Koppers Denmark ApS

Avernakke 1
5800 Nyborg

CVR no. 11 00 07 38

Annual report 2016

The annual report was presented and approved at the Company's annual general meeting on

29 May 2017

Kent Bo Svendsen
chairman

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Koppers Denmark ApS for the financial year 1 January – 31 December 2016.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Nyborg, 29 May 2017
Executive Board:

Kent Bo Svendsen

Board of Directors:

Steven Robert Lacy	James A. Sullivan	Christian Arndal Nielsen
Michael Joseph Zugay	Franklin Miguel Fernandez	Hanne Dyhr

Independent auditor's report

To the shareholders of Koppers Denmark ApS

Opinion

We have audited the financial statements of Koppers Denmark ApS for the financial year 1 January – 31 December 2016 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

— identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

— obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

— evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

— conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

— evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

KPMG

Independent auditor's report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 29 May 2017
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Jon Beck
State Authorised
Public Accountant

Elife Savas
State Authorised
Public Accountant

Management's review

Company details

Koppers Denmark ApS
Avernakke 1
5800 Nyborg

Telephone:	63 31 31 00
Fax:	63 31 32 00
CVR no.:	11 00 07 38
Established:	1 July 1987
Registered office:	Nyborg
Financial year:	1 January – 31 December

Board of Directors

Steven Robert Lacy
James A. Sullivan
Christian Arndal Nielsen
Michael Joseph Zugay
Franklin Miguel Fernandez
Hanne Dyhr

Executive Board

Kent Bo Svendsen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø

Bank

Danske Bank
Holmens Kanal 2-12
1092 København
DK Danmark

Management's review

Financial highlights

DKK'000	2016	2015	2014	2013	2012
Key figures					
Gross profit/	37,760	40,502	34,131	31,062	29,895
Ordinary operating profit	17,689	18,750	15,257	14,246	14,565
Profit from financial income and expenses	1,020	1,309	1,444	1,841	2,464
Profit for the year	14,632	15,454	22,103	54,317	54,391
Fixed assets	135,818	90,807	77,609	107,658	67,637
Current assets	89,413	121,385	110,283	133,800	257,649
Total assets	225,231	212,192	187,892	241,458	325,286
Equity	170,781	156,149	140,695	194,990	150,317
Current liabilities other than provisions	35,160	40,706	25,491	37,087	165,018
Investment in property, plant and equipment	0	0	0	0	0
Average number of full time employees	14,632	15,454	74	72	75
Investment in property, plant and equipment	43,918	24,146	35,986	14,342	9,700
Ratios					
Return on invested capital	8.8%	9.6%	8.6%	6.2%	5.0%
Current ratio	254.0%	298.0%	433.0%	361.0%	156.0%
Return on equity	8.9%	10.4%	13.2%	31.5%	18.8%
Equity ratio	75.8%	73.6%	74.9%	80.8%	46.2%

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

Return on invested capital	$\frac{\text{Operating profit/loss * 100}}{\text{Average invested capital}}$
Equity ratio	$\frac{\text{Equity x 100}}{\text{Total assets}}$
Return on equity	$\frac{\text{Profit/loss from ordinary activities after tax x 100}}{\text{Average equity}}$
Current ratio	$\frac{\text{Current assets x 100}}{\text{Current liabilities}}$

Management's review

Operating review

Principal activities

Koppers Denmark ApS' main business is the distillation of crude tar, a byproduct obtained by conversion of coal to coke. The finished products are:

— The main product, pitch, which is sold to the aluminum industry

— Carbon black feedstock oil, which is used for rubber production (primarily tires)

— Creosote oil, which is used for wood preservation

— Naphthalene oil, which is distributed to dye and plastics industry and as a strength improv- ing agent in the concreteand other tar petroleum products

— Other specialty products that are used in the chemical industry

Development in activities and financial position

The result for the year shows a profit of 14.6 mio. DKK (2015: 15.5 mio. DKK), a small decrease compared to the prior year.

The result for the year is considered satisfactory and in line with expectations.

For 2017 the result is expected to be at the same level as 2016.

Operating risks

The company will because of it processing agreement with Koppers Interntational B.V. experience a very stabil, positive result.

Currency risks

There are no major currency risks. The vast majority of all costs and income are in DKK.

Environmental matters

Koppers Denmark ApS seeks the lowest possible impact on the surroundings by taking measures to optimize the consumption of raw materials and energy, minimize waste from processes, minimize the risk of accidents and reducing the consequences of accidents as well as minimizing the harmful influence on employees.
New and existing processes are adapted and improved while accounting for an overall assessment of the technical and economic feasibility and social requirements for environmente, safety and health. The company cooperates openly with the competent authorities on issues of in this regard.
Koppers Denmark ApS has prepared Environmental Accounts since 1994.

Management's review

Operating review

Research and development activities

Koppers Denmark ApS has no independent research and development activities, as these are performed by other group companies. The Koppers Group is convinced that resources used in this area are sufficient to maintain a leading position.

Events after the balance sheet date

No events have occured after the balance sheet date that materially affect the financial position of the Company at 31 December 2016.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2016	2015
Gross profit	2	37,760	40,502
Distribution costs	2	-7	-4
Administrative expenses	2	-20,064	-21,748
Operating profit		17,689	18,750
Financial income	3	1,271	1,418
Financial expenses	4	-251	-109
Profit before tax		18,709	20,059
Tax on profit for the year		-4,077	-4,605
Profit for the year	5	14,632	15,454

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2016	2015
ASSETS			
Fixed assets			
Property, plant and equipment	6		
Land and buildings		3,079	3,129
Storage tanks		25,064	10,174
Fixtures and fittings, tools and equipment		64,984	51,626
Ships		5,320	3,226
Assets under construction		22,095	18,376
		120,542	86,531
Investments	7		
Equity investments in group entities		15,171	4,171
Other securities and equity investments		105	105
		15,276	4,276
Total fixed assets		135,818	90,807
Current assets			
Inventories			
Spare parts		10,675	7,862
		10,675	7,862
Receivables			
Trade receivables		552	1,034
Receivables from group entities		75,014	108,255
Corporation tax		1	53
Other receivables		1,585	395
Prepayments	8	1,033	2,790
		78,185	112,527
Cash at bank and in hand		553	996
Total current assets		89,413	121,385
TOTAL ASSETS		225,231	212,192

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2016	2015
EQUITY AND LIABILITIES			
Equity			
Share capital	9	70,000	70,000
Retained earnings		100,781	86,149
Total equity		170,781	156,149
Provisions			
Provisions for deferred tax	10	11,781	7,659
Other provisions	11	7,509	7,678
Total provisions		19,290	15,337
Liabilities other than provisions			
Current liabilities other than provisions			
Bank loans		3,100	3,564
Trade payables		13,399	23,875
Payables to group entities		8,605	6,358
Other payables		9,649	6,502
Deferred income	12	407	407
		35,160	40,706
Total liabilities other than provisions		35,160	40,706
TOTAL EQUITY AND LIABILITIES		225,231	212,192

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Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2016	70,000	86,149	156,149
Transferred over the profit appropriation	0	14,632	14,632
Equity at 31 December 2016	70,000	100,781	170,781

There have been no changes in the share capital during the last five years.

Financial statements 1 January – 31 December

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1 Accounting policies

The annual report of Koppers Denmark ApS for 2016 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015. This has entailed the following changes to recognition and measurement:

— Going forward, dividends from equity investments in subsidiaries recognised at cost are always recognised in the income statement. In case of indication of impairment, an impairment test is conducted. Indication of impairment exists if distributed dividend exceeds profit for the year or if the carrying amount of equity investments exceeds the consolidated carrying amounts of the net assets in the subsidiary. Previously, cost was reduced to the extent that distributed dividend exceeded accumulated earnings after the acquisition date.

— Going forward, the residual value of intangible assets and property, plant and equipment must be reassessed on an ongoing basis. Pursuant to the transition provisions of the Act, any adjustments to residual values must be made prospectively as an accounting estimate without restatement of comparative figures and without effect on equity.

The changes have no monetary effect on the income statement or the balance sheet for 2016 or for the comparative figures.

Apart from the above, the accounting policies used in the preparation of the financial statements are consistent with those of last year.

There has been made minor reclassification on balance sheet in the financial year. These relassification have no monetary effect on the income statement.

Omission of consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of Koppers Denmark ApS and group entities are included in the consolidated financial statements of Koppers Holding Inc, USA.

Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Koppers Inc., USA.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Omission of revenue in income statement

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

None-current assets acquired in foreign currency are measured at the exchange rate on the transaction date.

Income statement

Revenue

Income from the sale of goods, comprising the sale of trade and finished goods, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ® 2010.

Revenue from the sale of goods where delivery has been postponed at the buyer's request is recognised as revenue when ownership of the goods has been transferred to the buyer.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Income from sale of services comprise proceeds from processing agreement with Koppers International BV.

Financial statements 1 January – 31 December

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1 **Accounting policies (continued)**

Production costs

Production costs comprise costs, including depreciation, amortisation, wages and salaries, incurred to generate revenue for the year.

Distribution costs

Distribution costs comprise costs incurred to distribute goods sold during the year and to conduct sales campaigns, etc., including costs relating to sales staff, advertising and exhibitions as well as depreciation.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration of the Group, including expenses for administrative staff, Management, office premises, office expenses and depreciation.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Dividends from equity investments in group entities measured at cost are recognised as income in the Parent Company's income statement in the financial year when the dividends are declared.

In case of indication of impairment, an impairment test is conducted. Indication of impairment exists if distributed dividend exceeds profit for the year or if the carrying amount of equity investments exceeds the consolidated carrying amounts of the net assets in the subsidiary.

Tax on profit/loss for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings and storage tanks	30 years
Plant and machinery	5-15 years
Fixtures and fittings, tools and equipment	5-15 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Financial statements 1 January – 31 December

Notes

1 **Accounting policies (continued)**

Balance sheet

Investments

Equity investments in group subsidiaries are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value.

Other investments are measured at market value at the balance sheet date if they are listed, or an estimated fair value if they are not listed.

Inventories

Inventories comprising spare parts are measured at net realisable value

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of historical loss experience.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

Equity

Dividends

The expected dividend payment for the year is disclosed as a separate item under equity.

Provisions

Provisions comprise anticipated costs of environmental obligations, restructering and etc. Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at value in use.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Other liabilities are measured at net realisable value.

Deferred income

Deferred income comprises advance invoicing regarding income in subsequent years.

Financial statements 1 January – 31 December

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2 Staff costs and incentive schemes

DKK'000	2016	2015
Wages and salaries	43,327	43,810
Pension	2,004	1,532
Other social security costs	185	174
	45,516	45,516
Average number of employees	81	79

Staff costs include remuneration of the Company's Executive Board and Board of Directors, DKK 1.287 thousand (2015: DKK 1.370 thousand).

3 Financial income

Interest income from group entities	1,271	1,418

4 Financial expenses

Interest expense to group entities	64	56
Other financial expenses	187	53
	251	109

5 Proposed profit appropriation

DKK'000	2016	2015
Retained earnings	14,632	15,454
	14,632	15,454

Financial statements 1 January – 31 December

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6 Property, plant and equipment

DKK'000	Land and buildings	Storage tanks	Plant and machinery	Fixtures and fittings, tools and equipment	Assets under construction	Total
Cost at 1 January 2016	40,923	56,855	161,988	20,645	18,376	298,787
Additions	0	10,036	13,242	2,666	17,972	43,916
Transferred	0	6,618	7,635	0	-14,253	0
Disposals	0	0	-2,092	-2,488	0	-4,580
Cost at 31 December 2016	40,923	73,509	180,773	20,823	22,095	338,123
Depreciation and impairment losses at 1 January 2016	-37,794	-46,681	-110,362	-17,419	0	-212,256
Depreciation	-50	-1,764	-7,519	-572	0	-9,905
Disposals	0	0	2,092	2,488	0	4,580
Depreciation and impairment losses at 31 December 2016	-37,844	-48,445	-115,789	-15,503	0	-217,581
Carrying amount at 31 December 2016	3,079	25,064	64,984	5,320	22,095	120,542

7 Investments

DKK'000	Equity investments in subsidiaries	Other securities and equity investments
Cost at 1 January 2016	4,171	105
Additions	11,000	0
Cost at 31 December 2016	15,171	105

Name/legal form	Registered office	Equity interest	Equity	Profit/loss for the year
Subsidiaries:			DKK'000	DKK'000
Koppers Tar Tech International ApS	Nyborg	100%	3,435	422
Koppers European Holdings ApS	Nyborg	100%	691	12
			4,126	434

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8 Prepayments

DKK'000	2016	2015
Prepaid insurance	559	1,492
Other prepayments	474	1,298
	1,033	2,790

9 Share capital

The share capital consists of 70.000 shares of nom. DKK 1.000 each.

All shares rank equally.

10 Deferred tax

DKK'000	2016	2015
Deferred tax at 1 January	7,659	6,910
Deferred tax adjustment for the year in the income statement	4,122	749
Deferred tax at 31 December	11,781	7,659

11 Other provisions

DKK'000	2016	2015
Environmental provision	5,050	4,812
Subsidies for energy investments	2,459	2,866
Other provisions at 31 December	7,509	7,678

Environmental provision relates to expected costs for disposals of sediment in tanks.

12 Deferred income

Deferred income of DKK 407 thousand (2015: DKK 407 thousand) comprise payments received from customers that cannot be recognised until the subsequent financial year.

13 Contractual obligations, contingencies, etc.

Contingent liabilities

Of cash at bank and in hand an amount of 50 tDKK is restriced.

The company is jointly taxed with Koppers Europe ApS. The company has unlimited

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joint and several liability for Danish corporation taxes and withholding taxes on dividends and interest under the joint taxation scheme. The jointly taxed companies' total net liability to the Danish tax authorities is recognised in the financial statements of Koppers Europe ApS. Any subsequent corrections of the taxable jointly taxed income or withholdings taxes, etc. may entail an increase in the company's liability.

Koppers Denmark ApS og Koppers UK Ltd. has a joint credit maximum in Danske Bank of 1.000 tGBP, where 498 tGBP concerns credit maximum to Koppers Denmark ApS.

Operating lease obligations

Remaining operating lease obligations at the balance sheet date fall due at DKK 4.791 thousand within 5 years (2015: DKK 5,877 thousand).

14 Related party disclosures

Koppers Denmark ApS' related parties comprise the following:

Control

Koppers Denmark ApS is part of the consolidated financial statements of Koppers Holdings Inc., USA, which is the largest group in which the Company is included as a subsidiary.

The consolidated financial statements of Koppers Holdings Inc. can be obtained by contacting the Company or at the following website: www.koppers.com.

Related party transactions

The Company has chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c(7) of the Danish Financial Statements Act.

Ownership

The following shareholders are registered in the Company's register of shareholders as holding a minimum of 5% of the votes or a minimum of 5% of the share capital:

Koppers Europe ApS
Avernakke 1
5800 Nyborg