



Koppers Inc. Reports 2003 Year End Results

March 17, 2004

PITTSBURGH, March 17 -- Sales for the year ended December 31, 2003 were \$842.9 million as compared to \$776.5 million for the prior year. The increase in sales is a result of increased activity in the US railroad market as well as higher sales in Australia and Europe, which foreign sales also benefited from favorable exchange conversion rates. Earnings before interest and taxes (EBIT) for the year were \$19.1 million as compared to \$54.1 million in 2002. The 2003 EBIT results were affected by special charges totaling \$17.6 million, including \$12.1 million of fourth quarter charges for restructuring costs associated with the US Carbon Materials & Chemicals business that resulted in the curtailment of production of the Woodward, Alabama tar distillation plant, asset impairments most significantly at the Portland, Oregon Terminal, restructuring of a logistics contract and severance. Also in 2003, the Company recorded \$2.9 million of charges related to the closure of the Company's Logansport, Louisiana pole treating facility and \$2.6 million of other charges primarily associated with the write off of receivables from a bankruptcy, and severance. The 2003 EBIT was also negatively impacted by \$9.8 million due to the loss of certain tax credits realized in 2002 that did not recur in 2003 and additional accretion expense of \$2.4 million associated with the adoption of FAS 143 in 2003.

Net losses, before cumulative effect of accounting change, for the year ended December 31, 2003 were \$19.0 million as compared to net income of \$16.5 million in 2002. Net income in 2003 was adversely affected by special charges of \$17.6 million, expiration of tax credits that generated \$9.8 million of income in 2002, write off of deferred financing costs of \$6.4 million and an early call premium of \$5.8 million associated with the retirement of existing bonds in October 2003. Net losses for the year were \$37.1 million as compared to net income of \$16.5 million in 2002.

Effective in the first quarter 2003, the Company adopted the provisions of FAS 143 related to asset retirement obligations. This adoption resulted in the recognition of a cumulative effect charge, after tax, of \$18.1 million.

Commenting on the year, President and CEO Walter W. Turner said, "The operating results for 2003 have obviously been significantly impacted by the fourth quarter restructuring of the U. S. Carbon Materials & Chemicals business that included the curtailment of production at the Woodward tar distillation plant. I am confident that the restructuring and the closure of the Logansport pole treating facility earlier in the year have allowed us to better position the U.S. businesses for greater profitability through increased productivity and the elimination of recurring costs of between \$5 and \$6 million from domestic operations. We continue to see strong results from our US Railroad business as well as our Australian operations and believe that the steps we have taken to restructure our U.S. Carbon Materials & Chemicals business combined with a new contract for supply of coke will lead to improved results in 2004. In keeping with our international growth strategy, I am also pleased to announce our re-entry into our Joint Venture in China effective January 1, 2004 and I am optimistic that the results will positively impact 2004 and beyond. Our focus remains on cash management and I am pleased to have achieved our year end target for borrowings, net of cash, of \$331 million. We continue to be driven by our strategy of providing our customers with the highest quality products and services while continuing to focus on safety, health and environmental issues."

About Koppers

Koppers, with corporate headquarters and a research center in Pittsburgh, Pennsylvania, is a global integrated producer of carbon compounds and treated wood products. Including its joint ventures, Koppers operates 39 facilities in the United States, United Kingdom, Denmark, Australia, the Pacific Rim and South Africa.

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