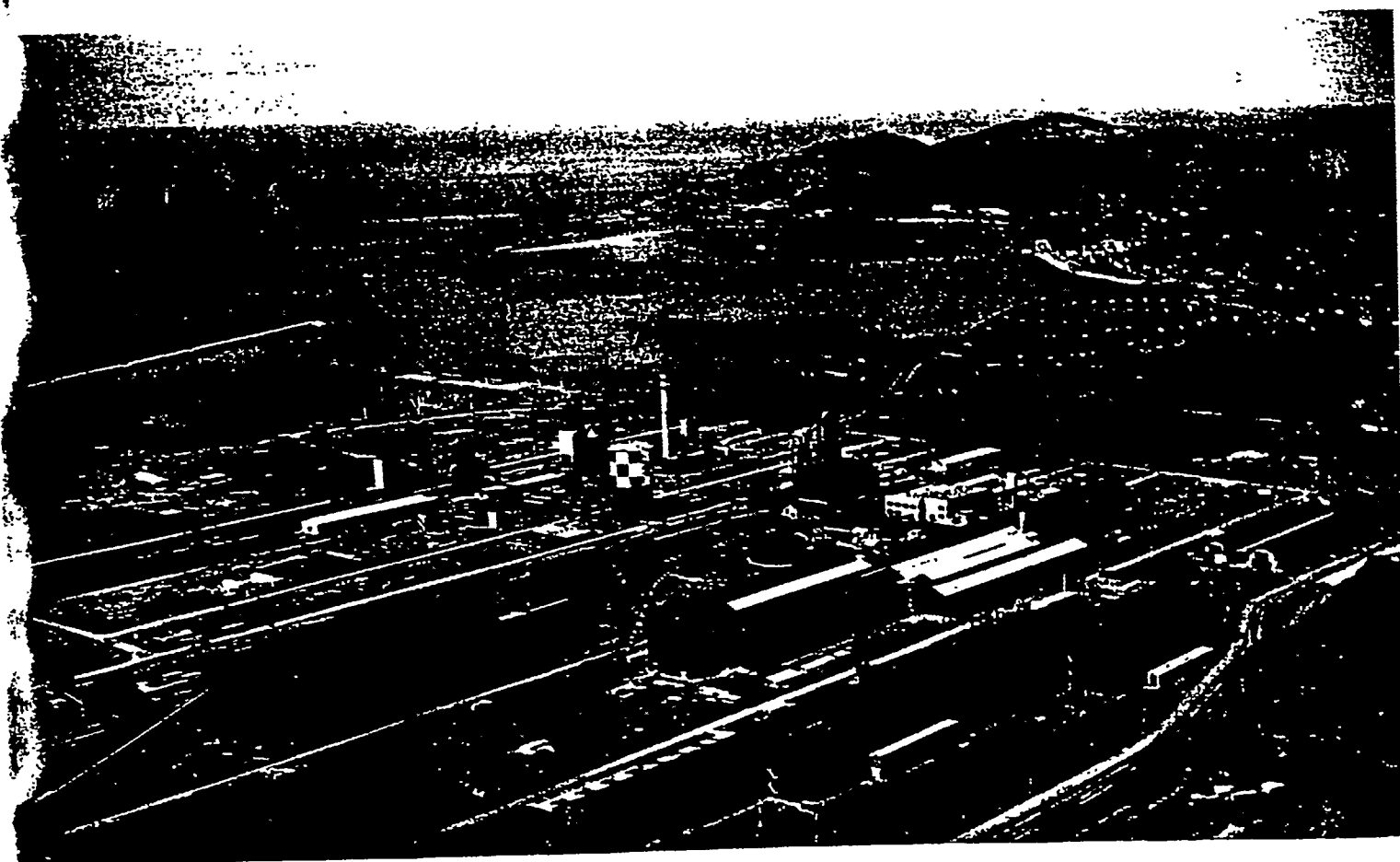


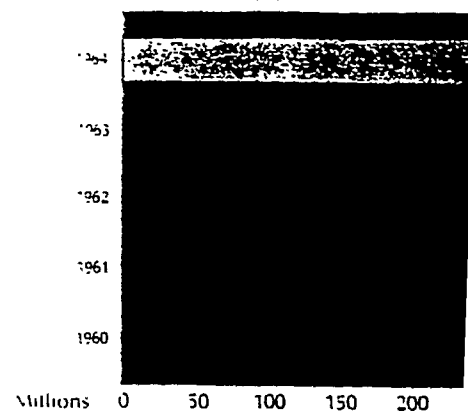
KOPPERS COMPANY INC. 1964 ANNUAL REPORT



From the coast of the Black Sea, steel for a modern Turkey.

... Our Year in Brief

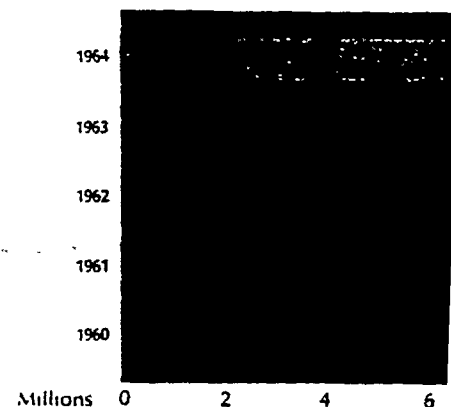
Total Koppers Sales



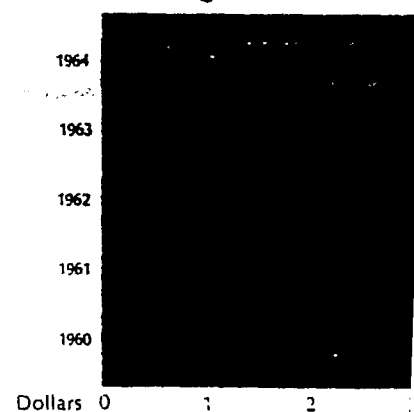
Dividends Paid to Common Stockholders



Net Income

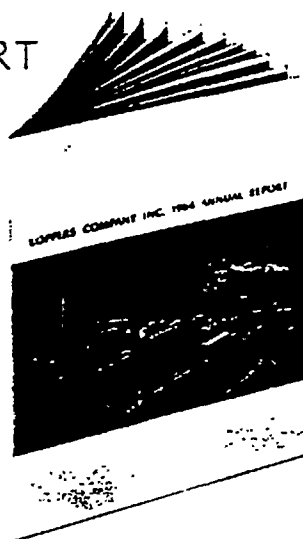


Earnings Per Share



KOPPERS COMPANY, INC.

1964 ANNUAL REPORT



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On the Cover

One of the most significant projects in Koppers recent history—the new integrated steel plant of Eregh Demir ve Çelik Fabrikaları T.A.S. — is currently in its final start up phase at Eregh, Turkey. A description of this project is presented on pages 12 through 16.

Annual Meeting

The next Annual Meeting of the Stockholders of the Company will be held on March 29, 1965 at the Penn Sheraton Hotel, Urban Room, 17th Floor, Pittsburgh, Pa. The Management will solicit proxies for this meeting. A notice of the meeting, a proxy statement, and a form of proxy will be mailed to the Common Stockholders in connection with this solicitation in the latter part of February, 1965.

Two Koppers pastes have been used in the production of this Annual Report.

A paper used in the Report is the Oxford Paper Company's Polar Outset Enamel. DUREX 55 styrene-butadiene latex is used in the coating of Polar Outset Enamel.

The growing use of DURETHENE polyethylene film in packaging applications is demonstrated on the paste envelope used to mail this Report. The envelope was produced by the Berns Bros. Bag Co.



Fred C. Fov, Chairman



Fletcher L. Byrom, President

To Our Stockholders:

January 25, 1965

Koppers sales and earnings were both improved in 1964. Net income for the year totaled \$9,950,000. This was equivalent after payment of preferred dividends to \$4.21 per common share. Earnings in 1964 were substantially higher than the \$7,281,000, or \$3.01 per share, earned in 1963.

An increase in dividends to common stockholders reflected both the Company's improved earnings in 1964, and a promising outlook for the future. In October the Board of Directors increased the regular quarterly dividend on the Company's common stock from 50 to 60 cents per share. In addition, a year-end extra dividend of 30 cents per share was declared and paid in the fourth quarter. Total dividends of \$2.40 per common share in 1964 represent a 20 per cent increase over the \$2.00 paid in the preceding three years.

Total Company sales in the year just completed were \$334.8 million, a record high for any year in the Company's history, and a 14 per cent increase over 1963 sales of \$292.8 million. The overall sales improvement was spread generally

through the Company, with across-the-board increases achieved in most of our major products and services.

We are especially pleased with the growth in our manufacturing volume. Manufacturing sales in 1964 were \$20.3 million higher than in the previous year, an especially gratifying increase in view of the fact that some \$9 million in sales of the Lock Haven (Pa.) dyestuffs plant, which was a part of our 1963 sales, was not consolidated in our Company's 1964 sales. As reported in last year's Annual Report, our dyestuffs business was merged late in 1963 with the dyestuffs activities of Philips Electronics and Pharmaceutical Industries Corporation. American Aniline Products, Inc., the new company which was formed, is jointly owned by Koppers and Philips.

We should point out that earnings realized to date by the American Aniline Products joint venture have been re-invested in that business, and our 1964 income includes no Aniline earnings or dividends. American Aniline will begin paying preferred stock dividends to the two parents in 1965.

NET SALES BY DIVISIONS* (In Thousands of Dollars)

Divisions	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955
Tar & Chemical**	\$ 84,257	\$ 88,575	\$ 96,921	\$ 94,566	\$ 98,760	\$ 88,848	\$ 87,525	\$ 92,104	\$ 78,097	\$ 72,086
Plastics	61,794	54,929	52,423	51,617	52,652	50,537	43,248	43,376	—	—
Chemical	—	—	—	—	—	—	—	—	70,492	56,620
Forest Products	68,511	57,920	51,907	42,082	47,166	45,860	41,610	53,029	49,204	38,362
Metal Products	40,754	37,194	37,153	34,348	31,092	28,470	25,207	35,939	33,128	22,907
Associated Operations	3,620	—	—	—	—	—	—	—	—	—
TOTAL MANUFACTURING	\$258,936	\$238,618	\$238,404	\$222,613	\$229,670	\$213,715	\$197,590	\$224,448	\$230,921	\$189,975
Engineering & Construction	74,308	52,352	61,680	49,865	72,105	27,381	61,859	102,125	74,947	37,907
Other Sales	1,573	1,864	1,064	965	764	632	598	569	558	591
TOTAL	\$334,817	\$292,834	\$301,148	\$273,443	\$302,539	\$241,728	\$259,047	\$327,142	\$306,424	\$228,473

*Sales from International Operations are included in the appropriate divisions above. Sales for 1959 and prior years have been restated to include two wholly-owned foreign subsidiaries.

**Includes the former Chemicals & Dyestuffs and Tar Products Divisions, merged in November, 1963.

Fundamental Changes Occurring at Koppers

A number of significant changes and developments have been taking place within the Koppers organization in recent years. Some of these are apparent from our published financial information, while others are not so readily discerned.

One such change concerns the basic competitive strength of our Company. Creation of the Sinclair-Koppers partnership in thermoplastics (please note full description on the following pages) completes a program to put each of the major areas of our business on a sound and competitive basis, relative to competing producers of the same goods and services.

How favorably we fare against these competitors in future years depends, of course, on how well we do our jobs. We are now satisfied, however, that in all principal product lines we are fully competitive in every respect—in raw material integration, plant efficiency, product quality, technical service, and management and marketing ability.

Our operating and overhead costs have been steadily reduced. In the last four years alone we have shut down 14 plants, and transferred their operations to other, more efficient locations. The efficiency and throughput capacity of a number of our chemical and plastics plants have been greatly improved, and our metal fabricating facilities have been substantially modernized. The average number of Koppers manufacturing employees in the record sales year of 1964 was

Continued on page 5



Partnership with Sinclair

Paves Way for Expansion

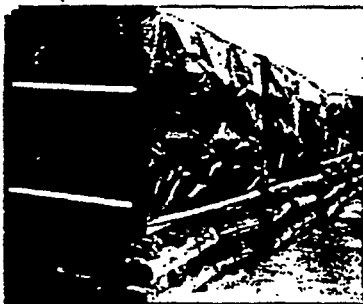
Effective January 1, 1964, Koppers Inc. and Sinclair Petrochemicals Inc. entered into a partnership to produce thermoplastics. Under the agreement, Sinclair will provide the stockholders received at the time of the formation of the partnership.

The production of thermoplastics has been a major objective of Koppers since its inception. The partnership with Sinclair will enable Koppers to balance the production of thermoplastics with its other products. Sinclair will be responsible for the production of thermoplastics, while Koppers will be responsible for the production of other products.

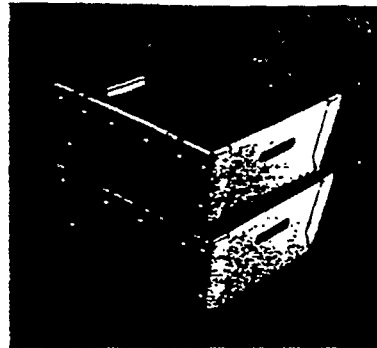
The partnership will be a 50-50 joint venture. Sinclair will own 50% of the partnership, and Koppers will own the other 50%. The partnership will be a separate legal entity, and will be responsible for its own debts and obligations. The partnership will be managed by a board of directors, which will be composed of representatives from both Sinclair and Koppers. The partnership will be responsible for the production and distribution of thermoplastics. The partnership will also be responsible for the production and distribution of other products. The partnership will be a major expansion for Koppers, and will enable Koppers to produce a wider range of products. The partnership will also enable Koppers to benefit from Sinclair's experience in the production of thermoplastics.

Continued on page 10

DYLITE expandable polystyrene



SUPER DYLAN high-density polyethylene

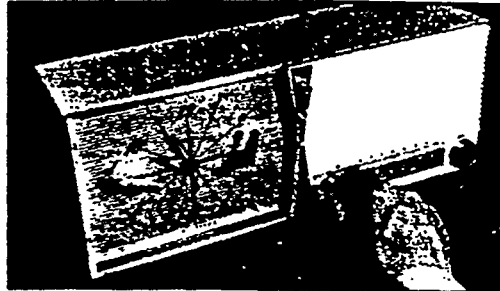


DURETHENE polyethylene film
(extruded from DYLAN low-density polyethylene resin)

DYLEX styrene-butadiene latex (used in rug backings)



Radio case molded of DYLENE polystyrene



By the end of 1967, we expect Sinclair-Koppers Company to be twice as large a factor in the plastics industry as it is at the present time.

SINCLAIR-KOPPERS current plastics include:

DYLENE polystyrene — a rigid thermoplastic which is injection molded, extruded or vacuum formed into products such as toys, housewares, lighting fixtures, radio and TV cabinets, monofilaments for brushes, wall tile, etc.

DYLITE expandable polystyrene — a versatile and fast growing foam plastic which is finding more and more applications each year in the packaging of instruments and fragile articles, and in the manufacture of hot drink cups, coolers, molded insulation board, and toys and flotation products.

DYLEX styrene-butadiene latices — used principally in paper coatings, paints, and rug backings.

DYLAN polyethylene — the familiar "squeeze bottle" low-density plastic used in film and sheeting (for agricultural, packaging, and construction applications); and injection molded industrial parts, bottles, housewares, toys.

SUPER DYLAN polyethylene — a rigid, high-density plastic used in bleach and detergent bottles, bottle closures, beverage



Chester E. Brown

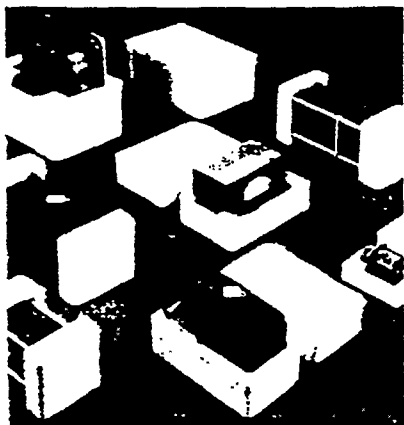
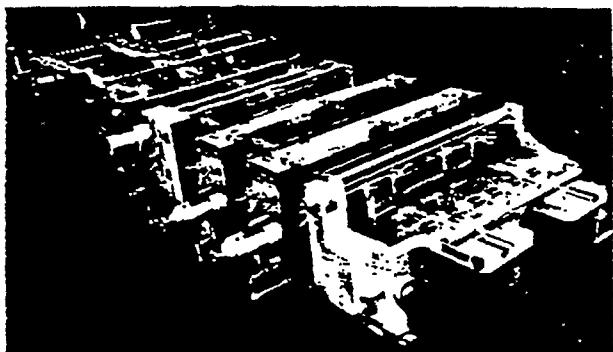
cases, toys, film, automotive parts, and in the coating of steel pipe.

DURETHENE polyethylene film — a transparent film used for packaging textiles and food, also used in construction work as a moisture barrier and as a protective cover; in agriculture as a mulch; and in many other applications.

Chester E. Brown, who had been Vice President and General Manager of Koppers Plastics Division, General Manager of Sinclair-Koppers.

The Sinclair-Koppers partnership, which began in the Koppers Building in Pittsburgh, Pa., is a testament to the strength of the new partnership. The partnership is a testament to the strength of the new partnership.

While our thermoplastic products are made from petroleum-based raw materials, the partnership is a testament to the strength of the new partnership. The partnership is a testament to the strength of the new partnership.



Illustrated on the opposite page are two major building products sold by Koppers: coal tar pitch built-up roofs, and LAMITE laminated beams.

Container machinery such as the HOOPER-SWIFT printer-slitter, folder-guer (above), and DYLITE expandable polystyrene for foam packaging (left), are contributing to Koppers' growing sales to the packaging market.

The Evolving Forest Products Division

The recent growth of our Forest Products Division provides a good illustration of the extension of our operations into new and promising areas, while continuing to develop traditional markets.

Until a decade ago this Division was almost solely concerned with markets for pressure-creosoted wood (railroad cross ties, utility poles, foundation and marine piling, and highway posts). Sales to railroads alone, in the period from World War II until the mid-1950's, made up about half of the Division's total sales volume.

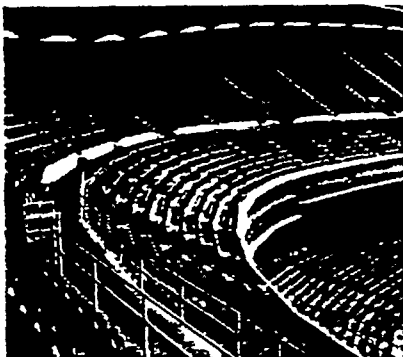
We have continued to compete aggressively for railroad business; our 1964 sales to this market were, in fact, the highest since 1957. Other segments of the Division's operations have been growing at a faster rate than the railroad market, however, with the net effect that sales to railroads now account for only about 25 per cent of our substantially larger total forest products business.

The Forest Products Division, in addition to expanding traditional markets for treated wood, has also moved into areas

where conventional preservatives such as creosote were not entirely suited to market needs. These new markets include areas where wood was not formerly used at all, or where untreated wood was used. In recent years we have developed and introduced two new pressure treatments for wood, each with its own market and each with characteristics heretofore unavailable in chemically treated wood.

NON-COM fire protected wood has now been accepted by substantially all of the insurance industry for partitions and roof decks in fireproof buildings. Since it retains all of the characteristics of wood in addition to its fire protection qualities, NON-COM lumber is finding increasing application in mercantile, industrial, educational and institutional construction. Sales of NON-COM fire protected wood in 1964 showed another substantial increase over the preceding year. Continued rapid growth of this product is foreseen.

CELLON-treated wood is one of the latest developments of Koppers research. The CELLON process, while providing the same protection against insects and decay as other pressure treatments, also combines the deepest preservative penetration yet achieved with an exceptionally clean, natural appearance. CELLON-treated wood can, if desired, be painted.



In recent years the traditional markets for pressure-treated wood (as represented by the pressure-creosoted marine pilings, above) have been extended by the introduction of new Koppers treated woods: WOLMANIZED lumber (as used in the roller coaster, upper left); NON-COM fire protected lumber (used in the apartment building, far left), and CELLON treated wood (stadium seats, left).

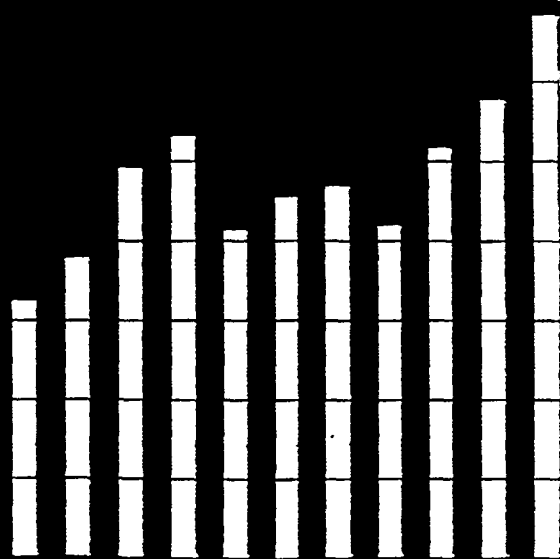
stained, or glued. We have been producing CELLON-treated wood at Oroville, California for the past two years and on the basis of a very favorable product acceptance in West Coast markets, the size of the initial installation has been doubled. One CELLON plant is now operating in the East—at Orrville, Ohio—and a second, larger plant is scheduled for completion within the next few months at Montgomery, Alabama.

Additional distribution of CELLON-treated wood will be realized through two licensees. Alger-Sullivan Sawmill Co. is currently operating a treating facility in Century, Florida; and McCormick & Baxter Creosoting Co. has a large CELLON plant now under construction at Stockton, California.

Another contributing factor in the Division's growth over the past two years has been the Unit Structures operation, which fabricates wood laminated arches, trusses, beams, decking and other structural materials. The addition of Unit Structures has further diversified the Company's forest products operations into that segment of the construction market which uses engineered timber structures for schools, churches, sports arenas, warehouses, vacation resorts, motels and other buildings.

Forest Products Sales

In millions of dollars





Growing areas of work for the Engineering and Construction Division are facilities for the continuous casting of steel (above), basic oxygen steelmaking plants (left), and installations such as sewage treatment plants (above, left) built by the Malan Department.

Reflecting the results of this decade of change, total sales of the Forest Products Division last year were \$68.5 million, more than double the 1954 volume of \$32.6 million, with further growth expected in future years.

Shift in Construction Emphasis

Within the engineering and construction field, our sales pattern has been undergoing a marked realignment. In 1957, for example, more than 85 per cent of Koppers \$102 million construction volume was in the designing and building of sintering plants, open hearth shops, coke ovens, and blast furnaces for American steel companies.

In recent years construction of sintering plants and open hearths has been slowed by changing economics and newer technology. And, while the long-range outlook for coke oven and blast furnace work remains favorable, improvements in blast furnace feed preparation, increased blast temperatures and furnace pressures, and supplementary fuel injections have boosted the iron output of existing blast furnaces and reduced coke requirements, thus causing a temporary lull in new construction in this area.

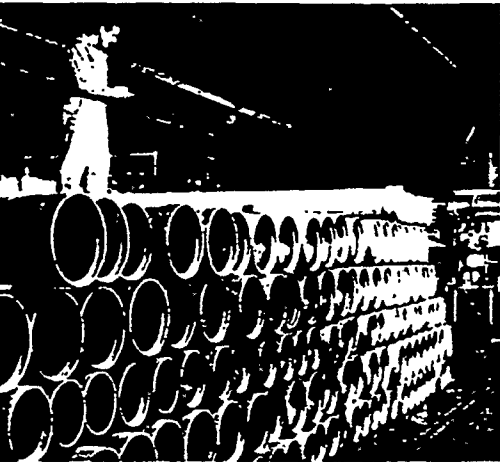
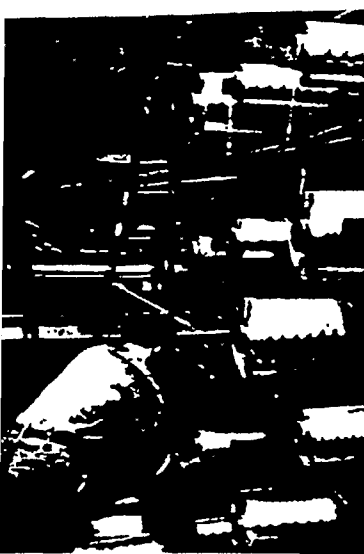
In the meantime, we have moved into other types of con-

struction. In 1964, more than two-thirds of our engineering and construction volume was derived from basic oxygen furnace plants, continuous casting plants, and overseas projects—all relatively promising areas of future work.

Our construction business was further diversified early in 1964 with the purchase of the Malan Construction Company of New York City, a firm specializing in the construction of water and sewage treatment plants, and military and space installations. It is gratifying to report that during 1964 the Malan organization received \$31 million in new business, only a small part of which was included in our 1964 sales, with the remainder falling into 1965 and succeeding years. We expect Malan to make substantial contributions to our future construction volume.

Hardinge Company Joins Koppers

Early in January of 1965, we purchased the assets of Hardinge Company, Inc. of York, Pa. Hardinge Company is a leading designer and manufacturer of equipment used to dry, grind,



New technology at Koppers is represented by the production of filament wound reinforced plastics at Lumtex Industries, acquired in 1963. Hundreds of strands of fiberglass (above left) are used in such products as lightweight, corrosion-resistant HYSTRAN reinforced epoxy pipe (left) and reinforced plastic radomes (above) for air traffic and navigational systems.

holders. Common stockholders received total dividends of \$5.3 million, equivalent to \$2.40 per share outstanding, compared to \$4.5 million or \$2.00 per share paid 1963.

Our expenditures for acquisitions, investments, plant construction and expansion, and modernization of existing facilities totaled \$15.0 million during 1964, compared to \$18.0 million in 1963. Our total capital expenditures in 1964 were more than we had anticipated earlier in the year, largely due to delays in the delivery of major pieces of equipment for plant expansion programs. Capital expenditures in 1965 will be significantly above the 1964 level.

Cash flow from operations during the year—consisting of net income, depreciation, depletion, provisions for deferred federal income taxes, etc.—totaled \$24.1 million, equal to \$1.57 per share, compared to \$23.5 million or \$10.32 per share in 1963.

Our ratio of current assets to current liabilities at year end was 3.1 to 1. Inventories on December 31 amounted to \$50.5 million, and receivables totaled \$59.9 million. The increase in receivables over the \$50.5 million at the beginning of 1964

reflects the Company's substantially higher sales volume during the year just completed.

Future Outlook

The outlook for the future continues promising, and we expect to report further gains in sales and earnings during 1965.

Our backlog of orders on hand at the end of 1964 totaled \$150 million, up from \$141 million at the beginning of the year.

For the Board of Directors,

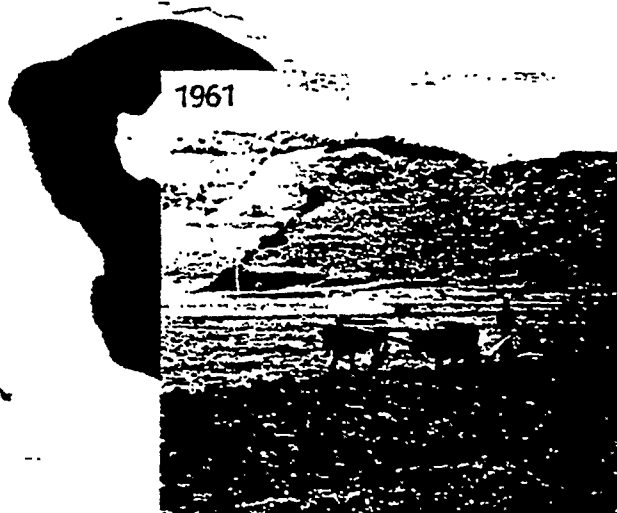
FRED C. FOY, Chairman

F. L. SYROM, President



The Ereğli Integrated Steel Plant Project

Fred C. Fov



Transformation of the Ereğli plant site

Since establishing an International group in 1956 to coordinate our international operations, Koppers has become increasingly active in world markets.

We are presently operating or selling in 67 countries. Our international activities include the designing and building of industrial plants, the rendering of technical and management assistance to firms in developing countries, the export sale of products made in our U. S. plants, and participation in foreign manufacturing affiliates—usually on a joint basis with resident business interests.

A unique aspect of our overseas work is Koppers ability to assist in the planning and development of large new industrial enterprises. Through the years Koppers has assembled the skills needed to help bring a new company into existence, and to help it successfully through the early difficult years.

The services performed for our customers in such undertakings include the making of initial technical and market studies, evaluation of raw materials and plant locations, coordination and assistance in developing a financial plan for the enterprise, design and construction of the required plant, and follow-through help in management, operations, and personnel training.

Ereğli Demir ve Çelik Fabrikaları T.A.Ş.

The integrated steel plant now in the final start-up phase at Ereğli, Turkey is a good example of the range of services that Koppers can be called on to furnish a major overseas industrial venture.

This new steel plant is owned and operated by the Turkish

1962



1964



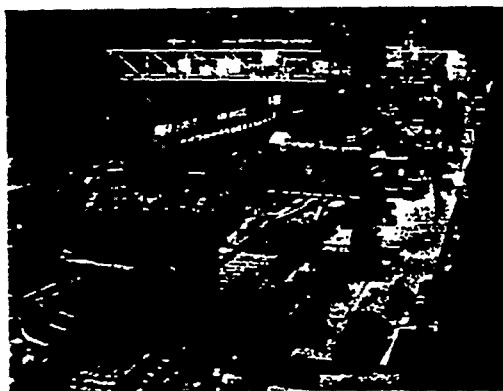
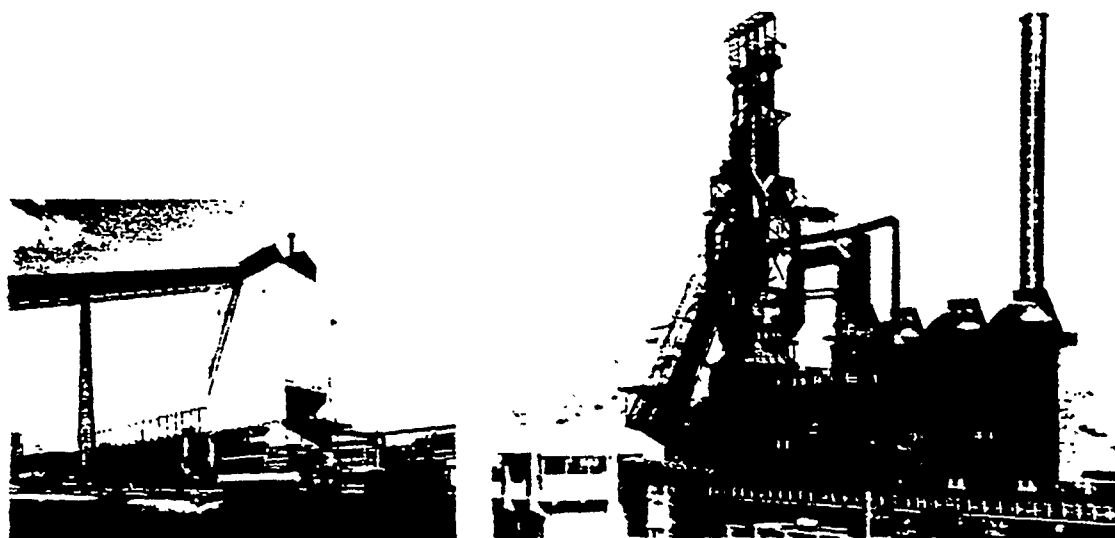
firm Eregli Demir ve Çelik Fabrikaları T.A.Ş. Eregli Iron and Steel Works, now known in Turkey as Erdemir. It is located on the Black Sea coast, 100 miles east of Istanbul.

Koppers has been closely involved from the inception of this project. We helped to perform initial feasibility and market studies and helped the customer to set up a comprehensive financial plan for the project. Then, in cooperation with Blaw-Knox Company and Westinghouse Electric International Corporation, we assumed responsibility for the design, supervision of construction, and furnishing of major equipment for the plant—and also became minority stockholders in the new venture.

In addition, Koppers will continue to assist the Eregli firm through a five year technical and management advisory contract, which is already in effect.

Shipments of finished steel products from Erdemir have commenced, and the entire plant is expected to be in full operation in March, 1965. With the cooperation and help of both the Turkish government and Turkish private business interests, and of the other American firms involved in the job, we have fulfilled the 42 month construction schedule agreed to in 1961—an ambitious time schedule considering the size and complexity of the job.

It now appears that the Turkish economy, which has for some time badly needed the flat steel products (plates, sheet, tinplate, etc.) being produced at Eregli, will almost immediately absorb the entire initial output of the plant. It is probable that an early expansion program will be required at Eregli to meet the increased demands from steel users, which we know from our experience in other developing countries can



Major production units at Eregli include 74 Koppers coke ovens (above, left); a large Koppers blast furnace (above); and a combination blooming, slabbing and plate mill (left) supplied by Blaw-Knox Company.

be expected to expand rapidly once the dependable availability of this type of domestic steel is assured.

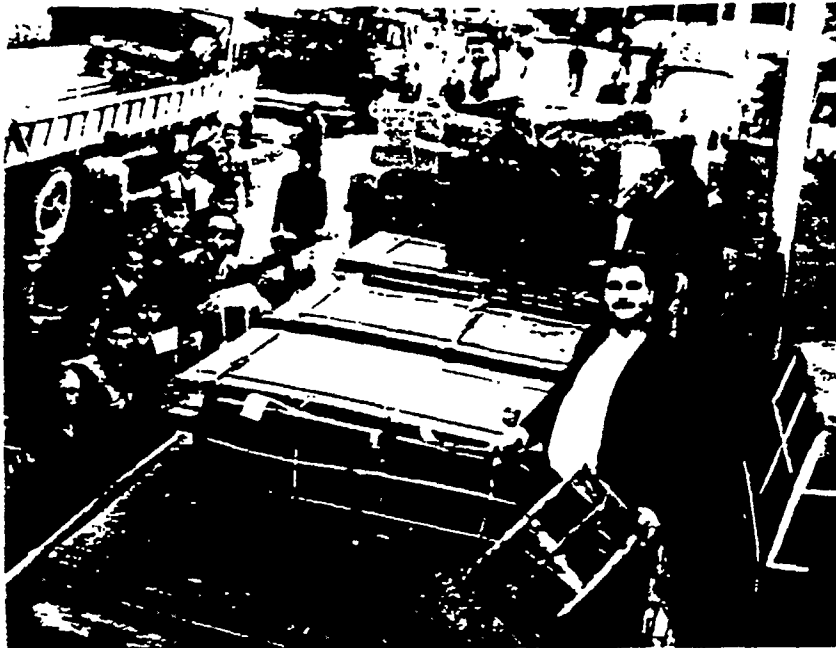
This plant will be one of the most up-to-date steel producing facilities in the world. Turkish coal from nearby locations will be carbonized in 74 large-capacity (15 ft. high) Koppers-Becker underjet coke ovens. Pig iron will be smelted in a 28 ft. hearth-diameter blast furnace, the largest in the Middle East, using coke from the Koppers ovens as well as Turkish iron ore and limestone. Steel will be made via the latest method—the basic oxygen furnace process—in two 80-ton vessels, the only oxygen furnaces in the Middle East. Hot and cold rolling mills and auxiliaries of the latest design have been engineered and supplied by Blaw-Knox. Westinghouse Electric provided all electrical equipment and an oil-fired 40,000 kva power plant.

Public / Private Cooperation Created the Eregli Plant

The planning and building of the new Erdemir steel plant provide a truly fine example of cooperative effort between the Turkish government and private Turkish interests, European companies, and the United States government and private American business and banking firms.

The U. S. Agency for International Development, through the largest single industrial loan ever granted by the U. S. government, has supplied a substantial part of the total capital requirements of the project.

Chase International Investment Corporation of New York assisted in financing the project through a direct loan.



The industrial city of Izmir greets the arrival, late in 1964, of the first shipment of steel sheets from Ereğli.

İTİBANK İŞ BANKASI A.Ş.



Prospective Turkish private investors learn about Erdemir through displays and personal presentations.

Five U. S. companies played important roles in the design, furnishing of equipment, and construction of the new plant. In addition to Koppers Associates (the Koppers, Blaw-Knox, Westinghouse partnership), Foster Wheeler Corporation performed field erection of material at the plant site, and Morrison-Knudsen Company did most of the foundation work.

A number of companies in France and Germany supplied a portion of the equipment needed by the Ereğli plant.

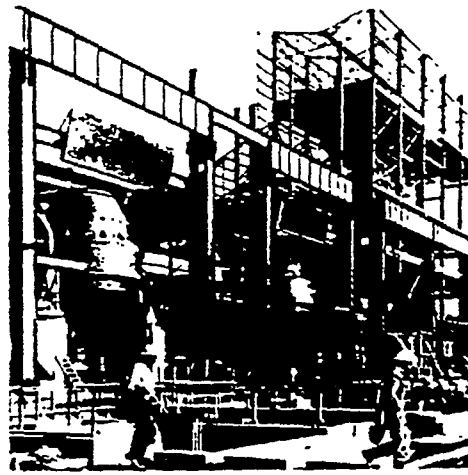
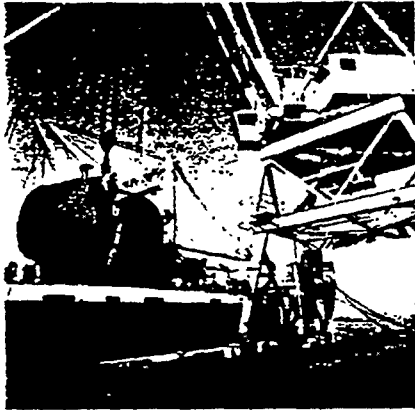
Several agencies of the Turkish government supplied direct financial aid, as well as encouragement and support for the project. Private Turkish individuals to date have purchased stock in the enterprise valued at 80 million lira (\$9 million).

It is important to note that, while the governments of both Turkey and the United States are lending substantial help to this project, Erdemir is a privately controlled and operated company. This is a first in Turkey, where private ownership of such a large basic industry is a new concept.

Turkey to Gain from the Ereğli Project

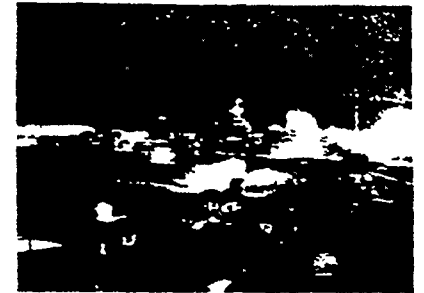
The Turkish national economy will benefit directly and substantially from the Ereğli plant.

Initial plant employment is 2,500, with additional personnel to be added as expansions occur. It is estimated that at least three to four times that number will be employed in mineral processing industries, distribution of raw materials and fin-



The heart of the steelmaking process—the basic oxygen furnaces—were assembled in the United States, transported via ship to Turkey, and installed at the Eregli plant.

The city of Eregli



The Eregli plant at night

ished steel products, and new steel-consuming industries created through the availability of Eregli steel.

The flat steel products from Eregli will help to stimulate and strengthen the Turkish economy. Although a steel plant has been operated at Karabuk, Turkey for the past 25 years, production at that location is confined to structural sections, bars, and rails—with no capacity in the flat steel products which will be made by Erdemir and are now increasingly needed by the country's expanding industries.

The only flat products heretofore available were imports, necessarily restricted in quantity due to the need to conserve Turkey's foreign exchange reserves.

Steel shipments from Eregli will have impact throughout the Turkish economy. A comprehensive distribution and sales

program has been established, and customer accounts currently number 2,200—including of course a number of quite modest users of steel.

New steel-consuming industries in Turkey are encouraged by the imminent availability of Eregli steel. Capacity at a pipe plant in Izmit, for example, has been more than doubled and this one plant alone will consume an estimated 75,000 tons of steel annually. And Turkey's 55 canning factories have been in dire need of a reliable domestic supply of tinplate to preserve and package Turkey's meat, fish, fruit and vegetables.

Development of the Turkish mining industry has been accelerated by the presence of the Eregli plant. Coal, iron ore, and limestone—the three principal materials used in the making of iron and steel—all are being supplied from Turkish mines.

Koppers International Operations: 1964

The Eregli project, while exceptionally large and dramatic, is but one example of Koppers expanding international interests. During 1964, for instance, our Company:

completed the design, and assisted in the construction of the world's largest basic oxygen steelmaking plant for ITALSIDER S.p.A. at Taranto, Italy;

began construction of a new Koppers blast furnace for Empresa Nacional Siderurgica, S.A. at Aviles, Spain; and another for Compania de Acero del Pacifico S.A. at Concepcion, Chile;

entered into an agreement with Iligan Integrated Steel Mills, Inc. to design, coordinate the construction, and help to manage a new integrated steel plant in the Philippines;

assisted in the management of four large steel operations in as many countries, three chemical plants, and a cement firm;

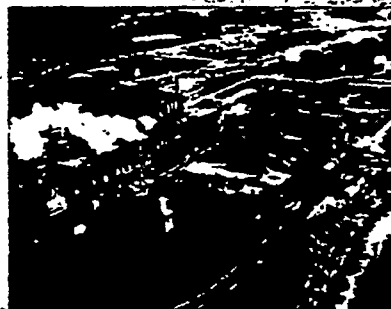
produced, in companies jointly owned with foreign partners, more than 75 million pounds of styrene monomer and polystyrene and polyethylene plastics in Brazil and Argentina;

exported many millions of dollars in Koppers chemicals and plastics, wood products, tar-based products, container machinery, piston rings and seals, and couplings to overseas markets.

With a broad program of international activities presently under way, and further expansion in new overseas markets, we feel that Koppers is well on its way to becoming a truly "multi-national" Company.



△ ARGENTINA—Ethylene production plant



△ CHILE—Cement plant



△ PHILIPPINES—Planned Integrated Steel Plant

Board of Directors

We were deeply saddened by the deaths during the year of two former Chairmen of the Koppers Board of Directors, J. Peter Williams, Jr. and W. F. Munnikhuisen, and the passing of an active Director, J. Albert Woods.

J. Peter Williams, Jr. contributed significantly to Koppers growth and prosperity during his 36-year association with the Company. He became President of Koppers Coal Company in 1930, President of Koppers Company in 1939, and was the first President of Koppers Company, Inc. at the time of the incorporation of the present Company in 1944. Mr. Williams also served as Chairman of the Board of Koppers Company, Inc. from 1944 until 1950. Following his retirement he remained a Director until 1956.

The career of W. F. Munnikhuisen spanned 47 years of distinguished service to Koppers. Mr. Munnikhuisen was elected Vice President and General Manager of the former Wood Preserving Division in 1938, Executive Vice President of the Company in 1950, and Chairman of the Board in 1955. He served as a member of the Board of Directors for five years following his retirement in 1958.

J. Albert Woods, formerly President of Commercial Solvents Corporation and Chairman of the Board and President of Courtaulds North America Inc., was a member of the Board of Directors from 1961 until his death last spring.



J. Peter Williams, Jr.



W. F. Munnikhuisen



J. Albert Woods



WALTER P. ARNOLD
Executive Vice President
Koppers Company, Inc.



JOSEPH BECKER
Former Vice President
Koppers Company, Inc.



VANCE BRAND
President, International
Investment Co.



STANLEY N. BROWN
Former Vice President
Koppers Company, Inc.



FLETCHER L. BYROM
President
Koppers Company, Inc.



FRED C. FOY
Chairman of the Board
Koppers Company, Inc.



CURTIS E. JONES
Vice President, Mellon
National Bank and Trust Company



T. C. KEELING, JR.
Vice President
Koppers Company, Inc.



ROBERT H. MCCLINTIC
Chairman of the Board
Gordon Lubricating Company



RICHARD K. MELLON
Chairman of the Board
Mellon National Bank
and Trust Company



ROBERT S. OELMAN
Chairman of the Board
National Cash Register
Company



NATHAN W. PEARSON
Vice President and
Governor
T. Mellon and Sons



ARTHUR B. VANBUSKIRK
Vice President and
Governor
T. Mellon and Sons

Changes in the Board of Directors: Lawrence N. Murray, former President of Mellon National Bank and Trust Company, retired from the Board of Directors early in 1964. He had served as a valued member of the Board since the incorporation of Koppers Company, Inc. in 1944.

Arthur W. Knight, Director of Courtaulds, Ltd. London, resigned as a Director in January of 1964.

Three new Directors were elected to the Company's Board during 1964: Curtis E. Jones, Vice

President of the Mellon National Bank and Trust Company; Nathan W. Pearson, Vice President and Governor of T. Mellon and Sons; and T. C. Keeling, Jr., Vice President of Koppers. Mr. Keeling, who joined Koppers in 1945, served from 1958 to 1963 as Vice President and General Manager of the former Chemicals and Dyestuffs Division. He joined the International Division in 1963, and in 1964 succeeded George W. Naylor who retired during the year. Mr. Keeling is now Director in charge of International Operations.

Officers of Koppers Company, Inc.

FRED J. FOX, Chairman of the Board

FLETCHER L. BYRON, President

Company Vice Presidents

WALTER P. ARNOLD
Executive Vice President
Corporate Growth Planning

H. A. DENNY
General Manager, Engineering
and Construction Division

JOHN D. JONES
Associated Operations

CHESTER E. BROWN*
General Manager, Plastics Division

DAVID L. EYNON, JR.
Corporate Growth Planning

T. C. KEELING, JR.
Director in Charge,
International Operations

HARRY B. CUMMINGS
General Manager
Metal Products Division

DOUGLAS GRIMES, JR.
General Manager
Forest Products Division

JOHN E. SPEARS
Treasurer

FRED DENIG
International Operations

ROBERT R. HOLMES
Executive Vice President

Three senior Koppers officers retired during the year: George M. Walker, associated with Koppers since 1929 and Executive Vice President of the Company since 1956. Retired in the fall, Mr. Walker helped to guide our Company through the early years in the plastics industry.

George W. Navior concluded a 16-year career with the Company in November of 1964, in his capacity as Vice President and General Manager of the International Division, he directed the Company's overseas operations since the initial formation of the Division in 1956.

Dr. Paul W. Bachman, former Vice President and Director of Research and more recently a member of the Corporate Growth Planning Group, retired in August.



George M. Walker



George W. Navior



Dr. Paul W. Bachman

Divisional and Departmental Vice Presidents

W. A. ANDERSON
Engineering and Construction Div.

JOHN H. HAUSER
Tar and Chemical Division

CARL H. POTTINGER
Director of Research

JOHN M. CRIMMINS
General Counsel, Law Department

NICHOLAS KAY
Metal Products Division

J. D. RICE, Manager
Procurement Department

DONALD L. DeVRIES
Metal Products Division

W. EUGENE KOGER, Manager
Industrial Relations Department

FRED W. RYS
Engineering and Construction Div.

ROBERT T. EAKIN
Engineering and Construction Div.

DONALD MacARTHUR
Washington Office

JOSEPH B. SCHMITT*
Plastics Division

J. A. HAGAN
Engineering and Construction Div.

J. C. MACON, JR.
Tar and Chemical Division

FRANK B. VARGA
International Operations

J. F. HALEY, Manager
Traffic and Transportation Dept.

P. V. MARTIN
Engineering & Construction Div.

B. OTTO WHEELEY, Manager
Marketing Department

MAX C. HANISCH
Forest Products Division

PAUL C. McCONNAUGHEY
Tar and Chemical Division

JAMES P. WILLIAMS
Engineering and Construction Div.

L. A. HARTZELL
Engineering and Construction Div.

E. J. McGEHEE
Forest Products Division

R. G. WILSON
Engineering and Construction Div.

Other Officers

JOHN M. CRIMMINS
Secretary

WILLIAM P. RAINES
Manager, Public and Community Relations Department

*Transferred to Sinclair-Koppers Company effective January 1, 1965

Transfer Agents

Mellon National Bank and Trust Company
Mellon Square, Pittsburgh 30, Pa.

Bankers Trust Company
16 Wall Street, New York 15, N. Y.

Harris Trust and Savings Bank
111 W. Monroe Street, Chicago 90, Ill.

Stock Registrars

Pittsburgh National Bank
P. O. Box 746, Pittsburgh 30, Pa.

Morgan Guaranty Trust Company of New York
140 Broadway, New York 15, N. Y.

Continental Illinois National Bank
and Trust Company of Chicago
231 South LaSalle Street, Chicago 90, Ill.

Dividend Disbursing Agent

Mellon National Bank and Trust Company
Mellon Square, Pittsburgh 30, Pa.

Report of Certified Public Accountants

ARTHUR YOUNG & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

430 Seventh Avenue
Pittsburgh, Pa. 15219

The Board of Directors and Stockholders
Koppers Company, Inc.

We have examined the accompanying consolidated balance sheet of Koppers Company, Inc. and consolidated subsidiaries at December 31, 1964 and the related consolidated statement of income and earnings retained in the business for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the statements mentioned above present fairly the consolidated financial position of Koppers Company, Inc. and consolidated subsidiaries at December 31, 1964 and the consolidated results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ARTHUR YOUNG & COMPANY

Pittsburgh, Pennsylvania
January 21, 1965

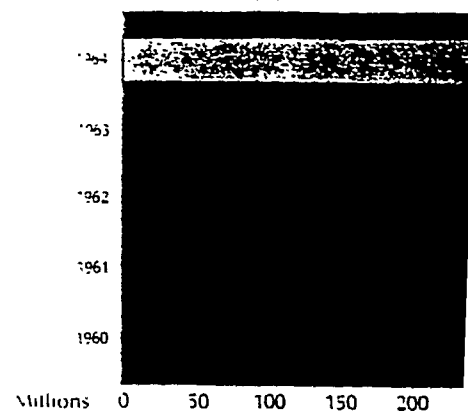
Consolidated Statement of Income and Earnings Retained in the Business

Years ended December 31, 1964 and 1963 (See accompanying notes)

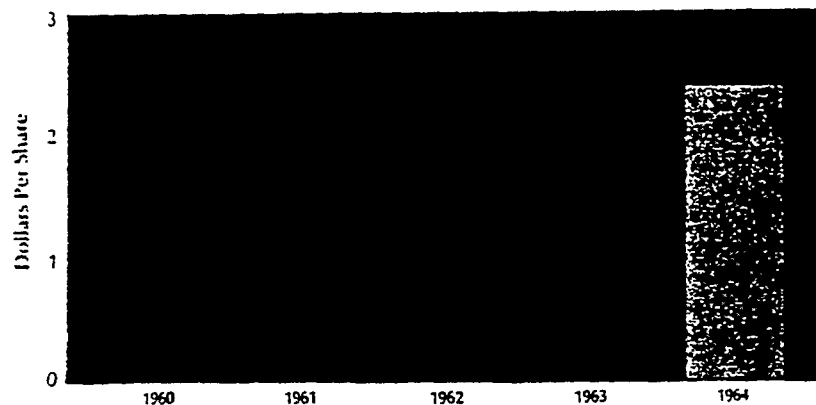
	1964	1963
Net sales	\$334,817,069	\$292,834,388
Operating expenses (Note 2):		
Cost of sales	261,287,111	225,020,846
Depreciation and depletion	11,918,007	12,797,607
Taxes other than income taxes	6,137,700	5,862,640
Selling, research, general and administrative expenses	37,733,032	36,133,563
	<u>317,075,850</u>	<u>280,814,656</u>
Operating profit	<u>17,741,219</u>	<u>11,019,732</u>
Income tax expense	1,281,165	1,725,497
Income before extraordinary items	647,712	9,294,235
Extraordinary items	125,043	1,235,744
	<u>2,053,920</u>	<u>1,235,744</u>
Income before income taxes	19,795,139	10,529,979
Income tax expense	1,343,370	1,307,894
Income before extraordinary items	<u>18,451,769</u>	<u>9,222,085</u>
Extraordinary items	7,675,124	826,627
	<u>8,501,751</u>	<u>826,627</u>
Income before income taxes	9,950,018	9,222,085
Income tax expense	74,171,847	84,121,865
	<u>600,000</u>	<u>5,347,692</u>
	<u>5,947,692</u>	<u>5,347,692</u>
	<u>\$ 78,174,173</u>	<u>\$ 78,174,173</u>
	2,222,032	54.21

... Our Year in Brief

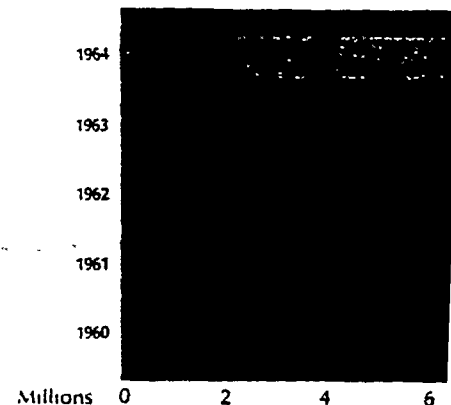
Total Koppers Sales



Dividends Paid to Common Stockholders



Net Income



Earnings Per Share

