts)* | 2009[1] Prior | **2009[2] Current** |
|---|---|---|
| **EBITDA from operations** | | |
| Propane Distribution | 95-105 | **95-105** |
| Specialty Chemicals | 105-115 | **100-110** |
| Construction Products Distribution | 28-35 | **20-27** |
| Fixed-Price Energy Services | 9-12 | **9-12** |
| Adjusted operating cash flow per share | \$2.00-\$2.20 | **\$2.00-\$2.15**[4] |
| Dividends paid per share | \$1.62 | **\$1.62** |
| Senior Debt/EBITDA Ratio[3] | 2.0 | **1.9** |
| Total Debt/EBITDA Ratio[3] | 3.0 | **2.9** |

(1) As provided in Superior's fourth quarter 2008 Financial Discussion.

(2) The assumptions, definitions, and risk factors relating to the Financial Outlook are discussed in Management's Discussion and Analysis of the 2009 First Quarter Results.

(3) Superior's debt ratios take into account the impact of the off-balance sheet receivable sales program amounts, the efficiency and growth projects and excludes Port Edwards project debt of \$150 million (US\$130 million) as well as project EBITDA contribution. Including the Port Edwards project debt with no corresponding EBITDA would result in a year end Senior Debt to EBITDA ratio of 2.4 and Total Debt to EBITDA ratio of 3.4.

(4) The Port Edwards expansion project is now estimated to be placed into service during the third quarter of 2009. This will result in approximately US\$ cash tax savings of \$8-\$10 million in 2009.

## Consolidated Financial Outlook

Superior's adjusted operating cash flow increased by 10% to \$0.69 per share in the first quarter of 2009 compared to the prior year quarter. The diversification of the businesses continued to support strong consolidated performance despite the extremely difficult economic environment and poor credit conditions experienced in the first quarter of 2009. Superior has narrowed its annual expectations for adjusted operating cash flow to \$2.00-\$2.15 per share from \$2.00-\$2.20 per share in 2009 based upon first quarter results and its outlook for the remainder of the year. Superior expects economic environment to improve in the latter half of 2009 continuing with a modest recovery in 2010.

The Port Edwards expansion project continues to remain on time and is scheduled to be converted in the third quarter of 2009. As such, Superior has included approximately \$8 - 10 million in US cash tax savings in the revised 2009 adjusted operating cash flow outlook of \$2.00 - \$2.15 per share. The Port Edwards expansion project will require the closure of the facility for approximately 4-6 weeks and this reduced production is included in the 2009 financial outlook. Superior's financial outlook for 2010 is unchanged from its previous outlook of adjusted operating cash flow per share of \$2.20 - \$2.40.

The projected Senior Debt to EBITDA and Total Debt to EBITDA ratios of 2.4x and 3.4x for 2009 reflect the \$150 million (US\$130 million) investment in the Port Edwards conversion with no incremental cash flow from the project occurring until 2010. The projected Senior Debt to EBITDA and Total Debt to EBITDA ratios for 2009 excluding Port Edwards project debt are 1.9x and 2.9x, respectively. Upon closing of the extension of Superior's syndicated credit facility, the corporation will not have any significant credit maturities until June 2011.

Superior believes its diversified portfolio of stable businesses, strong balance sheet, and prudent allocation of capital will result in stability of dividends and long-term growth for its securityholders.

## 2009 First Quarter Results

Superior's 2009 First Quarter Results is attached and available on Superior's website at: www.superiorplus.com under the investor information section and at www.sedar.com.

## Conference Call

Superior Plus will be conducting a conference call and webcast for investors, analysts, brokers and media representatives to discuss the 2009 First Quarter Results at 7:30 a.m. MST (9:30 p.m. EST) on Thursday, May 7, 2009. To participate in the call, dial: 1-800-732-9303. An archived recording of the call will be available for replay until midnight, June 8, 2009. To access the recording, dial: 1-877-289-8525 and enter pass code 21301182 followed by the # key. Internet users can listen to the call live, or as an archived call, on Superior's website at: www.superiorplus.com under the Investor section.

## Forward Looking Information

Certain information included herein is forward-looking, within the meaning of applicable Canadian securities laws. Forward looking information can be identified by looking for words such as "believe", "expects", "expected", "will", "intends", "projects", "anticipates", "estimates", "continues" or similar words. Forward-looking information in this press release, including the attached Management's Discussion and Analysis of 2009 First Quarter Results, includes but is not limited to, consolidated and business segment outlooks, expected EBITDA from operations, expected adjusted operating cash flow, expected adjusted operating cash flow per share, future capital expenditures, business strategy and objectives, dividend strategy, expected senior debt and total debt to EBITDA ratios, future cash flows, anticipated taxes and statements regarding the future financial position of Superior and Superior LP. Superior and Superior LP believe the expectations reflected in such forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

Forward-looking information is based on various assumptions. Those assumptions are based on information currently available to Superior, including information obtained from third party industry analysts and other third party sources and include, the historic performance of Superior's businesses, current business and economic trends, availability and utilization of tax basis, currency, exchange and interest rates, trading data, cost estimates and the other assumptions set forth under the "Outlook" sections contained in the attached Management's Discussion and Analysis of 2009 First Quarter Results. Readers are cautioned that the preceding list of assumptions is not exhaustive.

Forward-looking information is not a guarantee of future performance and involves a number of risks and uncertainties some of which are described herein and in the attached Management's Discussion and Analysis of 2009 First Quarter Results. Such forward-looking information necessarily involves known and unknown risks and uncertainties, which may cause Superior's or Superior LP's actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking information. These risks and uncertainties include but are not limited to the risks referred to under the section entitled "Risk Factors to Superior", in the attached Management's Discussion and Analysis of 2009 First Quarter Results, the risks associated with the availability and amount of the tax basis and the risks identified in Superior's 2008 Annual Information Form under the heading "Risk Factors". Any forward-looking information is made as of the date hereof and, except as required by law, neither Superior nor Superior LP undertakes any obligation to publicly update or revise such information to reflect new information, subsequent or otherwise.

*For more information about Superior, visit our website at* ***www.superiorplus.com*** *or contact:*

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