

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2009 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009	
A	This return/report is for: ☐ a multiemployer plan; ☒ a single-employer plan; ☐ a multiple-employer plan; or ☐ a DFE (specify) ____
B	This return/report is: ☐ the first return/report; ☒ an amended return/report; ☐ the final return/report; ☐ a short plan year return/report (less than 12 months).
C	If the plan is a collectively-bargained plan, check here. ▶ ☒
D	Check box if filing under: ☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information—enter all requested information
1a	Name of plan THE 401(K) RETIREMENT AND SAVINGS PLAN FOR EMPLOYEES OF FAIRFIELD MANUFACTURING COMPANY, INC.
1b	Three-digit plan number (PN) ▶ 001
1c	Effective date of plan 06/29/1970
2a	Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) FAIRFIELD MANUFACTURING CO., INC. P.O. BOX 7940 LAFAYETTE, IN 47903-7940
2b	Employer Identification Number (EIN) 63-0500160
2c	Sponsor's telephone number 765-772-4000
2d	Business code (see instructions) 332300

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/12/2010	JANE WOLFE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/12/2010	JANE WOLFE
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") FAIRFIELD MANUFACTURING CO., INC. P.O. BOX 7940 LAFAYETTE, IN 47903-7940	3b Administrator's EIN 63-0500160 3c Administrator's telephone number 765-772-4000
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN	
5 Total number of participants at the beginning of the plan year	5	1300
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	714
b Retired or separated participants receiving benefits.....	6b	26
c Other retired or separated participants entitled to future benefits.....	6c	101
d Subtotal. Add lines 6a , 6b , and 6c	6d	841
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	6
f Total. Add lines 6d and 6e	6f	847
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	847
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 2E 2F 2G 2J 2K 2T

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) ☐ Insurance	(1) ☐ Insurance
(2) ☐ Code section 412(e)(3) insurance contracts	(2) ☐ Code section 412(e)(3) insurance contracts
(3) ☒ Trust	(3) ☒ Trust
(4) ☐ General assets of the sponsor	(4) ☐ General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1)** ☒ **R** (Retirement Plan Information)
(2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1)** ☒ **H** (Financial Information)
(2) ☐ **I** (Financial Information – Small Plan)
(3) ☐ **A** (Insurance Information)
(4) ☒ **C** (Service Provider Information)
(5) ☒ **D** (DFE/Participating Plan Information)
(6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan THE 401(K) RETIREMENT AND SAVINGS PLAN FOR EMPLOYEES OF FAIRFIELD MANUFACTURING COMPANY, INC.		B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 FAIRFIELD MANUFACTURING CO., INC.		D Employer Identification Number (EIN) 63-0500160

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
BANK OF AMERICA, N.A.
94-1687665

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

MERRILL LYNCH, PIERCE, FENNER AND S

13-5674085

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 52 56 57 59 60 62 63 72	RECORDKEEPER	136363	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

BANK OF AMERICA

94-1687665

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
52	TRUSTEE	0	Yes ☒ No ☐	Yes ☐ No ☒	2411	Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

STATE STREET GLOBAL ADVISORS

04-1867445

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
18 19 52 99	INVESTMENT MANAGER	0	Yes ☒ No ☐	Yes ☒ No ☐	1365	Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
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(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection.
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan THE 401(K) RETIREMENT AND SAVINGS PLAN FOR EMPLOYEES OF FAIRFIELD MANUFACTURING COMPANY, INC.		B Three-digit plan number (PN) ▶ 001
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 FAIRFIELD MANUFACTURING CO., INC.		D Employer Identification Number (EIN) 63-0500160
Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)	
a Name of MTIA, CCT, PSA, or 103-12 IE: INVESCO STABLE VALUE TRUST		
b Name of sponsor of entity listed in (a): AMVESCAP NATIONAL TRUST COMPANY		
c EIN-PN 84-1142974-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 32939825
a Name of MTIA, CCT, PSA, or 103-12 IE: EQUITY INDEX TRUST		
b Name of sponsor of entity listed in (a): BANK OF AMERICA, N.A.		
c EIN-PN 22-6575237-014	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1326876
a Name of MTIA, CCT, PSA, or 103-12 IE: DJ TARGET TODAY SL SERIES FUND		
b Name of sponsor of entity listed in (a): STATE STREET BANK AND TRUST COMPANY		
c EIN-PN 04-0025081-568	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 352786
a Name of MTIA, CCT, PSA, or 103-12 IE: DJ TARGET 2015 SL SERIES FUND		
b Name of sponsor of entity listed in (a): STATE STREET BANK AND TRUST COMPANY		
c EIN-PN 04-0025081-569	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 289593
a Name of MTIA, CCT, PSA, or 103-12 IE: DJ TARGET 2025 SL SERIES FUND		
b Name of sponsor of entity listed in (a): STATE STREET BANK AND TRUST COMPANY		
c EIN-PN 04-0025081-565	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 911504
a Name of MTIA, CCT, PSA, or 103-12 IE: DJ TARGET 2035 SL SERIES FUND		
b Name of sponsor of entity listed in (a): STATE STREET BANK AND TRUST COMPANY		
c EIN-PN 04-0025081-566	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 450021
a Name of MTIA, CCT, PSA, or 103-12 IE: DJ TARGET 2045 SL SERIES FUND		
b Name of sponsor of entity listed in (a): STATE STREET BANK AND TRUST COMPANY		
c EIN-PN 04-0025081-567	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 215032
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.		

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan THE 401(K) RETIREMENT AND SAVINGS PLAN FOR EMPLOYEES OF FAIRFIELD MANUFACTURING COMPANY, INC.	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 FAIRFIELD MANUFACTURING CO., INC.	D Employer Identification Number (EIN) 63-0500160	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	985
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	9792	67826
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	2286584	2708743
(9) Value of interest in common/collective trusts	1c(9)	35509421	37118997
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	15286422	21298741
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	53092219	61195292

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	53092219	61195292
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	1462369	
(B) Participants	2a(1)(B)	2153198	
(C) Others (including rollovers)	2a(1)(C)	9890	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		3625457

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	32	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	143149	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		143181

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	465340	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		465340

(3) Rents	2b(3)		
-----------------	--------------	--	--

(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		3859794
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		4964485
c Other income.....	2c		12406
d Total income. Add all income amounts in column (b) and enter total.....	2d		13070663

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	4772591	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		4772591
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		58636
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	136363	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		136363
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		4967590

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		8103073
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: KATZ, SAPPER & MILLER LLP

(2) EIN: 35-1090346

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		2000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection.
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan <u>THE 401(K) RETIREMENT AND SAVINGS PLAN FOR EMPLOYEES OF FAIRFIELD MANUFACTURING COMPANY, INC.</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>FAIRFIELD MANUFACTURING CO., INC.</u>	D Employer Identification Number (EIN) <u>63-0500160</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>22-3513863</u> <u>94-1687665</u> Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2009
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

**THE 401(k) RETIREMENT AND SAVINGS PLAN
FOR EMPLOYEES OF
FAIRFIELD MANUFACTURING COMPANY, INC.**

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

December 31, 2009 and 2008

**THE 401(k) RETIREMENT AND SAVINGS PLAN
FOR EMPLOYEES OF
FAIRFIELD MANUFACTURING COMPANY, INC.**

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800 East 96th Street
Suite 500
Indianapolis, IN 46240

Tel 317.580.2000
Fax 317.580.2117

Independent Auditors' Report

To the Plan Administrator
The 401(k) Retirement and Savings Plan for Employees of
Fairfield Manufacturing Company, Inc.

We were engaged to audit the financial statements and the supplemental schedule of The 401(k) Retirement and Savings Plan for Employees of Fairfield Manufacturing Company, Inc. as of and for the years ended December 31, 2009 and 2008, as listed in the accompanying table of contents. These financial statements and the schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 3, which was certified by Bank of America, N.A. (successor to Merrill Lynch Bank and Trust Co., FSB), the trustee of the Plan, except for comparing the investment information certified by the Trustee with the related investment information included in the financial statements and the supplemental schedule. We have been informed by the Plan Administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the Trustee as of and for the years ended December 31, 2009 and 2008, that the investment information provided to the Plan Administrator by the Trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and the supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the investment information certified by the Trustee, have been audited by us in accordance with auditing standards generally accepted in the United States and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Katz, Sapper & Miller, LLP

Indianapolis, Indiana
October 6, 2010

**THE 401(k) RETIREMENT AND SAVINGS PLAN FOR EMPLOYEES
OF FAIRFIELD MANUFACTURING COMPANY, INC.**

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2009 and 2008**

	2009	2008
ASSETS		
Investments, at fair value:		
Common collective trusts	\$ 37,118,997	\$ 35,509,421
Mutual fund shares	21,298,741	15,286,422
Participant loans	<u>2,708,743</u>	<u>2,286,584</u>
Total investments, at fair value	<u>61,126,481</u>	<u>53,082,427</u>
Interest-bearing cash	<u>67,826</u>	<u>9,792</u>
Total investments	<u>61,194,307</u>	<u>53,092,219</u>
Noninterest-bearing cash	<u>985</u>	<u> </u>
NET ASSETS AVAILABLE FOR BENEFITS, AT FAIR VALUE	61,195,292	53,092,219
Adjustment from fair value to contract value for fully benefit-responsive investment contract	<u>(633,360)</u>	<u>1,697,987</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 60,561,932</u></u>	<u><u>\$ 54,790,206</u></u>

See accompanying notes.

**THE 401(k) RETIREMENT AND SAVINGS PLAN FOR EMPLOYEES
OF FAIRFIELD MANUFACTURING COMPANY, INC.**

**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Years Ended December 31, 2009 and 2008**

	2009	2008
CONTRIBUTIONS		
Participant salary deferral	\$ 2,153,198	\$ 2,782,440
Employer	1,462,369	1,904,383
Participant rollover	9,890	109,962
Total Contributions	<u>3,625,457</u>	<u>4,796,785</u>
INVESTMENT INCOME (LOSS)		
Interest and dividend income	1,501,745	2,172,192
Net appreciation (depreciation) in fair value of investments	<u>5,612,114</u>	<u>(12,001,770)</u>
Total Investment Income (Loss)	<u>7,113,859</u>	<u>(9,829,578)</u>
Total	<u>10,739,316</u>	<u>(5,032,793)</u>
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO		
Benefit payments	4,831,227	5,470,848
Administrative expenses	<u>136,363</u>	<u>128,019</u>
Total	<u>4,967,590</u>	<u>5,598,867</u>
NET INCREASE (DECREASE)	5,771,726	(10,631,660)
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of Year	<u>54,790,206</u>	<u>65,421,866</u>
End of Year	<u><u>\$ 60,561,932</u></u>	<u><u>\$ 54,790,206</u></u>

See accompanying notes.

**THE 401(k) RETIREMENT AND SAVINGS PLAN FOR EMPLOYEES
OF FAIRFIELD MANUFACTURING COMPANY, INC.**

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - PLAN DESCRIPTION AND SIGNIFICANT ACCOUNTING POLICIES

The following description of The 401(k) Retirement and Savings Plan for Employees of Fairfield Manufacturing Company, Inc. (the "Plan") provides only general information. Participants should refer to the Plan Agreement for a more complete description of the Plan's provisions.

General: The Plan is a defined contribution plan covering the employees of Fairfield Manufacturing Company, Inc. (the "Employer") who have completed one hour of service, except for specifically excluded employees as outlined in the Plan Agreement. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions: Each year, participants may contribute an amount up to the Internal Revenue Service (IRS) limits of pre-tax and post-tax annual compensation not to exceed 50% and 6%, respectively, of the pay period compensation, as defined by the Plan Agreement.

Participants may also make "rollover" contributions to the Plan from amounts distributed to them from other qualified plans.

The Employer may make contributions in two manners. First, a discretionary matching contribution equal to a percentage of the compensation of contributing participants is allowed. Second, a special discretionary dollar amount is allowed. Both contributions are determined by the Employer's Board of Directors on an annual basis.

The Employer contributed 100% of the first 5% of participant salary deferred contributions in 2009 and 2008. Total matching contributions were \$1,462,369 in 2009 and \$1,904,383 in 2008.

The Employer's Board of Directors did not approve a special discretionary dollar contribution for 2009 or 2008.

Participants' Accounts: Each participant's account is credited with the participant's contributions, the Employer's matching contributions, the allocable share of the Employer's discretionary contribution, and Plan earnings, when applicable. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting: Participants are immediately vested in their contributions plus actual earnings thereon as well as their portion of matching or discretionary contributions made by the Employer. As a result, there are no forfeitures of noninvested account balances.

Participant Loans: Participants may borrow from their fund accounts a minimum of \$500 up to a maximum equal to the lesser of \$50,000 or 50 percent of their account balance. The loans are secured by the balance in the participant's account and bear interest at rates that range from 4.25% to 10.5%, which are commensurate with local prevailing rates at the time of the loan as determined periodically by the Plan Administrator. Principal and interest are paid ratably through monthly payroll deductions.

In-Service Withdrawals: The Plan permits hardship withdrawals to participants subject to certain restrictions.

NOTE 1 - PLAN DESCRIPTION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Payments of Benefits: Distributions and withdrawals are payable to participants who reach normal retirement at age 65, terminate employment, become disabled or upon death. The participant (or his/her beneficiary) elects the manner he/she will receive vested benefits as outlined in the Plan Agreement. Participants receiving withdrawals prior to normal retirement, disability or death will be subject to rollover rules and potential penalties if the distributions are not treated in accordance with IRS regulations.

Benefits are recorded when paid.

Plan Administration: The Employer is the Plan Administrator, and as such, carries out the duties imposed by ERISA. The Plan Administrator has delegated certain responsibilities for the operation and administration of the Plan. Certain administrative expenses of the Plan are paid by the Employer. Total administrative expenses paid by the Plan were \$136,363 for 2009 and \$128,019 for 2008.

Basis of Accounting and Estimates: These statements have been prepared on the accrual basis of accounting. The preparation of statements in conformity with accounting principles generally accepted in the United States requires the Plan Administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Investment Valuation and Income Recognition: The Plan's investments are stated at fair value. Fair value is that price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 2 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation and/or depreciation in the statement of changes in net assets available for benefits includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The plan invests in investment contracts through a collective trust. Contract value for this collective trust is based on the net asset value of the fund as reported by the investment advisor. As required, the statement of net assets available for benefits presents the fair value of the investment in the collective trust as well as the adjustment of the investment in the collective trust from fair value to contract value relating to the investment contracts. The statement of changes in net assets available for benefits is prepared on a contract value basis.

Income Tax Status: The Plan has adopted a prototype plan document which has received an opinion letter from the Internal Revenue Service dated March 31, 2008, stating that the prototype plan document was designed in accordance with the applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since the date of the opinion letter, the Plan Administrator believes that the Plan is currently designed in compliance with the applicable requirements of the IRC. The Plan Administrator intends to correct insignificant operational errors in accordance with the Employee Plans Compliance Resolution System (EPCRS) in order to maintain the qualified status of the Plan. Therefore, the Plan Administrator believes that the Plan will remain qualified and the related trust was tax-exempt at the financial statement date.

NOTE 1 - PLAN DESCRIPTION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Plan Termination: Although it has not expressed any intent to do so, the Employer has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of termination, all assets will be distributed out of the Plan in accordance with the Plan Agreement. During 2009, certain reductions in workforce resulted in a partial plan termination. All affected participants remained fully-vested in their entire account balances.

Subsequent Events: The Plan's management has evaluated the financial statements for subsequent events occurring through October 6, 2010, the date the financial statements were available to be issued.

NOTE 2 - FAIR VALUE MEASUREMENTS

The Plan has categorized its assets and liabilities that are measured at fair value, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- **Level 1:** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- **Level 2:** Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- **Level 3:** Inputs to the valuation methodology are unobservable and significant to the fair value measurement in situations where there is little or no market activity for the asset or liability, and the Plan makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used by the Plan for investment assets measured at fair value on a recurring basis. There have been no changes in the methodologies used at December 31, 2009 and 2008.

NOTE 2 - FAIR VALUE MEASUREMENTS (CONTINUED)

Common Collective Trusts: Valued at unit value provided by the fund administrators which is based on the underlying assets owned by each fund divided by the number of outstanding units.

Mutual Fund Shares: Valued at the published net asset value (NAV) of the shares held by the Plan at the reporting date.

Participant Loans: Valued at amortized cost, which approximates fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan's management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Following is a summary, by level within the fair value hierarchy, of the Plan's investment assets that are measured at fair value on a recurring basis as of December 31, 2009 and 2008:

2009	Level 1	Level 2	Level 3	Total
Common collective trusts		\$37,118,997		\$37,118,997
Mutual fund shares	\$21,298,741			21,298,741
Participant loans			\$2,708,743	2,708,743
Total Investments at Fair Value	<u>\$21,298,741</u>	<u>\$37,118,997</u>	<u>\$2,708,743</u>	<u>\$61,126,481</u>
2008				
Common collective trusts		\$35,509,421		\$35,509,421
Mutual fund shares	\$15,286,422			15,286,422
Participant loans			\$2,286,584	2,286,584
Total Investments at Fair Value	<u>\$15,286,422</u>	<u>\$35,509,421</u>	<u>\$2,286,584</u>	<u>\$53,082,427</u>

Following is a summary of the changes in the Plan's Level 3 investment assets that are measured at fair value on a recurring basis during the years ended December 31, 2009 and 2008:

	Participant Loans
Balance at January 1, 2008	\$2,328,158
Issuances and repayments, net	<u>(41,574)</u>
Balance at December 31, 2008	2,286,584
Issuances and repayments, net	<u>422,159</u>
Balance at December 31, 2009	<u>\$2,708,743</u>

NOTE 3 - UNAUDITED INVESTMENT INFORMATION CERTIFIED BY TRUSTEE

The following is a summary of the Plan's unaudited investment information certified by Bank of America, N.A. (successor to Merrill Lynch Bank and Trust Co., FSB), the trustee of the Plan, as complete and accurate as of and for the years ended December 31, 2009 and 2008, in accordance with Section 2520.103-5 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA:

	2009	2008
Common Collective Trusts:		
Invesco Stable Value Trust (at contract value)	\$32,939,825*	\$34,615,708*
Other common collective trusts	<u>3,545,812</u>	<u>2,591,700</u>
	<u>\$36,485,637</u>	<u>\$37,207,408</u>
Mutual Fund Shares:		
AIM Dynamics Fund CLN	\$ 5,326,600*	\$ 3,711,959*
Other mutual fund shares	<u>15,972,141</u>	<u>11,574,463</u>
	<u>\$21,298,741</u>	<u>\$ 15,286,422</u>
Participant Loans	<u>\$ 2,708,743</u>	<u>\$ 2,286,584</u>
Interest-bearing Cash	<u>\$ 67,826</u>	<u>\$ 9,792</u>

* Represents 5% or more of the Plan's net assets available for benefits at the date indicated.

	2009	2008
Net appreciation (depreciation) in fair value of:		
Common collective trusts	\$ 686,685	\$ (911,367)
Mutual fund shares	<u>4,925,429</u>	<u>(11,090,403)</u>
	<u>\$ 5,612,114</u>	<u>\$(12,001,770)</u>
Interest and dividends	<u>\$ 1,501,745</u>	<u>\$ 2,172,192</u>

Net appreciation (depreciation) included net realized gains of \$282,175 in 2009 and \$792,091 in 2008.

NOTE 4 - INVESTMENT CONTRACT WITH TRUST COMPANY

The Plan invests in a benefit-responsive investment with Invesco National Trust Company, which maintains the investment in a common collective trust. The trust is credited with earnings based on a fixed rate of interest and charged for participant withdrawals and administrative expenses. Invesco National Trust Company is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

As described in Note 1, because this investment is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the investment. Contract value, as reported to the Plan by Invesco National Trust Company, represents contributions made, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

NOTE 4 – INVESTMENT CONTRACT WITH TRUST COMPANY (CONTINUED)

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest rate is based on a formula agreed upon with the issuer, but may not be less than zero. Such interest rates are reviewed on a periodic basis for resetting.

	2009	2008
Average yields:		
Based on actual earnings	3.10%	6.45%
Based on interest rate credited to participants	3.89%	3.34%

Market value events may limit the ability of the Plan to transact at contract value with the issuer. Such events may include, but are not limited to: (1) amendment or change of Plan administration, (2) merger or consolidation of investors, (3) group terminations or layoffs, (4) implementation of an early retirement program, (5) termination or partial termination of the Plan, (6) failure to meet certain tax qualifications, (7) participant communication that is designed to influence participants not to invest in the Trust, (8) transfers to competing options without meeting the equity wash provisions of the Trust, and (9) employer withdrawals without the appropriate notice to the Trust. The Plan Administrator does not believe that the occurrence of any such event, which would limit the Plan's ability to transact at contract value with participants, is probable.

NOTE 5 - RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are mutual fund shares and common collective trusts managed by affiliates of the trustee of the Plan. Transactions in these investments qualify as exempt party-in-interest transactions. Loans to participants are exempt party-in-interest transactions.

The Employer provides certain accounting, administrative, and investment management services to the Plan for which it receives no compensation.

NOTE 6 - RISKS AND UNCERTAINTIES

Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect the amounts reported in the Plan's financial statements and could affect participants' account balances.

NOTE 7 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the accompanying financial statements to Form 5500 at December 31, 2009 and 2008:

	2009	2008
Net assets available for benefits per the financial statements	\$60,561,932	\$54,790,206
Add: Adjustment from contract value to fair value for fully benefit-responsive investment contract	<u>633,360</u>	<u>(1,697,987)</u>
Net assets available for benefits per Form 5500	<u>\$61,195,292</u>	<u>\$53,092,219</u>

NOTE 7 – RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500 (CONTINUED)

The following is a reconciliation of investment income per the accompanying financial statements to Form 5500 for the year ended December 31, 2009:

Total investment income per the financial statements	\$ 7,113,859
Add: Adjustment from contract value to fair value for fully benefit-responsive investment contract	<u>2,331,347</u>
Total investment income (loss) per Form 5500	<u>\$ 9,445,206</u>

NOTE 8 - PLAN AMENDMENTS

Effective January 1, 2009, the Plan Agreement was restated to comply with changes in the tax laws as required by the IRC, including provisions to comply with the Economic Growth Tax Relief Act of 2001, the Pension Protection Act of 2006, the Heroes Earnings Assistance and Relief Tax Act of 2008 and the Worker, Retiree, and Employer Recovery Act of 2008.

The Plan Agreement was amended on December 31, 2008 to eliminate the partial withdrawal form of benefits.

**THE 401(k) RETIREMENT AND SAVINGS PLAN FOR EMPLOYEES
OF FAIRFIELD MANUFACTURING COMPANY, INC.**

EIN 63-0500160 PN 001

**SCHEDULE H, ITEM 4(i) - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2009**

(a)	(b) and (c)		(d)	(e)
	Identity of Issue and Description of Investment	Number of Shares	Cost	Current Value
	COMMON COLLECTIVE TRUSTS			
*	Invesco Stable Value Trust	32,939,825.54	**	\$ 33,573,185
*	ML Equity Index Trust II	14,590.67	**	1,326,876
*	DJ TARGET Today Sec Ldg Series	29,357.28	**	352,786
*	DJ TARGET 2015 Sec Lndg Series	25,643.62	**	289,593
*	DJ TARGET 2025 Sec Lndg Series	81,333.44	**	911,504
*	DJ TARGET 2035 Sec Lndg Series	40,907.27	**	450,021
*	DJ TARGET 2045 Sec Lndg Series	19,475.81	**	215,032
				<u>37,118,997</u>
	MUTUAL FUND SHARES			
*	Managers Special Equity Manager Class	17,455.75	**	691,248
*	AIM International Core Equity	128,627.23	**	1,396,892
	Hotchkis & Wiley Mid Cap Value A	22,071.11	**	392,645
	Dodge & Cox International Stock Fund	30,907.71	**	984,411
*	AIM Large Cap Basic Value Fund	61,818.54	**	596,549
*	AIM Income Fund Investor Class	40,041.15	**	192,998
*	AIM Small Cap Equity	19,682.87	**	193,483
	Van Kampen Equity & Income Index	171,397.02	**	1,335,183
	Victory Established	4,538.38	**	105,064
*	AIM Basic Balanced Fund CL N	141,261.27	**	1,460,642
	Pimco Total Return Fund	257,663.64	**	2,782,767
	Janus Overseas Fund	19,461.28	**	827,104
	Dodge & Cox Stock Fund	29,371.45	**	2,823,771
*	AIM Dynamics Fund CL N	295,429.86	**	5,326,600
	American Growth Fund of America	80,109.19	**	2,189,384
				<u>21,298,741</u>
	INTEREST-BEARING CASH			<u>67,826</u>
*	PARTICIPANT LOANS , bearing interest from 4.25% to 10.5%, maturing through August 2039			<u>2,708,743</u>
	TOTAL ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR			<u><u>\$ 61,194,307</u></u>

* Represents party-in-interest, but not prohibited transactions.

** Cost has been omitted for participant-directed investments.

**THE 401(k) RETIREMENT AND SAVINGS PLAN FOR EMPLOYEES
OF FAIRFIELD MANUFACTURING COMPANY, INC.**

EIN 63-0500160 PN 001

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December 31, 2009**

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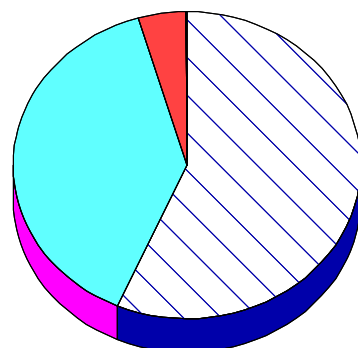
* Represents party-in-interest, but not prohibited transactions.

** Cost has been omitted for participant-directed investments.

STATEMENT OF ASSETS
FOR THE PERIOD 01/01/2009 - 12/31/2009

THE 401(K) RETIREMENT & SAVINGS
PLAN FOR EMPLOYEES OF FAIRFIELD
CONSOLIDATION

ALLOCATION OF PLAN ASSETS



 56.58% COMMON / COLLECTIVE TRUSTS	 38.83% MUTUAL FUNDS
 4.47% LOANS	 0.00% PENDING SETTLEMENT FUNDS
 0.00% ACCRUED INCOME	 0.11% CASH

Investment Category	Shares/ Units	Price/ NAV	Cost/Book Value	Market Value	% Total Value
<u>COMMON / COLLECTIVE TRUSTS</u>					
INVESCO STABLE VALUE TRUST	32,939,825.5400	1.000	32,939,826.20	32,939,825.54	54.39%
ML EQUITY INDEX TRUST II	14,590.6701	90.940	1,443,220.52	1,326,875.54	2.19%
TOTAL COMMON / COLLECTIVE TRUSTS			34,383,046.72	34,266,701.08	56.58%
<u>MUTUAL FUNDS</u>					
DJ TARGET TODAY SEC LDG SERIES	29,357.2786	12.017	326,234.22	352,786.42	0.58%
DJ TARGET 2015 SEC LNDG SERIES	25,643.6171	11.293	279,549.21	289,593.37	0.48%
DJ TARGET 2025 SEC LNDG SERIES	81,333.4377	11.207	880,750.25	911,503.84	1.51%
DJ TARGET 2035 SEC LNDG SERIES	40,907.2704	11.001	416,469.98	450,020.88	0.74%
DJ TARGET 2045 SEC LNDG SERIES	19,475.8082	11.041	203,660.64	215,032.40	0.36%
MANAGERS SP EQ MANAGER CLASS	17,455.7513	39.600	1,130,899.24	691,247.75	1.14%

Balances include the effect of pending trades



STATEMENT OF ASSETS
FOR THE PERIOD 01/01/2009 - 12/31/2009

THE 401(K) RETIREMENT & SAVINGS
PLAN FOR EMPLOYEES OF FAIRFIELD
CONSOLIDATION

Investment Category	Shares/ Units	Price/ NAV	Cost/Book Value	Market Value	% Total Value
AIM INTERNATIONAL CORE EQUITY	128,627.2298	10.860	1,428,286.55	1,396,891.72	2.31%
HOTCHKIS&WILEY MID CAP VAL A	22,071.1134	17.790	525,128.69	392,645.11	0.65%
DODGE & COX INTERNATIONAL ST	30,907.7066	31.850	1,072,837.41	984,410.46	1.63%
AIM LARGE CAP BASIC VALUE FUND	61,818.5432	9.650	692,473.56	596,548.94	0.99%
AIM INCOME FUND INVESTOR CLASS	40,041.1544	4.820	253,744.99	192,998.36	0.32%
VICTORY ESTABLISHED	4,538.3818	23.150	86,346.74	105,063.54	0.17%
VAN KAMPEN EQUITY & INCOME I	171,397.0162	7.790	1,060,680.38	1,335,182.76	2.20%
AIM BASIC BALANCED FUND CL N	141,261.2747	10.340	1,902,863.75	1,460,641.58	2.41%
AIM SMALL CAP EQUITY	19,682.8652	9.830	160,041.31	193,482.56	0.32%
PIMCO TOTAL RETURN FUND	257,663.6403	10.800	2,713,036.56	2,782,767.32	4.59%
JANUS OVERSEAS FD	19,461.2769	42.500	828,892.61	827,104.27	1.37%
DODGE & COX STOCK FD	29,371.4472	96.140	3,377,254.10	2,823,770.93	4.66%
AIM DYNAMICS FUND CL N	295,429.8570	18.030	5,224,501.26	5,326,600.32	8.80%
AMERICAN GRWTH FD OF AMERICA	80,109.1935	27.330	2,227,273.15	2,189,384.26	3.62%
TOTAL MUTUAL FUNDS			24,790,924.60	23,517,676.79	38.83%
<u>LOANS</u>					
LOAN FUND	2,708,742.7800	1.000	2,708,742.78	2,708,742.78	4.47%
<u>PENDING SETTLEMENT FUNDS</u>					
PENDING SETTLEMENT FUND	984.9300	1.000	984.93	984.93	0.00%
INVESTMENT TOTAL			61,883,699.03	60,494,105.58	99.89%
UNINVESTED CASH			0.00	0.00	0.00%

Balances include the effect of pending trades

STATEMENT OF ASSETS
FOR THE PERIOD 01/01/2009 - 12/31/2009

THE 401(K) RETIREMENT & SAVINGS
PLAN FOR EMPLOYEES OF FAIRFIELD
CONSOLIDATION

Investment Category	Shares/ Units	Price/ NAV	Cost/Book Value	Market Value	% Total Value
ACCRUED INCOME			245.67	245.67	0.00%
CASH			67,580.55	67,580.55	0.11%
TOTAL ASSETS			61,951,525.25	60,561,931.80	100.00%

The balance in the cash fund may be temporarily invested in the CMA Money Fund. Additional amounts not reported as cash may also be invested in the CMA Money Fund pending settlement of trades.

Balances include the effect of pending trades

