

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>TIMKEN DRIVES, LLC RETIREMENT SAVINGS PLAN</u>	<table border="1"> <tr> <td>1b Three-digit plan number (PN) ►</td> <td><u>001</u></td> </tr> <tr> <td>1c Effective date of plan</td> <td><u>03/01/1979</u></td> </tr> </table>	1b Three-digit plan number (PN) ►	<u>001</u>	1c Effective date of plan	<u>03/01/1979</u>		
1b Three-digit plan number (PN) ►	<u>001</u>						
1c Effective date of plan	<u>03/01/1979</u>						
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>TIMKEN DRIVES, LLC</u> <u>901 19TH AVENUE</u> <u>FULTON, IL 61252</u>	<table border="1"> <tr> <td>2b Employer Identification Number (EIN)</td> <td><u>26-2662674</u></td> </tr> <tr> <td>2c Sponsor's telephone number</td> <td><u>815-589-2211</u></td> </tr> <tr> <td>2d Business code (see instructions)</td> <td><u>332110</u></td> </tr> </table>	2b Employer Identification Number (EIN)	<u>26-2662674</u>	2c Sponsor's telephone number	<u>815-589-2211</u>	2d Business code (see instructions)	<u>332110</u>
2b Employer Identification Number (EIN)	<u>26-2662674</u>						
2c Sponsor's telephone number	<u>815-589-2211</u>						
2d Business code (see instructions)	<u>332110</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>MARY BUIKEMA</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>BENJAMIN WEYRICK</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") TIMKEN DRIVES, LLC 901 19TH AVENUE FULTON, IL 61252		3b Administrator's EIN 26-2662674
		3c Administrator's telephone number 815-589-2211
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 DRIVES, LLC		4b EIN 26-2662674 4c PN 001
5 Total number of participants at the beginning of the plan year	5	443
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	412
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	26
d Subtotal. Add lines 6a , 6b , and 6c	6d	438
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	1
f Total. Add lines 6d and 6e	6f	439
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	414
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	14
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions: 2E 2F 2G 2J 2K 2S 2T 3D		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

SCHEDULE 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 TIMKEN DRIVES, LLC RETIREMENT SAVINGS PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 TIMKEN DRIVES, LLC	D Employer Identification Number (EIN) 26-2662674	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

RIVERNORTH CAPITAL MANAGEMENT, LLC

325 N. LASALLE STREET
SUITE 645
CHICAGO, IL 60654

(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?
20	NONE	50000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

ALLIANCE BENEFIT GROUP

37-0899315

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 37	NONE	25563	Yes ☒ No ☐	Yes ☐ No ☒	26163	Yes ☐ No ☒

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

TD AMERITRADE TRUST COMPANY

20-0937408

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
18	NONE	0	Yes ☒ No ☐	Yes ☐ No ☒	7670	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
ALLIANCE BENEFIT GROUP OF ILLINOIS	59	26163

(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.
TD AMERITRADE TRUST COMPANY 20-0937408	REVENUE SHARING USED TO PAY TPA FEES

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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.

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

A Name of plan <u>TIMKEN DRIVES, LLC RETIREMENT SAVINGS PLAN</u>	B Three-digit plan number (PN) <u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>TIMKEN DRIVES, LLC</u>	D Employer Identification Number (EIN) <u>26-2662674</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: MET MASTER TRUST 25157

b Name of sponsor of entity listed in (a): RELIANCE TRUST COMPANY

c EIN-PN <u>58-1428634-005</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>2812502</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)
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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
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code**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

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

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

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

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection
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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 TIMKEN DRIVES, LLC RETIREMENT SAVINGS PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 TIMKEN DRIVES, LLC	D Employer Identification Number (EIN) 26-2662674	

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	17690	
(2) Participant contributions	1b(2)	32843	
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	6168	64747
(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)	531300	434701
(9) Value of interest in common/collective trusts.....	1c(9)	1576690	2812502
(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)	16940649	16306338
(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	19105340	19618288

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	19105340	19618288
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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)	582100	
(B) Participants	2a(1)(B)	1212472	
(C) Others (including rollovers)	2a(1)(C)	199094	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1993666
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	6	
(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)	24158	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		24164
(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)	375934	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		375934
(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)		175807
(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)		-776559
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		1793012

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1204501	
(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)		1204501
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	25563	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	50000	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		75563
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		1280064

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		512948
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: CRIPPEN REID & BOWEN LLC

(2) EIN: 36-2767460

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		20000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	

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

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

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

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		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>TIMKEN DRIVES, LLC RETIREMENT SAVINGS PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>TIMKEN DRIVES, LLC</u>	D Employer Identification Number (EIN) <u>26-2662674</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>37-0899315</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

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

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

Part III	Amendments
-----------------	-------------------

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

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

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

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): _____

**TIMKEN DRIVES, LLC RETIREMENT
SAVINGS PLAN**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

For the years ended December 31, 2011 and 2010

CONTENTS

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CRIPPEN, REID & BOWEN, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

1528 47th Avenue
Moline, Illinois 61265
(309) 764-3200
(309) 764-3368 Fax

810 South Chicago Street
Geneseo, Illinois 61254
(309) 944-6148
(309) 944-2010 Fax

Independent Auditors' Report

To the Plan Administrator
Timken Drives, LLC Retirement Savings Plan
Fulton, Illinois

We were engaged to audit the financial statements and supplemental information of the Timken Drives, LLC Retirement Savings Plan as of December 31, 2011 and 2010, and for the years then ended, as listed in the accompanying table of contents. These financial statements and supplemental information 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 5, which was certified by TD AMERITRADE Trust Company, the trustee of the plan, except for comparing such information with the related information included in the financial statements and supplemental information. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2011 and 2010, and for the years then ended 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 information taken as a whole. The supplemental information 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 information, 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.

Crippen, Reid & Bowen LLC

Moline, Illinois
September 24, 2012

TIMKEN DRIVES, LLC RETIREMENT SAVINGS PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2011 and 2010

ASSETS	<u>2011</u>	<u>2010</u>
Investments, at fair value		
Money market fund	\$ 64,747	\$ 6,168
Value of interest in registered investment companies	16,306,338	16,940,649
Value of interest in common/collective trust	<u>2,812,502</u>	<u>1,576,690</u>
Total investments	<u>19,183,587</u>	<u>18,523,507</u>
Receivables		
Participant contributions	---	32,843
Employer contributions	---	17,690
Notes receivable from participants	<u>434,701</u>	<u>531,300</u>
Total receivables	<u>434,701</u>	<u>581,833</u>
Net assets available for benefits at fair value	19,618,288	19,105,340
Adjustment from fair value to contract value for interest in common/collective trust relating to fully benefit-responsive investment contract	<u>(140,247)</u>	<u>(24,274)</u>
Net assets available for benefits	<u>\$19,478,041</u>	<u>\$19,081,066</u>

See the accompanying notes to financial statements.

TIMKEN DRIVES, LLC RETIREMENT SAVINGS PLAN
STATEMENTS OF CHANGES IN NET ASSETS
AVAILABLE FOR BENEFITS
For the years ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Additions		
Contributions		
Employer	\$ 582,100	\$ 582,847
Participant	<u>1,411,566</u>	<u>1,193,530</u>
	1,993,666	1,776,377
Investment income		
Net appreciation (depreciation) in fair value of investments	(340,785)	1,987,363
Interest income on notes receivable from participants	<u>24,158</u>	<u>29,238</u>
Total additions	<u>1,677,039</u>	<u>3,792,978</u>
Deductions		
Benefits paid to participants	1,204,501	1,159,133
Administrative expenses	<u>75,563</u>	<u>71,832</u>
Total deductions	<u>1,280,064</u>	<u>1,230,965</u>
Net increase	396,975	2,562,013
Net assets available for benefits, beginning of year	<u>19,081,066</u>	<u>16,519,053</u>
Net assets available for benefits, end of year	<u><u>\$19,478,041</u></u>	<u><u>\$19,081,066</u></u>

See the accompanying notes to financial statements.

TIMKEN DRIVES, LLC RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011 and 2010

Note 1 - Description of Plan

The following brief description of the Timken Drives, LLC Retirement Savings Plan (Plan) provides only general information. Participants should refer to the Plan agreement for a more comprehensive description of the Plan's provisions.

a. General - In October 2011, the Timken Company acquired 100% of the ownership interest of Drives, LLC, with the company being renamed Timken Drives, LLC. The Plan is a defined contribution plan that covers substantially all employees of Timken Drives, LLC (Company) who are age eighteen or older, except excluded employees. Entry into the Plan occurs on the first day of the month coinciding with or next following the date eligibility requirements are met. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan incorporates an automatic enrollment feature and an automatic increase program. Unless otherwise elected by the participant, eligible employees are automatically enrolled in the Plan at 3%. The contribution rate for all participants who were automatically enrolled will automatically increase 1% each January 1st following their first full year of participation, up to a maximum 6% unless the participant elects out of the plan.

b. Contributions - Participants may contribute up to 100 percent of pretax annual compensation, as defined in the Plan. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified plans (rollover contributions). For the years ended December 31, 2011 and 2010, there were rollover contributions of approximately \$199,000 and \$24,000, respectively.

The Company has the option to make discretionary matching contributions each year. The Company matches 100% of the first 1% of the participant's deferral, plus 50% of the next 5%. The Plan makes additional matching contributions based on years of service which are limited to a percentage of compensation as follows: (1) 4.5% for participants with 20 to 24 years of service, (2) 5.5% for participants with 25 to 29 years of service, and (3) 6.5% for participants with over 30 years of service.

c. Participant accounts - Each participant's account is credited with the participant's contributions and allocations of (1) the Company's contributions, (2) Plan earnings, and (3) charged with an allocation of administrative expenses. 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.

TIMKEN DRIVES, LLC RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011 and 2010

Note 1 - Description of Plan (continued)

d. Investment options - Participants may direct their account balances into various investment options offered by the Plan. Participants may change their investment options daily. The Plan currently offers five registered investment companies and one common/collective trust as investment options.

e. Vesting - Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's matching contributions to participant accounts plus actual earnings thereon is 100 percent after two years of credited service. Vesting of 100 percent of a participant's employer contributions and earnings thereon also occurs upon death or disability of the participant or attainment of age 65 (normal retirement).

f. 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 \$50,000 or 50 percent of their deferral contributions account balance, whichever is less. Only one loan may be outstanding to a participant at any time. Loan transactions are classified as notes receivable from participants, segregated from plan investments. Loan terms range from one to five years, except in the case of loans used in connection with the purchase of a home. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates. The interest rates ranged from 4.25 – 9.25 percent. Principal and interest are paid ratably through payroll deductions.

As a result of the adoption of the Financial Accounting Standards Board's ("FASB") Accounting Standards Update 2010-25, *Plan Accounting – Defined Contribution Plans*, the Plan retrospectively classified participant loans as notes receivable from participants in the statements of net assets available for benefits and measured them at their unpaid principal balance plus any accrued but unpaid interest.

g. Payment of benefits - Upon termination of service due to retirement, death, disability or separation from service, participants may elect to receive benefits in a single lump-sum in accordance with the Plan. Also, upon retirement, disability, or separation from service, participants may elect to continue their account until the participant attains age 65. A participant is also allowed to make hardship distributions in certain circumstances.

h. Forfeited accounts - At December 31, 2011 and 2010, forfeited nonvested accounts amounted to approximately \$800 and \$5,000 respectively. These accounts will be used to reduce future employer contributions in Timken's separate retirement plan once Plan assets have been transferred. For the years ended December 31, 2011 and 2010, employer contributions were reduced by approximately \$12,300 and \$9,200 respectively from forfeited nonvested accounts.

TIMKEN DRIVES, LLC RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011 and 2010

Note 2 - Summary of Significant Accounting Policies

The following are the significant accounting policies followed by the Plan:

a. Basis of accounting - The accompanying financial statements are prepared on 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. As required by the FSP, the Statement 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.

b. Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

c. Current accounting developments - In January 2010, the FASB issued guidance which expands the required disclosures about fair value measurements. In particular, this guidance requires (i) separate disclosure of the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements along with the reasons for such transfers, (ii) information about purchases, sales, issuances and settlements to be presented separately in the reconciliation for Level 3 fair value measurements, (iii) fair value measurement disclosures for each class of assets and liabilities and (iv) disclosures about the valuation techniques and inputs used to measure fair value for both recurring and nonrecurring fair value measurements for fair value measurements that fall in either Level 2 or level 3. This guidance was effective for periods beginning after December 15, 2009 except for (ii) above which was effective for fiscal years beginning after December 15, 2010. The Plan has adopted this guidance for the 2011 Plan year with no material impact on the Plan's financial statements.

TIMKEN DRIVES, LLC RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011 and 2010

Note 2 - Summary of Significant Accounting Policies (continued)

In 2010, the FASB issued Accounting Standards Update (ASU) 2010-25. The Plan adopted this new guidance for the year ended December 31, 2010. This standard requires loans to participants to be classified as notes receivable from participants and segregated from plan investments. Adoption of this standard is not a correction of an error and therefore, is not considered a restatement. Rather, adoption of a new accounting principle results in retrospective application to all prior periods presented, as if that principle had always been used. The adoption of this standard did not have an impact on the Plan's financial statements.

d. Investment valuation and income recognition - The Plan's investments are stated at fair value. The fair value of units in registered investment companies and common/collective trusts are valued at the fair value of the underlying assets. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis.

e. Net appreciation in fair value of investments - The earnings, expenses, realized gains or losses, and unrealized appreciation in registered investment companies and the common/collective trust are recorded in the accompanying financial statements as net appreciation in fair value of investments.

f. Administrative expenses - The Plan pays the cost of administering the Plan except for the audit of the Plan.

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

g. Payment of benefits - Benefit payments to participants are recorded when paid.

h. Subsequent events - Subsequent events have been evaluated through the report date which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

TIMKEN DRIVES, LLC RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011 and 2010

Note 3 - Fair Value Measurements

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefits.

Fair Value Measurements at Reporting Date Using:

	<u>Total</u>	<u>(Level 1)</u>	<u>(Level 2)</u>
<u>December 31, 2011</u>			
Money market fund	\$ 64,747	\$ 64,747	\$ ---
Value of interest in registered investment companies:			
Conservative allocation	5,453,474	5,453,474	---
Moderate allocation	6,264,727	6,264,727	---
Aggressive allocation	2,828,465	2,828,465	---
International stock	1,759,672	1,759,672	---
Value of interest in common/collective trust	<u>2,812,502</u>	<u>---</u>	<u>2,812,502</u>
Total	<u>\$19,183,587</u>	<u>\$16,371,085</u>	<u>\$2,812,502</u>

December 31, 2010

Money market fund	\$ 6,168	\$ 6,168	\$ ---
Value of interest in registered investment companies:			
Conservative allocation	6,062,968	6,062,968	---
Moderate allocation	6,480,305	6,480,305	---
Aggressive allocation	2,697,898	2,697,898	---
International stock	1,699,478	1,699,478	---
Value of interest in common/collective trust	<u>1,576,690</u>	<u>---</u>	<u>1,576,690</u>
Total	<u>\$18,523,507</u>	<u>\$16,946,817</u>	<u>\$1,576,690</u>

TIMKEN DRIVES, LLC RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011 and 2010

Note 3 - Fair Value Measurements (continued)

FASB Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures* (formerly SFAS No. 157, *Fair Value Measurements*), provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels giving 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).

Level 1 inputs consist of unadjusted quoted prices for identical assets or liabilities in active markets, that the plan has the ability to access, and have the highest priority. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and 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.

There have been no changes in methodology used at December 31, 2011 and 2010.

Note 4 - Investment Contract with Insurance Company

The Plan entered into a common/collective trust with MetLife. MetLife maintains the contributions in fixed income insurance contract accounts. The accounts are credited with earnings on the underlying investments and charged for Plan withdrawals and administrative expenses charged by MetLife.

Contract value represents contributions made under the contract, plus earnings, less withdrawals and administrative expenses. Participants ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest rates were 4.12% and 3.73% at December 31, 2011 and 2010, respectively. The crediting interest rate is based on a formula agreed upon with MetLife. Such interest rate is reviewed on a quarterly basis for resetting. The average annualized yields for the years ended December 31, 2011 and 2010 were 8.69% and 8.97%, respectively.

TIMKEN DRIVES, LLC RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011 and 2010

Note 4 - Investment Contract with Insurance Company (continued)

Certain events limit the ability of the Plan to transact at contract value with the issuer. Such events include the following: (1) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (2) changes to plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the plan, or (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under Employee Retirement Income Security Act of 1974. The Plan administrator does not believe that the occurrence of any such event, which would limit the Plan's ability to transact at contract value with participants, is probable.

Note 5 - Investments

The plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the plan administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the following information certified by TD AMERITRADE Trust Company, trustee of the Plan, as complete and accurate, except for comparing such information certified by the trustee to information included in the Plan's financial statements and supplemental schedule.

The Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$(340,785) and \$1,987,363 as follows:

	<u>2011</u>	<u>2010</u>
Value of interest in registered investment companies	\$(400,619)	\$1,946,797
Value of interest in common/collective trust	<u>59,834</u>	<u>40,566</u>
Net appreciation in fair value of investments	<u>\$(340,785)</u>	<u>\$1,987,363</u>

TIMKEN DRIVES, LLC RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011 and 2010

Note 5 – Investments (continued)

Investments that represent 5% or more of the Plan's net assets are separately identified.

	<u>2011</u>	<u>2010</u>
TD Ameritrade Trust Money Market Fund	<u>\$64,747</u>	<u>\$6,168</u>
Registered investment companies		
Russell Lifepoints Balanced Strategy Fund Class R1	\$ 6,264,727	\$ 6,480,305
Russell Lifepoints Conservative Strategy Fund	1,340,204	2,187,041
Russell Lifepoints Equity Growth Strategy Fund	1,759,672	1,699,478
Russell Lifepoints Growth Strategy Fund Class R1	2,828,465	2,697,898
Russell Lifepoints Moderate Strategy Fund Class R1	<u>4,113,270</u>	<u>3,875,927</u>
Total	<u>\$16,306,338</u>	<u>\$16,940,649</u>
Common/collective trust		
MetLife Stable Value Fund	<u>\$2,812,502</u>	<u>\$1,576,690</u>

Note 6 - Related Party Transactions

Certain Plan investments are units of registered investment companies managed by TD AMERITRADE Trust Company. TD AMERITRADE Trust Company is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions.

Note 7 - Differences Between Financial Statements and Form 5500

The financial statements were prepared using the contract value for the common/collective trust while the Form 5500 was prepared using the fair value for the common/collective trust, resulting in differences between the financial statements and the Form 5500.

TIMKEN DRIVES, LLC RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011 and 2010

Note 7 - Differences Between Financial Statements and Form 5500 (continued)

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

	<u>2011</u>	<u>2010</u>
Assets available for benefits financial statements	\$19,478,041	\$19,081,066
Differences in:		
Investments	434,701	531,300
Receivables – notes receivable from participants	(434,701)	(531,300)
Contract value to fair value	<u>140,247</u>	<u>24,274</u>
Assets available for benefits Form 5500	<u>\$19,618,288</u>	<u>\$19,105,340</u>

The following is a reconciliation of the net investment gain from the common/collective trust reflected on the financial statements for the years ended December 31, 2011 and 2010, to the Form 5500:

	<u>2011</u>	<u>2010</u>
Net investment gain financial statements	\$ 59,834	\$ 40,566
Adjustment from contract value to fair value	<u>115,973</u>	<u>66,263</u>
Net investment gain Form 5500	<u>\$175,807</u>	<u>\$106,829</u>

Note 8 - Plan Termination

In October 2011, the Timken Company acquired 100% of the ownership interest of Drives, LLC, with the company being renamed Timken Drives, LLC. Therefore, the Company became the sponsor of the Plan as part of the acquisition. Effective December 31, 2011, the Plan was amended to freeze contributions and participation. The Company intends to transfer the Plan's net assets into the Timken Company in the future.

TIMKEN DRIVES, LLC RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2011 and 2010

Note 9 - Tax Status

The Plan adopted the Alliance Benefit Group of Illinois Prototype Plan (Alliance). Alliance received acknowledgement from the Internal Revenue Service in March 2008, indicating the prototype, as designed, was exempt from federal income tax. The IRS permits the Plan to rely on their approval of the Alliance Benefit prototype plan. The Plan has since adopted the IRS Model Amendment relating to several tax law changes. The plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan, and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Plan management has analyzed tax positions taken by the Plan, and has concluded that as of December 31, 2011, there were 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.

Note 10 - Risks and Uncertainties

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

TIMKEN DRIVES, LLC RETIREMENT SAVINGS PLAN
SUPPLEMENTAL INFORMATION
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
December 31, 2011

<u>Identity of Issue and Description of Investment</u>	<u>Current Value</u>
*TD Ameritrade Trust Money Market Fund - 64,747 units	\$ 64,747
Metlife Stable Value Fund - 16,467 units	2,812,502
Russell Lifepoints Balanced Strategy Fund Class R1 - 627,728 units	6,264,727
Russell Lifepoints Conservative Strategy Fund - 128,372 units	1,340,204
Russell Lifepoints Equity Growth Strategy Fund - 204,375 units	1,759,672
Russell Lifepoints Growth Strategy Fund Class R1 - 303,809 units	2,828,465
Russell Lifepoints Moderate Strategy Fund Class R1 - 398,573 units	4,113,270
*Notes receivable from participants - 4.25% to 9.25%	<u>434,701</u>
	<u><u>\$19,618,288</u></u>

**Represents a party in interest to the Plan*

Sponsor's Name: TIMKEN DRIVES, LLC
 EIN: 26-2662674
 Name of Plan: TIMKEN DRIVES, LLC RETIREMENT SAVINGS PLAN
 Plan Number: 001

Schedule H, Part IV, Line 4i

Schedule of Assets Held for Investment Purposes at End of Year 12/31/11

		(c) Description of Investment, including Maturity Date		
		Rate of Interest, Collateral Par or Maturity date	(d) Cost	(e) Market
(a)	(b) Identity of Issue, Borrower Lessor or Similar Party	Registered Investment Companies:		
	FRANK RUSSELL	LIFEPOINTS BALANCED STRATEGY CLASS R1	**	6,264,727
	FRANK RUSSELL	LIFEPOINTS CONSERVATIVE STRATEGY CLASS R1	**	1,340,204
	FRANK RUSSELL	LIFEPOINTS EQUITY GROWTH STRATEGY CLASS R1	**	1,759,672
	FRANK RUSSELL	LIFEPOINTS GROWTH STRATEGY CLASS R1	**	2,828,465
	FRANK RUSSELL	LIFEPOINTS MODERATE STRATEGY CLASS R1	**	4,113,270
	METROPOLITAN LIFE	MET LIFE STABLE VALUE	**	2,812,502
*	TD AMERITRADE	TD BANK USA MMDA	**	64,747
*	PARTICIPANT LOANS	4.25% -9.25% MATURITY 2011-2031		434,701
	Grand Totals			<u>19,618,288</u>
*	Indicates party-in-interest			
**	Cost information is not required for participant directed investments			