UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

Current Report

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

June 27, 2012
Date of Report (Date of earliest event reported)

KOPPERS HOLDINGS INC.
(Exact name of registrant as specified in its charter)

Pennsylvania	1-32737	20-1878963
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

436 Seventh Avenue
Pittsburgh, Pennsylvania 15219
(Address of principal executive offices)

(412) 227-2001
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01 Other Events.

The following revised sections of Koppers Holdings Inc.'s Annual Report on Form 10-K for the year ended December 31, 2011 (the "2011 Form 10-K") are attached as Exhibit 99.1 and are incorporated herein by reference:

1. Item 6—Selected Financial Data
2. Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations
3. Item 8—Financial Statements and Supplementary Data

   The following revised consolidated financial statements of Koppers Holdings Inc., together with the related revised report of independent registered public accounting firm are included herein:

   - Report of Independent Registered Public Accounting Firm
   - Consolidated Statement of Income for the Years Ended December 31, 2011, 2010 and 2009
   - Consolidated Statement of Comprehensive Income for the Years Ended December 31, 2011, 2010 and 2009
   - Consolidated Balance Sheet at December 31, 2011 and 2010
   - Consolidated Statement of Cash Flows for the Years Ended December 31, 2011, 2010 and 2009
   - Consolidated Statement of Shareholders' Equity for the Years Ended December 31, 2011, 2010 and 2009
   - Notes to Consolidated Financial Statements

4. Item 15—Exhibits and Financial Statement Schedules

   - Schedule II—Valuation and Qualifying Accounts

These revised portions of the 2011 Form 10-K are being filed to include certain reclassifications and adjustments that were made to conform the presentation and disclosure therein to Koppers Holdings Inc.'s current presentation, as required by Financial Accounting Standards Board's Accounting Standard Codification Topic 205-20, Discontinued Operations, and Accounting Standards Update No. 2011-05, Comprehensive Income (Topic 220): Presentation of Comprehensive Income. These financial statements also include amended footnote (footnote 21 in exhibit 99.1) with condensed consolidating financial information in accordance with Rule 3-10(d) and (f) of Regulation S-X promulgated by the SEC with respect to certain subsidiary guarantors that will be additional registrants under a registration statement on Form S-3 that Koppers Holdings Inc. expects to file on or about June 27, 2012.

Such reclassifications and adjustments have no impact on previously reported net income or stockholders' equity attributable to Koppers Holdings Inc.

Part 1, Item 1., "Financial Statements" of Koppers Holdings Inc.'s Quarterly Report of Form 10-Q for the quarterly period ended March 31, 2012 is attached as exhibit 99.2 and is incorporated herein by reference. These financial statements include an additional footnote (footnote 20 in exhibit 99.2) with condensed consolidating financial information in accordance with Rule 3-10(d) and (f) of Regulation S-X promulgated by the SEC for the aforementioned subsidiary guarantors. Other than the additional footnote discussed above, these financial statements are identical to the financial statements appearing in Koppers Holdings Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2012, filed on May 4, 2012.

Item 9.01 Financial Statement and Exhibits.

12.1	Computation of ratio of earnings to fixed charges
23.1	Consent of Independent Registered Public Accounting Firm
99.1	Certain portions of Koppers Holdings Inc.'s Annual Report on Form 10-K for the year ended December 31, 2011, as listed in Item 8.01 above.
99.2	Certain portions of Koppers Holdings Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2012, as listed in Item 8.01 above.

SIGNATURES

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

Dated: June 27, 2012

KOPPERS HOLDINGS INC.

By: /s/ Leroy M. Ball
Leroy M. Ball
Vice President and Chief Financial Officer

Exhibit Index

Number	Description
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23.1	Consent of Independent Registered Public Accounting Firm
99.1	Certain portions of Koppers Holdings Inc.'s Annual Report on Form 10-K for the year ended December 31, 2011, as listed in Item 8.01 above.
99.2	Certain portions of Koppers Holdings Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2012, as listed in Item 8.01 above.

Exhibit 12.1

KOPPERS HOLDINGS INC.
RATIO OF EARNINGS TO FIXED CHARGES
(Dollars in millions, except ratios)

	2007	*2008*	*2009*	*2010*	*2011*
Earnings:					
Income from continuing operations before taxes	$ 79.3	$ 87.1	$ 34.8	$ 73.5	$ 96.2
Deduct: Equity earnings net of dividends	(0.2)	(0.6)	(0.8)	0.0	0.2
Deduct: Pre-tax income of noncontrolling interests	3.1	0.8	3.4	0.5	0.9
Add: Fixed charges	55.5	53.5	71.6	40.3	40.8
Earnings as defined	$131.9	$140.4	$103.8	$113.3	$135.9
Fixed charges:					
Interest expensed	$ 45.9	$ 41.4	$ 58.7	$ 27.1	$ 27.2
Interest capitalized	0.3	0.0	0.0	0.0	0.0
Other	0.0	0.4	0.5	0.0	0.0
Rents	31.1	39.0	41.5	42.5	43.8
Interest factor	31%	31%	31%	31%	31%
Estimated interest component of rent	9.6	12.1	12.9	13.2	13.6
Total fixed charges	$ 55.8	$ 53.9	$ 72.1	$ 40.3	40.8
Ratio of earnings to fixed charges	**2.36**	**2.61**	**1.44**	**2.81**	**3.33**

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement on Form S-3 (File No. 333-160399) of Koppers Holdings Inc. and in the Registration Statement on Form S-8 (File No. 333-135449) pertaining to the Koppers Holdings Inc. 2005 Long Term Incentive Plan of our report dated February 27, 2012 (except for the effects of discontinued operations as described in Note 4 and Notes 21, 22 and 23 pertaining to guarantor and non-guarantor financial information, as to which the date is June 27, 2012), with respect to the consolidated financial statements and schedule of Koppers Holdings Inc., included in this Current Report on Form 8-K and our report dated February 27, 2012 with respect to the effectiveness of internal control over financial reporting of Koppers Holdings Inc., included in its Annual Report on Form 10-K for the year ended December 31, 2011, filed with the Securities and Exchange Commission.

/s/ ERNST & YOUNG LLP
Pittsburgh, Pennsylvania
June 27, 2012

ITEM 6. SELECTED FINANCIAL DATA

The following table contains our selected historical consolidated financial data for the five years ended December 31, 2011. The selected historical consolidated financial data for each of the years ended December 31, 2011, 2010, 2009, 2008 and 2007 have been derived from our audited consolidated financial statements. This selected financial data should be read in conjunction with Koppers' Consolidated Financial Statements and related notes included elsewhere in this Annual Report on Form 10-K as well as Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations.

	Year ended December 31,				
(Dollars in millions, except share and per share amounts)	*2011*	*2010*	*2009*	*2008*	*2007*
Statement of Income Data:					
Net sales	$1,466.2	$1,190.5	$1,075.2	$1,299.9	$1,209.9
Depreciation and amortization	26.9	26.6	23.2	28.5	28.1
Operating profit	122.7	98.1	93.7	128.5	124.7
Interest expense	27.2	27.1	36.3	42.6	45.9
Loss (gain) on extinguishment of debt(1)	0.0	0.0	22.4	(1.2)	0.0
Income from continuing operations	57.5	44.6	21.4	47.1	50.4
(Loss) income from discontinued operations(2)(3)(4)	(19.9)	0.1	0.3	5.7	9.4
(Loss) gain on sale of Koppers Arch(2)	0.0	(0.2)	0.0	0.0	6.7
(Loss) gain on sale of Monessen(3)	0.0	0.0	(0.3)	85.9	0.0
Net income(4)	37.6	44.5	21.4	138.7	66.5
Net income attributable to Koppers	36.9	44.1	18.8	138.0	63.3
Earnings Per Common Share Data:					
Basic – continuing operations	$ 2.75	$ 2.14	$ 0.92	$ 2.24	$ 2.30
Diluted – continuing operations	2.72	2.13	0.91	2.24	2.28
Weighted average common shares outstanding *(in thousands)*:					
Basic	20,599	20,543	20,446	20,651	20,768
Diluted	20,833	20,676	20,561	20,767	20,874
Balance Sheet Data:					
Cash and cash equivalents(5)	$ 54.1	$ 35.3	$ 58.4	$ 63.1	$ 14.4
Total assets	730.7	669.2	644.4	661.1	669.3
Total debt	302.1	296.4	335.3	374.9	440.2
Other Data:					
Capital expenditures:(6)	$ 32.5	$ 28.5	$ 17.5	$ 33.7	$ 18.6
Cash dividends declared per common share	$ 0.88	$ 0.88	$ 0.88	$ 0.88	$ 0.68

(1) Includes loss (gain) on the extinguishment of Senior Discount Notes and Senior Secured Notes in 2009, a portion of the Senior Secured Notes in 2008 and a portion of the Senior Discount Notes in 2006.

(2) In July 2007, we sold our 51 percent interest in Koppers Arch Investments Pty Limited and its subsidiaries ("Koppers Arch"). Koppers Arch's results of operations have been classified as a discontinued operation for all periods presented.

(3) In October 2008, we sold our 95 percent interest in Koppers Monessen Partners LP ("Monessen"). Monessen's results of operations have been classified as a discontinued operation for all periods presented.

(4) In March 2012, we completed run-off activities at our closed carbon black facility located in Kurnell, Australia ("carbon black facility"). The costs related to this closure totaled $41.0 million in 2011. The carbon black facility's results of operations have been classified as a discontinued operation for all periods presented.

(5) Includes cash of discontinued operations.

(6) Excludes capital expenditures of the carbon black facility, a discontinued operation, of $0.7 million, $1.4 million, $0.5 million, $3.0 million and $4.6 million for the years ended December 31, 2011, 2010, 2009, 2008 and 2007. Excludes capital expenditures by Koppers Arch, a discontinued operation, of $0.0 million and $0.1 million and by Monessen, a discontinued operation, of $0.4 million and $1.0 million for the years ended December 31, 2008 and 2007, respectively.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

We are a leading integrated global provider of carbon compounds and commercial wood treatment products and services. Our products are used in a variety of niche applications in a diverse range of end-markets, including the aluminum, railroad, specialty chemical, utility, concrete and steel industries. We serve our customers through a comprehensive global manufacturing and distribution network, with manufacturing facilities located in the United States, Australia, China, the United Kingdom, Denmark and the Netherlands.

We operate two principal businesses: **Carbon Materials & Chemicals ("CM&C")** and **Railroad & Utility Products ("R&UP").**

Through our CM&C business, we process coal tar into a variety of products, including carbon pitch, creosote, naphthalene and phthalic anhydride, which are intermediate materials necessary in the production of aluminum, the pressure treatment of wood and the production of carbon black, the production of high-strength concrete, and the production of plasticizers and specialty chemicals, respectively. Through our R&UP business, we believe that we are the largest supplier of railroad crossties to the North American railroads. Our other commercial wood treatment products include utility poles for the electric and telephone utility industries. We also provide rail joint bar products as well as various services to the railroad industry.

Our CM&C business has entered into a number of strategic transactions during the last two years to expand and focus on its core business related to coal tar distillation and derived products. In March 2010, we completed the acquisition of Cindu Chemicals B.V., a coal tar distillation company located in the Netherlands. This company was subsequently renamed Koppers Netherlands B.V. ("Koppers Netherlands"). In October 2010 we also purchased the midwestern United States refined tar business of Stella Jones Inc. to increase our presence in this market.

Our R&UP business purchased the rail joint bar business of Portec Rail Products, Inc. located in Huntington, West Virginia in December 2010. This acquisition strengthens our product portfolio offerings to our existing Class I and commercial railroad customers in the United States.

Outlook

Trend Overview

Our businesses and results of operations are impacted by various competitive and other factors including (i) the impact of global economic conditions on demand for our products both in the United States and overseas; (ii) raw materials pricing and availability, in particular the amount and quality of coal tar available in global markets, which is negatively impacted by reductions in steel production; (iii) volatility in oil prices, which impacts the cost of coal tar and certain other raw materials, as well as selling prices and margins for certain of our products including carbon black feedstock and phthalic anhydride; (iv) competitive conditions in global carbon pitch markets; and (v) changes in foreign exchange rates.

Our businesses and results of operations were impacted by the global recession starting in late 2008 and while there has been considerable improvement, still have not fully recovered. Certain key end markets experienced significant global reductions in demand that have negatively impacted the profitability for some of our products during that period. During 2010 and 2011 our key end markets showed increased stability for our Carbon Materials & Chemicals business.

During 2009 we saw the idling or closure of several aluminum smelters, particularly in North America and Europe, as global production of aluminum declined over previous levels. However, in late 2010 several North American smelters announced that they were planning to increase production and restart some of their previously idled capacity during 2011, which benefited our carbon pitch sales volumes in 2011.

For 2011, our volumes of carbon pitch increased in all geographic areas where we operate; however, while we have generally been able to recover raw material cost increases on a dollar for dollar basis, we have not been able to maintain the profit margins that were achieved prior to the global economic downturn in 2008. Additionally, our increased presence in Asia in response to the global shift in aluminum production to areas with low-cost energy such as the Middle East has had a dilutive effect on our margins due to market conditions in that region as well as the joint venture ownership structures of our Chinese operations that serve this market.

Our Australian carbon black business experienced reduced profitability due to reduced raw material availability and the strengthening of the Australian dollar relative to the United States dollar, as the majority of sales for these products are exported and are denominated in U.S. dollars. As a result of these conditions, a review of this business was conducted that resulted in the decision in December 2011 to permanently cease production and close the facility. Impairment and closure charges of approximately $41 million were incurred for this facility in the fourth quarter of 2011. The carbon black facility's results of operation have been reclassified as a discontinued operation for all periods presented as run-off activities were completed in the first quarter of 2012.

On February 18, 2012, a leak of material from a storage tank containing coal tar pitch was detected at its terminal facility in Portland, Victoria, Australia. All of the coal tar pitch was contained within the tank farm area and no release of material to water or soil occurred. The Company estimates the financial effect of the event is approximately $5.0 million. The facility is part of the Carbon Materials & Chemicals segment.

On February 14, 2012, the Company announced its intention to close its wood treating facility in Grenada, Mississippi effective on or around July 31, 2012. The Company estimates that it will incur charges of approximately $2.5 million over the next two years to close this facility which is part of the Railroad & Utility Products segment.

Several of our products, particularly carbon black feedstock and phthalic anhydride, have end market pricing that is linked to oil. Historically, we have benefited in terms of revenues and profitability from the higher pricing for these products as the cost of coal tar has not increased proportionally with oil. However over the past few years our coal tar costs have been more strongly impacted by oil prices, which results in higher costs for our coal tar when oil prices increase.

The availability of coal tar is linked to levels of metallurgical coke production. As the global steel industry has reduced production of steel and metallurgical coke the volumes of coal tar by-product were also reduced. Our ability to obtain coal tar and the price we are able to negotiate have a significant impact on the level of profitability of our business. Many of our sales contracts include provisions that allow for price increases based on increases in the price of raw materials, which has allowed us to generally maintain profit dollars in our core businesses. However, significant increases in raw material costs can result in margin dilution if only the increased cost of the raw material is passed on to the customer. Additionally, in certain regions such as China that have competing markets for coal tar, or in regions where the available supply of our products exceeds demand, we may not be able to recover raw material cost increases in the selling prices for our end products.

Seasonality and Effects of Weather on Operations

Our quarterly operating results fluctuate due to a variety of factors that are outside of our control, including inclement weather conditions, which in the past have affected operating results. Operations at several facilities have been halted for short periods of time during the winter months. Moreover, demand for some of our products declines during periods of inclement weather. As a result of the foregoing, we anticipate that we may experience material fluctuations in quarterly operating results. Historically, our operating results have been significantly lower in the fourth and first calendar quarters as compared to the second and third calendar quarters. We expect this seasonality trend to continue in future periods.

Results of Operations – Comparison of Years Ended December 31, 2011 and December 31, 2010

Consolidated Results

Net sales for the years ended December 31, 2011 and 2010 are summarized by segment in the following table:

	Year Ended December 31,		
	2011	*2010*	*Net Change*
(Dollars in millions)			
Carbon Materials & Chemicals	$ 943.1	$ 740.6	+27%
Railroad & Utility Products	523.1	449.9	+16%
	$1,466.2	$1,190.5	+23%

CM&C net sales increased by $202.5 million or 27 percent due to the following changes in price, volume and foreign exchange:

	Price	*Volume*	*Foreign Exchange*	*Net Change*
Carbon Materials[a]	+4%	+8%	+3%	+15%
Distillates[b]	+3%	+3%	0%	+6%
Coal Tar Chemicals[c]	+2%	0%	+1%	+3%
Other[d]	+1%	+1%	+1%	+3%
Total CM&C	+10%	+12%	+5%	+27%

(a) Includes carbon pitch, petroleum pitch and refined tar.
(b) Includes creosote and carbon black feedstock.
(c) Includes naphthalene and phthalic anhydride.
(d) Includes benzole, freight and other products.

Pricing for carbon materials increased four percent over the prior year due to higher raw material costs, and volumes for carbon materials increased eight percent due to higher demand in all geographic regions as global aluminum production increased over the prior year.

Distillate pricing increased three percent due to higher average worldwide oil prices as compared to the prior year. The increase in distillate sales volumes was due primarily to higher creosote sales in North America and higher carbon black feedstock sales in Europe compared to the prior year.

For coal tar chemicals, increases in phthalic anhydride prices in the U.S. of three percent offset a reduction in naphthalene prices of one percent. Volumes for other products increased one percent as compared to the prior year, driven primarily by increased production from Chinese operations.

R&UP net sales increased by $73.2 million or 16 percent due to the following changes in price, volume and foreign exchange:

	Price	*Volume*	*Foreign Exchange*	*Net Change*
Railroad Crossties[a]	+3%	+6%	0%	+9%
TSO Crossties[b]	+1%	–2%	0%	–1%
Distribution Poles	+1%	0%	+1%	+2%
Other[c]	0%	+6%	0%	+6%
Total R&UP	+5%	+10%	+1%	+16%

(a) Includes treated and untreated railroad crossties.
(b) Includes sales from treatment services only (“TSO”).
(c) Includes rail joint bars, transmission poles, pilings, freight and other treated and untreated lumber products.

Sales prices and volumes for railroad crossties increased three percent and six percent, respectively for the year ended December 31, 2011, driven by higher volumes of untreated crossties from the Class I railroad customers and higher volumes and prices for crossties sold to commercial customers. Price increases for treating services increased one percent while volumes decreased two percent as a result of higher volumes of treated ties sold to commercial customers. With respect to other products, higher volumes of six percent related to sales of rail joint bars and related products from the Portec acquisition in December 2010.

Cost of sales as a percentage of net sales was 85 percent for the year ended December 31, 2011 as compared to 84 percent for the year ended December 31, 2010. Overall, cost of sales increased by $238.9 million when compared to the prior year period due primarily to higher CM&C and R&UP sales volumes.

Depreciation and amortization for the year ended December 31, 2011 was $0.3 million higher when compared to the prior year.

Selling, general and administrative expenses for the year ended December 31, 2011 were $11.9 million higher when compared to the prior year period due primarily to higher compensation-related expenses.

Interest expense for the year ended December 31, 2011 was $0.1 million higher when compared to the prior year period reflecting a small increase in the average level of borrowing in 2011.

Income taxes for the year ended December 31, 2011 were $9.8 million higher when compared to the prior year period due primarily to the increase in pretax income of $22.7 million as compared to the prior year. Our effective income tax rate for the year ended December 31, 2011 was 40.2 percent as compared to the prior year period of 39.3 percent. The increase in the effective income tax rate is primarily due to a $3.5 million tax reserve associated with our European restructuring project.

Segment Results

Segment operating profit for the years ended December 31, 2011 and 2010 is summarized by segment in the following table:

(Dollars in millions)	*Year Ended December 31,* 2011	2010	*% Change*
Operating profit:			
Carbon Materials & Chemicals	$ 89.1	$76.7	+16%
Railroad & Utility Products	34.8	23.0	+51%
Corporate	(1.2)	(1.6)	+25%
	$122.7	$98.1	+25%
Operating profit as a percentage of net sales:			
Carbon Materials & Chemicals	9.4%	10.4%	-1.0%
Railroad & Utility Products	6.7%	5.1%	+1.6%
	8.4%	8.2%	+0.2%

Carbon Materials & Chemicals net sales and operating profit by geographic region for the years ended December 31, 2011 and 2010 is summarized in the following table:

(Dollars in millions)	*Twelve months ended December 31,* 2011	2010	*% Change*
Net sales:			
North America	$373.5	$306.5	+22%
Europe	288.2	230.0	+25%
Australia	109.6	93.5	+17%
China	177.3	116.2	+53%
Intrasegment	(5.5)	(5.6)	-2%
	$943.1	$740.6	+27%
Operating profit:			
North America	$ 40.3	$ 37.1	+9%
Europe	32.3	26.6	+21%
Australia	14.0	14.1	-1%
China	2.5	(1.1)	+327%
	$ 89.1	$ 76.7	+16%

North American CM&C sales increased by $67.0 million due primarily to higher volumes for pitch and creosote totaling $44.9 million combined with higher prices for phthalic anhydride of $23.1 million. Operating profit as a percentage of net sales decreased to 11 percent from 12 percent for the prior year reflecting the impact of higher raw material costs which offset higher pricing for pitch and phthalic anhydride.

European CM&C sales increased by $58.2 million due primarily to the acquisition in the Netherlands in March 2010, higher prices for carbon pitch and carbon black feedstock totaling $32.5 million, and foreign currency translation of $14.3 million. Operating profit as a percentage of net sales decreased to 11 percent from 12 percent in the prior year due to an outage at the Company's naphthalene plant in Denmark in the fourth quarter of 2011.

Australian CM&C sales increased by $16.1 million due to higher foreign currency translation of $12.8 million and higher prices for carbon pitch totaling $5.4 million. Operating profit as a percentage of net sales decreased to 13 percent from 15 percent in the prior year as higher prices for carbon pitch were more than offset by higher raw material costs.

Chinese CM&C sales increased by $61.1 million due to higher volumes and prices for carbon pitch totaling $34.0 million, higher volumes of other coal tar products totaling $13.6 million, and higher foreign currency translation of $7.9 million. These increases were partially offset by lower naphthalene prices totaling $5.1 million. Operating profit as a percentage of net sales increased to one percent compared to an operating loss in the prior year as raw material costs stabilized and selling prices for carbon pitch increased significantly over the prior year. The 2010 operating loss was due to lower pricing for carbon pitch exports to the Middle East combined with higher tar costs in China.

Railroad & Utility Products sales for the twelve months ended December 31, 2011 increased by $73.2 million compared to the prior year as sales volumes and prices for crossties increased by $40.7 million. Sales of other products increased by $25.5 million primarily as a result of the rail joint bar business acquisition, higher volumes and prices for utility poles totaled $7.7 million, and higher foreign currency translation added $5.0 million, partially offset by lower treating service volumes totaling $9.2 million. Operating profit as a percentage of net sales increased to seven percent from five percent in the prior year as a result of higher untreated crosstie volumes combined with higher prices and volumes for commercial crossties, higher volumes of borate treated ties and the acquisition of the rail joint bars business in December 2010.

Results of Operations – Comparison of Years Ended December 31, 2010 and December 31, 2009

Consolidated Results

Net sales for the years ended December 31, 2010 and 2009 are summarized by segment in the following table:

(Dollars in millions)	*Year Ended December 31, 2010*	*2009*	*Net Change*
Carbon Materials & Chemicals	$ 740.6	$ 606.0	+22%
Railroad & Utility Products	449.9	469.2	-4%
	$1,190.5	$1,075.2	+11%

CM&C net sales increased by $134.6 million or 22 percent due to the following changes in volume, pricing and foreign exchange:

	Price	*Volume*	*Foreign Exchange*	*Net Change*
Carbon Materials[(a)]	-5%	+11%	+1%	+7%
Distillates[(b)]	+3%	+2%	0%	+5%
Coal Tar Chemicals[(c)]	+4%	+3%	0%	+7%
Other[(d)]	+1%	+2%	+0%	+3%
Total CM&C	+3%	+18%	+1%	+22%

(a) Includes carbon pitch, petroleum pitch and refined tar.
(b) Includes creosote and carbon black feedstock.
(c) Includes naphthalene and phthalic anhydride.
(d) Includes benzole, freight and other products.

Carbon materials' pricing for carbon pitch decreased five percent due to lower demand and excess pitch availability. Offsetting this decrease were higher sales volumes of carbon pitch from Chinese operations of five percent and Europe of four percent due primarily to the acquisition in the Netherlands. The volume increases are due to increased worldwide demand for aluminum products and the increased production from our Chinese operations to supply carbon pitch to smelters in the Middle East.

Distillate pricing for carbon black feedstock increased two percent in Europe due to higher average worldwide oil prices as compared to the prior year. The increase in distillate sales volume is due to the acquisition in the Netherlands.

For coal tar chemicals, increases in phthalic anhydride prices in the U.S. of three percent and naphthalene prices of one percent were experienced. Higher volumes of phthalic anhydride of one percent resulted from increased production in the U.S. auto industry, and higher volumes of naphthalene of one percent were due to the acquisition in the Netherlands. With respect to other products, pricing for benzole increased one percent as compared to the prior year.

R&UP net sales decreased by $19.3 million or four percent due to the following changes in volume, pricing and foreign exchange:

	Price	*Volume*	*Foreign Exchange*	*Net Change*
Railroad Crossties[(a)]	-1%	-3%	0%	-4%
TSO Crossties[(b)]	+1%	0%	0%	+1%
Distribution Poles	0%	-1%	+1%	0%
Other[(c)]	0%	-1%	0%	-1%
Total R&UP	0%	-5%	+1%	-4%

(a) Includes treated and untreated railroad crossties.
(b) Includes sales from treatment services only ("TSO").
(c) Includes creosote, transmission poles, pilings, freight and other treated and untreated lumber products.

Sales volume and price decreases for railroad crossties totaled three and one percent, respectively for the year ended December 31, 2010, driven by lower purchases from the Class I railroad customers. Price increases for treating services increased one percent and volumes for utility poles decreased one percent. With respect to other products, lower creosote volumes of one percent in the U.S. were realized.

Cost of sales as a percentage of net sales was 84 percent for the year ended December 31, 2010 as compared to 84 percent for the year ended December 31, 2009. Overall, cost of sales increased by $102.4 million when compared to the prior year period due primarily to higher CM&C sales volumes.

Depreciation and amortization for the year ended December 31, 2010 was $3.4 million higher when compared to the prior year period due to an impairment charge of $1.8 million in 2010 related to a wood treating plant and incremental depreciation from the Koppers Netherlands acquisition.

Selling, general and administrative expenses for the year ended December 31, 2010 were $5.1 million higher when compared to the prior year period due primarily to higher stock based compensation expense and higher management incentive.

Interest expense for the year ended December 31, 2010 was $9.2 million lower when compared to the prior year period due primarily to lower average borrowings and lower borrowing costs as compared to the prior period. Lower average borrowings resulted from the use of operating cash flow to reduce debt and lower borrowing costs resulted from the refinancing of long-term debt in the fourth quarter of 2009 at a lower interest rate of 7 $^{7}/8$ percent.

Loss on the extinguishment of debt was $22.4 million in 2009 and resulted from the tender offer and call of the 9 $^{7}/8$ Senior Discount Notes due 2014 and the call of the Koppers Inc. 9 $^{7}/8$% Senior Secured Notes due 2013.

Income taxes for the year ended December 31, 2010 were $15.5 million higher when compared to the prior year period due primarily to the increase in pretax income of $38.7 million as compared to the prior year. Our effective income tax rate for the year ended December 31, 2010 was 39.3 percent as compared to the prior year period of 38.5 percent.

Segment Results

Segment operating profit for the years ended December 31, 2010 and 2009 is summarized by segment in the following table:

(Dollars in millions)	*Year Ended December 31, 2010*	*2009*	*% Change*
Operating profit:			
Carbon Materials & Chemicals	$76.7	$57.3	+34%
Railroad & Utility Products	23.0	38.2	-40%
Corporate	(1.6)	(1.8)	-11%
	$98.1	$93.7	+5%
Operating profit as a percentage of segment net sales:			
Carbon Materials & Chemicals	10.4%	9.5%	+0.9%
Railroad & Utility Products	5.1%	8.1%	-3.0%
	8.2%	8.7%	-0.5%

Carbon Materials & Chemicals net sales and operating profit by geographic region for the years ended December 31, 2010 and 2009 is summarized in the following table:

(Dollars in millions)	*Twelve months ended December 31, 2010*	*2009*	*% Change*
Net sales:			
North America	$306.5	$270.4	+13%
Europe	230.0	179.4	+28%
Australia	93.5	96.5	-3%
China	116.2	78.6	+48%
Intrasegment	(5.6)	(18.9)	-70%
	$740.6	$606.0	+22%
Operating profit:			
North America	$ 37.1	$ 18.3	+103%
Europe	26.6	19.8	+34%
Australia	14.1	13.3	+6%
China	(1.1)	5.9	-119%
	$ 76.7	$ 57.3	+34%

North American CM&C sales increased by $36.1 million due primarily to higher volumes and prices for phthalic anhydride totaling $26.0 million combined with higher volumes for pitch and refined tar totaling $15.5 million, partially offset by lower pricing for pitch of $8.3 million. Operating profit as a percentage of net sales increased to 12 percent from seven percent for the prior year reflecting the impact of higher volumes of refined tar coupled with higher volumes and prices for phthalic anhydride.

European CM&C sales increased by $50.6 million due primarily to the acquisition in the Netherlands of $48.4 million and higher prices for carbon black feedstock of $10.6 million, partially offset by lower prices for carbon pitch totaling $8.8 million. In addition, currency exchange rate changes resulted in a reduction of sales totaling $6.2 million. Operating profit as a percentage of net sales increased to 12 percent from 11 percent in the prior year.

Australian CM&C sales decreased by $3.0 million as lower prices for carbon pitch totaling $13.0 million and lower freight costs of $6.6 million were partially offset by currency exchange rate changes resulting in an increase in sales of $12.6 million. Operating profit as a percentage of net sales increased to 15 percent from 14 percent in the prior year due mainly to higher sales volumes for naphthalene.

Chinese CM&C sales increased by $37.6 million due primarily to higher volumes of carbon pitch totaling $29.8 million and higher pricing for carbon black feedstock and naphthalene totaling $9.2 million. Chinese operations incurred an operating loss of $1.1 million compared to operating profit as a percentage of net sales of eight percent for the prior year. The 2010 operating loss was due to lower pricing for carbon pitch exports to the Middle East combined with higher tar costs in China.

Railroad & Utility Products sales for the twelve months ended December 31, 2010 decreased by $19.3 million as compared to the prior period due primarily to lower sales volumes and prices for untreated crossties of $13.1 million and lower volumes for utility poles totaling $7.1 million. Operating profit as a percentage of net sales decreased to five percent from eight percent in the prior year as a result of lower capacity utilization, impairment and related charges totaling $2.2 million, and a legal settlement for $3.0 million.

Cash Flow

Net cash provided by operating activities was $76.9 million for the year ended December 31, 2011 as compared to net cash provided by operating activities of $105.3 million for the year ended December 31, 2010. Net cash flows from operating activities decreased by approximately $28 million between periods due primarily to increased requirements for working capital.

Net cash provided by operating activities was $105.3 million for the year ended December 31, 2010 as compared to net cash provided by operating activities of $112.3 million for the year ended December 31, 2009. Net cash flows from operating activities decreased by approximately $7 million between periods due to changes in working capital.

Net cash used in investing activities was $44.7 million for the year ended December 31, 2011 as compared to net cash used in investing activities of $63.4 million for the year ended December 31, 2010. Decreased acquisition expenditures of $34.9 million was partially offset by a loan to Tangshan Koppers Kailuan Carbon Chemical Company Limited of $11.7 million.

Net cash used in investing activities was $63.4 million for the year ended December 31, 2010 as compared to net cash used in investing activities of $20.8 million for the year ended December 31, 2009. Increased capital spending was $11.9 million in 2010 and acquisition expenditures in 2010 primarily represent the acquisition of Koppers Netherlands and the rail joint bar business of Portec Rail Products Inc.

Net cash used in financing activities was $13.3 million for the year ended December 31, 2011 as compared to net cash used in financing activities of $64.3 million for the year ended December 31, 2010. Net repayments of debt totaled $40.0 million in the year ended December 31, 2010 as compared to net borrowings of debt totaling $5.4 million for the year ended December 31, 2011.

Net cash used in financing activities was $64.3 million for the year ended December 31, 2010 as compared to net cash used in financing activities of $96.9 million for the year ended December 31, 2009. Net repayments of debt totaled $40.0 million in the year ended December 31, 2010 and was funded from operating cash flow.

Dividends paid were $18.2 million for the year ended December 31, 2011 as compared to dividends paid of $23.1 million for the year ended December 31, 2010. Dividends totaling approximately $18 million in both periods reflect an annual dividend rate of 88 cents per common share. For the year ended December 31, 2010, dividends of $5.0 million were paid to noncontrolling interests with respect to a partially owned subsidiary.

Liquidity and Capital Resources

Indebtedness as of December 31, 2011

On December 1, 2009, Koppers Inc. completed a private placement offering of $300.0 million aggregate principal amount of 7 $^{7}/8$% Senior Notes due 2019 (the “Senior Notes”). The Senior Notes are guaranteed by Koppers Holdings Inc., as parent guarantor, and certain subsidiaries of Koppers Inc. as additional guarantors. A portion of the net proceeds of the offering of the Senior Notes was used to finance a cash tender offer for, and a redemption of, Koppers Holdings’ remaining outstanding 9 $^{7}/8$% Senior Discount Notes due 2014 with remaining net proceeds used to repay outstanding debt under Koppers Inc.’s revolving credit facility and for general corporate purposes. In connection with the issuance of the Senior Notes, Koppers Inc. also amended its revolving credit agreement to extend the expiration date of the revolving credit facility to October 31, 2013 and to amend interest pricing and certain covenants.

Restrictions on Dividends to Koppers Holdings

Koppers Holdings depends on the dividends from the earnings of Koppers Inc. and its subsidiaries to generate the funds necessary to meet its financial obligations, including the payment of any declared dividend of Koppers Holdings. Koppers Inc.'s credit agreement prohibits it from making dividend payments to us unless (1) such dividend payments are permitted by the indenture governing Koppers Inc.'s Senior Notes and (2) no event of default or potential default has occurred or is continuing under the credit agreement. The indenture governing Koppers Inc.'s Senior Notes restricts its ability to finance our payment of dividends if (1) a default has occurred or would result from such financing, (2) a restricted subsidiary of Koppers Inc. which is not a guarantor under the indenture is not able to incur additional indebtedness (as defined in the indenture), and (3) the sum of all restricted payments (as defined in the indenture) have exceeded the permitted amount (which we refer to as the "basket") at such point in time.

The basket is governed by a formula based on the sum of a beginning amount, plus or minus a percentage of Koppers Inc's consolidated net income (as defined in the indenture), plus the net proceeds of Koppers Inc's qualified stock issuance or conversions of debt to qualified stock, plus the net proceeds from the sale of or a reduction in an investment (as defined in the indenture) or the value of the assets of an unrestricted subsidiary which is designated a restricted subsidiary. At December 31, 2011 the basket totaled $175.5 million. Notwithstanding such restrictions, the indenture governing Koppers Inc.'s Senior Notes permits an additional aggregate amount of $20.0 million each fiscal year to finance dividends on the capital stock of Koppers Holdings, whether or not there is any basket availability, provided that at the time of such payment, no default in the indenture has occurred or would result from financing the dividends.

In addition, certain required coverage ratios in Koppers Inc.'s revolving credit facility may restrict the ability of Koppers Inc. to pay dividends. See "–Debt Covenants."

The ability of Koppers Inc. to pay dividends to us, and our ability to pay dividends to our shareholders, is also restricted by Pennsylvania law. Under Pennsylvania law, a corporation has the power, subject to restrictions in its bylaws, to pay dividends or make other distributions to its shareholders unless, after giving effect thereto, (1) the corporation would not be able to pay its debts as they become due in the usual course of business or (2) the corporation's assets would be less than the sum of its total liabilities plus (unless otherwise provided in its articles) the amount that would be needed upon the dissolution of the corporation to satisfy the preferential rights, if any, of the shareholders having superior preferential rights to the shareholders receiving the distribution. In determining whether a particular level of dividends is permitted under Pennsylvania law, the board of directors may base its conclusion on one or more of the following: the book values of the assets and liabilities of the company as reflected on its books and records; a valuation that takes into consideration unrealized appreciation, depreciation or other changes in value of the assets and liabilities of the company; the current value of the assets and liabilities of the company either valued separately or valued in segments or as an entirety as a going concern; or any other method that is reasonable in the circumstances. Our bylaws and articles and those of Koppers Inc. contain no restrictions regarding dividends.

Liquidity

The Koppers Inc. revolving credit facility agreement provides for a revolving credit facility of up to $300.0 million at variable interest rates. Borrowings under the revolving credit facility are secured by a first priority lien on substantially all of the assets of Koppers Inc. and its material domestic subsidiaries. The revolving credit facility contains certain covenants for Koppers Inc. and its restricted subsidiaries that limit capital expenditures, additional indebtedness, liens, dividends and investments or acquisitions. In addition, such covenants give rise to events of default upon the failure by Koppers Inc. and its restricted subsidiaries to meet certain financial ratios.

As of December 31, 2011, the Company had $275.8 million of unused revolving credit availability for working capital purposes after restrictions by various debt covenants and certain letter of credit commitments. As of December 31, 2011, $14.2 million of commitments were utilized by outstanding letters of credit.

The following table summarizes our estimated liquidity as of December 31, 2011 *(dollars in millions)*:

Cash and cash equivalents[(1)]	$ 54.1
Amount available under revolving credit facility	275.8
Amount available under other credit facilities	14.8
Total estimated liquidity	$344.7

(1) Cash includes approximately $45 million held by foreign subsidiaries, which if repatriated to the United States, would incur an estimated cash tax cost of approximately $20 million.

Our estimated liquidity was $302.6 million at December 31, 2010. The increase in estimated liquidity from that date is due primarily to an increase in cash and an increase in the availability under the revolving credit facility due to an improvement in covenant restriction calculations.

As of December 31, 2011, we had $325.0 million aggregate amount of common stock, debt securities, preferred stock, depositary shares and warrants (or a combination of these securities) available to be issued under our registration statement on Form S-3 filed in 2009.

Our need for cash in the next twelve months relates primarily to contractual obligations which include debt service, purchase commitments and operating leases, as well as for working capital, capital maintenance programs, plant closures and mandatory defined benefit plan funding. We may also use cash to pursue potential strategic acquisitions. Capital expenditures in 2012, excluding acquisitions, are expected to total approximately $32 million. We believe that our cash flow from operations and available borrowings under the revolving credit facility will be sufficient to fund our anticipated liquidity requirements for at least the next twelve months. In the event that the foregoing sources are not sufficient to fund our expenditures and service our indebtedness, we would be required to raise additional funds.

Schedule of Certain Contractual Obligations

The following table details our projected payments for our significant contractual obligations as of December 31, 2011. The table is based upon available information and certain assumptions we believe to be reasonable.

	Payments Due by Period				
(in millions)	*Total*	*2012*	*2013-2014*	*2015-2016*	*Later years*
Long-term debt (including accretion)	$ 306.4	$ 0.0	$ 0.0	$ 6.4	$ 300.0
Interest on debt	187.6	23.8	47.6	47.3	68.9
Operating leases	124.8	38.1	41.4	14.2	31.1
Purchase commitments[(1)]	1,601.3	383.2	622.8	373.7	221.6
Total contractual cash obligations	$2,220.1	$445.1	$ 711.8	$ 441.6	$ 621.6

(1) Consists primarily of raw materials purchase contracts. These are typically not fixed price arrangements; the prices are based on the prevailing market prices. As a result, we generally expect to be able to hedge the purchases with sales at those future prices.

Pension and other employee benefit plan funding obligations (for defined benefit plans) are not included in the table above. We expect defined benefit plan contributions to total approximately $14 million in 2012. Estimated funding obligations are determined by asset performance, workforce and retiree demographics, tax and employment laws and other actuarial assumptions which may change the annual funding obligations. The funded status of our defined benefit plans is disclosed in Note 15 of the Consolidated Financial Statements.

Schedule of Certain Other Commercial Commitments

The following table details our projected payments for other significant commercial commitments as of December 31, 2011. The table is based upon available information and certain assumptions we believe to be reasonable.

	Payments Due by Period				
(in millions)	*Total*	*2012*	*2013-2014*	*2015-2016*	*Later years*
Lines of credit (unused)	$290.6	$14.8	$ 0.0	$ 275.8	$ 0.0
Standby letters of credit	15.0	15.0	0.0	0.0	0.0
Total other commercial commitments	$305.6	$29.8	$ 0.0	$ 275.8	$ 0.0

Debt Covenants

The covenants that affect availability of the revolving credit facility and which may restrict the ability of Koppers Inc. to pay dividends include the following financial ratios:

- The fixed charge coverage ratio, calculated as of the end of each fiscal quarter for the four fiscal quarters then ended, is not permitted to be less than 1.10. The fixed charge coverage ratio at December 31, 2011 was 1.8.
- The leverage ratio, calculated as of the end of each fiscal quarter for the four fiscal quarters then ended, is not permitted to exceed 4.50. The leverage ratio at December 31, 2011 was 2.05.

We are currently in compliance with all covenants in the credit agreement governing the revolving credit facility.

At December 31, 2011, Koppers Inc. had $300.0 million principal value outstanding of Senior Notes. The Senior Notes include customary covenants that restrict, among other things, our ability to incur additional debt, pay dividends or make certain other restricted payments, incur liens, merge or sell all or substantially all of the assets or enter into various transactions with affiliates. We are currently in compliance with all covenants in the Senior Notes indenture.

Other Matters

Foreign Operations and Foreign Currency Transactions

We are subject to foreign currency translation fluctuations due to our foreign operations. For the years ended December 31, 2011, 2010 and 2009, exchange rate fluctuations resulted in an increase (decrease) to comprehensive income of $(2.5) million, $11.5 million and $24.0 million, respectively. Foreign currency transaction gains and losses result from transactions denominated in a currency which is different from the currency used by the entity to prepare its financial statements. Foreign currency transaction gains (losses) were $(0.5) million, $(2.3) million and $(1.9) million for the years ended December 31, 2011, 2010 and 2009, respectively.

Recently Issued Accounting Guidance

There is no recently issued accounting guidance that is expected to have a material impact on our financial results.

Critical Accounting Policies

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to use judgment in making estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities, and the disclosure of contingent liabilities. The following accounting policies are based on, among other things, judgments and assumptions made by management that include inherent risks and uncertainties. Our management's estimates are based on the relevant information available at the end of each period.

Revenue Recognition. We recognize revenue from product sales at the time of shipment or when title passes to the customer. We recognize revenue related to the procurement of certain untreated railroad crossties upon transfer of title, which occurs upon delivery to our plant and acceptance by the customer. Service revenue, consisting primarily of wood treating services, is recognized at the time the service is provided. Our recognition of revenue with respect to untreated crossties meets all the recognition criteria of the Securities and Exchange Commission's Staff Accounting Bulletin Topic 13A3, including transfer of title and risk of ownership, the existence of fixed purchase commitments and delivery schedules established by the customer and the completion of all performance obligations by us.

***Accounts Receivable*.** We maintain allowances for doubtful accounts for estimated losses resulting from the inability of our customers to make required payments. In circumstances where we become aware of a specific customer's inability to meet its financial obligations, a specific reserve for bad debts is recorded against amounts due. If the financial conditions of our customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

***Inventories*.** In the United States, CM&C and R&UP inventories are valued at the lower of cost, utilizing the last-in, first-out ("LIFO") basis, or market. Inventories outside the United States are valued at the lower of cost, utilizing the first-in, first-out basis ("FIFO"), or market. Market represents replacement cost for raw materials and net realizable value for work in process and finished goods. LIFO inventories constituted approximately 59 percent of the FIFO inventory value at December 31, 2011 and 2010.

***Long-Lived Assets*.** Our management periodically evaluates the net realizable value of long-lived assets, including property, plant and equipment, based on a number of factors including operating results, projected future cash flows and business plans. We record long-lived assets at the lower of cost or fair value, with fair value based on assumptions concerning the amount and timing of estimated future cash flows. Since judgment is involved in determining the fair value of fixed assets, there is a risk that the carrying value of our long-lived assets may be overstated.

***Goodwill*.** Goodwill is not amortized but is assessed for impairment at least on an annual basis. In making this assessment, management relies on various factors, including operating results, estimated future cash flows, and business plans. There are inherent uncertainties related to these factors and in our management's judgment in applying them to the analysis of goodwill impairment. Because management's judgment is involved in performing goodwill impairment analyses, there is risk that the carrying value of goodwill is overstated.

Goodwill valuations are performed using projected operating results of the relevant reporting units. Changes in economic and operating conditions impacting these assumptions could result in goodwill impairments in future periods. Additionally, disruptions to our business such as prolonged recessionary periods or unexpected significant declines in operating results of the relevant reporting units could result in charges for goodwill and other asset impairments in future periods.

***Deferred Tax Assets*.** At December 31, 2011 our balance sheet included $91.4 million of deferred tax assets, net of an $10.2 million valuation allowance. We have determined that this valuation allowance is required for our deferred tax assets based on future earnings projections. To the extent that we encounter unexpected difficulties in market conditions, adverse changes in regulations affecting our businesses and operations, adverse outcomes in legal and environmental matters, or any other unfavorable conditions, the projections for future taxable income may be overstated and we may be required to record an increase in the valuation allowance related to these deferred tax assets which could have a material adverse effect on income in the future.

***Accrued Insurance*.** We are insured for property, casualty and workers' compensation insurance up to various stop loss amounts after meeting required retention levels. Losses are accrued based upon estimates of the liability for the related retentions for claims incurred using certain actuarial assumptions followed in the insurance industry and based on our experience. In the event we incur a significant number of losses beyond the coverage retention limits, additional expense beyond the actuarial projections would be required.

***Asset Retirement Obligations*.** We measure asset retirement obligations based upon the applicable accounting guidance, using certain assumptions including estimates regarding the recovery of residues in storage tanks. In the event that operational or regulatory issues vary from our estimates, we could incur additional significant charges to income and increases in cash expenditures related to the disposal of those residues.

***Pension and Postretirement Benefits*.** Accounting for pensions and other postretirement benefits involves estimating the cost of benefits to be provided far into the future and allocating that cost over the time period each employee works. This calculation requires extensive use of assumptions regarding inflation, investment returns, mortality, medical costs, employee turnover and discount rates. In determining the expected return on plan assets assumptions, we evaluate long-term actual return information, the mix of investments that comprise plan assets and estimates of future investment returns. In selecting rates for current and long-term health care assumptions, we take into consideration a number of factors including our actual health care cost increases, the design of our benefit programs, the characteristics of our active and retiree populations and expectations of inflation rates. Because these items require our management's judgment, the related liabilities currently recorded by us could be lower or higher than amounts ultimately required to be paid.

***Litigation and Contingencies*.** We record liabilities related to legal matters when an adverse outcome is probable and reasonably estimable. To the extent we anticipate favorable outcomes to these matters which ultimately result in adverse outcomes, we could incur material adverse impacts on earnings and cash flows. Because such matters require significant judgments on the part of management, the recorded liabilities could be lower than what is ultimately required.

***Environmental Liabilities*.** We are subject to federal, state, local and foreign laws and regulations and potential liabilities relating to the protection of the environment and human health and safety, including, among other things, the cleanup of contaminated sites, the treatment, storage and disposal of wastes, the discharge of effluent into waterways, the emission of substances into the air and various health and safety matters. We expect to incur substantial costs for ongoing compliance with such laws and regulations. We may also incur costs as a result of governmental or third-party claims, or otherwise incur costs, relating to cleanup of, or for injuries resulting from, contamination at sites associated with past and present operations. We accrue for environmental liabilities when a determination can be made that they are probable and reasonably estimable.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Like other global companies, we are exposed to market risks relating to fluctuations in interest rates and foreign currency exchange rates. The objective of our financial risk management is to minimize the negative impact of interest rate and foreign exchange rate fluctuations on our earnings, cash flows and equity.

To manage the interest rate risks, we use a combination of fixed and variable rate debt. This reduces the impact of short-term fluctuations in interest rates. To manage foreign currency exchange rate risks, we enter into foreign currency debt instruments that are held by our foreign subsidiaries. This reduces the impact of fluctuating currencies on net income and equity. We also use forward exchange contracts to hedge firm commitments up to twelve months and all such contracts are marked to market with the recognition of a gain or loss at each reporting period.

The following analyses present the sensitivity of the market value, earnings and cash flows of our financial instruments and foreign operations to hypothetical changes in interest and exchange rates as if these changes occurred at December 31, 2011 and 2010. The range of changes chosen for these analyses reflects our view of changes which are reasonably possible over a one-year period. Market values are the present values of projected future cash flows based on the interest rate and exchange rate assumptions. These forward-looking statements are selective in nature and only address the potential impacts from financial instruments and foreign operations. They do not include other potential effects that could impact our business as a result of these changes.

***Interest Rate and Debt Sensitivity Analysis*.** Our exposure to market risk for changes in interest rates relates primarily to our debt obligations. We have fixed and variable rate debt and the ability to incur variable rate debt under the Koppers Inc. credit agreement.

At December 31, 2011 we had $295.7 million of fixed rate debt and $6.4 million of variable rate debt and at December 31, 2010, we had $296.4 million of fixed rate debt. Our ratio of variable rate debt to fixed rate debt at December 31, 2011 was approximately two percent. For fixed rate debt, interest rate changes affect the fair market value but do not impact earnings or cash flows. For variable rate debt, interest rate changes generally do not affect the fair market value but do impact future earnings and cash flows, assuming other factors are held constant.

Holding other variables constant (such as debt levels and foreign exchange rates), a one percentage point decrease in interest rates at December 31, 2011 and 2010 would have increased the unrealized fair market value of the fixed rate debt by approximately $19.5 million and $25.6 million, respectively. The earnings and cash flows for the next year assuming a one percentage point increase in interest rates would decrease approximately $0.1 million, holding other variables constant.

***Exchange Rate Sensitivity Analysis*.** Our exchange rate exposures result primarily from our investment and ongoing operations in Australia, Denmark, the Netherlands, China and the United Kingdom. Holding other variables constant, if there were a ten percent reduction in all relevant exchange rates, the effect on our earnings, based on actual earnings from foreign operations for the years ended December 31, 2011 and 2010, would be reductions of approximately $0.1 million and $4.4 million, respectively.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Koppers Holdings Inc.:

We have audited the accompanying consolidated balance sheets of Koppers Holdings Inc. as of December 31, 2011 and 2010, and the related consolidated statements of income, comprehensive income, shareholders’ equity, and cash flows for each of the three years in the period ended December 31, 2011. Our audits also included the financial statement schedule listed in the Index at Item 15(a). These financial statements and schedule are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Koppers Holdings Inc. at December 31, 2011 and 2010, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2011, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Koppers Holdings Inc.’s internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 27, 2012 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Pittsburgh, Pennsylvania
February 27, 2012, except for the effects of discontinued operations as described in Note 4 and Notes 21, 22 and 23 pertaining to guarantor and non-guarantor financial information, as to which the date is June 27, 2012

KOPPERS HOLDINGS INC.
CONSOLIDATED STATEMENT OF INCOME

	Year Ended December 31,		
	2011	*2010*	*2009*
(Dollars in millions, except share amounts)			
Net sales	$1,466.2	$1,190.5	$1,075.2
Cost of sales (excluding items below)	1,242.3	1,003.4	901.0
Depreciation and amortization	26.9	26.6	23.2
Selling, general and administrative expenses	74.3	62.4	57.3
Operating profit	122.7	98.1	93.7
Other income (loss)	0.7	2.5	(0.2)
Interest expense	27.2	27.1	36.3
Loss on extinguishment of debt	0.0	0.0	22.4
Income before income taxes	96.2	73.5	34.8
Income taxes	38.7	28.9	13.4
Income from continuing operations	57.5	44.6	21.4
(Loss) income from discontinued operations, net of tax benefit (expense) of $23.8, $(0.2) and $(0.4)	(19.9)	0.1	0.3
Loss on sale of Koppers Arch, net of tax benefit of $0.1	0.0	(0.2)	0.0
Loss on sale of Monessen, net of tax benefit of $0.2	0.0	0.0	(0.3)
Net income	37.6	44.5	21.4
Net income attributable to noncontrolling interests	0.7	0.4	2.6
Net income attributable to Koppers	$ 36.9	$ 44.1	$ 18.8
Earnings (loss) per common share:			
Basic –			
Continuing operations	$ 2.75	$ 2.14	$ 0.92
Discontinued operations	(0.96)	0.00	0.00
Earnings per basic common share	$ 1.79	$ 2.14	$ 0.92
Diluted –			
Continuing operations	$ 2.72	$ 2.13	$ 0.91
Discontinued operations	(0.95)	0.00	0.00
Earnings per diluted common share	$ 1.77	$ 2.13	$ 0.91
Weighted average common shares outstanding *(in thousands)*:			
Basic	20,599	20,543	20,446
Diluted	20,833	20,676	20,561
Dividends declared per common share	$ 0.88	$ 0.88	$ 0.88

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year Ended December 31,		
	2011	*2010*	*2009*
(Dollars in millions)			
Net income	$ 37.6	$44.5	$21.4
Changes in other comprehensive income (loss):			
Currency translation adjustment	(2.5)	11.5	24.0
Unrecognized pension transition asset, net of tax of $(0.1), $(0.1) and $(0.1)	(0.2)	(0.2)	(0.2)
Unrecognized pension prior service cost, net of tax of $0.0, $0.1 and $0.0	0.1	0.2	(0.1)
Unrecognized pension net (loss) gain, net of tax of $(9.2), $(0.6) and $2.5	(14.9)	(0.7)	1.9
Total comprehensive income	20.1	55.3	47.0
Comprehensive income attributable to noncontrolling interests	1.2	0.7	3.5
Comprehensive income attributable to Koppers	$ 18.9	$54.6	$43.5

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

KOPPERS HOLDINGS INC.
CONSOLIDATED BALANCE SHEET

(Dollars in millions, except share amounts)	December 31, 2011	2010
Assets		
Cash and cash equivalents	$ 54.1	$ 35.3
Accounts receivable, net of allowance of $0.3 and $0.1	160.9	128.9
Income tax receivable	10.6	11.9
Inventories, net	159.0	165.4
Deferred tax assets	9.3	5.9
Loan to related party	11.7	0.0
Other current assets	21.8	23.0
Total current assets	427.4	370.4
Equity in non-consolidated investments	4.9	4.7
Property, plant and equipment, net	155.6	168.2
Goodwill	72.1	72.1
Deferred tax assets	44.3	26.1
Other assets	26.4	27.7
Total assets	$730.7	$669.2
Liabilities		
Accounts payable	$102.1	$ 87.9
Accrued liabilities	63.1	55.4
Dividends payable	5.2	5.1
Short-term debt and current portion of long-term debt	0.0	1.0
Total current liabilities	170.4	149.4
Long-term debt	302.1	295.4
Accrued postretirement benefits	104.1	86.1
Other long-term liabilities	46.9	38.4
Total liabilities	623.5	569.3
Commitments and contingent liabilities (*Note 18*)		
Equity		
Senior Convertible Preferred Stock, $0.01 par value per share; 10,000,000 shares authorized; no shares issued	0.0	0.0
Common Stock, $0.01 par value per share; 40,000,000 shares authorized; 21,309,210 and 21,278,480 shares issued	0.2	0.2
Additional paid-in capital	142.9	137.0
Retained earnings (deficit)	6.7	(11.7)
Accumulated other comprehensive loss	(30.2)	(12.3)
Treasury stock, at cost; 706,161 and 700,203 shares	(24.8)	(24.5)
Total Koppers shareholders' equity	94.8	88.7
Noncontrolling interests	12.4	11.2
Total equity	107.2	99.9
Total liabilities and equity	$730.7	$669.2

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

KOPPERS HOLDINGS INC.
CONSOLIDATED STATEMENT OF CASH FLOWS

	Year Ended December 31,		
(Dollars in millions)	2011	2010	2009
Cash provided by (used in) operating activities			
Net income	$ 37.6	$ 44.5	$ 21.4
Adjustments to reconcile net cash provided by operating activities:			
Depreciation and amortization	48.8	28.1	26.6
Loss on extinguishment of debt	0.0	0.0	22.4
(Gain) loss on sale of assets	(0.2)	(1.0)	0.6
Deferred income taxes	(11.3)	5.0	22.9
Non-cash interest expense	1.6	1.7	16.4
Equity income of affiliated companies, net of dividends received	(0.2)	0.0	2.0
Change in other liabilities	4.0	(2.5)	6.8
Stock-based compensation	5.3	3.3	2.5
Other	(3.0)	0.8	0.6
(Increase) decrease in working capital:			
Accounts receivable	(33.2)	(19.1)	16.1
Inventories	5.1	8.2	31.5
Accounts payable	15.3	9.7	(16.8)
Accrued liabilities and other working capital	7.1	26.6	(40.7)
Net cash provided by operating activities	76.9	105.3	112.3
Cash provided by (used in) investing activities			
Capital expenditures	(33.2)	(29.9)	(18.0)
Acquisitions, net of cash acquired	(0.6)	(35.5)	(2.2)
Loan to related party	(11.7)	0.0	0.0
Net cash proceeds (payments) from divestitures and asset sales	0.8	2.0	(0.6)
Net cash used in investing activities	(44.7)	(63.4)	(20.8)
Cash provided by (used in) financing activities			
Borrowings of revolving credit	218.0	152.1	190.0
Repayments of revolving credit	(211.6)	(192.1)	(150.0)
Borrowings on long-term debt	0.0	0.0	294.9
Repayments on long-term debt	(1.0)	(0.2)	(405.7)
Issuances of Common Stock	0.3	0.1	0.0
Repurchases of Common Stock	(0.3)	(0.9)	0.0
Excess tax benefit from employee stock plans	0.0	0.2	0.0
Payment of deferred financing costs	(0.5)	(0.4)	(8.1)
Dividends paid	(18.2)	(23.1)	(18.0)
Net cash used in financing activities	(13.3)	(64.3)	(96.9)
Effect of exchange rates on cash	(0.1)	(0.7)	0.7
Net increase (decrease) in cash and cash equivalents	18.8	(23.1)	(4.7)
Cash and cash equivalents at beginning of year	35.3	58.4	63.1
Cash and cash equivalents at end of year	$ 54.1	$ 35.3	$ 58.4
Supplemental disclosure of cash flows information:			
Cash paid (refunded) during the year for:			
Interest	$ 25.8	$ 25.5	$ 19.8
Income taxes	25.7	(3.9)	26.1
Noncash investing and financing activities:			
Capital leases	0.0	0.1	0.0

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

KOPPERS HOLDINGS INC.
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

	Year Ended December 31,		
(Dollars in millions)	*2011*	*2010*	*2009*
Senior Convertible Preferred Stock			
Balance at beginning and end of year	$ 0.0	$ 0.0	$ 0.0
Common Stock			
Balance at beginning and end of year	0.2	0.2	0.2
Additional paid-in capital			
Balance at beginning of year	137.0	127.2	126.6
Employee stock plans	5.9	9.8	0.6
Balance at end of year	142.9	137.0	127.2
Retained earnings (deficit)			
Balance at beginning of year	(11.7)	(37.3)	(37.8)
Net income attributable to Koppers	36.9	44.1	18.8
Common Stock dividends	(18.5)	(18.5)	(18.3)
Balance at end of year	6.7	(11.7)	(37.3)
Accumulated other comprehensive loss			
Currency translation adjustment:			
Balance at beginning of year	31.7	20.6	(2.5)
Change in currency translation adjustment	(2.9)	11.1	23.1
Balance at end of year	28.8	31.7	20.6
Unrecognized pension transition asset:			
Balance at beginning of year	0.5	0.7	0.9
Change in unrecognized pension asset, net of tax	(0.2)	(0.2)	(0.2)
Balance at end of year	0.3	0.5	0.7
Unrecognized pension prior service cost:			
Balance at beginning of year	(0.3)	(0.5)	(0.4)
Change in unrecognized pension prior service cost, net of tax	0.1	0.2	(0.1)
Balance at end of year	(0.2)	(0.3)	(0.5)
Unrecognized pension net loss:			
Balance at beginning of year	(44.2)	(43.5)	(45.4)
Change in unrecognized pension net loss, net of tax	(14.9)	(0.7)	1.9
Balance at end of year	(59.1)	(44.2)	(43.5)
Total balance at end of year	(30.2)	(12.3)	(22.7)
Treasury stock			
Balance at beginning of year	(24.5)	(23.6)	(23.6)
Purchases	(0.3)	(0.9)	0.0
Balance at end of year	(24.8)	(24.5)	(23.6)
Total Koppers shareholders' equity – end of year	94.8	88.7	43.8
Noncontrolling interests			
Balance at beginning of year	11.2	11.0	8.0
Net income attributable to noncontrolling interests	0.7	0.4	2.6
Dividends to noncontrolling interests	0.0	(0.6)	(0.5)
Currency translation adjustment	0.5	0.4	0.9
Balance at end of year	12.4	11.2	11.0
Total equity – end of year	$107.2	$ 99.9	$ 54.8

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

1. Description of Business

Parent company of Koppers Inc. – In these financial statements, unless otherwise indicated or the context requires otherwise, when the terms "Koppers," the "Company," "we," "our" or "us," are used, they mean Koppers Holdings Inc. ("Koppers Holdings") and its subsidiaries on a consolidated basis. The use of these terms is not intended to imply that Koppers Holdings and Koppers Inc. are not separate and distinct legal entities from each other and from their respective subsidiaries. Koppers Holdings has no direct operations and no significant assets other than the stock of Koppers Inc. It depends on the dividends from the earnings of Koppers Inc. and its subsidiaries to generate the funds necessary to meet its financial obligations. The terms of Koppers Inc.'s revolving credit facility prohibit Koppers Inc. from paying dividends and otherwise transferring assets except for certain limited dividends. Further, the terms of the indenture governing Koppers Inc.'s Senior Notes significantly restrict Koppers Inc. from paying dividends and otherwise transferring assets to Koppers Holdings.

Business description – The Company is a global integrated producer of carbon compounds and treated and untreated wood products and services for use in a variety of markets including the aluminum, railroad, specialty chemical, utility, concrete and steel industries. The Company's business is operated through two business segments, Carbon Materials & Chemicals and Railroad & Utility Products.

The Company's Carbon Materials & Chemicals segment is primarily a manufacturer of carbon pitch, naphthalene, phthalic anhydride, creosote and carbon black feedstock. Carbon pitch is a critical raw material used in the production of aluminum and for the production of steel in electric arc furnaces. Naphthalene is used for the production of phthalic anhydride and as a surfactant in the production of concrete. Phthalic anhydride is used in the production of plasticizers, polyester resins and alkyd paints. Creosote is used in the treatment of wood and carbon black feedstock is used in the production of carbon black.

The Company's Railroad & Utility Products segment sells treated and untreated wood products, rail joint bars and services primarily to the railroad industry and treated wood products to the utility industry. Railroad products include procuring and treating items such as crossties, switch ties and various types of lumber used for railroad bridges and crossings and the manufacture of rail joint bars. Utility products include transmission and distribution poles and pilings. The segment also produces concrete crossties through a joint venture.

2. Summary of Significant Accounting Policies

Basis of presentation – The consolidated financial statements include the accounts of the Company and all majority-owned subsidiaries for which the Company is deemed to exercise control over its operations. All significant intercompany transactions have been eliminated in consolidation. The Company's investments in 20 percent to 50 percent-owned companies in which it has the ability to exercise significant influence over operating and financial policies are accounted for using the equity method of accounting. Accordingly, the Company's share of the earnings of these companies is included in the accompanying consolidated statement of income.

Use of estimates – Accounting principles generally accepted in the U.S. require management to make estimates and judgments that affect the reported amounts of assets and liabilities and the disclosure of contingencies on the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting period. Estimates have been prepared on the basis of the most current and best available information and actual results could differ materially from these estimates.

Foreign currency translation – For consolidated entities outside of the U.S. that prepare financial statements in currencies other than the U.S. dollar, results of operations and cash flows are translated at average exchange rates during the period, and asset and liabilities are translated at end-of-period exchange rates. Cumulative translation adjustments are included as a separate component of accumulated other comprehensive loss in shareholders' equity. Amounts credited (charged) to cumulative translation adjustments for intercompany loans totaled $(0.5) million in 2011, $7.2 million in 2010 and $12.7 million in 2009.

Foreign currency transaction gains and losses result from transactions denominated in a currency which is different than the currency used by the entity to prepare its financial statements. Foreign currency transaction losses were $0.5 million, $2.3 million and $1.9 million for the years ended December 31, 2011, 2010 and 2009, respectively.

Revenue recognition – The Company recognizes revenue when the risks and rewards of ownership and title to the product have transferred to the customer. Revenue recognition generally occurs at the point of shipment; however in certain circumstances as shipping terms dictate, revenue is recognized at the point of destination. Shipping and handling costs are included as a component of cost of sales.

The Company recognizes revenue related to the procurement of certain untreated railroad crossties upon transfer of title to the customer, which occurs upon delivery to the Company’s plant and acceptance by the customer. Service revenue, consisting primarily of wood treating services, is recognized at the time the service is provided. Payment on sales of untreated railroad crossties and wood treating services are generally due within 30 days of the invoice date. The Company’s recognition of revenue with respect to untreated crossties meets all the recognition criteria of Securities and Exchange Commission Staff Accounting Bulletin Topic 13.A.3., including transfer of title and risk of ownership, the existence of fixed purchase commitments and delivery schedules established by the customer, and the completion of all performance obligations by the Company. Revenue recognized for untreated crosstie sales for the years ended December 31, 2011, 2010 and 2009 amounted to $116.5 million, $106.4 million and $119.1 million, respectively.

Research & development – Research and development costs are expensed as incurred and are included in selling, general and administrative expenses. These costs totaled $1.9 million in 2011, $2.1 million in 2010 and $2.0 million in 2009.

Cash and cash equivalents – Cash and cash equivalents include cash on hand and on deposit and investments in highly liquid investments with an original maturity of 90 days or less.

Accounts receivable – The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. In circumstances where the Company becomes aware of a specific customer’s inability to meet its financial obligations to Koppers, a specific reserve for bad debts is recorded against amounts due. If the financial condition of the Company’s customers were to deteriorate, resulting in an inability to make payments, additional allowances may be required.

Inventories – Inventories are carried at lower of cost or market on a worldwide basis. In the U.S., inventory cost (excluding miscellaneous types of inventory) is determined primarily utilizing the last-in, first-out (“LIFO”) basis. Inventory cost outside the U.S. is determined utilizing the first-in, first-out (“FIFO”) basis. Market represents replacement cost for raw materials and net realizable value for work in process and finished goods. LIFO inventories constituted approximately 59 percent of the FIFO inventory value at December 31, 2011 and 2010.

Property, plant & equipment – Property, plant and equipment are recorded at purchased cost and include improvements which significantly increase capacities or extend useful lives of existing plant and equipment. Depreciation expense is calculated by applying the straight-line method over estimated useful lives. Estimated useful lives for buildings generally range from 10 to 20 years and depreciable lives for machinery and equipment generally range from 3 to 10 years. Net gains and losses related to asset disposals are recognized in earnings in the period in which the disposal occurs. Routine repairs, replacements and maintenance are expensed as incurred.

The Company periodically evaluates whether current facts and circumstances indicate that the carrying value of its depreciable long-lived assets may not be recoverable. If an asset, or logical grouping of assets, is determined to be impaired, the asset is written down to its fair value using discounted future cash flows and, if available, quoted market prices.

Goodwill & other intangible assets – Goodwill and other purchased intangible assets are included in the identifiable assets of the business segment to which they have been assigned. The Company performs impairment tests annually for goodwill, and more often as circumstances require. When it is determined that impairment has occurred, an appropriate charge to earnings is recorded. The Company performed its annual impairment test in the fourth quarters of 2011 and 2010 and determined that the estimated fair values substantially exceeded the carrying values of all the reporting units and accordingly, there was no impairment of goodwill.

Identifiable intangible assets, other than goodwill, are recorded at cost. Identifiable intangible assets that do not have indefinite lives are amortized on a straight-line basis over their estimated useful lives.

Deferred income taxes – Deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The effect on deferred tax assets and liabilities of a change in tax laws is recognized in earnings in the period the new laws are enacted. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets unless it is more likely than not that such assets will be realized. Deferred tax liabilities have not been recognized for the undistributed earnings of certain foreign subsidiaries because management intends to permanently reinvest such earnings in foreign operations.

Self-insured liabilities – The Company is self-insured for property, casualty and workers' compensation exposures up to various stop-loss coverage amounts. Losses are accrued based upon the Company's estimates of the liability for the related deductibles of claims incurred. Such estimates utilize actuarial methods based on various assumptions, which include but are not limited to, the Company's historical loss experience and projected loss development factors. In 2011 and 2010, reversals of self-insured liabilities occurred as a result of favorable loss trends related to self-insured claims.

(Dollars in millions)	*2011*	*2010*
Self-insured liabilities at beginning of year	$ 7.9	$12.1
Expense	2.1	2.5
Reversal of self-insured liabilities	(1.0)	(4.5)
Cash expenditures	(1.6)	(2.2)
Self-insured liabilities at end of year	$ 7.4	$ 7.9

Derivative financial instruments – The Company uses forward exchange contracts to hedge exposure to currency exchange rate changes on transactions and other commitments denominated in a foreign currency. Contracts are generally written on a short-term basis and are not held for trading or speculative purposes. The Company recognizes the fair value of the forward contracts as an asset or liability at each reporting date. Because the Company has not elected to designate the forward exchange contracts for hedge accounting treatment, changes in the fair value of the forward exchange contracts are recognized immediately in earnings.

During 2004, the Company entered into an interest rate swap agreement to convert the fixed rate on a portion ($50.0 million) of Koppers Inc.'s Senior Secured Notes to a floating rate based on six-month LIBOR rates plus a specified spread. On October 15, 2009 and concurrent with the redemption of the Senior Secured Notes, the swap was terminated which resulted in a gain of $1.6 million. The swap agreement required semiannual cash settlements of interest paid or received. The differential between the interest paid or interest received from semi-annual settlements were recorded as an adjustment to interest expense. The effect of the swap for the year ended December 31, 2009, including the gain on termination, was a decrease in interest expense of approximately $2.3 million.

The swap hedged the Company's exposure related to changes in interest rates on the fair value of the Company's fixed rate debt. The swap was accounted for as a fair value hedge and has been determined to have no ineffectiveness as the critical terms of the swap were aligned with the hedged item. Any changes in the fair value of the swap were offset by an equal and opposite change in the fair value of the hedged item; therefore there was no net impact on reported earnings.

Asset retirement obligations – Asset retirement obligations are initially recorded at fair value and are capitalized as part of the cost of the related long-lived asset when sufficient information is available to estimate fair value. The capitalized costs are subsequently charged to depreciation expense over the estimated useful life of the related long-lived asset. The fair value of the obligation is determined by calculating the discounted value of expected future cash flows and accretion expense is recorded each month to ultimately increase this obligation to full value.

The Company recognizes asset retirement obligations for the removal and disposal of residues; dismantling of certain tanks required by governmental authorities; cleaning and dismantling costs for owned rail cars; cleaning costs for leased rail cars and barges; and site demolition.

The following table describes changes to the Company's asset retirement obligation liabilities at December 31, 2011 and 2010:

(Dollars in millions)	2011	2010
Asset retirement obligation at beginning of year	$17.0	$16.6
Accretion expense	1.1	1.3
Revision in estimated cash flows	6.3	1.5
Cash expenditures	(3.1)	(2.4)
Acquisitions	0.0	0.3
Currency translation	0.0	(0.3)
Asset retirement obligation at end of year	$21.3	$17.0

In 2011, the Company incurred $6.2 million of expense related to the closure of its carbon black facility in Kurnell, Australia.

Litigation & contingencies – Amounts associated with litigation and contingencies are accrued when management, after taking into consideration the facts and circumstances of each matter including any settlement offers, has determined that it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. Legal costs for litigation are expensed as incurred.

Other current assets – Included in other current assets are prepaid expenses totaling $9.9 million and $7.6 million at December 31, 2011 and December 31, 2010, respectively.

Environmental liabilities – The Company accrues for remediation costs and penalties when the responsibility to remediate is probable and the amount of related cost is reasonably estimable. If only a range of potential liability can be estimated and no amount within the range is more probable than another, the accrual is recorded at the low end of that range. Remediation liabilities are discounted if the amount and timing of the cash disbursements are readily determinable.

Deferred revenue from extended product warranty liabilities – The Company defers revenues associated with extended product warranty liabilities based on historical loss experience and sales of extended warranties on certain products. The following table describes changes to the Company's deferred revenue at December 31, 2011 and 2010:

(Dollars in millions)	2011	2010
Deferred revenue at beginning of year	$ 5.7	$ 6.7
Revenue earned	(0.9)	(1.0)
Deferred revenue at end of year	$ 4.8	$ 5.7

Stock-based compensation – The Company records compensation cost over the vesting period for share-based payments to employees at an amount equivalent to the grant date fair value of the stock award. No compensation cost is recognized for any stock awards that are forfeited in the event the recipient fails to meet the vesting requirements.

3. Business Acquisitions

Koppers Netherlands – On March 1, 2010, the Company acquired 100 percent of the outstanding shares of privately-owned Cindu Chemicals B.V. ("Cindu"), a Dutch company which operates a 140,000 metric ton coal tar distillation plant in Uithoorn, Netherlands. Concurrent with the acquisition, the Company entered into a long-term tar supply agreement with Tata Steel, who supplies the majority of the Uithoorn plant's raw material requirements. The acquisition strengthens the Company's presence in Europe and increases the Company's ability to service its export markets. Cindu was subsequently renamed Koppers Netherlands B.V. ("Koppers Netherlands").

The acquired company contributed revenues of $48.4 million and operating profit of $0.8 million for the year ended December 31, 2010. Depreciation and amortization associated with Koppers Netherlands totaled $1.2 million for the year ended December 31, 2010.

The acquisition was funded with cash on hand and the acquisition price was $21.6 million. The identifiable assets acquired and liabilities assumed upon the acquisition of Koppers Netherlands are shown in the table below.

(Dollars in millions)		*March 1, 2010*
Cash and cash equivalents	$	2.1
Accounts receivable		6.5
Inventory		7.1
Other current assets		2.8
Property, plant and equipment		8.7
Intangibles		4.4
Goodwill		6.1
Total assets acquired		37.7
Accounts payable		9.8
Accrued liabilities		3.0
Long-term debt		0.6
Deferred tax liability		2.2
Long-term liabilities		0.5
Net assets acquired	$	21.6

All assets acquired and liabilities assumed were recorded at estimated fair value. Goodwill of $6.1 million was allocated to the Carbon Materials & Chemicals segment and is not deductible for income tax purposes under Dutch law. Net assets acquired included intangible assets with respect to a coal tar supply agreement of $2.9 million and customer relationships of $0.7 million which will be amortized over a period of ten years and a favorable lease agreement of $0.8 million which will be amortized over a period of three years. The intangible assets other than goodwill are classified in other assets in the consolidated balance sheet. Acquisition expenses were $1.8 million and $1.7 million for the years ended December 31, 2010 and 2009, respectively, and are charged to selling, general and administrative expenses.

Portec – On December 22, 2010, the Company acquired the rail joint bar business of Portec Rail Products, Inc. located in Huntington, West Virginia. The purchase price was cash of $10.7 million. The allocation of purchase price to acquired assets consisted of inventory totaling $7.1 million, plant and equipment totaling $2.7 million, intangible assets consisting primarily of customer relationships totaling $0.6 million and tax deductible goodwill of $0.3 million. The goodwill is allocated to the Railroad & Utility Products segment.

Other acquisitions – On October 31, 2010, the Company acquired the midwestern United States refined tar business of Stella Jones Inc. for cash of $6.1 million. The allocation of purchase price to acquired assets consisted of inventory totaling $1.6 million, intangible assets consisting primarily of customer relationships totaling $1.7 million and tax deductible goodwill of $2.8 million. The goodwill is allocated to the Carbon Materials & Chemicals segment.

Pro-forma information – The consolidated pro forma results of operations if the acquisitions had been completed as of the beginning of the year in 2010 would have been pro forma revenue of $1,280.4 million and operating profit of $100.1 million for the year ended December 31, 2010. The consolidated pro forma results of operations if the acquisitions had been completed as of the beginning of the year in 2009 would have been revenues of $1,191.9 million and operating profit of $91.0 million for the year ended December 31, 2009.

4. Restructuring

In December 2011, the Company ceased manufacturing operations at its carbon black facility located in Kurnell, Australia. This decision was made as a result of deteriorating business conditions including raw material availability and cost, competition in the export markets due to the strength of the Australian dollar and a variety of other factors. The costs related to this closure totaled $41.0 million in the fourth quarter of 2011. The Company estimates that total future closure costs related to this facility will be approximately $1.7 million, net of proceeds from inventory liquidation. The closure is expected to be completed by 2014. The results of operations of the carbon black facility have been reclassified to discontinued operations for all periods presented as run-off activities were completed in the first quarter of 2012. The facility is part of the Carbon Materials & Chemicals segment.

Net sales from this discontinued operation totaled $72.7 million, $55.0 million and $49.2 million for the years ended December 31, 2011, 2010 and 2009, respectively. Operating profit (loss) from this discontinued operation totaled $(43.7) million, $0.9 million and $1.2 million for the years ended December 31, 2011, 2010 and 2009, respectively.

Details of the restructuring activities and related reserves for 2011 are as follows:

(Dollars in millions)	*Severance and employee benefits*	*Environmental remediation*	*Asset impairment*	*Inventory writedowns*	*Site demolition*	*Other*	*Total*
Reserve at January 1, 2011	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$0.0	$ 0.0
Charges	3.4	6.7	20.2	3.3	6.2	1.2	41.0
Costs charged against assets	0.0	0.0	(20.2)	(3.3)	0.0	0.0	(23.5)
Cash paid	(1.6)	0.0	0.0	0.0	0.0	0.0	(1.6)
Reserve at December 31, 2011	$ 1.8	$ 6.7	$ 0.0	$ 0.0	$ 6.2	$1.2	$ 15.9

5. Earnings and Dividends per Common Share

The computation of basic earnings per common share for the periods presented is based upon the weighted average number of common shares outstanding during the periods. The computation of diluted earnings per common share includes the effect of nonvested nonqualified stock options and restricted stock units assuming such options and stock units were outstanding common shares at the beginning of the period. The effect of antidilutive securities and performance restricted stock units that have not met vesting criteria are excluded from the computation of diluted earnings per common share.

The following table sets forth the computation of basic and diluted earnings per common share:

	Year Ended December 31,		
(Dollars in millions, except share amounts, in thousands, and per share amounts)	*2011*	*2010*	*2009*
Net income attributable to Koppers	$ 36.9	$ 44.1	$ 18.8
Less: discontinued operations	(19.9)	(0.1)	0.0
Income from continuing operations attributable to Koppers	$ 56.8	$ 44.2	$ 18.8
Weighted average common shares outstanding:			
Basic	20,599	20,543	20,446
Effect of dilutive securities	234	133	115
Diluted	20,833	20,676	20,561
Earnings per common share – continuing operations:			
Basic earnings per common share	$ 2.75	$ 2.14	$ 0.92
Diluted earnings per common share	2.72	2.13	0.91
Other data:			
Antidilutive securities excluded from computation of diluted earnings per common share	106	154	103

On February 15, 2012, the board of directors declared a quarterly dividend of 24 cents per common share, payable on April 9, 2012 to shareholders of record as of February 28, 2012.

6. Stock-based Compensation

The amended and restated 2005 Long-Term Incentive Plan (the “LTIP”) provides for the grant to eligible persons of stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance awards, dividend equivalents and other stock-based awards, which are collectively referred to as the awards.

Under the LTIP, the board of directors granted restricted stock units and performance stock units to certain employee participants (collectively, the "stock units") each year starting in 2007. The restricted stock units vest on the third anniversary of the grant date, assuming continued employment by the participant. Performance stock units granted in 2011 and 2010 each have a two-year performance objective. Performance stock units granted before 2010 have three-year performance objectives. Regardless of whether the measurement period for the applicable performance objective is two or three years, all performance stock units have a three-year period for vesting (if the applicable performance objective is obtained). The applicable performance objective is based upon a multi-year cumulative value creation calculation commencing on the first day of each grant year. The number of performance stock units granted represents the target award and participants have the ability to earn between zero and 150 percent of the target award based upon actual performance. If minimum performance criteria are not achieved, no performance stock units will vest. The performance stock units originally awarded in 2008 did not vest in 2011 as the related performance objectives were not achieved.

Dividends declared on the Company's common stock during the restriction period of the stock units are credited at equivalent value as additional stock units and become payable as additional common shares upon vesting. In the event of termination of employment, other than retirement, death or disability, any non-vested stock units are forfeited, including additional stock units credited from dividends. In the event of termination of employment due to retirement, death or disability, pro-rata vesting of the stock units over the service period will result. There are special vesting provisions for the stock units related to a change in control.

Restricted stock units that vest immediately or have one-year vesting periods are also issued under the LTIP to members of the board of directors in connection with annual director compensation and, from time to time, are issued to members of management in connection with employee compensation.

Compensation expense for non-vested stock units is recorded over the vesting period based on the fair value at the date of grant. The fair value of stock units is the market price of the underlying common stock on the date of grant.

The following table shows a summary of the performance stock units as of December 31, 2011:

Performance Period	*Minimum Shares*	*Target Shares*	*Maximum Shares*
2009 – 2011	0	134,928	202,392
2010 – 2011	0	65,411	98,117
2011 – 2012	0	89,056	133,584

The following table shows a summary of the status and activity of non-vested stock awards for the year ended December 31, 2011:

	Restricted Stock Units	*Performance Stock Units*	*Total Stock Units*	*Weighted Average Grant Date Fair Value per Unit*
Non-vested at January 1, 2011	121,397	257,002	378,399	$ 23.31
Granted	60,501	93,115	153,616	$ 40.41
Credited from dividends	3,627	7,693	11,320	$ 27.31
Performance stock unit adjustment	0	(50,600)	(50,600)	$ 38.92
Vested	(23,580)	0	(23,580)	$ 38.92
Forfeited	(5,280)	(9,495)	(14,775)	$ 29.96
Non-vested at December 31, 2011	156,665	297,715	454,380	$ 26.43

Stock options to executive officers vest and become exercisable upon the completion of a three-year service period commencing on the grant date. The stock options have a term of 10 years. In the event of termination of employment, other than retirement, death or disability, any non-vested options are forfeited. In the event of termination of employment due to retirement, death or disability, pro-rata vesting of the options over the service period will result. There are special vesting provisions for the stock options related to a change in control.

In accordance with accounting standards, compensation expense for non-vested stock options is recorded over the vesting period based on the fair value at the date of grant. The fair value of stock options on the date of grant is calculated using the Black-Scholes-Merton model and the assumptions listed below:

	February 2011 Grant	August 2010 Grant	February 2010 Grant	February 2009 Grant
Grant date price per share of option award	$ 40.26	$ 20.00	$ 28.10	$ 15.26
Expected dividend yield per share	2.50%	2.50%	2.50%	2.50%
Expected life in years	6.5	6.5	6.5	6.5
Expected volatility	60.00%	62.00%	62.00%	51.00%
Risk-free interest rate	3.02%	3.05%	3.05%	2.05%
Grant date fair value per share of option awards	$ 19.28	$ 9.82	$ 13.81	$ 6.19

The dividend yield is based on the Company's current and prospective dividend rate which calculates a continuous dividend yield based upon the market price of the underlying common stock. The expected life in years is based on the simplified method permitted under Securities and Exchange Commission Staff Accounting Bulletin No. 14d.2 which calculates the average of the weighted vesting term and the contractual term of the option. This method was selected due to the lack of historical exercise data with respect to the Company. Expected volatility is based on the historical volatility of the Company's common stock and the historical volatility of certain other similar public companies. The risk-free interest rate is based on U.S. Treasury bill rates for the expected life of the option.

The following table shows a summary of the status and activity of stock options for the year ended December 31, 2011:

	Options	Weighted Average Exercise Price per Option	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in millions)
Outstanding at January 1, 2011	291,591	$ 24.63		
Granted	73,910	$ 40.26		
Exercised	(7,150)	$ 29.97		
Forfeited	(4,899)	$ 34.64		
Outstanding at December 31, 2011	353,452	$ 27.65	7.27	$ 3.0
Exercisable at December 31, 2011	95,568	$ 34.70	5.51	$ 0.2

Total stock-based compensation expense recognized for the three years ended December 31, 2011 is as follows:

	Year Ended December 31,		
(Dollars in millions)	2011	2010	2009
Stock-based compensation expense recognized:			
Selling, general and administrative expenses	$ 5.3	$ 3.3	$ 2.5
Less related income tax benefit	2.0	1.3	1.0
Decrease in net income attributable to Koppers	$ 3.3	$ 2.0	$ 1.5

As of December 31, 2011, total future compensation expense related to non-vested stock-based compensation arrangements totaled $7.3 million and the weighted-average period over which this expense is expected to be recognized is approximately 23 months.

7. Income Taxes

Income Tax Provision

Components of the Company's income tax provision from continuing operations are as follows:

(Dollars in millions)	Years Ended December 31, 2011	2010	2009
Current:			
Federal	$24.7	$10.0	$(21.3)
State	1.1	0.4	0.1
Foreign	21.5	13.3	11.4
Total current tax provision (benefit)	47.3	23.7	(9.8)
Deferred:			
Federal	(6.7)	4.1	22.7
State	0.1	0.3	(0.7)
Foreign	(2.0)	0.8	1.2
Total deferred tax provision	(8.6)	5.2	23.2
Total income tax provision	$38.7	$28.9	$ 13.4

Income before income taxes for 2011, 2010 and 2009 included $51.8 million, $51.0 million and $41.8 million, respectively, from foreign operations.

The provision for income taxes is reconciled with the federal statutory rate as follows:

	Years Ended December 31, 2011	2010	2009
Federal income tax rate	35.0%	35.0%	35.0%
State income taxes, net of federal tax benefit	0.7	0.7	(1.2)
Foreign earnings taxed at different rates	1.4	2.4	4.9
Domestic production activities deduction	(1.3)	(0.7)	0.0
Non-deductible fines and penalties	0.2	0.0	1.1
Deferred tax adjustments	0.1	0.0	(0.9)
Change in tax contingency reserves	3.8	0.2	0.3
Other	0.3	1.7	(0.7)
	40.2%	39.3%	38.5%

The Company has not provided any U.S. tax on undistributed earnings of foreign subsidiaries or joint ventures that are reinvested indefinitely. For the year ended December 31, 2008, the Company provided deferred tax on 2008 undistributed earnings of its European subsidiaries. Subsequent to 2008, deferred taxes were not provided on undistributed European earnings as these earnings are permanently reinvested. At December 31, 2011 consolidated retained earnings of the Company included approximately $94 million of undistributed earnings, which are permanently invested, from these foreign entities. It is not practical at this time, however, to estimate the amount of taxes that may be payable on the distribution of these earnings.

Taxes Excluded from Net Income Attributable to Koppers

The amount of income tax (benefit) provision included in comprehensive income but excluded from net income attributable to Koppers relating to adjustments to reflect the unfunded status of employee post-retirement benefit plans is $9.1 million, $(0.6) million and $2.4 million for the years ended December 31, 2011, 2010 and 2009, respectively.

The amount of income tax benefit included in shareholders' equity but excluded from net income attributable to Koppers relating to the expense for restricted stock and employee stock options recognized differently for financial and tax reporting purposes was $0.2 million for the year ended December 31, 2010.

Deferred Tax Assets and Liabilities

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Significant components of the Company's deferred tax assets and liabilities are as follows:

	December 31,	
(Dollars in millions)	*2011*	*2010*
Deferred tax assets:		
Pension and other postretirement benefits obligations	$ 38.7	$ 30.9
Reserves, including insurance, environmental and deferred revenue	29.8	12.0
Net operating loss benefit	11.2	10.6
Accrued employee compensation	10.7	8.6
Asset retirement obligations	5.1	4.9
Book/tax inventory accounting differences	1.6	1.8
Capital loss benefit	1.5	2.0
Tax credits	0.4	0.3
Excess tax basis on Koppers Australia assets	0.2	0.9
Other	2.4	4.1
Valuation allowance	(10.2)	(11.4)
Total deferred tax assets	91.4	64.7
Deferred tax liabilities:		
Tax over book depreciation and amortization	27.6	23.1
Unremitted earnings of foreign subsidiaries	6.1	5.9
Tax/book inventory accounting differences	1.7	1.9
Other	5.5	4.3
Total deferred tax liabilities	40.9	35.2
Net deferred tax assets	$ 50.5	$ 29.5

A valuation allowance is provided when it is more likely than not that some portion or all of the deferred tax assets will not be realized. At December 31, 2011, the Company has recorded a valuation allowance of $8.7 million for certain state net operating loss carryforwards anticipated to produce no tax benefit. Additionally, the Company has recorded a valuation allowance of $1.5 million for certain capital loss carryforwards in Australia expected to produce no benefit. The Company has tax-effected state net operating losses of $14.3 million, which will expire from 2014 to 2030 and tax-effected foreign net operating losses of 2.0 million, a portion of which expires in 2019.

Uncertain Tax Positions

The Company or one of its subsidiaries files income tax returns in U.S. federal jurisdiction, individual U.S. state jurisdictions and non-U.S. jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2005.

As of December 31, 2011 and 2010, the total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate, was approximately $7.1 million and $3.5 million, respectively. A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	December 31,		
(Dollars in millions)	*2011*	*2010*	*2009*
Balance at beginning of year	$ 6.5	$ 4.0	$ 4.0
Additions based on tax provisions related to the current year	4.0	0.4	0.5
Additions for tax provisions of prior years	0.0	2.6	0.0
Reductions as a result of a lapse of the applicable statute of limitations	(0.6)	(0.5)	(0.5)
Balance at end of year	$ 9.9	$ 6.5	$ 4.0

The Company recognizes interest expense and any related penalties from uncertain tax positions in income tax expense. For each year ended December 31, 2011, 2010 and 2009, the Company recognized $0.2 million $0.2 million and $0.1 million, respectively, in interest and penalties. As of December 31, 2011 and 2010, the Company had accrued approximately $0.9 million and $0.7 million for interest and penalties, respectively.

8. Segment Information

The Company has two reportable segments: Carbon Materials & Chemicals and Railroad & Utility Products. The Company's reportable segments are business units that offer different products. The reportable segments are each managed separately because they manufacture and distribute distinct products with different production processes. The business units have been aggregated into two reportable segments since management believes the long-term financial performance of these business units is affected by similar economic conditions.

The Company's Carbon Materials & Chemicals segment is primarily a manufacturer of carbon pitch, naphthalene, phthalic anhydride, creosote and carbon black feedstock. Carbon pitch is a critical raw material used in the production of aluminum and for the production of steel in electric arc furnaces. Naphthalene is used for the production of phthalic anhydride and as a surfactant in the production of concrete. Phthalic anhydride is used in the production of plasticizers, polyester resins and alkyd paints. Creosote is used in the treatment of wood and carbon black feedstock is used in the production of carbon black.

The Company's Railroad & Utility Products segment sells treated and untreated wood products, manufactured products and services primarily to the railroad and public utility markets. Railroad products include procuring and treating items such as crossties, switch ties and various types of lumber used for railroad bridges and crossings and the manufacture of rail joint bars. Utility products include transmission and distribution poles and pilings.

The Company evaluates performance and determines resource allocations based on a number of factors, the primary measure being operating profit or loss from operations. Operating profit does not include equity in earnings of affiliates, other income, interest expense or income taxes. Operating profit also excludes the operating costs of Koppers Holdings Inc., the parent company of Koppers Inc. The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies. Intersegment transactions are eliminated in consolidation.

Results of Segment Operations

(Dollars in millions)	Year Ended December 31, 2011	2010	2009
Revenues from external customers:			
Carbon Materials & Chemicals	$ 943.1	$ 740.6	$ 606.0
Railroad & Utility Products	523.1	449.9	469.2
Total	$1,466.2	$1,190.5	$1,075.2
Intersegment revenues:			
Carbon Materials & Chemicals	$ 95.2	$ 97.2	$ 91.5
Depreciation & amortization:			
Carbon Materials & Chemicals	$ 17.4	$ 17.2	$ 15.9
Railroad & Utility Products	9.5	9.4	7.3
Total	$ 26.9	$ 26.6	$ 23.2
Operating profit:			
Carbon Materials & Chemicals	$ 89.1	$ 76.7	$ 57.3
Railroad & Utility Products	34.8	23.0	38.2
Corporate[(a)]	(1.2)	(1.6)	(1.8)
Total	$ 122.7	$ 98.1	$ 93.7
Capital expenditures (including acquisitions):			
Carbon Materials & Chemicals	$ 23.0	$ 44.9	$ 10.7
Railroad & Utility Products	10.2	20.2	8.5
Corporate	0.6	0.3	1.0
Total	$ 33.8	$ 65.4	$ 20.2

[(a)] *Operating loss for Corporate includes general and administrative costs for Koppers Holdings Inc, the parent company of Koppers Inc.*

Assets and Goodwill by Segment

(Dollars in millions)	December 31, 2011	2010
Assets:		
Carbon Materials & Chemicals	$495.2	$447.4
Railroad & Utility Products	164.6	154.8
Segment assets	659.8	602.2
Cash & cash equivalents	0.2	8.5
Income tax receivable	10.6	11.9
Deferred taxes	41.8	27.1
Deferred financing costs	8.2	9.1
Deferred charges	3.5	4.0
Other	6.6	6.4
Total	$730.7	$669.2
Goodwill:		
Carbon Materials & Chemicals	$ 69.4	$ 69.6
Railroad & Utility Products	2.7	2.5
Total	$ 72.1	$ 72.1

Revenues and Long-lived Assets by Geographic Area

	Year	Revenue	Long-lived assets
(Dollars in millions)			
United States	2011	$ 787.5	$161.6
	2010	672.5	157.1
	2009	649.1	149.1
Australasia	2011	276.6	58.7
	2010	221.9	79.8
	2009	190.2	73.4
Europe	2011	248.0	35.7
	2010	194.0	35.8
	2009	144.1	14.9
Other countries	2011	154.1	0.0
	2010	102.1	0.0
	2009	91.8	0.0
Total	2011	$1,466.2	$256.0
	2010	$1,190.5	$272.7
	2009	$1,075.2	$237.4

Revenues by geographic area in the above table are attributed by the destination country of the sale. Revenues from non-U.S. countries totaled $681.1 million in 2011, $573.0 million in 2010 and $475.3 million in 2009. Revenues from one customer of the Carbon Materials & Chemicals segment and one customer from the Railroad & Utility Products segment represented approximately 11 percent each of the Company's consolidated revenues in 2009.

Segment Revenues for Significant Product Lines

	Year Ended December 31,		
	2011	2010	2009
(Dollars in millions)			
Carbon Materials & Chemicals:			
Carbon pitch	$ 431.1	$ 325.6	$ 302.9
Creosote and carbon black feedstock	162.0	104.4	76.3
Phthalic anhydride	112.4	93.9	67.3
Naphthalene	72.3	68.0	49.8
Other products	165.3	148.7	109.7
	943.1	740.6	606.0
Railroad & Utility Products:			
Railroad crossties	324.9	282.5	298.1
Utility poles	84.2	73.3	66.8
Creosote	52.7	57.9	60.6
Rail joint bars	24.7	0.1	0.0
Other products	36.6	36.1	43.7
	523.1	449.9	469.2
Total	$1,466.2	$1,190.05	$1,075.2

9. Inventories

Inventories as of December 31, 2011 and 2010 were as follows:

	December 31, 2011	2010
(Dollars in millions)		
Raw materials	$ 91.5	$107.6
Work in process	20.1	7.6
Finished goods	95.1	95.0
	206.7	210.2
Less revaluation to LIFO	47.7	44.8
Net	$159.0	$165.4

For the year ended December 31, 2011 and 2009, liquidations of LIFO inventories increased operating profit by $0.3 million and $1.2 million, respectively.

10. Equity Investments

The Company holds two investments in unconsolidated companies. KSA Limited Partnership is a 50 percent owned concrete crosstie operation located in Portsmouth, Ohio. Tangshan Koppers Kailuan Carbon Chemical Company Limited ("TKK") commenced operation of a new tar distillation facility in the Hebei Province of China. The Company holds a 30 percent investment in TKK. Equity in earnings (losses) and total dividends received for the three years ended December 31, 2011 were as follows:

	Equity income (loss)	Dividends received
(Dollars in millions)		
2011	$ 0.2	$ 0.0
2010	0.0	0.0
2009	(1.5)	0.5

11. Property, Plant and Equipment

Property, plant and equipment as of December 31, 2011 and 2010 were as follows:

	December 31, 2011	2010
(Dollars in millions)		
Land	$ 6.6	$ 7.6
Buildings	34.7	36.5
Machinery and equipment	593.5	605.5
	634.8	649.6
Less accumulated depreciation	479.2	481.4
Net	$155.6	$168.2

Depreciation expense for the years ended December 31, 2011, 2010 and 2009 amounted to $46.0 million, $25.6 million and $22.8 million, respectively. Included in depreciation expense for 2011 and 2010 were impairment charges totaling $20.2 million and $1.8 million, respectively. The charge in 2011 related to the Carbon Material & Chemicals segment's carbon black facility in Australia and the charge in 2010 related to a Railroad and Utility Products segment's wood treating plant in the United States.

12. Goodwill and Other Identifiable Intangible Assets

The change in the carrying amount of goodwill attributable to each business segment for the years ended December 31, 2011 and December 31, 2010 was as follows:

(Dollars in millions)	Carbon Materials & Chemicals	Railroad & Utility Products	Total
Balance at December 31, 2009	$ 59.4	$ 2.2	$61.6
Acquisitions	8.6	0.0	8.6
Currency translation	1.6	0.3	1.9
Balance at December 31, 2010	69.6	2.5	72.1
Acquisitions	0.1	0.3	0.4
Currency translation	(0.3)	(0.1)	(0.4)
Balance at December 31, 2011	$ 69.4	$ 2.7	$72.1

The Company's identifiable intangible assets with finite lives are being amortized over their estimated useful lives and are summarized below:

	December 31, 2011			December 31, 2010		
(Dollars in millions)	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Customer contracts	$ 12.3	$ 6.8	$5.5	$ 13.2	$ 5.9	$ 7.3
Supply contracts	2.7	0.5	2.2	2.8	0.2	2.6
Favorable lease agreements	0.8	0.5	0.3	0.8	0.2	0.6
Non-compete agreements	1.2	1.2	0.0	1.2	1.2	0.0
Total	$ 17.0	$ 9.0	$8.0	$ 18.0	$ 7.5	$10.5

In 2011, the gross carrying value of identifiable intangible assets decreased by $0.8 million due to the finalization of purchase price adjustments from prior year acquisitions and by $0.2 million due to foreign currency translation. In 2010, the gross carrying value of identifiable intangible assets increased by $7.4 million from acquisitions and decreased by $0.2 million due to foreign currency translation. The customer contracts and supply contracts have estimated useful lives of 10 years and the favorable lease agreements and non-compete agreements have estimated useful lives of 3 years. Total amortization expense related to these identifiable intangible assets was $1.5 million, $1.2 million and $0.8 million for the years ended December 31, 2011, 2010 and 2009, respectively. Estimated amortization expense for the next five years is summarized below:

(Dollars in millions)	Estimated annual amortization
2012	$ 1.5
2013	1.3
2014	1.2
2015	1.2
2016	0.8

13. Debt

Debt at December 31, 2011 and December 31, 2010 was as follows:

(Dollars in millions, except interest rates)	Weighted Average Interest Rate	Maturity	December 31, 2011	December 31, 2010
Revolving Credit Facility	2.55%	2015	$ 6.4	$ 0.0
Senior Notes	7 7/8%	2019	295.7	295.3
Other debt, including capital leases	0.0%		0.0	1.1
Total debt			302.1	296.4
Less short-term debt and current maturities of long-term debt			0.0	1.0
Long-term debt (excluding current portion)			$302.1	$295.4

Revolving Credit Facility

The Koppers Inc. revolving credit facility agreement provides for a revolving credit facility of up to $300.0 million at variable rates. Borrowings under the revolving credit facility are secured by a first priority lien on substantially all of the assets of Koppers Inc. and its material domestic subsidiaries. The revolving credit facility contains certain covenants for Koppers Inc. and its restricted subsidiaries that limit capital expenditures, additional indebtedness, liens, dividends, investments or acquisitions. In addition, such covenants give rise to events of default upon the failure by Koppers Inc. and its restricted subsidiaries to meet certain financial ratios. Commitment fees totaled $1.1 million in 2011, $1.3 million in 2010 and $1.8 million in 2009 and are charged to interest expense.

As of December 31, 2011, the Company had $275.8 million of unused revolving credit availability for working capital purposes after restrictions from certain letter of credit commitments and other covenants. As of December 31, 2011, $14.2 million of commitments were utilized by outstanding letters of credit.

Senior Notes

The Koppers Inc. 7 7/8 percent Senior Notes due 2019 (the “Senior Notes”) were issued on December 1, 2009 at an offering price of 98.311 percent of face value, or $294.9 million and have a principal amount at maturity of $300.0 million. The Senior Notes have an effective interest rate yield of 8 1/8 percent per annum. The Senior Notes are unsecured senior obligations that are fully and unconditionally guaranteed by Koppers Holdings and certain of Koppers Inc.’s wholly-owned domestic subsidiaries. The Senior Notes are structurally subordinated to indebtedness under the revolving credit facility.

Interest on the Senior Notes is payable semiannually on December 1 and June 1 each year. On or after December 1, 2014, the Company is entitled to redeem all or a portion of the Senior Notes at a redemption price of 103.938 percent of principal value, declining annually in ratable amounts until the redemption price is equivalent to the principal value on December 1, 2017.

The indenture governing the Senior Notes includes customary covenants that restrict, among other things, the ability of Koppers Inc. and its restricted subsidiaries to incur additional debt, pay dividends or make certain other restricted payments, incur liens, merge or sell all or substantially all of the assets of Koppers Inc. or its subsidiaries or enter into various transactions with affiliates.

Loss on Extinguishment of Debt

All of the outstanding Koppers Inc. 9 7/8 percent Senior Secured Notes due 2013 (the “Senior Secured Notes”) were redeemed on October 15, 2009. The Senior Secured Notes were guaranteed, jointly and severally, on a senior secured basis by certain of the Company’s subsidiaries. The Senior Secured Notes were redeemed at a premium to principal value and accordingly, the Company realized a loss on extinguishment of debt totaling $9.2 million consisting of $6.1 million for bond premium and $3.1 million for the write-off of deferred financing costs in 2009.

The Company had a notional $50.0 million interest rate swap to convert a portion of the Senior Secured Notes from fixed-interest rate debt to floating-interest rate debt. On October 15, 2009 and concurrent with the redemption of the Senior Secured Notes, the swap was terminated which resulted in a gain of $1.6 million which was recorded in interest expense.

All of the outstanding Koppers Holdings' 9 7/8 percent Senior Discount Notes due 2014 (the "Senior Discount Notes") were redeemed in December 2009 through a tender offer and call. The Senior Discount Notes had a principal amount $203.0 million. The Senior Discount Notes were redeemed at a premium to principal value and accordingly, the Company in 2009 realized a loss on extinguishment of debt totaling $13.2 million consisting of $10.0 million for bond premium, $2.6 million for the write-off of deferred financing costs and $0.6 million for bond tender expenses.

Debt Maturities and Deferred Financing Costs

At December 31, 2011 the aggregate debt maturities for the next five years are as follows:

(Dollars in millions)	
2012	$ 0.0
2013	0.0
2014	0.0
2015	6.4
2016	0.0
Thereafter	300.0
Total maturities	306.4
Future accretion on Senior Notes	(4.3)
Total debt	$302.1

Unamortized deferred financing costs (net of accumulated amortization of $3.4 million and $2.1 million at December 31, 2011 and 2010, respectively) were $8.3 million and $9.1 million at December 31, 2011 and 2010, respectively, and are included in other assets.

14. Leases

Future minimum commitments for operating leases having non-cancelable lease terms in excess of one year are as follows:

(Dollars in millions)	
2012	$ 38.1
2013	27.9
2014	13.5
2015	7.9
2016	6.3
Thereafter	31.1
Total	$124.8

Operating lease expense for 2011, 2010 and 2009 was $43.8 million, $42.5 million and $41.5 million, respectively.

15. Pensions and Post-retirement Benefit Plans

The Company and its subsidiaries maintain a number of defined benefit and defined contribution plans to provide retirement benefits for employees in the U.S., as well as employees outside the U.S. These plans are maintained and contributions are made in accordance with the Employee Retirement Income Security Act of 1974 ("ERISA"), local statutory law or as determined by the board of directors. The defined benefit pension plans generally provide benefits based upon years of service and compensation. Pension plans are funded except for three domestic non-qualified defined benefit pension plans for certain key executives.

All qualified defined benefit pension plans for salaried employees have been closed to new participants and a number of plans, including some plans for hourly employees, have been frozen. Accordingly, these pension plans no longer accrue additional years of service or recognize future increases in compensation for benefit purposes. In addition, a number of pension plans are subject to a “soft” freeze which precludes new employees from entering the defined benefit pension plans.

The defined contribution plans generally provide retirement assets to employee participants based upon employer and employee contributions to the participant’s individual investment account. The Company also provides retiree medical insurance coverage to certain U.S. employees and a life insurance benefit to most U.S. employees. For salaried employees, the retiree medical and retiree insurance plans have been closed to new participants.

Expense related to defined contribution plans totaled $4.8 million, $4.7 million and $2.5 million for the years ended December 31, 2011, 2010 and 2009, respectively. Expense related to contributions to multi-employer pension plans totaled $0.7 million for both of the years ended December 31, 2011 and 2010.

Net periodic pension costs for 2011, 2010 and 2009 were as follows:

						December 31,
	Pension Benefits			Other Benefits		
(Dollars in millions)	*2011*	*2010*	*2009*	*2011*	*2010*	*2009*
Components of net periodic benefit cost:						
Service cost	$ 3.3	$ 3.1	$ 2.8	$ 0.2	$ 0.2	$ 0.2
Interest cost	11.1	11.4	10.8	0.6	0.7	0.8
Expected return on plan assets	(11.0)	(9.9)	(8.5)	0.0	0.0	0.0
Amortization of prior service cost	0.1	0.2	0.2	(0.1)	(0.1)	(0.3)
Amortization of net loss	6.3	5.2	6.3	0.0	0.0	0.0
Amortization of transition asset	(0.3)	(0.3)	(0.3)	0.0	0.0	0.0
Settlements and curtailments	0.2	0.5	0.0	0.0	0.0	0.0
Net periodic benefit cost	$ 9.7	$10.2	$11.3	$ 0.7	$ 0.8	$ 0.7

Net periodic pension cost (benefit) that is expected to be recognized from the amortization of prior service cost, net loss and transition asset is estimated to total $0.1 million, $8.1 million and $(0.3) million, respectively, for all plans in 2012.

The change in the funded status of the pension and postretirement plans as of December 31, 2011 and December 31, 2010 is as follows:

	December 31,			
	Pension Benefits		Other Benefits	
(Dollars in millions)	2011	2010	2011	2010
Change in benefit obligation:				
Benefit obligation at beginning of year	$215.9	$201.9	$ 12.8	$ 13.6
Service cost	3.3	3.1	0.1	0.2
Interest cost	11.2	11.4	0.6	0.7
Plan participants' contributions	0.2	0.2	0.0	0.0
Actuarial losses (gains)	20.2	12.9	(0.5)	(0.5)
Settlements	(0.8)	(2.4)	0.0	0.0
Curtailments	0.0	(1.1)	0.0	0.0
Currency translation	(0.3)	(0.7)	0.0	0.0
Benefits paid	(10.2)	(9.4)	(0.5)	(1.2)
Benefit obligation at end of year	239.5	215.9	12.5	12.8
Change in plan assets:				
Fair value of plan assets at beginning of year	141.6	132.8	0.0	0.0
Actual return on plan assets	0.1	14.3	0.0	0.0
Employer contribution	15.9	6.3	0.5	1.2
Plan participants' contributions	0.2	0.2	0.0	0.0
Settlements	(0.8)	(2.4)	0.0	0.0
Currency translation	(0.2)	(0.2)	0.0	0.0
Benefits paid	(10.2)	(9.4)	(0.5)	(1.2)
Fair value of plan assets at end of year	146.6	141.6	0.0	0.0
Funded status of the plan	$ (92.9)	$ (74.3)	$(12.5)	$(12.8)
Amounts recognized in the balance sheet consist of:				
Noncurrent assets	$ 0.3	$ 0.9	$ 0.0	$ 0.0
Current liabilities	0.7	0.6	1.0	1.3
Noncurrent liabilities	92.5	74.6	11.5	11.5
Pension plans with benefit obligations in excess of plan assets:				
Benefit obligation	$231.5	$208.1		
Fair value of plan assets	138.3	132.9		
Pension plans with accumulated benefit obligations in excess of plan assets:				
Accumulated benefit obligation	$224.1	$201.6		
Fair value of plan assets	138.3	132.9		

The measurement date for the U.S., Australian and United Kingdom pension and postretirement assets and obligations is December 31 for each respective year.

The accumulated benefit obligation for all defined benefit pension plans as of December 31, 2011 and 2010 was $231.5 million and $209.4 million, respectively.

Expected Contributions for the 2012 Fiscal Year

The expected contributions by the Company for 2012 are estimated to be $12.9 million for pension plans and $1.0 million for other benefit plans.

Projected Benefit Payments

Benefit payments for pension benefits, which are primarily funded by the pension plan assets, and other benefits, which are funded by general corporate assets and reflecting future expected service as appropriate, are expected to be paid as follows:

(Dollars in millions)	*Pension Benefits*	*Other Benefits*
2012	$ 12.1	$ 1.0
2013	10.8	0.9
2014	11.6	0.9
2015	11.9	0.9
2016	13.1	0.9
2017 – 2021	72.0	4.6

Weighted-Average Assumptions as of December 31

	December 31,			
	Pension Benefits		*Other Benefits*	
	2011	*2010*	*2011*	*2010*
Discount rate	4.55%	5.28%	4.37%	5.09%
Expected return on plan assets	7.68	7.65		
Rate of compensation increase	3.09	3.10		
Initial medical trend rate			7.80	8.00

Basis for the Selection of the Long-Term Rate of Return on Assets

The long-term rate of return on assets assumption was determined by using the plan's asset allocation as described in the plan's investment policy and modeling a distribution of compound average returns over a 20-year time horizon. The model uses asset class return, variance, and correlation assumptions to produce the expected return. The return assumptions used forward looking gross returns influenced by the current bond yields, corporate bond spreads and equity risk premiums based on current market conditions.

In general, the long-term rate of return is the sum of the portion of total assets in each asset class multiplied by the expected return for that class, adjusted for expected expenses to be paid from the assets. To develop the expected long-term rate of return on assets assumption, the Company considered the historical returns and the future expectations for returns for each asset class, as well as the target asset allocation of the pension portfolio. This resulted in the selection of the 7.68 percent long-term rate of return on assets assumption.

Investment Strategy

The weighted average asset allocation for the Company's pension plans at December 31 by asset category is as follows:

	December 31,	
	2011	*2010*
Equity securities	64%	67%
Debt securities	30	27
Other	6	6
	100%	100%

The Company's investment strategy for its pension plans is to maintain an adequate level of diversification, to reduce interest rate and market risk and to provide adequate liquidity to meet immediate and future benefit payment requirements. The Company's overall investment strategy is to achieve a mix of growth seeking assets, principally U.S. and international public company equity securities and income generating assets, principally debt securities, real estate and cash. Currently, the

Company targets an allocation of 50 percent to 75 percent growth seeking assets and 25 percent to 50 percent income generating assets. The Company utilizes investment managers to assist in identifying and monitoring investments that meet these allocation criteria.

The investment valuation policy of the Company is to value investments at fair value. Most of the assets are invested in pooled or commingled investment vehicles. The Company's interest in these investment vehicles is expressed as a unit of account with a value per unit that is the result of the accumulated values of the underlying investments. Equity securities held within these investment vehicles are typically priced on a daily basis using the closing market price from the exchange the security is traded. Debt securities held within these investment vehicles are typically priced on a daily basis by independent pricing services. The fair value of real estate investments are either priced through a listing on an exchange or are subject to periodic appraisals.

The pension assets are all substantially held in pooled or commingled investment vehicles. The following table sets forth by level, the Company's pension plan assets at fair value, within the fair value hierarchy, as of December 31, 2011 and December 31, 2010:

	As of December 31, 2011			
(Dollars in millions)	*Quoted prices in active markets for identical assets (Level 1)*	*Significant observable inputs (Level 2)*	*Significant unobservable inputs (Level 3)*	*Total*
U.S. equity securities	$ 0.0	$ 71.8	$ 0.0	$ 71.8
International equity securities	0.0	22.6	0.0	22.6
U.S. debt securities	0.0	22.0	0.0	22.0
International debt securities	0.0	22.4	0.0	22.4
Real estate and other investments	0.0	1.6	0.0	1.6
Cash and cash equivalents	0.0	6.2	0.0	6.2
	$ 0.0	$ 146.6	$ 0.0	$146.6

	As of December 31, 2010			
(Dollars in millions)	*Quoted prices in active markets for identical assets (Level 1)*	*Significant observable inputs (Level 2)*	*Significant unobservable inputs (Level 3)*	*Total*
U.S. equity securities	$ 0.0	$ 70.3	$ 0.0	$ 70.3
International equity securities	0.0	25.3	0.0	25.3
U.S. debt securities	0.0	18.5	0.0	18.5
International debt securities	0.0	19.3	0.0	19.3
Real estate and other investments	0.0	1.6	0.0	1.6
Cash and cash equivalents	0.0	6.6	0.0	6.6
	$ 0.0	$ 141.6	$ 0.0	$141.6

Health Care Cost Trend Rates

The 2011 initial health care cost trend rate is assumed to be eight percent and is assumed to decrease gradually to 4.5 percent in 2027 and remain at that level thereafter. The assumed health care cost trend rate has a significant effect on the amounts reported for other postretirement benefit liability. A one-percentage-point change in the assumed health care cost trend rate would have the following effects:

(Dollars in millions)	*1% Increase*	*1% Decrease*
Increase (decrease) from change in health care cost trend rates:		
Postretirement benefit expense	$ 0.0	$ 0.0
Postretirement benefit liability	0.3	(0.3)

Incentive Plan

The Company has short-term management incentive plans that pay cash bonuses if certain Company performance and individual goals are met. The charge to operating expense for these plans was $5.6 million in 2011, $5.0 million in 2010 and $4.5 million in 2009.

16. Common Stock and Senior Convertible Preferred Stock

Changes in senior convertible preferred stock, common stock and treasury stock for the three years ended December 31, 2011 are as follows:

	Year Ended December 31,		
(Shares in thousands)	*2011*	*2010*	*2009*
Senior Convertible Preferred Stock:			
Balance at beginning and end of year	0	0	0
Common Stock:			
Balance at beginning of year	21,278	21,124	21,097
Issued for employee stock plans	31	154	27
Balance at end of year	21,309	21,278	21,124
Treasury Stock:			
Balance at beginning of year	(700)	(669)	(669)
Shares repurchased	(6)	(31)	0
Balance at end of year	(706)	(700)	(669)

17. Fair Value of Financial Instruments

Carrying amounts and the related estimated fair values of the Company’s financial instruments as of December 31, 2011 and 2010 are as follows:

	December 31, 2011		*December 31, 2010*	
(Dollars in millions)	*Fair Value*	*Carrying Value*	*Fair Value*	*Carrying Value*
Financial assets:				
Cash and cash equivalents	$ 54.1	$ 54.1	$ 35.3	$ 35.3
Investments and other assets[(a)]	1.3	1.3	1.3	1.3
Financial liabilities:				
Long-term debt (including current portion)	$ 324.4	$302.1	$ 324.5	$296.4

(a) Excludes equity method investments.

Cash – The carrying amount approximates fair value because of the short maturity of those instruments.

Investments and other assets – Represents the broker-quoted cash surrender value on life insurance policies. The cash surrender value asset is classified as Level 2 in the valuation hierarchy and is measured from values received from the insuring entity.

Long-term debt – The fair value of the Company's long-term debt is estimated based on the market prices for the same or similar issues or on the current rates offered to the Company for debt of the same remaining maturities (Level 2). The fair values of the revolving credit facility approximate carrying value due to the variable rate nature of these instruments.

18. Commitments and Contingent Liabilities

The Company and its subsidiaries are involved in litigation and various proceedings relating to environmental laws and regulations and toxic tort, product liability and other matters. Certain of these matters are discussed below. The ultimate resolution of these contingencies is subject to significant uncertainty and should the Company or its subsidiaries fail to prevail in any of these legal matters or should several of these legal matters be resolved against the Company or its subsidiaries in the same reporting period, these legal matters could, individually or in the aggregate, be material to the consolidated financial statements.

Legal Proceedings

Coal Tar Pitch Cases. Koppers Inc., along with other defendants, is currently a defendant in lawsuits filed in four states in which the plaintiffs claim they suffered a variety of illnesses (including cancer) as a result of exposure to coal tar pitch sold by the defendants. There are approximately 131 plaintiffs in 73 cases pending as of December 31, 2011 as compared to 111 plaintiffs in 62 cases at December 31, 2010. As of December 31, 2011, there are a total of 66 cases pending in state court in Pennsylvania, four in Arkansas, and one case each pending in state courts in Tennessee, Indiana and Illinois.

The plaintiffs in all 73 pending cases seek to recover compensatory damages, while plaintiffs in 64 cases also seek to recover punitive damages. The plaintiffs in the 66 cases filed in Pennsylvania state court seek unspecified damages in excess of the court's minimum jurisdictional limit. The plaintiffs in the Arkansas state court cases each seek compensatory damages in excess of $50,000 in addition to punitive damages. The plaintiffs in the case filed in Indiana state court also seek damages in an unspecified amount. The plaintiffs in the Tennessee state court case each seek damages of $15.0 million. The plaintiff in the Illinois state court case seeks compensatory damages in excess of $50,000.

The other defendants in these lawsuits vary from case to case and include companies such as Beazer East, Inc., United States Steel Corporation, Honeywell International Inc., Vertellus Specialties Inc., Dow Chemical Company, Rust-Oleum Corporation, UCAR Carbon Company, Inc., Exxon Mobil Corporation, Chemtura Corporation, SGL Carbon Corporation, Alcoa, Inc., and PPG Industries, Inc. Discovery is proceeding in these cases. No trial dates have been set in any of these cases.

The Company has not provided a reserve for these lawsuits because, at this time, the Company cannot reasonably determine the probability of a loss, and the amount of loss, if any, cannot be reasonably estimated. The timing of resolution of these cases cannot be reasonably determined. Although Koppers Inc. is vigorously defending these cases, an unfavorable resolution of these matters may have a material adverse effect on the Company's business, financial condition, cash flows and results of operations.

Somerville Cases. Koppers Inc. has been defending a set of state court cases in Tarrant County and Burleson County, Texas. These cases involved plaintiffs who alleged that they suffered personal injuries resulting from exposure to wood preservative chemicals used at the Somerville, Texas wood treatment plant.

During the fourth quarter of 2011, three sets of state court cases were closed in Burleson County as motions to dismiss were granted by the courts and the Company considers it unlikely that these claims will be re-filed by the plaintiffs. In addition, during the first quarter of 2012, all remaining cases against Koppers Inc. in Tarrant County were dismissed by the plaintiffs. The Company considers it unlikely that these cases will be re-filed by the plaintiffs.

Grenada. Koppers Inc., together with various co-defendants (including Beazer East), was named as a defendant in toxic tort lawsuits in federal court in Mississippi and in state court in Mississippi arising from the operation of the Grenada facility. The complaints alleged that plaintiffs were exposed to harmful levels of various toxic chemicals, including creosote, pentachlorophenol, polycyclic aromatic hydrocarbons and dioxin, as a result of soil, surface water and groundwater contamination and air emissions from the Grenada facility.

Counsel for the plaintiffs in the Grenada state and federal cases and counsel for the Company and Beazer East engaged in mediation in December 2010. As a result of the mediation, a settlement agreement was reached with respect to all outstanding state and federal cases, except for one case pending in state court. The terms of the settlement agreement provide that the pending cases will either be dismissed or, with respect to certain specified cases, plaintiffs' attorney may withdraw as counsel in lieu of dismissal. As a result of this agreement, the Company included a charge with respect to the state and federal litigation in its financial statements for the year ended December 31, 2010 of $3.0 million. In August 2011, the settlement payment was made by Koppers Inc. As of January 2012, all claims have been dismissed by the courts and all cases are closed.

Gainesville. Koppers Inc. operated a utility pole treatment plant in Gainesville from December 29, 1988 until its closure late in 2009. The property upon which the utility pole treatment plant was located was sold by Koppers Inc. to Beazer East, Inc. in the first quarter of 2010.

In November 2010, a class action complaint was filed in the Circuit Court of the Eighth Judicial Circuit located in Alachua County, Florida by residential real property owners located in a neighborhood west of and immediately adjacent to the former utility pole treatment plant in Gainesville. The complaint named Koppers Holdings Inc., Koppers Inc., Beazer East and several other parties as defendants. The complaint alleges that chemicals and dust from the plant have contaminated and impacted plaintiffs' properties by reducing the fair market value. The complaint seeks injunctive relief and compensatory damages for diminution in property values and for plaintiffs' loss of use and enjoyment of the properties. The case was removed to the United States District Court for the Northern District of Florida in December 2010. Koppers Holdings Inc. filed a motion to dismiss alleging that the Court lacks personal jurisdiction over it. The Court has not yet ruled on the Koppers Holdings Inc.'s motion to dismiss. Koppers Inc. also filed a motion to dismiss which was denied by the Court in February 2012. On February 16, 2012, plaintiffs filed a motion for leave to amend the complaint to, among other things, add three new plaintiffs, add twenty-six new defendants, and amend the definition of the putative class to include residential real properties in a larger geographic area surrounding the former Gainesville plant. The Court has not yet scheduled a class certification hearing or trial.

The Company has not provided a reserve for this matter because, at this time, it cannot reasonably determine the probability of a loss, and the amount of loss, if any, cannot be reasonably estimated. The timing of resolution of this case cannot be reasonably determined. Although the Company is vigorously defending this case, an unfavorable resolution of this matter may have a material adverse effect on the Company's business, financial condition, cash flows and results of operations.

Legal Reserves Rollforward. The following table reflects changes in the accrued liability for legal proceedings:

	Year Ended December 31,	
(Dollars in millions)	*2011*	*2010*
Balance at beginning of year	$ 3.0	$ 0.0
Accrual of reserves	0.0	3.0
Cash expenditures	(3.0)	0.0
Balance at end of year	$ 0.0	$ 3.0

Environmental and Other Litigation Matters

The Company and its subsidiaries are subject to federal, state, local and foreign laws and regulations and potential liabilities relating to the protection of the environment and human health and safety including, among other things, the cleanup of contaminated sites, the treatment, storage and disposal of wastes, the discharge of effluent into waterways, the emission of substances into the air and various health and safety matters. The Company's subsidiaries expect to incur substantial costs for ongoing compliance with such laws and regulations. The Company's subsidiaries may also face governmental or third-party claims, or otherwise incur costs, relating to cleanup of, or for injuries resulting from, contamination at sites associated with past and present operations. The Company accrues for environmental liabilities when a determination can be made that a liability is probable and reasonably estimable.

Environmental and Other Liabilities Retained or Assumed by Others. The Company's subsidiaries have agreements with former owners of certain of their operating locations under which the former owners retained, assumed and/or agreed to indemnify such subsidiaries against certain environmental and other liabilities. The most significant of these agreements was entered into at Koppers Inc.'s formation on December 29, 1988 (the "Acquisition"). Under the related asset purchase agreement between Koppers Inc. and Beazer East, subject to certain limitations, Beazer East retained the responsibility for and agreed to indemnify Koppers Inc. against certain liabilities, damages, losses and costs, including, with certain limited exceptions, liabilities under and costs to comply with environmental laws to the extent attributable to acts or omissions occurring prior to the Acquisition and liabilities related to products sold by Beazer East prior to the Acquisition (the "Indemnity"). Beazer Limited, the parent company of Beazer East, unconditionally guaranteed Beazer East's performance of the Indemnity pursuant to a guarantee (the "Guarantee"). In 1998, the parent company of Beazer East purchased an insurance policy under which the funding and risk of certain environmental and other liabilities relating to the former Koppers Company, Inc. operations of Beazer East (which includes locations purchased from Beazer East by Koppers Inc.) are underwritten by Centre Solutions (a member of the Zurich Group) and Swiss Re. Beazer East is a wholly-owned, indirect subsidiary of Heidelberg Cement AG.

The Indemnity provides different mechanisms, subject to certain limitations, by which Beazer East is obligated to indemnify Koppers Inc. with regard to certain environmental, product and other liabilities and imposes certain conditions on Koppers Inc. before receiving such indemnification, including, in some cases, certain limitations regarding the time period as to which claims for indemnification can be brought. In July 2004, Koppers Inc. and Beazer East agreed to amend the environmental indemnification provisions of the December 29, 1988 asset purchase agreement to extend the indemnification period for pre-closing environmental liabilities through July 2019. As consideration for the amendment, Koppers Inc. paid Beazer East a total of $7.0 million and agreed to share toxic tort litigation defense costs arising from any sites acquired from Beazer East. The July 2004 amendment did not change the provisions of the Indemnity with respect to indemnification for non-environmental claims, such as product liability claims, which claims may continue to be asserted after July 2019.

Qualified expenditures under the Indemnity are not subject to a monetary limit. Qualified expenditures under the Indemnity include (i) environmental cleanup liabilities required by third parties, such as investigation, remediation and closure costs, relating to pre-December 29, 1988, or Pre-Closing, acts or omissions of Beazer East or its predecessors; (ii) environmental claims by third parties for personal injuries, property damages and natural resources damages relating to Pre-Closing acts or omissions of Beazer East or its predecessors; (iii) punitive damages for the acts or omissions of Beazer East and its predecessors without regard to the date of the alleged conduct and (iv) product liability claims for products sold by Beazer East or its predecessors without regard to the date of the alleged conduct. If the third party claims described in sections (i) and (ii) above are not made by July 2019, Beazer East will not be required to pay the costs arising from such claims under the Indemnity. However, with respect to any such claims which are made by July 2019, Beazer East will continue to be responsible for such claims under the Indemnity beyond July 2019. The Indemnity provides for the resolution of issues between Koppers Inc. and Beazer East by an arbitrator on an expedited basis upon the request of either party. The arbitrator could be asked, among other things, to make a determination regarding the allocation of environmental responsibilities between Koppers Inc. and Beazer East. Arbitration decisions under the Indemnity are final and binding on the parties.

Contamination has been identified at most manufacturing and other sites of the Company's subsidiaries. Two sites currently owned and operated by Koppers Inc. in the United States are listed on the National Priorities List promulgated under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA"). Currently, at the properties acquired from Beazer East (which include all of the National Priorities List sites and all but one of the sites permitted under the Resource Conservation and Recovery Act ("RCRA")), a significant portion of all investigative, cleanup and closure activities are being conducted and paid for by Beazer East pursuant to the terms of the Indemnity. In addition, other of Koppers Inc.'s sites are or have been operated under RCRA and various other environmental permits, and remedial and closure activities are being conducted at some of these sites.

To date, the parties that retained, assumed and/or agreed to indemnify the Company against the liabilities referred to above, including Beazer East, have performed their obligations in all material respects. The Company believes that, for the last three years ended December 31, 2011, amounts paid by Beazer East as a result of its environmental remediation obligations under the Indemnity have averaged in total approximately $15 million per year. Periodically, issues have arisen between Koppers Inc. and Beazer East and/or other indemnitors that have been resolved without arbitration. Koppers Inc. and Beazer East engage in discussions from time to time that involve, among other things, the allocation of environmental costs related to certain operating and closed facilities.

If for any reason (including disputed coverage or financial incapability) one or more of such parties fail to perform their obligations and the Company or its subsidiaries are held liable for or otherwise required to pay all or part of such liabilities without reimbursement, the imposition of such liabilities on the Company or its subsidiaries could have a material adverse effect on its business, financial condition, cash flows and results of operations. Furthermore, the Company could be required to record a contingent liability on its balance sheet with respect to such matters, which could result in a negative adjustment to the Company's business, financial condition, cash flows and results of operations.

Domestic Environmental Matters. Koppers Inc. has been named as a potentially responsible party (a "PRP") at the Portland Harbor CERCLA site located on the Willamette River in Oregon. Koppers Inc. has replied to an EPA Information request and has executed a PRP agreement which outlines the process to develop an allocation of past and future costs. The current estimate for past costs incurred in the remedial investigation/feasibility study is approximately $100 million. Koppers Inc. currently operates a coal tar pitch terminal near the site. Koppers Inc. has accrued its estimated cost of participation in the PRP group. Separate from the EPA activities, a natural resources damages assessment is being conducted by a local trustee group. In September 2009, Koppers Inc. received a general notice letter notifying it that it may be a PRP at the Newark Bay CERCLA site. In January 2010, Koppers Inc. submitted a response to the general notice letter asserting that Koppers Inc. is a de minimus party at this site. Other than the estimated costs of participating in the PRP group at the Portland Harbor and Newark Bay CERCLA sites totaling $0.7 million at December 31, 2011, the Company has not provided a reserve for these matters because, at this time, it cannot reasonably determine the probability of a loss, and the amount of loss, if any, cannot be reasonably estimated. An unfavorable resolution of these matters may have a material adverse effect on the Company's business, financial condition, cash flows and results of operations.

At the request of the Illinois Environmental Protection Agency, Koppers Inc. conducted a voluntary investigation of soil and groundwater at its Stickney, Illinois carbon materials and chemicals facility. Koppers Inc. also conducted an investigation of soil and groundwater at a leased terminal site located adjacent to the Stickney facility. Koppers Inc. is conducting such investigations in cooperation with Beazer East. The Company's reserve for this matter was $0.3 million as of December 31, 2011.

Australian Environmental Matters. Soil and groundwater contamination has been detected at certain of the Company's Australian facilities. At the Company's tar distillation facility in Newcastle, New South Wales, Australia, soil contamination from an abandoned underground coal tar pipeline and other groundwater contamination have been detected at a property adjacent to the facility. In 2011, the Company and the owner of the adjacent property reached an agreement in which the Company will contribute $1.6 million and the owner of the adjacent property will contribute $7.5 million toward remediation of the property. The agreement provides that the Company will assume responsibility for the management of the remediation effort and will indemnify the current owner for any remediation costs in excess of its agreed contribution. At the completion of the remediation, the agreement provides that the property will be transferred to the Company. The remediation project commenced in the fourth quarter of 2011 and the Company has reserved its expected remaining remediation costs of $8.0 million and has recorded a receivable, net of cash collections, from the owner of the adjacent property of $4.0 million as of December 31, 2011.

In December 2011, the Company ceased manufacturing operations at its Continental Carbon facility located in Kurnell, Australia. This decision was made as a result of deteriorating business conditions including raw material availability and cost, competition in the export markets due to the strength of the Australian dollar and a variety of other factors. The Company accrued its expected cost of site remediation resulting from the closure of $6.7 million in the fourth quarter of 2011.

Other Australian environmental matters include soil and groundwater remediation at a number of current and former facilities in Australia. With respect to a closed facility in Thornton, Australia, the sale of the property was completed in March 2010 and the buyer assumed all remediation liabilities. Accordingly, the accrual for remediation at this site was reduced in 2010 and resulted in a decrease to cost of sales of $2.9 million. The Company has reserved $1.3 million for remediation costs at the remaining Australian sites.

*Environmental Reserves Rollforward***.** The following table reflects changes in the accrued liability for environmental matters, of which $8.1 million is classified as a current liability at December 31, 2011:

	Year Ended December 31,	
(Dollars in millions)	*2011*	*2010*
Balance at beginning of year	$ 6.6	$ 10.7
Expense	8.0	1.2
Reversal of reserves	(1.6)	(4.3)
Cash expenditures	(2.4)	(1.5)
Assumed remediation liability in exchange for cash	7.5	0.0
Currency translation	(0.4)	0.5
Balance at end of year	$ 17.7	$ 6.6

19. Related Party Transactions

In November 2011, the Company loaned $11.7 million to TKK, a 30-percent owned company in China. The loan is repayable in November 2012.

In connection with the issuance of the Senior Notes in December 2009, Walter W. Turner, President and Chief Executive Officer of Koppers Holdings Inc. and Koppers Inc., purchased $500,000 aggregate principal amount of Senior Notes at the offering price of 98.311 percent, or $491,555. The offering price for this purchase represents the same offering price paid by the purchasers for the remaining $295.0 million of Senior Notes.

20. Selected Quarterly Financial Data (Unaudited)

The following is a summary of the quarterly results of operations for the years ended December 31, 2011 and 2010:

	Year Ended December 31, 2011				
	1st Quarter	*2nd Quarter*	*3rd Quarter*	*4th Quarter*	*Fiscal Year*
(Dollars in millions, except per share amounts)					
Statement of operations data:					
Net sales	$ 341.5	$ 374.5	$ 381.2	$ 369.0	$1,466.2
Operating profit	21.3	38.3	40.1	23.0	122.7
Income from continuing operations	9.2	20.4	22.5	5.4	57.5
Net income (loss)[(a)]	9.0	19.9	22.7	(14.0)	37.6
Net income (loss) attributable to Koppers[(a)]	8.9	19.8	22.4	(14.2)	36.9
Common stock data:					
Earnings (loss) per common share attributable to Koppers common shareholders:					
Basic –					
Continuing operations	$ 0.44	$ 0.99	$ 1.07	$ 0.25	$ 2.75
Discontinued operations[(a)]	(0.01)	(0.03)	0.01	(0.94)	(0.96)
Earnings per basic common share	$ 0.43	$ 0.96	$ 1.08	$ (0.69)	$ 1.79
Diluted –					
Continuing operations	$ 0.44	$ 0.99	$ 1.07	$ 0.24	$ 2.72
Discontinued operations[(a)]	(0.01)	(0.03)	0.01	(0.93)	(0.95)
Earnings per diluted common share	$ 0.43	$ 0.96	$ 1.08	$ (0.69)	$ 1.77
Dividends declared per common share	$ 0.22	$ 0.22	$ 0.22	$ 0.22	$ 0.88
Price range of common stock:					
High	$ 42.88	$ 46.14	$ 39.23	$ 36.53	$ 46.14
Low	34.76	34.63	23.59	24.75	23.59

(a) In the fourth quarter of 2011, the Company ceased manufacturing operations at its carbon black facility located in Kurnell, Australia. The costs related to this closure totaled $41.0 million in the fourth quarter of 2011. The results of operations of the carbon black facility have been reclassified to discontinued operations for all periods presented as run-off activities were completed in the first quarter of 2012.

(Dollars in millions, except per share amounts)	Year Ended December 31, 2010 1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Fiscal Year
Statement of operations data:					
Net sales	$ 259.2	$ 316.5	$ 321.7	$ 293.1	$1,190.5
Operating profit	17.0	32.8	33.1	15.2	98.1
Income from continuing operations	7.5	16.4	15.8	4.9	44.6
Net income	7.4	16.1	15.8	5.2	44.5
Net income attributable to Koppers	7.3	16.1	15.6	5.1	44.1
Common stock data:					
Earnings (loss) per common share attributable to Koppers common shareholders:					
Basic –					
Continuing operations	$ 0.37	$ 0.79	$ 0.76	$ 0.23	$ 2.14
Discontinued operations	(0.01)	(0.01)	0.00	0.01	0.00
Earnings per basic common share	$ 0.36	$ 0.78	$ 0.76	$ 0.24	$ 2.14
Diluted –					
Continuing operations	$ 0.37	$ 0.79	$ 0.75	$ 0.23	$ 2.13
Discontinued operations	(0.01)	(0.01)	0.00	0.01	0.00
Earnings per diluted common share	$ 0.36	$ 0.78	$ 0.75	$ 0.24	$ 2.13
Dividends declared per common share	$ 0.22	$ 0.22	$ 0.22	$ 0.22	$ 0.88
Price range of common stock:					
High	$ 33.32	$ 33.56	$ 27.19	$ 36.47	$ 36.47
Low	25.58	22.42	19.77	25.69	19.77

21. Subsequent events

On February 18, 2012, a leak of material from a storage tank containing coal tar pitch was detected at its terminal facility in Portland, Victoria, Australia. All of the coal tar pitch was contained within the tank farm area and no release of material to water or soil occurred. The Company currently estimates the financial effect of the event is approximately $5.0 million. The facility is part of the Carbon Materials & Chemicals segment.

On February 14, 2012, the Company announced its intention to close its wood treating facility in Grenada, Mississippi effective on or around July 31, 2012. The Company estimates that it will incur charges of approximately $2.5 million over the next two years to close this facility which is part of the Railroad & Utility Products segment.

On or about June 27, 2012, the Company expects to file a registration statement on Form S-3 with the Securities and Exchange Commission. Under this registration statement, Koppers Holdings may sell a combination of securities, including common stock, debt securities, preferred stock, depository shares, warrants and units from time to time in one or more offerings. In addition, Koppers Inc. may sell debt securities from time to time under the registration statement. Debt securities may be fully and unconditionally guaranteed, on a joint and several basis, by Koppers Holdings, Koppers Inc. and/or other guarantor subsidiaries which will correspond to certain subsidiaries in the United States, Europe and Australia. The non-guarantor subsidiaries consist of certain subsidiaries in the United States, China, India and Mauritius. The guarantor subsidiaries that issue guarantees, if any, will be determined when a debt offering actually occurs under the registration statement and accordingly, the condensed consolidated financial information for subsidiary guarantors will be revised to identify the subsidiaries that actually provided guarantees.

Separate condensed consolidating financial statement information for the parent, Koppers Inc., domestic guarantor subsidiaries, foreign guarantor subsidiaries and non-guarantor subsidiaries as of December 31, 2011 and 2010 and for the years ended December 31, 2011, 2010 and 2009 is as follows:

Condensed Consolidating Statement of Comprehensive Income
For the Year Ended December 31, 2011

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Foreign Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
Net sales	$ 0.0	$ 854.1	$ 72.6	$ 443.6	$ 147.0	$ (51.1)	$ 1,466.2
Cost of sales including depreciation and amortization	(7.8)	762.9	41.6	363.7	138.5	(29.7)	1,269.2
Selling, general and administrative	1.2	41.6	1.8	26.2	3.5	0.0	74.3
Operating profit (loss)	6.6	49.6	29.2	53.7	5.0	(21.4)	122.7
Other income (expense)	29.9	0.3	0.0	(0.3)	0.7	(29.9)	0.7
Interest expense (income)	0.0	27.5	(0.1)	4.9	0.5	(5.6)	27.2
Income taxes	(0.4)	7.7	0.8	28.7	1.9	0.0	38.7
Income from continuing operations	36.9	14.7	28.5	19.8	3.3	(45.7)	57.5
Discontinued operations	0.0	0.0	0.0	(19.9)	0.0	0.0	(19.9)
Noncontrolling interests	0.0	0.0	0.0	0.0	0.7	0.0	0.7
Net income attributable to Koppers	$36.9	$ 14.7	$ 28.5	$ (0.1)	$ 2.6	$ (45.7)	$ 36.9
Comprehensive income attributable to Koppers	$18.9	$ 1.1	$ 28.0	$ (5.1)	$ 3.5	$ (27.5)	$ 18.9

Condensed Consolidating Statement of Comprehensive Income
For the Year Ended December 31, 2010

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Foreign Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
Net sales	$ 0.0	$ 721.2	$ 45.8	$ 358.5	$ 105.9	$ (40.9)	$ 1,190.5
Cost of sales including depreciation and amortization	0.0	657.7	19.1	286.0	94.9	(27.7)	1,030.0
Selling, general and administrative	1.6	32.2	3.3	21.4	3.9	0.0	62.4
Operating profit (loss)	(1.6)	31.3	23.4	51.1	7.1	(13.2)	98.1
Other income (expense)	45.0	0.2	(0.4)	2.4	0.3	(45.0)	2.5
Interest expense (income)	(0.2)	27.9	0.0	4.4	0.0	(5.0)	27.1
Income taxes	(0.5)	1.5	12.2	13.3	2.4	0.0	28.9
Income from continuing operations	44.1	2.1	10.8	35.8	5.0	(53.2)	44.6
Discontinued operations	0.0	0.0	(0.2)	0.1	0.0	0.0	(0.1)
Noncontrolling interests	0.0	0.0	0.0	0.0	0.4	0.0	0.4
Net income attributable to Koppers	$44.1	$ 2.1	$ 10.6	$ 35.9	$ 4.6	$ (53.2)	$ 44.1
Comprehensive income attributable to Koppers	$54.6	$ 1.8	$ 18.9	$ 40.3	$ 5.1	$ (66.1)	$ 54.6

Condensed Consolidating Statement of Comprehensive Income
For the Year Ended December 31, 2009

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Foreign Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net sales	$ 0.0	$ 709.1	$ 33.0	$ 306.4	$ 79.3	$ (52.6)	$ 1,075.2
Cost of sales including depreciation and amortization	0.0	640.9	(3.7)	248.8	67.0	(28.8)	924.2
Selling, general and administrative	1.8	28.8	3.0	19.7	4.0	0.0	57.3
Operating profit (loss)	(1.8)	39.4	33.7	37.9	8.3	(23.8)	93.7
Other income (expense)	40.2	0.5	(0.3)	0.9	(1.3)	(40.2)	(0.2)
Interest expense (income)	31.1	28.5	0.0	4.2	(0.1)	(5.0)	58.7
Income taxes	(11.5)	2.0	11.0	9.7	2.2	0.0	13.4
Income from continuing operations	18.8	9.4	22.4	24.9	4.9	(59.0)	21.4
Discontinued operations	0.0	(0.3)	0.0	0.3	0.0	0.0	0.0
Noncontrolling interests	0.0	0.0	0.0	0.0	2.6	0.0	2.6
Net income attributable to Koppers	$ 18.8	$ 9.1	$ 22.4	$ 25.2	$ 2.3	$ (59.0)	$ 18.8
Comprehensive income attributable to Koppers	$ 43.5	$ 12.2	$ 35.0	$ 39.1	$ 1.4	$ (87.7)	$ 43.5

Condensed Consolidating Balance Sheet
December 31, 2011

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Foreign Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
ASSETS							
Cash and cash equivalents	$ 0.0	$ 0.0	$ 0.0	$ 45.1	$ 9.0	$ 0.0	$ 54.1
Accounts receivable, net	5.5	112.6	284.0	65.5	13.7	(309.8)	171.5
Inventories, net	0.0	74.8	0.0	77.2	7.0	0.0	159.0
Deferred tax assets	0.0	10.7	(1.5)	0.0	0.1	0.0	9.3
Other current assets	0.0	6.8	0.3	12.0	14.4	0.0	33.5
Total current assets	5.5	204.9	282.8	199.8	44.2	(309.8)	427.4
Equity investments	93.9	77.1	26.3	19.3	3.9	(215.6)	4.9
Property, plant and equipment, net	0.0	102.0	0.0	37.8	15.8	0.0	155.6
Goodwill	0.0	39.8	0.0	31.0	1.3	0.0	72.1
Deferred tax assets	0.0	43.7	(10.5)	12.7	(1.6)	0.0	44.3
Other noncurrent assets	0.0	18.4	131.3	6.7	37.7	(167.7)	26.4
Total assets	$99.4	$ 485.9	$ 429.9	$ 307.3	$ 101.3	$ (693.1)	$ 730.7
LIABILITIES AND EQUITY							
Accounts payable	$ 0.1	$ 344.5	$ 9.8	$ 44.4	$ 13.2	$ (309.9)	$ 102.1
Accrued liabilities	4.5	27.2	(0.8)	30.5	6.9	0.0	68.3
Total current liabilities	4.6	371.7	9.0	74.9	20.1	(309.9)	170.4
Long-term debt	0.0	400.8	0.0	62.7	6.3	(167.7)	302.1
Other long-term liabilities	0.0	116.5	2.5	25.8	6.1	0.1	151.0
Total liabilities	4.6	889.0	11.5	163.4	32.5	(477.5)	623.5
Koppers shareholders' equity	94.8	(403.1)	418.4	143.9	56.4	(215.6)	94.8
Noncontrolling interests	0.0	0.0	0.0	0.0	12.4	0.0	12.4
Total liabilities and equity	$99.4	$ 485.9	$ 429.9	$ 307.3	$ 101.3	$ (693.1)	$ 730.7

Condensed Consolidating Balance Sheet
December 31, 2010

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Foreign Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
ASSETS							
Cash and cash equivalents	$ 0.0	$ 8.4	$ 0.0	$ 17.0	$ 9.9	$ 0.0	$ 35.3
S-T investments & restricted cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable, net	16.6	80.3	460.9	63.3	44.2	(524.5)	140.8
Inventories, net	0.0	78.3	1.2	76.4	9.5	0.0	165.4
Deferred tax assets	0.0	7.4	(1.5)	0.0	0.0	0.0	5.9
Other current assets	0.0	6.9	0.3	14.3	1.5	0.0	23.0
Total current assets	16.6	181.3	460.9	171.0	65.1	(524.5)	370.4
Equity investments	76.7	77.1	26.2	19.4	3.9	(198.6)	4.7
Property, plant and equipment, net	0.0	94.7	0.0	57.6	15.9	0.0	168.2
Goodwill	0.0	39.5	0.0	31.3	1.3	0.0	72.1
Deferred tax assets	0.0	65.4	(43.8)	5.9	(1.4)	0.0	26.1
Other noncurrent assets	0.0	21.6	0.0	4.7	1.3	0.1	27.7
Total assets	$93.3	$ 479.6	$ 443.3	$ 289.9	$ 86.1	$ (723.0)	$ 669.2
LIABILITIES AND EQUITY							
Accounts payable	$ 0.0	$ 492.5	$ 15.1	$ 94.7	$ 10.0	$ (524.4)	$ 87.9
Accrued liabilities	4.6	(6.3)	34.8	21.7	5.7	0.0	60.5
Short-term debt and current portion of long-term debt	0.0	0.1	0.0	0.8	0.1	0.0	1.0
Total current liabilities	4.6	486.3	49.9	117.2	15.8	(524.4)	149.4
Long-term debt	0.0	295.4	0.0	0.0	0.0	0.0	295.4
Other long-term liabilities	0.0	99.6	3.0	15.7	6.2	0.0	124.5
Total liabilities	4.6	881.3	52.9	132.9	22.0	(524.4)	569.3
Koppers shareholders' equity	88.7	(401.7)	390.4	157.0	52.9	(198.6)	88.7
Noncontrolling interests	0.0	0.0	0.0	0.0	11.2	0.0	11.2
Total liabilities and equity	$93.3	$ 479.6	$ 443.3	$ 289.9	$ 86.1	$ (723.0)	$ 669.2

Condensed Consolidating Statement of Cash Flows
For the Year Ended December 31, 2011

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Foreign Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Cash provided by (used in) operating activities	$ 18.1	$ 9.5	$ 0.0	$ 37.9	$ 11.4	$ 0.0	$ 76.9
Cash provided by (used in) investing activities:							
Capital expenditures and acquisitions	0.0	(24.5)	0.0	(8.6)	(0.7)	0.0	(33.8)
Loan to related party	0.0	0.0	0.0	0.0	(11.7)	0.0	(11.7)
Net cash proceeds (payments) from divestitures and asset sales	0.0	0.7	0.0	0.1	0.0	0.0	0.8
Net cash (used in) investing activities	0.0	(23.8)	0.0	(8.5)	(12.4)	0.0	(44.7)
Cash provided by (used in) financing activities:							
Borrowings (repayments) of long-term debt	0.0	6.3	0.0	(0.9)	0.0	0.0	5.4
Deferred financing costs	0.0	(0.5)	0.0	0.0	0.0	0.0	(0.5)
Dividends paid	(18.1)	0.0	0.0	0.0	(0.1)	0.0	(18.2)
Net cash provided by (used in) financing activities	(18.1)	5.8	0.0	(0.9)	(0.1)	0.0	(13.3)
Effect of exchange rates on cash	0.0	0.1	0.0	(0.4)	0.2	0.0	(0.1)
Net increase (decrease) in cash and cash equivalents	0.0	(8.4)	0.0	28.1	(0.9)	0.0	18.8
Cash and cash equivalents at beginning of year	0.0	8.4	0.0	17.0	9.9	0.0	35.3
Cash and cash equivalents at end of period	$ 0.0	$ 0.0	$ 0.0	$ 45.1	$ 9.0	$ 0.0	$ 54.1

Condensed Consolidating Statement of Cash Flows
For the Year Ended December 31, 2010

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Foreign Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Cash provided by (used in) operating activities	$ 18.7	$ 75.2	$ 0.0	$ 9.1	$ 6.8	$ (4.5)	$ 105.3
Cash provided by (used in) investing activities:							
Capital expenditures and acquisitions	0.0	(35.0)	0.0	(30.0)	(0.4)	0.0	(65.4)
Net cash proceeds (payments) from divestitures and asset sales	0.0	0.2	0.0	1.7	0.1	0.0	2.0
Net cash (used in) investing activities	0.0	(34.8)	0.0	(28.3)	(0.3)	0.0	(63.4)
Cash provided by (used in) financing activities:							
Borrowings (repayments) of long-term debt	0.0	(40.2)	0.0	0.0	0.0	0.0	(40.2)
Deferred financing costs	0.0	(0.4)	0.0	0.0	0.0	0.0	(0.4)
Dividends paid	(18.1)	(4.5)	0.0	0.0	(5.0)	4.5	(23.1)
Stock issued (repurchased)	(0.8)	0.2	0.0	0.0	0.0	0.0	(0.6)
Net cash provided by (used in) financing activities	(18.9)	(44.9)	0.0	0.0	(5.0)	4.5	(64.3)
Effect of exchange rates on cash	0.0	0.0	0.0	(0.7)	0.0	0.0	(0.7)
Net increase (decrease) in cash and cash equivalents	(0.2)	(4.5)	0.0	(19.9)	1.5	0.0	(23.1)
Cash and cash equivalents at beginning of year	0.2	12.9	0.0	36.9	8.4	0.0	58.4
Cash and cash equivalents at end of period	$ 0.0	$ 8.4	$ 0.0	$ 17.0	$ 9.9	$ 0.0	$ 35.3

Condensed Consolidating Statement of Cash Flows
For the Year Ended December 31, 2009

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Foreign Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Cash provided by (used in) operating activities	$ 231.8	$ 90.7	$ 0.0	$ 19.5	$ 3.0	$ (232.7)	$ 112.3
Cash provided by (used in) investing activities:							
Capital expenditures and acquisitions	0.0	(15.0)	0.0	(3.7)	(1.5)	0.0	(20.2)
Net cash proceeds (payments) from divestitures and asset sales	0.0	(0.7)	0.0	0.1	0.0	0.0	(0.6)
Net cash (used in) investing activities	0.0	(15.7)	0.0	(3.6)	(1.5)	0.0	(20.8)
Cash provided by (used in) financing activities:							
Borrowings (repayments) of long-term debt	(213.6)	142.8	0.0	0.0	0.0	0.0	(70.8)
Deferred financing costs	0.0	(8.1)	0.0	0.0	0.0	0.0	(8.1)
Dividends paid	(18.0)	(232.7)	0.0	0.0	0.0	232.7	(18.0)
Net cash provided by (used in) financing activities	(231.6)	(98.0)	0.0	0.0	0.0	232.7	(96.9)
Effect of exchange rates on cash	0.0	(1.6)	0.0	2.3	0.0	0.0	0.7
Net increase (decrease) in cash and cash equivalents	0.2	(24.6)	0.0	18.2	1.5	0.0	(4.7)
Cash and cash equivalents at beginning of year	0.0	37.5	0.0	18.7	6.9	0.0	63.1
Cash and cash equivalents at end of period	$ 0.2	$ 12.9	$ 0.0	$ 36.9	$ 8.4	$ 0.0	$ 58.4

22. Subsidiary Guarantor Information for Koppers Inc. Senior Notes

On December 1, 2009, Koppers Inc. issued $300.0 million principal value of Senior Notes. Koppers Holdings and each of Koppers Inc.'s wholly-owned material domestic subsidiaries other than Koppers Assurance, Inc. fully and unconditionally guarantee the payment of principal and interest on the Senior Notes. The domestic guarantor subsidiaries include World-Wide Ventures Corporation, Koppers Delaware, Inc., Koppers Concrete Products, Inc., Concrete Partners, Inc., and Koppers Asia LLC.

Separate condensed consolidating financial statement information for Koppers Holdings Inc. (the parent), Koppers Inc., domestic guarantor subsidiaries and non-guarantor subsidiaries as of December 31, 2011 and 2010 and for the years ended December 31, 2011, 2010 and 2009 is as follows:

Condensed Consolidating Statement of Comprehensive Income
For the Year Ended December 31, 2011

	Parent	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
(Dollars in millions)						
Net sales	$ 0.0	$ 854.1	$ 72.6	$ 585.2	$ (45.7)	$ 1,466.2
Cost of sales including depreciation and amortization	(7.8)	762.9	41.6	496.8	(24.3)	1,269.2
Selling, general and administrative	1.2	41.6	1.8	29.7	0.0	74.3
Operating profit (loss)	6.6	49.6	29.2	58.7	(21.4)	122.7
Other income (expense)	29.9	0.3	0.0	0.4	(29.9)	0.7
Interest expense (income)	0.0	27.5	(0.1)	5.4	(5.6)	27.2
Income taxes	(0.4)	7.7	0.8	30.6	0.0	38.7
Income from continuing operations	36.9	14.7	28.5	23.1	(45.7)	57.5
Discontinued operations	0.0	0.0	0.0	(19.9)	0.0	(19.9)
Noncontrolling interests	0.0	0.0	0.0	0.7	0.0	0.7
Net income attributable to Koppers	$36.9	$ 14.7	$ 28.5	$ 2.5	$ (45.7)	$ 36.9
Comprehensive income attributable to Koppers	$18.9	$ 1.1	$ 28.0	$ (1.4)	$ (27.7)	$ 18.9

Condensed Consolidating Statement of Comprehensive Income
For the Year Ended December 31, 2010

	Parent	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
(Dollars in millions)						
Net sales	$ 0.0	$ 721.2	$ 45.8	$ 462.3	$ (38.8)	$ 1,190.5
Cost of sales including depreciation and amortization	0.0	657.7	19.1	378.8	(25.6)	1,030.0
Selling, general and administrative	1.6	32.2	3.3	25.3	0.0	62.4
Operating profit (loss)	(1.6)	31.3	23.4	58.2	(13.2)	98.1
Other income (expense)	45.0	0.2	(0.4)	2.7	(45.0)	2.5
Interest expense (income)	(0.2)	27.9	0.0	4.4	(5.0)	27.1
Income taxes	(0.5)	1.5	12.2	15.7	0.0	28.9
Income from continuing operations	44.1	2.1	10.8	40.8	(53.2)	44.6
Discontinued operations	0.0	0.0	(0.2)	0.1	0.0	(0.1)
Noncontrolling interests	0.0	0.0	0.0	0.4	0.0	0.4
Net income attributable to Koppers	$44.1	$ 2.1	$ 10.6	$ 40.5	$ (53.2)	$ 44.1
Comprehensive income attributable to Koppers	$54.6	$ 1.8	$ 18.9	$ 43.0	$ (63.7)	$ 54.6

Condensed Consolidating Statement of Comprehensive Income
For the Year Ended December 31, 2009

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
Net sales	$ 0.0	$ 709.1	$ 33.0	$ 373.1	$ (40.0)	$ 1,075.2
Cost of sales including depreciation and amortization	0.0	640.9	(3.7)	303.2	(16.2)	924.2
Selling, general and administrative	1.8	28.8	3.0	23.7	0.0	57.3
Operating profit (loss)	(1.8)	39.4	33.7	46.2	(23.8)	93.7
Other income (expense)	40.2	0.5	(0.3)	(0.4)	(40.2)	(0.2)
Interest expense (income)	31.1	28.5	0.0	4.1	(5.0)	58.7
Income taxes	(11.5)	2.0	11.0	11.9	0.0	13.4
Income from continuing operations	18.8	9.4	22.4	29.8	(59.0)	21.4
Discontinued operations	0.0	(0.3)	0.0	0.3	0.0	0.0
Noncontrolling interests	0.0	0.0	0.0	2.6	0.0	2.6
Net income attributable to Koppers	$ 18.8	$ 9.1	$ 22.4	$ 27.5	$ (59.0)	$ 18.8
Comprehensive income attributable to Koppers	$ 43.5	$ 12.2	$ 35.0	$ 36.5	$ (83.7)	$ 43.5

Condensed Consolidating Balance Sheet
December 31, 2011

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
ASSETS						
Cash and cash equivalents	$ 0.0	$ 0.0	$ 0.0	$ 54.1	$ 0.0	$ 54.1
Accounts receivable, net	5.5	112.6	284.0	79.2	(309.8)	171.5
Inventories, net	0.0	74.8	0.0	84.2	0.0	159.0
Deferred tax assets	0.0	10.7	(1.5)	0.1	0.0	9.3
Other current assets	0.0	6.8	0.3	26.4	0.0	33.5
Total current assets	5.5	204.9	282.8	244.0	(309.8)	427.4
Equity investments	93.9	77.1	26.3	3.9	(196.3)	4.9
Property, plant and equipment, net	0.0	102.0	0.0	53.6	0.0	155.6
Goodwill	0.0	39.8	0.0	32.3	0.0	72.1
Deferred tax assets	0.0	43.7	(10.5)	11.1	0.0	44.3
Other noncurrent assets	0.0	18.4	131.3	44.4	(167.7)	26.4
Total assets	$99.4	$ 485.9	$ 429.9	$ 389.3	$ (673.8)	$ 730.7
LIABILITIES AND EQUITY						
Accounts payable	$ 0.1	$ 344.5	$ 9.6	$ 57.5	$ (309.8)	$ 102.1
Accrued liabilities	4.5	27.2	(0.6)	37.4	0.0	68.3
Short-term debt and current portion of long-term debt	0.0	0.0	0.0	0.0	0.0	0.0
Total current liabilities	4.6	371.7	9.0	94.9	(309.8)	170.4
Long-term debt	0.0	400.8	0.0	69.0	(167.7)	302.1
Other long-term liabilities	0.0	116.5	2.5	32.0	0.0	151.0
Total liabilities	4.6	889.0	11.5	195.9	(477.5)	623.5
Koppers shareholders' equity	94.8	(403.1)	418.4	181.0	(196.3)	94.8
Noncontrolling interests	0.0	0.0	0.0	12.4	0.0	12.4
Total liabilities and equity	$99.4	$ 485.9	$ 429.9	$ 389.3	$ (673.8)	$ 730.7

Condensed Consolidating Balance Sheet
December 31, 2010

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
ASSETS						
Cash and cash equivalents	$ 0.0	$ 8.4	$ 0.0	$ 26.9	$ 0.0	$ 35.3
S-T investments & restricted cash	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable, net	16.6	80.3	460.9	107.2	(524.2)	140.8
Inventories, net	0.0	78.3	1.2	85.9	0.0	165.4
Deferred tax assets	0.0	7.4	(1.5)	0.0	0.0	5.9
Other current assets	0.0	6.9	0.3	15.8	0.0	23.0
Total current assets	16.6	181.3	460.9	235.8	(524.2)	370.4
Equity investments	76.7	77.1	26.2	3.8	(179.1)	4.7
Property, plant and equipment, net	0.0	94.7	0.0	73.5	0.0	168.2
Goodwill	0.0	39.5	0.0	32.6	0.0	72.1
Deferred tax assets	0.0	65.4	(43.8)	4.5	0.0	26.1
Other noncurrent assets	0.0	21.6	0.0	6.2	(0.1)	27.7
Total assets	$93.3	$ 479.6	$ 443.3	$ 356.4	$ (703.4)	$ 669.2
LIABILITIES AND EQUITY						
Accounts payable	$ 0.0	$ 492.5	$ 15.1	$ 104.5	$ (524.2)	$ 87.9
Accrued liabilities	4.6	(6.3)	34.8	27.4	0.0	60.5
Short-term debt and current portion of long-term debt	0.0	0.1	0.0	0.9	0.0	1.0
Total current liabilities	4.6	486.3	49.9	132.8	(524.2)	149.4
Long-term debt	0.0	295.4	0.0	0.0	0.0	295.4
Other long-term liabilities	0.0	99.6	3.0	21.9	0.0	124.5
Total liabilities	4.6	881.3	52.9	154.7	(524.2)	569.3
Koppers shareholders' equity	88.7	(401.7)	390.4	190.5	(179.2)	88.7
Noncontrolling interests	0.0	0.0	0.0	11.2	0.0	11.2
Total liabilities and equity	$93.3	$ 479.6	$ 443.3	$ 356.4	$ (703.4)	$ 669.2

Condensed Consolidating Statement of Cash Flows
For the Year Ended December 31, 2011

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Cash provided by (used in) operating activities	$ 18.1	$ 9.5	$0.0	$ 49.3	$0.0	$ 76.9
Cash provided by (used in) investing activities:						
Capital expenditures and acquisitions	0.0	(24.5)	0.0	(9.3)	0.0	(33.8)
Loan to related party	0.0	0.0	0.0	(11.7)	0.0	(11.7)
Net cash proceeds (payments) from divestitures and asset sales	0.0	0.7	0.0	0.1	0.0	0.8
Net cash (used in) investing activities	0.0	(23.8)	0.0	(20.9)	0.0	(44.7)
Cash provided by (used in) financing activities:						
Borrowings (repayments) of long-term debt	0.0	6.3	0.0	(0.9)	0.0	5.4
Deferred financing costs	0.0	(0.5)	0.0	0.0	0.0	(0.5)
Dividends paid	(18.1)	0.0	0.0	(0.1)	0.0	(18.2)
Net cash provided by (used in) financing activities	(18.1)	5.8	0.0	(1.0)	0.0	(13.3)
Effect of exchange rates on cash	0.0	0.1	0.0	(0.2)	0.0	(0.1)
Net increase (decrease) in cash and cash equivalents	0.0	(8.4)	0.0	27.2	0.0	18.8
Cash and cash equivalents at beginning of year	0.0	8.4	0.0	26.9	0.0	35.3
Cash and cash equivalents at end of period	0.0	$ 0.0	0.0	$ 54.1	0.0	$ 54.1

Condensed Consolidating Statement of Cash Flows
For the Year Ended December 31, 2010

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Cash provided by (used in) operating activities	$ 18.7	$ 75.2	$ 0.0	$ 15.9	$ (4.5)	$ 105.3
Cash provided by (used in) investing activities:						
Capital expenditures and acquisitions	0.0	(35.0)	0.0	(30.4)	0.0	(65.4)
Net cash proceeds (payments) from divestitures and asset sales	0.0	0.2	0.0	1.8	0.0	2.0
Net cash (used in) investing activities	0.0	(34.8)	0.0	(28.6)	0.0	(63.4)
Cash provided by (used in) financing activities:						
Borrowings (repayments) of long-term debt	0.0	(40.2)	0.0	0.0	0.0	(40.2)
Deferred financing costs	0.0	(0.4)	0.0	0.0	0.0	(0.4)
Dividends paid	(18.1)	(4.5)	0.0	(5.0)	4.5	(23.1)
Stock issued (repurchased)	(0.8)	0.2	0.0	0.0	0.0	(0.6)
Net cash provided by (used in) financing activities	(18.9)	(44.9)	0.0	(5.0)	4.5	(64.3)
Effect of exchange rates on cash	0.0	0.0	0.0	(0.7)	0.0	(0.7)
Net increase (decrease) in cash and cash equivalents	(0.2)	(4.5)	0.0	(18.4)	0.0	(23.1)
Cash and cash equivalents at beginning of year	0.2	12.9	0.0	45.3	0.0	58.4
Cash and cash equivalents at end of period	0.0	$ 8.4	0.0	$ 26.9	0.0	$ 35.3

Condensed Consolidating Statement of Cash Flows
For the Year Ended December 31, 2009

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
Cash provided by (used in) operating activities	$ 231.8	$ 90.7	$ 0.0	$ 22.5	$ (232.7)	$ 112.3
Cash provided by (used in) investing activities:						
Capital expenditures and acquisitions	0.0	(15.0)	0.0	(5.2)	0.0	(20.2)
Net cash proceeds (payments) from divestitures and asset sales	0.0	(0.7)	0.0	0.1	0.0	(0.6)
Net cash (used in) investing activities	0.0	(15.7)	0.0	(5.1)	0.0	(20.8)
Cash provided by (used in) financing activities:						
Borrowings (repayments) of long-term debt	(213.6)	142.8	0.0	0.0	0.0	(70.8)
Deferred financing costs	0.0	(8.1)	0.0	0.0	0.0	(8.1)
Dividends paid	(18.0)	(232.7)	0.0	0.0	232.7	(18.0)
Net cash provided by (used in) financing activities	(231.6)	(98.0)	0.0	0.0	232.7	(96.9)
Effect of exchange rates on cash	0.0	(1.6)	0.0	2.3	0.0	0.7
Net increase (decrease) in cash and cash equivalents	0.2	(24.6)	0.0	19.7	0.0	(4.7)
Cash and cash equivalents at beginning of year	0.0	37.5	0.0	25.6	0.0	63.1
Cash and cash equivalents at end of period	$ 0.2	$ 12.9	$ 0.0	$ 45.3	$ 0.0	$ 58.4

23. Subsidiary Guarantor Information for Shelf Registration

Under a registration statement on Form S-3, Koppers Holdings may sell a combination of securities, including common stock, debt securities, preferred stock, depository shares, warrants and units, from time to time in one or more offerings with an aggregate offering price of up to $325 million. In addition, Koppers Inc. may sell debt securities from time to time under the registration statement. Debt securities may be fully and unconditionally guaranteed, on a joint and several basis, by Koppers Holdings, Koppers Inc. and/or other guarantor subsidiaries which will correspond to certain subsidiaries in the United States, Europe and Australia. The non-guarantor subsidiaries consist of certain subsidiaries in the United States, China, India and Mauritius. The guarantor subsidiaries that issue guarantees, if any, will be determined when a debt offering actually occurs under the registration statement and accordingly, the condensed consolidated financial information for subsidiary guarantors will be revised to identify the subsidiaries that actually provided guarantees.

Separate condensed consolidating financial statement information for the parent, Koppers Inc., domestic guarantor subsidiaries, foreign guarantor subsidiaries and non-guarantor subsidiaries as of December 31, 2011 and 2010 and for the years ended December 31, 2011, 2010 and 2009 is as follows:

Condensed Consolidating Statement of Comprehensive Income
For the Year Ended December 31, 2011

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Foreign Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
Net sales	$ 0.0	$ 854.1	$ 72.6	$ 358.6	$ 264.6	$ (83.7)	$ 1,466.2
Cost of sales including depreciation and amortization	(7.8)	762.9	41.6	292.4	220.7	(40.6)	1,269.2
Selling, general and administrative	1.2	41.6	1.8	19.1	10.6	0.0	74.3
Operating profit (loss)	6.6	49.6	29.2	47.1	33.3	(43.1)	122.7
Other income (expense)	29.9	0.3	0.0	(0.2)	0.6	(29.9)	0.7
Interest expense (income)	0.0	27.5	0.0	5.3	1.1	(6.7)	27.2
Income taxes	(0.4)	7.7	0.8	23.5	7.1	0.0	38.7
Income from continuing operations	36.9	14.7	28.4	18.1	25.7	(66.3)	57.5
Discontinued operations	0.0	0.0	0.0	(19.9)	0.0	0.0	(19.9)
Noncontrolling interests	0.0	0.0	0.0	0.0	0.7	0.0	0.7
Net income attributable to Koppers	$36.9	$ 14.7	$ 28.4	$ (1.8)	$ 25.0	$ (66.3)	$ 36.9
Comprehensive income attributable to Koppers	$18.9	$ 1.1	$ 27.9	$ (3.1)	$ 22.0	$ (47.9)	$ 18.9

Condensed Consolidating Statement of Comprehensive Income
For the Year Ended December 31, 2010

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Foreign Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
Net sales	$ 0.0	$ 721.2	$ 45.8	$ 311.7	$ 156.1	$ (44.3)	$ 1,190.5
Cost of sales including depreciation and amortization	0.0	657.7	19.3	242.0	140.4	(29.4)	1,030.0
Selling, general and administrative	1.6	32.2	3.3	18.6	6.7	0.0	62.4
Operating profit (loss)	(1.6)	31.3	23.2	51.1	9.0	(14.9)	98.1
Other income (expense)	45.0	0.2	(0.4)	2.3	0.4	(45.0)	2.5
Interest expense (income)	(0.2)	27.9	(0.1)	5.2	1.0	(6.7)	27.1
Income taxes	(0.5)	1.5	12.2	13.2	2.5	0.0	28.9
Income from continuing operations	44.1	2.1	10.7	35.0	5.9	(53.2)	44.6
Discontinued operations	0.0	0.0	(0.2)	0.1	0.0	0.0	(0.1)
Noncontrolling interests	0.0	0.0	0.0	0.0	0.4	0.0	0.4
Net income attributable to Koppers	$44.1	$ 2.1	$ 10.5	$ 35.1	$ 5.5	$ (53.2)	$ 44.1
Comprehensive income attributable to Koppers	$54.6	$ 1.8	$ 18.8	$ 39.5	$ 5.7	$ (65.8)	$ 54.6

Condensed Consolidating Statement of Comprehensive Income
For the Year Ended December 31, 2009

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Foreign Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
Net sales	$ 0.0	$ 709.1	$ 33.0	$ 306.4	$ 79.3	$ (52.6)	$ 1,075.2
Cost of sales including depreciation and amortization	0.0	640.9	(3.7)	248.8	67.0	(28.8)	924.2
Selling, general and administrative	1.8	28.8	3.0	19.7	4.0	0.0	57.3
Operating profit (loss)	(1.8)	39.4	33.7	37.9	8.3	(23.8)	93.7
Other income (expense)	40.2	0.5	(0.3)	0.9	(1.3)	(40.2)	(0.2)
Interest expense (income)	31.1	28.5	0.0	4.2	(0.1)	(5.0)	58.7
Income taxes	(11.5)	2.0	11.0	9.7	2.2	0.0	13.4
Income from continuing operations	18.8	9.4	22.4	24.9	4.9	(59.0)	21.4
Discontinued operations	0.0	(0.3)	0.0	0.3	0.0	0.0	0.0
Noncontrolling interests	0.0	0.0	0.0	0.0	2.6	0.0	2.6
Net income attributable to Koppers	$ 18.8	$ 9.1	$ 22.4	$ 25.2	$ 2.3	$ (59.0)	$ 18.8
Comprehensive income attributable to Koppers	$ 43.5	$ 12.2	$ 35.0	$ 39.1	$ 1.4	$ (87.7)	$ 43.5

Condensed Consolidating Balance Sheet
December 31, 2011

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Foreign Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
ASSETS							
Cash and cash equivalents	$ 0.0	$ 0.0	$ 0.0	$ 28.4	$ 25.7	$ 0.0	$ 54.1
Accounts receivable, net	5.5	112.6	283.5	70.7	54.1	(354.9)	171.5
Inventories, net	0.0	74.8	0.0	49.0	35.2	0.0	159.0
Deferred tax assets	0.0	10.7	(1.5)	0.0	0.1	0.0	9.3
Other current assets	0.0	6.8	0.3	8.7	17.7	0.0	33.5
Total current assets	5.5	204.9	282.3	156.8	132.8	(354.9)	427.4
Equity investments	93.9	77.1	26.3	19.3	13.5	(225.2)	4.9
Property, plant and equipment, net	0.0	102.0	0.0	26.5	27.1	0.0	155.6
Goodwill	0.0	39.8	0.0	25.2	7.1	0.0	72.1
Deferred tax assets	0.0	43.7	(10.5)	12.1	(1.0)	0.0	44.3
Other noncurrent assets	0.0	18.4	131.2	15.7	40.9	(179.8)	26.4
Total assets	$99.4	$ 485.9	$ 429.3	$ 255.6	$ 220.4	$ (759.9)	$ 730.7
LIABILITIES AND EQUITY							
Accounts payable	$ 0.1	$ 344.5	$ 9.5	$ 28.6	$ 74.3	$ (354.9)	$ 102.1
Accrued liabilities	4.5	27.2	(0.9)	31.7	5.8	0.0	68.3
Total current liabilities	4.6	371.7	8.6	60.3	80.1	(354.9)	170.4
Long-term debt	0.0	400.8	0.0	62.7	18.5	(179.9)	302.1
Other long-term liabilities	0.0	116.5	2.5	19.9	12.1	0.0	151.0
Total liabilities	4.6	889.0	11.1	142.9	110.7	(534.8)	623.5
Koppers shareholders' equity	94.8	(403.1)	418.2	112.7	97.3	(225.1)	94.8
Noncontrolling interests	0.0	0.0	0.0	0.0	12.4	0.0	12.4
Total liabilities and equity	$99.4	$ 485.9	$ 429.3	$ 255.6	$ 220.4	$ (759.9)	$ 730.7

Condensed Consolidating Balance Sheet
December 31, 2010

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Foreign Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
ASSETS							
Cash and cash equivalents	$ 0.0	$ 8.4	$ 0.0	$ 14.7	$ 12.2	$ 0.0	$ 35.3
S-T investments & restricted cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable, net	16.6	80.3	457.4	81.3	67.2	(562.0)	140.8
Inventories, net	0.0	78.3	1.2	71.3	14.6	0.0	165.4
Deferred tax assets	0.0	7.4	(1.5)	0.0	0.0	0.0	5.9
Other current assets	0.0	6.9	0.3	8.8	7.0	0.0	23.0
Total current assets	16.6	181.3	457.4	176.1	101.0	(562.0)	370.4
Equity investments	76.7	77.1	26.2	19.4	13.7	(208.4)	4.7
Property, plant and equipment, net	0.0	94.7	0.0	46.9	26.6	0.0	168.2
Goodwill	0.0	39.5	0.0	25.4	7.2	0.0	72.1
Deferred tax assets	0.0	65.4	(43.8)	5.3	(0.8)	0.0	26.1
Other noncurrent assets	0.0	21.6	0.0	0.9	5.1	0.1	27.7
Total assets	$93.3	$ 479.6	$ 439.8	$ 274.0	$ 152.8	$ (770.3)	$ 669.2
LIABILITIES AND EQUITY							
Accounts payable	$ 0.0	$ 492.5	$ 11.8	$ 95.9	$ 49.7	$ (562.0)	$ 87.9
Accrued liabilities	4.6	(6.3)	34.8	20.4	7.0	0.0	60.5
Short-term debt and current portion of long-term debt	0.0	0.1	0.0	0.0	0.9	0.0	1.0
Total current liabilities	4.6	486.3	46.6	116.3	57.6	(562.0)	149.4
Long-term debt	0.0	295.4	0.0	0.0	0.0	0.0	295.4
Other long-term liabilities	0.0	99.6	2.9	13.3	8.7	0.0	124.5
Total liabilities	4.6	881.3	49.5	129.6	66.3	(562.0)	569.3
Koppers shareholders' equity	88.7	(401.7)	390.3	144.4	75.3	(208.3)	88.7
Noncontrolling interests	0.0	0.0	0.0	0.0	11.2	0.0	11.2
Total liabilities and equity	$93.3	$ 479.6	$ 439.8	$ 274.0	$ 152.8	$ (770.3)	$ 669.2

Condensed Consolidating Statement of Cash Flows
For the Year Ended December 31, 2011

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Foreign Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Cash provided by (used in) operating activities	$ 18.1	$ 9.5	$ 0.0	$ 20.5	$ 28.8	$ 0.0	$ 76.9
Cash provided by (used in) investing activities:							
Capital expenditures and acquisitions	0.0	(24.5)	0.0	(6.2)	(3.1)	0.0	(33.8)
Loan to related party	0.0	0.0	0.0	0.0	(11.7)	0.0	(11.7)
Net cash proceeds (payments) from divestitures and asset sales	0.0	0.7	0.0	0.1	0.0	0.0	0.8
Net cash (used in) investing activities	0.0	(23.8)	0.0	(6.1)	(14.8)	0.0	(44.7)
Cash provided by (used in) financing activities:							
Borrowings (repayments) of long-term debt	0.0	6.3	0.0	0.0	(0.9)	0.0	5.4
Deferred financing costs	0.0	(0.5)	0.0	0.0	0.0	0.0	(0.5)
Dividends paid	(18.1)	0.0	0.0	0.0	(0.1)	0.0	(18.2)
Net cash provided by (used in) financing activities	(18.1)	5.8	0.0	0.0	(1.0)	0.0	(13.3)
Effect of exchange rates on cash	0.0	0.1	0.0	(0.7)	0.5	0.0	(0.1)
Net increase (decrease) in cash and cash equivalents	0.0	(8.4)	0.0	13.7	13.5	0.0	18.8
Cash and cash equivalents at beginning of year	0.0	8.4	0.0	14.7	12.2	0.0	35.3
Cash and cash equivalents at end of period	$ 0.0	$ 0.0	$ 0.0	$ 28.4	$ 25.7	$ 0.0	$ 54.1

Condensed Consolidating Statement of Cash Flows
For the Year Ended December 31, 2010

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Foreign Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Cash provided by (used in) operating activities	$ 18.7	$ 75.2	$ 0.0	$ (15.3)	$ 31.2	$ (4.5)	$ 105.3
Cash provided by (used in) investing activities:							
Capital expenditures and acquisitions	0.0	(35.0)	0.0	(7.0)	(23.4)	0.0	(65.4)
Net cash proceeds (payments) from divestitures and asset sales	0.0	0.2	0.0	1.7	0.1	0.0	2.0
Net cash (used in) investing activities	0.0	(34.8)	0.0	(5.3)	(23.3)	0.0	(63.4)
Cash provided by (used in) financing activities:							
Borrowings (repayments) of long-term debt	0.0	(40.2)	0.0	0.0	0.0	0.0	(40.2)
Deferred financing costs	0.0	(0.4)	0.0	0.0	0.0	0.0	(0.4)
Dividends paid	(18.1)	(4.5)	0.0	0.0	(5.0)	4.5	(23.1)
Stock issued (repurchased)	(0.8)	0.2	0.0	0.0	0.0	0.0	(0.6)
Net cash provided by (used in) financing activities	(18.9)	(44.9)	0.0	0.0	(5.0)	4.5	(64.3)
Effect of exchange rates on cash	0.0	0.0	0.0	(1.6)	0.9	0.0	(0.7)
Net increase (decrease) in cash and cash equivalents	(0.2)	(4.5)	0.0	(22.2)	3.8	0.0	(23.1)
Cash and cash equivalents at beginning of year	0.2	12.9	0.0	36.9	8.4	0.0	58.4
Cash and cash equivalents at end of period	$ 0.0	$ 8.4	$ 0.0	$ 14.7	$ 12.2	$ 0.0	$ 35.3

Condensed Consolidating Statement of Cash Flows
For the Year Ended December 31, 2009

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Foreign Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
Cash provided by (used in) operating activities	$ 231.8	$ 90.7	$ 0.0	$ 19.5	$ 3.0	$ (232.7)	$ 112.3
Cash provided by (used in) investing activities:							
Capital expenditures and acquisitions	0.0	(15.0)	0.0	(3.7)	(1.5)	0.0	(20.2)
Net cash proceeds (payments) from divestitures and asset sales	0.0	(0.7)	0.0	0.1	0.0	0.0	(0.6)
Net cash (used in) investing activities	0.0	(15.7)	0.0	(3.6)	(1.5)	0.0	(20.8)
Cash provided by (used in) financing activities:							
Borrowings (repayments) of long-term debt	(213.6)	142.8	0.0	0.0	0.0	0.0	(70.8)
Deferred financing costs	0.0	(8.1)	0.0	0.0	0.0	0.0	(8.1)
Dividends paid	(18.0)	(232.7)	0.0	0.0	0.0	232.7	(18.0)
Net cash provided by (used in) financing activities	(231.6)	(98.0)	0.0	0.0	0.0	232.7	(96.9)
Effect of exchange rates on cash	0.0	(1.6)	0.0	2.3	0.0	0.0	0.7
Net increase (decrease) in cash and cash equivalents	0.2	(24.6)	0.0	18.2	1.5	0.0	(4.7)
Cash and cash equivalents at beginning of year	0.0	37.5	0.0	18.7	6.9	0.0	63.1
Cash and cash equivalents at end of period	$ 0.2	$ 12.9	$ 0.0	$ 36.9	$ 8.4	$ 0.0	$ 58.4

KOPPERS HOLDINGS INC.
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
For the Years Ended December 31, 2011, 2010 and 2009

(Dollars in millions)	*Balance at Beginning of Year*	*Increase (Decrease) to Expense*	*Net (Write-Offs) Recoveries*	*Currency Translation*	*Balance at End of Year*
2011					
Allowance for doubtful accounts	$ 0.1	$ 0.3	$ (0.1)	$ 0.0	$ 0.3
Inventory obsolescence reserves	$ 2.1	$ 4.2	$ (4.9)	$ 0.0	$ 1.4
Deferred tax valuation allowance	$ 11.4	$ (1.2)	$ 0.0	$ 0.0	$ 10.2
2010					
Allowance for doubtful accounts	$ 0.5	$ (0.3)	$ 0.0	$ (0.1)	$ 0.1
Inventory obsolescence reserves	$ 3.9	$ (1.7)	$ 0.0	$ (0.1)	$ 2.1
Deferred tax valuation allowance	$ 11.2	$ 0.2	$ 0.0	$ 0.0	$ 11.4
2009					
Allowance for doubtful accounts	$ 0.5	$ 0.0	$ (0.1)	$ 0.1	$ 0.5
Inventory obsolescence reserves	$ 1.5	$ 2.3	$ (0.2)	$ 0.1	$ 3.9
Deferred tax valuation allowance	$ 8.2	$ 3.0	$ 0.0	$ 0.0	$ 11.2

PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

KOPPERS HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three Months Ended March 31,			
		2012		2011
(Dollars in millions, except per share amounts)	(Unaudited)			
Net sales	$	380.9	$	341.5
Cost of sales (excluding items below)		326.9		296.1
Depreciation and amortization		6.8		6.4
Selling, general and administrative expenses		18.0		17.7
Operating profit		29.2		21.3
Other income		0.7		0.0
Interest expense		6.9		6.9
Income before income taxes		23.0		14.4
Income taxes		7.2		5.2
Income from continuing operations		15.8		9.2
Income (loss) from discontinued operations, net of tax (expense) benefit of $(0.1) and $0.2		0.1		(0.2)
Net income		15.9		9.0
Net income attributable to noncontrolling interests		0.3		0.1
Net income attributable to Koppers	$	15.6	$	8.9
Earnings per common share attributable to Koppers common shareholders:				
Basic –				
Continuing operations	$	0.74	$	0.44
Discontinued operations		0.01		(0.01)
Earnings per basic common share	$	0.75	$	0.43
Diluted –				
Continuing operations	$	0.74	$	0.44
Discontinued operations		0.01		(0.01)
Earnings per diluted common share	$	0.75	$	0.43
Comprehensive income	$	22.6	$	16.8
Comprehensive income attributable to noncontrolling interests		0.3		0.2
Comprehensive income attributable to Koppers	$	22.3	$	16.6
Weighted average shares outstanding *(in thousands):*				
Basic		20,669		20,588
Diluted		20,903		20,724
Dividends declared per common share	$	0.24	$	0.22

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

KOPPERS HOLDINGS INC.
CONDENSED CONSOLIDATED BALANCE SHEET

(Dollars in millions, except per share amounts)	*March 31, 2012* *(Unaudited)*	*December 31, 2011*
Assets		
Cash and cash equivalents	$ 42.6	$ 54.1
Accounts receivable, net of allowance of $0.2 and $0.3	191.2	160.9
Income tax receivable	1.2	10.6
Inventories, net	178.2	159.0
Deferred tax assets	9.6	9.3
Loan to related party	11.7	11.7
Other current assets	20.2	21.8
Total current assets	454.7	427.4
Equity in non-consolidated investments	5.4	4.9
Property, plant and equipment, net	153.7	155.6
Goodwill	73.0	72.1
Deferred tax assets	41.5	44.3
Other assets	25.8	26.4
Total assets	$ 754.1	$ 730.7
Liabilities		
Accounts payable	$ 96.6	$ 102.1
Accrued liabilities	60.9	63.1
Dividends payable	5.6	5.2
Total current liabilities	163.1	170.4
Long-term debt	314.3	302.1
Accrued postretirement benefits	104.8	104.1
Other long-term liabilities	46.7	46.9
Total liabilities	628.9	623.5
Commitments and contingent liabilities (Note 16)		
Equity		
Senior Convertible Preferred Stock, $0.01 par value per share; 10,000,000 shares authorized; no shares issued	0.0	0.0
Common Stock, $0.01 par value per share; 40,000,000 shares authorized; 21,505,028 and 21,309,210 shares issued	0.2	0.2
Additional paid-in capital	145.1	142.9
Retained earnings	17.2	6.7
Accumulated other comprehensive loss	(23.5)	(30.2)
Treasury stock, at cost, 750,613 and 706,161 shares	(26.5)	(24.8)
Total Koppers shareholders' equity	112.5	94.8
Noncontrolling interests	12.7	12.4
Total equity	125.2	107.2
Total liabilities and equity	$ 754.1	$ 730.7

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

KOPPERS HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Three Months Ended March 31,	
	2012	*2011*
(Dollars in millions)	*(Unaudited)*	
Cash provided by (used in) operating activities:		
Net income	$ 15.9	$ 9.0
Adjustments to reconcile net cash provided by operating activities:		
Depreciation and amortization	6.8	6.8
Deferred income taxes	2.0	0.2
Equity income, net of dividends received	(0.5)	0.0
Change in other liabilities	2.4	1.2
Non-cash interest expense	0.4	0.4
Stock-based compensation	1.5	0.8
Other	0.2	0.0
(Increase) decrease in working capital:		
Accounts receivable	(28.5)	(39.8)
Inventories	(16.7)	(5.6)
Accounts payable	(6.5)	11.5
Accrued liabilities and other working capital	7.2	6.0
Net cash used in operating activities	(15.8)	(9.5)
Cash provided by (used in) investing activities:		
Capital expenditures	(3.4)	(4.4)
Acquisitions, net of cash acquired	0.0	(0.6)
Net cash proceeds from divestitures and asset sales	0.2	0.0
Net cash used in investing activities	(3.2)	(5.0)
Cash provided by (used in) financing activities:		
Borrowings of revolving credit	98.1	76.1
Repayments of revolving credit	(86.0)	(51.6)
Repayments of long-term debt	0.0	(0.9)
Issuances of Common Stock	0.6	0.2
Repurchases of Common Stock	(1.7)	(0.2)
Payment of deferred financing costs	0.0	(0.5)
Dividends paid	(4.5)	(4.5)
Net cash provided by financing activities	6.5	18.6
Effect of exchange rate changes on cash	1.0	1.1
Net increase (decrease) in cash and cash equivalents	(11.5)	5.2
Cash and cash equivalents at beginning of year	54.1	35.3
Cash and cash equivalents at end of period	$ 42.6	$ 40.5

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

1. Basis of Presentation and New Accounting Standards

The accompanying unaudited condensed consolidated financial statements and related disclosures have been prepared in accordance with accounting principles generally accepted in the United States applicable to interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation of Koppers Holdings Inc.'s and its subsidiaries' ("Koppers", "Koppers Holdings" or the "Company") financial position and interim results as of and for the periods presented have been included. All such adjustments are of a normal recurring nature unless disclosed otherwise. Because the Company's business is seasonal, results for interim periods are not necessarily indicative of those that may be expected for a full year. The Condensed Consolidated Balance Sheet for December 31, 2011 has been summarized from the audited balance sheet contained in the Annual Report on Form 10-K for the year ended December 31, 2011.

The financial information included herein should be read in conjunction with the Company's audited consolidated financial statements and related notes included in its Annual Report on Form 10-K for the year ended December 31, 2011.

In June 2011, the FASB issued Accounting Standards Update No. 2011-05, *Comprehensive Income (Topic 220): Presentation of Comprehensive Income* (ASU 2011-05). The amendments in ASU 2011-05 require entities to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. ASU 2011-05 is effective for interim and annual periods beginning after December 15, 2011.

2. Dividends

On May 3, 2012, the Company's board of directors declared a quarterly dividend of 24 cents per common share, payable on July 9, 2012 to shareholders of record as of May 15, 2012.

3. Discontinued operations

In December 2011, the Company ceased manufacturing operations at its carbon black facility located in Kurnell, Australia. This business was reclassified to discontinued operations in the first quarter of 2012 as run-off activities were completed. This decision was made as a result of deteriorating business conditions including raw material availability and cost, competition in the export markets due to the strength of the Australian dollar and a variety of other factors. The costs related to this closure totaled $41.0 million in the fourth quarter of 2011, of which $20.8 million was recorded as a component of cost of sales and $20.2 million was recorded as a component of depreciation and amortization. The Company estimates that total future closure costs related to this facility will be approximately $1.6 million. The closure is expected to be completed by 2014. The facility is part of the Carbon Materials & Chemicals segment.

Details of the restructuring activities and related reserves for 2012 are as follows:

(Dollars in millions)	*Severance and employee benefits*	*Environmental remediation*	*Inventory writedowns*	*Site demolition*	*Other*	*Total*
Reserve at December 31, 2011	$ 1.8	$ 6.7	$ 0.0	$ 6.2	$ 1.2	$15.9
Charges	0.0	0.0	0.3	0.0	0.0	0.3
Costs charged against assets	0.0	0.0	(0.3)	0.0	0.0	(0.3)
Reversals	(0.1)	0.0	0.0	0.0	0.0	(0.1)
Cash paid	(0.9)	0.0	0.0	0.0	(0.2)	(1.1)
Currency translation	0.0	0.2	0.0	0.2	0.0	0.4
Reserve at March 31, 2012	$ 0.8	$ 6.9	$ 0.0	$ 6.4	$ 1.0	$15.1

Net sales and operating profit from discontinued operations for the three months ended March 31, 2012 and 2011 consist of the following amounts:

	Three Months Ended March 31,	
	2012	*2011*
Net sales	$ 5.1	$ 17.6
Operating profit	0.3	(0.5)

4. Fair Value Measurements

Carrying amounts and the related estimated fair values of the Company's financial instruments as of March 31, 2012 and December 31, 2011 are as follows:

	March 31, 2012		*December 31, 2011*	
(Dollars in millions)	*Fair Value*	*Carrying Value*	*Fair Value*	*Carrying Value*
Financial assets:				
Cash and cash equivalents, including restricted cash	$ 42.6	$ 42.6	$ 54.1	$ 54.1
Investments and other assets[(a)]	1.3	1.3	1.3	1.3
Financial liabilities:				
Long-term debt (including current portion)	$ 340.3	$ 314.3	$ 324.4	$ 302.1

(a) Excludes equity method investments.

Cash and cash equivalents – The carrying amount approximates fair value because of the short maturity of those instruments.

Investments and other assets – Represents the broker-quoted cash surrender value on universal life insurance policies. This asset is classified as Level 2 in the valuation hierarchy and is measured from values received from financial institutions.

Debt – The fair value of the Company's long-term debt is estimated based on the market prices for the same or similar issues or on the current rates offered to the Company for debt of the same remaining maturities (Level 2). The fair values of the revolving credit facility approximate carrying value due to the variable rate nature of these instruments.

5. Comprehensive Income and Equity

Total comprehensive income for the three months ended March 31, 2012 and 2011 is summarized in the table below:

	Three Months Ended March 31,	
(Dollars in millions)	*2012*	*2011*
Net income	$ 15.9	$ 9.0
Other comprehensive income (loss):		
Change in currency translation adjustment	5.5	6.9
Change in unrecognized pension net loss, net of tax	1.3	0.9
Change in unrecognized transition asset, net of tax	(0.1)	0.0
Total comprehensive income	22.6	16.8
Less: comprehensive income attributable to noncontrolling interests	0.3	0.2
Comprehensive income attributable to Koppers	$ 22.3	$ 16.6

The following tables present the change in equity for the three months ended March 31, 2012 and 2011, respectively:

(Dollars in millions)	*Total Koppers Shareholders' Equity'*	*Noncontrolling Interests*	*Total Equity*
Balance at December 31, 2011	$ 94.8	$ 12.4	$ 107.2
Net income	15.6	0.3	15.9
Issuance of common stock	0.6	0.0	0.6
Employee stock plans	1.6	0.0	1.6
Other comprehensive income	6.7	0.0	6.7
Dividends	(5.1)	0.0	(5.1)
Repurchases of common stock	(1.7)	0.0	(1.7)
Balance at March 31, 2012	$ 112.5	$ 12.7	$ 125.2

(Dollars in millions)	*Total Koppers Shareholders' Equity'*	*Noncontrolling Interests*	*Total Equity*
Balance at December 31, 2010	$ 88.7	$ 11.2	$ 99.9
Net income	8.9	0.1	9.0
Issuance of common stock	0.2	0.0	0.2
Employee stock plans	0.9	0.0	0.9
Other comprehensive income	7.7	0.1	7.8
Dividends	(4.6)	0.0	(4.6)
Repurchases of common stock	(0.2)	0.0	(0.2)
Balance at March 31, 2011	$ 101.6	$ 11.4	$ 113.0

6. Earnings per Common Share

The computation of basic earnings per common share for the periods presented is based upon the weighted average number of common shares outstanding during the periods. The computation of diluted earnings per common share includes the effect of non-vested nonqualified stock options and restricted stock units assuming such options and stock units were outstanding common shares at the beginning of the period. The effect of antidilutive securities is excluded from the computation of diluted earnings per common share.

The following table sets forth the computation of basic and diluted earnings per common share:

	Three Months Ended March 31,	
	2012	*2011*
(Dollars in millions, except share amounts, in thousands, and per share amounts)		
Net income attributable to Koppers	$ 15.6	$ 8.9
Less: Income (loss) from discontinued operations	0.1	$ (0.2)
Income from continuing operations attributable to Koppers	$ 15.5	$ 9.1
Weighted average common shares outstanding:		
Basic	20,669	20,588
Effect of dilutive securities	234	136
Diluted	20,903	20,724
Earnings per common share – continuing operations:		
Basic earnings per common share	$ 0.74	$ 0.44
Diluted earnings per common share	0.74	0.44
Other data:		
Antidilutive securities excluded from computation of diluted earnings per common share	181	95

7. Stock-based Compensation

The amended and restated 2005 Long-Term Incentive Plan (the "LTIP") provides for the grant to eligible persons of stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance awards, dividend equivalents and other stock-based awards, which are collectively referred to as the awards.

Under the LTIP, the board of directors granted restricted stock units and performance stock units to certain employee participants (collectively, the "stock units") each year starting in 2007. The restricted stock units vest on the third anniversary of the grant date, assuming continued employment by the participant. Performance stock units granted in 2011 and 2010 each have a two-year performance objective. Performance stock units granted in 2012 have a three-year performance objective. Regardless of whether the measurement period for the applicable performance objective is two or three years, all performance stock units have a three-year period for vesting (if the applicable performance objective is obtained). The applicable performance objective is based upon a multi-year cumulative value creation calculation commencing on the first day of each grant year. The number of performance stock units granted represents the target award and participants have the ability to earn between zero and 150 percent of the target award based upon actual performance. If minimum performance criteria are not achieved, no performance stock units will vest. The performance stock units originally awarded in 2009 vested at 59.5 percent of target in February 2012. The performance stock units originally awarded in 2010 achieved a performance outcome of 128.2 percent of target and will vest in 2013, assuming continued service by the participants.

Dividends declared on the Company's common stock during the restriction period of the stock units are credited at equivalent value as additional stock units and become payable as additional common shares upon vesting. In the event of termination of employment, other than retirement, death or disability, any non-vested stock units are forfeited, including additional stock units credited from dividends. In the event of termination of employment due to retirement, death or disability, pro-rata vesting of the stock units over the service period will result. There are special vesting provisions for the stock units related to a change in control.

Restricted stock units that vest immediately or have one-year vesting periods are also issued under the LTIP to members of the board of directors in connection with annual director compensation and, from time to time, are issued to members of management in connection with employee compensation.

Compensation expense for non-vested stock units is recorded over the vesting period based on the fair value at the date of grant. The fair value of stock units is the market price of the underlying common stock on the date of grant.

The following table shows a summary of the performance stock units with uncompleted performance periods as of March 31, 2012:

Performance Period	*Minimum Shares*	*Target Shares*	*Maximum Shares*
2011 – 2012	0	88,010	132,015
2012 – 2014	0	104,598	156,897

The following table shows a summary of the status and activity of non-vested stock awards for the three months ended March 31, 2012:

	Restricted Stock Units	*Performance Stock Units*	*Total Stock Units*	*Weighted Average Grant Date Fair Value per Unit*
Non-vested at January 1, 2012	156,665	297,715	454,380	$ 26.43
Granted	52,046	104,598	156,644	$ 38.21
Credited from dividends	3,358	7,072	10,430	$ 35.74
Performance stock unit adjustment	0	(40,112)	(40,112)	$ 10.68
Vested	(69,243)	(87,013)	(156,256)	$ 16.42
Forfeited	(1,022)	(1,523)	(2,545)	$ 36.43
Non-vested at March 31, 2012	141,804	280,737	422,541	$ 36.16

Stock options to executive officers vest and become exercisable upon the completion of a three-year service period commencing on the grant date. The stock options have a term of 10 years. In the event of termination of employment, other than retirement, death or disability, any non-vested options are forfeited. In the event of termination of employment due to retirement, death or disability, pro-rata vesting of the options over the service period will result. There are special vesting provisions for the stock options related to a change in control.

In accordance with accounting standards, compensation expense for non-vested stock options is recorded over the vesting period based on the fair value at the date of grant. The fair value of stock options on the date of grant is calculated using the Black-Scholes-Merton model and the assumptions listed below:

	February 2012 Grant	*February 2011 Grant*	*August 2010 Grant*	*February 2010 Grant*
Grant date price per share of option award	$ 38.21	$ 40.26	$ 20.00	$ 28.10
Expected dividend yield per share	2.75%	2.50%	2.50%	2.50%
Expected life in years	6.5	6.5	6.5	6.5
Expected volatility	55.06%	60.00%	62.00%	62.00%
Risk-free interest rate	1.34%	3.02%	3.05%	3.05%
Grant date fair value per share of option awards	$ 15.82	$ 19.28	$ 9.82	$ 13.81

The dividend yield is based on the Company's current and prospective dividend rate which calculates a continuous dividend yield based upon the market price of the underlying common stock. The expected life in years is based on the simplified method permitted under Securities and Exchange Commission Staff Accounting Bulletin No. 14d.2 which calculates the average of the weighted vesting term and the contractual term of the option. This method was selected due to the lack of historical exercise data with respect to the Company. Expected volatility is based on the historical volatility of the Company's common stock and the historical volatility of certain other similar public companies. The risk-free interest rate is based on U.S. Treasury bill rates for the expected life of the option.

The following table shows a summary of the status and activity of stock options for the three months ended March 31, 2012:

	Options	*Weighted Average Exercise Price per Option*	*Weighted Average Remaining Contractual Term (in years)*	*Aggregate Intrinsic Value (in millions)*
Outstanding at January 1, 2012	353,452	$ 27.65		
Granted	95,899	$ 38.21		
Exercised	(39,562)	$ 15.26		
Outstanding at March 31, 2012	409,789	$ 31.32	7.71	$ 3.2
Exercisable at March 31, 2012	183,419	$25.39	6.04	$2.5

Total stock-based compensation expense recognized for the three months ended March 31, 2012 and 2011 is as follows:

	Three Months Ended March 31,	
(Dollars in millions)	*2012*	*2011*
Stock-based compensation expense recognized:		
Selling, general and administrative expenses	$ 1.5	$ 0.8
Less related income tax benefit	0.6	0.3
	$ 0.9	$ 0.5

As of March 31, 2012, total future compensation expense related to non-vested stock-based compensation arrangements totaled $13.5 million and the weighted-average period over which this cost is expected to be recognized is approximately 28 months.

8. Segment Information

The Company has two reportable segments: Carbon Materials & Chemicals and Railroad & Utility Products. The Company's reportable segments are business units that offer different products. The reportable segments are each managed separately because they manufacture and distribute distinct products with different production processes. The business units have been aggregated into two reportable segments since management believes the long-term financial performance of these business units is affected by similar economic conditions.

The Company's Carbon Materials & Chemicals segment is primarily a manufacturer of carbon pitch, naphthalene, phthalic anhydride, creosote and carbon black feedstock. Carbon pitch is a critical raw material used in the production of aluminum and for the production of steel in electric arc furnaces. Naphthalene is used for the production of phthalic anhydride and as a surfactant in the production of concrete. Phthalic anhydride is used in the production of plasticizers, polyester resins and alkyd paints. Creosote is used in the treatment of wood and carbon black feedstock is used in the production of carbon black.

The Company's Railroad & Utility Products segment sells treated and untreated wood products, manufactured products and services primarily to the railroad and public utility markets. Railroad products include procuring and treating items such as crossties, switch ties and various types of lumber used for railroad bridges and crossings and the manufacture of rail joint bars. Utility products include transmission and distribution poles and pilings.

The Company evaluates performance and determines resource allocations based on a number of factors, the primary measure being operating profit or loss from operations. Operating profit does not include equity in earnings of affiliates, other income, interest expense or income taxes. Operating profit also excludes the operating costs of Koppers Holdings Inc., the parent company of Koppers Inc. The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies. Intersegment transactions are eliminated in consolidation.

The following table sets forth certain sales and operating data, net of all intersegment transactions, for the Company's segments for the periods indicated:

	Three Months Ended March 31,	
(Dollars in millions)	*2012*	*2011*
Revenues from external customers:		
Carbon Materials & Chemicals	$ 249.5	$ 218.6
Railroad & Utility Products	131.4	122.9
Total	$ 380.9	$ 341.5
Intersegment revenues:		
Carbon Materials & Chemicals	$ 30.0	$ 27.5
Depreciation and amortization expense:		
Carbon Materials & Chemicals	$ 4.1	$ 4.3
Railroad & Utility Products	2.7	2.1
Total	$ 6.8	$ 6.4
Operating profit:		
Carbon Materials & Chemicals	$ 20.5	$ 14.1
Railroad & Utility Products	9.1	7.5
Corporate	(0.4)	(0.3)
Total	$ 29.2	$ 21.3

The following table sets forth certain tangible and intangible assets allocated to each of the Company's segments as of the dates indicated:

(Dollars in millions)	March 31, 2012	December 31, 2011
Segment assets:		
Carbon Materials & Chemicals	$ 510.2	$ 495.2
Railroad & Utility Products	185.1	164.6
All other	58.8	70.9
Total	$ 754.1	$ 730.7
Goodwill:		
Carbon Materials & Chemicals	$ 70.2	$ 69.4
Railroad & Utility Products	2.8	2.7
Total	$ 73.0	$ 72.1

9. Income Taxes

Effective Tax Rate

Income taxes as a percentage of pretax income was 32.8 percent and 36.3 percent for each of the three months ended March 31, 2012 and 2011, respectively, before discrete items. Discrete items included in income taxes for the three months ended March 31, 2012 consisted of a net tax benefit of $0.3 million due primarily to amended tax returns and deferred tax adjustments. There were no discrete items included in income taxes for the three months ended on March 31, 2011.

The effective tax rate for the three months ended on March 31, 2012 differs from the U.S. federal statutory rate of 35.0 percent due to the taxes on foreign earnings (-3.5 percent) and the domestic manufacturing deduction (-1.5 percent) partially offset by nondeductible expenses (+0.6 percent), state taxes (+1.4 percent) and uncertain tax positions (+0.8 percent). With respect to the three months ended on March 31, 2011, the effective tax rate differs from the federal statutory rate primarily due to nondeductible expenses (+0.6 percent), state taxes (+1.1 percent) and uncertain tax positions (+0.9 percent) partially offset by the domestic manufacturing deduction (-1.3 percent).

The income tax provision for interim periods is based on an estimated annual effective tax rate, which requires management to make its best estimate of annual pretax income by domestic and foreign jurisdictions and other items that impact taxable income. During the year, management regularly updates estimates based on changes in various factors such as product prices, shipments, product mix, operating and administrative costs, earnings mix by taxable jurisdiction, repatriation of foreign earnings, uncertain tax positions and the ability to claim tax credits. To the extent that actual results vary from the estimates at the end of the first quarter, the actual tax provision recognized for 2012 could be materially different from the forecasted annual tax provision as of the end of the first quarter.

Uncertain Tax Positions

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction, individual U.S. state jurisdictions and non-U.S. jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2005.

As of March 31, 2012 and December 31, 2011, the total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate, was approximately $7.3 million and $7.1 million, respectively. Unrecognized tax benefits totaled $10.1 million and $9.9 million as of March 31, 2012 and December 31, 2011, respectively. The Company recognizes interest expense and any related penalties from uncertain tax positions in income tax expense. As of March 31, 2012 and December 31, 2011 the Company had accrued approximately $1.0 million and $0.9 million for interest and penalties, respectively.

10. Inventories

Net inventories as of March 31, 2012 and December 31, 2011 are summarized in the table below:

(Dollars in millions)	*March 31, 2012*	*December 31, 2011*
Raw materials	$ 105.2	$ 91.5
Work in process	22.1	20.1
Finished goods	99.4	95.1
	226.7	206.7
Less revaluation to LIFO	48.5	47.7
Net	$ 178.2	$ 159.0

11. Property, Plant and Equipment

Property, plant and equipment as of March 31, 2012 and December 31, 2011 are summarized in the table below:

(Dollars in millions)	*March 31, 2012*	*December 31, 2011*
Land	$ 6.7	$ 6.6
Buildings	35.1	34.7
Machinery and equipment	599.3	593.5
	641.1	634.8
Less accumulated depreciation	487.4	479.2
Net	$ 153.7	$ 155.6

12. Pensions and Postretirement Benefit Plans

The Company and its subsidiaries maintain a number of defined benefit and defined contribution plans to provide retirement benefits for employees in the U.S., as well as employees outside the U.S. These plans are maintained and contributions are made in accordance with the Employee Retirement Income Security Act of 1974 (“ERISA”), local statutory law or as determined by the board of directors. The defined benefit pension plans generally provide benefits based upon years of service and compensation. Pension plans are funded except for three domestic non-qualified defined benefit pension plans for certain key executives.

All qualified defined benefit pension plans for salaried employees have been closed to new participants and a number of plans, including some plans for hourly employees, have been frozen. Accordingly, these pension plans no longer accrue additional years of service or recognize future increases in compensation for benefit purposes. In addition, a number of pension plans are subject to a “soft” freeze which precludes new employees from entering the defined benefit pension plans.

The defined contribution plans generally provide retirement assets to employee participants based upon employer and employee contributions to the participant’s individual investment account. The Company also provides retiree medical insurance coverage to certain U.S. employees and a life insurance benefit to most U.S. employees. For salaried employees, the retiree medical and retiree insurance plans have been closed to new participants.

The following table provides the components of net periodic benefit cost for the pension plans and other benefit plans for the three months ended March 31, 2012 and 2011:

	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011
(Dollars in millions)		
Service cost	$ 0.9	$ 0.8
Interest cost	2.8	2.9
Expected return on plan assets	(2.7)	(2.8)
Amortization of net loss	2.0	1.6
Amortization of transition asset	(0.1)	(0.1)
Net periodic benefit cost for defined benefit plans	$ 2.9	$ 2.4
Defined contribution plan expense	$ 1.5	$ 1.5
Other postretirement benefit plan expense	0.2	0.2
Multi-employer pension plan expense	0.2	0.2

13. Debt

Debt at March 31, 2012 and December 31, 2011 was as follows:

	Weighted Average Interest Rate	Maturity	March 31, 2012	December 31, 2011
(Dollars in millions)				
Revolving Credit Facility	3.41%	2015	$ 18.5	$ 6.4
Senior Notes	7 7/8%	2019	295.8	295.7
Total debt			314.3	302.1
Less short term debt and current maturities of long-term debt			0.0	0.0
Long-term debt			$ 314.3	$ 302.1

Revolving Credit Facility

The Koppers Inc. revolving credit facility agreement provides for a revolving credit facility of up to $300.0 million at variable rates. Borrowings under the revolving credit facility are secured by a first priority lien on substantially all of the assets of Koppers Inc. and its material domestic subsidiaries. The revolving credit facility contains certain covenants for Koppers Inc. and its restricted subsidiaries that limit capital expenditures, additional indebtedness, liens, dividends, investments or acquisitions. In addition, such covenants give rise to events of default upon the failure by Koppers Inc. and its restricted subsidiaries to meet certain financial ratios. Commitment fees totaled $0.3 million for each of the three months ended March 31, 2012 and 2011 and are charged to interest expense.

As of March 31, 2012, the Company had $263.6 million of unused revolving credit availability for working capital purposes after restrictions from certain letter of credit commitments and other covenants. As of March 31, 2012, $9.9 million of commitments were utilized by outstanding letters of credit.

Senior Notes

The Koppers Inc. 7 7/8 percent Senior Notes due 2019 (the “Senior Notes”) were issued on December 1, 2009 at an offering price of 98.311 percent of face value, or $294.9 million and have a principal amount at maturity of $300.0 million. The Senior Notes have an effective interest rate yield of 8 1/8 percent per annum. The Senior Notes are unsecured senior obligations that are fully and unconditionally guaranteed by Koppers Holdings and certain of Koppers Inc.’s wholly-owned domestic subsidiaries. The Senior Notes are structurally subordinated to indebtedness under the revolving credit facility.

Interest on the Senior Notes is payable semiannually on December 1 and June 1 each year. On or after December 1, 2014, the Company is entitled to redeem all or a portion of the Senior Notes at a redemption price of 103.938 percent of principal value, declining annually in ratable amounts until the redemption price is equivalent to the principal value on December 1, 2017.

The indenture governing the Senior Notes includes customary covenants that restrict, among other things, the ability of Koppers Inc. and its restricted subsidiaries to incur additional debt, pay dividends or make certain other restricted payments, incur liens, merge or sell all or substantially all of the assets of Koppers Inc. or its subsidiaries or enter into various transactions with affiliates.

14. Asset Retirement Obligations

The Company recognizes asset retirement obligations for the removal and disposal of residues; dismantling of certain tanks required by governmental authorities; cleaning and dismantling costs for owned rail cars; and cleaning costs for leased rail cars and barges. The following table reflects changes in the carrying values of asset retirement obligations:

(Dollars in millions)	*March 31, 2012*	*December 31, 2011*
Balance at beginning of year	$ 21.3	$ 17.0
Accretion expense	0.2	1.1
Revision in estimated cash flows, net	0.1	6.3
Expenses incurred	(0.4)	(3.1)
Currency translation	0.2	0.0
Balance at end of period	$ 21.4	$ 21.3

15. Deferred Revenue from Extended Product Warranty Liabilities

The Company defers revenues associated with extended product warranty liabilities based on historical loss experience and sales of extended warranties on certain products. The following table reflects changes in the carrying values of deferred revenue:

(Dollars in millions)	*March 31, 2012*	*December 31, 2011*
Balance at beginning of year	$ 4.8	$ 5.7
Revenue earned	(0.2)	(0.9)
Balance at end of period	$ 4.6	$ 4.8

16. Commitments and Contingent Liabilities

The Company and its subsidiaries are involved in litigation and various proceedings relating to environmental laws and regulations and toxic tort, product liability and other matters. Certain of these matters are discussed below. The ultimate resolution of these contingencies is subject to significant uncertainty and should the Company or its subsidiaries fail to prevail in any of these legal matters or should several of these legal matters be resolved against the Company or its subsidiaries in the same reporting period, these legal matters could, individually or in the aggregate, be material to the consolidated financial statements.

Legal Proceedings

Coal Tar Pitch Cases. Koppers Inc., along with other defendants, is currently a defendant in lawsuits filed in four states in which the plaintiffs claim they suffered a variety of illnesses (including cancer) as a result of exposure to coal tar pitch sold by the defendants. There are approximately 131 plaintiffs in 74 cases pending as of March 31, 2012 as compared to 131 plaintiffs in 73 cases at December 31, 2011. As of March 31, 2012, there are a total of 67 cases pending in state court in Pennsylvania, four in Arkansas, and one case each pending in state courts in Tennessee, Indiana and Illinois.

The plaintiffs in all 74 pending cases seek to recover compensatory damages, while plaintiffs in 65 cases also seek to recover punitive damages. The plaintiffs in the 67 cases filed in Pennsylvania state court seek unspecified damages in excess of the court's minimum jurisdictional limit. The plaintiffs in the Arkansas state court cases each seek compensatory damages in excess of $50,000 in addition to punitive damages. The plaintiffs in the case filed in Indiana state court also seek damages in an unspecified amount. The plaintiffs in the Tennessee state court case each seek damages of $15.0 million. The plaintiff in the Illinois state court case seeks compensatory damages in excess of $50,000.

The other defendants in these lawsuits vary from case to case and include companies such as Beazer East, Inc., United States Steel Corporation, Honeywell International Inc., Vertellus Specialties Inc., Dow Chemical Company, Rust-Oleum Corporation, UCAR Carbon Company, Inc., Exxon Mobil Corporation, Chemtura Corporation, SGL Carbon Corporation, Alcoa, Inc., and PPG Industries, Inc. Discovery is proceeding in these cases. No trial dates have been set in any of these cases.

The Company has not provided a reserve for these lawsuits because, at this time, the Company cannot reasonably determine the probability of a loss, and the amount of loss, if any, cannot be reasonably estimated. The timing of resolution of these cases cannot be reasonably determined. Although Koppers Inc. is vigorously defending these cases, an unfavorable resolution of these matters may have a material adverse effect on the Company's business, financial condition, cash flows and results of operations.

Gainesville. Koppers Inc. operated a utility pole treatment plant in Gainesville from December 29, 1988 until its closure late in 2009. The property upon which the utility pole treatment plant was located was sold by Koppers Inc. to Beazer East, Inc. in the first quarter of 2010.

In November 2010, a class action complaint was filed in the Circuit Court of the Eighth Judicial Circuit located in Alachua County, Florida by residential real property owners located in a neighborhood west of and immediately adjacent to the former utility pole treatment plant in Gainesville. The complaint named Koppers Holdings Inc., Koppers Inc., Beazer East and several other parties as defendants. The complaint alleges that chemicals and dust from the plant have contaminated and impacted plaintiffs' properties by reducing the fair market value. The complaint seeks injunctive relief and compensatory damages for diminution in property values and for plaintiffs' loss of use and enjoyment of the properties.

The case was removed to the United States District Court for the Northern District of Florida in December 2010. Koppers Holdings Inc. filed a motion to dismiss alleging that the Court lacks personal jurisdiction over it. The Court has not yet ruled on Koppers Holdings Inc.'s motion to dismiss. The plaintiffs were granted leave to file a supplemental amended complaint which expands the boundaries of the "class affected area" from its original size. The Court recently granted the parties joint motion to stay the proceedings for 120 days so that the parties can explore the possibility of resolving the case. The Court has not yet scheduled a class certification hearing or trial.

The Company has not provided a reserve for this matter because, at this time, it cannot reasonably determine the probability of a loss, and the amount of loss, if any, cannot be reasonably estimated. The timing of resolution of this case cannot be reasonably determined. Although the Company is vigorously defending this case, an unfavorable resolution of this matter may have a material adverse effect on the Company's business, financial condition, cash flows and results of operations.

Environmental and Other Litigation Matters

The Company and its subsidiaries are subject to federal, state, local and foreign laws and regulations and potential liabilities relating to the protection of the environment and human health and safety including, among other things, the cleanup of contaminated sites, the treatment, storage and disposal of wastes, the discharge of effluent into waterways, the emission of substances into the air and various health and safety matters. The Company's subsidiaries expect to incur substantial costs for ongoing compliance with such laws and regulations. The Company's subsidiaries may also face governmental or third-party claims, or otherwise incur costs, relating to cleanup of, or for injuries resulting from, contamination at sites associated with past and present operations. The Company accrues for environmental liabilities when a determination can be made that a liability is probable and reasonably estimable.

Environmental and Other Liabilities Retained or Assumed by Others. The Company's subsidiaries have agreements with former owners of certain of their operating locations under which the former owners retained, assumed and/or agreed to indemnify such subsidiaries against certain environmental and other liabilities. The most significant of these agreements was entered into at Koppers Inc.'s formation on December 29, 1988 (the "Acquisition"). Under the related asset purchase agreement between

Koppers Inc. and Beazer East, subject to certain limitations, Beazer East retained the responsibility for and agreed to indemnify Koppers Inc. against certain liabilities, damages, losses and costs, including, with certain limited exceptions, liabilities under and costs to comply with environmental laws to the extent attributable to acts or omissions occurring prior to the Acquisition and liabilities related to products sold by Beazer East prior to the Acquisition (the "Indemnity"). Beazer Limited, the parent company of Beazer East, unconditionally guaranteed Beazer East's performance of the Indemnity pursuant to a guarantee (the "Guarantee"). In 1998, the parent company of Beazer East purchased an insurance policy under which the funding and risk of certain environmental and other liabilities relating to the former Koppers Company, Inc. operations of Beazer East (which includes locations purchased from Beazer East by Koppers Inc.) are underwritten by Centre Solutions (a member of the Zurich Group) and Swiss Re. Beazer East is a wholly-owned, indirect subsidiary of Heidelberg Cement AG.

The Indemnity provides different mechanisms, subject to certain limitations, by which Beazer East is obligated to indemnify Koppers Inc. with regard to certain environmental, product and other liabilities and imposes certain conditions on Koppers Inc. before receiving such indemnification, including, in some cases, certain limitations regarding the time period as to which claims for indemnification can be brought. In July 2004, Koppers Inc. and Beazer East agreed to amend the environmental indemnification provisions of the December 29, 1988 asset purchase agreement to extend the indemnification period for pre-closing environmental liabilities through July 2019. As consideration for the amendment, Koppers Inc. paid Beazer East a total of $7.0 million and agreed to share toxic tort litigation defense costs arising from any sites acquired from Beazer East. The July 2004 amendment did not change the provisions of the Indemnity with respect to indemnification for non-environmental claims, such as product liability claims, which claims may continue to be asserted after July 2019.

Qualified expenditures under the Indemnity are not subject to a monetary limit. Qualified expenditures under the Indemnity include (i) environmental cleanup liabilities required by third parties, such as investigation, remediation and closure costs, relating to pre-December 29, 1988, or Pre-Closing, acts or omissions of Beazer East or its predecessors; (ii) environmental claims by third parties for personal injuries, property damages and natural resources damages relating to Pre-Closing acts or omissions of Beazer East or its predecessors; (iii) punitive damages for the acts or omissions of Beazer East and its predecessors without regard to the date of the alleged conduct and (iv) product liability claims for products sold by Beazer East or its predecessors without regard to the date of the alleged conduct. If the third party claims described in sections (i) and (ii) above are not made by July 2019, Beazer East will not be required to pay the costs arising from such claims under the Indemnity. However, with respect to any such claims which are made by July 2019, Beazer East will continue to be responsible for such claims under the Indemnity beyond July 2019. The Indemnity provides for the resolution of issues between Koppers Inc. and Beazer East by an arbitrator on an expedited basis upon the request of either party. The arbitrator could be asked, among other things, to make a determination regarding the allocation of environmental responsibilities between Koppers Inc. and Beazer East. Arbitration decisions under the Indemnity are final and binding on the parties.

Contamination has been identified at most manufacturing and other sites of the Company's subsidiaries. Two sites currently owned and operated by Koppers Inc. in the United States are listed on the National Priorities List promulgated under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA"). Currently, at the properties acquired from Beazer East (which include all of the National Priorities List sites and all but one of the sites permitted under the Resource Conservation and Recovery Act ("RCRA")), a significant portion of all investigative, cleanup and closure activities are being conducted and paid for by Beazer East pursuant to the terms of the Indemnity. In addition, other of Koppers Inc.'s sites are or have been operated under RCRA and various other environmental permits, and remedial and closure activities are being conducted at some of these sites.

To date, the parties that retained, assumed and/or agreed to indemnify the Company against the liabilities referred to above, including Beazer East, have performed their obligations in all material respects. The Company believes that, for the last three years ended December 31, 2011, amounts paid by Beazer East as a result of its environmental remediation obligations under the Indemnity have averaged in total approximately $15 million per year. Periodically, issues have arisen between Koppers Inc. and Beazer East and/or other indemnitors that have been resolved without arbitration. Koppers Inc. and Beazer East engage in discussions from time to time that involve, among other things, the allocation of environmental costs related to certain operating and closed facilities.

If for any reason (including disputed coverage or financial incapability) one or more of such parties fail to perform their obligations and the Company or its subsidiaries are held liable for or otherwise required to pay all or part of such liabilities without reimbursement, the imposition of such liabilities on the Company or its subsidiaries could have a material adverse effect on its business, financial condition, cash flows and results of operations. Furthermore, the Company could be required to record a contingent liability on its balance sheet with respect to such matters, which could result in a negative impact to the Company's business, financial condition, cash flows and results of operations.

Domestic Environmental Matters. Koppers Inc. has been named as a potentially responsible party (a "PRP") at the Portland Harbor CERCLA site located on the Willamette River in Oregon. Koppers Inc. has replied to an EPA Information request and has executed a PRP agreement which outlines the process to develop an allocation of past and future costs. The current estimate for past costs incurred in the remedial investigation/feasibility study is approximately $100 million. Koppers Inc. currently operates a coal tar pitch terminal near the site. Koppers Inc. has accrued its estimated cost of participation in the PRP group. Separate from the EPA activities, a natural resources damages assessment is being conducted by a local trustee group. In September 2009, Koppers Inc. received a general notice letter notifying it that it may be a PRP at the Newark Bay CERCLA site. In January 2010, Koppers Inc. submitted a response to the general notice letter asserting that Koppers Inc. is a de minimus party at this site. Other than the estimated costs of participating in the PRP group at the Portland Harbor and Newark Bay CERCLA sites totaling $0.6 million at March 31, 2012, the Company has not provided a reserve for these matters because, at this time, it cannot reasonably determine the probability of a loss, and the amount of loss, if any, cannot be reasonably estimated. An unfavorable resolution of these matters may have a material adverse effect on the Company's business, financial condition, cash flows and results of operations.

At the request of the Illinois Environmental Protection Agency, Koppers Inc. conducted a voluntary investigation of soil and groundwater at its Stickney, Illinois carbon materials and chemicals facility. Koppers Inc. also conducted an investigation of soil and groundwater at a leased terminal site located adjacent to the Stickney facility. Koppers Inc. is conducting such investigations in cooperation with Beazer East. The Company's reserve for this matter was $0.3 million as of March 31, 2012.

Australian Environmental Matters. Soil and groundwater contamination has been detected at certain of the Company's Australian facilities. At the Company's tar distillation facility in Newcastle, New South Wales, Australia, soil contamination from an abandoned underground coal tar pipeline and other groundwater contamination have been detected at a property adjacent to the facility. In 2011, the Company and the owner of the adjacent property reached an agreement in which the Company will contribute $1.6 million and the owner of the adjacent property will contribute $7.5 million toward remediation of the property. The agreement provides that the Company will assume responsibility for the management of the remediation effort and will indemnify the current owner for any remediation costs in excess of its agreed contribution. At the completion of the remediation, the agreement provides that the property will be transferred to the Company. The remediation project commenced in the fourth quarter of 2011 and the Company has reserved its expected remaining remediation costs of $6.0 million and has recorded a receivable, net of cash collections, from the owner of the adjacent property of $4.2 million as of March 31, 2012.

In December 2011, the Company ceased manufacturing operations at its Continental Carbon facility located in Kurnell, Australia. This decision was made as a result of deteriorating business conditions including raw material availability and cost, competition in the export markets due to the strength of the Australian dollar and a variety of other factors. The Company has accrued its expected cost of site remediation resulting from the closure of $6.9 million as of March 31, 2012.

Other Australian environmental matters include soil and groundwater remediation at a number of current and former facilities in Australia. The Company has reserved $1.3 million for remediation costs at the remaining Australian sites.

Other Matters. On February 18, 2012, approximately 400 tons of liquid carbon pitch leaked from a storage tank at the Company's terminal facility in Portland, Victoria, Australia. All of the coal tar pitch was contained within the tank farm area and no release of material to water or soil occurred. Costs directly associated with the leak totaled $1.7 million for the three months ended March 31, 2012 and primarily consisted of inventory losses of $0.4 million, emergency response expenses of $0.5 million, incremental logistics expenses of $0.4 million and estimated material clean-up and removal expenses of $0.4 million. The Company has also received two claims for damages totaling less than $1.0 million from entities who allege that their businesses were adversely affected during the temporary closure of Portland's harbor. The Company has not provided a reserve for these claims because, at this time, it cannot reasonably determine the probability of a loss, and the amount of the loss, if any, cannot be reasonably estimated.

*Environmental Reserves Rollforward***.** The following table reflects changes in the accrued liability for environmental matters, of which $6.5 million and $8.1 million are classified as current liabilities at March 31, 2012 and December 31, 2011, respectively:

	Period ended March 31, 2012	Period ended December 31, 2011
(Dollars in millions)		
Balance at beginning of year	$ 17.7	$ 6.6
Expense	0.6	8.0
Reversal of reserves	(0.1)	(1.6)
Cash expenditures	(2.3)	(2.4)
Assumed remediation liability in exchange for cash	0.0	7.5
Currency translation	0.3	(0.4)
Balance at end of year	$ 16.2	$ 17.7

17. Subsidiary Guarantor Information for Koppers Inc. Senior Notes

On December 1, 2009, Koppers Inc. issued $300.0 million principal value of Senior Notes. Koppers Holdings and each of Koppers Inc.'s wholly-owned material domestic subsidiaries other than Koppers Assurance, Inc. fully and unconditionally guarantee the payment of principal and interest on the Senior Notes. The domestic guarantor subsidiaries include Koppers World-Wide Ventures Corporation, Koppers Delaware, Inc., Koppers Concrete Products, Inc., Concrete Partners, Inc., Koppers Ventures LLC and Koppers Asia LLC.

Separate condensed consolidating financial statement information for Koppers Holdings Inc. (the parent), Koppers Inc., the domestic guarantor subsidiaries and the non-guarantor subsidiaries as of March 31, 2012 and 2011 and for the three months ended March 31, 2012 and 2011 is as follows:

Condensed Consolidating Statement of Comprehensive Income
For the Three Months Ended March 31, 2012

	Parent	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
(Dollars in millions)						
Net sales	$ 0.0	$ 211.8	$ 22.4	$ 163.2	$ (16.5)	$ 380.9
Cost of sales including depreciation and amortization	0.0	189.4	16.3	143.0	(15.0)	333.7
Selling, general and administrative	0.4	10.5	0.4	6.7	0.0	18.0
Operating profit (loss)	(0.4)	11.9	5.7	13.5	(1.5)	29.2
Other income (expense)	15.9	0.0	0.3	0.4	(15.9)	0.7
Interest expense (income)	0.1	6.8	0.0	1.5	(1.5)	6.9
Income taxes	(0.2)	5.1	0.1	2.2	0.0	7.2
Income from continuing operations	15.6	0.0	5.9	10.2	(15.9)	15.8
Discontinued operations	0.0	(0.1)	0.0	0.2	0.0	0.1
Noncontrolling interests	0.0	0.0	0.0	0.3	0.0	0.3
Net income attributable to Koppers	$ 15.6	$ (0.1)	$ 5.9	$ 10.1	$ (15.9)	$ 15.6
Comprehensive income attributable to Koppers	$ 22.3	$ 1.1	$ 7.7	$ 13.8	$ (22.6)	$ 22.3

Condensed Consolidating Statement of Comprehensive Income
For the Three Months Ended March 31, 2011

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net sales	$ 0.0	$ 189.2	$ 18.9	$ 145.1	$ (11.7)	$ 341.5
Cost of sales including depreciation and amortization	0.0	175.9	13.5	123.3	(10.2)	302.5
Selling, general and administrative	0.3	9.6	0.5	7.3	0.0	17.7
Operating profit (loss)	(0.3)	3.7	4.9	14.5	(1.5)	21.3
Other income (expense)	9.0	0.0	0.0	0.0	(9.0)	0.0
Interest expense (income)	(0.1)	6.9	0.0	1.4	(1.3)	6.9
Income taxes	(0.1)	2.2	0.0	3.1	0.0	5.2
Income from continuing operations	8.9	(5.4)	4.9	10.0	(9.2)	9.2
Discontinued operations	0.0	0.1	0.0	(0.3)	0.0	(0.2)
Noncontrolling interests	0.0	0.0	0.0	0.1	0.0	0.1
Net income attributable to Koppers	$ 8.9	$ (5.3)	$ 4.9	$ 9.6	$ (9.2)	$ 8.9
Comprehensive income attributable to Koppers	$16.6	$ (4.4)	$ 5.8	$ 15.5	$ (16.9)	$ 16.6

Condensed Consolidating Balance Sheet
March 31, 2012

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
ASSETS						
Cash and cash equivalents	$ 0.0	$ 0.0	$ 0.0	$ 42.6	$ 0.0	$ 42.6
Accounts receivable, net	5.8	113.1	301.3	100.2	(328.0)	192.4
Inventories, net	0.0	99.0	0.0	79.3	(0.1)	178.2
Deferred tax assets	0.0	10.9	(1.5)	0.2	0.0	9.6
Other current assets	0.0	7.2	0.3	24.4	0.0	31.9
Total current assets	5.8	230.2	300.1	246.7	(328.1)	454.7
Equity investments	111.7	77.1	26.5	4.2	(214.1)	5.4
Property, plant and equipment, net	0.0	100.3	0.0	53.4	0.0	153.7
Goodwill	0.0	39.8	0.0	33.2	0.0	73.0
Deferred tax assets	0.0	41.2	(10.5)	10.8	0.0	41.5
Other noncurrent assets	0.0	17.7	126.9	44.0	(162.8)	25.8
Total assets	$117.5	$ 506.3	$ 443.0	$ 392.3	$ (705.0)	$ 754.1
LIABILITIES AND EQUITY						
Accounts payable	$ 0.1	$ 353.4	$ 15.3	$ 55.5	$ (327.7)	$ 96.6
Accrued liabilities	4.9	30.2	(0.9)	32.3	0.0	66.5
Total current liabilities	5.0	383.6	14.4	87.8	(327.7)	163.1
Long-term debt	0.0	413.0	0.0	64.5	(163.2)	314.3
Other long-term liabilities	0.0	116.6	2.5	32.4	0.0	151.5
Total liabilities	5.0	913.2	16.9	184.7	(490.9)	628.9
Koppers shareholders’ equity	112.5	(406.9)	426.1	194.9	(214.1)	112.5
Noncontrolling interests	0.0	0.0	0.0	12.7	0.0	12.7
Total liabilities and equity	$117.5	$ 506.3	$ 443.0	$ 392.3	$ (705.0)	$ 754.1

Condensed Consolidating Balance Sheet
December 31, 2011

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
ASSETS						
Cash and cash equivalents	$ 0.0	$ 0.0	$ 0.0	$ 54.1	$ 0.0	$ 54.1
Accounts receivable, net	5.5	112.6	284.0	79.2	(309.8)	171.5
Inventories, net	0.0	74.8	0.0	84.2	0.0	159.0
Deferred tax assets	0.0	10.7	(1.5)	0.1	0.0	9.3
Other current assets	0.0	6.8	0.3	26.4	0.0	33.5
Total current assets	5.5	204.9	282.8	244.0	(309.8)	427.4
Equity investments	93.9	77.1	26.3	3.9	(196.3)	4.9
Property, plant and equipment, net	0.0	102.0	0.0	53.6	0.0	155.6
Goodwill	0.0	39.8	0.0	32.3	0.0	72.1
Deferred tax assets	0.0	43.7	(10.5)	11.1	0.0	44.3
Other noncurrent assets	0.0	18.4	131.3	44.4	(167.7)	26.4
Total assets	$99.4	$ 485.9	$ 429.9	$ 389.3	$ (673.8)	$ 730.7
LIABILITIES AND EQUITY						
Accounts payable	$ 0.1	$ 344.5	$ 9.6	$ 57.5	$ (309.8)	$ 102.1
Accrued liabilities	4.5	27.2	(0.6)	37.4	0.0	68.3
Short-term debt and current portion of long-term debt	0.0	0.0	0.0	0.0	0.0	0.0
Total current liabilities	4.6	371.7	9.0	94.9	(309.8)	170.4
Long-term debt	0.0	400.8	0.0	69.0	(167.7)	302.1
Other long-term liabilities	0.0	116.5	2.5	32.0	0.0	151.0
Total liabilities	4.6	889.0	11.5	195.9	(477.5)	623.5
Koppers shareholders' equity	94.8	(403.1)	418.4	181.0	(196.3)	94.8
Noncontrolling interests	0.0	0.0	0.0	12.4	0.0	12.4
Total liabilities and equity	$99.4	$ 485.9	$ 429.9	$ 389.3	$ (673.8)	$ 730.7

Condensed Consolidating Statement of Cash Flows
For the Three Months Ended March 31, 2012

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Cash provided by (used in) operating activities	$ 5.6	$ (9.4)	$ 0.0	$ (12.0)	$ 0.0	$ (15.8)
Cash provided by (used in) investing activities:						
Capital expenditures and acquisitions	0.0	(2.7)	0.0	(0.7)	0.0	(3.4)
Net cash proceeds (payments) from divestitures and asset sales	0.0	0.0	0.0	0.2	0.0	0.2
Net cash provided by (used in) investing activities	0.0	(2.7)	0.0	(0.5)	0.0	(3.2)
Cash provided by (used in) financing activities:						
Borrowings (repayments) of long-term debt	0.0	12.1	0.0	0.0	0.0	12.1
Dividends paid	(4.5)	0.0	0.0	0.0	0.0	(4.5)
Stock issued (repurchased)	(1.1)	0.0	0.0	0.0	0.0	(1.1)
Net cash provided by (used in) financing activities	(5.6)	12.1	0.0	0.0	0.0	6.5
Effect of exchange rates on cash	0.0	0.0	0.0	1.0	0.0	1.0
Net increase (decrease) in cash and cash equivalents	0.0	0.0	0.0	(11.5)	0.0	(11.5)
Cash and cash equivalents at beginning of year	0.0	0.0	0.0	54.1	0.0	54.1
Cash and cash equivalents at end of period	$0.0	$0.0	$0.0	$42.6	$0.0	$42.6

Condensed Consolidating Statement of Cash Flows
For the Three Months Ended March 31, 2011

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Cash provided by (used in) operating activities	$ 4.6	$ (28.7)	$ 0.0	$ 14.6	$ 0.0	$ (9.5)
Cash provided by (used in) investing activities:						
Capital expenditures and acquisitions	0.0	(3.6)	0.0	(1.4)	0.0	(5.0)
Net cash proceeds (payments) from divestitures and asset sales	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by (used in) investing activities	0.0	(3.6)	0.0	(1.4)	0.0	(5.0)
Cash provided by (used in) financing activities:						
Borrowings (repayments) of long-term debt	(0.1)	24.5	0.0	(0.8)	0.0	23.6
Deferred financing costs	0.0	(0.5)	0.0	0.0	0.0	(0.5)
Dividends paid	(4.5)	0.0	0.0	0.0	0.0	(4.5)
Stock issued (repurchased)	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by (used in) financing activities	(4.6)	24.0	0.0	(0.8)	0.0	18.6
Effect of exchange rates on cash	0.0	(0.1)	0.0	1.2	0.0	1.1
Net increase (decrease) in cash and cash equivalents	0.0	(8.4)	0.0	13.6	0.0	5.2
Cash and cash equivalents at beginning of year	0.0	8.4	0.0	26.9	0.0	35.3
Cash and cash equivalents at end of period	$ 0.0	$ 0.0	$ 0.0	$ 40.5	$ 0.0	$ 40.5

18. Subsidiary Guarantor Information for Shelf Registration

Under a registration statement on Form S-3, Koppers Holdings may sell a combination of securities, including common stock, debt securities, preferred stock, depository shares, warrants and units, from time to time in one or more offerings with an aggregate offering price of up to $325 million. In addition, Koppers Inc. may sell debt securities from time to time under the registration statement. Debt securities may be fully and unconditionally guaranteed, on a joint and several basis, by Koppers Holdings, Koppers Inc. and/or other guarantor subsidiaries which will correspond to certain subsidiaries in the United States, Europe and Australia. The non-guarantor subsidiaries consist of certain subsidiaries in the United States, China, India and Mauritius. The guarantor subsidiaries that issue guarantees, if any, will be determined when a debt offering actually occurs under the registration statement and accordingly, the condensed consolidated financial information for subsidiary guarantors will be revised to identify the subsidiaries that actually provided guarantees.

Separate condensed consolidating financial statement information for the parent, Koppers Inc., domestic guarantor subsidiaries, foreign guarantor subsidiaries and non-guarantor subsidiaries as of March 31, 2012 and 2011 and for the three months ended March 31, 2012 and 2011 is as follows:

Condensed Consolidating Statement of Comprehensive Income
For the Three Months Ended March 31, 2012

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Foreign Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
Net sales	$ 0.0	$ 211.8	$ 22.4	$ 52.1	$ 113.1	$ (18.5)	$ 380.9
Cost of sales including depreciation and amortization	0.0	189.4	16.3	41.2	103.7	(16.9)	333.7
Selling, general and administrative	0.4	10.5	0.4	2.5	4.2	0.0	18.0
Operating profit (loss)	(0.4)	11.9	5.7	8.4	5.2	(1.6)	29.2
Other income (expense)	15.9	0.0	0.3	0.0	0.4	(15.9)	0.7
Interest expense (income)	0.1	6.8	0.0	1.1	0.5	(1.6)	6.9
Income taxes	(0.2)	5.1	0.1	2.0	0.2	0.0	7.2
Income from continuing operations	15.6	0.0	5.9	5.3	4.9	(15.9)	15.8
Discontinued operations	0.0	(0.1)	0.0	0.2	0.0	0.0	0.1
Noncontrolling interests	0.0	0.0	0.0	0.0	0.3	0.0	0.3
Net income attributable to Koppers	$15.6	$ (0.1)	$ 5.9	$ 5.5	$ 4.6	$ (15.9)	$ 15.6
Comprehensive income attributable to Koppers	$22.3	$ 1.1	$ 7.7	$ 8.9	$ 5.8	$ (23.5)	$ 22.3

Condensed Consolidating Statement of Comprehensive Income
For the Three Months Ended March 31, 2011

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Foreign Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net sales	$ 0.0	$ 189.2	$ 18.9	$ 90.2	$ 56.1	$ (12.9)	$ 341.5
Cost of sales including depreciation and amortization	0.0	175.9	13.6	73.5	50.4	(10.9)	302.5
Selling, general and administrative	0.3	9.6	0.5	5.1	2.2	0.0	17.7
Operating profit (loss)	(0.3)	3.7	4.8	11.6	3.5	(2.0)	21.3
Other income (expense)	9.0	0.0	0.0	(0.1)	0.1	(9.0)	0.0
Interest expense (income)	(0.1)	6.9	0.0	1.3	0.6	(1.8)	6.9
Income taxes	(0.1)	2.2	0.0	2.9	0.2	0.0	5.2
Income from continuing operations	8.9	(5.4)	4.8	7.3	2.8	(9.2)	9.2
Discontinued operations	0.0	0.1	0.0	(0.3)	0.0	0.0	(0.2)
Noncontrolling interests	0.0	0.0	0.0	0.0	0.1	0.0	0.1
Net income attributable to Koppers	$ 8.9	$ (5.3)	$ 4.8	$ 7.0	$ 2.7	$ (9.2)	$ 8.9
Comprehensive income attributable to Koppers	$16.6	$ (4.4)	$ 5.7	$ 13.0	$ 3.6	$ (17.9)	$ 16.6

Condensed Consolidating Balance Sheet
March 31, 2012

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Foreign Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
ASSETS							
Cash and cash equivalents	$ 0.0	$ 0.0	$ 0.0	$ 11.3	$ 31.3	$ 0.0	$ 42.6
Accounts receivable, net	5.8	113.1	300.8	86.1	75.2	(388.6)	192.4
Inventories, net	0.0	99.0	0.0	40.8	38.5	(0.1)	178.2
Deferred tax assets	0.0	10.9	(1.5)	0.0	0.2	0.0	9.6
Other current assets	0.0	7.2	0.3	7.4	17.0	0.0	31.9
Total current assets	5.8	230.2	299.6	145.6	162.2	(388.7)	454.7
Equity investments	111.7	77.1	26.5	19.8	14.1	(243.8)	5.4
Property, plant and equipment, net	0.0	100.3	0.0	26.6	26.8	0.0	153.7
Goodwill	0.0	39.8	0.0	26.0	7.2	0.0	73.0
Deferred tax assets	0.0	41.2	(10.5)	12.4	(1.6)	0.0	41.5
Other noncurrent assets	0.0	17.7	126.8	20.2	40.3	(179.2)	25.8
Total assets	$117.5	$ 506.3	$ 442.4	$ 250.6	$ 249.0	$ (811.7)	$ 754.1
LIABILITIES AND EQUITY							
Accounts payable	$ 0.1	$ 353.4	$ 14.9	$ 19.6	$ 96.8	$ (388.2)	$ 96.6
Accrued liabilities	4.9	30.2	(0.9)	24.6	7.7	0.0	66.5
Total current liabilities	5.0	383.6	14.0	44.2	104.5	(388.2)	163.1
Long-term debt	0.0	413.0	0.0	64.5	16.4	(179.6)	314.3
Other long-term liabilities	0.0	116.6	2.6	20.3	12.1	(0.1)	151.5
Total liabilities	5.0	913.2	16.6	129.0	133.0	(567.9)	628.9
Koppers shareholders’ equity	112.5	(406.9)	425.8	121.6	103.3	(243.8)	112.5
Noncontrolling interests	0.0	0.0	0.0	0.0	12.7	0.0	12.7
Total liabilities and equity	$117.5	$ 506.3	$ 442.4	$ 250.6	$ 249.0	$ (811.7)	$ 754.1

Condensed Consolidating Balance Sheet
December 31, 2011

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Foreign Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
ASSETS							
Cash and cash equivalents	$ 0.0	$ 0.0	$ 0.0	$ 28.4	$ 25.7	$ 0.0	$ 54.1
Accounts receivable, net	5.5	112.6	283.5	70.7	54.1	(354.9)	171.5
Inventories, net	0.0	74.8	0.0	49.0	35.2	0.0	159.0
Deferred tax assets	0.0	10.7	(1.5)	0.0	0.1	0.0	9.3
Other current assets	0.0	6.8	0.3	8.7	17.7	0.0	33.5
Total current assets	5.5	204.9	282.3	156.8	132.8	(354.9)	427.4
Equity investments	93.9	77.1	26.3	19.3	13.5	(225.2)	4.9
Property, plant and equipment, net	0.0	102.0	0.0	26.5	27.1	0.0	155.6
Goodwill	0.0	39.8	0.0	25.2	7.1	0.0	72.1
Deferred tax assets	0.0	43.7	(10.5)	12.1	(1.0)	0.0	44.3
Other noncurrent assets	0.0	18.4	131.2	15.7	40.9	(179.8)	26.4
Total assets	$99.4	$ 485.9	$ 429.3	$ 255.6	$ 220.4	$ (759.9)	$ 730.7
LIABILITIES AND EQUITY							
Accounts payable	$ 0.1	$ 344.5	$ 9.5	$ 28.6	$ 74.3	$ (354.9)	$ 102.1
Accrued liabilities	4.5	27.2	(0.9)	31.7	5.8	0.0	68.3
Total current liabilities	4.6	371.7	8.6	60.3	80.1	(354.9)	170.4
Long-term debt	0.0	400.8	0.0	62.7	18.5	(179.9)	302.1
Other long-term liabilities	0.0	116.5	2.5	19.9	12.1	0.0	151.0
Total liabilities	4.6	889.0	11.1	142.9	110.7	(534.8)	623.5
Koppers shareholders' equity	94.8	(403.1)	418.2	112.7	97.3	(225.1)	94.8
Noncontrolling interests	0.0	0.0	0.0	0.0	12.4	0.0	12.4
Total liabilities and equity	$99.4	$ 485.9	$ 429.3	$ 255.6	$ 220.4	$ (759.9)	$ 730.7

Condensed Consolidating Statement of Cash Flows
For the Three Months Ended March 31, 2012

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Foreign Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Cash provided by (used in) operating activities	$ 5.6	$ (9.4)	$ 0.0	$ (19.4)	$ 7.4	$ 0.0	$ (15.8)
Cash provided by (used in) investing activities:							
Capital expenditures and acquisitions	0.0	(2.7)	0.0	(0.6)	(0.1)	0.0	(3.4)
Net cash proceeds (payments) from divestitures and asset sales	0.0	0.0	0.0	0.2	0.0	0.0	0.2
Net cash provided by (used in) investing activities	0.0	(2.7)	0.0	(0.4)	(0.1)	0.0	(3.2)
Cash provided by (used in) financing activities:							
Borrowings (repayments) of long-term debt	0.0	12.1	0.0	0.0	0.0	0.0	12.1
Dividends paid	(4.5)	0.0	0.0	0.0	0.0	0.0	(4.5)
Stock issued (repurchased)	(1.1)	0.0	0.0	0.0	0.0	0.0	(1.1)
Net cash provided by (used in) financing activities	(5.6)	12.1	0.0	0.0	0.0	0.0	6.5
Effect of exchange rates on cash	0.0	0.0	0.0	2.7	(1.7)	0.0	1.0
Net increase (decrease) in cash and cash equivalents	0.0	0.0	0.0	(17.1)	5.6	0.0	(11.5)
Cash and cash equivalents at beginning of year	0.0	0.0	0.0	28.4	25.7	0.0	54.1
Cash and cash equivalents at end of period	$ 0.0	$ 0.0	$ 0.0	$ 11.3	$ 31.3	$ 0.0	$ 42.6

Condensed Consolidating Statement of Cash Flows
For the Three Months Ended March 31, 2011

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Foreign Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Cash provided by (used in) operating activities	$ 4.6	$ (28.7)	$ 0.0	$ 12.1	$ 2.5	$ 0.0	$ (9.5)
Cash provided by (used in) investing activities:							
Capital expenditures and acquisitions	0.0	(3.6)	0.0	(1.1)	(0.3)	0.0	(5.0)
Net cash proceeds (payments) from divestitures and asset sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by (used in) investing activities	0.0	(3.6)	0.0	(1.1)	(0.3)	0.0	(5.0)
Cash provided by (used in) financing activities:							
Borrowings (repayments) of long-term debt	(0.1)	24.5	0.0	0.0	(0.8)	0.0	23.6
Deferred financing costs	0.0	(0.5)	0.0	0.0	0.0	0.0	(0.5)
Dividends paid	(4.5)	0.0	0.0	0.0	0.0	0.0	(4.5)
Stock issued (repurchased)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by (used in) financing activities	(4.6)	24.0	0.0	0.0	(0.8)	0.0	18.6
Effect of exchange rates on cash	0.0	(0.1)	0.0	3.1	(1.9)	0.0	1.1
Net increase (decrease) in cash and cash equivalents	0.0	(8.4)	0.0	14.1	(0.5)	0.0	5.2
Cash and cash equivalents at beginning of year	0.0	8.4	0.0	14.7	12.2	0.0	35.3
Cash and cash equivalents at end of period	$ 0.0	$ 0.0	$ 0.0	$ 28.8	$ 11.7	$ 0.0	$ 40.5

19. Related Party Transactions

In November 2011, the Company loaned $11.7 million to TKK, a 30-percent owned company in China. The loan is repayable in November 2012.

20. Subsequent Event

On or about June 27, 2012, the Company expects to file a registration statement on Form S-3 with the Securities and Exchange Commission. Under this registration statement, Koppers Holdings may sell a combination of securities, including common stock, debt securities, preferred stock, depository shares, warrants and units, from time to time in one or more offerings. In addition, Koppers Inc. may sell debt securities from time to time under the registration statement. Debt securities may be fully and unconditionally guaranteed, on a joint and several basis, by Koppers Holdings, Koppers Inc. and/or other guarantor subsidiaries which will correspond to certain subsidiaries in the United States, Europe and Australia. The non-guarantor subsidiaries consist of certain subsidiaries in the United States, China, India and Mauritius. The guarantor subsidiaries that issue guarantees, if any, will be determined when a debt offering actually occurs under the registration statement and accordingly, the condensed consolidated financial information for subsidiary guarantors will be revised to identify the subsidiaries that actually provided guarantees.

Separate condensed consolidating financial statement information for the parent, Koppers Inc., domestic guarantor subsidiaries, foreign guarantor subsidiaries and non-guarantor subsidiaries as of December 31, 2011 and 2010 and for the years ended December 31, 2011, 2010 and 2009 is as follows:

Condensed Consolidating Statement of Comprehensive Income
For the Three Months Ended March 31, 2012

	Parent	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Foreign Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
(Dollars in millions)							
Net sales	$ 0.0	$ 211.8	$ 22.4	$ 124.4	$ 38.8	$ (16.5)	$ 380.9
Cost of sales including depreciation and amortization	0.0	189.5	16.3	106.5	36.4	(15.0)	333.7
Selling, general and administrative	0.4	10.5	0.4	5.8	0.9	0.0	18.0
Operating profit (loss)	(0.4)	11.8	5.7	12.1	1.5	(1.5)	29.2
Other income (expense)	15.9	0.0	0.3	0.0	0.4	(15.9)	0.7
Interest expense (income)	0.1	6.7	0.0	1.0	0.6	(1.5)	6.9
Income taxes	(0.2)	5.1	0.1	2.0	0.2	0.0	7.2
Income from continuing operations	15.6	0.0	5.9	9.1	1.1	(15.9)	15.8
Discontinued operations	0.0	(0.1)	0.0	0.2	0.0	0.0	0.1
Noncontrolling interests	0.0	0.0	0.0	0.0	0.3	0.0	0.3
Net income attributable to Koppers	$15.6	$ (0.1)	$ 5.9	$ 9.3	$ 0.8	$ (15.9)	$ 15.6
Comprehensive income attributable to Koppers	$22.3	$ 1.1	$ 7.7	$ 13.5	$ 0.9	$ (23.2)	$ 22.3

Condensed Consolidating Statement of Comprehensive Income
For the Three Months Ended March 31, 2011

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Foreign Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net sales	$ 0.0	$ 189.2	$ 18.9	$ 108.8	$ 36.3	$ (11.7)	$ 341.5
Cost of sales including depreciation and amortization	0.0	175.9	13.5	89.4	33.9	(10.2)	302.5
Selling, general and administrative	0.3	9.6	0.5	6.4	0.9	0.0	17.7
Operating profit (loss)	(0.3)	3.7	4.9	13.0	1.5	(1.5)	21.3
Other income (expense)	9.0	0.0	0.0	(0.1)	0.1	(9.0)	0.0
Interest expense (income)	(0.1)	6.9	0.0	1.1	0.3	(1.3)	6.9
Income taxes	(0.1)	2.1	0.0	3.1	0.1	0.0	5.2
Income from continuing operations	8.9	(5.3)	4.9	8.7	1.2	(9.2)	9.2
Discontinued operations	0.0	0.0	0.0	(0.2)	0.0	0.0	(0.2)
Noncontrolling interests	0.0	0.0	0.0	0.0	0.1	0.0	0.1
Net income attributable to Koppers	$ 8.9	$ (5.3)	$ 4.9	$ 8.5	$ 1.1	$ (9.2)	$ 8.9
Comprehensive income attributable to Koppers	$16.6	$ (4.4)	$ 5.8	$ 14.5	$ 1.3	$ (17.2)	$ 16.6

Condensed Consolidating Balance Sheet
March 31, 2012

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Foreign Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
ASSETS							
Cash and cash equivalents	$ 0.0	$ 0.0	$ 0.0	$ 40.0	$ 2.6	$ 0.0	$ 42.6
Accounts receivable, net	5.8	113.1	301.3	81.1	19.1	(328.0)	192.4
Inventories, net	0.0	99.0	0.0	71.1	8.2	(0.1)	178.2
Deferred tax assets	0.0	10.9	(1.5)	0.0	0.2	0.0	9.6
Other current assets	0.0	7.2	0.3	9.9	14.5	0.0	31.9
Total current assets	5.8	230.2	300.1	202.1	44.6	(328.1)	454.7
Equity investments	111.7	77.1	26.5	19.8	4.2	(233.9)	5.4
Property, plant and equipment, net	0.0	100.3	0.0	38.0	15.4	0.0	153.7
Goodwill	0.0	39.8	0.0	31.9	1.3	0.0	73.0
Deferred tax assets	0.0	41.2	(10.5)	12.4	(1.6)	0.0	41.5
Other noncurrent assets	0.0	17.7	126.9	6.8	37.2	(162.8)	25.8
Total assets	$117.5	$ 506.3	$ 443.0	$ 311.0	$ 101.1	$ (724.8)	$ 754.1
LIABILITIES AND EQUITY							
Accounts payable	$ 0.1	$ 353.4	$ 15.3	$ 36.7	$ 18.8	$ (327.7)	$ 96.6
Accrued liabilities	4.9	30.2	(0.9)	26.4	5.9	0.0	66.5
Total current liabilities	5.0	383.6	14.4	63.1	24.7	(327.7)	163.1
Long-term debt	0.0	413.0	0.0	64.5	0.0	(163.2)	314.3
Other long-term liabilities	0.0	116.6	2.5	26.1	6.3	0.0	151.5
Total liabilities	5.0	913.2	16.9	153.7	31.0	(490.9)	628.9
Koppers shareholders' equity	112.5	(406.9)	426.1	157.3	57.4	(233.9)	112.5
Noncontrolling interests	0.0	0.0	0.0	0.0	12.7	0.0	12.7
Total liabilities and equity	$117.5	$ 506.3	$ 443.0	$ 311.0	$ 101.1	$ (724.8)	$ 754.1

Condensed Consolidating Balance Sheet
December 31, 2011

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Foreign Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
ASSETS							
Cash and cash equivalents	$ 0.0	$ 0.0	$ 0.0	$ 45.1	$ 9.0	$ 0.0	$ 54.1
Accounts receivable, net	5.5	112.6	284.0	65.5	13.7	(309.8)	171.5
Inventories, net	0.0	74.8	0.0	77.2	7.0	0.0	159.0
Deferred tax assets	0.0	10.7	(1.5)	0.0	0.1	0.0	9.3
Other current assets	0.0	6.8	0.3	12.0	14.4	0.0	33.5
Total current assets	5.5	204.9	282.8	199.8	44.2	(309.8)	427.4
Equity investments	93.9	77.1	26.3	19.3	3.9	(215.6)	4.9
Property, plant and equipment, net	0.0	102.0	0.0	37.8	15.8	0.0	155.6
Goodwill	0.0	39.8	0.0	31.0	1.3	0.0	72.1
Deferred tax assets	0.0	43.7	(10.5)	12.7	(1.6)	0.0	44.3
Other noncurrent assets	0.0	18.4	131.3	6.7	37.7	(167.7)	26.4
Total assets	$99.4	$ 485.9	$ 429.9	$ 307.3	$ 101.3	$ (693.1)	$ 730.7
LIABILITIES AND EQUITY							
Accounts payable	$ 0.1	$ 344.5	$ 9.8	$ 44.4	$ 13.2	$ (309.9)	$ 102.1
Accrued liabilities	4.5	27.2	(0.8)	30.5	6.9	0.0	68.3
Total current liabilities	4.6	371.7	9.0	74.9	20.1	(309.9)	170.4
Long-term debt	0.0	400.8	0.0	62.7	6.3	(167.7)	302.1
Other long-term liabilities	0.0	116.5	2.5	25.8	6.1	0.1	151.0
Total liabilities	4.6	889.0	11.5	163.4	32.5	(477.5)	623.5
Koppers shareholders’ equity	94.8	(403.1)	418.4	143.9	56.4	(215.6)	94.8
Noncontrolling interests	0.0	0.0	0.0	0.0	12.4	0.0	12.4
Total liabilities and equity	$99.4	$ 485.9	$ 429.9	$ 307.3	$ 101.3	$ (693.1)	$ 730.7

Condensed Consolidating Statement of Cash Flows
For the Three Months Ended March 31, 2012

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Foreign Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
Cash provided by (used in) operating activities	$ 5.6	$ (9.4)	$ 0.0	$ (5.6)	$ (6.4)	$ 0.0	$ (15.8)
Cash provided by (used in) investing activities:							
Capital expenditures and acquisitions	0.0	(2.7)	0.0	(0.7)	0.0	0.0	(3.4)
Net cash proceeds (payments) from divestitures and asset sales	0.0	0.0	0.0	0.2	0.0	0.0	0.2
Net cash provided by (used in) investing activities	0.0	(2.7)	0.0	(0.5)	0.0	0.0	(3.2)
Cash provided by (used in) financing activities:							
Borrowings (repayments) of long-term debt	0.0	12.1	0.0	0.0	0.0	0.0	12.1
Dividends paid	(4.5)	0.0	0.0	0.0	0.0	0.0	(4.5)
Stock issued (repurchased)	(1.1)	0.0	0.0	0.0	0.0	0.0	(1.1)
Net cash provided by (used in) financing activities	(5.6)	12.1	0.0	0.0	0.0	0.0	6.5
Effect of exchange rates on cash	0.0	0.0	0.0	1.0	0.0	0.0	1.0
Net increase (decrease) in cash and cash equivalents	0.0	0.0	0.0	(5.1)	(6.4)	0.0	(11.5)
Cash and cash equivalents at beginning of year	0.0	0.0	0.0	45.1	9.0	0.0	54.1
Cash and cash equivalents at end of period	$ 0.0	$ 0.0	$ 0.0	$ 40.0	$ 2.6	$ 0.0	$ 42.6

Condensed Consolidating Statement of Cash Flows
For the Three Months Ended March 31, 2011

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Foreign Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
Cash provided by (used in) operating activities	$ 4.6	$ (28.7)	$ 0.0	$ 17.7	$ (3.1)	$ 0.0	$ (9.5)
Cash provided by (used in) investing activities:							
Capital expenditures and acquisitions	0.0	(3.6)	0.0	(1.4)	0.0	0.0	(5.0)
Net cash proceeds (payments) from divestitures and asset sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by (used in) investing activities	0.0	(3.6)	0.0	(1.4)	0.0	0.0	(5.0)
Cash provided by (used in) financing activities:							
Borrowings (repayments) of long-term debt	(0.1)	24.5	0.0	(0.9)	0.1	0.0	23.6
Deferred financing costs	0.0	(0.5)	0.0	0.0	0.0	0.0	(0.5)
Dividends paid	(4.5)	0.0	0.0	0.0	0.0	0.0	(4.5)
Stock issued (repurchased)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by (used in) financing activities	(4.6)	24.0	0.0	(0.9)	0.1	0.0	18.6
Effect of exchange rates on cash	0.0	(0.1)	0.0	1.1	0.1	0.0	1.1
Net increase (decrease) in cash and cash equivalents	0.0	(8.4)	0.0	16.5	(2.9)	0.0	5.2
Cash and cash equivalents at beginning of year	0.0	8.4	0.0	17.0	9.9	0.0	35.3
Cash and cash equivalents at end of period	$ 0.0	$ 0.0	$ 0.0	$ 33.5	$ 7.0	$ 0.0	$ 40.5