



# SunCoke Energy

## Q1 2012 Earnings Conference Call

May 1, 2012



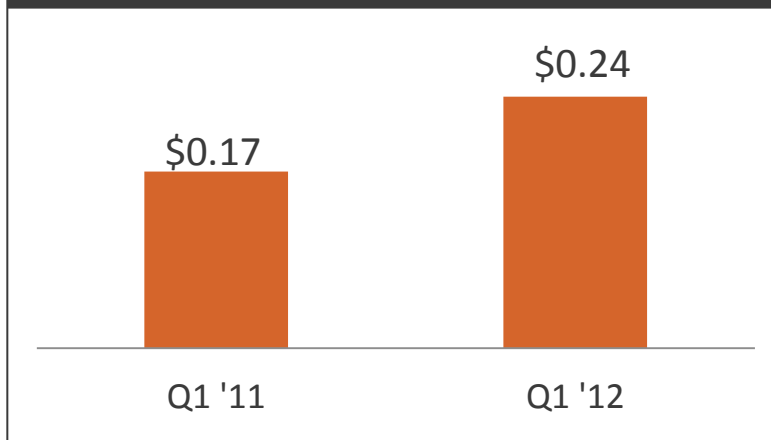
This slide presentation should be reviewed in conjunction with SunCoke's First Quarter 2012 earnings release and conference call held on May 1, 2012 at 10:00 a.m. ET.

Some of the information included in this presentation contains "forward-looking statements" (as defined in Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended). Such forward-looking statements are based on management's beliefs and assumptions and on information currently available. Forward-looking statements include the information concerning SunCoke's possible or assumed future results of operations, business strategies, financing plans, competitive position, potential growth opportunities, potential operating performance improvements, effects resulting from our separation from Sunoco, the effects of competition and the effects of future legislation or regulations. Forward-looking statements include all statements that are not historical facts and may be identified by the use of forward-looking terminology such as the words "believe," "expect," "plan," "intend," "anticipate," "estimate," "predict," "potential," "continue," "may," "will," "should" or the negative of these terms or similar expressions. Forward-looking statements involve risks, uncertainties and assumptions. Actual results may differ materially from those expressed in these forward-looking statements. You should not put undue reliance on any forward-looking statements.

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This presentation includes certain non-GAAP financial measures intended to supplement, not substitute for, comparable GAAP measures. Reconciliations of non-GAAP financial measures to GAAP financial measures are provided in the Appendix at the end of the presentation. Investors are urged to consider carefully the comparable GAAP measures and the reconciliations to those measures provided in the Appendix, or on our website at [www.suncoke.com](http://www.suncoke.com).

## Earnings Per Share (diluted)



## Q1 2012 results driven by strong Coke business performance

- Successful Middletown startup
- Improvement at Indiana Harbor
- Yield/cost improvement at other facilities

## Coal remains a challenge

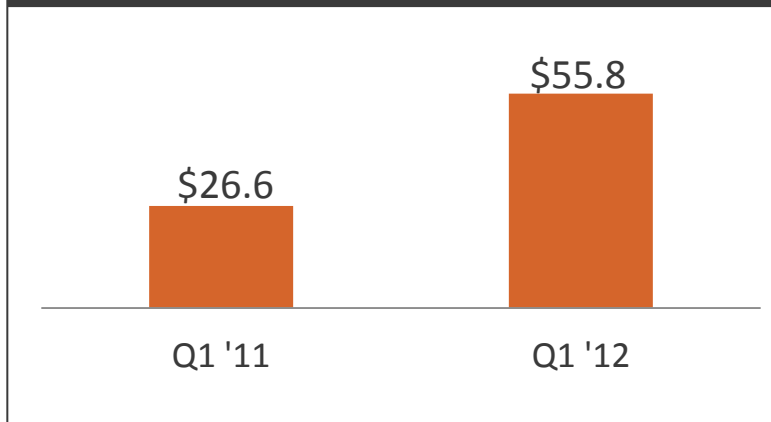
- Higher than expected cash costs
- Difficult demand/price environment
- Taking further action to reduce costs

## Solid quarter-end liquidity position

- Expect positive free cash flow for balance of year

## Reaffirming expected 2012 Adjusted EBITDA of \$250 million to \$280 million

## Adjusted EBITDA<sup>(1)</sup> (in millions)



<sup>(1)</sup> For a definition of Adjusted EBITDA and reconciliation of Adjusted EBITDA, please see the appendix.

(\$ in millions)	Q1'12	Q1'11	Change
<b>Revenue</b>	<b>\$481.3</b>	<b>\$333.4</b>	<b>\$147.9</b>
<b>Operating Income</b>	<b>\$33.9</b>	<b>\$4.3</b>	<b>\$29.6</b>
<b>Net Income Attributable to Shareholders</b>	<b>\$16.9</b>	<b>\$11.9</b>	<b>\$5.0</b>
<b>Earnings Per Share</b>	<b>\$0.24</b>	<b>\$0.17</b>	<b>\$0.07</b>
<b>Coke Adjusted EBITDA <sup>(1)</sup></b>	<b>\$55.2</b>	<b>\$20.5</b>	<b>\$34.7</b>
<b>Coal Adjusted EBITDA <sup>(2)</sup></b>	<b>\$7.4</b>	<b>\$12.3</b>	<b>(\$4.9)</b>
<b>Corporate/Other</b>	<b>(\$6.8)</b>	<b>(\$6.2)</b>	<b>(\$0.6)</b>
<b>Adjusted EBITDA <sup>(3)</sup></b>	<b>\$55.8</b>	<b>\$26.6</b>	<b>\$29.2</b>
<b>Domestic Coke Sales Volumes</b>	<b>1,078</b>	<b>872</b>	<b>206</b>
<b>Coal Sales Volumes</b>	<b>373</b>	<b>386</b>	<b>(13)</b>

## Revenue up 44%

- Domestic coke production up 206 thousand tons
- Middletown produced 142 thousand tons; added \$68.5 million to revenue
- Higher average coal prices favorable to Coke and Coal revenues

## Adjusted EBITDA more than doubled

- Middletown contributed \$11.5 million
- Meaningful improvement at Indiana Harbor
- Higher yields and operating cost recovery throughout coke business
- Offset by higher coal mining costs

## Earnings Per Share increased to \$0.24

- Reflects operating income gains and costs of standalone capital structure

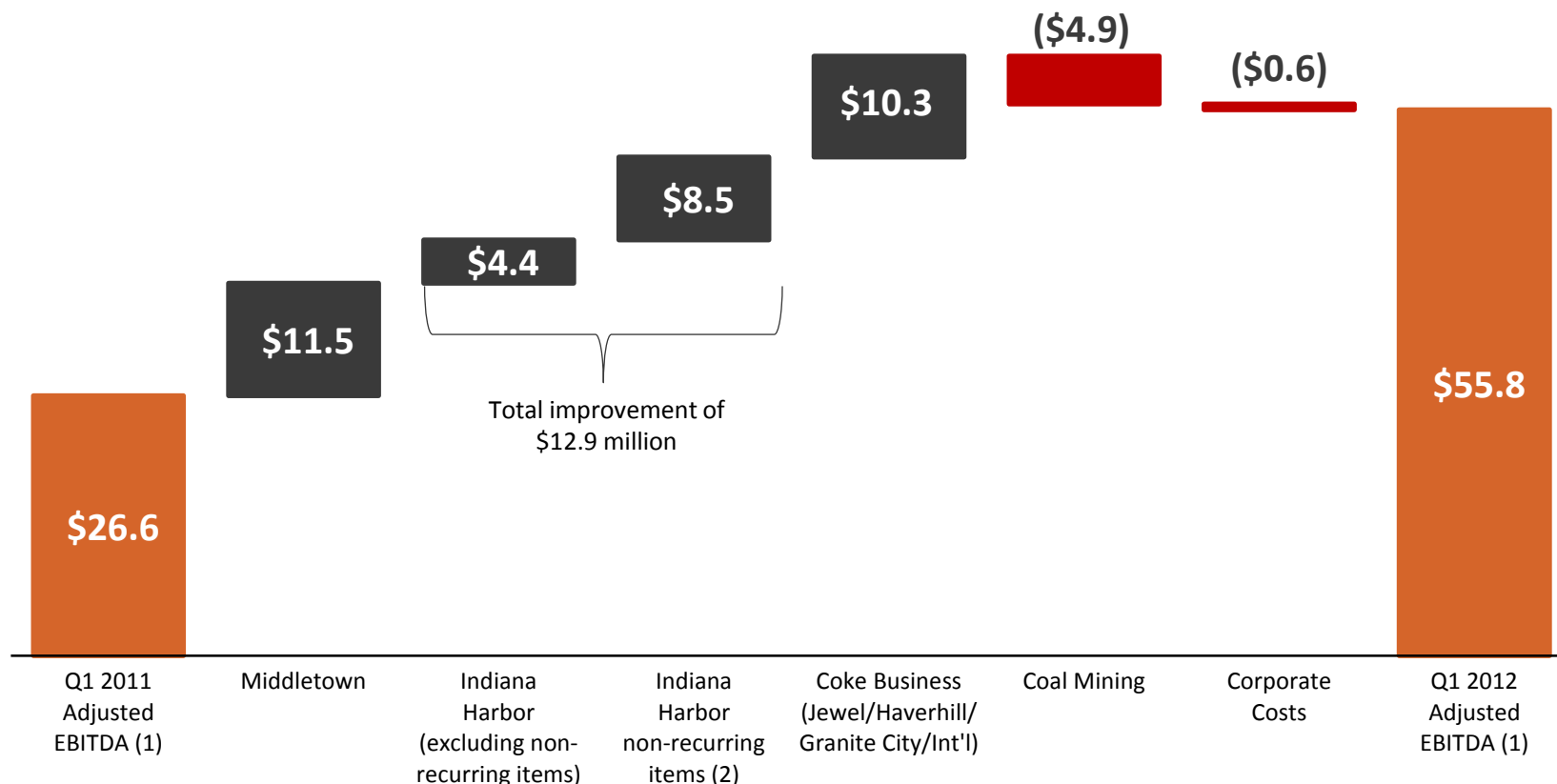
(1) Coke Adjusted EBITDA includes Adjusted EBITDA from Jewell Coke, Other Domestic Coke and International segments.

(2) Coal Adjusted EBITDA includes Adjusted EBITDA from Coal Mining segment. In Q1 '12, internal coal transfer price mechanism changed to reflect Jewell Coke contract price; prior year periods adjusted to reflect this change.

(3) For a definition of Adjusted EBITDA and reconciliation of Adjusted EBITDA, please see the appendix.

## Quarter's performance led by strong Coke business results

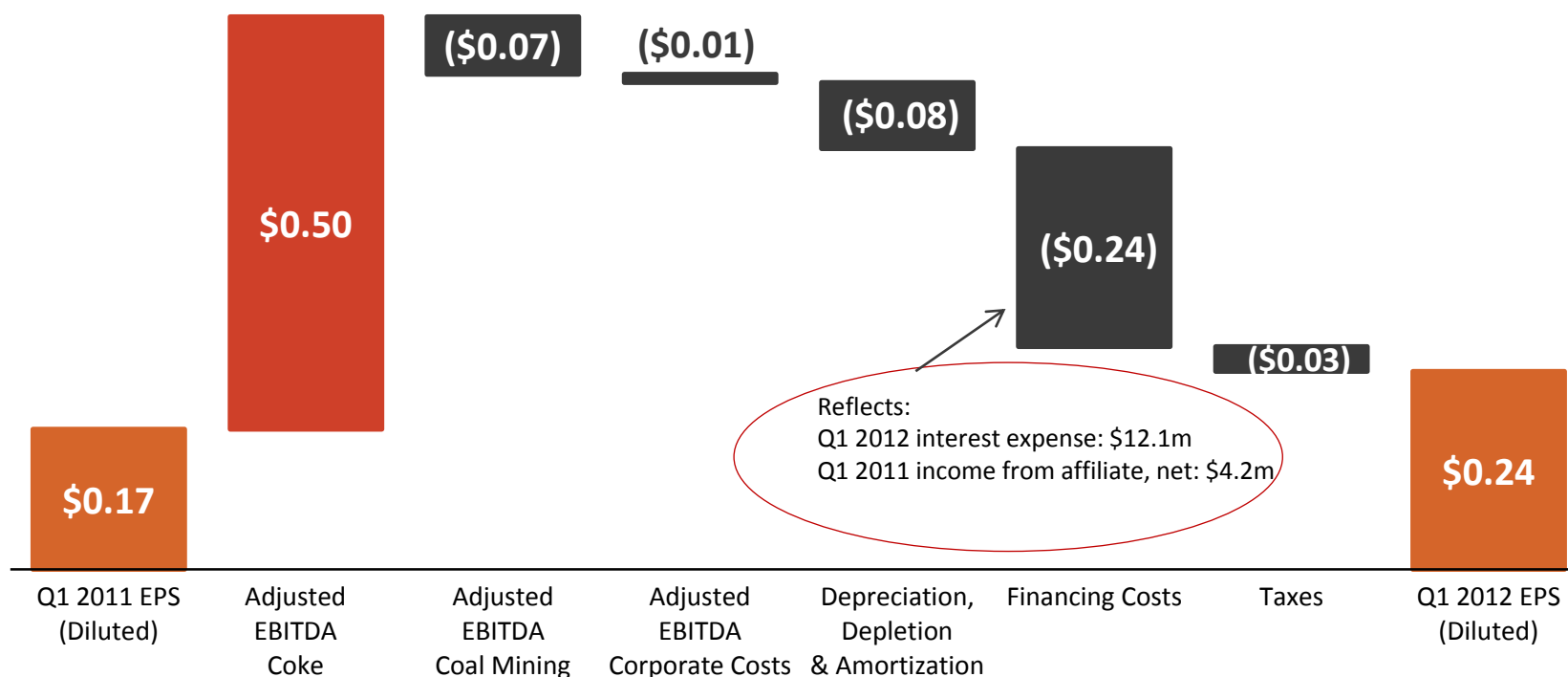
(\$ in millions)



<sup>(1)</sup> For a definition of Adjusted EBITDA and reconciliation of Adjusted EBITDA, please see the appendix.

<sup>(2)</sup> Non-recurring items that impacted Indiana Harbor performance included a \$2.4 million, net of noncontrolling interests ("NCI"), charge related to a coke inventory reduction and a \$1.3 million, net of NCI, lower cost or market adjustment on pad coal inventory in Q1 2012 and \$12.2 million, net of NCI, in coke cover costs in Q1 2011.

**EPS growth reflects strength of cokemaking business  
offset by financing costs for standalone capital structure**



<sup>(1)</sup> For a definition of Adjusted EBITDA and reconciliation of Adjusted EBITDA, please see the appendix.

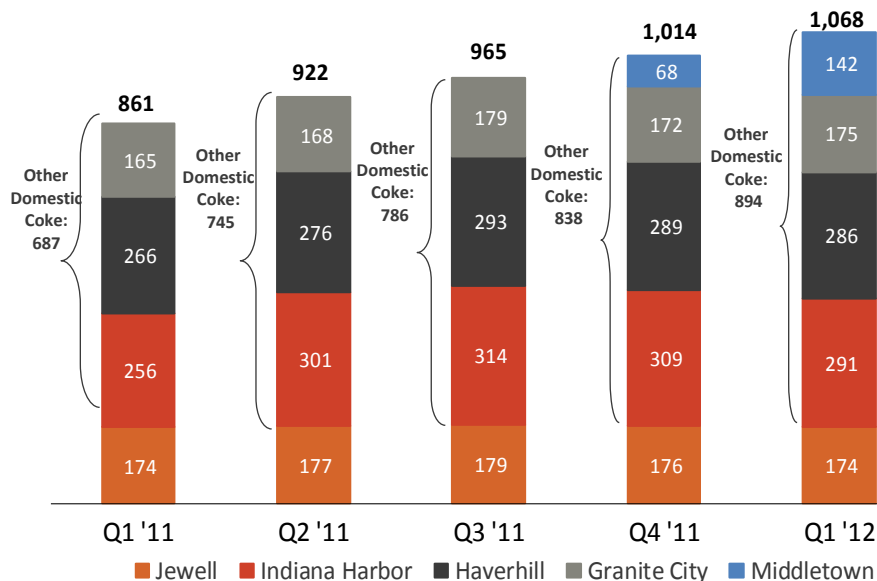
# Domestic Coke Business Summary

## (Jewell Coke & Other Domestic Coke)

### Domestic Coke Production

(Tons in thousands)

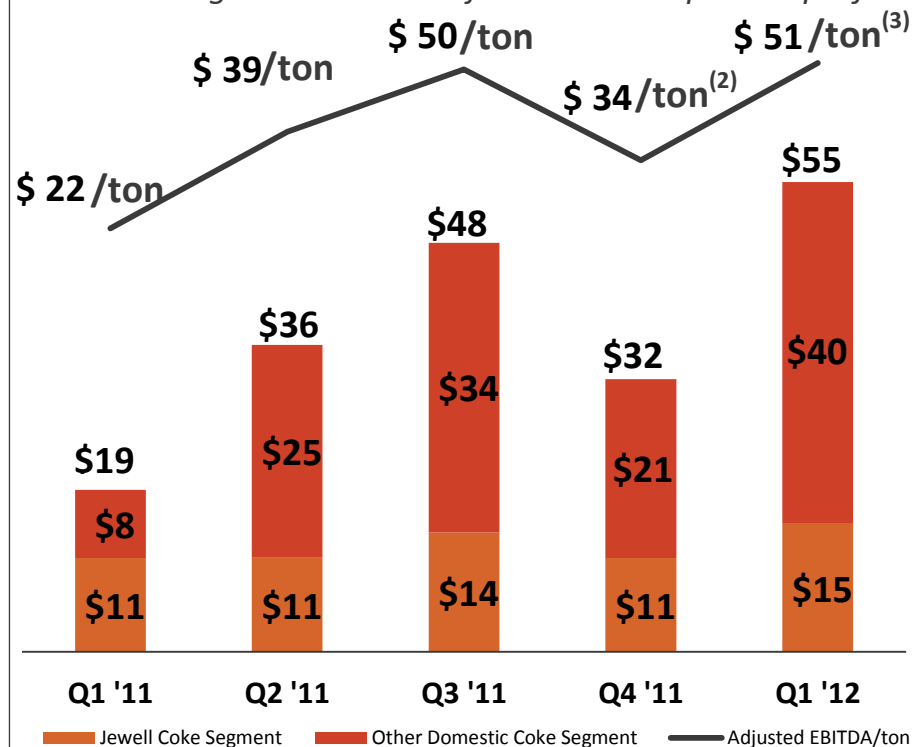
- Middletown primary driver of increased coke production in Q1 '12



### Domestic Coke Adjusted EBITDA<sup>(1)</sup> Per Ton

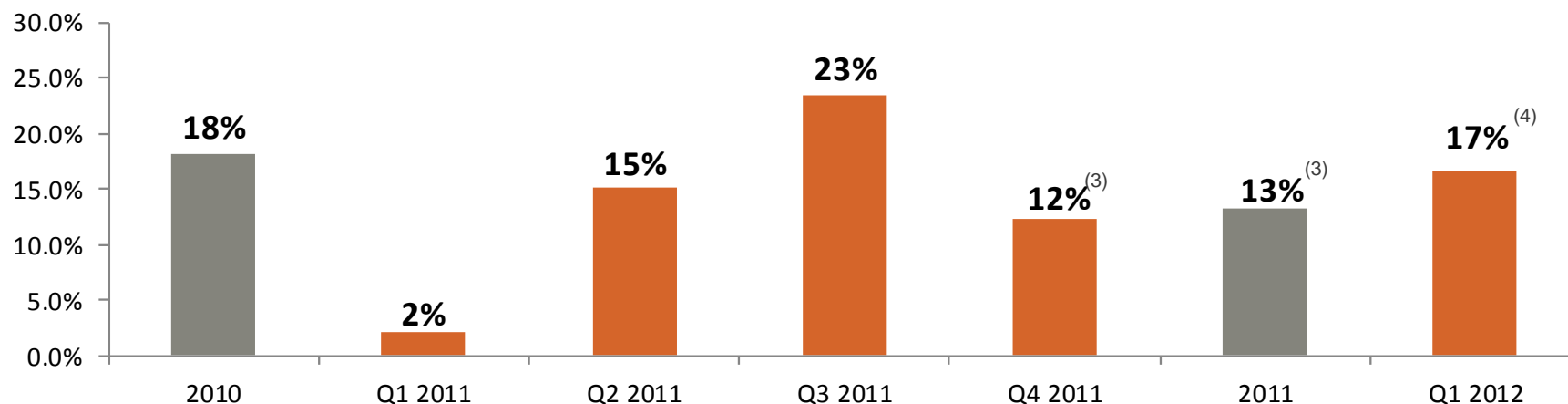
(\$ in millions, except per ton amounts)

- Quarter benefited from Indiana Harbor improvements and strong Middletown Adjusted EBITDA per ton profile



- (1) For a definition of EBITDA and Adjusted EBITDA/Ton and reconciliations, please see the appendix.
- (2) Includes Indiana Harbor contract billing adjustment of \$6.0 million, net of NCI, and inventory adjustment of \$6.2 million, net of NCI, of which \$3.1 million is attributable to Q3 2011.
- (3) Includes a \$2.4 million, net of NCI, charge related to coke inventory reduction and a \$1.3 million, net of NCI, lower cost or market adjustment on pad coal inventory and lower coal-to-coke yields related to the startup at Middletown.

## Pretax ROIC<sup>(1)(2)</sup> for Domestic Coke excluding Middletown prior to 2012



Pretax ROIC, ex-Middletown prior 2012 <sup>(1)(2)</sup>	2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	2011	Q1 2012
Total Domestic Coke (Includes Jewell Coke and Other Domestic Coke)	18%	2%	15%	23%	12%	13%	17%
International Coke	35%	10%	7%	20%	120%	36%	0%
Coal Mining	32%	46%	28%	21%	(5%)	23%	11%
Total SunCoke (Including Corp./Other)	18%	4%	11%	16%	8%	10%	13%

1) For a definition of Pretax ROIC and reconciliations, please see the appendix.

2) Pretax ROIC is calculated as Adjusted Pretax Operating Income divided by average invested capital (stockholders' equity plus total debt net of cash and cash equivalents); for a reconciliation of Adjusted Pretax Operating Income to Adjusted EBITDA, please see appendix.

3) Includes Indiana Harbor contract billing adjustment of \$6.0 million, net of NCI, and inventory adjustment of \$6.2 million, net of NCI, of which \$3.1 million is attributable to Q3 2011.

4) Includes a \$2.4 million, net of NCI, charge related to a coke inventory reduction and a \$1.3 million, net of NCI, and \$4.0 million of non-recurring costs and lower coal-to-coke yields related to the startup at Middletown.

Note: This table excludes Middletown assets up to and including Q4 2011. At the end of Q4 2011, identifiable assets included in Other Domestic Coke attributable to Middletown were \$402.8m (prior to Q4 2011, Middletown was included in the Corporate and Other segment); see historical segment detail in public filings for additional detail



# Domestic Coke Business – Adjusted EBITDA<sup>(1)</sup> Outlook

- With Middletown at its target run rate, expect domestic coke Adjusted EBITDA<sup>(1)</sup> per ton to be \$55 - \$60
- Expect annual domestic coke Adjusted EBITDA<sup>(1)</sup> less ongoing capital expenditures in excess of \$200 million

(\$ in millions, except as noted)	Estimated Low	Estimated High
Domestic Coke Adjusted EBITDA <sup>(1)</sup> Per Ton	\$55	\$60
Annual Domestic Coke Sales Volumes (in millions of tons)	<u>x 4.3</u>	<u>x 4.4</u>
Domestic Coke Adjusted EBITDA <sup>(1)</sup>	\$237	\$264
Less: Ongoing Capital Expenditures	<u>(\$35)</u>	<u>(\$35)</u>
Annual Domestic Coke Adjusted EBITDA <sup>(1)</sup> less Ongoing Capital Expenditures	\$202	\$229
Illustrative Liquidity Ratios for Domestic Coke Business	Estimated	Estimated
Net Debt <sup>(2)</sup> to Adjusted EBITDA <sup>(1)</sup>	2.6x	2.3x
Interest Coverage <sup>(3)</sup>	5.4x	6.0x

All figures are estimates based on current expectations for domestic coke business (Jewell Coke and Other Domestic Coke segments); for example purposes only

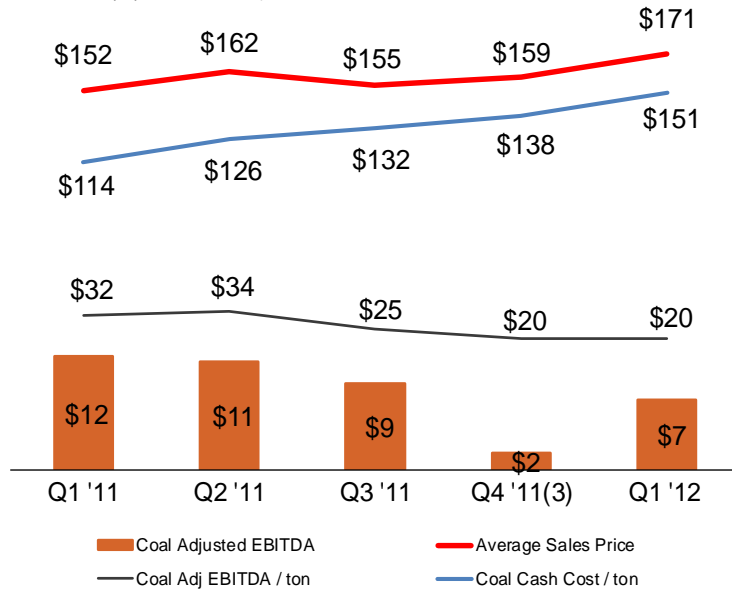
<sup>(1)</sup> For a definition of Adjusted EBITDA and reconciliation of Adjusted EBITDA, please see the appendix.

<sup>(2)</sup> Net Debt represents Total Debt less cash balance at end of period. Net Debt provides a perspective on the Company's overall debt position. Net Debt was calculated by subtracting our 3/31/2012 cash balance of \$113.6 million from our Total Debt of \$725.7 million on 3/31/2012.

<sup>(3)</sup> Interest coverage is Adjusted EBITDA divided by expected 2012 interest expense of \$44 million, net of amortization of issuance, discount and other fees.

## Coal Mining Adjusted EBITDA<sup>(1)</sup> and Avg. Sales Price/Ton<sup>(2)</sup>

(\$ in millions, except per ton amounts)



## Coal Sales, Production and Purchases

	Q1 '11	Q2 '11	Q3 '11	Q4 '11	Q1 '12
Coal Sales	386	334	371	363	373
Coal Production	335	340	340	349	375
Purchased Coal	51	24	22	20	19

## Q1 2012 Adjusted EBITDA declined YoY to \$7.4 million

- Higher costs and lower sales volumes more than offset higher prices

## Cash Costs continued to rise

- Jewell Cash Cost per ton increased to \$161 per ton
  - Reject rates increased to 68% due to geology and preparation plant inefficiency
  - Higher labor costs due to additional headcount, not offset by increase in clean coal production
  - Higher royalties based on higher coal sales prices
- Experienced permitting delays at Revelation

## Full year coal outlook reduced based on Q1 2012 performance

(1) For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA, please see the appendix.

(2) Average Sales Price is the weighted average sales price for all coal sales volumes, including sales to affiliates and sales to Jewell Coke.

(3) Q4 2011 Adjusted EBITDA inclusive of Black Lung Liability charge of \$3.4 million and OPEB expense allocation of \$1.8 million.

## **Taking action intended to make coal mining business cash neutral in 2012**

### **Focusing on our most productive mines to reduce costs**

- Idling high cost/low quality mines and deferring further expansion
- Consolidating staff and equipment to more productive mines; reducing overtime and number of contractors

### **Reducing 2012 coal mining production estimate from 1.8 million to 1.6 million tons**

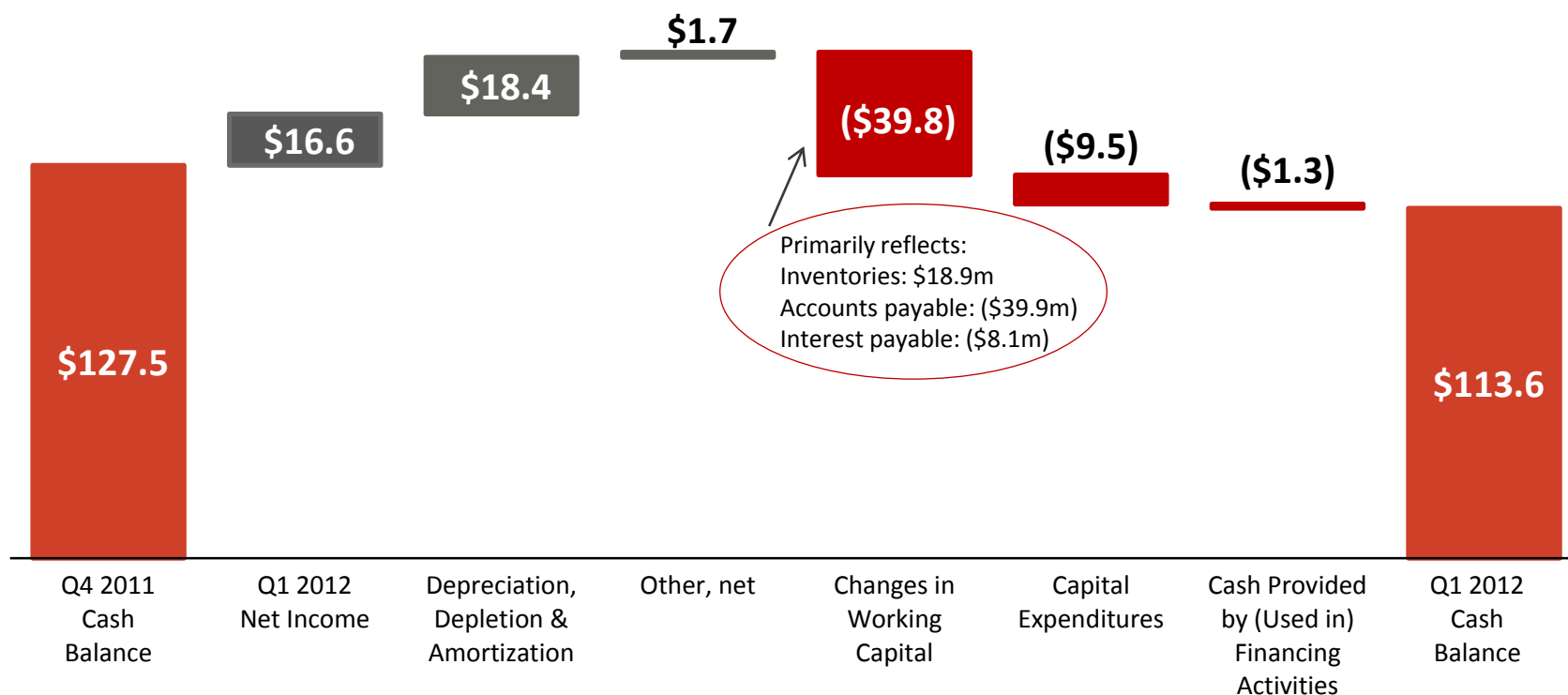
- Cutting Hi-Vol. and thermal coal production at HKCC
- Experienced permitting delays at Revelation

### **Reducing capital spending in line with reduced coal outlook**

- Cutting expected 2012 capital expenditures from \$60 million to approximately \$40 million
- Focusing on replacing aged mining equipment, increasing preparation plant efficiency and building new load out facility

**Maintained solid liquidity position during quarter;  
revolver capacity remained at approximately \$150 million**

(\$ in millions)



## Domestic Coke

- Middletown startup gives confidence in outlook
- 2012 Coke production now expected to be in excess of 4.3 million tons
- Expect average Adjusted EBITDA per ton to be \$55 - \$60 for balance of the year
- New plant permitting efforts continue
  - Focused on permitting for an anticipated 660,000 ton capacity plant with 120 ovens
  - Expect to have permits in first half of 2013; will then seek customer commitments

## International Coke

- Not pursuing investment opportunity with Global Coke
- Remain committed to India entry strategy
  - Discussing opportunities with other merchant coke producers in India
  - Targeting potential transaction by early 2013

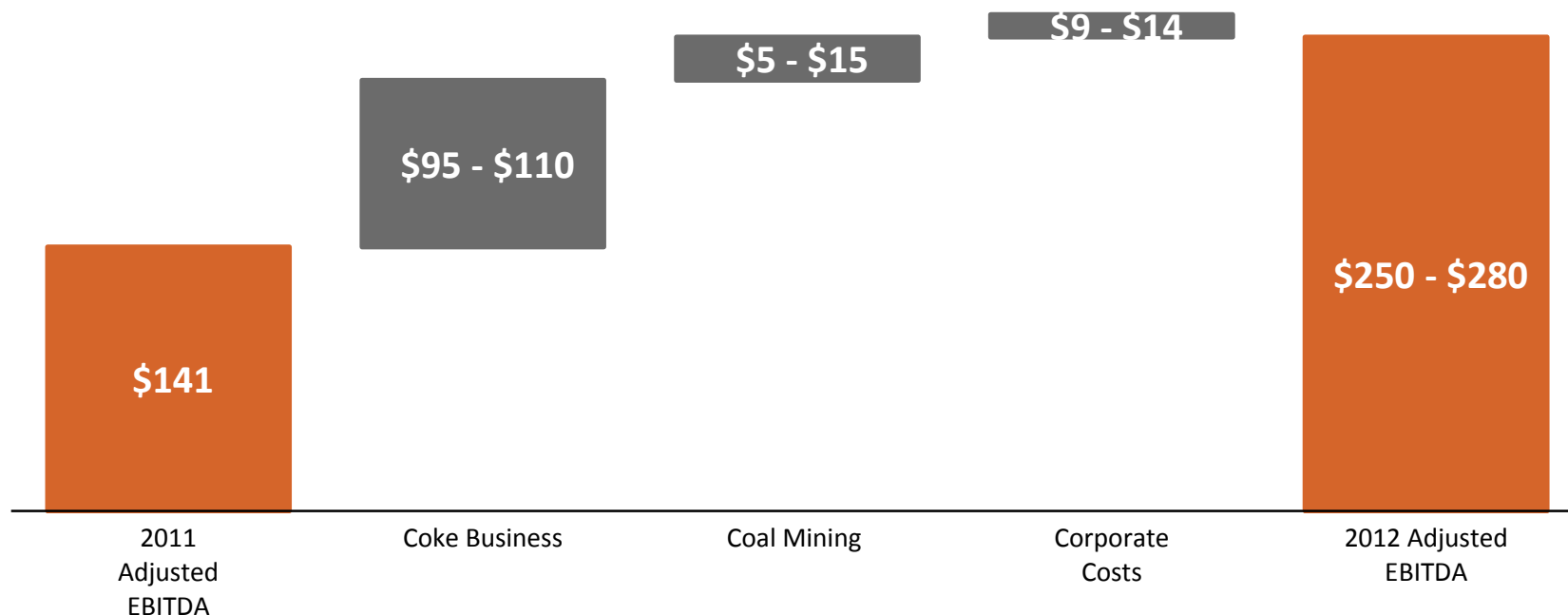
## Coal Mining

- Focus on mining mid-vol. coal and meeting contracted volumes
  - Production target reduced to an expected 1.6 million tons
- Anticipating cash flow neutral impact in 2012
  - Idling mines; redeploying employees and reducing contractors
  - Reducing expected capital spending to \$40 million
  - Focusing investments on mining equipment replacement, preparation plant efficiency and building new load out facility

# 2012 Adjusted EBITDA<sup>(1)</sup> Outlook

**Reaffirming full year 2012 Adjusted EBITDA guidance,  
driven by expected strong U.S. coke performance**

(\$ in millions)



(1) For a definition of Adjusted EBITDA, please see the appendix.

Metric	Expected 2012 Outlook
Adjusted EBITDA <sup>(1)</sup>	\$250 million – \$280 million
EPS* (at 22% tax rate)	\$1.30 – \$1.65
<b>Capital Expenditures &amp; Investments</b>	<b>Approximately \$100 million</b>
<b>Free Cash Flow <sup>(2)</sup></b>	<b>\$75 million +</b>
Cash Tax Rate	10% – 15%
Effective Tax Rate	20% – 24%
Corporate Costs	\$30 million – \$35 million
<b>Coke Production</b>	<b>In excess of 4.3 million tons</b>
<b>Coal Production</b>	<b>Approximately 1.6 million tons</b>

\*Diluted

(1) For a definition of Adjusted EBITDA and reconciliation, please see the appendix

(2) For a definition of Free Cash Flow and reconciliation, please see the appendix

**We believe domestic coke assets could qualify for an MLP**

- Coal business not under consideration

**Engaged key advisors to assist in MLP evaluation**

**Analysis underway to assess structuring alternatives**

**Plan to provide update on Q2 earnings call**





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# Questions





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# Appendix



- **Adjusted EBITDA** represents earnings before interest, taxes, depreciation, depletion and amortization (“EBITDA”) adjusted for sales discounts and the deduction of income attributable to non-controlling interests in our Indiana Harbor cokemaking operations. EBITDA reflects sales discounts included as a reduction in sales and other operating revenue. The sales discounts represent the sharing with our customers of a portion of nonconventional fuels tax credits, which reduce our income tax expense. However, we believe that our Adjusted EBITDA would be inappropriately penalized if these discounts were treated as a reduction of EBITDA since they represent sharing of a tax benefit which is not included in EBITDA. Accordingly, in computing Adjusted EBITDA, we have added back these sales discounts. Our Adjusted EBITDA also reflects the deduction of income attributable to noncontrolling interest in our Indiana Harbor cokemaking operations. EBITDA and Adjusted EBITDA do not represent and should not be considered alternatives to net income or operating income under United States generally accepted accounting principles (GAAP) and may not be comparable to other similarly titled measures of other businesses. Management believes Adjusted EBITDA is an important measure of the operating performance of the Company’s assets and is indicative of the Company’s ability to generate cash from operations.
- **Adjusted EBITDA/Ton** represents Adjusted EBITDA divided by tons sold.
- **Free Cash Flow** equals cash from operations less cash used in investing activities less cash distributions to non-controlling interests. Management believes Free Cash Flow information enhances an investor’s understanding of a business’ ability to generate cash. Free Cash Flow does not represent and should not be considered an alternative to net income or cash flows from operating activities as determined under GAAP and may not be comparable to other similarly titled measures of other businesses.
- **Pretax Return on Invested Capital (ROIC)** is defined as Adjusted EBITDA less depreciation expense plus net income attributable to non-controlling interests divided by average invested capital (stockholders’ equity plus total debt net of cash and cash equivalents). We use Pretax ROIC as one measure of how effectively we deploy capital and make multi-year investment decisions. It is also used as a long-term performance measure under certain of our incentive compensation plans. Pretax ROIC is not a measure of financial performance under generally accepted accounting principles, and may not be comparable to other similarly titled measures used by other companies. Pretax ROIC should not be considered in isolation or as an alternative to net earnings as an indicator of performance. We define segment level Pretax ROIC as Adjusted EBITDA less depreciation expense plus net income attributable to non-controlling interests divided by average allocated invested capital. Average allocated invested capital for each respective segment is calculated pro-rata based on the segment level identifiable assets for the period as disclosed in our public filings.

## Reconciliations from Adjusted Operating Income and Adjusted EBITDA to Net Income

<i>\$ in millions</i>	<u>Q1 2012</u>	<u>FY 2011</u>	<u>Q4 2011</u>	<u>Q3 2011</u>	<u>Q2 2011</u>	<u>Q1 2011</u>	<u>FY 2010</u>
Adjusted Pro Forma Operating Income							151.5
Add: Pro Forma impact of ArcelorMittal settlement							51.0
Subtract: Legal and settlement charges related to ArcelorMittal Settlement and Indiana Harbor Arbitration							(16.3)
Adjusted Operating Income	37.1	80.4	14.9	33.5	24.6	7.4	186.2
Net Income (Loss) attributable to Noncontrolling Interest	(0.3)	(1.7)	(0.5)	3.4	1.6	(6.2)	7.1
Subtract: Depreciation Expense	(18.4)	(58.4)	(16.0)	(14.7)	(14.7)	(13.0)	(48.2)
Adjusted EBITDA	55.8	140.5	31.4	44.8	37.7	26.6	227.3
Subtract: Depreciation, depletion and amortization	(18.4)	(58.4)	(16.0)	(14.7)	(14.7)	(13.0)	(48.2)
Subtract: Financing expense, net	(12.0)	(1.4)	(7.1)	(3.3)	4.5	4.5	19.0
Subtract: Income Tax	(5.3)	(7.2)	2.9	(5.1)	(1.9)	(3.1)	(46.9)
Subtract: Sales Discount	(3.2)	(12.9)	(3.2)	(3.5)	(3.1)	(3.1)	(12.0)
Add: Net Income attributable to NCI	(0.3)	(1.7)	(0.5)	3.4	1.6	(6.2)	7.1
Net Income	16.6	58.9	7.5	21.6	24.1	5.7	146.3

Reconciliations from Adjusted EBITDA to Adjusted Pre-Tax Operating Income							Domestic Coke
<i>\$ in millions, except per ton data</i>	Jewell Coke	Other Domestic Coke	International Coke	Jewell Coal	Corporate	Combined	
<b>Q1 2012</b>							
Adjusted EBITDA	15.0	40.1	0.1	7.4	(6.8)	55.8	55.1
Subtract: Depreciation, depletion and amortization	(1.3)	(12.6)	(0.1)	(4.1)	(0.3)	(18.4)	(13.9)
Add (Subtract): Net (Income) loss attributable to noncontrolling interests		(0.3)				(0.3)	(0.3)
<b>Adjusted Pre-Tax Operating Income</b>	<b>13.7</b>	<b>27.2</b>	<b>-</b>	<b>3.3</b>	<b>(7.1)</b>	<b>37.1</b>	<b>40.9</b>
Adjusted EBITDA	15.0	40.1	0.1	7.4	(6.8)	55.8	55.1
Sales Volume (thousands of tons)	186	892	358	373			1,078
<b>Adjusted EBITDA per Ton</b>	<b>80.6</b>	<b>45.0</b>	<b>0.3</b>	<b>19.8</b>			<b>51.1</b>
<b>Average Allocated Invested Capital <sup>(1)</sup></b>	<b>53.3</b>	<b>928.2</b>	<b>41.0</b>	<b>119.6</b>	<b>NMF</b>	<b>1,142.1</b>	<b>981.5</b>
<b>Annualized Quarterly Pretax ROIC</b>	<b>103%</b>	<b>12%</b>	<b>0%</b>	<b>11%</b>	<b>NMF</b>	<b>13%</b>	<b>17%</b>
<b>FY 2011</b>							
Adjusted EBITDA	46.1	89.4	13.7	35.5	(44.2)	140.5	135.5
Subtract: Depreciation, depletion and amortization	(4.9)	(38.7)	(0.2)	(12.9)	(1.7)	(58.4)	(43.6)
Add (Subtract): Net (Income) loss attributable to noncontrolling interests		(1.7)				(1.7)	(1.7)
<b>Adjusted Pre-Tax Operating Income</b>	<b>41.2</b>	<b>49.0</b>	<b>13.5</b>	<b>22.6</b>	<b>(45.9)</b>	<b>80.4</b>	<b>90.2</b>
Adjusted EBITDA	46.1	89.4	13.7	35.5	(44.2)	140.5	135.5
Sales Volume (thousands of tons)	702	3,068	1,442	1,454			3,770
<b>Adjusted EBITDA per Ton</b>	<b>65.7</b>	<b>29.1</b>	<b>9.5</b>	<b>24.4</b>			<b>35.9</b>
<b>Average Allocated Invested Capital</b>	<b>52.8</b>	<b>627.8</b>	<b>37.4</b>	<b>99.8</b>	<b>NMF</b>	<b>817.8</b>	<b>680.6</b>
<b>Pretax ROIC</b>	<b>78%</b>	<b>8%</b>	<b>36%</b>	<b>23%</b>	<b>NMF</b>	<b>10%</b>	<b>13%</b>

Reconciliations from Adjusted EBITDA to Adjusted Pre-Tax Operating Income							Domestic Coke
<i>\$ in millions, except per ton data</i>	Jewell Coke	Other Domestic Coke	International Coke	Jewell Coal	Corporate	Combined	
<b>Q4 2011</b>							
Adjusted EBITDA	10.6	21.3	10.2	2.5	(13.2)	31.4	31.9
Subtract: Depreciation, depletion and amortization	(1.2)	(10.6)	(0.1)	(3.7)	(0.4)	(16.0)	(11.8)
Add (Subtract): Net (Income) loss attributable to noncontrolling interests		(0.5)				(0.5)	(0.5)
<b>Adjusted Pre-Tax Operating Income</b>	<b>9.4</b>	<b>10.2</b>	<b>10.1</b>	<b>(1.2)</b>	<b>(13.6)</b>	<b>14.9</b>	<b>19.6</b>
Adjusted EBITDA	10.6	21.3	10.2	2.5	(13.2)	31.4	31.9
Sales Volume (thousands of tons)	166	837	295	363			1,003
<b>Adjusted EBITDA per Ton</b>	<b>63.9</b>	<b>25.4</b>	<b>34.6</b>	<b>6.9</b>			<b>31.8</b>
<b>Average Allocated Invested Capital</b>	<b>46.7</b>	<b>594.0</b>	<b>33.7</b>	<b>105.6</b>	<b>NMF</b>	<b>779.9</b>	<b>640.6</b>
<b>Annualized Quarterly Pretax ROIC</b>	<b>81%</b>	<b>7%</b>	<b>120%</b>	<b>-5%</b>	<b>NMF</b>	<b>8%</b>	<b>12%</b>
<b>Q3 2011</b>							
Adjusted EBITDA	13.9	34.3	1.7	9.2	(14.3)	44.8	48.2
Subtract: Depreciation, depletion and amortization	(1.2)	(9.9)	-	(3.3)	(0.3)	(14.7)	(11.1)
Add (Subtract): Net (Income) loss attributable to noncontrolling interests		3.4				3.4	3.4
<b>Adjusted Pre-Tax Operating Income</b>	<b>12.7</b>	<b>27.8</b>	<b>1.7</b>	<b>5.9</b>	<b>(14.6)</b>	<b>33.5</b>	<b>40.5</b>
Adjusted EBITDA	13.9	34.3	1.7	9.2	(14.3)	44.8	48.2
Sales Volume (thousands of tons)	191	777	373	371			968
<b>Adjusted EBITDA per Ton</b>	<b>72.8</b>	<b>44.1</b>	<b>4.6</b>	<b>24.8</b>			<b>49.8</b>
<b>Average Allocated Invested Capital</b>	<b>53.5</b>	<b>636.2</b>	<b>34.8</b>	<b>115.1</b>	<b>NMF</b>	<b>839.6</b>	<b>689.7</b>
<b>Annualized Quarterly Pretax ROIC</b>	<b>95%</b>	<b>17%</b>	<b>20%</b>	<b>21%</b>	<b>NMF</b>	<b>16%</b>	<b>23%</b>

Reconciliations from Adjusted EBITDA to Adjusted Pre-Tax Operating Income							Domestic Coke
<i>\$ in millions, except per ton data</i>	Jewell Coke	Other Domestic Coke	International Coke	Jewell Coal	Corporate	Combined	
<b>Q2 2011</b>							
Adjusted EBITDA	10.6	25.3	0.8	11.5	(10.5)	37.7	35.9
Subtract: Depreciation, depletion and amortization	(1.4)	(9.6)	(0.1)	(3.2)	(0.4)	(14.7)	(11.0)
Add (Subtract): Net (Income) loss attributable to noncontrolling interests		1.6				1.6	1.6
<b>Adjusted Pre-Tax Operating Income</b>	<b>9.2</b>	<b>17.3</b>	<b>0.7</b>	<b>8.3</b>	<b>(10.9)</b>	<b>24.6</b>	<b>26.5</b>
Adjusted EBITDA	10.6	25.3	0.8	11.5	(10.5)	37.7	35.9
Sales Volume (thousands of tons)	170	757	412	334			927
<b>Adjusted EBITDA per Ton</b>	<b>62.4</b>	<b>33.4</b>	<b>1.9</b>	<b>34.4</b>			<b>38.7</b>
<b>Average Allocated Invested Capital</b>	<b>57.9</b>	<b>648.2</b>	<b>39.7</b>	<b>117.7</b>	<b>NMF</b>	<b>863.4</b>	<b>706.1</b>
<b>Annualized Quarterly Pretax ROIC</b>	<b>64%</b>	<b>11%</b>	<b>7%</b>	<b>28%</b>	<b>NMF</b>	<b>11%</b>	<b>15%</b>
<b>Q1 2011</b>							
Adjusted EBITDA	11.0	8.5	1.0	12.3	(6.2)	26.6	19.5
Subtract: Depreciation, depletion and amortization	(1.1)	(8.6)	-	(2.7)	(0.6)	(13.0)	(9.7)
Add (Subtract): Net (Income) loss attributable to noncontrolling interests		(6.2)				(6.2)	(6.2)
<b>Adjusted Pre-Tax Operating Income</b>	<b>9.9</b>	<b>(6.3)</b>	<b>1.0</b>	<b>9.6</b>	<b>(6.8)</b>	<b>7.4</b>	<b>3.6</b>
Adjusted EBITDA	11.0	8.5	1.0	12.3	(6.2)	26.6	19.5
Sales Volume (thousands of tons)	175	697	362	386			872
<b>Adjusted EBITDA per Ton</b>	<b>62.9</b>	<b>12.2</b>	<b>2.8</b>	<b>31.9</b>			<b>22.4</b>
<b>Average Allocated Invested Capital</b>	<b>56.0</b>	<b>645.6</b>	<b>41.4</b>	<b>83.8</b>	<b>NMF</b>	<b>826.9</b>	<b>701.7</b>
<b>Annualized Quarterly Pretax ROIC</b>	<b>71%</b>	<b>-4%</b>	<b>10%</b>	<b>46%</b>	<b>NMF</b>	<b>4%</b>	<b>2%</b>

## Reconciliations from Adjusted EBITDA to Adjusted Pre-Tax Operating Income

<i>\$ in millions, except per ton data</i>	Jewell Coke	Other Domestic Coke	International Coke	Jewell Coal	Corporate	Combined	Domestic Coke
<b>FY 2010</b>							
Adjusted EBITDA	123.9	78.5	15.0	24.0	(14.1)	227.3	202.4
Add (Subtract): Pro Forma impact of ArcelorMittal settlement	(69.0)	18.0				(51.0)	(51.0)
Add (Subtract): Legal and settlement charges related to ArcelorMittal Settlement and Indiana Harbor Arbitration	3.6	12.7				16.3	16.3
Proforma Adjusted EBITDA	58.5	109.2	15.0	24.0	(14.1)	192.6	167.7
Subtract: Depreciation, depletion and amortization	(4.4)	(35.0)	(0.1)	(7.7)	(1.0)	(48.2)	(39.4)
Add (Subtract): Net (Income) loss attributable to noncontrolling interests		7.1				7.1	7.1
Adjusted Pro Forma Operating Income	54.1	81.3	14.9	16.3	(15.1)	151.5	135.4
Adjusted EBITDA	58.5	109.2	15.0	24.0	(14.1)	192.6	167.7
Sales Volume (thousands of tons)	721	2,917	-	1,277			3,638
Adjusted EBITDA per Ton	81.1	37.4		18.8			46.1
Average Allocated Invested Capital	58.5	691.6	42.5	51.4	NMF	844.0	750.1
Pretax ROIC	92%	12%	35%	32%	NMF	18%	18%



# Pretax Return on Invested Capital Reconciliation, \$MM

Consolidated Sun Coke Energy	Q1 2012	2011	Q4 2011	Q3 2011	Q2 2011	Q1 2011	2010	2009
Adjusted Pre-Tax Operating Income <sup>(1)</sup>	37.1	80.4	14.9	33.5	24.6	7.4	151.5	
Invested Capital	Q1 2012 <sup>(2)</sup>	2011	Q4 2011	Q3 2011	Q2 2011	Q1 2011	2010	2009
Debt	\$725.7	\$726.4	\$726.4	\$697.8	\$794.7	\$715.7	\$655.3	\$145.3
Equity	513.3	559.9	559.9	604.5	457.3	433.4	429.3	815.6
Cash	(113.6)	(127.5)	(127.5)	(110.9)	(30.5)	(11.0)	(40.1)	(2.7)
Middletown		(402.8)	(402.8)	(387.6)	(346.1)	(286.7)	(242.2)	(72.5)
Invested Capital	\$1,125.4	\$756.0	\$756.0	\$803.8	\$875.4	\$851.5	\$802.4	\$885.6
Average Invested Capital*	\$1,142.1	\$817.8	\$779.9	\$839.6	\$863.4	\$826.9	\$844.0	
	Q1 2012	2011	Q4 2011	Q3 2011	Q2 2011	Q1 2011	2010	
Quarterly ROIC	13%		8%	16%	11%	4%		
Last Twelve Months' ROIC		10%					18%	

\*5 quarter average for 2011, two quarter average for each quarter, year-end average for 2010

Debt	Q2 2011	Q1 2011	2010	2009
Interest receivable from affiliate	(3.6)	(1.8)	0.0	0.0
Notes receivable from affiliate	(289.0)	(289.0)	(289.0)	(289.0)
Advances from affiliate	1,087.3	1,006.5	944.3	434.3
Total Debt	794.7	715.7	655.3	145.3

(1) See Adjusted EBITDA and Pretax ROIC Reconciliation for respective periods, 2010 uses Adjusted Pro Forma Operating Income

(2) Q1 2012 Average Invested Capital includes Middletown in both the beginning and ending of quarter average (Q1 2012 and Q4 2011)

# Pretax Return on Invested Capital Reconciliation, \$MM

Period ended	Jewell Coke	Other Domestic Coke	International Coke	Coal Mining	Corporate and Other	Total
<b>Identifiable Assets for</b>						
<b>Allocating Invested Capital</b>						
Q1 2012	83.9	1,440.2	64.6	189.1	141.1	1,918.9
Q4 2011, inc Middletown	81.6	1,440.8	62.7	182.1	174.6	1,941.8
Q4 2011	81.6	1,038.0	62.7	182.1	174.6	1,539.0
Q3 2011	77.7	990.6	52.7	178.3	192.3	1,879.2
Q2 2011	85.1	954.4	53.6	173.5	67.2	1,972.6
Q1 2011	82.6	922.6	61.2	167.3	48.9	1,860.1
2010	80.9	962.6	59.7	76.7	7.3	1,718.5
2009	82.7	972.1	59.2	67.6	3.7	1,546.7
<b>Percentage of</b>						
<b>Invested Capital</b>						
Q1 2012	4.7%	81.0%	3.6%	10.6%	NMF	100.0%
Q4 2011, inc Middletown	4.6%	81.5%	3.5%	10.3%	NMF	100.0%
Q4 2011	6.0%	76.1%	4.6%	13.3%	NMF	100.0%
Q3 2011	6.0%	76.2%	4.1%	13.7%	NMF	100.0%
Q2 2011	6.7%	75.4%	4.2%	13.7%	NMF	100.0%
Q1 2011	6.7%	74.8%	5.0%	13.6%	NMF	100.0%
2010	6.9%	81.6%	5.1%	6.5%	NMF	100.0%
2009	7.0%	82.3%	5.0%	5.7%	NMF	100.0%
<b>Allocated</b>						
<b>Invested Capital</b>						
Q1 2012	53.1	911.7	40.9	119.7	-	1,125.4
Q4 2011, inc Middletown	53.5	944.8	41.1	119.4	-	1,158.8
Q4 2011	45.2	575.1	34.7	100.9	-	756.0
Q3 2011	48.1	612.9	32.6	110.3	-	803.8
Q2 2011	58.8	659.6	37.0	119.9	-	875.4
Q1 2011	57.0	636.7	42.3	115.5	-	851.5
2010	55.0	654.6	40.6	52.1	-	802.4
2009	62.0	728.7	44.4	50.6	-	885.6

Note: This table excludes Middletown assets up to and including Q4 2011. At the end of Q4 2011, identifiable assets included in Other Domestic Coke attributable to Middletown were \$402.8m (prior to Q4 2011, Middletown was included in the Corporate and Other segment); see historical segment detail in public filings for additional detail.

## 2012E Net Income to Adjusted EBITDA Reconciliation

	2012E Low	2012E High
<b>Net Income</b>	<b>\$98</b>	<b>\$122</b>
Depreciation, Depletion and Amortization	74	72
Total financing costs, net	48	46
Income tax expense	25	37
<b>EBITDA</b>	<b>\$245</b>	<b>\$277</b>
Sales discounts	11	10
Noncontrolling interests	(6)	(7)
<b>Adjusted EBITDA</b>	<b>\$250</b>	<b>\$280</b>

## 2012E Estimated Free Cash Flow Reconciliation

		2012
Cash from operations;	In excess of	\$ 179
Less cash used for investing activities	Approx.	(100)
Less payments to minority interest	Approx.	(4)
<b>Free Cash Flow</b>	In excess of	<b>\$ 75</b>



**SunCoke Energy**



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