

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 <div style="text-align: center; font-size: 24pt;">2009</div>
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning <u>05/01/2009</u> and ending <u>04/30/2010</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended 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 <u>PENSION PLAN FOR UNITED AUTO,AEROSPACE & AGRICULTU IMPLEMENT WORKERS OF AMERICA, LOCAL 1118 OF ROOTS BLOWER DIVISION, CONNERSVILLE, INDIANA</u>	<table border="1"> <tr> <td>1b Three-digit plan number (PN) ►</td> <td><u>016</u></td> </tr> <tr> <td>1c Effective date of plan</td> <td><u>01/02/1953</u></td> </tr> </table>	1b Three-digit plan number (PN) ►	<u>016</u>	1c Effective date of plan	<u>01/02/1953</u>		
1b Three-digit plan number (PN) ►	<u>016</u>						
1c Effective date of plan	<u>01/02/1953</u>						
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>DRESSER, INC.</u> <u>15455 DALLAS PARKWAY, SUITE #1100</u> <u>ADDISON, TX 75001</u>	<table border="1"> <tr> <td>2b Employer Identification Number (EIN)</td> <td><u>75-2795365</u></td> </tr> <tr> <td>2c Sponsor's telephone number</td> <td><u>972-361-9800</u></td> </tr> <tr> <td>2d Business code (see instructions)</td> <td><u>333200</u></td> </tr> </table>	2b Employer Identification Number (EIN)	<u>75-2795365</u>	2c Sponsor's telephone number	<u>972-361-9800</u>	2d Business code (see instructions)	<u>333200</u>
2b Employer Identification Number (EIN)	<u>75-2795365</u>						
2c Sponsor's telephone number	<u>972-361-9800</u>						
2d Business code (see instructions)	<u>333200</u>						

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	<u>Filed with authorized/valid electronic signature.</u>	<u>02/14/2011</u>	<u>MARY L. WAGNER</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	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

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

Form 5500 (2009)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")

DRESSER, INC.

15455 DALLAS PARKWAY, SUITE #1100
ADDISON, TX 75001**3b** Administrator's EIN

75-2795365

3c Administrator's telephone number

972-361-9800

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**

523

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**

105

b Retired or separated participants receiving benefits.....**6b**

206

c Other retired or separated participants entitled to future benefits.....**6c**

140

d Subtotal. Add lines **6a**, **6b**, and **6c**.....**6d**

451

e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....**6e**

59

f Total. Add lines **6d** and **6e**.....**6f**

510

g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....**6g****h** Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....**6h**

3

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:

1B 1G

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)

- (1) ☐ Insurance
- (2) ☐ Code section 412(e)(3) insurance contracts
- (3) ☒ Trust
- (4) ☐ General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

- (1) ☐ Insurance
- (2) ☐ Code section 412(e)(3) insurance contracts
- (3) ☒ Trust
- (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 SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	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 05/01/2009 and ending 04/30/2010

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>PENSION PLAN FOR UNITED AUTO,AEROSPACE & AGRICULTU IMPLEMENT WORKERS OF AMERICA, LOCAL 1118 OF ROOTS BLOWER DIVISION, CONNERSVILLE, INDIANA</u>	B Three-digit plan number (PN) ▶ <u>016</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>DRESSER, INC.</u>	D Employer Identification Number (EIN) <u>75-2795365</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1	Enter the valuation date: Month <u>05</u> Day <u>01</u> Year <u>2009</u>
2	Assets:
a	Market value 2a <u>17244489</u>
b	Actuarial value 2b <u>18968938</u>
3	Funding target/participant count breakdown
	(1) Number of participants (2) Funding Target
a	For retired participants and beneficiaries receiving payment 3a <u>263</u> <u>14827787</u>
b	For terminated vested participants 3b <u>147</u> <u>3502027</u>
c	For active participants:
(1)	Non-vested benefits 3c(1) <u>532542</u>
(2)	Vested benefits 3c(2) <u>4743248</u>
(3)	Total active 3c(3) <u>113</u> <u>5275790</u>
d	Total 3d <u>523</u> <u>23605604</u>
4	If the plan is at-risk, check the box and complete items (a) and (b) ☐
a	Funding target disregarding prescribed at-risk assumptions 4a
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor 4b
5	Effective interest rate 5 <u>7.43</u> %
6	Target normal cost 6 <u>334040</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<u>02/11/2011</u>
Signature of actuary	Date
<u>CARLA LIBBY, A.S.A.</u>	
Type or print name of actuary	Most recent enrollment number
<u>TOWERS WATSON PENNSYLVANIA INC.</u>	<u>214-530-4200</u>
Firm name	Telephone number (including area code)
<u>500 NORTH AKARD, SUITE 4100</u> <u>DALLAS, TX 75201-6661</u>	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

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

Schedule SB (Form 5500) 2009
v.092308.1

Part II Beginning of year carryover and prefunding balances		
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	0	0
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9 Amount remaining (Item 7 minus item 8).....	0	0
10 Interest on item 9 using prior year's actual return of <u>-24.84</u> %		
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		2537915
b Interest on (a) using prior year's effective rate of <u>6.35</u> %		161158
c Total available at beginning of current plan year to add to prefunding balance		2699073
d Portion of (c) to be added to prefunding balance.....		0
12 Reduction in balances due to elections or deemed elections.....	0	0
13 Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	0	0

Part III Funding percentages		
14 Funding target attainment percentage.....	14	80.35 %
15 Adjusted funding target attainment percentage.....	15	80.35 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	83.59 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
08/20/2009	207945				
11/13/2009	207945				
11/17/2009	407830				
12/30/2009	1512268				
02/16/2010	207945				
05/14/2010	207945				
			Totals ►	18(b)	2751878
				18(c)	

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contribution from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	2626766
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No	
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No	
c If 20a is "Yes," see instructions and complete the following table as applicable:		

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)				21b 1
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	334040
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	4636666	868250
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	1202290
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	0	0
36 Additional cash requirement (item 34 minus item 35).....	36	1202290
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	2626766
38 Interest-adjusted excess contributions for current year (see instructions).....	38	1424476
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

<div>SCHEDULE D</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div>		<div>DFE/Participating Plan Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>		<div>OMB No. 1210-0110</div> <div>2009</div> <div>This Form is Open to Public Inspection.</div>	
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<div>Part I</div> <div>Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)</div> <div>(Complete as many entries as needed to report all interests in DFEs)</div>					
<div>a</div> <div>Name of MTIA, CCT, PSA, or 103-12 IE:</div> <div>DRESSER, INC. MASTER TRUST</div>					
<div>b</div> <div>Name of sponsor of entity listed in (a):</div> <div>DRESSER, INC.</div>					
<div>c</div> <div>EIN-PN</div> <div>75-2795365-135</div>		<div>d</div> <div>Entity code</div> <div>M</div>		<div>e</div> <div>Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)</div> <div>22711742</div>	
<div>a</div> <div>Name of MTIA, CCT, PSA, or 103-12 IE:</div>					
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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
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)**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
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)**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
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)**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
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

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 05/01/2009 and ending 04/30/2010		
A Name of plan PENSION PLAN FOR UNITED AUTO, AEROSPACE & AGRICULTURE IMPLEMENT WORKERS OF AMERICA, LOCAL 1118 OF ROOTS BLOWER DIVISION, CONNERSVILLE, INDIANA	B Three-digit plan number (PN) ►	016
C Plan sponsor's name as shown on line 2a of Form 5500 DRESSER, INC.	D Employer Identification Number (EIN) 75-2795365	

Part I	Asset and Liability Statement
---------------	--------------------------------------

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		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	2980460	207945
(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)		
(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)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	14307574	22711742
(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)		
(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	17288034	22919687

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		

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	17288034	22919687
---	-----------	----------	----------

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) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	2751878	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		2751878
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(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)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		
(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)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		
(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)		

		(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)		
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		4701037
(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)		
c Other income.....	2c		14494
d Total income. Add all income amounts in column (b) and enter total.....	2d		7467409

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1585755	
(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)		1585755
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	68431	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	97678	
(4) Other	2i(4)	83892	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		250001
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		1835756

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		5631653
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: HUSELTON, MORGAN & MAULTSBY, P.C.

(2) EIN: 75-2409112

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		10000000
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.		X	

- 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.

For calendar plan year 2009 or fiscal plan year beginning 05/01/2009 and ending 04/30/2010

A Name of plan <u>PENSION PLAN FOR UNITED AUTO,AEROSPACE & AGRICULTU IMPLEMENT WORKERS OF AMERICA, LOCAL 1118 OF ROOTS BLOWER DIVISION, CONNERSVILLE, INDIANA</u>	B Three-digit plan number (PN) ▶ <u>016</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>DRESSER, INC.</u>	D Employer Identification Number (EIN) <u>75-2795365</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
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>04-6962744</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 <u>0</u>

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
-----------------	-------------------

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): _____

DRESSER, INC.
PENSION PLAN FOR UNITED AUTOMOBILE,
AEROSPACE & AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA, LOCAL 1118 OF ROOTS
BLOWER DIVISION, CONNERSVILLE, INDIANA
PLAN 016
Financial Statements
For the Years Ended April 30, 2010 and 2009
with
Independent Auditors' Report

INDEX

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Employee Benefits Committee for
Dresser, Inc. Pension Plan for United Automobile, Aerospace & Agricultural
Implement Workers of America, Local 1118 of Roots Blower Division, Connersville, Indiana
Plan 016

Independent Auditors' Report

We were engaged to audit the financial statements of the Dresser, Inc. Pension Plan for United Automobile, Aerospace & Agricultural Implement Workers of America, Local 1118 of Roots Blower Division, Connersville, Indiana - Plan 016 (the "Plan") as of April 30, 2010 and 2009, and for the years then ended, as listed in the accompanying index. These financial statements are the responsibility of the Plan's Employee Benefits Committee.

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 information summarized in Notes 5 and 6, which was certified by State Street Bank and Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements. 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 April 30, 2010 and 2009, that the 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 taken as a whole. The form and content of the information included in the financial statements other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America 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.

Huselten, Morgan + Maultsby, P.C.

Dallas, Texas
February 4, 2011

DRESSER, INC.
PENSION PLAN FOR UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL
IMPLEMENT WORKERS OF AMERICA, LOCAL 1118 OF ROOTS BLOWER DIVISION,
CONNERSVILLE, INDIANA
PLAN 016
Statements of Net Assets Available For Benefits
As of April 30, 2010 and 2009

	<u>April 30, 2010</u>	<u>April 30, 2009</u>
INVESTMENTS:		
Investment in Dresser, Inc.		
Master Trust, at Market Value	\$ 22,711,742	\$ 14,307,574
EMPLOYER CONTRIBUTIONS RECEIVABLE	<u>207,945</u>	<u>2,980,460</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 22,919,687</u></u>	<u><u>\$ 17,288,034</u></u>

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

DRESSER, INC.

**PENSION PLAN FOR UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL
IMPLEMENT WORKERS OF AMERICA, LOCAL 1118 OF ROOTS BLOWER DIVISION,
CONNERSVILLE, INDIANA**

PLAN 016

Statements of Changes in Net Assets Available For Benefits

For the Years Ended April 30, 2010 and 2009

	<u>April 30, 2010</u>	<u>April 30, 2009</u>
Employer contributions	\$ 2,751,878	\$ 3,607,710
Net investment gain from Master Trust Investment Accounts	4,701,037	-
Other income	<u>14,494</u>	<u>870</u>
Total additions to net assets	<u>7,467,409</u>	<u>3,608,580</u>
Net investment loss from Master Trust Investment Accounts	-	4,936,512
Benefit payments	1,585,755	1,665,638
General and administrative expenses	<u>250,001</u>	<u>199,754</u>
Total deductions from net assets	<u>1,835,756</u>	<u>6,801,904</u>
INCREASE (DECREASE) IN NET ASSETS	5,631,653	(3,193,324)
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year	<u>17,288,034</u>	<u>20,481,358</u>
End of year	<u><u>\$ 22,919,687</u></u>	<u><u>\$ 17,288,034</u></u>

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

DRESSER, INC.
PENSION PLAN FOR UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL
IMPLEMENT WORKERS OF AMERICA, LOCAL 1118 OF ROOTS BLOWER DIVISION,
CONNERSVILLE, INDIANA
PLAN 016
NOTES TO FINANCIAL STATEMENTS
April 30, 2010 and 2009

1. Summary of Significant Accounting Policies

Basis of Reporting

The Plan's financial statements are prepared according to accounting principles generally accepted in the United States of America.

Valuation of Investments

Investments are valued at fair value as quoted by the trustee. Fair value is the 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 9 for further discussion of fair value measurements.

Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect certain reported amounts of assets, liabilities, and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Accordingly, actual results could differ from those estimates.

Risks and Uncertainties

The Plan invests in various investment securities. 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, it is at least reasonably possible that changes in the values of

investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Income Tax Status

The Plan obtained its latest determination letter on July 24, 2003, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The plan administrator and legal counsel believe that the Plan is currently designed and operating in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Subsequent Events

In accordance with FASB ASC 855, *Subsequent Events*, management has reviewed subsequent events through February 4, 2011 the date the report was available to be issued. See Note 10 for a discussion of the subsequent events that were identified.

2. Description of the Plan

The following description of the Plan provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions. Copies of the plan document are available from Dresser, Inc.

General

The Plan is a noncontributory defined benefit pension plan. It provides coverage for pension, disability, and preretirement death benefits for virtually all employees of the Roots Blower Division of Dresser, Inc. who are represented by the United Automobile, Aerospace and Agricultural Implement Workers of America, Local 1118 at Connersville, Indiana. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Establishment

On September 29, 1998, the Plan became sponsored by Halliburton Company ("Halliburton") (the "former" sponsor) when Halliburton completed an acquisition of Dresser Industries, Inc. ("Dresser") pursuant to an agreement and plan merger (the "Merger") dated February 25, 1998. Prior to the Merger, the Plan was sponsored by Dresser.

Effective May 1, 1999, the Plan's investments were invested in the Halliburton Company Employee Benefit Master Trust (the "former Master Trust") at State Street Bank and Trust Company (the "Trustee").

On April 10, 2001, Halliburton divested itself from Dresser pursuant to an agreement dated January 30, 2001. Effective on this date, Dresser, Inc. took over as sponsor of the Plan. Also at this time, the name of the Plan was changed from Dresser Industries, Inc. Pension Plan for United Automobile, Aerospace & Agricultural Implement Workers of America, Local 1118 of Roots Blower Division, Connersville, Indiana - Plan 016 to Dresser, Inc. Pension Plan for United Automobile, Aerospace & Agricultural Implement Workers of America, Local 1118 of Roots Blower Division, Connersville, Indiana - Plan 016. On December 17, 2001, Dresser, Inc. established the Dresser, Inc. Master Trust (the "current Master Trust") and the Plan's assets were transferred into it. The Trustee remained the same.

Administration

The Plan is administered by an Employee Benefits Committee appointed by the Board of Directors of Dresser, Inc. The committee is generally responsible for administering the Plan, maintaining eligibility records of participants in the Plan, authorizing payment of administrative expenses, processing benefit claims and authorizing payment of benefits.

Eligibility

Employees become eligible for participation on their first anniversary of employment.

Vesting

The Plan provides for 100 percent vesting at the end of 5 years of vested service.

Benefit Provisions

The Plan provides benefits for normal and early retirement. The normal form of benefit payment for a single participant is a monthly life only benefit. The normal form of benefit

payment for a married participant is a 50 percent joint and survivor benefit, in which an employee receives a monthly benefit payment until death, at which time the surviving spouse begins receiving 50 percent of the benefit until death. In addition, the Plan provides certain death benefits in the event of the death of an employee prior to retirement.

Contributions

Dresser, Inc. contributes to the trust fund such amounts deemed necessary based on actuarial computations to provide assets to meet anticipated future benefits to be paid from the Plan to its participants. Participating employees are not required or permitted to make contributions to the Plan. The Plan meets the minimum funding requirements as prescribed by ERISA.

Plan Termination

While Dresser, Inc. does not currently intend to terminate the Plan or to permanently discontinue contributions, they may discontinue such contributions, and they may terminate the Plan. If terminated, net assets of the Plan would be distributed to participants and beneficiaries as prescribed by the terms of the Plan in accordance with ERISA. Whether a particular participant's accumulated plan benefits will be paid depends on both the priority of those benefits and the level of benefits guaranteed by the Pension Benefit Guaranty Corporation ("PBGC") at that time. Some benefits may be fully or partially provided for by the then existing assets and the PBGC guaranty while other benefits may not be provided at all. In the case of termination, if assets of the Plan are sufficient to provide all accumulated plan benefits, then net assets in excess of accumulated plan benefits would be returned to Dresser, Inc.

3. Actuarial Assumptions

The more significant assumptions underlying the actuarial computations made by the consulting actuary, Towers Perrin, for plan years beginning May 1, 2009 and 2008 are as follows:

	<u>May 1, 2009</u>	<u>May 1, 2008</u>
Actuarial Methods		
Pension Cost:		
Service cost & projected benefit obligation	Projected unit credit	Projected unit credit
Market-related value of assets	4-year smoothing of asset gains and losses	4-year smoothing of asset gains and losses

Contributions:

Funding target & target normal cost	Present value of accrued benefits	Present value of accrued benefits
Normal cost & actuarial accrued liability	N/A	N/A
Actuarial value of assets	The average asset value must be within 10% of fair value, including contributions receivable at the current valuation date.	The average asset value must be within 10% of fair value, including contributions receivable at the current valuation date.

Economic Assumptions

Interest rates:

Pension costs:

Discount rate	5.84%	6.46%
Return on assets	8.00%	8.00%

Contributions:

Discount rate	8.00%	8.25%
Current liability RPA '94	Full corporate bond yield curve	Full corporate bond yield curve

Mortality Basis

Pension Cost and Contribution	IRS Proposed Pre and Post Retirement 2009 Static Tables. See Plan document. RP-2000 Blue Collar with mortality improvements projected to 2010 using the AA Scale. See Plan document.	IRS Proposed Pre and Post Retirement 2008 Static Tables. See Plan document.
Retirement	Age 65 with 5 years of service	Age 65 with 5 years of service

The actuarial present value of accumulated plan benefits as of May 1, 2009 and 2008:

	<u>May 1, 2009</u>	<u>May 1, 2008</u>
Vested benefits of participants currently receiving payments	\$ 13,704,543	\$ 12,790,482
Other vested benefits	7,484,770	7,105,338
Nonvested benefits	<u>632,241</u>	<u>635,953</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 21,821,554</u>	<u>\$ 20,531,773</u>

The change in the actuarial present value of accumulated plan benefits from May 1, 2008 to May 1, 2009, is as follows:

Actuarial present value of accumulated plan benefits at May 1, 2008	\$ 20,531,773
Plan amendments	115,942
Changes in actuarial assumptions	465,256
Benefits accumulated	747,696
Passage of time (interest)	1,626,525
Benefits paid	<u>(1,665,638)</u>
Net increase in accumulated plan benefits	<u>1,289,781</u>
Actuarial present value of accumulated plan benefits at May 1, 2009	<u>\$ 21,821,554</u>

4. Investment in Master Trust

The Master Trust invests plan assets in short term investments, registered investment companies and common collective trusts. The Master Trust maintains these investments for all of Dresser, Inc.'s pension plans and each plan has an undivided interest in trust investments. Ownership of plan assets is represented as proportionate dollar units of participation which is determined each quarter by the Trustee based upon initial plan participation and adjusted for plan contributions, plan benefit payments, and plan administrative expenses.

5. Investments and Transactions Certified by the Trustee

The investment in the Master Trust at April 30, 2010 and 2009 and certain other transactions for the years then ended, certified as complete and accurate by the Trustee, are summarized as follows:

	<u>April 30, 2010</u>	<u>April 30, 2009</u>
Investment:		
Estimated cost	\$ 18,732,415	\$ 13,661,973
Market value	\$ 22,711,742	\$ 14,307,574
Units of participation	22,711,742	14,307,574
Net investment gain (loss) from Master Trust Investment Accounts	\$ 4,701,037	\$ (4,936,512)
Other income	\$ 14,494	\$ 870

The total investments of the Master Trust at April 30, 2010, as certified by the Trustee, are as follows:

	<u>Cost</u>	<u>Market</u>
Cash and cash equivalents	\$ 1,878,526	\$ 1,878,526
Treasury Inflation Protection Fund	6,865,598	8,746,973
Daily Emerging Markets Index	3,705,393	6,020,256
Diversified Large Cap Growth	33,770,096	38,556,213 *
Diversified Large Cap Value	31,383,390	38,896,128 *
Diversified International Equity	18,547,567	22,784,515 *
Diversified Small Cap Fund	13,760,561	16,401,545 *
Diversified US Bond Fund	30,375,833	39,462,108 *
Long US Government Index Fund	2,713,743	2,782,639
Long US Government Credit Bond Index	9,186,649	10,637,099 *
REIT Index Fund	4,577,006	4,737,417
US Tips Index NL Fund	4,477,956	4,591,601
Total investments of the Master Trust	<u>\$ 161,242,318</u>	<u>\$ 195,495,020</u>
Interest of the Plan in the Master Trust	<u>\$ 18,732,415</u>	<u>\$ 22,711,742</u>

* Represents 5 percent or more of the net assets of the Master Trust at fair value.

The allocated share of the investments of the Plan in the current Master Trust at April 30, 2010 is 11.6175551 percent.

The total investments of the Master Trust at April 30, 2009, as certified by the Trustee, are as follows:

	<u>Cost</u>	<u>Market</u>
Cash and cash equivalents	\$ 2,317,960	\$ 2,317,960
Treasury Inflation Protection Fund	10,051,375	11,508,419 *
Daily Emerging Markets Index	3,505,393	3,717,116
Diversified Large Cap Growth	29,351,074	25,871,545 *
Diversified Large Cap Value	26,836,945	25,618,279 *
Diversified International Equity	13,497,303	15,591,840 *
Diversified Small Cap Fund	11,266,465	10,019,818 *
Diversified US Bond Fund	21,359,989	30,925,508 *
Long US Government Credit Bond Index	10,532,087	11,263,196 *
REIT Index Fund	<u>4,577,006</u>	<u>2,760,842</u>
Total investments of the Master Trust	<u>\$ 133,295,597</u>	<u>\$ 139,594,523</u>
Interest of the Plan in the Master Trust	<u>\$ 13,661,973</u>	<u>\$ 14,307,574</u>

* Represents 5 percent or more of the net assets of the Master Trust at fair value.

The allocated share of the investments of the Plan in the current Master Trust at April 30, 2008 is 10.2493807 percent.

The net investment gain (loss) for the Master Trust during the year ended April 30, 2010 and 2009, as certified by the Trustee, was derived from and composed of the following:

	<u>April 30, 2010</u>	<u>April 30, 2009</u>
Interest and dividend income	\$ 5,913	\$ 19,834
Net realized gain on the sale of investments	14,226,155	2,362,413
Net unrealized appreciation (depreciation) in market value of investments	<u>27,953,776</u>	<u>(49,501,523)</u>
Total investment gain (loss)	<u>\$ 42,185,844</u>	<u>\$ (47,119,276)</u>
Net investment gain (loss) allocated to the Plan	<u>\$ 4,701,037</u>	<u>\$ (4,936,512)</u>

6. Net Investment Gain (Loss) from Master Trust Investment Accounts

The net investment gain (loss) from Master Trust investment accounts is composed of the following:

	<u>April 30, 2010</u>	<u>April 30, 2009</u>
Interest and dividends	\$ 665	\$ 2,067
Realized gains	1,659,146	244,511
Unrealized gains (losses)	<u>3,041,226</u>	<u>(5,183,090)</u>
Net investment gain (loss)	<u>\$ 4,701,037</u>	<u>\$ (4,936,512)</u>

7. Party-in-Interest Transactions

Plan investments are managed by State Street Bank and Trust Company. State Street Bank and Trust Company is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan for the services of State Street Bank and Trust Company amounted to \$97,678 and \$95,608 for the years ended April 30, 2010 and 2009, respectively.

8. Reportable Transactions

A schedule of reportable transactions has not been presented because there are no reportable transactions which require presentation under ERISA Section 2520.103-6.

9. Fair Value Measurements

FASB ASC 820-10 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. 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 under FASB ASC 820-10 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.

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 for assets measured at fair value. There have been no changes in the methodologies used at April 30, 2010 and 2009.

Short term investments: Stated at amortized cost.

Investments in registered investment companies: Valued at their respective net asset value per share/unit on the valuation date.

Investments in common collective trusts: Valued at their respective net asset value per share/unit on the valuation date.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although 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.

The following table sets forth by level, within the fair value hierarchy, the Master Trust's assets at fair value as of April 30, 2010 and 2009:

Assets at Fair Value as of April 30, 2010				
	Level 1	Level 2	Level 3	Total
Short term investments	\$ -	\$ 1,878,526	\$ -	\$ 1,878,526
Investments in registered investment companies	-	13,419,738	-	13,419,738
Investments in common collective trust	-	180,196,756	-	180,196,756
Total assets at fair value	\$ -	\$ 195,495,020	\$ -	\$ 195,495,020

Assets at Fair Value as of April 30, 2009				
	Level 1	Level 2	Level 3	Total
Short term investments	\$ -	\$ 2,317,960	\$ -	\$ 2,317,960
Investments in registered investment companies	-	11,263,196	-	11,263,196
Investments in common collective trust	-	126,013,367	-	126,013,367
Total assets at fair value	\$ -	\$ 139,594,523	\$ -	\$ 139,594,523

10. Subsequent Events

Investment Funds

In March of 2009, the Plan's investment manager, State Street Global Advisors ("SSgA"), notified Dresser, Inc. that as a result of the illiquidity in the credit markets, certain limitations were placed on withdrawals from specific investment funds that permit securities lending. For Dresser, Inc.'s plans, these funds represent approximately 9 percent and 10 percent of the April 30, 2010 and December 31, 2009 total plan assets of \$195 million and \$188 million, respectively. None of the securities in these funds were in default or considered to be impaired at any time. The Employee Benefits Committee declared that all future contributions to the Master Trust will not be invested in funds that use similar investment methodologies.

SSgA notified Dresser Inc. in July of 2010 that the limitations over SSgA's securities lending funds would be lifted in August of 2010 and withdrawals from the funds could be made in accordance with pre March 2009 rules. Effective August 31, 2010 all holdings in the Master Trust exposed to securities lending were liquidated and reallocated to corresponding SSgA passive index strategies.

Acquisition

On February 1, 2011 General Electric Company announced the completion of the acquisition of Dresser, Inc. This acquisition should have no impact on the operation of the Plan.

Dresser, Inc.

Pension Plan for United Automobile, Aerospace and Agricultural Implement Workers of America Local No. 1118 of Roots Blower Division, Connersville, Indiana

EIN: 75-2795365 / PN 016

Schedule SB, Line 26 – Schedule of Active Participant Data

Connersville (016)											
Schedule of Active Participant Data											
Total Years of Credited Service											
Attained Age		<1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up
<25	Count	0	2	0	0	0	0	0	0	0	0
25 to 29	Count	0	3	0	0	0	0	0	0	0	0
30 to 34	Count	3	5	0	0	0	0	0	0	0	0
35 to 39	Count	0	5	0	1	2	0	0	0	0	0
40 to 44	Count	0	3	0	0	3	1	0	0	0	0
45 to 49	Count	2	4	0	0	3	1	1	0	0	0
50 to 54	Count	0	3	0	0	3	1	0	14	7	0
55 to 59	Count	1	2	0	0	1	1	1	9	12	0
60 to 64	Count	0	1	0	0	0	1	0	4	4	8
65 to 69	Count	0	0	0	0	0	0	0	0	0	1
70 & up	Count	0	0	0	0	0	0	0	0	0	0

Actuarial Assumptions and Methods

Economic Assumptions

Funding interest rate basis:

▶ Applicable month	April 2009
▶ Yield curve basis	Full yield curve
▶ Transition from current liability rates	N/A

Funding interest rates:

▶ First segment rate (10-year rate)	7.52%
▶ Second segment rate (20-year rate)	7.68%
▶ Third segment rate (30-year rate)	7.81%
▶ Effective interest rate	

Plan No.

002	7.41%
006	7.48%
016	7.43%
067	7.46%
075	7.47%
158	7.46%
164	7.44%
169	7.46%

Demographic and Other Assumptions

Mortality for contributions:

- ▶ Healthy
- ▶ Disabled

IRS Proposed Pre and Post Retirement 2009 Static Tables

Alternative disabled life mortality tables as defined under Revenue Ruling 96-7
(Dresser Disabled Mortality Table C)

Age	Rate
25	46.700
40	46.800
55	62.800
70	103.600

Termination

Rates varying by age and service

Representative rates:

Sample Rates per 1,000:

<i>Hourly:</i>	Age		
	25	154	
	40	41	
	55	26	
<i>Plan 164:</i>	Age	Male	Female
	25	113	155
	40	53	73
	55	19	27

Dresser, Inc.

Pension Plan for United Automobile, Aerospace and Agricultural Implement Workers of America Local No. 1118 of Roots Blower Division, Connersville, Indiana

EIN: 75-2795365 / PN 016

Schedule SB, Part V – Actuarial Assumptions and Methods

Retirement

The rate set forth in Table A as follows:

Plan No.	Rate Set
002	3
006	3
016	4
067	3
075	3
158	*
164	5
169	1

* Plan 158: Earlier of (1) age 62 and the completion of 20 years of Participation Service or (2) age 65 and the completion of 5 years of Participation Service.

Dresser, Inc.

Pension Plan for United Automobile, Aerospace and Agricultural Implement Workers of America Local No. 1118 of Roots Blower Division, Connersville, Indiana

EIN: 75-2795365 / PN 016

Schedule SB, Part V – Actuarial Assumptions and Methods

Table A
Retirement Rates

Retirement Rate Set Number						
	1	2	3	4	5	
<u>Age</u>	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>	
50	0.0272	0.0272	--	--	--	
51	0.0272	0.0272	--	--	--	
52	0.0264	0.0264	--	--	--	
53	0.0264	0.0264	--	--	--	
54	0.0256	0.0256	--	--	--	
55	0.0256	0.0256	0.0256	0.0256	0.0400	
56	0.0248	0.0248	0.0248	0.0248	0.0417	
57	0.0248	0.0248	0.0248	0.0248	0.0435	
58	0.0248	0.0248	0.0248	0.0248	0.0455	
59	0.0240	0.0240	0.0240	0.0240	0.0476	
60	0.0240	0.0240	0.0240	0.0240	0.0625	
61	0.0232	0.0232	0.0232	0.0232	0.0667	
62	1.0000	0.0232	0.0232	0.5000	0.1714	
63	1.0000	1.0000	1.0000	1.0000	0.1552	
64	1.0000	1.0000	1.0000	1.0000	0.1224	
65	1.0000	1.0000	1.0000	1.0000	0.8837	
66	1.0000	1.0000	1.0000	1.0000	0.2000	
67	1.0000	1.0000	1.0000	1.0000	0.2500	
68	1.0000	1.0000	1.0000	1.0000	0.3333	
69	1.0000	1.0000	1.0000	1.0000	0.5000	
70	1.0000	1.0000	1.0000	1.0000	1.0000	

Disability

Sample Rates per 1,000:

<i>Hourly:</i>	<i>Age</i>	
	25	0.3
	40	0.7
	55	3.6

Plan 164: None

* Plan 158: Earlier of (1) age 62 and the completion of 20 years of Participation Service or (2) age 65 and the completion of 5 years of Participation Service.

Benefit commencement date:

- ▶ Preretirement death benefit
- ▶ Deferred vested benefit
- ▶ Disability benefit
- ▶ Retirement benefit

The later of the death of the active participant or the date the participant would have attained age 55

The later of age 55 or termination of employment

Upon disablement

Upon termination of employment

Lump sum option for Plan 164

90% of participants assumed to elect lump sum option for the pre-May 1, 1986 portion of the benefit. The lump sum is calculated using the applicable valuation year segment rates (with no transition) and 417e mortality.

Form of payment

Life only

Percent married

85% of males; 85% of females

Spouse age

Wife three years younger than husband

Covered pay

Rate of pay as of the valuation date

Administrative expense:

Actual expenses for prior plan year.

Loadings

Liability for benefits for death between termination or disability and commencement are approximated by a 2% load on the liability for termination and disability benefits.

Special at-risk assumptions

Not applicable.

Cash flows for pension cost purposes:

- ▶ Amount and timing of contributions Contributions are made on the last day required to meet quarterly and minimum funding requirements.
- ▶ Timing of benefit payments Annuity payments are payable monthly and lump sum payments are payable on the date of decrement.

Methods

Contributions:

- ▶ Valuation date May 1, 2009
- ▶ Funding target and target normal cost Present value of accrued benefits
- ▶ Actuarial value of assets Average of the fair market value of assets on the valuation date and the two immediately preceding valuation dates, adjusted for contributions, benefits, administrative expenses and expected earnings. The average asset value must be within 10% of fair value, including contributions receivable.

The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years.

Benefits not Valued

All benefits described in the Plan Provisions section of this report were valued. Towers Watson has reviewed the plan provisions with Dresser Incorporated and, based on that review, is not aware of any significant benefits required to be valued that were not.

Change in Assumptions and Methods Since Prior Valuation

Contributions

The funding interest rate was changed from the full corporate bond yield curve as of May 2008 to the full corporate bond yield curve as of April 2009 as provided under the Pension Protection Act of 2006 (PPA).

The required mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvements.

Data Sources

Towers Watson used asset data supplied by the trustee. Dresser Incorporated, furnished participant data as of the valuation date. Dresser Incorporated also provided the dates and amounts of the 2009 contributions that will be paid in 2010, the postretirement benefit asset, postretirement benefit liability and amounts recognized in accumulated other comprehensive income as of December 31, 2009. Data were reviewed for reasonableness and consistency, but no audit was performed. Assumptions or estimates were made when data were not available. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

Dresser Incorporated, furnished additional data for the Connersville and Waukesha structured layoffs at year end.

PLAN PROVISIONS FOR CONNERSVILLE 1118—AUTO, AEROSPACE, AND AGRICULTURAL (PLAN 016)

Effective Date of Plan	January 2, 1953.
Effective Date of Plan Provisions	November 1, 1993.
Covered Employees	Any hourly-paid employee, except a leased employee, who is a member of the bargaining unit represented by the Union, and who is employed at the Connersville, Indiana location of the employer hired before November 1, 2008.
Participation Date	A covered employee shall become a participant in this plan on the first anniversary of the employee's employment commencement date if the employee was hired before November 1, 2008.
Participation service	The elapsed time period of employment. Participation service is used to determine vesting and eligibility for benefits.
Benefit accrual service	The elapsed time period of employment. Benefit accrual service is used to determine the amount of benefit payable to or on behalf of a participant.
Normal Retirement Date	The last day of the calendar month during which a participant has both attained age 65 and has either (i) reached the fifth anniversary of the participation in the Plan or (ii) completed at least five (5) years of participation service.
Monthly Accrued Benefit	Multiplier (as defined below) times the years of benefit accrual service, considering only full months, not in excess of 41 years. The multiplier is equal to (i) \$27.25 if the participant's date of termination is on or after November 1, 1993, but prior to November 30, 2005; (ii) \$30.25 if the participant's date of termination is on or after November 30, 2005, but prior to November 1, 2008 (iii) \$31.25 if the participant's date of termination is on or after November 1, 2008. Service after November 1, 2009 will be multiplied by \$33.25. The monthly accrued benefit of any participant with 5 or more years of benefit accrual service shall be at least equal to 10 times the benefit rate in effect on the normal retirement date.

Actuarial Equivalence for conversion to all other optional forms	1971 Group Annuity Mortality to be weighted 90% male and 10% female and a 5% interest rate
Optional forms of payment	75%, 50% Joint & Survivor annuity, a life annuity
Eligibility for Benefits	
Normal Retirement	Retirement on or after NRD.
Early Retirement	Retirement between age 60 and age 65 after completing at least 10 years of participation service.
Deferred Vested	Termination for reasons other than death, disability, or retirement after completing 5 years of participation service.
Disability retirement	Become totally and permanently disabled prior to attainment of age 65 with at least 10 years of participation service.
Preretirement spouse benefit	Death of a participant while eligible for normal, early, or deferred vested retirement benefits, with a surviving spouse.
Monthly Benefits Paid Upon the Following Events	
Normal Retirement	Monthly accrued benefit determined as of NRD.
Early Retirement	Monthly accrued benefit determined as of early retirement date reduced by 1/180 for each complete month by which the participant is less than 65 years of age at the annuity starting date, if the participant is less than age 62 on his annuity starting date. This reduction shall not be greater than an alternative actuarial reduction.
Termination with deferred vested benefit	Monthly accrued benefit based on the benefit accrual service as of the date of termination.
Disability Retirement	Monthly accrued benefit based on the benefit accrual service as of the disability retirement date.
Death with preretirement spouse benefits	50% of the monthly reduced benefit to which the Participant would have been entitled under immediate retirement provisions.
Normal form of payment	Actuarially equivalent 50% joint and contingent annuity if married on the date payments commence;

life annuity if single.

Maximum on benefits and pay

All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective.

Future Plan Changes

The ultimate benefit accrual rate was used to calculate liabilities for determining pension cost.

Changes in Plan Provisions Since Prior Year

The ultimate benefit accrual rate increased from \$30.25 to \$31.25 for all past service. The benefit accrual rate increases to \$33.25 for future service after November 1, 2009. The maximum years of service increased from 40 years to 41 years. The plan was frozen to new entrants as of November 1, 2008 and current participants were given a choice of the current plan or a 401(k) plan.

Schedule SB, line 32 - Schedule of Amortization Bases

PN: 016

[illegible]

Dresser, Inc.
Schedule SB, line 19 - Discounted Employer Contributions
EIN: 75-2795365 / PN 016

Plan Year period: 5/1/2009 through 4/30/2010
 Effective Interest rate 7.43380%
 Late Interest Charge rate 12.43380%

Date Made	Plan Year Begin	Contribution Amount	Charge Period	Contribution Amount Adjusted for Late Payment	Discounting Period	Discounted Contribution Amount
8/20/2009	5/1/2009	207,945	0.01370	207,611	0.29041	203,333
11/13/2009	5/1/2009	207,945	0.00000	207,945	0.53699	200,090
11/17/2009	5/1/2009	407,830	0.00000	407,830	0.54795	392,117
12/30/2009	5/1/2009	1,512,268	0.00000	1,512,268	0.66575	1,441,772
2/16/2010	5/1/2009	207,945	0.00000	207,945	0.79726	196,391
5/14/2010	5/1/2009	207,945	0.00000	207,945	1.03562	193,063
Total		2,751,878		2,751,544		2,626,766

Schedule SB, line 25 – Change in Funding Method

Dresser, Inc.

Pension Plan for International Association of Machinists and Aerospace Workers, AFL-CIO, Local 2518

Dresser Valve and Controls Division, Alexandria, Louisiana

EIN 75-2795365 PN 016

Aspect of the Valuation	Old	New
Valuation Interest Rate	IRS prescribed full yield curve, based on bond yields for May 2008	IRS prescribed full yield curve, based on bond yields for April 2009
Valuation Mortality Table	The “static” annuitant and non-annuitant mortality tables prescribed by the IRS for the plan year, per Reg. 1.430(h)(3)-1(e)	The “static” annuitant and non-annuitant mortality tables prescribed by the IRS for the plan year, per Reg. 1.430(h)(3)-1(e)
Expected Administrative Expenses Loading for Target Normal Cost	None	Current year expected administrative expenses are assumed to be equal to last year’s actual expenses

The valuation software used to produce the actuarial information submitted on this schedule has been refined to reflect evolving understanding of PPA requirements, and such modifications may be considered to be a method change. The percentage changes in funding target, target normal cost and plan assets due to the refinements in the software are each less than 2% (disregarding the effects of any changes that are automatically approved under final IRC 430 regulations), and the modifications to the software were designed to produce results no less accurate than the results produced by the software prior to the change. Therefore the change in funding method due to a change in valuation software receives automatic approval under IRS Announcement 2010-3.

NOTE: Under section 430 and regulatory guidance to date, some aspects of a valuation that have not previously been viewed as funding methods are now treated as funding methods by the IRS. An example is the valuation interest rate: the plan sponsor’s selection among the various prescribed interest-rate approaches is now treated as a funding method. Note also that it is not yet always clear which aspects of the valuation are now viewed as funding methods under section 430 and regulatory guidance to date. For example, it is not clear if the sponsor’s choice among prescribed mortality tables is viewed as a funding method or not. Pending further guidance from the IRS, the summary above takes a comprehensive approach and describes key changes that have been made, whether they are clearly funding methods or not (other than changes in non-prescribed assumptions, which are covered in the attachment for line 24). To the degree that the items above are funding methods, the changes are not inconsistent with the requirements of Code Section 430, and thus do not need IRS approval.

**Schedule SB, line 22 – Description of Weighted Average Retirement Age
Plan Year May 1, 2009 to April 30, 2010**

Dresser, Inc.

Pension Plan for United Automobile, Aerospace and Agricultural Implement Workers
of America Local No. 1118 of Roots Blower Division, Connersville, Indiana
EIN: 75-2795365 / PN 016

Age	Rate
55	2.56%
56	2.48
57	2.48
58	2.48
59	2.40
60	2.40
61	2.32
62	50.00
63	100.00

Weighted average retirement age: 62

As shown on Line 22 of the Schedule SB, the weighted average retirement age is 62. The weighted average retirement ages were weighted in proportion to the probability that an active participant under age 55 would remain an active participant to each age and then retire at that age. When determining the probability of remaining an active participant to a given age, only the retirement decrement assumption was taken into consideration.

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 <div style="text-align: center; font-size: 1.2em;">2009</div> This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning 05/01/2009 and ending 04/30/2010

► **Round off amounts to nearest dollar.**

► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan PENSION PLAN FOR UNITED AUTO, AEROSPACE & AGRICULT	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">B Three-digit plan number (PN) ►</td> <td style="width: 40%; text-align: center;">016</td> </tr> <tr> <td colspan="2" style="height: 20px;"></td> </tr> </table>	B Three-digit plan number (PN) ►	016		
B Three-digit plan number (PN) ►	016				
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF DRESSER, INC.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>D Employer Identification Number (EIN) 75-2795365</td> </tr> </table>	D Employer Identification Number (EIN) 75-2795365			
D Employer Identification Number (EIN) 75-2795365					

E Type of plan:	☒ Single	☐ Multiple-A	☐ Multiple-B	F Prior year plan size:	☐ 100 or fewer	☐ 101-500	☒ More than 500
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Part I Basic Information

1 Enter the valuation date: Month <u>05</u> Day <u>01</u> Year <u>2009</u>			
2 Assets:			
a Market value	2a	17244489	
b Actuarial value	2b	18968938	
3 Funding target/participant count breakdown	(1) Number of participants		(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	263	14827787
b For terminated vested participants	3b	147	3502027
c For active participants:			
(1) Non-vested benefits	3c(1)		532542
(2) Vested benefits	3c(2)		4743248
(3) Total active	3c(3)	113	5275790
d Total	3d	523	23605604
4 If the plan is at-risk, check the box and complete items (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	7.43 %	
6 Target normal cost	6	334040	

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	Carla Libby <i>CL</i> _____ Signature of actuary	<div style="text-align: right; font-size: 1.2em;">2/11/2011</div> _____ Date
	CARLA LIBBY, A.S.A. _____ Type or print name of actuary	<div style="text-align: right;">08-05201</div> _____ Most recent enrollment number
	TOWERS WATSON PENNSYLVANIA INC. _____ Firm name	<div style="text-align: right;">214-530-4200</div> _____ Telephone number (including area code)
	500 NORTH AKARD, SUITE 4100 DALLAS TX 75201-6661 _____ Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF. Schedule SB (Form 5500) 2009 v.092308.1

Part II Beginning of year carryover and prefunding balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	0	0
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9 Amount remaining (Item 7 minus item 8)	0	0
10 Interest on item 9 using prior year's actual return of <u>-24.84</u> %		
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		2537915
b Interest on (a) using prior year's effective rate of <u>6.35</u> %		161158
c Total available at beginning of current plan year to add to prefunding balance		2699073
d Portion of (c) to be added to prefunding balance		0
12 Reduction in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	0	0

Part III Funding percentages

14 Funding target attainment percentage	14	80.35 %
15 Adjusted funding target attainment percentage	15	80.35 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	83.59 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
08/20/2009	207945				
11/13/2009	207945				
11/17/2009	407830				
12/30/2009	1512268				
02/16/2010	207945				
05/14/2010	207945				
Totals ▶			18(b)	2751878	18(c)

19 Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contribution from prior years	19a	0
b Contributions made to avoid benefit restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	2626766

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year?	☒ Yes	☐ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes	☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:		

Liquidity shortfall as of end of Quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				☒ N/A, full yield curve used
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	
b Applicable month (enter code)				21b 1
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions)	Prescribed -- combined	☒ Prescribed -- separate	Substitute	

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	☐ Yes	☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment	☒ Yes	☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	☒ Yes	☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	27	

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	31	334040
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	4636666	868250
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month Day Year) and the waived amount.	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)	34	1202290
35 Balances used to offset funding requirement	Carryover balance	Prefunding balance
	0	0
36 Additional cash requirement (item 34 minus item 35)	36	1202290
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (item 19c)	37	2626766
38 Interest-adjusted excess contributions for current year (see instructions)	38	1424476
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	39	0
40 Unpaid minimum required contribution for all years	40	0