

SUPERIOR INDUSTRIES INTERNATIONAL INC

Form 10-Q

November 13, 2017

[Table of Contents](#)

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934**

For the quarterly period ended October 1, 2017

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934**

For the transition period from _____ to _____.

Commission file number: 1-6615

SUPERIOR INDUSTRIES INTERNATIONAL, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware (State or Other Jurisdiction of	95-2594729 (I.R.S. Employer
Incorporation or Organization)	Identification No.)
26600 Telegraph Road, Suite 400 Southfield, Michigan (Address of Principal Executive Offices)	48033 (Zip Code)
Registrant's Telephone Number, Including Area Code: (248) 352-7300	

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of large accelerated filer, accelerated filer, smaller reporting company and emerging growth company in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

Smaller Reporting Company

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Number of shares of common stock outstanding as of November 9, 2017: 24,907,458

Table of Contents**TABLE OF CONTENTS**

	Page
PART I - <u>FINANCIAL INFORMATION</u>	
Item 1 - <u>Financial Statements (Unaudited)</u>	
<u>Condensed Consolidated Statements of Operations</u>	1
<u>Condensed Consolidated Statements of Comprehensive Income</u>	2
<u>Condensed Consolidated Balance Sheets</u>	3
<u>Condensed Consolidated Statements of Cash Flows</u>	4
<u>Condensed Consolidated Statement of Shareholders' Equity</u>	5
<u>Notes to Condensed Consolidated Financial Statements</u>	6
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	31
Item 2 - <u>Operations</u>	31
Item 3 - <u>Quantitative and Qualitative Disclosures About Market Risk</u>	43
Item 4 - <u>Controls and Procedures</u>	44
PART II - <u>OTHER INFORMATION</u>	
Item 1 - <u>Legal Proceedings</u>	45
Item 1A - <u>Risk Factors</u>	45
Item 2 - <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	45
Item 6 - <u>Exhibits</u>	46
<u>Signatures</u>	47

Table of Contents**PART I****FINANCIAL INFORMATION****Item 1. Financial Statements
Superior Industries International, Inc.****Condensed Consolidated Statements of Operations**

(Dollars in thousands, except per share data)

(Unaudited)

	Three Months Ended		Nine Months Ended	
	October 1, 2017	September 25, 2016	October 1, 2017	September 25, 2016
NET SALES	\$ 331,404	\$ 175,580	\$ 746,252	\$ 544,354
Cost of sales:				
Cost of sales	307,511	164,537	682,920	475,869
Restructuring costs (Note 4)		62	130	249
	307,511	164,599	683,050	476,118
GROSS PROFIT	23,893	10,981	63,202	68,236
Selling, general and administrative expenses	18,135	5,731	55,498	24,724
INCOME FROM OPERATIONS	5,758	5,250	7,704	43,512
Interest (expense) income, net	(13,422)	41	(28,447)	152
Other income (expense), net	3,082	(381)	10,220	(486)
Change in fair value of redeemable preferred stock embedded derivative liability	4,081		4,081	
CONSOLIDATED (LOSS) INCOME BEFORE INCOME TAXES	(501)	4,910	(6,442)	43,178
Income tax benefit (provision)	3,355	1,064	4,880	(9,576)
CONSOLIDATED NET INCOME (LOSS)	2,854	5,974	(1,562)	33,602
Less: Net (income) loss attributable to non-controlling interest	(239)		8	
NET INCOME (LOSS) ATTRIBUTABLE TO SUPERIOR	\$ 2,615	\$ 5,974	\$ (1,554)	\$ 33,602
	\$ (0.22)	\$ 0.24	\$ (0.50)	\$ 1.32

**(LOSS) EARNINGS PER SHARE ATTRIBUTABLE
TO SUPERIOR- BASIC**

**(LOSS) EARNINGS PER SHARE ATTRIBUTABLE
TO SUPERIOR- DILUTED**

DIVIDENDS DECLARED PER SHARE

\$	(0.22)	\$	0.23	\$	(0.50)	\$	1.31
----	--------	----	------	----	--------	----	------

\$	0.09	\$	0.18	\$	0.36	\$	0.54
----	------	----	------	----	------	----	------

The accompanying unaudited notes are an integral part of these condensed consolidated financial statements.

Table of Contents**Superior Industries International, Inc.****Condensed Consolidated Statements of Comprehensive Income**

(Dollars in thousands)

(Unaudited)

	Three Months Ended		Nine Months Ended	
	October 1,	September 25,	October 1,	September 25,
	2017	2016	2017	2016
Net income (loss) attributable to Superior	\$ 2,615	\$ 5,974	\$ (1,554)	\$ 33,602
Other comprehensive income (loss), net of tax:				
Foreign currency translation gain (loss), net of tax	8,149	(4,211)	31,494	(12,877)
Change in unrecognized (losses) gains on derivative instruments:				
Change in fair value of derivatives	(2,189)	(2,545)	25,773	(7,961)
Tax provision			(335)	(266)
Change in unrecognized (losses) gains on derivative instruments, net of tax	(2,189)	(2,545)	25,438	(8,227)
Defined benefit pension plan:				
Actuarial gains on pension obligation, net of curtailments and amortization	88	84	273	252
Tax provision	(25)	(31)	(74)	(93)
Pension changes, net of tax	63	53	199	159
Other comprehensive income (loss), net of tax	6,023	(6,703)	57,131	(20,945)
Comprehensive income (loss) attributable to Superior	\$ 8,638	\$ (729)	\$ 55,577	\$ 12,657

The accompanying unaudited notes are an integral part of these condensed consolidated financial statements.

Table of Contents**Superior Industries International, Inc.****Condensed Consolidated Balance Sheets**

(Dollars in thousands)

(Unaudited)

	October 1, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 30,424	\$ 57,786
Short-term investments	750	750
Accounts receivable, net	174,294	99,331
Inventories	178,097	82,837
Income taxes receivable	7,304	3,682
Other current assets	19,965	9,695
Total current assets	410,834	254,081
Property, plant and equipment, net	518,258	227,403
Investment in unconsolidated affiliate		2,000
Deferred income tax assets, net	60,350	28,838
Goodwill	321,671	
Intangibles	213,524	
Other non-current assets	38,718	30,434
Total assets	\$ 1,563,355	\$ 542,756
LIABILITIES, MEZZANINE EQUITY AND SHAREHOLDERS EQUITY		
Current liabilities:		
Accounts payable	\$ 98,941	\$ 37,856
Short term debt	5,800	
Accrued expenses	67,861	46,315
Income taxes payable	1,724	1,793
Total current liabilities	174,326	85,964
Long-term debt (less current portion)	675,104	
Embedded derivative liability	6,768	
Non-current income tax liabilities	5,719	5,301
Deferred income tax liabilities, net	34,799	3,628
Other non-current liabilities	41,961	49,637
Mezzanine equity:		
Preferred stock, \$.01 par value		
Authorized 1,000,000 shares; issued and outstanding - 150,000 shares (no shares at December 25, 2016)	140,641	

Shareholders' equity:

Common stock, \$.01 par value		
Authorized - 100,000,000 shares; Issued and outstanding - 24,903,622 shares (25,143,950 shares at December 25, 2016)	88,705	89,916
Accumulated other comprehensive loss	(67,794)	(124,925)
Retained earnings	407,265	433,235
Superior shareholders' equity	428,176	398,226
Noncontrolling interests	55,861	
Total shareholders' equity	484,037	398,226
Total liabilities, mezzanine and shareholders' equity	\$ 1,563,355	\$ 542,756

The accompanying unaudited notes are an integral part of these condensed consolidated financial statements.

Table of Contents**Superior Industries International, Inc.****Condensed Consolidated Statements of Cash Flows**

(Dollars in thousands)

(Unaudited)

	Nine Months Ended	
	October 1, 2017	September 25, 2016
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	\$ 17,170	\$ 39,261
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(56,826)	(30,165)
Acquisition of Uniwheels, net of cash acquired	(701,224)	
Proceeds from sales and maturities of investments		200
Proceeds from sale of property, plant and equipment	118	1
NET CASH USED IN INVESTING ACTIVITIES	(757,932)	(29,964)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of long-term debt	975,571	
Proceeds from issuance of redeemable preferred shares	150,000	
Debt repayment	(321,103)	
Cash dividends paid	(13,340)	(13,783)
Cash paid for common stock repurchase	(5,014)	(13,527)
Payments related to tax withholdings for stock-based compensation	(1,467)	
Net increase (decrease) in short term debt	(9,032)	
Proceeds from borrowings on revolving credit facility	70,750	
Repayments on borrowings on revolving credit facility	(99,650)	
Proceeds from exercise of stock options	41	1,616
Redeemable preferred shares issuance costs	(3,737)	
Financing costs paid	(30,460)	
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	712,559	(25,694)
Effect of exchange rate changes on cash	841	162
Net decrease in cash and cash equivalents	(27,362)	(16,235)
Cash and cash equivalents at the beginning of the period	57,786	52,036
Cash and cash equivalents at the end of the period	\$ 30,424	\$ 35,801

The accompanying unaudited notes are an integral part of these condensed consolidated financial statements.

Table of Contents**Superior Industries International, Inc.****Condensed Consolidated Statement of Shareholders Equity**

(Dollars in thousands)

(Unaudited)

	Common Stock		Accumulated Other Comprehensive (Loss) Income		Cumulative	Retained	Non-	Total
	Number of	Amount	Unrecognized	Pension	Translation	Earnings	controlling	
	Shares		Gains (Losses) on Derivative Instruments	Obligations	Adjustment		Interest	
Balance at December 31, 2016	25,143,950	\$ 89,916	\$ (16,101)	\$ (3,636)	\$ (105,188)	\$ 433,235	\$	\$ 398,226
Consolidated net (loss)						(1,554)	(8)	(1,562)
Change in unrecognized gains (losses) on derivative instruments, net of tax			25,438					25,438
Change in employee benefit plans, net of taxes				199				199
Net foreign currency translation adjustment					31,494		3,189	34,683
Stock options exercised	2,000							
Restricted stock awards granted, net of forfeitures	30,354							
Stock-based compensation expense	(56,841)	(434)						(434)
Common stock repurchased	(215,841)	(777)				(4,237)		(5,014)
						(9,150)		(9,150)

Cash dividends declared									
Redeemable preferred dividend and accretion					(11,029)				(11,029)
Non-controlling interest							63,200		63,200
Uniwheels second tender							(10,520)		(10,520)
Balance at October 1, 2017	24,903,622	\$ 88,705	\$ 9,337	\$ (3,437)	\$ (73,694)	\$ 407,265	\$ 55,861		\$ 484,037

Table of Contents

Superior Industries International, Inc.

Notes to Condensed Consolidated Financial Statements

October 1, 2017

(Unaudited)

Note 1 Nature of Operations

Headquartered in Southfield, Michigan, the principal business of Superior Industries International, Inc. (referred to herein as the company or we, us and our) is the design and manufacture of aluminum wheels for sale to original equipment manufacturers (OEMs). We are one of the largest suppliers of cast aluminum wheels to the world's leading automobile and light truck manufacturers, with manufacturing operations in North America and Europe. Customers in North America and Europe represent the principal market for our products.

Our largest customers, Ford Motor Company (Ford), General Motors Company (GM) and Toyota Motor Company (Toyota) each accounted for more than 10 percent of our consolidated sales in the first nine months of 2017 and together represented approximately 56 percent of our trade sales during the first nine months of 2017. Additionally, Nissan Motor Co., Ltd. (Nissan) and Fiat Chrysler Automotive N.V. (FCA) individually accounted for 6 percent and 4 percent, respectively, of our consolidated sales during the first nine months of 2017 and together with Ford, GM and Toyota represented approximately 66 percent of our trade sales during the first nine months of 2017. We also manufacture aluminum wheels for BMW, Mazda, Subaru, Tesla and Volkswagen. Additionally, the acquisition of Uniwheels AG (Uniwheels) on May 30, 2017 diversifies our OEM customer base to include Audi AG (Audi), Mercedes-Benz, and other European customers and also provides a diversified base of new aftermarket customers. The loss of all or a substantial portion of our sales to Ford, GM or Toyota would have a significant adverse impact on our operating results and financial condition. This risk is partially mitigated by our long-term relationships with these OEM customers and our supply arrangements, which are generally for multi-year periods.

Demand for automobiles and light trucks (including SUVs and crossover vehicles) in the North American and European markets is subject to many unpredictable factors such as changes in the general economy, gasoline prices, consumer credit availability and interest rates. Demand for aluminum wheels can be further affected by other factors, including pricing and performance compared to competitive materials such as steel. Additionally, the demand for our products is influenced by shifts of market share between vehicle manufacturers and the specific market penetration of individual vehicle platforms being sold by our customers.

Note 2 Presentation of Condensed Consolidated Financial Statements

During interim periods, we follow the accounting policies set forth in our Annual Report on Form 10-K for the fiscal year ended December 25, 2016 (the 2016 Annual Report on Form 10-K) and apply appropriate interim financial reporting standards for a fair statement of our operating results and financial position in conformity with accounting principles generally accepted in the United States of America, as codified by the Financial Accounting Standards Board (FASB) in the Accounting Standards Codification (ASC) (referred to herein as U.S. GAAP), as indicated below. For convenience of presentation, the 2016 fiscal year is referred to as December 31, but actually reflects our financial position and results of operations for the period described below. Users of financial information produced for interim periods in 2017 are encouraged to read this Quarterly Report on Form 10-Q in conjunction with our consolidated financial statements and notes thereto filed with the Securities and Exchange Commission (SEC) in our 2016 Annual Report on Form 10-K.

In the past, Superior has used a 4-4-5 convention for our fiscal quarters, which are thirteen week periods (referred to as quarters) ending on the last Sunday of each calendar quarter. Each fiscal year for the last three years has had 52 weeks. Fiscal 2017 is a 53 week fiscal year and as a consequence one quarter, typically the fourth quarter, has fourteen weeks. Uniwheels, our European operations, is based on a calendar year end. Consequently, to more closely align our third quarter end dates, we have adjusted the quarter-end date of our North American operations to October 1, 2017 from September 24, 2017, resulting in

Table of Contents

a fiscal quarter consisting of fourteen weeks (referred to either as the quarter or three months ended October 1, 2017). This modification to the third quarter timing aligns the close of the third quarter of the North American Operations within one day of the close of the third quarter of the European operations, which ended on September 30, 2017. Therefore, in the third quarter there is a slight difference in timing of the quarter close of our two operations that is deemed to be insignificant. The year ends of our North America and European operations will align in the fourth quarter ending on December 31, 2017. Starting in 2018 both our North American and European operations will be on a calendar year end with each month ending on the last day of the month.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the SEC's requirements for quarterly reports on Form 10-Q and U.S. GAAP and, in our opinion, contain all adjustments, of a normal and recurring nature, which are necessary for a fair statement of (i) the condensed consolidated statements of operations for the three and nine month periods ended October 1, 2017, (ii) the condensed consolidated statements of comprehensive income for the three and nine month periods ended October 1, 2017, (iii) the condensed consolidated balance sheets at October 1, 2017 and December 31, 2016, (iv) the condensed consolidated statements of cash flows for the nine month periods ended October 1, 2017 and September 25, 2016, and (v) the condensed consolidated statement of shareholders' equity for the nine month period ended October 1, 2017. However, the accompanying unaudited condensed consolidated financial statements do not include all information and notes required by U.S. GAAP. The condensed consolidated balance sheet as of December 31, 2016, included in this report, was derived from our 2016 audited financial statements, but does not include all disclosures required by U.S. GAAP.

Interim financial reporting standards require us to make estimates that are based on assumptions regarding the outcome of future events and circumstances not known at that time, including the use of estimated effective tax rates. Inevitably, some assumptions will not materialize, unanticipated events or circumstances may occur which vary from those estimates and such variations may significantly affect our future results. Additionally, interim results may not be indicative of our results for future interim periods or our annual results.

New Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update (ASU) Revenue from Contracts with Customers. This update outlines a single, comprehensive model for accounting for revenue from contracts with customers. We plan to adopt this update on January 1, 2018. The guidance permits two methods of adoption: retrospectively to each prior reporting period presented (full retrospective method), or retrospectively with the cumulative effect of initially applying the guidance recognized at the date of initial application (modified retrospective method). We anticipate adopting the standard using the modified retrospective method. There may be differences in timing of revenue recognition under the new standard compared to recognition under ASC 605 - Revenue Recognition. We have completed an initial assessment of our North America operations and are currently reviewing our Europe operations that we acquired in the second quarter.

In February of 2016, the FASB issued ASU 2016-02, Leases (Topic 842) (ASU 2016-02). ASU 2016-02 requires an entity to recognize right-of-use assets and lease liabilities on its balance sheet and disclose key information about leasing arrangements. ASU 2016-02 offers specific accounting guidance for a lessee, a lessor and sale and leaseback transactions. Lessees and lessors are required to disclose qualitative and quantitative information about leasing arrangements to enable a user of the financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. For public companies, ASU 2016-02 is effective for annual reporting periods beginning after December 15, 2018, including interim periods within that reporting period, and requires modified retrospective adoption, with early adoption permitted. We are evaluating the impact this guidance will have on our financial position and statement of operations.

In August 2016, the FASB issued an ASU entitled Statement of Cash Flows (Topic 740): Classification of Certain Cash Receipts and Cash Payments. The objective of the ASU is to address the diversity in practice in the presentation of certain cash receipts and cash payments in the statement of cash flows. This ASU is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Early adoption is permitted. We are evaluating the impact this guidance will have on our statement of cash flows.

Table of Contents

In October 2016, the FASB issued an ASU entitled *Income Taxes (Topic 230): Intra-Entity Transfers of Assets Other than Inventory*. The objective of the ASU is to improve the accounting for the income tax consequences of intra-entity transfers of assets other than inventory. This ASU is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Early adoption is permitted. We are evaluating the impact this guidance will have on our financial position and statement of operations.

In November 2016, the FASB issued an ASU entitled *Statement of Cash Flows (Topic 230): Restricted Cash*. The objective of the ASU is to address the diversity in practice that exists in the classification and presentation of changes in restricted cash on the statement of cash flows. This ASU is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Early adoption is permitted. We are evaluating the impact this guidance will have on our statement of cash flows.

In January 2017, the FASB issued an ASU entitled *Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. The objective of the ASU is to simplify how an entity is required to test goodwill for impairment by eliminating Step 2 from the goodwill impairment test. Step 2 measures a goodwill impairment loss by comparing the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill. This ASU is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted. We are evaluating the impact this guidance will have on our financial position and statement of operations.

In January 2017, the FASB issued an ASU entitled *Business Combinations (Topic 805): Clarifying the Definition of a Business*. The objective of the ASU is to add guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. This ASU is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Early adoption is permitted. We are evaluating the impact this guidance will have on our financial position and statement of operations.

In March 2017, the FASB issued an ASU entitled *Compensation-Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. The objective of the ASU is to improve the reporting of net benefit cost in the financial statements. This ASU is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Early adoption is permitted. We are evaluating the impact this guidance will have on our financial position and statement of operations.

In July 2017, the FASB issued an ASU entitled *(Part I) Accounting for Certain Financial Instruments with Down Round Features, (Part II) Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope Exception*. The objective of this ASU is to reduce the complexity in accounting for certain financial instruments with down round features. When determining whether certain financial instruments should be classified as debt or equity instruments, a down round feature would no longer preclude equity classification when assessing whether the instrument is indexed to an entity's own stock. As a result, a freestanding equity-linked financial instrument (or embedded conversion option) no longer would be accounted for as a derivative liability at fair value as a result of the existence of a down round feature. Early adoption is permitted. We are evaluating the impact this guidance will have on our financial position and statement of operations.

In August 2017, the FASB issued an ASU entitled *Derivatives and Hedging (Topic 815)*. The objective of this standard is to better align financial reporting with risk management activities, provide a more faithful representation of hedging activities and reduce complexity and costs associated with hedging. This ASU removes the requirement to recognize hedge ineffectiveness in income prior to settlement, allows documentation of hedge effectiveness at inception to be completed by quarter-end, allows qualitative rather than quantitative assessment of effectiveness

(subsequent to initial quantitative assessment), allows critical terms match for cash flow hedges of a group of forecasted transactions if derivatives mature within the same month as transactions, permits use of the back up long haul method for hedges initially designated using the short cut method and permits cash flow hedging of a component of purchases and sales of non-financial assets (i.e., commodity price excluding transportation) resulting in higher hedge effectiveness. The ASU also permits fair value hedging of the benchmark interest rate

Table of Contents

component of interest rate risk as well as partial term hedging, allows partial term fair value hedges of interest rate risk, permits cash flow hedging of interest rate risk for a contractually specified rate rather than a benchmark rate and permits exclusion of cross currency basis spread in determining effectiveness. This ASU is effective for fiscal years beginning after December 15, 2018 and early adoption is permitted. We are evaluating the impact this guidance will have on our financial position and statement of operations.

Note 3 Acquisition

On March 23, 2017, Superior announced that it had entered into various agreements to commence a tender offer to acquire 100 percent of the outstanding equity interests of Uniwheels (the Acquisition) through a newly-formed, wholly-owned subsidiary (the Acquisition Sub). The Acquisition will be effected through a multi-step process as more fully described below.

In the first step of the Acquisition, on March 23, 2017, Superior obtained a commitment from the owner of approximately 61 percent of the outstanding stock of Uniwheels, Uniwheels Holding (Malta) Ltd. (the Significant Holder), evidenced by an irrevocable undertaking agreement (the Undertaking Agreement) to tender such stock in the second step of the Acquisition. In connection with the Undertaking Agreement, on March 23, 2017: (i) Superior entered into a business combination agreement with Uniwheels pursuant to which, subject to the provisions of the German Stock Corporation Act, Uniwheels and its subsidiaries undertook to, among other things, cooperate with the financing of the Acquisition; and (ii) Superior and the Significant Holder entered into a guarantee and indemnification agreement pursuant to which Superior will hold the Significant Holder harmless for claims that may arise relating to its involvement with Uniwheels. As Uniwheels is a company listed on the Warsaw Stock Exchange, the Acquisition was required to be carried out in accordance with the Polish Act of 29 July 2005 on Public Offerings and the Conditions for Introducing Financial Instruments to Organized Trading and Public Companies (the Public Offering Act).

Following the publication of a formal tender offer document by Superior, as required by the Public Offering Act, Superior commenced the acceptance period for the tender offer (the Tender Offer) on April 12, 2017, pursuant to which, Superior offered to purchase all (but not less than 75 percent) of the outstanding stock of Uniwheels and, upon the consummation of the Tender Offer, agreed to purchase the stock of the Significant Holder along with all other stock of Uniwheels tendered pursuant to the Tender Offer. On May 30, 2017, Superior acquired 92.3 percent of the outstanding stock of Uniwheels for approximately \$703.0 million (based on an exchange rate of 1.00 Dollar = 3.74193 Polish Zloty). We refer to this acquisition as the First Step Acquisition.

Under the terms of the Tender Offer:

the Significant Holder received cash consideration of Polish Zloty 226.5 per share; and

Uniwheels other shareholders received cash consideration of Polish Zloty 247.87 per share, equivalent to the volume weighted-average-price of Uniwheels shares for the three months prior to commencement of the Tender Offer, plus 5.0 percent.

On June 30, 2017, the company announced that it had commenced the delisting and associated tender process for the remaining outstanding shares of Uniwheels. As of July 31, 2017, 153,251 additional shares (representing 1.2 percent of Uniwheels shares) were tendered at Polish Zloty 247.87 per share. We refer to this acquisition as the Second Step Acquisition. The aggregate equity purchase price of the Acquisition (assuming the remaining 6.5 percent of

Uniwheels stock is acquired for cash consideration of Polish Zloty 247.87 per share, the price paid to Uniwheels shareholders in the Tender Offer, and an exchange rate of 1.00 Dollar = 3.74193 Polish Zloty) will be approximately \$778.0 million. We entered into foreign currency hedges prior to the closing of the First Step Acquisition intended to reduce currency risk associated with the settlement of the Tender Offer (the Hedging Transactions). The net benefit of such Hedging Transactions to Superior reduced the total anticipated purchase price of the Acquisition to \$766.2 million.

Table of Contents

The company's condensed consolidated financial statements for the three and nine month periods ended October 1, 2017 and September 25, 2016 include Uniwheels results of operations subsequent to May 30, 2017 (please see Note 7,

Business Segments for the segment results included within the condensed consolidated financial statements for the three and nine month periods ended October 1, 2017 and September 25, 2016, which include Uniwheels results of operations subsequent to May 30, 2017). The company's condensed consolidated financial statements reflect the purchase accounting adjustments in accordance with ASC 805 Business Combinations, whereby the purchase price was allocated to the assets acquired and liabilities assumed based upon their estimated fair values on the acquisition date.

During the second quarter of 2017, the company determined a preliminary valuation of the identifiable assets acquired and the liabilities assumed. The following is the allocation of the purchase price:

(Dollars in thousands)	
<i>Estimated purchase price</i>	
Cash consideration	\$ 703,000
<i>Non-controlling interest</i>	
	63,200
<i>Preliminary purchase price allocation</i>	
Cash and cash equivalents	12,296
Accounts receivable	60,580
Inventories	82,402
Prepaid expenses and other current assets	11,479
Total current assets	166,757
Property and equipment	250,000
Intangible assets ⁽¹⁾	212,000
Goodwill	306,154
Other assets	20,937
Total assets acquired	955,848
Accounts payable	61,883
Other current liabilities	40,361
Total current liabilities	102,244
Other long-term liabilities	87,404
Total liabilities assumed	189,648
<i>Net assets acquired</i>	\$ 766,200

(1) Intangible assets are recorded at estimated fair value, as determined by management based on available information which includes a preliminary valuation prepared by an independent third party. The fair values

assigned to identifiable intangible assets were determined through the use of the income approach, specifically the relief from royalty and multi-period excess earnings methods. The major assumptions used in arriving at the estimated identifiable intangible asset values included management's estimates of future cash flows, discounted at an appropriate rate of return which are based on the weighted average cost of capital for both the company and other market participants. The useful lives for intangible assets were determined based upon the remaining useful economic lives of the intangible assets that are expected to contribute directly or indirectly to future cash flows. The estimated fair value of intangible assets and related useful lives as included in the preliminary purchase price allocation include:

	Estimated Fair Value	Estimated Useful Life (in Years)
(Dollars in thousands)		
Brand name	\$ 9,000	5-6
Technology	16,000	4-6
Customer relationships	167,000	6-11
Trade names	20,000	Indefinite
	\$ 212,000	

Table of Contents

The above goodwill represents future economic benefits expected to be recognized from the company's expansion into the European wheel market, as well as expected future synergies and operating efficiencies from combining operations with Uniwheels. Acquisition goodwill of \$321.7 million (initial balance of \$306.2 million, increased for post-acquisition translation adjustments) has been allocated to the European segment.

The following unaudited combined pro forma information is for informational purposes only. The pro forma information is not necessarily indicative of what the combined company's results actually would have been had the Acquisition been completed as of the beginning of the periods as indicated. In addition, the unaudited pro forma information does not purport to project the future results of the combined company.

	Three Months Ended		Nine Months Ended	
	October 1, 2017	September 25, 2016	October 1, 2017	September 25, 2016
	Proforma	Proforma	Proforma	Proforma
(Dollars in thousands)				
Net sales as reported	\$ 331,404	\$ 175,580	\$ 746,252	\$ 544,354
Uniwheels sales, prior to the Acquisition		124,813	243,744	373,614
Proforma combined sales	\$ 331,404	\$ 300,393	\$ 989,996	\$ 917,968
Net (loss) income as reported	\$ 2,615	\$ 5,974	\$ (1,554)	\$ 33,602
Uniwheels net income before income taxes, prior to the Acquisition		15,282	25,394	47,749
Incremental interest expense on the debt		(10,630)	(17,716)	(31,889)
Incremental amortization on the identifiable intangible assets		(6,187)	(10,312)	(18,562)
Transaction expenses incurred by both the company and Uniwheels	10,079		27,572	
Income tax expense related to the proforma adjustments	(3,528)	1,653	(6,877)	4,528
Proforma net income (loss)	\$ 9,166	\$ 6,092	\$ 16,507	\$ 35,428

Table of Contents**Note 4 Restructuring**

During 2014, we completed a review of initiatives to reduce costs and enhance our competitive position. Based on this review, we committed to a plan to close operations at our Rogers, Arkansas facility, which was completed during the fourth quarter of 2014. The action was undertaken in order to reduce costs and enhance our global competitive position. During the fourth quarter of 2016, we sold the Rogers facility for total proceeds of \$4.3 million, resulting in a \$1.4 million gain on sale, which is recorded as a reduction to selling, general and administrative expense in the consolidated income statements.

The total cost incurred as a result of the Rogers facility closure was \$16.0 million, of which \$0.1 million and \$0.2 million was recognized for the nine month periods ended October 1, 2017 and September 25, 2016, respectively. The following table summarizes the Rogers, Arkansas plant closure costs and classification in the consolidated income statement for the period ended October 1, 2017:

(Dollars in thousands)	Costs Incurred During the Nine		Total Costs	Classification
	Costs Incurred Through December 31, 2016	Months Ended October 1, 2017		
Accelerated and other depreciation of assets idled	\$ 7,254	\$ 13	\$ 7,267	Cost of sales, Restructuring costs
Severance costs	2,011		2,011	Cost of sales, Restructuring costs
Equipment removal and impairment, inventory written-down, lease termination and other costs	6,634	117	6,751	Cost of sales, Restructuring costs
	15,899	130	16,029	
Gain on sale of the facility	(1,436)		(1,436)	
Total	\$ 14,463	\$ 130	\$ 14,593	

Note 5 Fair Value Measurements

The company applies fair value accounting for all financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis, while other assets and liabilities are measured at fair value on a nonrecurring basis, such as when we have an asset impairment. Fair value is estimated by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Inputs that are generally unobservable and typically reflect management's estimate of assumptions that market participants would use in pricing the asset or liability.

The carrying amounts for cash and cash equivalents, investments in certificates of deposit, accounts receivable, accounts payable and accrued expenses approximate their fair values due to the short period of time until maturity.

Table of Contents*Cash and Cash Equivalents*

Included in cash and cash equivalents are highly liquid investments that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of change in value due to interest rates, quoted price or penalty on withdrawal. A debt security is classified as a cash equivalent if it meets these criteria and if it has a remaining time to maturity of three months or less from the date of acquisition. Amounts on deposit and available upon demand, or negotiated to provide for daily liquidity without penalty, are classified as cash and cash equivalents. Time deposits, certificates of deposit and money market accounts that meet the above criteria are reported at par value on our balance sheet and are excluded from the table below.

Derivative Financial Instruments

Our derivatives are over-the-counter customized derivative transactions and are not exchange traded. We estimate the fair value of these instruments using industry-standard valuation models such as a discounted cash flow. These models project future cash flows and discount the future amounts to a present value using market-based expectations for interest rates, foreign exchange rates, commodity prices and the contractual terms of the derivative instruments. The discount rate used is the relevant interbank deposit rate (e.g., LIBOR) plus an adjustment for non-performance risk. In certain cases, market data may not be available, and we may use broker quotes and models (e.g., Black-Scholes) to determine fair value. This includes situations where there is lack of liquidity for a particular currency or commodity or when the instrument is longer dated. The fair value measurements of the redeemable preferred shares embedded derivatives are based upon Level 3 unobservable inputs reflecting management's own assumptions about the inputs used in pricing the liability refer to Note 6, Financial Instruments.

Cash Surrender Value

The cash surrender value of the life insurance policies is the sum of money the insurance company will pay to the company in the event the policy is voluntarily terminated before its maturity or the insured event occurs. Over the term of the life insurance contracts, the cash surrender value changes as a result of premium payments and investment income offset by investment losses, charges and miscellaneous fees. The amount of the asset recorded for the investment in the life insurance contracts is equal to the cash surrender value which is the amount that will be realized under the contract as of the balance sheet date if the insured event occurs.

The following table categorizes items measured at fair value at October 1, 2017:

October 1, 2017 (Dollars in thousands)	Total	Fair Value Measurement at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Certificates of deposit	\$ 750	\$	\$ 750	\$
Cash surrender value	7,944		7,944	
Derivative contracts	8,248		8,248	

Total	\$ 16,942	\$	\$ 16,942	\$
Liabilities				
Derivative contracts				Open Solutions, Inc.
	\$ 7,750	\$		
	2,867	Term Loan, 2.43%, Maturing January 23, 2014	2,592,663	
		Sensata Technologies B.V.		
EUR	1,000	Term Loan, 3.06%, Maturing April 26, 2013	1,370,176	
		Sensata Technologies Finance Co.		
	3,737	Term Loan, 2.05%, Maturing April 26, 2013	3,735,811	
		Shield Finance Co. S.A.R.L.		
	960	Term Loan, 7.75%, Maturing June 15, 2016	971,179	
		Spansion, LLC		
	558	Term Loan, 6.50%, Maturing January 8, 2015	563,852	
		Spectrum Brands, Inc.		
	3,300	Term Loan, 5.01%, Maturing June 17, 2016	3,340,564	
		SS&C Technologies, Inc.		
	597	Term Loan, 2.30%, Maturing November 23, 2012	594,429	
		VeriFone, Inc.		
	748	Term Loan, 3.02%, Maturing October 31, 2013	749,870	
		Vertafore, Inc.		
	1,120	Term Loan, 5.25%, Maturing July 29, 2016	1,131,200	

\$ 33,086,689

Equipment Leasing 0.5%

444	Hertz Corp. Term Loan, 2.01%, Maturing December 21, 2012	444,845
-----	---	---------

7

Principal Amount*	Borrower/Tranche Description	Value
(000 s omitted)		
2,391	Term Loan, 2.01%, Maturing December 21, 2012	\$ 2,393,330
		\$ 2,838,175
Farming/Agriculture 0.3%		
	CF Industries, Inc.	
332	Term Loan, 4.25%, Maturing April 6, 2015	\$ 334,056
	WM. Bolthouse Farms, Inc.	
1,721	Term Loan, 5.50%, Maturing February 11, 2016	1,735,871
		\$ 2,069,927
Financial Intermediaries 5.3%		
	Citco III, Ltd.	
2,922	Term Loan, 4.46%, Maturing June 30, 2014	\$ 2,936,935
	Fidelity National Information Services, Inc.	
2,743	Term Loan, 5.25%, Maturing July 18, 2016	2,774,248
	First Data Corp.	
500	Term Loan, 3.01%, Maturing September 24, 2014	474,656
951	Term Loan, 3.01%, Maturing September 24, 2014	902,622
2,406	Term Loan, 3.01%, Maturing September 24, 2014	2,284,794
	Grosvenor Capital Management	
1,397	Term Loan, 4.31%, Maturing December 5, 2016	1,379,417
	HarbourVest Partners, LLC	
1,432	Term Loan, 6.25%, Maturing December 14, 2016	1,446,194
	Interactive Data Corp.	
2,592	Term Loan, 4.75%, Maturing February 12, 2018	2,619,518
	Jupiter Asset Management Group	
GBP 334	Term Loan, 4.37%, Maturing March 17, 2015	542,367
	LPL Holdings, Inc.	
1,012	Term Loan, 2.04%, Maturing June 28, 2013	1,015,589
3,185	Term Loan, 4.25%, Maturing June 25, 2015	3,202,756
2,361	Term Loan, 5.25%, Maturing June 28, 2017	2,392,475
	MSCI, Inc.	
3,543	Term Loan, 4.75%, Maturing June 1, 2016	3,570,447
	Nuveen Investments, Inc.	
1,811	Term Loan, 3.30%, Maturing November 13, 2014	1,764,549
2,116	Term Loan, 5.80%, Maturing May 12, 2017	2,116,013
	Oxford Acquisition III, Ltd.	
374	Term Loan, 2.05%, Maturing May 12, 2014	371,946
	RJO Holdings Corp. (RJ O Brien)	
15	Term Loan, 6.27%, Maturing December 10, 2015 ⁽⁵⁾	12,549
485	Term Loan, 6.27%, Maturing December 10, 2015 ⁽⁵⁾	387,143
	Towergate Finance, PLC	
GBP 1,000	Term Loan, 6.50%, Maturing August 4, 2017	1,617,521

		\$ 31,811,739
Food Products	3.9%	
	Acosta, Inc.	
3,201	Term Loan, 4.50%, Maturing July 28, 2013	\$ 3,231,055
	American Seafoods Group, LLC	
783	Term Loan, 5.50%, Maturing May 7, 2015	785,870
	Dean Foods Co.	
3,698	Term Loan, 1.81%, Maturing April 2, 2014	3,602,704
	Dole Food Company, Inc.	
1,821	Term Loan, 5.04%, Maturing March 2, 2017	1,838,816
733	Term Loan, 5.06%, Maturing March 2, 2017	740,339
	Michael Foods Holdings, Inc.	
796	Term Loan, 4.25%, Maturing February 23, 2018	804,378
	Pierre Foods, Inc.	
1,397	Term Loan, 7.00%, Maturing September 30, 2016	1,409,156
	Pinnacle Foods Finance, LLC	
7,425	Term Loan, 2.76%, Maturing April 2, 2014	7,419,731

Principal Amount* (000 \$ omitted)	Borrower/Tranche Description	Value
	Provimi Group SA	
	220 Term Loan, 2.51%, Maturing June 28, 2015	\$ 216,319
	270 Term Loan, 2.51%, Maturing June 28, 2015	266,207
EUR	284 Term Loan, 3.11%, Maturing June 28, 2015	386,099
EUR	459 Term Loan, 3.11%, Maturing June 28, 2015	622,975
EUR	490 Term Loan, 3.11%, Maturing June 28, 2015	665,395
EUR	632 Term Loan, 3.11%, Maturing June 28, 2015	858,060
	178 Term Loan - Second Lien, 4.51%, Maturing December 28, 2016	165,433
EUR	29 Term Loan - Second Lien, 5.11%, Maturing December 28, 2016	37,241
EUR	397 Term Loan - Second Lien, 5.11%, Maturing December 28, 2016	510,048
		\$ 23,559,826
Food Service 6.0%		
	Aramark Corp.	
	194 Term Loan, 2.14%, Maturing January 27, 2014	\$ 193,783
	2,401 Term Loan, 2.18%, Maturing January 27, 2014	2,402,673
GBP	1,200 Term Loan, 2.76%, Maturing January 27, 2014	1,892,255
	348 Term Loan, 3.51%, Maturing July 26, 2016	350,179
	5,298 Term Loan, 3.55%, Maturing July 26, 2016	5,324,705
	Buffets, Inc.	
	1,413 Term Loan, 12.00%, Maturing April 21, 2015 ⁽²⁾	1,279,052
	132 Term Loan, 7.55%, Maturing April 22, 2015 ⁽²⁾	105,669
	Burger King Corp.	
	5,200 Term Loan, 4.50%, Maturing October 19, 2016	5,235,209
	CBRL Group, Inc.	
	1,005 Term Loan, 1.81%, Maturing April 29, 2013	1,005,877
	642 Term Loan, 2.82%, Maturing April 27, 2016	644,043
	Del Monte Corp.	
	4,175 Term Loan, 4.50%, Maturing February 26, 2018	4,208,271
	Denny's, Inc.	
	816 Term Loan, 7.00%, Maturing September 20, 2016	824,660
	Dunkin Brands, Inc.	
	3,125 Term Loan, 4.25%, Maturing November 23, 2017	3,150,391
	NPC International, Inc.	
	296 Term Loan, 2.04%, Maturing May 3, 2013	294,319
	OSI Restaurant Partners, LLC	
	404 Term Loan, 2.56%, Maturing June 14, 2013	398,138
	4,139 Term Loan, 2.63%, Maturing June 14, 2014	4,079,740
	QCE Finance, LLC	
	1,120 Term Loan, 5.01%, Maturing May 5, 2013	1,065,377
	Sagittarius Restaurants, LLC	
	586 Term Loan, 7.51%, Maturing May 18, 2015	589,705
	Selecta	
EUR	741 Term Loan - Second Lien, 5.24%, Maturing December 28, 2015	746,704

	U.S. Foodservice, Inc.	
1,000	Term Loan, 2.76%, Maturing July 3, 2014	968,750
	Wendy s/Arby s Restaurants, LLC	
995	Term Loan, 5.00%, Maturing May 24, 2017	1,005,883
		\$ 35,765,383

Food/Drug Retailers 3.6%

	General Nutrition Centers, Inc.	
5,647	Term Loan, 3.30%, Maturing September 16, 2013	\$ 5,639,740
	NBTY, Inc.	
2,375	Term Loan, 6.25%, Maturing October 2, 2017	2,405,925
	Pantry, Inc. (The)	
244	Term Loan, 2.02%, Maturing May 15, 2014	240,062
846	Term Loan, 2.02%, Maturing May 15, 2014	833,739
	Rite Aid Corp.	
8,600	Term Loan, 2.02%, Maturing June 4, 2014	8,346,159
1,173	Term Loan, 6.00%, Maturing June 4, 2014	1,177,399

Principal Amount* (000 \$ omitted)	Borrower/Tranche Description	Value
	Roundy's Supermarkets, Inc.	
3,042	Term Loan, 7.00%, Maturing November 3, 2013	\$ 3,065,753
		\$ 21,708,777
Forest Products	1.3%	
	Georgia-Pacific Corp.	
1,912	Term Loan, 2.30%, Maturing December 20, 2012	\$ 1,916,153
4,291	Term Loan, 2.30%, Maturing December 21, 2012	4,300,165
1,537	Term Loan, 3.55%, Maturing December 23, 2014	1,543,339
		\$ 7,759,657
Health Care	17.2%	
	1-800-Contacts, Inc.	
910	Term Loan, 7.70%, Maturing March 4, 2015	\$ 915,248
	Alliance Healthcare Services	
1,337	Term Loan, 5.50%, Maturing June 1, 2016	1,347,777
	Ardent Medical Services, Inc.	
1,265	Term Loan, 6.50%, Maturing September 15, 2015	1,277,564
	Ascend Learning	
1,250	Term Loan, 7.75%, Maturing December 6, 2016	1,246,875
	Aveta Holdings, LLC	
619	Term Loan, 8.50%, Maturing April 14, 2015	623,381
619	Term Loan, 8.50%, Maturing April 14, 2015	623,381
	Biomet, Inc.	
6,859	Term Loan, 3.29%, Maturing March 25, 2015	6,868,563
	Bright Horizons Family Solutions, Inc.	
1,048	Term Loan, 7.50%, Maturing May 28, 2015	1,056,548
	Cardinal Health 409, Inc.	
2,364	Term Loan, 2.51%, Maturing April 10, 2014	2,340,608
	Carestream Health, Inc.	
1,725	Term Loan, Maturing February 25, 2017 ⁽⁷⁾	1,716,529
	Carl Zeiss Vision Holding GmbH	
1,170	Term Loan, 1.87%, Maturing October 24, 2014	1,073,475
130	Term Loan, 4.00%, Maturing September 30, 2019	104,000
	CDRL MS, Inc.	
934	Term Loan, 6.75%, Maturing September 29, 2016	943,738
	Community Health Systems, Inc.	
350	Term Loan, 2.56%, Maturing July 25, 2014	348,294
6,804	Term Loan, 2.56%, Maturing July 25, 2014	6,760,991
3,421	Term Loan, 3.81%, Maturing January 25, 2017	3,436,545
	ConMed Corp.	
488	Term Loan, 1.77%, Maturing April 12, 2013	459,033
	CRC Health Corp.	

Edgar Filing: SUPERIOR INDUSTRIES INTERNATIONAL INC - Form 10-Q

2,042	Term Loan, 4.80%, Maturing November 16, 2015 Dako EQT Project Delphi	2,042,371
500	Term Loan - Second Lien, 4.05%, Maturing December 12, 2016 DaVita, Inc.	441,875
3,400	Term Loan, 4.50%, Maturing October 20, 2016 DJO Finance, LLC	3,433,368
720	Term Loan, 3.26%, Maturing May 20, 2014 Fresenius Medical Care Holdings	716,779
2,807	Term Loan, 1.68%, Maturing March 31, 2013 Fresenius SE	2,803,986
310	Term Loan, 4.50%, Maturing September 10, 2014	312,434
690	Term Loan, 4.50%, Maturing September 10, 2014 Grifols SA	695,691
2,400	Term Loan, Maturing November 23, 2016 ⁽⁷⁾ Hanger Orthopedic Group, Inc.	2,433,490
750	Term Loan, 5.25%, Maturing November 17, 2016 Harvard Drug Group, LLC	760,313
116	Term Loan, 6.50%, Maturing April 8, 2016	115,764

Principal Amount* (000 s omitted)	Borrower/Tranche Description	Value
846	Term Loan, 6.50%, Maturing April 8, 2016 HCA, Inc.	\$ 841,923
2,690	Term Loan, 2.55%, Maturing November 18, 2013	2,686,178
6,452	Term Loan, 3.55%, Maturing March 31, 2017 Health Management Associates, Inc.	6,486,027
9,075	Term Loan, 2.05%, Maturing February 28, 2014 Iasis Healthcare, LLC	9,030,803
154	Term Loan, 2.26%, Maturing March 14, 2014	153,733
563	Term Loan, 2.26%, Maturing March 14, 2014	562,088
1,627	Term Loan, 2.26%, Maturing March 14, 2014 Ikaria Acquisition, Inc.	1,623,954
895	Term Loan, 7.00%, Maturing May 16, 2016 IM U.S. Holdings, LLC	871,506
970	Term Loan, 2.26%, Maturing June 26, 2014	965,757
700	Term Loan - Second Lien, 4.51%, Maturing June 26, 2015 IMS Health, Inc.	697,375
1,436	Term Loan, 5.25%, Maturing February 26, 2016 inVentiv Health, Inc.	1,452,300
817	Term Loan, 1.63%, Maturing August 4, 2016 ⁽³⁾	821,771
408	Term Loan, 4.75%, Maturing August 4, 2016	410,885
920	Term Loan, 4.75%, Maturing August 14, 2016 Lifepoint Hospitals, Inc.	926,127
2,251	Term Loan, 3.07%, Maturing April 15, 2015 MedAssets, Inc.	2,257,318
1,050	Term Loan, 5.25%, Maturing November 16, 2016 MPT Operating Partnership, L.P.	1,060,062
1,166	Term Loan, 5.00%, Maturing May 17, 2016 MultiPlan, Inc.	1,171,621
2,885	Term Loan, 4.75%, Maturing August 26, 2017 Mylan, Inc.	2,912,562
936	Term Loan, 3.56%, Maturing October 2, 2014 Nyco Holdings	942,723
EUR 472	Term Loan, 4.86%, Maturing December 29, 2014	644,762
EUR 471	Term Loan, 5.36%, Maturing December 29, 2015 Physiotherapy Associates, Inc.	644,603
725	Term Loan, 7.50%, Maturing June 27, 2013 Prime Healthcare Services, Inc.	725,757
2,630	Term Loan, 7.25%, Maturing April 22, 2015 RadNet Management, Inc.	2,584,098
1,216	Term Loan, 5.75%, Maturing April 1, 2016 ReAble Therapeutics Finance, LLC	1,220,752
2,630	Term Loan, 2.27%, Maturing November 18, 2013 RehabCare Group, Inc.	2,617,088
814	Term Loan, 6.00%, Maturing November 24, 2015 Renal Advantage Holdings, Inc.	820,106

Edgar Filing: SUPERIOR INDUSTRIES INTERNATIONAL INC - Form 10-Q

	825	Term Loan, 5.75%, Maturing December 16, 2016 Select Medical Holdings Corp.	837,891
	2,466	Term Loan, 4.14%, Maturing August 22, 2014 Skillsoft Corp.	2,479,823
	995	Term Loan, 6.50%, Maturing May 26, 2017 Sunquest Information Systems, Inc.	1,011,169
	850	Term Loan, 6.25%, Maturing December 16, 2016 Sunrise Medical Holdings, Inc.	854,781
EUR	272	Term Loan, 6.75%, Maturing May 13, 2014 TZ Merger Sub., Inc.	347,195
	723	Term Loan, 6.75%, Maturing August 4, 2015 Universal Health Services, Inc.	725,762
	2,575	Term Loan, 5.50%, Maturing November 15, 2016 Vanguard Health Holding Co., LLC	2,605,032
	1,787	Term Loan, 5.00%, Maturing January 29, 2016	1,803,952

Principal Amount* (000 \$ omitted)	Borrower/Tranche Description	Value
	VWR Funding, Inc.	
2,148	Term Loan, 2.76%, Maturing June 30, 2014	\$ 2,143,080
		\$ 102,839,185
	Home Furnishings 0.6%	
	Hunter Fan Co.	
413	Term Loan, 2.77%, Maturing April 16, 2014	\$ 383,998
	National Bedding Co., LLC	
1,449	Term Loan, 3.81%, Maturing November 28, 2013	1,452,005
2,050	Term Loan - Second Lien, 5.31%, Maturing February 28, 2014	2,039,750
		\$ 3,875,753
	Industrial Equipment 4.1%	
	Alliance Laundry Systems, LLC	
979	Term Loan, 6.25%, Maturing September 30, 2016	\$ 988,125
	Brand Energy and Infrastructure Services, Inc.	
688	Term Loan, 2.56%, Maturing February 7, 2014	677,464
830	Term Loan, 3.56%, Maturing February 7, 2014	824,056
	Bucyrus International, Inc.	
1,449	Term Loan, 4.25%, Maturing February 19, 2016	1,458,655
	Butterfly Wendel US, Inc.	
304	Term Loan, 3.46%, Maturing June 23, 2014	295,217
304	Term Loan, 4.21%, Maturing June 22, 2015	295,122
	EPD Holdings, (Goodyear Engineering Products)	
242	Term Loan, 2.77%, Maturing July 31, 2014	227,262
1,691	Term Loan, 2.77%, Maturing July 31, 2014	1,586,732
850	Term Loan - Second Lien, 6.01%, Maturing July 13, 2015	748,000
	Excelitas Technologies Corp.	
998	Term Loan, 5.50%, Maturing November 23, 2016	1,007,475
	Generac Acquisition Corp.	
1,364	Term Loan, 2.80%, Maturing November 11, 2013	1,362,347
	Gleason Corp.	
700	Term Loan, 2.04%, Maturing June 30, 2013	692,652
	Jason, Inc.	
77	Term Loan, 8.25%, Maturing September 21, 2014	76,892
195	Term Loan, 8.25%, Maturing September 21, 2014	195,864
	John Maneely Co.	
4,296	Term Loan, 3.55%, Maturing December 9, 2013	4,283,350
	KION Group GmbH	
1,018	Term Loan, 2.51%, Maturing December 23, 2014 ⁽²⁾	983,241
1,018	Term Loan, 2.76%, Maturing December 23, 2015 ⁽²⁾	983,241
	Pinafore, LLC	
2,393	Term Loan, 4.25%, Maturing September 29, 2016	2,406,764

	Polypore, Inc.	
4,627	Term Loan, 2.27%, Maturing July 3, 2014	4,554,812
	Sequa Corp.	
794	Term Loan, 3.56%, Maturing December 3, 2014	788,750
		\$ 24,436,021
Insurance	3.0%	
	Alliant Holdings I, Inc.	
3,753	Term Loan, 3.30%, Maturing August 21, 2014	\$ 3,658,953
	AmWINS Group, Inc.	
956	Term Loan, 2.82%, Maturing June 8, 2013	954,705
500	Term Loan - Second Lien, 5.81%, Maturing June 8, 2014	456,250
	Applied Systems, Inc.	
1,575	Term Loan, 5.50%, Maturing December 8, 2016	1,586,156
	CCC Information Services Group, Inc.	
1,625	Term Loan, 5.50%, Maturing November 11, 2015	1,644,805
	Conseco, Inc.	
1,625	Term Loan, 7.50%, Maturing September 30, 2016	1,638,541

Principal Amount* (000 s omitted)	Borrower/Tranche Description	Value
	Crawford & Company	
1,275	Term Loan, 5.25%, Maturing October 30, 2013	\$ 1,280,420
	Crump Group, Inc.	
737	Term Loan, 3.27%, Maturing August 1, 2014	730,729
	HUB International Holdings, Inc.	
430	Term Loan, 2.80%, Maturing June 13, 2014	429,556
1,911	Term Loan, 2.80%, Maturing June 13, 2014	1,911,507
617	Term Loan, 6.75%, Maturing June 13, 2014	622,974
	U.S.I. Holdings Corp.	
3,340	Term Loan, 2.76%, Maturing May 5, 2014	3,323,011
		\$ 18,237,607
Leisure Goods/Activities/Movies 7.7%		
	24 Hour Fitness Worldwide, Inc.	
995	Term Loan, 6.75%, Maturing April 22, 2016	\$ 973,856
	Alpha D2, Ltd.	
1,016	Term Loan, Maturing December 31, 2013 ⁽⁷⁾	1,003,819
1,484	Term Loan, Maturing December 31, 2013 ⁽⁷⁾	1,465,243
2,000	Term Loan - Second Lien, 3.96%, Maturing June 30, 2014	1,965,000
	AMC Entertainment, Inc.	
5,432	Term Loan, 3.51%, Maturing December 16, 2016	5,473,429
	Bombardier Recreational Products	
3,028	Term Loan, 2.81%, Maturing June 28, 2013	3,015,074
	Carmike Cinemas, Inc.	
2,643	Term Loan, 5.50%, Maturing January 27, 2016	2,677,328
	Cedar Fair, L.P.	
2,265	Term Loan, 4.00%, Maturing December 15, 2017	2,279,019
	Cinemark, Inc.	
3,903	Term Loan, 3.54%, Maturing April 29, 2016	3,936,243
	ClubCorp Club Operations, Inc.	
725	Term Loan, 6.00%, Maturing November 9, 2016	734,063
	Dave & Buster's, Inc.	
993	Term Loan, 6.00%, Maturing June 1, 2016	999,323
	Deluxe Entertainment Services Group, Inc.	
62	Term Loan, 6.25%, Maturing May 11, 2013	62,008
992	Term Loan, 6.25%, Maturing May 11, 2013	992,126
	Fender Musical Instruments Corp.	
288	Term Loan, 2.52%, Maturing June 9, 2014	271,056
569	Term Loan, 2.52%, Maturing June 9, 2014	536,546
	Miramax Film NY, LLC	
1,125	Term Loan, 7.75%, Maturing May 20, 2016	1,150,312
	National CineMedia, LLC	
2,850	Term Loan, 2.06%, Maturing February 13, 2015	2,841,687
	Regal Cinemas Corp.	

Edgar Filing: SUPERIOR INDUSTRIES INTERNATIONAL INC - Form 10-Q

4,050	Term Loan, Maturing August 23, 2017 ⁽⁷⁾ Revolution Studios Distribution Co., LLC	4,076,155
1,066	Term Loan, 4.02%, Maturing December 21, 2014	836,596
900	Term Loan - Second Lien, 7.27%, Maturing June 21, 2015 ⁽⁵⁾ SeaWorld Parks & Entertainment, Inc.	297,000
2,005	Term Loan, 4.00%, Maturing August 17, 2017 Six Flags Theme Parks, Inc.	2,018,845
3,506	Term Loan, 5.50%, Maturing June 30, 2016 Universal City Development Partners, Ltd.	3,546,382
2,822	Term Loan, 5.50%, Maturing November 6, 2014 Zuffa, LLC	2,857,356
1,947	Term Loan, 2.31%, Maturing June 19, 2015	1,913,113
		\$ 45,921,579

Lodging and Casinos 2.9%

	Ameristar Casinos, Inc.	
1,164	Term Loan, 3.55%, Maturing November 10, 2012	1,167,751

Principal Amount* (000 \$ omitted)	Borrower/Tranche Description	Value
	Harrah's Operating Co.	
408	Term Loan, 3.30%, Maturing January 28, 2015	\$ 378,685
2,772	Term Loan, 3.30%, Maturing January 28, 2015	2,581,505
2,970	Term Loan, 9.50%, Maturing October 31, 2016	3,158,099
	Isle of Capri Casinos, Inc.	
440	Term Loan, 5.00%, Maturing November 25, 2013	440,495
598	Term Loan, 5.00%, Maturing November 25, 2013	598,174
1,494	Term Loan, 5.00%, Maturing November 25, 2013	1,495,431
	Las Vegas Sands, LLC	
177	Term Loan, 2.04%, Maturing May 23, 2014	176,017
821	Term Loan, 2.04%, Maturing May 23, 2014	816,485
395	Term Loan, 3.04%, Maturing November 23, 2016	394,488
1,349	Term Loan, 3.04%, Maturing November 23, 2016	1,345,263
	LodgeNet Entertainment Corp.	
1,859	Term Loan, 2.31%, Maturing April 4, 2014	1,732,738
	Penn National Gaming, Inc.	
1,002	Term Loan, 2.03%, Maturing October 3, 2012	1,001,595
	Tropicana Entertainment, Inc.	
191	Term Loan, 15.00%, Maturing December 29, 2012	215,527
	VML US Finance, LLC	
185	Term Loan, 4.79%, Maturing May 25, 2012	185,897
431	Term Loan, 4.79%, Maturing May 27, 2013	432,655
991	Term Loan, 4.79%, Maturing May 27, 2013	993,434
		\$ 17,114,239
Nonferrous Metals/Minerals 1.1%		
	Euramax International, Inc.	
343	Term Loan, 10.00%, Maturing June 29, 2013	\$ 333,654
334	Term Loan, 14.00%, Maturing June 29, 2013 ⁽²⁾	324,834
	Fairmount Minerals, Ltd.	
1,093	Term Loan, 6.25%, Maturing August 5, 2016	1,107,617
	Noranda Aluminum Acquisition	
300	Term Loan, 2.01%, Maturing May 18, 2014	299,424
	Novelis, Inc.	
2,325	Term Loan, 5.25%, Maturing December 19, 2016	2,358,629
	Oxbow Carbon and Mineral Holdings	
2,306	Term Loan, 3.80%, Maturing May 8, 2016	2,331,977
		\$ 6,756,135
Oil and Gas 2.9%		
	Big West Oil, LLC	
825	Term Loan, 7.00%, Maturing March 31, 2016	\$ 837,547
	CITGO Petroleum Corp.	

Edgar Filing: SUPERIOR INDUSTRIES INTERNATIONAL INC - Form 10-Q

634	Term Loan, 8.00%, Maturing June 24, 2015	666,230
2,861	Term Loan, 9.00%, Maturing June 23, 2017	3,020,342
	Crestwood Holdings, LLC	
566	Term Loan, 10.50%, Maturing September 30, 2016	582,165
	Dynegy Holdings, Inc.	
368	Term Loan, 4.02%, Maturing April 2, 2013	366,825
5,623	Term Loan, 4.02%, Maturing April 2, 2013	5,599,711
	Obsidian Natural Gas Trust	
3,568	Term Loan, 7.00%, Maturing November 2, 2015	3,674,912
	SemGroup Corp.	
471	Term Loan, 1.85%, Maturing November 30, 2012	475,687
	Sheridan Production Partners I, LLC	
121	Term Loan, 7.50%, Maturing April 20, 2017	121,683
198	Term Loan, 7.50%, Maturing April 20, 2017	199,217
1,493	Term Loan, 7.50%, Maturing April 20, 2017	1,503,432
		\$ 17,047,751

Principal Amount* (000 s omitted)	Borrower/Tranche Description	Value
Publishing 6.1%		
1,850	Aster Zweite Beteiligungs GmbH Term Loan, 2.71%, Maturing September 27, 2013	\$ 1,853,469
1,000	Cengage Learning, Inc. Term Loan, 2.55%, Maturing July 3, 2014	965,063
649	GateHouse Media Operating, Inc. Term Loan, 2.27%, Maturing August 28, 2014	308,425
1,522	Term Loan, 2.27%, Maturing August 28, 2014	723,612
748	Term Loan, 2.52%, Maturing August 28, 2014	355,875
2,494	Getty Images, Inc. Term Loan, 5.25%, Maturing November 7, 2016	2,531,156
189	IWCO Direct, Inc. Term Loan, 3.64%, Maturing August 5, 2014	161,423
1,811	Term Loan, 3.64%, Maturing August 7, 2014	1,548,577
811	Lamar Media Corp. Term Loan, 4.25%, Maturing December 30, 2016	817,931
495	Laureate Education, Inc. Term Loan, 3.55%, Maturing August 17, 2014	486,105
3,304	Term Loan, 3.55%, Maturing August 17, 2014	3,246,900
1,481	Term Loan, 7.00%, Maturing August 31, 2014	1,496,063
309	MediaNews Group, Inc. Term Loan, 8.50%, Maturing March 19, 2014	304,304
5,113	Merrill Communications, LLC Term Loan, 7.50%, Maturing December 24, 2012	5,113,132
473	Nelson Education, Ltd. Term Loan, 2.80%, Maturing July 5, 2014	430,247
6,253	Nielsen Finance, LLC Term Loan, 2.26%, Maturing August 9, 2013	6,258,668
1,978	Term Loan, 4.01%, Maturing May 2, 2016	1,992,138
528	SGS International, Inc. Term Loan, 3.96%, Maturing September 30, 2013	529,039
902	Source Interlink Companies, Inc. Term Loan, 10.75%, Maturing June 18, 2013	861,621
583	Term Loan, 15.00%, Maturing March 18, 2014 ⁽²⁾	425,744
1,475	Trader Media Corp. Term Loan, 2.62%, Maturing March 23, 2015	2,319,739
1,642	Xsys, Inc. Term Loan, 2.71%, Maturing December 31, 2014	1,644,588
1,834	Term Loan, 2.71%, Maturing December 31, 2014	1,837,789
		\$ 36,211,608
Radio and Television 2.4%		
903	Block Communications, Inc. Term Loan, 2.30%, Maturing December 22, 2011	\$ 882,194

	CMP KC, LLC	
1,047	Term Loan, 6.42%, Maturing May 3, 2011 ⁽²⁾⁽⁵⁾	300,545
	Gray Television, Inc.	
713	Term Loan, 3.77%, Maturing December 31, 2014	710,432
	HIT Entertainment, Inc.	
960	Term Loan, 5.56%, Maturing June 1, 2012	943,254
	Live Nation Worldwide, Inc.	
2,605	Term Loan, 4.50%, Maturing November 7, 2016	2,623,745
	Mission Broadcasting, Inc.	
592	Term Loan, 5.00%, Maturing September 30, 2016	593,256
	New Young Broadcasting Holding Co., Inc.	
216	Term Loan, 8.00%, Maturing June 30, 2015	217,689
	Nexstar Broadcasting, Inc.	
926	Term Loan, 5.00%, Maturing September 30, 2016	930,227
	Raycom TV Broadcasting, LLC	
1,119	Term Loan, 1.81%, Maturing June 25, 2014	1,099,786

Principal Amount* (000 s omitted)	Borrower/Tranche Description	Value
	Univision Communications, Inc.	
1,940	Term Loan, 2.51%, Maturing September 29, 2014	\$ 1,897,217
1,940	Term Loan, 4.51%, Maturing March 31, 2017	1,897,063
	Weather Channel	
2,275	Term Loan, 4.25%, Maturing February 13, 2017	2,300,878
		\$ 14,396,286
Retailers (Except Food and Drug) 4.2%		
	Amscan Holdings, Inc.	
1,746	Term Loan, 6.75%, Maturing December 4, 2017	\$ 1,767,437
	FTD, Inc.	
1,161	Term Loan, 6.75%, Maturing August 26, 2014	1,168,413
	Harbor Freight Tools USA, Inc.	
2,075	Term Loan, 6.50%, Maturing December 22, 2017	2,101,369
	J Crew Operating Corp.	
1,825	Term Loan, 4.75%, Maturing January 26, 2018	1,827,852
	Michaels Stores, Inc.	
1,852	Term Loan, 2.58%, Maturing October 31, 2013	1,849,643
	Neiman Marcus Group, Inc.	
3,412	Term Loan, 4.30%, Maturing April 6, 2016	3,437,629
	Orbitz Worldwide, Inc.	
2,177	Term Loan, 3.29%, Maturing July 25, 2014	2,040,030
	PETCO Animal Supplies, Inc.	
1,400	Term Loan, Maturing November 24, 2017 ⁽⁷⁾	1,407,875
	Pilot Travel Centers, LLC	
1,159	Term Loan, 5.25%, Maturing June 30, 2016	1,172,967
	Rent-A-Center, Inc.	
3	Term Loan, 2.06%, Maturing June 30, 2012	2,596
622	Term Loan, 3.31%, Maturing March 31, 2015	623,930
	Savers, Inc.	
1,340	Term Loan, 5.75%, Maturing March 11, 2016	1,350,483
	Visant Corp.	
1,222	Term Loan, 7.00%, Maturing December 22, 2016	1,236,316
	Visant Holding Corp.	
1,600	Term Loan, Maturing December 31, 2016 ⁽⁷⁾	1,600,000
	Vivarte	
EUR 29	Term Loan, 2.78%, Maturing March 9, 2015	38,378
EUR 62	Term Loan, 2.78%, Maturing March 9, 2015	83,911
EUR 347	Term Loan, 2.78%, Maturing March 9, 2015	466,388
EUR 441	Term Loan, 3.40%, Maturing March 8, 2016	591,929
EUR 18	Term Loan, 3.40%, Maturing May 29, 2016	24,718
EUR 71	Term Loan, 3.40%, Maturing May 29, 2016	95,619
	Yankee Candle Company, Inc. (The)	
2,151	Term Loan, 2.27%, Maturing February 6, 2014	2,148,462

			\$ 25,035,945
Steel	0.1%		
		Niagara Corp.	
	766	Term Loan, 10.50%, Maturing June 29, 2014 ⁽²⁾⁽⁵⁾	\$ 725,860
			\$ 725,860
Surface Transport	0.4%		
		Swift Transportation Co., Inc.	
	2,571	Term Loan, 6.00%, Maturing December 21, 2016	\$ 2,589,518
			\$ 2,589,518
Telecommunications	6.1%		
		Alaska Communications Systems Holdings, Inc.	
	2,075	Term Loan, 5.50%, Maturing October 21, 2016	\$ 2,090,563
		Asurion Corp.	
	4,271	Term Loan, 3.27%, Maturing July 3, 2014	4,212,212

Principal Amount* (000 s omitted)	Borrower/Tranche Description	Value
2,000	Term Loan, 6.75%, Maturing March 31, 2015 CommScope, Inc.	\$ 2,030,358
2,300	Term Loan, 5.00%, Maturing January 14, 2018 Intelsat Jackson Holdings SA	2,337,853
11,775	Term Loan, 5.25%, Maturing April 2, 2018 Macquarie UK Broadcast Ventures, Ltd.	11,885,391
GBP 828	Term Loan, 2.62%, Maturing December 1, 2014 MetroPCS Wireless	1,248,371
995	Term Loan, 3.81%, Maturing November 4, 2016 NTelos, Inc.	1,001,541
1,979	Term Loan, 6.00%, Maturing August 7, 2015 Telesat Canada, Inc.	1,993,584
157	Term Loan, 3.27%, Maturing October 31, 2014	156,638
1,823	Term Loan, 3.27%, Maturing October 31, 2014 TowerCo Finance, LLC	1,823,581
750	Term Loan, 5.25%, Maturing February 2, 2017 Wind Telecomunicazioni SpA	756,094
EUR 4,100	Term Loan, Maturing December 15, 2017 ⁽⁷⁾ Windstream Corp.	5,680,188
1,363	Term Loan, 3.06%, Maturing December 17, 2015	1,371,228
		\$ 36,587,602
Utilities 2.4%		
500	Astoria Generating Co. Term Loan - Second Lien, 4.06%, Maturing August 23, 2013	\$ 498,021
967	BRSP, LLC Term Loan, 7.50%, Maturing June 4, 2014	978,844
261	Covanta Energy Corp. Term Loan, 1.80%, Maturing February 10, 2014	260,335
510	Term Loan, 1.81%, Maturing February 10, 2014	508,975
625	EquiPower Resources Holdings, LLC Term Loan, 5.75%, Maturing January 26, 2018	632,031
987	New Development Holdings, Inc. Term Loan, 7.00%, Maturing July 3, 2017	999,785
285	NRG Energy, Inc. Term Loan, 2.04%, Maturing February 1, 2013	284,990
1	Term Loan, 2.05%, Maturing February 1, 2013	945
1,358	Term Loan, 3.55%, Maturing August 31, 2015	1,369,743
2,470	Term Loan, 3.55%, Maturing August 31, 2015	2,492,473
801	Pike Electric, Inc. Term Loan, 2.06%, Maturing July 2, 2012	796,760
217	Term Loan, 2.06%, Maturing December 10, 2012	216,299
987	TXU Texas Competitive Electric Holdings Co., LLC Term Loan, 3.77%, Maturing October 10, 2014	834,469

Edgar Filing: SUPERIOR INDUSTRIES INTERNATIONAL INC - Form 10-Q

1,451	Term Loan, 3.77%, Maturing October 10, 2014	1,224,171
3,803	Term Loan, 3.79%, Maturing October 10, 2014	3,214,310

\$ 14,312,151

Total Senior Floating-Rate Interests
(identified cost \$812,805,250)

\$ 822,657,822

Corporate Bonds & Notes 10.4%**Principal
Amount***

(000 s omitted)	Security	Value
Aerospace and Defense 0.2%		
International Lease Finance Corp., Sr. Notes		
400	6.50%, 9/1/14 ⁽⁸⁾	\$ 433,400
400	6.75%, 9/1/16 ⁽⁸⁾	435,000
400	7.125%, 9/1/18 ⁽⁸⁾	438,500
		\$ 1,306,900
Automotive 0.2%		
Allison Transmission, Inc.		
25	11.00%, 11/1/15 ⁽⁸⁾	\$ 27,312
670	11.25%, 11/1/15 ⁽²⁾⁽⁸⁾	733,650
American Axle & Manufacturing Holdings, Inc., Sr. Notes		
150	9.25%, 1/15/17 ⁽⁸⁾	169,500
Commercial Vehicle Group, Inc., Sr. Notes		
110	8.00%, 7/1/13	110,825
		\$ 1,041,287
Broadcast Radio and Television 0.5%		
Clear Channel Communications, Inc., Sr. Notes		
1,000	6.25%, 3/15/11	\$ 1,002,500
Entravision Communications Corp., Sr. Notes		
1,000	8.75%, 8/1/17 ⁽⁸⁾	1,085,000
Rainbow National Services, LLC, Sr. Sub. Notes		
335	10.375%, 9/1/14 ⁽⁸⁾	349,656
XM Satellite Radio Holdings, Inc.		
480	13.00%, 8/1/13 ⁽⁸⁾	574,800
		\$ 3,011,956
Building and Development 0.9%		
AMO Escrow Corp., Sr. Notes		
2,150	11.50%, 12/15/17 ⁽⁸⁾	\$ 2,311,250
Grohe Holding GmbH, Variable Rate		
EUR 2,000	3.873%, 1/15/14 ⁽⁹⁾	2,770,249
		\$ 5,081,499
Business Equipment and Services 0.6%		
Brocade Communications Systems, Inc., Sr. Notes		
40	6.625%, 1/15/18	\$ 42,250
40	6.875%, 1/15/20	43,100

	Education Management, LLC, Sr. Notes	
445	8.75%, 6/1/14	459,462
	Education Management, LLC, Sr. Sub. Notes	
97	10.25%, 6/1/16	101,850
	MediMedia USA, Inc., Sr. Sub. Notes	
180	11.375%, 11/15/14 ⁽⁸⁾	155,700
	RSC Equipment Rental, Inc., Sr. Notes	
750	10.00%, 7/15/17 ⁽⁸⁾	866,250
	SunGard Data Systems, Inc., Sr. Notes	
1,380	10.625%, 5/15/15	1,535,250
	Ticketmaster Entertainment, Inc.	
220	10.75%, 8/1/16	242,550
		\$ 3,446,412
	Cable and Satellite Television 0.5%	
	Virgin Media Finance PLC, Sr. Notes	
2,500	6.50%, 1/15/18	\$ 2,750,000
		\$ 2,750,000

Principal Amount* (000 s omitted)	Security	Value
Chemicals and Plastics 0.1%		
	CII Carbon, LLC	
195	11.125%, 11/15/15 ⁽⁸⁾	\$ 204,019
	INEOS Group Holdings PLC, Sr. Sub. Notes	
345	8.50%, 2/15/16 ⁽⁸⁾	350,175
	Wellman Holdings, Inc., Sr. Sub. Notes	
161	5.00%, 1/29/19 ⁽²⁾⁽⁵⁾	0
		\$ 554,194
Conglomerates 0.0% ⁽⁰⁾		
	RBS Global & Rexnord Corp.	
175	11.75%, 8/1/16	\$ 190,313
		\$ 190,313
Containers and Glass Products 0.3%		
	Berry Plastics Corp., Sr. Notes, Variable Rate	
1,000	5.053%, 2/15/15	\$ 1,005,000
	Intertape Polymer US, Inc., Sr. Sub. Notes	
865	8.50%, 8/1/14	750,387
		\$ 1,755,387
Cosmetics/Toiletries 0.3%		
	Revlon Consumer Products Corp.	
1,420	9.75%, 11/15/15 ⁽⁸⁾	\$ 1,547,800
		\$ 1,547,800
Electronics/Electrical 0.1%		
	NXP BV/NXP Funding, LLC, Variable Rate	
875	3.053%, 10/15/13	\$ 873,906
		\$ 873,906
Equipment Leasing 0.0% ⁽⁰⁾		
	Hertz Corp.	
22	8.875%, 1/1/14	\$ 22,688
		\$ 22,688
Financial Intermediaries 1.0%		
	Ford Motor Credit Co., Sr. Notes	
2,250	12.00%, 5/15/15	\$ 2,844,880

Edgar Filing: SUPERIOR INDUSTRIES INTERNATIONAL INC - Form 10-Q

	260	8.00%, 12/15/16		294,866
		UPCB Finance II, Ltd., Sr. Notes		
EUR	1,000	6.375%, 7/1/20 ⁽⁸⁾		1,366,150
		UPCB Finance III, Ltd., Sr. Notes		
	1,375	6.625%, 7/1/20 ⁽⁸⁾		1,376,719
				\$ 5,882,615
Food Products	0.2%			
		Smithfield Foods, Inc., Sr. Notes		
	1,000	10.00%, 7/15/14 ⁽⁸⁾	\$	1,185,000
				\$ 1,185,000
Food Service	0.2%			
		NPC International, Inc., Sr. Sub. Notes		
	280	9.50%, 5/1/14	\$	290,150
		U.S. Foodservice, Inc., Sr. Notes		
	940	10.25%, 6/30/15 ⁽⁸⁾		982,300
				\$ 1,272,450
Food/Drug Retailers	0.1%			
		General Nutrition Center, Sr. Notes, Variable Rate		
	245	5.75%, 3/15/14 ⁽²⁾	\$	245,766

Principal Amount* (000 \$ omitted)	Security	Value
	General Nutrition Center, Sr. Sub. Notes	
430	10.75%, 3/15/15	\$ 434,300
		\$ 680,066
Forest Products	0.0%	
	Verso Paper Holdings, LLC/Verso Paper, Inc.	
255	11.375%, 8/1/16	\$ 272,213
		\$ 272,213
Health Care	0.2%	
	Accellent, Inc., Sr. Notes	
180	8.375%, 2/1/17	\$ 191,700
	Biomet, Inc.	
125	10.375%, 10/15/17 ⁽²⁾	140,469
600	11.625%, 10/15/17	679,500
	DJO Finance, LLC/DJO Finance Corp.	
240	10.875%, 11/15/14 ⁽⁸⁾	264,300
	HCA, Inc.	
145	9.25%, 11/15/16	157,325
		\$ 1,433,294
Industrial Equipment	0.3%	
	CEVA Group PLC, Sr. Notes	
205	11.50%, 4/1/18 ⁽⁸⁾	\$ 226,012
	Chart Industries, Inc., Sr. Sub. Notes	
215	9.125%, 10/15/15	221,450
	Terex Corp., Sr. Notes	
1,000	10.875%, 6/1/16	1,175,000
		\$ 1,622,462
Insurance	0.1%	
	Alliant Holdings I, Inc.	
115	11.00%, 5/1/15 ⁽⁸⁾	\$ 122,188
	HUB International Holdings, Inc., Sr. Notes	
140	9.00%, 12/15/14 ⁽⁸⁾	147,350
	U.S.I. Holdings Corp., Sr. Notes, Variable Rate	
115	4.188%, 11/15/14 ⁽⁸⁾	111,550
		\$ 381,088
Leisure Goods/Activities/Movies	0.1%	

	AMC Entertainment, Inc., Sr. Notes		
85	8.75%, 6/1/19	\$	91,694
	HRP Myrtle Beach Operations, LLC/HRP Myrtle Beach Capital Corp.		
220	12.50%, 4/1/13 ⁽⁴⁾⁽⁵⁾⁽⁸⁾		0
	HRP Myrtle Beach Operations, LLC/HRP Myrtle Beach Capital Corp., Variable Rate		
405	0.00%, 4/1/12 ⁽⁴⁾⁽⁵⁾⁽⁸⁾		0
	Royal Caribbean Cruises, Sr. Notes		
105	7.00%, 6/15/13		113,137
40	6.875%, 12/1/13		43,050
25	7.25%, 6/15/16		27,000
50	7.25%, 3/15/18		53,750
		\$	328,631
Lodging and Casinos 0.7%			
	Buffalo Thunder Development Authority		
535	9.375%, 12/15/14 ⁽⁸⁾	\$	184,575
	CCM Merger, Inc.		
105	8.00%, 8/1/13 ⁽⁸⁾		106,575
	Chukchansi EDA, Sr. Notes, Variable Rate		
310	3.943%, 11/15/12 ⁽⁸⁾		234,825

Principal Amount* (000 s omitted)	Security	Value
	Fontainebleau Las Vegas Casino, LLC	
525	10.25%, 6/15/15 ⁽⁸⁾	\$ 2,625
	Harrah s Operating Co., Inc., Sr. Notes	
1,000	11.25%, 6/1/17	1,140,000
	Inn of the Mountain Gods Resort & Casino, Sr. Notes	
381	1.25%, 11/30/20 ⁽²⁾⁽⁵⁾⁽⁸⁾	174,628
169	8.75%, 11/30/20 ⁽⁵⁾⁽⁸⁾	169,000
	Majestic HoldCo, LLC	
150	12.50%, 11/15/11 ⁽⁴⁾⁽⁸⁾	15
	Mohegan Tribal Gaming Authority, Sr. Sub. Notes	
165	8.00%, 4/1/12	142,312
240	7.125%, 8/15/14	177,000
260	6.875%, 2/15/15	190,450
	Peninsula Gaming, LLC	
1,000	10.75%, 8/15/17 ⁽⁸⁾	1,110,000
	San Pasqual Casino	
125	8.00%, 9/15/13 ⁽⁸⁾	125,938
	Seminole Hard Rock Entertainment, Variable Rate	
95	2.802%, 3/15/14 ⁽⁸⁾	93,100
	Tunica-Biloxi Gaming Authority, Sr. Notes	
345	9.00%, 11/15/15 ⁽⁸⁾	345,862
	Waterford Gaming, LLC, Sr. Notes	
258	8.625%, 9/15/14 ⁽⁵⁾⁽⁸⁾	166,384
		\$ 4,363,289
Oil and Gas 0.4%		
	Cloud Peak Energy Resources, LLC/Cloud Peak Energy Finance Corp.	
1,000	8.25%, 12/15/17	\$ 1,092,500
335	8.50%, 12/15/19	371,012
	Compton Petroleum Finance Corp.	
165	10.00%, 9/15/17	131,325
	El Paso Corp., Sr. Notes	
127	9.625%, 5/15/12	135,235
	Forbes Energy Services, Sr. Notes	
325	11.00%, 2/15/15	335,969
	Petroleum Development Corp., Sr. Notes	
135	12.00%, 2/15/18	153,225
	Petroplus Finance, Ltd.	
160	7.00%, 5/1/17 ⁽⁸⁾	157,200
	Quicksilver Resources, Inc., Sr. Notes	
135	11.75%, 1/1/16	158,288
	SESI, LLC, Sr. Notes	
65	6.875%, 6/1/14	66,625

			\$ 2,601,379
Publishing	0.4%		
		Laureate Education, Inc.	
1,100	10.00%, 8/15/15 ⁽⁸⁾		\$ 1,157,750
1,384	10.25%, 8/15/15 ⁽²⁾⁽⁸⁾		1,480,890
			\$ 2,638,640
Rail Industries	0.2%		
		American Railcar Industry, Sr. Notes	
195	7.50%, 3/1/14		\$ 200,850
		Kansas City Southern Mexico, Sr. Notes	
315	7.625%, 12/1/13		321,300
100	7.375%, 6/1/14		104,750
500	8.00%, 2/1/18		548,750
			\$ 1,175,650

Principal Amount*	Security	Value
Retailers (Except Food and Drug) 0.6%		
	Amscan Holdings, Inc., Sr. Sub. Notes	
455	8.75%, 5/1/14	\$ 464,100
	Neiman Marcus Group, Inc.	
718	9.00%, 10/15/15	755,736
	Sally Holdings, LLC, Sr. Notes	
670	9.25%, 11/15/14	706,850
510	10.50%, 11/15/16	563,550
	Toys R Us	
1,000	10.75%, 7/15/17	1,147,500
		\$ 3,637,736
Steel 0.0%		
	RathGibson, Inc., Sr. Notes	
495	11.25%, 2/15/14 ⁽⁴⁾	\$ 50
		\$ 50
Telecommunications 0.6%		
	Avaya, Inc., Sr. Notes	
1,000	9.75%, 11/1/15	\$ 1,040,000
	Clearwire Communications, LLC/Clearwire Finance, Inc., Sr. Notes	
500	12.00%, 12/1/15 ⁽⁸⁾	547,500
	Intelsat Bermuda, Ltd.	
900	11.25%, 6/15/16	967,500
	NII Capital Corp.	
335	10.00%, 8/15/16	381,062
	Telesat Canada/Telesat, LLC, Sr. Notes	
590	11.00%, 11/1/15	665,225
		\$ 3,601,287
Utilities 1.6%		
	Calpine Corp., Sr. Notes	
5,100	7.50%, 2/15/21 ⁽⁸⁾	\$ 5,240,250
3,825	7.875%, 1/15/23 ⁽⁸⁾	3,934,969
	NGC Corp.	
430	7.625%, 10/15/26	288,100
	Reliant Energy, Inc., Sr. Notes	
20	7.625%, 6/15/14	21,000
		\$ 9,484,319

Total Corporate Bonds & Notes
(identified cost \$60,521,023) **\$ 62,142,511**

Asset-Backed Securities 0.8%

Principal

Amount

(000 s omitted)

Security	Value
\$ 462 Alzette European CLO SA, Series 2004-1A, Class E2, 6.802%, 12/15/20 ⁽¹¹⁾	\$ 395,735
589 Avalon Capital Ltd. 3, Series 1A, Class D, 2.263%, 2/24/19 ⁽⁸⁾⁽¹¹⁾	477,157
753 Babson Ltd., Series 2005-1A, Class C1, 2.253%, 4/15/19 ⁽⁸⁾⁽¹¹⁾	617,080
1,000 Bryant Park CDO Ltd., Series 2005-1A, Class C, 2.353%, 1/15/19 ⁽⁸⁾⁽¹¹⁾	707,957
985 Centurion CDO 8 Ltd., Series 2005-8A, Class D, 5.803%, 3/8/17 ⁽¹¹⁾	883,613
750 Centurion CDO 9 Ltd., Series 2005-9A, Class D1, 5.053%, 7/17/19 ⁽¹¹⁾	628,626
692 Comstock Funding Ltd., Series 2006-1A, Class D, 4.544%, 5/30/20 ⁽⁸⁾⁽¹¹⁾	571,766
1,000 First CLO Ltd., Series 2004-1A1, Class C, 2.604%, 7/27/16 ⁽⁸⁾⁽¹¹⁾	894,551

Total Asset-Backed Securities
(identified cost \$6,057,427) **\$ 5,176,485**

Common Stocks 1.9%

Shares	Security	Value
Automotive 0.5%		
20,780	Dayco Products, LLC ⁽¹²⁾⁽¹³⁾	\$ 1,212,166
35,798	Hayes Lemmerz International, Inc. ⁽⁵⁾⁽¹²⁾⁽¹³⁾	1,968,890
		\$ 3,181,056
Building and Development 0.1%		
280	Panolam Holdings Co. ⁽⁵⁾⁽¹²⁾⁽¹⁴⁾	\$ 222,631
569	United Subcontractors, Inc. ⁽⁵⁾⁽¹²⁾⁽¹³⁾	58,722
		\$ 281,353
Chemicals and Plastics 0.0%		
146	Wellman Holdings, Inc. ⁽⁵⁾⁽¹²⁾⁽¹³⁾	\$ 0
		\$ 0
Diversified Manufacturing 0.0% ⁽¹⁰⁾		
357,266	MEGA Brands, Inc. ⁽¹²⁾	\$ 233,162
		\$ 233,162
Financial Intermediaries 0.0% ⁽¹⁰⁾		
168	RTS Investor Corp. ⁽⁵⁾⁽¹²⁾⁽¹³⁾	\$ 3,954
		\$ 3,954
Food Service 0.0% ⁽¹⁰⁾		
25,547	Buffets, Inc. ⁽⁵⁾⁽¹²⁾	\$ 123,903
		\$ 123,903
Leisure Goods/Activities/Movies 0.3%		
66,174	Metro-Goldwyn-Mayer Holdings, Inc. ⁽¹²⁾⁽¹³⁾	\$ 1,591,485
		\$ 1,591,485
Lodging and Casinos 0.1%		
83	Greektown Superholdings, Inc. ⁽¹²⁾	\$ 6,433
37,016	Tropicana Entertainment, Inc. ⁽¹²⁾⁽¹³⁾	640,839
		\$ 647,272
Nonferrous Metals/Minerals 0.0% ⁽¹⁰⁾		
701	Euramax International, Inc. ⁽¹²⁾⁽¹³⁾	\$ 212,113

			\$ 212,113
Oil and Gas	0.0%		
	1,565	SemGroup Corp. ⁽¹²⁾	\$ 50,252
			\$ 50,252
Publishing	0.6%		
	4,429	Ion Media Networks, Inc. ⁽⁵⁾⁽¹²⁾⁽¹³⁾	\$ 2,546,675
	29,104	MediaNews Group, Inc. ⁽⁵⁾⁽¹²⁾⁽¹³⁾	785,810
	2,290	Source Interlink Companies, Inc. ⁽⁵⁾⁽¹²⁾⁽¹³⁾	28,854
	10,855	SuperMedia, Inc. ⁽¹²⁾	91,399
			\$ 3,452,738
Radio and Television	0.2%		
	355	New Young Broadcasting Holding Co., Inc. ⁽⁵⁾⁽¹²⁾⁽¹³⁾	\$ 838,687
			\$ 838,687
Steel	0.1%		
	13,108	KNIA Holdings, Inc. ⁽⁵⁾⁽¹²⁾⁽¹³⁾	\$ 151,917
	22,100	RathGibson Acquisition Co., LLC ⁽⁵⁾⁽¹²⁾⁽¹⁴⁾	518,024
			\$ 669,941
Total Common Stocks			
(identified cost \$6,050,247)			\$ 11,285,916

Warrants 0.0%

Shares	Security	Value
Oil and Gas 0.0%		
1,647	SemGroup Corp., Expires 11/30/14 ⁽¹²⁾	\$ 13,588
		\$ 13,588
Publishing 0.0%		
1,609	Reader s Digest Association, Inc. (The), Expires 2/19/14 ⁽¹²⁾⁽¹³⁾	\$ 0
		\$ 0
Radio and Television 0.0%		
4	New Young Broadcasting Holding Co., Inc., Expires 12/24/24 ⁽⁵⁾⁽¹²⁾⁽¹³⁾	\$ 9,450
		\$ 9,450
Retailers (Except Food and Drug) 0.0%		
6,680	Oriental Trading Co., Inc., Expires 2/11/16 ⁽¹²⁾⁽¹³⁾	\$ 0
7,328	Oriental Trading Co., Inc., Expires 2/11/16 ⁽¹²⁾⁽¹³⁾	0
		\$ 0
Total Warrants		
(identified cost \$6,891)		\$ 23,038

Short-Term Investments 6.4%

Interest/ Principal Amount (000 s Omitted)	Description	Value
\$ 36,558	Eaton Vance Cash Reserves Fund, LLC, 0.18% ⁽¹⁵⁾	\$ 36,557,562
1,739	State Street Bank and Trust Euro Time Deposit, 0.01%, 3/1/11	1,738,594
Total Short-Term Investments		
(identified cost \$38,296,156)		\$ 38,296,156
Total Investments 157.0%		
(identified cost \$923,736,994)		\$ 939,581,928

Less Unfunded Loan Commitments	(0.2)%	\$ (1,443,620)
Net Investments	156.8%	
(identified cost \$922,293,374)		\$ 938,138,308
Other Assets, Less Liabilities	(43.4)%	\$ (259,785,394)
Auction Preferred Shares Plus Cumulative Unpaid Dividends	(13.4)%	\$ (80,029,474)
Net Assets Applicable to Common Shares	100.0%	\$ 598,323,440

The percentage shown for each investment category in the Portfolio of Investments is based on net assets applicable to common shares.

EUR - Euro

GBP - British Pound Sterling

* In U.S. dollars unless otherwise indicated.

- (1) Senior floating-rate interests (Senior Loans) often require prepayments from excess cash flows or permit the borrowers to repay at their election. The degree to which borrowers repay, whether as a contractual requirement or at their election, cannot be predicted with accuracy. As a result, the actual remaining maturity may be substantially less than the stated maturities shown. However, Senior Loans will have an expected average life of approximately two to four years. The stated interest rate represents the weighted average interest rate of all contracts within the senior loan facility and includes commitment fees on unfunded loan commitments, if any. Senior Loans typically have rates of interest which are redetermined either daily, monthly, quarterly or semi-annually by reference to a base lending rate, plus a premium. These base lending rates are primarily the London Interbank Offered Rate (LIBOR) and secondarily, the prime rate offered by one or more major United States banks (the Prime Rate) and the certificate of deposit (CD) rate or other base lending rates used by commercial lenders.
- (2) Represents a payment-in-kind security which may pay all or a portion of interest/dividends in additional par/shares.

- (3) Unfunded or partially unfunded loan commitments. The Trust may enter into certain credit agreements all or a portion of which may be unfunded. The Trust is obligated to fund these commitments at the borrower's discretion.
- (4) Currently the issuer is in default with respect to interest payments. For a variable rate security, interest rate has been adjusted to reflect non-accrual status.
- (5) Security valued at fair value using methods determined in good faith by or at the direction of the Trustees.
- (6) Defaulted matured security. For a variable rate security, interest rate has been adjusted to reflect non-accrual status.
- (7) This Senior Loan will settle after February 28, 2011, at which time the interest rate will be determined.
- (8) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. These securities may be sold in certain transactions (normally to qualified institutional buyers) and remain exempt from registration. At February 28, 2011, the aggregate value of these securities is \$33,964,178 or 5.7% of the Trust's net assets applicable to common shares.
- (9) Security exempt from registration under Regulation S of the Securities Act of 1933, which exempts from registration securities offered and sold outside the United States. Security may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933.
- (10) Amount is less than 0.05%.
- (11) Variable rate security. The stated interest rate represents the rate in effect at February 28, 2011.
- (12) Non-income producing security.
- (13) Security was acquired in connection with a restructuring of a Senior Loan and may be subject to restrictions on resale.
- (14) Restricted security.
- (15) Affiliated investment company available to Eaton Vance portfolios and funds which invests in high quality, U.S. dollar denominated money market instruments. The rate shown is the annualized seven-day yield as of February 28, 2011. Net income allocated from the investment in Eaton Vance Cash Reserves Fund, LLC for the fiscal year to date ended February 28, 2011 was \$28,975.

A summary of open financial instruments at February 28, 2011 is as follows:

Forward Foreign Currency Exchange Contracts

Sales

Settlement Date	Deliver	In Exchange For	Counterparty	Net Unrealized Depreciation
3/31/11	British Pound Sterling 990,000	United States Dollar 1,589,613	Deutsche Bank	\$ (19,405)
3/31/11	British Pound Sterling 3,855,000	United States Dollar 6,139,974	Goldman Sachs, Inc.	(125,445)
3/31/11	Euro 10,000,000	United States Dollar 13,725,000	HSBC Bank USA	(69,490)
4/28/11	British Pound Sterling 3,972,049	United States Dollar 6,322,788	JPMorgan Chase Bank	(131,051)
4/29/11	Euro 10,446,555	United States Dollar 14,337,792	Deutsche Bank	(67,778)
5/31/11	British Pound Sterling 5,131,694	United States Dollar 8,245,042	JPMorgan Chase Bank	(89,169)
5/31/11	Euro 11,701,029	United States Dollar 16,104,535	Citigroup Global Markets	(23,138)
				\$ (525,476)

At February 28, 2011, the Trust had sufficient cash and/or securities to cover commitments under these contracts.

The Trust is subject to foreign exchange risk in the normal course of pursuing its investment objectives. Because the Trust holds foreign currency denominated investments, the value of these investments and related receivables and payables may change due to future changes in foreign currency exchange rates. To hedge against this risk, the Trust enters into forward foreign currency exchange contracts. The Trust also enters into such contracts to hedge the currency risk of investments it anticipates purchasing.

At February 28, 2011, the aggregate fair value of derivative instruments (not considered to be hedging instruments for accounting disclosure purposes) in a liability position and whose primary underlying risk exposure is foreign exchange risk was \$525,476.

The cost and unrealized appreciation (depreciation) of investments of the Trust at February 28, 2011, as determined on a federal income tax basis, were as follows:

Aggregate cost	\$ 923,168,396
Gross unrealized appreciation	\$ 30,460,580
Gross unrealized depreciation	(15,490,668)
Net unrealized appreciation	\$ 14,969,912

Restricted Securities

At February 28, 2011, the Trust owned the following securities (representing 0.1% of net assets applicable to common shares) which were restricted as to public resale and not registered under the Securities Act of 1933 (excluding Rule 144A securities). The Trust has various registration rights (exercisable under a variety of circumstances) with respect to these securities. The value of these securities is determined based on valuations provided by brokers when available, or if not available, they are valued at fair value using methods determined in good faith by or at the direction of the Trustees.

Description	Date of Acquisition	Shares	Cost	Value
Common Stocks				
Panolam Holdings Co.	12/30/09	280	\$ 153,860	\$ 222,631
RathGibson Acquisition Co., LLC	6/14/10	22,100	117,286	518,024
Total Restricted Securities			\$ 271,146	\$ 740,655

Under generally accepted accounting principles for fair value measurements, a three-tier hierarchy to prioritize the assumptions, referred to as inputs, is used in valuation techniques to measure fair value. The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

Level 1 quoted prices in active markets for identical investments

Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Level 3 significant unobservable inputs (including a fund's own assumptions in determining the fair value of investments)

In cases where the inputs used to measure fair value fall in different levels of the fair value hierarchy, the level disclosed is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

At February 28, 2011, the hierarchy of inputs used in valuing the Trust's investments, which are carried at value, were as follows:

Asset Description	Level 1	Level 2	Level 3	Total
Senior Floating-Rate Interests (Less Unfunded Loan Commitments)	\$	\$ 818,943,416	\$ 2,270,786	\$ 821,214,202
Corporate Bonds & Notes		61,632,499	510,012	62,142,511
Asset-Backed Securities		5,176,485		5,176,485
Common Stocks	374,813	3,663,036	7,248,067	11,285,916
Warrants		13,588	9,450	23,038

Edgar Filing: SUPERIOR INDUSTRIES INTERNATIONAL INC - Form 10-Q

Short-Term Investments		38,296,156		38,296,156
------------------------	--	------------	--	------------

Total	\$ 374,813	\$ 927,725,180	\$ 10,038,315	\$ 938,138,308
--------------	-------------------	-----------------------	----------------------	-----------------------

Liability Description

Forward Foreign Currency Exchange Contracts	\$	\$ (525,476)	\$	\$ (525,476)
--	----	--------------	----	--------------

Total	\$	\$ (525,476)	\$	\$ (525,476)
--------------	-----------	---------------------	-----------	---------------------

The following is a reconciliation of Level 3 assets for which significant unobservable inputs were used to determine fair value:

	Investments in Senior Floating-Rate Interests	Investments in Corporate Bonds & Notes	Investments in Common Stocks and Warrants	Total
Balance as of May 31, 2010	\$ 1,057,240	\$ 427,089	\$ 1,793,084	\$ 3,277,413
Realized gains (losses)	(500,058)	1,250	63,493	(435,315)
Change in net unrealized appreciation (depreciation)	21,530	(99,661)	4,205,037	4,126,906
Cost of purchases	526,135	330,710	1,238,291	2,095,136
Proceeds from sales	(27,717)	(36,763)	(563,588)	(628,068)
Accrued discount (premium)	10,100	8,662		18,762
Transfers to Level 3*	1,183,556		606,174	1,789,730
Transfers from Level 3*		(121,275)	(84,974)	(206,249)
Balance as of February 28, 2011	\$ 2,270,786	\$ 510,012	\$ 7,257,517	\$ 10,038,315
Change in net unrealized appreciation (depreciation) on investments still held as of February 28, 2011	\$ (478,470)	\$ (106,724)	\$ 4,205,037	\$ 3,619,843

* Transfers are reflected at the value of the securities at the beginning of the period. Transfers from Level 2 to Level 3 were due to a reduction in the availability of significant observable inputs in determining the fair value of these investments. Transfers from Level 3 to Level 2 were due to increased market trading activity resulting in the availability of significant observable inputs in determining the fair value of these investments.

At February 28, 2011, the value of investments transferred between Level 1 and Level 2, if any, during the fiscal year to date then ended was not significant.

For information on the Trust's policy regarding the valuation of investments and other significant accounting policies, please refer to the Trust's most recent financial statements included in its semiannual or annual report to shareholders.

Item 2. Controls and Procedures

(a) It is the conclusion of the registrant's principal executive officer and principal financial officer that the effectiveness of the registrant's current disclosure controls and procedures (such disclosure controls and procedures having been evaluated within 90 days of the date of this filing) provide reasonable assurance that the information required to be disclosed by the registrant on this Form N-Q has been recorded, processed, summarized and reported within the time period specified in the Commission's rules and forms and that the information required to be disclosed by the registrant on this Form N-Q has been accumulated and communicated to the registrant's principal executive officer and principal financial officer in order to allow timely decisions regarding required disclosure.

(b) There have been no changes in the registrant's internal controls over financial reporting during the fiscal quarter for which the report is being filed that have materially affected, or are reasonably likely to materially affect the registrant's internal control over financial reporting.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Eaton Vance Floating-Rate Income Trust

By: /s/ Scott H. Page
Scott H. Page
President

Date: April 25, 2011

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Scott H. Page
Scott H. Page
President

Date: April 25, 2011

By: /s/ Barbara E. Campbell
Barbara E. Campbell
Treasurer

Date: April 25, 2011