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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2012

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)

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 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 ☒

Common Stock, par value $0.01 per share, outstanding at October 31, 2012 amounted to 20,580,166 shares.

PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

KOPPERS HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three Months Ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
(Dollars in millions, except per share amounts)	(Unaudited)		(Unaudited)	
Net sales	$ 387.9	$ 381.2	$ 1,180.1	$ 1,097.2
Cost of sales (excluding items below)	331.4	315.0	1,003.2	922.4
Depreciation and amortization	6.7	6.7	21.1	19.5
Selling, general and administrative expenses	19.0	19.4	55.1	55.6
Operating profit	30.8	40.1	100.7	99.7
Other income	0.6	0.1	1.7	0.2
Interest expense	6.9	6.7	20.8	20.3
Income before income taxes	24.5	33.5	81.6	79.6
Income taxes	8.3	11.0	28.5	27.5
Income from continuing operations	16.2	22.5	53.1	52.1
Income (loss) from discontinued operations, net of tax benefit (expense) of $0.0, $(0.3), $0.2 and $0.6	0.0	0.2	(0.1)	(0.5)
Net income	16.2	22.7	53.0	51.6
Net income attributable to noncontrolling interests	0.2	0.3	1.0	0.5
Net income attributable to Koppers	$ 16.0	$ 22.4	$ 52.0	$ 51.1
Earnings per common share attributable to Koppers common shareholders:				
Basic –				
Continuing operations	$ 0.77	$ 1.07	$ 2.52	$ 2.51
Discontinued operations	0.00	0.01	(0.01)	(0.03)
Earnings per basic common share	$ 0.77	$ 1.08	$ 2.51	$ 2.48
Diluted –				
Continuing operations	$ 0.77	$ 1.07	$ 2.50	$ 2.49
Discontinued operations	0.00	0.01	(0.01)	(0.03)
Earnings per diluted common share	$ 0.77	$ 1.08	$ 2.49	$ 2.46
Comprehensive income	$ 25.3	$ 8.7	$ 60.8	$ 52.1
Comprehensive income attributable to noncontrolling interests	0.3	0.3	1.0	0.8
Comprehensive income attributable to Koppers	$ 25.0	$ 8.4	$ 59.8	$ 51.3
Weighted average shares outstanding *(in thousands):*				
Basic	20,694	20,603	20,709	20,598
Diluted	20,900	20,746	20,940	20,749
Dividends declared per common share	$ 0.24	$ 0.22	$ 0.72	$ 0.66

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

KOPPERS HOLDINGS INC.
CONDENSED CONSOLIDATED BALANCE SHEET

(Dollars in millions, except per share amounts)	*September 30, 2012* *(Unaudited)*	*December 31, 2011*
Assets		
Cash and cash equivalents	$ 68.9	$ 54.1
Accounts receivable, net of allowance of $3.7 and $0.3	172.9	160.9
Income tax receivable	2.9	10.6
Inventories, net	190.5	159.0
Deferred tax assets	9.7	9.3
Loan to related party	11.7	11.7
Other current assets	23.2	21.8
Total current assets	479.8	427.4
Equity in non-consolidated investments	5.9	4.9
Property, plant and equipment, net	152.4	155.6
Goodwill	73.0	72.1
Deferred tax assets	34.5	44.3
Other assets	21.2	26.4
Total assets	$ 766.8	$ 730.7
Liabilities		
Accounts payable	$ 109.3	$ 102.1
Accrued liabilities	70.9	63.1
Dividends payable	5.6	5.2
Total current liabilities	185.8	170.4
Long-term debt	297.4	302.1
Accrued postretirement benefits	91.9	104.1
Other long-term liabilities	40.9	46.9
Total liabilities	616.0	623.5
Commitments and contingent liabilities (Note 16)		
Equity		
Senior Convertible Preferred Stock, $0.01 par value per share; 10,000,000 shares authorized; no shares issued	0.0	0.0
Common Stock, $0.01 par value per share; 40,000,000 shares authorized; 21,531,192 and 21,309,210 shares issued	0.2	0.2
Additional paid-in capital	149.1	142.9
Retained earnings	43.5	6.7
Accumulated other comprehensive loss	(22.5)	(30.2)
Treasury stock, at cost, 951,026 and 706,161 shares	(32.9)	(24.8)
Total Koppers shareholders' equity	137.4	94.8
Noncontrolling interests	13.4	12.4
Total equity	150.8	107.2
Total liabilities and equity	$ 766.8	$ 730.7

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

KOPPERS HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Nine months ended September 30, 2012	2011
(Dollars in millions)	*(Unaudited)*	
Cash provided by (used in) operating activities:		
Net income	$ 53.0	$ 51.6
Adjustments to reconcile net cash provided by operating activities:		
Depreciation and amortization	21.1	20.8
Gain on sale of assets	(0.2)	(0.2)
Deferred income taxes	7.7	4.2
Equity income, net of dividends received	(0.9)	(0.2)
Change in other liabilities	(8.3)	(3.2)
Non-cash interest expense	1.2	1.2
Stock-based compensation	5.1	3.7
Other	(0.2)	(2.9)
(Increase) decrease in working capital:		
Accounts receivable	(11.4)	(50.8)
Inventories	(29.9)	(2.5)
Accounts payable	6.7	9.5
Accrued liabilities and other working capital	10.6	13.3
Net cash provided by operating activities	54.5	44.5
Cash provided by (used in) investing activities:		
Capital expenditures	(15.6)	(19.6)
Acquisitions	(0.2)	(1.0)
Net cash proceeds from divestitures and asset sales	0.7	0.7
Net cash used in investing activities	(15.1)	(19.9)
Cash provided by (used in) financing activities:		
Borrowings of revolving credit	225.9	165.2
Repayments of revolving credit	(230.9)	(150.2)
Repayments of long-term debt	0.0	(1.0)
Issuances of Common Stock	0.8	0.2
Repurchases of Common Stock	(8.2)	(0.2)
Payment of deferred financing costs	(0.1)	(0.5)
Dividends paid	(14.5)	(13.6)
Net cash used in financing activities	(27.0)	(0.1)
Effect of exchange rate changes on cash	2.4	(0.6)
Net increase in cash and cash equivalents	14.8	23.9
Cash and cash equivalents at beginning of year	54.1	35.3
Cash and cash equivalents at end of period	$ 68.9	$ 59.2

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Unaudited)*

1. Basis of Presentation and New Accounting Standards

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

The financial information included herein should be read in conjunction with the Company's audited consolidated financial statements and related notes included in its Annual Report on Form 10-K for the year ended December 31, 2011 and certain sections as restated in the Company's Current Report on Form 8-K dated June 27, 2012.

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

2. Dividends

On November 6, 2012, the Company's board of directors declared a quarterly dividend of 24 cents per common share, payable on January 7, 2013 to shareholders of record as of November 19, 2012.

3. Discontinued operations

In December 2011, the Company ceased manufacturing operations at its only carbon black facility located in Kurnell, Australia. This business was reclassified to discontinued operations in the first quarter of 2012 as run-off activities were completed. This decision was made as a result of deteriorating business conditions including raw material availability and cost, competition in the export markets due to the strength of the Australian dollar and a variety of other factors. The costs related to this closure totaled $41.0 million in the fourth quarter of 2011, of which $20.8 million was recorded as a component of cost of sales and $20.2 million was recorded as a component of depreciation and amortization. The Company estimates that total future closure costs related to this facility will be approximately $1.0 million. The closure is expected to be completed by 2014. The facility is part of the Carbon Materials & Chemicals segment.

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

(Dollars in millions)	*Severance and employee benefits*	*Environmental remediation*	*Inventory writedowns*	*Site demolition*	*Other*	*Total*
Reserve at December 31, 2011	$ 1.8	$ 6.7	$ 0.0	$ 6.2	$ 1.2	$15.9
Charges	0.1	0.0	0.4	0.0	0.0	0.5
Costs charged against assets	0.0	0.0	(0.4)	0.0	0.0	(0.4)
Reversals	(0.1)	0.0	0.0	0.0	0.0	(0.1)
Cash paid	(1.6)	(0.1)	0.0	(0.3)	(0.5)	(2.5)
Currency translation	0.0	0.2	0.0	0.2	0.0	0.4
Reserve at September 30, 2012	$ 0.2	$ 6.8	$ 0.0	$ 6.1	$ 0.7	$13.8

Net sales and operating profit from discontinued operations for the three months and nine months ended September 30, 2012 and 2011 consist of the following amounts:

	Three Months Ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Net sales	$ 0.3	$ 19.8	$ 5.7	$ 56.5
Operating profit (loss)	(0.1)	0.2	(0.3)	(1.5)

4. Fair Value Measurements

Carrying amounts and the related estimated fair values of the Company's financial instruments as of September 30, 2012 and December 31, 2011 are as follows:

	September 30, 2012		December 31, 2011	
	Fair Value	Carrying Value	Fair Value	Carrying Value
(Dollars in millions)				
Financial assets:				
Cash and cash equivalents, including restricted cash	$ 68.9	$ 68.9	$ 54.1	$ 54.1
Investments and other assets[(a)]	1.3	1.3	1.3	1.3
Financial liabilities:				
Long-term debt (including current portion)	$ 332.2	$297.4	$ 324.4	$302.1

(a) Excludes equity method investments.

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

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

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

5. Comprehensive Income and Equity

Total comprehensive income for the three and nine months ended September 30, 2012 and 2011 is summarized in the table below:

	Three Months Ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
(Dollars in millions)				
Net income	$ 16.2	$ 22.7	$ 53.0	$ 51.6
Other comprehensive income (loss):				
Change in currency translation adjustment	7.8	(14.9)	4.1	(2.2)
Change in unrecognized pension transition asset, net of tax	(0.1)	(0.1)	(0.2)	(0.2)
Change in unrecognized prior service cost, net of tax	0.1	0.0	0.1	0.0
Change in unrecognized pension net loss, net of tax	1.3	1.0	3.8	2.9
Total comprehensive income	25.3	8.7	60.8	52.1
Less: comprehensive income attributable to noncontrolling interests	0.3	0.3	1.0	0.8
Comprehensive income attributable to Koppers	$ 25.0	$ 8.4	$ 59.8	$ 51.3

The following tables present the change in equity for the nine months ended September 30, 2012 and September 30, 2011, respectively:

(Dollars in millions)	*Total Koppers Shareholders' Equity*	*Noncontrolling Interests*	*Total Equity*
Balance at December 31, 2011	$ 94.8	$ 12.4	$ 107.2
Net income	52.0	1.0	53.0
Issuance of common stock	0.8	0.0	0.8
Employee stock plans	5.4	0.0	5.4
Other comprehensive income	7.8	0.0	7.8
Dividends	(15.2)	0.0	(15.2)
Repurchases of common stock	(8.2)	0.0	(8.2)
Balance at September 30, 2012	$ 137.4	$ 13.4	$ 150.8

(Dollars in millions)	*Total Koppers Shareholders' Equity*	*Noncontrolling Interests*	*Total Equity*
Balance at December 31, 2010	$ 88.7	$ 11.2	$ 99.9
Net income	51.1	0.5	51.6
Issuance of common stock	0.2	0.0	0.2
Employee stock plans	4.1	0.0	4.1
Other comprehensive income	0.2	0.3	0.5
Dividends	(14.0)	0.0	(14.0)
Repurchases of common stock	(0.3)	0.0	(0.3)
Balance at September 30, 2011	$ 130.0	$ 12.0	$ 142.0

6. Earnings per Common Share

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

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

	Three Months Ended September 30,		*Nine months ended September 30,*	
	2012	*2011*	*2012*	*2011*
(Dollars in millions, except share amounts, in thousands, and per share amounts)				
Net income attributable to Koppers	$ 16.0	$ 22.4	$ 52.0	$ 51.1
Less: loss from discontinued operations	0.0	0.2	(0.1)	(0.5)
Income from continuing operations attributable to Koppers	$ 16.0	$ 22.2	$ 52.1	$ 51.6
Weighted average common shares outstanding:				
Basic	20,694	20,603	20,709	20,598
Effect of dilutive securities	206	143	231	151
Diluted	20,900	20,746	20,940	20,749
Earnings per common share – continuing operations:				
Basic earnings per common share	$ 0.77	$ 1.07	$ 2.52	$ 2.51
Diluted earnings per common share	0.77	1.07	2.50	2.49
Other data:				
Antidilutive securities excluded from computation of diluted earnings per common share	203	219	191	103

7. Stock-based Compensation

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

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

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

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

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

The following table shows a summary of the performance stock units with uncompleted performance periods as of September 30, 2012:

Performance Period	*Minimum Shares*	*Target Shares*	*Maximum Shares*
2011 – 2012	0	84,342	126,513
2012 – 2014	0	100,031	150,047

The following table shows a summary of the status and activity of non-vested stock awards for the nine months ended September 30, 2012:

	Restricted Stock Units	*Performance Stock Units*	*Total Stock Units*	*Weighted Average Grant Date Fair Value per Unit*
Non-vested at January 1, 2012	156,665	297,715	454,380	$ 26.43
Granted	67,012	104,598	171,610	$ 38.35
Credited from dividends	3,779	7,072	10,851	$ 35.67
Performance stock unit adjustment	0	(40,112)	(40,112)	$ 10.68
Vested	(85,187)	(87,013)	(172,200)	$ 18.69
Forfeited	(6,171)	(13,584)	(19,755)	$ 36.00
Non-vested at September 30, 2012	136,098	268,676	404,774	$ 36.11

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

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

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

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

The following table shows a summary of the status and activity of stock options for the nine months ended September 30, 2012:

	Options	*Weighted Average Exercise Price per Option*	*Weighted Average Remaining Contractual Term (in years)*	*Aggregate Intrinsic Value (in millions)*
Outstanding at January 1, 2012	353,452	$ 27.65		
Granted	95,899	$ 38.21		
Exercised	(49,782)	$ 16.15		
Expired	(2,413)	$ 39.99		
Forfeited	(11,420)	$ 36.00		
Outstanding at September 30, 2012	385,736	$ 31.44	7.22	$ 2.2
Exercisable at September 30, 2012	170,786	$ 25.53	5.52	$ 1.8

Total stock-based compensation expense recognized for the three and nine months ended September 30, 2012 and 2011 is as follows:

	Three Months Ended September 30,		*Nine months ended September 30,*	
	2012	*2011*	*2012*	*2011*
(Dollars in millions)				
Stock-based compensation expense recognized:				
Selling, general and administrative expenses	$ 1.9	$ 1.5	$ 5.1	$ 3.7
Less related income tax benefit	0.8	0.6	2.0	1.5
	$ 1.1	$ 0.9	$ 3.1	$ 2.2

As of September 30, 2012, total future compensation expense related to non-vested stock-based compensation arrangements totaled $10.0 million and the weighted-average period over which this cost is expected to be recognized is approximately 23 months.

8. Segment Information

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

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

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

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

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

	Three Months Ended September 30,		*Nine months ended September 30,*	
	2012	*2011*	*2012*	*2011*
(Dollars in millions)				
Revenues from external customers:				
Carbon Materials & Chemicals	$ 241.1	$ 245.6	$ 757.3	$ 701.3
Railroad & Utility Products	146.8	135.6	422.8	395.9
Total	$ 387.9	$ 381.2	$ 1,180.1	$ 1,097.2
Intersegment revenues:				
Carbon Materials & Chemicals	$ 27.0	$ 25.9	$ 83.8	$ 71.5
Depreciation and amortization expense:				
Carbon Materials & Chemicals	$ 4.2	$ 4.5	$ 12.6	$ 12.8
Railroad & Utility Products	2.5	2.2	8.5	6.7
Total	$ 6.7	$ 6.7	$ 21.1	$ 19.5
Operating profit:				
Carbon Materials & Chemicals	$ 18.4	$ 30.7	$ 65.1	$ 70.5
Railroad & Utility Products	12.8	9.9	36.9	30.2
Corporate	(0.4)	(0.5)	(1.3)	(1.0)
Total	$ 30.8	$ 40.1	$ 100.7	$ 99.7

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)	September 30, 2012	December 31, 2011
Segment assets:		
Carbon Materials & Chemicals	$ 528.7	$ 495.2
Railroad & Utility Products	184.8	164.6
All other	53.3	70.9
Total	$ 766.8	$ 730.7
Goodwill:		
Carbon Materials & Chemicals	$ 70.2	$ 69.4
Railroad & Utility Products	2.8	2.7
Total	$ 73.0	$ 72.1

9. Income Taxes

Effective Tax Rate

Income taxes as a percentage of pretax income before discrete items was 35.2 percent and 35.6 percent for the three months ended September 30, 2012 and 2011, respectively. Discrete items included in income taxes for the three months ended September 30, 2012 consisted of a net tax benefit of $0.3 million due primarily to changes in unrecognized tax benefits partially offset by the effect of a United Kingdom corporate tax rate change and tax return to provision adjustments. Discrete items included in income taxes for the three months ended September 30, 2011 consisted of a net tax benefit of $0.9 million due to tax return to provision adjustments and changes in unrecognized tax benefits.

The effective tax rate for the third quarter of 2012 differs from the U.S. federal statutory rate of 35.0 percent due to state taxes (+1.6 percent), nondeductible expenses (+0.4 percent) and unrecognized tax benefits (+0.7 percent) partially offset by the domestic manufacturing deduction (-2.5 percent). With respect to the third quarter of 2011, the effective tax rate differs from the U.S. federal statutory rate of 35.0 percent due to state taxes (+0.9 percent), nondeductible expenses (+0.5 percent) and unrecognized tax benefits (+1.0 percent) partially offset by the taxes on foreign earnings (-0.3 percent) and the domestic manufacturing deduction (-1.5 percent).

Income taxes as a percentage of pretax income before discrete items was 34.7 percent and 35.8 percent for the nine months ended September 30, 2012 and 2011, respectively. Discrete items included in income taxes for the nine months ended September 30, 2012 consisted of net tax expense of $0.2 million due primarily to a tax reserve associated with our 2011 European restructuring project partially offset by changes to other unrecognized tax benefits. Discrete items included in income taxes for the nine months ended September 30, 2011 consisted of a net tax benefit of $0.9 million due to tax return to provision adjustments and changes in unrecognized tax benefits.

The effective tax rate for the first nine months of 2012 differs from the U.S. federal statutory rate of 35.0 percent primarily due to state taxes (+1.6 percent), nondeductible expenses (+0.7 percent) and unrecognized tax benefits (+0.8 percent) partially offset by taxes on foreign earnings (-1.5 percent) and the domestic manufacturing deduction (-1.9 percent). With respect to the first nine months of 2011, the effective tax rate differs from the U.S. federal statutory rate of 35.0 percent primarily due to state taxes (+1.0 percent), nondeductible expenses (+0.6 percent) and unrecognized tax benefits (+0.9 percent) partially offset by taxes on foreign earnings (-0.3 percent) and the domestic manufacturing deduction (-1.4 percent).

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

Uncertain Tax Positions

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

As of September 30, 2012 and December 31, 2011, the total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate, was approximately $5.0 million and $7.1 million, respectively. Unrecognized tax benefits totaled $7.8 million and $9.9 million as of September 30, 2012 and December 31, 2011, respectively. The Company recognizes interest expense and any related penalties from uncertain tax positions in income tax expense. As of September 30, 2012 and December 31, 2011 the Company had accrued approximately $1.1 million and $0.9 million for interest and penalties, respectively.

10. Inventories

Net inventories as of September 30, 2012 and December 31, 2011 are summarized in the table below:

(Dollars in millions)	*September 30, 2012*	*December 31, 2011*
Raw materials	$ 114.9	$ 91.5
Work in process	14.6	20.1
Finished goods	111.1	95.1
	240.6	206.7
Less revaluation to LIFO	50.1	47.7
Net	$ 190.5	$ 159.0

11. Property, Plant and Equipment

Property, plant and equipment as of September 30, 2012 and December 31, 2011 are summarized in the table below:

(Dollars in millions)	*September 30, 2012*	*December 31, 2011*
Land	$ 6.7	$ 6.6
Buildings	35.1	34.7
Machinery and equipment	603.2	593.5
	645.0	634.8
Less accumulated depreciation	492.6	479.2
Net	$ 152.4	$ 155.6

In October 2012, a subsidiary of the Company signed an agreement to construct a coal tar distillation facility in China. Construction is expected to commence in late 2012 and is expected to be completed by mid-2014. The Company's expected capital requirement commitment for the 75 percent-owned facility is approximately $70 million and will be financed by available cash and incremental financing.

Koppers Wood Products Pty Ltd., a subsidiary of the Company, signed an asset purchase agreement in September 2012 to acquire the Western Poles business from Ridolfo Forestry Products Pty Limited. The closing of the transaction is subject to certain conditions and is expected to be completed by the end of November 2012. The Western Poles business is engaged in the procurement and processing of timber for the western Australian utility pole market. The Company will fund the acquisition with available cash on hand.

12. Pensions and Postretirement Benefit Plans

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

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

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

The following table provides the components of net periodic benefit cost for the pension plans for the three and nine months ended September 30, 2012 and 2011:

	Three Months Ended September 30,		*Nine months ended September 30,*	
	2012	*2011*	*2012*	*2011*
(Dollars in millions)				
Service cost	$ 0.8	$ 0.8	$ 2.6	$ 2.5
Interest cost	2.8	2.8	8.0	8.4
Expected return on plan assets	(2.7)	(2.8)	(8.0)	(8.3)
Amortization of prior service cost	0.0	0.0	0.1	0.1
Amortization of net loss	2.0	1.6	6.1	4.7
Amortization of transition asset	(0.0)	0.0	(0.2)	(0.2)
Net periodic benefit cost	$ 2.9	$ 2.4	$ 8.6	$ 7.2
Defined contribution plan expense	$ 1.1	$ 1.3	$ 3.8	$ 4.1
Multi-employer pension plan expense	0.1	0.2	0.3	0.7
Other postretirement benefit plans	0.2	0.1	0.5	0.5

13. Debt

Debt at September 30, 2012 and December 31, 2011 was as follows:

	Weighted Average Interest Rate	*Maturity*	*September 30, 2012*	*December 31, 2011*
(Dollars in millions)				
Revolving Credit Facility	2.46%	2015	$ 1.4	$ 6.4
Senior Notes	7 7/8%	2019	296.0	295.7
Total debt			297.4	302.1
Less short term debt and current maturities of long-term debt			0.0	0.0
Long-term debt			$ 297.4	$ 302.1

Revolving Credit Facility

The Koppers Inc. revolving credit facility agreement provides for a revolving credit facility of up to $300.0 million at variable rates. Borrowings under the revolving credit facility are secured by a first priority lien on substantially all of the assets of Koppers Inc. and its material domestic subsidiaries. The revolving credit facility contains certain covenants for Koppers Inc. and its restricted subsidiaries that limit capital expenditures, additional indebtedness, liens, dividends, investments or acquisitions. In addition, such covenants give rise to events of default upon the failure by Koppers Inc. and its restricted subsidiaries to meet certain financial ratios. Commitment fees totaled $0.2 million and $0.2 million for the three months ended September 30, 2012 and 2011, respectively, and $0.7 million and $0.8 million for the nine months ended September 30, 2012 and 2011, respectively. Commitment fees are charged to interest expense.

As of September 30, 2012, the Company had $280.7 million of unused revolving credit availability for working capital purposes after restrictions from certain letter of credit commitments and other covenants. As of September 30, 2012, $11.5 million of commitments were utilized by outstanding letters of credit.

Senior Notes

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

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

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

14. Asset Retirement Obligations

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

(Dollars in millions)	*September 30, 2012*	*December 31, 2011*
Balance at beginning of year	$ 21.3	$ 17.0
Accretion expense	0.8	1.1
Revision in estimated cash flows, net	1.2	6.3
Expenses incurred	(2.0)	(3.1)
Currency translation	0.2	0.0
Balance at end of period	$ 21.5	$ 21.3

15. Deferred Revenue from Extended Product Warranty Liabilities

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

(Dollars in millions)	*September 30, 2012*	*December 31, 2011*
Balance at beginning of year	$ 4.8	$ 5.7
Revenue earned	(0.6)	(0.9)
Balance at end of period	$ 4.2	$ 4.8

16. Commitments and Contingent Liabilities

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

Legal Proceedings

Coal Tar Pitch Cases. Koppers Inc., along with other defendants, is currently a defendant in lawsuits filed in three states in which the plaintiffs claim they suffered a variety of illnesses (including cancer) as a result of exposure to coal tar pitch sold by the defendants. There are approximately 136 plaintiffs in 75 cases pending as of September 30, 2012 as compared to 131 plaintiffs in 73 cases at December 31, 2011. As of September 30, 2012, there are a total of 70 cases pending in state court in Pennsylvania, four in Arkansas, and one case pending in state court in Tennessee.

The plaintiffs in all 75 pending cases seek to recover compensatory damages, while plaintiffs in 67 cases also seek to recover punitive damages. The plaintiffs in the 70 cases filed in Pennsylvania state court seek unspecified damages in excess of the court's minimum jurisdictional limit. The plaintiffs in the Arkansas state court cases each seek compensatory damages in excess of $50,000 in addition to punitive damages. The plaintiffs in the Tennessee state court case each seek damages of $15.0 million. The other defendants in these lawsuits vary from case to case and include companies such as Beazer East, Inc., United States Steel Corporation, Honeywell International Inc., Vertellus Specialties Inc., Dow Chemical Company, Rust-Oleum Corporation, UCAR Carbon Company, Inc., Exxon Mobil Corporation, Chemtura Corporation, SGL Carbon Corporation, Alcoa, Inc., and PPG Industries, Inc. Discovery is proceeding in these cases. No trial dates have been set in any of these cases.

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

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

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

The case was removed to the United States District Court for the Northern District of Florida in December 2010. Koppers Holdings Inc. filed a motion to dismiss alleging that the Court lacks personal jurisdiction over it. The Court has not yet ruled on Koppers Holdings Inc.'s motion to dismiss. The plaintiffs were granted leave to file a supplemental amended complaint which expands the boundaries of the "class affected area" from its original size. The Court granted the parties' joint motion to stay the proceedings until early January 2013 so that the parties can explore the possibility of resolving the case. The Court has not yet scheduled a class certification hearing or trial.

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

Other Matters. In February 2012, approximately 400 tons of liquid carbon pitch leaked from a storage tank at the Company's terminal facility in Portland, Victoria, Australia. All of the coal tar pitch was contained within the tank farm area and no release of material to water or soil occurred. Costs directly associated with the leak totaled $3.7 million for the nine months ended September 30, 2012, net of estimated insurance recoveries. Expenses associated with the incident include inventory losses, emergency response expenses, incremental logistics expenses, and material clean-up and removal expenses. The Company received two claims for damages totaling approximately $0.5 million from entities who allege that their businesses were adversely affected during the temporary closure of Portland's harbor. In spite of the Company's requests, no additional information regarding the largest claim has been received by the Company. The Company has not provided a reserve for these claims because, at this time, it cannot reasonably determine the probability of a loss, and the amount of the loss, if any, cannot be reasonably estimated. The Company does not currently believe that the resolution of these two matters will involve a loss contingency that would be material to the financial statements.

In July 2012, Koppers Netherlands B.V.'s (Koppers Netherlands) coal tar distillation plant suffered a series of electrical disruptions which significantly affected plant operations and prevented the resumption of plant operations for a period of approximately three weeks. As a result of the suspension of operations, the coal tar distillation plant was unable to provide steam and other services to an adjacent unaffiliated plant. This unaffiliated plant and Koppers Netherlands' plant share certain services and plant infrastructure under a cost sharing agreement. In September 2012, Koppers Netherlands received a business interruption claim of approximately $1.7 million from the owner of the unaffiliated plant. Koppers Netherlands has not received detailed information used by the unaffiliated plant to determine the alleged loss. Until this information is provided and reviewed by Koppers Netherlands, it is unable to determine the validity of the actual damages incurred. 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.

In October 2012, the Company received a claim from a customer alleging that a carbon product sold by the Company was inadequate for its intended use. The customer is requesting a refund of the purchase price, recovery of transport costs and reimbursement of unspecified "operational losses" associated with the use of the product. The Company has requested technical data about the product from the customer and has commenced discussions with the customer to seek a resolution of this matter; however these discussions are in the early stages. In the Company's judgment, the range of reasonably possible loss, in excess of amounts expensed by the Company in the third quarter for this matter, will not involve a loss contingency that would be material to the financial statements.

Environmental and Other Litigation Matters

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

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

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

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

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

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

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

Domestic Environmental Matters. Koppers Inc. has been named as a potentially responsible party (a "PRP") at the Portland Harbor CERCLA site located on the Willamette River in Oregon. Koppers Inc. has replied to an 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. The current estimate for past costs incurred in the remedial investigation/feasibility study is approximately $100 million. Koppers Inc. currently operates a coal tar pitch terminal near the site. Koppers Inc. has accrued its estimated cost of participation in the PRP group. Separate from the EPA activities, a natural resources damages assessment is being conducted by a local trustee group.

In September 2009, Koppers Inc. received a general notice letter notifying it that it may be a PRP at the Newark Bay CERCLA site. In January 2010, Koppers Inc. submitted a response to the general notice letter asserting that Koppers Inc. is a *de minimus* party at this site. Other than the estimated costs of participating in the PRP group at the Portland Harbor and Newark Bay CERCLA sites totaling $0.7 million at September 30, 2012, the Company has not provided a reserve for these matters because, at this time, it cannot reasonably determine the probability of a loss, and the amount of loss, if any, cannot be reasonably estimated. An unfavorable resolution of these matters may have a material adverse effect on the Company's business, financial condition, cash flows and results of operations.

At the request of the Illinois Environmental Protection Agency, Koppers Inc. conducted a voluntary investigation of soil and groundwater at its Stickney, Illinois carbon materials and chemicals facility. Koppers Inc. is conducting such investigations in cooperation with Beazer East. The Company’s reserve for this matter was $0.3 million as of September 30, 2012.

Australian Environmental Matters. Soil and groundwater contamination has been detected at certain of the Company’s Australian facilities. At the Company’s tar distillation facility in Newcastle, New South Wales, Australia, soil contamination from an abandoned underground coal tar pipeline and other groundwater contamination have been detected at a property adjacent to the facility. In 2011, the Company and the owner of the adjacent property reached an agreement in which the Company will contribute $1.6 million and the owner of the adjacent property will contribute $7.5 million toward remediation of the property. The agreement provides that the Company will assume responsibility for the management of the remediation effort and will indemnify the current owner for any remediation costs in excess of its agreed contribution. At the completion of the remediation, the agreement provides that the property will be transferred to the Company. The remediation project commenced in the fourth quarter of 2011 and the Company has reserved its expected remaining remediation costs of $5.1 million and has recorded a receivable, net of cash collections, from the owner of the adjacent property of $3.1 million as of September 30, 2012.

In December 2011, the Company ceased manufacturing operations at its Continental Carbon facility located in Kurnell, Australia. This decision was made as a result of deteriorating business conditions including raw material availability and cost, competition in the export markets due to the strength of the Australian dollar and a variety of other factors. The Company has accrued its expected cost of site remediation resulting from the closure of $6.8 million as of September 30, 2012.

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

Environmental Reserves Rollforward. The following table reflects changes in the accrued liability for environmental matters, of which $8.0 million and $8.1 million are classified as current liabilities at September 30, 2012 and December 31, 2011, respectively:

	Period ended	
(Dollars in millions)	*September 30, 2012*	*December 31, 2011*
Balance at beginning of year	$ 17.7	$ 6.6
Expense	0.9	8.0
Reversal of reserves	(0.2)	(1.6)
Cash expenditures	(4.3)	(2.4)
Assumed remediation liability in exchange for cash	0.0	7.5
Currency translation	0.6	(0.4)
Balance at end of year	$ 14.7	$ 17.7

17. Subsidiary Guarantor Information for Koppers Inc. Senior Notes

On December 1, 2009, Koppers Inc. issued $300.0 million principal value of Senior Notes. Koppers Holdings and each of Koppers Inc.’s 100 percent-owned material domestic subsidiaries other than Koppers Assurance, Inc. fully and unconditionally guarantee, on a joint and several basis, the payment of principal and interest on the Senior Notes. The domestic guarantor subsidiaries include World-Wide Ventures Corporation, Koppers Delaware, Inc., Koppers Concrete Products, Inc., Concrete Partners, Inc., Koppers Ventures LLC and Koppers Asia LLC.

Separate condensed consolidating financial statement information for Koppers Holdings Inc. (the parent), Koppers Inc., domestic guarantor subsidiaries and non-guarantor subsidiaries as of September 30, 2012 and 2011 and for the three and nine months ended September 30, 2012 and 2011 is as follows:

Condensed Consolidating Statement of Comprehensive Income
For the Three Months Ended September 30, 2012

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
Net sales	$ 0.0	$ 238.2	$ 15.1	$ 147.8	$ (13.2)	$ 387.9
Cost of sales including depreciation and amortization	0.0	211.0	9.3	129.7	(11.9)	338.1
Selling, general and administrative	0.4	11.6	0.4	6.6	0.0	19.0
Operating profit (loss)	(0.4)	15.6	5.4	11.5	(1.3)	30.8
Other income (expense)	16.3	0.4	0.3	(0.1)	(16.3)	0.6
Interest expense (income)	0.1	6.9	0.0	1.2	(1.3)	6.9
Income taxes	(0.2)	7.0	0.1	1.4	0.0	8.3
Income from continuing operations	16.0	2.1	5.6	8.8	(16.3)	16.2
Discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0
Noncontrolling interests	0.0	0.0	0.0	0.2	0.0	0.2
Net income attributable to Koppers	$ 16.0	$ 2.1	$ 5.6	$ 8.6	$ (16.3)	$ 16.0
Comprehensive income attributable to Koppers	$ 25.0	$ 3.3	$ 8.1	$ 13.9	$ (25.3)	$ 25.0

Condensed Consolidating Statement of Comprehensive Income
For the Three Months Ended September 30, 2011

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
Net sales	$ 0.0	$ 226.5	$ 16.2	$ 147.3	$ (8.8)	$ 381.2
Cost of sales including depreciation and amortization	0.0	195.3	10.0	123.8	(7.4)	321.7
Selling, general and administrative	0.5	11.6	0.4	6.9	0.0	19.4
Operating profit (loss)	(0.5)	19.6	5.8	16.6	(1.4)	40.1
Other income (expense)	22.7	0.2	0.0	(0.1)	(22.7)	0.1
Interest expense (income)	(0.2)	6.9	0.1	1.2	(1.3)	6.7
Income taxes	0.0	7.7	0.0	3.3	0.0	11.0
Income from continuing operations	22.4	5.2	5.7	12.0	(22.8)	22.5
Discontinued operations	0.0	(0.3)	0.0	0.5	0.0	0.2
Noncontrolling interests	0.0	0.0	0.0	0.3	0.0	0.3
Net income attributable to Koppers	$ 22.4	$ 4.9	$ 5.7	$ 12.2	$ (22.8)	$ 22.4
Comprehensive income attributable to Koppers	$ 8.4	$ 5.8	$ 0.1	$ 2.6	$ (8.5)	$ 8.4

Condensed Consolidating Statement of Comprehensive Income
For the Nine Months Ended September 30, 2012

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net sales	$ 0.0	$ 689.1	$ 73.0	$ 466.7	$ (48.7)	$ 1,180.1
Cost of sales including depreciation and amortization	0.0	601.9	49.2	412.9	(39.7)	1,024.3
Selling, general and administrative	1.3	33.0	1.6	19.2	0.0	55.1
Operating profit (loss)	(1.3)	54.2	22.2	34.6	(9.0)	100.7
Other income (expense)	52.9	0.4	0.8	0.5	(52.9)	1.7
Interest expense (income)	0.1	20.7	0.0	3.9	(3.9)	20.8
Income taxes	(0.5)	20.5	0.3	8.2	0.0	28.5
Income from continuing operations	52.0	13.4	22.7	23.0	(58.0)	53.1
Discontinued operations	0.0	0.0	0.0	(0.1)	0.0	(0.1)
Noncontrolling interests	0.0	0.0	0.0	1.0	0.0	1.0
Net income attributable to Koppers	$52.0	$ 13.4	$ 22.7	$ 21.9	$ (58.0)	$ 52.0
Comprehensive income attributable to Koppers	$59.8	$ 16.9	$ 24.9	$ 24.0	$ (65.8)	$ 59.8

Condensed Consolidating Statement of Comprehensive Income
For the Nine Months Ended September 30, 2011

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net sales	$ 0.0	$ 640.1	$ 48.2	$ 436.6	$ (27.7)	$ 1,097.2
Cost of sales including depreciation and amortization	0.0	565.4	22.6	369.4	(15.5)	941.9
Selling, general and administrative	1.0	31.6	1.4	21.6	0.0	55.6
Operating profit (loss)	(1.0)	43.1	24.2	45.6	(12.2)	99.7
Other income (expense)	51.8	0.3	0.0	(0.1)	(51.8)	0.2
Interest expense (income)	(0.1)	20.7	0.1	3.7	(4.1)	20.3
Income taxes	(0.2)	18.3	0.2	9.2	0.0	27.5
Income from continuing operations	51.1	4.4	23.9	32.6	(59.9)	52.1
Discontinued operations	0.0	0.1	0.0	(0.6)	0.0	(0.5)
Noncontrolling interests	0.0	0.0	0.0	0.5	0.0	0.5
Net income attributable to Koppers	$51.1	$ 4.5	$ 23.9	$ 31.5	$ (59.9)	$ 51.1
Comprehensive income attributable to Koppers	$51.3	$ 7.2	$ 21.4	$ 31.3	$ (59.9)	$ 51.3

Condensed Consolidating Balance Sheet
September 30, 2012

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
ASSETS						
Cash and cash equivalents	$ 0.0	$ 0.1	$ 0.0	$ 68.8	$ 0.0	$ 68.9
Accounts receivable, net	0.0	115.1	317.9	80.6	(337.8)	175.8
Inventories, net	0.0	100.0	0.0	90.6	(0.1)	190.5
Deferred tax assets	0.0	11.0	(1.5)	0.2	0.0	9.7
Other current assets	0.0	7.8	0.1	27.0	0.0	34.9
Total current assets	0.0	234.0	316.5	267.2	(337.9)	479.8
Equity investments	142.9	77.1	27.1	4.1	(245.3)	5.9
Property, plant and equipment, net	0.0	100.3	0.0	52.1	0.0	152.4
Goodwill	0.0	39.8	0.0	33.2	0.0	73.0
Deferred tax assets	0.0	34.8	(10.5)	10.2	0.0	34.5
Other noncurrent assets	0.0	16.4	127.1	43.6	(165.9)	21.2
Total assets	$142.9	$ 502.4	$ 460.2	$ 410.4	$ (749.1)	$ 766.8
LIABILITIES AND EQUITY						
Accounts payable	$ 1.0	$ 365.6	$ 15.3	$ 65.2	$ (337.8)	$ 109.3
Accrued liabilities	4.5	32.4	(0.9)	40.5	0.0	76.5
Short-term debt and current portion of long-term debt	0.0	0.0	0.0	0.0	0.0	0.0
Total current liabilities	5.5	398.0	14.4	105.7	(337.8)	185.8
Long-term debt	0.0	398.4	0.0	64.8	(165.8)	297.4
Other long-term liabilities	0.0	103.9	2.6	26.4	(0.1)	132.8
Total liabilities	5.5	900.3	17.0	196.9	(503.7)	616.0
Koppers stockholders' equity	137.4	(397.9)	443.2	200.1	(245.4)	137.4
Noncontrolling interests	0.0	0.0	0.0	13.4	0.0	13.4
Total liabilities and equity	$142.9	$ 502.4	$ 460.2	$ 410.4	$ (749.1)	$ 766.8

Condensed Consolidating Balance Sheet
December 31, 2011

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

Condensed Consolidating Statement of Cash Flows
For the Nine months Ended September 30, 2012

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Cash provided by (used in) operating activities	$ 21.8	$ 32.0	$ 0.0	$ 15.5	$ (14.8)	$ 54.5
Cash provided by (used in) investing activities:						
Capital expenditures and acquisitions	0.0	(12.2)	0.0	(3.6)	0.0	(15.8)
Net cash proceeds (payments) from divestitures and asset sales	0.0	0.3	0.0	0.4	0.0	0.7
Net cash provided by (used in) investing activities	0.0	(11.9)	0.0	(3.2)	0.0	(15.1)
Cash provided by (used in) financing activities:						
Borrowings (repayments) of long-term debt	0.1	(5.0)	0.0	(0.1)	0.0	(5.0)
Deferred financing costs	0.0	(0.1)	0.0	0.0	0.0	(0.1)
Stock issued (repurchased)	(7.4)	0.0	0.0	0.0	0.0	(7.4)
Dividends paid	(14.5)	(14.8)	0.0	0.0	14.8	(14.5)
Net cash provided by (used in) financing activities	(21.8)	(19.9)	0.0	(0.1)	14.8	(27.0)
Effect of exchange rates on cash	0.0	(0.1)	0.0	2.5	0.0	2.4
Net increase (decrease) in cash and cash equivalents	0.0	0.1	0.0	14.7	0.0	14.8
Cash and cash equivalents at beginning of year	0.0	0.0	0.0	54.1	0.0	54.1
Cash and cash equivalents at end of period	$ 0.0	$0.1	$0.0	$68.8	$0.0	$68.9

Condensed Consolidating Statement of Cash Flows
For the Nine Months Ended September 30, 2011

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
Cash provided by (used in) operating activities	$ 13.6	$ (6.6)	$ 0.0	$ 37.5	$ 0.0	$ 44.5
Cash provided by (used in) investing activities:						
Capital expenditures and acquisitions	0.0	(14.7)	0.0	(4.9)	0.0	(19.6)
Net cash proceeds (payments) from divestitures and asset sales	0.0	0.6	0.0	(0.9)	0.0	(0.3)
Net cash provided by (used in) investing activities	0.0	(14.1)	0.0	(5.8)	0.0	(19.9)
Cash provided by (used in) financing activities:						
Borrowings (repayments) of long-term debt	0.0	14.9	0.0	(0.9)	0.0	14.0
Deferred financing costs	0.0	(0.5)	0.0	0.0	0.0	(0.5)
Dividends paid	(13.6)	0.0	0.0	0.0	0.0	(13.6)
Stock issued (repurchased)	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by (used in) financing activities	(13.6)	14.4	0.0	(0.9)	0.0	(0.1)
Effect of exchange rates on cash	0.0	0.1	0.0	(0.7)	0.0	(0.6)
Net increase (decrease) in cash and cash equivalents	0.0	(6.2)	0.0	30.1	0.0	23.9
Cash and cash equivalents at beginning of year	0.0	8.4	0.0	26.9	0.0	35.3
Cash and cash equivalents at end of period	$ 0.0	$ 2.2	$ 0.0	$ 57.0	$ 0.0	$ 59.2

18. Subsidiary Guarantor Information for Shelf Registration

Under a registration statement on Form S-3, Koppers Holdings may sell a combination of securities, including common stock, debt securities, preferred stock, depository shares, warrants and units from time to time in one or more offerings. In addition, Koppers Inc. may sell debt securities from time to time under the registration statement. Debt securities may be fully and unconditionally guaranteed, on a joint and several basis, by Koppers Holdings, Koppers Inc. and/or other guarantor subsidiaries which will correspond to certain subsidiaries in the United States, Europe and Australia which are 100 percent owned by either Koppers Holdings or Koppers Inc. The non-guarantor subsidiaries consist of certain subsidiaries in the United States, China, India and Mauritius. The guarantor subsidiaries that issue guarantees, if any, will be determined when a debt offering actually occurs under the registration statement and accordingly, the condensed consolidated financial information for subsidiary guarantors will be revised to identify the subsidiaries that actually provided guarantees.

Separate condensed consolidating financial statement information for the parent, Koppers Inc., domestic guarantor subsidiaries, foreign guarantor subsidiaries and non-guarantor subsidiaries as of September 30, 2012 and 2011 and for the three and nine months ended September 30, 2012 and 2011 is as follows:

Condensed Consolidating Statement of Comprehensive Income
For the Three Months Ended September 30, 2012

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Foreign Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
Net sales	$ 0.0	$ 238.2	$ 15.1	$ 118.6	$ 29.2	$ (13.2)	$ 387.9
Cost of sales including depreciation and amortization		211.0	9.3	102.3	27.4	(11.9)	338.1
Selling, general and administrative	0.4	11.6	0.4	5.6	1.0	0.0	19.0
Operating profit (loss)	(0.4)	15.6	5.4	10.7	0.8	(1.3)	30.8
Other income (expense)	16.3	0.4	0.3	0.1	(0.2)	(16.3)	0.6
Interest expense (income)	0.1	6.9	0.0	1.0	0.2	(1.3)	6.9
Income taxes	(0.2)	7.0	0.1	1.4	0.0	0.0	8.3
Income from continuing operations	16.0	2.1	5.6	8.4	0.4	(16.3)	16.2
Discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Noncontrolling interests	0.0	0.0	0.0	0.0	0.2	0.0	0.2
Net income attributable to Koppers	$16.0	$ 2.1	$ 5.6	$ 8.4	$ 0.2	$ (16.3)	$ 16.0
Comprehensive income attributable to Koppers	$25.0	$ 3.3	$ 8.1	$ 14.3	$ 0.4	$ (26.1)	$ 25.0

Condensed Consolidating Statement of Comprehensive Income
For the Three Months Ended September 30, 2011

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Foreign Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
Net sales	$ 0.0	$ 226.5	$ 16.2	$ 112.4	$ 34.9	$ (8.8)	$ 381.2
Cost of sales including depreciation and amortization	0.0	195.3	10.0	90.9	32.9	(7.4)	321.7
Selling, general and administrative	0.5	11.6	0.4	6.2	0.7	0.0	19.4
Operating profit (loss)	(0.5)	19.6	5.8	15.3	1.3	(1.4)	40.1
Other income (expense)	22.7	0.2	0.0	(0.2)	0.1	(22.7)	0.1
Interest expense (income)	(0.2)	6.9	0.1	1.2	0.0	(1.3)	6.7
Income taxes	0.0	7.7	0.0	3.3	0.0	0.0	11.0
Income from continuing operations	22.4	5.2	5.7	10.6	1.4	(22.8)	22.5
Discontinued operations	0.0	(0.3)	0.0	0.5	0.0	0.0	0.2
Noncontrolling interests	0.0	0.0	0.0	0.0	0.3	0.0	0.3
Net income attributable to Koppers	$22.4	$ 4.9	$ 5.7	$ 11.1	$ 1.1	$ (22.8)	$ 22.4
Comprehensive income attributable to Koppers	$ 8.4	$ 5.8	$ 0.1	$ 1.5	$ (0.6)	$ (6.8)	$ 8.4

Condensed Consolidating Statement of Comprehensive Income
For the Nine Months Ended September 30, 2012

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Foreign Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net sales	$ 0.0	$ 689.1	$ 73.0	$ 355.4	$ 111.3	$ (48.7)	$ 1,180.1
Cost of sales including depreciation and amortization	0.0	601.9	49.2	309.6	103.3	(39.7)	1,024.3
Selling, general and administrative	1.3	33.0	1.6	16.7	2.5	0.0	55.1
Operating profit (loss)	(1.3)	54.2	22.2	29.1	5.5	(9.0)	100.7
Other income (expense)	52.9	0.4	0.8	0.1	0.4	(52.9)	1.7
Interest expense (income)	0.1	20.7	0.0	3.0	0.9	(3.9)	20.8
Income taxes	(0.5)	20.5	0.3	7.5	0.7	0.0	28.5
Income from continuing operations	52.0	13.4	22.7	18.7	4.3	(58.0)	53.1
Discontinued operations	0.0	0.0	0.0	(0.1)	0.0	0.0	(0.1)
Noncontrolling interests	0.0	0.0	0.0	0.0	1.0	0.0	1.0
Net income attributable to Koppers	$52.0	$ 13.4	$ 22.7	$ 18.6	$ 3.3	$ (58.0)	$ 52.0
Comprehensive income attributable to Koppers	$59.8	$ 16.9	$ 24.9	$ 21.4	$ 3.3	$ (66.5)	$ 59.8

Condensed Consolidating Statement of Comprehensive Income
For the Nine Months Ended September 30, 2011

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Foreign Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net sales	$ 0.0	$ 640.1	$ 48.2	$ 337.7	$ 101.1	$ (29.9)	$ 1,097.2
Cost of sales including depreciation and amortization	0.0	565.4	22.6	277.0	94.6	(17.7)	941.9
Selling, general and administrative	1.0	31.6	1.4	19.3	2.3	0.0	55.6
Operating profit (loss)	(1.0)	43.1	24.2	41.4	4.2	(12.2)	99.7
Other income (expense)	51.8	0.3	0.0	(0.2)	0.1	(51.8)	0.2
Interest expense (income)	(0.1)	20.7	0.1	3.7	0.0	(4.1)	20.3
Income taxes	(0.2)	18.3	0.2	8.9	0.3	0.0	27.5
Income from continuing operations	51.1	4.4	23.9	28.6	4.0	(59.9)	52.1
Discontinued operations	0.0	0.1	0.0	(0.6)	0.0	0.0	(0.5)
Noncontrolling interests	0.0	0.0	0.0	0.0	0.5	0.0	0.5
Net income attributable to Koppers	$51.1	$ 4.5	$ 23.9	$ 28.0	$ 3.5	$ (59.9)	$ 51.1
Comprehensive income attributable to Koppers	$51.3	$ 7.2	$ 21.4	$ 28.3	$ 2.2	$ (59.1)	$ 51.3

Condensed Consolidating Balance Sheet
September 30, 2012

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Foreign Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
ASSETS							
Cash and cash equivalents	$ 0.0	$ 0.1	$ 0.0	$ 66.2	$ 2.6	$ 0.0	$ 68.9
Accounts receivable, net	0.0	115.1	317.9	66.2	14.5	(337.9)	175.8
Inventories, net	0.0	100.0	0.0	80.1	10.5	(0.1)	190.5
Deferred tax assets	0.0	11.0	(1.5)	0.0	0.2	0.0	9.7
Other current assets	0.0	7.8	0.1	11.1	15.9	0.0	34.9
Total current assets	0.0	234.0	316.5	223.6	43.7	(338.0)	479.8
Equity investments	142.9	77.1	27.1	20.0	4.0	(265.2)	5.9
Property, plant and equipment, net	0.0	100.3	0.0	37.3	14.8	0.0	152.4
Goodwill	0.0	39.8	0.0	31.8	1.4	0.0	73.0
Deferred tax assets	0.0	34.8	(10.5)	11.8	(1.6)	0.0	34.5
Other noncurrent assets	0.0	16.4	127.1	3.6	39.9	(165.8)	21.2
Total assets	$142.9	$ 502.4	$ 460.2	$ 328.1	$ 102.2	$ (769.0)	$ 766.8
LIABILITIES AND EQUITY							
Accounts payable	$ 1.0	$ 365.6	$ 15.3	$ 47.1	$ 18.1	$ (337.8)	$ 109.3
Accrued liabilities	4.5	32.4	(0.9)	35.5	5.0	0.0	76.5
Short-term debt and current portion of long-term debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total current liabilities	5.5	398.0	14.4	82.6	23.1	(337.8)	185.8
Long-term debt	0.0	398.4	0.0	64.8	0.0	(165.8)	297.4
Other long-term liabilities	0.0	103.9	2.6	20.3	6.1	(0.1)	132.8
Total liabilities	5.5	900.3	17.0	167.7	29.2	(503.7)	616.0
Koppers stockholders’ equity	137.4	(397.9)	443.2	160.4	59.6	(265.3)	137.4
Noncontrolling interests	0.0	0.0	0.0	0.0	13.4	0.0	13.4
Total liabilities and equity	$142.9	$ 502.4	$ 460.2	$ 328.1	$ 102.2	$ (769.0)	$ 766.8

Condensed Consolidating Balance Sheet
December 31, 2011

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

Condensed Consolidating Statement of Cash Flows
For the Nine Months Ended September 30, 2012

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Foreign Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
Cash provided by (used in) operating activities	$ 21.8	$ 32.0	$ 0.0	$ 21.5	$ (6.0)	$ (14.8)	$ 54.5
Cash provided by (used in) investing activities:							
Capital expenditures and acquisitions	0.0	(12.2)	0.0	(3.2)	(0.4)	0.0	(15.8)
Net cash proceeds (payments) from divestitures and asset sales	0.0	0.3	0.0	0.3	0.1	0.0	0.7
Net cash provided by (used in) investing activities	0.0	(11.9)	0.0	(2.9)	(0.3)	0.0	(15.1)
Cash provided by (used in) financing activities:							
Borrowings (repayments) of long-term debt	0.1	(5.0)	0.0	0.0	(0.1)	0.0	(5.0)
Deferred financing costs	0.0	(0.1)	0.0	0.0	0.0	0.0	(0.1)
Stock issued (repurchased)	(7.4)	0.0	0.0	0.0	0.0	0.0	(7.4)
Dividends paid	(14.5)	(14.8)	0.0	0.0	0.0	14.8	(14.5)
Net cash provided by (used in) financing activities	(21.8)	(19.9)	0.0	0.0	(0.1)	14.8	(27.0)
Effect of exchange rates on cash	0.0	(0.1)	0.0	2.5	0.0	0.0	2.4
Net increase (decrease) in cash and cash equivalents	0.0	0.1	0.0	21.1	(6.4)	0.0	14.8
Cash and cash equivalents at beginning of year	0.0	0.0	0.0	45.1	9.0	0.0	54.1
Cash and cash equivalents at end of period	$ 0.0	$ 0.1	$ 0.0	$ 66.2	$ 2.6	$ 0.0	$ 68.9

Condensed Consolidating Statement of Cash Flows
For the Nine Months Ended September 30, 2011

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Foreign Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
Cash provided by (used in) operating activities	$ 13.6	$ (6.6)	$ 0.0	$ 39.6	$ (2.1)	$ 0.0	$ 44.5
Cash provided by (used in) investing activities:							
Capital expenditures and acquisitions	0.0	(14.7)	0.0	(5.4)	(0.5)	0.0	(20.6)
Net cash proceeds (payments) from divestitures and asset sales	0.0	0.6	0.0	0.1	0.0	0.0	0.7
Net cash provided by (used in) investing activities	0.0	(14.1)	0.0	(5.3)	(0.5)	0.0	(19.9)
Cash provided by (used in) financing activities:							
Borrowings (repayments) of long-term debt	0.0	14.9	0.0	(0.9)	0.0	0.0	14.0
Deferred financing costs	0.0	(0.5)	0.0	0.0	0.0	0.0	(0.5)
Dividends paid	(13.6)	0.0	0.0	0.0	0.0	0.0	(13.6)
Stock issued (repurchased)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by (used in) financing activities	(13.6)	14.4	0.0	(0.9)	0.0	0.0	(0.1)
Effect of exchange rates on cash	0.0	0.1	0.0	(0.8)	0.1	0.0	(0.6)
Net increase (decrease) in cash and cash equivalents	0.0	(6.2)	0.0	32.6	(2.5)	0.0	23.9
Cash and cash equivalents at beginning of year	0.0	8.4	0.0	17.1	9.8	0.0	35.3
Cash and cash equivalents at end of period	$ 0.0	$ 2.2	$ 0.0	$ 49.7	$ 7.3	$ 0.0	$ 59.2

19. Related Party Transactions

In November 2011, the Company loaned $11.7 million to TKK, a 30-percent owned company in China. The loan is repayable in November 2012. It is expected that this loan will be extended for an additional 12 month period.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This report and any 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 Securities and Exchange Commission, or in Koppers communications with and discussions with investors and analysts in the normal course of business through meetings, phone calls and conference calls, regarding expectations with respect to sales, earnings, cash flows, operating efficiencies, product introduction or expansion, the benefits of acquisitions and divestitures or other matters as well as financings and repurchases of debt or equity securities, 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, general economic and business conditions, demand for Koppers goods and services, competitive conditions, interest rate and foreign currency rate fluctuations, availability of key raw materials and unfavorable resolution of claims against us, as well as those discussed more fully elsewhere in this report and in other documents filed with the Securities and Exchange Commission by Koppers, particularly our latest annual report on Form 10-K. 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. Any forward-looking statements in this report speak only as of the date of this report, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after that date or to reflect the occurrence of unanticipated events.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the unaudited financial statements and related notes included in Item 1 of this Part I as well as the audited consolidated financial statements and the related notes included in our Annual Report on Form 10-K for the year ended December 31, 2011.

Overview

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

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

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

In October 2012 we entered into an agreement with Nippon Steel and Sumikin Chemical and several other entities to develop and construct a fully integrated coal tar based carbon products complex in Pizhou City, Jiangsu Province, China. The complex will include a 300,000 metric ton tar distillation facility that will be majority-owned by Koppers, as well as a carbon black plant and a needle coke plant that will be owned by Nippon Steel and Sumikin Chemical. A significant portion of the products produced at the tar distillation plant will be sold under a long-term supply contract with Nippon Steel and Sumikin Chemical to supply their carbon black and needle coke plants. Construction of the tar distillation plant is expected to commence in late 2012 and be completed in mid-2014.

Outlook

Trend Overview

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

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

The primary product produced by CM&C is carbon pitch, which is sold primarily to the aluminum industry to be used in the production of carbon anodes. 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 and Western Europe have seen significant amounts of smelting capacity idled or closed over the last several years.

In late 2011 and early 2012, reductions in aluminum pricing resulted in additional closures and curtailments in Europe and Australia that have resulted in lower sales volumes of carbon pitch for us in those regions. While we expect to recover some of this volume reduction from operations in China, margins may be negatively affected as our increased presence in Asia has had a dilutive effect on margins due to market conditions in that region as well as the joint venture ownership structures of our Chinese operations.

Our businesses and results of operations were negatively affected in the first nine months of 2012 by difficult economic conditions in Europe. Certain key end markets experienced significant reductions in demand that have negatively affected the profitability for some of our products produced and sold in Europe, and we expect this to continue for at least the next two quarters.

In 2011 our Australian carbon black business experienced reduced profitability due to reduced raw material availability and the strengthening of the Australian dollar relative to the United States dollar, as the majority of sales for these products were exported and were denominated in U.S. dollars. As a result of these conditions, a review of this business was conducted that resulted in the decision to permanently cease production and close the Kurnell facility. Impairment and closure charges of approximately $41 million were incurred for this facility in the fourth quarter of 2011.

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. However over the past few years our coal tar costs have demonstrated a stronger correlation with the price of oil, which has resulted in higher raw material and finished product costs as the price of oil has increased. In response, we have instituted price increases in an attempt to recover the higher coal tar costs from our customers.

The primary end-market for R&UP is the North American railroad industry, which has a large installed base of wood crossties that require periodic replacement. As a result, our 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 from the forests. Additionally, some of our Class 1 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.

We also sell crossties to commercial customers consisting primarily of short-line railroads, whose buying patterns have historically been influenced by general economic conditions. As a result, during recessionary periods sales volumes to our commercial customers have typically been reduced, resulting in lower revenues and profitability for our business.

Seasonality and Effects of Weather on Operations

Our quarterly operating results fluctuate due to a variety of factors that are outside of our control, including inclement weather conditions, which in the past have affected operating results. Operations at several facilities have been halted for short periods of time during the winter months. Moreover, demand for some of our products declines during periods of inclement weather. As a result of the foregoing, we anticipate that we may experience material fluctuations in quarterly operating results. Historically, our operating results have been significantly lower in the fourth and first calendar quarters as compared to the second and third calendar quarters. Due to certain matters that negatively impacted our results for the third quarter of 2012, we expect this seasonality trend to be less pronounced than usual for our fourth quarter 2012 operating results compared to our third quarter 2012 operating results.

Results of Operations – Comparison of Three Months Ended September 30, 2012 and 2011

Consolidated Results

Net sales for the three months ended September 30, 2012 and 2011 are summarized by segment in the following table:

	Three Months Ended September 30, 2012	Three Months Ended September 30, 2011	Net Change
(Dollars in millions)			
Carbon Materials & Chemicals	$ 241.1	$ 245.6	-2%
Railroad & Utility Products	146.8	135.6	+8%
	$ 387.9	$ 381.2	+2%

CM&C net sales decreased by $4.5 million or two percent. Lower sales volumes reduced sales by three percent and foreign translation reduced sales by four percent, which more than offset higher average pricing of five percent as pricing of most products increased as a result of passing through higher raw material costs to customers.

Lower sales volumes were driven by lower volumes of carbon pitch from North America and Australia which resulted in a four percent reduction in sales.

R&UP net sales increased by $11.2 million or eight percent. Higher sales prices for railroad crossties as a result of passing through higher raw material costs to customers increased R&UP sales by eight percent while lower sales volumes for railroad crossties reduced sales by one percent due to reduced contractual demand from our Class 1 railroad customers compared to the prior year quarter. Volumes for other products increased sales by two percent due mainly to increased sales of rail joint bars and other products.

Cost of sales as a percentage of net sales was 85 percent for the quarter ended September 30, 2012 and 83 percent for the quarter ended September 30, 2011. Overall, cost of sales increased $16.4 million between periods and was negatively impacted by a total of $3.1 million of charges related to a plant outage in The Netherlands and costs related to a pitch tank rupture and resulting spill in Australia that occurred in the first quarter of 2012.

Depreciation and amortization for the quarter ended September 30, 2012 was unchanged when compared to the prior year period.

Selling, general and administrative expenses for the quarter ended September 30, 2012 were $0.4 million lower when compared to the prior year period, primarily due to lower average foreign currency exchange rates.

Interest expense for the quarter ended September 30, 2012 was $0.2 million higher when compared to the prior year period and are substantially unchanged.

Income taxes for the quarter ended September 30, 2012 were $2.7 million lower when compared to the prior year period due primarily to a decrease in income before taxes of $9.0 million, partially offset by incremental favorable discrete tax items of $0.6

million primarily associated with tax return to provision adjustments in 2011. The Company's effective income tax rate prior to discrete items for the quarter ended September 30, 2012 was 35.2 percent as compared to the prior year period of 35.6 percent.

Segment Results

Segment operating profit for the three months ended September 30, 2012 and 2011 is summarized by segment in the following table:

	Three Months Ended September 30,		
(Dollars in millions)	*2012*	*2011*	*% Change*
Operating profit:			
Carbon Materials & Chemicals	$ 18.4	$ 30.7	-40%
Railroad & Utility Products	12.8	9.9	+29%
Corporate	(0.4)	(0.5)	+20%
	$ 30.8	$ 40.1	-23%
Operating profit as a percentage of net sales:			
Carbon Materials & Chemicals	7.6%	12.5%	-4.9%
Railroad & Utility Products	8.7%	7.3%	+1.4%
	7.9%	10.5%	-2.6%

CM&C operating profit decreased by $12.3 million or 40 percent. Operating profit as a percentage of net sales for CM&C decreased to 7.6 percent from 12.5 percent in the prior year quarter. Operating profit for the three months ended September 30, 2012 was negatively affected by higher coal tar costs combined with lower volumes for carbon pitch in North America and Australia, which more than offset the positive impact of higher prices for carbon pitch and carbon black feedstock. For the three months ended September 30, 2012 CMC incurred $1.9 million of charges related to an outage at our plant in The Netherlands combined with $1.2 million of costs related to a pitch tank rupture and resulting spill in Australia that occurred in the first quarter of 2012. Both items are net of estimated insurance recoveries.

R&UP operating profit increased by $2.9 million or 29 percent. Operating profit as a percentage of net sales for R&UP increased to 8.7 percent from 7.3 percent in the prior year quarter. Operating profit for the three months ended September 30, 2012 was positively affected by higher prices for railroad crossties and a favorable product mix, which more than offset reduced sales volumes of railroad crossties.

Results of Operations – Comparison of Nine Months Ended September 30, 2012 and 2011

Consolidated Results

Net sales for the nine months ended September 30, 2012 and 2011 are summarized by segment in the following table:

	Nine months ended September 30,		
(Dollars in millions)	*2012*	*2011*	*Net Change*
Carbon Materials & Chemicals	$ 757.3	$ 701.3	+8%
Railroad & Utility Products	422.8	395.9	+7%
	$ 1,180.1	$ 1,097.2	+8%

CM&C net sales increased by $56.0 million or eight percent. Higher average pricing increased sales by ten percent as pricing of most products increased as a result of passing through higher raw material costs to customers.

Higher sales volumes increased sales by one percent for the first nine months of 2012 compared to the same period in 2011. Distillate sales volumes increased sales by three percent compared to the first nine months of 2011 due to carbon black feedstock in Australia being sold externally as opposed to being consumed internally as it had during 2011 prior to the close of our Australian carbon black facility in December 2011.

Foreign translation resulted in a reduction of three percent of sales as compared to the prior year period.

R&UP net sales increased by $26.9 million or seven percent. Higher sales prices for railroad crossties as a result of passing through higher raw material costs to customers increased R&UP sales by seven percent while lower sales volumes for railroad crossties reduced sales by three percent due to reduced contractual demand from our Class 1 railroad customers compared to the prior year period. Volumes for utility poles increased sales by one percent over the prior year period, and volumes for other products increased sales by one percent due mainly to increased sales of rail joint bars and other products.

Cost of sales as a percentage of net sales was 85 percent for the nine months ended September 30, 2012 and 84 percent for the nine months ended September 30, 2011. Overall, cost of sales increased $80.8 million between periods, primarily due to higher sales volumes.

Depreciation and amortization for the nine months ended September 30, 2012 was $1.6 million higher when compared to the prior year period due partially to a fixed asset impairment charge of $0.6 million related to future capital requirements in excess of the net cash generation expected from an electricity co-generation facility located at one of the Company’s wood treatment plants in the United States.

Selling, general and administrative expenses for the nine months ended September 30, 2012 were $0.5 million lower, primarily due to lower average foreign currency exchange rates.

Interest expense for the nine months ended September 30, 2012 was $0.5 million higher when compared to the prior year period primarily due to higher average borrowings.

Income taxes for the nine months ended September 30, 2012 were $1.0 million higher when compared to the prior year period due primarily to an increase in income before taxes of $2.0 million and net unfavorable discrete items of $1.1 million. The Company’s effective income tax rate prior to discrete items for the nine months ended September 30, 2012 was 34.7 percent as compared to the prior year period of 35.8 percent. The reduction in the rate was due primarily to the mix of earnings weighted to the lower tax rate jurisdictions in 2012 compared to 2011.

Segment Results

Segment operating profit for the nine months ended September 30, 2012 and 2011 is summarized by segment in the following table:

	Nine months ended September 30,		
(Dollars in millions)	*2012*	*2011*	*% Change*
Operating profit:			
Carbon Materials & Chemicals	$ 65.1	$ 70.5	-8%
Railroad & Utility Products	36.9	30.2	+22%
Corporate	(1.3)	(1.0)	-30%
	$ 100.7	$ 99.7	+1%
Operating profit as a percentage of net sales:			
Carbon Materials & Chemicals	8.6%	10.1%	-1.5%
Railroad & Utility Products	8.7%	7.6%	+1.1%
	8.5%	9.1%	-0.6%

CM&C operating profit decreased by $5.4 million or eight percent. Operating profit as a percentage of net sales for CM&C decreased to 8.6 percent from 10.1 percent in the prior year period. Operating profit for the nine months ended September 30, 2012 was negatively impacted by higher raw material costs, lower naphthalene prices and lower volumes for carbon pitch, which more than offset higher prices for carbon pitch and carbon black feedstock. Additionally, operating profit for the nine months ended September 30, 2012 was negatively impacted by a $3.1 million increase in our allowance for doubtful accounts due to a customer collection issue in Europe, $3.7 million of costs related to a pitch tank rupture and resulting spill in Australia that occurred in the first quarter of 2012, and $1.9 million of charges related to a plant outage in The Netherlands. The last two items are net of estimated insurance recoveries. These amounts were partially offset by a refund of approximately $3.6 million resulting from a supplier audit of material transport weights.

R&UP operating profit increased by $6.7 million or 22 percent. Operating profit as a percentage of net sales for R&UP increased to 8.7 percent from 7.6 percent in the prior year period. Operating profit for the nine months ended September 30, 2012 was positively affected by higher prices for railroad crossties and a favorable product mix, which more than offset reduced volumes for railroad crossties.

Cash Flow

Net cash provided by operating activities was $54.5 million for the nine months ended September 30, 2012 as compared to net cash provided by operating activities of $44.5 million for the nine months ended September 30, 2011. The increase of $10.0 million in net cash provided by operations is due primarily to higher working capital requirements related to inventory, partially offset by accounts receivable. Net working capital requirements for accounts receivable contributed additional cash flow of $39.4 million as compared to net working capital requirements for inventory which used additional cash flow of $27.4 million. The contribution of cash from accounts receivable is due to the increase in sales volume during 2011 which increased overall accounts receivable at September 30, 2011. Sales volumes in 2012 have remained consistent with 2011 levels. Cash used for inventory increased compared to the prior year due to timing of shipments and higher inventory levels in the R&UP segment for untreated crossties for serving the commercial market.

Net cash used in investing activities was $15.1 million for the nine months ended September 30, 2012 as compared to net cash used in investing activities of $19.9 million for the nine months ended September 30, 2011. The lower net cash used in investing activities is primarily due to lower capital expenditures.

Net cash used in financing activities was $27.0 million for the nine months ended September 30, 2012 as compared to net cash used in financing activities of $0.1 million for the nine months ended September 30, 2011. The increase in cash used for financing activities was principally due to net treasury stock repurchases of $8.0 million and net repayments of the revolving credit facility of $20.0 million. The first nine months of 2012 included net repayments of $5.0 million on the revolving credit facility as compared to net borrowings on the revolving credit facility of $15.0 million for the first nine months of 2011.

Dividends paid were $14.5 million for the nine months ended September 30, 2012 as compared to dividends paid of $13.6 million for the nine months ended September 30, 2011. The dividends for the first nine months of 2012 reflect a quarterly dividend rate of 24 cents per common share on Koppers Holdings common stock compared to a quarterly dividend rate of 22 cents per common share for the first nine months of 2011.

On November 6, 2012, the Company’s board of directors declared a quarterly dividend of 24 cents per common share, payable on January 7, 2013 to shareholders of record as of November 19, 2012.

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 September 30, 2012 the basket totaled $194.7 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."

Liquidity

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

As of September 30, 2012, we had $280.7 million of unused revolving credit availability for working capital purposes after restrictions by various debt covenants and certain letter of credit commitments. As of September 30, 2012, $11.5 million of commitments were utilized by outstanding letters of credit.

The following table summarizes our estimated liquidity as of September 30, 2012 *(dollars in millions)*:

Cash and cash equivalents[1]	$ 68.9
Amount available under revolving credit facility	280.7
Amount available under other credit facilities	15.4
Total estimated liquidity	$365.0

(1) Cash includes approximately $70 million held by foreign subsidiaries, which if repatriated to the United States, would incur an estimated cash tax cost of approximately $30 million.

Our estimated liquidity was $344.7 million at December 31, 2011.

On June 27, 2012, we filed a registration statement on Form S-3 with the Securities and Exchange Commission which gives us the opportunity to offer common stock, debt securities, preferred stock, depositary shares, warrants and units (or a combination of these securities) from time to time in one or more offerings. In addition, Koppers Inc. may sell debt securities from time to time under the registration statement. This registration statement expires on June 26, 2015.

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 mandatory and voluntary defined benefit plan funding. We may also use cash to pursue potential strategic acquisitions. Capital expenditures in 2012, excluding acquisitions, are expected to total approximately $32 million. In October 2012, a subsidiary of the Company signed an agreement to construct a coal tar distillation facility in China. Construction is expected to commence in late 2012 and is expected to be completed by mid-2014. The Company's expected capital requirement commitment for the 75 percent-owned facility is approximately $70 million and will be financed by available cash and incremental financing. A significant portion of the capital requirements will be provided over the next 18 months.

We also signed an asset purchase agreement in September 2012 to acquire an Australian business engaged in the procurement and processing of timber for the utility pole market. In the fourth quarter of 2012, we expect to use cash of approximately $25 million for the Australian acquisition and for funding the construction of the coal tar distillation facility in China. We believe that our cash flow from operations and available borrowings under the revolving credit facility will be sufficient to fund our anticipated liquidity requirements for at least the next twelve months. In the event that the foregoing sources are not sufficient to fund our expenditures and service our indebtedness, we would be required to raise additional funds.

Debt Covenants

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

- The fixed charge coverage ratio, calculated as of the end of each fiscal quarter for the four fiscal quarters then ended, is not permitted to be less than 1.10. The fixed charge coverage ratio at September 30, 2012 was 2.1.
- The leverage ratio, calculated as of the end of each fiscal quarter for the four fiscal quarters then ended, is not permitted to exceed 4.50. The leverage ratio at September 30, 2012 was 1.80.

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

At September 30, 2012, 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.

Legal Matters

The information set forth in Note 16 to the Condensed Consolidated Financial Statements of Koppers Holdings Inc. included in Item 1 of this Part I is incorporated herein by reference.

Recently Issued Accounting Guidance

There is no recently issued accounting guidance that is expected to have a material impact on the Company.

Critical Accounting Policies

There have been no material changes to the Company’s critical accounting policies as disclosed in the Company’s Annual Report on Form 10-K for the year ended December 31, 2011.

Environmental and Other Matters

The information set forth in Note 16 to the Condensed Consolidated Financial Statements of Koppers Holdings Inc. included in Item 1 of Part I is incorporated herein by reference.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There are no material changes to the disclosure on this matter made in the Company’s Annual Report on Form 10-K for the year ended December 31, 2011.

ITEM 4. CONTROLS AND PROCEDURES

The Company’s management, with the participation of the Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the Company’s disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) as of the end of the period covered by this report. Based on that evaluation, the 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. There was no change in the Company’s internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) that occurred during the quarter ended September 30, 2012 that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The information set forth in Note 16 to the Condensed Consolidated Financial Statements of Koppers Holdings Inc. included in Item 1 of Part I of this report is incorporated herein by reference.

ITEM 1A. RISK FACTORS

There have been no material changes to the Risk Factors previously disclosed in Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2011.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table sets forth information regarding Koppers Holdings' repurchases of shares of its common stock during the three months ended September 30, 2012:

Period	*Total Number of Common Shares Purchased*[(1)]	*Average Price paid per Common Share*	*Total Number of Common Shares Purchased as Part of Publicly announced Plans or Programs*	*Approximate Dollar Value of Common Shares that May Yet be Purchased Under the Plans or Programs*
July 1 – July 31	0	$ 0.00	0	$ 0
August 1 – August 31	184,700	$ 32.08	0	$ 69,074,947
September 1 – September 30	15,300	$ 33.44	0	$ 68,563,390

(1) On November 2, 2011, the board of directors approved a common stock repurchase program to allow for the repurchase of up to $75.0 million of common stock from time to time on the open market or in privately negotiated transactions. This column discloses the number of shares purchased on the open market pursuant to such program during the indicated time periods.

ITEM 6. EXHIBITS

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.
12.1**	Computation of ratio of earnings to fixed charges
31.1**	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2**	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
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

** Filed herewith.

SIGNATURES

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

KOPPERS HOLDINGS INC.
(REGISTRANT)

Date: November 9, 2012

By: /S/ LEROY M. BALL

Leroy M. Ball
Vice President and Chief Financial Officer
(Principal Financial Officer,
Principal Accounting Officer and Duly Authorized Officer)

Exhibit 2.1

EXECUTION VERSION

JOINT VENTURE CONTRACT

FOR THE ESTABLISHMENT OF

KOPPERS (JIANGSU) CARBON CHEMICAL COMPANY LIMITED

KOPPERS INTERNATIONAL B.V.

YIZHOU GROUP COMPANY LIMITED

September 10, 2012

TABLE OF CONTENTS

JOINT VENTURE CONTRACT

ARTICLE 1 GENERAL PROVISIONS

1.1 Introduction

In accordance with the *Law of the People's Republic of China on Sino-foreign Equity Joint Ventures* (the "***Joint Venture Law***"), the *Implementing Regulations of the Joint Venture Law* (the "***Joint Venture Regulations***"), and other relevant laws and regulations of the People's Republic of China ("***PRC***"), **Koppers International B.V. and Yizhou Group Company Limited**, adhering to the principles of equality and mutual benefit, agree after friendly consultations to invest jointly in and to set up an equity joint venture company in Pizhou City, Jiangsu Province, **PRC**, and hereby enter into this **Contract**.

1.2 Definitions

In this **Contract**:

1.2.1 ***Affiliate*** means, in relation to a **Party**, any corporation, enterprise, partnership, trust or other entity (an "***Entity***") directly or indirectly controlling or controlled by or under common **Control** with that **Party**. However, the **Parties** agree that **Affiliate** relationships do not exist between enterprises in which the **PRC** state holds controlling interest merely because the equity interest in both them is controlled by the **PRC** state.

1.2.2 ***After-Tax Profits*** has that meaning as set forth in **PRC GAAP**.

1.2.3 ***AIC*** means the **PRC** State Administration of Industry and Commerce, including its authorised local branches, as applicable.

1.2.4 ***Appointed Management Personnel*** means, collectively, the **Company**'s **General Manager** and **CFO**.

1.2.5 ***Approval Authority*** means the **PRC** government authority which, pursuant to relevant **PRC** laws and regulations, is authorized to approve this **Contract** and the **Articles of Association**.

1.2.6 ***Articles of Association*** means the articles of association of the **Company** as set out in Appendix A.

1.2.7 ***Board*** has that meaning as set forth in Article 11.1.

1.2.8 ***Board Meeting Notice*** has that meaning as set forth in Article 11.8.2.

1.2.9 ***Carbon Pitch*** means intermediate **Coal Tar Pitch**, hard **Coal Tar Pitch**, liquid **Coal Tar Pitch**, collectively.

1.2.10 ***CFO*** means the chief financial officer of the **Company**, as described in Article 16.3.1.

1.2.11 ***Coal Tar*** means the Coal Tar distillated and condensed from gas during the process of the high-temperature coking of coal.

1.2.12 ***Coal Tar Pitch*** means the residue stream which is from the distillation of **Coal Tar** after lower-boiling hydrocarbon fractions are removed and which has a softening-point range of 30 to 140 degrees centigrade (30-140 ºC).

1.2.13 ***Commercial Production Date*** means the date on which the aggregate production capacity of **Party B Coking Facilities** reaches not less than 130,000 metric tons of **Coal Tar** per year as a result of **Party B Phase II Coking Facilities** commencing commercial production.

1.2.14 ***Company*** has that meaning as set forth in Article 3.1.

1.2.15 ***Company Term*** has that meaning as set forth in Article 22.1.1.

1.2.16 ***Confidential Information*** has that meaning as set forth in Article 21.1.

1.2.17 ***Contract*** means this *Joint Venture Contract* as negotiated and executed by the **Parties**, which includes Appendices A through F.

1.2.18 ***Control*** means ownership (whether direct or indirect) of more than fifty percent (50%) of a legal person's or **Entity**'s registered capital, or ownership (whether direct or indirect) of more than fifty percent (50%) of a legal person's or **Entity**'s voting stock, or the power to designate or appoint fifty percent (50%) or more of the members of the board of directors or equivalent body of that legal person or **Entity**.

1.2.19 ***Distributable Profits*** has the meaning as set forth in **PRC GAAP**.

1.2.20 ***Effective Date*** has that meaning as set forth in Article 30.2.1.

1.2.21 ***Equity Interest*** means a **Party**'s equity interest in the **Company**.

1.2.22 ***Excusing Event*** has that meaning as set forth in Article 26.1.1.

1.2.23 ***Factory Site*** means the site of the factory which totals 300 *mu*.

1.2.24 ***Funds*** has that meaning as set forth in Article 16.6.1.

1.2.25 ***General Manager*** means that person who, as further detailed in this **Contract** and the **Articles of Association**, leads and participates in the management organization of the **Company**, as well as its day-to-day operations.

1.2.26 ***Land Grant Contract*** means the state-owned land grant contract, the terms of which are substantially consistent with Appendix B, to be entered into between the Pizhou People's Government and the **Company** in accordance with which the Pizhou People's Government grants to the **Company** state-owned land use rights to the **Factory Site**.

1.2.27 ***Major Contracts*** means the following contracts which are executed in connection with this **Contract**: the **Land Grant Contract**, **Technology License and Services Agreement**, **Trademark License Agreement**, **Tar Supply Agreement** and **Steam and Coke Oven Gas Agreement**.

1.2.28 ***Offer, Offeree*** and ***Offeror*** have those meanings in Article 25.4.1.

1.2.29 ***Opposition Notice*** has that meaning as set forth in Article 11.8.3.

1.2.30 ***Party*** means either **Party A** or **Party B** and ***Parties*** means **Party A** and, **Party B** collectively.

1.2.31 ***Party B Coking Facilities*** means (1) the current coking facilities in Linyi, Shandong Province owned by Yizhou Energy Company Limited, a wholly owned subsidiary of **Party B**; (2) the current coking facilities in Pizhou, Jiangsu Province also owned by Yizhou Energy Company Limited; and (3) **Party B Phase II Coking Facilities**.

1.2.32 ***Party B Phase II Coking Facilities*** means the second coking facilities project to be built by Yizhou Energy Company Limited in the chemical industry cluster area within the Pizhou Economic Development Zone on the land adjacent to the current coking facilities owned by Yizhou Energy Company Limited in Pizhou, Jiangsu Province, the annual production capacity of which will be 1,300,000 tons.

1.2.33 ***Party Personnel*** has that meaning in Article 21.4.

1.2.34 ***PRC*** means the People's Republic of China.

1.2.35 ***PRC GAAP*** has that meaning as set forth in Article 16.3.3.

1.2.36 ***Products*** has that meaning in Article 4.2.1.

1.2.37 ***Profit*** has that meaning in **PRC GAAP**.

1.2.38 ***RMB*** means Renminbi, the lawful currency of the **PRC**.

1.2.39 ***SAFE*** means the **PRC** State Administration of Foreign Exchange, including its authorised local branches and agents, as applicable.

1.2.40 ***Steam and Coke Oven Gas Agreement*** means the agreement which sets forth the terms and conditions for the supply of steam and coke oven gas to the **Company** by **Party B** or its **Affiliate**, as set out in Appendix F.

1.2.41 ***Tar Supply Agreement*** means the agreement which set forth the terms and conditions for the supply by Yizhou Energy Company Limited of **Coal Tar** to the **Company**, as set out in Appendix E.

1.2.42 ***Technology License and Services Agreement*** means the agreement which sets forth the terms and conditions under which **Party A** or its **Affiliate** makes available to the **Company** proprietary know-how and technology and technical services, as set out in Appendix C.

1.2.43 ***Trademark License Agreement*** means the Trade Name and Trademark License Agreement which sets forth the terms and conditions under which **Party A** or its **Affiliate** licenses trademark(s) to the **Company**, as set out in Appendix D.

1.2.44 ***Transfer*** has that meaning as set forth in Article 5.8.2(2).

1.2.45 ***Transfer Notice*** has that meaning in Article 5.8.2(2).

1.2.46 ***Transferring Party*** has that meaning in Article 5.8.2(2).

1.2.47 ***US$*** means the United States Dollar, the lawful currency of the **USA**.

1.2.48 ***USA*** means the United States of America.

1.2.49 References to "*assist*" or to "*assistance*" in this **Contract** mean that a **Party** which assists or provides assistance shall use its best efforts to achieve the result desired by the **Parties** in relation to that assistance. For the avoidance of doubt: (a) a **Party** shall not be expected to provide assistance regarding matters that are not within their natural areas of expertise or experience; and (b) a **Party** shall not be liable for any such assistance that does not achieve the desired result.

ARTICLE 2 PARTIES TO THE JOINT VENTURE

2.1 Parties

The **Parties** to this **Contract** are:

2.1.1 **Koppers International B.V.** ("***Party A***"), a limited liability company incorporated and existing under the laws of the Kingdom of the Netherlands with its legal address at Molenlaan 30, 1422ZA Uithoorn, Amsterdam, the Kingdom of the Netherlands. The legal representative of **Party A** is:

Name:	Leroy Ball
Position:	Director
Nationality:	USA

AND

2.1.2 **Yizhou Group Company Limited** ("***Party B***")**,** a limited liability company incorporated and existing under the laws of the **PRC** with its legal address at Linyi City, Shandong Province. The legal representative of **Party B** is:

Name:	Zhang Jianqun
Position:	Chairman of the Board of Directors
Nationality:	PRC

2.2 Power to Enter into this Contract

Each **Party** represents and warrants that:

2.2.1 it possesses full power and authority to enter into this **Contract** and has obtained or immediately shall obtain all necessary approvals to perform its obligations hereunder;

2.2.2 its representative whose signature is affixed to this **Contract** has been or will be fully authorized to sign this **Contract** pursuant to a valid power of attorney, a board resolution or a resolution of shareholder's general meeting, a copy of which shall be provided to the other **Party** to this **Contract**.

ARTICLE 3 ESTABLISHMENT OF THE JOINT VENTURE COMPANY

3.1 Establishment of the Joint Venture Company

In accordance with the **Joint Venture Law** and the **Joint Venture Regulations**, the **Parties** agree to set up a limited liability Sino-foreign equity joint venture company (the "***Company***") pursuant to the terms of this **Contract**. The **Company** shall be governed in accordance with the **Articles of Association**.

3.2 Name and Address of the Company

3.2.1 The name of the **Company** shall be "□□□□□□□□□□□□□□□" in Chinese and "Koppers (Jiangsu) Carbon Chemical Company Limited" in English. The name of the **Company** shall be subject to the verification of the **AIC**.

3.2.2 The legal address of the **Company** shall be in Pizhou City, Jiangsu Province, **PRC**.

3.3 Limited Liability Company

3.3.1 The **Company** shall be a limited liability company. Each **Party** shall be liable to the **Company** to the extent of its respective subscribed contributions to the **Company**'s registered capital that are required to be made pursuant to this **Contract**, and no **Party** shall have any liability to the **Company** or to any third party (including any **PRC** national, provincial or other governmental authority, agency or bureau or any department or division thereof) jointly or severally in excess of such amount. In accordance with relevant **PRC** laws and regulations, the **Parties** shall share the profits and bear risks and losses of the **Company** in proportion to their capital contributions to the **Company**.

3.3.2 The **Parties** agree that they each shall waive any claim that each may have in respect of indirect damages (including, but not limited to, damages for loss of profits or benefits) against the other and each of them agrees not to assert any claim against the other in respect of such indirect damages arising out of any breach of this **Contract**.

3.4 Legal Person Status

The **Company** shall be a legal person under the laws of the **PRC**.

3.5 Compliance with Laws

The activities of the **Company** shall comply with, and be entitled to the protection of, the relevant published laws, statutes, and regulations of the **PRC**, and also shall be in accordance with the **Articles of Association** and this **Contract**.

ARTICLE 4 PURPOSE, SCOPE OF BUSINESS AND SCALE OF PRODUCTION

4.1 Purpose of the Company

The **Parties**' purpose in forming the **Company** is to build and operate a **Coal Tar** production and processing facility that is capable of manufacturing **Coal Tar**-derived products to meet the demands of the domestic and international markets in terms of quality, price and delivery terms for the **Products** and to maximize economic benefits.

4.2 Scope of Business

The **Company**'s business scope shall be:

4.2.1 to produce, process, and sell **Coal Tar**-derived products and other related products (including **Carbon Pitch**, solvent, carbon black feedstock, light oil, wash oil, technical napthalene, crude phenol oil) (collectively, the "***Products***");

4.2.2 to engage in other business activities as necessary to achieve the purposes, goals and overall success of the **Company** as stated in this **Contract**.

4.3 Scale of Production

4.3.1 In accordance with present requirements and market conditions, the **Parties** agree that the annual **Coal Tar** processing capacity of the **Company**, at minimum, shall be 300,000 metric tons of anhydrous **Coal Tar**.

4.3.2 The **Company**'s production capacity and scale of production may be expanded, if there are increased market demand and other economic conditions favoring expansion; provided, however, that any such decision to increase production by the **Company** will be approved by the **Board**.

4.4 Location of Production and Operations

The **Company**'s production and processing shall take place at the **Factory Site**.

ARTICLE 5 TOTAL AMOUNT OF INVESTMENT AND REGISTERED CAPITAL

5.1 Total Amount of Investment

The total amount of investment in the **Company** shall be **RMB** 500,000,000, of which **RMB** 175,000,000 shall be the registered capital of the **Company.**

5.2 Company's Registered Capital; Percentages of Parties' Contributions

5.2.1 The registered capital of the **Company** shall be **RMB** 175,000,000, of which **Party A** shall contribute the **US$** equivalent of **RMB** 131,250,000, accounting for a 75% **Equity Interest** in the **Company**; and of which **Party B** shall contribute **RMB** 43,750,000, accounting for a 25% **Equity Interest** in the **Company**.

5.2.2 Any increase of the registered capital and total investment of the **Company** shall require the unanimous approval of the **Board** and, if required by relevant **PRC** laws and regulations, shall be approved by the **Approval Authority** and registered with the AIC. Any approved increase in the **Company**'s registered capital shall be contributed by the **Parties** in the same proportion as that which existed prior to the increase and, following such increase, the percentages of the **Parties**' Equity Interests in the **Company** shall be consistent with those which existed before such increase. The **Parties** shall make their respective contributions to an increased registered capital in cash, or in such other forms as may be agreed by the **Parties**.

5.3 Contributions of the Parties

The **Parties** shall provide the following as their contributions to the registered capital of the Company:

5.3.1 **Party A** shall contribute the **US$** equivalent of **RMB** 131,250,000 in cash; and

5.3.2 **Party B** shall contribute **RMB** 43,750,000 in cash.

5.4 Timing of Capital Contributions

Following approval of this **Contract** by the **Approval Authority** and the issuance of the **Company**'s business license by the **AIC**, each **Party** shall make its contributions to the registered capital of the **Company** pursuant to the following timetable; provided, however, that no **Party** shall have an obligation to contribute any part of its share of the registered capital of the **Company** until the conditions precedent set out in Article 5.5 have been satisfied or have been waived by the **Parties**.

5.4.1 **Party A** shall contribute:

(1) an **US$** amount equivalent to **RMB**63,000,000 no later than one (1) month from the date of issuance of the **Company**'s business license;

(2) an **US$** amount equivalent to **RMB**42,000,000, at such times as needed by the **Company**, as requested by the **General Manager** and notified in writing to **Party A** (such contribution to be due and payable by **Party A** within thirty (30) days of receipt of such notification). In any event, such contribution shall be made within six (6) months from the date of issuance of the **Company**'s business license;

(3) an **US$** amount equivalent to **RMB**26,250,000, if needed by the **Company**, as requested by the **General Manager**, approved by the **Board** and notified in writing to **Party A** (such contribution to be due and payable by **Party A** within thirty (30) days of receipt of such notification).

5.4.2 **Party B** shall contribute:

(1) RMB21,000,000 no later than one (1) month from the date of issuance of the Company's business license;

(2) RMB14,000,000 at such times as needed by the **Company**, as requested by the **General Manager** and notified in writing to **Party B** (such contribution to be due and payable by **Party B** within thirty (30) days of receipt of such notification). In any event, such contribution shall be made within six (6) months from the date of issuance of the **Company**'s business license;

(3) **RMB**8,750,000 if needed by the **Company**, as requested by the **General Manager**, approved by the **Board** and notified in writing to **Party B** (such contribution to be due and payable by **Party B** within thirty (30) days of receipt of such notification).

5.4.3 The **Parties** shall make their capital contributions simultaneously and in proportion to their respective **Equity Interest**, which shall be in line and synchronized with the schedule of the project construction of the **Company** as agreed by the **Parties**. The **Parties** shall not be obligated to make any capital contributions ahead of the time schedule provided hereunder.

5.5 Essential Conditions

A **Party** shall have no obligation to contribute any part of its share of the registered capital of the **Company** until all of the following events have occurred or the requirement for their occurrence has been waived by the **Parties**:

5.5.1 the following contracts have been executed by the relevant parties or, for those contracts where the **Company** is a party, by the **Parties** on behalf of the **Company** and then subsequently counter-signed by the **Company** after its establishment:

(1) this **Contract**;

(2) the **Articles of Association**; and

(3) the **Major Contracts**;

5.5.2 each **Party** has carried out and completed all of those of its internal approval processes and procedures, including approval by its board of directors, that would be required for it to be a party to this **Contract**, the **Articles of Association**, and for it to execute the **Major Contracts**, and each **Party** has then notified the other **Party**, in writing, of such completion;

5.5.3 this **Contract** and the **Articles of Association** have been approved by the **Approval Authority** and no revisions have been required to be made that are not accepted by the Parties;

5.5.4 the **Company** has received all permits, certificates and approvals from the relevant **PRC** authorities that are necessary for the **Company** to operate, including the following:

(1) an official reply and a certificate of approval from the **Approval Authority;**

(2) a business license from the relevant **AIC**;

(3) an Organization Code Certificate; and

(4) a Foreign Investment Enterprise Foreign Exchange Registration Certificate obtained from **SAFE**;

5.5.5 all registrations and filings have been made with the relevant **PRC** authorities, including the template of the labor contract which sets forth the terms and conditions for employees of the **Company** and has been filed at the relevant Labor and Social Security Bureau.

If any of the conditions specified in Articles 5.5.1 to 5.5.5 has not been satisfied and the **Parties** have not waived such condition in writing within the earlier of (a) three (3) months after the **Company**'s business license is issued, and (b) five (5) months after this **Contract** is signed by the **Parties**, or within any extended period of time as the **Parties** may agree in writing, then either **Party** shall have the right to terminate this **Contract** by written notice to the other **Party**.

5.6 Additional Financing

5.6.1 The **Company** may borrow any additional funds which it requires in accordance with its construction and production needs. If the **Parties** agree that they or their designees will provide security in relation to such borrowing, then they shall provide or arrange for that security to be provided in proportion to their respective percentages of **Equity Interest** in the **Company** set forth in Article 5.2, unless the **Parties** agree in writing otherwise.

5.6.2 A **Party** may, but no **Party** shall be obliged to, lend funds to the **Company**. However, if a **Party** does agree to make such loans, such **Party** shall be entitled to be paid interest or related fees according to law as if the transaction were a negotiated, arm's-length financing from a third party.

5.6.3 In respect of the gap between the total amount of investment and registered capital of the **Company**, the **Company** will borrow loan(s) from third party bank(s).

5.7 Adjustment of Registered Capital

5.7.1 During the **Company Term**, the **Parties** may increase or decrease the **Company**'s registered capital in accordance with the **Articles of Association** and the relevant PRC laws and regulations, and with the approval of the **Approval Authority** (if required). In the event the total amount of investment of the **Company** shall be less than anticipated as set forth in Article 5.1, then the registered capital of the **Company** may be adjusted accordingly.

5.7.2 If the **Board** passes a resolution approving an increase in the **Company**'s registered capital, the **Parties** shall make additional contributions to the **Company**'s registered capital in proportion to their respective percentages of **Equity Interest**. If a Party fails to make such additional capital contribution, the other Party has the right (but not the obligation) to make such additional capital contribution itself, and the Parties' respective percentages of Equity Interest shall then be adjusted proportionately.

5.8 Transfer of Equity Interest

5.8.1 Transfer of **Equity Interest** concerning **Party B Coking Facilities**

(1) **Party B**'s **Equity Interest** in the **Company** shall be increased to 35% by acquiring from **Party A** 10% **Equity Interest** in the **Company** at an amount equal to 10% of the total registered capital already contributed by the **Parties** as of the date of the equity transfer (if the **Commercial Production Date**, as defined in Article 1.2.13, occurs on or before June 30, 2014) or at its fair market value (if the **Commercial Production Date** occurs after June 30, 2014) as of the date of the equity transfer. The **Parties** shall cause their respective representatives at the **Board** to adopt unanimous resolutions approving such equity transfers and shall take all other necessary actions to effect such equity transfers as soon as possible.

(2) If, at any time during the **Company Term**, there will be any change in **Control** over any or all of the **Party B Coking Facilities**, **Party B** shall cause the party (or parties) that will have **Control** over the **Party B Coking Facilities** to agree in writing to be bound by all the provisions of the **Tar Supply Agreement**. Under such circumstances, **Party A** (or a third party designated by **Party A**) shall have the right (but not the obligation) to acquire a portion (as determined by **Party A**) or all of **Party B**'s **Equity Interest** in the **Company** at its fair market value. If Party A decides to exercise such right, the **Parties** shall cause their respective representatives at the **Board** to adopt unanimous resolutions approving such equity transfer and shall take all other necessary actions to effect such equity transfer as soon as possible.

(3) For the purpose of this Article 5.8.1, fair market value shall be the value that would be determined in an arm's length transaction using a valuation method that is appropriate in the circumstances or by an independent third party appraiser to be jointly selected by the **Parties**.

5.8.2 Transfer to a third party other than an **Affiliate**

(1) Subject to the provisions of Articles 5.8.1 and 5.8.2(2) to 5.8.2(5), a **Party** may transfer its **Equity Interest** to a third party other than an **Affiliate** at any time after three (3) years have elapsed since the date of the **Company**'s establishment (as stated on its business license).

(2) When a Party (the "***Transferring Party***") wishes to transfer all or part of its **Equity Interest** to a third party (other than a transfer by a **Party** to an **Affiliate** pursuant to the provisions of Article 5.8.3 (hereinafter the "***Transfer***"), it shall notify the other **Party**, in writing, of: (i) its wish to make the **Transfer**; (ii) the amount of **Equity Interest** it wishes to transfer; (iii) the terms and conditions of the **Transfer**; and (iv) the identity of the proposed transferee (the "***Transfer Notice***"). The other **Party** shall have a pre-emptive right to purchase, on the terms and conditions specified in the **Transfer Notice** the whole of such **Equity Interest**.

(3) The other **Party** shall notify the **Transferring Party** within thirty (30) days of actual delivery of the **Transfer Notice** (the "***Notice Period***")

whether it will purchase all of the **Equity Interest** to be transferred. If the other **Party** fails to notify the **Transferring Party** within such **Notice Period** that it will purchase such **Equity Interest**, then it shall be deemed to have agreed to the **Transfer** to the proposed transferee on the terms and conditions specified in the **Transfer Notice**, and the **Transferring Party** may transfer such **Equity Interest** to such proposed transferee, on the terms and conditions set out in the **Transfer Notice**. The **Parties** shall cause their respective directors on the **Board** to agree unanimously to such transfer. The **Transferring Party** shall provide the other **Party** with a duplicate of the executed written agreement with the transferee within fourteen (14) days of the execution of such agreement. The transferee must agree in writing to be bound by all the provisions of this **Contract** and the **Articles of Association**.

(4) If **Party B** is the **Transferring Party**, the transferee shall not be a competitor of the **Company** (i.e., the transferee shall not have engaged in production and/or distribution of the **Products** as of the time immediately prior to its purchase of the **Equity Interest**).

(5) If **Party A** is the **Transferring Party**, the transferee shall not be a competitor of **Party B** (i.e., the transferee shall not have engaged in production and/or distribution of metallurgical coke as of the time immediately prior to its purchase of the **Equity Interest**).

5.8.3 Transfer to an **Affiliate**

(1) Either **Party** may freely transfer its **Equity Interest** to its **Affiliate** and the other **Party** hereby agrees to such transfer.

(2) When transferring to an **Affiliate**, the transferring **Party** must notify the **Board** and the other **Party**, in writing, of such transfer and specify the name and the legal address of the **Affiliate**, as well as the name, position, nationality and address of the legal representative of the **Affiliate**. The **Parties** each shall cause those directors of the **Company** that they appointed to vote in favor of such transfer.

5.8.4 Amendment of **Contract**

Those **Parties** which, following any transfer of equity interest in the **Company** pursuant to this Article 5.8, remain as the parties to this **Contract** shall ensure that this **Contract** and the **Articles of Association** are immediately amended to reflect such transfer and that all actions necessary to make such transfer valid and enforceable under **PRC** laws and regulations are taken.

5.9 Investment Certificates

On each occasion after a **Party** has made a capital contribution to the registered capital of the **Company**, the **Company** shall engage an independent accountant registered in the **PRC** to verify that such contribution has been paid in and to issue a verification report. Upon the issuance of the verification report by the accountant, the **Company** shall issue to the **Party** an investment certificate which has been signed by the Chairperson and the Vice-Chairperson of the **Company**, and which confirms the amount contributed by the **Party**.

5.10 Rights of a Party

Each **Party** agrees that, at all times during the **Company Term**, the **Parties** shall be entitled to their full rights in accordance with their respective percentages of capital contributions set forth in Article 5.2 (such rights including, but not limited to, their full rights under this **Contract**, in connection with the **Board**, and the **Articles of Association** but subject to the amount of their capital contribution obligations which they have actually paid in to the **Company**) and adjusted in accordance with Article 5.7; provided that, a **Party** wishing to exercise such a right is not in breach of its capital contribution obligations set forth in Article 5.4.

5.11 Pledge of Equity Interest

Neither **Party** may pledge or otherwise create any encumbrance on its **Equity Interest** in the **Company** without obtaining the other **Party**'s prior written consent.

ARTICLE 6 RESPONSIBILITIES OF EACH PARTY TO THE JOINT VENTURE

6.1 General Principles

In addition to its other responsibilities under this **Contract**, each of the **Parties** agrees to assist the **Company** in those areas, including those set forth in this Article 6, in which that **Party** has special expertise and/or experience.

6.2 Supply of Materials, Resources, Services, and Technology

6.2.1 Each **Party** shall assist the **Company** to obtain, at competitive prices, all **Coal Tar** which the **Company** needs pursuant to its annual production plan.

6.2.2 **Party B** shall procure Yizhou Energy Company Limited to enter into the **Tar Supply Agreement** with the Company, under which the **Company** will be provided with all of the **Coal Tar** produced by **Party B**, which is estimated to be not less than 83,000 metric tons of **Coal Tar** per year prior to the **Commercial Production Date** and 130,000 metric tons of **Coal Tar** per year subsequent to the **Commercial Production Date**. The **Parties** shall use their best efforts to assist the **Company** to obtain from third parties all other **Coal Tar** needed by the **Company**. If the amount of **Coal Tar** which the **Company** obtains from third parties is still not sufficient for its needs, then in the event that the **Parties** own and control a new coking facility and if that facility sells **Coal Tar**, then such facility shall sell **Coal Tar** to the **Company**, on a priority basis and at the price determined pursuant to the relevant clauses of the Tar Supply Agreement.

6.2.3 **Party B** shall enter into the **Steam and Coke Oven Gas Agreement** with the Company.

6.2.4 The **Parties** shall assist the **Company** with sourcing, purchasing, and/or, leasing (if applicable) within the **PRC**:

(1) adequate quantities of **Coal Tar** and other materials, including raw materials;

(2) local equipment, articles for office use, means of transportation and communications facilities.

6.2.5 The **Parties** shall assist the **Company** in the procurement of equipment, instruments and vehicles from abroad and in arranging transportation of the same to the **PRC**, and assist the **Company** in the purchase or leasing of other machinery, equipment, supplies, office appliances, means of transportation, communications facilities and other materials required by the **Company** from outside the **PRC**.

6.3 Government and Business Relations

6.3.1 The **Parties** shall handle the establishment of the **Company** in the **PRC** (including submission for approval of this **Contract** and other relevant documents to the **Approval Authority** and to any other government authority whose approval is required), the registration of the **Company** with (and obtaining the business license from) the relevant administration of industry and commerce, and the registration of the **Company** with the relevant tax and customs authorities.

6.3.2 The **Parties** shall assist in handling matters with the relevant branch of **SAFE** to obtain a Foreign Investment Enterprise Foreign Exchange Registration Certificate for the **Company** and other approvals necessary to establish **RMB** bank account(s) and foreign exchange bank account(s) and in handling any other related matters.

6.3.3 The **Parties** shall assist the **Company** to apply for, obtain, and maintain all permits necessary for its operations and activities.

6.3.4 If requested by the **Company**, the **Parties** shall assist the **Company** in handling customs declaration procedures (including obtaining all relevant import and export licenses) for imported raw materials, machinery, equipment, materials, supplies, and related documentation, and exported **Products**; and assist in arranging for the inland transportation of items to and from the **Factory Site** or other designated sites.

6.3.5 **Party B** shall assist the **Company** in dealing with **PRC** tax matters.

6.3.6 The **Parties** shall assist the **Company** to apply for and obtain all possible tax reductions and exemptions and all other relevant investment incentives, privileges and preferences available to the **Company** under **PRC** law including designation of the **Company** as a "Technologically-Advanced Enterprise."

6.3.7 The **Parties** shall assist the **Company**, if requested by the **Company**, in the submission of applications for, and the granting of, all necessary approvals, permits, certificates and licenses required in connection with safety and environmental matters, especially waste disposal matters, and other matters regulated by governmental authorities.

6.3.8 As requested by the **Company**, the **Parties** generally shall assist the **Company** in its relations with government authorities and **PRC** domestic companies.

6.3.9 **Party B** shall assist the **Company** with its knowledge of the Chinese culture and business practices.

6.4 Maintenance of Facilities and Equipment

6.4.1 The **Parties** shall assist the **Company** in any necessary renovations or installations of:

(1) its facilities and equipment;

(2) machinery and equipment purchased by the **Company** either domestically or from overseas, if any.

provided, however, that the specific assistance to be provided, as well as applicable rights and obligations shall be agreed between the **Party** providing it and the **Company**, and shall be stipulated in a contract which they all have signed.

6.5 Employees

6.5.1 The **Parties** shall assist the **Company** with employment-related matters, including the recruitment of other qualified **PRC** management personnel, technical personnel, workers and other needed personnel.

6.5.2 The **Parties** shall assist expatriate personnel of **Party A** and the **Company** in handling the necessary procedures for entry visas, work permits and travelling arrangements.

6.5.3 The **Parties** shall assist in arranging appropriate housing acceptable to **Party A** for expatriate employees of the **Company** and accommodations for foreign personnel on temporary assignment to the **Company**, and the **Company** shall bear the reasonable expenses for the **General Manager**’s housing.

6.5.4 **Party A** shall assist the **Company** in recruiting expatriate management and technical personnel.

6.5.5 Upon the request of the **General Manager**, the **Parties** shall assist the **Company** in formulating standards for recruiting, evaluating and promoting staff and workers.

6.5.6 **Party A** shall assist the **Company** in arranging foreign visas and accommodation for personnel and directors of the **Company** travelling abroad on **Company** business.

6.6 Financing and Insurance

6.6.1 The **Parties** shall assist the **Company** to obtain **RMB** loans from financial institutions.

6.6.2 The **Parties**, if requested by the **General Manager**, shall assist to negotiate the terms of the **Company**'s direct or indirect insurance coverage and premiums with insurers and brokers inside and outside of the **PRC**.

6.6.3 The **Parties** shall assist the **Company** to obtain foreign currency loans from financial institutions and/or to obtain foreign currency.

6.7 Applicable Laws

The **Parties** recognize that, in carrying out their obligations under this **Contract**, they shall be subject to and must abide by the laws, regulations and rules of the **PRC**.

ARTICLE 7 TECHNOLOGY LICENSE AND SERVICES AGREEMENT

7.1 The **Parties** agree that **Party A** will or will procure its **Affiliate** to, pursuant to and in accordance with the terms and conditions set forth in the **Technology License and Services Agreement**, license proprietary know-how and technology to the **Company**.

Article 8 **SERVICES**

8.1 Supply of Steam and Coke Oven Gas

8.1.1 **Party B** shall or shall procure its **Affiliate** to supply to the **Company** steam and coke oven gas in accordance with the terms and conditions set forth in the **Steam and Coke Oven Gas Agreement**.

8.1.2 If, due to the expansion of production described in Article 4.3.2, the **Company**'s need for steam and coke oven gas exceeds the amounts set out in the **Steam and Coke Oven Gas Agreement**, and **Party B** or its **Affiliate** is unable to meet the **Company**'s requirements, then **Party B** will assist the **Company** to obtain such supply of additional amounts of steam and coke oven gas as follows:

(1) on a continuous uninterrupted basis;

(2) in quantities sufficient to meet the full operational requirements of the **Company**,

(3) in accordance with the practice in other comparable industrial joint ventures in Jiangsu Province; and

(4) at a favorable cost which shall be no higher than that paid by state-owned enterprises for similar utilities in the area.

8.2 Right of Access

Party B further undertakes that at all relevant times the **Company**, its employees, agents, representatives and visitors shall be entitled to have access to **Party B**'s factory site, subject to the consent of **Party B**, which consent will not be unreasonably withheld or delayed. Such access shall in any event be sufficient to allow the

Company to carry on its normal business, provided that **Party B** shall not be unreasonably inconvenienced by such access, and further provided that such access shall at all times be subject to the regular work rules and regulations applicable to **Party B**'s factory site.

ARTICLE 9 MARKETING, SALES OF PRODUCTS

9.1 Annual Sales Plan and Exports

By 31 October of each year of the **Company Term**, the **General Manager** shall coordinate and prepare for the **Company** an annual sales plan for the immediately-upcoming year. Such annual sales plan shall be implemented beginning from 1 January of the immediately-upcoming year and shall be based upon the following factors:

9.1.1 the market within the **PRC** for the **Products**;

9.1.2 the market outside of the **PRC** for the **Products**;

9.1.3 the **Company**'s already-existing contracts and orders;

9.1.4 the production and operational needs of the **Company;**

9.1.5 the implementation of the **Company**'s annual sales plan for the year ending on the immediately-upcoming 31 December.

9.2 Trademarks, Name and Trademark License

9.2.1 The **Parties** agree that **Party A** will or will procure its **Affiliate** to, pursuant to and in accordance with the terms and conditions set forth in the **Trademark License Agreement**, license to the **Company** the right to use certain trademarks.

9.2.2 The trademarks used on the **Products** and the "Koppers" company name used by the **Company** shall be used in accordance with the terms and conditions specified in the **Trademark License Agreement**. In addition, subject to the approval of the **Board**, the **Company** may use new trademarks (including applying for registration of new trademarks).

ARTICLE 10 PURCHASES OF EQUIPMENT AND MATERIALS

10.1 General Principles

After the commencement of its operations, the **Company**, inside or outside of the **PRC**, shall make its purchases of required **Coal Tar**, other raw materials and fuel, parts and components, equipment, means of transportation and articles for office use, according to the terms and conditions of procurement, quality, quantity, pricing, and delivery terms and dates that both are: (i) competitive; and (ii) in the best interests of the **Company**.

10.2 Purchases in the PRC

For items purchased in the **PRC**, the **Company** shall choose the most competitive price subject to the considerations set out in Article 10.1, and the **Company** shall pay such price in **RMB**.

10.3 Purchases from Abroad

10.3.1 When the **Company** needs to make purchases from outside of the **PRC**, the **General Manager** shall select the relevant suppliers after conducting research on the international market, consulting with the other **Appointed Management Personnel**, and considering the competitiveness of the relevant prices subject to the considerations set out in Article 10.1.

10.3.2 During the procurement process, **Party A** shall assist the **Company** in obtaining market information and in procurement activities outside of the **PRC**.

ARTICLE 11 THE BOARD OF DIRECTORS

11.1 The Company shall have a board of directors (the "***Board***"). The composition, powers, duties and operational procedures of the **Board** and other related matters shall be as stipulated in the **Articles of Association**.

11.2 The Board shall be the highest authority of the ***Company***. The **Board** shall consist of six (6) directors, four (4) of whom shall be appointed by **Party A**, and two (2) of whom shall be appointed by **Party B**. In the event that the percentages of the Parties' respective equity interest in the **Company** changes, the number of directors to be appointed by each **Party** shall reflect, as nearly as possible, its **Equity Interest** in the **Company** after the change and shall be in accordance with the applicable **PRC** laws and regulations.

11.3 The power to nominate the Chairperson of the **Board** shall belong to **Party A**. The power to nominate the Vice Chairperson of the **Board** shall belong to **Party B**.

11.4 The Chairperson of the **Board** shall be the legal representative of the **Company**, and shall have the authority conferred upon him/her by the relevant **PRC** laws and regulations and by the **Board**. The Vice-Chairperson of the **Board** shall have the authority conferred upon him/her by the relevant **PRC** laws and regulations and by the **Board**. Both the Chairperson and the Vice-Chairperson shall not contractually or otherwise bind the **Company** without the prior written authorization of the **Board**.

11.5 Both the Chairperson and the Vice-Chairperson shall act in accordance with the provisions of this **Contract** and of the **Articles of Association**.

11.6 Whenever the Chairperson of the **Board** is unable to perform his/her responsibilities for convening and presiding over meetings of the **Board** for any reason, he/she shall authorize the Vice-Chairperson of the **Board**. If the Vice-Chairperson is unable to perform his/her responsibilities for convening and presiding over meetings of the **Board** for any reason, the Chairperson shall authorize another director to act on his/her behalf.

11.7 The adoption of resolutions concerning the following matters shall require the unanimous approval of all the directors who are present in person or by proxy at a duly convened meeting of the **Board**:

11.7.1 amendments to the **Articles of Association** of the **Company**;

11.7.2 suspension or dissolution of the **Company**;

11.7.3 increase or reduction in the registered capital of the **Company**;

11.7.4 merger or division of the **Company**; or

11.7.5 provision by the **Company** to any third party of guaranty for repayment of loans.

11.8 Board Meetings

11.8.1 Five (5) directors present in person or by proxy shall constitute a quorum for a meeting of the **Board**. Any resolution approved by the **Board** without a quorum present is invalid. Each **Party** shall ensure that each of the directors whom it has appointed attends all properly convened meetings of the Board in person or by proxy.

11.8.2 A **Board** meeting shall be called by a 20-day prior written notice setting out the proposed agenda and resolutions of that meeting (the "***Board Meeting Notice***").

11.8.3 If a **Party** disagrees that any of the matters on the proposed agenda shall be resolved at that meeting or disagrees with any of the proposed resolutions, that **Party** shall within ten (10) days from the date of the **Board Meeting Notice** inform the other **Party** and the **Company** by written notice of its opposition and setting out in sufficient detail the reasons for its opposition (the "***Opposition Notice***"). For the avoidance of doubt, if a **Party** does not issue the **Opposition Notice** within such 10-day period, that **Party** is deemed to have agreed to the proposed agenda and the Board meeting shall proceed in the manner as set out in the **Board Meeting Notice**.

11.8.4 Within ten (10) days from the date of the **Opposition Notice**, the **Parties** shall discuss in good faith to resolve their differences. If the **Parties** cannot reach an agreement on any of the matters on the proposed agenda or on any of the proposed resolutions set out in the **Board Meeting Notice**:

(1) any undisputed matters shall be voted on at the Board meeting to which the **Board Meeting Notice** relates; and

(2) any disputed matters shall be removed from the proposed agenda and shall be deferred to and voted on at the following **Board** meeting convened pursuant to Article 11.8.2, provided that the **Parties** shall discuss in good faith the disputed matters in between the two **Board** meetings, endeavour to reach an agreement on the disputed matters as soon as possible, and avoid any negative impact on the **Company**'s then and future business operations caused by the postponed voting of the disputed matters.

11.8.5 If the Parties disagree on any matter (other than a matter set out in the **Board Meeting Notice**) during a **Board** meeting, such disputed matter shall be deferred to and voted on at the following **Board** meeting convened pursuant to Article 11.8.2, provided that the **Parties** shall discuss in good faith the disputed matter in between the two **Board** meetings, endeavour to reach an agreement on the disputed matter as soon as possible, and avoid any negative impact on the **Company**'s then and future business operations caused by the postponed voting of the disputed matter.

11.8.6 Notwithstanding Article 11.8.1, the **Directors** present at the **Board** meetings referred to in Articles 11.8.3, 11.8.4(1), 11.8.4(2) and 11.8.5 shall be deemed to constitute a quorum.

11.9 The adoption of all resolutions (other than those specified in Article 11.7) shall require the approval of a simple majority of the directors who are present in person or by proxy at a duly convened meeting of the **Board**.

11.10 None of the **Appointed Management Personnel** shall be on the **Board**.

ARTICLE 12 MANAGEMENT ORGANIZATION

12.1 The **Company**'s management organization shall be under the leadership of a **General Manager**, who shall report directly to the **Board**. In addition to the **General Manager**, the **Company** shall have a **CFO**, who shall report directly to the **General Manager**.

12.2 The **General Manager** shall be nominated by **Party A**, and shall be appointed by the **Board**. The **CFO** shall be nominated by **Party B**. If Party B does not nominate the CFO, the **CFO** shall be recruited from the market. The CFO shall be appointed by the **Board**. Each **Party** agrees to cause its directors on the **Board** to assent to a resolution to unanimously confirm such appointment.

12.3 The powers and authorities of each of the **Appointed Management Personnel** shall be determined by the **Board**.

ARTICLE 13 THE BOARD OF SUPERVISORS

13.1 The **Company** shall establish a board of supervisors (the "***Board of Supervisors***").

13.2 The **Board of Supervisors** shall be composed of three (3) supervisors. **Party A** and **Party B** shall each appoint one (1) supervisor. All the employees of the **Company** shall have the right to elect one (1) supervisor through the employee representative meeting, employee assembly meeting or other forms of democratic election .

13.3 The **Board of Supervisors** shall have one (1) Chairman, who shall be nominated by **Party A** and be elected by all supervisors by majority votes (more than half). The Chairman shall convene and preside over the meetings of the **Board of Supervisors**. If the Chairman is unable to or does not perform his duties, another supervisor elected by the other two (2) supervisors shall convene and preside over meetings of the **Board of Supervisors**.

13.4 No director or senior manager may concurrently work as the supervisor.

13.5 The **Board of Supervisors** shall have the functions set out under the relevant PRC laws and regulations.

13.6 The expenses necessary for a supervisor to perform his/her duties, including expenses relating to investigations and the institution of legal proceedings shall be borne by the **Company**.

ARTICLE 14 LABOR MANAGEMENT

14.1 Handling of Employment Matters

Matters relating to the recruitment, employment, dismissal, wages and welfare of the employees of the **Company** shall be handled in accordance with the *Labor Law of the People's Republic of China* and all other relevant **PRC** laws and regulations.

14.2 Trade Union

The employees of the **Company** shall have the right to establish a trade union organization in accordance with relevant **PRC** laws and regulations.

ARTICLE 15 PREFERENTIAL STATUS OF THE COMPANY

15.1 General

The **Company** shall apply to obtain for the **Company** the benefits of the most favorable applicable tax exemptions, reductions, investment incentive, privileges and preferences that are now or may in the future become obtainable under **PRC** law or under any treaties or international agreements to which the **PRC** is or may become a party. The **Parties** shall assist the **Company** to obtain such benefits.

15.2 Technologically-Advanced Enterprise Status

The **Parties** acknowledge that the receipt by the **Company** of "Technologically-Advanced Enterprise" status during the **Company Term** is an important factor to the formation and success of the joint venture project represented by this **Contract**. Accordingly, after the **Company** commences its operations, with the assistance of all **Parties**, the **Company** shall apply promptly to the relevant government authority for confirmation as a "Technologically-Advanced Enterprise"**.**

15.3 Foreign Exchange Status

It is advantageous to the **Company** for it to be issued a Foreign Investment Enterprise Foreign Exchange Registration Certificate, to be able to receive foreign exchange and maintain foreign exchange bank accounts, and to have access to sufficient foreign exchange to perform its foreign exchange obligations through designated foreign exchange banks or other legal means.

15.4 Preferential Treatment

The **Company** and the **Parties**, individually and jointly, when necessary and possible, shall assist the **Company** to obtain the most preferential treatment that can be obtained for the **Company** pursuant to the laws and regulations of the **PRC**.

ARTICLE 16 TAXES, FINANCE, AUDIT AND DISTRIBUTION OF PROFIT

16.1 Company Taxes

The **Company** shall pay taxes in accordance with the stipulations of relevant **PRC** laws and regulations taking into consideration the various preferential tax treatments given by the **PRC** to joint venture companies. The **Company** shall use its best endeavours to obtain the maximum preferential tax and customs duty treatment permitted by the relevant regulations. In the event that new laws or regulations permit more favorable taxation for joint ventures at a later date, the **Company** shall be entitled to apply for the benefit of the relevant new law or regulation.

16.2 Individual Income Tax

The **Company** shall withhold individual income taxes according to the *Individual Income Tax Law of the PRC* or other laws and regulations of the **PRC**, as applicable.

16.3 Accounting and Financial System

16.3.1 The Chief Financial Officer of the **Company** (the "***CFO***") shall be responsible for the day-to-day financial management of the **Company**. Among his/her duties, the **CFO** shall organize the compilation of financial statements and shall oversee the maintenance of the **Company**'s accounting books and financial records.

16.3.2 The **Company** shall adopt the internationally-practiced accrual basis of accounting and the debit and credit method for book-keeping, and shall prepare complete, accurate and appropriate financial and accounting books and records in accordance with the *Enterprise Accounting System* and other relevant financial principles, taking into account **Party A**'s financial accounting system and needs.

16.3.3 Within such period after the end of each month and fiscal year of the **Company** as determined by the **Board**, the **CFO** shall prepare financial statements of the **Company** for the **Parties** and the **Board**, including a balance sheet, profit and loss statement, and cash flow statement, for that month or fiscal year (as the case may be) in accordance with **PRC** generally-accepted accounting principles ("***PRC GAAP***").

Immediately upon the preparation of those reports, the **CFO** shall provide to each of the **Parties** and the **Board** copies of the said financial statements, and other reports which a **Party** and/or the **Board** has requested.

16.3.4 The **RMB** shall be used as the unit of account by the **Company** in its financial accounting.

(1) Cash, bank deposits, foreign currency loans as well as creditors' rights, debts, income and expenses, and other relevant financial data, which are denominated in currencies different from the unit of account, shall be recorded in the currency of actual receipt and payment.

(2) Treatment of exchange gains and losses arising from exchange rate differences shall accord with the accounting treatment for foreign currency transactions announced by the relevant government authority in the **PRC**.

16.3.5 The accounting system and procedures to be adopted by the **Company** shall be prepared by the **CFO**, reviewed and considered by the **General Manager**, and then submitted to the **Board** for approval. Once approved by the **Board**, the accounting system and procedures, if required under relevant **PRC** laws and regulations, shall be filed with the relevant **PRC** central and/or local government authorities.

16.3.6 The fiscal year of the **Company** shall begin on January 1 and end on December 31 of each year. The first fiscal year of the **Company** shall begin on the day the **Company** obtains its business license and end on December 31 of the same year.

16.3.7 All financial statements and reports of the **Company** shall be made and kept in both the Chinese and the English languages.

16.3.8 Copies of financial statements and reports shall be provided in a timely fashion to each **Party** and the **Board**. If requested by a **Party**, accounting records, vouchers and books shall be made available by the **Company** in a timely fashion to that **Party** for review, provided that the **Party** receiving the financial information shall maintain secrecy of the information.

16.3.9 Tax returns for the **Company** shall be prepared in accordance with the applicable laws and regulations of the **PRC** under the supervision of the **CFO** and, when required under relevant **PRC** laws and regulations, shall be approved and signed by the **General Manager**.

16.3.10 At the end of each fiscal year, the **CFO** shall prepare such information as shall be necessary for the preparation of any tax returns and statements as may be required under the laws applicable to **Party A** or any of its **Affiliates**. This shall include furnishing **Party A** with certified copies of government receipts for income taxes paid within the **PRC**.

16.3.11 The **Company** shall also provide reasonable information that may be required for the audit of any tax return by authorities of the Kingdom of the Netherlands.

16.4 Bank Accounts

16.4.1 After the business license (copy) has been issued to the **Company**, the **Company** shall have the **CFO** separately open foreign exchange account(s) and **RMB** account(s) in banks authorized to accept **RMB** and foreign exchange deposits in the **PRC** from a Sino-foreign joint venture.

16.4.2 If it deems it necessary, the **Company** may also have the **CFO**, pursuant to the operational needs of the **Company** and in accordance with relevant **PRC** regulations, open foreign exchange accounts with financial institutions outside of the **PRC**.

16.5 Auditing

16.5.1 The **Board** shall engage an independent auditor, registered and reputable in the **PRC**, which is capable of performing accounting work meeting **PRC** accounting standards for foreign investment enterprises. Such auditor shall examine and verify the accounts and accounting systems of the **Company**. The results of that auditor's examination shall be reported to the **Board** with a copy to the **General Manager**. The **Company** shall submit to the **Parties** and to each director the audited annual accounts within such period after the end of the fiscal year as determined by the **Board**, together with the audit report of the independent auditor.

16.5.2 If it deems it necessary, any **Party** may engage an auditor at its own expense from the **PRC** or another country to audit the accounts and accounting systems of the **Company**.

16.5.3 The **Company** shall permit auditors appointed under Articles 16.5.1 or 16.5.2 to have access to the books and records of the **Company** and will provide the necessary office space and facilities to enable an audit to be carried out effectively. Such auditors shall keep confidential all documents which they audit.

16.6 Contributions to the Three Funds

16.6.1 The **Company** shall set aside a certain amount of money from its **After-Tax Profits** each year for the Reserve Fund, the Enterprise Development Fund and the Bonus and Welfare Fund for Staff and Workers (the "***Funds***") in accordance with relevant **PRC** laws and regulations. The amount to be set aside annually for the **Funds** shall be discussed and decided by the **Board** according to the business situation of the **Company**.

16.6.2 When the cumulative aggregate of the funds in the Reserve Fund and Enterprise Development Fund equals fifty percent (50%) of the registered capital of the **Company**, the **Company** need not make further allocations to these two funds.

16.6.3 Within the limits of the law and regulations of the **PRC**, all money placed in the **Funds** shall be placed by the **Company** with internationally-recognized banks or financial institutions in the **PRC** or abroad (if possible under relevant **PRC** laws and regulations), providing the best-obtainable terms of remuneration for such **Funds**, as approved by the **Board**.

16.7 Distribution of Profits

16.7.1 Unless the **Board** decides otherwise, at least eighty percent (80%) of the **Distributable Profits** shall be distributed to the **Parties** annually following the date of issuance of the **Company**'s business license, provided that the **Company**'s ability to repay bank loans shall not be impaired.

16.7.2 **Profits** shall be distributed to the **Parties** in proportion to their respective percentages of capital contributions to the Company as set out in Article 5.2 and adjusted in accordance with Article 5.7, and shall be accounted in **RMB**. **Profits** payable by the **Company** to **Party A** shall be paid in accordance with Article 17.1.3.

16.7.3 **Profits** may be undistributed to the **Parties** and, instead, may be withheld for reinvestment in new projects, as determined by the **Board**, subject to the provisions in the **Articles of Association** that relate to the non-distribution of profits.

ARTICLE 17 FOREIGN EXCHANGE

17.1 Foreign Exchange Requirements of the Company

17.1.1 All foreign exchange transactions of the **Company** shall be handled in accordance with relevant **PRC** laws and regulations.

17.1.2 Subject to relevant **PRC** national regulations, the foreign currency receipts of the **Company** (such as foreign exchange capital invested and foreign currency loans) must be freely transferable into the **PRC** without any restriction and shall be deposited in the foreign currency account(s) of the **Company**.

17.1.3 All payments denominated in **RMB** and to be paid by the **Company** to **Party A** shall be made in a currency designated by **Party A** (including without limitation any of the following currencies, **US$**, Euro, Pound, Japanese Yen, Australian Dollar or **RMB**) in an amount equivalent to the **RMB** amount of such payments, provided that the payments are approved by the relevant **PRC** foreign exchange control authorities (where such an approval is required under **PRC** law), and that, if the payments will be made in a foreign currency, such type of foreign currency is readily available at the bank where the **Company** conducts the majority of its foreign currency business. **Party A** will have the right to remit outside of the **PRC** all payments made to it by the **Company**, including amounts paid to it upon dissolution of the **Company**. All banking charges in connection with such payment shall be borne by **Party A**.

17.2 Applicable Foreign Exchange Rate

The foreign exchange rate applicable to the conversion of **RMB** to foreign currency or vice-versa shall be the buy or sell rate (as applicable) for such foreign currency that is announced by the People's Bank of China on the date on which the relevant transaction occurs, unless the **Company** has employed a form of forward exchange transaction in compliance with **PRC** law and **Company** policy.

ARTICLE 18 INSURANCE AND COMPLIANCE

18.1 General

18.1.1 Various types of insurance cover for the **Company** shall be purchased by the **Company** from insurance companies permitted by **PRC** law to provide insurance coverage to Sino-foreign joint ventures or shall be otherwise arranged.

18.1.2 Recommendations concerning the **Company**'s program for insurance cover shall be provided by the **General Manager** to the **Board**.

18.1.3 The final decision about the **Company**'s program for insurance cover shall lie with the **Board** and shall be implemented by the **General Manager**. All items of the **Company**'s insurance coverage shall be taken out from insurance companies established in the **PRC**.

18.2 Quality, Safety, Environmental Protection, and Conduct

18.2.1 The **Parties** hereby agree that they will use their best efforts to ensure that the **Company**'s policies and practices relating to the quality and safety of the **Products** and to environmental protection shall meet the standards under applicable laws of the **PRC**.

18.2.2 The **Parties** further agree that the **Company** shall adopt and operate in accordance with the Koppers Code of Ethics and Conduct.

ARTICLE 19 REPRESENTATIONS AND WARRANTIES OF THE PARTIES

19.1 Representations and Warranties of Party A

Party A hereby represents and warrants to **Party B** as follows:

19.1.1 **Party A** is a company incorporated and existing under the laws of the Kingdom of the Netherlands.

19.1.2 **Party A** has full legal right, power and authority to execute and deliver this **Contract** and all of the contracts and documents referred to in this **Contract** to which **Party A** is a party and to observe and perform its obligations hereunder and thereunder.

19.1.3 **Party A** has obtained or will obtain according to legal procedure (or, in relation to its **Affiliate(s)**, ensured the obtaining of) all consents, approvals and authorizations necessary for the valid execution and delivery of this **Contract** and all of the contracts and documents referred to in this **Contract** to which **Party A** or its **Affiliate(s)** is a party and to observe and perform its obligations hereunder and thereunder; provided however, that this **Contract** is subject to the approval of the **Approval Authority** before it becomes effective.

19.1.4 **Party A** has obtained authorisation to license the right to use the know-how and technology in accordance with the **Technology License and Services Agreement**.

19.2 Representations and Warranties of Party B

Party B hereby represents and warrants to **Party A** as follows:

19.2.1 **Party B** is a limited company duly organized and validly existing as a legal person under the laws of the **PRC**.

19.2.2 **Party B** has full legal right, power and authority to execute and deliver this **Contract** and all of the contracts and documents referred to in this **Contract** to which **Party B** is a party and to observe and perform its obligations hereunder and thereunder.

19.2.3 **Party B** has obtained all consents, approvals and authorizations necessary for the valid execution and delivery of this **Contract** and all of the contracts and documents referred to in this **Contract** to which **Party B** is a party, and to observe and perform its obligations hereunder and thereunder; provided, however, that this **Contract** is subject to the approval of the **Approval Authority** before it becomes effective.

ARTICLE 20 NON-COMPETE

20.1 To the extent permitted by **PRC** laws and regulations, neither **Party B** nor any of its **Affiliates** shall (either directly or indirectly) during the term of this **Contract** establish or participate, as investors, co-venturers, technology licensors, technology licensees or otherwise, directly or indirectly, in a business which processes **Coal Tar** to produce the **Products** and/or markets and distributes the **Products** within and outside the **PRC**.

20.2 To the extent permitted by **PRC** laws and regulations, neither **Party A** nor any of its **Affiliates** shall (either directly or indirectly) during the term of this **Contract** establish or participate, as investors, co-venturers, technology licensors, technology licensees or otherwise, directly or indirectly, in a business which produces and/or distributes metallurgical coke within and outside the **PRC**.

20.3 On an annual basis, all management personnel and directors of the **Company** shall disclose to the **Board**, in writing, the following information:

20.3.1 whether she/he directly or indirectly, is investing in or finances a project or entity that competes with the operations or products of the **Company**;

20.3.2 whether any of his/her relatives directly or indirectly, is investing in or finances a project or entity that competes with the operations or products of the **Company**;

20.3.3 whether she/he is a director, advisor, consultant or management personnel to a project or entity that competes with the operations or products of the **Company**;

20.3.4 whether any of his/her relatives is a director, advisor, consultant or management personnel to a project or entity that competes with the operations or products of the **Company**.

20.4 If there is any change to the information which a director or a management personnel of the **Company** provides pursuant Article 20.3, such director or personnel immediately shall notify the **Board**, in writing, of any such change.

20.5 Unless otherwise unanimously agreed by all the members of the **Board** that such a removal shall not occur, a director or management personnel of the **Company** immediately shall be removed from his/her position on the **Board** and terminated from his/her position in the **Company** (as applicable), if:

20.5.1 s/he fails to fully comply with the reporting requirements under Articles 20.3 and 20.4;

20.5.2 s/he holds five percent (5%) or more of the equity interest, share capital, issued shares, or any other forms of ownership, control, or voting interests in a project or entity that competes with the operations or products of the **Company**;

20.5.3 on a consolidated basis, s/he, along with his/her relatives, holds five percent (5%) or more of the equity interest, share capital, shares, or any other forms of ownership, control, or voting interests in a project or entity that competes with the operations or products of the **Company**;

20.5.4 s/he is a director, advisor, consultant or management personnel to a project or entity that competes with the operations or products of the **Company**;

20.5.5 his/her relatives is a director, advisor, consultant or management personnel to a project or entity that competes with the operations or products of the **Company**.

20.6 Recognizing that those directors on the **Board** who are appointed by the **Parties** might also be employees of **Affiliates** of that **Party**, the **Parties** understand and agree that Article 20.5 shall not apply to those directors of the **Company** who are also employees, officers, or directors of **Parties' Affiliates**, except that it shall apply to such directors who are employees or management personnel of a **Party's Affiliate** which conducts **Coal Tar** processing in the **PRC**.

20.7 If an employee, officer, or director of the **Company** shall be removed pursuant to Article 20.5, then the **Board**, the **General Manager**, or any **Party** which, under this **Contract**, has the right to nominate such director and/or management personnel, immediately shall do all that is required under this **Contract** and the **Articles of Association** to remove immediately such director or management personnel from all posts which s/he holds in the **Company**.

ARTICLE 21 CONFIDENTIALITY

21.1 Each **Party** shall maintain the secrecy and confidentiality of, and not disclose to any third party or person, any proprietary, secret or confidential data and information relating to the **Company**, its business operations, its financial affairs or the **Products**, or belonging to any of the other **Party**, or disclosed to a **Party** by the other **Party** at any time during or for the purpose of negotiation or implementation of this **Contract** and/or a **Major Contract**, or the establishment or operation of the **Company** (collectively, the "***Confidential Information***"). For the avoidance of doubt, **Confidential Information** shall include, without limitation, any know-how, technology, and technical documentation that is provided by **Party A** pursuant to the **Technology License and Services Agreement**. Each **Party** agrees that any **Confidential Information** shall be used by each **Party** exclusively and solely for the furtherance of the business operations of the **Company**, and for no other purpose.

21.2 The obligations of secrecy and non-disclosure and the restrictions of use contained in this Article 21 do not apply to **Confidential Information** which the receiving **Party** can demonstrate:

21.2.1 is available to the public at the time it is disclosed or thereafter becomes available to the public (otherwise than by disclosure by the receiving **Party**);

21.2.2 is known to the receiving **Party** at the time of disclosure;

21.2.3 properly comes into the possession of the receiving **Party** from an independent source not bound by a confidentiality obligation; or

21.2.4 is required to be disclosed by operation of law, any government or regulatory authority, or stock exchange.

The **Parties** agree that if the **Party** receiving the **Confidential Information** intends to provide any of it to any stock exchange, then it must notify the **Party** which has provided it with that information, before it discloses any **Confidential Information** to a stock exchange.

21.3 Each **Party** agrees to abide by these obligations of confidentiality during the term of this **Contract**, or for so long as the **Company** continues to exist, and for a period of five (5) years thereafter.

21.4 The **Company** shall cause its personnel, and the **Parties** shall cause their directors, staff and other employees, and those of their **Affiliates** with access to **Confidential Information** (the "***Party Personnel***"), to be bound by and comply with the obligations set out in Article 21. To this effect, an undertaking of secrecy and non-use, in form and substance satisfactory to all of the **Parties**, shall be included in all labor or service contracts signed by **Company** personnel or by relevant **Party Personnel**. If **Party Personnel** breach this undertaking, the relevant **Party** shall be jointly liable with the **Party Personnel**.

ARTICLE 22 DURATION OF THE JOINT VENTURE

22.1 Term of the Company and this Contract; Survival

22.1.1 The duration of the **Company** (the "***Company Term***") shall be fifty (50) years, starting from the date on which the business license of the **Company** is issued by the relevant administration of industry and commerce. The **Company Term** may be extended pursuant to Article 22.2.

22.1.2 The effective term of this **Contract** shall begin when it is executed by the **Parties** and approved by the **Approval Authority**, and shall end when the **Company Term** ends, or upon dissolution of the **Company**.

22.1.3 Articles 21, 22, 23, 24, 25, 27.1, 28, 29, 30.4, 30.5, 30.6 and 30.7 shall survive the termination of this **Contract**.

22.2 Extension of the Company Term

22.2.1 At least two (2) years prior to the expiration of the **Company Term**, the **Parties** shall hold consultations to discuss the extension of the **Company Term**. If the **Parties** agree to extend the **Company Term**, an application for such extension shall be submitted for approval pursuant to requirements under relevant **PRC** laws and regulations and not less than six (6) months prior to the expiration of the **Company Term**. Any extension of that term as approved shall be registered in accordance with relevant **PRC** laws and regulations.

22.2.2 Dissolution of the **Company** upon early termination or at expiration of the **Company Term** shall be subject to the provisions of Articles 23, 24, 25 and 26.

ARTICLE 23 EARLY TERMINATION AND DISSOLUTION

23.1 Events of Early Termination

This **Contract** may be terminated early and the **Company** may be dissolved, upon the occurrence of any of the following events:

23.1.1 the **Company** has incurred heavy losses for five (5) consecutive years, and is unable to continue operations (for purposes of this Article the term “***heavy losses***” shall mean that the accumulated losses of the **Company** have reached fifty percent (50%) or more of the value of the net assets of the **Company**);

23.1.2 the **Company** is unable to continue operations due to the occurrence of an **Excusing Event**, except as otherwise provided in Article 26;

23.1.3 there is a material change to the main scope of business of the **Company** as provided in this **Contract**, unless otherwise agreed by the **Parties** in writing.

23.1.4 the **Company** is unable to realize its purpose as set forth in this **Contract**, and has no development prospects;

23.1.5 either **Party** is bankrupt, or is in bankruptcy proceeding or in similar proceedings (excluding proceedings for the purpose of restructuring or merger);

23.1.6 the **Parties** unanimously agree to early dissolution of the **Company**;

23.1.7 expiration or termination of a **Major Contract** (except for the **Trademark License Agreement**), prior to the expiration of the **Company Term** (as extended) (not applicable to the circumstance where the termination of a **Major Contract** is caused by **Party A** transferring all of its Equity Interest in the **Company** to any third party that is not an **Affiliate** of **Party A)**;

23.1.8 the **Parties** do not reach agreement on the adjustments to each **Party**'s economic benefits as provided under Article 27.3 within ninety (90) days of the request by a **Party** for such adjustments, and a **Party** gives the other **Party** notice that it wishes the **Parties** to consider early termination.

23.2 Early Dissolution of the Company

Upon the occurrence of any of the events enumerated in Article 23.1, unless either **Party** has commenced the acquisition procedures set out in Article 25.2, the **Board** shall be deemed to have unanimously adopted a resolution to dissolve the **Company**, and the **Company** shall forthwith submit an application for dissolution to the **Approval Authority**. Each **Party** agrees to take all actions and to sign all documents, and to cause its appointees on the **Board** to take all actions and to sign all documents that are legally required to effect termination of this **Contract** and the dissolution of the **Company**.

ARTICLE 24 BREACH AND PENALTIES FOR BREACH

24.1 Breach

24.1.1 If a **Party** fails to perform any of its material obligations under this **Contract** or if a **Party**'s representation or warranty under this **Contract** is materially untrue or inaccurate, such **Party** shall be deemed to have breached this **Contract**.

24.1.2 If the breach has not been remedied within a sixty (60)-day period, then the non-breaching **Party** may:

(1) seek to resolve the breach in accordance with Article 28.1.2; or

(2) request in writing that this **Contract** be terminated and the **Company** be dissolved. Unless either **Party** has commenced the acquisition procedures set out in Article 25.2, the **Board** shall be deemed to have unanimously adopted a resolution to dissolve the **Company**, and the **Company** shall forthwith submit an application for dissolution to the **Approval Authority**. Each **Party** agrees to take all actions and to sign all documents, and to cause its appointees on the **Board** to take all actions and to sign all documents that are legally required to effect termination of this **Contract** and the dissolution of the **Company**; and

(3) seek damages from the breaching **Party** for all losses it has incurred as a result of the breach of this **Contract** by the breaching **Party**, provided that, notwithstanding any provision to the contrary, such damages shall not cover any loss of the non-breaching **Party** that are not foreseeable by the breaching **Party** when it enters into this

Contract and shall not exceed the aggregate of the value of the breaching **Party**'s interest in the **Company** and the unpaid capital contribution (if any) of the breaching **Party**, and the performing **Party** acknowledges that the breaching **Party** shall have full rights over any capital contributions made by it and the breaching **Party** shall not be treated as having abandoned its interests in the **Contract** or as having withdrawn from the **Company**.

24.1.3 Waiver by a **Party** of one or more defaults by a breaching **Party** shall not deprive the non-breaching **Party** of a right to terminate this **Contract** that arises by reason of any subsequent default.

24.2 Penalties for Late Capital Contribution

Should a **Party** not contribute any cash portion of its capital contribution in a timely manner in accordance with the timetable set forth in Article 5.4, such **Party** shall pay the other **Party** who has made its capital contributions in a timely manner a penalty for default at the rate of one percent (1%) per month on the overdue amount, calculated on the number of days the amount is overdue; provided that, the penalty is payable only when the amount is one (1) month or more overdue and only with respect to that period after such one (1)-month period.

ARTICLE 25 CONSEQUENCES OF TERMINATION AND DISSOLUTION

25.1 Termination of Major Contracts

Upon early termination of this **Contract** and commencement of the dissolution of the **Company**, a **Party** may terminate and shall be under no obligation to renew any of the **Major Contracts** to which it is a party, unless otherwise provided in the **Major Contracts**.

25.2 Offer to Acquire

25.2.1 Notwithstanding the provisions of Articles 23.2 and 24.1.2(2), a **Party** (the "***Offeror***") may, before the appointment of a liquidation committee, make an irrevocable offer to purchase the other **Party**' Equity Interest (the "***Offer***") in the following terms to the other **Party** (the "***Offeree***"). The **Offer** shall be made by the delivery of a written notice to the other **Party**, and shall specify a purchase price. **Offeree** may elect either to:

(1) sell its whole **Equity Interest** in the **Company** to **Offeror** at the specified purchase price; or

(2) purchase the whole **Equity Interest** of the **Offeror** in the **Company** at an equivalent pro-rata price.

25.2.2 **Offeree** shall give **Offeror** written notice of its election within thirty (30) days of receiving the **Offer**, and shall be deemed to have elected to sell its Equity Interest if it fails to give such notice. All necessary steps in connection with the transfer of any Equity Interest, and payment for it, shall be completed as soon as possible, subject to the review of the **Approval Authority**.

25.3 Liquidation

Upon expiration of the **Company Term** or approval of an application to dissolve the **Company**, or under other circumstances in which this **Contract** is terminated or the **Company** is dissolved, liquidation of the **Company** shall be handled in accordance with the relevant **PRC** laws and regulations.

ARTICLE 26 EXCUSING EVENTS

26.1 General

26.1.1 An "***Excusing Event***" shall mean any event which was unforeseeable at the time this **Contract** was signed, the occurrence and consequences of which cannot be avoided or overcome, and which arises after the **Effective Date** and prevents total or partial performance by any **Party** or the **Company** of any of its commitments under this **Contract**.

26.1.2 **Excusing Events** shall include:

(1) earthquakes, typhoons, flood, or other acts of nature;

(2) fire, explosion;

(3) civil disturbances, strikes, riots, war, terrorist action:

(4) failures of international or domestic transportation;

(5) acts of government or public agencies or mandatory requirements of laws and regulations;

(6) epidemics for which government authorities in the **PRC** have taken significant measures to address.

26.2 Excuse and Notification

26.2.1 When an **Excusing Event** occurs, the prevented **Party** (the "***Prevented Party***") shall notify the other **Party** without delay, and within fifteen (15) days thereafter provide to the other **Party** detailed information and evidence of the occurrence and duration of such event, explaining the reasons for its inability to execute, or for its delay in the execution of, all or part of this **Contract**.

26.2.2 The **Prevented Party** shall use all reasonable endeavors to terminate the **Excusing Event**, and, within the shortest reasonable time, attempt to resume performance of the obligations delayed or prevented by the **Excusing Event**.

26.2.3 When notified that an **Excusing Event** has occurred, the **Parties** immediately shall consult with each other in order to find an equitable solution, and shall use all reasonable endeavors to minimize or remove the consequences of such **Excusing Event**.

26.2.4 If, because of the occurrence of an **Excusing Event**, a **Party**'s obligation under this **Contract** is affected by such an event, and that **Party** is unable to fully perform that obligation, then such obligation shall be suspended during the period of delay caused by the **Excusing Event** and shall be automatically extended, without penalty, for a period equal to such suspension.

26.2.5 If an **Excusing Event** occurs, no **Party** shall be responsible for any damage, increased costs or loss which the other **Party** may sustain by reason of such a failure or delay of performance by the **Prevented Party**, and such failure or delay shall not be deemed a breach of this **Contract**.

26.3 Prolonged Excusing Event

Should an **Excusing Event** or the effects of an **Excusing Event** prevent one or both of the **Parties** from performing part or all of its or their obligations hereunder for a period of one hundred and twenty (120) days or more, then the **Parties** shall, through consultations, decide whether to terminate this **Contract** or to exempt the implementation of part of the obligations of this **Contract** or whether to delay the execution of this **Contract** according to the effects of the **Excusing Event** on the performance of this **Contract**.

ARTICLE 27 APPLICABLE LAW

27.1 Applicable Law

This **Contract** shall be performed in accordance with its terms. The conclusion, validity, interpretation and implementation of this **Contract** shall be governed by the laws of the **PRC**.

27.2 Favorable Changes

In the event that, during the term of this **Contract**, any relevant authority in the **PRC** adopts any law, decree, rule, regulation or policy, or a treatment is extended to another joint venture company or investor in a similar business in the **PRC** which is more favorable than the laws, decrees, rules, regulations, policies or a treatment previously applicable to the **Company** or any **Party** (including reducing or eliminating filing, reporting, registration or approval requirements), then the **Company** or the **Party**, as the case may be, shall be entitled to receive, or apply (if application is necessary) to the appropriate governmental agency or authority to receive the benefit of such law, decree, regulation, rule, policy or more favorable treatment.

27.3 Adverse Changes

If an adverse material change occurs to the economic benefits of any **Party** hereunder after the effective date of this **Contract** due to the promulgation of new laws, decrees, rules and regulations or any amendment or new interpretation of any existing laws, decrees, rules and regulations made by the government of the **PRC** or any of its administrative subdivisions, the **Parties** shall consult promptly with each other and use their best endeavours to implement any adjustments necessary to maintain each **Party**’s economic benefits derived from this **Contract**.

ARTICLE 28 SETTLEMENT OF DISPUTES

28.1 Choice of Arbitration

28.1.1 The **Parties** shall strive to settle any dispute, controversy or claim arising from the interpretation or performance of, or in connection with, this **Contract** through friendly consultations.

28.1.2 In case no settlement can be reached through friendly consultations among the **Parties** within sixty (60) days of the submission of such matter by one **Party** to the other **Party**, then such matter shall be submitted to the Hong Kong International Arbitration Center ("***HKIAC***") in Hong Kong for its resolution in accordance with the then-prevailing **HKIAC** rules.

28.1.3 The arbitration proceedings shall be conducted in Chinese and English and shall take place in Hong Kong.

28.1.4 The arbitration panel shall consist of three (3) arbitrators, with each **Party** selecting one (1) arbitrator each.

28.1.5 The arbitral award shall be final and binding upon the **Parties** and shall be enforceable in accordance with its terms. Each **Party** shall be responsible for its own costs and expenses of arbitration, including its attorney fees and expenses.

28.1.6 The award may be enforced by filing for confirmation and enforcement to a court having jurisdiction. The **Parties** agree that, if it becomes necessary for a **Party** to enforce an arbitral award by legal action of any kind, the **Party** against which such enforcement action is taken shall pay all reasonable costs and expenses and attorneys' fees, including but not limited to any cost of additional litigation or arbitration incurred by the **Party** seeking to enforce the award, unless the relevant court or arbitral tribunal rules otherwise.

28.2 Continued Performance

During the period when a dispute is being resolved, the **Parties** shall, with the exception of the disputed provisions, in all other respects continue their implementation of this **Contract**.

ARTICLE 29 LANGUAGE

29.1 Versions

This **Contract** shall be written in a Chinese version and in an English version . Both language versions shall be equally authentic.

29.2 Discrepancy

In the event of any discrepancy between the Chinese and English language versions of this **Contract**, the panel of arbitrators selected pursuant to Article 28 shall determine which version most accurately records the **Parties**' intention.

29.3 Originals

The parties shall execute eight (8) originals of each of the English and Chinese versions of this **Contract**. Each **Party** shall keep two (2) originals of each language version of this **Contract**. Four (4) originals of each language version shall be submitted to the **Approval Authority**.

ARTICLE 30 EFFECTIVENESS OF THE CONTRACT, AMENDMENT, AND MISCELLANEOUS PROVISIONS

30.1 Entire Contract

The Appendices referred to in this **Contract** and attached to it are an integral part of this **Contract**. The Appendices are as follows:

Appendix A Articles of Association

Appendix B Land Grant Contract

Appendix C Technology License and Services Agreement

Appendix D Trademark License Agreement

Appendix E Tar Supply Agreement

Appendix F Steam and Coke Oven Gas Agreement

This **Contract** with its Schedule and Appendices constitutes the entire contract between and among the **Parties** with respect to the subject matter of this joint venture and supersedes all previous oral and written agreements, contracts, understandings and communications of the **Parties** in respect of the subject matter of this **Contract**. Headings are for ease of reference only and shall have no legal effect.

30.2 Approval Authority

This **Contract** and the **Articles of Association** shall be submitted for approval to the **Approval Authority** and shall come into force on the date on which the **Approval Authority** issues its approval document (the "***Effective Date***"). Immediately upon receipt of the approval document, **Party B** shall notify the other **Party** and provide them with a copy. The same shall apply to receipt of the approval certificate.

30.3 Amendment

Any amendment of this **Contract,** including Appendices shall only be valid if made in writing and signed by the **Parties**. If approval by the **Approval Authority** is required for such amendment under **PRC** laws and regulations, then such amendment shall be submitted to the **Approval Authority** for approval.

30.4 Severability

30.4.1 The invalidity of any provision of this **Contract** shall not affect the validity of any other provision of this **Contract**.

30.4.2 If a provision in this **Contract** is determined as invalid under applicable **PRC** laws and regulations, the **Parties** shall discuss and agree whether a replacement for or revision of such provision should be made. Any revision or replacement of that provision shall be made in accordance with Article 30.3.

30.5 Waiver

A **Party**'s failure to exercise any right, power or privilege under this **Contract** shall not operate as a waiver of it, and any single or partial exercise of any right, power or privilege shall not preclude its further exercise or the exercise of any other right, power or privilege. No waiver by a **Party** shall be valid unless it is made in writing and specifying the breach or circumstances the subject of the waiver and such waiver shall only apply to such breach or circumstances and not to any other breach or circumstances.

30.6 Notices

30.6.1 All notices between the **Parties** shall be written in Chinese and in English and may be delivered either by messenger, registered airmail or fax. The following addresses shall be used:

To Party A:

Address: Suite C3-1702, TEDA MSD, No.79 First Avenue, TEDA, Tianjin 300457, China

Attention: Zhu Jianzhong

Fax: +86 22 5986 3789

To Party B:

Address: Luozhuang District, Linyi City, Shandong Province, China

Attention: Zhang Jianqun

Fax: +86 539 892 8888

30.6.2 Notices shall be deemed delivered on the following dates:

(1) by messenger, on the date of delivery;

(2) by registered airmail, on the date of receipt;

(3) by fax, on the first working day after the date of sending.

30.6.3 During the term of this **Contract**, each **Party** shall have the right to change its address for receiving notices at any time, provided that the other Party are given notice of such change pursuant to Article 30.6.

30.7 Public Communications

Unless as otherwise required by applicable laws and regulations or requirements of the respective stock exchanges, no **Party** shall make any declarations, announcements, or disclosures to the public with respect to this **Contract**, the relationship between and among the **Parties** or the business of the **Company** without first obtaining the written consent of the other Party.

30.8 Signing Place and Date

This **Contract** is signed in Linyi, Shandong Province**, PRC** by the duly authorized representatives of **Party A** and **Party B** on September 10, 2012.

YIZHOU GROUP COMPANY LIMITED

[company chop]

Signature: /s/ Zhang Jianqun

Name: Zhang Jianqun

Title: Chairman of the Board of Directors

KOPPERS INTERNATIONAL B.V.

Signature: /s/ Zhu Jianzhong

Name: Zhu Jianzhong

Title: Authorised Representative

LIST OF APPENDICES

The appendices listed below have been omitted from the copy of this Agreement filed with the Securities and Exchange Commission. The company will furnish supplementally a copy of any omitted appendix to the Commission upon request.

Appendix A Articles of Association

Appendix B Land Grant Contract

Appendix C Technology License and Services Agreement

Appendix D Trademark License Agreement

Appendix E Tar Supply Agreement

Appendix F Steam and Coke Oven Gas Agreement

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

	2007	*2008*	*2009*	*2010*	*2011*	*Nine months ended September 30, 2012*
Earnings:						
Income from continuing operations before taxes	$ 79.3	$ 87.1	$ 34.8	$ 73.5	$ 96.2	$ 81.6
Deduct: Equity earnings net of dividends	(0.2)	(0.6)	(0.8)	0.0	0.2	0.9
Deduct: Pre-tax income of noncontrolling interests	3.1	0.8	3.4	0.5	0.9	1.3
Add: Fixed charges	55.5	53.5	71.6	40.3	40.8	31.6
Earnings as defined	$131.9	$140.4	$103.8	$113.3	$135.9	$ 111.0
Fixed charges:						
Interest expensed	$ 45.9	$ 41.4	$ 58.7	$ 27.1	$ 27.2	$ 20.8
Interest capitalized	0.3	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.4	0.5	0.0	0.0	0.0
Rents	31.1	39.0	41.5	42.5	43.8	34.9
Interest factor	31%	31%	31%	31%	31%	31%
Estimated interest component of rent	9.6	12.1	12.9	13.2	13.6	10.8
Total fixed charges	$ 55.8	$ 53.9	$ 72.1	$ 40.3	$ 40.8	$ 31.6
Ratio of earnings to fixed charges	**2.36**	**2.61**	**1.44**	**2.81**	**3.33**	**3.51**

CERTIFICATIONS

I, Walter W. Turner, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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-5(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 the 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: November 9, 2012

/s/ WALTER W. TURNER
Walter W. Turner
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Leroy M. Ball, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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-5(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 the 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: November 9, 2012

/s/ LEROY M. BALL
Leroy M. Ball
Vice President and 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 Quarterly Report of Koppers Holdings Inc. (the "Company") on Form 10-Q for the quarter ending September 30, 2012 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 the Company, 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.

/s/ WALTER W. TURNER
Walter W. Turner
Chief Executive Officer

November 9, 2012

/s/ LEROY M. BALL
Leroy M. Ball
Chief Financial Officer

November 9, 2012