ALLSTATE CORP
Form 424B5
June 05, 2013

Table of Contents

Filed Pursuant to Rule 424(b)(5)
Registration Statement No. 333-181059

THE INFORMATION CONTAINED IN THIS PRELIMINARY PROSPECTUS SUPPLEMENT IS NOT COMPLETE AND MAY BE CHANGED. THIS PRELIMINARY PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS ARE NOT AN OFFER TO SELL NOR DO THEY SEEK AN OFFER TO BUY THE DEPOSITARY SHARES OR THE PREFERRED STOCK IN ANY JURISDICTION WHERE THE OFFER OR SALE IS NOT PERMITTED.

SUBJECT TO COMPLETION
PRELIMINARY PROSPECTUS SUPPLEMENT, DATED JUNE 5, 2013

Prospectus Supplement to Prospectus Dated April 30, 2012

The Allstate Corporation

Depositary Shares

Each representing a 1/1,000th Interest in a Share of Fixed Rate

Noncumulative Perpetual Preferred Stock, Series A

Each of the depositary shares offered hereby (the "*Depositary Shares*") represents a 1/1,000th interest in a share of Fixed Rate Noncumulative Perpetual Preferred Stock, Series A, $1.00 par value per share, with a liquidation preference of $25,000 per share (equivalent to $25 per Depositary Share) (the "*Preferred Stock*"), of The Allstate Corporation, deposited with Wells Fargo Bank, N.A., as depositary (the "*Depositary*"). The Depositary Shares are evidenced by depositary receipts. As a holder of Depositary Shares, you are entitled to all proportional rights and preferences of the Preferred Stock, including dividend, voting, redemption and liquidation rights. You must exercise these rights through the Depositary.

We will pay dividends on the Preferred Stock on a noncumulative basis only when, as and if declared by our board of directors (or a duly authorized committee of the board) and to the extent that we have legally available funds to pay dividends. Dividends will accrue from , 2013 on the liquidation amount of $25,000 per share of the Preferred Stock and be payable in arrears at an annual rate equal to % on January 15, April 15, July 15 and October 15 of each year, commencing October 15, 2013. Dividends on the Preferred Stock are not cumulative. Accordingly, in the event dividends are not declared on the Preferred Stock for payment on any dividend payment date, then those dividends will cease to accrue and cease to be payable. If we have not declared a dividend before the dividend payment date for any dividend period, we will have no obligation to pay dividends accrued for that dividend period, whether or not dividends on the Preferred Stock are declared for any future dividend period.

The certificate of designations for the Preferred Stock will prohibit the declaration of dividends on the Preferred Stock, except out of the net proceeds of common stock issued during the 90 days prior to the date of declaration, if we fail to meet specified capital adequacy, net income or shareholders' equity levels as described in this prospectus supplement. We may issue preferred stock in the future that does not include such restrictions but would rank on a parity with the Preferred Stock. If we fail to meet such specified capital adequacy, net income or shareholders' equity levels and are therefore restricted in the payment of dividends on the Preferred Stock, we would not be precluded from paying dividends on any such parity stock. *See* "Description of the Preferred Stock Restrictions on Declaration and Payment of Dividends".

We may, at our option, redeem the shares of Preferred Stock (i) in whole but not in part at any time prior to June 15, 2018, within 90 days after the occurrence of a "rating agency event" at a redemption price equal to $25,000 per share (equivalent to $25 per Depositary Share), or if greater, a make-whole

redemption price calculated as described in this prospectus supplement, plus, in each case, any declared and unpaid dividends, without regard to any undeclared dividends, to but excluding the redemption date, or (ii) in whole or in part, from time to time, on any dividend payment date on or after June 15, 2018 at a redemption price equal to $25,000 per share (equivalent to $25 per Depositary Share), plus any declared and unpaid dividends, without regard to any undeclared dividends, to but excluding the redemption date. If we redeem the Preferred Stock, the Depositary will redeem a proportionate number of Depositary Shares. Neither you, as a holder of Depositary Shares, nor the Depositary will have the right to require the redemption or repurchase of the Preferred Stock or the Depositary Shares.

The Preferred Stock will not have any voting rights except as described in this prospectus supplement.

Investing in the Depositary Shares and the underlying Preferred Stock involves risks. See a discussion of certain risks in the "Risk Factors" section beginning on page S-10 of this prospectus supplement and Item 1A of Part I of our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 filed with the Securities and Exchange Commission that should be carefully considered before investing in the Depositary Shares and the underlying Preferred Stock.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per Depositary Share	Total
Public offering price(1)	$	$
Underwriting discount	$	$
Proceeds, before expenses, to The Allstate Corporation(1)	$	$

(1) The public offering price set forth above does not include accrued dividends, if any, that may be declared. Dividends, if declared, will accrue from , 2013.

The underwriters have the option to purchase up to an additional Depositary Shares from us, solely to cover over-allotments, if any, at the public offering price less the underwriting discount, within 30 days of the date of this prospectus supplement.

Application will be made to list the Depositary Shares on the New York Stock Exchange under the symbol "ALL PR A". If the application is approved, trading of the Depositary Shares on the New York Stock Exchange is expected to commence within 30 days after the initial delivery of the Depositary Shares.

The underwriters expect to deliver the Depositary Shares through the facilities of The Depository Trust Company for the accounts of its participants, including Clearstream Banking, *société anonyme*, Luxembourg and Euroclear Bank S.A./N.V., against payment in New York, New York on or about , 2013.

Joint Book-Runners

BofA Merrill Lynch

J.P. Morgan

Morgan Stanley

UBS Investment Bank

Wells Fargo Securities

Prospectus Supplement dated , 2013

Table of Contents

TABLE OF CONTENTS

PROSPECTUS SUPPLEMENT

	Page
ABOUT THIS PROSPECTUS SUPPLEMENT	S-1
PROSPECTUS SUPPLEMENT SUMMARY	S-2
RISK FACTORS	S-10
CONSOLIDATED RATIOS OF EARNINGS TO FIXED CHARGES AND EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS	S-17
USE OF PROCEEDS	S-18
CAPITALIZATION	S-19
SELECTED CONSOLIDATED FINANCIAL INFORMATION	S-20
DESCRIPTION OF THE PREFERRED STOCK	S-21
DESCRIPTION OF THE DEPOSITARY SHARES	S-33
LEGAL OWNERSHIP AND BOOK-ENTRY ISSUANCE	S-35
CERTAIN MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS	S-38
CERTAIN CONSIDERATIONS APPLICABLE TO EMPLOYEE BENEFIT PLANS	S-45
UNDERWRITING (CONFLICTS OF INTEREST)	S-47
WHERE YOU CAN FIND MORE INFORMATION	S-53
THE ALLSTATE CORPORATION FILINGS	S-53
LEGAL MATTERS	S-54
EXPERTS	S-54

PROSPECTUS

ABOUT THIS PROSPECTUS	ii
THE ALLSTATE CORPORATION	1
THE TRUSTS	1
RATIO OF EARNINGS TO FIXED CHARGES AND RATIO OF EARNINGS TO FIXED CHARGES AND PREFERRED STOCK DIVIDENDS	2
RISK FACTORS	3
USE OF PROCEEDS	3
DESCRIPTION OF DEBT SECURITIES	3
DESCRIPTION OF CAPITAL STOCK	17
DESCRIPTION OF DEPOSITARY SHARES	21
DESCRIPTION OF WARRANTS	23
DESCRIPTION OF STOCK PURCHASE CONTRACTS AND STOCK PURCHASE UNITS	25
DESCRIPTION OF TRUST PREFERRED SECURITIES	26
DESCRIPTION OF PREFERRED SECURITIES GUARANTEES	28
PLAN OF DISTRIBUTION	31
WHERE YOU CAN FIND MORE INFORMATION	33
THE ALLSTATE CORPORATION FILINGS	33
SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS	34
LEGAL OPINIONS	34
EXPERTS	34
ERISA MATTERS	34

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part is the accompanying prospectus, which contains more general information, some of which may not apply to this offering. You should read both this prospectus supplement and the accompanying prospectus, together with the documents identified under the headings "Where You Can Find More Information" and "The Allstate Corporation Filings" in this prospectus supplement and the accompanying prospectus.

If the information set forth in this prospectus supplement differs in any way from the information set forth in the accompanying prospectus, you should rely on the information set forth in this prospectus supplement.

References to "*we*," "*us*" and "*our*" in this prospectus supplement are references to The Allstate Corporation, and not to any of our subsidiaries, unless we state otherwise or the context otherwise requires.

You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus, and any related free writing prospectus issued or authorized by us. This prospectus supplement may be used only for the purpose for which it has been prepared. No one is authorized to give information other than that contained in this prospectus supplement and the accompanying prospectus, in the documents referred to in this prospectus supplement and the accompanying prospectus and which are made available to the public and in any related free writing prospectus issued or authorized by us. We have not, and the underwriters have not, authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it.

We are not, and the underwriters are not, making an offer to sell the Depositary Shares or the underlying Preferred Stock in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus or any related free writing prospectus issued or authorized by us is accurate as of any date other than the date of the applicable document. Our business, financial condition, results of operations and prospects may have changed since that date. Neither this prospectus supplement, the accompanying prospectus nor any related free writing prospectus issued or authorized by us constitutes an offer, or an invitation on our behalf or on behalf of the underwriters, to subscribe for and purchase, any of the Depositary Shares or the underlying Preferred Stock and may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

Table of Contents

PROSPECTUS SUPPLEMENT SUMMARY

The following summary highlights selected information contained elsewhere or incorporated by reference in this prospectus supplement and may not contain all of the information that is important to you. We encourage you to read this prospectus supplement and the accompanying prospectus, together with the documents identified under the headings "Where You Can Find More Information" and "The Allstate Corporation Filings" in this prospectus supplement and the accompanying prospectus, in their entirety. You should pay special attention to the "Risk Factors" section of this prospectus supplement and the "Risk Factors" section in our Annual Report on Form 10-K for the year ended December 31, 2012.

The Allstate Corporation

The Allstate Corporation is a holding company that conducts its business principally through its subsidiaries Allstate Insurance Company ("*AIC*") and Allstate Life Insurance Company and their affiliates (collectively, including The Allstate Corporation, "*Allstate*"). Allstate is primarily engaged in the personal property and casualty insurance business and the life insurance, retirement and investment products business. Customers can access Allstate products and services such as auto insurance and homeowners insurance through 11,200 exclusive Allstate agencies and financial representatives in the United States and Canada, as well as through independent agencies, call centers and the internet. Allstate is the largest publicly held personal lines insurer in the United States and the 2nd largest personal property and casualty insurer in the United States based on 2011 statutory direct premiums earned. In addition, according to A.M. Best, it is the nation's 16th largest issuer of life insurance business on the basis of 2011 ordinary life insurance in force and 23rd largest on the basis of 2011 statutory admitted assets.

Our main business segments include Allstate Protection and Allstate Financial. Allstate Protection principally sells private passenger auto and homeowners insurance through agencies and directly through call centers and the internet. These products are marketed under the Allstate®, Encompass® and Esurance® brand names. Allstate brand auto and homeowners insurance products are sold primarily through Allstate exclusive agencies. Encompass brand auto and homeowners insurance products are sold through independent agencies. Esurance brand auto insurance products are sold directly to consumers online, through call centers and through select agents, including Answer Financial. Allstate Financial provides life insurance, voluntary accident and health insurance, and retirement and investment products. Allstate Financial distributes its products to individuals through multiple distribution channels, including Allstate exclusive agencies and exclusive financial specialists, workplace enrolling independent agents and independent master brokerage agencies, and directly through call centers and the internet. Allstate Financial's institutional products, which were most recently offered in 2008, consist of funding agreements sold to unaffiliated trusts that use them to back medium-term notes issued to institutional and individual investors.

The Allstate Corporation was incorporated in Delaware on November 5, 1992. Our executive offices are located at 2775 Sanders Road, Northbrook, Illinois, 60062, and at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801. Our telephone number is (847) 402-5000.

As a holding company with no significant business operations of our own, we rely on dividends from AIC as the principal source of cash to pay dividends to our stockholders and to meet our obligations, including the payment of principal and any interest on any notes and our other debt obligations. AIC is regulated as an insurance company in Illinois. The payment of dividends by AIC is limited by Illinois insurance law to formula amounts based on statutory net income and statutory surplus, as well as the timing and amount of dividends paid in the preceding twelve months.

The laws of other jurisdictions that generally govern our insurance subsidiaries contain similar limitations on the payment of dividends; however, in some jurisdictions the laws may be somewhat more restrictive.

Table of Contents

Recent Developments

Capital Management Plan

On May 22, 2013, we announced a plan to use preferred stock and subordinated debt to refinance a portion of our existing debt. We expect to retire approximately $3.0 billion of outstanding senior and subordinated bonds by utilizing a combination of preferred stock, debt and cash.

Concurrent Tender Offers

As part of our capital management plan, on May 22, 2013, we commenced offers to purchase for cash (the "*Concurrent Tender Offers*") (i) up to $400 million aggregate principal amount (subject to increase) of our outstanding 7.450% Senior Notes, Series B due 2019 and 6.75% Senior Debentures due 2018, (ii) up to $1.1 billion aggregate principal amount (subject to increase) of our outstanding 6.90% Senior Debentures due 2038, 6.125% Senior Notes due 2032, 5.95% Senior Notes due 2036, 5.55% Senior Notes due 2035, 5.350% Senior Notes due 2033 and 5.200% Senior Notes due 2042 and (iii) any and all of our outstanding Series B 6.125% Fixed-to-Floating Rate Junior Subordinated Debentures due 2067 of which $500 million aggregate principal amount was outstanding as of that date (collectively, the "*Tender Offer Notes*"). The early tender time for such Concurrent Tender Offers is scheduled for 5:00 p.m., New York City time, on June 5, 2013 (unless extended or earlier terminated by us) and the expiration time is scheduled for 11:59 p.m., New York City time, on June 19, 2013 (unless extended or earlier terminated by us).

The tender consideration for each $1,000 principal amount of each series of Tender Offer Notes validly tendered and not validly withdrawn at or prior to the early tender time will be determined by reference to a fixed spread over the yield based on the bid-side price of the applicable reference treasury security, as calculated by Credit Suisse Securities (USA) LLC and Goldman, Sachs & Co., the dealer managers for the Concurrent Tender Offers (the "*Dealer Managers*"), at 2:00 p.m., New York City time, on June 6, 2013 (unless extended as a result of an extension of the early tender time).

Our obligation to accept for purchase, and to pay for, Tender Offer Notes validly tendered and not validly withdrawn at or prior to the earlier tender time and validly tendered at or prior to the expiration time of the Concurrent Tender Offers is subject to, and conditioned upon the satisfaction or, where applicable, waiver of certain conditions, including our ability to consummate an offering of our securities on terms reasonably satisfactory to us. We reserve the right, subject to applicable law, to terminate, withdraw or otherwise amend any or all of the Concurrent Tender Offers. Neither this offering of Depositary Shares, the Concurrent Offering (as defined below) nor any other securities offerings we may consummate in the near term (collectively, the "*Additional Offerings*") are conditioned on the completion of the Concurrent Tender Offers. We cannot assure you that the Concurrent Tender Offers will be consummated on the terms described in this prospectus supplement or at all.

We expect to fund the Concurrent Tender Offers from the net proceeds of this offering of Depositary Shares, the Concurrent Offering, the Additional Offerings, if any, and cash on hand. *See* "Use of Proceeds".

This prospectus supplement and the accompanying prospectus are not an offer to purchase or a solicitation of an offer to sell any of the Tender Offer Notes. The Concurrent Tender Offers are being made only by and pursuant to the offer to purchase document and related letter of transmittal, each dated May 22, 2013, as the same may be amended or supplemented.

Concurrent Offering

On June 4, 2013, we offered $500 million principal amount of our 3.15% Senior Notes due 2023 and $500 million principal amount of our 4.50% Senior Notes due 2043 in an underwritten public offering pursuant to a separate prospectus supplement (the "*Concurrent Offering*"). Subject to customary conditions precedent, we expect to close the Concurrent Offering on June 7, 2013. However, we cannot assure you that the Concurrent Offering will be completed. The Preferred Stock underlying the Depositary Shares will rank junior to the notes offered in the Concurrent Offering. This prospectus supplement and the accompanying prospectus is not, and should not be construed as, an offering of any securities other than the Depositary Shares offered hereby. This offering of Depositary Shares is not conditioned on the completion of the Concurrent Offering.

Table of Contents

The Offering

Issuer	The Allstate Corporation.
Securities Offered	depositary shares (the "*Depositary Shares*"), each representing a 1/1,000th interest in shares of our Fixed Rate Noncumulative Perpetual Preferred Stock, Series A, $1.00 par value per share, with a liquidation preference of $25,000 per share (equivalent to $25 per Depositary Share) (the "*Preferred Stock*"). Each holder of a Depositary Share will be entitled, through the Depositary, in proportion to the applicable fraction of a share of the Preferred Stock represented by such Depositary Share, to all the rights and preferences of the Preferred Stock represented thereby (including dividend, voting, redemption and liquidation rights). The underwriters have the option to purchase up to an additional Depositary Shares within 30 days of the date of this prospectus supplement, solely to cover over-allotments, if any.
Further Issuances	We may from time to time elect to issue additional depositary shares representing shares of the Preferred Stock, and all the additional shares would be deemed to form a single series with the Depositary Shares representing shares of Preferred Stock offered by this prospectus supplement.
Dividend Payment Dates	Each January 15, April 15, July 15 and October 15, commencing October 15, 2013, subject to adjustment in the case of any such date that falls on a day that is not a business day as described under "Description of the Preferred Stock Dividends".
Dividends	Dividends on the Preferred Stock, only when, as and if declared by our board of directors (or a duly authorized committee of the board), will accrue on the liquidation amount of $25,000 per share of the Preferred Stock (the "*liquidation amount*") and be payable on each dividend payment date at an annual rate equal to %. Any such dividends will be distributed to the holders of the Depositary Shares in the manner described under "Description of the Preferred Stock Dividends" below. Dividends on shares of the Preferred Stock will not be cumulative and will not be mandatory. If for any reason our board of directors (or a duly authorized committee of the board) does not declare a dividend on the Preferred Stock in respect of a dividend period (as defined below), then no dividend will be deemed to have accrued for such dividend period, be payable on the applicable

dividend payment date, or accumulate, and we will have no obligation to pay any dividend for that dividend period, whether or not dividends on

Table of Contents

the Preferred Stock are declared for any future dividend period.

"*Dividend period*" means each period from and including a dividend payment date (except that the initial dividend period will commence on the original issue date of the Preferred Stock) and continuing to but not including the next succeeding dividend payment date. Dividends will be computed on the basis of a 360-day year consisting of twelve 30-day months.

During any dividend period while the Preferred Stock is outstanding, unless the full dividends for the preceding dividend period on all outstanding shares of Preferred Stock have been declared and paid or declared and a sum sufficient for the payment thereof has been set aside and any declared but unpaid dividends for any prior period have been paid:

(i) no dividend shall be declared or paid or set aside for payment and no distribution shall be declared or made or set aside for payment on any of our common stock or any other class or series of our stock that ranks junior to the Preferred Stock as to the distribution of assets on our liquidation, dissolution or winding up ("*junior stock*") (other than (1) a dividend payable solely in junior stock or (2) any dividend in connection with the implementation of a shareholders' rights plan or the redemption or repurchase of any rights under such plan);

(ii) no shares of junior stock shall be repurchased, redeemed or otherwise acquired for consideration by us, directly or indirectly (other than (1) as a result of a reclassification of junior stock for or into other junior stock, (2) the exchange or conversion of one share of junior stock for or into another share of junior stock, (3) purchases, redemptions or other acquisitions of shares of junior stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or consultants, (4) the purchase of fractional interests in shares of junior stock pursuant to the conversion or exchange provisions of such securities or the security being converted or exchanged and (5) through the use of the proceeds of a substantially contemporaneous sale of other shares of junior stock) nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by us; and

(iii) no shares of stock designated as ranking on a parity with the Preferred Stock as to payments of dividends and the distribution of assets on our liquidation, dissolution or winding up ("*dividend parity stock*") shall be repurchased, redeemed or otherwise acquired for consideration by us otherwise than pursuant to *pro rata* offers to purchase all, or a *pro rata* portion, of the Preferred Stock and such dividend parity stock (other than the exchange or conversion of such dividend parity stock for or into shares of junior stock).

Table of Contents

	When dividends are not paid in full upon the shares of the Preferred Stock (except for reasons described under "Description of the Preferred Stock Restrictions on Declaration and Payment of Dividends") and any dividend parity stock, all dividends declared upon shares of the Preferred Stock and any dividend parity stock will be declared on a proportional basis so that the amount of dividends declared per share will bear to each other the same ratio that accrued dividends for the then-current dividend period, and any prior dividend periods for which dividends were declared but not paid, per share on the Preferred Stock, and accrued dividends, including any accumulations, on any dividend parity stock, bear to each other.
Dividend Payment Restrictions	The certificate of designations for the Preferred Stock will prohibit the declaration of dividends on the Preferred Stock if we fail to meet specified capital adequacy, net income or shareholders' equity levels. The prohibition is subject to an exception permitting us to declare dividends out of the net proceeds of common stock issued by us during the 90 days prior to the date of declaration even if we fail to meet the specified capital adequacy, net income or shareholders' equity levels. *See* "Description of the Preferred Stock Restrictions on Declaration and Payment of Dividends".
Redemption	The Preferred Stock is perpetual and has no maturity date. We may, at our option, redeem the shares of Preferred Stock (i) in whole but not in part at any time prior to June 15, 2018, within 90 days after the occurrence of a "rating agency event" at a redemption price equal to $25,000 per share (equivalent to $25 per Depositary Share), or if greater, a make-whole redemption price calculated as described herein, plus, in each case, any declared and unpaid dividends, without regard to any undeclared dividends, to but excluding the redemption date, or (ii) in whole or in part, from time to time, on any dividend payment date on or after June 15, 2018 at a redemption price equal to $25,000 per share (equivalent to $25 per Depositary Share), plus any declared and unpaid dividends, without regard to any undeclared dividends, to but excluding the redemption date.
Liquidation Rights	In the event we voluntarily or involuntarily liquidate, dissolve or wind up our affairs, holders of shares of the Preferred Stock will be entitled to receive an amount per share equal to the liquidation amount of $25,000 per share (equivalent to $25 per Depositary Share), plus any dividends that have been declared but not paid prior to the date of payment of distributions to shareholders, without regard to any undeclared dividends. Distributions will be made only to the extent of our assets that are available for distribution to shareholders, after payment or provision for payment of our debts and other liabilities, *pro rata* as to any other class or

Table of Contents

	series of our stock that ranks equally with the Preferred Stock as to the distribution of assets on our liquidation, dissolution or winding up and before any distribution of assets is made to holders of our common stock or any of our junior stock.
Voting Rights	Holders of Preferred Stock will have no voting rights, except with respect to certain changes in the terms of the Preferred Stock, in the case of certain dividend non-payments, certain other fundamental corporate events, mergers or consolidations and as otherwise required by applicable law. *See* "Description of the Preferred Stock Voting Rights". Holders of Depositary Shares must act through the Depositary to exercise any voting rights, *see* "Description of the Depositary Shares Voting of the Preferred Stock".
Ranking	The shares of Preferred Stock will rank senior to our common stock and all other junior stock and senior to or on a parity with each other series of our preferred stock we may issue (except for any senior series that may be issued upon the requisite vote or consent of the holders of at least a two-thirds of the shares of the Preferred Stock at the time outstanding and entitled to vote and the requisite vote or consent of all other series of preferred stock (stock of each such series, "*senior stock*")), with respect to the payment of dividends and distributions of assets upon our liquidation, dissolution or winding-up. We currently have no senior stock outstanding.
	We will generally be able to pay dividends and distributions upon any liquidation, dissolution or winding up only out of funds legally available for such payment (*i.e.*, after taking account of all indebtedness and other non-equity claims) and *pro rata* as to the Preferred Stock and any dividend parity stock. We currently have no dividend parity stock outstanding.
	Preferred stock that we may choose to issue in the future that does not include the restrictions on dividends described under "Description of the Preferred Stock Restrictions on Declaration and Payment of

	Dividends" but that otherwise ranks *pari passu* with the Preferred Stock will be treated as dividend parity stock and not as senior stock. We may pay dividends on the shares of any such stock that is otherwise on a parity with the Preferred Stock for periods during which we may not pay dividends on the Preferred Stock because of such restrictions. *See* "Description of the Preferred Stock Restrictions on Declaration and Payment of Dividends Interpretive Provisions and Qualifications".
Maturity	The Preferred Stock does not have any maturity date, and we are not required to redeem the Preferred Stock. Accordingly, the Preferred Stock will remain outstanding indefinitely, unless and until we decide to redeem it. The holders of the Preferred Stock will not have the right to require the redemption or repurchase of the Preferred Stock.

Table of Contents

Preemptive and Conversion Rights	None.
Listing	We intend to apply for listing of the Depositary Shares on the New York Stock Exchange under the symbol "ALL PR A". If approved for listing, we expect trading of the Depositary Shares on the New York Stock Exchange to commence within 30 days after the initial delivery of the Depositary Shares. We do not expect that there will be any separate trading market for the shares of the Preferred Stock except as represented by the Depositary Shares.
Tax consequences	If you are a noncorporate United States holder, dividends paid to you will qualify for taxation at preferential rates if you meet certain holding period and other applicable requirements. If you are a corporate United States holder, dividends received by you will be eligible for the dividends-received deduction if you meet certain holding period and other applicable requirements. If you are a non-U.S. holder, dividends paid to you are subject to withholding of United States federal income tax at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate. For further discussion of the tax consequences relating to the Depositary Shares and the underlying Preferred Stock, *see* "Certain Material United States Federal Income Tax Considerations".
Use of Proceeds	We expect to receive net proceeds, after deducting the underwriting discount and other offering expenses payable by us, of approximately $ (or $ assuming the exercise by the underwriters of the over-allotment option in full). We also expect to receive net proceeds from the Concurrent Offering, after deducting the underwriting discount and other expenses payable by us, of approximately $987.6 million. We intend to use the net proceeds from this offering of Depositary Shares, together with the net proceeds of the Concurrent Offering, the Additional Offerings, if any, and cash on hand, to fund the Concurrent Tender Offers, as described under " Recent Developments Concurrent Tender Offers", and for general corporate purposes.
Conflicts of Interest	Certain of the underwriters or their affiliates may receive a portion of the net proceeds of this offering to the

	extent that they hold any of the Tender Offer Notes and the net proceeds are used to retire such notes. Such payments may constitute a "conflict of interest" under Rule 5121 of the Financial Industry Regulatory Authority, Inc. ("*FINRA*"). Consequently, this offering will be conducted in accordance with the requirements of FINRA Rule 5121.
Form of the Depositary Shares	The Depositary Shares will be represented by one or more global securities that will be deposited with and registered in the name of The Depositary Trust Company ("*DTC*") or its

Table of Contents

	nominee. This means that you will not receive a certificate for your Depositary Shares except under limited circumstances described herein. *See* "Legal Ownership and Book-Entry Issuance."
Transfer Agent, Registrar & Dividend Disbursement Agent	Wells Fargo Bank, N.A.
Depositary	Wells Fargo Bank, N.A.

Table of Contents

RISK FACTORS

Your investment in the Depositary Shares and the underlying Preferred Stock will involve certain risks described below. In consultation with your own financial and legal advisors, you should carefully consider the information included in or incorporated by reference in this prospectus supplement and the accompanying prospectus, and pay special attention to the following discussion of risks relating to the Depositary Shares and the underlying Preferred Stock before deciding whether an investment in the Depositary Shares is suitable for you. In addition to the risk factors relating to the Depositary Shares and the underlying Preferred Stock set forth below, we also specifically incorporate by reference into this prospectus supplement the section captioned "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2012. The Depositary Shares will not be an appropriate investment for you if you are not knowledgeable about significant features of the Depositary Shares and the underlying Preferred Stock or financial matters in general. You should not purchase the Depositary Shares unless you understand, and know that you can bear, these investment risks.

The Depositary Shares are fractional interests in the shares of the Preferred Stock.

We are issuing fractional interests in shares of the Preferred Stock in the form of Depositary Shares. Accordingly, the Depositary will rely on the payments it receives on the Preferred Stock to fund all payments on the Depositary Shares. You should carefully review the information in the accompanying prospectus and in this prospectus supplement regarding both of these securities.

We may not have sufficient cash to enable us to pay dividends on the Preferred Stock.

We may not have sufficient cash available each quarter to pay dividends. The amount of dividends we can pay on the Preferred Stock depends upon the amount of cash we generate from our operations, which may fluctuate based on, among other things:

- the level of our operating costs and estimated losses due to catastrophes and other events;
- the ability of state insurance regulatory authorities to limit the payment of dividends to us from our insurance subsidiaries;
- prevailing global and regional economic and political conditions;
- the effect of governmental regulations;
- changes in the basis of taxation of our activities in various jurisdictions;
- our ability to raise additional equity to satisfy our capital needs;
- restrictions under our credit facilities or any debt, including existing restrictions under our debt agreements that, upon the occurrence of certain events that constitute or would constitute events of default, prevent us from declaring or paying dividends, redeeming shares of our capital stock or making liquidation payments; and
- the amount of any cash reserves established by our board of directors.

The amount of cash we generate from our operations may differ materially from our net income or loss for the period, which will be affected by non-cash items. As a result of these and the other factors mentioned above, we may pay dividends during certain periods when we record losses and may not pay dividends during periods when we record net income.

Dividends on the Preferred Stock will be discretionary and noncumulative.

Dividends on the Preferred Stock will be discretionary and noncumulative. Consequently, if our board of directors (or any duly authorized committee of the board) does not authorize and declare a

dividend on Preferred Stock for any dividend period, holders of the Preferred Stock will not be entitled to receive any dividend for that dividend period, and the unpaid dividend will cease to accrue and cease to be payable.

Our ability to declare and pay dividends on the Preferred Stock will be limited if we fail to achieve specified capital adequacy, net income or shareholders' equity levels.

We will be prohibited from declaring or paying dividends on the Preferred Stock in excess of the amount of net proceeds from an issuance of common stock taking place within 90 days before a dividend declaration date if, on that dividend declaration date, either:

- the risk-based capital ratios of our largest U.S. property-casualty insurance subsidiaries that collectively account for 80% or more of the net written premiums of our U.S. property-casualty insurance business on a weighted average basis were less than 175% of their company action level risk-based capital as of the end of the most recent year; or

- our consolidated net income for the four-quarter period ending on the preliminary quarter end test date (the quarter that is two quarters prior to the most recently completed quarter) is zero or negative and our consolidated shareholders' equity (minus accumulated other comprehensive income, and subject to certain other adjustments relating to changes in U.S. GAAP) as of each of the preliminary quarter test date and the most recently completed quarter has declined by 20% or more from its level as measured at the end of the benchmark quarter (the date that is ten quarters prior to the most recently completed quarter).

If we fail to satisfy either of the above tests on any dividend declaration date, the restrictions on dividends will continue until we are able again to satisfy the test on a dividend declaration date. In addition, in the case of a restriction arising under the second bullet point above, the restrictions on dividends will continue until our consolidated shareholders' equity (minus accumulated other comprehensive income, and subject to certain other adjustments relating to changes in U.S. GAAP) has increased, or has declined by less than 20%, in either case as compared to its level at the end of the benchmark quarter for each dividend payment date as to which dividend restrictions were imposed.

Examples of situations where we may fail the above tests include: a financial crisis or other negative trends in the global economy and capital markets, or a significant catastrophe loss event.

See "Description of the Preferred Stock Restrictions on Declaration and Payment of Dividends" for more information on these restrictions.

We may in the future issue series of preferred stock that do not include restrictions on paying dividends and may pay dividends on such preferred stock at times when we are prohibited from paying dividends on the Preferred Stock.

The certificate of designations for the Preferred Stock will provide that preferred stock that we may choose to issue in the future that does not include the restrictions on dividends described under "Description of the Preferred Stock Restrictions on Declaration and Payment of Dividends" but that otherwise ranks *pari passu* with the Preferred Stock will not be treated as senior stock. *See* "Description of the Preferred Stock Restrictions on Declaration and Payment of Dividends Interpretive Provisions and Qualifications". As a consequence, we could issue such preferred stock without receiving the prior vote or consent of holders of the Preferred Stock and, if we were to issue such preferred stock and if dividends as to a dividend period were not paid on the Preferred Stock, we would not be precluded from paying dividends on such preferred stock because of the required suspension of dividends on the Preferred Stock.

Table of Contents

The Preferred Stock may be junior in rights and preferences to future preferred stock.

The Preferred Stock may be junior to preferred stock we issue in the future that by its terms is expressly senior to the Preferred Stock, upon the vote or consent of the holders of at least two-thirds of the shares of the Preferred Stock at the time outstanding and entitled to vote and the requisite vote or consent of all other classes or series of our stock that ranks equally with the Preferred Stock as to the distribution of assets upon our liquidation, dissolution or winding up and/or the payment of dividends. The terms of any future preferred stock expressly senior to the Preferred Stock may restrict dividend payments on the Preferred Stock. In this case, unless full dividends for all outstanding preferred stock senior to the Preferred Stock have been declared and paid or set aside for payment, no dividends will be declared or paid and no distribution will be made on any shares of the Preferred Stock, and no shares of the Preferred Stock will be permitted to be repurchased, redeemed or otherwise acquired by us, directly or indirectly, for consideration. This could result in dividends on the Preferred Stock not being paid to you.

The Preferred Stock will be an equity security and will be subordinate to our existing and future indebtedness.

The shares of Preferred Stock will be equity interests in The Allstate Corporation and will not constitute indebtedness. This means that the Preferred Stock will rank junior to all existing and future indebtedness and other non-equity claims on us with respect to assets available to satisfy claims on us, including claims in the event of our liquidation. As of March 31, 2013, our long-term debt, on a consolidated basis, was approximately $6.6 billion, and we may incur additional indebtedness in the future. Our future indebtedness may restrict payment of dividends on the Preferred Stock.

Additionally, unlike indebtedness, where principal and interest customarily are payable on specified due dates, in the case of the Preferred Stock, (1) dividends will be payable only if declared by our board of directors (or a duly authorized committee of the board); (2) dividends will not accumulate if they are not declared; and (3) as a Delaware corporation, we may make dividend payments and redemption payments only out of funds legally available under Delaware law. Further, the Preferred Stock will place no restrictions on our business or operations or on our ability to incur indebtedness or engage in any transactions, subject only to certain restrictions on payments of dividends and redemption or repurchase of our junior stock and dividend parity stock described under "Description of the Preferred Stock Dividends" and the limited voting rights referred to below under "Description of the Preferred Stock Voting Rights".

Your economic interests in the underlying Preferred Stock represented by the Depositary Shares could be adversely affected by the issuance of additional preferred shares, including additional shares of Preferred Stock, and by other transactions.

The issuance of additional preferred shares on parity with or senior to our Preferred Stock would adversely affect the economic interests of the holders of our Preferred Stock and the Depositary Shares, and any issuance of preferred shares senior to our Preferred Stock or of additional indebtedness could affect our ability to pay dividends on, redeem or pay the liquidation preference on our Preferred Stock in the event of our liquidation, dissolution or winding-up.

Our ability to meet our obligations and declare and pay dividends on the Preferred Stock is dependent upon distributions from our subsidiaries and the Preferred Stock will be effectively subordinated to the obligations of our subsidiaries.

We are a holding company with no significant operations of our own. Our principal asset is our ownership of our subsidiaries. As such we receive substantially all of our revenue from dividends from our subsidiaries. The ability of our insurance subsidiaries to pay dividends to us in the future will depend on their statutory surplus, earnings and regulatory restrictions. We and our insurance

Table of Contents

subsidiaries are subject to regulation by some states as an insurance holding company system. This regulation generally provides that transactions among companies within the holding company system must be fair and reasonable. Transfers of assets among affiliated companies, certain dividend payments from insurance subsidiaries and certain material transactions between companies within the system may require prior notice to, or prior approval by, state regulatory authorities. Our insurance subsidiaries are subject to various regulatory restrictions that limit the maximum amount of dividends available to be paid to their parent without prior approval of insurance regulatory authorities. The ability of our insurance subsidiaries to pay dividends to us also is restricted by regulations that set standards of solvency that must be met and maintained, the nature of and limitation on investments, the nature of and limitations on dividends to policyholders and shareholders, the nature and extent of required participation in insurance guaranty funds and the involuntary assumption of hard-to-place or high-risk insurance business, primarily in workers' compensation insurance lines. In addition, competitive pressures generally require the subsidiaries to maintain insurance financial strength ratings. These restrictions and other regulatory requirements affect the ability of the subsidiaries to make dividend payments. The inability of our insurance subsidiaries to pay dividends to us in an amount sufficient to meet our debt service obligations and other cash requirements could harm our ability to meet our obligations and declare and pay dividends on the Preferred Stock.

Because we are a holding company, our right to participate in any distribution of the assets of our subsidiaries, upon a subsidiary's dissolution, winding-up, liquidation or reorganization or otherwise, and thus our ability to meet our obligations and pay dividends on the Preferred Stock from such distribution, is subject to the prior claims of creditors of any such subsidiary, except to the extent that we may be a creditor of that subsidiary and our claims are recognized. Our subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay amounts due under our contracts or otherwise to make any funds available to us. Accordingly, our obligations and the payments of dividends on the Preferred Stock will be effectively subordinated to all liabilities of our subsidiaries, including obligations to policyholders. As of March 31, 2013, our subsidiaries had total liabilities of $97.1 billion, all of which would effectively rank senior to the Preferred Stock upon our liquidation.

If we are deferring payments on our outstanding subordinated debt securities we will be prohibited from paying dividends on or redeeming the Preferred Stock.

The terms of our outstanding subordinated debt securities prohibit us from declaring or paying any dividends or distributions on the Preferred Stock, or redeeming, purchasing, acquiring or making a liquidation payment with respect to the Preferred Stock, at any time when we have deferred interest under such subordinated debt securities.

If we are not paying full dividends on any outstanding dividend parity stock, we will not be able to pay full dividends on the Preferred Stock.

When dividends are not paid in full upon the shares of the Preferred Stock (except for reasons described under "Description of the Preferred Stock Restrictions on Declaration and Payment of Dividends") and any dividend parity stock, all dividends declared upon shares of the Preferred Stock and any dividend parity stock will be declared on a proportional basis so that the amount of dividends declared per share will bear to each other the same ratio that accrued dividends for the then-current dividend period, and any prior dividend periods for which dividends were declared but not paid, per share on the Preferred Stock, and accrued dividends, including any accumulations, on any dividend parity stock, bear to each other. Therefore, if we are not paying full dividends on any outstanding dividend parity stock, we will not be able to pay full dividends on the Preferred Stock. *See* "Description of the Preferred Stock Dividends".

Table of Contents

Investors should not expect us to redeem the Preferred Stock on the date it becomes redeemable at our option or on any particular date after it becomes redeemable at our option.

The Preferred Stock will be a perpetual equity security. This means that it will have no maturity or mandatory redemption date and will not be redeemable at the option of the holders. The Preferred Stock may be redeemed by us at our option, (i) in whole but not in part at any time prior to June 15, 2018, within 90 days after the occurrence of a "rating agency event" at a redemption price equal to $25,000 per share (equivalent to $25 per Depositary Share), or if greater, a make-whole redemption price calculated as described herein, plus, in each case, any declared and unpaid dividends, without regard to any undeclared dividends, to but excluding the redemption date, or (ii) in whole or in part, from time to time, on any dividend payment date on or after June 15, 2018 at a redemption price equal to $25,000 per share (equivalent to $25 per Depositary Share), plus any declared and unpaid dividends, without regard to any undeclared dividends, to but excluding the redemption date. Any decision we may make at any time to propose a redemption of the Preferred Stock will depend upon, among other things, our evaluation of our capital position, the composition of our shareholders' equity and general market conditions at that time.

We may redeem the Preferred Stock before June 15, 2018 in the event of a rating agency event.

We may redeem the Preferred Stock in whole but not in part at any time prior to June 15, 2018, within 90 days after the occurrence of a "rating agency event" at a redemption price equal to $25,000 per share (equivalent to $25 per Depositary Share), or if greater, a make-whole redemption price calculated as described herein, plus, in each case, any declared and unpaid dividends, without regard to any undeclared dividends, to but excluding the redemption date. If the Preferred Stock is redeemed, the redemption may be a taxable event to you. *See* "Certain Material United States Federal Income Tax Considerations United States Holders Redemption of the Preferred Stock" in this prospectus supplement.

Events that would constitute a "rating agency event" could occur at any time and could result in the Preferred Stock being redeemed earlier than would otherwise be the case. In the event we choose to redeem the Preferred Stock, you may not be able to reinvest the redemption proceeds in a comparable security at an effective dividend rate as high as that on the Preferred Stock.

Holders of the Preferred Stock will have limited voting rights.

Holders of the Preferred Stock will have no voting rights with respect to matters that generally require the approval of shareholders. Holders of the Preferred Stock will have voting rights only with respect to certain changes in terms of the Preferred Stock, certain dividend non-payments, certain other fundamental corporate events and as otherwise required by applicable law. *See* "Description of the Preferred Stock Voting Rights". Holders of the Depositary Shares must act through the Depositary to exercise any voting rights in respect of the Preferred Stock. Although each Depositary Share is entitled to 1/1,000th of a vote, the Depositary can only vote whole shares of Preferred Stock. While the Depositary will vote the maximum number of whole shares of Preferred Stock in accordance with the instructions it receives, any remaining votes of holders of the Depositary Shares will not be voted.

We cannot assure you that an active trading market for the Depositary Shares will ever develop or be maintained.

The Preferred Stock and the Depositary Shares are new issues with no established trading market. Although we plan to apply to have the Depositary Shares listed on the New York Stock Exchange, there is no guarantee that we will be able to list the Depositary Shares. Even if the Depositary Shares are listed, there may be little or no secondary market for the Depositary Shares. Even if a secondary market for the Depositary Shares develops, it may not provide significant liquidity and transaction costs

Table of Contents

in any secondary market could be high. As a result, the difference between bid and asked prices in any secondary market could be substantial. We do not expect that there will be any separate public trading market for the shares of Preferred Stock except as represented by the Depositary Shares.

General market conditions and unpredictable factors could adversely affect market prices for the Depositary Shares.

There can be no assurance about the market prices for the Depositary Shares. Several factors, many of which are beyond our control, will influence the market prices of the Depositary Shares. Future trading prices of the Depositary Shares will depend on many factors, including:

- whether we declare or fail to declare dividends on the Preferred Stock from time to time;
- our operating performance, financial condition and prospects, or the operating performance, financial condition and prospects of our competitors;
- our creditworthiness;
- the financial strength ratings of our insurance subsidiaries;
- the ratings given to our securities by credit rating agencies, including the ratings given to the Preferred Stock;
- prevailing interest rates;
- economic, financial, geopolitical, regulatory or judicial events affecting us or the financial markets generally; and
- the market for similar securities.

Accordingly, the Depositary Shares may trade at a discount to the price per share paid for such Depositary Shares, whether in this offering or in the secondary market.

A downgrade, suspension or withdrawal of, or change in, the methodology used to determine any rating assigned by a rating agency to us or our securities, including the Preferred Stock, could cause the liquidity or trading price of the Preferred Stock to decline significantly.

Real or anticipated changes in the credit ratings assigned to the Depositary Shares, the Preferred Stock or our credit ratings generally could affect the trading price of the Depositary Shares. Credit ratings are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization in its sole discretion. In addition, credit rating agencies continually review their ratings for the companies that they follow, including us. The credit rating agencies also evaluate the financial services industry as a whole and may change their credit rating for us and our securities, including the Depositary Shares and the Preferred Stock, based on their overall view of our industry. A downgrade, withdrawal, or the announcement of a possible downgrade or withdrawal of the ratings assigned to the Depositary Shares and the Preferred Stock, us or our other securities, or any perceived decrease in our creditworthiness could cause the trading price of the Depositary Shares to decline significantly.

The rating agencies that currently or may in the future publish a rating for us, the Depositary Shares or the Preferred Stock may from time to time in the future change the methodologies that they use for analyzing securities with features similar to the Depositary Shares or the Preferred Stock. This may include, for example, changes to the relationship between ratings assigned to an issuer's senior securities and ratings assigned to securities with features similar to the Depositary Shares or Preferred Stock, which is sometimes called "notching". If the rating agencies change their practices for rating these securities in the future, and the ratings of the Depositary Shares or the Preferred Stock are

Table of Contents

subsequently lowered or "notched" further, the trading price of the Depositary Shares could be negatively affected.

There may be future sales of the Preferred Stock or the Depositary Shares, which may adversely affect the market price of the Depositary Shares.

Except as described under the heading "Underwriting (Conflicts of Interest)" below, we are not restricted from issuing additional Preferred Stock or related Depositary Shares or securities similar to the Preferred Stock or the Depositary Shares, including any securities that are convertible into or exchangeable for, or that represent the right to receive, Preferred Stock or Depositary Shares. Holders of the Preferred Stock or the Depositary Shares have no preemptive rights that entitle holders to purchase their *pro rata* share of any offering of shares of any class or series. The market price of the Depositary Shares could decline as a result of sales of shares of Preferred Stock or Depositary Shares made after this offering or the perception that such sales could occur. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, holders of the Depositary Shares bear the risk of our future offerings reducing the market price of the Depositary Shares and diluting their related holdings in the Preferred Stock.

Holders of the Depositary Shares may be unable to use the dividends received deduction.

Distributions paid to corporate U.S. holders of the Depositary Shares out of dividends on the Preferred Stock may be eligible for the dividends received deduction if we have current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. Although we presently have accumulated earnings and profits, we may not have sufficient current or accumulated earnings and profits during future fiscal years for the distributions on the Preferred Stock to qualify as dividends for federal income tax purposes. *See* "Certain Material United States Federal Income Tax Considerations". If any distributions on the Preferred Stock with respect to any fiscal year are not eligible for the dividends received deduction because of insufficient current or accumulated earnings and profits, the market value of the Depositary Shares may decline.

Table of Contents

CONSOLIDATED RATIOS OF EARNINGS TO FIXED CHARGES AND EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

The following table sets forth our consolidated ratios of earnings to fixed charges and earnings to combined fixed charges and preferred stock dividends for the periods indicated. For purposes of these computations, earnings consist of income from operations before income tax, and fixed charges consist of interest on indebtedness, interest factor of annual rental expense, and interest credited to contractholder funds.

	Three Months Ended March 31,	Year Ended December 31,				
	2013	2012	2011	2010	2009	2008
Ratio of Earnings to Fixed Charges(1)	3.3X	2.9X	1.5X	1.5X	1.5X	X
Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends(1)(2)	3.3X	2.9X	1.5X	1.5X	1.5X	X

(1) Earnings for the year ended December 31, 2008 were insufficient to cover fixed charges and combined fixed charges and preferred stock dividends by $2.82 billion.

(2) We have no shares of preferred stock outstanding and have not issued any preferred stock in the past. As a result, no preferred stock dividends were included.

Table of Contents

USE OF PROCEEDS

We expect to receive net proceeds, after deducting the underwriting discount and other offering expenses payable by us, of approximately $ (or $ assuming the exercise by the underwriters of the over-allotment option in full). We also expect to receive net proceeds from the Concurrent Offering, after deducting the underwriting discount and other expenses payable by us, of approximately $987.6 million.

We intend to use the net proceeds from this offering of Depositary Shares, together with the net proceeds of the Concurrent Offering, the Additional Offerings, if any, and cash on hand, to fund the Concurrent Tender Offers, as described under "Prospectus Supplement Summary Recent Developments Concurrent Tender Offers", and for general corporate purposes. Certain of the underwriters or their affiliates may receive a portion of the net proceeds of this offering to the extent that they hold any of the Tender Offer Notes and the net proceeds are used to retire such notes. Such payments may constitute a "conflict of interest" under Rule 5121 of FINRA. Consequently, this offering will be conducted in accordance with the requirements of FINRA Rule 5121.

Table of Contents

CAPITALIZATION

The following table sets forth our capitalization as of March 31, 2013 and as adjusted to give effect to this offering of Depositary Shares and the Concurrent Offering. The table does not give effect to the repurchase of any Tender Offer Notes in the Concurrent Tender Offers or any Additional Offerings. *See* "Prospectus Supplement Summary Recent Developments". The following data should be read in connection with our condensed consolidated financial statements and notes, which are incorporated by reference.

	As of March 31, 2013	
	Actual	As Adjusted
	(in millions)	
Short-term debt	$	$
3.15% Senior Notes due 2023		500
4.50% Senior Notes due 2043		500
Other long-term debt	6,556	6,556
Total debt	6,556	7,556
Common stock and additional capital paid-in	3,037	3,037
Preferred Stock		
Fixed Rate Noncumulative Perpetual Preferred Stock, Series A		
Unrealized net capital gains and losses	2,905	2,905
Unrealized foreign currency translation adjustments	58	58
Unrecognized pension and other postretirement benefit cost	(1,684)	(1,684)
Retained income	34,375	34,375
Deferred ESOP expense	(39)	(39)
Treasury stock, at cost	(18,033)	(18,033)
Total shareholders' equity	$ 20,619	$
Total capitalization	$ 27,175	$

Table of Contents

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following table sets forth selected consolidated statements of operations and financial position data and other data for the periods indicated. The financial data for each of the five years in the period ended December 31, 2012 are derived from our audited consolidated financial statements. The financial data for the three-month periods ended March 31, 2013 and 2012 are derived from our unaudited condensed consolidated financial statements. The following amounts should be read in conjunction with the consolidated financial statements and notes thereto contained in our other filings with the Securities and Exchange Commission (the "*SEC*") available as described under "Where You Can Find More Information" and "The Allstate Corporation Filings" in this prospectus supplement and the accompanying prospectus.

	As of or for the three months ended March 31,		As of or for the year ended December 31,				
	2013	2012	2012	2011	2010	2009	2008
	(Dollars in millions)						
Consolidated statements of operations data:							
Insurance premiums and contract charges	$ 7,349	$ 7,183	$ 28,978	$ 28,180	$ 28,125	$ 28,152	$ 28,862
Net investment income	983	1,011	4,010	3,971	4,102	4,444	5,622
Realized capital gains and losses	131	168	327	503	(827)	(583)	(5,090)
Total revenues	8,463	8,362	33,315	32,654	31,400	32,013	29,394
Benefits, claims, expenses and other	7,435	7,253	30,027	31,688	30,319	30,728	32,214
Gain (loss) on disposition of operations	2	3	18	(7)	19	15	5
Income tax expense (benefit)	321	346	1,000	172	189	412	(1,273)
Net income (loss)	$ 709	$ 766	$ 2,306	$ 787	$ 911	$ 888	$ (1,542)
Consolidated financial position data:							
Investments	$ 97,382	$ 97,009	$ 97,278	$ 95,618	$ 100,483	$ 99,833	$ 95,998
Total assets	126,612	125,933	126,947	125,193	130,500	132,209	134,351
Reserve for claims and claims expense, life-contingent contract benefits and contractholder funds	74,494	76,182	75,502	77,113	81,113	84,659	90,750
Short-term debt							
Long-term debt	6,556	6,058	6,057	5,908	5,908	5,910	5,659
Shareholders' equity	20,619	19,182	20,580	18,298	18,617	16,184	12,121
Equity	20,619	19,210	20,580	18,326	18,645	16,213	12,153

DESCRIPTION OF THE PREFERRED STOCK

The following is a brief summary of the material terms of the Preferred Stock. The following summary does not purport to be complete in all respects, and is qualified in its entirety by reference to the pertinent sections of our Restated Certificate of Incorporation (filed as an exhibit to a current report on Form 8-K on May 23, 2012), the certificate of designations creating the Preferred Stock (to be included as an exhibit to a current report on Form 8-K filed with the SEC) and the applicable provisions of the Delaware General Corporation Law.

General

Our authorized capital stock includes 25,000,000 shares of preferred stock, par value $1.00 per share, as reflected in our Restated Certificate of Incorporation. Our board of directors is authorized without further shareholder action to cause the issuance of additional shares of preferred stock, including additional shares of the Preferred Stock that would be deemed to form a single series with the Preferred Stock represented by the Depositary Shares offered by this prospectus supplement and the accompanying prospectus. Any additional preferred stock may be issued in one or more series, each with preferences, limitations, designations, conversion or exchange rights, voting rights, dividend rights, redemption provisions, voluntary and involuntary liquidation rights and other rights as our board may determine at the time of issuance.

The Preferred Stock represents a single series of our authorized preferred stock. We are offering Depositary Shares representing shares of the underlying Preferred Stock by this prospectus supplement and the accompanying prospectus. Shares of the Preferred Stock, upon issuance against full payment therefore, will be fully paid and nonassessable.

The Preferred Stock will not be convertible into, or exchangeable for, shares of our common stock or any other class or series of our other securities and will not be subject to any sinking fund or any other obligation of ours for their repurchase or retirement.

We reserve the right to re-open this series and issue additional shares of Preferred Stock either through public or private sales, or through an offering of depositary shares, at any time and from time to time. The additional shares of Preferred Stock would be deemed to form a single series with the Preferred Stock underlying the Depositary Shares offered by this prospectus supplement.

Ranking

With respect to the payment of dividends and distributions of assets upon any liquidation, dissolution or winding-up, the Preferred Stock will rank:

- senior to our common stock and all other junior stock;
- senior to or on a parity with each other series of our preferred stock we may issue (except for any senior stock that may be issued upon the requisite vote or consent of the holders of at least a two-thirds majority of the shares of the Preferred Stock at the time outstanding and entitled to vote and the requisite vote or consent of all other series of preferred stock), with respect to the payment of dividends and distributions of assets upon our liquidation, dissolution or winding-up; and
- junior to all existing and future indebtedness and other non-equity claims on us.

We currently have no senior stock outstanding.

See " Restrictions on Declaration and Payment of Dividends Interpretive Provisions and Qualifications" concerning the *pari passu* status of future series of preferred stock that do not include the restrictions on dividends described under " Restrictions on Declaration and Payment of Dividends" but that otherwise rank *pari passu* with the Preferred Stock.

Table of Contents

Dividends

Holders of the Preferred Stock, in preference to the holders of our common stock and of any other junior stock, will be entitled to receive, only when, as and if declared by our board of directors (or a duly authorized committee of the board), out of funds legally available for payment, noncumulative cash dividends applied to the liquidation amount of $25,000 per share of the Preferred Stock at an annual rate equal to % on each dividend payment date for each dividend period.

A "*dividend payment date*" means each January 15, April 15, July 15 and October 15, commencing on October 15, 2013; *provided* that if any such date is not a business day, then such date will nevertheless be a dividend payment date but dividends on the Preferred Stock, when, as and if declared, will be paid on the next succeeding business day (without adjustment in the amount of the dividend per share of the Preferred Stock).

A "*business day*" means any day other than (i) a Saturday or Sunday or (ii) a day on which banking institutions in The City of New York are authorized or required by law or executive order to remain closed.

A "*dividend period*" means each period from and including a dividend payment date (except that the initial dividend period will commence on the original issue date of the Preferred Stock) and continuing to but not including the next succeeding dividend payment date. As that term is used in this prospectus supplement, each dividend payment date "relates" to the dividend period most recently ending before such dividend payment date.

Dividends will be paid to holders of record of the Preferred Stock as they appear on our books on the applicable record date, which will be the 15th calendar day before such dividend payment date, or such other record date fixed for that purpose by our board of directors (or a duly authorized committee of the board) that is not more than 60 nor less than 10 days prior to such dividend payment date, in advance of payment of each particular dividend.

The amount of dividends payable per share of the Preferred Stock will be computed by Wells Fargo Bank, N.A. as the dividend disbursement agent (as defined below) on the basis of a 360-day year consisting of twelve 30-day months.

Dividends on shares of the Preferred Stock will not be cumulative and will not be mandatory. If our board of directors (or a duly authorized committee of the board) does not declare a dividend on the Preferred Stock in respect of a dividend period, then no dividend will be deemed to have accrued for such dividend period, be payable on the related dividend payment date, or accumulate, and we will have no obligation to pay any dividend accrued for such dividend period, whether or not our board of directors (or a duly authorized committee of the board) declares a dividend on the Preferred Stock or any other series of our preferred stock or on our common stock for any future dividend period. References to the "accrual" (or similar terms) of dividends in this prospectus supplement refer only to the determination of the amount of such dividend and do not imply that any right to a dividend arises prior to the date on which a dividend is declared.

During any dividend period while the Preferred Stock is outstanding, unless the full dividends for the preceding dividend period on all outstanding shares of Preferred Stock have been declared and paid or declared and a sum sufficient for the payment thereof has been set aside and any declared but unpaid dividends for any prior period have been paid:

(i) no dividend shall be declared or paid or set aside for payment and no distribution shall be declared or made or set aside for payment on any junior stock (other than (1) a dividend payable solely in junior stock or (2) any dividend in connection with the implementation of a shareholders' rights plan or the redemption or repurchase of any rights under such plan),

(ii) no shares of junior stock shall be repurchased, redeemed or otherwise acquired for consideration by us, directly or indirectly (other than (1) as a result of a reclassification of

junior stock for or into other junior stock, (2) the exchange or conversion of one share of junior stock for or into another share of junior stock, (3) purchases, redemptions or other acquisitions of shares of junior stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or consultants, (4) the purchase of fractional interests in shares of junior stock pursuant to the conversion or exchange provisions of such securities or the security being converted or exchanged and (5) through the use of the proceeds of a substantially contemporaneous sale of other shares of junior stock) nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by us and

(iii) no shares of dividend parity stock shall be repurchased, redeemed or otherwise acquired for consideration by us other than pursuant to *pro rata* offers to purchase all, or a *pro rata* portion, of the Preferred Stock and such dividend parity stock (other than the exchange or conversion of such dividend parity stock for or into shares of junior stock).

When dividends are not paid in full upon the shares of the Preferred Stock (except for reasons described under " Restrictions on Declaration and Payment of Dividends") and any dividend parity stock, all dividends declared upon shares of the Preferred Stock and any dividend parity stock will be declared on a proportional basis so that the amount of dividends declared per share will bear to each other the same ratio that accrued dividends for the then-current dividend period, and any prior dividend periods for which dividends were declared but not paid, per share on the Preferred Stock, and accrued dividends, including any accumulations, on any dividend parity stock, bear to each other.

Restrictions on Declaration and Payment of Dividends

We are prohibited from declaring dividends for payment on the Preferred Stock on any dividend payment date in an aggregate amount exceeding the New Common Equity Amount, if on that declaration date, either:

- our Covered Insurance Subsidiaries' Most Recent Weighted Average RBC Ratio was less than 175%; or

- (x) our Trailing Four Quarters Net Income Amount for the period ending on the quarter that is two quarters prior to the most recently completed quarter is less than or equal to zero and (y) our Adjusted Shareholders' Equity Amount as of the most recently completed quarter and as of the end of the quarter that is two quarters before the most recently completed quarter has declined by 20% or more as compared to our Adjusted Shareholders' Equity Amount at the date that is ten quarters prior to the most recently completed quarter (the "*Benchmark Quarter End Test Date*").

The limitation on dividends provided for in the first bullet point above will be of no force and effect if, as of a dividend declaration date, the combined total assets of our Insurance Subsidiaries do not account for 25% or more of our consolidated total assets as reflected on our most recent consolidated financial statements.

If we fail to satisfy either of the above tests for any dividend payment date, the restrictions on dividends will continue until we satisfy both tests for a dividend payment date. In addition, in the case of a restriction arising under the second bullet point above, the restriction on payment of dividends on the Preferred Stock in an aggregate amount exceeding the New Common Equity Amount will continue until we satisfy the two tests set forth above for a dividend payment date and our Adjusted Shareholders' Equity Amount has increased, or has declined by less than 20%, in either case as compared to our Adjusted Shareholders' Equity Amount at the end of the Benchmark Quarter End Test Date for each dividend payment date as to which dividend restrictions were imposed under the second test above. For example, if we failed to satisfy the second test above for three consecutive

Table of Contents

dividend payment dates, we would be able to declare dividends on the Preferred Stock on the fourth dividend payment date only if, as of the related declaration date:

- we satisfied both of the tests set forth above for that fourth dividend payment date; and

- our Adjusted Shareholders' Equity Amount as of the last completed quarter for that dividend payment date had increased from, or was less than 20% below, its level as of the end of each of the eleventh, twelfth and thirteenth quarters, preceding the most recently completed quarter.

The information required to calculate the Covered Insurance Subsidiaries' Most Recent Weighted Average RBC Ratio for a year will be set forth in the Annual Statements of the Covered Insurance Subsidiaries, which are typically filed on or before March 1 of the following year.

With respect to the quarter ended March 31, 2013:

- for the period ended on September 30, 2012, our Trailing Four Quarters Net Income Amount was $2.6 billion; and

- our Adjusted Shareholders' Equity Amount as of March 31, 2013, and as of September 30, 2012, as compared to such amount as of September 30, 2010, had increased by 3.0% and 2.5%, respectively.

For illustrative purposes and recognizing that for purposes of applying the dividend restriction our net income and shareholders' equity will be determined on a quarterly basis, the following table sets forth net income for the annual periods and the change in adjusted shareholders' equity for the two year periods from 2008 to 2012.

($ in millions)	Net income (loss)	Two year percentage change in Adjusted shareholders' equity(1)
2008	$ (1,542)	N/A(2)
2009	888	(10.9)%
2010	911	10.5
2011	787	(0.7)
2012	2,306	3.3

(1) Calculated as the change in adjusted shareholders' equity as of December 31 of the current year compared to December 31 of the second prior year. Adjusted shareholders' equity is shareholders' equity excluding accumulated other comprehensive income and loss.

(2) Historical results not available due to changes in accounting standards. The percentage change in adjusted shareholders' equity from December 31, 2007 to December 31, 2008 was (17.7)%.

We believe that we would have been able to declare dividends on the Preferred Stock in each quarter during the five year period ended December 31, 2012. In addition, although the foregoing tests would not restrict our board of directors (or a duly authorized committee of the board) from declaring dividends on the Preferred Stock currently, there can be no assurance that future financial results will not result in these tests restricting the declaration of dividends.

The term "Covered Insurance Subsidiaries' Most Recent Weighted Average RBC Ratio" is defined below and is based upon the "RBC" or "risk-based capital" ratios that insurance companies are required to calculate and report to their regulators as of the end of each year in accordance with prescribed procedures. The ratio measures the relationship of an insurance company's "total adjusted capital", calculated in accordance with those prescribed procedures, relative to a standard that is

Table of Contents

determined based on the magnitude of various risks present in an insurance company's operations. The prescribed procedures set forth the RBC levels, ranging from the "company action level" to the "mandatory control level", at which certain corrective actions are required and at which a state insurance regulator is required, or authorized and expected, to take regulatory action.

The highest RBC level is known as the "company action level". If an insurance company's "total adjusted capital" is greater than the "company action level", no corrective action is required to be taken. At progressively lower levels of "total adjusted capital", an insurance company faces increasingly rigorous levels of corrective action, including the submission of a comprehensive financial plan to the insurance regulator in its state of domicile, a mandatory examination or analysis of the insurance company's business and operations by the regulator and the issuance of appropriate corrective orders to address the insurance company's financial problems, and, at the lowest levels, either voluntary or mandatory action by the regulator to place the insurer under regulatory control. The "company action level" is twice the level (known as the "authorized control level") below which the regulator is authorized (but not yet required) to place the insurance company under regulatory control. The Covered Insurance Subsidiaries' Most Recent Weighted Average RBC Ratio is based upon the "company action level".

If because of a change or cumulative effect of changes in insurance company statutory accounting or in the determination of Company Action Level RBC, our Covered Insurance Subsidiaries' Most Recent Weighted Average RBC Ratio is higher or lower than it would have been absent such change or cumulative effect of changes, then, for purposes of the calculations in the first test set forth above, and for so long as such calculations are required to be performed, our Covered Insurance Subsidiaries' Most Recent Weighted Average RBC Ratio may, in our discretion, be calculated on a best efforts *pro forma* basis as if such change or cumulative effect of changes had not occurred.

With the exception of terms that have specific insurance regulatory meanings such as "risk-based capital", all financial terms used in this caption " Restrictions on Declaration and Payment of Dividends" will be determined in accordance with U.S. GAAP as applied and reflected in our related financial statements as of the relevant dates, except as provided in the next sentence. If because of a change or cumulative effect of changes in U.S. GAAP, either:

- our net income for the quarter in which such change or cumulative effect of changes take effect is higher or lower than it would have been absent such change or cumulative effect of changes and our Trailing Four Quarters Net Income Amount is higher or lower than it would have been absent such change or cumulative effect of changes, then, for purposes of the calculations described in the second test set forth above, commencing with the fiscal quarter for which such changes in U. S. GAAP becomes effective, and for so long as such calculations are required to be performed, such Trailing Four Quarters Net Income Amount may, in our discretion, be calculated on a best efforts *pro forma* basis as if such change or cumulative effect of changes had not occurred; or

- our Adjusted Shareholders' Equity Amount as of the end of the quarter in which such change or cumulative effect of changes take effect is higher or lower than it would have been absent such change or cumulative effect of changes then, for purposes of the calculations described in the second test set forth above, commencing with the fiscal quarter for which such changes in U. S. GAAP becomes effective, and for so long as such calculations are required to be performed, our Adjusted Shareholders' Equity Amount may, in our discretion, be calculated on a best efforts *pro forma* basis as if such change or cumulative effect of changes had not occurred.

If at any relevant time or for any relevant period, we are not a reporting company under the Securities Exchange Act of 1934, as amended, (the "*Exchange Act*"), then for any such relevant dates and periods we will prepare and post on our web site, or otherwise make publicly available, the financial statements that we would have been required to file with the SEC had we continued to be a reporting company under the Exchange Act, in each case on or before the dates that we would have

Table of Contents

been required to file such financial statements had we continued to be a "large accelerated filer" within the meaning of Rule 12b-2 under the Exchange Act.

As used in this section:

"*Adjusted Shareholders' Equity Amount*" means, as of any quarter end, our shareholders' equity, as reflected on our consolidated statement of financial position as of such quarter end, excluding (i) accumulated other comprehensive income and loss and (ii) any increase in our shareholders' equity resulting from the issuance of preferred stock (other than the Preferred Stock) during the period from and including the first dividend payment date on which we were restricted in our ability to pay dividends on the Preferred Stock as a result of our Trailing Four Quarters Net Income Amount having been less than zero and our Adjusted Shareholders' Equity Amount having declined by 20% or more as compared to the Benchmark Quarter End Test Date, through to the first quarter end thereafter as of which our Adjusted Shareholders' Equity Amount has declined by less than 20% or increased as compared to the Benchmark Quarter End Test Date, in each case, as reflected on such consolidated statement of financial position.

"*Annual Statement*" means, as to an Insurance Subsidiary, the annual statement of such Insurance Subsidiary containing its statutory balance sheet and income statement as required to be filed by it with one or more state insurance commissioners or other state insurance regulatory authorities.

"*Company Action Level RBC*" has the meaning specified in Section 35A-15 (or the relevant successor section, if any) of the Illinois Insurance Code or similar provision of the laws governing property-casualty insurance companies for the state in which a Covered Insurance Subsidiary is domiciled.

"*Covered Insurance Subsidiaries*" means, for any year, Insurance Subsidiaries that account for 80% or more of the Net Written Premiums of our property liability Insurance Subsidiaries for such year. Our Insurance Subsidiaries for any year will be identified by first ranking the Insurance Subsidiaries from largest to smallest based upon the amount of each Insurance Subsidiary's Net Written Premiums during such year and then, beginning with the Insurance Subsidiary that has the greatest amount of Net Written Premiums during such year, identifying such Insurance Subsidiaries as Covered Insurance Subsidiaries until the ratio of the combined Net Written Premiums of the Insurance Subsidiaries so identified to the combined Net Written Premiums of all of the Insurance Subsidiaries during such year equals or exceeds 80%.

"*Covered Insurance Subsidiaries' Most Recent Weighted Average RBC Ratio*" means, as of any date, an amount (expressed as a percentage) calculated as (i) the sum of the Total Adjusted Capital of each of our Covered Insurance Subsidiaries as shown on such Covered Insurance Subsidiary's most recently filed Annual Statement, divided by (ii) the sum of the Company Action Level RBC of each of our Covered Insurance Subsidiaries, which is determined as two times the authorized control level RBC, as shown on such Covered Subsidiary's most recently filed Annual Statement. The computation will be done in a manner that does not double count subsidiary RBC.

"*Net Written Premiums*" means, as to an Insurance Subsidiary for any full fiscal year, the total net written premiums by such Insurance Subsidiary for such year as shown on such Insurance Subsidiary's most recently filed Annual Statement including any affiliate assumed or ceded premiums.

"*Insurance Subsidiary*" means any of our subsidiaries that is organized under the laws of any state in the United States and is licensed as a property-casualty insurance company in any state in the United States.

"*New Common Equity Amount*" means, at any date, the net proceeds (after underwriters' or placement agents' fees, commissions or discounts and other expenses relating to the issuances) received by us from new issuances of our common stock (whether in one or more public offerings

Table of Contents

registered under the Securities Act of 1933, as amended (the "*Securities Act*"), or private placements or other transactions exempt from registration under the Securities Act) during the period commencing on the 90th day prior to such date, and which are designated by our board of directors (or a duly authorized committee of the board) at or before the time of issuance as available to pay dividends on the Preferred Stock.

"*Total Adjusted Capital*" has the meaning specified in Section 35A-5 (or the relevant successor section, if any) of the Illinois Insurance Code or similar provision of the laws governing property-casualty insurance companies for the state in which a Covered Insurance Subsidiary is domiciled.

"*Trailing Four Quarters Net Income Amount*" means, for any period ending on the last day of a fiscal quarter, the sum of our U.S. GAAP net income for the four fiscal quarters ending on the last day of such fiscal quarter, with losses being treated as negative numbers for such purpose.

"*U.S. GAAP*" means, at any date or for any period, U.S. generally accepted accounting principles as in effect on such date or for such period.

Notices Related to Potential or Actual Restrictions on Declaration and Payment of Dividends

We are required to give notice to holders of the Preferred Stock of a potential restriction on the declaration and payment of dividends that could take effect for a subsequent dividend payment date two quarters in the future if:

- our Trailing Four Quarters Net Income Amount for the most recently completed quarter is less than or equal to zero; and

- our Adjusted Shareholders' Equity Amount as of the most recently completed quarter has declined by 20% or more as compared to our Adjusted Shareholders' Equity Amount as of the date that is eight quarters prior to the most recently completed quarter.

We will send such a notice no later than the first dividend payment date following the end of the most recently completed quarter as of which the above tests indicate that a potential restriction on declaration and payment of dividends could occur. Such notice will be sent by first class mail, postage prepaid, addressed to the holders of record of the Preferred Stock at their respective last addresses appearing on our books and we will file a copy of such notice on Form 8-K with the SEC. Such notice will (i) set forth the results of our Trailing Four Quarters Net Income Amount and our Adjusted Shareholders' Equity Amounts for the relevant period and dates, and (ii) state that we may be limited by the terms of the Preferred Stock from declaring and paying dividends on such future dividend payment date unless we, through the generation of earnings or new issuances of our common stock, increase our Adjusted Shareholders' Equity Amount by an amount specified in such notice by the second dividend payment date after the date of such notice.

By not later than the 15th day prior to each dividend payment date for which dividends are being suspended because we have failed either of the two tests set forth above and we are not otherwise able to pay dividends out of New Common Equity Amount, we will give notice of such suspension by first class mail, postage prepaid, addressed to the holders of record of the Preferred Stock, and we will file a copy of such notice on Form 8-K with the SEC. Such notice, in addition to stating that dividends will be suspended, will set forth the fact that the Covered Insurance Subsidiaries' risk based capital ratio is less than 175% of such subsidiaries' company action level if dividends are suspended by reason of failing to satisfy the first test above and the applicable Adjusted Shareholders' Equity Amount (and the amount by which our Adjusted Shareholders' Equity Amount must increase in order for declaration and payment of dividends to be resumed) if dividends are suspended by reason of failing to satisfy the second test above.

Table of Contents

Interpretive Provisions and Qualifications

In order to give effect to the foregoing, the terms of the Preferred Stock prohibit our board of directors (or duly authorized committee of the board) from declaring dividends on the Preferred Stock on a declaration date (i) that is more than 60 days prior to the related dividend payment date or (ii) that is earlier than the date on which our financial statements for the most recently completed quarter prior to the related dividend payment date have been filed with or furnished to the SEC (*e.g.*, on a Form 10-K, 10-Q or 8-K) or have otherwise been made publicly available. The limitation in clause (ii) of the preceding sentence is subject to the exception that, if the board of directors determines to delay filing our financial statements with the SEC to a date later than the date on which "large accelerated filers" under the SEC's rules would normally be required to file such financial statements (without giving effect to any permitted extensions), for example because of concerns over the accuracy of such financial statements or their compliance with U.S. GAAP, then the board of directors (or any duly authorized committee of the board) will be permitted to determine the ability of the board of directors (or any duly authorized committee of the board) to declare dividends under the financial test outlined above based upon our financial statements as most recently filed with the SEC or otherwise made publicly available.

Any other class or series of our preferred stock will not be deemed to rank senior to (or other than on a parity with) the Preferred Stock in the payment of dividends solely because such other class or series of our stock does not include the limitation on payment of dividends (and the related exceptions) described in " Restrictions on Declaration and Payment of Dividends". Therefore, we may pay dividends on the shares of any such other class or series of our stock that is otherwise on a parity with the Preferred Stock for periods during which we may not pay dividends on the Preferred Stock because of such limitation.

Redemption

The Preferred Stock is perpetual and has no maturity date. We may, at our option, redeem the shares of the Preferred Stock (i) in whole but not in part at any time prior to June 15, 2018, within 90 days after the occurrence of a "rating agency event" at a redemption price equal to $25,000 per share (equivalent to $25 per Depositary Share), or if greater, a make-whole redemption price calculated as described herein, in each case, plus any declared and unpaid dividends, without regard to any undeclared dividends, to but excluding the redemption date, or (ii) in whole or in part, from time to time, on any dividend payment date on or after June 15, 2018 at a redemption price equal to $25,000 per share (equivalent to $25 per Depositary Share), plus any declared and unpaid dividends, without regard to any undeclared dividends, to but excluding the redemption date. Dividends will cease to accrue on the shares of the Preferred Stock called for redemption from and including the redemption date.

For the purposes of the preceding paragraph:

"*make-whole redemption price*" means, with respect to a redemption of the Preferred Stock in whole prior to June 15, 2018, the present values of (i) $25,000 per share of Preferred Stock and (ii) all undeclared dividends for the dividend periods from the date of redemption to and including June 15, 2018, in each case, discounted to the date of redemption on a quarterly basis (assuming a 360-day year consisting of twelve 30-day months) at the treasury rate, as calculated by the treasury dealer plus %;

"*treasury rate*" means the quarterly equivalent yield to maturity of the treasury security that corresponds to the treasury price (calculated in accordance with standard market practice and computed by the treasury dealer as of the second trading day preceding the redemption date);

"*treasury security*" means the United States Treasury security that the treasury dealer determines would be appropriate to use, at the time of determination and in accordance with standard

Table of Contents

market practice, in pricing the Preferred Stock being redeemed in a tender offer based on a spread to United States Treasury yields;

"*treasury price*" means the bid-side price for the treasury security as of the third trading day preceding the redemption date, as set forth in the Wall Street Journal in the table entitled "Treasury Bonds, Notes and Bills", except that: (i) if that table (or any successor table) is not published or does not contain that price information on that trading day, or (ii) if the treasury dealer determines that the price information is not reasonably reflective of the actual bid-side price of the treasury security prevailing at 3:30 p.m., New York City time, on that trading day, then treasury price will instead mean the bid-side price for the treasury security at or around 3:30 p.m., New York City time, on that trading day (expressed on a next trading day settlement basis) as determined by the treasury dealer through such alternative means as are commercially reasonable under the circumstances; and

"*treasury dealer*" means one of (i) Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC, Morgan Stanleyttom:2px;">
67,300

—

—

—

—

67,300

Net Working Capital Advances to the Partnership
(8,953
)

—

—

—

—

—

(8,953
)
Net Asset Acquired in Pennsylvania Mining Complex
(82,276
)

—

—

—

—

—

(82,276
)
Purchase Price in Excess of Net Assets Acquired
—

—

(522
)

(5,767
)

(235
)

—

(6,524
)
Unitholder Distributions
—

—

(17,856
)

(11,901
)

(729
)

—

(30,486
)
Unit Based Compensation
—

—

904

—

—

—

904

Balance at September 30, 2016
$
—

$
67,300

$
141,800

$
(6,518
)

$
12,319

$
10,921

$
225,822

The accompanying notes are an integral part of these consolidated financial statements.

CNX COAL RESOURCES LP
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)
(unaudited)

	Nine Months Ended September 30,	
	2016	2015
Cash Flows from Operating Activities:		
Net Income	$14,124	$53,082
Adjustments to Reconcile Net Income to Net Cash Provided By Operating Activities:		
Depreciation, Depletion and Amortization	31,332	34,057
(Gain) Loss on Sale of Assets	10	(45)
Unit Based Compensation	904	15
Other Adjustments to Net Income	679	202
Changes in Operating Assets:		
Accounts and Notes Receivable	(1,332)	(28,974)
Inventories	658	(2,521)
Prepaid Expenses	350	(1,372)
Changes in Other Assets	(3,704)	(7,997)
Changes in Operating Liabilities:		
Accounts Payable	1,468	(119)
Accounts Payable—Related Party	(2,990)	355
Other Operating Liabilities	3,876	5,376
Changes in Other Liabilities	1,949	(4,594)
Net Cash Provided by Operating Activities	47,324	47,465
Cash Flows from Investing Activities:		
Capital Expenditures	(9,569)	(25,712)
PA Mining Acquisition	(21,500)	—
Proceeds from Sales of Assets	21	70
Net Cash Used in Investing Activities	(31,048)	(25,642)
Cash Flows from Financing Activities:		
Proceeds from (Payments on) Miscellaneous Borrowings	(57)	6,005
Proceeds from Revolver, Net of Payments	23,000	180,000
Proceeds from Issuance of Common Units, Net of Offering Costs	—	148,359
Distribution of Proceeds	—	(342,711)
Payments for Unitholder Distributions	(30,486)	—
Debt Issuance and Financing Fees	—	(4,329)
Net Change in Parent Advances	(8,953)	(6,144)
Net Cash Used In Financing Activities	(16,496)	(18,820)
Net (Decrease) Increase in Cash	(220)	3,003
Cash at Beginning of Period	6,534	4
Cash at End of Period	$6,314	$3,007

The accompanying notes are an integral part of these consolidated financial statements.

CNX COAL RESOURCES LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands)
NOTE 1—BASIS OF PRESENTATION:

The accompanying unaudited consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") for interim financial information. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

On September 30, 2016, the Partnership and its wholly owned subsidiary, CNX Thermal, entered into a Contribution Agreement (the “Contribution Agreement”) with CONSOL Energy, CPCC and Conrhein and together with CPCC, (the “Contributing Parties”), under which CNX Thermal acquired an undivided 6.25% of the Contributing Parties’ right, title and interest in and to the Pennsylvania Mining Complex (which represents an aggregate 5% undivided interest in and to the Pennsylvania Mining Complex). The PA Mining Acquisition was a transaction between entities under common control; therefore, the partnership recorded the assets and liabilities of the acquired 5% of Pennsylvania Mining Complex at their carrying amounts to CONSOL Energy on the date of the transaction. The difference between CONSOL Energy’s net carrying amount and the total consideration paid to CONSOL Energy was recorded as a capital transaction with CONSOL Energy, which resulted in a reduction in partners’ capital. The Partnership recast its historical consolidated financial statements to retrospectively reflect the additional 5% interest in Pennsylvania Mining Complex as if the business was owned for all periods presented; however, the consolidated financial statements are not necessarily indicative of the results of operations that would have occurred if the Partnership had owned it during the periods reported.

For the three and nine months ended September 30, 2016 and the three months ended September 30, 2015, the unaudited consolidated financial statements include the accounts of CNX Coal Resources LP and subsidiaries, and separate records maintained by CONSOL Energy, CPCC and Conrhein related to the acquired 5% of the Pennsylvania Mining Complex.

For the nine months ended September 30, 2015, the unaudited consolidated financial statements were prepared from separate records maintained by CONSOL Energy, CPCC and Conrhein and may not necessarily be indicative of the conditions that would have existed, or the results of operations, if CPCC and Conrhein had been operated as unaffiliated entities. As these unaudited consolidated financial statements represent the combination of two separate legal entities wholly owned by CONSOL Energy, the net assets of the Partnership have been presented as a Parent Net Investment. Parent Net Investment is primarily comprised of the Partnership’s undivided interest in (i) CONSOL Energy’s initial investment in CPCC and Conrhein (and any subsequent adjustments thereto); (ii) the accumulated net earnings; (iii) net transfers to or from CONSOL Energy, including those related to cash management functions performed by CONSOL Energy; (iv) non-cash changes in financing arrangements, including the conversion of certain related party liabilities into Parent Net Investment; and (v) corporate cost allocations. Transactions between the Partnership and CONSOL Energy or CONSOL Energy’s other subsidiaries have been identified in the financial statements as transactions between related parties.

Reclassifications:

Certain amounts have been reclassified to conform with the current reporting classifications with no effect on previously reported net income or partners' capital.

Recent Accounting Pronouncements:

In August 2016, the FASB issued Update 2016-15 - Statement of Cash Flows (Topic 230) - Classification of Certain Cash Receipts and Cash Payments. This update seeks to reduce the existing diversity in practice of the presentation and classification of specific cash flow issues. For public business entities, the amendments in this update are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Management is currently evaluating the impact this guidance may have on the Partnership's financial statements.

In May 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09 "Revenue from Contracts with Customers (Topic 606)", which supersedes the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry-specific guidance throughout the Industry Topics of the Codification. The objective of the amendments in this update is to improve financial reporting by creating common revenue recognition guidance for U.S. GAAP and International Financial Reporting Standards ("IFRS"). The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to

be entitled in exchange for those goods or services and should disclose sufficient information, both qualitative and quantitative, to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The following updates to Topic 606 were made during 2016:

- In March 2016, the FASB updated Topic 606 by issuing ASU 2016-08 "Principal versus Agent Considerations (Reporting Revenue Gross versus Net)," which clarifies how an entity determines whether it is a principal or an agent for goods or services promised to a customer as well as the nature of the goods or services promised to their customers.
- In April 2016, the FASB issued Update 2016-10 - Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing, which seeks to address implementation issues in the areas of identifying performance obligations and licensing.
- In May 2016, the FASB issued Update 2016-12 - Revenue from Contracts with Customers (Topic 606): Narrow Scope Improvements and Practical Expedients. The update, which was issued in response to feedback received by the FASB-IASB joint revenue recognition transition resource group (TRG), seeks to address implementation issues in the areas of collectibility, presentation of sales taxes, noncash consideration, and completed contracts and contract modifications at transition.

The new standards are effective for annual reporting periods beginning after December 15, 2018, with the option to adopt as early as annual reporting periods beginning after December 15, 2016. Management is currently evaluating the method of adoption as it relates to ASU 2014-09 and the impacts that these standards will have on the Partnership's financial statements.

In March 2016, the FASB issued Update 2016-09 - Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting. The update simplifies several aspects of the accounting for share-based payment transactions including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. In addition to those simplifications, the amendments eliminate the guidance in Topic 718 that was indefinitely deferred shortly after the issuance of FASB Statement No. 123 (revised 2004), Share-Based Payment. For public business entities, the amendments in this update are effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. Early application of the amendments in this update is permitted for all entities. Management is currently evaluating the impact this guidance may have on the Partnership's financial statements.

In February 2016, the FASB issued Update 2016-02 - Leases (Topic 842). This update is intended to improve financial reporting about leasing transactions. This update will require lessees to recognize all leases with terms greater than 12 months on their balance sheet as lease liabilities with a corresponding right-of-use asset. This update maintains the dual model for lease accounting, requiring leases to be classified as either operating or finance, with lease classification determined in a manner similar to existing lease guidance. The basic principle is that leases of all types convey the right to direct the use and obtain substantially all the economic benefits of an identified asset, meaning they create an asset and liability for lessees. Lessees will classify leases as either finance leases (comparable to current capital leases) or operating leases (comparable to current operating leases). Costs for a finance lease will be split between amortization and interest expense, with a single lease expense reported for operating leases. This update also will require both qualitative and quantitative disclosures to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. For public business entities, the amendments in this update are effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Early application of the amendments in this update is permitted for all entities. Management is currently evaluating the impact this guidance may have on the Partnership's financial statements.

NOTE 2—NET INCOME PER LIMITED PARTNER AND GENERAL PARTNER INTEREST:

The Partnership allocates net income among our general partner and limited partners using the two-class method in accordance with applicable authoritative accounting guidance. Under the two-class method, we allocate our net income to our limited partners and our general partner in accordance with the terms of our partnership agreement. We also allocate any earnings in excess of distributions to our limited partners and our general partner in accordance with the terms of our partnership agreement. We allocate any distributions in excess of earnings for the period to our general partner and our limited partners based on their respective proportionate ownership interests in us, after taking into account distributions to be paid with respect to the incentive distribution rights, as set forth in the partnership agreement. Net income attributable the PA Mining Acquisition for periods prior to September 30, 2016 was not allocated to the limited partners for purposes of calculating net income per limited partner unit.

Diluted net income per limited partner unit reflects the potential dilution that could occur if securities or agreements to issue common units, such as awards under the long-term incentive plan, were exercised, settled or converted into common units. When it is determined that potential common units resulting from an award subject to performance or market conditions should be included in the diluted net income per limited partner unit calculation, the impact is reflected by applying the treasury stock method. Diluted net income per limited partner unit also reflects the potential dilution that could occur if the preferred

10

units of the partnership were converted to common units. If certain conditions are met, Preferred units can be converted by election of the holder, partnership, or by change in control.
The following table illustrates the Partnership's calculation of net income per unit for common and subordinated partner units (in thousands, except for per unit information):

	Three Months Ended September 30, 2016	Three Months Ended September 30, 2015	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2015
Net Income Attributable to General and Limited Partner Ownership Interest in CNX Coal Resources	$ 6,401	$ 18,924	$ 14,124	$ 53,082
Less: Net (Loss) Income Attributable to CONSOL Energy, Pre-IPO	—	(18)	—	27,307
Less: Net Income Attributable to CONSOL Energy, Pre-PA Mining Acquisition	1,379	4,259	3,995	11,092
Less: General Partner Interest in Net Income	100	294	202	294
Less: Effect of Subordinated Distribution Suspension	—	—	119	—
Net Income Allocable to Limited Partner Units - Basic & Diluted	$ 4,922	$ 14,389	$ 9,808	$ 14,389
Limited Partner Interest in Net Income - Common Units	$ 2,462	$ 7,194	$ 4,965	$ 7,194
Effect of Subordinated Distribution Suspension - Common Units	—	—	2,917	—
Net Income Allocable to Common Units - Basic & Diluted	$ 2,462	$ 7,194	$ 7,882	$ 7,194
Limited Partner Interest in Net Income - Subordinated Units	$ 2,460	$ 7,195	$ 4,962	$ 7,195
Effect of Subordinated Distribution Suspension - Subordinated Units	—	—	(3,036)	—
Net Income Allocable to Subordinated Units - Basic & Diluted	$ 2,460	$ 7,195	$ 1,926	$ 7,195
Weighted Average Limited Partner Units Outstanding - Basic				
Common Units	11,615,645	11,611,067	11,612,604	11,611,067
Subordinated Units	11,611,067	11,611,067	11,611,067	11,611,067
Total	23,226,712	23,222,134	23,223,671	23,222,134
Weighted Average Limited Partner Units Outstanding - Diluted				
Common Units	11,858,548	11,611,525	11,733,487	11,611,525
Subordinated Units	11,611,067	11,611,067	11,611,067	11,611,067
Total	23,469,615	23,222,592	23,344,554	23,222,592
Net Income Per Limited Partner Unit - Basic				
Common Units	$ 0.21	$ 0.62	$ 0.68	$ 0.62
Subordinated Units	$ 0.21	$ 0.62	$ 0.17	$ 0.62
Net Income Per Limited Partner Unit - Diluted				
Common Units	$ 0.21	$ 0.62	$ 0.67	$ 0.62
Subordinated Units	$ 0.21	$ 0.62	$ 0.17	$ 0.62

There were no phantom units or preferred units excluded from the computation of the diluted earnings per share because their effect would be anti-dilutive for all periods presented.

NOTE 3—ACQUISITION:

On September 30, 2016, the Partnership and its wholly owned subsidiary, CNX Thermal, entered into a Contribution Agreement with CONSOL Energy, CPCC and Conrhein and together with CPCC, under which CNX Thermal acquired an undivided 6.25% of the Contributing Parties' right, title and interest in and to the Pennsylvania Mining Complex (which represents an aggregate 5% undivided interest in and to the Pennsylvania Mining Complex), in exchange for (i) cash consideration in the amount of $21,500 and (ii) the Partnership's issuance of 3,956,496 Class A Preferred Units representing limited partner interests in the Partnership at an issue price of $17.01 per Class A Preferred Unit (the "Class A Preferred Unit Issue Price"), or an aggregate $67,300 in equity consideration. The Class A Preferred Unit Issue Price was calculated as the volume-weighted average trading price of the Partnership's common units over the trailing 15-day trading period ending on September 29, 2016 (or $14.79), plus a 15% premium. The PA Mining Acquisition was consummated on September 30, 2016.

Following the PA Mining Acquisition and including interests it held previously, CNX Thermal holds an aggregate 25% undivided interest in and to the Pennsylvania Mining Complex. The Contribution Agreement contains customary representations, warranties, agreements and covenants of the parties. The Partnership and CNX Thermal, on the one hand, and CONSOL Energy, CPCC and Conrhein, on the other hand, have agreed to indemnify each other and their respective affiliates, directors, officers, employees, agents and representatives against certain losses resulting from any breach of their representations, warranties, agreements or covenants contained in the Contribution Agreement, subject to certain limitations. The Conflicts Committee of the board of directors of our general partner, and the board unanimously approved the terms of the Acquisition.

The PA Mining Acquisition was a transaction between entities under common control; therefore, the Partnership recorded the assets and liabilities of the acquired 5% undivided interest in the Pennsylvania Mining Complex at their carrying amounts to CONSOL Energy on the date of the transaction. The difference between CONSOL Energy's net carrying amount and the total consideration paid to CONSOL Energy was recorded as a capital transaction with CONSOL Energy, which resulted in a reduction in partners' capital. The $67,300 in equity consideration was a non-cash transaction, which impacted the investing and financing activities of the Partnership, by $6,524 of excess consideration paid over the net carrying amount and $60,776 of carrying amount paid from equity consideration. The Partnership recast its historical consolidated financial statements to retrospectively reflect the Acquisition as if the assets and liabilities were owned for all periods presented; however, the consolidated financial statements are not necessarily indicative of the results of operations that would have occurred if the Partnership had owned the assets during the periods reported.

NOTE 4—INVENTORIES:

	September 30, 2016	December 31, 2015
Coal	$ 2,092	$ 1,165
Supplies	9,488	11,073
Total Inventories	$ 11,580	$ 12,238

Inventories are stated at the lower of cost or net realizable value. The cost of coal inventories is determined by the first-in, first-out (FIFO) method. Coal inventory costs include labor, supplies, equipment costs, operating overhead, depreciation, depletion and amortization, and other related costs. The cost of supplies inventory is determined by the average cost method and includes operating and maintenance supplies to be used in our coal operations.

NOTE 5—PROPERTY, PLANT AND EQUIPMENT:

	September 30, 2016	December 31, 2015
Coal and other plant and equipment	$ 575,163	$ 571,044
Coal properties and surface lands	120,985	120,912
Airshafts	92,008	87,967
Mine development	81,538	81,538
Coal advance mining royalties	4,073	4,066
Total property, plant and equipment	873,767	865,527
Less: Accumulated depreciation, depletion and amortization	432,106	400,911
Total Net Property, Plant and Equipment	$ 441,661	$ 464,616

Coal reserves are controlled either through fee ownership or by lease. The duration of the leases vary; however, the lease terms generally are extended automatically to the exhaustion of economically recoverable reserves, as long as active mining continues. Coal interests held by lease provide the same rights as fee ownership for mineral extraction and are legally considered real property interests.

As of September 30, 2016 and December 31, 2015, property, plant and equipment includes gross assets under capital lease of $639 and $481, respectively. Accumulated amortization for capital leases was $380 and $296 at September 30, 2016 and December 31, 2015, respectively. Amortization expense for assets under capital leases approximated $22 and $15 for the three months ended, and $53 and $37 for the nine months ended September 30, 2016 and 2015, respectively, and is included in Depreciation, Depletion and Amortization in the accompanying Consolidated Statements of Operations.

NOTE 6—OTHER ACCRUED LIABILITIES:

	September 30, 2016	December 31, 2015
Subsidence liability	$ 25,199	$ 22,403
Accrued payroll and benefits	3,640	3,552
Litigation	2,600	2,138
Equipment lease rental	2,495	2,442
Accrued other taxes	2,057	807
Other	2,886	2,287
Current portion of long-term liabilities:		
Workers' compensation	1,383	1,431
Asset retirement obligations	591	1,913
Long-term disability	191	204
Capital leases	90	61
Pneumoconiosis benefits	54	43
Total Other Accrued Liabilities	$ 41,186	$ 37,281

NOTE 7—REVOLVING CREDIT FACILITY:

	September 30, 2016	December 31, 2015
Revolver, carrying amount	$ 208,000	$ 185,000
Less: Debt issuance and financing fees	3,381	4,054
Revolver, net	$ 204,619	$ 180,946

Revolving Credit Facility

Obligations under our $400,000 senior secured revolving credit facility with certain lenders and PNC Bank N.A, as administrative agent, are guaranteed by our subsidiaries and are secured by substantially all of our and our subsidiaries' assets pursuant to a security agreement and various mortgages. CONSOL Energy is not a guarantor of our obligations under our revolving credit facility.

The unused portion of our revolving credit facility is subject to a commitment fee of 0.50% per annum. Interest on outstanding indebtedness under our revolving credit facility accrues, at our option, at a rate based on either:

- The highest of (i) PNC Bank N.A.'s prime rate, (ii) the federal funds open rate plus 0.50%, and (iii) the one-month LIBOR rate plus 1.0%, in each case, plus a margin ranging from 1.50% to 2.50% depending on the total leverage ratio; or

- the LIBOR rate plus a margin ranging from 2.50% to 3.50% depending on the total leverage ratio.

As of September 30, 2016, the revolving credit facility had $208,000 of borrowings outstanding, leaving $192,000 of unused capacity. At December 31, 2015, the revolving credit facility had $185,000 of borrowings outstanding, leaving $215,000 unused capacity. Interest on outstanding borrowings under the revolving credit facility at September 30, 2016 was accrued at 3.78% based on a LIBOR rate of 0.53%, plus a margin of 3.25%. Interest on outstanding borrowings under the revolving credit facility at December 31, 2015 was accrued at 3.17% based on a LIBOR rate of 0.42%, plus a margin of 2.75%.

Our revolving credit facility matures on July 7, 2020 and requires compliance with conditions precedent that must be satisfied prior to any borrowing as well as ongoing compliance with certain affirmative and negative covenants. The revolving credit facility requires that the Partnership maintain a minimum interest coverage ratio of at least 3.00 to 1.00, which is calculated as the ratio of trailing 12 months Adjusted EBITDA, as defined in the credit agreement, to cash interest expense of the Partnership, measured quarterly. The Partnership must also maintain a maximum total leverage ratio not greater than 3.50 to 1.00, which is calculated as the ratio of total consolidated indebtedness to trailing 12 months Adjusted EBITDA, as defined in the credit agreement, measured quarterly. At September 30, 2016, the interest coverage ratio was 9.93 to 1.00 and the total leverage ratio was 2.67 to 1.00.
NOTE 8—COMPONENTS OF OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLANS NET PERIODIC BENEFIT COSTS:

Prior to the IPO, the Partnership was obligated to CONSOL Energy for a portion of the medical and life insurance benefits to certain retired employees of CPCC (the "OPEB" plans). On May 31, 2015, the Salaried OPEB and Production and Maintenance ("P&M") OPEB plans were remeasured to reflect an announced plan amendment resulting in a reduction in the OPEB liability and an increase in Other Comprehensive Income of $4,713. In conjunction with the IPO, on July 7, 2015, the OPEB liability and related accumulated other comprehensive income were retained by CONSOL Energy, and the Partnership has no further OPEB obligation as of such date. Therefore, no OPEB payments have been made for the nine months ended September 30, 2016.

	Three Months Ended September 30, 2015	Nine Months Ended September 30, 2015
Interest cost	$ —	$ 58
Amortization of prior service credits	(995)	(8,703)
Recognized net actuarial loss	105	1,304
Net periodic benefit cost	$ (890)	$ (7,341)

NOTE 9—COMPONENTS OF COAL WORKERS' PNEUMOCONIOSIS (CWP) AND WORKERS' COMPENSATION NET PERIODIC BENEFIT COSTS:

The Partnership is obligated to CONSOL Energy for medical and disability benefits to certain CPCC employees and their dependents resulting from occurrences of coal workers' pneumoconiosis disease and is also obligated to CONSOL Energy to compensate certain individuals who are entitled benefits under workers' compensation laws.

	CWP				Workers' Compensation			
	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015	2016	2015	2016	2015
Service cost	$204	$64	$598	$192	$325	$414	$974	$1,242
Interest cost	18	16	54	48	33	37	99	110
Amortization of actuarial (gain)	(20)	(18)	(62)	(53)	(5)	—	(16)	(1)
State administrative fees and insurance bond premiums	—	—	—	—	53	4	129	185
Net periodic benefit cost	$202	$62	$590	$187	$406	$455	$1,186	$1,536

The Partnership does not expect to contribute to CONSOL Energy's CWP plan in 2016 as it intends to pay benefit claims as they become due. For the nine months ended September 30, 2016, $39 of CWP benefit claims have been paid.

The Partnership does not expect to contribute to CONSOL Energy's Workers' Compensation plan in 2016 as it intends to pay benefit claims as they become due. For the nine months ended September 30, 2016, $1,000 of Workers' Compensation benefits, state administrative fees and surety bond premiums have been paid.

NOTE 10—FAIR VALUE OF FINANCIAL INSTRUMENTS:

The Partnership determines the fair value of assets and liabilities based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. The fair values are based on assumptions that market participants would use when pricing an asset or liability, including assumptions about risk and the risks inherent in valuation techniques and the inputs to valuations. The fair value hierarchy is based on whether the inputs to valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources (including LIBOR-based discount rates), while unobservable inputs reflect the Partnership's own assumptions of what market participants would use.

The fair value hierarchy includes three levels of inputs that may be used to measure fair value as described below.

Level One - Quoted prices for identical instruments in active markets.

Level Two - The fair value of the assets and liabilities included in Level 2 are based on standard industry income approach models that use significant observable inputs, including LIBOR-based discount rates.

Level Three - Unobservable inputs significant to the fair value measurement supported by little or no market activity. The significant unobservable inputs used in the fair value measurement of the Partnership's third party guarantees are the credit risk of the third party and the third party surety bond markets.

In those cases when the inputs used to measure fair value meet the definition of more than one level of the fair value hierarchy, the lowest level input that is significant to the fair value measurement in its totality determines the applicable level in the fair value hierarchy.

The following methods and assumptions were used to estimate the fair value for which the fair value option was not elected:

Long-term debt: The fair value of long-term debt is measured using unadjusted quoted market prices or estimated using discounted cash flow analyses. The discounted cash flow analyses are based on current market rates for instruments with similar cash flows.

The carrying amounts and fair values of financial instruments for which the fair value option was not elected are as follows:

	September 30, 2016		December 31, 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Revolving Credit Facility	$208,000	$208,000	$185,000	$185,000

The Partnership's debt obligations are valued through reference to the applicable underlying benchmark rate and, as a result, constitute Level 2 fair value measurements.

NOTE 11—COMMITMENTS AND CONTINGENT LIABILITIES:

The Partnership is subject to various lawsuits and claims with respect to such matters as personal injury, wrongful death, damage to property, exposure to hazardous substances, governmental regulations (including environmental remediation), employment and contract disputes and other claims and actions arising out of the normal course of business. We accrue the estimated loss for these lawsuits and claims when the loss is probable and can be estimated. Our current estimated accruals related to these pending claims, individually and in the aggregate, are immaterial to the financial position, results of operations or cash flows of the Partnership. It is possible that the aggregate loss in the future with respect to these lawsuits and claims could ultimately be material to the financial position, results of operations or cash flows of the Partnership; however, such amounts cannot be reasonably estimated.

CONSOL Energy received from the U.S. Environmental Protection Agency (the "EPA") on April 8, 2011, a request for information relating to National Pollutant Discharge Elimination System (NPDES) Permit compliance at the Partnership's Bailey and Enlow Fork Mines. In response, CPCC submitted water discharge monitoring and other data to the EPA. In early 2013, the case was referred to the U.S. Department of Justice (DOJ), and Pennsylvania Department of Environmental Protection (PA DEP) also became involved. On December 18, 2014, the DOJ provided CONSOL Energy a proposed Consent Decree to resolve certain Clean Water Act and Clean Streams Law claims against CONSOL Energy, Inc. and CPCC with respect to the Bailey Mine Complex. After negotiations, the parties reached an agreement in principle on the terms of a Consent Decree naming CONSOL Energy Inc., CPCC and CNX Coal Resources LP as defendants. On August 4, 2016, EPA and PA DEP filed a Complaint and Notice of Lodging of the proposed Consent Decree before the public comment period closed. On September 14, 2016, the Court signed the Consent Decree and entered final judgment in this matter. The Consent Decree imposed on defendants a civil penalty of $750 and various compliance requirements. The Partnership has established an accrual to cover its liability in this matter. This accrual is immaterial to the overall financial position of the Partnership and is included in Other Accrued Liabilities on the Consolidated Balance Sheets.

At September 30, 2016, the Partnership is contractually obligated to CONSOL Energy for financial guarantees and letters of credit to certain third parties which were issued by CONSOL Energy on behalf of the Partnership. The maximum potential total of future payments that we could be required to make under these instruments is $73,850. The instruments are comprised of $719 employee-related and other letters of credit expiring in the next three years, $63,903 of environmental surety bonds expiring within the next three years, and $9,228 of employee-related and other surety bonds expiring within the next three years. Employee-related financial guarantees have primarily been provided to support various state workers' compensation and federal black lung self-insurance programs. Environmental financial guarantees have primarily been provided to support various performance bonds related to reclamation and other environmental issues. Other guarantees have been extended to support insurance policies, legal matters, full and timely payments of mining equipment leases, and various other items necessary in the normal course of business. These amounts have not been reduced for potential recoveries under recourse or collateralization provisions. Generally, recoveries under reclamation bonds would be limited to the extent of the work performed at the time of the default. No amounts related to these financial guarantees and letters of credit are recorded as liabilities on the financial statements. The Partnership's management believes that these guarantees will expire without being funded, and therefore the commitments will not have a material adverse effect on the financial condition of the Partnership.

The Partnership enters into long-term unconditional purchase obligations for the acquisition of certain specialized machinery and equipment. These purchase obligations are not recorded on the Consolidated Balance Sheets. As of September 30, 2016, the Partnership had $245 of purchase obligations, all of which are due in less than one year.

NOTE 12—RELATED PARTY:

CONSOL Energy

The Consolidated Statements of Operations include expense allocations for certain corporate functions historically performed by CONSOL Energy prior to the IPO, including allocations of general corporate expenses related to stock-based compensation, legal, treasury, human resources, information technology and other administrative services. Those allocations were based primarily on specific identification, head counts and coal tons produced. Also, centralized cash management activities for CONSOL Energy were utilized for collections and payments related to normal course of business accounts receivable and payments for goods and services. The balance of receivables/payables from CONSOL Energy and other affiliates are presented as contributions/distributions in these consolidated financial statements. Management believes the assumptions underlying the Consolidated Financial Statements, including the assumptions regarding allocating general corporate expenses from CONSOL Energy are reasonable. Nevertheless, these statements may not include all of the actual expenses that would have been incurred by the Partnership and may not reflect our Consolidated Statements of Operations, Balance Sheets and Cash Flows had we been a stand-alone company during the periods presented. Actual costs that would have been incurred if the Partnership had been a stand-alone company would depend on multiple factors, including organizational structure and strategic decisions made in various areas, including information technology and infrastructure.

In conjunction with the IPO, the Partnership entered into several agreements, including an omnibus agreement, with CONSOL Energy. In connection with PA Mining Acquisition described in Note 3, on September 30, 2016, the General Partner and the Partnership entered into the First Amended and Restated Omnibus Agreement (the "Amended Omnibus Agreement") with CONSOL Energy and certain of its subsidiaries. Under the Amended Omnibus Agreement, CONSOL Energy will indemnify the Partnership for certain liabilities, including those relating to:

- all tax liabilities attributable to the assets contributed to the Partnership in connection with the PA Mining Acquisition (the "First Drop Down Assets") arising prior to the closing of the PA Mining Acquisition or otherwise related to the Contributing Parties' contribution of the First Drop Down Assets to the Partnership in connection with the PA Mining Acquisition; and

- certain operational and title matters related to the First Drop Down Assets, including the failure to have (i) the ability to operate under any governmental license, permit or approval or (ii) such valid title to the First Drop Down Assets, in each case, that is necessary for the Partnership to own or operate the First Drop Down Assets in substantially the same manner as owned or operated by the Contributing Parties prior to the Acquisition.

The Partnership will indemnify CONSOL Energy for certain liabilities relating to the First Drop Down Assets, including those relating to:

- the use, ownership or operation of the First Drop Down Assets; and

- the Partnership's operation of the First Drop Down Assets under permits and/or bonds, letters of credit, guarantees, deposits and other pre-payments held by CONSOL Energy.

The Amended Omnibus Agreement also amended the Partnership's obligations to CONSOL Energy with respect to the payment of an annual administrative support fee and reimbursement for the provision of certain management and operating services provided by CONSOL Energy, in each case to reflect structural changes in how those services are provided to the Partnership by CONSOL Energy.

Charges for services from CONSOL Energy include the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Operating and Other Costs	$854	$2,736	$3,390	$5,177
Selling, General and Administrative Expenses	856	2,598	3,090	6,904
Total Service from CONSOL Energy	$1,710	$5,334	$6,480	$12,081

At September 30, 2016 and December 31, 2015, the Partnership had a net payable to CONSOL Energy in the amount of $1,320 and $4,310, respectively. This payable includes reimbursements for business expenses, executive fees, stock-based compensation and other items under the omnibus agreement.

CFI Loan

CPCC had several related party long-term notes with CONSOL Financial Inc. ("CFI"), a wholly owned subsidiary of CONSOL Energy, as of September 30, 2015, pursuant to which CPCC was the obligor. The loan represented multiple 10-year term notes between CPCC and CFI at the applicable federal funds rates in effect upon execution, which were due at various future dates throughout the year. In conjunction with the IPO, these notes were excluded from the Partnership's liabilities. Payments for these notes were $16,991 for the nine months ended September 30, 2015 and proceeds from additional notes were $16,991 for the nine months ended September 30, 2015. Interest expense related to these notes were $6,050 for the nine months ended September 30, 2015 and are included in Interest Expense in the accompanying Consolidated Statements of Operations.

NOTE 13—LONG-TERM INCENTIVE PLAN:

Under the CNX Coal Resources LP 2015 Long-Term Incentive Plan (the “LTIP”), our general partner may issue long-term equity based awards to directors, officers and employees of our general partner or its affiliates, or to any consultants, affiliates of our general partner or other individuals who perform services for us. These awards are intended to compensate the recipients thereof based on the performance of our common units and their continued service during the vesting period, as
well as to align their long-term interests with those of our unitholders. We are responsible for the cost of awards granted under the LTIP and all determinations with respect to awards to be made under the LTIP are made by the board of directors of our general partner or any committee thereof that may be established for such purpose or by any delegate of the board of directors or such committee, subject to applicable law, which we refer to as the plan administrator.

The LTIP limits the number of units that may be delivered pursuant to vested awards to 2,300,000 common units, subject to proportionate adjustment in the event of unit splits and similar events. Common units subject to awards that are canceled, forfeited, withheld to satisfy exercise prices or tax withholding obligations or otherwise terminated without delivery of the common units will be available for delivery pursuant to other awards.

The Partnership's general partner has granted equity-based phantom units that vest over a period of continued service with the Partnership. The phantom units will be paid in common units upon vesting or an amount of cash equal to the fair market value of a unit based on the vesting date. The awards may accelerate upon change in control of the Partnership. Compensation expense is recognized on a straight-line basis over a requisite service period, which is generally the vesting term. The Partnership recognized $289 and $904 of compensation expense for the three and nine months ended September 30, 2016, which is included in Selling, General and Administrative Expenses in the Consolidated Statements of Operations. As of September 30, 2016, there is $2,173 of unearned compensation that will vest over a weighted average period of 2.21 years. The following represents the nonvested phantom units and their corresponding weighted average grant date fair value:

	Number of Units	Weighted Average Grant Date Fair Value per Unit
Nonvested at December 31, 2015	6,456	$ 14.39
Granted	392,688	$ 7.90
Vested	(7,389)	$ 13.51
Forfeited	(9,821)	$ 7.90
Nonvested at September 30, 2016	381,934	$ 7.90

NOTE 14—SUBSEQUENT EVENTS:

On October 31, 2016, the Board of Directors of our general partner declared a cash distribution to the Partnership's unitholders for the third quarter of 2016 of $0.5125 per common and subordinated units. The cash distribution will be paid on November 15, 2016 to the unitholders of record at the close of business on November 10, 2016.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless otherwise indicated, the following discussion of the financial condition and results of operations of our Partnership reflect a 25% undivided interest in the assets, liabilities and results of operations of the Pennsylvania Mining Complex. As used in the following discussion of the financial condition and results of operations of our Partnership, the terms "we," "our," "us," or like terms refer to the Partnership with respect to its 25% undivided interest in the Pennsylvania Mining Complex's combined assets, liabilities revenues and costs.

Overview

We are a growth-oriented master limited partnership formed by CONSOL Energy in 2015 to manage and further develop all of its thermal coal operations in Pennsylvania. Our assets include a 25% undivided interest in, and operational control over, CONSOL Energy's Pennsylvania Mining Complex, which consists of three underground mines and related infrastructure that produce high-Btu bituminous thermal coal that is sold primarily to electric utilities in the eastern United States, our core market. We believe that our ability to efficiently produce and deliver large volumes of high-quality coal at competitive prices, the strategic location of our mines, the industry experience of our management team and our relationship with CONSOL Energy position us as a leading producer of high-Btu thermal coal in the Northern Appalachian Basin and the eastern United States.

How We Evaluate Our Operations

Our management uses a variety of financial and operating metrics to analyze our performance. These metrics are significant factors in assessing our operating results and profitability and include: (i) coal production, sales volumes and average sales price; (ii) cost of coal sold, a non-GAAP financial measure; (iii) average cash margin per ton, an operating ratio derived from non-GAAP financial measures, (iv) adjusted EBITDA, a non-GAAP financial measure; and (v) distributable cash flow, a non-GAAP financial measure.

Cost of coal sold, average cash margin per ton, adjusted EBITDA and distributable cash flow normalize the volatility contained within GAAP measures, by adjusting certain non-operating or non-cash transactions. These metrics are used as supplemental financial measures by management and by external users of our financial statements, such as investors, industry analysts, lenders and ratings agencies, to assess:

• our operating performance as compared to the operating performance of other companies in the coal industry, without regard to financing methods, historical cost basis or capital structure;

• the ability of our assets to generate sufficient cash flow to make distributions to our partners;

• our ability to incur and service debt and fund capital expenditures;

• the viability of acquisitions and other capital expenditure projects and the returns on investment of various investment opportunities; and

• the attractiveness of capital projects and acquisitions and the overall rates of return on alternative investment opportunities.

The non-GAAP financial measures should not be considered an alternative to total costs, net income, operating cash flow, or any other measure of financial performance or liquidity presented in accordance with GAAP. These measures exclude some, but not all, items that affect net income or net cash, and these measures may vary from those of other companies. As a result, the items presented below may not be comparable to similarly titled measures of other companies.

Reconciliation of Non-GAAP Financial Measures

We evaluate our cost of coal sales on a cost per ton basis. Our cost of coal sold per ton represents our costs of coal sold divided by the tons of coal we sell. We define cost of coal sold as operating and other production costs related to produced tons sold, along with changes in coal inventory, both in volumes and carrying values. The cost of coal sold per ton includes items such as direct operating costs, royalty and production taxes, direct administration, and depreciation, depletion and amortization costs. Our costs exclude any indirect costs such as general and administrative costs and other costs not directly attributable to the production of coal. The GAAP measure most directly comparable to cost of coal sold is total costs.

We define average cash margin per ton as (i) average coal revenue per ton, net of average cost of coal sold per ton, less depreciation, depletion and amortization, as adjusted for (ii) non-production related costs.

We define adjusted EBITDA as (i) net income (loss) before net interest expense, depreciation, depletion and amortization, as adjusted for (ii) certain non-cash items, such as Unit Based Compensation. The GAAP measure most directly comparable to adjusted EBITDA is net income.

We define distributable cash flow as (i) net income (loss) before net interest expense, depreciation, depletion and amortization, as adjusted for (ii) certain non-cash items, such as unit based compensation, less net cash interest paid and estimated maintenance capital expenditures. Distributable cash flow will not reflect changes in working capital balances. The GAAP measures most directly comparable to distributable cash flow are net income and net cash provided by operating activities.

The following table presents a reconciliation of cost of coal sold to total costs, the most directly comparable GAAP financial measure, on a historical basis for each of the periods indicated (in thousands).

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Total Costs	$63,413	$62,514	$182,706	$205,953
Freight Expense	(2,407)	(302)	(8,473)	(1,571)
Selling, General and Administrative Expenses	(2,660)	(2,616)	(6,558)	(8,913)
Interest Expense	(2,223)	(1,872)	(6,277)	(7,758)
Other Costs (Non-Production)	(1,508)	(102)	(7,703)	3,558
Depreciation, Depletion and Amortization (Non-Production)	(544)	(547)	(2,851)	(1,920)
Cost of Coal Sold	$54,071	$57,075	$150,844	$189,349

The following table presents a reconciliation of average cash margin per ton for each of the periods indicated (in thousands, except per ton information).

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Total Coal Revenue	$66,922	$80,793	$186,103	$256,651
Operating and Other Costs	45,531	46,936	130,066	153,654
Depreciation, Depletion and Amortization	10,592	10,788	31,332	34,057
Less: Other Costs (Non-Production)	(1,508)	(102)	(7,703)	3,558
Less: Depreciation, Depletion and Amortization (Non-Production)	(544)	(547)	(2,851)	(1,920)
Total Cost of Coal Sold	$54,071	$57,075	$150,844	$189,349
Total Tons Sold	1,511	1,418	4,368	4,470
Average Sales Price Per Ton Sold	$44.30	$56.99	$42.60	$57.41
Average Cost Per Ton Sold	35.79	40.26	34.53	42.35
Average Margin Per Ton Sold	8.51	16.73	8.07	15.06
Add: Total Depreciation, Depletion and Amortization Costs Per Ton Sold	6.50	7.05	6.48	7.07
Average Cash Margin Per Ton Sold	$15.01	$23.78	$14.55	$22.13

The following table presents a reconciliation of adjusted EBITDA to net income, the most directly comparable GAAP financial measure, on a historical basis for each of the periods indicated. The table also presents a reconciliation of distributable cash flow to net income and operating cash flows, the most directly comparable GAAP financial measures, on a historical basis for each of the periods indicated (in thousands).

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Net Income	$6,401	$18,924	$14,124	$53,082
Plus:				
Interest Expense	2,223	1,872	6,277	7,758
Depreciation, Depletion and Amortization	10,592	10,788	31,332	34,057
OPEB Plan Change	—	(890)	—	(5,339)
Backstop Loan Fees	—	—	—	1,895
Stock/Unit Based Compensation	289	15	904	1,072
Adjusted EBITDA	$19,505	$30,709	$52,637	$92,525
Less:				
Cash Interest	2,181	1,475	5,937	6,313
PA Mining Acquisition Adjusted EBITDA[1]	3,539	6,422	10,272	19,136
Estimated Maintenance Capital Expenditures	6,929	7,438	20,381	22,388
Distributable Cash Flow	$6,856	$15,374	$16,047	$44,688
Net Cash Provided by Operating Activities	$22,489	$(709)	$47,324	$47,465
Less:				
Interest Expense, Net	2,223	1,872	6,277	7,758
Other, Including Working Capital	761	(33,290)	(11,590)	(52,818)
Adjusted EBITDA	$19,505	$30,709	$52,637	$92,525
Less:				
Cash Interest	2,181	1,475	5,937	6,313
PA Mining Acquisition Adjusted EBITDA[1]	3,539	6,422	10,272	19,136
Estimated Maintenance Capital Expenditures	6,929	7,438	20,381	22,388
Distributable Cash Flow	$6,856	$15,374	$16,047	$44,688

[1]PA Mining Acquisition Adjusted EBITDA relates to the amount of Adjusted EBITDA acquired with the PA Mining Acquisition recasted for all periods presented.

21

Results of Operations

Three Months Ended September 30, 2016 Compared with the Three Months Ended September 30, 2015

Total net income was $6,401 for the three months ended September 30, 2016 compared to $18,924 for the three months ended September 30, 2015. Our results of operations for each of these periods are presented in the table below. Variances are discussed following the table.

	For the Three Months Ended, September 30,		
	2016	2015	Variance
	(in thousands)		
Revenue:			
Coal Revenue	$66,922	$80,793	$(13,871)
Freight Revenue	2,407	302	2,105
Other Income	485	343	142
Total Revenue and Other Income	69,814	81,438	(11,624)
Cost of Coal Sold:			
Operating Costs	44,023	46,834	(2,811)
Depreciation, Depletion and Amortization	10,048	10,241	(193)
Total Cost of Coal Sold	54,071	57,075	(3,004)
Other Costs:			
Other Costs	1,508	102	1,406
Depreciation, Depletion and Amortization	544	547	(3)
Total Other Costs	2,052	649	1,403
Freight Expense	2,407	302	2,105
Selling, General and Administrative Expenses	2,660	2,616	44
Interest Expense	2,223	1,872	351
Total Costs	63,413	62,514	899
Net Income	$6,401	$18,924	$(12,523)
Adjusted EBITDA	$19,505	$30,709	$(11,204)
Distributable Cash Flow	$6,856	$15,374	$(8,518)

Coal Production Rates

The table below presents total tons produced from the Pennsylvania Mining Complex on our 25% undivided interest basis for the periods indicated:

	Three Months Ended September 30,		
Mine	2016	2015	Variance
Bailey	764	566	198
Enlow Fork	490	642	(152)
Harvey	291	244	47
Total	1,545	1,452	93

Coal production was 1,545 tons for the three months ended September 30, 2016 compared to 1,452 tons for the three months ended September 30, 2015. The Partnership's coal production increased 93 tons to satisfy demand.

Coal Operations

Coal revenue and cost components on a per unit basis for the three months ended September 30, 2016 and 2015 were as indicated in the table below. Our operations also include various costs such as selling, general and administrative, freight and other costs not included in our unit cost analysis because these costs are not directly associated with coal production.

	For the Three Months Ended September 30,		
	2016	2015	Variance
Total Tons Sold (in thousands)	1,511	1,418	93
Average Sales Price Per Ton Sold	$44.30	$56.99	$(12.69)
Operating Costs Per Ton Sold (Cash Cost)	$29.29	$33.21	$(3.92)
Depreciation, Depletion and Amortization Per Ton Sold (Non-Cash Cost)	6.50	7.05	(0.55)
Total Costs Per Ton Sold	$35.79	$40.26	$(4.47)
Average Margin Per Ton Sold	$8.51	$16.73	$(8.22)
Add: Depreciation, Depletion and Amortization Costs Per Ton Sold	6.50	7.05	(0.55)
Average Cash Margin Per Ton Sold (1)	$15.01	$23.78	$(8.77)

(1) Average cash margin per ton is an operating ratio derived from non-GAAP measures.

Revenue and Other Income

Coal revenue was $66,922 for the three months ended September 30, 2016 compared to $80,793 for the three months ended September 30, 2015. The $13,871 decrease was attributable to a $12.69 per ton lower average sales price offset by a 93 ton increase in tons sold. The lower average sales price per ton sold in the 2016 period was primarily the result of the overall decline in the domestic and global thermal coal markets. The average realized price per ton declined by 22% compared to the year ago period as some of the high priced coal contracts rolled off and were replaced by lower priced sales.

Freight revenue, which is completely offset in freight expense, is the amount billed to customers based on the weight of coal shipped and negotiated freight rates for rail transportation. Freight revenue increased $2,105 in the period-to-period comparison due to increased shipments to customers where we were contractually obligated to provide transportation services.

Other income is comprised of income generated by the Partnership not in the ordinary course of business. Other income was $485 for the three months ended September 30, 2016 compared to $343 for the three months ended September 30, 2015. The $142 increase was primarily attributable to sales of externally purchased coal in 2016 for blending purposes only.

Cost of Coal Sold

Cost of coal sold is comprised of operating costs related to produced tons sold, along with changes in both volumes and carrying values of coal inventory. The costs of coal sold per ton include items such as direct operating costs, royalty and production taxes, direct administration expenses, and depreciation, depletion, and amortization costs. Total cost of coal sold was $54,071 for the three months ended September 30, 2016, or $3,004 lower than the $57,075 for the three months ended September 30, 2015. Total costs per ton sold were $35.79 per ton for the three months ended September 30, 2016 compared to $40.26 per ton for the three months ended September 30, 2015. The decrease in the cost of coal sold was driven by a reduction in staffing levels, realignment of employee benefits, and vendor concessions. Productivity for the three months, as measured by tons per employee-hour, also improved by 2% compared to the year-ago period, despite the geological conditions encountered during the quarter.

Total Other Costs

Total other costs is comprised of various costs that are not allocated to each individual mine and therefore are not included in unit costs. Total other costs increased $1,403 for the three months ended September 30, 2016 compared to the three months ended September 30, 2015. The increase is primarily attributable to a net periodic benefit credit of $890 related to the 2015 OPEB plan remeasurement for the three months ended September 30, 2015 compared to the three months ended September 30, 2016, where no benefit credits recorded as the Partnership had no further OPEB obligation in connection with the completion of the IPO. The increase is also attributed to additional discretionary 401(k) contributions.

Selling, General, and Administrative Expense

Selling, general, and administrative expenses increased $44 period-to-period, due to various transactions, none of which are material.

Interest Expense

Interest expense, which primarily relates to obligations under our revolving credit facility, increased $351 period-to-period primarily due to rising interest rates.

Adjusted EBITDA

Adjusted EBITDA was $19,505 for the three months ended September 30, 2016 compared to $30,709 for the three months ended September 30, 2015. The $11,204 decrease was primarily a result of $12.69 per ton decrease in the average sales price per ton, offset in part, by a $3.92 improvement in the cash cost of coal sales per ton which resulted in a net $13,251 decrease in Adjusted EBITDA which was offset by an increase of 93 tons of additional sales resulting in an increase in Adjusted EBITDA of $2,212. The remaining variance is due to various transactions, none of which are individually material.

Distributable Cash Flow

Distributable cash flow was $6,856 for the three months ended September 30, 2016 compared to $15,374 for the three months ended September 30, 2015. The $8,518 decrease was attributed to a $11,204 decrease in Adjusted EBITDA as discussed above offset, in part, by a $2,883 decrease in the Pre-Acquisition Adjusted EBITDA. The remaining variance is due to various transactions, none of which are individually material.

Nine Months Ended September 30, 2016 Compared with the Nine Months Ended September 30, 2015

Total net income was $14,124 for the nine months ended September 30, 2016 compared to $53,082 for the nine months ended September 30, 2015. Our results of operations for each of these periods are presented in the table below. Variances are discussed following the table.

	For the Nine Months Ended, September 30,		
	2016	2015	Variance
	(in thousands)		
Revenue:			
Coal Revenue	$186,103	$256,651	$(70,548)
Freight Revenue	8,473	1,571	6,902
Other Income	2,254	813	1,441
Total Revenue and Other Income	196,830	259,035	(62,205)
Cost of Coal Sold:			
Operating Costs	122,363	157,212	(34,849)
Depreciation, Depletion and Amortization	28,481	32,137	(3,656)
Total Cost of Coal Sold	150,844	189,349	(38,505)
Other Costs:			
Other Costs	7,703	(3,558)	11,261
Depreciation, Depletion and Amortization	2,851	1,920	931
Total Other Costs	10,554	(1,638)	12,192
Freight Expense	8,473	1,571	6,902
Selling, General and Administrative Expenses	6,558	8,913	(2,355)
Interest Expense	6,277	7,758	(1,481)
Total Costs	182,706	205,953	(23,247)
Net Income	$14,124	$53,082	$(38,958)
Adjusted EBITDA	$52,637	$92,525	$(39,888)
Distributable Cash Flow	$16,047	$44,688	$(28,641)

Coal Production Rates

The table below presents total tons produced from the Pennsylvania Mining Complex on our 25% undivided interest basis for the periods indicated:

	Nine Months Ended September 30,		
Mine	2016	2015	Variance
Bailey	2,145	2,019	126
Enlow Fork	1,730	1,826	(96)
Harvey	517	698	(181)
Total	4,392	4,543	(151)

Coal production was 4,392 tons for the nine months ended September 30, 2016 compared to 4,543 tons for the nine months ended September 30, 2015. The 151 decrease in tons was attributable to weak market conditions which resulted in the temporary idling of one longwall.

Coal Operations

Coal revenue and cost components on a per unit basis for the nine months ended September 30, 2016 and 2015 were as indicated in the table below. Our operations also include various costs such as selling, general and administrative, freight and other costs not included in our unit cost analysis because these costs are not directly associated with coal production.

	Nine Months Ended September 30,		
	2016	2015	Variance
Total Tons Sold (in thousands)	4,368	4,470	(102)
Average Sales Price Per Ton Sold	$42.60	$57.41	$(14.81)
Operating Costs Per Ton Sold (Cash Cost)	$28.05	$35.28	$(7.23)
Depreciation, Depletion and Amortization Per Ton Sold (Non-Cash Cost)	6.48	7.07	(0.59)
Total Costs Per Ton Sold	$34.53	$42.35	$(7.82)
Average Margin Per Ton Sold	$8.07	$15.06	$(6.99)
Add: Depreciation, Depletion and Amortization Costs Per Ton Sold	6.48	7.07	(0.59)
Average Cash Margin Per Ton Sold (1)	$14.55	$22.13	$(7.58)

(1) Average cash margin per ton is an operating ratio derived from non-GAAP measures.

Revenue and Other Income

Coal revenue was $186,103 for the nine months ended September 30, 2016 compared to $256,651 for the nine months ended September 30, 2015. The $70,548 decrease was attributable to a $14.81 per ton lower average sales price and a 102 ton decrease in tons sold. The lower sales volumes and lower average coal sales price per ton sold in the 2016 period were primarily the result of the overall decline in the domestic and global thermal coal markets. While the overall trend of customer deferrals peaked in May 2016, our marketing team continues to work with a few customers who have inventory challenges.

Freight revenue, which is completely offset in freight expense, is the amount billed to customers based on the weight of coal shipped and negotiated freight rates for rail transportation. Freight revenue increased $6,902 in the period-to-period comparison due to increased shipments to customers where we were contractually obligated to provide transportation services.

Other income is comprised of income generated by the Partnership not in the ordinary course of business. Other income was $2,254 for the nine months ended September 30, 2016 compared to $813 for the nine months ended September 30, 2015. The $1,441 increase was primarily attributable to a customer's partial coal contract buyout in the amount of $1,572 in 2016.

Cost of Coal Sold

Cost of coal sold is comprised of operating costs related to produced tons sold, along with changes in coal inventory, both volumes and carrying values. The costs of coal sold per ton include items such as direct operating costs, royalty and production taxes, direct administration expenses, and depreciation, depletion, and amortization costs. Total cost of coal sold was $150,844 for the nine months ended September 30, 2016, or $38,505 lower than the $189,349 for the nine months ended September 30, 2015. Total costs per ton sold were $34.53 per ton for the nine months ended September 30, 2016 compared to $42.35 per ton for the nine months ended September 30, 2015. The decrease in the cost of coal sold was driven by the idling of one longwall for approximately 90 days, reduction of staffing levels, vendor concessions and the realignment of employee benefits. Productivity for the nine months, as measured by tons per employee-hour, also improved by 12% compared to the year-ago period, despite the reduced average number of longwalls in operation over the 2016 period.

Total Other Costs

Total other costs is comprised of various costs that are not allocated to each individual mine and therefore are not included in unit costs. Total other costs increased $12,192 for the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015. The increase in other costs is primarily attributable to a net periodic benefit credit of $7,341 related to the 2015 OPEB plan remeasurement for the nine months ended September 30, 2015 compared to the nine months ended September 30, 2016, where no benefit credits were recorded as the Partnership had no further OPEB obligation in connection with the completion of the IPO. The increase is also attributable to $4,517 of costs related to temporarily idling one of the longwalls at the Pennsylvania Mining Complex for approximately 90 days in the first quarter to optimize the operating schedule. The remaining variance is related to cost incurred during the nine months ended September 30, 2016 for litigation expenses related to the proposed consent decree with respect to the Bailey mine complex, See Note 11 - Commitments and Contingent Liabilities of the Notes to the Unaudited Consolidated Financial Statements in Item 1 of this Form 10-Q for additional information, purchased coal costs for blending purposes on certain coal contracts, and other discretionary 401(k) contributions, all of which had no such costs incurred during the nine months ended September 30, 2015. These were offset by cost incurred during the nine months ended September 30, 2015, related to accelerated amortization of financing charges related to a backstop loan where no amortization was recorded during the nine months ended September 30, 2016 as the Partnership had no further backstop loan obligation in connection with the completion of the IPO.

Selling, General, and Administrative Expense

Selling, general, and administrative expenses decreased $2,355 period-to-period primarily due to reduced staffing levels and the realignment of employee benefits in 2016 compared to 2015. Upon the closing of the IPO, the Partnership entered into a service arrangement with CONSOL Energy to receive certain selling, general and administrative services which are paid monthly based on a fixed fee. In addition, the Partnership incurred costs related to being a publicly traded entity including stand-alone audit fees, board of director fees and phantom unit expenses. For the period preceding the closing of the IPO in 2015, CONSOL Energy allocated selling, general and administrative expenses based upon the level of operating activity of its underlying business units.

Interest Expense

Interest expense for the nine months ended September 30, 2016 was $6,277, which primarily relates to obligations under our revolving credit facility. For the nine months ended September 30, 2015, $7,758 of interest expense was incurred primarily on the CFI loan, which was excluded from the Partnership's assets and liabilities at the time of the IPO. Also, interest expense related to the revolving credit facility was $1,950 for the nine months ended September 30, 2015.

Adjusted EBITDA

Adjusted EBITDA was $52,637 for the nine months ended September 30, 2016 compared to $92,525 for the nine months ended September 30, 2015. The $39,888 decrease was a result of $14.81 per ton decrease in the average sales price per ton, offset in part, by a $7.23 per ton improvement in the cash cost of coal sales per ton resulting in a $33,109 decrease in Adjusted EBITDA. Additional decreases to Adjusted EBITDA were $2,257 related to a decrease of 102 sales tons and cash costs of $3,299 related to idling one of the longwalls at the Pennsylvania Mining Complex for approximately 90 days. The remaining variance is due to various other transactions none of which are individually material.

27

Distributable Cash Flow

Distributable cash flow was $16,047 for the nine months ended September 30, 2016 compared to $44,688 for the nine months ended September 30, 2015. The $28,641 decrease was attributed to a $39,888 decrease in Adjusted EBITDA as discussed above, offset, in part, by a $8,864 decrease in the Pre-Acquisition Adjusted EBITDA and a $2,007 decrease in estimated maintenance capital expenditures. The remaining variance is due to various other transactions none of which are individually material.

Capital Resources and Liquidity

Liquidity and Financing Arrangements

Historically, our principal sources of liquidity have been cash from operations and, prior to our IPO, funding from CONSOL Energy. We do not currently have any commitment from CONSOL Energy, our general partner or any of their respective affiliates to fund our cash flow deficits or provide other direct or indirect financial assistance to us. We expect our ongoing sources of liquidity to include cash generated from operations, borrowings under our revolving credit facility and, if necessary, the issuance of additional equity or debt securities. We believe that cash generated from these sources will be sufficient to meet our short-term working capital requirements and our long-term capital expenditure requirements and to make quarterly cash distributions as declared by the board of directors of our general partner.

Our partnership agreement requires that we distribute all of our available cash to our unitholders. As a result, we expect to rely primarily upon external financing sources, including commercial bank borrowings and the issuance of debt and equity securities, to fund our acquisitions and expansion capital expenditures, if any.

On October 31, 2016, the Board of Directors of CNX Coal Resources GP LLC, the general partner of CNX Coal Resources LP, declared a cash distribution to the Partnership's unitholders for the third quarter of 2016 of $0.5125 per common and subordinated units. The cash distribution will be paid on November 15, 2016 to the unitholders of record at the close of business on November 10, 2016.

Revolving Credit Facility

Obligations under our $400,000 senior revolving credit facility, with certain lenders and PNC Bank N.A., as administrative agent, are guaranteed by our subsidiaries (the “guarantor subsidiaries”) and are secured by substantially all of our and our subsidiaries’ assets pursuant to a security agreement and various mortgages. CONSOL Energy is not a guarantor of our obligations under our revolving credit facility.

The unused portion of our revolving credit facility is subject to a commitment fee of 0.50% per annum. Interest on outstanding indebtedness under our revolving credit facility accrues, at our option, at a rate based on either:

- The highest of (i) PNC Bank N.A.’s prime rate, (ii) the federal funds open rate plus 0.50%, and (iii) the one-month LIBOR rate plus 1.0%, in each case, plus a margin ranging from 1.50% to 2.50% depending on the total leverage ratio; or
- the LIBOR rate plus a margin ranging from 2.50% to 3.50% depending on the total leverage ratio.

As of September 30, 2016, the revolving credit facility had $208,000 of borrowings outstanding, leaving $192,000 unused capacity. Interest on outstanding borrowings under the revolving credit facility at September 30, 2016 was accrued at 3.78% based on a LIBOR rate of 0.53%, plus a margin of 3.25%.

Our revolving credit facility matures on July 7, 2020 and requires compliance with conditions precedent that must be satisfied prior to any borrowing as well as ongoing compliance with certain affirmative and negative covenants.

Affirmative covenants include, among others, requirements relating to: (i) the preservation of existence; (ii) the payment of obligations, including taxes; (iii) the maintenance of properties and equipment, insurance and books and records; (iv) compliance with laws and material contracts; (v) use of proceeds; (vi) the subordination of intercompany loans; (vii) compliance with anti-terrorism, anti-money laundering, anti-corruption and sanctions laws; and (viii) collateral.

Negative covenants include, among others, restrictions on our and our guarantor subsidiaries’ ability to: (i) create, incur, assume or suffer to exist indebtedness; (ii) create or permit to exist liens on their properties; (iii) make or pay any dividends or

distributions; provided that we will be able to make cash distributions of available cash to partners so long as no event of default is continuing or would result therefrom; (iv) merge with or into another person, liquidate or dissolve, acquire all or substantially all of the assets of any going concern or going line of business or acquire all or a substantial portion of another person's assets; (v) make particular investments and loans; provided that we will be able to increase our ownership percentage of our undivided interest in the Pennsylvania Mining Complex and make investments in the Pennsylvania Mining Complex in accordance with our ratable ownership; (vi) sell, transfer, convey, assign or dispose of our assets or properties other than in the ordinary course of business and other select instances; (vii) deal with any affiliate except in the ordinary course of business on terms no less favorable to us than we would otherwise receive in an arm's length transaction; (viii) amend organizational documents or any documentation governing certain material debt; and (ix) amend, waive or grant a consent under any material contract. In addition, we are obligated to maintain at the end of each fiscal quarter (x) a minimum interest coverage ratio of at least 3.00 to 1.00 and (y) a maximum total leverage ratio of no greater than 3.50 to 1.00 (or 4.00 to 1.00 for two fiscal quarters after consummation of a material acquisition). At September 30, 2016, the interest coverage ratio was 9.93 to 1.00 and the total leverage ratio was 2.67 to 1.00.

Our revolving credit facility also contains events of default, including, but not limited to, cross-default to certain other debt, breaches of representations and warranties, change of control events and breaches of covenants.

Cash Flows

	For the Nine Months Ended September 30,		
	2016	2015	Variance
	(in thousands)		
Cash flows provided by operating activities	$47,324	$47,465	$(141)
Cash used in investing activities	$(31,048)	$(25,642)	$(5,406)
Cash used in financing activities	$(16,496)	$(18,820)	$2,324

Nine Months Ended September 30, 2016 Compared with the Nine Months Ended September 30, 2015:

Cash flows provided by operating activities decreased $141 in the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015 primarily due to net income decreasing $38,958 in the period-to-period comparison, offset by a $40,121 increase in working capital. The increase in working capital was related to the increase of accounts receivable of $28,974 during the nine months ended September 30, 2015. Prior to the IPO, accounts receivable were sold to CONSOL Financial Inc, which resulted in no trade receivables as of July 7, 2015. The remaining variance relates to various transactions, none of which are individually material.

Net cash used in investing activities increased $5,406 in the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015 as a result of increased capital expenditures of $5,357 due to the following items:

	For the Nine Months Ended September 30,		
	2016	2015	Variance
	(in thousands)		
Pennsylvania Mining Complex acquisition	$21,500	$—	$21,500
Building and Infrastructure	6,201	9,912	(3,711)
Equipment Purchases and Rebuilds	2,042	9,697	(7,655)
Refuse Storage Area	397	2,200	(1,803)
Water Treatment Systems	208	3,122	(2,914)
Other	721	781	(60)
Total Capital Expenditures	$31,069	$25,712	$5,357

Net cash used in financing activities decreased $2,324 in the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015 primarily due to the following items:

- For the nine months ended September 30, 2015 there were:

Proceeds of $180,000 from the revolver;
Net proceeds of $148,359 from issuance of common units; and
IPO proceeds distributed to CONSOL Energy of $342,711.

- For the nine months ended September 30, 2016 there were:

Proceeds of $23,000 from the revolver; and
Cash distributions of $30,486 to limited partners and the general partner.

Off-Balance Sheet Arrangements

We do not maintain off-balance sheet transactions, arrangements, obligations or other relationships with unconsolidated entities or others that are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources which are not disclosed in the Notes to the Unaudited Consolidated Financial Statements of this Form 10-Q.

Contractual Obligations

Our contractual obligations include the revolving credit facility, operating leases, capital leases, asset retirement obligations and other long-term liability commitments. Since December 31, 2015, there have been no material changes to our contractual obligations within the ordinary course of business.

FORWARD-LOOKING STATEMENTS

We are including the following cautionary statement in this Quarterly Report on Form 10-Q to make applicable and take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 for any forward-looking statements made by, or on behalf of us. With the exception of historical matters, the matters discussed in this Quarterly Report on Form 10-Q are forward-looking statements (as defined in Section 21E of the Exchange Act) that involve risks and uncertainties that could cause actual results to differ materially from projected results. Accordingly, investors should not place undue reliance on forward-looking statements as a prediction of actual results. The forward-looking statements may include projections and estimates concerning the timing and success of specific projects and our future production, revenues, income and capital spending. When we use the words "believe," "intend," "expect," "may," "should," "anticipate," "could," "estimate," "plan," "predict," "project," or their negatives, or other similar expressions, the statements which include those words are usually forward-looking statements. When we describe strategy that involves risks or uncertainties, we are making forward-looking statements. The forward-looking statements in this Quarterly Report on Form 10-Q speak only as of the date of this Quarterly Report on Form 10-Q; we disclaim any obligation to update these statements. We have based these forward-looking statements on our current expectations and assumptions about future events. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. These risks, contingencies and uncertainties relate to, among other matters, the following: generation of sufficient distributable cash flow to support the payment of minimum quarterly distributions; changes in coal prices or the costs of mining or transporting coal; uncertainty in estimating economically recoverable coal reserves and replacement of reserves; our ability to develop our existing coal reserves and successfully execute our mining plans; changes in general economic conditions, both domestically and globally; competitive conditions within the coal industry; changes in the consumption patterns of coal-fired power plants and steelmakers and other factors affecting the demand for coal by coal-fired power plants and steelmakers; the availability and price of coal to the consumer compared to the price of alternative and competing fuels; competition from the same and alternative energy sources; energy efficiency and technology trends; our ability to successfully implement our business plan; the price and availability of debt and equity financing; operating hazards and other risks incidental to coal mining; major equipment failures and difficulties in obtaining equipment, parts and raw materials; availability, reliability and costs of transporting coal; adverse or abnormal geologic conditions, which may be unforeseen; natural disasters, weather-related delays, casualty losses and other matters beyond our control; interest rates; labor availability, relations and other workforce factors; defaults by our sponsor under our operating agreement and employee services agreement; changes in availability and cost of capital; changes in our tax status; delays in the receipt of, failure to receive or revocation of necessary governmental permits; defects in title or loss of any leasehold interests with respect to our properties; the effect of existing and future laws and government regulations, including the enforcement and interpretation of environmental laws thereof; the effect of new or expanded greenhouse gas regulations; the effects of litigation; and other factors discussed in our 2015 Form 10-K

30

under “Risk Factors,” as updated by any subsequent Form 10-Qs, which are on file at the Securities and Exchange Commission.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For quantitative and qualitative disclosures about market risk, see Item 7A, ‘Quantitative and Qualitative Disclosures About Market Risk,’ of our annual report on Form 10-K for the year ended December 31, 2015. There have been no material changes to our exposures to market risk since December 31, 2015.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including the Chief Executive Officer and our Chief Financial Officer of our general partner, an evaluation of the effectiveness of our disclosure controls and procedures pursuant to Rules 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), was conducted as of the end of the period covered by this report. Based upon this evaluation, the Chief Executive Officer and Chief Financial Officer of our general partner have concluded that the Partnership's disclosure controls and procedures were effective as of the end of the period covered by this report.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the fiscal quarter ended September 30, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II: OTHER INFORMATION
ITEM 1. LEGAL PROCEEDINGS
Refer to paragraph one and two within Part 1, Item 1. Financial Statements, "Note 11. Commitments and Contingent Liabilities," which is incorporated herein by reference.
ITEM 1A. RISK FACTORS

In addition to the other information set forth in this quarterly report, you should carefully consider the factors discussed in the “Risk Factors” Section in our 2015 Form 10-K. These described risks are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.
ITEM 4. MINE SAFETY DISCLOSURES
The information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K (17 CFR 229.104) is included in exhibit 95 to this quarterly report.

ITEM 6. EXHIBITS

Exhibits	Description	Method of Filing
3.1	Second Amended and Restated Agreement of Limited Partnership of CNX Coal Resources LP, dated as of September 30, 2016	Filed as Exhibit 3.1 to Form 8-K (#001-37456) filed on October 4, 2016
4.1	Registration Rights Agreement, dated as of September 30, 2016, by and among CNX Coal Resources LP and CONSOL Energy Inc.	Filed as Exhibit 4.1 to Form 8-K (#001-37456) filed on October 4, 2016
10.1	Contribution Agreement, dated as of September 30, 2016, by and among CONSOL Energy Inc., Consol Pennsylvania Coal Company LLC, Conrhein Coal Company, CNX COal Resources LP and CNX Thermal Holdings LLC	Filed as Exhibit 10.1 to Form 8-K (#001-37456) filed on October 4, 2016
10.2	First Amended and Restated Omnibus Agreement, dated as of September 30, 2016, by and among CONSOL Energy Inc., CNX Coal Resources PG LLC, CNX Coal Resources LP and the parties listed on Exhibit A thereto	Filed as Exhibit 10.2 to Form 8-K (#001-37456) filed on October 4, 2016
10.3	First Amendment to Pennsylvania Mine Complex Operating Agreement, dated as of September 30, 2016, by and among Consol Pennsylvania Coal Company LLC, Conrhein Coal Company and CNX Thermal Holdings LLC	Filed as Exhibit 10.3 to Form 8-K (#001-37456) filed on October 4, 2016
31.1	Certification of Chief Executive Officer pursuant to Section 302 of Sarbanes-Oxley Act of 2002	Filed herewith
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Filed herewith
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Filed herewith
95	Mine Safety and Health Administration Safety Data.	Filed herewith
101	Interactive Data File (Form 10-Q for the quarterly period ended September 30, 2016, furnished in XBRL).	Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: November 1, 2016

CNX Coal Resources LP

By: CNX Coal Resources GP LLC, its general partner
By: /s/ JAMES A. BROCK
James A. Brock
Chief Executive Officer
(Duly Authorized Officer and Principal Executive Officer)

By: CNX Coal Resources GP LLC, its general partner
By: /s/ LORRAINE L. RITTER
Lorraine L. Ritter
Chief Financial Officer and Chief Accounting Officer
(Duly Authorized Officer and Principal Financial Officer and Principal Accounting Officer)

33