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 June 30, 2013

Commission file number 1-32737

KOPPERS HOLDINGS INC.

(Exact name of registrant as specified in its charter)

Pennsylvania	20-1878963
(State of incorporation)	(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 July 31, 2013 amounted to 20,731,898 shares.

PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

KOPPERS HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
(Dollars in millions, except per share amounts)	*(Unaudited)*		*(Unaudited)*	
Net sales	$ 370.9	$ 411.3	$ 741.3	$ 792.2
Cost of sales (excluding items below)	318.9	344.9	639.4	671.8
Depreciation and amortization	7.3	7.6	14.6	14.4
Selling, general and administrative expenses	16.2	18.1	33.9	36.1
Operating profit	28.5	40.7	53.4	69.9
Other income	1.0	0.4	1.5	1.1
Interest expense	6.6	7.0	13.5	13.9
Income before income taxes	22.9	34.1	41.4	57.1
Income taxes	8.1	13.0	15.2	20.2
Income from continuing operations	14.8	21.1	26.2	36.9
Loss from discontinued operations, net of tax benefit of $0.2, $0.3, $0.1 and $0.1	(0.1)	(0.2)	0.0	(0.1)
Net income	14.7	20.9	26.2	36.8
Net income attributable to noncontrolling interests	0.3	0.5	0.8	0.8
Net income attributable to Koppers	$ 14.4	$ 20.4	$ 25.4	$ 36.0
Earnings per common share attributable to Koppers common shareholders:				
Basic –				
Continuing operations	$ 0.70	$ 1.00	$ 1.23	$ 1.74
Discontinued operations	(0.01)	(0.01)	0.00	0.00
Earnings per basic common share	$ 0.69	$ 0.99	$ 1.23	$ 1.74
Diluted –				
Continuing operations	$ 0.70	$ 0.99	$ 1.21	$ 1.72
Discontinued operations	(0.01)	(0.01)	0.00	0.00
Earnings per diluted common share	$ 0.69	$ 0.98	$ 1.21	$ 1.72
Comprehensive income	$ 5.9	$ 13.0	$ 15.7	$ 35.5
Comprehensive income attributable to noncontrolling interests	0.2	0.5	0.7	0.7
Comprehensive income attributable to Koppers	$ 5.7	$ 12.5	$ 15.0	$ 34.8
Weighted average shares outstanding *(in thousands):*				
Basic	20,727	20,764	20,697	20,717
Diluted	20,945	20,959	20,935	20,943
Dividends declared per common share	$ 0.25	$ 0.24	$ 0.50	$ 0.48

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)	June 30, 2013 (Unaudited)	December 31, 2012
Assets		
Cash and cash equivalents	$ 63.2	$ 66.7
Restricted cash	1.5	0.0
Accounts receivable, net of allowance of $3.5 and $3.7	166.6	162.7
Inventories, net	184.3	195.8
Deferred tax assets	14.9	15.1
Loan to related party	9.5	9.5
Other current assets	31.5	31.4
Total current assets	471.5	481.2
Equity in non-consolidated investments	6.2	5.8
Property, plant and equipment, net	161.2	161.1
Goodwill	72.8	75.6
Deferred tax assets	22.8	27.2
Other assets	28.0	29.1
Total assets	$ 762.5	$ 780.0
Liabilities		
Accounts payable	$ 101.4	$ 103.5
Accrued liabilities	56.4	72.1
Dividends payable	5.8	5.6
Total current liabilities	163.6	181.2
Long-term debt	301.4	296.1
Accrued postretirement benefits	77.2	89.9
Other long-term liabilities	43.2	44.7
Total liabilities	585.4	611.9
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; 21,722,492 and 21,585,129 shares issued	0.2	0.2
Additional paid-in capital	156.7	153.3
Retained earnings	66.8	52.0
Accumulated other comprehensive loss	(32.5)	(22.0)
Treasury stock, at cost, 990,594 and 951,026 shares	(34.6)	(32.9)
Total Koppers shareholders' equity	156.6	150.6
Noncontrolling interests	20.5	17.5
Total equity	177.1	168.1
Total liabilities and equity	$ 762.5	$ 780.0

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

KOPPERS HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(Dollars in millions)	*Six Months Ended June 30, 2013*	*2012*
	(Unaudited)	
Cash provided by (used in) operating activities:		
Net income	$ 26.2	$ 36.8
Adjustments to reconcile net cash provided by operating activities:		
Depreciation and amortization	14.6	14.4
Deferred income taxes	1.8	4.4
Equity income, net of dividends received	(0.4)	(0.8)
Gain on sale of assets	(0.8)	0.0
Change in other liabilities	(8.6)	(4.8)
Non-cash interest expense	0.8	0.8
Stock-based compensation	2.8	3.2
Other	0.4	(1.0)
(Increase) decrease in working capital:		
Accounts receivable	(6.1)	(34.7)
Inventories	5.7	(31.0)
Accounts payable	(0.2)	12.5
Accrued liabilities and other working capital	(16.2)	3.6
Net cash provided by operating activities	20.0	3.4
Cash provided by (used in) investing activities:		
Capital expenditures	(15.7)	(9.3)
Net cash proceeds from divestitures and asset sales	0.9	0.4
Net cash used in investing activities	(14.8)	(8.9)
Cash provided by (used in) financing activities:		
Borrowings of revolving credit	86.3	169.0
Repayments of revolving credit	(81.2)	(157.0)
Issuances of Common Stock	0.2	0.6
Repurchases of Common Stock	(1.6)	(1.7)
Proceeds from issuance of noncontrolling interest	2.3	0.0
Payment of deferred financing costs	(1.2)	0.0
Dividends paid	(10.2)	(9.5)
Net cash (used in) provided by financing activities	(5.4)	1.4
Effect of exchange rate changes on cash	(3.3)	0.3
Net decrease in cash and cash equivalents	(3.5)	(3.8)
Cash and cash equivalents at beginning of year	66.7	54.1
Cash and cash equivalents at end of period	$ 63.2	$ 50.3

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, 2012 has been summarized from the audited balance sheet contained in the Annual Report on Form 10-K for the year ended December 31, 2012.

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, 2012.

The Financial Accounting Standards Board issued Accounting Standards Update No. 2013-02, *Reporting of Amounts Reclassified Out of Other Comprehensive Income (ASU 2013-2).* The amendments in ASU 2013-02 require entities to provide additional disclosures regarding amounts that have been reclassified out of other comprehensive income during the periods presented either on the face of the financial statements or in the notes to the financial statements. ASU 2013-02 is effective for interim and annual periods beginning after December 15, 2012. We have elected to present such information in the notes to the financial statements (see Note 5).

2. Dividends

On August 7, 2013, the Company's board of directors declared a quarterly dividend of 25 cents per common share, payable on October 7, 2013 to shareholders of record as of August 19, 2013.

3. Discontinued operations

In December 2011, the Company ceased manufacturing operations at its carbon black facility located in Kurnell, Australia. This decision was made as a result of deteriorating business conditions including raw material availability and cost, competition in the export markets due to the strength of the Australian dollar and a variety of other factors. The Company estimates that total future closure costs related to this facility will be approximately $0.5 million. The closure is expected to be completed by 2014. The facility is part of the Carbon Materials and Chemicals segment.

Details of the restructuring activities and related reserves 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)
Reversal of accrued charges	0.0	0.0	0.0	0.0	(0.6)	(0.6)
Cash expenditures	(1.7)	(0.1)	0.0	(0.4)	(0.5)	(2.7)
Currency translation	0.0	0.1	0.0	0.1	0.0	0.2
Reserve at December 31, 2012	$ 0.2	$ 6.7	$ 0.0	$ 5.9	$ 0.1	$12.9
Reversal of accrued charges	0.0	0.0	0.0	(0.3)	0.0	(0.3)
Cash expenditures	(0.1)	(0.1)	0.0	(0.9)	0.0	(1.1)
Currency translation	0.0	(0.7)	0.0	(0.6)	0.0	(1.3)
Reserve at June 30, 2013	$ 0.1	$ 5.9	$ 0.0	$ 4.1	$ 0.1	$10.2

Net sales and operating profit from discontinued operations for the three months and six months ended June 30, 2013 and 2012 consist of the following amounts:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Net sales	$ 0.0	$ 0.2	$ 0.0	$ 5.4
Operating loss	(0.3)	(0.5)	(0.1)	(0.2)

4. Fair Value Measurements

Carrying amounts and the related estimated fair values of the Company’s financial instruments as of June 30, 2013 and December 31, 2012 are as follows:

	June 30, 2013		December 31, 2012	
(Dollars in millions)	Fair Value	Carrying Value	Fair Value	Carrying Value
Financial assets:				
Cash and cash equivalents, including restricted cash	$ 63.2	$ 63.2	$ 66.7	$ 66.7
Investments and other assets[(a)]	1.4	1.4	1.4	1.4
Financial liabilities:				
Long-term debt (including current portion)	$ 326.9	$301.4	$ 331.1	$296.1

(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 six months ended June 30, 2013 and 2012 is summarized in the table below:

	Three Months Ended June 30,		Six Months Ended June 30,	
(Dollars in millions)	2013	2012	2013	2012
Net income	$ 14.7	$ 20.9	$ 26.2	$ 36.8
Other comprehensive income (loss):				
Change in currency translation adjustment	(10.1)	(9.2)	(12.9)	(3.7)
Change in unrecognized pension transition asset, net of tax benefit of $0.0, $0.0, $0.0 and $0.1	0.0	0.0	0.0	(0.1)
Change in unrecognized prior service cost, net of tax expense of $0.0, $0.0, $0.1 and $0.0	0.0	0.0	0.1	0.0
Change in unrecognized pension net loss, net of tax expense of $0.9, $0.9, $1.5 and $1.7	1.3	1.3	2.3	2.5
Total comprehensive income	5.9	13.0	15.7	35.5
Less: comprehensive income attributable to noncontrolling interests	0.2	0.5	0.7	0.7
Comprehensive income attributable to Koppers	$ 5.7	$ 12.5	$ 15.0	$ 34.8

Amounts reclassified from accumulated other comprehensive income to net income consist of amounts shown for changes in unrecognized pension net loss, unrecognized prior service cost and unrecognized transition asset. These components of accumulated other comprehensive income are included in the computation of net periodic pension cost as disclosed in Note 12 – Pensions and Postretirement Benefit Plans.

The following tables present the change in equity for the six months ended June 30, 2013 and 2012, respectively:

(Dollars in millions)	Total Koppers Shareholders' Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2012	$ 150.6	$ 17.5	$ 168.1
Net income	25.4	0.8	26.2
Issuance of common stock	0.2	0.0	0.2
Employee stock plans	3.0	0.0	3.0
Other comprehensive loss	(10.4)	(0.1)	(10.5)
Dividends	(10.6)	0.0	(10.6)
Investment in noncontrolling interests	0.0	2.3	2.3
Repurchases of common stock	(1.6)	0.0	(1.6)
Balance at June 30, 2013	$ 156.6	$ 20.5	$ 177.1

(Dollars in millions)	Total Koppers Shareholders' Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2011	$ 94.8	$ 12.4	$ 107.2
Net income	36.0	0.8	36.8
Issuance of common stock	0.6	0.0	0.6
Employee stock plans	3.3	0.0	3.3
Other comprehensive loss	(1.2)	(0.1)	(1.3)
Dividends	(10.1)	0.0	(10.1)
Repurchases of common stock	(1.7)	0.0	(1.7)
Balance at June 30, 2012	$ 121.7	$ 13.1	$ 134.8

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 June 30,		*Six Months Ended June 30,*	
	2013	*2012*	*2013*	*2012*
(Dollars in millions, except share amounts, in thousands, and per share amounts)				
Net income attributable to Koppers	$ 14.4	$ 20.4	$ 25.4	$ 36.0
Less: loss from discontinued operations	(0.1)	(0.2)	0.0	(0.1)
Income from continuing operations attributable to Koppers	$ 14.5	$ 20.6	$ 25.4	$ 36.1
Weighted average common shares outstanding:				
Basic	20,727	20,764	20,697	20,717
Effect of dilutive securities	218	195	238	226
Diluted	20,945	20,959	20,935	20,943
Earnings per common share – continuing operations:				
Basic earnings per common share	$ 0.70	$ 1.00	$ 1.23	$ 1.74
Diluted earnings per common share	0.70	0.99	1.21	1.72
Other data:				
Antidilutive securities excluded from computation of diluted earnings per common share	254	212	227	185

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 (collectively, the “stock units”) to certain employee participants 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 have a two-year performance objective. Performance stock units granted after 2011 have three-year performance objectives. Regardless of whether the measurement period for the applicable performance objective is two or three years, all performance stock units have a three-year period for vesting (if the applicable performance objective is obtained). The applicable performance objective is based upon a multi-year cumulative value creation calculation commencing on the first day of each grant year. The number of performance stock units granted represents the target award and participants have the ability to earn between zero and 150 percent of the target award based upon actual performance. If minimum performance criteria are not achieved, no performance stock units will vest.

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 for most participants. There are special vesting provisions for the stock units related to a change in control.

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

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

The following table shows a summary of the performance stock units as of June 30, 2013:

Performance Period	*Minimum Shares*	*Target Shares*	*Maximum Shares*
2012 – 2014	0	98,453	147,680
2013 – 2015	0	95,858	143,787

The following table shows a summary of the status and activity of non-vested stock awards for the six months ended June 30, 2013:

	Restricted Stock Units	*Performance Stock Units*	*Total Stock Units*	*Weighted Average Grant Date Fair Value per Unit*
Non-vested at December 31, 2012	136,098	268,677	404,775	$ 36.11
Granted	62,276	97,318	159,594	$ 42.64
Credited from dividends	3,526	7,064	10,590	$ 35.17
Performance stock unit adjustment	0	43,921	43,921	$ 40.09
Vested	(46,314)	(85,798)	(132,112)	$ 29.81
Forfeited	(2,059)	(3,084)	(5,143)	$ 40.34
Non-vested at June 30, 2013	153,527	328,098	481,625	$ 40.29

Stock options to most 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 for most participants. 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 for most participants. 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 2013 Grant	*February 2012 Grant*	*February 2011 Grant*	*August 2010 Grant*
Grant date price per share of option award	$ 42.76	$ 38.21	$ 40.26	$ 20.00
Expected dividend yield per share	2.75%	2.75%	2.50%	2.50%
Expected life in years	6.5	6.5	6.5	6.5
Expected volatility	53.77%	55.06%	60.00%	62.00%
Risk-free interest rate	1.29%	1.34%	3.02%	3.05%
Grant date fair value per share of option awards	$ 17.28	$ 15.82	$ 19.28	$ 9.82

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 six months ended June 30, 2013:

	Options		*Weighted Average Exercise Price per Option*	*Weighted Average Remaining Contractual Term (in years)*		*Aggregate Intrinsic Value (in millions)*
Outstanding at December 31, 2012	331,799	$	34.07			
Granted	94,532	$	42.76			
Exercised	(5,251)	$	39.04			
Outstanding at June 30, 2013	421,080	$	35.96	7.36	$	1.6
Exercisable at June 30, 2013	111,598	$	29.86	4.55	$	1.0

Total stock-based compensation expense recognized for the three and six months ended June 30, 2013 and 2012 is as follows:

	Three Months Ended June 30,				*Six Months Ended June 30,*			
		2013		*2012*		*2013*		*2012*
(Dollars in millions)								
Stock-based compensation expense recognized:								
Selling, general and administrative expenses	$	1.4	$	1.7	$	2.8	$	3.2
Less related income tax benefit		0.5		0.7		1.1		1.3
	$	0.9	$	1.0	$	1.7	$	1.9

As of June 30, 2013, total future compensation expense related to non-vested stock-based compensation arrangements totaled $9.9 million and the weighted-average period over which this cost is expected to be recognized is approximately 22 months.

8. Segment Information

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

The Company's Railroad and Utility Products and Services segment sells treated and untreated wood products, manufactured products and services primarily to the railroad and public utility markets. Railroad products 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 June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
(Dollars in millions)				
Revenues from external customers:				
Carbon Materials & Chemicals	$ 220.3	$ 266.7	$ 450.8	$ 516.2
Railroad & Utility Products	150.6	144.6	290.5	276.0
Total	$ 370.9	$ 411.3	$ 741.3	$ 792.2
Intersegment revenues:				
Carbon Materials & Chemicals	$ 25.7	$ 26.8	$ 47.6	$ 56.8
Depreciation and amortization expense:				
Carbon Materials & Chemicals	$ 4.5	$ 4.3	$ 9.0	$ 8.4
Railroad & Utility Products	2.8	3.3	5.6	6.0
Total	$ 7.3	$ 7.6	$ 14.6	$ 14.4
Operating profit:				
Carbon Materials & Chemicals	$ 12.5	$ 26.2	$ 25.6	$ 46.7
Railroad & Utility Products	16.5	15.0	28.8	24.1
Corporate	(0.5)	(0.5)	(1.0)	(0.9)
Total	$ 28.5	$ 40.7	$ 53.4	$ 69.9

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

	June 30, 2013	December 31, 2012
(Dollars in millions)		
Segment assets:		
Carbon Materials and Chemicals	$512.8	$ 516.3
Railroad and Utility Products and Services	199.8	205.0
All other	49.9	58.7
Total	$762.5	$ 780.0
Goodwill:		
Carbon Materials and Chemicals	$ 68.0	$ 70.2
Railroad and Utility Products and Services	4.8	5.4
Total	$ 72.8	$ 75.6

9. Income Taxes

Effective Tax Rate

Income taxes as a percentage of pretax income before discrete items was 41.5 percent and 35.5 percent for the three months ended June 30, 2013 and 2012, respectively. Discrete items included in income taxes for the three months ended June 30, 2013 consisted of a net tax benefit of $1.4 million primarily due to the fact that the Company is no longer subject to potential income tax examinations for certain years. Discrete items included in income taxes for the three months ended June 30, 2012 consisted of net tax expense of $0.8 million due primarily to a tax reserve associated with our 2011 European restructuring project.

The effective tax rate for the second quarter of 2013 differs from the U.S. federal statutory rate of 35.0 percent due to the taxes on foreign earnings (+4.8 percent), state taxes (+1.9 percent), uncertain tax positions (+0.7 percent) and nondeductible expenses (+0.5 percent) partially offset by the domestic manufacturing deduction (-1.4 percent). With respect to the second quarter of 2012, the effective tax rate differs from the U.S. federal statutory rate of 35.0 percent due to state taxes (+1.7 percent), nondeductible expenses (+0.7 percent) and uncertain tax positions (+0.8 percent) partially offset by the taxes on foreign earnings (-1.1 percent) and the domestic manufacturing deduction (-1.6 percent).

Income taxes as a percentage of pretax income before discrete items was 40.2 percent and 34.4 percent for the six months ended June 30, 2013 and 2012, respectively. Discrete items included in income taxes for the six months ended June 30, 2013 consisted of a net tax benefit of $1.4 million primarily due to the fact that the Company is no longer subject to potential income tax examinations for certain years. Discrete items included in income taxes for the six months ended June 30, 2012 consisted of net tax expense of $0.5 million due primarily to a tax reserve associated with our 2011 European restructuring project partially offset by amended tax returns and deferred tax adjustments.

The effective tax rate for the first six months of 2013 differs from the U.S. federal statutory rate of 35.0 percent primarily due to the taxes on foreign earnings (+3.7 percent), state taxes (+1.8 percent), uncertain tax positions (+0.7 percent) and nondeductible expenses (+0.6 percent) partially offset by the domestic manufacturing deduction (-1.6 percent). With respect to the first six months of 2012, the effective tax rate 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 uncertain tax positions (+0.8 percent) partially offset by taxes on foreign earnings (-2.1 percent) and the domestic manufacturing deduction (-1.6 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 second quarter, the actual tax provision recognized for 2013 could be materially different from the forecasted annual tax provision as of the end of the second 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 2009.

As of June 30, 2013 and December 31, 2012, the total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate, was approximately $4.9 million and $5.5 million, respectively. Unrecognized tax benefits totaled $7.3 million and $7.7 million as of June 30, 2013 and December 31, 2012, respectively. The Company recognizes interest expense and any related penalties from uncertain tax positions in income tax expense. As of June 30, 2013 and December 31, 2012 the Company had accrued approximately $1.3 million for interest and penalties.

10. Inventories

Net inventories as of June 30, 2013 and December 31, 2012 are summarized in the table below:

(Dollars in millions)	*June 30, 2013*	*December 31, 2012*
Raw materials	$112.3	$ 118.2
Work in process	16.8	20.0
Finished goods	109.2	109.7
	238.3	247.9
Less revaluation to LIFO	54.0	52.1
Net	$184.3	$ 195.8

11. Property, Plant and Equipment

Property, plant and equipment as of June 30, 2013 and December 31, 2012 are summarized in the table below:

(Dollars in millions)	*June 30, 2013*	*December 31, 2012*
Land	$ 6.8	$ 7.0
Buildings	35.1	36.4
Machinery and equipment	622.4	616.6
	664.3	660.0
Less accumulated depreciation	503.1	498.9
Net	$161.2	$ 161.1

In February 2012, approximately 400 tons of 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 was recovered.

Insurance recoveries associated with the leak was a net $0.9 million for the three and six months ended June 30, 2013. Costs directly associated with the leak were $0.7 million and $2.4 million for the three and six months ended June 30, 2012, respectively, and include inventory losses, emergency response expenses, incremental logistics costs, and material clean-up and removal expenses.

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 most plans for hourly employees, have been frozen or are scheduled to be frozen in the next two years. Accordingly, these pension plans no longer accrue additional years of service or recognize future increases in compensation for benefit purposes. In addition, a number of pension plans are subject to a "soft" freeze which precludes new employees from entering the defined benefit pension plans.

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

The following table provides the components of net periodic benefit cost for the pension plans and other benefit plans for the three and six months ended June 30, 2013 and 2012:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
(Dollars in millions)				
Service cost	$ 0.8	$ 0.9	$ 1.7	$ 1.8
Interest cost	2.6	2.4	5.3	5.2
Expected return on plan assets	(3.1)	(2.6)	(6.3)	(5.3)
Amortization of prior service cost	0.1	0.1	0.1	0.1
Amortization of net loss	1.9	2.1	3.8	4.1
Amortization of transition asset	0.0	(0.1)	0.0	(0.2)
Net periodic benefit cost	$ 2.3	$ 2.8	$ 4.6	$ 5.7
Defined contribution plan expense	$ 1.4	$ 1.3	$ 2.9	$ 2.8
Multi-employer pension plan expense	0.1	0.0	0.2	0.2
Other postretirement benefit plans	0.2	0.1	0.3	0.3

13. Debt

Debt at June 30, 2013 and December 31, 2012 was as follows:

	Weighted Average Interest Rate	Maturity	June 30, 2013	December 31, 2012
(Dollars in millions)				
Revolving Credit Facility	1.94%	2018	$ 5.1	$ 0.0
Senior Notes	7 7/8%	2019	296.3	296.1
Total debt			301.4	296.1
Less short term debt and current maturities of long-term debt			0.0	0.0
Long-term debt			$301.4	$ 296.1

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. In March 2013, the Company extended the revolving credit agreement term to March 27, 2018. 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 for both of the three months ended June 30, 2013 and 2012 and $0.5 million for both of the six months ended June 30, 2013 and 2012, respectively. Commitment fees are charged to interest expense.

As of June 30, 2013, the Company had $249.3 million of unused revolving credit availability for working capital purposes after restrictions from certain letter of credit commitments and other covenants. As of June 30, 2013, $9.1 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)	*June 30, 2013*	*December 31, 2012*
Balance at beginning of year	$ 21.5	$ 21.3
Accretion expense	0.5	1.1
Revision in estimated cash flows, net	(0.2)	1.8
Cash expenditures	(2.4)	(3.0)
Currency translation	(0.6)	0.3
Balance at end of period	$ 18.8	$ 21.5

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)	*June 30, 2013*	*December 31, 2012*
Balance at beginning of year	$ 3.9	$ 4.8
Revenue earned	(0.3)	(0.9)
Balance at end of period	$ 3.6	$ 3.9

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 138 plaintiffs in 76 cases pending as of June 30, 2013 as compared to 136 plaintiffs in 75 cases pending as of December 31, 2012. As of June 30, 2013, there are a total of 71 cases pending in state court in Pennsylvania, four in Arkansas, and one case pending in state court in Tennessee.

The plaintiffs in all 76 pending cases seek to recover compensatory damages, while plaintiffs in 68 cases also seek to recover punitive damages. The plaintiffs in the 71 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, UCAR Carbon Company, Inc., Exxon Mobil Corporation, SGL Carbon Corporation and Alcoa, Inc. Discovery is proceeding in these cases. No trial dates have been set in any of these cases, except for one of the Arkansas cases which is currently scheduled for trial in October 2013.

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

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

In November 2010, a class action complaint was filed in the Circuit Court of the Eighth Judicial Circuit located in Alachua County, Florida by residential real property owners located in a neighborhood west of and immediately adjacent to the former utility pole treatment plant in Gainesville. The complaint named Koppers Holdings Inc., Koppers Inc., Beazer East and several other parties as defendants. Plaintiffs define the putative class as consisting of all persons who are present record owners of residential real properties located in an area within a two-mile radius of the former Gainesville wood treating plant. Plaintiffs further allege that chemicals and contaminants from the Gainesville plant have contaminated real properties within the two mile geographical area, have caused property damage (diminution in value) and have placed residents and owners of the putative class properties at an elevated risk of exposure to and injury from the chemicals at issue. The amended complaint seeks damages for diminution in property values, the establishment of a medical monitoring fund and punitive damages.

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 Court has not yet scheduled a class certification hearing or trial. In April 2013, plaintiffs filed a motion to dismiss their claims against 24 trucking company defendants without prejudice, and that motion has been granted. On May 31, 2013, the Court entered a Scheduling Order for Class Certification, which sets out discovery deadlines leading up to motions for class certification and opposition to those motions.

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 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 from the owner of the unaffiliated plant that included a claim for lost profits of approximately $1.7 million. On July 11, 2013 the owner of the unaffiliated plant filed a request for arbitration with the Netherlands Arbitration Institute seeking damages for the business interruption claim plus interest, costs and legal fees. Koppers Netherlands has not received detailed information used by the unaffiliated plant to determine this alleged loss, and, as a result, Koppers Netherlands is unable to determine the validity of the actual loss incurred. The Company has not provided a reserve for the claimed lost profits because, at this time, it cannot reasonably determine the probability of such loss, and the amount of such loss, if any, cannot be reasonably estimated. The Company does not currently believe that resolution of this matter will 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, 2012, amounts paid by Beazer East as a result of its environmental remediation obligations under the Indemnity have averaged in total approximately $16 million per year. Periodically, issues have arisen between Koppers Inc. and Beazer East and/or other indemnitors that have been resolved without arbitration. Koppers Inc. and Beazer East engage in discussions from time to time that involve, among other things, the allocation of environmental costs related to certain operating and closed facilities.

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

Domestic Environmental Matters. Koppers Inc. has been named as one of the potentially responsible parties ("PRPs") at the Portland Harbor CERCLA site located on the Willamette River in Oregon. Koppers Inc. currently operates a coal tar pitch terminal near the site. Koppers Inc. has responded to an Environmental Protection Agency ("EPA") information request and has executed a PRP agreement which outlines the process to develop an allocation of past and future costs among more than 80 parties to the site. Koppers Inc. believes it is a *de minimus* contributor at the site. Additionally, a separate natural resources damages assessment ("NRDA") is being conducted by a local trustee group. The NRDA is intended to identify further information necessary to estimate liabilities for remediation based settlements of national resource damages ("NRD") claims. Koppers Inc. may also incur liabilities under the NRD process and has entered into a separate process to develop an allocation of NRD cost.

On March 30, 2012, a draft Feasibility Study ("FS") was submitted to EPA by the Lower Willamette Group ("LWG"), a group of certain PRPs which has been conducting the investigation of the site. The draft FS identifies ten possible remedial alternatives which range in cost from approximately $170 million to $1.8 billion. The FS does not determine who is responsible for remediation costs or select remedies. The FS is under review by the EPA which will issue a final decision on the nature and extent of the final remediation. Responsibility for implementing and funding that work will be decided in the separate allocation process.

In September 2009, Koppers Inc. received a general notice letter notifying it that it may be a PRP at the Newark Bay CERCLA site. In January 2010, Koppers Inc. submitted a response to the general notice letter asserting that Koppers Inc. is a *de minimus* party at this site.

Other than the estimated costs of participating in the PRP group at the Portland Harbor and Newark Bay CERCLA sites totaling $0.5 million at June 30, 2013, the Company has not provided a reserve for these matters because there has not been a determination of the total cost of the investigations, the remediation that will be required, the amount of natural resources damages or how those costs will be allocated among the PRPs. Accordingly, the Company believes that it cannot reasonably determine the probability of a loss, and the amount of loss, if any, cannot be reasonably estimated. An unfavorable resolution of these matters may have a material adverse effect on the Company's business, financial condition, cash flows and results of operations.

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 2011 and the Company has reserved its expected remaining remediation costs of $4.4 million and has recorded a receivable, net of cash collections, from the owner of the adjacent property of $2.8 million as of June 30, 2013.

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 $5.9 million as of June 30, 2013.

Other Australian environmental matters include soil and groundwater remediation at a number of current and former facilities in Australia. The Company has reserved $1.1 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 $7.7 million and $8.5 million are classified as current liabilities at June 30, 2013 and 2012, respectively:

	Period ended	
(Dollars in millions)	*June 30, 2013*	*December 31, 2012*
Balance at beginning of year	$ 14.1	$ 17.7
Expense	0.3	1.0
Reversal of reserves	0.0	(0.4)
Cash expenditures	(0.4)	(4.6)
Currency translation	(1.4)	0.4
Balance at end of year	$ 12.6	$ 14.1

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 the payment of principal and interest on the Senior Notes. The domestic guarantor subsidiaries include World-Wide Ventures Corporation, Koppers Delaware, Inc., Koppers Concrete Products, Inc., Concrete Partners, Inc., and Koppers Asia LLC.

Separate condensed consolidating financial statement information for Koppers Holdings Inc. (the parent), Koppers Inc., the domestic guarantor subsidiaries and the non-guarantor subsidiaries as of June 30, 2013 and December 31, 2012 and for the three and six months ended June 30, 2013 and 2012 is as follows. Certain amounts have been reclassified in the Condensed Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2012 to reflect affiliated dividends and affiliated interest income.

Condensed Consolidating Statement of Comprehensive Income
For the Three Months Ended June 30, 2013

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
Net sales	$ 0.0	$ 225.8	$ 14.4	$ 144.1	$ (13.4)	$ 370.9
Cost of sales including depreciation and amortization	0.0	200.1	9.7	129.9	(13.5)	326.2
Selling, general and administrative	0.5	9.2	0.2	6.3	0.0	16.2
Operating profit (loss)	(0.5)	16.5	4.5	7.9	0.1	28.5
Other income (expense)	14.6	0.8	1.0	0.3	(15.7)	1.0
Interest expense (income)	(0.1)	6.7	(0.1)	1.2	(1.1)	6.6
Income taxes	(0.2)	6.4	0.1	1.8	0.0	8.1
Income from continuing operations	14.4	4.2	5.5	5.2	(14.5)	14.8
Discontinued operations	0.0	0.0	0.0	(0.1)	0.0	(0.1)
Noncontrolling interests	0.0	0.0	0.0	0.3	0.0	0.3
Net income attributable to Koppers	$14.4	$ 4.2	$ 5.5	$ 4.8	$ (14.5)	$ 14.4
Comprehensive income attributable to Koppers	$ 5.7	$ 5.2	$ (2.0)	$ 2.7	$ (5.9)	$ 5.7

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

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
Net sales	$ 0.0	$ 239.1	$ 35.5	$ 155.7	$ (19.0)	$ 411.3
Cost of sales including depreciation and amortization	0.0	201.5	29.8	140.2	(19.0)	352.5
Selling, general and administrative	0.5	10.9	0.8	5.9	0.0	18.1
Operating profit (loss)	(0.5)	26.7	4.9	9.6	0.0	40.7
Other income (expense)	20.7	0.0	6.4	0.3	(27.0)	0.4
Interest expense (income)	(0.1)	7.0	0.0	1.3	(1.2)	7.0
Income taxes	(0.1)	8.4	0.1	4.6	0.0	13.0
Income from continuing operations	20.4	11.3	11.2	4.0	(25.8)	21.1
Discontinued operations	0.0	0.1	0.0	(0.3)	0.0	(0.2)
Noncontrolling interests	0.0	0.0	0.0	0.5	0.0	0.5
Net income attributable to Koppers	$20.4	$ 11.4	$ 11.2	$ 3.2	$ (25.8)	$ 20.4
Comprehensive income attributable to Koppers	$12.5	$ 12.5	$ 9.1	$ (3.7)	$ (17.9)	$ 12.5

Condensed Consolidating Statement of Comprehensive Income
For the Six Months Ended June 30, 2013

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net sales	$ 0.0	$ 430.2	$ 36.6	$ 306.0	$ (31.5)	$ 741.3
Cost of sales including depreciation and amortization	0.0	383.1	27.1	275.3	(31.5)	654.0
Selling, general and administrative	1.0	18.9	0.6	13.4	0.0	33.9
Operating profit (loss)	(1.0)	28.2	8.9	17.3	0.0	53.4
Other income (expense)	26.0	0.9	5.2	0.7	(31.3)	1.5
Interest expense (income)	0.0	13.5	(0.1)	2.3	(2.2)	13.5
Income taxes	(0.4)	11.1	0.2	4.3	0.0	15.2
Income from continuing operations	25.4	4.5	14.0	11.4	(29.1)	26.2
Discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0
Noncontrolling interests	0.0	0.0	0.0	0.8	0.0	0.8
Net income attributable to Koppers	$25.4	$ 4.5	$ 14.0	$ 10.6	$ (29.1)	$ 25.4
Comprehensive income attributable to Koppers	$15.0	$ 6.6	$ 7.2	$ 4.9	$ (18.7)	$ 15.0

Condensed Consolidating Statement of Comprehensive Income
For the Six Months Ended June 30, 2012

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net sales	$ 0.0	$ 450.9	$ 57.9	$ 318.9	$ (35.5)	$ 792.2
Cost of sales including depreciation and amortization	0.0	390.9	47.5	283.2	(35.4)	686.2
Selling, general and administrative	0.9	21.4	1.2	12.6	0.0	36.1
Operating profit (loss)	(0.9)	38.6	9.2	23.1	(0.1)	69.9
Other income (expense)	36.6	0.0	8.1	0.7	(44.3)	1.1
Interest expense (income)	0.0	13.8	0.0	2.8	(2.7)	13.9
Income taxes	(0.3)	13.5	0.2	6.8	0.0	20.2
Income from continuing operations	36.0	11.3	17.1	14.2	(41.7)	36.9
Discontinued operations	0.0	0.0	0.0	(0.1)	0.0	(0.1)
Noncontrolling interests	0.0	0.0	0.0	0.8	0.0	0.8
Net income attributable to Koppers	$36.0	$ 11.3	$ 17.1	$ 13.3	$ (41.7)	$ 36.0
Comprehensive income attributable to Koppers	$34.8	$ 13.6	$ 16.8	$ 10.1	$ (40.5)	$ 34.8

Condensed Consolidating Balance Sheet
June 30, 2013

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
ASSETS						
Cash and cash equivalents	$ 0.0	$ 0.0	$ 0.1	$ 63.1	$ 0.0	$ 63.2
Restricted cash	0.0	0.0	1.5	0.0	0.0	1.5
Accounts receivable, net	6.8	99.8	332.5	79.5	(352.0)	166.6
Inventories, net	0.0	96.9	0.0	87.7	(0.3)	184.3
Deferred tax assets	0.0	16.4	(1.5)	0.0	0.0	14.9
Other current assets	0.0	7.3	2.5	31.1	0.1	41.0
Total current assets	6.8	220.4	335.1	261.4	(352.2)	471.5
Equity investments	154.7	80.8	27.2	4.3	(260.8)	6.2
Property, plant and equipment, net	0.0	104.7	0.0	56.5	0.0	161.2
Goodwill	0.0	39.8	0.0	33.0	0.0	72.8
Deferred tax assets	0.0	30.0	(12.4)	5.2	0.0	22.8
Other noncurrent assets	0.0	16.3	119.9	50.1	(158.3)	28.0
Total assets	$161.5	$ 492.0	$ 469.8	$ 410.5	$ (771.3)	$ 762.5
LIABILITIES AND EQUITY						
Accounts payable	$ 0.1	$ 385.8	$ 13.6	$ 53.9	$ (352.0)	$ 101.4
Accrued liabilities	4.8	12.2	10.5	34.7	0.0	62.2
Total current liabilities	4.9	398.0	24.1	88.6	(352.0)	163.6
Long-term debt	0.0	402.0	0.0	57.6	(158.2)	301.4
Other long-term liabilities	0.0	88.2	2.4	29.8	0.0	120.4
Total liabilities	4.9	888.2	26.5	176.0	(510.2)	585.4
Koppers shareholders’ equity	156.6	(396.2)	443.3	214.0	(261.1)	156.6
Noncontrolling interests	0.0	0.0	0.0	20.5	0.0	20.5
Total liabilities and equity	$161.5	$ 492.0	$ 469.8	$ 410.5	$ (771.3)	$ 762.5

Condensed Consolidating Balance Sheet
December 31, 2012

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
ASSETS						
Cash and cash equivalents	$ 0.0	$ 4.8	$ 0.0	$ 61.9	$ 0.0	$ 66.7
Receivables, net	6.9	89.9	324.9	86.8	(345.8)	162.7
Inventories, net	0.0	102.2	0.0	93.9	(0.3)	195.8
Deferred tax assets	0.0	16.4	(1.5)	0.2	0.0	15.1
Other current assets	0.0	8.0	2.8	30.1	0.0	40.9
Total current assets	6.9	221.3	326.2	272.9	(346.1)	481.2
Equity investments	148.7	77.1	27.3	3.8	(251.1)	5.8
Property, plant and equipment, net	0.0	105.7	0.0	55.4	0.0	161.1
Goodwill	0.0	39.8	0.0	35.8	0.0	75.6
Deferred tax assets	0.0	33.5	(12.4)	6.1	0.0	27.2
Other noncurrent assets	0.0	15.8	126.7	52.5	(165.9)	29.1
Total assets	$155.6	$ 493.2	$ 467.8	$ 426.5	$ (763.1)	$ 780.0
LIABILITIES AND EQUITY						
Accounts payable	$ 0.1	$ 371.7	$ 17.0	$ 60.6	$ (345.9)	$ 103.5
Accrued liabilities	4.9	15.9	12.2	44.7	0.0	77.7
Total current liabilities	5.0	387.6	29.2	105.3	(345.9)	181.2
Long-term debt	0.0	397.6	0.0	64.4	(165.9)	296.1
Other long-term liabilities	0.0	101.2	2.4	31.0	0.0	134.6
Total liabilities	5.0	886.4	31.6	200.7	(511.8)	611.9
Koppers shareholders’ equity	150.6	(393.2)	436.2	208.3	(251.3)	150.6
Noncontrolling interests	0.0	0.0	0.0	17.5	0.0	17.5
Total liabilities and equity	$155.6	$ 493.2	$ 467.8	$ 426.5	$ (763.1)	$ 780.0

Condensed Consolidating Statement of Cash Flows
For the Six Months Ended June 30, 2013

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Cash provided by (used in) operating activities	$ 11.5	$ 9.1	$ 0.1	$ 9.9	$ (10.6)	$ 20.0
Cash provided by (used in) investing activities:						
Capital expenditures and acquisitions	0.0	(8.1)	0.0	(7.6)	0.0	(15.7)
Net cash proceeds (payments) from divestitures and asset sales	0.0	0.8	0.0	0.1	0.0	0.9
Net cash provided by (used in) investing activities	0.0	(7.3)	0.0	(7.5)	0.0	(14.8)
Cash provided by (used in) financing activities:						
Borrowings (repayments) of long-term debt	0.0	5.1	0.0	0.0	0.0	5.1
Deferred financing costs	0.0	(1.2)	0.0	0.0	0.0	(1.2)
Other financing activities	0.0	0.0	0.0	2.3	0.0	2.3
Dividends paid	(10.1)	(10.6)	0.0	(0.1)	10.6	(10.2)
Stock issued (repurchased)	(1.4)	0.0	0.0	0.0	0.0	(1.4)
Net cash provided by (used in) financing activities	(11.5)	(6.7)	0.0	2.2	10.6	(5.4)
Effect of exchange rates on cash	0.0	0.1	0.0	(3.4)	0.0	(3.3)
Net increase (decrease) in cash and cash equivalents	0.0	(4.8)	0.1	1.2	0.0	(3.5)
Cash and cash equivalents at beginning of year	0.0	4.8	0.0	61.9	0.0	66.7
Cash and cash equivalents at end of period	$ 0.0	$ 0.0	$ 0.1	$ 63.1	$ 0.0	$ 63.2

Condensed Consolidating Statement of Cash Flows
For the Six Months Ended June 30, 2012

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Cash provided by (used in) operating activities	$ 10.6	$ 0.7	$ 0.0	$ (2.9)	$ (5.0)	$ 3.4
Cash provided by (used in) investing activities:						
Capital expenditures and acquisitions	0.0	(7.7)	0.0	(1.6)	0.0	(9.3)
Net cash proceeds (payments) from divestitures and asset sales	0.0	0.1	0.0	0.3	0.0	0.4
Net cash provided by (used in) investing activities	0.0	(7.6)	0.0	(1.3)	0.0	(8.9)
Cash provided by (used in) financing activities:						
Borrowings (repayments) of long-term debt	0.0	12.0	0.0	0.0	0.0	12.0
Stock issued (repurchased)	(1.1)	0.0	0.0	0.0	0.0	(1.1)
Dividends paid	(9.5)	(5.0)	0.0	0.0	5.0	(9.5)
Net cash provided by (used in) financing activities	(10.6)	7.0	0.0	0.0	5.0	1.4
Effect of exchange rates on cash	0.0	(0.1)	0.0	0.4	0.0	0.3
Net increase (decrease) in cash and cash equivalents	0.0	0.0	0.0	(3.8)	0.0	(3.8)
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	$ 0.0	$ 0.0	$ 50.3	$ 0.0	$ 50.3

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 June 30, 2013 and December 31, 2012 and for the three and six months ended June 30, 2013 and 2012 is as follows. Certain amounts have been reclassified in the Condensed Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2012 to reflect affiliated dividends and affiliated interest income.

Condensed Consolidating Statement of Comprehensive Income
For the Three Months Ended June 30, 2013

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Foreign Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
Net sales	$ 0.0	$ 225.8	$ 14.4	$ 106.4	$ 39.8	$ (15.5)	$ 370.9
Cost of sales including depreciation and amortization	0.0	200.1	9.7	94.4	37.6	(15.6)	326.2
Selling, general and administrative	0.5	9.2	0.2	5.3	1.0	0.0	16.2
Operating profit (loss)	(0.5)	16.5	4.5	6.7	1.2	0.1	28.5
Other income (expense)	14.6	0.8	1.0	0.1	0.2	(15.7)	1.0
Interest expense (income)	(0.1)	6.7	(0.1)	1.1	0.1	(1.1)	6.6
Income taxes	(0.2)	6.4	0.1	1.6	0.2	0.0	8.1
Income from continuing operations	14.4	4.2	5.5	4.1	1.1	(14.5)	14.8
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	0.3	0.0	0.3
Net income attributable to Koppers	$14.4	$ 4.2	$ 5.5	$ 4.0	$ 0.8	$ (14.5)	$ 14.4
Comprehensive income attributable to Koppers	$ 5.7	$ 5.2	$ (2.0)	$ (0.1)	$ 0.7	$ (3.8)	$ 5.7

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

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Foreign Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
Net sales	$ 0.0	$ 239.1	$ 35.5	$ 112.4	$ 43.3	$ (19.0)	$ 411.3
Cost of sales including depreciation and amortization		201.5	29.8	100.8	39.4	(19.0)	352.5
Selling, general and administrative	0.5	10.9	0.8	5.3	0.6	0.0	18.1
Operating profit (loss)	(0.5)	26.7	4.9	6.3	3.3	0.0	40.7
Other income (expense)	20.7	0.0	6.4	(0.1)	0.4	(27.0)	0.4
Interest expense (income)	(0.1)	7.0	0.0	0.9	0.4	(1.2)	7.0
Income taxes	(0.1)	8.4	0.1	4.1	0.5	0.0	13.0
Income from continuing operations	20.4	11.3	11.2	1.2	2.8	(25.8)	21.1
Discontinued operations	0.0	0.1	0.0	(0.3)	0.0	0.0	(0.2)
Noncontrolling interests	0.0	0.0	0.0	0.0	0.5	0.0	0.5
Net income attributable to Koppers	$20.4	$ 11.4	$ 11.2	$ 0.9	$ 2.3	$ (25.8)	$ 20.4
Comprehensive income attributable to Koppers	$12.5	$ 12.5	$ 9.1	$ (6.4)	$ 2.0	$ (17.2)	$ 12.5

Condensed Consolidating Statement of Comprehensive Income
For the Six Months Ended June 30, 2013

(Dollars in millions)	*Parent*	*Koppers Inc.*	*Domestic Guarantor Subsidiaries*	*Foreign Guarantor Subsidiaries*	*Non-Guarantor Subsidiaries*	*Consolidating Adjustments*	*Consolidated*
Net sales	$ 0.0	$ 430.2	$ 36.6	$ 227.9	$ 80.5	$ (33.9)	$ 741.3
Cost of sales including depreciation and amortization	0.0	383.1	27.1	202.1	75.6	(33.9)	654.0
Selling, general and administrative	1.0	18.9	0.6	11.3	2.1	0.0	33.9
Operating profit (loss)	(1.0)	28.2	8.9	14.5	2.8	0.0	53.4
Other income (expense)	26.0	0.9	5.2	0.1	0.6	(31.3)	1.5
Interest expense (income)	0.0	13.5	(0.1)	1.9	0.4	(2.2)	13.5
Income taxes	(0.4)	11.1	0.2	3.6	0.7	0.0	15.2
Income from continuing operations	25.4	4.5	14.0	9.1	2.3	(29.1)	26.2
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	0.8	0.0	0.8
Net income attributable to Koppers	$25.4	$ 4.5	$ 14.0	$ 9.1	$ 1.5	$ (29.1)	$ 25.4
Comprehensive income attributable to Koppers	$15.0	$ 6.6	$ 7.2	$ 1.2	$ 1.5	$ (16.5)	$ 15.0

Condensed Consolidating Statement of Comprehensive Income
For the Six Months Ended June 30, 2012

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Foreign Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net sales	$ 0.0	$ 450.9	$ 57.9	$ 236.8	$ 82.1	$ (35.5)	$ 792.2
Cost of sales including depreciation and amortization	0.0	390.9	47.5	207.3	75.9	(35.4)	686.2
Selling, general and administrative	0.9	21.4	1.2	11.1	1.5	0.0	36.1
Operating profit (loss)	(0.9)	38.6	9.2	18.4	4.7	(0.1)	69.9
Other income (expense)	36.6	0.0	8.1	0.0	0.7	(44.3)	1.1
Interest expense (income)	0.0	13.8	0.0	2.0	0.8	(2.7)	13.9
Income taxes	(0.3)	13.5	0.2	6.1	0.7	0.0	20.2
Income from continuing operations	36.0	11.3	17.1	10.3	3.9	(41.7)	36.9
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	0.8	0.0	0.8
Net income attributable to Koppers	$36.0	$ 11.3	$ 17.1	$ 10.2	$ 3.1	$ (41.7)	$ 36.0
Comprehensive income attributable to Koppers	$34.8	$ 13.6	$ 16.8	$ 7.1	$ 2.9	$ (40.4)	$ 34.8

Condensed Consolidating Balance Sheet
June 30, 2013

(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	$ 0.1	$ 37.4	$ 25.7	$ 0.0	$ 63.2
Restricted cash	0.0	0.0	1.5	0.0	0.0	0.0	1.5
Accounts receivable, net	6.8	99.8	332.5	50.6	31.8	(354.9)	166.6
Inventories, net	0.0	96.9	0.0	81.2	6.5	(0.3)	184.3
Deferred tax assets	0.0	16.4	(1.5)	0.0	0.0	0.0	14.9
Other current assets	0.0	7.3	2.5	17.2	14.0	0.0	41.0
Total current assets	6.8	220.4	335.1	186.4	78.0	(355.2)	471.5
Equity investments	154.7	80.8	27.2	34.9	4.3	(295.7)	6.2
Property, plant and equipment, net	0.0	104.7	0.0	38.1	18.4	0.0	161.2
Goodwill	0.0	39.8	0.0	31.7	1.3	0.0	72.8
Deferred tax assets	0.0	30.0	(12.4)	6.7	(1.5)	0.0	22.8
Other noncurrent assets	0.0	16.3	119.9	10.5	39.5	(158.2)	28.0
Total assets	$161.5	$ 492.0	$ 469.8	$ 308.3	$ 140.0	$ (809.1)	$ 762.5
LIABILITIES AND EQUITY							
Accounts payable	$ 0.1	$ 385.8	$ 13.6	$ 34.2	$ 22.6	$ (354.9)	$ 101.4
Accrued liabilities	4.8	12.2	10.5	26.3	8.4	0.0	62.2
Total current liabilities	4.9	398.0	24.1	60.5	31.0	(354.9)	163.6
Long-term debt	0.0	402.0	0.0	57.6	0.0	(158.2)	301.4
Other long-term liabilities	0.0	88.2	2.4	23.1	6.7	0.0	120.4
Total liabilities	4.9	888.2	26.5	141.2	37.7	(513.1)	585.4
Koppers shareholders' equity	156.6	(396.2)	443.3	167.1	81.8	(296.0)	156.6
Noncontrolling interests	0.0	0.0	0.0	0.0	20.5	0.0	20.5
Total liabilities and equity	$161.5	$ 492.0	$ 469.8	$ 308.3	$ 140.0	$ (809.1)	$ 762.5

Condensed Consolidating Balance Sheet
December 31, 2012

(Dollars in millions)	Parent	Koppers Inc.	Domestic Guarantor Subsidiaries	Foreign Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
ASSETS							
Cash and cash equivalents	$ 0.0	$ 4.8	$ 0.0	$ 40.7	$ 21.2	$ 0.0	$ 66.7
Receivables, net	6.9	89.9	324.9	65.9	21.2	(346.1)	162.7
Inventories, net	0.0	102.2	0.0	86.7	7.2	(0.3)	195.8
Deferred tax assets	0.0	16.4	(1.5)	0.0	0.2	0.0	15.1
Other current assets	0.0	8.0	2.8	17.6	12.5	0.0	40.9
Total current assets	6.9	221.3	326.2	210.9	62.3	(346.4)	481.2
Equity investments	148.7	77.1	27.3	30.2	3.8	(281.3)	5.8
Property, plant and equipment, net	0.0	105.7	0.0	40.7	14.7	0.0	161.1
Goodwill	0.0	39.8	0.0	34.4	1.4	0.0	75.6
Deferred tax assets	0.0	33.5	(12.4)	7.6	(1.5)	0.0	27.2
Other noncurrent assets	0.0	15.8	126.7	12.1	40.3	(165.8)	29.1
Total assets	$155.6	$ 493.2	$ 467.8	$ 335.9	$ 121.0	$ (793.5)	$ 780.0
LIABILITIES AND EQUITY							
Accounts payable	$ 0.1	$ 371.7	$ 17.0	$ 42.2	$ 18.6	$ (346.1)	$ 103.5
Accrued liabilities	4.9	15.9	12.2	35.7	9.0	0.0	77.7
Total current liabilities	5.0	387.6	29.2	77.9	27.6	(346.1)	181.2
Long-term debt	0.0	397.6	0.0	64.4	0.0	(165.9)	296.1
Other long-term liabilities	0.0	101.2	2.4	24.5	6.5	0.0	134.6
Total liabilities	5.0	886.4	31.6	166.8	34.1	(512.0)	611.9
Koppers shareholders’ equity	150.6	(393.2)	436.2	169.1	69.4	(281.5)	150.6
Noncontrolling interests	0.0	0.0	0.0	0.0	17.5	0.0	17.5
Total liabilities and equity	$155.6	$ 493.2	$ 467.8	$ 335.9	$ 121.0	$ (793.5)	$ 780.0

Condensed Consolidating Statement of Cash Flows
For the Six Months Ended June 30, 2013

(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	$ 11.5	$ 9.1	$ 0.1	$ 3.0	$ 6.9	$ (10.6)	$ 20.0
Cash provided by (used in) investing activities:							
Capital expenditures and acquisitions	0.0	(8.1)	0.0	(3.0)	(4.6)	0.0	(15.7)
Net cash proceeds (payments) from divestitures and asset sales	0.0	0.8	0.0	0.1	0.0	0.0	0.9
Net cash provided by (used in) investing activities	0.0	(7.3)	0.0	(2.9)	(4.6)	0.0	(14.8)
Cash provided by (used in) financing activities:							
Borrowings (repayments) of long-term debt	0.0	5.1	0.0	0.0	0.0	0.0	5.1
Deferred financing costs	0.0	(1.2)	0.0	0.0	0.0	0.0	(1.2)
Other financing activities	0.0	0.0	0.0	0.0	2.3	0.0	2.3
Dividends paid	(10.1)	(10.6)	0.0	0.0	(0.1)	10.6	(10.2)
Stock issued (repurchased)	(1.4)	0.0	0.0	0.0	0.0	0.0	(1.4)
Net cash provided by (used in) financing activities	(11.5)	(6.7)	0.0	0.0	2.2	10.6	(5.4)
Effect of exchange rates on cash	0.0	0.1	0.0	(3.4)	0.0	0.0	(3.3)
Net increase (decrease) in cash and cash equivalents	0.0	(4.8)	0.1	(3.3)	4.5	0.0	(3.5)
Cash and cash equivalents at beginning of year	0.0	4.8	0.0	40.7	21.2	0.0	66.7
Cash and cash equivalents at end of period	$ 0.0	$ 0.0	$ 0.1	$ 37.4	$ 25.7	$ 0.0	$ 63.2

Condensed Consolidating Statement of Cash Flows
For the Six Months Ended June 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	$ 10.6	$ 0.7	$ 0.0	$ 3.7	$ (6.6)	$ (5.0)	$ 3.4
Cash provided by (used in) investing activities:							
Capital expenditures and acquisitions	0.0	(7.7)	0.0	(1.6)	0.0	0.0	(9.3)
Net cash proceeds (payments) from divestitures and asset sales	0.0	0.1	0.0	0.4	(0.1)	0.0	0.4
Net cash provided by (used in) investing activities	0.0	(7.6)	0.0	(1.2)	(0.1)	0.0	(8.9)
Cash provided by (used in) financing activities:							
Borrowings (repayments) of long-term debt	0.0	12.0	0.0	0.0	0.0	0.0	12.0
Stock issued (repurchased)	(1.1)	0.0	0.0	0.0	0.0	0.0	(1.1)
Dividends paid	(9.5)	(5.0)	0.0	0.0	0.0	5.0	(9.5)
Net cash provided by (used in) financing activities	(10.6)	7.0	0.0	0.0	0.0	5.0	1.4
Effect of exchange rates on cash	0.0	(0.1)	0.0	0.5	(0.1)	0.0	0.3
Net increase (decrease) in cash and cash equivalents	0.0	0.0	0.0	3.0	(6.8)	0.0	(3.8)
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	$ 0.0	$ 0.0	$ 48.1	$ 2.2	$ 0.0	$ 50.3

19. Related Party Transactions

In November 2011, the Company loaned $11.7 million to TKK, a 30-percent owned company in China. During 2012, TKK made repayments totaling $2.2 million; accordingly the amount of the loan is $9.5 million as of June 30, 2013. The loan is repayable in November 2013.

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 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, 2012.

Overview

We are a leading integrated global provider of chemicals, carbon compounds and treated wood 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 and Chemicals (CMC)** and **Railroad and Utility Products and Services (RUPS).**

Through our CMC 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, the production of carbon black, the production of high-strength concrete, and the production of plasticizers and specialty chemicals, respectively. Through our RUPS business, we believe that we are the largest supplier of railroad crossties to the North American railroads. Our other treated wood products include utility poles for the electric and telephone utility industries in North America and Australia. 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. The project has commenced and construction of the tar distillation plant is expected to 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, including the impact of imported products from competitors in certain regions where we operate; (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 has 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 CMC 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, Australia and Western Europe have seen significant amounts of smelting capacity idled or closed over the last several years.

In 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 these lower volumes 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 have been negatively affected in 2012 and 2013 by difficult economic conditions in Europe. Certain key end markets experienced significant reductions in demand that have negatively affected the profitability for most of our products produced and sold in Europe, and we expect this to continue through 2013. Additionally, during 2013 our profitability in North America has been negatively impacted by increased levels of imports from competitors in Europe due to weak end-market demand there.

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 to the price of oil, which has resulted in higher raw material and finished product costs as the price of oil has increased.

The primary end-market for RUPS is the North American railroad industry, which has a large installed base of wood crossties that require periodic replacement. As a result, our 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 I railroad customers, who make up the largest portion of our business, may reduce inventory levels at certain times to manage working capital, which can adversely affect our volumes and profitability during certain periods.

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 at times been reduced during the winter months. Moreover, demand for some of our products declines during periods of inclement weather. As a result of the foregoing, we anticipate that we may experience material fluctuations in quarterly operating results. Historically, our operating results have been significantly lower in the first and fourth calendar quarters as compared to the second and third calendar quarters.

Results of Operations – Comparison of Three Months Ended June 30, 2013 and 2012

Consolidated Results

Net sales for the three months ended June 30, 2013 and 2012 are summarized by segment in the following table:

	Three Months Ended June 30,		
(Dollars in millions)	*2013*	*2012*	*Net Change*
Carbon Materials and Chemicals	$ 220.3	$ 266.7	-17%
Railroad and Utility Products and Services	150.6	144.6	+4%
	$ 370.9	$ 411.3	-10%

CMC net sales decreased by $46.4 million or 17 percent. Lower sales volumes for all major products combined with lower prices for pitch and carbon black feedstock were the main reasons for the decline in sales. Lower sales volumes for pitch were driven by lower volumes from Chinese operations into the Middle East, lower volumes from Australian operations due to smelter closures in 2012, and lower volumes of seasonal pitch products in North America due to wet weather conditions.

RUPS net sales increased by $6.0 million or four percent. The increase was due mainly to higher sales volumes for railroad crossties and higher sales volumes for utility poles as a result of the acquisition of a utility pole business in Australia in November 2012.

Cost of sales as a percentage of net sales was 86 percent for the quarter ended June 30, 2013 compared to 84 percent for the quarter ended June 30, 2012 due mainly to lower sales volumes and gross margins for CMC compared to the prior year quarter.

Depreciation and amortization for the quarter ended June 30, 2013 was $0.3 million lower when compared to the prior year period due mainly to a $0.6 million impairment charge in the prior year quarter.

Selling, general and administrative expenses for the quarter ended June 30, 2013 were $1.9 million lower when compared to the prior year period due mainly to lower compensation expense.

Other income for the quarter ended June 30, 2013 was $0.6 million higher when compared to the prior year due mainly to a gain on sale of land totaling $0.7 million in the second quarter of 2013.

Interest expense for the quarter ended June 30, 2013 was $0.4 million lower than the prior period due to lower average borrowings on the Company's revolving credit facility.

Income taxes for the quarter ended June 30, 2013 were $4.9 million lower when compared to the prior year period due to a reduction in pre-tax income of $11.2 million and the favorable impact of discrete tax items partially offset by an increase in the Company's effective income tax rate. The Company's effective income tax rate for the quarter ended on June 30, 2013, exclusive of discrete items, was 41.5 percent as compared to the prior year effective income tax rate of 35.5 percent. The increase in the effective income tax rate is primarily due to changes in the geographical mix of pre-tax earnings.

Segment Results

Segment operating profit for the quarter ended June 30, 2013 and 2012 is summarized by segment in the following table:

(Dollars in millions)	*Three Months Ended June 30, 2013*	*2012*	*% Change*
Operating profit:			
Carbon Materials and Chemicals	$ 12.5	$ 26.2	-52%
Railroad and Utility Products and Services	16.5	15.0	+10%
Corporate	(0.5)	(0.5)	0%
	$ 28.5	$ 40.7	-30%
Operating profit as a percentage of net sales:			
Carbon Materials and Chemicals	5.7%	9.8%	-4.1%
Railroad and Utility Products and Services	11.0%	10.4%	+0.6%
	7.7%	9.9%	-2.2%

CMC operating profit decreased by $13.7 million or 52 percent. Operating profit as a percentage of net sales for CMC decreased to 5.7 percent from 9.8 percent in the prior year quarter. Operating profit for the three months ended June 30, 2013 was negatively affected by lower profitability from European operations due to weak economic conditions combined with lower sales volumes and prices for phthalic anhydride in North America mainly as a result of increased levels of lower priced European imports.

RUPS operating profit increased by $1.5 million or ten percent. Operating profit as a percentage of net sales for RUPS increased to 11.0 percent from 10.4 percent in the prior year quarter. Operating profit for the three months ended June 30, 2013 was positively affected by higher sales volumes for railroad crossties and the acquisition of a utility pole business in Australia in November 2012.

Results of Operations – Comparison of Six Months Ended June 30, 2013 and 2012

Consolidated Results

Net sales for the six months ended June 30, 2013 and 2012 are summarized by segment in the following table:

(Dollars in millions)	*Six Months Ended June 30, 2013*	*2012*	*Net Change*
Carbon Materials and Chemicals	$ 450.8	$ 516.2	-13%
Railroad and Utility Products and Services	290.5	276.0	+5%
	$ 741.3	$ 792.2	-6%

CMC net sales decreased by $65.4 million or 13 percent. Lower sales volumes for all major products except carbon black feedstock combined with lower prices for pitch and carbon black feedstock were the main reasons for the decline in sales. Lower sales volumes for pitch were driven by lower volumes from Chinese operations into the Middle East, lower volumes from Australian operations due to smelter closures in 2012, and lower volumes of seasonal pitch products in North America due to wet weather conditions.

RUPS net sales increased by $14.5 million or five percent. The increase was due mainly to higher sales volumes for railroad crossties and higher sales for utility poles as a result of the acquisition of a utility pole business in Australia in November 2012.

Cost of sales as a percentage of net sales was 86 percent for the six months ended June 30, 2013 compared to 85 percent for the six months ended June 30, 2012 due mainly to lower sales volumes and gross margins for CMC compared to the prior year period.

Depreciation and amortization for the six months ended June 30, 2013 was $0.2 million higher when compared to the prior year period due mainly to projects completed during 2012 combined with the acquisition of a utility pole business in Australia in November 2012, which more than offset a $0.6 million impairment charge in the prior year period.

Selling, general and administrative expenses for the six months ended June 30, 2013 were $2.2 million lower when compared to the prior year period due mainly to lower compensation expense.

Other income for the six months ended June 30, 2013 was $0.4 million higher when compared to the prior year period due mainly to a gain on sale of land of $0.7 million in the six months ended June 30, 2013, which more than offset lower equity income in 2013.

Interest expense for the six months ended June 30, 2013 was $0.4 million lower than the prior period due to lower average borrowings on the Company's revolving credit facility.

Income taxes for the six months ended June 30, 2013 were $5.0 million lower when compared to the prior year period due primarily to a decrease in pre-tax income of $15.7 million and the favorable impact of discrete tax items partially offset by an increase in the Company's effective income tax rate. The Company's effective income tax rate prior to discrete items for the six months ended June 30, 2013 was 40.2 percent as compared to the prior year period of 34.4 percent. The increase in the Company's effective income tax rate is primarily due to changes in the geographical mix of pre-tax income.

Segment Results

Segment operating profit for the six months ended June 30, 2013 and 2012 is summarized by segment in the following table:

	Six Months Ended June 30,		
(Dollars in millions)	*2013*	*2012*	*% Change*
Operating profit:			
Carbon Materials and Chemicals	$ 25.6	$ 46.7	-45%
Railroad and Utility Products and Services	28.8	24.1	+20%
Corporate	(1.0)	(0.9)	-11%
	$ 53.4	$ 69.9	-24%
Operating profit as a percentage of net sales:			
Carbon Materials and Chemicals	5.7%	9.0%	-3.3%
Railroad and Utility Products and Services	9.9%	8.7%	+1.2%
	7.2%	8.8%	-1.6%

CMC operating profit decreased by $21.1 million or 45 percent. Operating profit as a percentage of net sales for CMC decreased to 5.7 percent from 9.0 percent in the prior year period. Operating profit for the six months ended June 30, 2013 was negatively affected by lower profitability from European operations due to weak economic conditions combined with lower sales volumes for phthalic anhydride in North America mainly as a result of increased levels of lower priced European imports.

RUPS operating profit increased by $4.7 million or 20 percent. Operating profit as a percentage of net sales for RUPS increased to 9.9 percent from 8.7 percent in the prior year period. Operating profit for the six months ended June 30, 2013 was positively affected by higher sales volumes for railroad crossties and the acquisition of a utility pole business in Australia in November 2012.

Cash Flow

Net cash provided by operating activities was $20.0 million for the quarter ended June 30, 2013 as compared to net cash provided by operating activities of $3.4 million for the quarter ended June 30, 2012. The net increase of $16.6 million in cash from operations is due primarily to lower working capital increases compared to the prior year period, which more than offset lower net income in the first six months of 2013. The lower working capital increases related mainly to a smaller increase in accounts receivable as a result of reduced sales, combined with a reduction in inventory levels primarily as a result of lower sales and production for CMC compared to the prior year period. Funding of post-retirement pension plans totaled $13.2 million in 2013 as compared to $9.1 million in 2012.

Net cash used in investing activities was $14.8 million for the quarter ended June 30, 2013 as compared to net cash used in investing activities of $8.9 million for the quarter ended June 30, 2012. The increase in net cash used in investing activities of $5.9 million is due to a higher level of capital expenditures in the first quarter of 2013 compared to the prior year period, primarily related to spending on the new coal tar distillation plant located in Pizhou City, Jiangsu Province, China.

Net cash used in financing activities was $5.4 million for the quarter ended June 30, 2013 as compared to net cash provided by financing activities of $1.4 million for the quarter ended June 30, 2012. The difference is due mainly to net borrowings of $5.1 million in the first quarter of 2012 compared to net borrowings of $12.0 million in the first quarter of 2013.

Dividends paid were $10.2 million in the quarter ended June 30, 2013 as compared to dividends paid of $9.5 million for the quarter ended June 30, 2012. Dividends paid in the first six months of 2013 reflect an increase in the quarterly dividend to 25 cents per common share compared to 24 cents per common share in the prior year.

On August 7, 2013, our board of directors declared a quarterly dividend of 25 cents per common share, payable on October 7, 2013 to shareholders of record as of August 19, 2013.

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 June 30, 2013 the basket totaled $214.0 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 June 30, 2013, we had $249.3 million of unused revolving credit availability for working capital purposes after restrictions by various debt covenants and certain letter of credit commitments. As of June 30, 2013, $9.1 million of commitments were utilized by outstanding letters of credit.

The following table summarizes our estimated liquidity as of June 30, 2013 *(dollars in millions)*:

Cash and cash equivalents[(1)]	$ 63.2
Amount available under revolving credit facility	249.3
Amount available under other credit facilities	5.3
Total estimated liquidity	$317.8

(1) Cash includes approximately $63 million held by foreign subsidiaries, which if repatriated to the United States, would incur an estimated cash tax cost of approximately $21 million.

Our estimated liquidity was $365.7 million at December 31, 2012.

In June 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 for 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 2013, excluding acquisitions and the construction of a new coal tar facility in China, are expected to total approximately $38 million. In October 2012, a subsidiary of the Company signed an agreement to construct a coal tar facility in China. Construction has commenced and is expected to be completed by mid-2014. The Company’s expected capital spending for the majority-owned facility is approximately $40 million for the remainder of 2013 and will be financed by available cash and incremental financing. 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 June 30, 2013 was 2.0.
- The leverage ratio, calculated as of the end of each fiscal quarter for the four fiscal quarters then ended, is not permitted to exceed 4.0. The leverage ratio at June 30, 2013 was 2.0.

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

At June 30, 2013, 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, 2012.

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, 2012.

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 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 June 30, 2013 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, 2012.

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 June 30, 2013:

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*
April 1 – April 30	0	$ 0.00	0	$ 0
May 1 – May 31	100	$ 39.68	100	$ 68,559,422
June 1 – June 30	0	$ 0.00	0	$ 0

(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 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 6. EXHIBITS

10.80*	Form of Amended and Restated Change in Control Agreement entered into as of May 6, 2013 between the Company and the named Executive.
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: August 8, 2013

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 10.80

AMENDED & RESTATED
CHANGE IN CONTROL AGREEMENT

This Agreement made this 6th day of May, 2013 by and between __________ (“Executive”) and Koppers Holdings Inc. (the “Company”).

WHEREAS, the Company considers it essential to the best interests of its stockholders to foster the continuous employment of certain key management personnel of the Company and its affiliates; and

WHEREAS, the Board of Directors of the Company (the “Board”) recognizes that the possibility of a change in control of the Company exists and that such possibility, and the uncertainty and questions which it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Company and its stockholders; and

WHEREAS, the Board has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of certain members of the management of the Company and its affiliates to their assigned duties without distraction in the face of potentially disturbing circumstances arising from the possibility of a change in control of the Company; and

WHEREAS, the Company and Executive entered into a Change in Control Agreement dated __________ (the “Original CIC Agreement”); and

WHEREAS, the Company and Executive entered into Amendment No. 1 to the Original CIC Agreement on __________; and

WHEREAS, the Company and Executive entered into Amendment No. 2 to the Original CIC Agreement on __________; and

WHEREAS, the Company and Executive desire to amend and restate the Original CIC Agreement and any amendments thereto in their entirety.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and intending to be legally bound hereby, the parties agree as follows:

1. Term of Agreement. The term of this Agreement (the “Term”) shall commence as of __________ and shall continue in effect until May 31, 2007; provided, however, that as of May 31, 2007, and each May 31st thereafter, the Term shall automatically be extended for one additional year unless, at least ninety (90) days prior to such renewal date either the Company or Executive shall have given notice to the other that such party does not wish to extend the Term; and provided further, however, that if a Change in Control (as hereinafter defined) shall have occurred during the original or any extended Term, the Term shall continue for a period of not less than twenty-four (24) months following the month in which such Change in Control occurred.

2. Change in Control.

a. Definition. For purposes of this Agreement, a "Change in Control of the Company" shall be deemed to have occurred upon the first to occur of the following events:

i. any person, or more than one person acting as a group, acquires ownership of stock of the Company that, together with the stock held by such person or group, represents a majority of the total voting power of the stock of the Company ("Change in Ownership"); or,

ii. during any twelve month period, a majority of the Company's Board is replaced by new directors whose appointment or election is not endorsed by a majority of the Company's Board ("Change in Effective Control"); or,

iii. during any twelve month period, any one person, or more than one person acting as a group, acquires assets from the Company having a total fair market value equal to or more than one-third (1/3) of the total fair market value of all of the assets of the Company immediately prior to such acquisition(s) and Executive is employed in the business which relates to the assets transferred ("Change in Ownership of Substantial Assets"); notwithstanding the preceding, a Change in Ownership of Substantial Assets does not occur when assets are transferred to (i) a shareholder in exchange for stock; (ii) an entity that is at least fifty (50%) percent owned, directly or indirectly, by the Company; (iii) a person, or more than one person acting as a group, that owns at least fifty (50%) percent of the total value or voting power of the stock of the Company; or, (iv) an entity that is at least fifty (50%) percent owned by a person, or more than one person acting as a group, that owns at least fifty (50%) percent of the total value or voting power of the stock of the Company; or,

iv. the Company's termination of its business and liquidation of its assets; or,

v. the reorganization, merger or consolidation of the Company into or with another person or entity, by which reorganization, merger or consolidation the shareholders of the Company receive less than fifty percent (50%) of the outstanding voting shares of the new or continuing corporation.

For purposes of the preceding Change in Ownership, Change in Effective Control and Change in Ownership of Substantial Assets, persons are considered to be acting as a group when such persons are owners of an entity that enters into a merger, consolidation, purchase or acquisition of stock, or a similar business transaction with the Company. Persons are not considered to be acting as a group merely because such persons happen to purchase or own stock of the Company at the same time or as a result of the same public offering.

b. Termination Following Change in Control. Executive shall be entitled to the benefits provided in subsection (c) below if any of the events, described in Section 2(a) constituting a Change in Control of the Company shall have occurred, and:

i. Executive terminates Executive's employment upon 30 days' written notice after being required to relocate Executive's primary office to a location greater than 50 miles from the then current location of Executive's office or Executive terminates Executive's employment upon 30 days' written notice after a material reduction in Executive's duties, responsibilities or compensation (unless the Company either revokes such relocation requirement or revokes such material reduction in Executive's duties, responsibilities or compensation, as the case may be, during the period beginning on the date of Executive's written notice of termination and ending 30 days thereafter); or

ii. The Company or its affiliates, as the case may be, terminates Executive's employment for any reason other than for Cause (as defined below) or by reason of Executive's Disability (as defined below);

Provided, however, that such termination, whether pursuant to Section 2(b)(i) or 2(b)(ii) above, shall have occurred (x) during the two-year period following such Change in Control; or (y) prior to the date on which a Change in Control of the Company occurs, if it can be reasonably demonstrated by Executive that such termination of employment was at the request of a third party who has taken steps reasonably calculated to effect a Change in Control or otherwise arose in connection with or anticipation of a Change in Control.

c. Compensation Upon Termination—In the event that a termination of employment of Executive occurs under the circumstances set forth in Section 2(b) above:

i. No later than the fifth day following the date of termination, the Company shall pay to Executive his or her full base salary through the date of termination at the rate in effect at the time notice of termination is given;

ii. In lieu of any further salary payments to Executive for periods subsequent to the date of termination, the Company shall pay as severance pay to Executive, at the time specified in subsection (d) below, a lump sum severance payment (the "Severance Payment") equal to two times Executive's annual Base Salary as in effect as of the date of termination or immediately prior to the Change in Control of the Company, whichever is greater;

iii. In lieu of any payments under the executive incentive plan or other bonus plan in effect for the year in which Executive's date of termination occurs, the Company shall pay Executive, at the time specified in subsection (d) below, a pro rata portion of all contingent awards granted under such plans for all uncompleted periods, assuming for this purpose that the amount of each award that would have been paid upon completion of such period would equal the average of the payments from the executive incentive plan for the previous two (2) years, and basing such pro rata portion upon the portion of the award period that has elapsed as of the date of termination;

iv. For a twenty-four (24) month period or for the term of this Agreement, whichever is later, the Company shall arrange to provide Executive with life, disability, accident and group health insurance benefits substantially similar to those which Executive was receiving immediately prior to the notice of termination (or, in the Company's discretion, the monetary equivalent of such benefits, payable on a monthly basis). Benefits otherwise receivable by Executive pursuant to this paragraph (iv) shall be reduced to the extent comparable benefits are actually received by Executive during the twenty-four (24) month period following Executive's termination, and any such benefits actually received by Executive shall be reported to the Company; and

v. The Company's obligations to indemnify and defend Executive with respect to matters arising out of Executive's performance during the Term shall continue after Executive's termination to the same extent that they existed prior to such termination. The Company will, at all times, maintain in force and effect Directors and Officers Liability Insurance.

d. Except as provided in subsection (f) hereof, the payments provided for in subsections (c) (ii) and (iii), above, shall be made no later than the fifth day following the date of termination; provided, however, that if the amounts of such payments cannot be finally determined on or before such day, the Company shall pay to Executive on such day an estimate, as determined in good faith by the Company, of the minimum amount of such payments and shall pay the remainder of such payments (together with interest at the rate provided in section 1274(b)(2)(B) of the Internal Revenue Code as amended (the "Code")) as soon as the amount thereof can be determined, but in no event later than the thirtieth day after the date of termination. In the event that the amount of the estimated payments exceeds the amount subsequently determined to have been due, such excess shall constitute a loan by the Company to Executive, payable on the fifth day after demand by the Company (together with interest at the rate provided in section 1274 (b)(2)(B) of the Code).

e. Except as provided in subsection (c)(v) hereof, Executive shall not be required to mitigate the amount of any payment provided for in this Section by seeking other employment or otherwise, nor shall the amount of any payment or benefit provided for in this Section 2 be reduced by any compensation earned by Executive as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by Executive to the Company, or otherwise.

f. Notwithstanding the provisions of this Section 2, in no event shall the aggregate present value of "parachute payments" as defined in Section 280G of the Code, exceed three times Executive's "base amount", as defined in Section 280G(b)(3) of the Code. If the preceding limitation is exceeded, then Executive's payments and benefits in this Section 2 shall be reduced to the extent necessary to cause the total payments and "parachute payments" to comply with the limitation.

g. Executive's entitlement to the benefits set forth in Sections 2(c)(ii), (iii), (iv) and (v) shall be conditioned upon Executive executing and delivering a release satisfactory to the Company releasing the Company and its affiliates and persons employed by such entities from any and all claims, demands, damages, actions and/or causes of action whatsoever, which Executive may have had on account of the termination of Executive's employment, including, but not limited to claims of discrimination, including on the basis of sex, race, age, national origin, religion, or handicapped status (with all applicable periods during which Executive may revoke the release or any provision thereof having expired), and any and all claims, demands and causes of action under any retirement or welfare benefit plan of the Company (as defined in the Employee Retirement Income Security Act of 1974, as amended), other than under the Company's 401(k) plan and the Qualified Plan, severance or other termination pay. Such release shall not, however, apply to the ongoing obligations of the Company arising under this Agreement, or any rights of indemnification Executive may have under the Company's policies or by contract or by statute.

Notwithstanding anything to the contrary herein, including in subsection (d), in the case of payments or benefits under this Agreement that are or may be deferred compensation subject to Internal Revenue Code Section 409A and are subject to an effective release as set forth above, where the period for execution and non-revocation of the release spans more than one calendar year, no such payment or benefit shall be made or provided any earlier than the beginning of the second calendar year. In no event may Executive, directly or indirectly, designate the calendar year of payment.

3. Successors; Binding Agreement.

   a. The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

   b. This Agreement shall inure to the benefit of and be enforceable by Executive and Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If Executive should die while any amount would still be payable to Executive hereunder had Executive continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to Executive's devisee, legatee or other designee or, if there is no such designee, to Executive's estate.

4. Notice. For the purpose of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States certified or registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth on the signature page of this Agreement, provided that all notices to the Company shall be directed to the attention of the Board with a copy to the Secretary of the Company, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

5. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by Executive and such officer of the Company as may be specifically designated by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement. The validity interpretation, construction and performance of this Agreement shall be governed by the laws of the Commonwealth of Pennsylvania without regard to its conflicts of law principles. Any payments provided for hereunder shall be paid net of any applicable withholding required under federal, state or local law. The obligations of the Company under Section 2 shall survive the expiration of the term of this Agreement.

6. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

7. Definitions.

   a. Cause. Termination by the Company of Executive's employment for "Cause" shall mean termination (a) upon the willful and continued failure by Executive to substantially perform Executive's duties with the Company or its affiliates, as the case may be, (other than any such failure resulting from Executive's incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to Executive by the Chief Executive Officer, which demand specifically identifies the manner in which the Chief Executive Officer believes that Executive has not substantially performed Executive's duties, and Executive is given a reasonable opportunity to remedy such identified failure to perform, or (b) the willful engaging by Executive in conduct which is demonstrably and materially injurious to the Company or its affiliates, as the case may be, monetarily or otherwise. For purposes of this subsection, no act, or failure to act, on Executive's part shall be deemed "willful" unless done, or omitted to be done, by Executive not in good faith and without reasonable belief that Executive's action or omission was in the best interest of the Company or its affiliates, as the case may be.

   b. Disability. If, as a result of Executive's incapacity due to physical or mental illness, Executive shall have been absent from the full-time performance of Executive's duties with the Company for at least six (6) consecutive months out of the previous twelve (12) months, and within thirty (30) days after written notice of termination is given to Executive by the Company or its affiliates shall not have returned to the full-time performance of Executive's duties, Executive's employment shall be deemed terminated for "Disability."

8. Dispute Resolution.

   a. Negotiation. If a dispute or controversy arises under or in connection with this Agreement, the parties agree first to try in good faith to settle the dispute or controversy. Any party may initiate the negotiation process by written notice to the others, identifying the dispute or controversy and the desire for negotiation.

   b. Arbitration. If the parties have not resolved the dispute or controversy by direct negotiations within thirty (30) days of such notice, any party may initiate arbitration as herein provided. All disputes or controversies arising under or in connection with this Agreement which are not resolved by negotiation shall be decided by arbitration in accordance with the Employment Dispute Resolution Rules of the American Arbitration Association, provided, however, that any such arbitration shall be before a single arbitrator selected by agreement of the parties. Judgment upon the award or decision of the arbitrator may be entered and enforced in any court of competent jurisdiction. In the event that the parties cannot agree upon the selection of an arbitrator, the parties agree that the American Arbitration Association in Pittsburgh, Pennsylvania will select the arbitrator. Notwithstanding the foregoing to the contrary, a party shall not be prohibited or precluded from seeking equitable relief in a court of competent jurisdiction without first resorting to the dispute resolution provisions of this Section 9 in circumstances in which a party's interests or property will otherwise be compromised. It is specifically intended by the parties that if any equitable relief is granted by an arbitrator, said relief may be enforced in any court of competent jurisdiction. The forum of such arbitration shall be in Pittsburgh, Pennsylvania to the exclusion of all other jurisdictions.

c. Notice of Decision. The arbitrator shall promptly notify the parties in writing of the decision, together with the amount of any dispute resolution costs arising with respect thereto (the "Notice of Decision"). The Notice of Decision need not contain an explanation of the decision or grounds thereof.

d. Costs and Fees. All dispute resolution costs, which shall include any fee for the arbitrator for services rendered shall be borne by the Company. Each party is to pay its own counsel fees and expenses.

9. Severability and Reformation. The provisions of this Agreement shall be deemed to be divisible so that in the event that any of the provisions of this Agreement shall be held to be invalid or unenforceable in whole or in part, those provisions to the extent enforceable and all other provisions shall nevertheless continue to be valid and enforceable as though the invalid or unenforceable parts had not been included in this Agreement. In the event that any provision of this Agreement (including, but not limited to, any provision related to a time period, geographical area or scope of restriction) shall be declared by a court of competent jurisdiction to exceed the maximum limitations or restrictions such court deems reasonable and enforceable, then such provision shall be deemed modified and reformed so as to be valid and enforceable to the maximum extent lawfully permitted.

10. Entire Agreement. This Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein, and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties; whether oral or written, by any officer, employee or representative of any party hereto; and any prior agreement of the parties hereto in respect of the subject matter contained herein is hereby terminated and canceled.

11. Compliance with Code Section 409A.

a. The terms of this Agreement are intended to, and shall be interpreted and applied so as to, comply in all respects with the provisions of Internal Revenue Code Section 409A and regulations and rulings thereunder. The terms of this Agreement may be amended or modified at any time and in any respect by the Company if and to the extent recommended by counsel in order to conform to the requirements of Internal Revenue Code Section 409A and regulations and rulings thereunder.

b. Notwithstanding any provision of this Agreement to the contrary, in the event that Executive is a "specified employee" within the meaning of Internal Revenue Code Section 409A(a)(2)(B)(i), no payment under this Agreement may be made, or may commence, before the date which is 6 months after the date of Executive's "separation from service" within the meaning of Internal Revenue Code Section 409A(a)(2)(B)(i) (or, if earlier, the date of the Executive's death) if and to the extent such payment is a payment of "deferred compensation" subject to Internal Revenue Code Section 409A.

12. Confidential information.

a. Executive agrees and understands that Executive has been and will be exposed to and receive certain confidential information of the Company and its affiliates, including, but not limited to: technical information; business and marketing plans; strategies; customer information; product information; pricing information and policies; promotions; developments; financing plans; business policies and practices; processes; techniques; methodologies; formulae; processes; compilations of information; research materials; software (source and object code); algorithms; computer processing systems; drawings; proposals; job notes; reports; records; specifications; inventions; discoveries; improvements; innovations; designs; ideas; trade secrets; proprietary information; manufacturing, packaging, advertising, distribution, and sales methods; sales and profit figures; and client and client lists and other forms of information considered by the Company or its affiliates to be confidential and in the nature of a trade secret (hereinafter all referred to as "Confidential Information"). Executive acknowledges that the Confidential Information is a valuable and unique asset of the Company and hereby covenants that both during and after Executive's employment, Executive shall keep such Confidential Information confidential and shall not disclose such information, either directly or indirectly, to any third person or entity without the prior written consent of a duly authorized representative of the Company. Further, Executive agrees that Executive will not use any Confidential Information for any purpose (including, but not limited to, use for Executive's own benefit or for the benefit of a third party) other than for purposes authorized by the Company or its affiliates and for the benefit of the Company and/or its affiliates. The parties agree that any Confidential Information that was disclosed or provided to Executive by the Company or its affiliates prior to the effective date of this Agreement was intended to be and shall be subject to the terms and conditions of this Agreement. Executive agrees that this confidentiality covenant has no temporal or territorial restriction. The obligation of confidentiality imposed herein shall not apply: (i) to information that is now or hereafter becomes publicly known or generally known in the Company's industry other than as a result of Executive's breach of Executive's obligations hereunder and (ii) to information that is required to be disclosed by applicable laws, governmental regulations or judicial or regulatory process; provided, however, in such event, that Executive may disclose such information only to the extent required and shall give at least fifteen (15) days' prior written notice to the Company of the requirement to disclose such information to the extent practicable under the circumstances.

13. Original Change-in-Control Agreement

a. The parties understand and agree that (i) this Agreement is intended to and shall replace the Original CIC Agreement and any amendments thereto in all respects and (ii) the Original CIC Agreement and any amendments thereto are hereby terminated.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the day and year first above written.

THE COMPANY:	**EXECUTIVE:**
Signature	Signature
Name	Name
Title	Title
Address	Address
Address	Address

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

	2008	*2009*	*2010*	*2011*	*2012*	*Six months ended June 30, 2013*
Earnings:						
Income from continuing operations before taxes	$ 90.0	$ 35.5	$ 73.8	$52.5	$100.6	$ 41.4
Deduct: Equity earnings net of dividends	(0.6)	(0.8)	0.0	0.2	0.8	0.4
Deduct: Pre-tax income of noncontrolling interests	0.8	3.4	0.5	0.9	2.0	1.0
Add: Fixed charges	53.5	71.6	40.3	40.8	41.6	19.6
Earnings as defined	$143.3	$104.5	$113.6	$92.2	$139.4	$ 59.6
Fixed charges:						
Interest expensed	$ 41.4	$ 58.7	$ 27.1	$27.2	$ 27.9	$ 13.5
Other	0.4	0.5	0.0	0.0	0.0	0.0
Rents	39.0	41.5	42.5	43.8	44.3	19.6
Interest factor	31%	31%	31%	31%	31%	31%
Estimated interest component of rent	12.1	12.9	13.2	13.6	13.7	6.1
Total fixed charges	$ 53.9	$ 72.1	$ 40.3	$40.8	$ 41.6	$ 19.6
Ratio of earnings to fixed charges	**2.66**	**1.45**	**2.82**	**2.26**	**3.35**	**3.04**

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: August 8, 2013

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

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: August 8, 2013

/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 June 30, 2013 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

August 8, 2013

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

August 8, 2013