



## Koppers Chinese Joint Venture Restructures Supply Agreement for \$30 Million Payment

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PITTSBURGH, PA -- (Marketwired) -- 07/07/15 -- Koppers (Jiangsu) Carbon Chemical Company Limited ("KJCC"), a majority held Chinese joint venture of Koppers International B.V., a wholly-owned subsidiary of Koppers Holdings Inc. (NYSE: KOP), announced today an agreement with C-Chem (Jiangsu) Needle Coke Co., Ltd ("C-Chem"), a subsidiary of Nippon Steel Sumikin Chemical Co. Ltd ("NSCC") to revise certain terms of its previously executed soft pitch supply agreement in exchange for a one-time payment of \$30 million.

When the original supply agreement was signed in September 2013, it was contemplated that both the KJCC and C-Chem facilities would begin operations around the same date. As of the current date, however, C-Chem has yet to commence operations and KJCC has had to sell production into a challenging domestic market since bringing its distillation facility online in July 2014. The revised agreement calls for shipments to begin no later than March 31, 2016. Another key change to the original supply agreement is a revision of the pricing formula to accommodate the current unfavorable market conditions that C-Chem faces while still allowing for improvements from KJCC based upon stronger end markets in the future.

James A. Sullivan, senior vice president of Global Carbon Materials and Chemicals, said, "Gaining agreement on a revised supply agreement with C-Chem was extremely beneficial to both parties. What we receive is an important influx of cash to assist our struggling China business as we await the start-up of C-Chem's plants while they receive relief on raw material costs." Mr. Sullivan continued, "Once C-Chem completes its start-up phase and begins receiving full contractual volumes in the latter part of 2016, KJCC should still be able to generate EBITDA on an annualized basis of at least \$9 million."

Leroy Ball, president and CEO of Koppers, added, "This agreement is consistent with my directive to improve the economics of our businesses in China over the long-term and vastly improves what was a tenuous situation as we await commencement of C-Chem's operations. In addition, this agreement reflects a continuing commitment by NSCC to this project even in the face of difficult economic circumstances. As for the use of proceeds, we expect to use up to half of the \$30 million payment to restructure the debt of our KJCC joint venture with the remainder used to pay outstanding construction obligations and fund working capital as we bring the facility to full production later this year to meet C-Chem's needs."

### **About Koppers**

Koppers, with corporate headquarters in Pittsburgh, Pennsylvania, is an integrated global producer of carbon compounds, specialty chemicals, and treated wood products and services for the aluminum, railroad, specialty chemical, utility, rubber, concrete, steel, residential lumber, and agriculture industries. Including our joint ventures, we serve our customers through a comprehensive global manufacturing and distribution network, with facilities located in North America, South America, Australasia, China and Europe. The stock of Koppers Holdings Inc. is publicly traded on the New York Stock Exchange under the symbol "KOP." For more information, visit us on the Web: [www.koppers.com](http://www.koppers.com). Questions concerning investor relations should be directed to Michael J. Zugay at 412 227 2231.

### **Safe Harbor Statement**

Certain statements in this press release are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and may include, but are not limited to, statements about sales levels, acquisitions, restructuring, declines in the value of Koppers assets and the effect of any resulting impairment charges, profitability and anticipated expenses and cash outflows. All forward-looking statements involve risks and uncertainties. All statements contained herein that are not clearly historical in nature are forward-looking, and words such as "believe," "anticipate," "expect," "estimate," "may," "will," "should," "continue," "plans," "potential," "intends," "likely," or other similar words or phrases are generally intended to identify forward-looking statements. Any forward-looking statement contained herein, in other press releases, written statements or other documents filed with the Securities and Exchange Commission, or in Koppers communications with and discussions with investors and analysts in the normal course of business through meetings, phone calls and conference calls, regarding expectations with respect to sales, earnings, cash flows, operating efficiencies, product introduction or expansion, the benefits of acquisitions, divestitures, joint ventures or other matters, are subject to known and unknown risks, uncertainties and contingencies. Many factors, including those discussed more fully elsewhere in this release and in documents filed with the Securities and Exchange Commission by Koppers, particularly its latest annual report on Form 10-K and quarterly report on Form 10-Q, as well as others, could cause results to differ materially from those stated. These factors include, but are not limited to, changes in the laws, regulations, policies and economic conditions, including inflation, interest and foreign currency exchange rates of countries in which the Company does business; competitive pressures; the loss of one or more key customer or supplier relationships; customer insolvencies; successful integration of structural changes, including restructuring plans, acquisitions, divestitures and alliances; cost and availability of raw materials; and other economic, business, competitive, regulatory and/or operational factors affecting the business of Koppers generally.

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Source: Koppers Holdings Inc.