



Engineered for Performance



ACRP Settlement Overview
March 18, 2016

Forward Looking Statements



Statements made during the course of this call may express a belief, expectation or intention, as well as those that are not historical fact. These statements are forward looking under the Private Securities Litigation Reform Act of 1995. They involve a number of risks and uncertainties that may cause actual events and results to differ materially from such forward-looking statements. These risks and uncertainties include, but are not limited to: the risk that the proposed plan of reorganization may not obtain necessary approval by the asbestos claimants or the Bankruptcy Court, or the U.S. District Court, the actions and decisions of creditors and other third parties that have an interest in the bankruptcy proceedings, the terms and conditions of any reorganization plan that may ultimately be approved by the Bankruptcy Court and the U.S. District Court, delays in the confirmation or consummation of a plan of reorganization due to factors beyond our control, risks with respect to the receipt of consents necessary to effect the corporate restructuring of Coltec contemplated by the settlement agreement, and risks related to the Canadian settlement. EnPro's filings with the Securities and Exchange Commission, including the Form 10-K for the year ended December 31, 2015, describe other risks and uncertainties. Except as may be required by law, EnPro does not undertake to update any forward-looking statement to reflect any change in management's expectations or any change in the assumptions or circumstances on which such statements are based. Amounts presented as "present value" and "present value, after-tax" in the accompanying slides are based on various assumptions, including a discount rate of 6%, a U.S tax rate of 38%, the tax deductibility of payments to the Trust and a fifteen month period between announcement and confirmation. Accordingly, the amounts presented as "present value" and "present value, after-tax" may differ if a different discount rate or tax rate is applied.

You should also note that EnPro owns a number of direct and indirect subsidiaries. From time to time, we may refer collectively to EnPro and one or more of its subsidiaries as "we" or to the businesses, assets, debts or affairs of EnPro or a subsidiary as "ours." These and similar references are for convenience only and should not be construed to change the fact that EnPro and each subsidiary is an independent entity with separate management, operations, obligations and affairs.

Features of the Settlement Agreement



- Consensual agreement
 - support from representatives of the current and future claimants
 - quicker path to plan consummation and reconsolidation
 - less cost compared to contentious path
- Comprehensive settlement
 - resolves current and future asbestos claims against GST and its affiliates
 - also resolves all Coltec claims, effectively protecting all EnPro businesses ever to receive asbestos-related product claims
- Proven path
 - 524(g) safe harbor is a proven asbestos resolution process
 - significantly reduces appellate risk
- Definitive economics
 - no contingency funding
 - fully funded within one year
 - can be funded with current financial resources

Economics Comparison to 2nd Amended POR



| (in Millions of U.S. \$) | <u>Consensual*</u> | <u>2nd POR**</u> | <u>Difference</u> |
|--------------------------------------|--------------------|------------------|-------------------|
| <u>Trust Funding</u> | | | |
| Nominal (Current \$) | \$ 480 | \$ 358 | |
| Present Value | \$ 442 | \$ 315 | |
| PV, after tax | \$ 284 | \$ 205 | \$ 79 |
| <u>Other Funding (PV, after tax)</u> | | | |
| Additional Canadian deal | \$ 11 | not addressed | |
| Contingent litigation fund | N/A | \$ 0-31 | |
| Pre-petition settlements | included | \$ 7 | |
| Trade payables | included | \$ 2 | |
| Total PV, after tax | \$ 295 | \$ 214-245 | \$ 50-81 |

*Present value, after-tax based on a number of assumptions including: 38% tax rate, 6% discount rate, and an approximate 15 month period between announcement and confirmation.

** Present value, after-tax amounts based on announcement of the 2nd POR (1/14/2015).

Plan of Reorganization - Sources of Plan Funding



- \$480M gross Trust funding + \$17M Canadian settlement
- Sources
 - \$270M of GST cash
 - \$80M of anticipated remaining insurance collections
 - \$67M EnPro/GST contribution from operating cash and credit facility
 - \$80M EnPro contribution on first anniversary of effective date (from cash on hand, EnPro stock, credit facility and potentially from pre-1976 Coltec insurers and a business successor)
- Benefit of tax deductions on Trust funding to be realized over a few years

Timeline For Confirmation of Plan (assumes smooth process w/ no objections, appeals or scheduling delays)



- Q2 2016 Parties file all plan documents including disclosure statement
- Q3 2016 Court hears motion to approve disclosure statement & claimant solicitation process; issues approval
- Q3 2016 Solicitation begins for GST & Coltec claimants
- Q1 2017 4+ month notice period ends; votes tabulated within a month thereafter
- Q1 2017 Assuming successful vote, Coltec reorg accomplished (operating businesses moved outside of Coltec corp. family; Coltec merges into newly formed "OldCo")
- Q1 2017 OldCo files the claimant-approved prepackaged chapter 11 & Bankruptcy Court agrees to jointly administer the cases

Timeline For Confirmation of Plan (assumes smooth process w/ no objections, appeals or scheduling delays)



- Q2 2017 Bankruptcy Court holds confirmation hearing for all debtors (GST, Garrison & OldCo); issues positive confirmation decision shortly thereafter (assuming no objection)
- Q2 2017 District Court affirms BC decision; issues confirmation orders & 524(g) channeling injunction, directing all current and future claims to Trust (assuming no objection)
- Q3 2017 Confirmation orders become final 30 days later (assuming no appeal)
- Q3 2017 Plan of Reorganization is consummated & becomes effective; GST and OldCo reconsolidated into EnPro

Questions?