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

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2015

Commission file number 1-32737

KOPPERS HOLDINGS INC.

(Exact name of registrant as specified in its charter)

Pennsylvania (State of incorporation)	20-1878963 (IRS Employer Identification No.)
436 Seventh Avenue Pittsburgh, Pennsylvania 15219 (Address of principal executive offices)	(412) 227-2001 (Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, par value $0.01 per share Title of Each Class	New York Stock Exchange Name of Exchange on which registered

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act: Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of “large accelerated filer”, “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of Common Stock held by non-affiliates of the registrant, based on the closing sales price of the Common Stock on the New York Stock Exchange on June 30, 2015 was $495.7 million (affiliates, for this purpose, have been deemed to be Directors and executive officers of Koppers Holdings Inc.).

As of January 31, 2016, 20,556,830 shares of Common Stock of the registrant were issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for the 2016 Annual Meeting of Shareholders are incorporated by reference into Part III of this Annual Report on Form 10-K.

FORWARD-LOOKING INFORMATION

This report and the documents incorporated herein by reference contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 and may include, but are not limited to, statements about sales levels, restructuring, profitability and anticipated expenses and cash outflows. All forward-looking statements involve risks and uncertainties. All statements contained herein that are not clearly historical in nature are forward-looking, and words such as “believe”, “anticipate”, “expect”, “estimate”, “may”, “will”, “should”, “continue”, “plans”, “intends”, “likely” or other similar words or phrases are generally intended to identify forward-looking statements. Any forward-looking statement contained herein, in press releases, written statements or other documents filed with the SEC, or in our communications with and discussions with investors and analysts in the normal course of business through meetings, phone calls and conference calls are subject to known and unknown risks, uncertainties and contingencies. Many of these risks, uncertainties and contingencies are beyond our control, and may cause actual results, performance or achievements to differ materially from anticipated results, performance or achievements. Factors that might affect such forward-looking statements include, among other things:

- the impact of changes in commodity prices, such as oil and copper, on product margins;
- general economic and business conditions;
- demand for Koppers goods and services;
- competitive conditions in the industries in which we operate;
- interest rate and foreign currency rate fluctuations;
- potential difficulties in protecting intellectual property;
- the ratings on our debt and our ability to repay or refinance our outstanding indebtedness as it matures;
- our ability to operate within the limitations of our debt covenants;
- interest rate fluctuations and other changes in borrowing costs;
- other capital market conditions, including foreign currency rate fluctuations;
- availability of and fluctuations in the prices of key raw materials, including coal tar, timber and scrap copper;
- economic and political conditions in international markets, including governmental changes and restrictions on the ability to transfer capital across countries;
- potential impairment of our goodwill and/or long-lived assets;
- parties who are obligated to indemnify us for legal and environmental liabilities fail to perform under their legal obligations;
- changes in laws, including increased tax rates, regulations or accounting standards, third-party relations and approvals, and decisions of courts, regulators and governmental bodies;
- the effects of competition, including locations of competitors and operating and market competition;
- unfavorable resolution of litigation against us;
- the other factors set forth under “Risk Factors”.

We caution you that the foregoing list of important factors may not contain all of the material factors that are important to you. In addition, in light of these risks and uncertainties, the matters referred to in the forward looking statements contained in this report and the documents incorporated by reference herein may not in fact occur. We undertake no obligation to publicly update or revise any forward looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

PART I

ITEM 1. BUSINESS

General

In this report, unless otherwise noted or the context otherwise requires, (i) the term “Koppers”, “Koppers Holdings”, the “Company”, “we” or “us” refers to Koppers Holdings Inc. and its consolidated subsidiaries, (ii) the term “KH” refers to Koppers Holdings Inc. and not any of its subsidiaries and (iii) the term “KI” refers to Koppers Inc. and not any of its subsidiaries. Koppers Inc. is a wholly-owned subsidiary of Koppers Holdings Inc. Koppers Holdings Inc. has substantially no operations independent of Koppers Inc. and its subsidiaries. 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 Inc. was incorporated in November 2004 as a holding company for Koppers Inc. We are a leading integrated global provider of treated wood products, wood treatment chemicals, and carbon compounds. Our products and services are used in a variety of niche applications in a diverse range of end-markets, including the railroad, specialty chemical, utility, residential lumber, agriculture, aluminum, steel, rubber, and construction industries. We serve our customers through a comprehensive global manufacturing and distribution network, with manufacturing facilities located in North America, South America, Australasia, China and Europe.

Business Segments and Products

We operate three principal business segments: Railroad and Utility Products and Services (“RUPS”), Carbon Materials and Chemicals (“CMC”), and Performance Chemicals (“PC”).

Our RUPS and CMC operations are, to a substantial extent, vertically integrated. Through our CMC business, we process coal tar into a variety of products, including carbon pitch, creosote, carbon black feedstock, naphthalene and phthalic anhydride, which are intermediate materials necessary in the production of aluminum, the pressure treatment of wood, the production of carbon black for the rubber industry, the production of high-strength concrete, and the production of plasticizers and specialty chemicals, respectively. The majority of the creosote we produce in North America is sold internally to our RUPS business for treating railroad crossties.

We believe our three business segments command leading market positions. Through our RUPS business, we believe that we are the largest supplier of railroad crossties to the North American railroads. Through our CMC business, we believe we are the largest global supplier of carbon pitch to the aluminum industry and the largest global supplier of creosote to the North American railroad industry. Through our PC business, we believe that we are the global leader in developing, manufacturing and marketing wood preservation chemicals and wood treatment technologies for use in pressure treating lumber for residential, industrial and agricultural applications.

Railroad and Utility Products and Services

Our RUPS business sells treated and untreated wood products, rail joint bars and services primarily to the railroad markets in the United States and Canada and the utility market in Australia. We also operate a railroad services business that conducts engineering, design, repair and inspection services for railroad bridges, serving the same customer base as our North American railroad business.

Railroad products and services include procuring and treating items such as crossties, switch ties and various types of lumber used for railroad bridges and crossings. Railroad products also include manufacturing and selling rail joint bars, which are steel bars used to join rails together for railroads. Utility products, located in Australia, include transmission and distribution poles for electric and telephone utilities. The RUPS business operates 14 wood treating plants and one rail joint bar manufacturing facility located throughout the United States, Canada and Australia. Our network of plants is strategically located near timber supplies to enable us to access raw materials and service customers effectively. In addition, our crosstie treating plants are typically adjacent to our railroad customers’ track lines.

Our RUPS business manufactures its primary products and sells them directly to our customers through long-term contracts and purchase orders negotiated by our regional sales personnel and coordinated through our marketing group at corporate headquarters.

Hardwoods, such as oak and other species, are the major raw materials in wood crossties. Hardwood prices, which account for more than 50 percent of a finished crosstie’s cost, fluctuate with the demand from other hardwood lumber markets, such as oak flooring, pallets and other specialty lumber products. For example, over the past couple years we have been impacted in our ability to acquire hardwood due to the demand for crane mats associated with the oil and gas industry. During 2015 the demand from these competing markets was reduced as lower oil prices resulted in lower spending for oil and gas operations. Weather conditions can be a factor in the supply of raw material, as unusually wet or inclement conditions may make it difficult to harvest timber.

In the United States, hardwood lumber for crossties is procured by us from hundreds of small sawmills throughout the northeastern, midwestern and southern areas of the country. The crossties are shipped via rail car or trucked directly to one of our crosstie treating plants, all of which are on line with a major railroad. The crossties are either air-stacked for a period of six to nine months or artificially dried by a process called boultonizing. Once dried, the crossties are pressure treated with creosote, a product of our CMC business. A substantial portion of our crossties are treated with borate, which is purchased from PC, in combination with creosote.

We believe we are the largest supplier of railroad crossties in North America. We have one principal competitor, Stella-Jones Inc., and several smaller regional competitors in the North American market. Competitive factors in the railroad crosstie market include price, quality, location, service and security of supply. We believe we have a competitive advantage due to our ability to obtain internally-produced creosote and borate and our national network of treating plants which have direct access to our major customers' rail lines. These advantages provide for security of supply and logistics advantages for our customers. We believe our Australian utility pole business is the largest producer of utility poles for the electrical communications utilities in Australia.

Our RUPS business's largest customer base is the North American Class I railroad market, which buys approximately 74 percent of all crossties produced in the United States and Canada. We also have relationships with many of the approximately 550 short-line and regional rail lines. This also forms the customer base for our rail joint bar products. The railroad crosstie market is a mature market with approximately 23 million replacement crossties (both wood and non-wood) purchased during 2015. We currently supply all seven of the North American Class I railroads and have contracts with all of them.

Demand for railroad crossties may decline during winter months due to inclement weather conditions which make it difficult to harvest lumber and to install railroad crossties. As a result, operating results may vary from quarter to quarter depending on the severity of weather conditions and other variables affecting our products.

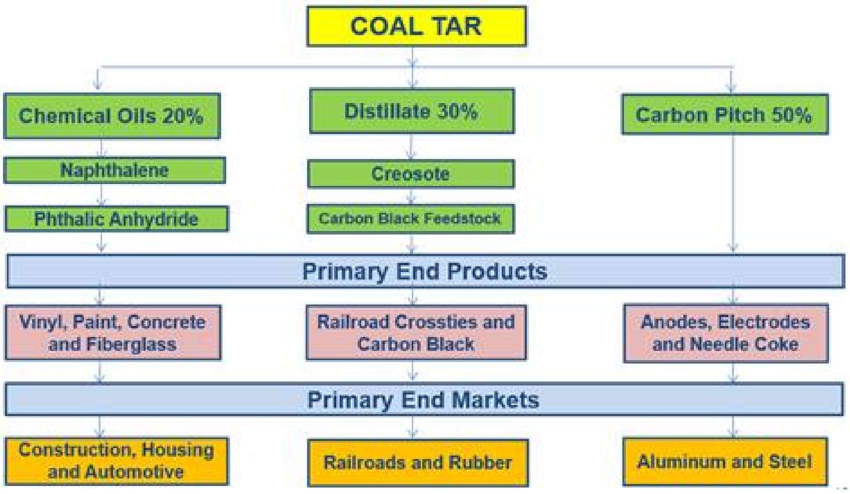
Utility poles are produced mainly from the eucalyptus species in Australia. Most of these poles are purchased from large timber owners and individual landowners and shipped to one of our pole-peeling facilities. In Australia, in addition to utility poles, we market smaller poles to the agricultural landscape and vineyard markets. We treat poles with a variety of preservatives, including pentachlorophenol and copper chromated arsenates.

Carbon Materials and Chemicals

Our CMC business manufactures its primary products and sells them directly to our global customer base under long-term contracts or through purchase orders negotiated by our regional sales personnel and coordinated through our global marketing group in the United States. Our four coal tar distillation facilities and five carbon materials terminals give us the ability to offer customers multiple sourcing and a consistent supply of high quality products.

Our CMC business has experienced challenges over the past few years due to the closure of aluminum smelters that has occurred in North America, Western Europe and Australia. The smelting of aluminum requires significant amounts of energy, which is a major cost component for the aluminum industry. As a result, new production facilities are being built in regions with low energy costs such as the Middle East, while regions with higher energy costs such as the United States, Australia and Western Europe have seen significant amounts of smelting capacity idled or closed over the last several years. As a result we have embarked on a plan to restructure our CMC operating footprint that we expect will eventually reduce our global number of coal tar distillation facilities from the 11 that existed as of January 1, 2014 to four in total.

Creosote, carbon pitch, naphthalene, and carbon black feedstock are produced through the distillation of coal tar, a by-product generated through the processing of coal into coke for use in steel and iron manufacturing. Coal tar distillation involves the conversion of coal tar into a variety of intermediate chemical products in processes beginning with distillation. During the distillation process, heat and vacuum are utilized to separate coal tar into three primary components: chemical oils (approximately 20 percent), distillate (approximately 30 percent), and carbon pitch (approximately 50 percent). The following diagram shows the streams derived from coal tar distillation:



In the United States, our coal tar raw material supply contracts generally have terms ranging from six months to three years, and most provide options for renewal. Pricing under these contracts is typically negotiated on a semi-annual or annual basis. Our primary European tar supply contract has a remaining term of approximately four years and thereafter extends indefinitely unless terminated by a one-year advance notice and contains formula-based tar pricing. Our primary Australian supply contracts have terms ranging from five to ten years and contain formula-based pricing which is adjusted on an annual or semi-annual basis. Finally, in China, we have a raw material contract in place with our joint venture partner. This contract is coterminous with the applicable joint venture arrangement and provides for formula-based pricing adjusted on a monthly or quarterly basis.

Our CMC business manufactures the following principal products:

- creosote, used in the treatment of wood or as a feedstock in the production of carbon black;
- carbon pitch, a critical raw material used in the production of aluminum and steel;
- naphthalene, used for the production of phthalic anhydride and as a surfactant in the production of concrete, and
- phthalic anhydride, used in the production of plasticizers, polyester resins and alkyd paints, respectively.

Creosote and Carbon Black Feedstock

In the United States and Canada, creosote is used as a commercial wood treatment chemical to preserve railroad crossties and lumber, utility poles and piling. The majority of our creosote is sold to our RUPS business. In Australia, China and Europe, creosote is sold primarily into the carbon black market for use as a feedstock in the production of carbon black. In Europe creosote is also sold to wood treaters and is exported into North America. Our wood treating plants in North America purchase substantially all of their creosote from our tar distillation plants. We believe we are the only major competitor in this market that is substantially integrated in this fashion. The remainder of our creosote is sold to railroads and other wood treaters.

Carbon Pitch

Carbon pitch is a critical raw material used in the production of aluminum, the production of steel in electric arc furnaces, and the production of needle coke used to form electrodes for electric arc steel production. We have been a leading supplier of carbon pitch to the aluminum industry for over 25 years. Approximately one ton of carbon pitch is required for every 10 tons of aluminum produced and there are currently no known viable substitutes for carbon pitch in the aluminum production process. Over 80 percent of our carbon pitch is sold to the aluminum industry, typically under long-term contracts ranging from three to five years. Many of these long-term contracts have provisions for periodic pricing reviews. Competitive factors in the carbon pitch market include price, quality, service and security of supply.

Naphthalene and Phthalic Anhydride

Chemical oils are further processed to produce naphthalene, which we sell into the industrial sulfonate market for use as dispersants or in the concrete additive and gypsum board markets. Additional end-uses include oil field additives, agricultural emulsifiers, synthetic tanning agents and dyestuffs. In the United States, we also use naphthalene as a feedstock in the manufacture of phthalic anhydride. The primary markets for phthalic anhydride are in the production of plasticizers, unsaturated polyester resins and alkyd resins. On a historical basis, we believe our ability to utilize our internally produced naphthalene has given us a more stable supply and generally lower-cost feedstock for the production of phthalic anhydride compared to our competitors. However, the dramatic decline in oil prices over the past 12-18 months has resulted in a significant decline in profitability for phthalic anhydride, as pricing for this product trends with oil prices.

Other Products

Other products include the sale of refined tars, benzole and specialty chemicals.

Performance Chemicals

Our PC business maintains sales and manufacturing operations in the United States, Canada, Europe, South America, Australia and New Zealand. We believe we are the largest global manufacturer and supplier of water-based wood preservatives and wood specialty additives to treaters who supply the residential, agricultural, and industrial pressure-treated wood market. The primary products supplied by PC are copper-based wood preservatives, including micronized copper quaternary and micronized copper azole (“MicroPro®”), micronized pigments (MicroShades®), alkaline copper quaternary, amine copper azole and chromated copper arsenate. The primary applications for these products include decking, fencing, utility poles, construction lumber and timbers, and vineyard stakes. Because we are a global supplier of wood preservatives, we face various competitors in all the geographic regions in which we participate.

The United States is the largest treated wood market in the world and PC supplies six of the ten largest lumber treating companies in the United States in addition to three of the four largest lumber treating companies in Canada. In North America, our PC business is vertically integrated through the manufacturing of copper compounds for our copper-based wood preservatives. We purchase and process over 20 million pounds of our key raw material, scrap copper, to meet the demand of this major market. Once the scrap copper is purchased, it is shipped to our manufacturing plants in Hubbell, Michigan and Millington, Tennessee for further processing into other copper compounds. During 2015, scrap copper pricing followed the London Metal Exchange and the Comex trend by falling in price by approximately 25 percent. We experienced some copper supply pressures as a result of scrap copper suppliers’ reducing available supply due to low prices.

We believe that being vertically integrated in copper manufacturing provides PC with an important competitive advantage and also provides our customers with the security of a continuous supply of wood preservatives. Likewise, we believe that our marketing, engineering, and technical support services provide added value to our customer base, who supply pressure-treated wood products to large retailers and independent lumber dealers. We believe another competitive advantage is provided by our strategic sourcing group who procure scrap copper and other raw materials, such as chromic acid, tebuconazole, arsenic trioxide, dispersants and various biocides and co-biocides through the global market.

Equity Investments

Tangshan Koppers Kailuan Carbon Chemical Company (“TKK”) is a coal tar distillation facility located in China in the Hebei Province near the Jingtang Port. We hold a 30-percent investment in TKK. The Company is currently engaged in negotiations regarding the sale of our 30-percent interest in TKK to TKK’s controlling shareholder.

Research and Development

Research activities related to our CMC business are directed toward new product development regarding alternate uses for coal tar and technical service efforts to promote the use of creosote and vacuum-distilled carbon pitch.

PC’s global research group is located in the United States, with supplemental resources in the United Kingdom. We believe our investment in research and development keeps us on the leading edge of new technologies. The wood preserving intellectual property that the PC research group has developed and patented remains a very important part of our wood preservative portfolio. This intellectual property includes micronizing various chemical and additive formulations and the methods of treating wood with these formulations. In particular, one of our patented technologies, MicroPro® wood preservative, has been adopted since its commercialization by many of our wood treating customers and the industry’s retailers and lumber dealers. The earliest expiration date for patents relating to micronized wood preservative compositions is April 9, 2024.

Expenditures for research and development were $5.2 million, $3.4 million and $2.4 million, for the years ended December 31, 2015, 2014 and 2013, respectively.

Technology and Licensing

In 1988, we acquired the “Koppers” trademark from Koppers Company, Inc. The association of the name with the chemical, building, wood preservation and coke industries is beneficial to our company, as it represents long-standing, high quality products. Trademarks relating to our wood preservation business, such as “MicroPro®”, “Protim” and “Solignum” are important in this segment of our business, and as long as we continue to use the name “Koppers” and the trademarks associated with our wood preservation business and comply with applicable registration requirements, our right to use the name “Koppers” and the other trademarks should continue without expiration. The expiration of other trademark rights is not expected to materially affect our business.

Backlog

Generally, Koppers does not manufacture its products against a backlog of orders. Inventory and production levels are typically driven by expectations of future demand based on contractual obligations.

Seasonality

Demand for residential, commercial, and agricultural treated lumber may decline during winter months due to weather conditions. As a result, operating results may vary from quarter to quarter depending on the severity of weather conditions and other variables affecting our products.

Segment Information

Please see Note 9, “Segment Information,” under Item 8 of this Form 10-K for financial information relating to business segments and geographic areas. See also “Item 1A. Risk Factors – Risks Related to Our Business – Demand for our products is cyclical and we may experience prolonged depressed market conditions for our products.”

Non-U.S. Operations

Koppers has a significant investment in non-U.S. operations. Therefore, we are subject to certain risks that are inherent to foreign operations, including complying with applicable laws relating to foreign practices, the laws of foreign countries in which we operate, political and economic conditions in international markets and fluctuations in foreign exchange rates.

Environmental Matters

Our operations and properties are subject to extensive federal, state, local and foreign environmental laws and regulations relating to protection of the environment and human health and safety, including those concerning the treatment, storage and disposal of wastes, the investigation and remediation of contaminated soil and groundwater, the discharge of effluents into waterways, the emission of substances into the air, as well as various health and safety matters. Environmental laws and regulations are subject to frequent amendment and have historically become more stringent over time. We have incurred and could incur in the future significant costs if we fail to comply with liabilities under environmental laws and regulations, including cleanup costs, civil and criminal penalties, injunctive relief and denial or loss of, or imposition of significant restrictions on, environmental permits. In addition, we have been and could in the future be subject to suit by private parties in connection with alleged violations of, or liabilities under, environmental laws and regulations. See “Item 1A. Risk Factors – Risks Related to Our Business – We are subject to extensive environmental laws and regulations and may incur significant costs as a result of continued compliance with, violations of or liabilities under environmental laws and regulations” and Note 20 of the Notes to Consolidated Financial Statements, “Commitments and Contingent Liabilities.”

Employees and Employee Relations

As of December 31, 2015, we had 775 salaried employees and 1,367 non-salaried employees. Listed below is a breakdown of employees by our businesses, including administration.

Business	*Salaried*	*Non-Salaried*	*Total*
Railroad and Utility Products and Services	204	687	891
Carbon Materials and Chemicals	354	424	778
Performance Chemicals	114	253	367
Administration	103	3	106
Total Employees	775	1,367	2,142

Internet Access

Our Internet address is www.koppers.com. Our recent filings on Form 10-K, 10-Q and 8-K and any amendments to those documents can be accessed without charge on our website under Investor Relations – SEC Filings. The contents of our internet site are not incorporated by reference into this document.

ITEM 1A. RISK FACTORS

You should carefully consider the risks described below before investing in our publicly traded securities. Our business is subject to the risks that affect many other companies, such as competition, technological obsolescence, labor relations, general economic conditions, geopolitical events and international operations.

Risks Related to Our Business

Fluctuations in the price, quality and availability of our primary raw materials could reduce our profitability.

Our operations depend on an adequate supply of quality raw materials being available on a timely basis. The loss of a key source of supply or a delay in shipments could cause a significant increase in our operating expenses. For example, our operations are highly dependent on a relatively small number of freight transportation services. We are also dependent on specialized ocean-going transport vessels that we lease to deliver raw materials to our facilities and finished goods to our customers. Interruptions in such freight services could impair our ability to receive raw materials and ship finished products in a timely manner. We are also exposed to price and quality risks associated with raw material purchases. Such risks include the following:

- The availability and cost of lumber are critical elements in our production of railroad crossties and pole products, respectively, for our RUPS business. Historically, the supply and cost of hardwood for railroad crossties have been subject to availability and price pressures. We may not be able to obtain wood raw materials at economical prices in the future.
- The primary raw material used by our CMC business is coal tar, a by-product of furnace coke production. A shortage in the supply of domestic coal tar or a reduction in the quality of coal tar could require us to increase coal tar or creosote imports to meet future creosote demand. This could cause a significant increase in our operating expenses and we may be unable to pass some or all of these costs on to our customers.
- In certain circumstances coal tar may also be used as an alternative to fuel. In the past, increases in energy prices have resulted in higher coal tar costs which we have attempted to pass through to our customers. If these increased costs cannot be passed through to our customers, it could result in margin reductions for our coal tar-based products.
- Our price realizations and profit margins for phthalic anhydride have historically fluctuated with the price of orthoxylene and its relationship to our cost to produce naphthalene; however, during periods of excess supplies of phthalic anhydride, margins may be reduced despite high levels for orthoxylene prices.
- Our price realizations and profit margins for phthalic anhydride, naphthalene and carbon black feedstock have historically fluctuated with the market price of crude oil, market prices for chemicals derived from crude oil, such as orthoxylene or market indices derived from crude oil. In addition, the market price of phthalic anhydride, naphthalene and carbon black feedstock may be negatively impacted from decreasing market prices for crude oil. Our business was negatively affected by the decreasing market price of oil experienced in the fourth quarter of 2014 and continuing throughout 2015.
- The availability of scrap copper is a critical element in our production of copper-based wood preservation chemicals for our PC business. Our purchase price for scrap copper is based upon spot prices in the copper market, which may be subject to sudden changes. We may not be able to obtain scrap copper at prices that match underlying pricing commitments to our customers.

If the costs of raw materials increase significantly and we are unable to offset the increased costs with higher selling prices, our profitability will decline.

We face risks related to our substantial indebtedness.

Our substantial leverage could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry, expose us to interest rate risk associated with our variable rate debt and prevent us from meeting our obligations under our senior secured credit facilities, as described in Note 16 of the Notes to Consolidated Financial Statements, (the “Senior Secured Credit Facilities”). As of December 31, 2015, we have total outstanding debt of $734.8 million (of which $437.3 million is subject to variable interest rates and $297.5 million is subject to fixed interest rates), and an additional approximately $53.9 million of unused borrowing capacity under our revolving credit facility. Our high degree of leverage could have important consequences to us, including:

- increasing our vulnerability to general economic and industry conditions;
- requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on our debt, thereby reducing our ability to use our cash flow to fund our operations, capital expenditures, and future business opportunities;
- exposing us to the risk of increased interest rates as certain of our borrowings under our Senior Secured Credit Facilities are at variable rates;
- restricting us from making strategic acquisitions or causing us to make non-strategic divestitures;
- limiting our ability to obtain additional financing for working capital, capital expenditures, product development, debt service requirements, acquisitions, and general corporate or other purposes; and

- limiting our ability to adjust to changing market conditions and placing us at a competitive disadvantage compared to our competitors who may be less highly leveraged.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future, subject to the restrictions contained in our Senior Secured Credit Facilities and the indentures governing the notes. If new indebtedness is added to our current debt levels, the related risks that we now face could intensify.

Our debt agreements contain restrictions that limit our flexibility in operating our business.

Our Senior Secured Credit Facilities and the indenture governing the Koppers Inc. $7^{7/8}$ % Senior Notes due 2019 (the “Senior Notes”) contain various covenants that limit our ability to engage in specified types of transactions. These covenants limit our ability and the ability of our restricted subsidiaries to, among other things:

- incur additional debt;
- pay dividends or distributions on our capital stock or repurchase our capital stock;
- issue stock of subsidiaries;
- make certain investments;
- create liens on our assets to secure debt;
- enter into transactions with affiliates;
- merge or consolidate with another company; and
- sell or otherwise transfer assets.

In addition, under the Senior Secured Credit Facilities, we are required to meet specified financial ratios in order to undertake certain actions, and we are required to maintain a specified minimum fixed charge coverage ratio and a maximum total secured leverage ratio. Our ability to meet those tests can be affected by events beyond our control, and we cannot assure you that we will meet them. A breach of any of these covenants could result in a default under our Senior Secured Credit Facilities and under our Senior Notes, which include cross default clauses. Upon the occurrence of an event of default under our Senior Secured Credit Facilities, the lenders could elect to declare all amounts outstanding under our Senior Secured Credit Facilities to be immediately due and payable and terminate all commitments to extend further credit. If we were unable to repay those amounts, the lenders under our Senior Secured Credit Facilities and Senior Notes could proceed against the collateral granted to them to secure such indebtedness. We have pledged substantially all of our assets as collateral under our Senior Secured Credit Facilities. If the lenders under our Senior Secured Credit Facilities accelerate the repayment of borrowings, we cannot assure you that we will have sufficient assets to repay our Senior Secured Credit Facilities, as well as our unsecured indebtedness.

Conditions in the global economy and global capital markets may adversely affect our results of operations, financial condition and cash flows.

The U.S. and global economy and capital markets have experienced significant uncertainties and volatility in the past few years. Our business and operating results for the last six years were significantly affected by these global economic issues. Many of our customers have experienced deterioration of their business during the latest business cycle. They may experience cash flow shortages and may have difficulty obtaining financing. As a result, our customers may delay or cancel plans to purchase our products and may not be able to fulfill their payment obligations to us in a timely fashion. Our suppliers may be experiencing similar conditions which could impact their ability to supply us with raw materials and otherwise fulfill their obligations to us. If global economic conditions deteriorate significantly, there could be a material adverse effect to our results of operations, financial condition and cash flows.

In addition, we rely on our $762.5 million Senior Secured Credit Facilities with a consortium of banks to provide us with liquidity to meet our working capital needs. At December 31, 2015, we had approximately $53.9 million of available borrowing capacity under this arrangement. Our ability to fund our liquidity needs and working capital requirements could be impacted in the event that disruptions in the credit markets result in the banks being unable to lend to us under our Senior Secured Credit Facilities.

Global economic issues could prevent us from accurately forecasting demand for our products, which could have a material effect on our results of operations and our financial condition.

Adverse global economic issues, market instability and volatile commodity price fluctuations make it increasingly difficult for us, our customers and our suppliers to accurately forecast future product demands and sales prices, which could cause us to procure raw materials in excess of end-product demand. This could cause a material increase to our inventory carrying costs and, in the event of falling market prices for our end products, result in significant charges to write-down inventory to market prices.

Intellectual property rights are important to our business. If our patents are declared invalid or our trade secrets become known to our competitors, our ability to compete may be adversely affected.

Proprietary protection of our processes, apparatuses and other technology is important to our business, particularly in our PC business. Consequently, we may have to rely on judicial enforcement of our patents and other proprietary rights, which is generally a time consuming and expensive process. While a presumption of validity exists with respect to patents issued to us in the U.S., there can be no assurance that any of our patents will not be challenged, invalidated, circumvented or rendered unenforceable. Furthermore, if any pending patent application filed by us does not result in an issued patent, or if patents are issued to us, but such patents do not provide meaningful protection of our intellectual property, or if patents issued to us expire, then our ability to compete may be adversely affected. Additionally, our competitors or other third parties may obtain patents that restrict or preclude our ability to lawfully produce or sell our products in a competitive manner, which could have a material adverse effect on our business, cash flow and financial condition. The growth of our business also depends on our ability to develop new intellectual property rights, including patents, and the successful implementation of innovation initiatives. There can be no assurance that our efforts to do so will be successful and the failure to do so could negatively impact our results of operations.

We also rely upon unpatented proprietary know-how and continuing technological innovation and other trade secrets to develop and maintain our competitive position, particularly in our PC business. While it is our policy to enter into confidentiality agreements with our employees and third parties to protect our intellectual property, these confidentiality agreements may be breached or may not provide meaningful protection for our trade secrets or proprietary know-how, and adequate remedies may not be available in the event of an unauthorized use or disclosure of our trade secrets and know-how. In addition, others could obtain knowledge of our trade secrets through independent development or other access by legal means. The failure of our patents or confidentiality agreements to protect our processes, apparatuses, technology, trade secrets or proprietary know-how could have a material adverse effect on our business, cash flow and financial condition.

We may be required to recognize impairment charges for our long-lived assets.

At December 31, 2015, the net carrying value of long-lived assets (property, plant and equipment, goodwill, other intangible assets and equity investments) totaled approximately $619.3 million. In accordance with generally accepted accounting principles, we periodically assess these assets to determine if they are impaired. In 2015, we recognized a goodwill impairment charge of $67.2 million related to our CMC business segment. Also in 2015, we recognized fixed asset impairment charges of $12.8 million related to the decision to discontinue coal tar distillation activities at two of our CMC plants located in the United States and two of our CMC plants located in the United Kingdom. The remaining 2015 fixed asset impairment charges of $1.9 million were related to the RUPS wood treating plant in Green Spring, West Virginia. Significant negative industry or economic trends, disruptions to our business, unexpected significant changes or planned changes in use of the assets, divestitures and market capitalization declines may result in impairments to goodwill and other long-lived assets. Future impairment charges could significantly affect our results of operations in the periods recognized. Impairment charges would also reduce our shareholders' equity and could affect compliance with the covenants in our debt agreements.

We may not be able to compete successfully in any or all of the industry segments in which we operate.

The markets in which we operate are highly competitive, and this competition could harm our business, results of operations, cash flow and financial condition. If we are unable to respond successfully to changing competitive conditions, the demand for our products could be affected. We believe that the most significant competitive factor for our products is selling price. Some of our competitors have greater financial resources and larger capitalization than we do and, as a result, they may be better positioned to compete in a declining market.

Demand for our products is cyclical and we may experience prolonged depressed market conditions for our products.

Our products are sold primarily into markets which historically have been cyclical, such as the aluminum, specialty chemical and wood preservation markets.

- The principal consumers of our carbon pitch are primary aluminum smelters. Although the global aluminum industry has experienced growth on a long-term basis, the aluminum industry has experienced a shift in primary aluminum production from the mature geographies where we have historically enjoyed high market shares and strong profit margins into emerging economies where we have been unable to generate similar margins. For example, at the beginning of 2015 there were nine smelters operating in the United States. By the end of the year, only six remained operating and three of these were operating at low capacity.
- The principal use of our phthalic anhydride is in the manufacture of plasticizers and flexible vinyl, which are used mainly in the housing and automobile industries. Therefore, a decline in remodeling and construction or global automobile production could reduce the demand for phthalic anhydride.
- The principal use of our wood preservation chemicals is in the manufacture of treated lumber, which is used mainly for residential applications, such as wood decking, and also industrial applications, such as the treating of railroad crossties and utility poles. Therefore, a decline in remodeling and construction could reduce demand for wood preservation chemicals for residential applications and a decline in the capital spending requirements for railroads and utility companies could reduce demand for wood preservation chemicals for industrial applications.

We are dependent on major customers for a significant portion of our net sales, and the loss of one or more of our major customers could result in a significant reduction in our profitability as a whole or the profitability of a particular product.

Although no one customer accounts for more than eight percent of our net sales, for the year ended December 31, 2015, our top ten customers accounted for approximately 38 percent of our net sales. The loss of a significant customer could have a material adverse effect on our business, cash flow and financial condition.

Our products may be rendered obsolete or less attractive by changes in regulatory, legislative or industry requirements.

Changes in regulatory, legislative or industry requirements may render certain of our products obsolete or less attractive. Our ability to anticipate changes in these requirements, especially changes in regulatory standards, will be a significant factor in our ability to remain competitive. We may not be able to comply in the future with new regulatory, legislative and/or industrial standards that may be necessary for us to remain competitive and certain of our products may, as a result, become obsolete or less attractive to our customers.

The development of new technologies or changes in our customers' products could reduce the demand for our products.

Our products are used for a variety of applications by our customers. Changes in our customers' products or processes may enable our customers to reduce consumption of the products we produce or make our products unnecessary. Customers may also find alternative materials or processes that no longer require our products.

Hazards associated with chemical manufacturing may cause suspensions or interruptions of our operations.

Due to the nature of our business, we are exposed to the hazards associated with chemical manufacturing and the related use, storage and transportation of raw materials, products and wastes in our manufacturing facilities and our distribution centers, such as fires, explosions and accidents that could lead to a suspension or interruption of operations. Any disruption could reduce the productivity and profitability of a particular manufacturing facility or of our company as a whole. Other hazards include the following:

- piping and storage tank leaks and ruptures;
- mechanical failure;
- exposure to hazardous substances; and
- chemical spills and other discharges or releases of toxic or hazardous wastes, substances or gases.

These hazards, among others, may cause personal injury and loss of life, damage to property and contamination of the environment, which could lead to government fines or work stoppage injunctions, cleanup costs and lawsuits by injured persons. While we are unable to predict the outcome of such matters, if determined adversely to us, we may not have adequate insurance to cover related costs or liabilities and, if not, we may not have sufficient cash flow to pay for such costs or liabilities. Such outcomes could harm our customer goodwill and reduce our profitability and could have a material adverse effect on our business, financial condition, cash flow and results from operations.

We are subject to extensive environmental laws and regulations and may incur significant costs as a result of continued compliance with, violations of or liabilities under environmental laws and regulations.

Like other companies involved in environmentally sensitive businesses, our operations and properties are subject to extensive federal, state, local and foreign environmental laws and regulations, including those concerning the following, among other things:

- the treatment, storage and disposal of wastes;
- the investigation and remediation of contaminated soil and groundwater;
- the discharge of effluents into waterways;
- the emission of substances into the air;
- the marketing, sale, use and registration of our chemical products, such as creosote and MicroPro ® ;
- the European Union's regulation under the Registration Evaluation Authorization and Restriction of Chemicals, which requires manufacturers or importers of substances manufactured or imported into the EU in quantities of one tonne per year or more to register with a central European Chemicals Agency; and
- other matters relating to environmental protection and various health and safety matters.

We have incurred, and expect to continue to incur, significant costs to comply with environmental laws and regulations and as a result of remedial obligations. We could incur significant costs, including cleanup costs, fines, civil and criminal sanctions and claims by third parties for property damage and personal injury, as a result of violations of or liabilities under environmental laws and regulations. We accrue for environmental liabilities when a determination can be made that they are probable and reasonably estimable. Total environmental reserves at December 31, 2015 were $19.8 million, which include provisions primarily for environmental fines and remediation. In addition, we incur significant annual operating expenses related to environmental matters and significant capital expenditures related to environmental control facilities. Capital expenditures related to environmental control facilities in 2016 are expected to total approximately $10.5 million, funded by operations. Contamination has been identified and is being investigated and remediated at many of our sites by us or other parties. We believe that we will have continuing significant expenditures associated with compliance with environmental laws and regulations and, to the extent not covered by insurance or available recoveries under third-party indemnification arrangements, for present and future remediation efforts at plant sites and third-party waste sites and other liabilities associated with environmental matters. There can be no assurance that these expenditures will not exceed current estimates and will not have a material adverse effect on our business, financial condition, cash flow and results of operations.

Actual costs and liabilities to us may exceed forecasted amounts. Moreover, currently unknown environmental issues, such as the discovery of additional contamination or the imposition of additional sampling or cleanup obligations with respect to our sites or third party sites, may result in significant additional costs, and potentially significant expenditures could be required in order to comply with future changes to environmental laws and regulations or the interpretation or enforcement thereof. We also are involved in various litigation and proceedings relating to environmental matters and toxic tort claims.

Future climate change regulation could result in increased operating costs and reduced demand for our products.

Although the United States has not ratified the Kyoto Protocol, a number of federal laws related to "greenhouse gas," or "GHG," emissions have been considered by Congress. Additionally, various federal, state and regional regulations and initiatives have been enacted or are being considered.

Member States of the European Union each have an overall cap on emissions which are approved by the European Commission and implement the EU Emissions Trading Directive as a commitment to the Kyoto Protocol. Under this Directive, organizations apply to the Member State for an allowance of GHG emissions. These allowances are tradable so as to enable companies that manage to reduce their GHG emissions to sell their excess allowances to companies that are not reaching their emissions objectives. Failure to purchase sufficient allowances will require the purchase of allowances at a current market price.

Any laws or regulations that may be adopted to restrict or reduce emissions of GHGs could cause an increase to our raw material costs, could require us to incur increased operating costs and could have an adverse effect on demand for our products.

Beazer East and Beazer Limited may not continue to meet their obligations to indemnify us.

Under the terms of the asset purchase agreement between us and Koppers Company, Inc. (now known as Beazer East, Inc.) upon the formation of KI in 1988, subject to certain limitations, Beazer East and Beazer Limited assumed the liability for and indemnified us against, among other things, certain clean-up liabilities for contamination occurring prior to the purchase date at sites acquired from Beazer East and certain third-party claims arising from such contamination (the “Indemnity”). Beazer East and Beazer Limited (which are indirect subsidiaries of Heidelberg Cement AG) may not continue to meet their obligations. In addition, Beazer East could in the future choose to challenge its obligations under the Indemnity or our satisfaction of the conditions to indemnification imposed on us thereunder. The government and other third parties may have the right under applicable environmental laws to seek relief directly from us for any and all such costs and liabilities. In July 2004, we entered into an agreement with Beazer East to amend the December 29, 1988 asset purchase agreement to provide, among other things, for the continued tender of pre-closing environmental liabilities to Beazer East under the Indemnity through July 2019. As consideration for the agreement, we, among other things, paid Beazer East $7.0 million and agreed to share toxic tort litigation defense costs arising from sites acquired from Beazer East. Qualified expenditures under the Indemnity are not subject to a monetary limit.

The Indemnity provides for the resolution of issues between KI 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 KI and Beazer East. Arbitration decisions under the Indemnity are final and binding on the parties. Periodically, issues have arisen between KI and Beazer East and/or other indemnitors that have been resolved without arbitration. From time to time, KI and Beazer East have engaged in discussions that involve, among other things, the allocation of environmental costs related to certain operating and closed facilities.

Without reimbursement under the Indemnity, the obligation to pay the costs and assume the liabilities relating to these matters would have a significant impact on our net income. Furthermore, without reimbursement, we could be required to record a contingent liability on our balance sheet with respect to environmental matters covered by the Indemnity, which could result in our having significant negative net worth. Finally, the Indemnity does not afford us indemnification against environmental costs and liabilities attributable to acts or omissions occurring after the closing of the acquisition of assets from Beazer East under the asset purchase agreement, nor is the Indemnity applicable to liabilities arising in connection with other acquisitions by us after that closing.

The insurance that we maintain may not fully cover all potential exposures.

We maintain property, casualty, general liability, workers’ compensation, pollution legal liability and other insurance, but such insurance may not cover all risks associated with the hazards of our business and is subject to limitations, including deductibles and maximum liabilities covered. We may incur losses beyond the limits, or outside the coverage, of our insurance policies, including liabilities for environmental compliance and remediation. In addition, from time to time, various types of insurance for companies in our industry have not been available on commercially acceptable terms or, in some cases, have not been available at all. In the future, we may not be able to obtain coverage at current levels, and our premiums may increase significantly on coverage that we maintain.

Adverse weather conditions may reduce our operating results.

Our quarterly operating results fluctuate due to a variety of factors that are outside our control, including inclement weather conditions, which in the past have caused a decline in our operating results. For example, adverse weather conditions have at times negatively impacted our supply chain as wet conditions impacted logging operations, reducing our ability to procure crossties. In addition, adverse weather conditions have had a negative impact on our customers in our pavement sealer and wood preservation businesses, resulting in a negative impact on our sales of these products. Moreover, demand for many of our products declines during periods of inclement weather.

We are subject to risks inherent in foreign operations, including additional legal regulation, changes in social, political and economic conditions.

We have operations in the United States, Australia, China, the United Kingdom, New Zealand, South America, Canada and Denmark, among others, and sell our products in many foreign countries. For the year ended December 31, 2015, net sales from products sold by our foreign subsidiaries accounted for approximately 34 percent of our total net sales.

Doing business on a global basis requires us to comply with the laws and regulations of the U.S. government and various international jurisdictions. These regulations place restrictions on our operations, trade practices and partners and investment decisions. In particular, our international operations are subject to U.S. and foreign anti-corruption laws and regulations, such as the Foreign Corrupt Practices Act, and economic sanction programs administered by the U.S. Treasury Department’s Office of Foreign Assets Control. Violations of these laws and regulations may result in civil or criminal penalties, including fines.

In addition, as a global business, we are also exposed to market risks relating to fluctuations in interest rates and foreign currency exchange rates. Our international revenues could be reduced by currency fluctuations or devaluations. Changes in currency exchange rates could lower our reported revenues and could require us to reduce our prices to remain competitive in foreign markets, which could also reduce our profitability. We have not historically hedged our financial statement exposure and, as a result, we could incur unanticipated losses. We are also subject to potentially increasing transportation and shipping costs associated with international operations. Furthermore, we are also exposed to risks associated with changes in the laws and policies governing foreign investments in countries where we have operations as well as, to a lesser extent, changes in U.S. laws and regulations relating to foreign trade and investment.

Our strategy to selectively pursue complementary acquisitions may present unforeseen integration obstacles or costs.

Our business strategy includes the potential acquisition of businesses and entering into joint ventures and other business combinations that we expect would complement and expand our existing products and the markets where we sell our products. We may not be able to successfully identify suitable acquisition or joint venture opportunities or complete any particular acquisition, combination, joint venture or other transaction on acceptable terms. We cannot predict the timing and success of our efforts to acquire any particular business. Also, efforts to acquire other businesses or the implementation of other elements of this business strategy may divert managerial resources away from our business operations. In addition, our ability to engage in strategic acquisitions may depend on our ability to raise substantial capital and we may not be able to raise the funds necessary to implement our acquisition strategy on terms satisfactory to us, if at all. Our failure to identify suitable acquisition or joint venture opportunities may restrict our ability to grow our business. In addition, we may not be able to successfully integrate businesses that we acquire in the future or have recently acquired, which could lead to increased operating costs, a failure to realize anticipated operating synergies, or both.

Litigation against us could be costly and time-consuming to defend, and due to the nature of our business and products, we may be liable for damages arising out of our acts or omissions, which may have a material adverse effect on us.

We are a defendant in a significant number of lawsuits in which the plaintiffs claim they have suffered a variety of illnesses (including cancer) and/or property damage as a result of exposure to coal tar pitch, benzene, wood treatment chemicals and other chemicals. In addition, we are regularly subject to legal proceedings and claims that arise in the ordinary course of business, such as workers’ compensation claims, governmental investigations, employment disputes, and customer and supplier disputes arising out of the conduct of our business. We also are involved in various litigation and proceedings relating to environmental matters. Litigation could result in substantial costs and may divert management’s attention and resources away from the day-to-day operation of our business.

We are indemnified for certain product liability exposures under the Indemnity with Beazer East related to products sold prior to the closing of the acquisition of assets from Beazer East. Beazer East and Beazer Limited may not continue to meet their indemnification obligations. In addition, Beazer East could choose to challenge its indemnification obligations or our satisfaction of the conditions to indemnification imposed on us thereunder. If for any reason (including disputed coverage or financial incapability) one or more of such parties fail to perform their obligations and we are held liable for or otherwise required to pay all or part of such liabilities without reimbursement, the imposition of such liabilities on us could have a material adverse effect on our business, financial condition, cash flows and results of operations. Furthermore, we could be required to record a contingent liability on our balance sheet with respect to such matters, which could result in us having significant negative net worth.

Labor disputes could disrupt our operations and divert the attention of our management and may cause a decline in our production and a reduction in our profitability.

Many of our employees are represented by a number of different labor unions and are covered under numerous labor agreements. Every year, a number of labor agreements are scheduled to expire. We may not be able to reach new agreements without union action or on terms satisfactory to us. Any future labor disputes with any such unions could result in strikes or other labor protests, which could disrupt our operations and divert the attention of our management from operating our business. If we were to experience a strike or work stoppage, it may be difficult for us to find a sufficient number of employees with the necessary skills to replace these employees. Any such labor disputes could cause a decline in our production and a reduction in our profitability.

Our post-retirement obligations are currently underfunded. We may be required to make significant cash payments to our pension and other post-retirement plans, which will reduce the cash available for our business.

As of December 31, 2015, our benefit obligation under our defined benefit pension plans exceeded the fair value of plan assets by $45.1 million. Our pension asset funding to total pension obligation ratio was 82 percent as of December 31, 2015. The underfunding was caused, in large part, by fluctuations in the financial markets that have caused the value of the assets in our defined benefit pension plans to be significantly lower than anticipated and by fluctuations in interest rates which increased the discounted pension liabilities. In addition, our obligations for other post-retirement benefit obligations are unfunded and total $9.4 million at December 31, 2015.

During the years ended December 31, 2015 and December 31, 2014, we contributed $4.0 million and $15.2 million, respectively, to our post-retirement benefit plans. Management expects that any future obligations under our post-retirement benefit plans that are not currently funded will be funded from our future cash flow from operations. If our contributions to our post-retirement benefit plans are insufficient to fund the post-retirement benefit plans adequately to cover our future obligations, the performance of the assets in our pension plans does not meet our expectations or other actuarial assumptions or mandatory funding laws are modified, our contributions to our post-retirement benefit plans could be materially higher than we expect, thus reducing the cash available for our business.

We may incur significant charges in the event we close all or part of a manufacturing plant or facility.

We periodically assess our manufacturing operations in order to manufacture and distribute our products in the most efficient manner. Based on our assessments, we may make capital improvements to modernize certain units, move manufacturing or distribution capabilities from one plant or facility to another plant or facility, discontinue manufacturing or distributing certain products or close all or part of a manufacturing plant or facility, any of which could cause us to incur significant charges. The actual costs to close a manufacturing facility may exceed our original cost estimate and may have a material adverse effect on our financial condition, cash flow from operations and results from operations.

We depend on our senior management team and other key employees and the loss of these employees could adversely affect our business.

Our success is dependent on the management, experience and leadership skills of our senior management team and key employees. The loss of any of these individuals or an inability to attract, retain and maintain additional personnel with similar industry experience could prevent us from implementing our business strategy. We cannot assure you that we will be able to retain our existing senior management and key personnel or to attract additional qualified personnel when needed. Senior management or key personnel may retire from time to time, and our employment agreements with these individuals may expire from time to time.

We may be subject to information technology systems failures, network disruptions and breaches of data security.

We depend on integrated information systems to conduct our business. Information technology systems failures, including risks associated with upgrading our systems or in successfully integrating information technology and other systems in connection with the integration of businesses we acquire, network disruptions and breaches of data security could disrupt our operations by impeding our processing of transactions, our ability to protect customer or company information and our financial reporting. Our computer systems, including our back-up systems, could be damaged or interrupted by power outages, computer and telecommunications failures, computer viruses, internal or external security breaches, events such as fires, earthquakes, floods, tornadoes and hurricanes, and/or errors by our employees. Although we have taken steps to address these concerns, there can be no assurance that a system failure or data security breach will not have a material adverse effect on our financial condition and results of operations.

Risks Related to Our Common Stock

Our stock price may be extremely volatile.

There has been significant volatility in the market price and trading volume of equity securities, which is unrelated to the financial performance of the companies issuing the securities. These types of broad market fluctuations may negatively affect the market price of our common stock.

Some specific factors that may have a significant effect on our common stock market price include the following:

- actual or anticipated fluctuations in our operating results or future prospects;
- the public's reaction to our press releases, our other public announcements and our filings with the Securities and Exchange Commission, (the "SEC");
- strategic actions by us or our competitors, such as acquisitions or restructurings;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- changes in accounting standards, policies, guidance, interpretations or principles;
- adverse conditions in the financial markets or general economic conditions, including those resulting from war, incidents of terrorism and responses to such events;
- sales of common stock by us, members of our management team or a significant shareholder;

- changes in stock market analyst recommendations or earnings estimates regarding our common stock, other comparable companies or the aluminum or railroad industry generally; and
- changes in our current dividend policy.

We cannot predict the extent to which investor interest in our company will continue to support an active trading market for our common stock on the New York Stock Exchange (the "NYSE") or otherwise or how liquid that market will continue to be. If there does not continue to be an active trading market for our common stock, you may have difficulty selling any of our common stock that you buy.

Future sales, or the perception of future sales, of a substantial amount of our common stock may depress the price of the shares of our common stock.

Future sales, or the perception or the availability for sale in the public market, of substantial amounts of our common stock could adversely affect the prevailing market price of our common stock and could impair our ability to raise capital through future sales of equity securities at a time and price that we deem appropriate.

We may issue shares of our common stock, or other securities, from time to time as consideration for future acquisitions and investments. We may also issue shares of our common stock, or other securities, in connection with employee stock compensation programs and board of directors' compensation. In addition, we may issue shares of our common stock or other securities in public or private offerings as part of our efforts to raise additional capital. In the event any such acquisition, investment, issuance under stock compensation programs or offering is significant, the number of shares of our common stock or the number or aggregate principal amount, as the case may be, of other securities that we may issue may in turn be significant. We may also grant registration rights covering those shares or other securities in connection with any such acquisitions and investments. Any additional capital raised through the sale of our equity securities may dilute your percentage ownership in us.

We have suspended our dividend and do not expect to pay any dividends for the forseeable future.

We are not required to pay dividends, and our shareholders are not guaranteed, and do not have contractual rights, to receive dividends. Our board of directors may decide at any time, in its discretion, to change or revoke our dividend policy. In February 2015 our board of directors determined to suspend our dividend in order to pay down debt and until the CMC business stabilizes. Accordingly, we do not anticipate that we will pay any dividends on shares of our common stock for the foreseeable future. Any determination to pay dividends in the future will be at the discretion of our board of directors and will depend upon results of operations, financial condition, contractual restrictions, restrictions imposed by applicable law and other factors our board of directors deems relevant.

The ability of Koppers Inc. and its subsidiaries to pay dividends or make other payments or distributions to us will depend on our operating results and may be restricted by, among other things, the covenants in Koppers Inc.'s revolving credit facility. Our ability to pay dividends is also limited by the indentures governing the Senior Notes as well as Pennsylvania law and may in the future be limited by the covenants of any future outstanding indebtedness we or our subsidiaries incur. If a dividend is paid in violation of Pennsylvania law, each director approving the dividend could be liable to the corporation if the director did not act with such care as a person of ordinary prudence would use under similar circumstances. Directors are entitled to rely in good faith on information provided by employees of the corporation and experts retained by the corporation. Directors who are held liable would be entitled to contribution from any shareholders who received an unlawful dividend knowing it to be unlawful. Furthermore, we are a holding company with no operations, and unless we receive dividends, distributions, advances, transfers of funds or other payments from our subsidiaries, we will be unable to pay dividends on our common stock.

Provisions of our charter documents may inhibit a takeover, which could negatively affect our stock price.

Provisions of our charter documents and the Business Corporation Law of Pennsylvania, the state in which we are incorporated, could discourage potential acquisition proposals or make it more difficult for a third party to acquire control of our company, even if doing so might be beneficial to our shareholders. Our Amended and Restated Articles of Incorporation (our “Articles of Incorporation”) and our Amended and Restated Bylaws (our “Bylaws”) provide for various procedural and other requirements that could make it more difficult for shareholders to effect certain corporate actions. For example, our Articles of Incorporation authorize our board of directors to determine the rights, preferences, privileges and restrictions of unissued series of preferred stock without any vote or action by our shareholders. Our board of directors can therefore authorize and issue shares of preferred stock with voting or conversion rights that could adversely affect the voting or other rights of holders of our common stock. The following additional provisions could make it more difficult for shareholders to effect certain corporate actions:

- Our shareholders will be able to remove directors only for cause by the affirmative vote of the holders of a majority of the outstanding shares of our capital stock entitled to vote in the election of directors. Vacancies on our board of directors may be filled only by our board of directors.
- Under Pennsylvania law, cumulative voting rights are available to the holders of our common stock if our Articles of Incorporation have not negated cumulative voting. Our Articles of Incorporation provide that our shareholders do not have the right to cumulative votes in the election of directors.
- Our Articles of Incorporation do not permit shareholder action without a meeting by consent except for the unanimous consent of all holders of our common stock. The Articles of Incorporation also provide that special meetings of our shareholders may be called only by the board of directors or the chairman of the board of directors.
- Our Bylaws provide that shareholders seeking to nominate candidates for election as directors or to bring business before an annual meeting of shareholders must provide timely notice of their proposal in writing to the corporate secretary.

These provisions may discourage acquisition proposals and may make it more difficult or expensive for a third party to acquire a majority of our outstanding voting stock or may delay, prevent or deter a merger, acquisition, tender offer or proxy contest, which may negatively affect our stock price.

Risks Related to the Senior Notes and Other Indebtedness

We may not be able to generate sufficient cash to service all of our indebtedness, including the Senior Notes, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or to refinance our debt obligations depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We cannot assure you that we will maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness, including the Senior Notes.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance our indebtedness, including the Senior Notes. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. Our Senior Secured Credit Facilities, and the indenture governing the Senior Notes restrict our ability to dispose of assets and use the proceeds from the disposition. We may not be able to consummate those dispositions or to obtain the proceeds that we could realize from them and these proceeds may not be adequate to meet any debt service obligations then due.

The covenants in Koppers Inc.’s credit facility impose restrictions that may limit our ability to take certain actions. Our failure to comply with these covenants could result in the acceleration of our outstanding indebtedness.

Koppers Inc.’s credit facility contains minimum fixed charge coverage and maximum leverage ratios. Additionally, the facility includes covenants limiting liens, mergers, asset sales, dividends and the incurrence of debt. Our ability to borrow under Koppers Inc.’s revolving credit facility will depend upon satisfaction of these covenants. Events beyond our control can affect our ability to meet those covenants.

If we are unable to meet the terms of our financial covenants, or if we breach any of these covenants, a default could occur. A default, if not waived, would entitle our lenders to declare all amounts borrowed immediately due and payable, which could also cause the acceleration of obligations under certain other agreements. In the event of acceleration of our outstanding indebtedness, there can be no assurance that we would be able to repay our debt or obtain new financing to refinance our debt. Even if new financing is made available to us, it may not be on terms acceptable to us.

The Senior Notes are secured equally and ratably with our current and future secured indebtedness.

The Senior Notes are secured equally and ratably with all of our current secured indebtedness and any future secured indebtedness that we may incur to the extent of the assets securing such indebtedness. At December 31, 2015, we have a $500.0 million secured revolving credit facility and a term loan of $262.5 million. The revolving credit agreement and indenture governing the Senior Notes permit us to incur a substantial amount of additional indebtedness.

In the event of our insolvency, bankruptcy, liquidation, reorganization, dissolution or winding up, we may not have sufficient assets to pay amounts due on any or all of the Senior Notes then outstanding. Holders of the Senior Notes will participate ratably with the other secured indebtedness that are deemed to be of the same class as the Senior Notes, and potentially with all of our other general creditors, based upon the respective amounts owed to each holder or creditor, in our remaining assets. In any of the foregoing events, we cannot assure holders of our Senior Notes that there will be sufficient assets to pay amounts due on the Senior Notes.

We may not have the ability to raise the funds necessary to finance the change of control offer required by the indenture or may be prohibited from making a repurchase offer required by the indenture.

Upon the occurrence of certain specific kinds of change of control events, we will be required to offer to repurchase all outstanding Senior Notes at 101 percent of the principal amount thereof plus accrued and unpaid interest, if any, to the date of repurchase. The source of funds for that purchase of Senior Notes will be available cash or cash generated from Koppers Inc. or its subsidiaries, operations or other potential sources, including borrowings, sales of assets or equity financing. It is possible that we will not have sufficient funds at the time of the change of control to make the required repurchase of Senior Notes or that restrictions in our other indebtedness will not allow such repurchases. In addition, certain important corporate events, such as leveraged recapitalizations that would increase the level of our indebtedness, would not constitute a change of control under the Senior Notes indenture.

Holders of Senior Notes may not be able to determine when a change of control giving rise to their right to have the Senior Notes repurchased by us has occurred following a sale of “substantially all” of our assets.

A change of control, as defined in the indenture governing the Senior Notes, requires us to make an offer to repurchase all outstanding Senior Notes. The definition of change of control includes a phrase relating to the sale, lease or transfer of “all or substantially all” of our assets. There is no precise established definition of the phrase “substantially all” under applicable law. Accordingly, the ability of a holder of Senior Notes to require us to repurchase its Senior Notes as a result of a sale, lease or transfer of less than all of our assets to another individual, group or entity may be uncertain.

The claims of holders of Senior Notes will be structurally subordinated to claims of creditors of any of Koppers Inc.’s subsidiaries that do not guarantee the notes.

Only Koppers Holdings and the wholly-owned domestic restricted subsidiaries of Koppers Inc. guarantee the Senior Notes. The Senior Notes are not guaranteed by any of our non-U.S. subsidiaries. Subject to certain limitations, the indenture governing the Senior Notes permits the non-guarantor subsidiaries to acquire additional assets and incur additional indebtedness. Holders of Senior Notes would not have any claim as a creditor against any of the non-guarantor subsidiaries to the assets and earnings of those subsidiaries. The claims of the creditors of those subsidiaries, including their trade creditors, banks and other lenders, will have priority over any of Koppers Inc.’s claims or those of Koppers Inc.’s other subsidiaries as equity holders of the non-guarantor subsidiaries. Consequently, in any insolvency, liquidation, reorganization, dissolution or other winding-up of any of the non-guarantor subsidiaries, creditors of those subsidiaries would be paid before any amounts would be distributed to Koppers Inc. or to any of the other guarantors as equity and thus be available to satisfy the obligations under the Senior Notes and the guarantees. Accordingly, there can be no assurance that any of the assets of the non-guarantor subsidiaries will be available to satisfy the obligations under the Senior Notes and the guarantees. In addition, Koppers Holdings has substantially no operations independent of Koppers Inc. and its subsidiaries, and there can be no assurance that Koppers Holdings will have any assets available to satisfy the obligations under its guarantee. As of December 31, 2015, the non-guarantor subsidiaries had approximately $201 million of liabilities (including trade payables but excluding intercompany indebtedness).

Our subsidiaries that do not guarantee the Senior Notes accounted for approximately $560 million, or 34 percent of our net sales and approximately $(5) million, or 17 percent of our operating loss, for the year ended December 31, 2015, and approximately $409 million, or 36 percent of our total assets as of December 31, 2015. Amounts are presented after giving effect to intercompany eliminations.

Federal or state laws allow courts, under specific circumstances, to void debts, including guarantees, and could require holders of Senior Notes to return payments received from guarantors.

The Senior Notes are guaranteed by Koppers Holdings and the wholly-owned domestic restricted subsidiaries of Koppers Inc. If a bankruptcy proceeding or lawsuit were to be initiated by unpaid creditors, the Senior Notes and the guarantees of the Senior Notes could come under review for federal or state fraudulent transfer violations. Under federal bankruptcy law and comparable provisions of state fraudulent transfer laws, obligations under the Senior Notes or a guarantee of the Senior Notes could be voided, or claims in respect of the Senior Notes or a guarantee of the Senior Notes could be subordinated to all other debts of the debtor or that guarantor if, among other things, the debtor or the guarantor, at the time it incurred the debt evidenced by such Senior Notes or guarantee:

- received less than reasonably equivalent value or fair consideration for the incurrence of such debt or guarantee; and
- one of the following applies:
  - it was insolvent or rendered insolvent by reason of such incurrence;
  - it was engaged in a business or transaction for which its remaining assets constituted unreasonably small capital; or
  - it intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

In addition, any payment by the debtor or guarantor under the Senior Notes or guarantee of the Senior Notes could be voided and required to be returned to the debtor or guarantor, as the case may be, or deposited in a fund for the benefit of the creditors of the debtor or guarantor.

The measure of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a debtor or a guarantor would be considered insolvent if:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all its assets;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

We cannot be sure as to the standards that a court would use to determine whether or not a guarantor was solvent at the relevant time, or, regardless of the standard that the court uses, that the issuance of the guarantees of the Senior Notes would not be voided or subordinated to the guarantor's other debt. If a guarantee was legally challenged, it could also be subject to the claim that, because it was incurred for our benefit, and only indirectly for the benefit of the guarantor, the obligations of the guarantor were incurred for less than fair consideration. A court could thus void the obligations under a guarantee or subordinate a guarantee to a guarantor's other debt or take other action detrimental to holders of the Senior Notes.

The trading price of the Senior Notes may be volatile.

The trading price of the Senior Notes could be subject to significant fluctuations in response to, among other factors, changes in our operating results, interest rates, the market for non-investment grade debt securities, general economic conditions and securities analysts' recommendations, if any, regarding our securities.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The following chart sets forth information regarding our production facilities. Generally, our production and port facilities are suitable and adequate for the purposes for which they are intended and overall have sufficient capacity to conduct business in the upcoming year.

Primary Product Line	*Location*	*Description of Property Interest*
Railroad and Utility Products and Services		
Railroad crossties	Ashcroft, British Columbia, Canada	Owned
Railroad crossties, utility poles	Bunbury, Western Australia, Australia	Owned/Leased
Railroad crossties	Denver, Colorado	Owned
Railroad crossties	Florence, South Carolina	Owned
Railroad crossties	Galesburg, Illinois	Leased
Utility poles	Grafton, New South Wales, Australia	Owned
Railroad crossties	Guthrie, Kentucky	Owned
Treated wood products	Houston, Texas	Owned
Rail joint bars	Huntington, West Virginia	Leased
Utility poles	Longford, Tasmania, Australia	Owned
Railroad structures	Madison, Wisconsin	Owned
Railroad crossties	Muncy, Pennsylvania	Owned
Railroad crossties	North Little Rock, Arkansas	Owned
Railroad crossties	Roanoke, Virginia	Owned
Railroad crossties	Somerville, Texas	Owned
Pine products	Takura, Queensland, Australia	Leased
Carbon Materials and Chemicals		
Carbon pitch (a)	Clairton, Pennsylvania	Owned
Coal tar chemicals	Follansbee, West Virginia	Owned
Carbon pitch	Jingtang, Hebei Province, China	Leased
Carbon pitch	Mayfield, New South Wales, Australia	Owned
Carbon pitch	Nyborg, Denmark	Owned/Leased
Carbon pitch	Pizhou, Jiangsu Province, China	Leased
Carbon pitch	Portland, Oregon	Leased
Carbon pitch, phthalic anhydride	Stickney, Illinois	Owned
Performance Chemicals		
Wood preservation chemicals	Auckland, New Zealand	Owned
Wood preservation chemicals	Christchurch, New Zealand	Owned
Wood preservation chemicals	Darlington, United Kingdom	Owned
Wood preservation chemicals	Geelong, Victoria, Australia	Owned
Copper carbonate	Hubbell, Michigan	Leased
Wood preservation chemicals	Millington, Tennessee	Owned
Wood preservation chemicals	Mt. Gambier, South Australia, Australia	Owned
Wood preservation chemicals	Rock Hill, South Carolina	Owned

(a) Plant closure announced January 2016.

Our corporate offices are located in leased office space in Pittsburgh, Pennsylvania. The lease term expires on December 31, 2023. We also own office space in Griffin, Georgia.

ITEM 3. LEGAL PROCEEDINGS

We are involved in litigation and various proceedings relating to environmental laws and regulations, toxic tort, product liability and other matters. An adverse outcome for certain of these cases could result in a material adverse effect on our business, cash flows and results of operations. The information related to legal matters set forth in Note 20 to the Consolidated Financial Statements of Koppers Holdings Inc. is hereby incorporated by reference.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

EXECUTIVE OFFICERS OF THE COMPANY

The following table sets forth the names, ages and positions of our and Koppers Inc.'s executive officers as of February 18, 2016. Our executive officers hold their positions until the annual meeting of the board of directors or until their respective successors are elected and qualified.

Name	*Age*	*Position*
Leroy M. Ball	47	President and Chief Executive Officer of Koppers Holdings Inc. and Koppers Inc.
Joseph P. Dowd	55	Global Vice President, Safety, Health, Environmental and Process Excellence, Koppers Inc.
Daniel R. Groves	49	Vice President, Human Resources, Koppers Inc.
Leslie S. Hyde	55	Vice President, Risk Management and Deputy General Counsel, Koppers Inc.
Steven R. Lacy	60	Senior Vice President, Administration, General Counsel and Secretary, Koppers Holdings Inc. and Koppers Inc.
Thomas D. Loadman	61	Senior Vice President, Railroad Products and Services, Koppers Inc.
Mark R. McCormack	56	Vice President, Australasian Operations, Koppers Inc.
Christian A. Nielsen	53	Vice President, North American and European CMC, Koppers Inc.
Stephen C. Reeder	63	Senior Vice President, Performance Chemicals, Koppers Inc.
Markus G. Spiess	54	Vice President, Global Sales and Marketing, Carbon Materials and Chemicals, Koppers Inc.
James A. Sullivan	52	Senior Vice President, Global Carbon Materials and Chemicals, Koppers Inc.
Louann E. Tronsberg-Deihle	52	Treasurer, Koppers Holdings Inc. and Koppers Inc.
J. Robin Zhu	51	Vice President, China Operations, Koppers Inc.
Michael J. Zugay	64	Chief Financial Officer, Koppers Holdings Inc. and Koppers Inc.

Mr. Ball was elected President and Chief Executive Officer of Koppers Holdings Inc. and Koppers Inc. in January 2015. From May 2014 through December 2014, Mr. Ball served as Chief Operating Officer of Koppers Holdings Inc. and Koppers Inc. From May 2014 until August 2014, Mr. Ball served as both Chief Operating Officer and Chief Financial Officer of Koppers Holdings Inc. and Koppers Inc. He served as Vice President and Chief Financial Officer of Koppers Holdings Inc. and Koppers Inc. from September 2010 to May 2014.

Mr. Dowd was elected Global Vice President of Safety, Health, Environment, and Process Excellence, Koppers Inc. in January 2016. From July 2012 to December 2015, Mr. Dowd served as Vice President, North American Carbon Materials and Chemicals, Koppers Inc. Prior to joining Koppers, Mr. Dowd was General Manager and Vice President of North American Recycling for Exide Technologies, Inc. (lead-acid battery manufacturing) from September 2010 to October 2011.

Mr. Groves joined Koppers Inc. and was elected Vice President, Human Resources in May 2011. Prior to joining Koppers Inc. in May 2011, Mr. Groves was Senior Vice President – HR Business Partner at PNC Financial Services Group, Inc. (financial services) from May 2010 to April 2011.

Ms. Hyde was elected Vice President, Risk Management and Deputy General Counsel, Koppers Inc. in January 2016. From January 2005 to December 2015, Ms. Hyde served as Vice President, Safety and Environmental Affairs of Koppers Inc.

Mr. Lacy was elected Senior Vice President, Administration, General Counsel and Secretary of Koppers Holdings Inc. in November 2004 and has been Senior Vice President, Administration, General Counsel and Secretary of Koppers Inc. since January 2004.

Mr. Loadman was elected Senior Vice President, Railroad Products and Services, Koppers Inc. in February 2015. Mr. Loadman had previously served as Vice President, Railroad and Utility Products and Services of Koppers Inc. since May 2011. Prior to that, Mr. Loadman served as Vice President and General Manager, Railroad Products and Services of Koppers Inc. since November 1994.

Mr. McCormack was elected Vice President, Australasian Operations of Koppers Inc. in May 2014. Prior to that, Mr. McCormack served as Vice President, Australian Operations of Koppers Inc. from November 2006 to May 2014.

Mr. Nielsen was elected Vice President, North American and European Carbon Materials and Chemicals, Koppers Inc. in January 2016. Prior to that, Mr. Nielsen served as Vice President, European Operations of Koppers Inc. from February 2014 to December 2015. Prior to that, Mr. Nielsen served as Operations Manager, European Operations of Koppers Inc. from October 2010 to January 2014.

Mr. Reeder was elected Senior Vice President, Performance Chemicals, Koppers Inc. in January 2016. Mr. Reeder served as Senior Vice President of Americas Wood Preserving and Assistant Secretary of Koppers Performance Chemicals Inc. (formerly known as Osmose, Inc.) from our acquisition of Osmose, Inc. in August 2014 until December

2015. Prior to our acquisition of Osmose, Inc., Mr. Reeder served as Senior Vice President of U.S. Wood Preserving for Osmose, Inc. since 2010.

Mr. Spiess was elected Vice President, Global Sales and Marketing, Global Carbon Materials and Chemicals of Koppers Inc. in February 2011. Mr. Spiess had been Vice President, Global Supply, European Marketing and Sales, European Operations of Koppers Inc. since November 2007.

Mr. Sullivan was elected Senior Vice President, Global Carbon Materials & Chemicals, Koppers Inc. in April 2014. Mr. Sullivan had been elected Vice President of Business Development, Koppers Inc. in June 2013. Prior to joining Koppers, from March 2012 through May 2013, Mr. Sullivan was Senior Vice President, Americas of Calgon Carbon Corporation (“Calgon Carbon”) (granulated activated carbon products and treatment systems). During January and February 2012, he was Vice President, Americas of Calgon Carbon and from March 2010 to January 2012, he was the Vice President of Operations of Calgon Carbon.

Ms. Tronsberg-Deihle was elected Treasurer of Koppers Holdings Inc. and Koppers Inc. in August 2008.

Mr. Zhu has served as Vice President, China Operations of Koppers Inc. since March 2011. Prior to that, Mr. Zhu served as Operations Manager, China Operations of Koppers Inc. from January 2010 to March 2011.

Mr. Zugay was elected Chief Financial Officer of Koppers Holdings Inc. and Koppers Inc. in August 2014. Prior to joining Koppers, Mr. Zugay was Co-Chief Executive Officer for Michael Baker Corporation (engineering and other consulting services) from December 2012 to October 2013. Mr. Zugay served as Chief Financial Officer of Michael Baker Corporation from February 2009 to January 2014.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common shares are listed and traded on the NYSE under the symbol "KOP".

The number of registered holders of Koppers common shares at January 31, 2016 was 89.

See Note 22 to the consolidated financial statements below for information concerning dividends and high and low market prices of our common shares during the past two years.

Dividend Policy

In 2006, our board of directors adopted a dividend policy that provided for quarterly dividends, payable at the discretion of our board of directors. Dividends will be considered if cash generated by our business is in excess of our expected cash needs. Our expected cash needs include operating expenses and working capital requirements, interest and principal payments on our indebtedness, capital expenditures, incremental costs associated with being a public company, taxes and certain other costs. On an annual basis we expect to pay dividends, if declared, with cash flow from operations, but, due to seasonal or other temporary fluctuations in cash flow, we may from time to time use temporary short-term borrowings to pay quarterly dividends.

We are not required to pay dividends, and our shareholders will not be guaranteed, or have contractual or other rights, to receive dividends. Nevertheless, our board of directors may decide, in its discretion, at any time, to otherwise modify or repeal the dividend policy. We historically had issued a quarterly cash dividend of $0.25 per share of our common stock every quarter for the past two years ended December 31, 2014. In February 2015, our board of directors decided to suspend our quarterly cash dividend and no dividends were declared in 2015. We currently intend to use the annual cash savings from such dividend suspension to preserve financial flexibility while funding our strategic growth initiatives and debt repayments. Any future determination to declare and pay dividends will be made at the discretion of our board of directors, after taking into account our financial results, capital requirements and other factors it may deem relevant.

Because we are a holding company, substantially all the assets shown on our consolidated balance sheet are held by our subsidiaries. Accordingly, our earnings and cash flow and our ability to pay dividends are dependent upon the earnings and cash flows of our subsidiaries and the distribution or other payment of such earnings to us in the form of dividends. Our ability to pay dividends is restricted by limitations on the ability of our only direct subsidiary, Koppers Inc., to pay dividends, as a result of limitations imposed by Koppers Inc.'s credit agreement, the indenture governing Koppers Inc.'s Senior Notes and by Pennsylvania law. See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Restrictions on Dividends to Koppers Holdings."

Issuer Purchases of Equity Securities

No shares were repurchased in the quarter ended December 31, 2015 under the current $75 million share repurchase program approved in November 2011. The approximate dollar value of common shares that may yet be purchased under this program is $52.8 million. The repurchase program has no expiration date.

ITEM 6. SELECTED FINANCIAL DATA

The following table contains our selected historical consolidated financial data for the five years ended December 31, 2015. The selected historical consolidated financial data for each of the years ended December 31, 2015, 2014, 2013, 2012 and 2011 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)	*2015*	*2014*	*2013*	*2012*	*2011*
Statement of Operations Data:					
Net sales	$ 1,626.9	$ 1,555.0	$ 1,478.3	$ 1,555.0	$ 1,466.2
Depreciation and amortization	59.0	44.0	29.7	27.6	26.9
Impairment and restructuring charges (1)	42.2	17.9	11.9	0.6	0.0
Goodwill impairment (2)	67.2	0.0	0.0	0.0	0.0
Operating (loss) profit	(29.6)	33.2	100.3	126.6	122.7
Interest expense	50.7	39.1	26.8	27.9	27.2
(Loss) income from continuing operations	(75.9)	(40.0)	40.2	67.3	57.5
(Loss) income from discontinued operations (3)	(0.1)	0.6	(0.1)	(0.1)	(19.9)
Net (loss) income (4)	(76.0)	(39.4)	40.1	67.2	37.6
Net (loss) income attributable to Koppers	(72.0)	(32.4)	40.4	65.6	36.9
(Loss) Earnings from Continuing Operations Per Common Share Data:					
Basic – continuing operations	$ (3.50)	$ (1.61)	$ 1.96	$ 3.18	$ 2.75
Diluted – continuing operations	(3.50)	(1.61)	1.94	3.14	2.72
Weighted average common shares outstanding *(in thousands)* :					
Basic	20,541	20,463	20,575	20,681	20,599
Diluted	20,541	20,463	20,815	20,927	20,833
Balance Sheet Data:					
Cash and cash equivalents (5)	$ 21.8	$ 51.1	$ 82.2	$ 66.7	$ 54.1
Total assets (6)	1,125.4	1,293.9	784.9	780.0	730.7
Total debt (6)	734.8	850.5	303.1	296.1	302.1
Other Data:					
Capital expenditures (7)	$ 40.7	$ 83.8	$ 72.9	$ 28.9	$ 32.5
Cash dividends declared per common share	$ 0.00	$ 1.00	$ 1.00	$ 0.96	$ 0.88

(1) Includes plant closure and severance costs totaling $36.5 million related to the decision to discontinue coal tar distillation activities at two CMC plants located in the United States and two CMC plants located in the United Kingdom and plant closure and severance costs totaling $5.7 million related to the closure of the RUPS wood treating plant in Green Spring, West Virginia for the year ended December 31, 2015. Includes plant closure and severance costs totaling $13.2 million related to the closure of the Company's coal tar distillation facility in Uithoorn, the Netherlands and fixed asset impairment charges totaling $4.7 million related to the Company's coal tar distillation facility located in Tangshan China for the year ended December 31, 2014. Includes impairment charges of $11.9 million primarily consisting of write-downs related facilities located in Uithoorn, the Netherlands; Tangshan, China; and Follansbee, West Virginia for the year ended December 31, 2013.
(2) In 2015, the Company recorded a $67.2 million impairment charge related to goodwill for the CMC business segment.
(3) In 2011, we announced the closure of our carbon black facility located in Australia (the "carbon black facility"). The pre-tax costs related to this closure totaled $41.0 million in 2011.
(4) Income tax (benefit) expense for 2015 and 2014 was impacted by $(16.1) million related to Carbon Materials and Chemicals' goodwill impairment and $24.3 million related to a legal entity restructuring project, respectively.
(5) Includes cash of discontinued operations.
(6) The acquisition of the Osmose entities materially affect the comparability of these amounts for years prior to December 31, 2014.
(7) Excludes capital expenditures of the carbon black facility, a discontinued operation, of $0.7 million for the year ended December 31, 2011.

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

Overview

We are a leading integrated global provider of treated wood products, wood treatment chemicals, and carbon compounds. Our products and services are used in a variety of niche applications in a diverse range of end-markets, including the railroad, specialty chemical, utility, residential lumber, agriculture, aluminum, steel, rubber, and construction industries. We serve our customers through a comprehensive global manufacturing and distribution network, with manufacturing facilities located in North America, South America, Australasia, China and Europe.

We operate three principal businesses: Railroad and Utility Products and Services ("RUPS"), Carbon Materials and Chemicals ("CMC") and Performance Chemicals ("PC").

Through our RUPS business, we believe that we are the largest supplier of railroad crossties to the North American railroads. Our other treated wood products include utility poles for the electric and telephone utility industries in Australia. We also provide rail joint bar products as well as various services to the railroad industry. Through our CMC business, we process coal tar into a variety of products, including carbon pitch, creosote, carbon black feedstock, naphthalene and phthalic anhydride, which are intermediate materials necessary in the production of aluminum, the pressure treatment of wood, the production of carbon black for the rubber industry, the production of high-strength concrete, and the production of plasticizers and specialty chemicals, respectively. Through our PC business, we believe that we are the global leader in developing, manufacturing and marketing wood preservation chemicals and wood treatment technologies for use in pressure treating lumber for residential, industrial and agricultural applications. The PC business was acquired on August 15, 2014, when we completed the acquisition of the wood preservation and railroad services businesses (the "Osmose Entities") of Osmose Holdings, Inc. ("Osmose"). The wood preservation business formed our PC segment and the railroad services business acquired from Osmose is now a part of our RUPS segment.

In January 2016, we announced plans to substantially discontinue activities at our tar plant located in Clairton, Pennsylvania. The decision was driven by the continued secular shift of primary aluminum production to lower-cost energy regions of the world, which has contributed to the overcapacity in the tar distillation industry in North America and Europe. During 2015, there have been additional announced closures and curtailments of significant capacity in the U.S. aluminum market. We plan to ramp down production at the Clairton facility over the next six months as it transitions production to other Koppers-owned facilities in both the U.S. and Europe, and has targeted a date of mid-2016 for discontinuing activities at the Clairton plant.

In February 2016, we announced plans to cease coal tar distillation operations at both of its U.K. facilities. The plant at Port Clarence, which has been idle since December 2015, is expected to operate instead as a terminal and export site for coal tar. In addition, it is anticipated that the production facility and administration center at Scunthorpe will be closed. We also announced the closure of the Tangshan, China plant effective at the end of February 2016.

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, including the impact of imported products from competitors in certain regions where we operate; (ii) raw materials pricing and availability, in particular the cost and availability of hardwood lumber for railroad crossties, the cost and amount of coal tar available in global markets, which is negatively affected by reductions in steel production and scrap copper prices; (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, phthalic anhydride, and naphthalene; (iv) competitive conditions in global carbon pitch markets; and (v) changes in foreign exchange rates.

The primary end-market for RUPS is the North American railroad industry, which has a large installed base of wood crossties that require periodic replacement. As a result, our sales volumes for crossties and our operating results for this business have historically been relatively stable. However, our railroad business can be negatively affected by weather conditions that make it difficult for sawmills that provide our raw material to harvest timber. Additionally, some of our Class I railroad customers, who make up the largest portion of our business, may reduce inventory levels at certain times to manage working capital, which can adversely affect our volumes and profitability during certain periods.

The primary products produced by CMC are carbon pitch, which is sold primarily to the aluminum industry to be used in the production of carbon anodes, and creosote, which is used in the pressure treatment of railroad crossties. The smelting of aluminum requires significant amounts of energy, which is a major cost component for the aluminum industry. As a result, new production facilities are being built in regions with low energy costs such as the Middle East, while regions with higher energy costs such as the United States, Australia and Western Europe have seen significant amounts of smelting capacity idled or closed over the last several years.

Several of our products, particularly carbon black feedstock and phthalic anhydride, have end market pricing that is linked to oil. Historically, when oil prices increase 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. Conversely, the recent significant decline in oil prices has resulted in lower selling prices and profitability for carbon black feedstock, phthalic anhydride and naphthalene, which are products produced and sold by our CMC segment. However, a significant portion of our coal tar is also impacted by the price of oil, which has resulted in lower raw material and finished product costs for certain regions that will partially offset the negative impact from lower product prices.

The availability of coal tar, the primary raw material for our CMC business, 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, a by-product of metallurgical coke production, have also been reduced. Our ability to obtain coal tar and the price we are able to negotiate has a significant impact on the level of profitability of our business. Significant increases in raw material costs can result in margin dilution if the increased cost of the raw material is not 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.

The primary end-market for the wood treating chemicals sold by our PC business is the residential remodeling market, which is influenced by existing home sales and consumer spending on remodeling projects. As most of the products sold by PC are copper-based products, changes in the price and availability of copper can have a significant impact on product pricing and margins.

CMC Restructuring Initiatives

Our CMC business and results of operations have been negatively affected in recent years by difficult economic conditions in North America, Europe and China. Certain key end markets experienced significant reductions in demand that have negatively affected the profitability for most of our products produced and sold in the geographical regions we operate, and we expect this to continue for at least the foreseeable future. Additionally, over the last three years, our profitability in North America has been negatively impacted from increased levels of imports from competitors in Europe due to weak end-market demand there. The geographic shift in end-market demand over the past several years has resulted in a trend of declining utilization rates in North America and Europe over that same period.

As a result we have embarked on a plan to restructure our CMC operating footprint that we expect will eventually reduce our global number of coal tar distillation and related facilities from the 11 that existed at the end of 2013 to four in total. The closure of the first facility occurred in April 2014 as we ceased distillation in Uithoorn, the Netherlands. During 2015, we ceased coal tar distillation activities at our Follansbee, West Virginia facility. Finally, during 2016, we announced the permanent closure of four additional facilities as we will discontinue distillation activities at our tar plants located in Clairton, Pennsylvania; Scunthorpe, U.K.; Port Clarence, U.K. and Tangshan, China. The U.K. facilities had suspended production activities in December 2015 and we plan to ramp down production at the remaining facilities over the next six months as we transition production to other Koppers-owned facilities in both the U.S. and Europe.

The reduction in operating capacity at these locations resulted in impairments or other costs of $36.5 million in the year ended December 31, 2015 and a total of $29.5 million for the two years ended December 31, 2014. As a result of these initiatives, we expects additional charges to earnings of between $15 million to $30 million through 2020, of which approximately $2 million to $9 million are estimated to be non-cash. The overall expected future cash requirements for the CMC plant closures listed above are estimated to be between $45 million to $55 million through 2020. There may be additional curtailments or closures at our other CMC facilities as part of our efforts to reduce our cost structure and improve capacity utilization in our businesses.

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 some of our facilities have at times been reduced 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 first and fourth calendar quarters as compared to the second and third calendar quarters.

Results of Operations – Comparison of Years Ended December 31, 2015 and December 31, 2014

Consolidated Results

Net sales for the years ended December 31, 2015 and 2014 are summarized by segment in the following table:

	Year Ended December 31,		
	2015	2014	Net Change
(Dollars in millions)			
Railroad and Utility Products and Services	$ 657.0	$ 597.8	10%
Carbon Materials and Chemicals	613.4	833.7	-26%
Performance Chemicals	356.5	123.5	N/A
	$ 1,626.9	$ 1,555.0	5%

Railroad and Utility Products and Services net sales for the year ended December 31, 2015 increased by $59.2 million or ten percent compared to the prior year. The sales increase was due primarily to higher sales volumes for railroad crossties combined with incremental sales of $35.7 million from the Osmose businesses that are a part of RUPS. The higher sales volumes for crossties were due to strong industry demand combined with inventory restocking by railroad customers who reduced inventory levels over the past several years due to competitive market conditions for hardwood lumber.

Carbon Materials and Chemicals net sales for the year ended December 31, 2015 decreased by $220.3 million or 26 percent compared to the prior year due mainly to lower volumes of carbon pitch and lower sales prices for carbon black feedstock, phthalic anhydride and naphthalene, all of which have been impacted by lower oil prices.

Distillate sales decreased by 11 percent compared to the prior year due mainly to lower prices for carbon black feedstock, with the lower prices driven by lower oil prices.

Coal tar chemicals sales declined by six percent compared to the prior year due primarily to decreases in sales prices for phthalic anhydride and naphthalene, which were driven by lower oil prices.

Foreign exchange translation as a result of the strong U.S. dollar resulted in a reduction of six percent of sales compared to the prior year.

Performance Chemicals net sales increased by $233.0 million compared to the prior year. The sales increase was due primarily to the PC business being consolidated for a full 12 month period in 2015 versus a 4 1/2 month period in 2014. This segment consists of the wood preservation business that was acquired from Osmose in August 2014. Sales for this business, which produces various copper-based wood preservatives used in decking, fencing and other residential, commercial, and agricultural applications, are driven primarily by residential remodeling and existing home sales. Operating results for PC for the first and fourth quarters are typically lower than results for the second and third quarters due to seasonality related to winter weather conditions.

Cost of sales as a percentage of net sales was 84 percent for the year ended December 31, 2015, compared to 86 percent in the prior year due mainly to the acquisition of the higher margin PC business and higher gross margins for RUPS driven by increased sales volumes and improved cost performance, which more than offset lower gross margin from CMC.

Depreciation and amortization charges for the year ended December 31, 2015 were $15.0 million higher when compared to the prior year due mainly to a full year of depreciation and amortization for the PC business that was acquired in August 2014.

Gain on sale of business of $3.2 million for the year ended December 31, 2015 reflected the sale of our North American utility pole business in January 2015.

Impairment and restructuring charges were $42.2 million for the year ended December 31, 2015 primarily related to the decision to discontinue coal tar distillation activities at two CMC plants located in the United States and two CMC plants located in the United Kingdom. The remaining 2015 charges were related to the RUPS closure of a wood treating plant in Green Spring, West Virginia. The $17.9 million of impairment and restructuring charges incurred for the year ended December 31, 2014 was due to the closure of the Uithoorn, Netherlands CMC facility for $13.2 million combined with impairment charges related to the KCCC facility of $4.7 million.

Goodwill impairment charges of $67.2 million for the year ended December 31, 2015 reflected the complete write-down of goodwill for the Carbon Materials and Chemicals business.

Selling, general and administrative expenses for the year ended December 31, 2015 were $8.4 million higher when compared to the prior year mainly to the PC business that was acquired in August 2014. Additionally, $1.4 million of costs were incurred in 2015 related to CMC restructuring and reorganization projects.

Interest expense for the year ended December 31, 2015 was $11.6 million higher when compared to the prior year as a result of higher debt levels due to financing for the acquisition of the Osmose Entities in August 2014.

Income taxes for the year ended December 31, 2015 were $38.3 million lower when compared to the prior year period. Our effective income tax rate for the year ended December 31, 2015 was 5.3 percent as compared to (578.0) percent in the prior year. The change in the effective income tax rate is primarily due to a significant decrease in pre-tax earnings in addition to the absence of the one-time tax charges related to the legal entity restructuring project that we completed at the end of 2014. The effective income tax rate is negatively affected by goodwill impairment charges that are not deductible in certain foreign jurisdictions along with setting up a valuation allowance for certain state and foreign net operating losses and temporary differences.

Segment Results

Segment operating profit for the years ended December 31, 2015 and 2014 is summarized by segment in the following table:

	Year Ended December 31,		
	2015	*2014*	*% Change*
(Dollars in millions)			
Operating (loss) profit:			
Railroad and Utility Products and Services	$ 62.2	$ 53.6	16%
Carbon Materials and Chemicals	(125.0)	(5.3)	2258%
Performance Chemicals	39.0	1.6	N/A
Corporate	(5.8)	(16.7)	-65%
	$ (29.6)	$ 33.2	-189%
Operating (loss) profit as a percentage of net sales:			
Railroad and Utility Products and Services	9.5%	9.0%	0.5%
Carbon Materials and Chemicals	-20.4%	-0.6%	-19.8%
Performance Chemicals	10.9%	1.3%	9.6%
	(1.8)%	2.1%	-3.9%

Railroad and Utility Products and Services operating profit for the year ended December 31, 2015 increased by $8.6 million or 16 percent compared to the prior year. Operating profit as a percentage of sales increased to 9.5 percent from 9.0 percent in the prior year due to higher sales volumes for crossties caused by strong commercial industry demand and inventory restocking by railroad customers and the contribution from the August 2014 acquisition of Railroad Structures.

Carbon Materials and Chemicals operating profit for the year ended December 31, 2015 decreased by $119.7 million compared to the prior year. CMC recorded a goodwill impairment charge of $67.2 million in 2015 and other asset impairment charges and restructuring charges of $34.7 million. CMC operating profit as a percent of sales decreased to (20.4) percent from (0.6) percent in the prior year due mainly to these charges, lower volumes for carbon pitch and lower sales prices for carbon black feedstock, phthalic anhydride and naphthalene, which were driven by lower oil prices.

Performance Chemicals operating profit increased by $37.4 million compared to the prior year. Operating profit as a percentage of net sales for PC increased to 10.9 percent from 1.3 percent in the prior year. Operating profit for the year ended December 31, 2015 was positively impacted due primarily to the PC business being consolidated for a full 12 month period in 2015 versus 4.5 months in 2014.

Results of Operations – Comparison of Years Ended December 31, 2014 and December 31, 2013

Consolidated Results

Net sales for the years ended December 31, 2014 and 2013 are summarized by segment in the following table:

	Year Ended December 31,		
	2014	*2013*	*Net Change*
(Dollars in millions)			
Railroad and Utility Products and Services	$ 597.8	$ 572.2	4%
Carbon Materials and Chemicals	833.7	906.1	-8%
Performance Chemicals	123.5	0.0	N/A
	$ 1,555.0	$ 1,478.3	5%

Railroad and Utility Products and Services net sales for the year ended December 31, 2014 increased by $25.6 million or four percent as incremental sales from the Osmose acquisition in August 2014 and the acquisition of a wood treating plant in Ashcroft, British Columbia, Canada ("the Ashcroft acquisition") in January 2014 more than offset lower sales for railroad crossties and utility poles. Sales of crossties reduced sales by three percent as lower sales volumes due to reduced raw material availability were partially offset by higher sales prices. Sales of utility poles reduced sales by two percent mainly as a result of lower sales volumes from Australian operations which were negatively impacted by wet weather conditions.

Carbon Materials and Chemicals net sales for the year ended December 31, 2014 decreased by $72.4 million or eight percent. Lower sales volumes and prices for pitch decreased sales by five percent over the prior year due to lower sales volumes in North America as a result of lower aluminum production, combined with lower pricing in all regions due to competitive conditions. Sales for distillates reduced sales by one percent over the prior year as lower sales prices for carbon black feedstock were partially offset by higher sales volumes for carbon black feedstock from our Chinese operations due to incremental sales from Koppers (Jiangsu) Carbon Chemical Company Limited ("KJCC") which began production in August 2014. Sales for coal tar chemicals were flat as higher sales volumes increased sales by two percent driven by incremental sales volumes of naphthalene from KJCC combined with higher sales volumes for phthalic anhydride but were offset by lower sales prices for phthalic anhydride and naphthalene as a result of lower oil prices. Foreign currency translation reduced sales by one percent over the prior year as a result of the strong U.S. dollar.

Performance Chemicals net sales for the year ended December 31, 2014 were $123.5 million. This segment was formed from the Osmose acquisition which closed in August 2014.

Cost of sales as a percentage of net sales was 86 percent for the year ended December 31, 2014, the same as in the prior year, as significant restructuring costs were incurred in both years. Overall, cost of sales decreased by $79.0 million when compared to the prior year as the positive impact of acquisitions and KJCC more than offset lower crosstie purchases for RUPS and lower sales prices and volumes for CMC.

Depreciation and amortization charges for the year ended December 31, 2014 were $14.3 million higher when compared to the prior year due mainly to $9.7 million of depreciation and amortization from the Osmose and Ashcroft acquisitions and KJCC.

Impairment and restructuring charges for the year ended December 31, 2014 were $6.0 million higher when compared to the prior year due mainly to higher charges related to our CMC facilities located in Uithoorn, Netherlands, and Tangshan, China.

Selling, general and administrative expenses for the year ended December 31, 2014 were $44.5 million higher when compared to the prior year due primarily to the Osmose acquisition and related integration costs.

Interest expense for the year ended December 31, 2014 was $12.3 million higher when compared to the prior year due mainly to debt incurred to finance the Osmose acquisition.

Income taxes for the year ended December 31, 2014 were $2.7 million lower when compared to the prior year period. Our effective income tax rate for the year ended December 31, 2014 was (578.0) percent as compared to 47.8 percent in the prior year. The change in the effective income tax rate is due to the one-time tax charges of $24.3 million that are related to the legal entity restructuring project that we completed at the end of 2014. Additionally, the effective tax rate was negatively affected by the non-deductibility of certain expenses related to the pending closure of the Uithoorn facility, the impairment of the Koppers (China) Chemical Carbon and Company Limited coal tar distillation facility and the inability to record a tax benefit on pre-tax losses of certain foreign subsidiaries. These items are partially offset by a tax benefit of $6.0 million due to management's decision that a deferred tax liability for certain undistributed earnings of its European subsidiaries was no longer necessary as these earnings are permanently reinvested.

Segment Results

Segment operating profit for the years ended December 31, 2014 and 2013 is summarized by segment in the following table:

	Year Ended December 31,		
	2014	*2013*	*% Change*
(Dollars in millions)			
Operating profit:			
Railroad and Utility Products and Services	$ 53.6	$ 58.3	-8%
Carbon Materials and Chemicals	(5.3)	43.9	-112%
Performance Chemicals	1.6	0.0	N/A
Corporate	(16.7)	(1.9)	779%
	$ 33.2	$ 100.3	-67%
Operating profit as a percentage of net sales:			
Railroad and Utility Products and Services	9.0%	10.2%	-1.2%
Carbon Materials and Chemicals	-0.6%	4.8%	-5.4%
Performance Chemicals	1.3%	N/A	N/A
	2.1%	6.8%	-4.7%

Railroad and Utility Products and Services operating profit for the year ended December 31, 2014 decreased by $4.7 million or eight percent compared to the prior year. Operating profit as a percentage of sales decreased to 9.0 percent from 10.2 percent in the prior year due to reduced sales volumes for railroad crossties driven by lower raw material availability.

Carbon Materials and Chemicals operating profit for the year ended December 31, 2014 decreased by $49.2 million compared to the prior year. CMC operating profit as a percent of sales decreased to (0.6) percent from 4.8 percent in the prior year due mainly to lower sales volumes and prices for carbon pitch combined with lower sales prices for phthalic anhydride, carbon black feedstock and naphthalene due to lower oil prices.

Performance Chemicals operating profit for the year ended December 31, 2014 amounted to $1.6 million or 1.3 percent of sales from the closing of the Osmose acquisition at August 15, 2014 through December 31, 2014. Amortization as a result of purchase accounting and inventory revaluations reduced operating profit by $3.5 million. Additionally, profitability was negatively impacted due to normal seasonality for residential construction.

Cash Flow

Net cash provided by operating activities was $127.7 million for the year ended December 31, 2015 as compared to net cash provided by operating activities of $35.5 million for the year ended December 31, 2014. The net increase of $91.9 million in cash from operations was due primarily to lower working capital usage compared to the prior year period principally as a result of a decrease in accounts receivable and inventories coupled with an increase in accounts payable. Also contributing was the receipt of a cash advance payment of $30 million to KJCC due to the amendment of a soft pitch supply agreement with its customer.

Net cash provided by operating activities was $35.5 million for the year ended December 31, 2014 as compared to net cash provided by operating activities of $117.6 million for the year ended December 31, 2013. The reduction in cash provided by operating activities was driven by lower net income in 2014 combined with an increase in inventory related to railroad crossties. The increase in inventory of $14 million was mainly a result of increased availability for crossties as we rebuilt crosstie inventories that had been at historically low levels due to the shifting of sawmill production to the competing housing and crane mat markets.

Net cash used in investing activities was $41.1 million for the year ended December 31, 2015 as compared to net cash used in investing activities of $580.0 million for the year ended December 31, 2014. The decrease in net cash used by investing activities of $538.9 million is due to a reduction of $43.1 million for capital expenditures, additional proceeds of $14.6 million from asset sales, and a $481.2 million reduction in acquisition expenditures compared to the prior year period.

Net cash used in investing activities was $580.0 million for the year ended December 31, 2014 as compared to net cash used in investing activities of $72.3 million for the year ended December 31, 2013 due mainly to the Osmose acquisition.

Net cash used in financing activities was $123.4 million for the year ended December 31, 2015 as compared to net cash provided by financing activities of $516.1 million for the year ended December 31, 2014. The difference is due mainly to net debt repayments totaling $113.4 million in 2015 as compared to borrowings of $547.5 million in the prior year used to finance the Osmose acquisition, the Ashcroft acquisition and construction costs at the KJCC facility in China.

Net cash provided by financing activities was $516.1 million for the year ended December 31, 2014 as compared to net cash used in financing activities of $30.3 million for the year ended December 31, 2013. The increase in cash used for financing activities was principally due to new debt financing related to the Osmose acquisition which closed in August 2014.

Dividends paid were $8.7 million for the year ended December 31, 2015 as compared to dividends paid of $20.4 million for the year ended December 31, 2014. Dividends paid in 2015 include $3.5 million of dividends paid to the non-controlling interest shareholder of KCCC, our 60-percent owned subsidiary, and $5.2 million in dividends to Koppers Holdings shareholders relating to dividends declared on November 5, 2014. There were no dividends declared to Koppers Holdings shareholders during 2015.

Liquidity and Capital Resources

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, 2015 the basket totaled $117.1 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.” Koppers Holdings suspended its dividend in February 2015 and does not expect to declare any dividends for the foreseeable future.

Liquidity

The Koppers Inc. revolving credit facility agreement provides for a senior secured revolving credit facility of up to $500.0 million and a senior secured term loan 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, 2015, we had $53.9 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, 2015, $45.5 million of commitments were utilized by outstanding letters of credit.

The following table summarizes our estimated liquidity as of December 31, 2015 *(dollars in millions)*:

Cash and cash equivalents[(1)]	$	21.8
Amount available under revolving credit facility		53.9
Amount available under other credit facilities		0.8
Total estimated liquidity	$	76.5

(1) Cash includes approximately $21 million held by foreign subsidiaries, which if repatriated to the United States, would incur an estimated cash tax cost of approximately $8 million, exclusive of intercompany loan repayments.

Our estimated liquidity was $165.4 million at December 31, 2014.

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 working capital, capital maintenance programs and the funding of plant consolidation and rationalizations. We may also use cash to pursue potential strategic acquisitions. Capital expenditures in 2016, excluding acquisitions, are expected to total approximately $45 million, funded by operations.

Schedule of Certain Contractual Obligations

The following table details our projected payments for our significant contractual obligations as of December 31, 2015. The table is based upon available information and certain assumptions we believe to be reasonable.

	Payments Due by Period				
(in millions)	*Total*	*2016*	*2017-2018*	*2019-2020*	*Later years*
Long-term debt (including accretion)	$ 737.3	$ 41.3	$ 71.1	$ 624.9	$ 0.0
Interest on debt	151.6	39.8	74.5	37.3	0.0
Operating leases	198.1	44.4	72.9	27.7	53.1
Purchase commitments (1)	704.4	193.8	228.1	177.7	104.8
Total contractual cash obligations	$ 1,791.4	$ 319.3	$ 446.6	$ 867.6	$ 157.9

(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 $6 million in 2016. 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 in addition to decisions to fund in excess of statutorily required amounts. The funded status of our defined benefit plans is disclosed in Note 15 in our consolidated financial statements.

As of December 31, 2015, there was $7.7 million of tax liabilities related to unrecognized tax benefits. Because of the high degree of uncertainty regarding the timing of future cash outflows associated with these liabilities, we are unable to estimate the years in which settlement will occur with the respective taxing authorities. See Note 10 in our consolidated financial statements for further information.

Schedule of Certain Other Commercial Commitments

The following table details our projected payments for other significant commercial commitments as of December 31, 2015. The table is based upon available information and certain assumptions we believe to be reasonable.

		Amount of Commitment Expiration Per Period			
(in millions)	*Total Amounts Committed*	*2016*	*2017-2018*	*2019-2020*	*Later years*
Lines of credit (unused)	$ 370.2	$ 0.1	$ 0.0	$ 370.1	$ 0.0
Standby letters of credit	45.5	45.5	0.0	0.0	0.0
Total other commercial commitments	$ 415.7	$ 45.6	$ 0.0	$ 370.1	$ 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 (with such ratios becoming more restrictive in future periods):

- 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, 2015 was 1.44.
- The leverage ratio, calculated as of the end of each fiscal quarter for the four fiscal quarters then ended, is not permitted to exceed 5.00. The leverage ratio at December 31, 2015 was 4.67.

We are currently in compliance with all covenants in the credit agreement governing the revolving credit facility. Our continued ability to meet those financial ratios can be affected by events beyond our control, and we cannot provide assurances that we will meet those ratios and tests in the future, which become more restrictive in future periods.

At December 31, 2015, 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, 2015, 2014 and 2013, exchange rate fluctuations resulted in a decrease to comprehensive income of $20.6 million, $30.6 million and $10.0 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 $10.4 million, $(0.6) million and $0.5 million for the years ended December 31, 2015, 2014 and 2013, respectively.

Recently Issued Accounting Guidance

In November 2015, the FASB issued Accounting Standards Update (“ASU”) No. 2015-17, “Balance Sheet Classificiation of Deferred Taxes,” which requires classification of all deferred tax assets and liabilities, along with any related valuation allowance, as noncurrent on the balance sheet. As a result, each tax jurisdiction will now only have one net noncurrent deferred tax asset or liability. The guidance, however, does not change the existing requirement that only permits offsetting within a tax jurisdiction, that is, companies are still prohibited from offsetting deferred tax liabilities from one jurisdiction against deferred tax assets of another tax jurisdiction. We adopted this accounting policy and its balance sheet as of December 31, 2015 classifies all deferred tax assets and liabilities as noncurrent. Our balance sheet as of December 31, 2014 was not adjusted for this recent guidance.

In May 2015, amendments to the existing accounting guidance were issued to remove the requirement to categorize net asset value per share, currently utilized as a practical expedient, by investment within the fair value hierarchy based on redeemable dates. This amendment also removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share expedient. The guidance will be applied prospectively on January 1, 2016. The guidance is not expected to have a material effect on the our consolidated financial statements.

In April 2015, the FASB issued Accounting Standards Update (“ASU”) No. 2015-03, “Simplifying the Presentation of Debt Issuance Costs,” which requires companies to present debt issuance costs associated with a debt liability as a deduction from the carrying amount of that debt liability on the balance sheet rather than being capitalized as an asset. The standard is effective for interim and annual periods beginning after December 15, 2015, and retrospective presentation is required. We will adopt ASU No. 2015-03 on January 1, 2016 as required. ASU No. 2015-03 will not have a material effect on our results of operations, financial condition or liquidity.

In February 2015, the FASB released updated consolidation guidance that entities must use to evaluate specific ownership and contractual arrangements that lead to a consolidation conclusion. The updates could change consolidation outcomes affecting presentation and disclosures. This guidance becomes effective January 1, 2016. We do not expect that the updated guidance will have a material effect on our financial statements.

In January 2015, we adopted the amended guidance of ASC Topic 205, Presentation of Financial Statements (Topic 205) and ASC Topic 360, Property, Plant, and Equipment, which limit the definition of discontinued operations as only those disposals of components of an entity that represent a strategic shift that has (or will have) a major effect on an entity’s operations and financial results. The amended guidance also expands the definition of discontinued operations to include a business or nonprofit activity that, on acquisition, meets the criteria to be classified as held for sale and a disposal of an equity method investment that meets the definition of discontinued operations. The amended guidance requires us to report discontinued operations if (1) the component of an entity or group of components of an entity meets the criteria in Topic 205 to be classified as held for sale; (2) the component of an entity or group of components of an entity is disposed of by sale; or (3) the component of an entity or group of components of an entity is disposed other than by sale. We considered this amended guidance and determined the sale in January 2015 of the North American utility pole business should not be reported as a discontinued operation. We do not believe the sale of this business to have a major effect on our operations and financial results.

In August 2014, the FASB issued ASU No. 2014-15, “Disclosure of Uncertainties About an Entity’s Ability to Continue as a Going Concern”, which requires management to perform interim and annual assessments of an entity’s ability to continue as a going concern within one year of the date the financial statements are issued and provides guidance on determining when and how to disclose going concern uncertainties in the financial statements. Certain disclosures will be required if conditions give rise to substantial doubt about an entity’s ability to continue as a going concern. ASU No. 2014-15 applies to all entities and is effective for annual and interim reporting periods ending after December 15, 2016, with early adoption permitted. We do not expect that the adoption of this standard will have a material effect on our financial statements.

In May 2014, the FASB issued ASU No. 2014-09, “Revenue from Contracts with Customers (Topic 606).” ASU 2014-09 requires an entity to recognize revenue in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, the amendment provides five steps that an entity should apply when recognizing revenue. The amendment also specifies the accounting of some costs to obtain or fulfill a contract with a customer and expands the disclosure requirements around contracts with customers. An entity can either adopt this amendment retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying the update recognized at the date of initial application. In July 2015, the FASB adopted a one-year deferral of this guidance. As a result, this guidance will be effective January 1, 2018 with the option to adopt the standard as of the original effective date, January 1, 2017. We are currently evaluating the impact of the adoption of ASU 2014-09 on our financial statements.

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 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 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, CMC and RUPS inventories are valued at the lower of cost, utilizing the last-in, first-out ("LIFO") basis, or market. PC inventories 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 66 percent and 61 percent of the FIFO inventory value at December 31, 2015 and 2014, respectively. In 2015, 2014 and 2013, we recorded inventory write-downs of $1.4 million, $2.4 million and $0.6 million, respectively, related to lower of cost or market conditions for subsidiaries of ours that value inventory on FIFO basis.

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 cost. If we determine a long-lived asset is impaired, we adjust to fair value. Fair value is 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. During 2015 and 2014, we recorded fixed asset impairment charges of $12.8 million and $4.7 million, respectively, primarily related to the decision to discontinue coal tar distillation activities at CMC plants located in the United States, China and the United Kingdom. During 2015, we also recorded fixed asset impairment charges of $1.9 million related to the RUPS wood treating plant in Green Spring, West Virginia.

Goodwill and Intangible Assets. Goodwill is not amortized but is assessed for impairment at least on an annual basis in the fourth quarter and whenever events or circumstances indicate the carrying value may not be recoverable. 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. We have four reporting units for purposes of goodwill evaluation. These units consist of our CMC operating segment, our PC operating segment, our Railroad Products and Services reporting unit and our Koppers Wood Products reporting unit. Railroad Products and Services and Koppers Wood Products are one level below our RUPS operating segment. The Railroad Products and Services reporting unit primarily serves the rail industry in the United States and the Koppers Wood Products reporting unit primarily serves the utility markets in Australia.

We completed our annual goodwill impairment evaluation using the two-step quantitative analysis during the fourth quarter of 2015. In the first step of the analysis, we compared the estimated fair value of each reporting unit to its carrying value, including goodwill. The fair value of the reporting units was determined based on a weighting of income and market approaches. Since the carrying value of the CMC reporting unit exceeded the fair value, we performed the second step of the impairment analysis in order to determine the implied fair value of CMC's goodwill. The implied fair value of goodwill represents the excess of fair value of the reporting unit over the fair value amounts assigned to all of the assets and liabilities of the reporting unit as if it were to be acquired in a business combination and the current fair value of the reporting unit (as calculated in the first step) was the purchase price. Any amount remaining after this allocation represents the implied fair value of goodwill.

The implied fair value of the respective reporting unit's goodwill was then compared to the carrying value of the goodwill and any excess of carrying value over the implied fair value represents the non-cash impairment charge. The results of the second step analysis showed that the implied fair value of goodwill was zero for the CMC reporting unit. Therefore, in 2015, we recorded a goodwill impairment charge of $67.2 for the CMC reporting unit. During the fourth quarter of 2015, we observed certain negative factors including a declining market capitalization, downsizing of the global aluminum markets and continued decline in spot and forward oil pricing. As noted elsewhere in this Form 10-K, our board of directors approved certain strategic changes for the CMC reporting unit during the fourth quarter of 2015 reflecting the current market environment. The aforementioned negative factors all severely impact the outlook and corresponding fair value for the CMC reporting unit and were the primary factors for the goodwill impairment charge recorded during the fourth quarter of 2015. As a result of the goodwill impairment charge, there is no goodwill remaining for the CMC reporting unit, and goodwill remaining on our consolidated balance sheet at December 31, 2015 is $186.6 million. Our other reporting units did not require a goodwill impairment charge for the year ended December 31, 2015.

Identifiable intangible assets that do not have indefinite lives are amortized on a straight-line basis over their estimated useful lives. In connection with the acquisition of the wood preservation and the railroad services businesses of Osmose

Holdings Inc. in 2014, we have identifiable intangible assets of $156.1 million as of December 31, 2015. We annually evaluate the remaining useful life of the intangible asset being amortized to determine whether events or circumstances warrant a revision to the remaining period of amortization. If the estimate of an intangible asset's remaining useful life is changed, the remaining carrying amount of the intangible asset will be amortized prospectively over that revised remaining useful life. Identifiable intangible assets are also subject to testing for recoverability whenever events or changes indicate that its carrying value may not be recoverable.

Changes in economic and operating conditions impacting these assumptions could result in goodwill and intangible asset 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, 2015 our balance sheet included $70.3 million of deferred tax assets, net of a $41.9 million valuation allowance. We incurred a goodwill impairment charge of $67.2 million, of which $25.2 million related to goodwill that was not deductible, for the year ended December 31, 2015. This impairment charge was the primary factor contributing to our being in a cumulative loss for financial reporting purposes. We considered the cumulative loss for financial reporting purposes and concluded that it was more likely than not that our deferred tax assets would be realized (except with respect to certain deferred tax assets discussed below), and accordingly, no valuation allowance was required at December 31, 2015. Our conclusion was primarily based upon the projected generation of future taxable income. To the extent future taxable income projections are not achieved, we could be required to record a valuation allowance against any deferred tax assets.

We have determined that the $41.9 million valuation allowance is required for certain deferred tax assets based on a history of cumulative losses or future earnings projections in certain jurisdictions. In order to fully realize our deferred tax assets in relation to our temporary differences, exclusive of any net operating losses, we will have to generate approximately $216 million of taxable income. The realization of these deferred tax assets is not subject to any expiration and is dependent upon the reversal of the underlying temporary differences. In order to fully realize our deferred tax assets (net of valuation allowances) in relation to our state net operating losses, we will have to generate approximately $625 million of taxable income before any applicable adjustments and apportionment fractions according to state laws between 2015 and 2026. 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. In 2015, we recorded a valuation allowance of $4.1 million for state net operating losses and state temporary differences that most likely will not be realized. In 2015, we recorded a deferred tax asset and an offsetting valuation allowance of $6.3 million for 2015 foreign net operating losses and 2015 foreign temporary differences that most likely will not be realized. In 2015, we reduced a deferred tax asset and an offsetting valuation allowance of $0.3 million for foreign tax credits earned in prior tax years. Item 8. Financial Statements and Supplementary Data – Note 10 includes information on deferred tax activity during the past two years.

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. Item 8. Financial Statements and Supplementary Data – Note 2 includes information on expense recognized during the past two years.

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. Certain conditional asset retirement obligations related to facilities have not been recorded in the consolidated financial statements due to uncertainties surrounding the ultimate settlement date and estimate of fair value related to a legal obligation to perform an asset retirement activity. At the date a reasonable estimate of the ultimate settlement can be made, we will record an asset retirement obligation and such amounts may be material to the consolidated financial statements in the period in which they are recorded. In 2015, we recorded additional asset retirement obligations of $23.4 million principally related to the retirement of water containment systems and storage tank and railcar cleaning costs in the United States and the United Kingdom. Item 8. Financial Statements and Supplementary Data – Note 2 includes information on expense recognized during the past two years.

Derivative Financial Instruments. We use swap contracts to manage copper price risk associated with forecasted purchases of materials used in our manufacturing processes. Contracts are not held for trading or speculative purposes.

We recognize the fair value of the swap contracts as an asset or liability at each reporting date. We designate most swap contracts as cash flow hedges and the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive (loss) earnings until it is reclassified into earnings when the hedged transaction affects earnings. We utilize the dollar offset method to retrospectively measure hedge ineffectiveness. Gains and losses from hedge ineffectiveness are recognized in current earnings. For those swap contracts not designated as a cash flow hedge, gains and losses on the derivative are recorded immediately in earnings. Because of price volatility in the market price of copper and its effect on the dollar offset hedge effectiveness test, we may be required to recognize material unrealized gains and losses as a result of this measurement in current earnings.

Pension and Postretirement Benefits. Accounting for pension and other postretirement benefit obligations involves numerous assumptions, the most significant of which relate to the following:

- the discount rate for measuring the present value of future plan obligations;
- the expected long-term return on plan assets;
- the rate of future increases in compensation levels; and
- health care cost projections.

We develop our demographics and utilize the work of third-party actuaries to assist in the measurement of these obligations. We have selected different discount rates for our pension plans and our other post-retirement benefit plans due to the different projected benefit payment patterns. In determining the assumed discount rates at December 31, 2015, we use our third party actuary's discount rate model. This model calculates an equivalent single discount rate for the projected benefit plan cash flows using a hypothetical bond portfolio to match expected cash flows under our benefit plans. The bonds used are rated AA or higher by a recognized rating agency and only non-callable bonds are included with the exception of those with a "make-whole call" feature. The actuary limited the selection to those bonds with a minimum of 100,000 outstanding issues. Outlier bonds whose yields exceeded two standard deviations from the yield curve derived from similar quality bonds were excluded.

Of the assumptions used to measure the year-end obligations and estimated annual net periodic benefit cost, the discount rate has the most significant effect on the periodic benefit cost reported for the plans. Decreasing the discount rates of 0.25 percent for our pension plans and 0.25 percent for our other postretirement benefit plans would increase pension obligations and other postretirement benefit plan obligations by $9.0 million and would increase defined benefit pension expense and other postretirement benefit plan expense by $0.7 million.

The asset rate of return assumption considers the asset mix of the plans (currently targeted at approximately 30 percent equity securities and 70 percent fixed income securities for the funded pension plans), past performance and other factors, including expected re-allocations of asset mix occurring within a reasonable period of time. Our asset rate of return assumption is 5.16 percent for 2016 defined benefit pension expense. Decreasing the 5.16 percent asset rate of return assumption by 0.25 would increase our defined benefit pension expense by $0.5 million.

Compensation change assumptions are based on historical experience, anticipated future management actions and demographics of the benefit plans.

Health care cost trend assumptions are developed based on historical cost data, the near-term outlook and an assessment of likely long-term trends.

Item 8. Financial Statements and Supplementary Data – Note 15 includes detailed information about the assumptions used to calculate the components of our annual defined benefit pension and other postretirement plan expense, as well as the obligations and accumulated other comprehensive loss reported on the year-end balance sheets.

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. Item 8. Financial Statements and Supplementary Data – Note 20 includes information about litigation and other contingencies.

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 8. Financial Statements and Supplementary Data – Note 20 includes information about environmental liabilities.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

To manage commodity price risk, we enter into swap contracts for future forecasted purchases of copper. This reduces the impact of commodity price volatility on gross profit. 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 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, 2015 and 2014. 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.

Commodity Price Sensitivity Analysis. Our exposure to market risk for changes in copper prices relates primarily to the purchase price of the raw material and the fixed price sales agreements we have with customers of our PC segment. We utilize swap contracts to manage this price risk. As of December 31, 2015, we had outstanding coppers swap contracts totaling 21.3 million pounds and the fair value of these contracts was a loss of $10.6 million. A portion of the loss totaling $9.9 million, before tax, is recognized in other comprehensive loss and another portion of the loss totaling $0.7 million is recognized in income. Holding other variables constant, if there were a 10 percent reduction in the December 31, 2015 market price of copper, the before tax effect on other comprehensive loss would be $1.0 million and the effect on pretax income would be $0.1 million for the year ended December 31, 2015.

***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, 2015 we had $297.5 million of fixed rate debt and $437.3 million of variable rate debt and at December 31, 2014 we had $297.0 million of fixed rate debt and $553.5 million of variable rate debt. Our ratio of variable rate debt to fixed rate debt at December 31, 2015 was approximately 147 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, 2015 and 2014 would have increased the unrealized fair market value of the fixed rate debt by approximately $5.2 million and $9.2 million, respectively. The earnings and cash flows for the year ending December 31, 2015, assuming a one percentage point increase in interest rates would have decreased approximately $4.4 million, holding other variables constant for variable rate debt.

***Exchange Rate Sensitivity Analysis*.** Our exchange rate exposures result primarily from our investment and ongoing operations in Australia, Denmark, New Zealand, Canada, 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, 2015 and 2014, would be increases (reductions) of approximately $2.3 million and $(0.5) million, respectively.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Koppers Holdings Inc.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Koppers Holdings Inc. is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States of America.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Management has assessed the effectiveness of Koppers Holdings Inc.'s internal control over financial reporting as of December 31, 2015. In making this assessment, management has utilized the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control – Integrated Framework* (2013 Framework). Management concluded that based on its assessment, Koppers Holdings Inc.'s internal control over financial reporting was effective as of December 31, 2015.

The effectiveness of Koppers Holdings Inc.'s internal control over financial reporting as of December 31, 2015, has been audited by Ernst & Young LLP, the independent registered public accounting firm that also audited the consolidated financial statements included in this annual report, as stated in their attestation report which appears on page 44.

February 29, 2016

/s/ LEROY M. BALL
Leroy M. Ball
President and Chief Executive Officer

/s/ MICHAEL J. ZUGAY
Michael J. Zugay
Chief Financial Officer

Report of Independent Registered Public Accounting Firm

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, 2015 and 2014, and the related consolidated statements of operations, comprehensive (loss) income, cash flows and shareholders' equity for each of the three years in the period ended December 31, 2015. 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 financial statements referred to above present fairly, in all material respects, the consolidated financial position of Koppers Holdings Inc. at December 31, 2015 and 2014, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2015, 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 also have 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, 2015, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 29, 2016 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP
Pittsburgh, Pennsylvania
February 29, 2016

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Koppers Holdings Inc.:

We have audited Koppers Holdings Inc.'s internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). Koppers Holdings Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying "Management's Report on Internal Control over Financial Reporting". Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit 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 effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Koppers Holdings Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on the COSO criteria**.**

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Koppers Holdings Inc. as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive (loss) income, cash flows and shareholders' equity for each of the three years in the period ended December 31, 2015 of Koppers Holdings Inc. and our report dated February 29, 2016 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP
Pittsburgh, Pennsylvania
February 29, 2016

KOPPERS HOLDINGS INC.
CONSOLIDATED STATEMENT OF OPERATIONS

	Year Ended December 31, 2015	2014	2013
(Dollars in millions, except per share amounts)			
Net sales	$ 1,626.9	$ 1,555.0	$ 1,478.3
Cost of sales (excluding items below)	1,366.7	1,343.7	1,264.7
Depreciation and amortization	59.0	44.0	29.7
Gain on sale of business	(3.2)	0.0	0.0
Impairment and restructuring charges	42.2	17.9	11.9
Goodwill impairment	67.2	0.0	0.0
Selling, general and administrative expenses	124.6	116.2	71.7
Operating (loss) profit	(29.6)	33.2	100.3
Other income, net	0.2	0.0	3.5
Interest expense	50.7	39.1	26.8
(Loss) income before income taxes	(80.1)	(5.9)	77.0
Income tax (benefit) provision	(4.2)	34.1	36.8
(Loss) income from continuing operations	(75.9)	(40.0)	40.2
(Loss) income from discontinued operations, net of tax benefit (expense) of $0.1, $(1.0) and $0.1	(0.1)	0.6	(0.1)
Net (loss) income	(76.0)	(39.4)	40.1
Net loss attributable to noncontrolling interests	(4.0)	(7.0)	(0.3)
Net (loss) income attributable to Koppers	$ (72.0)	$ (32.4)	$ 40.4
(Loss) earnings per common share attributable to Koppers common shareholders:			
Basic -			
Continuing operations	$ (3.50)	$ (1.61)	$ 1.96
Discontinued operations	(0.01)	0.03	0.00
(Loss) earnings per basic common share	$ (3.51)	$ (1.58)	$ 1.96
Diluted -			
Continuing operations	$ (3.50)	$ (1.61)	$ 1.94
Discontinued operations	(0.01)	0.03	0.00
(Loss) earnings per diluted common share	$ (3.51)	$ (1.58)	$ 1.94
Weighted average shares outstanding (in thousands):			
Basic	20,541	20,463	20,575
Diluted	20,541	20,463	20,815
Dividends declared per common share	$ 0.00	$ 1.00	$ 1.00

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE (LOSS) INCOME

	Year Ended December 31,		
(Dollars in millions)	*2015*	*2014*	*2013*
Net (loss) income	$ (76.0)	$ (39.4)	$ 40.1
Changes in other comprehensive (loss) income:			
Currency translation adjustment	(20.6)	(26.0)	(0.6)
Foreign currency transactions of long-term subsidiary investments	0.0	(4.6)	(9.4)
Derivative financial instrument net loss, net of tax benefit of $1.2, $2.6 and $0.0	(2.2)	(3.8)	0.0
Unrecognized pension prior service (benefit) cost, net of tax benefit (expense) of $0.4, $0.1 and $(0.7)	(0.7)	(0.2)	1.1
Unrecognized pension net gain (loss), net of tax (expense) benefit of $(1.0), $8.0 and $(12.8)	3.7	(15.9)	21.3
Total comprehensive (loss) income	(95.8)	(89.9)	52.5
Comprehensive (loss) income attributable to noncontrolling interests	(4.3)	(7.4)	0.2
Comprehensive (loss) income attributable to Koppers	$ (91.5)	$ (82.5)	$ 52.3

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

KOPPERS HOLDINGS INC.
CONSOLIDATED BALANCE SHEET

(Dollars in millions, except per share amounts)		*December 31, 2015*		*December 31, 2014*
Assets				
Cash and cash equivalents	$	21.8	$	51.1
Accounts receivable, net of allowance of $6.5 and $5.6		155.0		198.7
Income tax receivable		4.6		0.0
Inventories, net		226.4		241.2
Deferred tax assets		0.0		10.5
Loan to related party		9.5		9.5
Other current assets		27.0		30.3
Total current assets		444.3		541.3
Property, plant and equipment, net		277.8		299.7
Goodwill		186.6		247.2
Intangible assets, net		156.1		167.7
Deferred tax assets		36.6		7.8
Other assets		24.0		30.2
Total assets	$	1,125.4	$	1,293.9
Liabilities				
Accounts payable	$	140.8	$	120.6
Accrued liabilities		99.8		122.5
Dividends payable		0.0		5.1
Current maturities of long-term debt		39.9		43.9
Total current liabilities		280.5		292.1
Long-term debt		694.9		806.6
Accrued postretirement benefits		53.6		54.7
Deferred tax liabilities		5.7		10.2
Other long-term liabilities		103.1		46.4
Total liabilities		1,137.8		1,210.0
Commitments and contingent liabilities (Note 20)				
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; 80,000,000 shares authorized; 22,015,994 and 21,938,260 shares issued		0.2		0.2
Additional paid-in capital		167.8		164.5
Retained earnings (accumulated deficit)		(54.0)		18.0
Accumulated other comprehensive loss		(79.8)		(60.3)
Treasury stock, at cost, 1,459,164 and 1,443,248 shares		(52.7)		(52.4)
Total Koppers shareholders' (deficit) equity		(18.5)		70.0
Noncontrolling interests		6.1		13.9
Total (deficit) equity		(12.4)		83.9
Total liabilities and (deficit) equity	$	1,125.4	$	1,293.9

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

KOPPERS HOLDINGS INC.
CONSOLIDATED STATEMENT OF CASH FLOWS

(Dollars in millions)	2015	2014	2013
	Year Ended December 31,		
Cash provided by (used in) operating activities:			
Net (loss) income	$ (76.0)	$ (39.4)	$ 40.1
Adjustments to reconcile net cash provided by operating activities:			
Depreciation and amortization	59.0	44.0	29.7
Impairment of long-lived assets	14.7	4.7	11.9
Goodwill impairment	67.2	0.0	0.0
Gain on sale of business	(3.2)	0.0	0.0
Gain on sale of assets	0.0	0.0	(2.3)
Deferred income taxes	(16.0)	2.5	19.5
Equity loss (income), net of dividends received	3.1	1.6	(0.8)
Change in other liabilities	(5.5)	(10.3)	(16.4)
Non-cash interest expense	3.6	4.2	1.7
Stock-based compensation	3.8	4.7	4.3
Deferred revenue	27.6	(0.7)	(0.7)
Other	5.2	1.0	0.5
Changes in working capital:			
Accounts receivable	34.1	13.4	2.9
Inventories	(4.3)	(14.0)	21.6
Accounts payable	25.0	(10.6)	4.9
Accrued liabilities	(19.6)	29.9	7.4
Other working capital	9.0	4.5	(6.7)
Net cash provided by operating activities	127.7	35.5	117.6
Cash (used in) provided by investing activities:			
Capital expenditures	(40.7)	(83.8)	(72.9)
Acquisitions, net of cash acquired	(15.3)	(496.5)	(2.3)
Net cash proceeds from divestitures and asset sales	14.9	0.3	2.9
Net cash used in investing activities	(41.1)	(580.0)	(72.3)
Cash provided by (used in) financing activities:			
Borrowings of revolving credit	612.1	572.5	97.9
Repayments of revolving credit	(685.9)	(368.0)	(97.9)
Borrowings of long-term debt	1.1	343.0	6.6
Repayments of long-term debt	(40.7)	0.0	0.0
Issuances of Common Stock	0.0	0.7	0.2
Proceeds from issuance of noncontrolling interest	0.0	1.4	2.3
Repurchases of Common Stock	(0.3)	(2.0)	(17.5)
Excess tax benefit from employee stock plans	0.0	0.0	0.5
Payment of deferred financing costs	(1.0)	(11.1)	(1.3)
Dividends paid	(8.7)	(20.4)	(21.1)
Net cash (used in) provided by financing activities	(123.4)	516.1	(30.3)
Effect of exchange rate changes on cash	7.5	(2.7)	0.5
Net (decrease) increase in cash and cash equivalents	(29.3)	(31.1)	15.5
Cash and cash equivalents at beginning of period	51.1	82.2	66.7
Cash and cash equivalents at end of period	$ 21.8	$ 51.1	$ 82.2
Supplemental disclosure of cash flow information:			
Cash paid during the year for :			
Interest	$ 43.9	$ 32.9	$ 25.1
Income taxes	26.3	16.1	20.5

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

KOPPERS HOLDINGS INC.
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

			Year Ended December 31,
	2015	2014	2013
(Dollars in millions)			
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	164.5	158.9	153.3
Employee stock plans	3.3	5.6	5.6
Balance at end of year	167.8	164.5	158.9
Retained earnings (accumulated deficit)			
Balance at beginning of year	18.0	71.3	52.0
Net (loss) income attributable to Koppers	(72.0)	(32.4)	40.4
Common Stock dividends	0.0	(20.9)	(21.1)
Balance at end of year	(54.0)	18.0	71.3
Accumulated other comprehensive loss			
Currency translation adjustment:			
Balance at beginning of year	(6.3)	24.0	34.5
Change in currency translation adjustment excluding foreign currency transactions of long-term subsidiary investments	(20.3)	(25.7)	(1.1)
Change in foreign currency transactions of long-term subsidiary investments	0.0	(4.6)	(9.4)
Balance at end of yea	(26.6)	(6.3)	24.0
Unrecognized (losses) gains on cash flow hedges:			
Balance at beginning of year	(3.8)	0.0	0.0
Reclassification of unrealized losses on cash flow hedges to expense, net of tax benefit of $3.5, $0.2 and $0.0	5.4	0.3	0.0
Change in deferred losses on cash flow hedges, net of tax benefit of $4.7, $2.8 and $0.0	(7.6)	(4.1)	0.0
Balance at end of year	(6.0)	(3.8)	0.0
Unrecognized pension prior service benefit (cost):			
Balance at beginning of year	0.7	0.8	(0.2)
Reclassification of unrecognized prior service (benefit) cost to (income) expense, net of tax (benefit) expense of ($0.4), $(0.1) and $0.1	(0.7)	(0.1)	0.1
Revaluation of unrecognized pension prior service cost, net of tax (benefit) expense of $0.0, $0.0 and $0.6	0.0	0.0	0.9
Balance at end of year	0.0	0.7	0.8
Unrecognized pension net loss:			
Balance at beginning of year	(50.9)	(35.0)	(56.3)
Reclassification of unrecognized pension net loss to expense, net of tax benefit of $2.2, $1.4 and $2.8	4.0	2.4	4.7
Revaluation of unrecognized pension net loss, net of tax expense (benefit) of $(1.2), $(9.4) and $10.0	(0.3)	(18.3)	16.6
Balance at end of year	(47.2)	(50.9)	(35.0)
Total balance at end of year	(79.8)	(60.3)	(10.2)
Treasury stock			
Balance at beginning of year	(52.4)	(50.4)	(32.9)
Purchases	(0.3)	(2.0)	(17.5)
Balance at end of year	(52.7)	(52.4)	(50.4)
Total Koppers shareholders' equity (deficit) – end of year	(18.5)	70.0	169.8
Noncontrolling interests			
Balance at beginning of year	13.9	20.0	17.5
Net loss attributable to noncontrolling interests	(4.0)	(7.0)	(0.3)
Investment in noncontrolling interests	0.0	1.3	2.3
Dividends to noncontrolling interests	(3.5)	0.0	0.0
Currency translation adjustment	(0.3)	(0.4)	0.5
Balance at end of year	6.1	13.9	20.0
Total equity (deficit) – end of year	$ (12.4)	$ 83.9	$ 189.8

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 provider of treated wood products, wood treatment chemicals and carbon compounds for use in a variety of markets including the railroad, specialty chemical, utility, residential lumber, agriculture, aluminum, steel, rubber and construction industries. The Company's business is operated through three business segments, Railroad and Utility Products and Services, Carbon Materials and Chemicals and Performance Chemicals.

The Company's Railroad and Utility Products and Services 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 Company's Carbon Materials and Chemicals segment is primarily a manufacturer of creosote, carbon pitch, naphthalene, phthalic anhydride and carbon black feedstock. Creosote is used in the treatment of wood and carbon black feedstock is used in the production of carbon black. 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.

The Company's Performance Chemicals segment develops, manufactures, and markets wood preservation chemicals and wood treatment technologies and services a diverse range of end-markets including infrastructure, residential and commercial construction and agriculture.

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 30 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. Certain prior period amounts in the notes to the consolidated financial statements have been reclassified to conform to the current period's presentation.

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 assets 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.

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) gains were $(10.4) million, $0.6 million and $(0.5) million for the years ended December 31, 2015, 2014 and 2013, 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, 2015, 2014 and 2013 amounted to $129.8 million, $93.4 million and $108.3 million, respectively.

Research and development – Research and development costs are expensed as incurred and are included in selling, general and administrative expenses. These costs totaled $5.2 million in 2015, $3.4 million in 2014 and $2.4 million in 2013.

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 – In the United States, CMC and RUPS inventories are valued at the lower of cost, utilizing the last-in, first-out (“LIFO”) basis, or market. PC inventories 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 66 percent and 61 percent of the FIFO inventory value at December 31, 2015 and 2014, respectively. In 2015, 2014 and 2013, we recorded inventory write-downs of $1.4 million, $2.4 million and $0.6 million, respectively, related to lower of cost or market conditions for subsidiaries of ours that value inventory on FIFO basis.

Property, plant and 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. Refer to Note 4 “Plant Closures and Discontinued Operations” for additional information.

Goodwill and 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 2015 and 2014. Refer to Note 14, "Goodwill and Other Identifiable Intangible Assets," for a discussion of goodwill impairment recorded during the year ended December 31, 2015.

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 2015 and 2014, reversals of self-insured liabilities occurred as a result of favorable loss trends related to self-insured claims.

(Dollars in millions)	2015	2014
Self-insured liabilities at beginning of year	$ 8.2	$ 8.4
Expense	2.6	2.4
Reversal of self-insured liabilities	(1.0)	(0.8)
Cash expenditures	(1.8)	(1.8)
Self-insured liabilities at end of year	$ 8.0	$ 8.2

Derivative financial instruments – The Company uses swap contracts to manage copper price risk associated with forecasted purchases of materials used in the Company's manufacturing processes. 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 not held for trading or speculative purposes. The Company recognizes the fair value of the swap contracts and forward contracts as an asset or liability at each reporting date. The Company designates certain of the swap contracts as cash flow hedges and the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive (loss) earnings until it is reclassified into earnings when the hedged transaction affects earnings. Gains and losses from hedge ineffectiveness are recognized in current earnings. For swap contracts that are not designated as cash flow hedges, changes in the fair value of those forward contracts are recognized immediately in earnings. 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.

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 (when required by governmental authorities).

The following table describes changes to the Company's asset retirement obligation liabilities at December 31, 2015 and 2014:

(Dollars in millions)	2015	2014
Asset retirement obligation at beginning of year	$ 30.5	$ 23.2
Acquisition	0.7	0.0
Accretion expense	3.7	2.3
Revision in estimated cash flows (a)	24.4	10.3
Cash expenditures	(12.1)	(4.6)
Currency translation	(0.7)	(0.7)
Balance at end of period	$ 46.5	$ 30.5

(a) Revision in estimated cash flows for 2015 includes $23.4 million of charges related to restructuring activities. See Note 4. "Plant Closures and Discontinued Operations" for additional information.

Litigation and 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 with the exception of legal fees relating to the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) sites.

Other current assets – Included in other current assets are prepaid expenses totaling $17.0 million and $20.6 million at December 31, 2015 and 2014, 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 – The Company defers revenues associated with extended product warranty liabilities based on historical loss experience and sales of extended warranties on certain products. In addition, the Company received an advance payment in 2015 related to an amendment to a 50-year supply agreement with a customer in China. The deferred revenue associated with this amendment will be amortized over the life of the underlying contract. The following table describes changes to the Company's deferred revenue at December 31, 2015 and 2014:

(Dollars in millions)	*2015*	*2014*
Deferred revenue at beginning of year	$ 2.5	$ 3.2
Advance payment	30.0	0.0
Revenue earned	(2.4)	(0.7)
Deferred revenue at end of year	$ 30.1	$ 2.5

Stock-based compensation – The Company records compensation expense for non-vested stock options over the vesting period based on the fair value at the date of grant. No compensation cost is recognized for any stock awards that are forfeited in the event the recipient fails to meet the vesting requirements.

3. New Accounting Pronouncements

In November 2015, the FASB issued Accounting Standards Update ("ASU") No. 2015-17, "Balance Sheet Classificiation of Deferred Taxes," which requires classification of all deferred tax assets and liabilities, along with any related valuation allowance, as noncurrent on the balance sheet. As a result, each tax jurisdiction will now only have one net noncurrent deferred tax asset or liability. The guidance, however, does not change the existing requirement that only permits offsetting within a tax jurisdiction, that is, companies are still prohibited from offsetting deferred tax liabilities from one jurisdiction against deferred tax assets of another tax jurisdiction. The Company adopted this accounting policy and its balance sheet as of December 31, 2015 classifies all deferred tax assets and liabilities as noncurrent. The Company's balance sheet as of December 31, 2014 was not adjusted for this recent guidance.

In May 2015, amendments to the existing accounting guidance were issued to remove the requirement to categorize net asset value per share, currently utilized as a practical expedient, by investment within the fair value hierarchy based on redeemable dates. This amendment also removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share expedient. The guidance will be applied prospectively on January 1, 2016. The guidance is not expected to have a material effect on the company's consolidated financial statements.

In April 2015, the FASB issued Accounting Standards Update ("ASU") No. 2015-03, "Simplifying the Presentation of Debt Issuance Costs," which requires companies to present debt issuance costs associated with a debt liability as a deduction from the carrying amount of that debt liability on the balance sheet rather than being capitalized as an asset. The standard is effective for interim and annual periods beginning after December 15, 2015, and retrospective presentation is required. The Company will adopt ASU No. 2015-03 on January 1, 2016 as required. ASU No. 2015-03 will not have a material effect on the Company's results of operations, financial condition or liquidity.

In February 2015, the FASB released updated consolidation guidance that entities must use to evaluate specific ownership and contractual arrangements that lead to a consolidation conclusion. The updates could change consolidation outcomes affecting presentation and disclosures. This guidance becomes effective January 1, 2016. We do not expect that the updated guidance will have a material effect on the Company's financial statements.

In January 2015, the Company adopted the amended guidance of ASC Topic 205, Presentation of Financial Statements (Topic 205) and ASC Topic 360, Property, Plant, and Equipment, which limits the definition of discontinued operations as only those disposals of components of an entity that represent a strategic shift that has (or will have) a major effect on an entity's operations and financial results. The amended guidance also expands the definition of discontinued operations to include a business or nonprofit activity that, on acquisition, meets the criteria to be classified as held for sale and a disposal of an equity method investment that meets the definition of discontinued operations. The amended guidance requires the Company to report discontinued operations if (1) the component of an entity or group of components of an entity meets the criteria in Topic 205 to be classified as held for sale; (2) the component of an entity or group of components of an entity is disposed of by sale; or (3) the component of an entity or group of components of an entity is disposed other than by sale. We considered this amended guidance and determined the sale of the North American utility pole business should not be reported as a discontinued operation. The Company does not believe the sale of this business to have a major effect on the Company's operations and financial results.

In August 2014, the FASB issued ASU No. 2014-15, "Disclosure of Uncertainties About an Entity's Ability to Continue as a Going Concern" ("ASU 2014-15"), which requires management to perform interim and annual assessments of an entity's ability to continue as a going concern within one year of the date the financial statements are issued and provides guidance on determining when and how to disclose going concern uncertainties in the financial statements. Certain disclosures will be required if conditions give rise to substantial doubt about an entity's ability to continue as a going concern. ASU 2014-15 applies to all entities and is effective for annual and interim reporting periods ending after December 15, 2016, with early adoption permitted. We do not expect that the adoption of this standard will have a material effect on the Company's financial statements.

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)." ASU 2014-09 requires an entity to recognize revenue in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, the amendment provides five steps that an entity should apply when recognizing revenue. The amendment also specifies the accounting of some costs to obtain or fulfill a contract with a customer and expands the disclosure requirements around contracts with customers. An entity can either adopt this amendment retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying the update recognized at the date of initial application. In July 2015, the FASB adopted a one-year deferral of this guidance. As a result, this guidance will be effective January 1, 2018 with the option to adopt the standard as of the original effective date, January 1, 2017. The Company is currently evaluating the impact of the adoption of ASU 2014-09 on the Company's financial statements.

4. Plant Closures and Discontinued Operations

The Company is discontinuing production at its 60-percent owned Carbon Materials and Chemicals plant located in Tangshan, China. The closure is due to the impending forced closure of a neighboring third party-owned metallurgical coke facility. The Company's 60-percent owned subsidiary, Koppers (China) Carbon & Chemical Company Limited ("KCCC") is located near the coke facility and relies on its operations for a significant portion of raw material supply, utilities and other shared services. In 2015, the Company recorded a severance charge of $0.9 million. As of December 31, 2015, all fixed assets directly related to the facility have been substantially depreciated.

In February 2016, the Company announced plans to cease coal tar distillation operations at both of its U.K. facilities. Accordingly, the Company recorded environmental charges, asset retirement obligation and fixed asset impairment charges of $0.6 million, $8.7 million and $4.6 million, respectively. As of December 31, 2015, the remaining net book value of fixed assets subject to impairment was $1.4 million. The plant at Port Clarence, which has been idle since December 2015, is expected to operate instead as a terminal and export site for coal tar. In addition, it is anticipated that the production facility and administration center at Scunthorpe will be closed.

On January 13, 2016, the Company announced its decision to substantially discontinue coal tar distillation activities at its Carbon Materials and Chemicals plant located in Clairton, Pennsylvania. Accordingly, the Company recorded a severance, inventory write-down, asset retirement obligation and fixed asset impairment charges of $0.8 million, $1.3 million, $10.5 million and $6.2 million, respectively. As of December 31, 2015, the remaining net book value of fixed assets subject to impairment was $4.2 million. The cessation of coal tar distillation activities is expected to be completed by July 2016.

On January 16, 2015, Koppers Inc. sold its North American utility pole business for cash of $12.3 million and a promissory note of $1.6 million. The Company recognized a gain of $3.2 million on this transaction. The promissory note is repayable in four equal annual installments beginning January 2016. This gain is reported in "Gain on sale of business" on the Consolidated Statement of Operations. The proceeds of the sale are reported within "Net cash proceeds from divestitures and asset sales" on the Consolidated Statement of Cash Flows.

In March 2015, the Company announced its decision to discontinue production at its Railroad and Utility Products and Services plant located in Green Spring, West Virginia. Accordingly, the Company recorded a severance, asset retirement obligation and fixed asset impairment charge of $5.7 million. As of December 31, 2015, the facility is closed.

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

(Dollars in millions)		Severance and employee benefits		Environmental remediation		Asset retirement		Other		Total
Reserve at December 31, 2013	$	0.1	$	5.6	$	3.3	$	0.0	$	9.0
Accrual		9.8		0.0		3.2		0.1		13.1
Reversal of accrued charges		0.0		(1.1)		(0.9)		0.0		(2.0)
Cash paid		(9.7)		0.0		(1.3)		0.0		(11.0)
Currency translation		(0.2)		(0.4)		(0.4)		0.0		(1.0)
Reserve at December 31, 2014	$	0.0	$	4.1	$	3.9	$	0.1	$	8.1
Accrual		2.2		0.6		23.4		1.3		27.5
Costs charged against assets		0.0		0.0		0.0		(1.3)		(1.3)
Reversal of accrued charges		0.0		0.0		(0.3)		0.0		(0.3)
Cash paid		(0.2)		0.0		(4.8)		(0.1)		(5.1)
Currency translation		0.0		(0.4)		(0.3)		0.0		(0.7)
Reserve at December 31, 2015	$	2.0	$	4.3	$	21.9	$	0.0	$	28.2

5. Business Acquisitions

KMG – On January 16, 2015, Koppers Inc. acquired the creosote sales and distribution business of KMG Chemicals, located in Avondale, Louisiana. The purchase price was $15.1 million, and was funded primarily by proceeds from the sale of the North American utility pole business. The allocation of purchase price to acquired assets primarily consisted of inventory totaling $3.0 million, intangible assets consisting primarily of customer relationships totaling $7.8 million and goodwill of $4.2 million. The tax deductible goodwill is allocated to the Carbon Materials and Chemicals segment and the customer contracts will be amortized over an estimated period of 18 years.

Osmose Entities – On August 15, 2014, pursuant to the terms and conditions of a stock purchase agreement, Koppers Inc. acquired Osmose, Inc. and Osmose Railroad Services, Inc. (together, the “Osmose Entities”) from Osmose Holdings, Inc. The aggregate cash purchase price was $494.1 million, net of cash acquired of $27.0 million. The cash purchase price was funded by a new credit agreement with a consortium of banks which provides for a $500 million revolving credit facility and a $300 million term loan. Acquisition-related costs were $5.9 million in 2014 and are reported in selling, general and administrative expenses.

Subsequent to the acquisition, Osmose, Inc. was renamed Koppers Performance Chemicals Inc. and Osmose Railroad Services, Inc. was renamed Koppers Railroad Structures Inc. Koppers Performance Chemicals Inc.’s wood preservation business develops, manufactures and sells wood preservation chemicals and wood treatment technologies for infrastructure, residential and commercial construction, and agricultural markets. The wood preservation business has operations and sales in North America, South America, Europe, and Australasia. Substantially all of the businesses of Koppers Performance Chemicals Inc. are reported as our Performance Chemicals segment. Koppers Railroad Structures Inc. is a provider of railroad infrastructure services, including bridge inspection, engineering, maintenance and repair, and construction services for the Class I and short-line railroads in North America. Koppers Railroad Structures Inc. and one wood treating company, which is a subsidiary of Koppers Performance Chemicals Inc., are reported as part of the Railroad and Utility Products and Services segment.

The Osmose Entities had revenues of $144.3 million and operating profit of $5.2 million for the period from the date of acquisition to December 31, 2014. Operating profit is net of the amortization of the finished goods inventory value step-up of $3.5 million recognized on the date of acquisition.

The consolidated balance sheet as of December 31, 2014 reflected a preliminary fair value determination of the acquired assets and liabilities. As of December 31, 2015, the Company has adjusted the value of certain acquired assets and liabilities which has resulted in a net increase to goodwill of approximately $9.5 million since December 31, 2014. The most significant adjustment related to assumed environmental liabilities, net of indemnity receivables and deferred taxes, of $8.8 million.

The following table summarizes the Company's final purchase price allocation for the Osmose Entities:

(Dollars in millions)		Final Allocation
Cash and cash equivalents	$	27.0
Accounts receivable, net		60.1
Inventories, net		51.9
Other current assets		5.3
Property, plant and equipment		58.3
Goodwill		188.3
Intangible assets		158.9
Other assets		14.9
Total assets acquired		564.7
Accounts payable		23.4
Accrued liabilities		19.5
Other liabilities		27.7
Total liabilities assumed		70.6
Net assets acquired	$	494.1

The following unaudited pro forma information presents a summary of the Company's revenues and net income from continuing operations as if the acquisition occurred on January 1, 2013. The unaudited pro forma information is not necessarily indicative of operating results that would have been achieved had the acquisition been completed as of January 1, 2013 and does not intend to project the future financial results of the Company after the acquisition of the Osmose Entities. The unaudited pro forma information is based on certain assumptions, which management believes are reasonable, and do not reflect the cost of any integration activities or the benefits from the acquisition and synergies that may be derived from any integration activities.

	Year Ended December 31,			
		2014		2013
(Dollars in millions)				
Revenue	$	1,819.6	$	1,864.1
Income from continuing operations attributable to Koppers		(13.0)		41.5

Pro forma adjustments reflected in the unaudited pro forma information are based on items that are directly attributable to the acquisition of the Osmose Entities and related financing that are factually supportable and are expected to have a continuing impact on Koppers. These adjustments include, but are not limited to, depreciation and amortization related to fair value adjustments to property, plant and equipment and intangible assets, interest expense on acquisition-related debt, removal of acquisition-related transaction expenses, elimination of finished goods inventory step up, elimination of intercompany sales and related income tax effects of the pro forma adjustments.

6. Fair Value Measurements

Carrying amounts and the related estimated fair values of the Company's financial instruments as of December 31, 2015 and 2014 are as follows:

	December 31, 2015				December 31, 2014			
		Fair Value		Carrying Value		Fair Value		Carrying Value
(Dollars in millions)								
Financial assets:								
Cash and cash equivalents, including restricted cash	$	21.8	$	21.8	$	51.1	$	51.1
Investments and other assets[(a)]		1.1		1.1		1.5		1.5
Financial liabilities:								
Long-term debt (including current portion)	$	737.1	$	734.8	$	862.1	$	850.5

(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.

7. 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 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, 2015	2014	2013
(Dollars in millions, except share amounts, in thousands, and per share amounts)			
Net income (loss) attributable to Koppers	$ (72.0)	$ (32.4)	$ 40.4
Less: (Loss) income from discontinued operations	(0.1)	0.6	(0.1)
(Loss) income from continuing operations attributable to Koppers	$ (71.9)	$ (33.0)	$ 40.5
Weighted average common shares outstanding:			
Basic	20,541	20,463	20,575
Effect of dilutive securities	0	0	240
Diluted	20,541	20,463	20,815
(Loss) earnings per common share – continuing operations:			
Basic (loss) earnings per common share	$ (3.50)	$ (1.61)	$ 1.96
Diluted (loss) earnings per common share	(3.50)	(1.61)	1.94
Other data:			
Antidilutive securities excluded from computation of diluted earnings per common share	688	362	240

8. 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"). For grants prior to 2015, restricted stock units vest on the third anniversary of the grant date, assuming continued employment by the participant. For the March 2015 grant, the restricted stock units vest in four equal annual installments. Performance stock units granted generally have three-year performance objectives and 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 that considers the Company's financial performance 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 or 200 percent (depending on the grant date) of the target award based upon actual performance. If minimum performance criteria are not achieved, no performance stock units will vest.

Dividends declared on the Company's common stock during the period prior to vesting 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, 2015:

Performance Period	Minimum Shares	Target Shares	Maximum Shares
2013 – 2015	0	80,468	120,702
2014 – 2016	0	93,490	140,235
2015 – 2017	0	218,063	436,126

The following table shows a summary of the status and activity of non-vested stock awards for the year ended December 31, 2015:

	Restricted Stock Units	Performance Stock Units	Total Stock Units	Weighted Average Grant Date Fair Value per Unit
Non-vested at January 1, 2015	148,906	280,381	429,287	$ 39.31
Granted	141,775	223,684	365,459	$ 18.20
Credited from dividends	4,298	5,970	10,268	$ 37.75
Vested	(66,802)	0	(66,802)	$ 37.97
Forfeited	(14,969)	(112,636)	(127,605)	$ 36.95
Non-vested at December 31, 2015	213,208	397,399	610,607	$ 27.29

Stock options to most executive officers that were granted before 2015 vest and become exercisable upon the completion of a three-year service period commencing on the grant date. For 2015 and 2016 grants, the stock options vest in four equal annual installments. 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:

	March 2015 Grant	February 2014 Grant	February 2013 Grant
Grant date price per share of stock option award	$ 17.57	$ 37.93	$ 42.76
Expected dividend yield per share	3.40%	2.75%	2.75%
Expected life in years	5.75	6.5	6.5
Expected volatility	42.27%	52.14%	53.77%
Risk-free interest rate	1.73%	1.98%	1.29%
Grant date fair value per share of option awards	$ 5.20	$ 15.26	$ 17.28

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 for the March 2015 grant is based on historical exercise data of options previously granted by the Company. The expected life in years for grants prior to 2015 are 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 at the time of those grants. 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, 2015:

	Options	Weighted Average Exercise Price per Option	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in millions)
Outstanding at December 31, 2014	448,812	$ 36.58		
Granted	330,159	$ 17.57		
Forfeited	(4,722)	$ 39.23		
Outstanding at December 31, 2015	774,249	$ 28.46	6.74	$ 0.3
Exercisable at December 31, 2015	333,697	$ 35.36	3.92	$ 0.1

The intrinsic value of stock options exercised in 2014 and 2013 totaled $0.3 million and $0.0 million, respectively. Stock options were not exercised in 2015.

Total stock-based compensation expense recognized and cash received from the exercise of stock options for the three years ended December 31, 2015 is as follows:

	Year Ended December 31,		
(Dollars in millions)	*2015*	*2014*	*2013*
Stock-based compensation expense recognized:			
Selling, general and administrative expenses	$ 3.8	$ 4.7	$ 4.3
Less related income tax benefit	1.5	1.9	1.7
Decrease in net income attributable to Koppers	$ 2.3	$ 2.8	$ 2.6
Cash received from the exercise of stock options	$ 0.0	$ 0.7	$ 0.2

As of December 31, 2015 total future compensation expense related to non-vested stock-based compensation arrangements totaled $5.3 million and the weighted-average period over which this expense is expected to be recognized is approximately 28 months. Future compensation expense includes the amount of expense related to performance stock units that is based on the estimated probable achievement of the performance goal.

9. Segment Information

The Company has three reportable segments: Railroad and Utility Products and Services, Carbon Materials and Chemicals, and Performance Chemicals. The Company's reportable segments contain multiple business units since management believes the long-term financial performance of these business units is affected by similar economic conditions. The reportable segments are each managed separately because they manufacture and distribute distinct products with different production processes.

The Company's Railroad and Utility Products and Services segment sells treated and untreated wood products, manufactured products and services primarily to the railroad and public utility markets. Railroad products and services 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. We also operate a railroad services business that conducts engineering, design, repair and inspection services for railroad bridges. Utility products include transmission and distribution poles and pilings.

The Company's Carbon Materials and 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 Performance Chemicals segment develops, manufactures, and markets wood preservation chemicals and wood treatment technologies and services a diverse range of end-markets including infrastructure, residential and commercial construction, and agriculture.

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:

	Year Ended December 31,		
(Dollars in millions)	2015	2014	2013
Revenues from external customers:			
Railroad and Utility Products and Services	$ 657.0	$ 597.8	$ 572.2
Carbon Materials and Chemicals	613.4	833.7	906.1
Performance Chemicals	356.5	123.5	0.0
Total	$ 1,626.9	$ 1,555.0	$ 1,478.3
Intersegment revenues:			
Carbon Materials and Chemicals	$ 86.7	$ 84.8	$ 94.2
Performance Chemicals	8.7	3.0	0.0
Total	$ 95.4	$ 87.8	$ 94.2
Depreciation and amortization expense:			
Railroad and Utility Products and Services[(a)]	$ 14.2	$ 11.9	$ 11.5
Carbon Materials and Chemicals[(b)]	25.8	25.0	18.2
Performance Chemicals	19.0	7.1	0.0
Total	$ 59.0	$ 44.0	$ 29.7
Operating profit (loss):			
Railroad and Utility Products and Services[(c)]	$ 62.2	$ 53.6	$ 58.3
Carbon Materials and Chemicals[(d)]	(125.0)	(5.3)	43.9
Performance Chemicals	39.0	1.6	0.0
Corporate[(e)]	(5.8)	(16.7)	(1.9)
Total	$ (29.6)	$ 33.2	$ 100.3
Capital expenditures (including acquisitions):			
Railroad and Utility Products and Services	$ 11.1	$ 44.5	$ 15.9
Carbon Materials and Chemicals	37.6	63.7	58.0
Performance Chemicals	5.8	471.1	0.0
Corporate	1.5	0.7	1.3
Total	$ 56.0	$ 580.0	$ 75.2

(a) Excludes impairment charges of $1.9 million in 2015 for a wood treating facility in the United States.
(b) Excludes impairment charges of $12.8, $4.7 and $11.9 million in 2015, 2014 and 2013, respectively, for CMC.
(c) Includes gain on sale of the Company's North American utility pole business of $3.2 million and restructuring costs of $5.7 million for a wood treating facility in the United States in 2015.
(d) Includes plant closure costs of $36.5 and $18.1 million in 2015 and 2014, respectively, for CMC. In the fourth quarter of 2015, the Company also recorded goodwill impairment charges of $67.2 million related to our CMC business.
(e) Operating loss for Corporate includes general and administrative costs for Koppers Holdings Inc., the parent company of Koppers Inc., foreign exchange revaluation related to intercompany loans in connection with a legal reorganization of the Company and acquisition and acquisition-related integration costs.

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)		*December 31, 2015*		*December 31, 2014*
Segment assets:				
Railroad and Utility Products and Services	$	254.1	$	275.2
Carbon Materials and Chemicals		368.4		514.6
Performance Chemicals		441.3		469.0
Segment assets		1,063.8		1,258.8
Cash and cash equivalents		0.1		0.0
Income tax receivable		4.6		0.0
Deferred taxes		32.6		10.0
Deferred financing costs		14.5		14.5
Property, plant and equipment, net		4.7		3.9
Deferred charges		1.6		1.6
Other		3.4		5.1
Total	$	1,125.4	$	1,293.9
Goodwill:				
Railroad and Utility Products and Services	$	9.9	$	9.3
Carbon Materials and Chemicals		0.0		65.5
Performance Chemicals		176.7		172.4
Total	$	186.6	$	247.2

Revenues and Long-lived Assets by Geographic Area

(Dollars in millions)	*Year*		*Revenue*		*Long-lived assets*
United States	2015	$	991.2	$	460.3
	2014		833.0		518.8
	2013		782.5		169.1
Australasia	2015		280.9		132.9
	2014		349.0		160.3
	2013		348.3		100.6
Europe	2015		144.0		32.9
	2014		201.1		47.5
	2013		225.1		32.8
Other countries	2015		210.8		18.3
	2014		171.9		18.3
	2013		122.4		0.0
Total	2015	$	1,626.9	$	644.5
	2014	$	1,555.0	$	744.9
	2013	$	1,478.3	$	302.5

Revenues by geographic area in the above table are attributed by the destination country of the sale. Revenues from non-U.S. countries totaled $635.7 million in 2015, $722.0 million in 2014 and $695.8 million in 2013.

Segment Revenues for Significant Product Lines

(Dollars in millions)	Year Ended December 31, 2015	2014	2013
Railroad and Utility Products and Services:			
Railroad crossties	$ 422.0	$ 371.4	$ 331.1
Utility poles	52.4	96.1	119.3
Creosote	45.7	51.2	61.4
Rail joint bars	28.1	27.2	24.5
Railroad infrastructure services	42.7	14.8	0.0
Other products	66.1	37.1	35.9
	657.0	597.8	572.2
Carbon Materials and Chemicals:			
Carbon pitch	283.4	330.2	384.7
Creosote and carbon black feedstock	119.6	213.7	228.2
Phthalic anhydride	65.1	91.4	98.6
Other products	145.3	198.4	194.6
	613.4	833.7	906.1
Performance Chemicals:			
Wood preservative products	318.6	107.0	0.0
Other products	37.9	16.5	0.0
	356.5	123.5	0.0
Total	$ 1,626.9	$ 1,555.0	$ 1,478.3

10. Income Taxes

Income Tax Provision

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

(Dollars in millions)	Year Ended December 31, 2015	2014	2013
Current:			
Federal	$ (4.2)	$ 17.5	$ 3.5
State	0.2	0.3	0.6
Foreign	16.0	14.6	14.0
Total current tax provision	12.0	32.4	18.1
Deferred:			
Federal	(19.2)	3.1	16.4
State	3.0	0.0	2.5
Foreign	0.0	(1.4)	(0.2)
Total deferred tax (benefit) provision	(16.2)	1.7	18.7
Total income tax (benefit) provision	$ (4.2)	$ 34.1	$ 36.8

(Loss) income before income taxes for 2015, 2014 and 2013 included $(15.2) million, $(1.5) million and $24.6 million, respectively, from foreign operations.

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

	Year Ended December 31,		
	2015	2014	2013
Federal income tax rate	35.0%	35.0%	35.0%
State income taxes, net of federal tax benefit	2.3	(4.8)	2.1
Foreign earnings taxed at different rates	(8.3)	(347.6)	13.4
Domestic production activities deduction	(0.6)	40.8	(2.0)
Deferred tax adjustments	0.4	3.2	(0.2)
Change in tax contingency reserves	1.5	(15.2)	(1.5)
Legal entity tax restructuring project	0.0	(1,503.2)	0.0
Foreign tax credits	0.0	1,203.4	(1.1)
Changes to foreign repatriation plans	0.0	104.0	0.0
Valuation allowance charges	(13.0)	(92.4)	2.1
Goodwill impairment	(10.9)	0.0	0.0
Other	(1.1)	(1.2)	0.0
	5.3%	(578.0)%	47.8%

The Company has not provided any U.S. tax on undistributed earnings of foreign subsidiaries or joint ventures that are reinvested indefinitely. At December 31, 2015 consolidated retained earnings of the Company included approximately $108 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) included in comprehensive (loss) income but excluded from net income attributable to Koppers relating to adjustments to copper swap contracts is $(1.2) million, $(2.6) million, and $0.0 million for the years ended December 31, 2015, 2014, and 2013, respectively.

The amount of income tax (benefit) provision included in comprehensive (loss) income but excluded from net income attributable to Koppers relating to adjustments to reflect the unfunded status of employee post-retirement benefit plans is $0.6 million, $(8.1) million, and $13.5 million for the years ended December 31, 2015, 2014, and 2013, respectively.

The amount of income tax (expense) 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 is $(0.5) million, $(0.3) million and $0.5 million for the years ended December 31, 2015, 2014, and 2013, respectively.

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:

	Year Ended December 31,	
(Dollars in millions)	2015	2014
Deferred tax assets:		
Reserves, including insurance, environmental and deferred revenue	$ 19.9	$ 12.4
Net operating loss benefit	19.5	14.6
Pension and other postretirement benefits obligations	19.4	19.2
Tax credits	16.8	16.1
Asset retirement obligations	12.0	7.5
Accrued employee compensation	6.9	6.7
Book over tax depreciation and amortization	3.6	3.2
Book/tax inventory accounting differences	3.2	3.6
Capital loss benefit	0.9	1.1
Other	10.0	6.4
Valuation allowance	(41.9)	(32.4)
Total deferred tax assets	70.3	58.4
Deferred tax liabilities:		
Tax over book depreciation and amortization	38.4	49.0
Unremitted earnings of foreign subsidiaries	0.0	0.5
Tax/book inventory accounting differences	0.3	0.2
Other	0.7	0.6
Total deferred tax liabilities	39.4	50.3
Net deferred tax assets	$ 30.9	$ 8.1

As discussed in Note 14, "Goodwill and Other Identifiable Intangible Assets," the Company incurred a goodwill impairment charge of $67.2 million, of which $25.1 million related to goodwill that was not deductible, in 2015. This impairment charge was the primary factor that contributed to the Company being in a cumulative loss for financial reporting purposes. Management considered the cumulative loss for financial reporting purposes and concluded that it was more likely than not that the Company's deferred tax assets would be realized (except as disclosed below with respect to certain deferred tax assets), and accordingly, no valuation allowance was required.

A valuation allowance is provided when it is more likely than not that some portion or all of the related deferred tax assets will not be realized. In 2015, we determined that it is more likely than not that the deferred tax asset in relation to certain state NOL carryforwards and temporary differences will not be realized. In recognition of this risk, we recorded a valuation allowance of $4.0 million on these deferred tax assets in 2015. Additionally, in 2015, we determined that it is more likely than not that the deferred tax asset in relation to certain UK temporary differences will not be realized. In recognition of this risk, we recorded a valuation allowance of $2.9 million on these deferred tax assets in 2015.

At December 31, 2015, the Company has recorded a valuation allowance of $11.6 million for specific state net operating loss carryforwards, state tax credit carryforwards and specific state tax temporary differences that are anticipated to produce no tax benefit. The Company has recorded a valuation allowance of $14.9 million for foreign tax credits in the United States that are anticipated to produce no tax benefit. These foreign tax credits will expire in 2024. The Company has recorded a valuation allowance of $14.5 million for foreign net operating losses and specific foreign temporary differences that are anticipated to produce no tax benefit. Additionally, the Company has recorded a valuation allowance of $0.9 million for capital loss carryforwards in Australia that are anticipated to produce no tax benefit.

The Company has tax-effected state net operating losses of $10.2 million, which will expire from 2016 to 2035. Additionally, the Company has tax-effected foreign net operating losses of $9.3 million, which will begin to expire in 2018.

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 2011.

As of December 31, 2015 and 2014, the total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate, was approximately $4.1 million and $6.0 million, respectively. A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	Year Ended December 31,		
	2015	2014	2013
(Dollars in millions)			
Balance at beginning of year	$ 7.2	$ 6.1	$ 7.7
Additions based on tax provisions related to the current year	1.4	0.6	0.4
Additions for tax provisions of prior years	0.0	0.1	0.4
Additions as a result of acquisitions	0.0	1.6	0.0
Reductions of tax provisions of prior years	(0.7)	(0.6)	(0.8)
Reductions as a result of payments and settlements	0.0	0.0	(1.1)
Reductions as a result of a lapse of the applicable statute of limitations	(0.2)	(0.6)	(0.5)
Balance at end of year	$ 7.7	$ 7.2	$ 6.1

The Company recognizes interest expense or interest income and any related penalties from uncertain tax positions in income tax expense. For the years ended December 31, 2015, 2014, and 2013, the Company recognized $(1.5) million, $1.5 million and $(0.1) million, respectively, in interest and penalties. As of December 31, 2015 and 2014, the Company had accrued approximately $1.2 million and $2.7 million for interest and penalties, respectively.

11. Inventories

Inventories as of December 31, 2015 and 2014 were as follows:

	December 31, 2015	December 31, 2014
(Dollars in millions)		
Raw materials	$ 169.8	$ 191.1
Work in process	15.5	2.6
Finished goods	97.4	103.6
	282.7	297.3
Less revaluation to LIFO	56.3	56.1
Net	$ 226.4	$ 241.2

12. Equity Investments

The Company holds one investment in an unconsolidated company as of December 31, 2015. During 2015, the Company sold the assets of KSA Limited Partnership for $2.5 million to a third party resulting in a gain of $0.3 million. KSA Limited Partnership was a 50 percent-owned concrete crosstie operation. Tangshan Koppers Kailuan Carbon Chemical Company Limited (“TKK”) is a 30 percent-owned tar distillation facility in the Hebei Province of China. The Company is engaged in negotiations regarding the sale of the Company’s 30 percent interest in TKK to TKK’s controlling shareholder. See additional information in Note 21 “related Party Transactions.” No dividends were paid for the three years ended December 31, 2015. Equity in (losses) earnings for the three years ended December 31, 2015 were as follows:

	Equity (loss) income
(Dollars in millions)	
2015	$ (2.2)
2014	(1.6)
2013	0.8

13. Property, Plant and Equipment

Property, plant and equipment as of December 31, 2015 and 2014 were as follows:

(Dollars in millions)		December 31, 2015		December 31, 2014
Land	$	17.6	$	18.7
Buildings		61.8		45.3
Machinery and equipment		669.0		678.6
	$	748.4	$	742.6
Less accumulated depreciation		470.6		442.9
Net	$	277.8	$	299.7

Depreciation expense, including impairment charges, for the years ended December 31, 2015, 2014 and 2013 amounted to $58.4 million, $38.8 million and $38.3 million, respectively.

Impairments – Impairment charges for 2015, 2014 and 2013 were $14.7 million, $4.7 million and $11.9 million, respectively. In 2015, impairment charges primarily related to the decision to discontinue coal tar distillation activities at CMC plants located in the United Kingdom and the United States. The remaining 2015 impairment charges were related to the RUPS wood treating plant in Green Spring, West Virginia.

The 2014 impairment charges primarily related to the CMC plant in Tangshan, China ($2.8 million, net of non-controlling interest). These impairment charges were calculated using a probability-weighted discounted cash flow model.

The 2013 impairment charges primarily related to the CMC plan in Uithoorn, the Netherlands.

14. 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, 2015 and December 31, 2014 was as follows:

(Dollars in millions)		Carbon Materials and Chemicals		Railroad and Utility Products and Services		Performance Chemicals		Total
Balance at December 31, 2013	$	68.0	$	4.7	$	0.0	$	72.7
Acquisitions		0.0		5.2		175.4		180.6
Currency translation		(2.5)		(0.6)		(3.0)		(6.1)
Balance at December 31, 2014	$	65.5	$	9.3	$	172.4	$	247.2
Acquisitions		4.1		0.0		0.0		4.1
Purchase price allocation adjustments		0.0		1.2		8.3		9.5
Impairment		(67.2)		0.0		0.0		(67.2)
Currency translation		(2.4)		(0.6)		(4.0)		(7.0)
Balance at December 31, 2015	$	0.0	$	9.9	$	176.7	$	186.6

Goodwill represents the excess of the cost over the fair value of acquired identifiable tangible and intangible assets and liabilities assumed from businesses acquired.

Goodwill is tested for impairment at the reporting unit level annually in the fourth quarter and whenever events or circumstances indicate the carrying value may not be recoverable. The evaluation of goodwill impairment involves using either a qualitative or quantitative approach as outlined in ASC Topic 350. The Company completed its annual goodwill impairment evaluation using the two-step quantitative analysis during the fourth quarter of 2015.

In the first step of the analysis, the Company compared the estimated fair value of each reporting unit to its carrying value, including goodwill. The fair value of the reporting units was determined based on a weighting of income and market approaches. Since the carrying value of the CMC reporting unit exceeded the fair value, the Company performed the second step of the impairment analysis in order to determine the implied fair value of the reporting unit's goodwill. The implied fair value of goodwill represents the excess of fair value of the reporting unit over the fair value amounts assigned to all of the assets and liabilities of the reporting unit as if it were to be acquired in a business combination and the current fair value of the reporting unit (as calculated in the first step) was the purchase price. Any amount remaining after this allocation represents the implied fair value of goodwill.

The implied fair value of the respective reporting unit's goodwill was then compared to the carrying value of the goodwill and any excess of carrying value over the implied fair value represents the non-cash impairment charge. The results of the second step analysis showed that the implied fair value of goodwill was zero for the CMC reporting unit. Therefore, in 2015, the Company recorded a goodwill impairment charge of $67.2 for the CMC reporting unit. During the fourth quarter of 2015, the Company observed certain negative factors including a declining market capitalization, downsizing of the global aluminum markets and continued decline in spot and forward oil pricing. As noted elsewhere in this Form 10-K, the Company and its board of directors approved certain strategic changes for the CMC reporting unit during the fourth quarter of 2015 reflecting the current market environment. The aforementioned negative factors all severely impact the outlook and corresponding fair value for the Company's CMC reporting unit and were the primary factors for the goodwill impairment charge recorded during the fourth quarter of 2015. As a result of the goodwill impairment charge, there is no goodwill remaining for the CMC reporting unit, and goodwill remaining on our consolidated balance sheet at December 31, 2015 is $186.6 million. The Company's other reporting units did not require an impairment charge for the fiscal year 2015.

For purposes of the income approach, fair value was determined based on the present value of estimated future cash flows, discounted at an appropriate risk-adjusted rate (DCF analysis). The Company made assumptions about the amount and timing of future expected cash flows, terminal value growth rates and appropriate discount rates. The amount and timing of future cash flows within the Company's DCF analysis was based on its most recent operational budgets, long range strategic plans and other estimates. A one half of one percent perpetual growth rate was used to calculate the value of cash flows beyond the last projected period in the Company's DCF analysis for the CMC reporting unit and reflects its best estimates for stable, perpetual growth of its reporting unit. Actual results may differ from those assumed in the Company's forecasts. The Company used estimates of market participant weighted average cost of capital as a basis for determining the discount rate of 14 percent applied to the CMC reporting unit's future expected cash flows, adjusted for risks and uncertainties inherent in the chemical industry and in its internally developed forecasts.

The market approach is based upon an analysis of valuation metrics for companies comparable to the reporting unit. The fair value for the CMC reporting unit was estimated using an appropriate valuation multiple, as well as estimated normalized earnings and an estimated control premium.

In order to further validate the reasonableness of the estimated fair values of the reporting units as of the valuation date, a reconciliation of the aggregate fair values of all reporting units to the Company's market capitalization was performed using a reasonable control premium.

Goodwill impairment tests in prior years indicated that goodwill was not impaired for any of the Company's reporting units. Accumulated impairment losses totaled $67.2 million and $0.0 million as of December 31, 2015 and 2014, respectively.

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

			December 31,					
					2015			*2014*
(Dollars in millions)	*Estimated life in years*	*Weighted average remaining life in years*	*Gross Carrying Amount*	*Accumulated Amortization*	*Net*	*Gross Carrying Amount*	*Accumulated Amortization*	*Net*
Customer contracts	9 to 18	14.1	$ 153.0	$ 24.3	$ 128.7	$ 149.9	$ 14.5	$ 135.4
Technology	4 to 12	6.0	26.6	5.1	21.5	26.7	1.4	25.3
Trademarks	4 to 7	5.3	5.9	1.1	4.8	5.6	0.3	5.3
Supply contracts	10	4.2	2.3	1.4	0.9	2.6	1.2	1.4
Non-compete agreements	12	8.8	1.4	1.2	0.2	1.5	1.2	0.3
Favorable lease agreements	3	0.0	0.7	0.7	0.0	0.8	0.8	0.0
Total		12.7	$ 189.9	$ 33.8	$ 156.1	$ 187.1	$ 19.4	$ 167.7

Acquired intangible assets for the year ended December 31, 2015 totaled $7.9 million for customer relationships. In 2015, the gross carrying value of identifiable intangible assets decreased by $5.1 million due to foreign currency translation. Total amortization expense related to these identifiable intangible assets was $15.3 million, $8.4 million and $2.1 million for the years ended December 31, 2015, 2014 and 2013, respectively. Estimated amortization expense for the next five years is summarized below:

(Dollars in millions)	*Estimated annual amortization*
2016	14.5
2017	14.3
2018	14.3
2019	14.3
2020	14.1

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.

In the U.S., all qualified defined benefit pension plans for salaried employees have been closed to new participants and a number of plans, including all 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.

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 $6.0 million, $6.9 million and $5.3 million for the years ended December 31, 2015, 2014 and 2013, respectively.

Net periodic pension costs for 2015, 2014 and 2013 were as follows:

	December 31,					
	Pension Benefits			*Other Benefits*		
(Dollars in millions)	*2015*	*2014*	*2013*	*2015*	*2014*	*2013*
Service cost	$ 2.0	$ 2.7	$ 3.4	$ 0.1	$ 0.1	$ 0.1
Interest cost	10.9	11.8	10.7	0.4	0.5	0.5
Expected return on plan assets	(12.0)	(13.9)	(12.5)	0.0	0.0	0.0
Amortization of prior service cost	(0.3)	(0.2)	0.1	(0.1)	(0.2)	(0.1)
Amortization of net loss	6.6	4.0	7.6	(0.3)	0.0	0.0
Settlements and curtailments	(0.8)	0.0	0.1	0.0	0.0	0.0
Net periodic benefit cost	$ 6.4	$ 4.4	$ 9.4	$ 0.1	$ 0.4	$ 0.5

Net periodic pension cost is expected to be recognized from the amortization of net loss and is estimated to total $2.4 million for all plans in 2016.

The change in the funded status of the pension and postretirement plans as of December 31, 2015 and December 31, 2014 is as follows:

				December 31,
	Pension Benefits		Other Benefits	
(Dollars in millions)	2015	2014	2015	2014
Change in benefit obligation:				
Benefit obligation at beginning of year	$ 275.7	$ 237.8	$ 9.8	$ 10.4
Service cost	2.0	2.7	0.1	0.1
Interest cost	10.9	11.8	0.4	0.5
Plan participants' contributions	0.2	0.2	0.0	0.0
Actuarial losses (gains)	(14.9)	39.4	(0.3)	(1.1)
Currency translation	(3.4)	(4.4)	0.0	0.0
Benefits paid	(13.0)	(11.8)	(0.6)	(0.1)
Benefit obligation at end of year	257.5	275.7	9.4	9.8
Change in plan assets:				
Fair value of plan assets at beginning of year	229.5	205.7	0.0	0.0
Actual return on plan assets	(4.6)	24.0	0.0	0.0
Employer contribution	3.4	15.1	0.6	0.1
Plan participants' contributions	0.2	0.2	0.0	0.0
Currency translation	(3.1)	(3.7)	0.0	0.0
Benefits paid	(13.0)	(11.8)	(0.6)	(0.1)
Fair value of plan assets at end of year	212.4	229.5	0.0	0.0
Funded status of the plan	$ (45.1)	$ (46.2)	$ (9.4)	$ (9.8)
Amounts recognized in the balance sheet consist of:				
Noncurrent assets	$ 0.8	$ 0.2	$ 0.0	$ 0.0
Current liabilities	0.9	0.9	0.8	0.7
Noncurrent liabilities	45.0	45.5	8.6	9.1
Pension plans with benefit obligations in excess of plan assets:				
Benefit obligation	$ 252.7	$ 237.0		
Fair value of plan assets	206.9	200.2		
Pension plans with accumulated benefit obligations in excess of plan assets:				
Accumulated benefit obligation	$ 251.2	$ 230.7		
Fair value of plan assets	206.9	200.2		

The measurement date for all 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, 2015 and 2014 was $255.8 million and $269.0 million, respectively.

Expected Contributions for the 2016 Fiscal Year

The expected contributions by the Company for 2016 are estimated to be $4.9 million for pension plans and $0.8 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
2016	$ 12.8	$ 0.8
2017	13.4	0.8
2018	13.5	0.8
2019	13.8	0.8
2020	14.3	0.7
Next five years	78.7	3.0

Weighted-Average Assumptions as of December 31

	December 31, Pension Benefits		Other Benefits	
	2015	2014	2015	2014
Discount rate	4.52%	4.12%	4.73%	4.32%
Expected return on plan assets	5.16	6.31		
Rate of compensation increase	3.82	4.00		
Initial medical trend rate			6.50	6.95

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 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.

Investment Strategy

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

	December 31, 2015	2014
Debt securities	70%	71%
Equity securities	26	26
Other	4	3
	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 30 percent to 40 percent growth seeking assets and 60 percent to 70 percent income generating assets on an overall basis. The Company utilizes investment managers to assist in identifying and monitoring investments that meet these allocation criteria. With respect to the U.S defined benefit plan, the Company has implemented a strategy of reallocating pension assets from growth seeking assets to income generating assets as certain funded status levels are reached.

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 through which 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, 2015 and December 31, 2014:

				As of December 31, 2015
(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	$ 15.0	$ 10.2	$ 0.0	$ 25.2
International equity securities	12.1	18.6	0.0	30.7
U.S. debt securities	32.3	84.8	0.0	117.1
International debt securities	7.0	25.5	0.0	32.5
Real estate and other investments	0.0	1.4	0.0	1.4
Cash and cash equivalents	0.0	5.5	0.0	5.5
	$ 66.4	$ 146.0	$ 0.0	$ 212.4

				As of December 31, 2014
(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	$ 17.5	$ 10.5	$ 0.0	$ 28.0
International equity securities	12.7	20.0	0.0	32.7
U.S. debt securities	36.4	92.1	0.0	128.5
International debt securities	7.8	26.8	0.0	34.6
Real estate and other investments	0.0	1.9	0.0	1.9
Cash and cash equivalents	0.0	3.8	0.0	3.8
	$ 74.4	$ 155.1	$ 0.0	$ 229.5

Health Care Cost Trend Rates

The 2015 initial health care cost trend rate is assumed to be 6.5 percent and is assumed to decrease gradually to 4.5 percent in 2037 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	0.2	(0.1)

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 $9.2 million in 2015, $3.8 million in 2014 and $2.3 million in 2013.

16. Debt

Debt at December 31, 2015 and December 31, 2014 was as follows:

(Dollars in millions)	*Weighted Average Interest Rate*	*Maturity*	*December 31, 2015*	*December 31, 2014*
Term Loan	3.97%	2019	$ 262.5	$ 292.5
Revolving Credit Facility	3.97%	2019	130.0	204.5
Construction and other loans	4.84%	2018	44.8	56.5
Senior Notes	7 7/8%	2019	297.5	297.0
Total debt			734.8	850.5
Less short term debt and current maturities of long-term debt			39.9	43.9
Long-term debt			$ 694.9	$ 806.6

Senior Secured Credit Facility

On August 15, 2014, Koppers Inc. replaced its $350.0 million revolving credit facility with a new $500.0 senior secured revolving credit facility and a $300.0 million senior secured term loan to finance its acquisition of the Osmose Entities (the “Senior Secured Credit Facilities”). Both borrowings mature on August 15, 2019. The interest rates on the new borrowings are variable and are based on LIBOR. The initial interest rate on the borrowings at August 15, 2014 was 3.25 percent. The senior secured term loan has quarterly principal repayment obligations of 2.5 percent of the original principal amount borrowed, or $7.5 million.

Borrowings under the revolving credit facility and term loan 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 and term loan contain 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.

The Company entered into an amendment of the revolving credit facility on June 30, 2015 which excludes dividends paid by Koppers Holdings Inc. from the calculation of fixed charges under the fixed charge coverage ratio. Koppers Holdings last paid a dividend in January 2015. In the event that Koppers Holdings pays any dividends subsequent to December 31, 2015, all dividends paid by Koppers Holdings during any period of determination will be included in the calculation of fixed charges under the fixed charge coverage ratio.

As of December 31, 2015, the Company had $53.9 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, 2015, $45.5 million of commitments were utilized by outstanding letters of credit.

Construction Loans

On November 18, 2013, the Company’s 75-percent owned subsidiary, Koppers (Jiangsu) Carbon Chemical Company Limited (“KJCC”) entered into two committed loan facility agreements for a combined commitment of RMB 265 million or approximately $44 million. The third party bank provided facility has a commitment amount of RMB 198.8 million and the other committed facility of RMB 66.2 million is provided by the 25-percent non-controlling shareholder in KJCC. Borrowings under the third party bank facility are secured by a letter of credit issued by a bank under the Koppers Inc. revolving credit facility. The committed facilities were used to finance the costs related to the construction of the coal tar distillation plant in Pizhou, Jiangsu province in China.

On December 21, 2015, we made a prepayment of approximately $6 million on the third party bank provided facility reducing the commitment on the loan to $24.7 million. Additionally, we restructured the facility to amend certain financial covenants related to net worth, interest coverage and leverage.

KJCC will repay the loans in six installments every six months starting in June 2018 with a final repayment on December 21, 2020, the maturity date of the loans.

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 our senior obligations, are fully and unconditionally guaranteed by KH and certain of our wholly-owned domestic subsidiaries, and, as of August 15, 2014, are secured equally and ratably with the obligations under our Senior Secured Credit Facilities.

Interest on the Senior Notes is payable semiannually on December 1 and June 1 each year. On or after December 1, 2015, the Company is entitled to redeem all or a portion of the Senior Notes at a redemption price of 102.625 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. The Senior Notes include default provisions which would occur should Koppers Inc. or its restricted subsidiaries default on payment of debt or cause an acceleration of debt.

Debt Maturities and Deferred Financing Costs

At December 31, 2015 the aggregate debt maturities for the next five years are as follows:

(Dollars in millions)		
2016	$	39.9
2017		33.6
2018		37.5
2019		605.5
2020		20.8
Thereafter		0.0
Total maturities		737.3
Future accretion on Senior Notes		(2.5)
Total debt	$	734.8

Unamortized deferred financing costs (net of accumulated amortization of $6.9 million and $3.9 million at December 31, 2015 and 2014, respectively) were $12.5 million and $14.5 million at December 31, 2015 and 2014, respectively, and are included in other assets.

17. Leases

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

(Dollars in millions)		
2016	$	44.4
2017		40.7
2018		32.2
2019		15.4
2020		12.3
Thereafter		53.1
Total	$	198.1

Operating lease expense for 2015, 2014 and 2013 was $46.4 million, $36.7 million and $39.4 million, respectively.

18. Derivative Financial Instruments

The Company utilizes derivative instruments to manage exposures to risks that have been identified and measured and are capable of being controlled. The primary risks managed by the company by using derivative instruments are commodity price risk associated with copper and foreign currency exchange risk associated with a number of currencies, principally the U.S. dollar, the Canadian dollar, the New Zealand dollar, the Euro and British pounds. Swap contracts on copper are used to manage the price risk associated with forecasted purchases of materials used in the Company’s manufacturing processes. Generally, the Company will not hedge cash flow exposures for durations longer than 30 months and the Company has hedged certain volumes of copper through December 2018. The Company enters into foreign currency forward contracts to manage foreign currency risk associated with the Company’s receivable and payable balances. Generally, the Company enters into master netting arrangements with the counterparties and offsets net derivative positions with the same counterparties. Currently, the Company’s agreements do not require cash collateral.

ASC Topic 815-10, “Derivatives and Hedging,” requires companies to recognize all derivative instruments as either assets or liabilities at fair value in the balance sheet. Derivative instruments’ fair value is determined using significant other observable inputs, or Level 2 in the fair value hierarchy. In accordance with ASC Topic 815-10, the Company designates certain of its commodity swaps as cash flow hedges of forecasted purchases of commodities. For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive (loss) income and is reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. Gains and losses on the derivative instruments representing either hedge ineffectiveness or hedge components excluded from the assessment of effectiveness are recognized in current earnings. The amount of hedge ineffectiveness charged to profit and loss is not material for any period presented.

As of December 31, 2015, the Company has outstanding copper swap contracts designated as cash flow hedges totaling 17.3 million pounds and the fair value of these swap contracts was $(9.9) million which is classified in accrued liabilities and $0.1 million which is classified in other current assets in the consolidated balance sheet. The amount of loss recognized in other comprehensive loss totaled $6.1 million, net of tax, at December 31, 2015 and the amount charged to expense related to ineffectiveness totaled $0.1 million for each of the years ended December 31, 2015 and 2014. In the next twelve months the Company estimates that $6.1 million of unrealized losses, net of tax, related to commodity price hedging will be reclassified from other comprehensive loss into earnings.

As of December 31, 2015, the Company had outstanding copper swap contracts not designated as cash flow hedges totaling 4.0 million pounds and the fair value of these swap contracts was $(0.7) million which is classified in accrued liabilities in the consolidated balance sheet. The amount of loss recognized in earnings from changes in the fair value of these copper swap contracts totaled $0.7 million for the year ended December 31, 2015.

Forward contracts related to foreign currency are not designated as hedges and fair value changes in these contracts are immediately charged to earnings and are classified in other income in the condensed consolidated statement of income. As of December 31, 2015, the Company has outstanding foreign currency forward contracts with a fair value totaling $1.9 million, recognized as a liability in accrued liabilities in the consolidated balance sheet. The currency units outstanding at December 31, 2015 were British Pound of GBP 5.9 million, New Zealand Dollar of NZD 22.5 million and United States Dollar of USD 40.0 million.

19. 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, 2015 are as follows:

		Year Ended December 31,	
	2015	*2014*	*2013*
(Shares in thousands)			
Senior Convertible Preferred Stock:			
Balance at beginning and end of year	0	0	0
Common Stock:			
Balance at beginning of year	21,938	21,722	21,585
Issued for employee stock plans	78	216	137
Balance at end of year	22,016	21,938	21,722
Treasury Stock:			
Balance at beginning of year	(1,443)	(1,390)	(951)
Shares repurchased	(16)	(53)	(439)
Balance at end of year	(1,459)	(1,443)	(1,390)

20. 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. is one of several defendants in lawsuits filed in two 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 were 110 plaintiffs in 59 cases pending as of December 31, 2015 as compared to 112 plaintiffs in 60 cases pending as of December 31, 2014. As of December 31, 2015, there are a total of 58 cases pending in state court in Pennsylvania, and one case pending in state court in Tennessee.

The plaintiffs in all 59 pending cases seek to recover compensatory damages. Plaintiffs in 54 of those cases also seek to recover punitive damages. The plaintiffs in the 58 cases filed in Pennsylvania state court seek unspecified damages in excess of the court's minimum jurisdictional limit. The plaintiff in the Tennessee state court case seeks damages of $15.0 million. The other defendants in these lawsuits vary from case to case and include companies such as Beazer East, Inc. ("Beazer East"), United States Steel Corporation, Honeywell International Inc., Vertellus Specialties Inc., Dow Chemical Company, UCAR Carbon Company, Inc., Exxon Mobil Corporation, SGL Carbon Corporation and Alcoa, 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 in 2009. The property upon which the utility pole treatment plant was located was sold by Koppers Inc. to Beazer East in 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. In a second amended complaint, plaintiffs define the putative class as consisting of all persons who are present record owners of residential real properties located in an area within a two-mile radius of the former Gainesville wood treating plant. Plaintiffs further allege that chemicals and contaminants from the Gainesville plant have contaminated real properties within the two mile geographical area, have caused property damage (diminution in value) and have placed residents and owners of the putative class properties at an elevated risk of exposure to and injury from the chemicals at issue. The second amended complaint seeks damages for diminution in property values, cleaning of allegedly contaminated homes and punitive damages. The plaintiffs presently seek a class comprised of all current property owners of single family residential properties with a polygon-shaped area extending approximately two miles from the former plant area (which area encompasses approximately 7,000 owners).

Under the current scheduling order, class factual discovery closed in May 2015 and expert witness discovery was completed in August 2015. Discovery on the merits is stayed until further order of the court. Motions were subsequently filed by each side to strike or limit the testimony of the other side's experts. Plaintiffs filed a motion for class certification on September 30, 2015 and the response of Koppers Inc. was filed on October 30, 2015. A hearing on plaintiffs' motion for class certification and the parties' motions relating to experts was held in January 2016 and a ruling is expected in three to six months.

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.

Virgin Islands. Koppers Performance Chemicals Inc. ("KPC") is currently a defendant in a putative class action lawsuit filed in the United States District Court of the Virgin Islands. The plaintiffs claim, on behalf of themselves and others similarly situated, that KPC's wood preservative products and formulas are defective, and the complaint alleges the following causes of action: breach of contract, negligence, strict liability, fraud and violation of the Virgin Islands Consumer Fraud and Deceptive Business Practices statute. The putative class is defined as all users (residential or commercial) of wood products treated with KPC wood preserving products in the United States who purchased such wood products from January 1, 2004 to the present. Alternatively, plaintiffs allege that the putative class should be all persons and entities that have owned or acquired buildings or other structures physically located in the U.S. Virgin Islands that contain wood products treated with KPC wood preserving products from January 1, 2004 to the present. The complaint alleges plaintiffs are entitled to unspecified "economic and compensatory damages", punitive damages, costs and disgorgement of profits. The complaint further requests a declaratory judgment and injunction to establish an inspection and disposal program for class members' structures.

The lawsuit was filed on July 16, 2014, and KPC has filed a motion to dismiss. On September 28, 2015, the district court denied, without prejudice, KPC's motion to dismiss, finding that, although the plaintiffs have thus far failed to demonstrate their case for personal jurisdiction over KPC in the Virgin Islands, the plaintiffs were nevertheless allowed a limited period of time (through November 6, 2015) to conduct discovery on specific personal jurisdictional issues after which the court would consider a renewed motion to dismiss. At the conclusion of this discovery, KPC renewed its motion to dismiss on November 20, 2015. The motion is now fully briefed and the parties await a ruling by the court.

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 KPC 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 ("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. One site currently owned and operated by Koppers Inc. in the United States is 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 includes the National Priorities List site 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, 2015, amounts paid by Beazer East as a result of its environmental remediation obligations under the Indemnity have averaged, in total, approximately $10 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 one of the potentially responsible parties ("PRPs") at the Portland Harbor CERCLA site located on the Willamette River in Oregon. Koppers Inc. currently maintains a coal tar pitch terminal near the site. Koppers Inc. has responded to an Environmental Protection Agency ("EPA") information request and has executed a PRP agreement which outlines the process to develop an allocation of past and future costs among more than 80 parties to the site. Koppers Inc. believes it is a *de minimus* contributor at the site. Additionally, a separate natural resources damages assessment ("NRDA") is being conducted by a local trustee group. The NRDA is intended to identify further information necessary to estimate liabilities for remediation based settlements of national resource damages ("NRD") claims. Koppers Inc. may also incur liabilities under the NRD process and has entered into a separate process to develop an allocation of NRDA cost.

In March 2012, a draft Feasibility Study ("FS") was submitted to EPA by the Lower Willamette Group, a group of certain PRPs which has been conducting the investigation of the site. The draft FS identifies ten possible remedial alternatives which range in cost from approximately $170 million to $1.8 billion. The FS does not determine who is responsible for remediation costs or select remedies. The FS is under review by the EPA which will issue a final decision on the nature and extent of the final remediation. Responsibility for implementing and funding that work will be decided in the separate allocation process.

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 $0.9 million at December 31, 2015, the Company has not provided a reserve for these matters because there has not been a determination of the total cost of the investigations, the remediation that will be required, the amount of natural resources damages or how those costs will be allocated among the PRPs. Accordingly, the Company believes that 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.

In connection with Koppers Inc.'s acquisition of the Osmose Entities, there are two plant sites in the United States where the Company has recorded an environmental remediation liability for soil and groundwater contamination which occurred prior to the acquisition. Osmose Holdings, Inc. has provided an indemnity of up to $5 million for certain environmental response costs incurred prior to August 15, 2017 (the "Osmose Indemnity"). As of December 31, 2015, the Company's estimated environmental remediation liability for these acquired sites totals $5.2 million. The Company has also recorded a receivable under the Osmose Indemnity of $0.3 million related to these acquired sites.

Foreign Environmental Matters.

In connection with Koppers Inc.'s acquisition of the Osmose Entities, there are three plant sites located in the United Kingdom and Australia where the Company has recorded an environmental remediation liability for soil and groundwater contamination which occurred prior to the acquisition. As of December 31, 2015, the Company's estimated environmental remediation liability for these acquired sites totals $8.0 million. The Company has also recorded a receivable under the Osmose Indemnity of $1.6 million related to these acquired sites.

In December 2011, the Company ceased manufacturing operations at its Continental Carbon facility located in Kurnell, Australia. The Company has accrued its expected cost of site remediation resulting from the closure of $3.7 million as of December 31, 2015.

Environmental Reserves Rollforward. The following table reflects changes in the accrued liability for environmental matters, of which $7.0 million and $3.3 million are classified as current liabilities at December 31, 2015 and 2014, respectively:

	Period ended	
(Dollars in millions)	December 31, 2015	December 31, 2014
Balance at beginning of year	$ 7.8	$ 11.9
Expense	1.2	0.8
Reversal of reserves	(0.5)	(1.5)
Cash expenditures	(1.4)	(3.7)
Acquisition of Osmose Entities	13.7	0.7
Currency translation	(1.0)	(0.4)
Balance at end of period	$ 19.8	$ 7.8

21. Related Party Transactions

As of December 31, 2015, the Company has loaned $9.5 million to TKK, a 30-percent owned company in China. The loan was repayable in November 2015 with six equal monthly installments beginning June 2015. TKK defaulted on the first installment payment of $1.6 million due in June 2015 and each monthly payment thereafter. The Company is engaged in negotiations with TKK's controlling shareholder regarding repayment of the loan in addition to the potential sale of the Company's 30-percent interest in TKK. In addition to recognizing the company's share of TKK's equity losses for the year ended December 31, 2015, management has concluded that it is probable that the full principal amount of the loan remains collectible, and accordingly, no provision has been recorded.

22. Selected Quarterly Financial Data (Unaudited)

The following is a summary of the quarterly results of operations for the years ended December 31, 2015 and 2014:

	Year Ended December 31, 2015				
(Dollars in millions, except per share amounts)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Fiscal Year
Statement of operations data:					
Net sales	$ 397.8	$ 431.6	$ 433.8	$ 363.7	$ 1,626.9
Operating profit (loss) (a)	8.0	26.0	27.0	(90.6)	(29.6)
(Loss) income from continuing operations	(4.2)	7.9	9.2	(88.8)	(75.9)
Net (loss) income	(4.2)	7.9	9.1	(88.8)	(76.0)
Net (loss) income attributable to Koppers	(3.4)	9.0	10.1	(87.7)	(72.0)
Common stock data:					
(Loss) earnings per common share attributable to Koppers common shareholders: (b)					
Basic –					
Continuing operations	$ (0.16)	$ 0.44	$ 0.49	$ (4.27)	$ (3.50)
Discontinued operations	0.00	0.00	(0.01)	0.00	(0.01)
(Loss) earnings per basic common share	$ (0.16)	$ 0.44	$ 0.48	$ (4.27)	$ (3.51)
Diluted –					
Continuing operations	$ (0.16)	$ 0.44	$ 0.49	$ (4.27)	$ (3.50)
Discontinued operations	0.00	0.00	(0.01)	0.00	(0.01)
(Loss) earnings per diluted common share	$ (0.16)	$ 0.44	$ 0.48	$ (4.27)	$ (3.51)
Dividends declared per common share	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Price range of common stock:					
High	$ 26.44	$ 27.40	$ 24.86	$ 23.63	$ 27.40
Low	15.78	19.26	17.88	17.34	15.78

	Year Ended December 31, 2014				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Fiscal Year
(Dollars in millions, except per share amounts)					
Statement of operations data:					
Net sales	$ 331.4	$ 356.8	$ 440.1	$ 426.7	$ 1,555.00
Operating profit	0.5	13.3	17.3	2.1	33.2
(Loss) income from continuing operations(c)	(0.1)	0.8	(4.3)	(36.4)	(40.0)
Net (loss) income	(0.1)	0.7	(4.2)	(35.8)	(39.4)
Net income (loss) attributable to Koppers	2.2	1.6	(2.7)	(33.5)	(32.4)
Common stock data:					
Earnings (loss) per common share attributable to Koppers common shareholders: (b)					
Basic –					
Continuing operations	$ 0.11	$ 0.08	$ (0.14)	$ (1.66)	$ (1.61)
Discontinued operations	0.00	0.00	0.00	0.03	0.03
Earnings (loss) per basic common share	$ 0.11	$ 0.08	$ (0.14)	$ (1.63)	$ (1.58)
Diluted –					
Continuing operations	$ 0.11	$ 0.08	$ (0.14)	$ (1.66)	$ (1.61)
Discontinued operations	0.00	0.00	0.00	0.03	0.03
Earnings (loss) per diluted common share	$ 0.11	$ 0.08	$ (0.14)	$ (1.63)	$ (1.58)
Dividends declared per common share	$ 0.25	$ 0.25	$ 0.25	$ 0.25	$ 1.00
Price range of common stock:					
High	$ 45.92	$ 45.51	$ 39.45	$ 39.88	$ 45.92
Low	35.51	35.53	33.02	22.52	22.52

(a) In the fourth quarter of 2015, the Company recorded asset impairment, asset retirement and severance charges totaling $35.1 million primarily related to the decision to discontinue coal tar distillation activities at CMC plants located in the United Kingdom and the United States. In the fourth quarter of 2015, the Company also recorded goodwill impairment charges of $67.2 million related to our CMC business.

(b) The cumulative sum of quarterly basic and diluted net income per share amounts may not equal total basic and diluted net income per share amounts for the year due to differences in weighted average and equivalent shares outstanding for each of the periods presented.

(c) In the fourth quarter of 2014, the Company recorded a $24.3 million income tax charge related to a legal entity reorganization project.

23. Subsidiary Guarantor Information for Koppers Inc. Senior Notes [Note not updated]

On December 1, 2009, Koppers Inc. issued $300.0 million principal value of Senior Notes. Koppers Holdings and each of Koppers Inc.'s 100 percent-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 Performance Chemicals Inc., Koppers Railroad Structures Inc., Koppers NZ, LLC, Koppers-Nevada Limited Liability Company, Wood Protection LP, Wood Protection Management LLC and Koppers Asia LLC. Non-guarantor subsidiaries are owned directly or indirectly by Koppers Inc. or are owned directly or indirectly by Koppers World-Wide Ventures Corporation.

The guarantee of a guarantor subsidiary will be automatically and unconditionally released and discharged in the event of:

- any sale of the capital stock or substantially all of the assets of the guarantor subsidiary;
- the designation of the guarantor subsidiary as an unrestricted subsidiary in accordance with the indenture governing the Senior Notes; and
- the legal defeasance, covenant defeasance or satisfaction and discharge of the indenture governing the Senior Notes.

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 Koppers Holdings Inc. 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 Koppers Holdings Inc.'s 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 (referred to as the "basket") at such point in time.

The Koppers Inc. revolving credit facility agreement provides for a revolving credit facility of up to $500.0 million and a term loan 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 agreement 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.

As of December 31, 2015, Koppers Inc.'s liabilities exceeded its assets by $18.3 million. Cash dividends paid to Koppers Holdings Inc. by its subsidiaries totaled $6.5 million, $23.6 million and $38.5 million for the years ended December 31, 2015, 2014 and 2013, respectively.

Condensed Consolidating Statement of Comprehensive (Loss) Income
For the Year Ended December 31, 2015

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net sales	$ 0.0	$ 791.1	$ 335.6	$ 600.9	$ (100.7)	$ 1,626.9
Cost of sales including depreciation and amortization	0.0	771.7	233.2	562.4	(99.4)	1,467.9
Gain on sale of business	0.0	(3.2)	0.0	0.0	0.0	(3.2)
Goodwill impairment	0.0	43.1	24.1	0.0	0.0	67.2
Selling, general and administrative	1.9	41.3	37.8	43.6	0.0	124.6
Operating (loss) profit	(1.9)	(61.8)	40.5	(5.1)	(1.3)	(29.6)
Other income (loss)	0.0	0.5	4.1	(2.4)	(2.0)	0.2
Equity income of subsidiaries	(70.8)	0.9	(27.9)	0.0	97.8	0.0
Interest (income) expense	0.0	45.8	0.0	6.9	(2.0)	50.7
Income taxes	(0.7)	(35.4)	15.8	16.4	(0.3)	(4.2)
Income from continuing operations	(72.0)	(70.8)	0.9	(30.8)	96.8	(75.9)
Discontinued operations	0.0	0.0	0.0	(0.1)	0.0	(0.1)
Noncontrolling interests	0.0	0.0	0.0	(4.0)	0.0	(4.0)
Net income attributable to Koppers	$ (72.0)	$ (70.8)	$ 0.9	$ (26.9)	$ 96.8	$ (72.0)
Comprehensive income (loss) attributable to Koppers	$ (91.5)	$ (90.3)	$ (18.1)	$ (41.8)	$ 150.2	$ (91.5)

Condensed Consolidating Statement of Comprehensive Income
For the Year Ended December 31, 2014

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net sales	$ 0.0	$ 795.9	$ 143.0	$ 683.5	$ (67.4)	$ 1,555.0
Cost of sales including depreciation and amortization	0.0	724.5	108.8	639.0	(66.7)	1,405.6
Selling, general and administrative	2.2	59.2	17.4	37.4	0.0	116.2
Operating (loss) profit	(2.2)	12.2	16.8	7.1	(0.7)	33.2
Other income (loss)	0.0	0.2	4.7	(0.6)	(4.3)	0.0
Equity income of subsidiaries	(31.0)	(15.9)	(6.4)	0.0	53.3	0.0
Interest expense	0.0	36.5	0.0	6.9	(4.3)	39.1
Income taxes	(0.8)	(9.0)	30.5	13.4	0.0	34.1
(Loss) income from continuing operations	(32.4)	(31.0)	(15.4)	(13.8)	52.6	(40.0)
Discontinued operations	0.0	0.0	(0.6)	1.2	0.0	0.6
Noncontrolling interests	0.0	0.0	0.0	(7.0)	0.0	(7.0)
Net income attributable to Koppers	$ (32.4)	$ (31.0)	$ (16.0)	$ (5.6)	$ 52.6	$ (32.4)
Comprehensive income (loss) attributable to Koppers	$ (82.5)	$ (81.1)	$ (54.4)	$ (35.1)	$ 170.6	$ (82.5)

Condensed Consolidating Statement of Comprehensive Income
For the Year Ended December 31, 2013

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
Net sales	$ 0.0	$ 843.7	$ 61.8	$ 622.2	$ (49.4)	$ 1,478.3
Cost of sales including depreciation and amortization	0.0	745.4	43.5	566.9	(49.5)	1,306.3
Selling, general and administrative	1.9	41.5	0.7	27.6	0.0	71.7
Operating (loss) profit	(1.9)	56.8	17.6	27.7	0.1	100.3
Other income (loss)	0.0	1.3	4.2	2.1	(4.1)	3.5
Equity income of subsidiaries	41.7	17.5	11.4	0.0	(70.6)	0.0
Interest expense	0.0	26.7	0.0	4.2	(4.1)	26.8
Income taxes	(0.6)	7.3	16.4	13.7	0.0	36.8
Income from continuing operations	40.4	41.6	16.8	11.9	(70.5)	40.2
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	$ 40.4	$ 41.7	$ 16.8	$ 12.0	$ (70.5)	$ 40.4
Comprehensive income (loss) attributable to Koppers	$ 52.3	$ 53.5	$ 8.4	$ 13.8	$ (75.7)	$ 52.3

Condensed Consolidating Balance Sheet
December 31, 2015

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
ASSETS						
Cash and cash equivalents	$ 0.0	$ 0.1	$ 0.7	$ 21.0	$ 0.0	$ 21.8
Receivables, net	0.0	60.4	23.7	75.5	0.0	159.6
Affiliated receivables	0.0	14.3	15.2	4.4	(33.9)	0.0
Inventories, net	0.0	111.9	24.9	91.8	(2.2)	226.4
Deferred tax assets	0.0	0.0	0.0	0.0	0.0	0.0
Other current assets	0.0	3.7	1.9	30.9	0.0	36.5
Total current assets	0.0	190.4	66.4	223.6	(36.1)	444.3
Equity investments	(19.0)	703.2	165.7	0.0	(849.9)	0.0
Property, plant and equipment, net	0.0	117.5	41.2	119.1	0.0	277.8
Goodwill	0.0	0.8	153.1	32.7	0.0	186.6
Intangible assets, net	0.0	8.7	117.6	29.8	0.0	156.1
Deferred tax assets	0.0	29.8	0.8	5.7	0.3	36.6
Affiliated loan receivables	0.7	29.6	222.6	31.7	(284.6)	0.0
Other noncurrent assets	(0.2)	17.0	4.9	2.3	0.0	24.0
Total assets	$ (18.5)	$ 1,097.0	$ 772.3	$ 444.9	$ (1,170.3)	$ 1,125.4
LIABILITIES AND EQUITY						
Accounts payable	$ 0.0	$ 73.8	$ 18.9	$ 48.1	$ 0.0	$ 140.8
Affiliated payables	0.0	16.6	10.9	15.3	(42.8)	0.0
Accrued liabilities	0.0	35.6	23.4	40.8	0.0	99.8
Short-term debt and current portion of long-term debt	0.0	30.2	0.0	9.7	0.0	39.9
Total current liabilities	0.0	156.2	53.2	113.9	(42.8)	280.5
Long-term debt	0.0	660.0	0.0	34.9	0.0	694.9
Affiliated debt	0.0	217.5	29.5	36.9	(283.9)	0.0
Other long-term liabilities	0.0	81.6	13.2	67.6	0.0	162.4
Total liabilities	0.0	1,115.3	95.9	253.3	(326.7)	1,137.8
Koppers shareholders’ equity	(18.5)	(18.3)	676.4	185.5	(843.6)	(18.5)
Noncontrolling interests	0.0	0.0	0.0	6.1	0.0	6.1
Total liabilities and equity	$ (18.5)	$ 1,097.0	$ 772.3	$ 444.9	$ (1,170.3)	$ 1,125.4

Condensed Consolidating Balance Sheet
December 31, 2014

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
ASSETS						
Cash and cash equivalents	$ 0.0	$ 0.0	$ 0.9	$ 50.2	$ 0.0	$ 51.1
Receivables, net	0.0	75.7	20.0	103.0	0.0	198.7
Affiliated receivables	0.8	4.5	9.3	1.3	(15.9)	0.0
Inventories, net	0.0	108.8	30.8	102.6	(1.0)	241.2
Deferred tax assets	0.0	8.0	1.0	1.5	0.0	10.5
Other current assets	0.0	3.0	2.2	34.6	0.0	39.8
Total current assets	0.8	200.0	64.2	293.2	(16.9)	541.3
Equity investments	74.5	767.2	213.5	3.6	(1,053.8)	5.0
Property, plant and equipment, net	0.0	121.2	43.1	135.4	0.0	299.7
Goodwill	0.0	39.8	149.9	57.5	0.0	247.2
Intangible assets, net	0.0	2.2	128.1	37.4	0.0	167.7
Deferred tax assets	0.0	(1.0)	1.1	7.7	0.0	7.8
Affiliated loan receivables	0.0	40.5	212.0	40.9	(293.4)	0.0
Other noncurrent assets	0.0	19.1	5.2	0.9	0.0	25.2
Total assets	$ 75.3	$ 1,189.0	$ 817.1	$ 576.6	$ (1,364.1)	$ 1,293.9
LIABILITIES AND EQUITY						
Accounts payable	$ 0.1	$ 60.9	$ 9.0	$ 50.6	$ 0.0	$ 120.6
Affiliated payables	0.0	13.2	2.7	13.5	(29.4)	0.0
Accrued liabilities	5.2	37.9	29.5	55.0	0.0	127.6
Short-term debt and current portion of long-term debt	0.0	30.0	0.0	13.9	0.0	43.9
Total current liabilities	5.3	142.0	41.2	133.0	(29.4)	292.1
Long-term debt	0.0	764.0	0.0	42.6	0.0	806.6
Affiliated debt	0.0	145.5	35.9	112.0	(293.4)	0.0
Other long-term liabilities	0.0	68.6	7.7	35.0	0.0	111.3
Total liabilities	5.3	1,120.1	84.8	322.6	(322.8)	1,210.0
Koppers shareholders’ equity	70.0	68.9	732.3	240.1	(1,041.3)	70.0
Noncontrolling interests	0.0	0.0	0.0	13.9	0.0	13.9
Total liabilities and equity	$ 75.3	$ 1,189.0	$ 817.1	$ 576.6	$ (1,364.1)	$ 1,293.9

Condensed Consolidating Statement of Cash Flows
For the Year Ended December 31, 2015

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
Cash provided by (used in) operating activities	$ 5.4	$ 63.0	$ 55.9	$ 60.3	$ (56.9)	$ 127.7
Cash provided by (used in) investing activities:						
Capital expenditures and acquisitions	0.0	(41.2)	(5.3)	(9.5)	0.0	(56.0)
Repayments (loans to) from affiliates	0.0	6.3	(5.1)	9.2	(10.4)	0.0
Net cash proceeds (payments) from divestitures and asset sales	0.0	12.3	2.1	0.5	00.0	14.9
Net cash (used in) provided by investing activities	0.0	(22.6)	(8.3)	0.2	(10.4)	(41.1)
Cash provided by (used in) financing activities:						
(Repayments) borrowings of long-term debt	0.0	(104.2)	0.1	(9.3)	0.0	(113.4)
Borrowings (repayments) of affiliated debt	0.0	71.0	(6.4)	(75.0)	10.4	00.0
Deferred financing costs	0.0	(1.0)	0.0	0.0	0.0	(1.0)
Other financing activities	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	(5.1)	(6.2)	(40.8)	(13.5)	56.9	(8.7)
Stock repurchased	(0.3)	0.0	0.0	0.0	0.0	(0.3)
Net cash used in financing activities	(5.4)	(40.4)	(47.1)	(97.8)	67.3	(123.4)
Effect of exchange rates on cash	0.0	0.1	(0.7)	8.1	0.0	7.5
Net increase (decrease) in cash and cash equivalents	0.0	0.1	(0.2)	(29.2)	0.0	(29.3)
Cash and cash equivalents at beginning of year	0.0	0.0	0.9	50.2	0.0	51.1
Cash and cash equivalents at end of period	$ 0.0	$ 0.1	$ 0.7	$ 21.0	$ 0.0	$ 21.8

Condensed Consolidating Statement of Cash Flows
For the Year Ended December 31, 2014

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
Cash provided by (used in) operating activities	$ 21.8	$ 23.8	$ 33.8	$ 10.4	$ (54.3)	$ 35.5
Cash provided by (used in) investing activities:						
Capital expenditures and acquisitions	0.0	(518.5)	(16.7)	(59.9)	14.8	(580.3)
(Loans to) repayments from affiliates	0.0	(32.2)	(38.9)	0.0	71.1	0.0
Net cash proceeds from divestitures and asset sales	0.0	0.1	0.1	0.1	0.0	0.3
Net cash (used in) provided by investing activities	0.0	(550.6)	(55.5)	(59.8)	85.9	(580.0)
Cash provided by (used in) financing activities:						
Borrowings (repayments) of long-term debt	0.0	497.0	0.0	50.5	0.0	547.5
Borrowings (repayments) of affiliated debt	0.0	35.8	27.6	7.7	(71.1)	0.0
Deferred financing costs	0.0	(11.1)	0.0	0.0	0.0	(11.1)
Other financing activities	0.0	0.0	0.0	1.4	0.0	1.4
Dividends paid	(20.5)	(23.6)	(6.1)	(24.5)	54.3	(20.4)
Stock (repurchased) issued	(1.3)	0.0	0.0	14.8	(14.8)	(1.3)
Net cash (used in) provided by financing activities	(21.8)	498.1	21.5	49.9	(31.6)	516.1
Effect of exchange rates on cash	0.0	(1.2)	1.0	(2.5)	0.0	(2.7)
Net (decrease) increase in cash and cash equivalents	0.0	(29.9)	0.8	(2.0)	0.0	(31.1)
Cash and cash equivalents at beginning of year	0.0	29.9	0.1	52.2	0.0	82.2
Cash and cash equivalents at end of period	$ 0.0	$ 0.0	$ 0.9	$ 50.2	$ 0.0	$ 51.1

Condensed Consolidating Statement of Cash Flows
For the Year Ended December 31, 2013

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
Cash provided by (used in) operating activities	$ 37.8	$ 278.7	$ 130.1	$ 47.6	$ (376.6)	$ 117.6
Cash provided by (used in) investing activities:						
Capital expenditures and acquisitions	0.0	(23.3)	0.0	(51.9)	0.0	(75.2)
(Loans to) repayments from affiliates	0.0	(0.8)	193.2	(1.7)	(190.7)	0.0
Net cash proceeds (payments) from divestitures and asset sales	0.0	1.3	0.0	1.6	0.0	2.9
Net cash used in investing activities	0.0	(22.8)	193.2	(52.0)	(190.7)	(72.3)
Cash provided by (used in) financing activities:						
Repayments of long-term debt	0.0	0.0	0.0	6.6	0.0	6.6
Borrowings of affiliated long-term debt	0.0	(191.5)	0.8	0.0	190.7	0.0
Deferred financing costs	0.0	(1.3)	0.0	0.0	0.0	(1.3)
Dividends paid	(20.5)	(38.5)	(324.0)	(14.7)	376.6	(21.1)
Stock issued and repurchased	(17.3)	0.0	0.0	0.0	0.0	(17.3)
Other financing receipts	0.0	0.5	0.0	2.3	0.0	2.8
Net cash provided by (used in) financing activities	(37.8)	(230.8)	(323.2)	(5.8)	567.3	(30.3)
Effect of exchange rates on cash	0.0	0.0	0.0	0.5	0.0	0.5
Net increase in cash and cash equivalents	0.0	25.1	0.1	(9.7)	0.0	15.5
Cash and cash equivalents at beginning of year	0.0	4.8	0.0	61.9	0.0	66.7
Cash and cash equivalents at end of period	$ 0.0	$ 29.9	$ 0.1	$ 52.2	$ 0.0	$ 82.2

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, have evaluated the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as of the end of the period covered by this report. Based on that evaluation, our chief executive officer and chief financial officer have concluded that these controls and procedures were effective as of the end of the period covered by this report.

(b) Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

See Management Report on page 42 for management’s annual report on internal control over financial reporting. See Report of Independent Registered Public Accounting Firm on page 44 for Ernst & Young LLP’s attestation report on internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by Item 401 of Regulation S-K with respect to directors is contained in our definitive Proxy Statement for our 2016 Annual Meeting of Shareholders (the “Proxy Statement”) which we will file with the Securities and Exchange Commission, pursuant to Regulation 14A, not later than 120 days after the end of the Company’s fiscal year under the caption “Proxy Item 1 – Proposal for Election of Directors”, and is incorporated herein by reference.

The information required by this item concerning our executive officers is incorporated by reference herein from Part I of this report under “Executive Officers of the Company”.

The information required by Item 405 of Regulation S-K is included in the Proxy Statement under the caption “General Matters – Section 16(a) Beneficial Ownership Reporting Compliance” and is incorporated herein by reference.

The information required by Item 407(d)(4) and Item 407(d)(5) of Regulation S-K is included in the Proxy Statement under the caption “Board Meetings and Committees” and is incorporated herein by reference.

The audit committee and our board have approved and adopted a Code of Business Conduct and Ethics for all directors, officers and employees and a Code of Ethics Applicable to Senior Officers, copies of which are available on our website at www.koppers.com and upon written request by our shareholders at no cost. Requests should be sent to Koppers Holdings Inc., Attention: Corporate Secretary’s Office, 436 Seventh Avenue, Suite 1550, Pittsburgh, Pennsylvania 15219. We will describe the date and nature of any amendment to our Code of Business Conduct and Ethics or Code of Ethics Applicable to Senior Officers or any waiver (implicit or explicit) from a provision of our Code of Business Conduct and Ethics or Code of Ethics Applicable to Senior Officers within four business days following the date of the amendment or waiver on our Internet website at www.koppers.com. We do not intend to incorporate the contents of our website into this report.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 is contained in the Proxy Statement under the captions “Executive Compensation” and “Committee Reports to Shareholders – Management Development and Compensation Committee Report” and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by Item 12 is contained in the Proxy Statement under the captions “Common Stock Ownership” and “Equity Compensation Plans” and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by Item 13 is contained in the Proxy Statement under the captions “Transactions with Related Persons” and “Corporate Governance Matters – Director Independence” and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by Item 14 is contained in the Proxy Statement under the caption “Auditors” and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) 1. Financial Statements

Financial statements filed as part of this report are included in “Item 8 – Financial Statements and Supplementary Data” as listed on the index on page 41.

(a) 2. Financial Statement Schedules

“Schedule II – Valuation and Qualifying Accounts and Reserves is included on page 95. All other schedules are omitted because they are not applicable or the required information is contained in the applicable financial statements or notes thereto.

(a) 3. Exhibits

EXHIBIT INDEX

Exhibit No.	*Exhibit*
2.1	Joint Venture Contract for the establishment of Koppers (Jiangsu) Carbon Chemical Company Limited between Koppers International B.V. and Yizhou Group Company Limited dated September 10, 2012 (incorporated by reference to exhibit 2.1 to the Company's Quarterly Report on Form 10-Q filed on November 9, 2012) (Commission File No. 001-32737).
2.2	Asset Purchase Agreement by and between Tolko Industries Ltd., Koppers Ashcroft Inc. and Koppers Inc., dated as of January 7, 2014 (incorporated by reference to exhibit 2.2 to the Company's Annual Report on Form 10-K for the year ended December 31, 2013 filed on March 3, 2014) (Commission File No. 001-32737).
2.3	Stock Purchase Agreement by and among Osmose Holdings, Inc., Osmose, Inc., Osmose Railroad Services, Inc., and Koppers Inc., dated as of April 13, 2014 (incorporated by reference to exhibit 2.3 to the Company's Quarterly Report on Form 10-Q filed on August 7, 2014) (Commission File No. 001-32737).
2.4	Amendment No. 1 to Stock Purchase Agreement, dated as of August 15, 2014, by and among Koppers Inc., Osmose Holdings, Inc., Osmose, Inc. and Osmose Railroad Services, Inc. (incorporated by reference to exhibit 2.4 to the Company's Quarterly Report on Form 10-Q filed on November 10, 2014) (Commission File No. 001-32737).
3.1	Amended and Restated Articles of Incorporation of the Company, as amended on May 7, 2015 (incorporated by reference to exhibit 3.1 to the Company's Quarterly Report on Form 10-Q filed on August 6, 2015) (Commission File No. 001-32737).
3.2	Amended and Restated Bylaws of the Company, as amended on August 6, 2014 (incorporated by reference to exhibit 3.2 to the Company's Quarterly Report on Form 10-Q filed on August 7, 2014) (Commission File No. 001-32737).
4.1	Indenture, by and among Koppers Inc., Koppers Holdings Inc., the Subsidiary Guarantors party thereto and Wells Fargo Bank, National Association, dated as of December 1, 2009 (incorporated by reference to exhibit 4.1 of the Company's Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 19, 2010) (Commission File No. 001-32737).
4.2	Subscription Agreement by and between Koppers Inc. and Mr. Walter Turner dated December 1, 2009 (incorporated by reference to exhibit 4.2 of the Company's Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 19, 2010) (Commission File No. 001-32737).
4.3	Exchange and Registration Rights Agreement by and among Koppers Inc., Koppers Holdings and the other guarantors party hereto, Goldman, Sachs & Co., Banc of America Securities LLC, RBS Securities Inc. and UBS Securities LLC, dated December 1, 2009 (incorporated by reference to exhibit 4.3 of the Company's Annual Report on Form 10-K for the year ended December 31, 2009 filed on February 19, 2010) (Commission File No. 001-32737).
4.4	Supplemental Indenture, dated as of February 24, 2010, to the Indenture dated as of December 1, 2009 among Koppers Ventures LLC, Koppers Inc., Koppers Holdings Inc., as Guarantor, each of the subsidiary guarantors party thereto and Wells Fargo Bank, National Association (incorporated by reference to exhibit 10.96 to the Company's Quarterly Report on Form 10-Q filed on November 10, 2014) (Commission File No. 001-32737).
4.5	Second Supplemental Indenture, dated as of August 15, 2014, to the Indenture dated as of December 1, 2009 among Koppers Inc., Koppers Holdings Inc., as Guarantor, each of the subsidiary guarantors party thereto and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to exhibit 10.97 to the Company's Quarterly Report on Form 10-Q filed on November 10, 2014) (Commission File No. 001-32737).
10.1	Asset Purchase Agreement by and between Koppers Inc. and Koppers Company, Inc., dated as of December 28, 1988 (incorporated by reference to respective exhibits to the Koppers Inc. Prospectus filed on February 7, 1994).
10.2	Asset Purchase Agreement Guarantee provided by Beazer PLC, dated as of December 28, 1988 (incorporated by reference to respective exhibits to the Koppers Inc. Prospectus filed on February 7, 1994).
10.9*	Employment agreement with Steven R. Lacy dated April 5, 2002 (incorporated by reference to Exhibit 10.35 of the Koppers Inc. Form 10-K for the year ended December 31, 2002 filed on March 5, 2003) (Commission File No. 001-12716).
10.13*	Koppers Industries, Inc. Non-contributory Long Term Disability Plan for Salaried Employees (incorporated by reference to respective exhibits to the Koppers Inc. Prospectus filed on February 7, 1994 pursuant to Rule 424(b) of the Securities Act of 1933, as amended, in connection with the offering of the 8 1/2 % Senior Notes due 2004).

Exhibit No.	Exhibit
10.15*	Koppers Industries, Inc. Survivor Benefit Plan (incorporated by reference to respective exhibits to the Koppers Inc. Prospectus filed on February 7, 1994 pursuant to Rule 424(b) of the Securities Act of 1933, as amended, in connection with the offering of the 8 1/2% Senior Notes due 2004).
10.32	Amendment and Restatement to Article VII of the Asset Purchase Agreement by and between Koppers Inc. and Beazer East, Inc., dated July 15, 2004 (incorporated by reference to exhibit 10.33 to the Koppers Inc. Quarterly Report on Form 10-Q filed on August 6, 2004) (Commission File No. 001-12716).
10.34	Agreement and Plan of Merger dated as of November 18, 2004, by and among Koppers Inc., Merger Sub for KI Inc. and Koppers Holdings Inc. (f/k/a KI Holdings Inc.) (incorporated by reference to exhibit 10.34 to the Company's Registration Statement on Form S-4 filed on February 14, 2005) (Registration No. 333-122810).
10.37*	Koppers Holdings Inc. 2005 Long Term Incentive Plan, as Amended and Restated effective February 28, 2014 (incorporated by reference to Appendix B to the Company's Definitive Proxy Statement for its 2014 Annual Meeting of Shareholders filed on March 27, 2014) (Commission File No. 001-32737).
10.42	Asset Purchase Agreement dated April 28, 2006 between Reilly Industries, Inc. and Koppers Inc. (incorporated by reference to exhibit 99.1 to the Company's Current Report on Form 8-K filed on April 28, 2006) (Commission File No. 001-32737).
10.45	Joint Venture Contract in relation to the establishment of Tangshan Koppers Kailuan Carbon Chemical Co., LTD, among Kailuan Clean Coal Company Limited, Koppers Mauritius, and Tangshan Iron & Steel Co., Ltd. (incorporated by reference to exhibit 10.45 to the Company's Annual Report on Form 10-K for the year ended December 31, 2006 filed on February 22, 2007) (Commission File No. 001-32737).
10.48*	Koppers Holdings Inc. Benefit Restoration Plan (incorporated by reference to exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on August 9, 2007) (Commission File No. 001-32737).
10.49	Purchase Agreement dated as of August 3, 2008 by and among Koppers Inc., Carbon Investments, Inc., and ArcelorMittal S.A. (incorporated by reference to exhibit 10.49 to the Company's Quarterly Report on Form 10-Q filed on November 6, 2008) (Commission File No. 001-32737).
10.51*	Koppers Inc. Supplemental Executive Retirement Plan I (incorporated by reference to exhibit 10.51 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008 filed on February 20, 2009) (Commission File No. 001-32737).
10.52*	Koppers Inc. Supplemental Executive Retirement Plan II, as amended and restated (incorporated by reference to exhibit 10.93 to the Company's Quarterly Report on Form 10-Q filed on August 7, 2014) (Commission File No. 001-32737).
10.53*	Amendment to Employment Agreement with Steven R. Lacy effective as of January 1, 2009 (incorporated by reference to exhibit 10.53 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008 filed on February 20, 2009) (Commission File No. 001-32737).
10.55*	Amendment to Koppers Holdings Inc. Benefit Restoration Plan effective as of January 1, 2009 (incorporated by reference to exhibit 10.55 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008 filed on February 20, 2009) (Commission File No. 001-32737).
10.62*	Restricted Stock Unit Issuance Agreement – Time Vesting (incorporated by reference to exhibit 10.62 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012 filed on February 25, 2013) (Commission File No. 001-32737).
10.63*	Restricted Stock Unit Issuance Agreement – Performance Vesting (incorporated by reference to exhibit 10.63 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012 filed on February 25, 2013) (Commission File No. 001-32737).
10.64*	Notice of Grant of Stock Option (incorporated by reference to exhibit 10.64 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012 filed on February 25, 2013) (Commission File No. 001-32737).
10.66*	Form of Koppers Holdings Inc. Restricted Stock Unit Issuance Agreement Non-Employee Director –Time Vesting (incorporated by reference to exhibit 10.66 to the Company's Quarterly Report on Form 10-Q filed on May 5, 2011) (Commission File No. 001-32737).
10.68*	Summary of Terms and Conditions of Employment between Mark R. McCormack and Koppers (incorporated by reference to exhibit 10.68 to the Company's Quarterly Report on Form 10-Q filed on May 5, 2011) (Commission File No. 001-32737).
10.73*	Amendment No. 2 to Employment Agreement with Steven R. Lacy effective December 19, 2012 (incorporated by reference to exhibit 10.73 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012 filed on February 25, 2013) (Commission File No. 001-32737).
10.76*	2013 Restricted Stock Unit Issuance Agreement – Time Vesting for Walter W. Turner (incorporated by reference to exhibit 10.76 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012 filed on February 25, 2013) (Commission File No. 001-32737).

Exhibit No.	Exhibit
10.77*	2013 Restricted Stock Unit Issuance Agreement – Performance Vesting for Walter W. Turner (incorporated by reference to exhibit 10.77 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012 filed on February 25, 2013) (Commission File No. 001-32737).
10.78*	2013 Notice of Grant of Stock Option for Walter W. Turner (incorporated by reference to exhibit 10.78 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012 filed on February 25, 2013) (Commission File No. 001-32737).
10.80*	Form of Amended and Restated Change in Control Agreement entered into as of May 6, 2013 between the Company and the named Executive (incorporated by reference to exhibit 10.80 to the Company's Quarterly Report on Form 10-Q filed on August 8, 2013) (Commission File No. 001-32737).
10.81*	Amendment No. 3 to Employment Agreement with Steven R. Lacy effective August 7, 2013 (incorporated by reference to exhibit 10.81 to the Company's Quarterly Report on Form 10-Q filed on November 7, 2013) (Commission File No. 001-32737).
10.84*	2014 Restricted Stock Unit Issuance Agreement – Time Vesting (incorporated by reference to exhibit 10.84 to the Company's Annual Report on Form 10-K for the year ended December 31, 2013 filed on March 3, 2014) (Commission File No. 001-32737).
10.85*	2014 Restricted Stock Unit Issuance Agreement – Time Vesting for Walter W. Turner (incorporated by reference to exhibit 10.85 to the Company's Annual Report on Form 10-K for the year ended December 31, 2013 filed on March 3, 2014) (Commission File No. 001-32737).
10.91	Credit Agreement, dated as of August 15, 2014, by and among Koppers Inc., as Borrower, the Guarantors party thereto, the Lenders party thereto and PNC Bank, National Association, as Administrative Agent (incorporated by reference to exhibit 10.95 to the Company's Quarterly Report on Form 10-Q filed on November 10, 2014) (Commission File No. 001-32737).
10.92*	Key Employee Non-Competition Agreement, dated November 8, 2006, between Osmose Holdings, Inc. and Paul Goydan (incorporated by reference to exhibit 10.98 to the Company's Quarterly Report on Form 10-Q filed on November 10, 2014) (Commission File No. 001-32737).
10.93*	Amendment No. 1 to Key Employee Non-Competition Agreement, dated April 2, 2012, between Osmose Holdings, Inc. and Paul Goydan (incorporated by reference to exhibit 10.99 to the Company's Quarterly Report on Form 10-Q filed on November 10, 2014) (Commission File No. 001-32737).
10.94*	Employment Letter Agreement, dated March 14, 2012, between Osmose, Inc. and Paul Goydan (incorporated by reference to exhibit 10.100 to the Company's Quarterly Report on Form 10-Q filed on November 10, 2014) (Commission File No. 001-32737).
10.95*	Amendment to Employment Letter Agreement, dated June 25, 2014, by and among Osmose, Inc. and Paul Goydan (incorporated by reference to exhibit 10.101 to the Company's Quarterly Report on Form 10-Q filed on November 10, 2014) (Commission File No. 001-32737).
10.96	First Amendment to Credit Agreement and Consent and Waiver, dated as of December 17, 2014 by and among Koppers Inc., the Guarantors party thereto, the Lenders party thereto and PNC Bank, National Association, as Administrative Agent (incorporated by reference to exhibit 10.96 to the Company's Annual Report on Form 10-K for the year ended December 31, 2014 filed on March 2, 2015) (Commission File No. 001-32737).
10.97* ***	Koppers Annual Incentive Plan, as amended February 17, 2016.
10.98*	Restricted Stock Unit Issuance Agreement – Time Vesting (incorporated by reference to exhibit 10.98 to the Company's Annual Report on Form 10-K for the year ended December 31, 2014 filed on March 2, 2015) (Commission File No. 001-32737).
10.99*	Restricted Stock Unit Issuance Agreement – Performance Vesting (incorporated by reference to exhibit 10.99 to the Company's Annual Report on Form 10-K for the year ended December 31, 2014 filed on March 2, 2015) (Commission File No. 001-32737).
10.100*	Notice of Grant of Stock Option (incorporated by reference to exhibit 10.100 to the Company's Annual Report on Form 10-K for the year ended December 31, 2014 filed on March 2, 2015) (Commission File No. 001-32737).
10.101*	Executive Income Summary for Paul Goydan (incorporated by reference to exhibit 10.101 to the Company's Annual Report on Form 10-K for the year ended December 31, 2014 filed on March 2, 2015) (Commission File No. 001-32737)..
10.102*	2015 Restricted Stock Unit Issuance Agreement – Time Vesting for Walter W. Turner (incorporated by reference to exhibit 10.102 to the Company's Annual Report on Form 10-K for the year ended December 31, 2014 filed on March 2, 2015) (Commission File No. 001-32737).

Exhibit No.	Exhibit
10.103	Second Amendment to Credit Agreement, dated as of June 30, 2015 by and among Koppers Inc., the Guarantors party thereto, the Lenders party thereto and PNC Bank, National Association, as Administrative Agent (incorporated by reference to exhibit 10.103 to the Company's Quarterly Report on Form 10-Q for the filed on August 6, 2015) (Commission File No. 001-32737).
10.104* ***	2016 Restricted Stock Unit Issuance Agreement – Performance Vesting.
10.105* ***	Restricted Stock Unit Issuance Agreement – Time Vesting for Stephen C. Reeder.
10.106* ***	Restricted Stock Unit Issuance Agreement – Performance Vesting for Stephen C. Reeder.
12.1***	Computation of ratio of earnings to fixed charges.
21***	List of subsidiaries of the Company.
23.1***	Consent of Independent Registered Public Accounting Firm.
24***	Powers of Attorney.
31.1***	Certification of Chief Executive Officer pursuant to Rule 13a-14(a).
31.2***	Certification of Chief Financial Officer pursuant to Rule 13a-14(a).
32.1***	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 1350.
101.INS***	XBRL Instance Document
101.SCH***	XBRL Taxonomy Extension Schema Document
101.CAL***	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF***	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB***	XBRL Taxonomy Extension Label Linkbase Document
101.PRE***	XBRL Taxonomy Extension Presentation Linkbase Document

* *Management Contract or Compensatory Plan.*

*** *Filed herewith.*

KOPPERS HOLDINGS INC.

SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS
For the years ended December 31, 2015, 2014 and 2013

(Dollars in millions)	*Balance at Beginning of Year*	*Business Acquisition*	*Increase (Decrease) to Expense*	*Net (Write-Offs) Recoveries*	*Currency Translation*	*Balance at End of Year*
2015						
Allowance for doubtful accounts	$ 5.6	$ 0.0	$ 1.3	$ 0.0	$ (0.4)	$ 6.5
Inventory obsolescence reserves	$ 3.4	$ 0.0	$ (1.0)	$ 0.0	$ (0.1)	$ 2.3
Deferred tax valuation allowance	$ 32.4	$ 0.0	$ 10.1	$ 0.0	$ (0.6)	$ 41.9
2014						
Allowance for doubtful accounts	$ 3.6	$ 2.6	$ (0.2)	$ 0.0	$ (0.4)	$ 5.6
Inventory obsolescence reserves	$ 1.7	$ 0.8	$ 1.0	$ 0.0	$ (0.1)	$ 3.4
Deferred tax valuation allowance	$ 19.7	$ 1.5	$ 11.4	$ 0.0	$ (0.2)	$ 32.4
2013						
Allowance for doubtful accounts	$ 3.7	$ 0.0	$ (0.2)	$ 0.0	$ 0.1	$ 3.6
Inventory obsolescence reserves	$ 1.1	$ 0.0	$ 0.7	$ 0.0	$ (0.1)	$ 1.7
Deferred tax valuation allowance	$ 17.4	$ 0.0	$ 2.6	$ (0.2)	$ (0.1)	$ 19.7

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, Koppers Holdings Inc. has duly caused this annual report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

KOPPERS HOLDINGS INC.

BY: /s/ MICHAEL J. ZUGAY

Michael J. Zugay

Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this annual report on Form 10-K has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

Signature	*Capacity*	*Date*
/s/ LEROY M. BALL, JR. Leroy M. Ball, Jr.	Director, President and Chief Executive Officer	February 29, 2016
/s/ MICHAEL J. ZUGAY Michael J. Zugay	Chief Financial Officer (Principal Financial and Principal Accounting Officer)	February 29, 2016
David M. Hillenbrand	Director and Non-Executive Chairman of the Board	
Cynthia A. Baldwin	Director	
X. Sharon Feng	Director	By /s/ LEROY M. BALL, JR.
Albert J. Neupaver	Director	Leroy M. Ball, Jr. *Attorney-in-Fact*
Louis L. Testoni	Director	
Stephen R. Tritch	Director	February 29, 2016
Walter W. Turner	Director	
T. Michael Young	Director	

Koppers Annual Incentive Plan

Purpose:

The purpose of the Koppers Annual Incentive Plan is three fold:

- To attract, motivate and retain key employees.
- To stimulate these employees to use their innate creativity and entrepreneurial thinking in carrying out the responsibilities of their present assignments.
- To enhance the business growth and profitability of Koppers Inc. and its subsidiaries (the "Company") by providing employees in key roles with an opportunity for additional compensation based upon their contributions to the achievement of the business goals of the Company.

Eligibility:

To be eligible for participation in the Koppers Annual Incentive Plan, an employee must meet the following criteria:

- The employee must have a salary grade of at least 25 or higher.
- For employees hired on or before December 1st of the relevant Plan Year – eligibility for a pro-rata award in the current Plan Year will be subject to the discretion of the Chief Executive Officer of Koppers Inc. (the "CEO"). For purposes of this plan, Plan Year shall mean a calendar year during which the Plan is in effect.
- For employees hired after December 1st of the relevant Plan Year – no eligibility for a pro-rata award in the current Plan Year, but eligible for consideration in the following Plan Year.
- Notwithstanding the above, participation in the Plan is at the discretion of the CEO.

Incentive Plan Goals:

- To align our employees' goals with those of our shareholders.
- To foster a spirit of teamwork and mutual supportiveness among key employees by emphasizing the importance of division performance and individual contributions made to the Company as a whole.
- To reinforce the principle of continual improvement and tie employee compensation to continual improvement of company profitability and the creation of shareholder value.

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- To encourage a sustained high level of personal performance among all Plan participants and to provide additional motivation for them to remain with the Company on a long-term basis as key members of our organization.

Incentive Plan Threshold Events:

- Any payments under this incentive plan will be subject to the Company's compliance with its debt covenants, including interest obligations and scheduled repayment of debt.

- The participant's job performance during the period in question must meet acceptable standards and be in accordance with Company policy before the participant shall receive any award under this incentive plan.
- Notwithstanding anything in this incentive plan to the contrary, the decision to make any payments under this incentive plan and the amount of such payments will be subject to the discretion of the CEO, Management Development & Compensation Committee (the "Committee") and/or Board of Directors (the "Board") of the Company.

- Unless otherwise approved by the Committee or the Board, gains and losses arising from non-recurring and non-operating transactions (such as, but not limited to, restructuring charges/reversals, impact of lawsuit outcomes, unbudgeted sales/divestitures and changes in accounting rules) will be excluded from performance calculations under this Plan.

Incentive Pool Funding:

100% of a participant's incentive opportunity will be based solely on company performance goals.

For each Plan Year, the Committee shall define performance units and establish a threshold, target and maximum for each performance unit. These goals are subject to any adjustments approved by the Committee or the Board. Achievement of the threshold performance will result in the threshold payout being contributed to the incentive pool Achievement of the target performance will result in the target payout being contributed to the incentive pool. (awards for performance between the threshold and the target are determined by interpolation). Achievement of the maximum performance will result in the maximum payout being contributed to the incentive pool (awards for performance between target and maximum are determined by interpolation).

A matrix will be distributed to participants in the incentive plan at the beginning of each Plan Year, which matrix will list the applicable threshold, target and maximum performance and payout amounts.

Payout Procedure:

Any incentive payments will be paid in cash within 2.5 months after the end of the Plan Year after all of the following:

- The CEO has had sufficient opportunity to review the performance of the participant during the Plan Year.
- The CEO has recommended allocations from the incentive pool to incentive plan participants.
- The Committee has received, reviewed and approved the audited incentive payment proposals.

Administrative Notes:

- If a Plan participant voluntarily terminates his/her employment during the Plan Year or if the Participant is terminated for cause before the payment occurs, no payment shall be made under the terms of this plan.
- If a Plan participant voluntarily terminates his/her employment after the Plan Year but before the payment occurs, payment of the participant's incentive award will be subject to the sole discretion of the CEO (as approved by the Committee and the Board).
- If a Plan participant's employment is terminated involuntarily without cause during the Plan Year, payment of a pro-rata share of the incentive award to which he/she would otherwise have been entitled at year-end will be subject to the sole discretion of the CEO (as approved by the Committee and the Board).
- If a Plan participant retires during the Plan Year, payment of a pro-rata share of the incentive award to which he/she would otherwise have been entitled at year-end will be subject to the discretion of the CEO (as approved by the Committee and the Board).
- If a Plan participant dies during the Plan Year, a pro-rata share of the incentive award to which he/she would otherwise have been entitled at year-end will be paid to the Plan participant's named beneficiary early in the following year.
- If a Plan participant goes on leave during the Plan Year, he/she will be eligible for a pro-rated share of the incentive award for all full months worked, subject to the discretion of the CEO (as approved by the Committee and the Board).

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Participant Name

KOPPERS HOLDINGS INC.

RESTRICTED STOCK UNIT ISSUANCE AGREEMENT- PERFORMANCE VESTING

RECITALS

A. The Board has adopted the Plan for the purpose of retaining the services of selected Employees, non-employee members of the Board (or the board of directors of any Parent or Subsidiary) and consultants and other independent advisors who provide services to the Corporation (or any Parent or Subsidiary).

B. Participant is to render valuable services to the Corporation (or a Parent or Subsidiary), and this Agreement is executed pursuant to, and is intended to carry out the purposes of, the Plan in connection with the Corporation's issuance of shares of Common Stock to Participant under the Plan.

C. All capitalized terms in this Agreement shall have the meaning assigned to them in the attached Appendix A.

NOW, THEREFORE, it is hereby agreed as follows:

1. Grant of Restricted Stock Units. The Corporation hereby awards to Participant, as of the Award Date, Restricted Stock Units under the Plan. Except as otherwise provided in this Agreement, the Restricted Stock Units shall vest on March 1, 2019, provided (i) the Participant continues in Service until March 1, 2019 and (ii) the pre-established performance objective tied to Relative TSR (as defined in Schedule I attached hereto) measured over a specified period is attained. Each Restricted Stock Unit which so vests shall entitle Participant to receive one share of Common Stock on the specified issue date. The number of shares of Common Stock subject to the awarded Restricted Stock Units, the applicable performance target for the vesting of those shares, the alternative and special vesting provisions which may become applicable to such shares, the date on which the vested shares shall become issuable (or, under certain circumstances, the cash equivalent thereof shall become payable) to Participant and the remaining terms and conditions governing the award (the "Award") shall be as set forth in this Agreement.

AWARD SUMMARY

Award Date:	March 1,2016
Target Number of Shares Subject to Award:	_______________ shares of Common Stock (the "Shares"); provided, however, that the actual number of Restricted Stock Units shall be determined in accordance with the provisions of Schedule I attached hereto.

Vesting Schedule: The Shares shall vest on March 1, 2019, provided (i) the Participant continues in Service until March 1, 2019 and (ii) the Performance Objective set forth in the attached Schedule I is attained over the Measurement Period. However, the Shares may also vest in accordance with the special vesting provisions of Paragraph 5 of this Agreement.

Issuance Schedule: The Shares in which Participant vests in accordance with the foregoing Vesting Schedule shall become issuable on March 1, 2019 (or upon the date of an earlier Change in Control, or six months after the date of an earlier involuntary termination other than for Misconduct following a Change in Control, if so provided herein) (the "Issue Date"). The actual issuance of the Shares shall be subject to the Corporation's collection of all applicable Withholding Taxes and shall be effected on the applicable Issue Date or as soon as administratively practicable thereafter, but in no event later than the close of the calendar year in which such Issue Date occurs or (if later) the fifteenth (15th) day of the third (3rd) calendar month following such Issue Date. The procedures pursuant to which the applicable Withholding Taxes are to be collected are set forth in Paragraph 7 of this Agreement.

Notwithstanding the foregoing, or anything contained herein to the contrary, the Committee has the discretion to provide for the payment of vested Shares in cash, rather than Shares. In the event the Committee exercises such discretion, all references herein to payment in Shares or the right to receive Shares shall be replaced with references to payment in cash and/or the right to receive payment in cash equal to the Fair Market Value of the Shares on the date the Committee certifies the attainment of the Performance Objective.

2. Limited Transferability. Prior to the actual issuance of the Shares which vest hereunder, Participant may not transfer any interest in the Award or the underlying Shares; provided, however, any Shares which vest hereunder but which otherwise remain unissued at the time of Participant's death may be transferred pursuant to the provisions of Participant's will or the laws of inheritance or to Participant's designated beneficiary or beneficiaries of this Award. Participant may make a beneficiary designation for this Award at any time by filing the appropriate form with the Plan Administrator or its designee.

3. Cessation of Service. Except as otherwise provided in Paragraph 5 below, should Participant cease Service for any reason prior to vesting in one or more Shares subject to this Award, then the Award will be immediately cancelled with respect to those unvested Shares. Participant shall thereupon cease to have any right or entitlement to receive any Shares under those cancelled units.

4. Stockholder Rights and Dividend Equivalents

(a) The holder of this Award shall not have any stockholder rights, including voting or dividend rights, with respect to the Shares subject to the Award until Participant becomes the record holder of those Shares following their actual issuance upon the Corporation's collection of the applicable Withholding Taxes.

(b) Notwithstanding the foregoing, should any stock dividend, whether regular or extraordinary, be declared and paid on the outstanding Common Stock while one or more Shares remain subject to this Award (i.e., those Shares are not otherwise issued and outstanding for purposes of entitlement to the dividend or distribution), then Participant shall automatically be credited with an additional number of Restricted Stock Units equal to the number of shares of Common Stock which would have been paid on the Shares (plus the number of additional shares previously credited to Participant pursuant to the dividend equivalent right provisions of this Paragraph 4) at the time subject to this Award had those Shares been actually issued and outstanding and entitled to that dividend. The additional Restricted Stock Units so credited shall vest at the same time as the Shares to which they relate and shall be distributed to Participant concurrently with the issuance of those Shares on the applicable Issue Date. However, each such distribution shall be subject to the Corporation's collection of the Withholding Taxes applicable to that distribution.

(c) Notwithstanding the foregoing, should any cash dividend, whether regular or extraordinary, be declared and paid on the outstanding Common Stock while one or more Shares remain subject to this Award (i.e., those Shares are not otherwise issued and outstanding for purposes of entitlement to the dividend or distribution), then a special book account shall be established for Participant and credited with a dollar amount equal to the amount of that dividend paid per share multiplied by the number of Restricted Stock Units at the time subject to this Award (plus the number of additional shares previously credited to Participant pursuant to the dividend equivalent right provisions of this Paragraph 4) as of the record date for the dividend. As of the first business day in January each year, the cash dividend amounts credited to the special book account during the immediately preceding calendar year shall be converted into a book entry of an additional number of Restricted Stock Units determined by dividing (i) those cash dividend equivalent amounts by (ii) the average of the Fair Market Value per share of Common Stock on each of the dates in the immediately preceding calendar year on which those dividends on the outstanding Common Stock were paid. The additional Restricted Stock Units so credited shall vest at the same time as the Shares to which they relate and shall be distributed to Participant concurrently with the issuance of those Shares on the applicable Issue Date. However, each such distribution shall be subject to the Corporation's collection of the Withholding Taxes applicable to that distribution.

5. Special Vesting/Change in Control.

(a) Should Participant's Service terminate by reason of his or her Retirement, death or Permanent Disability prior to March 1, 2019, then on March 1, 2019, Participant shall vest in a number of Shares equal to the number of Shares (if any) in which Participant would have been vested at March 1, 2019 had Participant continued in the Corporation's Service through March 1, 2019 *multiplied by a fraction*, the numerator of which is the number of full months of Service Participant completed between the Award Date and the termination of Participant's Service, and the denominator of which is thirty-six (36). In the event of the termination of Participant's Service due to Participant's Retirement, such vesting shall be conditioned upon Participant's compliance with the conditions of Section 9 through March 1, 2019.

(b) Any Restricted Stock Units subject to this Award at the time of a Change in Control may be assumed by the successor entity or otherwise continued in full force and effect or may be replaced with a cash retention program of the successor entity which preserves the Fair Market Value of the unvested shares of Common Stock subject to the Award at the time of the Change in Control and provides for subsequent payout of that value in accordance with the same (or more favorable) vesting schedule in effect for the Award at the time of such Change in Control. In the event of such assumption or continuation of the Award or such replacement of the Award with a cash retention program, no accelerated vesting of the Restricted Stock Units shall occur at the time of the Change in Control. However, in the event that the Change in Control occurs prior to the end of the Measurement Period, the vesting provisions in effect for the Award following the Change in Control shall no longer be tied to the attainment of the full Performance Objective set forth in Schedule I and shall instead be converted into the following vesting schedule: The Award (whether in its assumed or continued form or as converted into a cash retention program) shall vest with respect to the number of Shares (or the amount of cash) determined under Section 5(c) below upon Participant's continuation in Service through March 1, 2019. Following the completion of such Service vesting period, the securities, cash or other property underlying the vested Award shall be issued on the applicable Issue Date. The Award may also vest in accordance with the special vesting provisions of Paragraphs 5(a) and (e) of this Agreement.

(c) In the event the Award is assumed or otherwise continued in effect, the Restricted Stock Units subject to the Award shall be adjusted immediately after the consummation of the Change in Control so as to apply to the number and class of securities into which the Shares subject to those units immediately prior to the Change in Control would have been converted in consummation of that Change in Control had those Shares actually been issued and outstanding at that time. However, in the event that the Change in Control occurs within the first eighteen (18) months of the Measurement Period, the Award shall remain outstanding and eligible for Service vesting under the terms of this Agreement with respect only to the number of Shares (as so adjusted) that would have been earned pursuant to the Performance Objective identified in Schedule I if the Corporation's performance at the end of the Measurement Period was at the Target level. In the event that the Change in Control occurs on or after the first day of the nineteenth (19th) month of the Measurement Period and prior to the end of the Measurement Period, the Award shall remain outstanding and eligible for Service vesting under the terms of this Agreement only with respect to the number of Shares (as so adjusted) that would have been earned pursuant to the Performance Objective identified in Schedule I (pro-rated through the date of the Change in Control) based on the Corporation's actual performance through the effective date of the Change in Control. To the extent the actual holders of the outstanding Common Stock receive cash consideration for their Common Stock in consummation of the Change in Control, the successor corporation (or parent entity) may, in connection with the assumption or continuation of the Restricted Stock Units subject to the Award at that time, substitute one or more shares of its own common stock with a fair market value equivalent to the cash consideration paid per share of Common Stock in the Change in Control transaction, provided such common stock is readily tradable on an established U.S. securities exchange or market. In the event the Award is converted into a cash retention program, the amount of cash subject to the Award under such program shall be equal to the value of the number of Shares determined in accordance with the foregoing provisions of this Section 5(c) as of the effective date of the Change in Control (based on the per-share value of the consideration received by holders of the outstanding Common Stock in connection with the Change in Control), plus credited interest or earnings through the Issue Date as determined under the terms of such cash retention program.

(d) If (i) the Change in Control occurs on or after the end of the Measurement Period but prior to March 1, 2019 or (ii) if the Change in Control occurs prior to the end of the Measurement Period but the Restricted Stock Units subject to this Award at the time of the Change in Control are not assumed or otherwise continued in effect or replaced with a cash retention program in accordance with Paragraph 5(b), then (i) if the Change in Control occurs within the first eighteen (18) months of the Measurement Period, a number of units equal to the number of Shares that would have been earned pursuant to the Performance Objective identified in Schedule I if the Corporation’s performance at the end of the Measurement Period was at the Target level (less any Shares in which Participant is at the time vested) will vest immediately prior to the closing of the Change in Control and (ii) if the Change in Control occurs on or after the first day of the nineteenth (19th) month of the Measurement Period, a number of units equal to the number of Shares that have been earned pursuant to the Performance Objective identified in Schedule I (pro-rated through the date of the Change in Control if it occurs prior to the end of the Measurement Period) based on the Corporation’s actual performance through the earlier of the effective date of the Change in Control or the end of the Measurement Period will vest immediately prior to the closing of the Change in Control. The Shares that vest under this subparagraph (d) will be issued on the Issue Date triggered by the Change in Control (or otherwise converted into the right to receive the same consideration per share of Common Stock payable to the other stockholders of the Corporation in consummation of that Change in Control and distributed at the same time as such stockholder payments), subject to the Corporation’s collection of the applicable Withholding Taxes pursuant to the provisions of Paragraph 7. For purposes of this Section 5(d), the Issue Date shall be the effective date of the Change in Control so long as it qualifies as a “change in the ownership or effective control” of the Corporation within the meaning of Section 409A(a)(2)(A)(v) of the Code and regulations thereunder. If it does not so qualify, the Issue Date shall be March 1, 2019.

(e) Upon an involuntary termination of Participant’s Service for reasons other than Misconduct within twenty-four (24) months following a Change in Control transaction which does not otherwise result in the accelerated vesting of the Restricted Stock Units pursuant to the provisions of subparagraph (d) of this Paragraph 5 and prior to March 1, 2019, a number of units equal to the number of Shares that would have been earned pursuant to Section 5(c) shall vest on such date of termination. Any unvested cash account maintained on Participant’s behalf pursuant to the cash retention program established in accordance with subparagraph (b) of this Paragraph 5 shall also vest at the time of such involuntary termination. The Issue Date for such vested Shares or cash shall be six months after the date of termination (or, if earlier, March 1, 2019), so long as the Change in Control qualifies as a “change in the ownership or effective control” of the Corporation within the meaning of Section 409A(a)(2)(A)(v) of the Code and regulations thereunder. If it does not so qualify, the Issue Date shall be March 1, 2019.

(f) This Agreement shall not in any way affect the right of the Corporation to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

6. Adjustment in Shares. In the event of any of the following transactions affecting the outstanding shares of Common Stock as a class without the Corporation’s receipt of consideration: any stock split, stock dividend, spin-off transaction, extraordinary distribution (whether in cash, securities or other property), recapitalization, combination of shares, exchange of shares or other similar transaction affecting the outstanding Common Stock as a class without the Corporation’s receipt of consideration or in the event of a substantial reduction to the value of the outstanding shares of Common Stock by reason of a spin-off transaction or extraordinary distribution, then equitable adjustments shall be made to the total number and/or class of

securities issuable pursuant to this Award in such manner as the Plan Administrator deems appropriate in order to reflect such change and thereby prevent the dilution or enlargement of benefits hereunder. In determining such adjustments, the Plan Administrator shall take into account any amounts credited to Participant pursuant to the dividend equivalent right provisions of Paragraph 4 in connection with such transaction, and the determination of the Plan Administrator shall be final, binding and conclusive.

7. Collection of Withholding Taxes.

(a) Upon the applicable Issue Date, the Corporation shall issue to or on behalf of Participant a certificate (which may be in electronic form) for the applicable number of underlying shares of Common Stock, subject, however, to the Corporation's collection of the applicable Withholding Taxes.

(b) Until such time as the Corporation provides Participant with written or electronic notice to the contrary, the Corporation shall collect Withholding Taxes required to be withheld with respect to the vesting or issuance of the vested Shares hereunder (including shares attributable to the dividend equivalent rights provided under Paragraph 4) through an automatic share withholding procedure pursuant to which the Corporation will withhold, at the time of such vesting or issuance, a portion of the Shares with a Fair Market Value (measured as of the vesting or issuance date, as applicable) equal to the amount of those taxes (including taxes resulting from such withholding) (the "Share Withholding Method"); provided, however**,** that the amount of any Shares so withheld shall not exceed the amount necessary to satisfy the Corporation's required tax withholding obligations using the minimum statutory withholding rates for federal and state tax purposes that are applicable to supplemental taxable income. Participant shall be notified in writing or electronically in the event such Share Withholding Method is no longer available.

(c) Should any Shares (including shares attributable to the dividend equivalent rights provided under Paragraph 4) vest or be issued at a time when the Share Withholding Method is not available, then the Withholding Taxes required to be withheld with respect to those Shares shall be collected from Participant through either of the following alternatives:

- Participant's delivery of his or her separate check payable to the Corporation in the amount of such taxes, or

- the use of the proceeds from a next-day sale of the Shares issued to Participant, provided and only if (i) such a sale is permissible under the Corporation's trading policies governing the sale of Common Stock, (ii) Participant makes an irrevocable commitment, on or before the Issue Date for those Shares, to effect such sale of the Shares and (iii) the transaction is not otherwise deemed to constitute a prohibited loan under Section 402 of the Sarbanes-Oxley Act of 2002.

(d)Except as otherwise provided in Paragraph 5 and Paragraph 4, the settlement of all Restricted Stock Units which vest under the Award shall be made solely in shares of Common Stock. In no event, however, shall any fractional shares be issued. Accordingly, the total number of shares of Common Stock to be issued pursuant to the Award shall, to the extent necessary, be rounded down to the next whole share in order to avoid the issuance of a fractional share.

8. Compliance with Laws and Regulations. The issuance of shares of Common Stock pursuant to the Award shall be subject to compliance by the Corporation and Participant with all applicable requirements of law relating thereto and with all applicable regulations of any stock exchange on which the Common Stock may be listed for trading at the time of such issuance.

9. Additional Conditions.

(a) The Corporation may cancel this Award, and Participant shall cease to have any further right to the underlying shares at any time Participant is not in compliance with this Agreement, the Plan and the following conditions:

(i) Participant shall not render services for any organization or engage, directly or indirectly, in any business which, in the judgment of the Plan Administrator or, if delegated by the Plan Administrator to the Chief Executive Officer, in the judgment of such officer, is or becomes competitive with the Corporation or any Affiliate, or which is or becomes otherwise prejudicial to or in conflict with the interests of the Corporation or any Affiliate. Such judgment shall be based on Participant's positions and responsibilities while employed by the Corporation or an Affiliate, Participant's post-Service responsibilities and position with the other organization or business, the extent of past, current and potential competition or conflict between the Corporation or an Affiliate and the other organization or business, the effect on customers, suppliers and competitors of Participant's assuming the post-Service position and such other considerations as are deemed relevant given the applicable facts and circumstances. Participant shall be free, however, to purchase as an investment or otherwise, stock or other securities of such organization or business so long as they are listed upon a recognized securities exchange or traded over the counter, and such investment does not represent a substantial investment to Participant or a greater than one percent (1%) equity interest in the organization or business.

(ii) Participant shall not, without prior written authorization from the Corporation, disclose to anyone outside the Corporation, or use in other than the Corporation's business, any secret or confidential information, knowledge or data, relating to the business of the Corporation or an Affiliate in violation of his or her agreement with the Corporation or the Affiliate.

(iii) Participant shall disclose promptly and assign to the Corporation or the Affiliate all right, title and interest in any invention or idea, patentable or not, made or conceived by Participant during employment by the Corporation or the Affiliate, relating in any manner to the actual or anticipated business, research or development work of the Corporation or the Affiliate and shall do anything reasonably necessary to enable the Corporation or the Affiliate to secure a patent where appropriate in the United States and in foreign countries.

(iv) Participant shall not in any way, directly or indirectly (a) induce or attempt to induce any employee of the Corporation to quit employment with the Corporation; (b) otherwise interfere with or disrupt the Corporation's relationship with its employees; (c) solicit, entice, or hire away any employee of the Corporation; or (d) hire or engage any employee of the Corporation or any former employee of the Company whose employment with the Corporation ceased less than one (1) year before the date of such hiring or engagement.

(v) Participant will not divert or attempt to divert from the Corporation any business the Corporation had enjoyed or solicited from its customers during the two (2) years prior to the diversion or attempted diversion of such business.

(vi) Participant shall not make any disparaging statements about the Corporation to any of the Corporation's past, present, or future customers, employees, clients, contractors, vendors, or to the media or to any other person either orally or by any other medium of communication, including internet communication. As used herein, the term "disparaging statement" means any communication, oral or written, which would cause or tend to cause humiliation or embarrassment or to cause a recipient of such communication to question the business condition, integrity, product, service, quality, confidence, or good character of the Corporation.

(b) Notwithstanding any other provision of the Plan or this Agreement, the Plan Administrator in its sole discretion may cancel this Award at any time prior to the issuance of the Shares, if the employment of Participant shall be terminated, other than by reason of death, unless the conditions in this Section 9 are met.

(c) Failure to comply with the conditions of this Section 9 prior to, or during the six months after, any payment or delivery pursuant to this Award shall cause the issuance of the Shares to be rescinded. The Corporation shall notify Participant in writing of any such rescission within two (2) years after such delivery of the Shares and within ten (10) days after receiving such notice, Participant shall either return the delivered Shares to the Corporation or pay to the Corporation the amount of the proceeds recognized upon any sale or other disposition of those Shares.

(d) Upon delivery of the Shares pursuant to this Award, the Plan Administrator may require Participant to certify on a form acceptable to the Plan Administrator, that Participant is in compliance with the terms and conditions of the Plan and this Agreement.

(e) This Award, and the right to receive and retain any Shares or cash payments covered by this Award, shall be subject to rescission, cancellation or recoupment, in whole or part, if and to the extent so provided under any "clawback" or similar policy of the Corporation in effect on the Award Date or that may be established thereafter, including any modification or amendment thereto, or as required by the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or other applicable law.

10. Notices. Any notice required to be given or delivered to the Secretary of the Corporation under the terms of this Agreement shall be in writing and addressed to the Corporation at its principal corporate office at 436 Seventh Avenue, Pittsburgh, PA 15219. Except to the extent electronic notice is expressly authorized hereunder, any notice required to be given or delivered to Participant shall be in writing and addressed to Participant at the address indicated below Participant's signature line on this Agreement. All notices shall be deemed effective upon personal delivery (or electronic delivery to the extent authorized hereunder) or upon deposit in the U.S. mail, postage prepaid and properly addressed to the party to be notified.

11. Successors and Assigns. Except to the extent otherwise provided in this Agreement, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the Corporation and its successors and assigns and Participant, Participant's assigns, the legal representatives, heirs and legatees of Participant's estate and any beneficiaries of the Award designated by Participant.

12. Construction. This Agreement and the Award evidenced hereby are made and granted pursuant to the Plan and are in all respects limited by and subject to the terms of the Plan. All decisions of the Plan Administrator with respect to any question or issue arising under the Plan or this Agreement shall be conclusive and binding on all persons having an interest in the Award.

13. Governing Law. The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the Commonwealth of Pennsylvania without resort to Pennsylvania's conflict-of-laws rules.

14. Employment at Will. Nothing in this Agreement or in the Plan shall confer upon Participant any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Corporation (or any Parent or Subsidiary employing or retaining Participant) or of Participant, which rights are hereby expressly reserved by each, to terminate Participant's Service at any time for any reason, with or without cause, unless such rights are otherwise limited pursuant to a separate agreement between the Corporation (or any Parent or Subsidiary) and Participant.

15. Section 409A. This Award is intended to be excepted from coverage under, or compliant with the provisions of, Section 409 of the Code and the regulations promulgated thereunder ("Section 409A") and shall be construed accordingly. Notwithstanding the foregoing or any provision of the Plan to the contrary, if the Award is subject to the provisions of Section 409A (and not excepted therefrom), the provisions of the Plan and this Agreement shall be administered, interpreted and construed in a manner necessary to comply with Section 409A (or disregarded to the extent such provision cannot be so administered, interpreted, or construed). If any payments or benefits hereunder may be deemed to constitute nonconforming deferred compensation subject to taxation under the provisions of Section 409A, Participant agrees that the Corporation may, without the consent of Participant, modify the Agreement and the Award to the extent and in the manner the Corporation deems necessary or advisable or take such other action or actions, including an amendment or action with retroactive effect, that the Corporation deems appropriate in order either to preclude any such payments or benefits from being deemed "deferred compensation" within the meaning of Section 409A or to provide such payments or benefits in a manner that complies with the provisions of Section 409A such that they will not be taxable thereunder. Notwithstanding, the Corporation makes no representations and/or warranties with respect to compliance with Section 409A, and Participant recognizes and acknowledges that Section 409A could potentially impose upon Participant certain taxes or interest charges for which Participant is and shall remain solely responsible.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first indicated above.

KOPPERS HOLDINGS INC.

By: ______________________________

Title: ______________________________

______________________________, PARTICIPANT

Signature: ______________________________

Address: ______________________________

____

APPENDIX A

DEFINITIONS

The following definitions shall be in effect under the Agreement:

A. Affiliate means any entity that, directly or through one or more intermediaries, is controlled by the Corporation, and any entity in which the Corporation has a significant equity interest as determined by the Plan Administrator.

B. Agreement shall mean this Restricted Stock Unit Issuance Agreement.

C. Award shall mean the award of restricted stock units made to Participant pursuant to the terms of this Agreement.

D. Award Date shall mean the date the restricted stock units are awarded to Participant pursuant to the Agreement and shall be the date indicated in Paragraph 1 of the Agreement.

E. Board shall mean the Corporation's Board of Directors.

F. Change in Control of the Corporation shall have occurred in the event that:

(i) a person, partnership, joint venture, corporation or other entity, or two or more of any of the foregoing acting as a "person" within the meaning of Sections 13(d)(3) of the 1934 Act, other than the Corporation, a majority-owned subsidiary of the Corporation or an employee benefit plan of the Corporation or such subsidiary (or such plan's related trust), become(s) the "beneficial owner" (as defined in Rule 13d-3 under the Act) of fifty percent (50%) or more of the then outstanding voting stock of the Corporation;

(ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board (together with any new Board member whose election by the Corporation's Board or whose nomination for election by the Corporation's stockholders, was approved by a vote of at least two-thirds of the Board members then still in office who either were Board members at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board members then in office;

(iii) all or substantially all of the business of the Corporation is disposed of pursuant to a merger, consolidation or other transaction in which the Corporation is not the surviving corporation or the Corporation combines with another company and is the surviving corporation (unless the Corporation's stockholders immediately following such merger, consolidation, combination, or other transaction beneficially own, directly or indirectly, more than fifty percent (50%) of the aggregate voting stock or other ownership interests of (x) the entity or entities, if any, that succeed to the business of the Corporation or (y) the combined company);

(iv) the closing of the sale of all or substantially all of the assets of the Corporation or a liquidation or dissolution of the Corporation; or

(v) the acquisition, directly or indirectly, by any person or related group of persons (other than the Corporation or a person that directly or indirectly controls, is controlled by, or is under common control with, the Corporation of beneficial ownership (within the meaning of Rule 13d-3 of the Act) of securities possessing more than twenty percent (20%) of the total combined voting power of the Corporation's outstanding securities pursuant to a tender or exchange offer made directly to the Corporation's stockholders which the Board does not recommend such stockholders to accept.

G. Code shall mean the Internal Revenue Code of 1986, as amended.

H. Common Stock shall mean shares of the Corporation's common stock.

I. Corporation shall mean Koppers Holdings Inc., a Pennsylvania corporation, and any successor corporation to all or substantially all of the assets or voting stock of Koppers Holdings Inc. which shall by appropriate action adopt the Plan.

J. Employee shall mean an individual who is in the employ of the Corporation (or any Parent or Subsidiary), subject to the control and direction of the employer entity as to both the work to be performed and the manner and method of performance.

K. Fair Market Value per share of Common Stock on any relevant date shall be determined in accordance with the following provisions:

(i) If the Common Stock is at the time traded on the Nasdaq Global Market, then the Fair Market Value shall be the closing selling price per share of Common Stock at the close of regular hours trading (i.e., before after-hours trading begins) on the Nasdaq Global Market on the date in question, as such price is reported by the National Association of Securities Dealers for that particular Stock Exchange. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.

(ii) If the Common Stock is at the time listed on any other Stock Exchange, then the Fair Market Value shall be the closing selling price per share of Common Stock at the close of regular hours trading (i.e., before after-hours trading begins) on the date in question on the Stock Exchange determined by the Plan Administrator to be the primary market for the Common Stock, as such price is officially quoted in the composite tape of transactions on such exchange. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.

L. Measurement Period shall mean the period over which the Performance Objective is to be measured. That period shall be the three (3)-year period measured from January 1, 2016 to December 31, 2018.

M. Misconduct shall mean the commission of any act of fraud, embezzlement or dishonesty by Participant, any unauthorized use or disclosure by Participant of confidential information or trade secrets of the Corporation (or any Parent or Subsidiary), or any other intentional misconduct by Participant adversely affecting the business or affairs of the Corporation (or any Parent or Subsidiary) in a material manner. The foregoing definition shall not in any way preclude or restrict the right of the Corporation (or any Parent or Subsidiary) to discharge or dismiss Participant or any other person in the Service of the Corporation (or any Parent or Subsidiary) for any other acts or omissions, but such other acts or omissions shall not be deemed, for purposes of the Plan or this Agreement, to constitute grounds for termination for Misconduct.

N. 1934 Act shall mean the Securities Exchange Act of 1934, as amended from time to time.

O. Participant shall mean the person to whom the Award is made pursuant to the Agreement.

P. Parent shall mean any corporation (other than the Corporation) in an unbroken chain of corporations ending with the Corporation, provided each corporation in the unbroken chain (other than the Corporation) owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

Q. Permanent Disability shall mean the inability of Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which is expected to result in death or to be of continuous duration of twelve (12) months or more.

R. Plan shall mean the Corporation's Amended and Restated 2005 Long-Term Incentive Plan.

S. Plan Administrator shall mean the committee(s) designated by the Board to administer the Plan.

T. Retirement shall mean Participant's voluntary termination from Service (i) on or after his attainment of age sixty five (65), or (ii) on or after his attainment of age 55 with at least ten (10) years of service, or involuntary termination from Service with at least thirty (30) years of service other than in connection with a termination for Misconduct. "Years of service" means Participant's total number of years of "accumulated service" as such term is defined with respect to salaried employees under the Retirement Plan for Koppers Inc. (regardless of whether Participant is eligible to receive a benefit under such plan).

U. Service shall mean Participant's performance of services for the Corporation (or any Parent or Subsidiary) in the capacity of an Employee, a non-employee member of the board of directors or a consultant or independent advisor. For purposes of this Agreement, Participant shall be deemed to cease Service immediately upon the occurrence of either of the following events: (i) Participant no longer performs services in any of the foregoing capacities for the Corporation (or any Parent or Subsidiary) or (ii) the entity for which Participant performs such services ceases to remain a Parent or Subsidiary of the Corporation, even though Participant may subsequently continue to perform services for that entity. Service shall not be deemed to cease during a period of military leave, sick leave or other personal leave approved by the Corporation; provided, however, that except to the extent otherwise required by law or expressly authorized by the Plan Administrator or by the Corporation's written policy on leaves of absence, no Service credit shall be given for vesting purposes for any period the Participant is on a leave of absence.

V. Stock Exchange shall mean the American Stock Exchange, the Nasdaq Global Market or the New York Stock Exchange.

W. Subsidiary shall mean any corporation (other than the Corporation) in an unbroken chain of corporations beginning with the Corporation, provided each corporation (other than the last corporation) in the unbroken chain owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

X. Withholding Taxes shall mean the federal, state and local income and employment taxes required to be withheld by the Corporation in connection with the vesting and concurrent issuance of the shares of Common Stock under the Award, including any additional shares resulting from the dividend equivalent right provisions of the Award.

SCHEDULE I

PERFORMANCE OBJECTIVE

One hundred percent (100%) of the Restricted Stock Units shall vest on March 1, 2019, provided (i) the Participant continues in Service until March 1, 2019 and (ii) the realization of “Relative TSR” at the 50th percentile of the Peer Group over the three (3)-year period measured from January 1, 2016 to December 31, 2018 (the “Measurement Period”).

The actual number of Restricted Stock Units to vest on March 1, 2019 (provided Participant continues in Service until March 1, 2019) shall be determined in accordance with the following chart:

Performance Level	**Relative TSR**	**% of Restricted Stock Units Vesting**
Outstanding	80th percentile Or above	200%
	70th percentile	150%
Target	50th percentile	100%
	35th percentile	50%
Threshold	25th percentile Or below	0%

If the Corporation’s performance falls within the range of the Threshold and Target or the Target and Outstanding achievement levels, then the number of Restricted Stock Units will be calculated based on a linear interpolation between the 0% and 50% levels, or the 50% and 100% levels, or the 100% and 150% levels, or the 150% and 200% levels, respectively.

The term, "Relative TSR" shall mean total stockholder return relative to the peer group (listed below). The performance period will be January 1, 2016 to December 31, 2018, and TSR results will be calculated in early January at the end of the performance period defined above. TSR for the Company and each company in the peer group will be determined as follows: TSR equals (Ending Stock Price plus Value of Reinvested Dividends during performance period) divided by Starting Stock Price. Starting and Ending Stock Price will be average closing price for the prior two calendar months, and the Company will be “included” in the peer group for performance calculations and rankings.

The Company’s performance shall be compared to the peer group which consists of the following companies: [approximately 37 companies from the S&P SmallCap 600 Materials Index]. In the event any of the foregoing companies is no longer publicly traded as of December 31, 2018, such company will be excluded from the Relative TSR calculation; provided, however, that if any of the above companies liquidates or files for bankruptcy, it will automatically be deemed in last place for purposes of the Relative TSR calculation.

Steve Reeder

KOPPERS HOLDINGS INC.

RESTRICTED STOCK UNIT ISSUANCE AGREEMENT – TIME VESTING

RECITALS

A. The Board has adopted the Plan for the purpose of retaining the services of selected Employees, non-employee members of the Board (or the board of directors of any Parent or Subsidiary) and consultants and other independent advisors who provide services to the Corporation (or any Parent or Subsidiary).

B. Participant is to render valuable services to the Corporation (or a Parent or Subsidiary), and this Agreement is executed pursuant to, and is intended to carry out the purposes of, the Plan in connection with the Corporation's issuance of shares of Common Stock to Participant under the Plan.

C. All capitalized terms in this Agreement shall have the meaning assigned to them in the attached Appendix A.

NOW, THEREFORE, it is hereby agreed as follows:

1. Grant of Restricted Stock Units. The Corporation hereby awards to Participant, as of the Award Date, Restricted Stock Units under the Plan. Each Restricted Stock Unit represents the right to receive one share of Common Stock on the specified issuance date following the vesting of that unit. The number of shares of Common Stock subject to the awarded Restricted Stock Units, the applicable vesting schedule for those shares, the date on which those vested shares shall become issuable to Participant and the remaining terms and conditions governing the award (the "Award") shall be as set forth in this Agreement.

AWARD SUMMARY

Award Date:	March 1, 2016
Number of Shares Subject to Award:	________ shares of Common Stock (the "Shares")
Vesting Schedule:	100% of the Shares shall vest upon Participant's completion of a consecutive twelve (12)-month period of Service measured from the Award Date. However, one or more Shares may be subject to accelerated vesting in accordance with the provisions of Paragraph 5 of this Agreement.

Issuance Schedule: The Shares in which Participant vests in accordance with the foregoing Vesting Schedule shall become issuable immediately upon vesting (the "Issue Date"). The actual issuance of the Shares shall be subject to the

Corporation's collection of all applicable Withholding Taxes and shall be effected on the applicable Issue Date or as soon as administratively practicable thereafter, but in no event later than the close of the calendar year in which such Issue Date occurs or (if later) the fifteenth (15th) day of the third (3rd) calendar month following such Issue Date. The procedures pursuant to which the applicable Withholding Taxes are to be collected are set forth in Paragraph 7 of this Agreement.

2. Limited Transferability. Prior to the actual issuance of the Shares which vest hereunder, Participant may not transfer any interest in the Award or the underlying Shares; provided, however, any Shares which vest hereunder but which otherwise remain unissued at the time of Participant's death may be transferred pursuant to the provisions of Participant's will or the laws of inheritance or to Participant's designated beneficiary or beneficiaries of this Award. Participant may make a beneficiary designation for this Award at any time by filing the appropriate form with the Plan Administrator or its designee.

3. Cessation of Service. Except as otherwise provided in Paragraph 5 below, should Participant cease Service for any reason prior to vesting in one or more Shares subject to this Award, then the Award will be immediately cancelled with respect to those unvested Shares, and the number of Restricted Stock Units will be reduced accordingly. Participant shall thereupon cease to have any right or entitlement to receive any Shares under those cancelled units.

4. Stockholder Rights and Dividend Equivalents

(a) The holder of this Award shall not have any stockholder rights, including voting or dividend rights, with respect to the Shares subject to the Award until Participant becomes the record holder of those Shares following their actual issuance upon the Corporation's collection of the applicable Withholding Taxes.

(b) Notwithstanding the foregoing, should any stock dividend, whether regular or extraordinary, be declared and paid on the outstanding Common Stock while one or more Shares remain subject to this Award (i.e., those Shares are not otherwise issued and outstanding for purposes of entitlement to the dividend or distribution), then Participant shall automatically be credited with an additional number of Restricted Stock Units equal to the number of shares of Common Stock which would have been paid on the Shares (plus the number of additional shares previously credited to Participant pursuant to the dividend equivalent right provisions of this Paragraph 4) at the time subject to this Award had those Shares been actually issued and outstanding and entitled to that dividend. The additional Restricted Stock Units so credited shall vest at the same time as the Shares to which they relate and shall be distributed to Participant concurrently with the issuance of those Shares on the applicable Issue Date. However, each such distribution shall be subject to the Corporation's collection of the Withholding Taxes applicable to that distribution.

(c) Notwithstanding the foregoing, should any cash dividend, whether regular or extraordinary, be declared and paid on the outstanding Common Stock while one or more Shares remain subject to this Award (i.e., those Shares are not otherwise issued and outstanding for purposes of entitlement to the dividend or distribution), then a special book account shall be established for Participant and credited with a dollar amount equal to the amount of that dividend paid per share multiplied by the number of Restricted Stock Units at the time subject to this Award (plus the number of additional shares previously credited to Participant pursuant to the dividend equivalent right provisions of this Paragraph 4) as of the record date for the dividend. As of the first business day in January each year, the cash dividend amounts credited to the special book account during the immediately preceding calendar year shall be converted into a book entry of an additional number of Restricted Stock Units determined by dividing (i) those cash dividend equivalent amounts by (ii) the average of the Fair Market Value per share of Common Stock on each of the dates in the immediately preceding calendar year on which those dividends on the outstanding Common Stock were paid. The additional Restricted Stock Units so credited shall vest at the same time as the Shares to which they relate and shall be distributed to Participant concurrently with the issuance of those Shares on the applicable Issue Date. However, each such distribution shall be subject to the Corporation's collection of the Withholding Taxes applicable to that distribution.

5. Accelerated Vesting/Change in Control.

(a) Should Participant's Service terminate by reason of his or her Retirement, death or Permanent Disability prior to final vesting date set forth in Paragraph 1, then Participant shall immediately vest in the number of Shares (if any) in which Participant would have been vested at the time of such termination had the Shares vested in a series of twelve (12) successive equal monthly installments over the duration of the twelve (12) month period following such Award Date.

(b) Any Restricted Stock Units subject to this Award at the time of a Change in Control may be assumed by the successor entity or otherwise continued in full force and effect or may be replaced with a cash retention program of the successor entity which preserves the Fair Market Value of the unvested shares of Common Stock subject to the Award at the time of the Change in Control and provides for subsequent payout of that value in accordance with the same (or more favorable) vesting schedule in effect for the Award at the time of such Change in Control. In the event of such assumption or continuation of the Award or such replacement of the Award with a cash retention program, no accelerated vesting of the Restricted Stock Units shall occur at the time of the Change in Control.

(c) In the event the Award is assumed or otherwise continued in effect, the Restricted Stock Units subject to the Award shall be adjusted immediately after the consummation of the Change in Control so as to apply to the number and class of securities into which the Shares subject to those units immediately prior to the Change in Control would have been converted in consummation of that Change in Control had those Shares actually been issued and outstanding at that time. To the extent the actual holders of the outstanding Common Stock receive cash consideration for their Common Stock in consummation of the Change in Control, the successor corporation (or parent entity) may, in connection with the assumption or continuation of the Restricted Stock Units subject to the Award at that time, substitute one or more shares of its own common stock with a fair market value equivalent to the cash consideration paid per share of Common Stock in the Change in Control transaction, provided such common stock is readily tradable on an established U.S. securities exchange or market.

(d) If the Restricted Stock Units subject to this Award at the time of the Change in Control are not assumed or otherwise continued in effect or replaced with a cash retention program in accordance with Paragraph 5(a), then those units will vest immediately prior to the closing of the Change in Control. The Shares subject to those vested units, together with any other Shares in which Participant is at that time vested, will be issued on the Issue Date triggered by the Change in Control (or otherwise converted into the right to receive the same consideration per share of Common Stock payable to the other stockholders of the Corporation in consummation of that Change in Control and distributed at the same time as such stockholder payments), subject to the Corporation's collection of the applicable Withholding Taxes pursuant to the provisions of Paragraph 7. For purposes of this Section 5(d), the Issue Date shall be the effective date of the Change in Control so long as it qualifies as a "change in the ownership or effective control" of the Corporation within the meaning of Section 409A(a)(2)(A)(v) of the Code and regulations thereunder. If it does not so qualify, the Issue Date shall be the date that is three (3) years from the Award Date.

(e) Upon an involuntary termination of Participant's Service for reasons other than Misconduct within twenty-four (24) months following a Change in Control transaction which does not otherwise result in the accelerated vesting of the Restricted Stock Units pursuant to the provisions of subparagraph (d) of this Paragraph 5, all unvested Restricted Stock Units hereunder shall immediately vest at that time. Any unvested cash account maintained on Participant's behalf pursuant to the cash retention program established in accordance with subparagraph (b) of this Paragraph 5 shall also vest at the time of such involuntary termination. The Issue Date for such vested Shares or cash shall be six months after the date of termination (or, if earlier, the date that is three (3) years from the Award Date), so long as the Change in Control qualifies as a "change in the ownership or effective control" of the Corporation within the meaning of Section 409A(a)(2)(A)(v) of the Code and regulations thereunder. If it does not so qualify, the Issue Date shall be the date that is three (3) years from the Award Date.

(f) This Agreement shall not in any way affect the right of the Corporation to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

6. Adjustment in Shares. In the event of any of the following transactions affecting the outstanding shares of Common Stock as a class without the Corporation's receipt of consideration: any stock split, stock dividend, spin-off transaction, extraordinary distribution (whether in cash, securities or other property), recapitalization, combination of shares, exchange of shares or other similar transaction affecting the outstanding Common Stock as a class without the Corporation's receipt of consideration or in the event of a substantial reduction to the value of the outstanding shares of Common Stock by reason of a spin-off transaction or extraordinary distribution, then equitable adjustments shall be made to the total number and/or class of securities issuable pursuant to this Award in such manner as the Plan Administrator deems appropriate in order to reflect such change and thereby prevent the dilution or enlargement of benefits hereunder. In determining such adjustments, the Plan Administrator shall take into account any amounts credited to Participant pursuant to the dividend equivalent right provisions of Paragraph 4 in connection with such transaction, and the determination of the Plan Administrator shall be final, binding and conclusive.

7. Collection of Withholding Taxes.

(a) Upon the applicable Issue Date, the Corporation shall issue to or on behalf of Participant a certificate (which may be in electronic form) for the applicable number of underlying shares of Common Stock, subject, however, to the Corporation's collection of the applicable Withholding Taxes.

(b) Until such time as the Corporation provides Participant with written or electronic notice to the contrary, the Corporation shall collect Withholding Taxes required to be withheld with respect to the vesting or issuance of the vested Shares hereunder (including shares attributable to the dividend equivalent rights provided under Paragraph 4) through an automatic share withholding procedure pursuant to which the Corporation will withhold, at the time of such vesting or issuance, a portion of the Shares with a Fair Market Value (measured as of the vesting or issuance date) equal to the amount of those taxes (the "Share Withholding Method"); provided, however, that the amount of any Shares so withheld shall not exceed the amount necessary to satisfy the Corporation's required tax withholding obligations using the minimum statutory withholding rates for federal and state tax purposes that are applicable to supplemental taxable income. Participant shall be notified in writing or electronically in the event such Share Withholding Method is no longer available.

(c) Should any Shares (including shares attributable to the dividend equivalent rights provided under Paragraph 4) be vested or be issued at a time when the Share Withholding Method is not available, then the Withholding Taxes required to be withheld with respect to those Shares shall be collected from Participant through either of the following alternatives:

- Participant's delivery of his or her separate check payable to the Corporation in the amount of such taxes, or

- the use of the proceeds from a next-day sale of the Shares issued to Participant, provided and only if (i) such a sale is permissible under the Corporation's trading policies governing the sale of Common Stock, (ii) Participant makes an irrevocable commitment, on or before the Issue Date for those Shares, to effect such sale of the Shares and (iii) the transaction is not otherwise deemed to constitute a prohibited loan under Section 402 of the Sarbanes-Oxley Act of 2002.

(d)Except as otherwise provided in Paragraph 4 and Paragraph 5(b) the settlement of all Restricted Stock Units which vest under the Award shall be made solely in shares of Common Stock. In no event, however, shall any fractional shares be issued. Accordingly, the total number of shares of Common Stock to be issued pursuant to the Award shall, to the extent necessary, be rounded down to the next whole share in order to avoid the issuance of a fractional share.

8. Compliance with Laws and Regulations. The issuance of shares of Common Stock pursuant to the Award shall be subject to compliance by the Corporation and Participant with all applicable requirements of law relating thereto and with all applicable regulations of any stock exchange on which the Common Stock may be listed for trading at the time of such issuance.

9. Additional Conditions.

(a)The Corporation may cancel this Award, and Participant shall cease to have any further right to the underlying Shares, at any time Participant is not in compliance with this Agreement, the Plan and the following conditions:

(i) Participant shall not render services for any organization or engage, directly or indirectly, in any business which, in the judgment of the Plan Administrator or, if delegated by the Plan Administrator to the Chief Executive Officer, in the judgment of such officer, is or becomes competitive with the Corporation or any Affiliate, or which is or becomes otherwise prejudicial to or in conflict with the interests of the Corporation or any Affiliate. Such judgment shall be based on Participant's positions and responsibilities while employed by the Corporation or an Affiliate, Participant's post-Service responsibilities and position with the other organization or business, the extent of past, current and potential competition or conflict between the Corporation or an Affiliate and the other organization or business, the effect on customers, suppliers and competitors of Participant's assuming the post-Service position and such other considerations as are deemed relevant given the applicable facts and circumstances. Participant shall be free, however, to purchase as an investment or otherwise, stock or other securities of such organization or business so long as they are listed upon a recognized securities exchange or traded over the counter, and such investment does not represent a substantial investment to Participant or a greater than one percent (1%) equity interest in the organization or business.

(ii) Participant shall not, without prior written authorization from the Corporation, disclose to anyone outside the Corporation, or use in other than the Corporation's business, any secret or confidential information, knowledge or data, relating to the business of the Corporation or an Affiliate in violation of his or her agreement with the Corporation or the Affiliate.

(iii) Participant shall disclose promptly and assign to the Corporation or the Affiliate all right, title and interest in any invention or idea, patentable or not, made or conceived by Participant during employment by the Corporation or the Affiliate, relating in any manner to the actual or anticipated business, research or development work of the Corporation or the Affiliate and shall do anything reasonably necessary to enable the Corporation or the Affiliate to secure a patent where appropriate in the United States and in foreign countries.

(iv) Participant shall not in any way, directly or indirectly (a) induce or attempt to induce any employee of the Corporation to quit employment with the Corporation; (b) otherwise interfere with or disrupt the Corporation's relationship with its employees; (c) solicit, entice, or hire away any employee of the Corporation; or (d) hire or engage any employee of the Corporation or any former employee of the Company whose employment with the Corporation ceased less than one (1) year before the date of such hiring or engagement.

(v) Participant will not divert or attempt to divert from the Corporation any business the Corporation had enjoyed or solicited from its customers during the two (2) years prior to the diversion or attempted diversion of such business.

(vi) Participant shall not make any disparaging statements about the Corporation to any of the Corporation's past, present, or future customers, employees, clients, contractors, vendors, or to the media or to any other person either orally or by any other medium of communication, including internet communication. As used herein, the term "disparaging statement" means any communication, oral or written, which would cause or tend to cause humiliation or embarrassment or to cause a recipient of such communication to question the business condition, integrity, product, service, quality, confidence, or good character of the Corporation.

(b) Notwithstanding any other provision of the Plan or this Agreement, the Plan Administrator in its sole discretion may cancel this Award at any time prior to the issuance of the Shares, if the employment of Participant shall be terminated, other than by reason of death, unless the conditions in this Section 9 are met.

(c) Failure to comply with the conditions of this Section 9 prior to, or during the six months after, any payment or delivery pursuant to this Award shall cause the issuance of the Shares to be rescinded. The Corporation shall notify Participant in writing of any such rescission within two (2) years after delivery of the Shares, and within ten (10) days after receiving such notice, Participant shall either return the delivered Shares to the Corporation or pay to the Corporation the amount of the proceeds recognized upon any sale or other disposition of those Shares.

(d) Upon delivery of the Shares pursuant to this Award, the Plan Administrator may require Participant to certify on a form acceptable to the Plan Administrator, that Participant is in compliance with the terms and conditions of the Plan and this Agreement.

(e) This Award, and the right to receive and retain any Shares or cash payments covered by this Award, shall be subject to rescission, cancellation or recoupment, in whole or part, if and to the extent so provided under any "clawback" or similar policy of the Corporation in effect on the Award Date or that may be established thereafter, including any modification or amendment thereto, or as required by the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or other applicable law.

10. Notices. Any notice required to be given or delivered to the Corporation under the terms of this Agreement shall be in writing and addressed to the Secretary of the Corporation at its principal corporate office at 436 Seventh Avenue, Pittsburgh, PA 15219. Except to the extent electronic notice is expressly authorized hereunder, any notice required to be given or delivered to Participant shall be in writing and addressed to Participant at the address indicated below Participant's signature line on this Agreement. All notices shall be deemed effective upon personal delivery (or electronic delivery to the extent authorized hereunder) or upon deposit in the U.S. mail, postage prepaid and properly addressed to the party to be notified.

11. Successors and Assigns. Except to the extent otherwise provided in this Agreement, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the Corporation and its successors and assigns and Participant, Participant's assigns, the legal representatives, heirs and legatees of Participant's estate and any beneficiaries of the Award designated by Participant.

12. Construction. This Agreement and the Award evidenced hereby are made and granted pursuant to the Plan and are in all respects limited by and subject to the terms of the Plan. All decisions of the Plan Administrator with respect to any question or issue arising under the Plan or this Agreement shall be conclusive and binding on all persons having an interest in the Award.

13. Governing Law. The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the Commonwealth of Pennsylvania without resort to Pennsylvania's conflict-of-laws rules.

14. Employment at Will. Nothing in this Agreement or in the Plan shall confer upon Participant any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Corporation (or any Parent or Subsidiary employing or retaining Participant) or of Participant, which rights are hereby expressly reserved by each, to terminate Participant's Service at any time for any reason, with or without cause, unless such rights have otherwise been limited pursuant to a separate agreement between the Corporation (or any Parent or Subsidiary) and Participant.

15. Section 409A. This Award is intended to be excepted from coverage under, or compliant with the provisions of, Section 409 of the Code and the regulations promulgated thereunder ("Section 409A") and shall be construed accordingly. Notwithstanding the foregoing

or any provision of the Plan to the contrary, if the Award is subject to the provisions of Section 409A (and not excepted therefrom), the provisions of the Plan and this Agreement shall be administered, interpreted and construed in a manner necessary to comply with Section 409A (or disregarded to the extent such provision cannot be so administered, interpreted, or construed). If any payments or benefits hereunder may be deemed to constitute nonconforming deferred compensation subject to taxation under the provisions of Section 409A, Participant agrees that the Corporation may, without the consent of Participant, modify the Agreement and the Award to the extent and in the manner the Corporation deems necessary or advisable or take such other action or actions, including an amendment or action with retroactive effect, that the Corporation deems appropriate in order either to preclude any such payments or benefits from being deemed "deferred compensation" within the meaning of Section 409A or to provide such payments or benefits in a manner that complies with the provisions of Section 409A such that they will not be taxable thereunder. Notwithstanding, the Corporation makes no representations and/or warranties with respect to compliance with Section 409A, and Participant recognizes and acknowledges that Section 409A could potentially impose upon Participant certain taxes or interest charges for which Participant is and shall remain solely responsible.

IN WITNESS WHEREOF, the parties have executed this Agreement on the Award Date indicated above.

KOPPERS HOLDINGS INC.

A.

By: ______________________________

Title: ______________________________

«Participant»

Signature: ______________________________

Address: ______________________________

B. ______________________________

C. ______________________________

APPENDIX A

DEFINITIONS

The following definitions shall be in effect under the Agreement:

A. Affiliate means any entity that, directly or through one or more intermediaries, is controlled by the Corporation, and any entity in which the Corporation has a significant equity interest as determined by the Plan Administrator.

B. Agreement shall mean this Restricted Stock Unit Issuance Agreement.

C. Award shall mean the award of restricted stock units made to Participant pursuant to the terms of this Agreement.

D. Award Date shall mean the date the restricted stock units are awarded to Participant pursuant to the Agreement and shall be the date indicated in Paragraph 1 of the Agreement.

E. Board shall mean the Corporation's Board of Directors.

F. Change in Control of the Corporation shall have occurred in the event that:

(i) a person, partnership, joint venture, corporation or other entity, or two or more of any of the foregoing acting as a "person" within the meaning of Sections 13(d)(3) of the 1934 Act, other than the Corporation, a majority-owned subsidiary of the Corporation or an employee benefit plan of the Corporation or such subsidiary (or such plan's related trust), become(s) the "beneficial owner" (as defined in Rule 13d-3 under the Act) of fifty percent (50%) or more of the then outstanding voting stock of the Corporation;

(ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board (together with any new Board member whose election by the Corporation's Board or whose nomination for election by the Corporation's stockholders, was approved by a vote of at least two-thirds of the Board members then still in office who either were Board members at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board members then in office;

(iii) all or substantially all of the business of the Corporation is disposed of pursuant to a merger, consolidation or other transaction in which the Corporation is not the surviving corporation or the Corporation combines with another company and is the surviving corporation (unless the Corporation's stockholders immediately following such merger, consolidation, combination, or other transaction beneficially own, directly or indirectly, more than fifty percent (50%) of the aggregate voting stock or other ownership interests of (x) the entity or entities, if any, that succeed to the business of the Corporation or (y) the combined company);

(iv) the closing of the sale of all or substantially all of the assets of the Corporation or a liquidation or dissolution of the Corporation; or

(v) the acquisition, directly or indirectly, by any person or related group of persons (other than the Corporation or a person that directly or indirectly controls, is controlled by, or is under common control with, the Corporation of beneficial ownership (within the meaning of Rule 13d-3 of the Act) of securities possessing more than twenty percent (20%) of the total combined voting power of the Corporation's outstanding securities pursuant to a tender or exchange offer made directly to the Corporation's stockholders which the Board does not recommend such stockholders to accept.

G. Code shall mean the Internal Revenue Code of 1986, as amended.

H. Common Stock shall mean shares of the Corporation's common stock.

I. Corporation shall mean Koppers Holdings Inc., a Pennsylvania corporation, and any successor corporation to all or substantially all of the assets or voting stock of Koppers Holdings Inc. which shall by appropriate action adopt the Plan.

J. Employee shall mean an individual who is in the employ of the Corporation (or any Parent or Subsidiary), subject to the control and direction of the employer entity as to both the work to be performed and the manner and method of performance.

K. Fair Market Value per share of Common Stock on any relevant date shall be determined in accordance with the following provisions:

(i) If the Common Stock is at the time traded on the Nasdaq Global Market, then the Fair Market Value shall be the closing selling price per share of Common Stock at the close of regular hours trading (i.e., before after-hours trading begins) on the Nasdaq Global Market on the date in question, as such price is reported by the National Association of Securities Dealers for that particular Stock Exchange. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.

(ii) If the Common Stock is at the time listed on any other Stock Exchange, then the Fair Market Value shall be the closing selling price per share of Common Stock at the close of regular hours trading (i.e., before after-hours trading begins) on the date in question on the Stock Exchange determined by the Plan Administrator to be the primary market for the Common Stock, as such price is officially quoted in the composite tape of transactions on such exchange. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.

L. Misconduct shall mean the commission of any act of fraud, embezzlement or dishonesty by Participant, any unauthorized use or disclosure by Participant of confidential information or trade secrets of the Corporation (or any Parent or Subsidiary), or any other intentional misconduct by Participant adversely affecting the business or affairs of the Corporation (or any Parent or Subsidiary) in a material manner. The foregoing definition shall not in any way preclude or restrict the right of the Corporation (or any Parent or Subsidiary) to discharge or dismiss Participant or any other person in the Service of the Corporation (or any Parent or Subsidiary) for any other acts or omissions, but such other acts or omissions shall not be deemed, for purposes of the Plan or this Agreement, to constitute grounds for termination for Misconduct.

M. 1934 Act shall mean the Securities Exchange Act of 1934, as amended from time to time.

N. Participant shall mean the person to whom the Award is made pursuant to the Agreement.

O. Parent shall mean any corporation (other than the Corporation) in an unbroken chain of corporations ending with the Corporation, provided each corporation in the unbroken chain (other than the Corporation) owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

P. Permanent Disability shall mean the inability of a Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which is expected to result in death or to be of continuous duration of twelve (12) months or more.

Q. Plan shall mean the Corporation's Amended and Restated 2005 Long-Term Incentive Plan.

R. Plan Administrator shall mean the committee(s) designated by the Board to administer the Plan.

S. Retirement shall mean Participant's voluntary termination from Service (i) on or after his attainment of age sixty five (65), or (ii) on or after his attainment of age 55 with at least ten (10) years of service, or involuntary termination from Service with at least thirty (30) years of service other than in connection with a termination for Misconduct. "Years of service" means Participant's total number of years of "accumulated service" as such term is defined with respect to salaried employees under the Retirement Plan for Koppers Inc. (regardless of whether Participant is eligible to receive a benefit under such plan).

T. Service shall mean Participant's performance of services for the Corporation (or any Parent or Subsidiary) in the capacity of an Employee, a non-employee member of the board of directors or a consultant or independent advisor. For purposes of this Agreement, Participant shall be deemed to cease Service immediately upon the occurrence of either of the following events: (i) Participant no longer performs services in any of the foregoing capacities for the Corporation (or any Parent or Subsidiary) or (ii) the entity for which Participant performs such services ceases to remain a Parent or Subsidiary of the Corporation, even though Participant may subsequently continue to perform services for that entity. Service shall not be deemed to cease during a period of military leave, sick leave or other personal leave approved by the Corporation; provided, however, that except to the extent otherwise required by law or expressly authorized by the Plan Administrator or by the Corporation's written policy on leaves of absence, no Service credit shall be given for vesting purposes for any period Participant is on a leave of absence.

U. Stock Exchange shall mean the American Stock Exchange, the Nasdaq Global Market or the New York Stock Exchange.

V. Subsidiary shall mean any corporation (other than the Corporation) in an unbroken chain of corporations beginning with the Corporation, provided each corporation (other than the last corporation) in the unbroken chain owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

W. Withholding Taxes shall mean the federal, state and local income and employment taxes required to be withheld by the Corporation in connection with the vesting and concurrent issuance of the shares of Common Stock under the Award, including any additional shares resulting from the dividend equivalent right provisions of the Award.

Steve Reeder

KOPPERS HOLDINGS INC.

RESTRICTED STOCK UNIT ISSUANCE AGREEMENT- PERFORMANCE VESTING

RECITALS

A. The Board has adopted the Plan for the purpose of retaining the services of selected Employees, non-employee members of the Board (or the board of directors of any Parent or Subsidiary) and consultants and other independent advisors who provide services to the Corporation (or any Parent or Subsidiary).

B. Participant is to render valuable services to the Corporation (or a Parent or Subsidiary), and this Agreement is executed pursuant to, and is intended to carry out the purposes of, the Plan in connection with the Corporation's issuance of shares of Common Stock to Participant under the Plan.

C. All capitalized terms in this Agreement shall have the meaning assigned to them in the attached Appendix A.

NOW, THEREFORE, it is hereby agreed as follows:

1. Grant of Restricted Stock Units. The Corporation hereby awards to Participant, as of the Award Date, Restricted Stock Units under the Plan. Except as otherwise provided in this Agreement, the Restricted Stock Units shall vest upon satisfaction of both of the following: (i) the Participant continues in Service until March 1, 2018 and (ii) the pre-established performance objective tied to Relative TSR (as defined in Schedule I attached hereto) measured over a specified period is attained. Each Restricted Stock Unit which so vests shall entitle Participant to receive one share of Common Stock on the specified issue date. The number of shares of Common Stock subject to the awarded Restricted Stock Units, the applicable performance target for the vesting of those shares, the alternative and special vesting provisions which may become applicable to such shares, the date on which the vested shares shall become issuable (or, under certain circumstances, the cash equivalent thereof shall become payable) to Participant and the remaining terms and conditions governing the award (the "Award") shall be as set forth in this Agreement.

AWARD SUMMARY

Award Date:	March 1, 2016
Target Number of Shares Subject to Award:	_______________ shares of Common Stock (the "Shares"); provided, however, that the actual number of Restricted Stock Units shall be determined in accordance with the provisions of Schedule I attached hereto.

Vesting Schedule: The Shares shall vest upon satisfaction of both of the following: (i) the Participant continues in Service until March 1, 2018 and (ii) the Performance Objective set forth in the attached Schedule I is attained over the Measurement Period. However, the Shares may also vest in accordance with the special vesting provisions of Paragraph 5 of this Agreement.

Issuance Schedule: The Shares in which Participant vests in accordance with the foregoing Vesting Schedule shall become issuable on March 1, 2019 (or upon the date of an earlier Change in Control, or six months after the date of an earlier involuntary termination other than for Misconduct following a Change in Control, if so provided herein) (the "Issue Date"). The actual issuance of the Shares shall be subject to the Corporation's collection of all applicable Withholding Taxes and shall be effected on the applicable Issue Date or as soon as administratively practicable thereafter, but in no event later than the close of the calendar year in which such Issue Date occurs or (if later) the fifteenth (15th) day of the third (3rd) calendar month following such Issue Date. The procedures pursuant to which the applicable Withholding Taxes are to be collected are set forth in Paragraph 7 of this Agreement.

Notwithstanding the foregoing, or anything contained herein to the contrary, the Committee has the discretion to provide for the payment of vested Shares in cash, rather than Shares. In the event the Committee exercises such discretion, all references herein to payment in Shares or the right to receive Shares shall be replaced with references to payment in cash and/or the right to receive payment in cash equal to the Fair Market Value of the Shares on the date the Committee certifies the attainment of the Performance Objective.

2. Limited Transferability. Prior to the actual issuance of the Shares which vest hereunder, Participant may not transfer any interest in the Award or the underlying Shares; provided, however, any Shares which vest hereunder but which otherwise remain unissued at the time of Participant's death may be transferred pursuant to the provisions of Participant's will or the laws of inheritance or to Participant's designated beneficiary or beneficiaries of this Award. Participant may make a beneficiary designation for this Award at any time by filing the appropriate form with the Plan Administrator or its designee.

3. Cessation of Service. Except as otherwise provided in Paragraph 5 below, should Participant cease Service for any reason prior to vesting in one or more Shares subject to this Award, then the Award will be immediately cancelled with respect to those unvested Shares. Participant shall thereupon cease to have any right or entitlement to receive any Shares under those cancelled units.

4. Stockholder Rights and Dividend Equivalents

(a) The holder of this Award shall not have any stockholder rights, including voting or dividend rights, with respect to the Shares subject to the Award until Participant becomes the record holder of those Shares following their actual issuance upon the Corporation's collection of the applicable Withholding Taxes.

(b) Notwithstanding the foregoing, should any stock dividend, whether regular or extraordinary, be declared and paid on the outstanding Common Stock while one or more Shares remain subject to this Award (i.e., those Shares are not otherwise issued and outstanding for purposes of entitlement to the dividend or distribution), then Participant shall automatically be credited with an additional number of Restricted Stock Units equal to the number of shares of Common Stock which would have been paid on the Shares (plus the number of additional shares previously credited to Participant pursuant to the dividend equivalent right provisions of this Paragraph 4) at the time subject to this Award had those Shares been actually issued and outstanding and entitled to that dividend. The additional Restricted Stock Units so credited shall vest at the same time as the Shares to which they relate and shall be distributed to Participant concurrently with the issuance of those Shares on the applicable Issue Date. However, each such distribution shall be subject to the Corporation's collection of the Withholding Taxes applicable to that distribution.

(c) Notwithstanding the foregoing, should any cash dividend, whether regular or extraordinary, be declared and paid on the outstanding Common Stock while one or more Shares remain subject to this Award (i.e., those Shares are not otherwise issued and outstanding for purposes of entitlement to the dividend or distribution), then a special book account shall be established for Participant and credited with a dollar amount equal to the amount of that dividend paid per share multiplied by the number of Restricted Stock Units at the time subject to this Award (plus the number of additional shares previously credited to Participant pursuant to the dividend equivalent right provisions of this Paragraph 4) as of the record date for the dividend. As of the first business day in January each year, the cash dividend amounts credited to the special book account during the immediately preceding calendar year shall be converted into a book entry of an additional number of Restricted Stock Units determined by dividing (i) those cash dividend equivalent amounts by (ii) the average of the Fair Market Value per share of Common Stock on each of the dates in the immediately preceding calendar year on which those dividends on the outstanding Common Stock were paid. The additional Restricted Stock Units so credited shall vest at the same time as the Shares to which they relate and shall be distributed to Participant concurrently with the issuance of those Shares on the applicable Issue Date. However, each such distribution shall be subject to the Corporation's collection of the Withholding Taxes applicable to that distribution.

5. Special Vesting/Change in Control.

(a) Should Participant's Service terminate by reason of his or her Retirement, death or Permanent Disability prior to March 1, 2018, then upon completion of the Measurement Period, Participant shall vest in a number of Shares equal to the number of Shares (if any) in which Participant would have been vested at the completion of the Measurement Period had Participant continued in the Corporation's Service through March 1, 2018 *multiplied by a fraction*, the numerator of which is the number of full months of Service Participant completed between the Award Date and the termination of Participant's Service, and the denominator of which is twenty-four (24). In the event of the termination of Participant's Service due to Participant's Retirement, such vesting shall be conditioned upon Participant's compliance with the conditions of Section 9 through March 1, 2018.

(b) Any Restricted Stock Units subject to this Award at the time of a Change in Control may be assumed by the successor entity or otherwise continued in full force and effect or may be replaced with a cash retention program of the successor entity which preserves the Fair Market Value of the unvested shares of Common Stock subject to the Award at the time of the Change in Control and provides for subsequent payout of that value in accordance with the same (or more favorable) vesting schedule in effect for the Award at the time of such Change in Control. In the event of such assumption or continuation of the Award or such replacement of the Award with a cash retention program, no accelerated vesting of the Restricted Stock Units shall occur at the time of the Change in Control. However, in the event that the Change in Control occurs prior to the end of the Measurement Period, the vesting provisions in effect for the Award following the Change in Control shall no longer be tied to the attainment of the full Performance Objective set forth in Schedule I and shall instead be converted into the following vesting schedule: The Award (whether in its assumed or continued form or as converted into a cash retention program) shall vest with respect to the number of Shares (or the amount of cash) determined under Section 5(c) below upon Participant's continuation in Service through March 1, 2018. Following the completion of such Service vesting period, the securities, cash or other property underlying the vested Award shall be issued on the applicable Issue Date. The Award may also vest in accordance with the special vesting provisions of Paragraphs 5(a) and (e) of this Agreement.

(c) In the event the Award is assumed or otherwise continued in effect, the Restricted Stock Units subject to the Award shall be adjusted immediately after the consummation of the Change in Control so as to apply to the number and class of securities into which the Shares subject to those units immediately prior to the Change in Control would have been converted in consummation of that Change in Control had those Shares actually been issued and outstanding at that time. However, in the event that the Change in Control occurs within the first eighteen (18) months of the Measurement Period, the Award shall remain outstanding and eligible for Service vesting under the terms of this Agreement with respect only to the number of Shares (as so adjusted) that would have been earned pursuant to the Performance Objective identified in Schedule I if the Corporation's performance at the end of the Measurement Period was at the Target level. In the event that the Change in Control occurs on or after the first day of the nineteenth (19th) month of the Measurement Period and prior to the end of the Measurement Period, the Award shall remain outstanding and eligible for Service vesting under the terms of this Agreement only with respect to the number of Shares (as so adjusted) that would have been earned pursuant to the Performance Objective identified in Schedule I (pro-rated through the date of the Change in Control) based on the Corporation's actual performance through the effective date of the Change in Control. To the extent the actual holders of the outstanding Common Stock receive cash consideration for their Common Stock in consummation of the Change in Control, the successor corporation (or parent entity) may, in connection with the assumption or continuation of the Restricted Stock Units subject to the Award at that time, substitute one or more shares of its own common stock with a fair market value equivalent to the cash consideration paid per share of Common Stock in the Change in Control transaction, provided such common stock is readily tradable on an established U.S. securities exchange or market. In the event the Award is converted into a cash retention program, the amount of cash subject to the Award under such program shall be equal to the value of the number of Shares determined in accordance with the foregoing provisions of this Section 5(c) as of the effective date of the Change in Control (based on the per-share value of the consideration received by holders of the outstanding Common Stock in connection with the Change in Control), plus credited interest or earnings through the Issue Date as determined under the terms of such cash retention program.

(d) If (i) the Change in Control occurs on or after the end of the Measurement Period but prior to March 1, 2019 or (ii) if the Change in Control occurs prior to the end of the Measurement Period but the Restricted Stock Units subject to this Award at the time of the Change in Control are not assumed or otherwise continued in effect or replaced with a cash retention program in accordance with Paragraph 5(b), then (i) if the Change in Control occurs within the first eighteen (18) months of the Measurement Period, a number of units equal to the number of Shares that would have been earned pursuant to the Performance Objective identified in Schedule I if the Corporation's performance at the end of the Measurement Period was at the Target level (less any Shares in which Participant is at the time vested) will vest immediately prior to the closing of the Change in Control and (ii) if the Change in Control occurs on or after the first day of the nineteenth (19th) month of the Measurement Period, a number of units equal to the number of Shares that have been earned pursuant to the Performance Objective identified in Schedule I (pro-rated through the date of the Change in Control if it occurs prior to the end of the Measurement Period) based on the Corporation's actual performance through the earlier of the effective date of the Change in Control or the end of the Measurement Period will vest immediately prior to the closing of the Change in Control. The Shares that vest under this subparagraph (d) will be issued on the Issue Date triggered by the Change in Control (or otherwise converted into the right to receive the same consideration per share of Common Stock payable to the other stockholders of the Corporation in consummation of that Change in Control and distributed at the same time as such stockholder payments), subject to the Corporation's collection of the applicable Withholding Taxes pursuant to the provisions of Paragraph 7. For purposes of this Section 5(d), the Issue Date shall be the effective date of the Change in Control so long as it qualifies as a "change in the ownership or effective control" of the Corporation within the meaning of Section 409A(a)(2)(A)(v) of the Code and regulations thereunder. If it does not so qualify, the Issue Date shall be March 1, 2019.

(e) Upon an involuntary termination of Participant's Service for reasons other than Misconduct within twenty-four (24) months following a Change in Control transaction which does not otherwise result in the accelerated vesting of the Restricted Stock Units pursuant to the provisions of subparagraph (d) of this Paragraph 5 and prior to March 1, 2019, a number of units equal to the number of Shares that would have been earned pursuant to Section 5(c) shall vest on such date of termination. Any unvested cash account maintained on Participant's behalf pursuant to the cash retention program established in accordance with subparagraph (b) of this Paragraph 5 shall also vest at the time of such involuntary termination. The Issue Date for such vested Shares or cash shall be six months after the date of termination (or, if earlier, March 1, 2019), so long as the Change in Control qualifies as a "change in the ownership or effective control" of the Corporation within the meaning of Section 409A(a)(2)(A)(v) of the Code and regulations thereunder. If it does not so qualify, the Issue Date shall be March 1, 2019.

(f) This Agreement shall not in any way affect the right of the Corporation to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

6. Adjustment in Shares. In the event of any of the following transactions affecting the outstanding shares of Common Stock as a class without the Corporation's receipt of consideration: any stock split, stock dividend, spin-off transaction, extraordinary distribution (whether in cash, securities or other property), recapitalization, combination of shares, exchange of shares or other similar transaction affecting the outstanding Common Stock as a class without the Corporation's receipt of consideration or in the event of a substantial reduction to the value of the outstanding shares of Common Stock by reason of a spin-off transaction or extraordinary

distribution, then equitable adjustments shall be made to the total number and/or class of securities issuable pursuant to this Award in such manner as the Plan Administrator deems appropriate in order to reflect such change and thereby prevent the dilution or enlargement of benefits hereunder. In determining such adjustments, the Plan Administrator shall take into account any amounts credited to Participant pursuant to the dividend equivalent right provisions of Paragraph 4 in connection with such transaction, and the determination of the Plan Administrator shall be final, binding and conclusive.

7. Collection of Withholding Taxes.

(a) Upon the applicable Issue Date, the Corporation shall issue to or on behalf of Participant a certificate (which may be in electronic form) for the applicable number of underlying shares of Common Stock, subject, however, to the Corporation's collection of the applicable Withholding Taxes.

(b) Until such time as the Corporation provides Participant with written or electronic notice to the contrary, the Corporation shall collect Withholding Taxes required to be withheld with respect to the vesting or issuance of the vested Shares hereunder (including shares attributable to the dividend equivalent rights provided under Paragraph 4) through an automatic share withholding procedure pursuant to which the Corporation will withhold, at the time of such vesting or issuance, a portion of the Shares with a Fair Market Value (measured as of the vesting or issuance date, as applicable) equal to the amount of those taxes (including taxes resulting from such withholding) (the "Share Withholding Method"); provided, however, that the amount of any Shares so withheld shall not exceed the amount necessary to satisfy the Corporation's required tax withholding obligations using the minimum statutory withholding rates for federal and state tax purposes that are applicable to supplemental taxable income. Participant shall be notified in writing or electronically in the event such Share Withholding Method is no longer available.

(c) Should any Shares (including shares attributable to the dividend equivalent rights provided under Paragraph 4) vest or be issued at a time when the Share Withholding Method is not available, then the Withholding Taxes required to be withheld with respect to those Shares shall be collected from Participant through either of the following alternatives:

- Participant's delivery of his or her separate check payable to the Corporation in the amount of such taxes, or

- the use of the proceeds from a next-day sale of the Shares issued to Participant, provided and only if (i) such a sale is permissible under the Corporation's trading policies governing the sale of Common Stock, (ii) Participant makes an irrevocable commitment, on or before the Issue Date for those Shares, to effect such sale of the Shares and (iii) the transaction is not otherwise deemed to constitute a prohibited loan under Section 402 of the Sarbanes-Oxley Act of 2002.

(d)Except as otherwise provided in Paragraph 5 and Paragraph 4, the settlement of all Restricted Stock Units which vest under the Award shall be made solely in shares of Common Stock. In no event, however, shall any fractional shares be issued. Accordingly, the total number of shares of Common Stock to be issued pursuant to the Award shall, to the extent necessary, be rounded down to the next whole share in order to avoid the issuance of a fractional share.

8. Compliance with Laws and Regulations. The issuance of shares of Common Stock pursuant to the Award shall be subject to compliance by the Corporation and Participant with all applicable requirements of law relating thereto and with all applicable regulations of any stock exchange on which the Common Stock may be listed for trading at the time of such issuance.

9. Additional Conditions.

(a)The Corporation may cancel this Award, and Participant shall cease to have any further right to the underlying shares at any time Participant is not in compliance with this Agreement, the Plan and the following conditions:

(i) Participant shall not render services for any organization or engage, directly or indirectly, in any business which, in the judgment of the Plan Administrator or, if delegated by the Plan Administrator to the Chief Executive Officer, in the judgment of such officer, is or becomes competitive with the Corporation or any Affiliate, or which is or becomes otherwise prejudicial to or in conflict with the interests of the Corporation or any Affiliate. Such judgment shall be based on Participant's positions and responsibilities while employed by the Corporation or an Affiliate, Participant's post-Service responsibilities and position with the other organization or business, the extent of past, current and potential competition or conflict between the Corporation or an Affiliate and the other organization or business, the effect on customers, suppliers and competitors of Participant's assuming the post-Service position and such other considerations as are deemed relevant given the applicable facts and circumstances. Participant shall be free, however, to purchase as an investment or otherwise, stock or other securities of such organization or business so long as they are listed upon a recognized securities exchange or traded over the counter, and such investment does not represent a substantial investment to Participant or a greater than one percent (1%) equity interest in the organization or business.

(ii) Participant shall not, without prior written authorization from the Corporation, disclose to anyone outside the Corporation, or use in other than the Corporation's business, any secret or confidential information, knowledge or data, relating to the business of the Corporation or an Affiliate in violation of his or her agreement with the Corporation or the Affiliate.

(iii) Participant shall disclose promptly and assign to the Corporation or the Affiliate all right, title and interest in any invention or idea, patentable or not, made or conceived by Participant during employment by the Corporation or the Affiliate, relating in any manner to the actual or anticipated business, research or development work of the Corporation or the Affiliate and shall do anything reasonably necessary to enable the Corporation or the Affiliate to secure a patent where appropriate in the United States and in foreign countries.

(iv) Participant shall not in any way, directly or indirectly (a) induce or attempt to induce any employee of the Corporation to quit employment with the Corporation; (b) otherwise interfere with or disrupt the Corporation's relationship with its employees; (c) solicit, entice, or hire away any employee of the Corporation; or (d) hire or engage any employee of the Corporation or any former employee of the Company whose employment with the Corporation ceased less than one (1) year before the date of such hiring or engagement.

(v) Participant will not divert or attempt to divert from the Corporation any business the Corporation had enjoyed or solicited from its customers during the two (2) years prior to the diversion or attempted diversion of such business.

(vi) Participant shall not make any disparaging statements about the Corporation to any of the Corporation’s past, present, or future customers, employees, clients, contractors, vendors, or to the media or to any other person either orally or by any other medium of communication, including internet communication. As used herein, the term "disparaging statement" means any communication, oral or written, which would cause or tend to cause humiliation or embarrassment or to cause a recipient of such communication to question the business condition, integrity, product, service, quality, confidence, or good character of the Corporation.

(b) Notwithstanding any other provision of the Plan or this Agreement, the Plan Administrator in its sole discretion may cancel this Award at any time prior to the issuance of the Shares, if the employment of Participant shall be terminated, other than by reason of death, unless the conditions in this Section 9 are met.

(c) Failure to comply with the conditions of this Section 9 prior to, or during the six months after, any payment or delivery pursuant to this Award shall cause the issuance of the Shares to be rescinded. The Corporation shall notify Participant in writing of any such rescission within two (2) years after such delivery of the Shares and within ten (10) days after receiving such notice, Participant shall either return the delivered Shares to the Corporation or pay to the Corporation the amount of the proceeds recognized upon any sale or other disposition of those Shares.

(d) Upon delivery of the Shares pursuant to this Award, the Plan Administrator may require Participant to certify on a form acceptable to the Plan Administrator, that Participant is in compliance with the terms and conditions of the Plan and this Agreement.

(e) This Award, and the right to receive and retain any Shares or cash payments covered by this Award, shall be subject to rescission, cancellation or recoupment, in whole or part, if and to the extent so provided under any “clawback” or similar policy of the Corporation in effect on the Award Date or that may be established thereafter, including any modification or amendment thereto, or as required by the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or other applicable law.

10. Notices. Any notice required to be given or delivered to the Secretary of the Corporation under the terms of this Agreement shall be in writing and addressed to the Corporation at its principal corporate office at 436 Seventh Avenue, Pittsburgh, PA 15219. Except to the extent electronic notice is expressly authorized hereunder, any notice required to be given or delivered to Participant shall be in writing and addressed to Participant at the address indicated below Participant’s signature line on this Agreement. All notices shall be deemed effective upon personal delivery (or electronic delivery to the extent authorized hereunder) or upon deposit in the U.S. mail, postage prepaid and properly addressed to the party to be notified.

11. Successors and Assigns. Except to the extent otherwise provided in this Agreement, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the Corporation and its successors and assigns and Participant, Participant's assigns, the legal representatives, heirs and legatees of Participant's estate and any beneficiaries of the Award designated by Participant.

12. Construction. This Agreement and the Award evidenced hereby are made and granted pursuant to the Plan and are in all respects limited by and subject to the terms of the Plan. All decisions of the Plan Administrator with respect to any question or issue arising under the Plan or this Agreement shall be conclusive and binding on all persons having an interest in the Award.

13. Governing Law. The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the Commonwealth of Pennsylvania without resort to Pennsylvania's conflict-of-laws rules.

14. Employment at Will. Nothing in this Agreement or in the Plan shall confer upon Participant any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Corporation (or any Parent or Subsidiary employing or retaining Participant) or of Participant, which rights are hereby expressly reserved by each, to terminate Participant's Service at any time for any reason, with or without cause, unless such rights are otherwise limited pursuant to a separate agreement between the Corporation (or any Parent or Subsidiary) and Participant.

15. Section 409A. This Award is intended to be excepted from coverage under, or compliant with the provisions of, Section 409 of the Code and the regulations promulgated thereunder ("Section 409A") and shall be construed accordingly. Notwithstanding the foregoing or any provision of the Plan to the contrary, if the Award is subject to the provisions of Section 409A (and not excepted therefrom), the provisions of the Plan and this Agreement shall be administered, interpreted and construed in a manner necessary to comply with Section 409A (or disregarded to the extent such provision cannot be so administered, interpreted, or construed). If any payments or benefits hereunder may be deemed to constitute nonconforming deferred compensation subject to taxation under the provisions of Section 409A, Participant agrees that the Corporation may, without the consent of Participant, modify the Agreement and the Award to the extent and in the manner the Corporation deems necessary or advisable or take such other action or actions, including an amendment or action with retroactive effect, that the Corporation deems appropriate in order either to preclude any such payments or benefits from being deemed "deferred compensation" within the meaning of Section 409A or to provide such payments or benefits in a manner that complies with the provisions of Section 409A such that they will not be taxable thereunder. Notwithstanding, the Corporation makes no representations and/or warranties with respect to compliance with Section 409A, and Participant recognizes and acknowledges that Section 409A could potentially impose upon Participant certain taxes or interest charges for which Participant is and shall remain solely responsible.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first indicated above.

KOPPERS HOLDINGS INC.

By: ______________________________

Title: ______________________________

______________________________, PARTICIPANT

Signature: ______________________________

Address: ______________________________

____

APPENDIX A

DEFINITIONS

The following definitions shall be in effect under the Agreement:

A. Affiliate means any entity that, directly or through one or more intermediaries, is controlled by the Corporation, and any entity in which the Corporation has a significant equity interest as determined by the Plan Administrator.

B. Agreement shall mean this Restricted Stock Unit Issuance Agreement.

C. Award shall mean the award of restricted stock units made to Participant pursuant to the terms of this Agreement.

D. Award Date shall mean the date the restricted stock units are awarded to Participant pursuant to the Agreement and shall be the date indicated in Paragraph 1 of the Agreement.

E. Board shall mean the Corporation's Board of Directors.

F. Change in Control of the Corporation shall have occurred in the event that:

(i) a person, partnership, joint venture, corporation or other entity, or two or more of any of the foregoing acting as a "person" within the meaning of Sections 13(d)(3) of the 1934 Act, other than the Corporation, a majority-owned subsidiary of the Corporation or an employee benefit plan of the Corporation or such subsidiary (or such plan's related trust), become(s) the "beneficial owner" (as defined in Rule 13d-3 under the Act) of fifty percent (50%) or more of the then outstanding voting stock of the Corporation;

(ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board (together with any new Board member whose election by the Corporation's Board or whose nomination for election by the Corporation's stockholders, was approved by a vote of at least two-thirds of the Board members then still in office who either were Board members at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board members then in office;

(iii) all or substantially all of the business of the Corporation is disposed of pursuant to a merger, consolidation or other transaction in which the Corporation is not the surviving corporation or the Corporation combines with another company and is the surviving corporation (unless the Corporation's stockholders immediately following such merger, consolidation, combination, or other transaction beneficially own, directly or indirectly, more than fifty percent (50%) of the aggregate voting stock or other ownership interests of (x) the entity or entities, if any, that succeed to the business of the Corporation or (y) the combined company);

(iv) the closing of the sale of all or substantially all of the assets of the Corporation or a liquidation or dissolution of the Corporation; or

(v) the acquisition, directly or indirectly, by any person or related group of persons (other than the Corporation or a person that directly or indirectly controls, is controlled by, or is under common control with, the Corporation of beneficial ownership (within the meaning of Rule 13d-3 of the Act) of securities possessing more than twenty percent (20%) of the total combined voting power of the Corporation's outstanding securities pursuant to a tender or exchange offer made directly to the Corporation's stockholders which the Board does not recommend such stockholders to accept.

G. Code shall mean the Internal Revenue Code of 1986, as amended.

H. Common Stock shall mean shares of the Corporation's common stock.

I. Corporation shall mean Koppers Holdings Inc., a Pennsylvania corporation, and any successor corporation to all or substantially all of the assets or voting stock of Koppers Holdings Inc. which shall by appropriate action adopt the Plan.

J. Employee shall mean an individual who is in the employ of the Corporation (or any Parent or Subsidiary), subject to the control and direction of the employer entity as to both the work to be performed and the manner and method of performance.

K. Fair Market Value per share of Common Stock on any relevant date shall be determined in accordance with the following provisions:

(i) If the Common Stock is at the time traded on the Nasdaq Global Market, then the Fair Market Value shall be the closing selling price per share of Common Stock at the close of regular hours trading (i.e., before after-hours trading begins) on the Nasdaq Global Market on the date in question, as such price is reported by the National Association of Securities Dealers for that particular Stock Exchange. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.

(ii) If the Common Stock is at the time listed on any other Stock Exchange, then the Fair Market Value shall be the closing selling price per share of Common Stock at the close of regular hours trading (i.e., before after-hours trading begins) on the date in question on the Stock Exchange determined by the Plan Administrator to be the primary market for the Common Stock, as such price is officially quoted in the composite tape of transactions on such exchange. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.

L. Measurement Period shall mean the period over which the Performance Objective is to be measured. That period shall be the three (3)-year period measured from January 1, 2016 to December 31, 2018.

M. Misconduct shall mean the commission of any act of fraud, embezzlement or dishonesty by Participant, any unauthorized use or disclosure by Participant of confidential information or trade secrets of the Corporation (or any Parent or Subsidiary), or any other intentional misconduct by Participant adversely affecting the business or affairs of the Corporation (or any Parent or Subsidiary) in a material manner. The foregoing definition shall not in any way preclude or restrict the right of the Corporation (or any Parent or Subsidiary) to discharge or dismiss Participant or any other person in the Service of the Corporation (or any Parent or Subsidiary) for any other acts or omissions, but such other acts or omissions shall not be deemed, for purposes of the Plan or this Agreement, to constitute grounds for termination for Misconduct.

N. 1934 Act shall mean the Securities Exchange Act of 1934, as amended from time to time.

O. Participant shall mean the person to whom the Award is made pursuant to the Agreement.

P. Parent shall mean any corporation (other than the Corporation) in an unbroken chain of corporations ending with the Corporation, provided each corporation in the unbroken chain (other than the Corporation) owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

Q. Permanent Disability shall mean the inability of Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which is expected to result in death or to be of continuous duration of twelve (12) months or more.

R. Plan shall mean the Corporation's Amended and Restated 2005 Long-Term Incentive Plan.

S. Plan Administrator shall mean the committee(s) designated by the Board to administer the Plan.

T. Retirement shall mean Participant's voluntary termination from Service (i) on or after his attainment of age sixty five (65), or (ii) on or after his attainment of age 55 with at least ten (10) years of service, or involuntary termination from Service with at least thirty (30) years of service other than in connection with a termination for Misconduct. "Years of service" means Participant's total number of years of "accumulated service" as such term is defined with respect to salaried employees under the Retirement Plan for Koppers Inc. (regardless of whether Participant is eligible to receive a benefit under such plan).

U. Service shall mean Participant's performance of services for the Corporation (or any Parent or Subsidiary) in the capacity of an Employee, a non-employee member of the board of directors or a consultant or independent advisor. For purposes of this Agreement, Participant shall be deemed to cease Service immediately upon the occurrence of either of the following events: (i) Participant no longer performs services in any of the foregoing capacities for the Corporation (or any Parent or Subsidiary) or (ii) the entity for which Participant performs such services ceases to remain a Parent or Subsidiary of the Corporation, even though Participant may subsequently continue to perform services for that entity. Service shall not be deemed to cease during a period of military leave, sick leave or other personal leave approved by the Corporation; provided, however, that except to the extent otherwise required by law or expressly authorized by the Plan Administrator or by the Corporation's written policy on leaves of absence, no Service credit shall be given for vesting purposes for any period the Participant is on a leave of absence.

V. Stock Exchange shall mean the American Stock Exchange, the Nasdaq Global Market or the New York Stock Exchange.

W. Subsidiary shall mean any corporation (other than the Corporation) in an unbroken chain of corporations beginning with the Corporation, provided each corporation (other than the last corporation) in the unbroken chain owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

X. Withholding Taxes shall mean the federal, state and local income and employment taxes required to be withheld by the Corporation in connection with the vesting and concurrent issuance of the shares of Common Stock under the Award, including any additional shares resulting from the dividend equivalent right provisions of the Award.

SCHEDULE I

PERFORMANCE OBJECTIVE

One hundred percent (100%) of the Restricted Stock Units shall vest upon satisfaction of each of the following: (i) the Participant continues in Service until March 1, 2018 and (ii) the realization of "Relative TSR" at the 50th percentile of the Peer Group over the three (3)-year period measured from January 1, 2016 to December 31, 2018 (the "Measurement Period"). The actual number of Restricted Stock Units to vest upon satisfaction of each of such conditions shall be determined in accordance with the following chart:

Performance Level	**Relative TSR**	**% of Restricted Stock Units Vesting**
Outstanding	80th percentile Or above	200%
	70th percentile	150%
Target	50th percentile	100%
	35th percentile	50%
Threshold	25th percentile Or below	0%

If the Corporation's performance falls within the range of the Threshold and Target or the Target and Outstanding achievement levels, then the number of Restricted Stock Units will be calculated based on a linear interpolation between the 0% and 50% levels, or the 50% and 100% levels, or the 100% and 150% levels, or the 150% and 200% levels, respectively.

The term, "Relative TSR" shall mean total stockholder return relative to the peer group (listed below). The performance period will be January 1, 2016 to December 31, 2018, and TSR results will be calculated in early January at the end of the performance period defined above. TSR for the Company and each company in the peer group will be determined as follows: TSR equals (Ending Stock Price plus Value of Reinvested Dividends during performance period) divided by Starting Stock Price. Starting and Ending Stock Price will be average closing price for the prior two calendar months, and the Company will be "included" in the peer group for performance calculations and rankings.

The Company's performance shall be compared to the peer group which consists of the following companies: [approximately 37 companies from the S&P SmallCap 600 Materials Index]. In the event any of the foregoing companies is no longer publicly traded as of December 31, 2018, such company will be excluded from the Relative TSR calculation; provided, however, that if any of the above companies liquidates or files for bankruptcy, it will automatically be deemed in last place for purposes of the Relative TSR calculation.

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

	2010	2011	2012	2013	2014	Twelve Months Ended December 31, 2015
Earnings:						
Income (loss) from continuing operations before taxes	$ 73.8	$ 52.5	$ 100.6	$ 77.0	$ (5.9)	$ (80.1)
Deduct: Equity earnings net of dividends	0.0	0.2	0.8	0.8	(1.6)	(3.1)
Deduct: Pre-tax income of noncontrolling interests	0.5	0.9	2.0	0.0	0.0	0.0
Add: Fixed charges	40.3	40.8	41.6	39.4	51.8	64.6
Earnings as defined	$ 113.6	$ 92.2	$ 139.4	$ 115.6	$ 47.5	$ (12.4)
Fixed charges:						
Interest expensed	$ 27.1	$ 27.2	$ 27.9	$ 26.8	$ 39.1	$ 50.7
Other	0.0	0.0	0.0	0.4	1.3	0.0
Rents	42.5	43.8	44.3	39.4	36.7	44.7
Interest factor	31%	31%	31%	31%	31%	31%
Estimated interest component of rent	13.2	13.6	13.7	12.2	11.4	$ 13.9
Total fixed charges	$ 40.3	$ 40.8	$ 41.6	$ 39.4	$ 51.8	$ 64.6
Ratio of earnings to fixed charges[(1)]	**2.82**	**2.26**	**3.35**	**2.93**	**0.92**	**(0.19)**

(1) In 2015, earnings did not cover fixed charges by $77.0 million.

KOPPERS HOLDINGS INC.
SUBSIDIARIES OF THE COMPANY
AMENDED LIST OF SUBSIDIARIES

Entity Name	State or Country of Organization
Koppers Inc.	Pennsylvania
Koppers Asia LLC	Delaware
Koppers Concrete Products, Inc.	Delaware
Concrete Partners, Inc.	Delaware
Koppers Delaware, Inc.	Delaware
Koppers Railroad Structures Inc.	Delaware
Koppers World-Wide Ventures Corporation	Delaware
Koppers Ventures LLC	Delaware
Koppers-Nevada LLC	Nevada
Wood Protection Management LLC	Nevada
Koppers NZ LLC	New York
Koppers Performance Chemicals Inc.	New York
Koppers Assurance, Inc.	South Carolina
Continental Carbon Australia Pty Ltd	Australia
Koppers Australia Holding Company Pty Ltd	Australia
Koppers Australia Pty Limited	Australia
Koppers Carbon Materials & Chemicals Pty Ltd	Australia
Koppers Performance Chemicals Australia Pty Ltd	Australia
Koppers Wood Products Pty Ltd	Australia
Koppers Performance Chemicals Brasil Comércio de Preservantes Ltda	Brazil
Koppers Ashcroft Inc.	Canada
Koppers Railroad Structures Canada Inc.	Canada
Timber Specialties Co.	Canada
Osmose Chile Limitada	Chile
Koppers (China) Carbon & Chemical Company Limited	Peoples Republic of China
Koppers (Jiangsu) Carbon Chemical Company Limited	Peoples Republic of China
Koppers (Tianjin) Trading Co., Ltd.	Peoples Republic of China
Koppers Europe ApS	Denmark
Koppers Denmark ApS	Denmark
Koppers European Holdings ApS	Denmark
Koppers Performance Chemicals Denmark ApS	Denmark
Koppers Tar Tech International ApS	Denmark
Oy Koppers Finland Ab	Finland
Koppers Deutschland GmbH	Germany
Koppers Luxembourg S.ar.l	Grand Duchy Luxembourg
Koppers India Carbon Materials and Chemicals Private Limited	India
Protim Abrasives Ltd.	Ireland
Protim Limited	Ireland
Koppers Latvia SIA	Latvia
Protim Solignum Sdn Bhd	Malaysia
Koppers Mauritius	Republic of Mauritius
Koppers NZ Holdings	New Zealand
Koppers Performance Chemicals New Zealand	New Zealand
Mattersmiths Holdings Limited	New Zealand
Mattersmiths TechnologiesLimited	New Zealand
Koppers Norway AS	Norway
Koppers Poland Sp. Z o.o	Poland
Protim Solignum South Africa Pty Ltd	South Africa
Koppers Chemicals Spain, S.L.U.	Spain
Retratar Espana S.L.	Spain
Koppers Sweden AB	Sweden
Wood Protection LP	Texas
Koppers (Thailand) Limited	Thailand
Entity Name	**State or Country of Organization**
Koppers Global Investments C.V.	The Netherlands
Koppers World-Wide Holdings C.V.	The Netherlands
Koppers International B.V.	The Netherlands
Koppers Australasian Investments C.V.	The Netherlands
Koppers Australasian B.V.	The Netherlands
Koppers Netherlands B.V.	The Netherlands
Tankrederij J.A. van Seumeren B.V.	The Netherlands
Celcure Ltd.	United Kingdom
Injecta Ltd.	United Kingdom
Koppers UK Holding Limited	United Kingdom
Koppers UK Limited	United Kingdom
Koppers UK Investments Limited	United Kingdom
Koppers UK Transport Limited	United Kingdom
Koppers Specialty Chemicals Limited	United Kingdom

Protim International Ltd.	United Kingdom
Protim Ltd.	United Kingdom
Protim Solignum Ltd.	United Kingdom

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-8 No. 333-135449) pertaining to the Koppers Holdings Inc. 2005 Long Term Incentive Plan, and

(2) Registration Statement (Form S-8 No. 333-200144) pertaining to the Koppers Holdings Inc. 2005 Long Term Incentive Plan;

of our reports dated February 29, 2016, with respect to the consolidated financial statements and schedule of Koppers Holdings Inc. and the effectiveness of internal control over financial reporting of Koppers Holdings Inc. included in this Annual Report (Form 10-K) for the year ended December 31, 2015.

/s/ ERNST & YOUNG LLP
Pittsburgh, Pennsylvania
February 29, 2016

Exhibit 24

KOPPERS HOLDINGS INC.
POWER OF ATTORNEY
(10-K)

I, David M. Hillenbrand, Ph.D., a Director of Koppers Holdings Inc. (the “Corporation”), a Pennsylvania corporation, hereby constitute and appoint Leroy M. Ball, Jr., Michael J. Zugay and Steven R. Lacy, or any of them, my true and lawful attorneys or attorneys-in-fact, with full power of substitution and revocation, to sign, in my name and on my behalf as a Director of the Corporation, the Corporation’s Form 10-K for the fiscal year ended December 31, 2015, to be filed with the Securities and Exchange Commission, Washington, DC.

WITNESS my hand this 17th day of February, 2016.

/s/ David M. Hillenbrand

David M. Hillenbrand, Ph.D.

Exhibit 24

KOPPERS HOLDINGS INC.
POWER OF ATTORNEY
(10-K)

I, Louis L. Testoni, a Director of Koppers Holdings Inc. (the "Corporation"), a Pennsylvania corporation, hereby constitute and appoint Leroy M. Ball, Jr., Michael J. Zugay and Steven R. Lacy, or any of them, my true and lawful attorneys or attorneys-in-fact, with full power of substitution and revocation, to sign, in my name and on my behalf as a Director of the Corporation, the Corporation's Form 10-K for the fiscal year ended December 31, 2015, to be filed with the Securities and Exchange Commission, Washington, DC.

WITNESS my hand this 17th day of February, 2016.

/s/ Louis L. Testoni

Louis L. Testoni

KOPPERS HOLDINGS INC.
POWER OF ATTORNEY
(10-K)

I, Cynthia A. Baldwin, a Director of Koppers Holdings Inc. (the “Corporation”), a Pennsylvania corporation, hereby constitute and appoint Leroy M. Ball, Jr., Michael J. Zugay and Steven R. Lacy, or any of them, my true and lawful attorneys or attorneys-in-fact, with full power of substitution and revocation, to sign, in my name and on my behalf as a Director of the Corporation, the Corporation’s Form 10-K for the fiscal year ended December 31, 2015, to be filed with the Securities and Exchange Commission, Washington, DC.

WITNESS my hand this 17th day of February, 2016.

/s/ Cynthia A. Baldwin

Cynthia A. Baldwin

KOPPERS HOLDINGS INC.
POWER OF ATTORNEY
(10-K)

I, Albert J. Neupaver, a Director of Koppers Holdings Inc. (the "Corporation"), a Pennsylvania corporation, hereby constitute and appoint Leroy M. Ball, Jr., Michael J. Zugay and Steven R. Lacy, or any of them, my true and lawful attorneys or attorneys-in-fact, with full power of substitution and revocation, to sign, in my name and on my behalf as a Director of the Corporation, the Corporation's Form 10-K for the fiscal year ended December 31, 2015, to be filed with the Securities and Exchange Commission, Washington, DC.

WITNESS my hand this 17th day of February, 2016.

/s/ Albert J. Neupaver

Albert J. Neupaver

Exhibit 24

KOPPERS HOLDINGS INC.
POWER OF ATTORNEY
(10-K)

I, Sharon Feng, Ph.D., a Director of Koppers Holdings Inc. (the “Corporation”), a Pennsylvania corporation, hereby constitute and appoint Leroy M. Ball, Jr., Michael J. Zugay and Steven R. Lacy, or any of them, my true and lawful attorneys or attorneys-in-fact, with full power of substitution and revocation, to sign, in my name and on my behalf as a Director of the Corporation, the Corporation’s Form 10-K for the fiscal year ended December 31, 2015, to be filed with the Securities and Exchange Commission, Washington, DC.

WITNESS my hand this 17th day of February, 2016.

/s/ Sharon Feng

Sharon Feng, Ph.D.

Exhibit 24

KOPPERS HOLDINGS INC.
POWER OF ATTORNEY
(10-K)

I, T. Michael Young, a Director of Koppers Holdings Inc. (the “Corporation”), a Pennsylvania corporation, hereby constitute and appoint Leroy M. Ball, Jr., Michael J. Zugay and Steven R. Lacy, or any of them, my true and lawful attorneys or attorneys-in-fact, with full power of substitution and revocation, to sign, in my name and on my behalf as a Director of the Corporation, the Corporation’s Form 10-K for the fiscal year ended December 31, 2015, to be filed with the Securities and Exchange Commission, Washington, DC.

WITNESS my hand this 17th day of February, 2016.

/s/ T. Michael Young
T. Michael Young

Exhibit 24

KOPPERS HOLDINGS INC.
POWER OF ATTORNEY
(10-K)

I, Walter W. Turner, a Director of Koppers Holdings Inc. (the "Corporation"), a Pennsylvania corporation, hereby constitute and appoint Leroy M. Ball, Jr., Michael J. Zugay and Steven R. Lacy, or any of them, my true and lawful attorneys or attorneys-in-fact, with full power of substitution and revocation, to sign, in my name and on my behalf as a Director of the Corporation, the Corporation's Form 10-K for the fiscal year ended December 31, 2015, to be filed with the Securities and Exchange Commission, Washington, DC.

WITNESS my hand this 17th day of February, 2016.

/s/ Walter W. Turner

Walter W. Turner

KOPPERS HOLDINGS INC.

POWER OF ATTORNEY

(10-K)

I, Stephen R. Tritch, a Director of Koppers Holdings Inc. (the “Corporation”), a Pennsylvania corporation, hereby constitute and appoint Leroy M. Ball, Jr., Michael J. Zugay and Steven R. Lacy, or any of them, my true and lawful attorneys or attorneys-in-fact, with full power of substitution and revocation, to sign, in my name and on my behalf as a Director of the Corporation, the Corporation’s Form 10-K for the fiscal year ended December 31, 2015, to be filed with the Securities and Exchange Commission, Washington, DC.

WITNESS my hand this 17th day of February, 2016.

/s/ Stephen R. Tritch

Stephen R. Tritch

Exhibit 31.1

CERTIFICATIONS

I, Leroy M. Ball, Jr. certify that:

1. I have reviewed this annual report on Form 10-K of Koppers Holdings Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent functions):
    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: February 29, 2016

/s/ Leroy M. Ball, Jr.
Leroy M. Ball, Jr.
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Michael J. Zugay, certify that:

1. I have reviewed this annual report on Form 10-K of Koppers Holdings Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 29, 2016

/s/ MICHAEL J. ZUGAY
Michael J. Zugay
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Koppers Holdings Inc. (the “Company”) on Form 10-K for the year ended December 31, 2015, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), each of the undersigned hereby certifies in his capacity as an officer of Koppers Holdings Inc., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Leroy M. Ball, Jr.
Leroy M. Ball, Jr.
President and Chief Executive Officer

February 29, 2016

/s/ Michael J. Zugay
Michael J. Zugay
Chief Financial Officer

February 29, 2016