



Koppers Inc. Announces Completion of Legal Entity Reorganization and Delay of North American CMC Capital Project

January 14, 2015

PITTSBURGH, PA -- (Marketwired) -- 01/14/15 -- Koppers Inc., a wholly-owned subsidiary of Koppers Holdings Inc. (NYSE: KOP), announced today that it has substantially completed a legal reorganization of its foreign subsidiaries that will allow the company to repatriate cash from its foreign subsidiaries at a lower overall tax cost and is expected to lower the company's effective tax rate on annual pretax income.

Some of the benefits of the reorganization include the potential future cash repatriation from foreign subsidiaries of approximately \$250 million, future cash tax savings of approximately \$8 million annually, and an estimated effective tax rate reduction of 6-7% that should result in an increase to the company's annual earnings per share of approximately \$0.30.

The legal reorganization will result in one-time cash tax payments of approximately \$16 million that are expected to be paid in the first half of 2015. In addition, the company's lenders have agreed to exclude the \$16 million tax payment from the company's fixed charge covenant calculation.

Koppers also announced that it has modified the construction schedule for the previously disclosed North American CMC restructuring project to more effectively manage its cash position. The discretionary project includes the construction of a naphthalene plant at the Stickney, Illinois facility at an estimated cost of \$40-45 million that is expected to result in annual cost savings of approximately \$10-15 million. The construction of the naphthalene plant in Stickney, Illinois is required in order to cease production at the company's Follansbee, West Virginia facility which is currently the only facility in North America that produces naphthalene. The required environmental permits have been approved, and site preparation and engineering work are expected to continue. The majority of the estimated cost is now more likely to be incurred in 2016.

Leroy Ball, president and CEO of Koppers, said, "I am pleased that we have completed our legal entity reorganization project and look forward to the significant cash and EPS benefits that Koppers should receive as a result." Mr. Ball continued, "Regarding the delay of construction for the naphthalene plant at our Stickney, Illinois facility, we believe this is a prudent cash management strategy as we navigate through the impact of lower oil prices on our business. However, we continue to believe strongly in the benefits this project will bring to Koppers longer-term. Our revised schedule provides flexibility to accelerate construction if market conditions improve, but if market conditions do not improve then it is our intention to maintain construction at this more appropriate pace."

About Koppers

Koppers, with corporate headquarters in Pittsburgh, Pennsylvania, is an integrated global producer of carbon compounds, 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. Questions concerning investor relations should be directed to Michael J. Zugay at 412 227 2231 or Michael W. Snyder at 412 227 2131.

Safe Harbor Statement

This news release may contain forward-looking statements based on management's current expectations, estimates and projections. All statements that address expectations or projections about the future, including statements about the company's strategy for growth, product development, market position, expected expenditures and financial results are forward-looking statements. Some of the forward-looking statements may be identified by words like "expects," "anticipates," "plans," "intends," "projects," "indicates," and similar expressions. These statements are not guarantees of future performance and involve a number of risks, uncertainties and assumptions. 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.