

# Q3 2012 Earnings Conference Call

October 24, 2012



**SunCoke Energy**

The Higher Degree



# Safe Harbor Statement



This slide presentation should be reviewed in conjunction with SunCoke's Third Quarter 2012 earnings release and conference call held on October 24, 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, the planned Master Limited Partnership, business strategies, financing plans, competitive position, potential growth opportunities, potential operating performance improvements, 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.

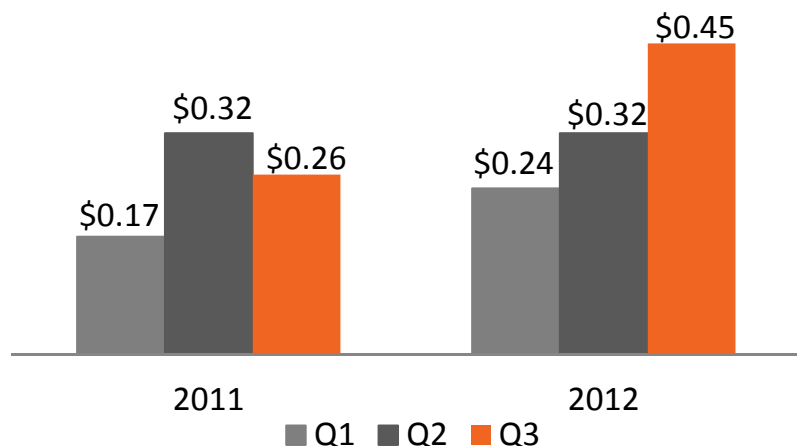
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This presentation includes certain non-GAAP financial measures intended to supplement, not substitute for, comparable GAAP measures. Reconciliations of non-GAAP financial measures to GAAP financial measures are provided in the Appendix at the end of 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).

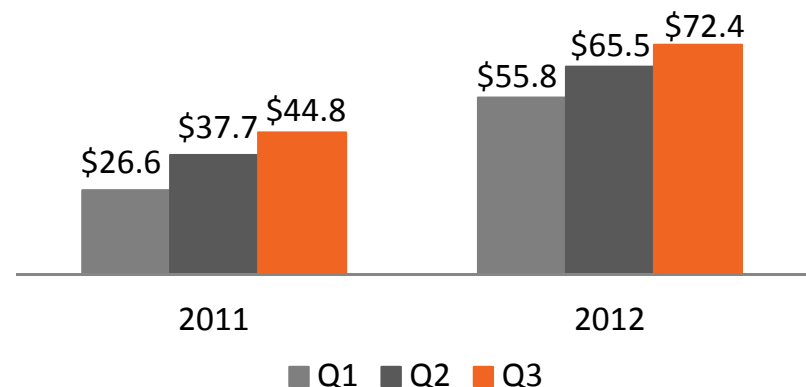
# Q3 2012 Earnings Overview



## Earnings Per Share (diluted)



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



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

<sup>(2)</sup> For a definition and reconciliation of free cash flow, please see appendix

## Q3 2012 EPS up 73% to \$0.45 per share

- Middletown continues to perform at high level
- All U.S. coke facilities built on solid prior year performance

## Coal delivered slightly favorable results

- Benefited from higher YoY price/volume and contingent consideration adjustment
- Production costs and reject rates increased

## Strong liquidity position

- Cash balance of nearly \$160 million and virtually undrawn revolver of \$150 million
- FY 2012 free cash flow<sup>(2)</sup> expected to be in excess of \$100 million costs, with \$60+ million expected in Q4 2012

## Refining range of expected 2012

## Adjusted EBITDA<sup>(1)</sup> to \$255 million to \$270 million

- Implies expected Q4 2012 Adjusted EBITDA of \$61 million to \$76 million

# Q3 2012 Financial Results



(\$ in millions)	Q3'12	Q3'11	Change
<b>Domestic Coke Sales Volumes</b>	<b>1,116</b>	<b>968</b>	<b>148</b>
<b>Coal Sales Volumes</b>	<b>392</b>	<b>371</b>	<b>21</b>
<b>Revenue</b>	<b>\$480.5</b>	<b>\$403.5</b>	<b>\$77.0</b>
<b>Operating Income</b>	<b>\$52.7</b>	<b>\$30.0</b>	<b>\$22.7</b>
<b>Net Income Attributable to Shareholders</b>	<b>\$31.6</b>	<b>\$18.2</b>	<b>\$13.4</b>
<b>Earnings Per Share</b>	<b>\$0.45</b>	<b>\$0.26</b>	<b>\$0.19</b>
<b>Coke Adjusted EBITDA <sup>(1)</sup></b>	<b>\$69.4</b>	<b>\$49.9</b>	<b>\$19.5</b>
<b>Coal Adjusted EBITDA <sup>(2)</sup></b>	<b>\$10.7</b>	<b>\$9.2</b>	<b>\$1.5</b>
<b>Corporate/Other</b>	<b>(\$7.7)</b>	<b>(\$14.3)</b>	<b>\$6.6</b>
<b>Adjusted EBITDA <sup>(3)</sup></b>	<b>\$72.4</b>	<b>\$44.8</b>	<b>\$27.6</b>

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

(2) Coal Adjusted EBITDA includes 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 and reconciliation of Adjusted EBITDA and Adjusted EBITDA per ton, please see appendix.

## Revenue up 19%

- Middletown added nearly \$77 million on volume of 156 thousand tons

## Adjusted EBITDA <sup>(3)</sup> increased 62%

- Middletown contributed almost \$17 million
- Domestic Coke Adjusted EBITDA <sup>(3)</sup> per ton up \$11 per ton to \$61
- Coal benefited from higher mid-vol. price/volumes and \$3.2 million contingent consideration adjustment
- Corporate costs lower due to 2011 headquarter relocation

## Earnings Per Share of \$0.45

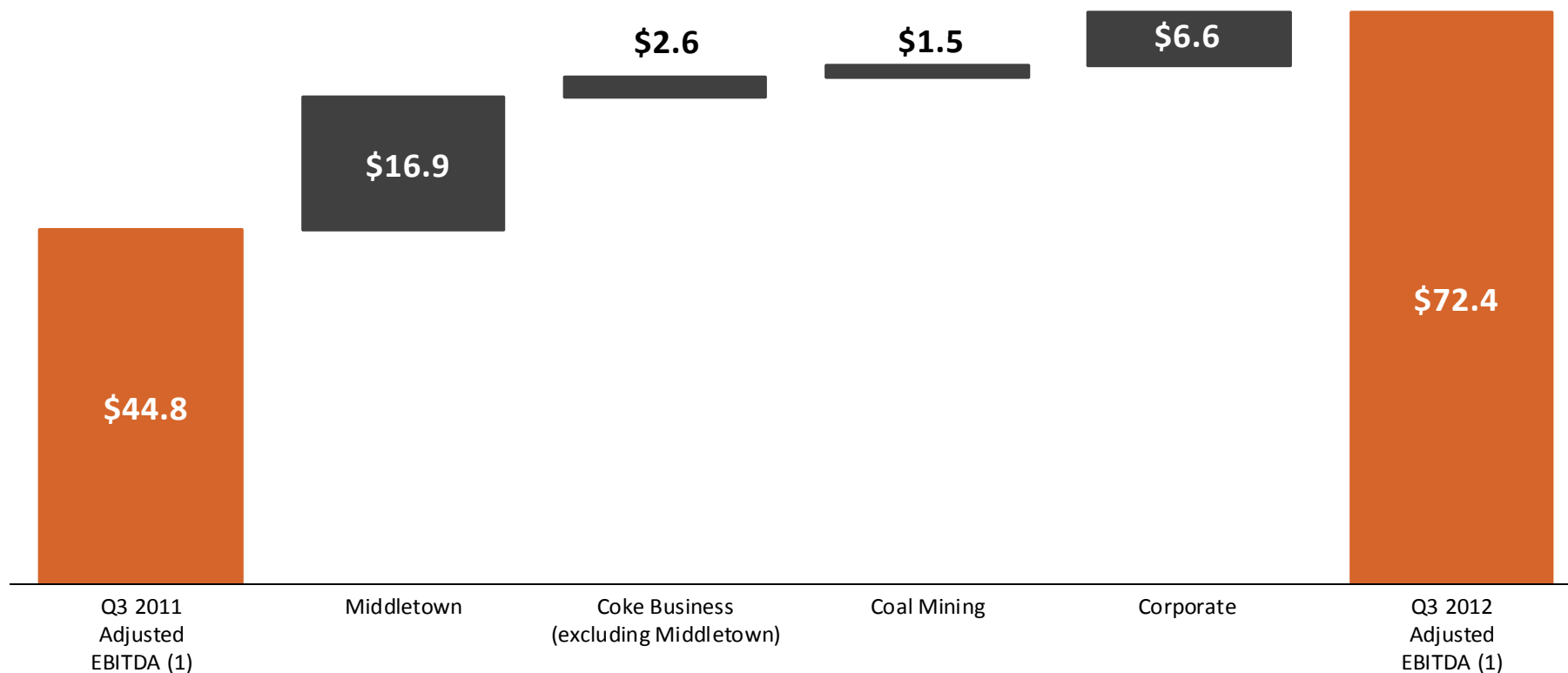
- Reflects strong U.S. cokemaking business performance and lower corporate costs

# Adjusted EBITDA<sup>(1)</sup> Bridge—Q3 2011 to Q3 2012



**Middletown was the primary driver of the quarter's performance**

(\$ in millions)

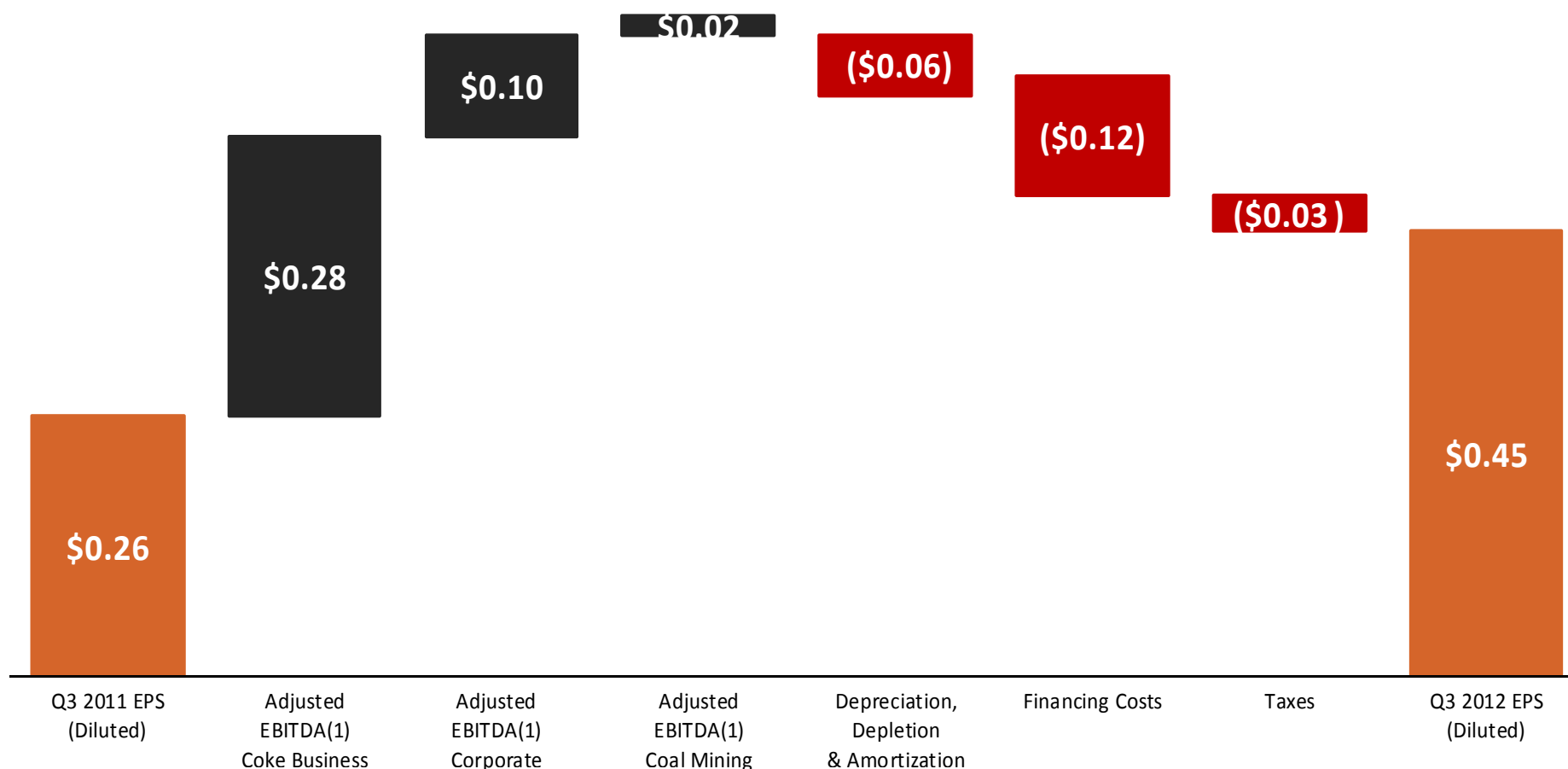


<sup>(1)</sup> For a definition and reconciliation of Adjusted EBITDA, please see the appendix.

# EPS Bridge – Q3 2011 to Q3 2012



**EPS benefited from strong coke business results and lower corporate costs offset by financing costs for standalone capital structure**



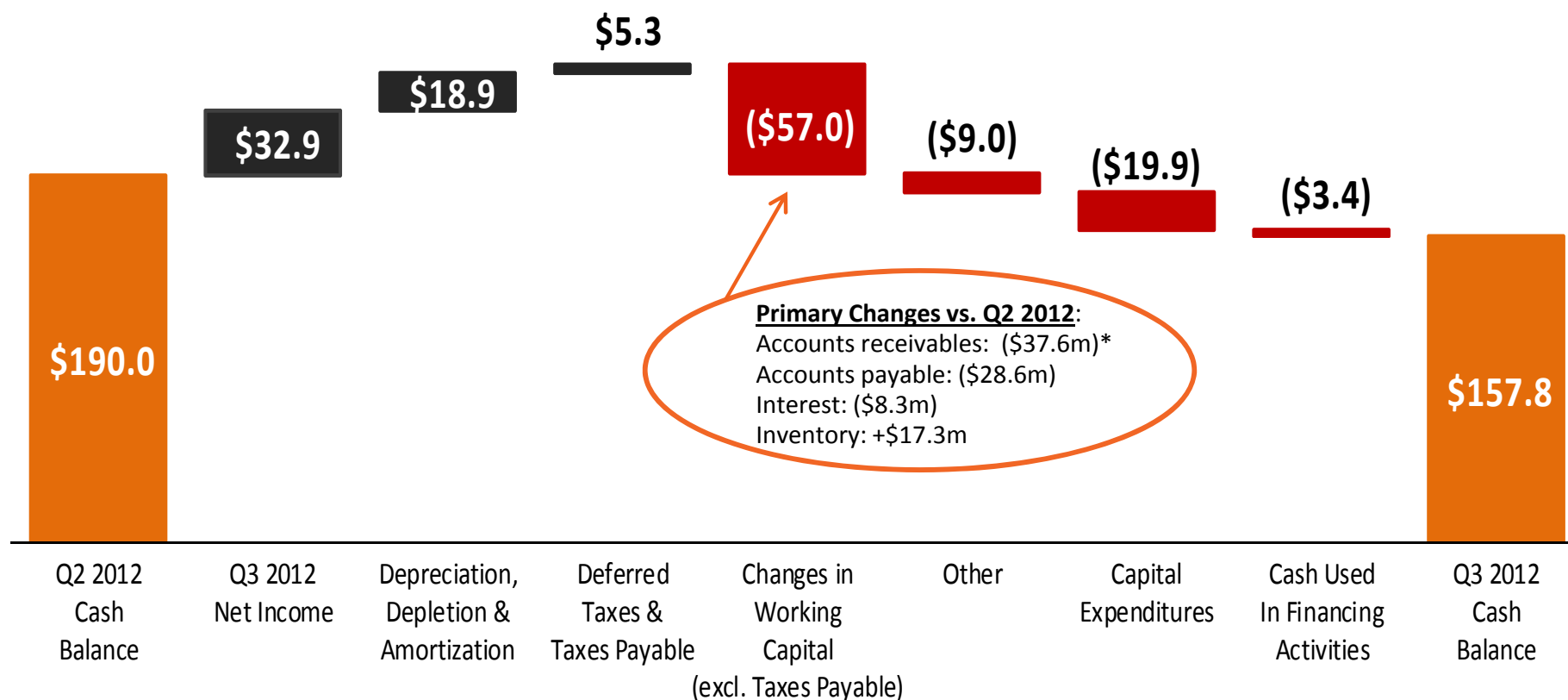
<sup>(1)</sup> For a definition and reconciliation of Adjusted EBITDA, please see the appendix.

# Q3 2012 Sources & Uses of Cash



**Ended quarter with solid cash position, virtually undrawn revolver and improving credit metrics**

(\$ in millions)



\* Due to timing of payment on \$23.7 million receivable on Monday, October 1, 2012 instead of Sunday, September 30.

# Domestic Coke Business Summary

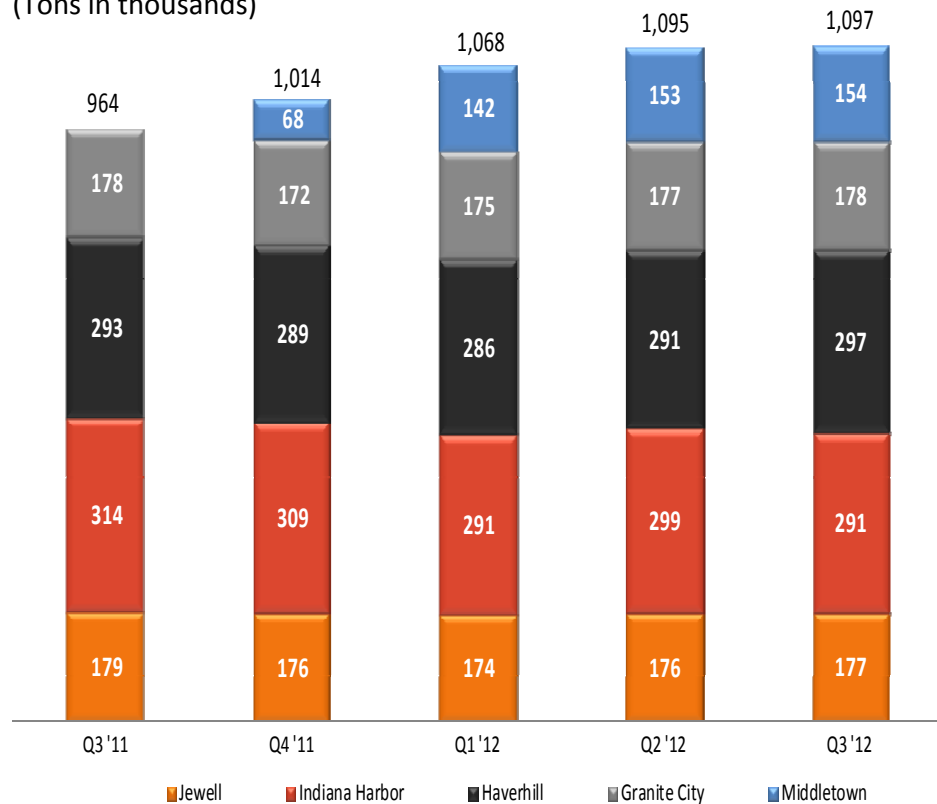
## (Jewell Coke & Other Domestic Coke)



**Sustained strong coke operations drove  
Adjusted EBITDA<sup>(1)</sup> per ton above \$60 per ton**

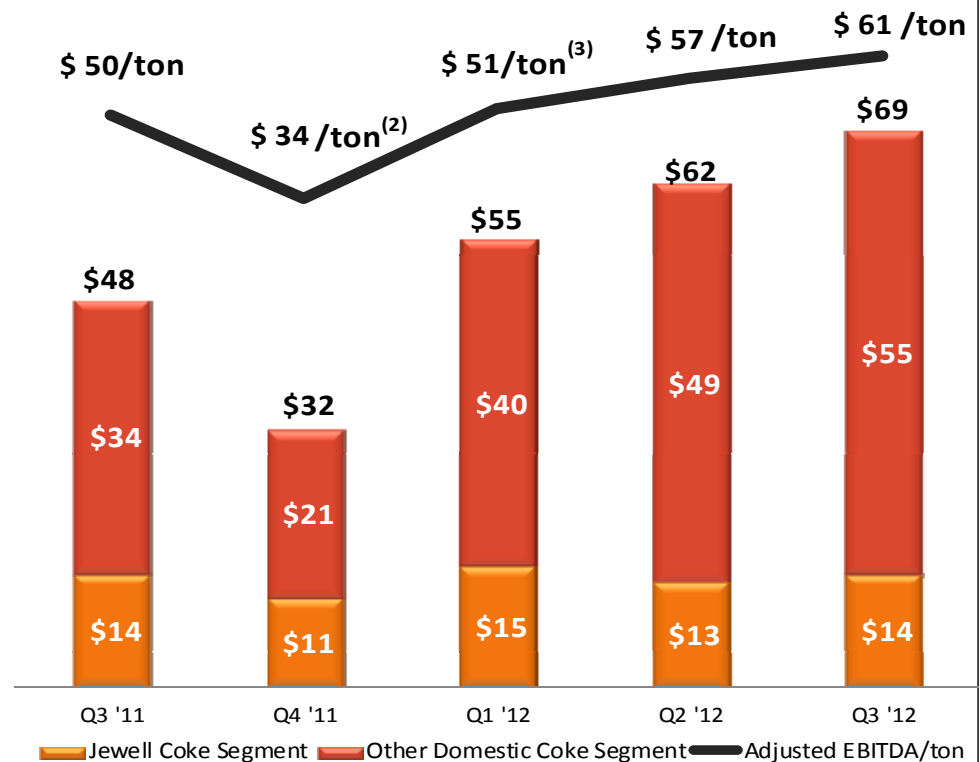
### Domestic Coke Production

(Tons in thousands)



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

(\$ in millions, except per ton amounts)



(1) For a definition of Adjusted EBITDA and Adjusted EBITDA/Ton and reconciliations, see 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.

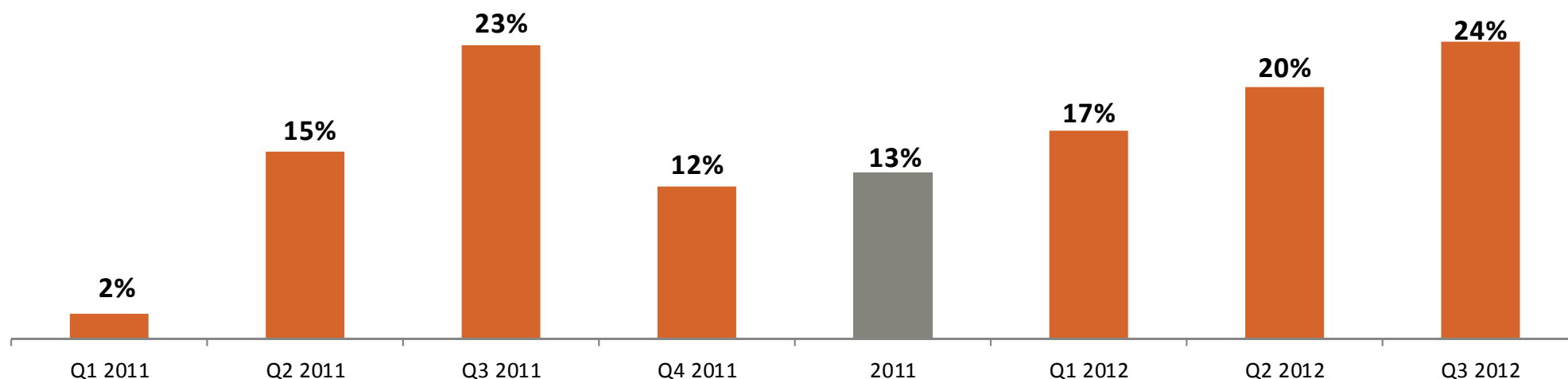
(3) Includes a \$2.4 million, net of NCI, charge related to coke inventory reduction and a \$1.3 million, net of NCI, lower cost or market adjustment on pad coal inventory and lower coal-to-coke yields related to the startup at Middletown.



# Pretax Return on Invested Capital (ROIC)



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



Pretax ROIC, ex-Middletown prior 2012 <sup>(1)(2)</sup>	Q1 2011	Q2 2011	Q3 2011	Q4 2011	2011	Q1 2012	Q2 2012	Q3 2012
Total Domestic Coke (Includes Jewell Coke and Other Domestic Coke)	2%	15%	23%	12%	13%	17%	20%	24%
International Coke	10%	7%	20%	120%	36%	0%	7%	11%
Coal Mining	46%	28%	21%	(5%)	23%	11%	17%	22%
Total SunCoke (Including Corp./Other)	4%	11%	16%	8%	10%	13%	17%	20%

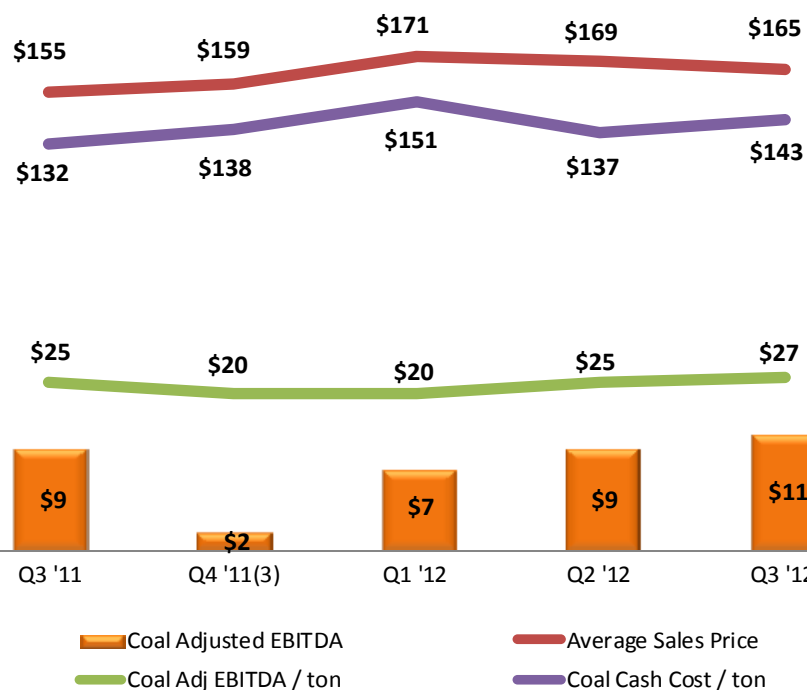
- 1) For a definition of Pretax ROIC and reconciliations, please see the appendix. Pretax ROIC is calculated as Adjusted Pretax Operating Income divided by average invested capital (stockholders' equity plus total debt net of cash and cash equivalents); for a reconciliation of Adjusted Pretax Operating Income to Adjusted EBITDA, please see appendix
- 2) 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.
- 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, lower cost or market adjustment on pad coal inventory and \$4.0 million of non-recurring costs and lower coal-to-coke yields related to the startup at Middletown.

# Coal Mining Financial Summary



## 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

	Q3 '11	Q4 '11	Q1 '12	Q2 '12	Q3 '12
Coal Sales	371	363	373	365	392
Coal Production	340	349	375	401	349
Purchased Coal	22	20	19	4	10
Reject Rate (%)	64	65	68	66	67

## Q3 2012 segment Adjusted EBITDA<sup>(1)</sup> up \$1.5 million to \$10.7 million

- Higher mid-vol. price and volumes benefited results YoY
- Contingent consideration fair value adjustment contributed \$1.3 million to increase
  - Represented \$3.2 million of segment's Q3 2012 Adj. EBITDA

## Cash production costs up

- Experienced yield and productivity challenges in quarter
- Increased mix of mid-vol. coal production also pulled average costs up
  - Jewell underground cash cost per ton: \$149 in Q3 2012; \$143 in Q2 2012; \$138 in Q3 2011

(1) For a definition 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 more aggressive action in Q4 2012 to reduce costs and improve productivity to position coal business for 2013**

- **Rationalizing underground mining plan**
  - Idling 2 company operated mines (6 → 4) and 3 contract mines (8 → 5)
    - Maintain idled operations on “stand-by” for when markets improve
  - Concentrating people and equipment in remaining mines, while leveraging lower variable costs (such as royalties, transportation, etc.)
- **Implementing improved underground mining practices**
  - Relocating two operating sections in largest company mine closer to portal
  - Implement deep cut plans as MSHA approval received
- **Installing new cyclone & ultra fine circuit in prep plant; expect to complete by year end**
  - Anticipate this will improve yields by at least 2% and achieve payback in 18 months
- **Targeting at least 10% reduction in overall Jewell underground cash costs in 2013**



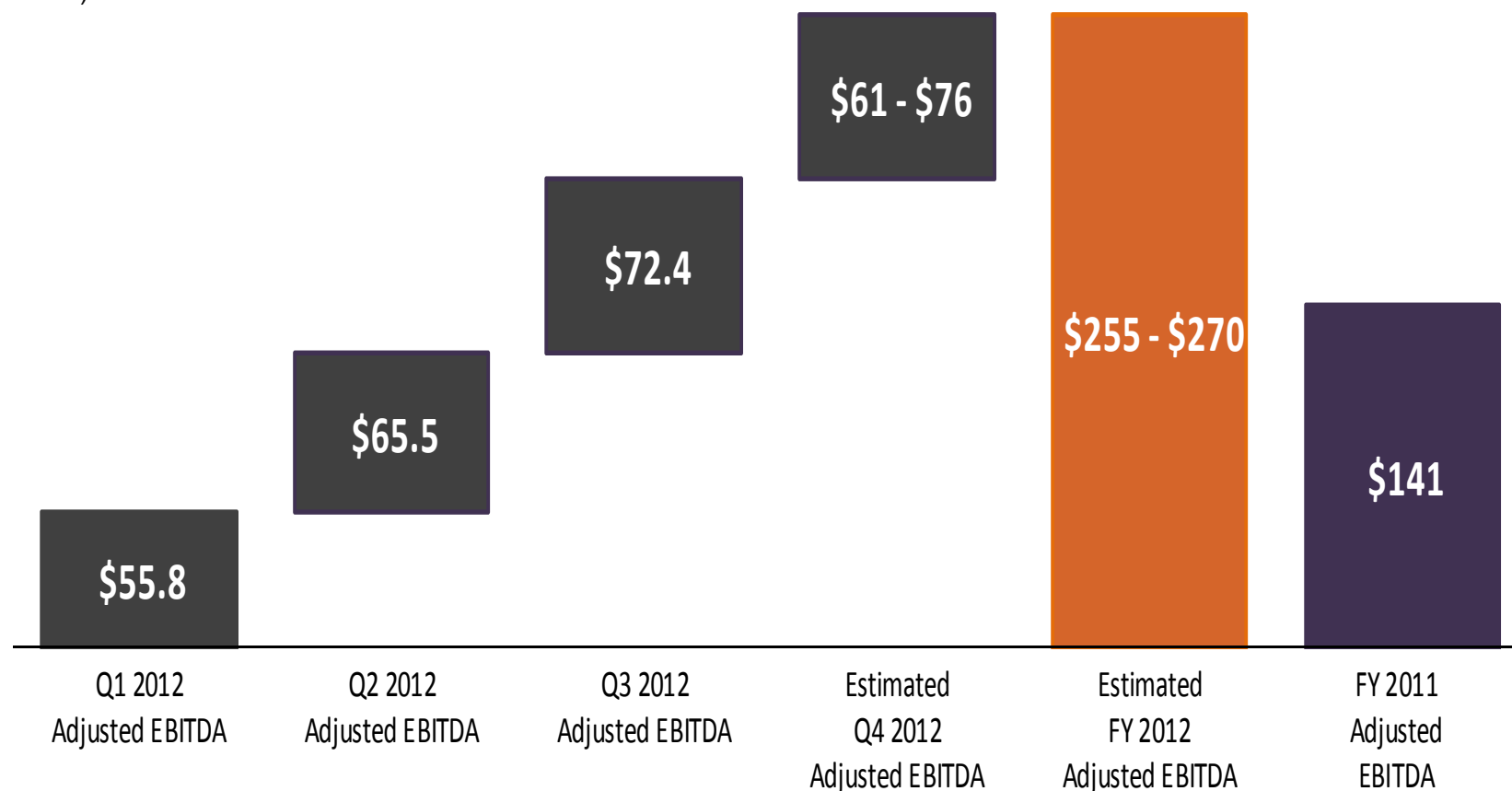
- **2013 mining plan based on expected flat sales volumes vs. 2012 (approximately 1.5 million tons)**
  - Revelation venture and purchased coal expected to represent about ~30% of volumes in 2013, compared with estimated 15% in 2012
  - Mix change will drive lower average cost per ton
- **2013 pricing/contracting in process**
  - Anticipate significant reduction from YTD 2012 average realized price of \$168 per ton
  - Will update outlook once pricing finalized in Q4 2012
- **Despite anticipated underground cash cost reductions and mix improvement, significant margin compression likely in 2013**
  - Expect Coal Mining will contribute minimally to 2013 results

# Full Year Adjusted EBITDA<sup>(1)</sup> Outlook



**FY 2012 Adjusted EBITDA<sup>(1)</sup> expected to increase by more than \$110 million vs. FY 2011 driven by strength of coke business**

(\$ in millions)



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

# Updated 2012 Guidance



Metric	Expected 2012 Outlook
Adjusted EBITDA <sup>(1)</sup>	\$255 million – \$270 million
EPS* (at 22% tax rate)	\$1.30 – \$1.40
Capital Expenditures & Investments	Approximately \$75 million
Free Cash Flow <sup>(2)</sup>	\$100 million +
Cash Tax Rate	10% – 15%
Effective Tax Rate	20% – 24%
Corporate Costs	\$29 million – \$32 million
Coke Production	In excess of 4.3 million tons
Coal Production	Approximately 1.4 million tons

\*Diluted

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

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

# Questions



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Media releases and SEC filings  
are available on  
[www.suncoke.com](http://www.suncoke.com)

Investor Relations:  
630-824-1907



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# Appendix



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- **Adjusted EBITDA** represents earnings before interest, taxes, depreciation, depletion and amortization (“EBITDA”) adjusted for sales discounts and the deduction of income attributable to noncontrolling 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 customers of a portion of nonconventional fuel tax credits, which reduce our income tax expense. However, we believe 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 that 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 interests 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 GAAP and may not be comparable to other similarly titled measures in other businesses. Adjusted EBITDA does not represent and should not be considered as an alternative to net income as determined by GAAP, and calculations thereof may not be comparable to those reported by other companies. We believe Adjusted EBITDA is an important measure of operating performance and provides useful information to investors because it highlights trends in our business that may not otherwise be apparent when relying solely on GAAP measures and because it eliminates items that have less bearing on our operating performance. Adjusted EBITDA is a measure of operating performance that is not defined by GAAP and should not be considered a substitute for net (loss) income as determined in accordance with GAAP.
- **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>Q3 2012</u>	<u>Q2 2012</u>	<u>Q1 2012</u>	<u>FY 2011</u>	<u>Q4 2011</u>	<u>Q3 2011</u>	<u>Q2 2011</u>	<u>Q1 2011</u>
Adjusted Operating Income	54.8	46.6	37.1	80.4	14.9	33.5	24.6	7.4
Net Income (Loss) attributable to Noncontrolling Interest	1.3	1.3	(0.3)	(1.7)	(0.5)	3.4	1.6	(6.2)
Subtract: Depreciation Expense	(18.9)	(20.2)	(18.4)	(58.4)	(16.0)	(14.7)	(14.7)	(13.0)
Adjusted EBITDA	72.4	65.5	55.8	140.5	31.4	44.8	37.7	26.6
Subtract: Depreciation, depletion and amortization	(18.9)	(20.2)	(18.4)	(58.4)	(16.0)	(14.7)	(14.7)	(13.0)
Subtract: Financing expense, net	(12.2)	(11.8)	(12.0)	(1.4)	(7.1)	(3.3)	4.5	4.5
Subtract: Income Tax	(7.6)	(7.0)	(5.3)	(7.2)	2.9	(5.1)	(1.9)	(3.1)
Subtract: Sales Discount	(2.1)	(3.8)	(3.2)	(12.9)	(3.2)	(3.5)	(3.1)	(3.1)
Add: Net Income attributable to NCI	1.3	1.3	(0.3)	(1.7)	(0.5)	3.4	1.6	(6.2)
Net Income	32.9	24.0	16.6	58.9	7.5	21.6	24.1	5.7

# Reconciliations



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>Q3 2012</b>							
Adjusted EBITDA	13.6	54.9	0.9	10.7	(7.7)	72.4	68.5
Subtract: Depreciation, depletion and amortization to noncontrolling interests	(1.4)	(12.7)	-	(4.2)	(0.6)	(18.9)	(14.1)
		1.3				1.3	1.3
<b>Adjusted Pre-Tax Operating Income</b>	<b>12.2</b>	<b>43.5</b>	<b>0.9</b>	<b>6.5</b>	<b>(8.3)</b>	<b>54.8</b>	<b>55.7</b>
Adjusted EBITDA	13.6	54.9	0.9	10.7	(7.7)	72.4	68.5
Sales Volume (thousands of tons)	183	933	310	392			1,116
<b>Adjusted EBITDA per Ton</b>	<b>74.3</b>	<b>58.8</b>	<b>2.9</b>	<b>27.3</b>			<b>61.4</b>
<b>Average Allocated Invested Capital <sup>(1)</sup></b>	<b>51.2</b>	<b>889.0</b>	<b>32.6</b>	<b>117.2</b>	<b>NMF</b>	<b>1,090.1</b>	<b>940.3</b>
<b>Annualized Quarterly Pretax ROIC</b>	<b>95%</b>	<b>20%</b>	<b>11%</b>	<b>22%</b>	<b>NMF</b>	<b>20%</b>	<b>24%</b>
<b>Q2 2012</b>							
Adjusted EBITDA	12.5	48.6	0.7	9.3	(5.6)	65.5	61.1
Subtract: Depreciation, depletion and amortization to noncontrolling interests	(1.3)	(13.7)	(0.1)	(4.3)	(0.8)	(20.2)	(15.0)
		1.3				1.3	1.3
<b>Adjusted Pre-Tax Operating Income</b>	<b>11.2</b>	<b>36.2</b>	<b>0.6</b>	<b>5.0</b>	<b>(6.4)</b>	<b>46.6</b>	<b>47.4</b>
Adjusted EBITDA	12.5	48.6	0.7	9.3	(5.6)	65.5	61.1
Sales Volume (thousands of tons)	170	892	358	373			1,062
<b>Adjusted EBITDA per Ton</b>	<b>73.5</b>	<b>54.5</b>	<b>2.0</b>	<b>24.9</b>			<b>57.5</b>
<b>Average Allocated Invested Capital <sup>(1)</sup></b>	<b>50.9</b>	<b>892.7</b>	<b>36.6</b>	<b>117.7</b>	<b>NMF</b>	<b>1,097.9</b>	<b>943.6</b>
<b>Annualized Quarterly Pretax ROIC</b>	<b>88%</b>	<b>16%</b>	<b>7%</b>	<b>17%</b>	<b>NMF</b>	<b>17%</b>	<b>20%</b>
<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 to noncontrolling interests	(1.3)	(12.6)	(0.1)	(4.1)	(0.3)	(18.4)	(13.9)
		(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>

# Reconciliations



## 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 2011</b>							
Adjusted EBITDA	46.1	89.4	13.7	35.5	(44.2)	140.5	135.5
Subtract: Depreciation, depletion and amortization to noncontrolling interests	(4.9)	(38.7)	(0.2)	(12.9)	(1.7)	(58.4)	(43.6)
		(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>
<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 to noncontrolling interests	(1.2)	(10.6)	(0.1)	(3.7)	(0.4)	(16.0)	(11.8)
		(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 to noncontrolling interests	(1.2)	(9.9)	-	(3.3)	(0.3)	(14.7)	(11.1)
		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



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

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

# Pretax Return on Invested Capital Reconciliation



Consolidated Sun Coke Energy	Q3 2012	Q2 2012	Q1 2012	2011	Q4 2011	Q3 2011	Q2 2011	Q1 2011	2010
<b>Adjusted Pre-Tax Operating Income <sup>(1)</sup></b>	54.8	46.6	37.1	80.4	14.9	33.5	24.6	7.4	151.5
<b>Invested Capital (\$ in millions)</b>	<b>Q3 2012</b>	<b>Q2 2012</b>	<b>Q1 2012<sup>(2)</sup></b>	<b>2011</b>	<b>Q4 2011</b>	<b>Q3 2011</b>	<b>Q2 2011</b>	<b>Q1 2011</b>	<b>2010</b>
Debt	\$724.1	\$724.9	\$725.7	\$726.4	\$726.4	\$697.8	\$794.7	\$715.7	\$655.3
Equity	543.6	535.4	513.3	559.9	559.9	604.5	457.3	433.4	429.3
Cash	(157.8)	(190.0)	(113.6)	(127.5)	(127.5)	(110.9)	(30.5)	(11.0)	(40.1)
Middletown				(402.8)	(402.8)	(387.6)	(346.1)	(286.7)	(242.2)
<b>Invested Capital</b>	<b>\$1,109.9</b>	<b>\$1,070.3</b>	<b>\$1,125.4</b>	<b>\$756.0</b>	<b>\$756.0</b>	<b>\$803.8</b>	<b>\$875.4</b>	<b>\$851.5</b>	<b>\$802.4</b>
<b>Average Invested Capital*</b>	<b>\$1,090.1</b>	<b>\$1,097.9</b>	<b>\$1,142.1</b>	<b>\$817.8</b>	<b>\$779.9</b>	<b>\$839.6</b>	<b>\$863.4</b>	<b>\$826.9</b>	<b>\$844.0</b>
	<b>Q3 2012</b>	<b>Q2 2012</b>	<b>Q1 2012</b>	<b>2011</b>	<b>Q4 2011</b>	<b>Q3 2011</b>	<b>Q2 2011</b>	<b>Q1 2011</b>	<b>2010</b>
<b>Quarterly ROIC</b>	20%	17%	13%		8%	16%	11%	4%	
<b>Last Twelve Months' ROIC</b>				10%					18%

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

(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



Period ended	Jewell Coke	Other Domestic Coke	International Coke	Coal Mining	Corporate and Other	Total
<b>Identifiable Assets for Allocating Invested Capital</b>						
Q3 2012	86.0	1,447.7	52.8	190.1	183.8	1,960.4
Q2 2012	81.4	1,458.4	53.9	193.0	183.5	1,970.2
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
<b>Percentage of Invested Capital</b>						
Q3 2012	4.8%	81.5%	3.0%	10.7%	NMF	100.0%
Q2 2012	4.6%	81.6%	3.0%	10.8%	NMF	100.0%
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%
<b>Allocated Invested Capital</b>						
Q3 2012	53.7	904.4	33.0	118.8	-	1,109.9
Q2 2012	48.8	873.6	32.3	115.6	-	1,070.3
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

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.



# Estimated 2012 EBITDA Reconciliation



## 2012E Net Income to Adjusted EBITDA Reconciliation

(in millions)	2012E Low	2012E High
<b>Net Income</b>	<b>\$94</b>	<b>\$104</b>
Depreciation, Depletion and Amortization	80	78
Total financing costs, net	48	47
Income tax expense	25	34
<b>EBITDA</b>	<b>\$247</b>	<b>\$263</b>
Sales discounts	11	12
Noncontrolling interests	(3)	(5)
<b>Adjusted EBITDA</b>	<b>\$255</b>	<b>\$270</b>

# Free Cash Flow Reconciliation



## 2012E Estimated Free Cash Flow Reconciliation

(in millions)		Estimated 2012	For nine months ended 9/30/2012 (Actual)
Cash from operations	In excess of	\$ 179	\$ 78
Less cash used for investing activities	Approx.	(75)	(41)
Less payments to minority interest	Approx.	(4)	(0)
<b>Free Cash Flow</b>	In excess of	<b>\$ 100</b>	<b>\$ 36</b>