



Carpenter Technology Announces Retirement Plan Changes

September 14, 2016

Will freeze General Retirement Plan effective December 31, 2016

Aligns retirement benefit plans for most employees

WYOMISSING, Pa., Sept. 14, 2016 (GLOBE NEWSWIRE) -- Carpenter Technology Corporation (NYSE:CRS) (the "Company") today announced changes to retirement plans it offers to certain employees. The Company will freeze benefits accrued to eligible participants of the General Retirement Plan ("GRP") effective December 31, 2016. The GRP is a defined benefit pension plan that currently includes approximately 1,900 domestic current salaried and hourly employees. The affected employees will be transitioned to the Company's 401(k) plan that has been in effect for eligible employees since 2012, when the GRP was closed to new entrants.

The Company also announced plans to voluntarily contribute \$100 million to the GRP within the next 60 days, which will further bolster the funded position of the plan.

As a result of these changes, the Company expects an approximately \$40-45 million reduction in its annual net pension expense inclusive of estimated incremental defined contribution plan costs. The savings estimates are based on assumptions used in the Company's June 30, 2016 valuation and are subject to change as the Company completes a re-measurement of the plan's assets and liabilities as of September 30, 2016. The Company also expects to record certain non-cash charges related to the change of an amount less than \$1 million.

"During the past year, we launched numerous initiatives to aggressively manage our business and promote sustainability in the face of ongoing marketplace volatility across select end-use markets. To further strengthen our long-term financial condition and remain competitive in today's marketplace, we are modifying our approach to how we partner with employees to help them prepare for retirement," said Tony Thene, Carpenter's President and CEO. "Our decision to transition from a traditional defined benefit pension plan to a more typical defined contribution plan reflects our goal to provide our employees a competitive retirement plan option while aligning the majority of our workforce under a common retirement plan. At the same time, our \$100 million voluntary contribution to the GRP underlines our commitment to supporting our many loyal employees who have contributed to Carpenter's success and leadership position."

In connection with these actions, the Company has updated its forward looking guidance for fiscal year 2017 related to net pension expense and pension contributions. The Company now expects net pension expense for fiscal year 2017 to be approximately \$39 million to \$44 million and expects to make a discretionary pension contribution of \$100 million during fiscal year 2017. The reduction in net pension expense excludes the expected incremental defined contribution plan costs of approximately \$5 million in the second half of fiscal year 2017.

About Carpenter Technology

Carpenter Technology Corporation is a leading producer and distributor of premium specialty alloys, including titanium alloys, powder metals, stainless steels, alloy steels and tool steels. Carpenter's high-performance materials and advanced process solutions are an integral part of critical applications used within the aerospace, transportation, medical and energy markets, among other markets. Building on its history of innovation, Carpenter's superalloy powder technologies support a range of next-generation products and manufacturing techniques, including additive manufacturing or 3D Printing. Information about Carpenter can be found at www.cartech.com.

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Act of 1995. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ from those projected, anticipated or implied. The most significant of these uncertainties are described in Carpenter's filings with the Securities and Exchange Commission, including its annual report on Form 10-K for the year ended June 30, 2016 and the exhibits attached to that filing. They include but are not limited to: (1) the cyclical nature of the specialty materials business and certain end-use markets, including aerospace, defense, industrial, transportation, consumer, medical and energy, or other influences on Carpenter's business such as new competitors, the consolidation of competitors, customers and suppliers, or the transfer of manufacturing capacity from the United States to foreign countries; (2) the ability of Carpenter to achieve cash generation, growth, earnings, profitability, cost savings and reductions, productivity improvements or process changes; (3) the ability to recoup increases in the cost of energy, raw materials, freight or other factors; (4) domestic and foreign excess manufacturing capacity for certain metals; (5) fluctuations in currency exchange rates; (6) the degree of success of government trade actions; (7) the valuation of the assets and liabilities in Carpenter's pension trusts and the accounting for pension plans; (8) possible labor disputes or work stoppages; (9) the potential that our customers may substitute alternate materials or adopt different manufacturing practices that replace or limit the suitability of our products; (10) the ability to successfully acquire and integrate acquisitions; (11) the availability of credit facilities to Carpenter, its customers or other members of the supply chain; (12) the ability to obtain energy or raw materials, especially from suppliers located in countries that may be subject to unstable political or economic conditions; (13) Carpenter's manufacturing processes are dependent upon highly specialized equipment located primarily in facilities in Reading and Latrobe, Pennsylvania and Athens, Alabama for which there may be limited alternatives if there are significant equipment failures or a catastrophic event; (14) the ability to hire and retain key personnel, including members of the executive management team, management, metallurgists and other skilled personnel; (15) fluctuations in oil and gas prices and production; and (16) the success of actions taken to reduce costs associated with retirement and pension plans. Any of these factors could have an adverse and/or fluctuating effect on Carpenter's results of operations. The forward-looking statements in this document are intended to be subject to the safe harbor protection provided by Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Carpenter undertakes no obligation to update or revise any forward-looking statements.

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