

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>TIMET DEFINED BENEFIT RETIREMENT PLAN</u>	1b Three-digit plan number (PN) ► <u>021</u> 1c Effective date of plan <u>01/01/1987</u>
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>TITANIUM METALS CORPORATION</u> <u>TIMET</u> <u>5430 LBJ FREEWAY, SUITE 1700</u> <u>DALLAS, TX 75240</u>	2b Employer Identification Number (EIN) <u>13-5630895</u> 2c Sponsor's telephone number <u>972-934-5390</u> 2d Business code (see instructions) <u>331400</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>10/15/2012</u>	<u>PATRICIA KROPP</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") TITANIUM METALS CORPORATION 5430 LBJ FREEWAY, SUITE 1700 DALLAS, TX 75240	3b Administrator's EIN 13-5630895 3c Administrator's telephone number 972-934-5390
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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	1405
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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	186
b Retired or separated participants receiving benefits.....	6b	700
c Other retired or separated participants entitled to future benefits.....	6c	229
d Subtotal. Add lines 6a , 6b , and 6c	6d	1115
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	259
f Total. Add lines 6d and 6e	6f	1374
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	

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:

1A 1B 1G

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

9a Plan funding arrangement (check all that apply)	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 SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 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

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

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

A Name of plan <u>TIMET DEFINED BENEFIT RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>021</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>TITANIUM METALS CORPORATION</u>	D Employer Identification Number (EIN) <u>13-5630895</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2011</u>	
2 Assets:	
a Market value	2a <u>59134790</u>
b Actuarial value	2b <u>53221311</u>
3 Funding target/participant count breakdown:	
	(1) Number of participants (2) Funding Target
a For retired participants and beneficiaries receiving payment	3a <u>955</u> <u>52021382</u>
b For terminated vested participants	3b <u>244</u> <u>7535190</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>1536556</u>
(2) Vested benefits	3c(2) <u>18836834</u>
(3) Total active	3c(3) <u>206</u> <u>20373390</u>
d Total	3d <u>1405</u> <u>79929962</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)	☐
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>6.15 %</u>
6 Target normal cost	6 <u>879888</u>

Statement by Enrolled Actuary

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

SIGN HERE	
Signature of actuary <u>DOUGLAS J. SHORT</u>	Date <u>11-05838</u>
Type or print name of actuary <u>BUCK CONSULTANTS, LLC</u>	Most recent enrollment number <u>972-628-6800</u>
Firm name <u>14911 QUORUM DRIVE, SUITE 200</u> <u>DALLAS, TX 75254-7534</u>	Telephone number (including area code)
Address of the firm	

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

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

Schedule SB (Form 5500) 2011
v.012611

Part II		Beginning of year carryover and prefunding balances	
		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of <u>22.36</u> %	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		715
b	Interest on (a) using prior year's effective rate of <u>6.60</u> % except as otherwise provided (see instructions)		47
c	Total available at beginning of current plan year to add to prefunding balance.....		762
d	Portion of (c) to be added to prefunding balance.....		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	0

Part III		Funding percentages	
14	Funding target attainment percentage.....	14	66.58 %
15	Adjusted funding target attainment percentage.....	15	66.76 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	72.42 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	66.58 %

Part IV		Contributions and liquidity shortfalls			
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
01/28/2011	141497				
04/14/2011	849370				
07/15/2011	849370				
10/13/2011	849370				
01/12/2012	849370				
09/13/2012	766026				
Totals ►			18(b)	4305003	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	140874
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	3959378
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No		
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No		
c If 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of quarter of this plan year		
(1) 1st	(2) 2nd	(3) 3rd
0	0	0
(4) 4th	0	

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

21 Discount rate:				
a Segment rates:	1st segment: 3.78%	2nd segment: 6.31%	3rd segment: 6.57 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

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

Part VII Reconciliation of unpaid minimum required contributions for prior years

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

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	879888	
b Excess assets, if applicable, but not greater than 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	26708651	3079377	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	3959265	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35)	36	3959265	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	3959378	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	113	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:			
a Schedule elected	☒ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☒ 2010 ☒ 2011		
42 Amount of acceleration adjustment	42	0	
43 Excess installment acceleration amount to be carried over to future plan years	43	0	

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 <u>TIMET DEFINED BENEFIT RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>021</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>TITANIUM METALS CORPORATION</u>	D Employer Identification Number (EIN) <u>13-5630895</u>

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

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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)

US BANK

555 SW OAK
PORTLAND, OR 97204

41-6271370

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
12	TRUSTEE	19856	Yes ☐ No ☒	Yes ☐ No ☒	0	Yes ☐ No ☒

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

BUCK CONSULTANTS

DEPT CH 14061
PALATINE, IL 60055-4061

13-3954297

(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?
11	NONE	110199	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.

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

A Name of plan <u>TIMET DEFINED BENEFIT RETIREMENT PLAN</u>	B Three-digit plan number (PN) ►	<u>021</u>

C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>TITANIUM METALS CORPORATION</u>	D Employer Identification Number (EIN) <u>13-5630895</u>
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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: COMBINED MASTER RETIREMENT TRUST

b Name of sponsor of entity listed in (a): COMBINED MASTER RETIREMENT TRUST

c EIN-PN <u>75-2832229-001</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>61980090</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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For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

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

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

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

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

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		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 TIMET DEFINED BENEFIT RETIREMENT PLAN	B Three-digit plan number (PN) ►	021
C Plan sponsor's name as shown on line 2a of Form 5500 TITANIUM METALS CORPORATION	D Employer Identification Number (EIN) 13-5630895	

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	165860	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	1709921	1615396
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	57307178	61980090
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	59182959	63595486

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	10032	5664
k Total liabilities (add all amounts in lines 1g through 1j)	1k	10032	5664

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	59172927	63589822
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Part II Income and Expense Statement

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

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	4305003	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)	1385	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		4306388

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

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

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

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		6489858
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		10796246

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	6030075	
(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)		6030075
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)		
(2) Contract administrator fees	2i(2)	19856	
(3) Investment advisory and management fees	2i(3)	329420	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		349276
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		6379351

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		4416895
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: SUTTON FROST CARY LLP

(2) EIN: 75-2593210

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

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

Part IV Compliance Questions

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

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		15000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		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.
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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>TIMET DEFINED BENEFIT RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>021</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>TITANIUM METALS CORPORATION</u>	D Employer Identification Number (EIN) <u>13-5630895</u>

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

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>41-6271370</u> Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3 <u>0</u>

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (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
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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.
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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: 63% Investment-Grade Debt: 24% High-Yield Debt: 1% Real Estate: _____% Other: 12%

- 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): _____



Sutton Frost Cary LLP

A Limited Liability Partnership
Certified Public Accountants and Consultants

REPORT OF INDEPENDENT AUDITORS

To the Plan Administrator and Participants of the
TIMET Defined Benefit Retirement Plan:

We were engaged to audit the financial statements of the TIMET Defined Benefit Retirement Plan (the "Plan") as of and for the years ended December 31, 2011 and 2010, and the supplemental schedule as of December 31, 2011, as listed in the accompanying index. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR Sections 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 9, which was certified by U.S. Bank, N.A., the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2011 and 2010 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 purpose 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 U.S. generally accepted auditing standards 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.

A Limited Liability Partnership

October 9, 2012
Arlington, Texas

TIMET Defined Benefit Retirement Plan
EIN/PIN 13-5630895 / 021

Schedule SB, line 26 – Schedule of Active Participant Data

Age	< 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
< 25	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	1	0	0	0	0	0	1
40-44	0	0	0	0	2	0	0	0	0	0	2
45-49	0	0	0	0	0	4	3	1	0	0	8
50-54	0	0	0	0	3	5	10	30	3	0	51
55-59	0	0	0	1	3	7	8	26	44	1	90
60-64	0	0	0	0	2	2	4	13	14	3	38
65-69	0	0	0	0	0	2	1	0	5	5	13
70+	0	0	0	0	0	0	0	1	0	2	3
Total	0	0	0	1	11	20	26	71	66	11	206

TIMET Defined Benefit Retirement Plan
EIN/PN: 13-5630895 / 021

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Prescribed Funding Assumptions and Methods

Funding discount rates

Current Year:	Segment Rates with four month lookback:	
	First Segment Rate	3.78%
	Second Segment Rate	6.31%
	Third Segment Rate	6.57%
	Effective Interest Rate	6.15%
Prior Year:	Segment Rates with four month lookback:	
	First Segment Rate	5.03%
	Second Segment Rate	6.73%
	Third Segment Rate	6.82%
	Effective Interest Rate	6.60%

Mortality

Mortality tables specified in IRS Regulation 1.430(h)(3)-1, applied on a static basis, projected 7 years from the valuation date for annuitants and 15 years for non-annuitants.

Actuarial cost method

Unit Credit Method. The Funding Target is the present value of accrued benefits and based on compensation and service to date. The Target Normal Cost is the present value of benefits expected to be accrued during the current plan year, reflecting the effect of expected compensation increases during the year and including expected administrative expenses to be paid from plan assets during the year.

TIMET Defined Benefit Retirement Plan
EIN/PN: 13-5630895 / 021

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (cont.)

Non-Prescribed Funding Assumptions and Methods

Salary increase assumption

Salaried:	N/A
Henderson Hourly Participants:	3.00% per annum
Toronto Hourly Participants:	4.50% per annum

Cost-of-living

Social Security Consumer Price Index (CPI):	4.00% per annum
---	-----------------

Expenses

Expected administrative expenses of \$369,697 were added to Target Normal Cost.

Frequency of optional payment forms

75% of future retirees elect a single life annuity. 25% elect a 50% joint and survivor annuity.

Marital percentage

85% of participants are assumed to be married at death. Husbands are assumed to be 3 years older than their wives.

Retirement rates¹

	Toronto	Henderson		Salaried	
Age		60 + 10 or 65 + 5	55 + 30	55 + 10 or 65	55 + 30
55	0.0%	0.0%	2.7%	7.0%	15.0%
56	0.0%	0.0%	3.1%	2.0%	10.0%
57	0.0%	0.0%	3.5%	2.0%	10.0%
58	0.0%	0.0%	4.0%	2.0%	10.0%
59	0.0%	0.0%	4.6%	2.0%	11.0%
60	5.3%	6.0%	5.3%	2.0%	13.0%
61	20.0%	5.0%	16.0%	6.0%	16.0%
62	40.0%	35.0%	35.0%	10.0%	17.0%
63	25.0%	29.0%	29.0%	13.0%	19.0%
64	20.0%	20.0%	20.0%	16.0%	40.0%
65	100.0%	100.0%	100.0%	100.0%	100.0%

¹ Deferred vested participants are assumed to retire at earliest eligible retirement age.

TIMET Defined Benefit Retirement Plan
EIN/PN: 13-5630895 / 021

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (cont.)

Non-Prescribed Funding Assumptions and Methods (cont.)

Disability rates

Age	Salaried	Toronto and Henderson
25	0.03%	0.08%
30	0.03%	0.10%
35	0.04%	0.14%
40	0.08%	0.21%
45	0.17%	0.34%
50	0.36%	0.59%
55	0.75%	1.09%

Withdrawal rates¹

Based on experience. Sample rates as follows:

Age	Salaried	Toronto	Henderson
25	9.30%	7.90%	11.85%
30	7.40%	5.80%	8.70%
35	5.80%	4.20%	6.30%
40	4.44%	3.10%	4.65%
45	3.30%	2.20%	3.30%
50	1.99%	1.40%	2.10%
55	0.76%	0.80%	1.20%
60	0.41%	0.40%	0.60%
64	0.14%	0.14%	0.21%

Asset valuation method

The Valuation Assets are determined using a method that spreads asset gains/(losses) over 2 years. The gain/(loss) for each period is determined as the actual return during the period less the expected return based on an assumed earnings rate chosen by the actuary but required by PPA to be not greater than the applicable third segment rate. The resulting value is constrained to be within a corridor of 90% to 110% of market value. The discounted value of accrued contributions, if any, is included in the Valuation Assets.

The expected return on plan assets is 8.50% per annum, limited by PPA to the applicable Third Segment Rate as follows:

2010 measurement period:	6.82%
2009 measurement period:	6.69%

¹ For active participants not eligible for retirement.

TIMET Defined Benefit Retirement Plan
EIN/PIN 13-5630895 / 021

Schedule SB, line 32 – Schedule of Amortization Bases

Date Established	Type of Base	Remaining Installments¹	Shortfall Amortization Installment	Present Value of Remaining Installments as of January 1, 2011
January 1, 2009	Shortfall	5	\$ 1,978,123	\$ 9,195,888
January 1, 2010	Shortfall	8	514,155	7,966,444
January 1, 2011	Shortfall	9	587,099	9,546,319

¹ An election was made under PRA 2010 to use the alternative 2 plus 7-year amortization period for the bases established in 2010 and 2011. Under 2 plus 7-year amortization, the required installments for the first 2 years of the amortization period equal interest on the base at the plan's effective interest rate for the plan year of the election. The balance is then amortized over the following 7 years in level installments determined using the discount rates for the plan year of the election.

TIMET Defined Benefit Retirement Plan
EIN/PIN 13-5630895 / 021

Schedule SB, line 24 – Change in Actuarial Assumptions

The expected administrative expenses added to the Target Normal Cost were decreased from \$384,609 in 2010 to \$369,697 in 2011.

TIMET Defined Benefit Retirement Plan
EIN/PN: 13-5630895 / 021

Schedule SB, Part V – Summary of Plan Provisions

Provisions for Former Participants of the Salaried Employees' Defined Benefit Retirement Plan

Effective Date

January 1, 1987, as amended and restated effective January 1, 2001 and as most recently amended by Amendment #8. The Plan was closed to new participants and Years of Benefit Service frozen effective December 31, 1988. Compensation for salaried members was frozen as of April 1, 1994.

Eligibility Requirements

All salaried employees hired prior to December 31, 1988. Employees covered by a collective bargaining agreement are not eligible to participate.

Continuous Service

For eligibility purposes (Years of Service): Generally, years of employment in which 750 hours or more are worked.

For benefit calculation purposes (Years of Benefit Service): Continuous Service is frozen as of December 31, 1988.

Final Average Compensation

Final Average Compensation is defined as the participant's average compensation during the five consecutive highest paid fiscal years out of the last 10 years of service prior to April 1, 1994. Compensation means the total cash remuneration before any deferrals to a 401(k) plan, including overtime payments, commissions and bonuses.

Normal Retirement Date

Last day of the calendar month in which the participant attains age 65.

Normal Retirement Benefit

The yearly amount of basic retirement income is equal to the greater of A, B or C:

A. The sum of:

- i) 1.0% of a participant's Final Average Compensation multiplied by Years of Benefit Service as of December 31, 1988, to a maximum of 40 such years.
- ii) .5% of Final Average Compensation in excess of Social Security covered compensation, multiplied by Years of Benefit Service as of December 31, 1988, to a maximum of 35 such years.

B. The benefit accrued under the plan as of December 31, 1988.

C. \$180 multiplied by Years of Benefit Service.

The total benefit paid by the trust will be offset by benefits funded by means of a purchased annuity.

TIMET Defined Benefit Retirement Plan
EIN/PN: 13-5630895 / 021

Schedule SB, Part V – Summary of Plan Provisions (cont.)

Provisions for Former Participants of the Salaried Employees' Defined Benefit Retirement Plan (cont.)

Early Retirement Benefits

55/30 Retirement

After a participant has completed 30 Years of Service and attained the age of 55, he or she may retire and receive the retirement benefit accrued to his or her date of early retirement reduced for the early commencement of benefits prior to age 62. A \$225 monthly supplement is payable to age 62.

55/10 Retirement

After a participant has completed ten Years of Continuous Service and attained the age of 55, he or she may retire early on the retirement income accrued to his or her date of early retirement, reduced for the early commencement of benefits prior to age 65.

Benefit Reduction for Early Commencement

Final Average Compensation formula: Accrued benefit is reduced by .5% for each month of early commencement.

Flat Dollar formula: Accrued benefit is reduced by graduated percentages ranging from 44.11% at age 55 to zero at age 62.

Vested Termination Benefit

A terminated participant who has completed at least five Years of Continuous Service will be entitled to receive a deferred retirement benefit. The benefit equals the participant's accrued benefit and commences on his or her normal retirement date. A participant with at least ten Years of Service may elect to receive a benefit before his normal retirement date, but after age 55. Such benefit would be reduced for commencement prior to age 65.

Death Benefits

If a vested participant who has been married at least one year dies, their spouse will receive, at the employee's earliest possible retirement date, 50% of the benefit the deceased participant would have received had he retired on that date and elected a 50% Joint & Survivor Annuity.

Additional Death Benefits

If an active participant who has attained age 55 and completed ten Years of Service or completed 15 Years of Service dies, a benefit is payable immediately to their spouse, if they have been married at least one year. The benefit is equal to 50% of the participant's accrued benefit (but no less than \$107.50 per month) reduced by 50% of the widow's or widower's Social Security benefit after age 60 (but no less than \$57.50 per month).

Disability Benefits

Participants who become disabled and are in continuous receipt of a benefit under the employer's long-term disability plan and under Title II of the Social Security Act until age 65 are eligible to receive a disability benefit equal to the normal retirement benefit accrued as of April 1, 1994.

TIMET Defined Benefit Retirement Plan
EIN/PN: 13-5630895 / 021

Schedule SB, Part V – Summary of Plan Provisions (cont.)

Provisions for Former Participants of the Salaried Employees' Defined Benefit Retirement Plan (cont.)

Normal Form of Retirement Benefit

For single participants, the normal form of benefit payment is a life annuity. Married participants will receive a reduced benefit in the form of a 50% Joint and Survivor Annuity.

Special Retirement Payment

Benefit formula - Each participant receiving benefits under all cases of retirement except disability and deferred vested retirement is eligible for the Special Retirement Payment. The benefit is a lump sum payment equal to the product of the following:

- Participant's standard hourly rate as of April 1, 1994.
- Regularly scheduled weekly hours (maximum of 40).
- 8 if continuous service is greater than 20;
9 if continuous service is 10 or more, but less than 20;
10 if continuous service is less than 10 years.

This payment is made in lieu of the first three regular monthly pension payments.

TIMET Defined Benefit Retirement Plan
EIN/PN: 13-5630895 / 021

Schedule SB, Part V – Summary of Plan Provisions (cont.)

Provisions for Former Participants of the Bargaining Unit Employees' Defined Benefit Retirement Plan

Effective Date

March 1, 1957, as amended and restated effective January 1, 2001 and as most recently amended effective January 1, 2008, by Amendment #8.

Eligibility Requirements

Each employee covered by the Basic Agreement is eligible for participation after completion of one Year of Continuous Service and attainment of age 21. No Toronto, Ohio Plant employee shall become a participant on or after July 1, 1995. No Henderson, Nevada Plant employee shall become a participant on or after April 1, 1994.

Years of Continuous Service

Service from the participant's last hiring date adjusted for deductions to credited service. Only service while an employee under a Basic Agreement is used to determine the benefit amount.

Normal Retirement Date

Normal Retirement Date is the day the employee attains age 65 and has completed five Years of Continuous Service.

Normal Retirement Benefit

Toronto

For retirement on or after July 1, 1998 and prior to July 1, 2000, the monthly benefit payable at Normal Retirement Date is equal to 105% of the sum of the following:

- \$27.00 for each Year of Continuous Service up to 15 years.
- \$28.50 for each Year of Continuous Service between 15 and 30 years.
- \$30.00 for each Year of Continuous Service in excess of 30 years.

For retirement on or after July 1, 2000 and prior to July 1, 2001, the monthly benefit payable at Normal Retirement Date is equal to 105% of the sum of the following:

- \$27.50 for each Year of Continuous Service up to 15 years.
- \$29.00 for each Year of Continuous Service between 15 and 30 years.
- \$30.50 for each Year of Continuous Service in excess of 30 years.

For retirement on or after July 1, 2001 and prior to July 1, 2003 the monthly benefit payable at Normal Retirement Date is equal to 105% of the sum of the following:

- \$28.50 for each Year of Continuous Service up to 15 years.
- \$30.00 for each Year of Continuous Service between 15 and 30 years.
- \$31.50 for each Year of Continuous Service in excess of 30 years.

TIMET Defined Benefit Retirement Plan
EIN/PN: 13-5630895 / 021

Schedule SB, Part V – Summary of Plan Provisions (cont.)

Provisions for Former Participants of the Bargaining Unit Employees' Defined Benefit Retirement Plan (cont.)

Normal Retirement Benefit (continued)

For a retirement on or after July 1, 2003 and prior to May 1, 2008, the monthly benefit payable at Normal Retirement Date is equal to 100% of \$34.50 for each Year of Continuous Service.

For retirement on or after May 1, 2008 and prior to July 1, 2009, the monthly benefit payable at Normal Retirement Date is equal to 100% of \$35.50 for each Year of Continuous Service.

For retirement on or after July 1, 2009 and prior to July 1, 2010, the monthly benefit payable at Normal Retirement Date is equal to 100% of \$36.50 for each Year of Continuous Service.

For retirement on or after July 1, 2010, the monthly benefit payable at Normal Retirement Date is equal to 100% of \$37.50 for each Year of Continuous Service.

Henderson

The monthly benefit amount for participants who retire on or after October 2, 2000 and before October 2, 2001 is \$29.00 multiplied by years of Continuous Service.

The monthly benefit amount for participants who retire on or after October 2, 2001 and prior to February 1, 2005 is \$30.00 multiplied by years of Continuous Service.

Effective February 1, 2005, the monthly benefit amount for participants who retire on or after February 1, 2005 and prior to February 1, 2006 is \$31.00 multiplied by years of continuous service.

Effective February 1, 2006, the monthly benefit amount for participants who retire on or after February 1, 2006, and prior to February 1, 2007 is \$32.00 multiplied by years of continuous service.

Effective February 1, 2007, the monthly benefit amount for participants who retire on or after February 1, 2007, and prior to February 1, 2008 is \$33.00 multiplied by years of continuous service.

For retirement on or after February 1, 2008 and prior to February 1, 2009, the monthly benefit payable at Normal Retirement Date is equal to 100% of \$34.00 for each Year of Continuous Service.

For retirement on or after February 1, 2009 and prior to February 1, 2010, the monthly benefit payable at Normal Retirement Date is equal to 100% of \$35.00 for each Year of Continuous Service.

For retirement on or after February 1, 2010, and prior to February 1, 2011, the monthly benefit payable at Normal Retirement Date is equal to 100% of \$36.00 for each Year of Continuous Service.

For retirement on or after February 1, 2011, the monthly benefit payable at Normal Retirement Date is equal to 100% of \$37.00 for each Year of Continuous Service.

TIMET Defined Benefit Retirement Plan
EIN/PN: 13-5630895 / 021

Schedule SB, Part V – Summary of Plan Provisions (cont.)

Provisions for Former Participants of the Bargaining Unit Employees' Defined Benefit Retirement Plan (cont.)

Early Retirement Benefits

55/30 Retirement

After a participant at the Henderson, Nevada Plant has completed 30 Years of Continuous Service and attained the age of 55 (but not 62), he or she may retire and receive the retirement benefit accrued to his or her date of retirement reduced 6% for each year benefits commence prior to age 62. Toronto, Ohio employees are not eligible for this benefit.

62/10 Retirement

After a participant has completed 10 Years of Continuous Service and attained the age of 62, he or she may retire early and receive the retirement benefit accrued to his or her date of early retirement.

60/10 Retirement

After a participant has completed 10 Years of Continuous Service and attained the age of 60, he or she may retire early and receive the retirement benefit accrued to his or her date of early retirement, reduced to account for the early commencement of benefits. The accrued benefit is reduced for each month his Early Retirement Date precedes the first day of the month following his 62nd birthday.

70/80 Retirement

Any participant whose continuous service is broken by reason of: i) a permanent shutdown of a plant, department or subdivision thereof; or ii) layoff or physical disability and who has not attained age 62, but has completed at least 15 Years of Continuous Service and: i) has attained age 55 or ii) whose combined age and Years of Continuous Service equals 80 or more, may retire and receive the retirement benefit accrued to his or her date of retirement. A \$400 per month supplement is payable to age 62 or eligibility for Social Security disability benefits.

Vested Termination Benefit

A terminated participant who has completed at least 5 Years of Continuous Service will be entitled to receive a deferred retirement benefit. The amount of retirement benefit is the participant's accrued monthly benefit payable at age 65. If the participant has at least 10 Years of Continuous Service, they may elect early commencement of the benefit and the amount of retirement benefit is calculated in accordance with 60/10 Retirement.

Permanent Incapacity Retirement

Participants with at least 10 Years of Continuous Service at the time of permanent incapacity are eligible to receive a monthly benefit equal to their normal retirement benefit based on continuous service at date of disability. A \$400 monthly supplement is payable for each month the participant is not eligible for a public pension.

TIMET Defined Benefit Retirement Plan
EIN/PN: 13-5630895 / 021

Schedule SB, Part V – Summary of Plan Provisions (cont.)

Provisions for Former Participants of the Bargaining Unit Employees' Defined Benefit Retirement Plan (cont.)

Death Benefits

If a vested participant who has been married at least one year dies, their spouse will receive, at the employee's earliest possible retirement date, 50% of the benefit the deceased participant would have received had he retired on that date and elected a 50% Joint & Survivor Annuity.

Additional Death Benefits

If an active participant with more than 15 Years of Continuous Service or a participant who is no longer employed but eligible for or receiving a benefit other than deferred vested benefit dies, a benefit is payable immediately to their spouse, if they have been married at least one year. For those participants receiving retirement benefits, the spouse receives 50% of the benefit. For other eligible participants, the spouse receives 50% of the participant's accrued benefit. The minimum benefit payable is \$140 per month. These benefits amounts are payable until the spouse is eligible for a Social Security widow or widower's benefit. After that time, benefits are reduced by 50% of the Social Security widow or widower's benefit; however, the minimum benefit payable is \$90 per month.

These benefits are payable in addition to any other death benefits payable under the plan.

Normal Form of Retirement Benefit

For single participants, the normal form of benefit payment is a life annuity. Married participants will receive a reduced benefit in the form of a 50% Joint and Survivor Annuity.

Special Retirement Payment

Each participant receiving benefits under all cases of retirement except permanent incapacity and deferred vested retirement is eligible for the Special Retirement Payment. The benefit is lump sum payment equal to the product of the following:

- Participant's hourly rate in excess of \$5.05.
- Regularly scheduled weekly hours.

For Toronto, Ohio Plant employees:

- 9 if continuous service is greater than 17 years;
- 10 if continuous service is 10 or more, but less than 17 years.
- 11 if continuous service is less than 10 years.

This payment is made in lieu of the first three regular monthly retirement benefit payments.

For Henderson, Nevada Plant employees:

- 9 if continuous service is greater than 10 years;
- 10 if continuous service is less than 10 years.

This payment is made in lieu of the first three regular monthly retirement benefit payments.

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

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

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

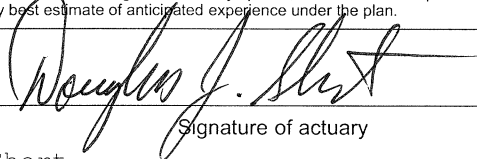
A Name of plan TIMET Defined Benefit Retirement Plan	B Three-digit plan number (PN) ▶ 021
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Titanium Metals Corporation	D Employer Identification Number (EIN) 13-5630895
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2011</u>		
2 Assets:		
a Market value	2a	59,134,790
b Actuarial value	2b	53,221,311
3 Funding target/participant count breakdown:	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment.....	3a 955	52,021,382
b For terminated vested participants	3b 244	7,535,190
c For active participants:		
(1) Non-vested benefits.....	3c(1)	1,536,556
(2) Vested benefits	3c(2)	18,836,834
(3) Total active.....	3c(3) 206	20,373,390
d Total.....	3d 1,405	79,929,962
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐		
a Funding target disregarding prescribed at-risk assumptions	4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b	
5 Effective interest rate	5	6.15 %
6 Target normal cost	6	879,888

Statement by Enrolled Actuary

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

**SIGN
HERE**

Signature of actuary

Douglas J. Short

Type or print name of actuary

Buck Consultants, LLC

Firm name

14911 Quorum Drive, Suite 200

Dallas

TX 75254-7534

Address of the firm

10/8/2012

Date

11-05838

Most recent enrollment number

(972) 628-6800

Telephone number (including area code)

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

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

Schedule SB (Form 5500) 2011
v.012611

Part II Beginning of year carryover and prefunding balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	0	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8).....	0	0
10 Interest on line 9 using prior year's actual return of <u>22.36</u> %.....	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38 from prior year)		715
b Interest on (a) using prior year's effective rate of <u>6.60</u> % except as otherwise provided (see instructions).....		47
c Total available at beginning of current plan year to add to prefunding balance.....		762
d Portion of (c) to be added to prefunding balance.....		0
12 Other reductions in balances due to elections or deemed elections.....	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding percentages

14 Funding target attainment percentage	14	66.58 %
15 Adjusted funding target attainment percentage	15	66.76 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	72.42 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	66.58 %

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

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
01/28/2011	141,497				
04/14/2011	849,370				
07/15/2011	849,370				
10/13/2011	849,370				
01/12/2012	849,370				
09/13/2012	766,026				
Totals •			18(b)	4,305,003	18(c) 0

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

a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date.....	19b	140,874
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	3,959,378

20 Quarterly contributions and liquidity shortfalls:

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

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

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

21 Discount rate:			
a Segment rates:	1st segment: 3.78 %	2nd segment: 6.31 %	3rd segment: 6.57 %
			☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 4
22 Weighted average retirement age			22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous items

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

Part VII Reconciliation of unpaid minimum required contributions for prior years

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

Part VIII Minimum required contribution for current year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	879,888	
b Excess assets, if applicable, but not greater than 31a	31b	0	
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment.....	26,708,651		3,079,377
b Waiver amortization installment.....	0		0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount.....	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	3,959,265	
		Carryover balance	Prefunding balance
35 Balances elected for use to offset funding requirement		0	0
36 Additional cash requirement (line 34 minus line 35).....	36	3,959,265	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	3,959,378	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	113	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:			
a Schedule elected	☒ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☒ 2010 ☒ 2011		
42 Amount of acceleration adjustment	42	0	
43 Excess installment acceleration amount to be carried over to future plan years	43	0	

TIMET Defined Benefit Retirement Plan
EIN/PN: 13-5630895/021

Schedule SB, line 19 - Discounted Employer Contributions

Line 19b - Contributions made to avoid benefit restrictions adjusted to valuation date

<u>Date</u>	<u>Amount</u>	<u>Plan Year</u>	Days Discounted at Effective Rate of <u>6.15%</u>	Days Discounted at Penalty Rate of <u>11.15%</u>	<u>Discounted Value</u>
1/28/2011	141,497	2011	27	0	140,874
Total	141,497				140,874

TIMET Defined Benefit Retirement Plan
EIN/PN: 13-5630895/021

Schedule SB, line 22 - Description of Weighted Average Retirement Age

Toronto Participants

Age	(1) q ^r Retirement Rate	(2) q ^{^(not r)} Other Decrement	(3) 1-q ^T Employment Rate	(4) tpx Cumulative Employment	(5) tpx*qx*Age Age Weighting	(6) tpx*qx Cumulative Decrement	(7) Weighted RA = Sum (5) / (6)
55	0.000	0.0127	0.9873	1.0000	0.0000	0.0000	
56	0.000	0.0146	0.9854	0.9873	0.0000	0.0000	
57	0.000	0.0169	0.9831	0.9729	0.0000	0.0000	
58	0.000	0.0197	0.9803	0.9565	0.0000	0.0000	
59	0.000	0.0231	0.9769	0.9377	0.0000	0.0000	
60	0.053	0.0270	0.9200	0.9160	2.9129	0.0485	
61	0.200	0.0320	0.7680	0.8427	10.2809	0.1685	
62	0.400	0.0380	0.5620	0.6472	16.0506	0.2589	
63	0.250	0.0452	0.7048	0.3637	5.7283	0.0909	
64	0.200	0.0534	0.7466	0.2563	3.2806	0.0513	
65	1.000	0.0000	0.0000	0.1914	12.4410	0.1914	
					50.6943	0.8095	

Weighted Average Retirement Age:

62.624

Henderson Participants

Age	(1) q ^r Retirement Rate	(2) q ^{^(not r)} Other Decrement	(3) 1-q ^T Employment Rate	(4) tpx Cumulative Employment	(5) tpx*qx*Age Age Weighting	(6) tpx*qx Cumulative Decrement	(7) Weighted RA = Sum (5) / (6)
55	0.000	0.0127	0.9873	1.0000	0.0000	0.0000	
56	0.000	0.0146	0.9854	0.9873	0.0000	0.0000	
57	0.000	0.0169	0.9831	0.9729	0.0000	0.0000	
58	0.000	0.0197	0.9803	0.9565	0.0000	0.0000	
59	0.000	0.0231	0.9769	0.9377	0.0000	0.0000	
60	0.006	0.0270	0.9670	0.9160	0.3298	0.0055	
61	0.005	0.0320	0.9630	0.8858	0.2702	0.0044	
62	0.350	0.0380	0.6120	0.8530	18.5101	0.2986	
63	0.290	0.0452	0.6648	0.5220	9.5369	0.1514	
64	0.200	0.0534	0.7466	0.3470	4.4416	0.0694	
65	1.000	0.0000	0.0000	0.2591	16.8415	0.2591	
					49.9301	0.7884	

Weighted Average Retirement Age:

63.331

Salaried Participants

Age	(1) q ^r Retirement Rate	(2) q ^{^(not r)} Other Decrement	(3) 1-q ^T Employment Rate	(4) tpx Cumulative Employment	(5) tpx*qx*Age Age Weighting	(6) tpx*qx Cumulative Decrement	(7) Weighted RA = Sum (5) / (6)
55	0.070	0.0093	0.9207	1.0000	3.8500	0.0700	
56	0.020	0.0107	0.9693	0.9207	1.0312	0.0184	
57	0.020	0.0122	0.9678	0.8924	1.0173	0.0178	
58	0.020	0.0140	0.9660	0.8637	1.0019	0.0173	
59	0.020	0.0160	0.9640	0.8343	0.9845	0.0167	
60	0.020	0.0181	0.9619	0.8043	0.9652	0.0161	
61	0.060	0.0205	0.9195	0.7737	2.8317	0.0464	
62	0.100	0.0231	0.8769	0.7114	4.4107	0.0711	
63	0.130	0.0259	0.8441	0.6238	5.1089	0.0811	
64	0.160	0.0287	0.8113	0.5265	5.3914	0.0842	
65	1.000	0.0000	0.0000	0.4271	27.7615	0.4271	
					54.3543	0.8662	

Weighted Average Retirement Age:

62.750

The weighted average retirement age is computed as the sum, over all ages, of the expected retirement rate multiplied by the probability of remaining in service to each age multiplied by the age divided by the sum of the expected retirement rate multiplied by the probability of remaining in service to each age.

Population	Number of Actives	Weighted Average Retirement Age
Toronto	114	62.624
Henderson	55	63.331
Salaried	37	62.75
	<u>206</u>	

Total Weighted Average Retirement Age

63

TIMET Defined Benefit Retirement Plan
EIN/PN: 13-5630895 / 021

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Prescribed Funding Assumptions and Methods

Funding discount rates

Current Year:	Segment Rates with four month lookback:	
	First Segment Rate	3.78%
	Second Segment Rate	6.31%
	Third Segment Rate	6.57%
	Effective Interest Rate	6.15%
Prior Year:	Segment Rates with four month lookback:	
	First Segment Rate	5.03%
	Second Segment Rate	6.73%
	Third Segment Rate	6.82%
	Effective Interest Rate	6.60%

Mortality

Mortality tables specified in IRS Regulation 1.430(h)(3)-1, applied on a static basis, projected 7 years from the valuation date for annuitants and 15 years for non-annuitants.

Actuarial cost method

Unit Credit Method. The Funding Target is the present value of accrued benefits and based on compensation and service to date. The Target Normal Cost is the present value of benefits expected to be accrued during the current plan year, reflecting the effect of expected compensation increases during the year and including expected administrative expenses to be paid from plan assets during the year.

TIMET Defined Benefit Retirement Plan
EIN/PN: 13-5630895 / 021

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (cont.)

Non-Prescribed Funding Assumptions and Methods

Salary increase assumption

Salaried:	N/A
Henderson Hourly Participants:	3.00% per annum
Toronto Hourly Participants:	4.50% per annum

Cost-of-living

Social Security Consumer Price Index (CPI):	4.00% per annum
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Expenses

Expected administrative expenses of \$369,697 were added to Target Normal Cost.

Frequency of optional payment forms

75% of future retirees elect a single life annuity. 25% elect a 50% joint and survivor annuity.

Marital percentage

85% of participants are assumed to be married at death. Husbands are assumed to be 3 years older than their wives.

Retirement rates¹

	Toronto	Henderson		Salaried	
Age		60 + 10 or 65 + 5	55 + 30	55 + 10 or 65	55 + 30
55	0.0%	0.0%	2.7%	7.0%	15.0%
56	0.0%	0.0%	3.1%	2.0%	10.0%
57	0.0%	0.0%	3.5%	2.0%	10.0%
58	0.0%	0.0%	4.0%	2.0%	10.0%
59	0.0%	0.0%	4.6%	2.0%	11.0%
60	5.3%	6.0%	5.3%	2.0%	13.0%
61	20.0%	5.0%	16.0%	6.0%	16.0%
62	40.0%	35.0%	35.0%	10.0%	17.0%
63	25.0%	29.0%	29.0%	13.0%	19.0%
64	20.0%	20.0%	20.0%	16.0%	40.0%
65	100.0%	100.0%	100.0%	100.0%	100.0%

¹ Deferred vested participants are assumed to retire at earliest eligible retirement age.

TIMET Defined Benefit Retirement Plan
EIN/PN: 13-5630895 / 021

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods (cont.)

Non-Prescribed Funding Assumptions and Methods (cont.)

Disability rates

Age	Salaried	Toronto and Henderson
25	0.03%	0.08%
30	0.03%	0.10%
35	0.04%	0.14%
40	0.08%	0.21%
45	0.17%	0.34%
50	0.36%	0.59%
55	0.75%	1.09%

Withdrawal rates¹

Based on experience. Sample rates as follows:

Age	Salaried	Toronto	Henderson
25	9.30%	7.90%	11.85%
30	7.40%	5.80%	8.70%
35	5.80%	4.20%	6.30%
40	4.44%	3.10%	4.65%
45	3.30%	2.20%	3.30%
50	1.99%	1.40%	2.10%
55	0.76%	0.80%	1.20%
60	0.41%	0.40%	0.60%
64	0.14%	0.14%	0.21%

Asset valuation method

The Valuation Assets are determined using a method that spreads asset gains/(losses) over 2 years. The gain/(loss) for each period is determined as the actual return during the period less the expected return based on an assumed earnings rate chosen by the actuary but required by PPA to be not greater than the applicable third segment rate. The resulting value is constrained to be within a corridor of 90% to 110% of market value. The discounted value of accrued contributions, if any, is included in the Valuation Assets.

The expected return on plan assets is 8.50% per annum, limited by PPA to the applicable Third Segment Rate as follows:

2010 measurement period:	6.82%
2009 measurement period:	6.69%

¹ For active participants not eligible for retirement.

TIMET Defined Benefit Retirement Plan
EIN/PN: 13-5630895 / 021

Schedule SB, Part V – Summary of Plan Provisions

Provisions for Former Participants of the Salaried Employees' Defined Benefit Retirement Plan

Effective Date

January 1, 1987, as amended and restated effective January 1, 2001 and as most recently amended by Amendment #8. The Plan was closed to new participants and Years of Benefit Service frozen effective December 31, 1988. Compensation for salaried members was frozen as of April 1, 1994.

Eligibility Requirements

All salaried employees hired prior to December 31, 1988. Employees covered by a collective bargaining agreement are not eligible to participate.

Continuous Service

For eligibility purposes (Years of Service): Generally, years of employment in which 750 hours or more are worked.

For benefit calculation purposes (Years of Benefit Service): Continuous Service is frozen as of December 31, 1988.

Final Average Compensation

Final Average Compensation is defined as the participant's average compensation during the five consecutive highest paid fiscal years out of the last 10 years of service prior to April 1, 1994. Compensation means the total cash remuneration before any deferrals to a 401(k) plan, including overtime payments, commissions and bonuses.

Normal Retirement Date

Last day of the calendar month in which the participant attains age 65.

Normal Retirement Benefit

The yearly amount of basic retirement income is equal to the greater of A, B or C:

- A. The sum of:
 - i) 1.0% of a participant's Final Average Compensation multiplied by Years of Benefit Service as of December 31, 1988, to a maximum of 40 such years.
 - ii) .5% of Final Average Compensation in excess of Social Security covered compensation, multiplied by Years of Benefit Service as of December 31, 1988, to a maximum of 35 such years.
- B. The benefit accrued under the plan as of December 31, 1988.
- C. \$180 multiplied by Years of Benefit Service.

The total benefit paid by the trust will be offset by benefits funded by means of a purchased annuity.

TIMET Defined Benefit Retirement Plan
EIN/PN: 13-5630895 / 021

Schedule SB, Part V – Summary of Plan Provisions (cont.)

Provisions for Former Participants of the Salaried Employees' Defined Benefit Retirement Plan (cont.)

Early Retirement Benefits

55/30 Retirement

After a participant has completed 30 Years of Service and attained the age of 55, he or she may retire and receive the retirement benefit accrued to his or her date of early retirement reduced for the early commencement of benefits prior to age 62. A \$225 monthly supplement is payable to age 62.

55/10 Retirement

After a participant has completed ten Years of Continuous Service and attained the age of 55, he or she may retire early on the retirement income accrued to his or her date of early retirement, reduced for the early commencement of benefits prior to age 65.

Benefit Reduction for Early Commencement

Final Average Compensation formula: Accrued benefit is reduced by .5% for each month of early commencement.

Flat Dollar formula: Accrued benefit is reduced by graduated percentages ranging from 44.11% at age 55 to zero at age 62.

Vested Termination Benefit

A terminated participant who has completed at least five Years of Continuous Service will be entitled to receive a deferred retirement benefit. The benefit equals the participant's accrued benefit and commences on his or her normal retirement date. A participant with at least ten Years of Service may elect to receive a benefit before his normal retirement date, but after age 55. Such benefit would be reduced for commencement prior to age 65.

Death Benefits

If a vested participant who has been married at least one year dies, their spouse will receive, at the employee's earliest possible retirement date, 50% of the benefit the deceased participant would have received had he retired on that date and elected a 50% Joint & Survivor Annuity.

Additional Death Benefits

If an active participant who has attained age 55 and completed ten Years of Service or completed 15 Years of Service dies, a benefit is payable immediately to their spouse, if they have been married at least one year. The benefit is equal to 50% of the participant's accrued benefit (but no less than \$107.50 per month) reduced by 50% of the widow's or widower's Social Security benefit after age 60 (but no less than \$57.50 per month).

Disability Benefits

Participants who become disabled and are in continuous receipt of a benefit under the employer's long-term disability plan and under Title II of the Social Security Act until age 65 are eligible to receive a disability benefit equal to the normal retirement benefit accrued as of April 1, 1994.

TIMET Defined Benefit Retirement Plan
EIN/PN: 13-5630895 / 021

Schedule SB, Part V – Summary of Plan Provisions (cont.)

Provisions for Former Participants of the Salaried Employees' Defined Benefit Retirement Plan (cont.)

Normal Form of Retirement Benefit

For single participants, the normal form of benefit payment is a life annuity. Married participants will receive a reduced benefit in the form of a 50% Joint and Survivor Annuity.

Special Retirement Payment

Benefit formula - Each participant receiving benefits under all cases of retirement except disability and deferred vested retirement is eligible for the Special Retirement Payment. The benefit is a lump sum payment equal to the product of the following:

- ☐ Participant's standard hourly rate as of April 1, 1994.
- ☐ Regularly scheduled weekly hours (maximum of 40).
- ☐ 8 if continuous service is greater than 20;
9 if continuous service is 10 or more, but less than 20;
10 if continuous service is less than 10 years.

This payment is made in lieu of the first three regular monthly pension payments.

TIMET Defined Benefit Retirement Plan
EIN/PN: 13-5630895 / 021

Schedule SB, Part V – Summary of Plan Provisions (cont.)

Provisions for Former Participants of the Bargaining Unit Employees' Defined Benefit Retirement Plan

Effective Date

March 1, 1957, as amended and restated effective January 1, 2001 and as most recently amended effective January 1, 2008, by Amendment #8.

Eligibility Requirements

Each employee covered by the Basic Agreement is eligible for participation after completion of one Year of Continuous Service and attainment of age 21. No Toronto, Ohio Plant employee shall become a participant on or after July 1, 1995. No Henderson, Nevada Plant employee shall become a participant on or after April 1, 1994.

Years of Continuous Service

Service from the participant's last hiring date adjusted for deductions to credited service. Only service while an employee under a Basic Agreement is used to determine the benefit amount.

Normal Retirement Date

Normal Retirement Date is the day the employee attains age 65 and has completed five Years of Continuous Service.

Normal Retirement Benefit

Toronto

For retirement on or after July 1, 1998 and prior to July 1, 2000, the monthly benefit payable at Normal Retirement Date is equal to 105% of the sum of the following:

- ☐ \$27.00 for each Year of Continuous Service up to 15 years.
- ☐ \$28.50 for each Year of Continuous Service between 15 and 30 years.
- ☐ \$30.00 for each Year of Continuous Service in excess of 30 years.

For retirement on or after July 1, 2000 and prior to July 1, 2001, the monthly benefit payable at Normal Retirement Date is equal to 105% of the sum of the following:

- ☐ \$27.50 for each Year of Continuous Service up to 15 years.
- ☐ \$29.00 for each Year of Continuous Service between 15 and 30 years.
- ☐ \$30.50 for each Year of Continuous Service in excess of 30 years.

For retirement on or after July 1, 2001 and prior to July 1, 2003 the monthly benefit payable at Normal Retirement Date is equal to 105% of the sum of the following:

- ☐ \$28.50 for each Year of Continuous Service up to 15 years.
- ☐ \$30.00 for each Year of Continuous Service between 15 and 30 years.
- ☐ \$31.50 for each Year of Continuous Service in excess of 30 years.

TIMET Defined Benefit Retirement Plan
EIN/PN: 13-5630895 / 021

Schedule SB, Part V – Summary of Plan Provisions (cont.)

Provisions for Former Participants of the Bargaining Unit Employees' Defined Benefit Retirement Plan (cont.)

Normal Retirement Benefit (continued)

For a retirement on or after July 1, 2003 and prior to May 1, 2008, the monthly benefit payable at Normal Retirement Date is equal to 100% of \$34.50 for each Year of Continuous Service.

For retirement on or after May 1, 2008 and prior to July 1, 2009, the monthly benefit payable at Normal Retirement Date is equal to 100% of \$35.50 for each Year of Continuous Service.

For retirement on or after July 1, 2009 and prior to July 1, 2010, the monthly benefit payable at Normal Retirement Date is equal to 100% of \$36.50 for each Year of Continuous Service.

For retirement on or after July 1, 2010, the monthly benefit payable at Normal Retirement Date is equal to 100% of \$37.50 for each Year of Continuous Service.

Henderson

The monthly benefit amount for participants who retire on or after October 2, 2000 and before October 2, 2001 is \$29.00 multiplied by years of Continuous Service.

The monthly benefit amount for participants who retire on or after October 2, 2001 and prior to February 1, 2005 is \$30.00 multiplied by years of Continuous Service.

Effective February 1, 2005, the monthly benefit amount for participants who retire on or after February 1, 2005 and prior to February 1, 2006 is \$31.00 multiplied by years of continuous service.

Effective February 1, 2006, the monthly benefit amount for participants who retire on or after February 1, 2006, and prior to February 1, 2007 is \$32.00 multiplied by years of continuous service.

Effective February 1, 2007, the monthly benefit amount for participants who retire on or after February 1, 2007, and prior to February 1, 2008 is \$33.00 multiplied by years of continuous service.

For retirement on or after February 1, 2008 and prior to February 1, 2009, the monthly benefit payable at Normal Retirement Date is equal to 100% of \$34.00 for each Year of Continuous Service.

For retirement on or after February 1, 2009 and prior to February 1, 2010, the monthly benefit payable at Normal Retirement Date is equal to 100% of \$35.00 for each Year of Continuous Service.

For retirement on or after February 1, 2010, and prior to February 1, 2011, the monthly benefit payable at Normal Retirement Date is equal to 100% of \$36.00 for each Year of Continuous Service.

For retirement on or after February 1, 2011, the monthly benefit payable at Normal Retirement Date is equal to 100% of \$37.00 for each Year of Continuous Service.

TIMET Defined Benefit Retirement Plan
EIN/PN: 13-5630895 / 021

Schedule SB, Part V – Summary of Plan Provisions (cont.)

Provisions for Former Participants of the Bargaining Unit Employees' Defined Benefit Retirement Plan (cont.)

Early Retirement Benefits

55/30 Retirement

After a participant at the Henderson, Nevada Plant has completed 30 Years of Continuous Service and attained the age of 55 (but not 62), he or she may retire and receive the retirement benefit accrued to his or her date of retirement reduced 6% for each year benefits commence prior to age 62. Toronto, Ohio employees are not eligible for this benefit.

62/10 Retirement

After a participant has completed 10 Years of Continuous Service and attained the age of 62, he or she may retire early and receive the retirement benefit accrued to his or her date of early retirement.

60/10 Retirement

After a participant has completed 10 Years of Continuous Service and attained the age of 60, he or she may retire early and receive the retirement benefit accrued to his or her date of early retirement, reduced to account for the early commencement of benefits. The accrued benefit is reduced for each month his Early Retirement Date precedes the first day of the month following his 62nd birthday.

70/80 Retirement

Any participant whose continuous service is broken by reason of: i) a permanent shutdown of a plant, department or subdivision thereof; or ii) layoff or physical disability and who has not attained age 62, but has completed at least 15 Years of Continuous Service and: i) has attained age 55 or ii) whose combined age and Years of Continuous Service equals 80 or more, may retire and receive the retirement benefit accrued to his or her date of retirement. A \$400 per month supplement is payable to age 62 or eligibility for Social Security disability benefits.

Vested Termination Benefit

A terminated participant who has completed at least 5 Years of Continuous Service will be entitled to receive a deferred retirement benefit. The amount of retirement benefit is the participant's accrued monthly benefit payable at age 65. If the participant has at least 10 Years of Continuous Service, they may elect early commencement of the benefit and the amount of retirement benefit is calculated in accordance with 60/10 Retirement.

Permanent Incapacity Retirement

Participants with at least 10 Years of Continuous Service at the time of permanent incapacity are eligible to receive a monthly benefit equal to their normal retirement benefit based on continuous service at date of disability. A \$400 monthly supplement is payable for each month the participant is not eligible for a public pension.

TIMET Defined Benefit Retirement Plan
EIN/PN: 13-5630895 / 021

Schedule SB, Part V – Summary of Plan Provisions (cont.)

Provisions for Former Participants of the Bargaining Unit Employees' Defined Benefit Retirement Plan (cont.)

Death Benefits

If a vested participant who has been married at least one year dies, their spouse will receive, at the employee's earliest possible retirement date, 50% of the benefit the deceased participant would have received had he retired on that date and elected a 50% Joint & Survivor Annuity.

Additional Death Benefits

If an active participant with more than 15 Years of Continuous Service or a participant who is no longer employed but eligible for or receiving a benefit other than deferred vested benefit dies, a benefit is payable immediately to their spouse, if they have been married at least one year. For those participants receiving retirement benefits, the spouse receives 50% of the benefit. For other eligible participants, the spouse receives 50% of the participant's accrued benefit. The minimum benefit payable is \$140 per month. These benefits amounts are payable until the spouse is eligible for a Social Security widow or widower's benefit. After that time, benefits are reduced by 50% of the Social Security widow or widower's benefit; however, the minimum benefit payable is \$90 per month.

These benefits are payable in addition to any other death benefits payable under the plan.

Normal Form of Retirement Benefit

For single participants, the normal form of benefit payment is a life annuity. Married participants will receive a reduced benefit in the form of a 50% Joint and Survivor Annuity.

Special Retirement Payment

Each participant receiving benefits under all cases of retirement except permanent incapacity and deferred vested retirement is eligible for the Special Retirement Payment. The benefit is lump sum payment equal to the product of the following:

- ☐ Participant's hourly rate in excess of \$5.05.
- ☐ Regularly scheduled weekly hours.

For Toronto, Ohio Plant employees:

- ☐ 9 if continuous service is greater than 17 years;
- ☐ 10 if continuous service is 10 or more, but less than 17 years.
- ☐ 11 if continuous service is less than 10 years.

This payment is made in lieu of the first three regular monthly retirement benefit payments.

For Henderson, Nevada Plant employees:

- ☐ 9 if continuous service is greater than 10 years;
- ☐ 10 if continuous service is less than 10 years.

This payment is made in lieu of the first three regular monthly retirement benefit payments.

TIMET Defined Benefit Retirement Plan
EIN/PIN 13-5630895 / 021

Schedule SB, line 24 – Change in Actuarial Assumptions

The expected administrative expenses added to the Target Normal Cost were decreased from \$384,609 in 2010 to \$369,697 in 2011.

TIMET Defined Benefit Retirement Plan
EIN/PIN 13-5630895 / 021

Schedule SB, line 26 – Schedule of Active Participant Data

Age	< 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
< 25	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	1	0	0	0	0	0	1
40-44	0	0	0	0	2	0	0	0	0	0	2
45-49	0	0	0	0	0	4	3	1	0	0	8
50-54	0	0	0	0	3	5	10	30	3	0	51
55-59	0	0	0	1	3	7	8	26	44	1	90
60-64	0	0	0	0	2	2	4	13	14	3	38
65-69	0	0	0	0	0	2	1	0	5	5	13
70+	0	0	0	0	0	0	0	1	0	2	3
Total	0	0	0	1	11	20	26	71	66	11	206

TIMET Defined Benefit Retirement Plan
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Schedule SB, line 32 – Schedule of Amortization Bases

Date Established	Type of Base	Remaining Installments¹	Shortfall Amortization Installment	Present Value of Remaining Installments as of January 1, 2011
January 1, 2009	Shortfall	5	\$ 1,978,123	\$ 9,195,888
January 1, 2010	Shortfall	8	514,155	7,966,444
January 1, 2011	Shortfall	9	587,099	9,546,319

¹ An election was made under PRA 2010 to use the alternative 2 plus 7-year amortization period for the bases established in 2010 and 2011. Under 2 plus 7-year amortization, the required installments for the first 2 years of the amortization period equal interest on the base at the plan's effective interest rate for the plan year of the election. The balance is then amortized over the following 7 years in level installments determined using the discount rates for the plan year of the election.

TIMET Defined Benefit Retirement Plan
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Schedule SB, line 19 - Discounted Employer Contributions

Line 19b - Contributions made to avoid benefit restrictions adjusted to valuation date

<u>Date</u>	<u>Amount</u>	<u>Plan Year</u>	Days Discounted at Effective Rate of <u>6.15%</u>	Days Discounted at Penalty Rate of <u>11.15%</u>	<u>Discounted Value</u>
1/28/2011	141,497	2011	27	0	140,874
Total	141,497				140,874

TIMET Defined Benefit Retirement Plan
EIN/PN: 13-5630895/021

Schedule SB, line 22 - Description of Weighted Average Retirement Age

Toronto Participants

<u>Age</u>	<u>(1)</u> <u>q^r</u> <u>Retirement</u> <u>Rate</u>	<u>(2)</u> <u>q^{^(not r)}</u> <u>Other</u> <u>Decrement</u>	<u>(3)</u> <u>1-q^T</u> <u>Employment</u> <u>Rate</u>	<u>(4)</u> <u>tpx</u> <u>Cumulative</u> <u>Employment</u>	<u>(5)</u> <u>tpx*qx*Age</u> <u>Age</u> <u>Weighting</u>	<u>(6)</u> <u>tpx*qx</u> <u>Cumulative</u> <u>Decrement</u>	<u>(7)</u> <u>Weighted</u> <u>RA = Sum</u> <u>(5) / (6)</u>
55	0.000	0.0127	0.9873	1.0000	0.0000	0.0000	
56	0.000	0.0146	0.9854	0.9873	0.0000	0.0000	
57	0.000	0.0169	0.9831	0.9729	0.0000	0.0000	
58	0.000	0.0197	0.9803	0.9565	0.0000	0.0000	
59	0.000	0.0231	0.9769	0.9377	0.0000	0.0000	
60	0.053	0.0270	0.9200	0.9160	2.9129	0.0485	
61	0.200	0.0320	0.7680	0.8427	10.2809	0.1685	
62	0.400	0.0380	0.5620	0.6472	16.0506	0.2589	
63	0.250	0.0452	0.7048	0.3637	5.7283	0.0909	
64	0.200	0.0534	0.7466	0.2563	3.2806	0.0513	
65	1.000	0.0000	0.0000	0.1914	12.4410	0.1914	
					50.6943	0.8095	

Weighted Average Retirement Age:

62.624

Henderson Participants

<u>Age</u>	<u>(1)</u> <u>q^r</u> <u>Retirement</u> <u>Rate</u>	<u>(2)</u> <u>q^{^(not r)}</u> <u>Other</u> <u>Decrement</u>	<u>(3)</u> <u>1-q^T</u> <u>Employment</u> <u>Rate</u>	<u>(4)</u> <u>tpx</u> <u>Cumulative</u> <u>Employment</u>	<u>(5)</u> <u>tpx*qx*Age</u> <u>Age</u> <u>Weighting</u>	<u>(6)</u> <u>tpx*qx</u> <u>Cumulative</u> <u>Decrement</u>	<u>(7)</u> <u>Weighted</u> <u>RA = Sum</u> <u>(5) / (6)</u>
55	0.000	0.0127	0.9873	1.0000	0.0000	0.0000	
56	0.000	0.0146	0.9854	0.9873	0.0000	0.0000	
57	0.000	0.0169	0.9831	0.9729	0.0000	0.0000	
58	0.000	0.0197	0.9803	0.9565	0.0000	0.0000	
59	0.000	0.0231	0.9769	0.9377	0.0000	0.0000	
60	0.006	0.0270	0.9670	0.9160	0.3298	0.0055	
61	0.005	0.0320	0.9630	0.8858	0.2702	0.0044	
62	0.350	0.0380	0.6120	0.8530	18.5101	0.2986	
63	0.290	0.0452	0.6648	0.5220	9.5369	0.1514	
64	0.200	0.0534	0.7466	0.3470	4.4416	0.0694	
65	1.000	0.0000	0.0000	0.2591	16.8415	0.2591	
					49.9301	0.7884	

Weighted Average Retirement Age:

63.331

Salaried Participants

<u>Age</u>	<u>(1)</u> <u>q^r</u> <u>Retirement</u> <u>Rate</u>	<u>(2)</u> <u>q^{^(not r)}</u> <u>Other</u> <u>Decrement</u>	<u>(3)</u> <u>1-q^T</u> <u>Employment</u> <u>Rate</u>	<u>(4)</u> <u>tpx</u> <u>Cumulative</u> <u>Employment</u>	<u>(5)</u> <u>tpx*qx*Age</u> <u>Age</u> <u>Weighting</u>	<u>(6)</u> <u>tpx*qx</u> <u>Cumulative</u> <u>Decrement</u>	<u>(7)</u> <u>Weighted</u> <u>RA = Sum</u> <u>(5) / (6)</u>
55	0.070	0.0093	0.9207	1.0000	3.8500	0.0700	
56	0.020	0.0107	0.9693	0.9207	1.0312	0.0184	
57	0.020	0.0122	0.9678	0.8924	1.0173	0.0178	
58	0.020	0.0140	0.9660	0.8637	1.0019	0.0173	
59	0.020	0.0160	0.9640	0.8343	0.9845	0.0167	
60	0.020	0.0181	0.9619	0.8043	0.9652	0.0161	
61	0.060	0.0205	0.9195	0.7737	2.8317	0.0464	
62	0.100	0.0231	0.8769	0.7114	4.4107	0.0711	
63	0.130	0.0259	0.8441	0.6238	5.1089	0.0811	
64	0.160	0.0287	0.8113	0.5265	5.3914	0.0842	
65	1.000	0.0000	0.0000	0.4271	27.7615	0.4271	
					54.3543	0.8662	

Weighted Average Retirement Age: 62.750

The weighted average retirement age is computed as the sum, over all ages, of the expected retirement rate multiplied by the probability of remaining in service to each age multiplied by the age divided by the sum of the expected retirement rate multiplied by the probability of remaining in service to each age.

<u>Population</u>	<u>Number</u> <u>of Actives</u>	<u>Weighted Average</u> <u>Retirement Age</u>
Toronto	114	62.624
Henderson	55	63.331
Salaried	37	62.75
	<u>206</u>	

Total Weighted Average Retirement Age 63

TIMET DEFINED BENEFIT RETIREMENT PLAN
Schedule H, Line 4i: Schedule of Assets (Held at End of Year)
December 31, 2011

<u>(a)</u>	<u>(b) Identity of Issue, Borrower, Lessor or Similar Party</u>	<u>(c) Description of Investment, including maturity date, rate of interest, collateral, par, or maturity value</u>	<u>(d) Cost</u>	<u>(e) Current Value</u>
*	US Bank	Plan Interest in Combined Master Retirement Trust	<u>38,889,017</u>	<u>61,980,090</u>
		Total Investments	<u>\$ 38,889,017</u>	<u>\$ 61,980,090</u>

* Indicates party in interest to the Plan.

TIMET DEFINED BENEFIT RETIREMENT PLAN
FINANCIAL STATEMENTS

December 31, 2011 and 2010

TIMET DEFINED BENEFIT RETIREMENT PLAN

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Sutton Frost Cary LLP

A Limited Liability Partnership
Certified Public Accountants and Consultants

REPORT OF INDEPENDENT AUDITORS

To the Plan Administrator and Participants of the
TIMET Defined Benefit Retirement Plan:

We were engaged to audit the financial statements of the TIMET Defined Benefit Retirement Plan (the "Plan") as of and for the years ended December 31, 2011 and 2010, and the supplemental schedule as of December 31, 2011, as listed in the accompanying index. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR Sections 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 9, which was certified by U.S. Bank, N.A., the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2011 and 2010 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 purpose 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 U.S. generally accepted auditing standards 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.

A Limited Liability Partnership

October 9, 2012
Arlington, Texas

TIMET DEFINED BENEFIT RETIREMENT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31,	
	<u>2011</u>	<u>2010</u>
ASSETS		
Cash and cash equivalents	\$ -	\$ 165,860
Plan interest in Combined Master Retirement Trust	61,980,090	57,307,178
Contribution receivable	1,615,396	1,709,921
Total assets	<u>63,595,486</u>	<u>59,182,959</u>
LIABILITIES		
Accrued liabilities and other	<u>5,664</u>	<u>10,032</u>
Total liabilities	<u>5,664</u>	<u>10,032</u>
Net assets available for benefits	<u>\$ 63,589,822</u>	<u>\$ 59,172,927</u>

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

TIMET DEFINED BENEFIT RETIREMENT PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Years ended December 31,	
	<u>2011</u>	<u>2010</u>
Additions:		
Plan interest in Combined Master Retirement Trust		
net investment income	\$ 6,489,858	\$ 10,441,119
Employer contribution	4,305,003	4,003,744
Miscellaneous	1,385	6,439
Total additions	<u>10,796,246</u>	<u>14,451,302</u>
Deductions:		
Benefits paid to participants	6,030,075	5,827,547
Administrative expenses	349,276	455,264
Total deductions	<u>6,379,351</u>	<u>6,282,811</u>
Net increase in net assets available for benefits	4,416,895	8,168,491
Net assets available for benefits:		
Beginning of year	<u>59,172,927</u>	<u>51,004,436</u>
End of year	<u>\$ 63,589,822</u>	<u>\$ 59,172,927</u>

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

TIMET DEFINED BENEFIT RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

Note 1 – Description of the Plan

General. The TIMET Defined Benefit Retirement Plan (the "Plan") provides benefits for salaried employees of Titanium Metals Corporation (the "Company" or "TIMET"). Salaried employees hired from January 1, 1987 through December 31, 1988, who attained the age of 21 and completed one year of continuous service, were eligible to participate in the Plan. Effective January 1, 1989, the Plan was closed to new participants, and participants ceased accruing additional service credit under the Plan. Effective April 2, 1994, participants also ceased accruing credit for additional salary increases. Benefits accruing to salaried employees prior to January 1, 1987, were provided through the TMC Retirement Plan (the "Prior Plan") and were fully vested as of December 31, 1986. Such accrued benefits are funded by annuities purchased from Metropolitan Life Insurance Company and American International Life Assurance Company of New York as discussed further below.

The Plan also provides benefits to substantially all individuals who were hourly employees of TIMET at the Toronto, Ohio and Henderson, Nevada plants prior to July 1, 1995 and April 1, 1994, respectively. The Plan was closed to new participants effective July 1, 1995 for the Toronto, Ohio plant and effective April 1, 1994 for the Henderson, Nevada plant. Hourly employees at the applicable plants who attained the age of 21 and completed one year of continuous service prior to the closure dates were eligible to participate in the Plan.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan is subject to amendment by the Company from time to time, subject to applicable restrictions imposed by law. During 2009, the plan was amended and restated to incorporate the changes made by the Pension Protection Act and other laws, regulations and Internal Revenue Service ("IRS") guidance.

Benefits and vesting. Monthly benefit payments are determined for each participant according to the retirement option selected. Pension benefits for salaried participants are based on compensation through April 2, 1994 and years of service in the Plan through December 31, 1988. Pension benefits for hourly participants are based on years of continuous service, as defined by the Pension Agreement, multiplied by specified dollar amounts. Specific terms of the Plan provide other retirement options with a combination of age and years of credited service factors. Vesting occurs upon the completion of five years of service or age 65. Monthly benefit payments by the Plan are reduced by amounts funded by annuity contracts purchased from insurance companies to provide for benefits accrued prior to December 31, 1986, under the Prior Plan.

Annuities were purchased to fund certain benefits accrued under the Prior Plan. The insurance companies remit funds to the Plan's trust account on a monthly basis and payments to participants for benefits accrued under the Prior Plan are made from the respective trust accounts. Benefits paid to participants are shown net of \$1,821,371 and \$2,034,139 of funds received from the insurance companies for the years ended December 31, 2011 and 2010, respectively, as these funds are immediately remitted to the retirees and are not obligations of the Plan.

Administration. The Company's Board of Directors has delegated responsibility for oversight of the Plan to the Management, Development and Compensation Committee of the Board of Directors. The TIMET benefits department provides the day to day administration of the Plan. Certain administrative expenses, including trustee, investment advisor, actuarial and consulting fees, are absorbed by the Plan. Other administrative expenses are absorbed by the Company.

Note 2 – Summary of significant accounting policies

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

Investments. Under the terms of various trust agreements between U.S. Bank, National Association ("USB") and the Company, USB operates as trustee of the Plan. As of December 31, 2011 and 2010, the Plan's investments were invested in the Combined Master Retirement Trust ("CMRT"). The Plan's investment in the CMRT is stated at fair value as further discussed in Note 3.

Income recognition. Interest on investments is recognized in the period earned. Dividends on stock investments are recognized as of the ex-dividend date. Gains or losses on investments sold are determined on an average cost basis.

Contributions. Employer contributions are recorded on the accrual basis and are based on amounts calculated by the actuary.

Benefit payments. Benefit payments to participants are recorded upon distribution.

Use of estimates. The preparation of the Plan's 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 assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of changes in net assets available for benefits, accumulated plan benefits and changes in accumulated plan benefits during the reporting period. Actual results could differ from those estimates.

Note 3 – Combined Master Retirement Trust ("CMRT") (Unaudited)

The assets of the Plan are invested in units of the CMRT, a collective investment trust formed by Valhi, Inc. ("Valhi"), which provides for the collective investment of assets by employee benefit plans maintained by the Company and certain related corporations. Harold C. Simmons, Chairman of TIMET's Board of Directors, is the sole trustee of the CMRT and a member of the trust investment committee for the CMRT. Mr. Simmons is also Chairman of the Board of Valhi. At December 31, 2011, Contran Corporation and its subsidiaries held 29.6% of TIMET's common stock. Mr. Simmons and his spouse owned an aggregate of 15.7% of TIMET's common stock and the CMRT owned 8.8% of TIMET's common stock. Mr. Simmons may be deemed to control the Company.

The CMRT consists of a (i) CMRT Primary Subaccount, (ii) CMRT Subaccount 1, (iii) CMRT Subaccount 2 and (iv) CMRT Subaccount 3. Investments held by the CMRT are stated at fair value. Such fair values are based on quoted market prices, if available, or estimated by other methods deemed appropriate in the circumstances. At December 31, 2011 and 2010, approximately 81% and 80%, respectively, of the CMRT's investments were based on quoted market prices. The fair value per CMRT unit is determined semi-monthly by dividing the total fair value of the net assets of the CMRT by the number of units outstanding. Units are issued or redeemed based on the most recent unit value. Realized gains or losses on sales of investments are calculated on an average cost basis. The Plan's share of the CMRT's net appreciation (depreciation) for the year is reflected in the Plan's statement of changes in net assets available for benefits. USB, as custodian of the CMRT, executes all investment transactions of the CMRT.

At December 31, 2011 and 2010, the Plan held 62,056 and 64,070 CMRT Primary Subaccount units, respectively, and 19,889 and 19,889 CMRT Subaccount 3 units, respectively. As of December 31, 2011 and 2010, the Plan's investment in the CMRT was \$61,980,090 and \$57,307,178, respectively, which represented 16% and 14%, respectively, of the net assets held by the CMRT and exceeded 5% of net assets available for benefits as of each of those respective dates.

The following table represents an aggregate of the CMRT's Primary Subaccount and Subaccount 3 net assets at December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Investments, at fair value:		
Securities:		
Common and preferred stocks	\$ 231,378,656	\$ 227,555,915
Mutual funds	92,263,030	112,778,859
Limited partnerships	52,725,928	59,682,445
Corporate bonds and other fixed income securities	-	927,000
Real estate:		
Limited partnerships	778,339	655,786
Mortgage notes	1,515,527	1,533,570
Cash and cash equivalents	14,249,766	11,931,659
Total investments	<u>392,911,246</u>	<u>415,065,234</u>
Accrued interest and dividends	195,137	255,948
Other assets	170,553	167,398
Total assets	<u>393,276,936</u>	<u>415,488,580</u>
Payables for unsettled securities purchases	210,925	-
Accrued expenses	-	278,264
Total liabilities	<u>210,925</u>	<u>278,264</u>
Net assets	<u>\$ 393,066,011</u>	<u>\$ 415,210,316</u>

The CMRT's Primary Subaccount and Subaccount 3 net investment income (loss) for the years ended December 31, 2011 and 2010 is as follows:

	<u>2011</u>	<u>2010</u>
Net investment income:		
Interest and dividends	\$ 6,841,191	\$ 7,691,042
Partnership and real estate distributions	94,630	81,021
	<u>6,935,821</u>	<u>7,772,063</u>
Investment, custodial and other expenses	<u>(1,083,648)</u>	<u>(1,242,857)</u>
	<u>5,852,173</u>	<u>6,529,206</u>
Net appreciation (depreciation) in fair value of investments:		
Common and preferred stocks	9,038,055	61,092,587
Mutual funds	(942,575)	7,550,365
Limited partnerships	(217,434)	15,358,134
Real estate limited partnerships and mortgage notes	104,511	(1,247,364)
	<u>7,982,557</u>	<u>82,753,722</u>
Net increase from investment activities	<u>\$ 13,834,730</u>	<u>\$ 89,282,928</u>

Under the Fair Value Measurements and Disclosures topic of the Codification, ASC 820, disclosures are required about how fair value is determined for assets and liabilities and a hierarchy for which these assets and liabilities must be grouped is established, based on significant levels of inputs as follows:

- **Level 1** – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- **Level 2** – Quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the assets or liability; and
- **Level 3** – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable.

The following table sets forth by level, within the fair value hierarchy, the Plan's investments in the CMRT's Primary Subaccount and Subaccount 3 at fair value as of December 31, 2010 and 2011.

Fair Value Measurements at Reporting Date Using				
	Total	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2010				
Securities:				
Common and preferred stocks				
Industrial materials	\$ 64,637,000	\$ 64,637,000	\$ -	\$ -
Consumer discretionary	64,074,000	46,576,000	-	17,498,000
Education	3,234,353	-	-	3,234,353
Information technology	29,506,000	29,506,000	-	-
Foreign	24,663,000	24,663,000	-	-
Healthcare	12,029,000	11,814,000	-	215,000
Financial	14,811,000	14,811,000	-	-
Energy	14,007,000	14,007,000	-	-
Telecom services	595,000	595,000	-	-
Total common and preferred	227,556,353	206,609,000	-	20,947,353
Mutual funds				
Fixed income funds	109,200,000	109,200,000	-	-
Growth funds	3,579,000	3,579,000	-	-
Total mutual funds	112,779,000	112,779,000	-	-
Limited partnerships	59,683,000	-	4,740,000	54,943,000
Corporate bonds and other fixed income securities				
	927,000	-	-	927,000
Real estate:				
Limited partnerships	656,000	-	-	656,000
Mortgage notes	1,533,000	-	-	1,533,000
Cash and cash equivalents	11,932,000	11,932,000	-	-
Total investments	\$ 415,066,353	\$ 331,320,000	\$ 4,740,000	\$ 79,006,353

	Total	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2011				
Securities:				
Common and preferred stocks				
Industrial materials	\$ 69,976,000	\$ 69,976,000	\$ -	\$ -
Consumer discretionary	51,847,000	35,364,000	-	16,483,000
Education	3,234,000	-	-	3,234,000
Information technology	28,400,000	28,400,000	-	-
Foreign	21,957,000	21,957,000	-	-
Healthcare	20,884,000	20,669,000	-	215,000
Financial	18,615,000	18,359,000	-	256,000
Energy	12,796,000	12,796,000	-	-
Telecom services	3,669,000	3,669,000	-	-
Total common and preferred	231,378,000	211,190,000	-	20,188,000
Mutual funds				
Fixed income funds	88,722,000	88,722,000	-	-
Growth funds	3,541,000	3,541,000	-	-
Total mutual funds	92,263,000	92,263,000	-	-
Limited partnerships	52,726,000	-	5,145,000	47,581,000
Real estate:				
Limited partnerships	778,000	-	-	778,000
Mortgage notes	1,516,000	-	-	1,516,000
Cash and cash equivalents	14,250,000	14,250,000	-	-
Total investments	<u>\$ 392,911,000</u>	<u>\$ 317,703,000</u>	<u>\$ 5,145,000</u>	<u>\$ 70,063,000</u>

The following is a description of the valuation methodologies used for investments measured at fair value.

Common and preferred stocks. Investments that are valued at the closing price reported on the active market on which the individual securities are traded are classified within Level 1. Investments that trade in markets that are not considered to be active, but are valued based on third party valuations supported by observable inputs, are classified within level 2. Investments that trade infrequently or not at all, but are valued based on original transaction price, forecasted operating results and other unobservable inputs, are classified within Level 3.

Mutual funds. Investments are valued at the net asset value reported on the active market, and thus are classified within Level 1.

Securities – limited partnerships. Investments classified within Level 2 are valued at the closing price reported on the active market on which the individual securities are traded, adjusted for contractual obligations. Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently or not at all. The selection of appropriate valuation techniques varies by investment and may be affected by the availability of relevant inputs as well as the relative reliability of inputs. The inputs used in estimating the value of Level 3 investments may include the original transaction price, length of time since investment was made, recent transactions in the same or similar instruments, recapitalizations and other capital structure transactions, subsequent rounds of financing, completed or pending third-party

transactions in the investment or comparable issuers, offerings in the equity or debt capital markets, the values of similar securities issued by companies in the same or similar businesses, the financial condition and operating results of business forecasted operating results, changes in financial ratios, cash flow analysis, assumptions made by the limited partnerships, and other unobservable inputs. Due to the inherent uncertainty of these estimates, these values may differ materially from the values that would have been used had a ready market for these investments existed.

Corporate bonds and other fixed income securities. Investments that trade infrequently or not at all, but are valued based on original transaction price and other unobservable inputs, are classified within Level 3.

Real estate. Limited partnerships classified within Level 3 are valued based on third party valuations adjusted for contractual obligations and the partnership's analysis of current market conditions. Real estate mortgage notes are valued based on the developer's estimate of actual and projected sales for the projects.

Cash and cash equivalents. Investments are valued at the net asset value of \$1.00 per share based on frequent transactions, and thus are classified within Level 1.

The following table sets forth a summary of changes in the fair value of the Plan's Level 3 investments for the years ended December 31, 2010 and 2011:

	Level 3 Investments					
	Total	Securities			Real Estate	
		Common and preferred stocks	Limited partnerships	Corporate bonds	Limited partnerships	Mortgage notes
Balance at January 1, 2010	\$ 62.1	\$ 14.4	\$ 42.2	\$ 0.9	\$ 3.0	\$ 1.6
Realized gains, net	(5.2)	(5.1)	(0.1)	-	-	-
Unrealized losses, net	28.4	13.8	15.9	-	(1.2)	(0.1)
Purchases and sales, net	(6.3)	(2.2)	(3.0)	-	(1.1)	-
Balance at December 31, 2010	<u>79.0</u>	<u>20.9</u>	<u>55.0</u>	<u>0.9</u>	<u>0.7</u>	<u>1.5</u>
Realized gains/losses, net	(3.9)	2.8	-	(0.9)	(5.8)	-
Unrealized gains/losses, net	4.1	1.2	(3.0)	-	5.9	-
Purchases and sales, net	(9.1)	(4.7)	(4.4)	-	-	-
Balance at December 31, 2011	<u>\$ 70.1</u>	<u>\$ 20.2</u>	<u>\$ 47.6</u>	<u>\$ -</u>	<u>\$ 0.8</u>	<u>\$ 1.5</u>

Common and preferred stocks. This class includes investments in privately held companies primarily in the consumer discretionary and education industries that are focused on growth. The CMRT's investment in these companies can only be sold with the approval of the respective issuer.

Limited partnerships. This class includes investments in private equity funds that have different areas of focus with the goal of capital appreciation. Two of these investments may be redeemed without approval of the partnership management. One investment with a fair value of \$10.8 million at December 31, 2011 may be redeemed with 60 days notice to the partnership, and another investment with a fair value of \$1.3 million at December 31, 2011 may be redeemed on a monthly basis with 90 days notice to the partnership. The remaining investments may be redeemed with the approval of the general partner of

the partnership. If the CMRT remains invested, distributions will be made from investments as the underlying investments of the partnerships are liquidated.

Note 4 – Actuarial valuation

Buck Consultants performed the Plan's actuarial valuations as of December 31, 2011 and 2010. The valuations were determined using the projected unit credit cost method. Significant actuarial assumptions used in the valuations are principally as follows: (a) discount rate of 8.5% at December 31, 2011 and 2010, (b) mortality rate based on the RP2000 (Blue Collar) with Fully Generational projection using Scale AA at December 31, 2011 and a mortality rate based on the RP2000 (Blue Collar) Projected to 2010 with Scale AA Mortality Table at December 31, 2010 and (c) normal retirement at age 65.

The actuarial present value of accumulated plan benefits as of December 31, 2011 and 2010 is as follows:

	<u>2011</u>	<u>2010</u>
Vested benefits:		
Participants and beneficiaries currently receiving payments	\$ 43,068,978	\$ 41,909,655
Other participants	<u>19,041,959</u>	<u>18,827,364</u>
	62,110,937	60,737,019
Non-vested benefits	<u>1,288,673</u>	<u>1,338,922</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 63,399,610</u>	<u>\$ 62,075,941</u>

The changes in the actuarial present value of accumulated plan benefits are as follows:

	<u>Years ended December 31,</u> <u>2011</u>	<u>2010</u>
Actuarial present value of accumulated plan benefits at beginning of year	\$ 62,075,941	\$ 61,912,231
(Decrease) increase during the year attributable to:		
Benefits paid	(6,030,075)	(5,816,262)
Benefits accumulated (including noninvestment experience)	1,001,633	959,583
Assumption changes	1,326,708	-
Increase for interest due to decrease in the discount period	<u>5,025,403</u>	<u>5,020,389</u>
Net increase	<u>1,323,669</u>	<u>163,710</u>
Actuarial present value of accumulated plan benefits at end of year	<u>\$ 63,399,610</u>	<u>\$ 62,075,941</u>

Note 5 – Funding policy

The Plan is a noncontributory defined benefit plan funded by the Company. Contribution amounts are calculated on an actuarial basis using certain actuarial assumptions. The contributions of the Company are designed to fund each employee's benefits under the Plan in installments which are level as a percent of compensation per active employee, starting at the original participation date, and continuing until the assumed retirement, termination, disability or death. The Company has complied with the minimum funding requirements of ERISA for the years ended December 31, 2011 and 2010.

Note 6 – Plan termination

Under the provisions of ERISA, if the Plan is terminated, the Company may be obligated to make termination payments to the Plan and plan participants may be eligible for continuation of benefits under insurance provided by the Pension Benefit Guaranty Corporation ("PBGC"). Payment of a plan participant's accumulated plan benefits depends on the priority of those benefits and the level of those benefits guaranteed by the PBGC at that time. Certain benefits may be fully or partially provided for by the then existing assets of the Plan, insurance contracts and/or the PBGC guaranty. However, because the PBGC does not guarantee all types of benefits and the amount of benefit protection is subject to certain limitations, there is the possibility that some benefits may not be provided for at all. A description of the priority order of plan participants' claims to the assets of the Plan upon termination is published in the plan document and made available to plan participants.

Note 7 – Tax status

The IRS has determined and informed the Company by a letter dated December 20, 2011, that the Plan, as amended through September 1, 2010, is qualified and the trust established under the Plan is tax-exempt, under the appropriate sections of the Internal Revenue Code ("Code"). The Plan has been amended subsequent to September 1, 2010; however, the plan administrator believes the Plan is currently designed and being operated in compliance with the applicable sections of the Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Additionally, the Plan had no significant uncertain tax positions for the year ended December 31, 2011 and 2010. The Plan's Annual Return/Report of Employee Benefit Plan is subject to examination by the IRS for three years from the date of filing.

Note 8 – Risks and uncertainties

As discussed in Note 3, the CMRT invests in various securities and/or other investments. Investment securities are exposed to various risks such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of market volatility resulting in changes in the value of investment securities, it is possible that changes in risks could materially affect amounts reported in the Statements of Net Assets Available for Benefits and the Statements of Changes in Net Assets Available for Benefits.

Contributions and the actuarial present value of accumulated plan benefits are calculated and reported based on certain assumptions pertaining to interest rates, inflation rates and employee compensation and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions will occur in the near-term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements.

Note 9 – Information certified by the Plan's Trustee

The following unaudited information in the financial statements was certified to be complete and accurate by the Plan's Trustee within the meaning of 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA:

- All amounts relating to investments and accrued interest and other receivables as enumerated in the Statements of Net Assets Available for Benefits as of December 31, 2011 and 2010.
- All amounts relating to the Plan's interest in the CMRT net investment income (loss) and interest, dividends and other income as enumerated in the Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2011 and 2010.
- All information in Note 3.

Note 10 – Party-in-interest transactions

Certain plan investments are units/shares of the CMRT and other investments offered and managed by USB. As USB is the trustee of the Plan, these transactions qualify as party-in-interest transactions.

Note 11 – Subsequent events

Plan management evaluated subsequent events through October 9, 2012, the date the financial statements were available to be issued, and concluded no additional disclosures are required.

TIMET DEFINED BENEFIT RETIREMENT PLAN
Schedule H, Line 4i: Schedule of Assets (Held at End of Year)
December 31, 2011

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment, including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current Value
*	US Bank	Plan Interest in Combined Master Retirement Trust	\$ 38,889,017	\$ 61,980,090
		Total Investments	\$ 38,889,017	\$ 61,980,090

* Indicates party in interest to the Plan.