

AMETEK INC/
Form 11-K
June 20, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2012

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number 1-12981

Hamilton Precision Metals
401(k) Employee Savings Plan

(Full title of the plan)

AMETEK, Inc.

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1100 Cassatt Road

Berwyn, Pennsylvania 19312-1177

(Name of issuer of the securities held pursuant to the plan
and the address of its principal executive office)

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Hamilton Precision Metals 401(k) Employee Savings Plan

Financial Statements and Supplemental Schedule

Years Ended December 31, 2012 and 2011

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Table of Contents**Hamilton Precision Metals 401(k) Employee Savings Plan****Statements of Assets Available for Benefits****(Unaudited)**

	December 31,	
	2012	2011
Assets:		
Investments	\$ 3,300,972	\$ 2,848,114
Investment in the AMETEK, Inc. Master Trust	56,041	33,277
Total investments, at fair value	3,357,013	2,881,391
Receivables:		
Employer contributions	705	
Participant contributions	2,183	
Notes receivable from participants	93,940	88,467
Total receivables	96,828	88,467
Assets reflecting investments at fair value	3,453,841	2,969,858
Adjustment from fair value to contract value for Common Collective Trust	(46,167)	(42,392)
Assets available for benefits	\$ 3,407,674	\$ 2,927,466

See accompanying notes.

Table of Contents**Hamilton Precision Metals 401(k) Employee Savings Plan****Statements of Changes in Assets Available for Benefits****(Unaudited)**

	Year Ended December 31,	
	2012	2011
Additions:		
Contributions:		
Employer	\$ 63,085	\$ 72,859
Participant	191,405	209,596
	254,490	282,455
Investment income:		
Net appreciation (depreciation) in fair value of investments	203,353	(58,774)
Interest and dividend income from investments	93,378	67,526
Plan interest in the AMETEK, Inc. Master Trust	12,631	855
	309,362	9,607
Interest income on notes receivable from participants	3,699	2,153
Total additions	567,551	294,215
Deductions:		
Benefits paid to participants	(87,343)	(201,097)
Net increase	480,208	93,118
Assets available for benefits:		
Beginning of year	2,927,466	2,834,348
End of year	\$ 3,407,674	\$ 2,927,466

See accompanying notes.

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Hamilton Precision Metals 401(k) Employee Savings Plan

Notes to Financial Statements

December 31, 2012

(Unaudited)

1. Description of the Plan

General

The following description of the Hamilton Precision Metals 401(k) Employee Savings Plan (the Plan) provides only summarized information. Participants should refer to the Plan document for a more complete description of the Plan's provisions, copies of which may be obtained from Hamilton Precision Metals, Inc. (the Company or the Plan Sponsor).

The Plan is a tax-deferred 401(k) defined contribution savings plan which provides eligible employees whose employment is governed by the terms of a collective bargaining agreement with Hamilton Precision Metals, Inc., an opportunity to invest a portion of their compensation, as defined by the Plan, in one or a combination of investment programs. See Note 3.

Participant Eligibility

A Hamilton Precision Metals, Inc. union classified employee age 18 or older, who is not specifically an ineligible employee as defined by the Plan, shall become a participant in the Plan as of the first day of the month following the completion of six months of service.

Contributions

Each year, participants have an opportunity to invest up to 100% before tax of their annual compensation, as defined by the Plan, in multiples of one percent, subject to Internal Revenue Service (IRS) annual limits except for certain highly compensated participants who may be subject to certain regulatory limitations. Participants may also contribute amounts representing rollovers from other qualified plans. Participants direct their elective contributions into various investment options offered by the Plan and can change their investment options on a daily basis. Effective February 29, 2012, the Plan added the Vanguard Target Retirement Date Funds, which became the new qualified default investment alternative until the participant changes their elections. See Note 7. The predecessor qualified default investment alternative was the Vanguard Wellington Fund.

The Plan provides for employer contributions equal to 50% of compensation contributed by each participant, up to a maximum percentage ranging from 1% to 6% of the participants' compensation as determined by the terms of the collective bargaining agreement. Matching employer contributions are paid to the Plan at any time prior to the due date prescribed by law for filing the Company's federal income tax return for that Plan year and are allocated in the same manner as that of the participant's elections.

Forfeited employer contributions, which are insignificant in amount, are used to reduce future employer contributions or to pay Plan administrative expenses.

Participant Accounts

Each participant's account is credited with the participant's contributions and allocations of (a) the employer's contributions and (b) Plan net earnings. Allocations are based on participant earnings and/or account balances, as defined. The benefit to which a participant is entitled is the balance in the participant's vested account.

Vesting

Participants are fully vested at all times in participant contributions, employer matching contributions and related earnings.

Table of Contents**Hamilton Precision Metals 401(k) Employee Savings Plan****Notes to Financial Statements****December 31, 2012****(Unaudited)****1. Description of the Plan (continued)****Participant Loans**

Participants may borrow a minimum of \$1,000 or up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. Participants may have up to two loans outstanding at any time, although only one loan may be for a primary residence, the sum of which may not exceed the maximum allowable under the Plan. Loan origination fees are paid by participants and are included in the gross loan distribution amount. Repayment terms of the loans are generally limited to no longer than 60 months from inception or for a reasonable period of time in excess of 60 months for the purchase of a principal residence, as fixed by the Plan. The loans are secured by the balance in the participant's account and bear interest at rates established by the Plan, which approximate rates charged by commercial lending institutions for comparable loans. The interest rate on loans outstanding at both December 31, 2012 and 2011 was 4.25%. Principal and interest is paid ratably through payroll deductions.

Master Trust

The AMETEK Stock Fund of certain employee savings plans of AMETEK, Inc. (AMETEK) are combined under the AMETEK, Inc. Master Trust (Master Trust) agreement with the Vanguard Fiduciary Trust Company (Trustee). Participating plans purchase units of participation in the AMETEK Stock Fund based on their contributions to such fund along with income that the fund may earn, less distributions made to the plans participants. A small portion of the AMETEK Stock Fund may also be invested in short-term securities to help accommodate daily transactions.

The Plan limits the amount a participant can invest in the AMETEK Stock Fund to encourage diversification of participants' accounts. Each payroll period and for other qualified plan rollover contributions, a participant can direct up to a maximum of 25 percent of their contributions in the AMETEK Stock Fund. In addition, a participant may not transfer amounts from other investment funds into the AMETEK Stock Fund to the extent the transfer would result in more than 25 percent of the participants' total account balance being invested in the AMETEK Stock Fund. The Plan has implemented a dividend pass through election for its participants.

Each participant is entitled to exercise voting rights attributable to the shares allocated to their account and is notified by the Company prior to the time that such rights may be exercised. The Trustee is not permitted to vote any allocated shares for which instructions have not been given by a participant. The Trustee votes any unallocated shares in the same proportion as those shares that were allocated, unless the Savings and Investment Committee directs the Trustee otherwise. Participants have the same voting rights in the event of a tender or exchange offer.

The Plan's interest in the assets of the Master Trust was less than one percent at both December 31, 2012 and 2011. The value of the assets held by the Master Trust was \$75,250,870 and \$57,098,632 at December 31, 2012 and 2011, respectively.

A summary of the investment income for the assets held by the Master Trust was as follows:

	Year Ended December 31,	
	2012	2011
Net appreciation in fair value of AMETEK common stock	\$ 19,153,219	\$ 3,873,330
Interest and dividend income on investments	294,221	203,315
Total investment income	\$ 19,447,440	\$ 4,076,645

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Hamilton Precision Metals 401(k) Employee Savings Plan

Notes to Financial Statements

December 31, 2012

(Unaudited)

1. Description of the Plan (continued)

Payment of Benefits

On termination of service, death, disability or retirement, a participant may receive a lump-sum amount equal to his or her vested account. When a participant attains age 59 $\frac{1}{2}$ while still an employee, he or she can elect to withdraw a specified portion of his or her vested account balance without incurring an income tax penalty. Also, in certain cases of financial hardship, a participant may elect to withdraw up to a specified portion of his or her vested account balance, regardless of age.

Administrative Expenses

Except for certain loan fees, the expenses of administering the Plan are payable from the Plan's assets, unless the Company elects to pay such expenses. From inception of the Plan to the present, the Company has elected to pay such expenses directly.

Plan Termination

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). While the Company has not expressed any intent to terminate the Plan, it is free to do so at any time subject to the provisions of ERISA and applicable labor agreements. In the event of Plan termination, each participant will receive the value of his or her separate vested account.

2. Summary of Significant Accounting Policies

Basis of Financial Statements

The accompanying financial statements are unaudited because the number of participants in the Plan is fewer than the number of participants which would require audited financial statements under ERISA. The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP).

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes, and supplemental schedule. Actual results could differ from those estimates and assumptions.

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Hamilton Precision Metals 401(k) Employee Savings Plan

Notes to Financial Statements

December 31, 2012

(Unaudited)

2. Summary of Significant Accounting Policies (continued)

Notes Receivable from Participants

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income on notes receivable from participants is recorded when it is earned. Related fees are paid from participants' accounts. No allowance for credit losses has been recorded as of December 31, 2012 or 2011. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be a distribution, the participant loan balance is reduced and a benefit payment is recorded.

Risks and Uncertainties

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

Investment Valuation and Income Recognition

Investments held by the Plan are stated at fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. See Note 4.

Investments in shares of registered investment companies are valued at quoted market prices, which represent the net asset values of shares held by the Plan at year end. Money market and short-term investments are carried at the fair value established by the issuer and/or the trustee. The AMETEK common stock is valued at the closing price reported in an active market.

The Plan invests in investment contracts through a common collective trust (Vanguard Retirement Savings Trust). This fund is recorded at fair value, which is based on information reported by the issuer of the common collective trust at year end. See Note 4. However, since these investment contracts are fully benefit-responsive, an adjustment is reflected in the statements of assets available for benefits to present these investments at contract value. The contract value of the Vanguard Retirement Savings Trust represents contributions plus earnings, less participant withdrawals and administrative expenses. Contract value is the relevant measurement 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.

Purchases and sales of investments are reflected on trade dates. Realized gains and losses on sales of investments are based on the average cost of such investments. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date. Income from other investments is recorded as earned.

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At December 31, 2012 and 2011, the Vanguard Fiduciary Trust Company was the Trustee and a party-in-interest to the Plan. The Master Trust and Plan hold units of common/collective trust funds managed by the Trustee.

As of December 31, 2012, a participant may direct contributions (up to certain specified limits) in any of the following investment options:

AMETEK Stock Fund
 Vanguard Retirement Savings Trust
 Registered investment companies:
 Vanguard Total Bond Market Index Fund(1)
 Vanguard LifeStrategy Funds
 Vanguard Target Retirement Date Funds
 Vanguard Wellington Fund
 Vanguard Windsor II Fund(2)
 Vanguard PRIMECAP Fund(2)
 Vanguard Small-Cap Index Fund(2)
 Vanguard 500 Index Fund(2)
 BlackRock Inflation Protected Bond Fund(1)
 RidgeWorth Small Cap Value Equity Fund(2)
 Thornburg International Value Fund(3)
 Wells Fargo Advantage Discovery Fund(2)

(1) Represents Fixed-Income Securities level 1 investments. See Note 4.

(2) Represents Domestic Equities level 1 investments. See Note 4.

(3) Represents International Equities level 1 investments. See Note 4.

Participants may change their investment options or transfer existing account balances to other investment options daily.

The fair values of individual investments that represent five percent or more of the Plan's assets are as follows:

	December 31,	
	2012	2011
Vanguard 500 Index Fund	\$ 977,421	\$ 785,552
Vanguard Retirement Savings Trust (stated at contract value)	871,070	872,277
Vanguard LifeStrategy Moderate Growth Fund	387,826	326,471
Vanguard LifeStrategy Growth Fund	306,326	272,086
Vanguard LifeStrategy Conservative Growth Fund	268,979	228,393
Wells Fargo Advantage Discovery Fund*	204,976	

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* At December 31, 2011, this investment represented less than five percent of the fair value of the Plan's assets. During 2012 and 2011, the Plan's investments (including gains and losses on investments bought, sold, as well as, held during the year) in registered investment companies appreciated (depreciated) in value \$203,353 and (\$58,774), respectively.

Table of Contents**Hamilton Precision Metals 401(k) Employee Savings Plan****Notes to Financial Statements****December 31, 2012****(Unaudited)****4. Fair Value Measurements**

The Plan utilizes a valuation hierarchy for disclosure of the inputs to the valuations used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. Level 3 inputs are unobservable inputs based on the Plan's own assumptions used to measure assets and liabilities at fair value. A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The AMETEK Stock Fund held by the Master Trust is considered a level 1 investment within the fair value hierarchy. The level 2 classification of this fund in the 2011 financial statements has been revised to conform with the current year classification, consistent with level 1 measurement principles applied to the underlying investments in all periods presented. Plan management has concluded that this disclosure error is not material to the previously issued 2011 financial statements.

The following tables sets forth by level, within the fair value hierarchy, the Plan's assets at fair value:

	December 31, 2012		
	Total	Level 1	Level 2
Mutual Funds - Fixed-Income Securities(1)	\$ 66,620	\$ 66,620	\$
Vanguard LifeStrategy Funds(2)	963,131	963,131	
Vanguard Target Retirement Date Funds(2)	1,323	1,323	
Vanguard Wellington Fund(3)	28,472	28,472	
Mutual Funds - Domestic Equities	1,256,093	1,256,093	
Mutual Funds - International Equities	68,096	68,096	
Vanguard Retirement Savings Trust(4)	917,237		917,237
Total Investments (excluding Master Trust) at Fair Value	\$ 3,300,972	\$ 2,383,735	\$ 917,237

	December 31, 2011		
	Total	Level 1	Level 2
Mutual Funds - Fixed-Income Securities(1)	\$ 44,396	\$ 44,396	\$
Vanguard LifeStrategy Funds(2)	826,950	826,950	
Vanguard Wellington Fund(3)	17,890	17,890	
Mutual Funds - Domestic Equities	983,645	983,645	
Mutual Funds - International Equities	60,564	60,564	
Vanguard Retirement Savings Trust(4)	914,669		914,669
Total Investments (excluding Master Trust) at Fair Value	\$ 2,848,114	\$ 1,933,445	\$ 914,669

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- (1) This category includes investments primarily in U.S. and international government and corporation bonds designed to minimize the adverse effects of interest rate fluctuations. There are currently no redemption restrictions on these investments.
- (2) This category includes investments in highly diversified funds designed to remain appropriate for investors in terms of risk throughout a variety of life circumstances. These registered investment company funds share a common goal of first growing and then later preserving principal and contain a mix of primarily U.S. and international stocks, plus U.S. Treasury and corporate bonds. There are currently no redemption restrictions on these investments.
- (3) This category includes registered investment company funds that are designed to try and outperform market returns with moderate movements in share values through a mix of primarily fairly large, well-known U.S. stocks and U.S. Treasury bonds. There are currently no redemption restrictions on these investments.
- (4) This category includes investments primarily in synthetic investment contracts backed by high-credit-quality fixed-income investments issued by insurance companies and banks structured to provide current and stable income. There are currently no redemption restrictions on these investments.

Table of Contents**Hamilton Precision Metals 401(k) Employee Savings Plan****Notes to Financial Statements****December 31, 2012****(Unaudited)****5. Income Tax Status**

The underlying prototype plan of the Trustee has received an opinion letter from the IRS dated March 31, 2008, stating that the form of the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan Sponsor believes the Plan is being operated in compliance with the applicable requirements of the Code and therefore believes the Plan is qualified and the related trust is tax-exempt.

U.S. GAAP requires Plan management to evaluate uncertain tax positions taken by the Plan. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The Plan Sponsor 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. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Sponsor believes it is no longer subject to income tax examinations for years prior to 2009.

6. Differences Between Financial Statements and Form 5500

The following is a reconciliation of assets available for benefits per the financial statements to the Plan's Form 5500:

	December 31,	
	2012	2011
Assets available for benefits per the financial statements	\$ 3,407,674	\$ 2,927,466
Adjustment from contract value to fair value for Common Collective Trust	46,167	42,392