

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), 6057(b), 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
		2011
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</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>F.B. LEOPOLD COMPANY, INC. RETIREMENT SAVINGS PLAN</u>	1b Three-digit plan number (PN) ► <u>005</u> 1c Effective date of plan <u>03/22/2004</u>
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>XYLEM INC. C/O XYLEM WATER SOLUTIONS ZELIENOPLE LLC</u> <u>1133 WESTCHESTER AVENUE</u> <u>WHITE PLAINS, NY 10604</u>	2b Employer Identification Number (EIN) <u>36-3193091</u> 2c Sponsor's telephone number <u>914-323-5700</u> 2d Business code (see instructions) <u>333900</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>10/08/2012</u>	<u>SHERRI MAGILL</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 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") XYLEM INC. C/O XYLEM WATER SOLUTIONS ZELIENOPLE LLC 1133 WESTCHESTER AVENUE WHITE PLAINS, NY 10604	3b Administrator's EIN 36-3193091 3c Administrator's telephone number 914-323-5700
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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 ITT CORPORATION C/O F.B. LEOPOLD COMPANY, INC.	4b EIN 36-3193091 4c PN 005	
5 Total number of participants at the beginning of the plan year	5	109
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	84
b Retired or separated participants receiving benefits.....	6b	1
c Other retired or separated participants entitled to future benefits.....	6c	15
d Subtotal. Add lines 6a , 6b , and 6c	6d	100
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	100
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	100
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 3D 3H

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

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance 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. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2011 This Form is Open to Public Inspection
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011		
A Name of plan F.B. LEOPOLD COMPANY, INC. RETIREMENT SAVINGS PLAN	B Three-digit plan number (PN) ▶	005
C Plan sponsor's name as shown on line 2a of Form 5500 XYLEM INC. C/O XYLEM WATER SOLUTIONS ZELIENOPLE LLC	D Employer Identification Number (EIN) 36-3193091	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
TRANSAMERICA FINANCIAL LIFE INSURANCE CO.

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
36-6071399	70688	QK62115	100	01/01/2011	12/31/2011

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	2819400
5 Current value of plan's interest under this contract in separate accounts at year end	5	5211579

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☒ guaranteed investment (4) ☐ other ▶

b Balance at the end of the previous year	7b	2742773
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c Additions: (1) Contributions deposited during the year	7c(1)	9497	
(2) Dividends and credits	7c(2)		
(3) Interest credited during the year	7c(3)	71431	
(4) Transferred from separate account	7c(4)	313325	
(5) Other (specify below)	7c(5)	15534	

(6) Total additions	7c(6)	409787
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d Total of balance and additions (add b and c(6))	7d	3152560
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e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	275499	
(2) Administration charge made by carrier	7e(2)	75	
(3) Transferred to separate account	7e(3)	11503	
(4) Other (specify below)	7e(4)	9949	

(5) Total deductions	7e(5)	297026
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f Balance at the end of the current year (subtract e(5) from d)	7f	2855534
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Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve.....	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged.....		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions.....	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs.....	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes.....	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges.....	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....		9d(1)	
(2) Claim reserves.....		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier.....	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount.	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

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
		2011
		This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan F.B. LEOPOLD COMPANY, INC. RETIREMENT SAVINGS PLAN	B Three-digit plan number (PN) ▶ 005
C Plan sponsor's name as shown on line 2a of Form 5500 XYLEM INC. C/O XYLEM WATER SOLUTIONS ZELIENOPLE LLC	D Employer Identification Number (EIN) 36-3193091

Part I Service Provider Information (see instructions)

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
DIVERSIFIED INVESTMENT ADVISORS

13-3689044

(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)

DIVERSIFIED RETIREMENT CORPORATION

13-3689044

(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?
12 15 28 37 38 50 54 59 61 62 63 64 65	RECORDKEEPER	600	Yes ☒ No ☐	Yes ☒ No ☐	0	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 ☐

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)

(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

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 2011 This Form is Open to Public Inspection.
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan <u>F.B. LEOPOLD COMPANY, INC. RETIREMENT SAVINGS PLAN</u>	B Three-digit plan number (PN) ► <u>005</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>XYLEM INC. C/O XYLEM WATER SOLUTIONS ZELIENOPLE LLC</u>	D Employer Identification Number (EIN) <u>36-3193091</u>

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)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>MONEY MARKET</u>			
b Name of sponsor of entity listed in (a): <u>TRANSAMERICA FINANCIAL LIFE INSURANCE CO.</u>			
c EIN-PN <u>36-6071399-016</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>131324</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>LARGE VALUE</u>			
b Name of sponsor of entity listed in (a): <u>TRANSAMERICA FINANCIAL LIFE INSURANCE CO.</u>			
c EIN-PN <u>36-6071399-007</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>510760</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>LARGE CORE</u>			
b Name of sponsor of entity listed in (a): <u>TRANSAMERICA FINANCIAL LIFE INSURANCE CO.</u>			
c EIN-PN <u>36-6071399-011</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>513341</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SMALL CORE</u>			
b Name of sponsor of entity listed in (a): <u>TRANSAMERICA FINANCIAL LIFE INSURANCE CO.</u>			
c EIN-PN <u>36-6071399-017</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>487395</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>INFLATION PROTECTED SECURITIES FUND</u>			
b Name of sponsor of entity listed in (a): <u>TRANSAMERICA FINANCIAL LIFE INSURANCE CO.</u>			
c EIN-PN <u>36-6071399-014</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>341281</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>SHORT HORIZON</u>			
b Name of sponsor of entity listed in (a): <u>TRANSAMERICA FINANCIAL LIFE INSURANCE CO.</u>			
c EIN-PN <u>36-6071399-025</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>71759</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>INTERMEDIATE HORIZON</u>			
b Name of sponsor of entity listed in (a): <u>TRANSAMERICA FINANCIAL LIFE INSURANCE CO.</u>			
c EIN-PN <u>36-6071399-022</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>412511</u>	

a Name of MTIA, CCT, PSA, or 103-12 IE: [INTERMEDIATE/LONG HORIZON](#)**b** Name of sponsor of entity listed in (a): [TRANSAMERICA FINANCIAL LIFE INSURANCE CO.](#)

c EIN-PN 36-6071399-024	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 345351
--	--	--

a Name of MTIA, CCT, PSA, or 103-12 IE: [LARGE GROWTH](#)**b** Name of sponsor of entity listed in (a): [TRANSAMERICA FINANCIAL LIFE INSURANCE CO.](#)

c EIN-PN 36-6071399-006	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 592294
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a Name of MTIA, CCT, PSA, or 103-12 IE: [STOCK INDEX](#)**b** Name of sponsor of entity listed in (a): [TRANSAMERICA FINANCIAL LIFE INSURANCE CO.](#)

c EIN-PN 36-6071399-021	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 496855
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a Name of MTIA, CCT, PSA, or 103-12 IE: [INTERNATIONAL FUND](#)**b** Name of sponsor of entity listed in (a): [TRANSAMERICA FINANCIAL LIFE INSURANCE CO.](#)

c EIN-PN 36-6071399-015	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 423509
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a Name of MTIA, CCT, PSA, or 103-12 IE: [CORE BOND](#)**b** Name of sponsor of entity listed in (a): [TRANSAMERICA FINANCIAL LIFE INSURANCE CO.](#)

c EIN-PN 36-6071399-010	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 417191
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a Name of MTIA, CCT, PSA, or 103-12 IE: [GOVERNMENT FIXED](#)**b** Name of sponsor of entity listed in (a): [TRANSAMERICA FINANCIAL LIFE INSURANCE CO.](#)

c EIN-PN 36-6071399-009	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 114227
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a Name of MTIA, CCT, PSA, or 103-12 IE: [SHORT INTERMEDIATE HORIZON](#)**b** Name of sponsor of entity listed in (a): [TRANSAMERICA FINANCIAL LIFE INSURANCE CO.](#)

c EIN-PN 36-6071399-026	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 120139
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a Name of MTIA, CCT, PSA, or 103-12 IE: [LONG HORIZON](#)**b** Name of sponsor of entity listed in (a): [TRANSAMERICA FINANCIAL LIFE INSURANCE CO.](#)

c EIN-PN 36-6071399-023	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 233642
--	--	--

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)
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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)
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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
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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**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
		2011
		This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011		
A Name of plan F.B. LEOPOLD COMPANY, INC. RETIREMENT SAVINGS PLAN	B Three-digit plan number (PN) ►	005
C Plan sponsor's name as shown on line 2a of Form 5500 XYLEM INC. C/O XYLEM WATER SOLUTIONS ZELIENOPLE LLC		
D Employer Identification Number (EIN) 36-3193091		

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)		
(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)	114720	117635
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)	6094080	5211579
(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)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	2742773	2819400
(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	8951573	8148614

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	8951573	8148614
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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) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	238	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)	39108	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		39346
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)	5410	
(F) Other	2b(1)(F)	91568	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		96978
(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)		0
(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)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		2270
(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)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		138594

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	912245	
(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)		912245
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		28708
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	600	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		600
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		941553

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-802959
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: **DELOITTE & TOUCHE LLP** (2) EIN: **13-3891517**

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		15000000
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.			
4n			

- 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)

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>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).</div> <div>▶ File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2011</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011		
A Name of plan F.B. LEOPOLD COMPANY, INC. RETIREMENT SAVINGS PLAN		B Three-digit plan number (PN) ▶ 005
C Plan sponsor's name as shown on line 2a of Form 5500 XYLEM INC. C/O XYLEM WATER SOLUTIONS ZELIENOPLE LLC		D Employer Identification Number (EIN) 36-3193091
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 0
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): 13-3689044		
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 (include any prior year accumulated funding deficiency not waived)		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 or other authority 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. 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) 2011 v.012611		

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 F.B. Leopold Company, Inc. Retirement Savings Plan

Financial Statements as of December 31, 2011 and
2010, and for the Year Ended December 31, 2011, and
Supplemental Schedule as of December 31, 2011, and
Independent Auditors' Report

THE F.B. LEOPOLD COMPANY, INC. RETIREMENT SAVINGS PLAN

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Note: All other schedules required by Section CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.	

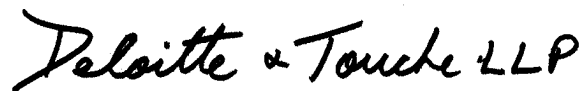
INDEPENDENT AUDITORS' REPORT

To the Trustee of and Participants in
F.B. Leopold Company, Inc. Retirement Savings Plan:

We were engaged to audit the financial statements and supplemental schedule of the F.B. Leopold Company, Inc. Retirement Savings Plan (the "Plan"), as of December 31, 2011 and 2010, and for the year ended December 31, 2011, listed in the table of contents. These financial statements and supplemental 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 information summarized in Note 4, 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 and 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 certifications from the trustee that the information as of December 31, 2011 and 2010, and for the year ended December 31, 2011, 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 express, and we do not express, an opinion on the accompanying financial statements and supplemental schedule. The supplemental schedule is presented for the purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplemental schedule, 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.



August 22, 2012

**THE F.B. LEOPOLD COMPANY, INC.
RETIREMENT SAVINGS PLAN**

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2011 AND 2010**

	2011	2010
ASSETS:		
Participant-directed investments at fair value	\$8,030,979	\$8,836,853
Notes receivable from participants	<u>150,035</u>	<u>118,412</u>
ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE	8,181,014	8,955,265
ADJUSTMENT FROM FAIR VALUE TO CONTRACT VALUE FOR FULLY BENEFIT-RESPONSIVE STABLE VALUE FUND	<u>18,160</u>	<u>38,662</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$8,199,174</u>	<u>\$8,993,927</u>

See accompanying notes to financial statements.

**THE F.B. LEOPOLD COMPANY, INC.
RETIREMENT SAVINGS PLAN**

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2011**

INVESTMENT INCOME — Net appreciation in fair value of investments	<u>\$ 73,336</u>
CONTRIBUTIONS:	
Employer	238
Rollover	<u>39,108</u>
Total contributions	<u>39,346</u>
INTEREST INCOME ON NOTES RECEIVABLE FROM PARTICIPANTS	<u>5,410</u>
DEDUCTIONS:	
Benefits paid to participants	(912,245)
Administrative expenses	<u>(600)</u>
Total deductions	<u>(912,845)</u>
DECREASE IN NET ASSETS AVAILABLE FOR BENEFITS	(794,753)
NET ASSETS AVAILABLE FOR BENEFITS — Beginning of year	<u>8,993,927</u>
NET ASSETS AVAILABLE FOR BENEFITS — End of year	<u>\$ 8,199,174</u>

See accompanying notes to financial statements.

THE F.B. LEOPOLD COMPANY, INC. RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS AS OF DECEMBER 31, 2011 AND 2010, AND FOR THE YEAR ENDED DECEMBER 31, 2011

1. DESCRIPTION OF THE PLAN

The following description of the F.B. Leopold Company, Inc. Retirement Savings Plan (the “Plan”) is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

General — The Plan became effective on March 22, 2004, and is a defined contribution plan sponsored by Xylem Water Solutions Zelienople LLC (the “Employer” and “Plan Sponsor”), formerly the F.B. Leopold Company, Inc., a subsidiary of Xylem Inc. Diversified Investment Advisors (“Diversified”) is the Plan record keeper and State Street Bank & Trust Company (SSBT) is the trustee. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Effective January 1, 2011, the employees of the Employer were able to participate and contribute to the ITT Salaried Investment Plan (“ITT Plan”) of ITT Corporation (ITT). On October 31, 2011, ITT completed the previously announced spin-off (the “Spin-off”) of Xylem Inc. (the “Company”) and Exelis Inc. and the employees of the Employer were no longer able to participate in the ITT Plan, but were then able to participate and contribute to the Xylem Retirement Savings Plan (“Xylem Plan”) of Xylem Inc. Since January 1, 2011, because of their participation in the ITT Plan and then the Xylem Plan, the employees of the Employer have not contributed to the Plan.

Eligibility — Employees who are expected to complete a year of service with the Employer are eligible to participate in the Plan and may become a participant on the first Plan entry date coinciding with, or following their date of hire, provided they are not an excluded employee. There are four entry dates during the year when an employee may enter the Plan which are January 1, April 1, July 1, or October 1.

Contributions — Under the provisions of the Plan, allowable contributions are outlined as follows:

Participant Contributions — A participant may make pre-tax contributions up to 25% of their pay, subject to the maximum amount permitted by law. The employee may change the percentage of their salary deferral contributions and/or catch-up contributions up to four times a year on January 1, April 1, July 1, or October 1. An employee may stop making salary deferral contributions and/or catch-up contributions at any time. A participant who is a highly compensated employee may be limited to less than 25% due to the operation of certain tests required under the Internal Revenue Code (IRC).

Employer Contributions — The Employer may make a matching contribution equal to 100% of the first 2% of the employee’s salary deferral contributions, plus 50% of the next 2% of the employee’s salary deferral contributions, plus 25% of the next 2% of the employee’s salary deferral contributions.

Participant Accounts — Individual accounts are maintained for each Plan participant. Each participant’s account is credited with the participant’s contribution, the matching employer contribution, and investment earnings, and charged with withdrawals, loans, and investment losses. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account.

Investments — Participants designate the Plan funds in which their contributions and the matching employer contributions are to be invested. All investments are participant-directed. Participant contributions can be invested in any or all of the various investment funds available in the Plan. Participants may elect to allocate contributions among these funds in multiples of one percent (1%).

Vesting — The participant's interest in their contributions is fully vested at all times. The Employer contribution portion of the participant's account is vested based on their number of years of service. A year of service is any year in which the participant works 1,000 hours during a consecutive 12-month period starting from their date of hire or the anniversary of that date. With less than two years of service, the employee is 0% vested. With two years of service, the employee is 20% vested. With three years of service, the employee is 40% vested. With four years of service, the employee is 60% vested. With five years of service, the employee is 80% vested. With six or more years of service, the employee is 100% vested.

Benefits to Participants — A participant's normal retirement date is the first day of the month following their 65th birthday. If the participant terminates service, the participant has the option to receive the total vested value of their account at any time. The Plan is required by law to distribute their benefits no later than April 1 of the calendar year following the year in which they reach age 70½. However, if the participant is still working for the Employer at the time they reach age 70½, and not a 5% owner of the Employer, the participant may delay payment of benefits until April 1 of the calendar year following the year the participant retires. If the participant had already begun to receive benefit payments, the participant may choose to delay the remaining benefit payments until the April 1 of the calendar year following the year the participant retires.

Direct Rollover of Certain Distributions — The automatic form of benefit under the Plan is an annuity. The type of annuity depends upon the participant's marital status. If married and the account balance is over \$5,000, the benefit will be a qualified joint and survivor annuity. If not married, and the account balance is over \$5,000, the benefit will be a lifetime annuity. In lieu of an annuity payment, the following optional forms of payment are available: lump-sum payment, life annuity with five-, 10-, or 15-year period certain, and various joint and survivor and contingent annuity options.

Regardless of marital status, if a participant's vested account balance is \$5,000 or less, it will be paid in one lump-sum payment to the participant.

Forfeitures — Forfeitures will first be used for restoration of participant forfeitures, as applicable, then to reduce Plan expenses, if any, and then to reduce future employer contributions to the Plan. All forfeited nonvested accounts totaling \$1,042 were used to reduce matching employer contributions during 2011. There were no forfeited nonvested accounts at December 31, 2011 and 2010.

Notes Receivable Participants — Participants may borrow from their account balance in any whole dollar amount which must be at a minimum of \$1,000 up to a maximum of the lesser of \$50,000 or 50% of the participant's vested interest in their account, reduced by the highest outstanding loan balance, if any, during the prior 12-month period. Loan terms range up to five years. A participant who is using a loan for the purchase of a primary residence may elect to repay the loan over a period of whole years between one and 10. Participants may have two loans outstanding at the same time. The loans are collateralized by the balance in the participant's account and bear interest which is based on the prime rate, as published in the Wall Street Journal on the date of the loan application, plus .75%. Principal and interest are paid ratably through payroll deductions. The interest rate is determined at the time the loan is processed, and shall remain in effect for the term of the loan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting — The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates — The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Risks and Uncertainties — The Plan utilizes various investment instruments, including pooled separate accounts and stable value funds which include guaranteed investment contracts. Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the financial statements.

Investment Valuation and Income Recognition — The Plan's investments are measured at fair value, except for its Transamerica Financial Life Insurance Company (TFLIC) Stable Fund (TSF) which is stated at fair value and then adjusted to contract value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market members at the measurement date (i.e., an exit price). A more detailed description of the individual types of investments can be found in Note 3.

In accordance with GAAP, the TSF is included at fair value in participant-directed investments in the statements of net assets available for benefits, and an additional line item is presented representing the adjustment from fair value to contract value. The statement of changes in net assets available for benefits is presented on a contract-value basis.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Management fees and operating expenses charged to the Plan for investments in the registered investment companies are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

Contributions Receivable — The Plan accrues contributions receivable based on the period of participants' service to the Employer.

Administrative Expenses — The Plan Sponsor provides accounting and other administrative services to the Plan at no charge. Certain administrative functions are performed by employees of the Company. No such employee receives compensation from the Plan. As specified by the Plan, the Employer shall pay all expenses reasonably incurred in administering the Plan.

Benefits Paid to Participants — Benefit payments to participants are recorded upon distribution. There were no amounts allocated to accounts of participants who have elected to withdraw from the Plan but have not yet been paid as of December 31, 2011 and 2010. Additionally, for loans declared in default, the principal and accrued interest are recorded as a distribution.

Notes Receivable Participants — Participant loans are recorded at their unpaid principal balance plus any accrued but unpaid interest. In the event that a participant fails to make repayment by the end of the calendar quarter following the quarter in which such payment was due, the loan shall be considered to be in default. In the event default is declared, the outstanding loan balance and any accrued interest may be treated as a withdrawal prior to termination of employment subject to the withdrawal provisions outlined in the Plan document and may be determined to be a fully taxable distribution from the Plan.

Recent Accounting Pronouncements — In May 2011, the Financial Accounting Standards Board issued Accounting Standard Update (ASU) No. 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs* (“ASU 2011-04”), which amends Accounting Standards Codification 820. ASU 2011-04 also requires the categorization by level for items that are only required to be disclosed at fair value and information about transfers between Level 1 and Level 2. In addition, the ASU provides guidance on measuring the fair value of financial instruments managed within a portfolio and the application of premiums and discounts on fair value measurements. The ASU requires additional disclosure for Level 3 measurements regarding the sensitivity of fair value to changes in unobservable inputs and any interrelationships between those inputs. The new guidance is effective for reporting periods beginning after December 15, 2011. The adoption will not have a material effect on the statement of net assets available for benefits and statement of changes in net assets available for benefits.

3. FAIR VALUE MEASUREMENT

The Plan determines fair value as 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. The Plan utilizes a hierarchical structure to prioritize the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1), then to quoted market prices for similar assets or liabilities in active markets (Level 2) and gives the lowest priority to unobservable inputs (Level 3). Assets are classified in their entirety, based on the lowest level of input that is significant to the fair value measurement.

The Plan’s policy is to recognize significant transfers between levels at the beginning of the reporting period.

The following is a description of the valuation methodologies and inputs used to measure fair value for major categories of investments.

- **Pooled separate accounts (PSAs)** — The fair value of PSAs is estimated based on net asset value (NAV). While NAV for a PSA is quoted in a market that is not active, classification in the fair value hierarchy is based on the observability of the investments held in the PSA. Accordingly, the Plan has classified PSAs based on the lowest level input that is significant to NAV. There are no unfunded commitments related to the PSAs, and investments in PSAs can be redeemed on a daily basis. PSAs are classified in Level 2 of the fair value hierarchy.
- **Common Collective Trusts (CCTs)** — CCTs are arrangements in which the funds of individual trusts are pooled to avail themselves of professional investment management and achieve greater diversification of investment, stability of income, or other investment objectives. CCTs invest in guaranteed investment contracts, debt and equity securities, the mix of which varies by fund, and report NAV as of the measurement date. Fair value is estimated based on the NAV practical expedient. The practical expedient enables an entity holding investments in certain entities that calculate NAV per share or its equivalent for which the fair value is not readily determinable, to

measure the fair value of such investments on the basis of that NAV per share or its equivalent without adjustment. There are no unfunded commitments related to the CCTs and investments in CCTs can be redeemed on a daily basis. CCTs are classified in Level 2 of the fair value hierarchy.

While the Plan 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 methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values.

The following tables set forth by level within the fair value hierarchy a summary of the Plan's investments measured at fair value at December 31, 2011 and 2010.

	Fair Value Measurements December 31, 2011			Total
	Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2) *	Significant Unobservable Inputs (Level 3)	
Plan Investments:				
Pooled Separate Accounts:				
Core Bond Fund (b)	\$ -	\$ 417,191	\$ -	\$ 417,191
Inflation-Protected Securities Fund (c)	-	341,281	-	341,281
Intermed/Long Horizon Asset Alloc Fund (d)	-	345,351	-	345,351
Intermed Horizon Asset Alloc Fund (d)	-	412,511	-	412,511
International Equity Fund (e)	-	423,509	-	423,509
Large Core Fund (f)	-	513,341	-	513,341
Large Growth Fund (g)	-	592,294	-	592,294
Large Value Fund (h)	-	510,760	-	510,760
Long Horizon Asset Alloc Fund (i)	-	233,642	-	233,642
Money Market Fund (j)	-	131,324	-	131,324
Short Horizon Asset Alloc Fund (k)	-	71,759	-	71,759
Short/Intermed Horizon Asset Alloc Fund (l)	-	120,139	-	120,139
Small Core Fund (m)	-	487,395	-	487,395
Stock Index Fund (n)	-	496,855	-	496,855
Government Fixed Fund (o)	-	114,227	-	114,227
Common Collective Trusts:				
Stable Fund (a)	-	2,819,400	-	2,819,400
Total Plan investments	<u>\$ -</u>	<u>\$ 8,030,979</u>	<u>\$ -</u>	<u>\$ 8,030,979</u>

Fair Value Measurements December 31, 2010				
	Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2) *	Significant Unobservable Inputs (Level 3)	Total
Plan Investments:				
Pooled Separate Accounts:				
Core Bond Fund (b)	\$ -	\$ 434,827	\$ -	\$ 434,827
Inflation-Protected Securities Fund (c)	-	336,047	-	336,047
Intermed/Long Horizon Asset Alloc Fund (d)	-	446,801	-	446,801
Intermed Horizon Asset Alloc Fund (d)	-	442,135	-	442,135
International Equity Fund (e)	-	520,355	-	520,355
Large Core Fund (f)	-	644,841	-	644,841
Large Growth Fund (g)	-	742,676	-	742,676
Large Value Fund (h)	-	670,486	-	670,486
Long Horizon Asset Alloc Fund (i)	-	251,729	-	251,729
Money Market Fund (j)	-	97,337	-	97,337
Short Horizon Asset Alloc Fund (k)	-	85,899	-	85,899
Short/Intermed Horizon Asset Alloc Fund (l)	-	129,889	-	129,889
Small Core Fund (m)	-	597,804	-	597,804
Stock Index Fund (n)	-	611,264	-	611,264
Government Fixed Fund (o)	-	81,990	-	81,990
Common Collective Trusts:				
Stable Fund (a)	-	2,742,773	-	2,742,773
Total Plan investments	\$ -	\$ 8,836,853	\$ -	\$ 8,836,853

* The fair values of the Level 2 investments have been estimated using the NAV of the investment. These investments have a daily redemption frequency, no unfunded commitments, no redemption notice period, and no other redemption restrictions.

- (a) The Stable Fund (TSF) seeks to provide maximum yield similar to a guarantee of principal. The TSF provides participants with book value distributions at retirement and other events as described in the group annuity contract. Both principal and interest are guaranteed. The TSF is supported by TFLIC's general account. The general account of TFLIC invests in investment-grade fixed income securities, including U.S. government, agency, and corporate issues, as well as individually underwritten mortgage loans and private placements.
- (b) The Core Bond Fund invests primarily in investment-grade debt securities, U.S. government obligations, mortgage-backed securities guaranteed by U.S. government agencies and instrumentalities and those of private issuers, and seeks to achieve maximum total return.
- (c) The Inflation-Protected Securities Fund invests in inflation-protected securities of U.S. issuers, foreign governments, and other foreign issuers, and seeks a consistent return with the preservation of capital. The Fund may also invest in securities that pay nominal rates of interest.
- (d) The Horizon Asset Allocation Funds invest in a combination of underlying separate accounts offered by TFLIC and seek long-term returns from a combination of investment income and capital appreciation with slightly less than average volatility as compared to other balanced funds for the Intermediate fund and slightly more than average for the Intermediate/Long fund.

- (e) The International Equity Fund invests approximately 75% of its net assets in foreign securities or depositary receipts of foreign securities and seeks long-term capital appreciation through investment in a diversified portfolio of securities of foreign issuers. The fund invests in equity securities of issuers in at least three countries other than the United States.
- (f) The Large Core Fund invests primarily in securities selected for their potential to generate long-term capital appreciation. The fund emphasizes common stocks and securities of growing, financially stable, and undervalued companies and seeks to provide capital appreciation and current income.
- (g) The Large Growth Fund invests primarily in common stocks of companies that have the potential for above-average growth in earnings and dividends and emphasizes common and preferred stocks listed on the New York Stock Exchange and other national securities exchanges. The fund seeks to provide a high level of capital appreciation with current income as a secondary goal.
- (h) The Large Value Fund invests primarily in issuers listed on U.S. exchanges with effective management and positive momentum. The fund seeks long-term capital appreciation through a diversified portfolio of common stocks of large-capitalization companies.
- (i) The Long Horizon Allocation Fund invests in a combination of underlying separate accounts offered by TFLIC and seeks long-term returns from growth of capital and growth of income. During normal market conditions, the portfolio invests approximately 90% of its assets in stock funds.
- (j) The Money Market Fund invests primarily in high quality, short-term money market instruments including short-term U.S. government obligations, corporate bonds and notes, bank obligations, commercial paper, asset-backed securities, and repurchase agreements. The fund seeks liquidity and as high a level of income as is consistent with a preservation of capital.
- (k) The Short Horizon Asset Allocation Fund invests in a combination of underlying separate accounts offered by TFLIC and seeks a high level of income and preservation of capital. During normal market conditions, the portfolio invests approximately 90% of its assets in bond funds.
- (l) The Short/Intermediate Horizon Asset Allocation Fund invests in a combination of underlying separate accounts offered by TFLIC and seeks reasonable returns with considerably less than average volatility as compared to other balanced funds. During normal market conditions, the portfolio invests approximately 70% of its assets in bond funds and 30% in stock funds.
- (m) The Small Core Fund invests primarily in stocks of small to medium sized companies which present an opportunity for significant increases in earnings, revenue, and/or value, without consideration for current income.
- (n) The Stock Index Fund invests stock comprising the Standard & Poor's 500 Index for approximately the same percentage of its assets in each stock as the stock represents in the index and seeks to match the performance of the index.
- (o) The Government Fixed Fund invests in obligations of the U.S. government and its agencies, and provides a book value guarantee in all market environments. The fund seeks to provide higher yields than short-term fixed maturity alternatives consistent with guarantee of principal.

4. INFORMATION CERTIFIED BY THE TRUSTEE

The following is a summary of the unaudited information of the Plan as of December 31, 2011 and 2010, and for the year ended December 31, 2011, included in the Plan's financial statements and supplemental schedule, that was prepared by or derived from information prepared by SSBT or by Diversified for SSBT, and furnished to the Plan administrator. The Plan administrator has obtained certifications from the trustee that such information is complete and accurate.

	2011	2010
• Statements of net assets available for benefits:		
Participant-directed investments at fair value:		
Pooled separate accounts	\$ 5,211,579	\$ 6,094,080
Common collective trusts	<u>2,819,400</u>	<u>2,742,773</u>
Total participant-directed investments at fair value	<u>\$ 8,030,979</u>	<u>\$ 8,836,853</u>
Adjustment from fair value to contract value for fully benefit responsible stable value fund	\$ 18,160	\$ 38,662
• Statement of changes in net assets available for benefits:		
Net appreciation in fair value of investments	\$ 73,336	
Interest income on notes receivable from participants	5,410	
• Supplemental schedule: All investment balances and information included in the supplemental schedule of assets (held at end of year).		
• Notes 3, 5, and 6: All investment balances and investment information, excluding the classification of investments in Note 3.		

5. INVESTMENTS

The Plan's investments that represented 5% or more of the Plan's net assets available for benefits as of December 31, 2011 and 2010, are as follows:

	2011	2010
* Transamerica Financial Life Insurance Company:		
Stable Fund	\$ 2,819,400	\$ 2,742,773
Large Growth Fund	592,294	742,676
Large Core Fund	513,341	644,841
Large Value Fund	510,760	670,486
Stock Index Fund	496,855	611,264
Small Core Fund	487,395	597,804
International Equity Fund	423,509	520,355
Core Bond Fund	417,191	**
Intermediate Horizon Asset Allocation Fund	412,511	**

* Permitted party-in-interest

** Not over 5% at December 31, 2010

During the year ended December 31, 2011, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated as follows:

Appreciation (depreciation) in:

Fair value of pooled separate accounts:

* Core Bond Fund	\$ 23,857
* Inflation-Protected Securities Fund	38,523
* Intermediate/Long Horizon Asset Allocation Fund	(379)
* Intermediate Horizon Asset Allocation Fund	(522)
* International Equity Fund	(67,973)
* Large Core Fund	19,521
* Large Growth Fund	(12,646)
* Large Value Fund	15,136
* Long Horizon Asset Allocation Fund	(10,255)
* Short Horizon Asset Allocation Fund	3,277
* Short/Intermediate Horizon Asset Allocation Fund	3,044
* Small Core Fund	(15,111)
* Stock Index Fund	4,146
* Government Fixed Fund	<u>1,652</u>

Net appreciation in fair value of pooled separate accounts 2,270

Fair value of common collective trusts:

* Stable Fund	<u>71,066</u>
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Net appreciation in fair value of investments \$ 73,336

* Permitted party-in-interest

6. STABLE VALUE FUND

The Plan invests in the TFLIC Stable Fund (TSF) a stable value fund (SVF). The TSF is offered through TFLIC, while Diversified is the service agent. The fund is a part of the general assets of TFLIC (its general account) and is not subject to GAAP audited financial statements. The Plan does not own any underlying securities of TFLIC's general account. The Plan has guaranteed benefits under the terms of the contract. The contract value equals deposits made to the TSF, plus interest credited under the terms of the contract, less any withdrawals. There are no unfunded commitments or redemption restrictions related to the fund.

The TSF is a common collective trust fund that is considered to be an SVF with underlying investments in investment contracts and are valued at fair value and then adjusted by the issuer to contract value. Fair value of the TSF is the NAV of its underlying investments and the contract value is principal plus accrued interest. Individual participant accounts invested in the TSF are maintained on a unit value basis. Participants do not have beneficial ownership in specific underlying securities or other assets in the various funds, but have an interest therein represented by units valued as of the last business day of the period. Participants can ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. Contract value represents contributions made to the TSF, plus earnings, less participant withdrawals and administrative expenses.

The TSF is primarily comprised of investment contracts called benefit responsive wraps ("wrap contracts") that are issued by banks and insurance companies. The wrap contracts help to stabilize the value and returns of the TSF. These contracts are backed by fixed income portfolios that primarily

consist of U.S. treasury, agency, investment grade corporate, mortgage-backed, and asset-backed securities. The TSF's primary objective is to seek the preservation of principal, while providing current income and liquidity.

The TSF imposes certain restrictions on the Plan, and the TSF itself may be subject to circumstances that affect its ability to transact at contract value. Plan management believes that the occurrence of events that would cause the TSF to transact at less than contract value is not probable.

Limitations on the Ability of the TSF to Transact at Contract Value:

Restrictions on the Plan — Participant-initiated transactions are those transactions allowed by the Plan, including withdrawals for benefits, loans, or transfers to noncompeting funds within a plan, but excluding withdrawals that are deemed to be caused by the actions of the Plan Sponsor. The transfer of assets from TSF directly into a competing option is prohibited without a 90-day equity wash rule and may limit the ability of TSF to transact at contract value. The following employer-initiated events may limit the ability of the TSF to transact at contract value:

- A failure of the Plan or its trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA
- Any communication given to Plan participants designed to influence a participant not to invest in the TSF or to transfer assets out of the TSF
- The establishment of a defined contribution plan that competes with the Plan for employee contributions
- Complete or partial termination of the Plan or its merger with another plan

Circumstances that Affect the TSF — The TSF invests in assets, typically fixed income securities or bond funds, and enters into wrap contracts issued by third parties. A wrap contract is an agreement by another party, such as a bank or insurance company, to make payments to the TSF in certain circumstances. Wrap contracts are designed to allow a stable value portfolio to maintain a constant NAV and protect a portfolio in extreme circumstances. In a typical wrap contract, the wrap issuer agrees to pay a portfolio the difference between the contract value and the market value of the underlying assets once the market value has been totally exhausted.

The wrap contracts generally contain provisions that limit the ability of the TSF to transact at contract value upon the occurrence of certain events. These events include:

- Any substantive modification of the TSF or the administration of the TSF that is not consented to by the wrap issuer
- Any change in law, regulation, or administrative ruling applicable to a plan that could have a material adverse effect on the TSF's cash flow
- Employer-initiated transactions by participating plans as described above

In the event that wrap contracts fail to perform as intended, the TSF's NAV may decline if the market value of its assets declines. The TSF's ability to receive amounts due pursuant to these wrap contracts is dependent on the third-party issuer's ability to meet their financial obligations. The wrap issuer's ability to meet its contractual obligations under the wrap contracts may be affected by future economic and regulatory developments.

The TSF is unlikely to maintain a stable NAV if, for any reason, it cannot obtain or maintain wrap contracts covering all of its underlying assets. This could result from the TSF's inability to promptly find a replacement wrap contract following termination of a wrap contract. Wrap contracts are not transferable and have no trading market. There are a limited number of wrap issuers. The TSF may lose the benefit of wrap contracts on any portion of its assets in default in excess of a certain percentage of portfolio assets.

7. EXEMPT PARTY-IN-INTEREST TRANSACTIONS

As of December 31, 2011, all Plan investments were held in funds managed by TFLIC, an affiliated company of Diversified, the record keeper. These assets and related transactions with these parties qualify as exempt party-in-interest transactions.

Fees paid by the Employer for trustee and administrative services provided by the record keeper amounted to approximately \$5,000 for the year ended December 31, 2011.

Notes receivable from participants also qualify as exempt party-in-interest transactions and amounted to \$150,035 and \$118,412 at December 31, 2011 and 2010, respectively.

These transactions are not deemed prohibited party-in-interest transactions because they are covered by statutory or administrative exceptions from the IRC and ERISA rules on prohibited transactions.

8. PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right to terminate the Plan subject to the provisions of ERISA. If the Plan is terminated for any reason, all accounts shall become fully vested and nonforfeitable. At the time of termination, the Plan shall be valued and distributions to participants shall be made.

9. FEDERAL INCOME TAX STATUS

The Plan Sponsor adopted a standardized prototype Plan, which received an Internal Revenue Service (IRS) opinion letter dated March 31, 2008. The Plan has been amended since receiving the determination letter, however, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRS. Accordingly, no provision for income taxes is included in the Plan's financial statements.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

10. SUBSEQUENT EVENTS

For the year ended December 31, 2011, subsequent events were evaluated through August 22, 2012, the date the financial statements were available to be issued. No significant events were noted.

11. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of notes receivable from participants per the financial statements to Form 5500 as of December 31, 2011 and 2010:

	2011	2010
Notes receivable from participants per financial statements	\$ 150,035	\$ 118,412
Less: amounts deemed distributed for tax purposes	<u>(32,400)</u>	<u>(3,692)</u>
Notes receivable from participants per Form 5500	<u>\$ 117,635</u>	<u>\$ 114,720</u>

The following is a reconciliation of deemed distributions per the financial statements to the Form 5500 for the year ended December 31, 2011

Deemed distribution per the financial statements	\$ -
Add: amounts deemed distributed for tax purposes — December 31, 2011	32,400
Less: amounts deemed distributed for tax purposes — December 31, 2010	<u>(3,692)</u>
Deemed distributions to participants per Form 5500	<u>\$ 28,708</u>

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31, 2011 and 2010:

	2011	2010
Net assets available for benefits per the financial statements	\$ 8,199,174	\$ 8,993,927
Less: adjustments from fair value to contract value for fully benefit-responsive investment contracts	(18,160)	(38,662)
Less: amounts deemed distributed for tax purposes	<u>(32,400)</u>	<u>(3,692)</u>
Net assets available for benefits per Form 5500	<u>\$ 8,148,614</u>	<u>\$ 8,951,573</u>

The following is a reconciliation of the decrease in net assets per the financial statements to net loss per the Form 5500 for the year ended December 31, 2011:

Decrease in net assets per the financial statements	\$ (794,753)
Less: changes in adjustment from fair value to contract value for fully benefit-responsive investment contracts	20,502
Add: amounts deemed distributed for tax purposes — December 31, 2010	3,692
Less: amounts deemed distributed for tax purposes — December 31, 2011	<u>(32,400)</u>
Net loss per Form 5500	<u>\$ (802,959)</u>

* * * * *

SUPPLEMENTAL SCHEDULE

Sponsor EIN # 36-3193091

Plan # 005

- 16 -

**THE F.B. LEOPOLD COMPANY, INC.
RETIREMENT SAVINGS PLAN**

EIN: 36-3193091
PN: 005

**FORM 5500, SCHEDULE H, PART IV, LINE 4i — SCHEDULE OF ASSETS
(HELD AT END OF YEAR) AS OF DECEMBER 31, 2011**

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
Investments				
* Transamerica Financial Life Insurance Company — pooled separate accounts:				
	Core Bond Fund	Pooled separate account	**	\$ 417,191
	Inflation-Protected Securities Fund	Pooled separate account	**	341,281
	Intermediate/Long Horizon Asset Allocation Fund	Pooled separate account	**	345,351
	Intermediate Horizon Asset Allocation Fund	Pooled separate account	**	412,511
	International Equity Fund	Pooled separate account	**	423,509
	Large Core Fund	Pooled separate account	**	513,341
	Large Growth Fund	Pooled separate account	**	592,294
	Large Value Fund	Pooled separate account	**	510,760
	Long Horizon Asset Allocation Fund	Pooled separate account	**	233,642
	Money Market Fund	Pooled separate account	**	131,324
	Short Horizon Asset Allocation Fund	Pooled separate account	**	71,759
	Short/Intermediate Horizon Asset Allocation	Pooled separate account	**	120,139
	Small Core Fund	Pooled separate account	**	487,395
	Stock Index Fund	Pooled separate account	**	496,855
	Government Fixed Fund	Pooled separate account	**	<u>114,227</u>
		Total pooled separate accounts		5,211,579
	* Transamerica Financial General Account: Stable Fund	Common collective trust	**	<u>2,819,400</u>
	Total investments			8,030,979
Participant Loans				
	* Notes Receivable from Participants	Notes receivable from participants at interest rates from 4.00% to 9.00% maturing at various dates through December 15, 2016, net of deemed distributions of \$32,400	**	<u>117,635</u>
	Total assets			<u>\$ 8,148,614</u>

* Represents a party-in-interest.

** Cost information is not required for participant-directed investments and, therefore, is not included.

See accompanying Independent Auditors' Report.

Sponsor EIN # 36-3193091
Plan # 005

Plan Name	The F.B. Leopold Company, Inc. Retirement Savings Plan
Plan Sponsor EIN	36-3193091
ERISA Plan #	005
Plan Year Ending	12/31/2011

The required attachment marked with an “X” in the Attachment column is included within the Accountant’s Opinion attachment to Sch. H, Part III, Line 3, which consists of the entire audit report issued by the plan’s Independent Qualified Public Accountant (IQPA).

Form / Schedule	Line #	Description	Attachment
5500 Sch. H	Line 3	Financial statements used in formulating the IQPA's opinion	X
5500 Sch. H	Line 4i	Schedule of Assets (Held at End of Year)	X
5500 Sch. H	Line 4i	Schedule of Assets (Acquired and Disposed of Within Year)	
5500 Sch. H	Line 4j	Schedule of Reportable Transactions	
5500 Sch. H	Line 4a	Schedule of Delinquent Participant Contributions	

Plan Name	The F.B. Leopold Company, Inc. Retirement Savings Plan
Plan Sponsor EIN	36-3193091
ERISA Plan #	005
Plan Year Ending	12/31/2011

The required attachment marked with an “X” in the Attachment column is included within the Accountant’s Opinion attachment to Sch. H, Part III, Line 3, which consists of the entire audit report issued by the plan’s Independent Qualified Public Accountant (IQPA).

Form / Schedule	Line #	Description	Attachment
5500 Sch. H	Line 3	Financial statements used in formulating the IQPA's opinion	X
5500 Sch. H	Line 4i	Schedule of Assets (Held at End of Year)	X
5500 Sch. H	Line 4i	Schedule of Assets (Acquired and Disposed of Within Year)	
5500 Sch. H	Line 4j	Schedule of Reportable Transactions	
5500 Sch. H	Line 4a	Schedule of Delinquent Participant Contributions	

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 4085 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(a), 6057(b), 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: 1.2em;">2011</div> This Form is Open to Public Inspection
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Part I Annual Report Identification Information			
For calendar plan year 2011 or fiscal plan year beginning		01/01/2011	and ending 12/31/2011
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 F.B. Leopold Company, Inc. Retirement Savings Plan		1b Three-digit plan number (PN) ▶	005
		03/22/2004	
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)		2b Employer Identification Number (EIN)	36-3193091
Xylem Inc. c/o Xylem Water Solutions Zellenople LLC		2c Sponsor's telephone number	(914) 323-5700
1133 Westchester Avenue		2d Business code (see instructions)	333900
White Plains NY 10604			

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	 Signature of plan administrator	10/2/12 Date	Sherri Magill Enter name of individual signing as plan administrator
SIGN HERE	 Signature of employer/plan sponsor	10/5/12 Date	John Connolly 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 (2011)
v.012611