

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>K & F INDUSTRIES SAVINGS PLAN</u>	1b Three-digit plan number (PN) ► <u>003</u> 1c Effective date of plan <u>05/01/1989</u>
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>MEGGITT AIRCRAFT BRAKING SYSTEMS CORPORATION</u> <u>1204 MASSILLON ROAD</u> <u>AKRON, OH 44306-4186</u>	2b Employer Identification Number (EIN) <u>34-1614846</u> 2c Sponsor's telephone number <u>330-796-4400</u> 2d Business code (see instructions) <u>336410</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>10/11/2012</u>	<u>MARIO BONACCI</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/11/2012</u>	<u>ROBERT SOUKUP</u>
	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") 401(K) COMMITTEE C/O MARIO BONACCI MEGGITT AIRCRAFT BRAKING SYSTEMS CORPORATION 1204 MASSILLON RD. AKRON, OH 44306	3b Administrator's EIN 35-2456433 3c Administrator's telephone number 330-796-3583
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	1996
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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	1745
b Retired or separated participants receiving benefits.....	6b	7
c Other retired or separated participants entitled to future benefits.....	6c	296
d Subtotal. Add lines 6a , 6b , and 6c	6d	2048
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	8
f Total. Add lines 6d and 6e	6f	2056
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	1605
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	31

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2E 2G 2J 2K

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

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

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

a Pension Schedules

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

b General Schedules

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

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		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 K & F INDUSTRIES SAVINGS PLAN	B Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 MEGGITT AIRCRAFT BRAKING SYSTEMS CORPORATION	D Employer Identification Number (EIN) 34-1614846

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
ARTISAN PARTNERS

30-0551775

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
BARON FUNDS 767 FIFTH AVENUE
49TH FLOOR
NEW YORK, NY 10153

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
DAVIS FUNDS

13-2601967

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
DODGE & COX

94-1441976

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

FIDELITY

04-2647786

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

JP MORGAN FUNDS

13-2624428

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

MAINSTAY FUNDS

52-2206685

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

PIMCO FUNDS

33-0629048

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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)

BRUNER-COX LLP

34-0641962

(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?
10	AUDITOR	15447	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

T. ROWE PRICE

52-1714114

(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?
21	TRUSTEE	12644	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 ☐

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>K & F INDUSTRIES SAVINGS PLAN</u>	B Three-digit plan number (PN)	<u>003</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>MEGGITT AIRCRAFT BRAKING SYSTEMS CORPORATION</u>	D Employer Identification Number (EIN) <u>34-1614846</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: TRP STABLE VALUE FUND SCH B

b Name of sponsor of entity listed in (a): T. ROWE PRICE TRUST COMPANY

c EIN-PN <u>52-1309931-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>27971805</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE: TRP EQUITY INDEX TRUST CLASS B

b Name of sponsor of entity listed in (a): T. ROWE PRICE TRUST COMPANY

c EIN-PN <u>52-6449833-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>503095</u>
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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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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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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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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

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

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

a Plan name K & F SAVINGS PLAN**b** Name of plan sponsor MEGGITT AIRCRAFT BRAKING SYSTEMS CORPORATION**c** EIN-PN 34-1614846-003**a** Plan name**b** Name of plan sponsor**c** EIN-PN**a** Plan name**b** Name of plan sponsor**c** EIN-PN**a** Plan name**b** Name of plan sponsor**c** EIN-PN**a** Plan name**b** Name of plan sponsor**c** EIN-PN**a** Plan name**b** Name of plan sponsor**c** EIN-PN**a** Plan name**b** Name of plan sponsor**c** EIN-PN**a** Plan name**b** Name of plan sponsor**c** EIN-PN**a** Plan name**b** Name of plan sponsor**c** EIN-PN**a** Plan name**b** Name of plan sponsor**c** EIN-PN**a** Plan name**b** Name of plan sponsor**c** EIN-PN**a** Plan name**b** Name of plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 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 K & F INDUSTRIES SAVINGS PLAN	B Three-digit plan number (PN) ►	003
C Plan sponsor's name as shown on line 2a of Form 5500 MEGGITT AIRCRAFT BRAKING SYSTEMS CORPORATION	D Employer Identification Number (EIN) 34-1614846	

	Part I Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
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	Total noninterest-bearing cash	1a	0	
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	303498	395846
	(2) Participant contributions	1b(2)	101648	0
	(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)	2346284	2454667
	(9) Value of interest in common/collective trusts	1c(9)	26409668	28474900
	(10) Value of interest in pooled separate accounts	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)		
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	67705972	67166672
	(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
	(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	96867070	98492085

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	14700	0
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	14700	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	96852370	98492085
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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)	2258398	
(B) Participants	2a(1)(B)	4831868	
(C) Others (including rollovers)	2a(1)(C)	242800	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		7333066
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)	121615	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		121615
(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)	2185631	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		2185631
(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)		13317
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		-1883169
c Other income.....	2c		76357
d Total income. Add all income amounts in column (b) and enter total.....	2d		7846817

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	5961610	
(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)		5961610
f Corrective distributions (see instructions)	2f		168969
g Certain deemed distributions of participant loans (see instructions).....	2g		0
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	15447	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	36413	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		51860
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		6182439

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		1664378
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		24663

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: BRUNER-COX LLP

(2) EIN: 34-0641962

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

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

Part IV Compliance Questions

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

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?

If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

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

5b(1) Name of plan(s)

MEGGITT-USA, INC. 401(K) PLAN

5b(2) EIN(s)	5b(3) PN(s)
95-3639799	001

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 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 <u>K & F INDUSTRIES SAVINGS PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MEGGITT AIRCRAFT BRAKING SYSTEMS CORPORATION</u>	D Employer Identification Number (EIN) <u>34-1614846</u>

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

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>52-1714114</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>121</u>

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (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
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. 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

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): _____

Financial Statements and Supplemental Schedule

K & F Industries Savings Plan

December 31, 2011



BRUNER-COX LLP

Business Consultants & Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
K & F Industries Savings Plan
Akron, Ohio

We were engaged to audit the accompanying statements of net assets available for benefits of K & F Industries Savings Plan as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011 and the supplemental schedule of Schedule H, line 4i – Schedule of Assets (Held At End of Year) as of December 31, 2011. 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 3, which was certified by T. Rowe Price Trust Company, the trustee of the Plan, except for comparing such 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 assets and executes transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2011 and 2010 and for the year ended December 31, 2011, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The supplemental schedule is presented for the purposes of additional analysis and is not a required part of the financial statements but is 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.

Bruner • Cox, LLP

Akron, Ohio
July 27, 2012

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

K & F INDUSTRIES SAVINGS PLAN

December 31, 2011 and 2010

	2011	2010
ASSETS		
Investments, at fair value		
Mutual funds	\$ 67,166,672	\$ 67,705,972
Common collective trusts	29,485,658	27,390,122
	<u>96,652,330</u>	<u>95,096,094</u>
Receivables		
Participant contributions	-	101,648
Employer contributions	395,846	303,498
Notes receivable from participants	2,454,667	2,357,735
	<u>2,850,513</u>	<u>2,762,881</u>
Total assets	99,502,843	97,858,975
LIABILITIES		
Accrued administrative expenses	-	14,700
Net assets available for benefits at fair value	99,502,843	97,844,275
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(1,010,758)	(980,454)
Net assets available for benefits	\$ 98,492,085	\$ 96,863,821

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

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

K & F INDUSTRIES SAVINGS PLAN

For the year ended December 31, 2011

ADDITIONS TO NET ASSETS

Contributions	
Employer	\$ 2,258,398
Participant	4,831,868
Rollovers	242,800
Interest and dividend income	2,307,246
Net depreciation in fair value of investments	(1,869,852)
Other	76,357

Total additions to net assets	7,846,817
--------------------------------------	------------------

DEDUCTIONS FROM NET ASSETS

Benefits paid to participants	5,961,610
Deemed loan distributions	180,420
Administrative expenses	51,860

Total deductions from net assets	6,193,890
---	------------------

Net increase in net assets available for benefits	1,652,927
--	------------------

TRANSFER TO MEGGITT-USA, INC. 401(k) PLAN	(24,663)
--	-----------------

NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	96,863,821
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NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	\$ 98,492,085
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The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

K & F INDUSTRIES SAVINGS PLAN

Note 1. Description of the Plan

The following description of K & F Industries (the Company) Savings Plan (the Plan) provides only general information. Participants should refer to the Plan Agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined-contribution 401(k) plan covering all full-time employees of Meggitt Aircraft Braking Systems Corporation and Meggitt Polymer & Composites (collectively referred to as the Plan Sponsor). Prior to April 1, 2009, all employees were eligible as of their date of hire. Effective April 1, 2009, new salary employees are no longer eligible to enroll in the Plan. Effective February 1, 2010, the Plan amended to exclude from participation, temporary employees, cooperative education students, and salaried employees who are reemployed on or after February 1, 2010 and after the fifth anniversary of their severance from employment. Effective July 1, 2010, new employees hired by Meggitt Aircraft Braking Systems Corporation, which are subject to a collective bargaining agreement, are no longer eligible to enroll in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Each year, participants may voluntarily defer a percentage of gross salary, up to the statutory maximum amounts. Participants may also contribute amounts representing distributions from other qualified plans. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. The Company contributes 60% of the first 6% of base compensation that a participant contributes to the Plan. Certain union employees hired after March 1, 2007 will also receive a non-elective employer contribution of 3% of gross wages up to \$700 if certain criteria are met. Effective April 11, 2011, the non-elective employer contribution amount was increased to 4% of gross wages up to \$900.

Participant Accounts

Each participant's account is credited with the participant's contributions, related matching contributions, non-elective employer contributions, and allocations of the Plan's earnings. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their employee contributions plus actual earnings thereon. Participants vest in all contributions made by the Company and the earnings thereon upon the completion of three years of service with the Company, reaching the normal retirement date while actively employed, or termination of employment as a result of total disability or death.

NOTES TO FINANCIAL STATEMENTS

K & F INDUSTRIES SAVINGS PLAN

Note 1. Description of the Plan (Continued)

Participants' Investment Options

Upon enrollment in the Plan, a participant must direct employer contributions and employee deferrals to selected investments, as made available and determined by the plan administrator. Participants may change their investment options at their discretion.

Notes Receivable From Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of 50% of their vested account balance or \$50,000. The loans are secured by the balance in the participant's account and bear interest at rates that range from 4.25% to 9.25%, which are commensurate with local prevailing rates as determined by an oversight committee. The terms of the loans are 1 to 5 years or up to 10 years for the purchase of a primary residence. Principal and interest are paid monthly through payroll deductions.

Payment of Benefits

Upon the retirement, termination, disability or death of a participant, all vested amounts attributable to the participant's account (elective salary deferrals, contributions by the Company and income allocable to such amounts) become payable to the participant or beneficiary. The participant or beneficiary may elect to be paid in a lump-sum or in installments over a period of years, not to extend beyond the joint and last survivor expectancy of the participant and a designated beneficiary, in an amount equal to the vested value of his or her account. Hardship withdrawals are also permitted by the Plan.

Forfeited Accounts

Any forfeitures are used to restore previously forfeited amounts for individuals who return to the employment of the Company within a 60-month period. Any additional forfeitures are used to pay Plan expenses. The forfeiture balance at December 31, 2011 and 2010 was \$172,260 and \$103,660, respectively. In 2011, employer contributions were reduced by \$132,787 from forfeited nonvested accounts.

Note 2. Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared under the accrual basis of accounting.

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

NOTES TO FINANCIAL STATEMENTS

K & F INDUSTRIES SAVINGS PLAN

Note 2. Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

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

Notes Receivable From Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Administrative Expenses

As provided in the Plan document, costs of administering the Plan are paid by the Plan. Certain administrative and clerical functions are performed by the Company's employees at no charge to the Plan.

Pending Accounting Pronouncements

In May 2011, the FASB issued Accounting Standards Update, "Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs" (ASU 2011-04). This standards update amended the *FASB Fair Value Measurements and Disclosures* topic to converge the fair value measurement guidance in U.S. generally accepted accounting principles and International Financial Reporting Standards. Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle in the *Fair Value Measurements and Disclosures* topic. In addition, the standards update requires additional fair value disclosures. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. Plan management is currently evaluating the effect that the provisions of the standards update will have on the Plan's financial statements.

NOTES TO FINANCIAL STATEMENTS

K & F INDUSTRIES SAVINGS PLAN

Note 2. Significant Accounting Policies (Continued)

Subsequent Events

The Plan has evaluated subsequent events through July 27, 2012, the date the financial statements were available to be issued.

Note 3. Investments

All investment information including investments held and notes receivable from participants as of December 31, 2011 and 2010, interest and dividend income and net depreciation in fair value of investments for the year ended December 31, 2011, included in the Plan's financial statements and supplemental schedule, was prepared by or derived from information provided by T. Rowe Price Trust Company, the trustee, and furnished to the plan administrator. The plan administrator has obtained certifications from the trustee that the information provided to the plan administrator by the trustee related to the investments is complete and accurate. Accordingly, as permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the investment information.

The fair values of individual participant-directed investments that represent 5% or more of the Plan's net assets as of December 31 are as follows:

	2011	2010
Investments at fair value		
Mutual funds		
Fidelity Contra Fund	\$ 17,508,002	\$ 17,932,431
* T. Rowe Price Retirement 2020 Fund	7,054,892	8,245,058
* T. Rowe Price Retirement 2025 Fund	5,166,276	5,402,703
Davis NY Venture Fund	** 4,955,201	5,177,694
Common collective trust		
* T. Rowe Price Stable Value Common Trust Fund	28,982,563	27,126,166

* party-in-interest to the Plan

** does not represent 5% of net assets, shown for comparative purposes only

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

Mutual funds	\$ (1,883,169)
Common collective trusts	13,317
	<u>\$ (1,869,852)</u>

NOTES TO FINANCIAL STATEMENTS

K & F INDUSTRIES SAVINGS PLAN

Note 4. Fair Value Measurements

The FASB topic *Fair Value Measurements and Disclosures* provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- | | |
|---------|--|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access. |
| Level 2 | Inputs to the valuation methodology include <ul style="list-style-type: none">• Quoted prices for similar assets or liabilities in active markets;• Quoted prices for identical or similar assets or liabilities in inactive markets;• Inputs other than quoted prices that are observable for the asset or liability;• Inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement. |

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2011 and 2010.

Mutual Funds: Valued at the net asset value of shares held by the Plan at year end.

Common Collective Trusts: Valued at fair value based on the unit prices quoted by the fund, representing the fair value of the underlying investments.

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

NOTES TO FINANCIAL STATEMENTS

K & F INDUSTRIES SAVINGS PLAN

Note 4. Fair Value Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31.

Assets at fair value as of December 31, 2011				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ -	\$ -	\$ -	\$ -
Blended funds	30,139,882	-	-	30,139,882
Growth funds	35,646,542	-	-	35,646,542
Value funds	1,380,248	-	-	1,380,248
Common collective trusts				
Stable value fund	-	28,982,563	-	28,982,563
Equity index fund	503,095	-	-	503,095
Total assets at fair value	\$ 67,669,767	\$ 28,982,563	\$ -	\$ 96,652,330

Assets at fair value as of December 31, 2010				
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ -	\$ -	\$ -	\$ -
Blended funds	32,791,753	-	-	32,791,753
Growth funds	33,947,861	-	-	33,947,861
Value funds	966,358	-	-	966,358
Common collective trusts				
Stable value fund	-	27,126,166	-	27,126,166
Equity index fund	263,956	-	-	263,956
Total assets at fair value	\$ 67,969,928	\$ 27,126,166	\$ -	\$ 95,096,094

The following table sets forth additional disclosures of the Plan's investments whose fair value is estimated using net asset value per share (or its equivalent) as of December 31.

2011			
Fair value	Unfunded commitment	Redemption frequency	Redemption notice period
Common collective trust			
*Stable value fund	\$ 28,982,563	Daily	None
2010			
Fair value	Unfunded commitment	Redemption frequency	Redemption notice period
Common collective trust			
*Stable value fund	\$ 27,126,166	Daily	None

NOTES TO FINANCIAL STATEMENTS

K & F INDUSTRIES SAVINGS PLAN

Note 4. Fair Value Measurements (Continued)

- * This class includes a stable value collective fund whose objectives are to maximize current income consistent with the maintenance of principal and to provide for withdrawals for certain participant-initiated transactions under a retirement plan without penalty or adjustment. The funds invest in fixed-income assets such as guaranteed investment contracts (GICs) issued by insurance companies; investment contracts issued by banks (BICs); structured or synthetic investment contracts (SICs) issued by banks, insurance companies, and other issuers, as well as the securities supporting such SICs (underlying assets); separate account contracts (SACs); and other similar instruments that are intended to maintain a constant net asset value while permitting participant-initiated, benefit-responsive withdrawals for certain events (collectively, investment contracts). The fair value of investment(s) in this class has been estimated using the net asset value per share of the underlying investment(s).

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

We evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the year ended December 31, 2011, there were no significant transfers in or out of Levels 1, 2 or 3.

Note 5. Income Tax Status

The Internal Revenue Service has determined and informed the Company by letter dated October 31, 2011, that the Plan and the related trust are designed in accordance with applicable sections of the Internal Revenue Service Code (IRC) and, therefore, the related trust is not subject to the tax under present income tax law. The Plan has been amended since filing for the determination letter. However, the plan administrator believes that the Plan is designed and is currently being operated in compliance with applicable requirements of the IRC. In 2011, a Plan restatement was drafted to reflect all Plan amendments issued since the most recent IRS determination letter was received. Upon notification of the restated Plan's compliance with the IRC, the Plan restatement will become effective.

Accounting principles generally accepted in the United States of America require 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, including the resolution of appeals or litigation processes, if any. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. 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.

NOTES TO FINANCIAL STATEMENTS

K & F INDUSTRIES SAVINGS PLAN

Note 6. Plan Amendment and Termination

The Board of Directors has the right to amend the Plan if it determines that it is necessary and desirable to do so. Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their employer contributions.

Note 7. Transactions With Parties-in-Interest

Certain Plan investments are shares of mutual funds managed by affiliates of T. Rowe Price Trust Company, trustee of the Plan (see Note 3). Therefore, these transactions qualify as party-in-interest transactions. Management fees for these funds are paid by the respective funds and reduce the return earned on the funds. Trustee fees for administering the Plan are paid by the Company.

Certain legal, accounting, and administrative expenses related to the maintenance of participant eligibility records are paid by the Company. Fees paid during the year for other services rendered by parties-in-interest were based on customary and reasonable rates for such services.

Note 8. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and amounts reported in the statements of net assets available for benefits.

Note 9. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of the statements of net assets available for benefits to the Form 5500 for the years ended December 31:

	2011	2010
Net assets available for benefits as presented in these financial statements	\$ 98,492,085	\$ 96,863,821
Adjustment for deemed distributions	-	(11,451)
Net assets available for benefits as presented in Form 5500	\$ 98,492,085	\$ 96,852,370

SCHEDULE H, LINE 4I - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
K&F INDUSTRIES SAVINGS PLAN
EIN 34-1614846 PN 003
DECEMBER 31, 2011

(B) IDENTITY OF ISSUE, BORROWER, LESSOR, OR SIMILAR PARTY	(C) DESCRIPTION OF INVESTMENT	(D) COST	(E) CURRENT VALUE
* PARTICIPANT LOAN	0.0425/0.0925	0	
* RETIREMENT 2010 FUND	MUTUAL FUND	2,275,325	2,454,667
* DODGE&COX INTERNATIONAL STOCK	MUTUAL FUND	1,367,262	2,804,853
* FIDELITY CONTRAFUND	MUTUAL FUND	12,012,996	1,356,394
* RETIREMENT 2020 FUND	MUTUAL FUND	5,491,742	17,508,002
* RETIREMENT 2005 FUND	MUTUAL FUND	2,428,682	7,054,892
* RETIREMENT 2015 FUND	MUTUAL FUND	2,847,954	532,124
* RETIREMENT 2025 FUND	MUTUAL FUND	3,964,217	3,627,620
* RETIREMENT 2035 FUND	MUTUAL FUND	949,729	5,166,276
* RETIREMENT 2045 FUND	MUTUAL FUND	610,809	1,167,528
* BARON GROWTH FUND I	MUTUAL FUND	3,821,296	709,188
* RETIREMENT 2030 FUND	MUTUAL FUND	2,504,536	4,176,101
* RETIREMENT 2050 FUND	MUTUAL FUND	505,774	3,185,438
* RETIREMENT 2055 FUND	MUTUAL FUND	87,457	552,772
* RETIREMENT 2040 FUND	MUTUAL FUND	560,709	93,776
* TRP STABLE VALUE FUND SCH B	COMMON TRUST	27,971,805	652,290
* RETIREMENT INCOME FUND	MUTUAL FUND	630,970	27,971,805
* JP MORGAN SM CAP EQUITY SELECT	MUTUAL FUND	3,185,054	767,456
* MAINSTAY LARGE CAP GROWTH I	MUTUAL FUND	467,584	4,336,146
* DAVIS NEW YORK VENTURE	MUTUAL FUND	3,610,930	498,730
* ARTISAN INTERNATIONAL FUND	MUTUAL FUND	346,030	4,955,201
* PIMCO TOTAL RETURN INSTL	MUTUAL FUND	3,864,001	397,886
* TRP EQUITY INDEX TRUST CL B	COMMON TRUST	468,885	3,875,066
* MID-CAP VALUE FUND	MUTUAL FUND	660,844	503,095
* EXTENDED EQUITY MARKET INDEX	MUTUAL FUND	443,478	671,457
* PRIME RESERVE FUND	MUTUAL FUND	15,581	467,734
* MID-CAP GROWTH FUND	MUTUAL FUND	1,783,041	15,581
* EQUITY INCOME FUND	MUTUAL FUND	672,708	1,900,951
TOTAL INVESTMENTS			98,096,239

* PARTY-IN-INTEREST TO THE PLAN

Attachment to 2011 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name K & F Industries Savings Plan

EIN: 34-1614846

Plan Sponsor's Name Meggitt Aircraft Braking Systems Corporation

PN: 003

(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
	PARTICIPANT LOAN	0.425/0.925	0	2,454,667
	Dodge&Cox International STOCK	Mutual Fund	1,367,262	1,356,394
	Fidelity Contra Fund	Mutual Fund	12,012,996	17,508,002
	Retirement 2005 Fund	Mutual Fund	428,682	532,124
	Retirement 2010 Fund	Mutual Fund	2,275,325	2,804,853
	Retirement 2015 Fund	Mutual Fund	2,847,954	3,627,620
	Retirement 2020 Fund	Mutual Fund	5,491,742	7,054,892

Attachment to 2011 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name K & F Industries Savings Plan

EIN: 34-1614846

Plan Sponsor's Name Meggitt Aircraft Braking Systems Corporation

PN: 003

(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
	Retirement 2025 Fund	Mutual Fund	3,964,217	5,166,276
	Retirement 2030 Fund	Mutual Fund	2,504,536	3,185,438
	Retirement 2035 Fund	Mutual Fund	949,729	1,167,528
	Retirement 2040 Fund	Mutual Fund	560,709	652,290
	Retirement 2045 Fund	Mutual Fund	610,809	709,188
	Retirement 2050 Fund	Mutual Fund	505,774	552,772
	Retirement 2055 Fund	Mutual Fund	87,457	93,776

Attachment to 2011 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name K & F Industries Savings Plan

EIN: 34-1614846

Plan Sponsor's Name Meggitt Aircraft Braking Systems Corporation

PN: 003

(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
	TRP Stable Value Fund Sch B	Common Trust	27,971,805	27,971,805
	Retirement Income Fund	Mutual Fund	630,970	767,456
	JP Morgan Sm Cap Equity Select	Mutual Fund	3,185,054	4,336,146
	MAINSTAY LARGE CAP GROWTH I	Mutual Fund	467,584	498,730
	Baron Growth Fund I	Mutual Fund	3,821,296	4,176,101
	Davis New York Venture	Mutual Fund	3,610,930	4,955,201
	Artisan International Fund	Mutual Fund	346,030	397,886

Attachment to 2011 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name K & F Industries Savings Plan

EIN: 34-1614846

Plan Sponsor's Name Meggitt Aircraft Braking Systems Corporation

PN: 003

(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
	PIMCO Total Return Instl	Mutual Fund	3,864,001	3,875,066
	TRP EQUITY INDEX TRUST CL B	Common Trust	468,885	503,095
	Mid-Cap Value Fund	Mutual Fund	660,844	671,457
	Extended Equity Market Index	Mutual Fund	443,478	467,734
	PRIME RESERVE FUND	Mutual Fund	15,581	15,581
	Mid-Cap Growth Fund	Mutual Fund	1,783,041	1,900,951
	Equity Income Fund	Mutual Fund	672,708	693,210

Financial Statements and Supplemental Schedule

K & F Industries Savings Plan

December 31, 2011



BRUNER-COX LLP

Business Consultants & Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
K & F Industries Savings Plan
Akron, Ohio

We were engaged to audit the accompanying statements of net assets available for benefits of K & F Industries Savings Plan as of December 31, 2011 and 2010, and the related statement of changes in net assets available for benefits for the year ended December 31, 2011 and the supplemental schedule of Schedule H, line 4i – Schedule of Assets (Held At End of Year) as of December 31, 2011. 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 3, which was certified by T. Rowe Price Trust Company, the trustee of the Plan, except for comparing such 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 assets and executes transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2011 and 2010 and for the year ended December 31, 2011, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The supplemental schedule is presented for the purposes of additional analysis and is not a required part of the financial statements but is 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.

Bruner • Cox, LLP

Akron, Ohio
July 27, 2012

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

K & F INDUSTRIES SAVINGS PLAN

December 31, 2011 and 2010

	2011	2010
ASSETS		
Investments, at fair value		
Mutual funds	\$ 67,166,672	\$ 67,705,972
Common collective trusts	29,485,658	27,390,122
	<u>96,652,330</u>	<u>95,096,094</u>
Receivables		
Participant contributions	-	101,648
Employer contributions	395,846	303,498
Notes receivable from participants	2,454,667	2,357,735
	<u>2,850,513</u>	<u>2,762,881</u>
Total assets	99,502,843	97,858,975
LIABILITIES		
Accrued administrative expenses	-	14,700
Net assets available for benefits at fair value	99,502,843	97,844,275
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(1,010,758)	(980,454)
Net assets available for benefits	\$ 98,492,085	\$ 96,863,821

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

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

K & F INDUSTRIES SAVINGS PLAN

For the year ended December 31, 2011

ADDITIONS TO NET ASSETS

Contributions	
Employer	\$ 2,258,398
Participant	4,831,868
Rollovers	242,800
Interest and dividend income	2,307,246
Net depreciation in fair value of investments	(1,869,852)
Other	76,357

Total additions to net assets	7,846,817
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DEDUCTIONS FROM NET ASSETS

Benefits paid to participants	5,961,610
Deemed loan distributions	180,420
Administrative expenses	51,860

Total deductions from net assets	6,193,890
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Net increase in net assets available for benefits	1,652,927
--	------------------

TRANSFER TO MEGGITT-USA, INC. 401(k) PLAN	(24,663)
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NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	96,863,821
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NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	\$ 98,492,085
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The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

K & F INDUSTRIES SAVINGS PLAN

Note 1. Description of the Plan

The following description of K & F Industries (the Company) Savings Plan (the Plan) provides only general information. Participants should refer to the Plan Agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined-contribution 401(k) plan covering all full-time employees of Meggitt Aircraft Braking Systems Corporation and Meggitt Polymer & Composites (collectively referred to as the Plan Sponsor). Prior to April 1, 2009, all employees were eligible as of their date of hire. Effective April 1, 2009, new salary employees are no longer eligible to enroll in the Plan. Effective February 1, 2010, the Plan amended to exclude from participation, temporary employees, cooperative education students, and salaried employees who are reemployed on or after February 1, 2010 and after the fifth anniversary of their severance from employment. Effective July 1, 2010, new employees hired by Meggitt Aircraft Braking Systems Corporation, which are subject to a collective bargaining agreement, are no longer eligible to enroll in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Each year, participants may voluntarily defer a percentage of gross salary, up to the statutory maximum amounts. Participants may also contribute amounts representing distributions from other qualified plans. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. The Company contributes 60% of the first 6% of base compensation that a participant contributes to the Plan. Certain union employees hired after March 1, 2007 will also receive a non-elective employer contribution of 3% of gross wages up to \$700 if certain criteria are met. Effective April 11, 2011, the non-elective employer contribution amount was increased to 4% of gross wages up to \$900.

Participant Accounts

Each participant's account is credited with the participant's contributions, related matching contributions, non-elective employer contributions, and allocations of the Plan's earnings. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their employee contributions plus actual earnings thereon. Participants vest in all contributions made by the Company and the earnings thereon upon the completion of three years of service with the Company, reaching the normal retirement date while actively employed, or termination of employment as a result of total disability or death.

NOTES TO FINANCIAL STATEMENTS

K & F INDUSTRIES SAVINGS PLAN

Note 1. Description of the Plan (Continued)

Participants' Investment Options

Upon enrollment in the Plan, a participant must direct employer contributions and employee deferrals to selected investments, as made available and determined by the plan administrator. Participants may change their investment options at their discretion.

Notes Receivable From Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of 50% of their vested account balance or \$50,000. The loans are secured by the balance in the participant's account and bear interest at rates that range from 4.25% to 9.25%, which are commensurate with local prevailing rates as determined by an oversight committee. The terms of the loans are 1 to 5 years or up to 10 years for the purchase of a primary residence. Principal and interest are paid monthly through payroll deductions.

Payment of Benefits

Upon the retirement, termination, disability or death of a participant, all vested amounts attributable to the participant's account (elective salary deferrals, contributions by the Company and income allocable to such amounts) become payable to the participant or beneficiary. The participant or beneficiary may elect to be paid in a lump-sum or in installments over a period of years, not to extend beyond the joint and last survivor expectancy of the participant and a designated beneficiary, in an amount equal to the vested value of his or her account. Hardship withdrawals are also permitted by the Plan.

Forfeited Accounts

Any forfeitures are used to restore previously forfeited amounts for individuals who return to the employment of the Company within a 60-month period. Any additional forfeitures are used to pay Plan expenses. The forfeiture balance at December 31, 2011 and 2010 was \$172,260 and \$103,660, respectively. In 2011, employer contributions were reduced by \$132,787 from forfeited nonvested accounts.

Note 2. Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared under the accrual basis of accounting.

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

NOTES TO FINANCIAL STATEMENTS

K & F INDUSTRIES SAVINGS PLAN

Note 2. Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

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

Notes Receivable From Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Administrative Expenses

As provided in the Plan document, costs of administering the Plan are paid by the Plan. Certain administrative and clerical functions are performed by the Company's employees at no charge to the Plan.

Pending Accounting Pronouncements

In May 2011, the FASB issued Accounting Standards Update, "Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs" (ASU 2011-04). This standards update amended the *FASB Fair Value Measurements and Disclosures* topic to converge the fair value measurement guidance in U.S. generally accepted accounting principles and International Financial Reporting Standards. Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle in the *Fair Value Measurements and Disclosures* topic. In addition, the standards update requires additional fair value disclosures. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. Plan management is currently evaluating the effect that the provisions of the standards update will have on the Plan's financial statements.

NOTES TO FINANCIAL STATEMENTS

K & F INDUSTRIES SAVINGS PLAN

Note 2. Significant Accounting Policies (Continued)

Subsequent Events

The Plan has evaluated subsequent events through July 27, 2012, the date the financial statements were available to be issued.

Note 3. Investments

All investment information including investments held and notes receivable from participants as of December 31, 2011 and 2010, interest and dividend income and net depreciation in fair value of investments for the year ended December 31, 2011, included in the Plan's financial statements and supplemental schedule, was prepared by or derived from information provided by T. Rowe Price Trust Company, the trustee, and furnished to the plan administrator. The plan administrator has obtained certifications from the trustee that the information provided to the plan administrator by the trustee related to the investments is complete and accurate. Accordingly, as permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the plan administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the investment information.

The fair values of individual participant-directed investments that represent 5% or more of the Plan's net assets as of December 31 are as follows:

	2011	2010
Investments at fair value		
Mutual funds		
Fidelity Contra Fund	\$ 17,508,002	\$ 17,932,431
* T. Rowe Price Retirement 2020 Fund	7,054,892	8,245,058
* T. Rowe Price Retirement 2025 Fund	5,166,276	5,402,703
Davis NY Venture Fund	** 4,955,201	5,177,694
Common collective trust		
* T. Rowe Price Stable Value Common Trust Fund	28,982,563	27,126,166

* party-in-interest to the Plan

** does not represent 5% of net assets, shown for comparative purposes only

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

Mutual funds	\$ (1,883,169)
Common collective trusts	13,317
	<u>\$ (1,869,852)</u>

NOTES TO FINANCIAL STATEMENTS

K & F INDUSTRIES SAVINGS PLAN

Note 4. Fair Value Measurements

The FASB topic *Fair Value Measurements and Disclosures* provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- | | |
|---------|--|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access. |
| Level 2 | <p>Inputs to the valuation methodology include</p> <ul style="list-style-type: none">• Quoted prices for similar assets or liabilities in active markets;• Quoted prices for identical or similar assets or liabilities in inactive markets;• Inputs other than quoted prices that are observable for the asset or liability;• Inputs that are derived principally from or corroborated by observable market data by correlation or other means. <p>If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.</p> |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement. |

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2011 and 2010.

Mutual Funds: Valued at the net asset value of shares held by the Plan at year end.

Common Collective Trusts: Valued at fair value based on the unit prices quoted by the fund, representing the fair value of the underlying investments.

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

NOTES TO FINANCIAL STATEMENTS

K & F INDUSTRIES SAVINGS PLAN

Note 4. Fair Value Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31.

Assets at fair value as of December 31, 2011				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ -	\$ -	\$ -	\$ -
Blended funds	30,139,882	-	-	30,139,882
Growth funds	35,646,542	-	-	35,646,542
Value funds	1,380,248	-	-	1,380,248
Common collective trusts				
Stable value fund	-	28,982,563	-	28,982,563
Equity index fund	503,095	-	-	503,095
Total assets at fair value	\$ 67,669,767	\$ 28,982,563	\$ -	\$ 96,652,330

Assets at fair value as of December 31, 2010				
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ -	\$ -	\$ -	\$ -
Blended funds	32,791,753	-	-	32,791,753
Growth funds	33,947,861	-	-	33,947,861
Value funds	966,358	-	-	966,358
Common collective trusts				
Stable value fund	-	27,126,166	-	27,126,166
Equity index fund	263,956	-	-	263,956
Total assets at fair value	\$ 67,969,928	\$ 27,126,166	\$ -	\$ 95,096,094

The following table sets forth additional disclosures of the Plan's investments whose fair value is estimated using net asset value per share (or its equivalent) as of December 31.

2011			
Fair value	Unfunded commitment	Redemption frequency	Redemption notice period
Common collective trust			
*Stable value fund	\$ 28,982,563	Daily	None
2010			
Fair value	Unfunded commitment	Redemption frequency	Redemption notice period
Common collective trust			
*Stable value fund	\$ 27,126,166	Daily	None

NOTES TO FINANCIAL STATEMENTS

K & F INDUSTRIES SAVINGS PLAN

Note 4. Fair Value Measurements (Continued)

- * This class includes a stable value collective fund whose objectives are to maximize current income consistent with the maintenance of principal and to provide for withdrawals for certain participant-initiated transactions under a retirement plan without penalty or adjustment. The funds invest in fixed-income assets such as guaranteed investment contracts (GICs) issued by insurance companies; investment contracts issued by banks (BICs); structured or synthetic investment contracts (SICs) issued by banks, insurance companies, and other issuers, as well as the securities supporting such SICs (underlying assets); separate account contracts (SACs); and other similar instruments that are intended to maintain a constant net asset value while permitting participant-initiated, benefit-responsive withdrawals for certain events (collectively, investment contracts). The fair value of investment(s) in this class has been estimated using the net asset value per share of the underlying investment(s).

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

We evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the year ended December 31, 2011, there were no significant transfers in or out of Levels 1, 2 or 3.

Note 5. Income Tax Status

The Internal Revenue Service has determined and informed the Company by letter dated October 31, 2011, that the Plan and the related trust are designed in accordance with applicable sections of the Internal Revenue Service Code (IRC) and, therefore, the related trust is not subject to the tax under present income tax law. The Plan has been amended since filing for the determination letter. However, the plan administrator believes that the Plan is designed and is currently being operated in compliance with applicable requirements of the IRC. In 2011, a Plan restatement was drafted to reflect all Plan amendments issued since the most recent IRS determination letter was received. Upon notification of the restated Plan's compliance with the IRC, the Plan restatement will become effective.

Accounting principles generally accepted in the United States of America require 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, including the resolution of appeals or litigation processes, if any. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. 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.

NOTES TO FINANCIAL STATEMENTS

K & F INDUSTRIES SAVINGS PLAN

Note 6. Plan Amendment and Termination

The Board of Directors has the right to amend the Plan if it determines that it is necessary and desirable to do so. Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their employer contributions.

Note 7. Transactions With Parties-in-Interest

Certain Plan investments are shares of mutual funds managed by affiliates of T. Rowe Price Trust Company, trustee of the Plan (see Note 3). Therefore, these transactions qualify as party-in-interest transactions. Management fees for these funds are paid by the respective funds and reduce the return earned on the funds. Trustee fees for administering the Plan are paid by the Company.

Certain legal, accounting, and administrative expenses related to the maintenance of participant eligibility records are paid by the Company. Fees paid during the year for other services rendered by parties-in-interest were based on customary and reasonable rates for such services.

Note 8. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and amounts reported in the statements of net assets available for benefits.

Note 9. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of the statements of net assets available for benefits to the Form 5500 for the years ended December 31:

	2011	2010
Net assets available for benefits as presented in these financial statements	\$ 98,492,085	\$ 96,863,821
Adjustment for deemed distributions	-	(11,451)
Net assets available for benefits as presented in Form 5500	\$ 98,492,085	\$ 96,852,370

SCHEDULE H, LINE 4I - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
K&F INDUSTRIES SAVINGS PLAN
EIN 34-1614846 PN 003
DECEMBER 31, 2011

(B) IDENTITY OF ISSUE, BORROWER, LESSOR, OR SIMILAR PARTY	(C) DESCRIPTION OF INVESTMENT	(D) COST	(E) CURRENT VALUE
* PARTICIPANT LOAN	0.0425/0.0925	0	
* RETIREMENT 2010 FUND	MUTUAL FUND	2,275,325	2,454,667
* DODGE&COX INTERNATIONAL STOCK	MUTUAL FUND	1,367,262	2,804,853
* FIDELITY CONTRAFUND	MUTUAL FUND	12,012,996	1,356,394
* RETIREMENT 2020 FUND	MUTUAL FUND	5,491,742	17,508,002
* RETIREMENT 2005 FUND	MUTUAL FUND	2,428,682	7,054,892
* RETIREMENT 2015 FUND	MUTUAL FUND	2,847,954	532,124
* RETIREMENT 2025 FUND	MUTUAL FUND	3,964,217	3,627,620
* RETIREMENT 2035 FUND	MUTUAL FUND	949,729	5,166,276
* RETIREMENT 2045 FUND	MUTUAL FUND	610,809	1,167,528
* BARON GROWTH FUND I	MUTUAL FUND	3,821,296	709,188
* RETIREMENT 2030 FUND	MUTUAL FUND	2,504,536	4,176,101
* RETIREMENT 2050 FUND	MUTUAL FUND	505,774	3,185,438
* RETIREMENT 2055 FUND	MUTUAL FUND	87,457	552,772
* RETIREMENT 2040 FUND	MUTUAL FUND	560,709	93,776
* TRP STABLE VALUE FUND SCH B	COMMON TRUST	27,971,805	652,290
* RETIREMENT INCOME FUND	MUTUAL FUND	630,970	27,971,805
* JP MORGAN SM CAP EQUITY SELECT	MUTUAL FUND	3,185,054	767,456
* MAINSTAY LARGE CAP GROWTH I	MUTUAL FUND	467,584	4,336,146
* DAVIS NEW YORK VENTURE	MUTUAL FUND	3,610,930	498,730
* ARTISAN INTERNATIONAL FUND	MUTUAL FUND	346,030	4,955,201
* PIMCO TOTAL RETURN INSTL	MUTUAL FUND	3,864,001	397,886
* TRP EQUITY INDEX TRUST CL B	COMMON TRUST	468,885	3,875,066
* MID-CAP VALUE FUND	MUTUAL FUND	660,844	503,095
* EXTENDED EQUITY MARKET INDEX	MUTUAL FUND	443,478	671,457
* PRIME RESERVE FUND	MUTUAL FUND	15,581	467,734
* MID-CAP GROWTH FUND	MUTUAL FUND	1,783,041	15,581
* EQUITY INCOME FUND	MUTUAL FUND	672,708	1,900,951
TOTAL INVESTMENTS			98,096,239

* PARTY-IN-INTEREST TO THE PLAN

Application for Extension of Time To File Certain Employee Plan Returns

OMB No. 1545-0212

► For Privacy Act and Paperwork Reduction Act Notice, see instructions on page 3.

File With IRS Only

Part I Identification

A	Name of filer, plan administrator, or plan sponsor (see instructions)			B Filer's identifying number (see instructions).			
	Meggitt Aircraft Braking Systems Corporation			☒ Employer identification number (EIN).			
	Number, street, and room or suite no. (If a P.O. box, see instructions)			34-1614846			
	1204 Massillon Road			☐ Social security number (SSN)			
City or town, state, and ZIP code							
Akron OH 44306-4186							
C	Plan name	Plan number			Plan year ending—		
					MM	DD	YYYY
	1 <u>ABS/EF Retirement Plan For Bargaining Unit Employees</u>	0	0	1	12	31	2010
	2 <u>K & F Industries Retirement Plan For Salaried Employees</u>	0	0	2	12	31	2010
	3 <u>K & F Industries Savings Plan</u>	0	0	3	12	31	2010

Part II Extension of Time to File Form 5500 or Form 5500-EZ (see instructions)

1 I request an extension of time until 10 / 15 / 2011 to file Form 5500 or Form 5500-EZ.

The application is **automatically approved** to the date shown on line 1 (above) if: **(a)** the Form 5558 is filed on or before the normal due date of Form 5500 or 5500-EZ for which this extension is requested, and **(b)** the date on line 1 is no more than 2½ months after the normal due date.

You must attach a copy of this Form 5558 to each Form 5500 and 5500-EZ filed after the due date for the plans listed in C above.

Note. A signature is not required if you are requesting an extension to file Form 5500 or Form 5500-EZ.

Part III Extension of Time to File Form 5330 (see instructions)

2 I request an extension of time until / / to file Form 5330.

You may be approved for up to a six (6) month extension to file Form 5330, after the normal due date of Form 5330.

a Enter the Code section(s) imposing the tax **a**

b Enter the payment amount attached **b**

c For excise taxes under section 4980 or 4980F of the Code, enter the reversion/amendment date ▶ **c**

3 State in detail why you need the extension

[illegible]

Under penalties of perjury, I declare that to the best of my knowledge and belief, the statements made on this form are true, correct, and complete, and that I am authorized to prepare this application.

Signature ►

Date ▶