



Koppers Inc. Reports 2004 Year End Results

March 24, 2005

PITTSBURGH, March 24, 2005 - PRNewswire - Sales of Koppers Inc. for the year ended December 31, 2004 were \$952.5 million as compared to \$842.9 million for the prior year. The increase in sales of \$109.6 million or 13% is a result of increased sales in the US carbon materials and chemicals and railroad businesses of \$71.7 million as well as higher sales in Australasia of \$39.0 million, including \$25.5 million from the consolidation of Chinese operations, and from favorable exchange conversion rates. Earnings before interest and taxes (EBIT) for the year were \$65.1 million as compared to \$19.1 million in 2003 with 2004 profits being positively impacted by increased volumes and margins in the US as well as Australasia. The 2003 EBIT results were adversely affected by special charges totaling \$17.6 million, including, among others, \$12.1 million of charges for restructuring and related costs associated with the US carbon materials and chemicals business.

Net income for the year ended December 31, 2004 was \$11.3 million as compared to net losses, before cumulative effect of accounting change, of \$19.0 million in 2003. Net income in 2004 was positively impacted by higher sales and margins, plus \$2.7 million from Chinese operations, while net income in 2003 was adversely affected by special charges of \$17.6 million.

Borrowings of \$385.8 million, net of cash and cash equivalents of \$14.8 million, at December 31, 2004 were \$371 million compared to \$331.1 million at December 31, 2003. Cash flows from operations for the year were \$18.9 million compared to operating cash flows of \$12.4 million in 2003. At December 31, 2004 the Company had \$14.8 million of cash and cash equivalents and \$31.4 million of unused revolving credit availability for working capital purposes and was, and expects to continue to be, in compliance with all applicable debt covenants.

Commenting on the year, President and CEO Walter W. Turner said, "I am very pleased with the results for 2004. The Company's EBIT increased to \$65.1 million compared to \$36.7 million before \$17.6 million of special charges in 2003. We saw a significant turnaround in our US carbon materials and chemicals business where 2004 profits increased \$17.6 million from 2003 and continued strength in our US railroad and Australian operations. We certainly benefited from improved economic conditions, particularly in our chemicals business; however, we also saw significant benefits realized in the improved profitability of the Company from the restructuring initiatives taken in 2003. The economic growth in China and the performance of our joint venture also exceeded expectations in 2004 with the achievement of a \$4.7 million EBIT contribution from this very strategic market. We continue to be driven by our strategy of providing our customers with the highest quality products and services while continuing to focus on safety, health and environmental issues."

[Click here for the latest financial report](#)

About Koppers

Koppers, with corporate headquarters and a research center in Pittsburgh, Pennsylvania, is a global integrated producer of carbon compounds and treated wood products. Including its joint ventures, Koppers operates 39 facilities in the United States, United Kingdom, Denmark, Australia, the Pacific Rim and South Africa.

For Information:

Brian H. McCurrie
Vice President
Chief Financial Officer
(412) 227-2153
[\(email\)](#)