



Koppers Inc. Reports Second Quarter 2004 Results

August 5, 2004

PITTSBURGH, August 5, 2004 -- Sales and Earnings before interest and taxes (EBIT) for the second quarter of 2004 were \$249.5 million and \$21.1 million, respectively, compared to second quarter 2003 sales and EBIT of \$219.4 million and \$10.2 million, respectively. The second quarter of 2004 EBIT increase relates primarily to higher volumes and margins from the global carbon materials and chemicals business. Net income for the second quarter of 2004 was \$4.8 million compared to net income of \$2.2 million for the second quarter of 2003.

Sales for the six months ended June 30, 2004 were \$476.9 million as compared to \$410.4 million for the first six months of 2003. The increase in sales of \$66.5 million or 16.2% is a result of increased sales of \$38.2 million to the US railroad and carbon materials and chemicals markets, favorable translation impact from international operations and \$13.9 million from the January 1, 2004 consolidation of operations in China. EBIT for the first six months of 2004 was \$31.9 million as compared to \$16.7 million for the same period in 2003. The \$15.2 million or 91% increase in EBIT reflects increased profitability from increased volumes and margins in the US and Australasia, and benefits of prior year restructuring initiatives.

Net income for the six months ended June 30, 2004 was \$4.7 million compared to net income before the cumulative effect of accounting changes at June 30, 2003 of \$2.6 million as increased profits from operations were partially offset by higher interest expense and increased minority interest in profits.

Borrowings, net of cash, at June 30, 2004 were \$366.6 million compared to \$331.1 million at December 31, 2003. Cash flows from operations for the first six months of 2004 were \$2.1 million compared to a use of cash of \$7.5 million in the first six months of 2003, due primarily to lower working capital requirements and increased profitability.

Commenting on the six months ended June 30, 2004, President and CEO Walter W. Turner said, "The operating results of the Company have continued to exceed expectations with second quarter EBIT of \$21.1 million representing a record quarter for Koppers. EBIT for the first six months of 2004 has benefited from the restructuring initiatives in 2003 and improved market position in the US Railroad & Utility and Carbon Materials & Chemicals business where we have seen an \$11.4 million increase in EBIT. I am also very pleased with the operations in Australasia where increased EBIT of \$3.8 million has been led by the performance of our Chinese joint venture. As a result of our continued focus on cash, I am pleased that we achieved our second quarter target for borrowings, net of cash, of \$366.6 million. 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."

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.

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