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

2012

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] 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:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
HANGER, INC. 40(K) SAVINGS PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1992

2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)

HANGER, INC.

10910 DOMAIN DRIVE
SUITE 300
AUSTIN, TX 78758

10910 DOMAIN DRIVE
SUITE 300
AUSTIN, TX 78758

2b Employer Identification Number (EIN)
84-0904275

2c Sponsor's telephone number
512-777-3716

2d Business code (see instructions)
621399

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	Filed with authorized/valid electronic signature.	10/11/2013	JEFF SCHOENEBERG
	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

Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)

Preparer's telephone number (optional)

3a Plan administrator's name and address ☐ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address

HANGER, INC.

10910 DOMAIN DRIVE
SUITE 300
AUSTIN, TX 78758

3b Administrator's EIN
84-0904275

3c Administrator's telephone number
512-777-3716

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
HANGER ORTHOPEDIC GROUP, INC.

4b EIN
84-0904275

4c PN
001

5	Total number of participants at the beginning of the plan year	**5**	5721
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**	4851
b	Retired or separated participants receiving benefits	**6b**	21
c	Other retired or separated participants entitled to future benefits	**6c**	1150
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	6022
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	20
f	Total. Add lines **6d** and **6e**	**6f**	6042
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	5483
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	244
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
2E 2F 2G 2J 2K 2T 3D

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

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

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

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.**	**2012** **This Form is Open to Public Inspection.**

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan
HANGER, INC. 40(K) SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
HANGER, INC.

D Employer Identification Number (EIN)
84-0904275

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).. . . . . [X] 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

FID.INV.INST.OPS.CO.

04-2647786

(b) Enter name and EIN or address of person who provided you disclosure 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)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(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?
64 65 37 60	RECORDKEEPER	62810	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] No [ ]

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

MORGAN STANLEY SMITH BARNEY LLC

C/O CITIGROUP/SMITH BARNEY
ATTN MF PROC DEP 3 333 W 34TH ST FL
NEW YORK, NY 10001

(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?
27 49 99	ADVISOR	14948	Yes [X] No [ ]	Yes [X] No [ ]	366	Yes [ ] No [X]

(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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
ALL/BERN INTL GR ADV - ALLIANCEBERN 13-3211780	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
BLKRK EQUITY DIV I - BNY MELLON INV P.O. BOX 9793 PROVIDENCE, RI 02940	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
BLKRK HI YLD BD INST - BNY MELLON I P.O. BOX 9793 PROVIDENCE, RI 02940	0.25%

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
BLKRK US OPPS INST - BNY MELLON INV P.O. BOX 9793 PROVIDENCE, RI 02940	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
DREY BASIC S&P 500 - DREYFUS TRANSF 13-2614959	0.15%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
DREY SM CAP STK IDX - DREYFUS TRANS 13-2614959	0.15%

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
INVS EQUITY & INC Y - INVESCO INVES	11 GREENWAY PLAZA, SUITE 100 HOUSTON, TX 77046	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
JPM CORE BD PLUS SEL - BOSTON FINAN	330 W. 9TH STREET KANSAS CITY, MO 64105	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
MGRS AMG FQ TX MGD I - BNY MELLON I	P.O. BOX 9793 PROVIDENCE, RI 02940	0.15%

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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(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.
VICTORY ESTB VALUE I - CITI FUND SE 31-1249295	0.10%

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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(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: PRICEWATERHOUSE COOPERS	**b** EIN: 13-4000832	
c Position: ACCOUNTANT		
d Address: 300 WEST 6TH STREET, SUITE 1800 AUSTIN, TX 78701	**e** Telephone: 410-659-3340	

Explanation: SERVICE AND PRICING

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

2012

This Form is Open to Public Inspection.

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan
HANGER, INC. 40(K) SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
HANGER, INC.

D Employer Identification Number (EIN)
84-0904275

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)

a Name of MTIA, CCT, PSA, or 103-12 IE: FA STABLE VALUE

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

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)
04-3022712-026	C	21658842

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)

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

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

2012

This Form is Open to Public Inspection

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan
HANGER, INC. 40(K) SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
HANGER, INC.

D Employer Identification Number (EIN)
84-0904275

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	144986	229194
(2) Participant contributions	1b(2)	706045	599889
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	5290149	5808366
(9) Value of interest in common/collective trusts	1c(9)	19653402	21658842
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	142286595	173140345
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(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	168081177	201436636
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	168081177	201436636

Part II Income and Expense Statement

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

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	4385218	
(B) Participants	2a(1)(B)	19040361	
(C) Others (including rollovers)	2a(1)(C)	1562253	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		24987832
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)	216444	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		216444
(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)	3984869	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		3984869
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		
(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)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		391583
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		14932443
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		44513171
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	11058038	
(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)		11058038
f Corrective distributions (see instructions)	2f		1795
g Certain deemed distributions of participant loans (see instructions)	2g		20121
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	77758	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		77758
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		11157712
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		33355459
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)** [X] Disclaimer **(4)** [ ] Adverse

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

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

(1) Name: HOLTZMAN PARTNERS, LLP **(2)** EIN: 74-3121060

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 lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 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.)	4a		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.)	4b		X	

			Yes	No	Amount
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.)	4c		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.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		1000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		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?	4g		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?	4h		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.)	4i	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.)	4j		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?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n		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)

Part V Trust Information (optional)

6a Name of trust	**6b** Trust's EIN

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

2012

This Form is Open to Public Inspection.

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

A Name of plan
HANGER, INC. 40(K) SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
HANGER, INC.

D Employer Identification Number (EIN)
84-0904275

Part I Distributions

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 04-6568107

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

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

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

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 a Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 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 lines 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 lines 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 lines 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 lines 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 lines 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 line 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 lines (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Financial Statements and Supplemental Schedule

Hanger, Inc. 401(k) Savings Plan

As of December 31, 2012 and 2011
and for the year ended December 31, 2012
with Report of Independent Auditors

Hanger, Inc. 401(k) Savings Plan

Financial Statements
and Supplemental Schedule

As of December 31, 2012 and 2011 and for the year ended December 31, 2012

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Report of Independent Auditors.....1

Financial Statements

Statements of Net Assets Available for Benefits.....3
Statement of Changes in Net Assets Available for Benefits.....4
Notes to Financial Statements.....5

Supplemental Schedule

Schedule H, Line 4i – Schedule of Assets (Held at End of Year).....18

HOLTZMAN PARTNERS

AUDIT · TAX · ADVISORY

Report of Independent Auditors

To the Participants and Administrative Committee of
Hanger, Inc. 401(k) Savings Plan

We were engaged to audit the accompanying financial statements of Hanger, Inc. 401(k) Savings Plan, which comprise the statements of net assets available for benefits as of December 31, 2012, the related statement of changes in net assets available for benefits for the year ended December 31, 2012, the related notes to the financial statements, and the supplemental schedule of Schedule H, line 4i—Schedule of Assets (Held at End of Year) for the year ended December 31, 2012. The 2011 financial statements were audited by another auditor whose report dated October 15, 2012, disclaimed an opinion for the reasons discussed in the basis for Disclaimer of Opinion paragraph.

Management's Responsibility for the Financial Statements and Supplemental Schedule

Management is responsible for the preparation and fair presentation of these financial statements and supplemental schedule in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements and supplemental schedule based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Fidelity Management Trust Company ("Fidelity"), the trustee of the plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustee holds the plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2012 and 2011 and for the year ended December 31, 2012, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements and supplemental schedule.

Other Matter

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.



October 11, 2013

Hanger, Inc. 401(k) Savings Plan

Statements of Net Assets Available for Benefits

	December 31, 2012	2011
Assets		
Investments, at fair value	**$ 194,799,187**	$ 161,939,997
Receivables:		
Employer matching contribution receivable	**229,194**	144,986
Employee contribution receivable	**599,889**	706,045
Participant notes receivable from loans	**5,808,366**	5,290,149
Total receivables	**6,637,449**	6,141,180
Net assets available for benefits at fair value	**201,436,636**	168,081,177
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	**(725,384)**	(627,423)
Net assets available for benefits	**$ 200,711,252**	$ 167,453,754

See accompanying notes.

Hanger, Inc. 401(k) Savings Plan

Statement of Changes in Net Assets Available for Benefits

Year ended December 31, 2012

Income:	
Net appreciation in fair value of investments	**$ 14,932,443**
Interest and dividends from investments	**4,278,491**
Interest income from participant loans	**216,444**
Total income	**19,427,378**
Contributions:	
Employer matching contributions	**4,385,218**
Employee contributions	**19,040,361**
Rollover contributions	**1,562,253**
Total contributions	**24,987,832**
Deductions:	
Distributions to participants	**(11,058,038)**
Administrative expenses	**(77,758)**
Corrective distributions	**(1,795)**
Deemed distribution of participant loans	**(20,121)**
Total deductions	**(11,157,712)**
Net increase	**33,257,498**
Net assets available for benefits at beginning of year	**167,453,754**
Net assets available for benefits at end of year	**$ 200,711,252**

See accompanying notes.

Hanger, Inc. 401(k) Savings Plan

Notes to Financial Statements

December 31, 2012

1. Description of the Plan

Hanger, Inc. 401(k) Savings Plan (the "Plan") is a defined contribution plan covering substantially all eligible employees of Hanger, Inc. (the "Company"). The Plan became effective January 1, 1992 and was most recently amended effective November 1, 2012. Effective September 1, 2012, the Plan's name was changed from the Hanger Orthopedic Group, Inc. 401(k) Plan Savings Plan to the Hanger, Inc. 401(k) Savings Plan coinciding with a name change at the Plan Sponsor. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). All Plan assets are held by Fidelity Management Trust Company ("Fidelity"). The following description provides only general information. Complete information regarding the Plan is included in the Plan Agreement. Significant Plan provisions are summarized below.

Eligibility

The Company's employees become eligible to participate in the Plan immediately upon meeting the Plan's eligibility requirements, as defined. Employees are auto-enrolled as soon as administratively practicable after 30 days of employment at a 6% deferral rate, but can opt for a different deferral rate (or opt out of the Plan entirely).

Contributions

Participants are allowed to make voluntary contributions in an amount up to 75% of their Plan compensation for the contribution period, as defined. Participants who have attained age 50 are eligible to make catch up contributions. Participants may also contribute amounts representing rollovers from other retirement plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers a collective trust and various mutual funds as investment options for participants.

The Company makes contributions to the Plan of amounts determined and authorized by the Company's Board of Directors up to the maximum amounts permitted by the Internal Revenue Service ("IRS"). The Company contributes a fixed amount equal to 30% of the participant's salary deferrals. In applying this matching percentage, only salary deferrals up to 6% of the participant's compensation paid will be considered. The Company may also make discretionary non-elective contributions. Company contributions are invested directly in the collective trust or the mutual fund investments as directed by the participant.

1. Description of the Plan (continued)

Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's contribution and Plan earnings. Plan earnings in each of these funds are allocated based on each employee's fund account balance relative to the aggregate of all employees' fund account balances. A participant is entitled to the benefit that can be provided from the participant's vested account.

Vesting

Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of continuous services. A participant is 100 percent vested after 5 years of credited service.

Forfeitures

Non-vested balances of participants' accounts may be subject to forfeiture upon termination of their employment with the Sponsor. A forfeiture occurs in the Plan year in which the participant receives a distribution of their vested account, as defined by the Plan. Amounts are retained in the Plan and first used to pay Plan administrative expenses with any remaining amounts used to reduce future employer's matching contributions in subsequent years.

Participant Receivable from Loans

Participants are allowed to borrow a maximum amount of the lesser of 50% of the participant's vested amount or $50,000. The minimum loan amount is $1,000. The loans are collateralized by the vested balance in the participant's account, and bear interest at rates ranging from 3.25% to 10.50%, which are commensurate with local prevailing rates as determined by the Plan administrator. Principal and interest is paid through payroll deductions with equal installments made each pay period.

1. Description of the Plan (continued)

Payment of Benefits

On termination of service due to retirement, death, disability, or other reasons, a participant may elect to receive either a lump sum amount equal to the value of the participant's vested interest in his or her account, periodic installments over a specified period or annuity payments.

The Plan provides for limited in-service distributions for participants who have attained age 59½ or who have previously made after-tax contributions. Effective November 1, 2012, the plan was amended to allow hardship withdrawals, as defined.

Cash and Cash Equivalents

Cash and cash equivalents may include cash, funds received prior to year end awaiting allocation to the appropriate investment option, if any, and short-term common collective trust funds sponsored by custodial banks.

2. Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

Risks and Uncertainties

The Plan provides for investments in various investment securities, which in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of net assets available for benefits and participant account balances.

2. Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes and schedules. Actual results could differ from those estimates.

As described in Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") 962-325-35, *Defined Contribution Pension Plans*, (formerly FSP AAG INV-1 and SOP 94-4-1, *Reporting of Fully-Benefit Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans*), investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. As required by the guidance at FASB ASC 946-210-45, the Statement of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

Subsequent Events

The Company evaluated events occurring between the end of the most recent fiscal year and October 11, 2013, the date the financial statements and supplemental schedule were available to be issued. See specific subsequent events disclosed in Note 8.

Payment of Benefits

Benefits to participants are recorded by the Plan when actual payment is made.

2. Significant Accounting Policies (continued)

Fair Value Measurements

In May 2011, the Financial Accounting Standards Board ("FASB") issued amendments to Accounting Standards Update ("ASU") 820 under ASU 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS*. The amendments represent the converged guidance of the FASB and the International Accounting Standards Board (the Boards) on fair value measurement and resulted in common requirements for measuring fair value and for disclosing information about fair value measurements, including a consistent meaning of the term "fair value." The Boards have concluded the common requirements will result in greater comparability of fair value measurements presented and disclosed in financial statements prepared in accordance with U.S. GAAP and IFRSs. The amendments are to be applied prospectively and are effective for nonpublic entities for fiscal years beginning after December 15, 2011 and for public entities for annual reporting periods beginning after December 15, 2011. The Company's adoption on January 1, 2012, did not have a material impact on the Plan's financial statements and supplemental schedule.

Accounting for Participant Loans

Under the guidance required by FASB ASC 962, *Reporting Loans to Participants by Defined Contribution Pension Plans,* participant loans are classified as notes receivable from participants to the Plan on the Statement of Net Assets Available for Benefits for all years present, as the loans are segregated from plan investments and measured at their unpaid principal balance plus any accrued but unpaid interest. This standard eliminates the requirement to calculate fair values and present disclosures for these loans in accordance with FASB ASC 820. In addition, the ASU excludes these loans from the definition of financing receivables under FASB ASC 310-10-50-5B and 310-10-50-7B. The reporting classification of the participant loans does not affect the classification of these loans on the Form 5500. Participant loans are still reported as plan investments on Form 5500, Schedule H, line 1c(8). Because this standard does not result in a difference between total net assets reported in the Form 5500 and the plan's audited financial statements, there is no need for a reconciling note in the plan financial statements.

2. Significant Accounting Policies (continued)

Technical Corrections and Improvements

In October 2012, the FASB issued ASU No. 2012-04, *Technical Corrections and Improvements*, which clarifies the Codification or corrects unintended application of guidance that is not expected to have a significant effect on current accounting practice or create a significant administrative cost to most entities. The Conforming Amendments to U.S. GAAP included in the Update are generally nonsubstantive in nature. Many of the amendments conform wording to be consistent with the terminology in Topic 820 and includes amendments identifying when the use of fair value should be linked to the definition of fair value in Topic 820, *Fair Value Measurement*. Amendments to the Codification without transition guidance are effective upon issuance for both public and nonpublic entities. For public entities, amendments subject to transition guidance will be effective for fiscal periods beginning after December 15, 2012. For nonpublic entities, amendments subject to transition guidance will be effective for fiscal periods beginning after December 15, 2013.

Liquidation Basis of Accounting

In April 2013, the FASB issued ASU No. 2013-07, *Presentation of Financial Statements (Topic 205) – Liquidation Basis of Accounting,* which clarifies when an entity should apply the liquidation basis of accounting. In addition, the guidance provides principles for the recognition and measurement of assets and liabilities and requirements for financial statements prepared using the liquidation basis of accounting. The amendments require an entity to prepare its financial statements using the liquidation basis of accounting when liquidation is imminent. The amendments are effective for entities that determine liquidation is imminent during annual reporting periods beginning after December 15, 2013, and interim reporting periods therein. Entities should apply the requirements prospectively from the day that liquidation becomes imminent. Early adoption is permitted. As the Plan does not expect liquidation to be imminent, this ASU does not currently apply to the Plan.

2. Significant Accounting Policies (continued)

Valuation of Investments

The Plan's investments in mutual funds are stated at fair value based primarily on quoted prices in active markets. The collective trust is stated at fair value as determined by the issuer based on the fair value of the underlying investments. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

FASB ASC 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

- *Level 1:* Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- *Level 2:* Inputs to the valuation methodology include:
  - Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the asset or liability;
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

  If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- *Level 3:* Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

2. Significant Accounting Policies (continued)

Valuation of Investments (continued)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2012 and 2011.

- *Mutual funds*: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.
- *Common collective trust (Fidelity Advisor Stable Value Portfolio - Class I)*: The Fidelity Advisor Stable Value Portfolio- Class I is a collective trust fund administered by Fidelity Management Trust Company ("Fidelity"). The fund's net asset value (NAV) is based on the market value of its underlying investments. The NAV is not a publicly-quoted price in an active market. ASC 820 information on the collective trust's underlying assets and their assigned fair value hierarchy was obtained from the audited financial statements that are made available to applicable plan sponsors.
- *Participant loans*: Valued at amortized cost, which approximates fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

2. Significant Accounting Policies (continued)

Valuation of Investments (continued)

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2012 and 2011:

	December 31, 2012			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual Funds				
Equity - Large Cap	**$ 13,760,946**	**$ –**	**$ –**	**$ 13,760,946**
Equity - Mid Cap	**6,725,681**	**–**	**–**	**6,725,681**
Equity - Small Cap	**2,355,254**	**–**	**–**	**2,355,254**
Equity - International	**4,109,488**	**–**	**–**	**4,109,488**
Blended Investment	**1,422,058**	**–**	**–**	**1,422,058**
Target Retirement	**136,828,258**	**–**	**–**	**136,828,258**
Bonds	**7,938,660**	**–**	**–**	**7,938,660**
Total Mutual Funds	**173,140,345**	**–**	**–**	**173,140,345**
Collective Trust		**21,658,842**	**–**	**21,658,842**
Total	**$ 173,140,345**	**$ 21,658,842**	**$ –**	**$ 194,799,187**

	December 31, 2011			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual Funds				
Equity - Large Cap	$ 10,411,181	$ –	$ –	$ 10,411,181
Equity - Mid Cap	6,026,370	–	–	6,026,370
Equity - Small Cap	1,666,535	–	–	1,666,535
Equity - International	2,987,783	–	–	2,987,783
Blended Investment	1,280,117	–	–	1,280,117
Target Retirement	113,851,384	–	–	113,851,384
Bonds	6,063,225	–	–	6,063,225
Total Mutual Funds	142,286,595	–	–	142,286,595
Collective Trust		19,653,402	–	19,653,402
Total	$ 142,286,595	$ 19,653,402	$ –	$ 161,939,997

2. Significant Accounting Policies (continued)

Fair Value of Investments in Entities that Use Net Asset Value

The following table summarizes investments measured at fair value based on net asset value (NAVs) per share as of December 31, 2012.

December 31, 2012	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Fidelity Advisor Stable Value Portfolio- Class I	$21,658,842	n/a	As of each valuation date	15 business days

Expenses

The Plan is responsible for payment of the custodian expenses and fees; however the Company may pay the Plan expenses directly. Transaction charges for loan and benefit payment transactions are paid by the Plan by reducing the balances of those participants initiating the transactions.

3. Investments

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulation for Reporting and Disclosure under ERISA. Accordingly, Fidelity Management Trust Company, the trustee of the Plan, has certified to the completeness and accuracy of all investments reflected on the accompanying Statement of Net Assets Available for Benefits as of December 31, 2012 and the Schedule of Assets (Held at End of Year) as of December 31, 2012, the related investment activity reflected in the Statement of Changes in Net Assets Available for Benefits and the related investment information included in the accompanying notes to the financial statements, except for the leveling required under the authoritative guidance included in Note 2.

3. Investments (continued)

The following presents individual investments that represent 5% or more of the Plan's net assets at December 31, 2012 or 2011.

	December 31, 2012	2011
Fidelity Advisor Freedom 2015	**$ 16,053,036**	$ 15,118,925
Fidelity Advisor Freedom 2020	**22,395,799**	19,126,067
Fidelity Advisor Freedom 2025	**23,466,951**	19,472,857
Fidelity Advisor Freedom 2030	**21,150,966**	17,420,946
Fidelity Advisor Freedom 2035	**19,590,613**	15,720,898
Fidelity Advisor Freedom 2040	**13,656,535**	10,720,336
Fidelity Advisor Stable Value Portfolio- Class I	**21,658,842**	19,653,402

4. Related Party Transactions

Plan assets include investment in funds managed by Fidelity. They are the Plan's custodian and as such, transactions with the custodian qualify as party-in-interest transactions under ERISA. Participant loans also qualify as party-in-interest transactions.

5. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

In the event of the termination of the Plan, the individual accounts of all members shall become fully vested. After deducting all charges and expenses, the balances of all individual accounts will be adjusted and the remaining assets distributed.

6. Income Tax Status

The Plan adopted the Fidelity Volume Submitter Defined Contribution Plan which has received an opinion letter from the Internal Revenue Service (IRS) dated March 31, 2008 stating that the form of the plan is qualified under Section 401(a) of the Internal Revenue Code, and therefore, the related trust is tax exempt. In accordance with Revenue Procedure 2002-6 and Announcement 2001-77, the Plan Sponsor has determined that it is eligible to and has chosen to rely on the current IRS prototype plan opinion letter. The Plan has also adopted other required and discretionary amendments. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan, as amended, is qualified and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the plan, and has concluded that as of December 31, 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2009.

7. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 at December 31, 2012 and 2011:

	December 31,	
	2012	**2011**
Net assets available for benefits per the financial statements	$200,711,252	$167,453,754
Adjustment from contract value to fair value for fully-benefit responsive common/collective trust	725,384	627,423
Net assets available for benefits per the Form 5500	$201,436,636	$168,081,177

7. Reconciliation of Financial Statements to Form 5500 (continued)

The following is a reconciliation of net increase per the financial statements to the Form 5500 for the year ended December 31, 2012:

Total net increase per the Statement of Changes in Net Assets Available for Benefits	**$ 33,257,498**
Plus: Current year increase in adjustment from contract value to fair value for fully-benefit responsive common/collective trust	**97,961**
Net Income per the Form 5500	**$ 33,355,459**

8. Subsequent Events

Effective January 2, 2013, the plan administrator name was changed from Hanger Orthopedic Group, Inc. to Hanger, Inc. coinciding with a name change at the Plan Sponsor.

Effective March 1, 2013, the non-discretionary matching employer contribution was changed from a fixed 30% to a fixed 40% of the first 6% deferred by participants. Additionally, vesting in the Company's contribution portion of participant accounts was amended from 100 percent vested after 5 years of credited service to 100 percent vested after 2 years of credited service.

Supplemental Schedule

Hanger, Inc. 401(k) Savings Plan

Schedule H, Line 4i – Schedule of Assets
(Held at End of Year)

EIN: 84-0904275 PN: 001

December 31, 2012

(a)	(b) Identity of Issue	(c) Description of Investment	(e) Current Value
	Black Rock US Opportunities	Mutual Fund	$ 5,294,002
	JP Morgan Core Plus Bond Fund	Mutual Fund	4,788,767
	Black Rock Equity Dividend Fund	Mutual Fund	5,745,911
	AllianceBernstein International Growth Fund	Mutual Fund	2,531,767
	Dreyfus Basic S&P 500 Stock Index Fund	Mutual Fund	2,553,135
	Dreyfus Smallcap Stock Index	Mutual Fund	2,355,254
	Black Rock High Yield Bond	Mutual Fund	3,149,893
	Victory Established Value I	Mutual Fund	1,431,679
	Invesco Equity and Income Fund Y	Mutual Fund	698,861
	Managers AMG FQ Tax-Managed US Equity Fund	Mutual Fund	568,833
	Invesco Developing Markets Funds	Mutual Fund	1,577,721
*	Fidelity Advisor Freedom 2005	Mutual Fund	1,014,177
*	Fidelity Advisor Freedom 2010	Mutual Fund	5,703,793
*	Fidelity Advisor Freedom 2015	Mutual Fund	16,053,036
*	Fidelity Advisor Freedom 2020	Mutual Fund	22,395,799
*	Fidelity Advisor Freedom 2025	Mutual Fund	23,466,951
*	Fidelity Advisor Freedom 2030	Mutual Fund	21,150,966
*	Fidelity Advisor Freedom 2035	Mutual Fund	19,590,613
*	Fidelity Advisor Freedom 2040	Mutual Fund	13,656,535
*	Fidelity Advisor Freedom 2045	Mutual Fund	8,444,210
*	Fidelity Advisor Freedom 2050	Mutual Fund	5,100,268
*	Fidelity Advisor Freedom 2055	Mutual Fund	251,910
*	Fidelity Advisor New Insights Fund	Mutual Fund	4,893,067
*	Fidelity Advisor Freedom Income	Mutual Fund	723,197
*	Fidelity Advisor Stable Value Portfolio- Class I	Collective Trust	21,658,842
	Total investments at fair value		$ 194,799,187
*	Participant loans	With varying maturity dates and interest rates ranging from 3.25% to 10.50%	5,808,366
			$ 200,607,553

* Indicates a party-in-interest to the Plan.

SUMMARY OF NET TRUST ASSETS

Total Plan Assets as of 12/31/2012

Fund Name (Cusip #)	Share Balance 12/31/2012	Historical Cost	Price	Total Market Value
BLENDED STABLE VALUE	0.000	$0.00	$1.00	$0.00
VICTORY ESTB VALUE I	52,098.946	$1,404,119.33	$27.48	$1,431,679.04
INVS INTL GROWTH Y	0.000		$28.88	$0.00
DREY SM CAP STK IDX	107,300.876	$2,100,987.05	$21.95	$2,355,254.23
ALL/BERN INTL GR ADV	172,346.295	$2,522,312.72	$14.69	$2,531,767.07
BLKRK US OPPS INST	147,055.622	$5,023,220.84	$36.00	$5,294,002.39
BLKRK HI YLD BD INST	389,356.388	$2,887,638.60	$8.09	$3,149,893.18
DREY BASIC S&P 500	87,556.063	$2,244,095.89	$29.16	$2,553,134.80
INVS EQUITY & INC Y	76,045.760	$638,289.47	$9.19	$698,860.53
BLKRK EQUITY DIV I	288,304.591	$5,059,044.10	$19.93	$5,745,910.50
MGRS AMG FQ TX MGD I	37,057.522	$503,828.71	$15.35	$568,832.96
PNC MID CAP VAL I	0.000	$0.00	$12.72	$0.00
JPM CORE BD PLUS SEL	562,722.270	$4,532,441.86	$8.51	$4,788,766.52
INVS DEVLP MKTS R5	46,622.950	$1,486,447.93	$33.84	$1,577,720.63
FID RETIRE MMKT	0.000	$0.00	$1.00	$0.00
FA STABLE VALUE	20,933,457.970	$20,933,457.97	$1.00	$20,933,457.97
FA FREEDOM 2010 I	472,168.304	$5,382,479.28	$12.08	$5,703,793.11
FA FREEDOM 2020 I	1,780,270.184	$21,338,486.04	$12.58	$22,395,798.91
FA FREEDOM 2030 I	1,662,811.754	$20,369,162.18	$12.72	$21,150,965.51
FA FREEDOM 2040 I	1,062,765.340	$12,605,960.73	$12.85	$13,656,534.62
FA FREEDOM INC I	65,447.765	$689,334.64	$11.05	$723,197.80
FA NEW INSIGHTS I	212,557.219	$4,099,163.45	$23.02	$4,893,067.18
FA FREEDOM 2005 I	87,203.530	$963,927.29	$11.63	$1,014,177.05
FA FREEDOM 2015 I	1,328,893.726	$15,191,306.12	$12.08	$16,053,036.21

SUMMARY OF NET TRUST ASSETS

Total Plan Assets as of 12/31/2012

Fund Name (Cusip #)	Share Balance 12/31/2012	Historical Cost	Price	Total Market Value
FA FREEDOM 2025 I	1,929,847.969	$22,247,026.12	$12.16	$23,466,951.30
FA FREEDOM 2035 I	1,627,127.344	$18,519,824.96	$12.04	$19,590,613.22
FA FREEDOM 2045 I	857,280.202	$7,806,840.15	$9.85	$8,444,209.99
FA FREEDOM 2050 I	521,499.746	$4,683,527.47	$9.78	$5,100,267.52
FA FREEDOM 2055 INST	25,445.573	$247,878.91	$9.90	$251,911.17
OUTSTANDING LOAN BALANCE				$5,808,365.64
			NET ASSETS 12/31/2012:	$199,882,169.05

Assets are presented at fair value with the exception to fully benefit responsive investment contracts which are presented at contract value as in previous years. See chapter 7 of the Fidelity auditor's guide for financial statement presentation and disclosure information.