

CARPENTER TECHNOLOGY CORP

Form 11-K

June 28, 2013

[Table of Contents](#)

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

---

**FORM 11-K**

---

**ANNUAL REPORT**

**Pursuant to Section 15(d) of the  
Securities Exchange Act of 1934**

**For the fiscal year ended December 31, 2012**

**Commission File Number 1-5828**

---

**SAVINGS PLAN OF  
AMEGA WEST SERVICES, LLC**

(Full title of the plan)

# **CARPENTER TECHNOLOGY CORPORATION**

(Name of issuer of the securities held pursuant to the plan)

---

**P.O. Box 14662**

**Reading, Pennsylvania, 19610**

(Address of principal executive office of the issuer)

---

Table of Contents

*Savings Plan of Amega West Services, LLC*

**Index to Financial Statements**

**Form 11-K Annual Report**

	<b>Page</b>
<b><u>Report of Independent Registered Public Accounting Firm</u></b>	<b>1</b>
<b>Financial Statements</b>	
<u>Statements of Net Assets Available for Benefits as of December 31, 2012 and 2011</u>	2
<u>Statement of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2012</u>	3
<u>Notes to Financial Statements</u>	4-18
<b>Supplemental Information</b>	
<u>Schedule H, Line 4(i) Schedule of Assets (Held at End of Year) as of December 31, 2012</u>	19

---

Table of Contents

***Report of Independent Registered Public Accounting Firm***

To the Participants and Administrator of

the Savings Plan of Amega West Services, LLC

We have audited the accompanying statements of net assets available for benefits of the Savings Plan of Amega West Services, LLC (the Plan) as of December 31, 2012 and 2011, and the related statement of changes in net assets available for benefits for the year ended December 31, 2012. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2012 and 2011, and the changes in net assets available for benefits for the year ended December 31, 2012, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary Schedule of Assets (Held at End of Year) as of December 31, 2012 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplementary schedule is the responsibility of the Plan's management. The supplementary schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ ParenteBeard LLC

Reading, Pennsylvania  
June 28, 2013

Table of Contents

**Savings Plan of Omega West Services, LLC**

**Statements of Net Assets Available for Benefits**

December 31, 2012 and 2011

	<b>2012</b>	<b>2011</b>
Investments, at fair value:		
Registered investment companies	\$ 968,965	\$ 427,871
Interest in Carpenter Technology Master Trust Fund	104,070	19,516
Total investments	1,073,035	447,387
Notes receivable from participants	42,175	8,261
Net assets reflecting investments at fair value	1,115,210	455,648
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(380)	(101)
Net assets available for benefits	\$ 1,114,830	\$ 455,547

*See accompanying notes to financial statements.*

Table of Contents**Savings Plan of Amega West Services, LLC****Statement of Changes in Net Assets Available for Benefits**

Year Ended December 31, 2012

Investment income:		
Net appreciation in fair value of registered investment companies	\$	54,688
Interest in Carpenter Technology Master Trust Fund income		6,252
Dividends		22,468
Total investment income		83,408
Interest income from notes receivable from participants		669
Contributions:		
Participant		340,038
Participant rollover		104,757
Employer		199,911
Total contributions		644,706
Benefits paid to participants		(67,709)
Administrative expenses		(1,791)
Net increase		659,283
Net assets available for benefits, beginning of year		455,547
Net assets available for benefits, end of year	\$	1,114,830

*See accompanying notes to financial statements.*

Table of Contents

**Savings Plan of Amega West Services, LLC**

**Notes to Financial Statements**

December 31, 2012 and 2011

**1. Description of the Plan**

The following description of the Savings Plan of Amega West Services, LLC (the Plan ) provides general information. A more complete description of the Plan s provisions can be found in the plan document, which is available to participants upon request from Amega West Services, LLC (the Company ) or Carpenter Technology Corporation (the Plan Sponsor ).

**General**

The Plan, established in April 2011, is a profit-sharing and stock bonus plan which covers substantially all domestic non-union employees of the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ( ERISA ).

**Contributions**

Each year, participants may contribute up to 100% of annual compensation on a pre-tax basis, and up to 100% of annual compensation on an after-tax basis, as defined by the plan document. The combined contributions cannot exceed 100% of annual compensation on both a pre-tax and after-tax basis. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions , which are additional pre-tax contributions. Participants may also contribute amounts representing rollover distributions from other qualified pension plans. Participant contributions to the Plan are recorded in the period that payroll deductions are made from the participants. The Company contributes a matching contribution of up to 3% of each employee s base pay, as defined by the plan document. Participants direct the investment of all contributions into various investment options offered by the Plan. Contributions are subject to certain limitations.

**Participant Accounts**

Each participant s account is credited with the participant s contribution, the Company s contribution on behalf of the participant, and an allocation of plan earnings based on account balances, as defined. Effective July 1, 2012, each participant s account is charged with a \$20 annual fee for recordkeeping administration, and participants of the Carpenter Technology Stock Fund are charged an administrative fee based on the fund balance. The benefit to which a participant is entitled is the benefit that can be provided from the participant s vested account.





Table of Contents

**Savings Plan of Amega West Services, LLC**

**Notes to Financial Statements**

December 31, 2012 and 2011

**1. Description of the Plan (continued)**

**Vesting**

All contributions and plan earnings thereon are immediately and fully vested and non-forfeitable.

**Notes Receivable from Participants**

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 minus the amount of the highest outstanding loan balance on any plan loan during the preceding twelve months, or 50% of their vested account balance minus the current outstanding balance on any other plan loan. Terms range from one to five years for a general purpose loan, and one to ten years for a primary residence loan. The loans are secured by the balance in the participant's account and bear interest at rates of 4.25% at December 31, 2012, which represents the Prime Rate plus 1% on the last business day of the month in which the loan was distributed. Principal and interest are paid ratably through bi-weekly payroll deductions.

**Payment of Benefits**

Benefits paid to participants include participant withdrawals and participant distributions. Participant withdrawals include hardship withdrawals, non-hardship withdrawals, and withdrawals after age 59½. Participant withdrawals are subject to certain restrictions as defined by the plan document. Upon termination of service due to death, disability, retirement, or other reasons, participants are eligible to receive a lump sum distribution. A participant may elect to defer such distribution provided the account balance is at least \$5,000. The total distribution of benefits to all separated participants must occur by April 1st of the year following the year in which the participant attains age 70½. The payment of benefits from the Carpenter Technology Stock Fund is made in shares of the Company's common stock or cash, at the participant's option. All other payments of benefits are made in cash.

Table of Contents

**Savings Plan of Amega West Services, LLC**

**Notes to Financial Statements**

December 31, 2012 and 2011

**2. Summary of Significant Accounting Policies**

**Basis of Accounting**

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

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits 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. A portion of the Plan's assets are invested in fully benefit-responsive investment contracts through its investment in the Standish Mellon Stable Value Fund within the Carpenter Technology Master Trust Fund.

The Statements of Net Assets Available for Benefits present the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

**Use of Estimates**

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

**Investment Valuation and Income Recognition**

The Plan's investments are stated at fair value. Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for detailed discussion of fair value measurements.

## Edgar Filing: CARPENTER TECHNOLOGY CORP - Form 11-K

Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the gains and losses on investments bought and sold as well as held during the year.

### **Notes Receivable from Participants**

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

Table of Contents

**Savings Plan of Amega West Services, LLC**

**Notes to Financial Statements**

December 31, 2012 and 2011

**2. Summary of Significant Accounting Policies (continued)**

**Administrative Expenses**

The Plan's assets are administered under a contract with The Vanguard Group (the "Trustee"). The Trustee invests funds received from contributions, investment sales, interest, and dividend income and makes benefit payments to participants. Transaction fees and certain administrative fees are paid by the participant. The remaining administrative fees are netted against investment income in the Statement of Changes in Net Assets Available for Benefits. All other fees are paid by the Company.

**Payment of Benefits**

Benefit payments to participants are recorded when paid.

**Reclassifications**

Certain items in the 2011 financial statements have been reclassified to conform to the 2012 presentation.

**3. Fair Value Measurements**

The Plan measures its investments at fair value on a recurring basis in accordance with accounting principles generally accepted in the United States of America. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework that the authoritative guidance establishes for measuring fair value includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement. The levels of the fair value hierarchy are as follows:

## Edgar Filing: CARPENTER TECHNOLOGY CORP - Form 11-K

Level 1 Fair value is based on unadjusted quoted prices in active markets that are accessible to the Plan for identical assets. These generally provide the most reliable evidence and are used to measure fair value whenever available.

Level 2 Fair value is based on significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the full term of the asset through corroboration with observable market data. Level 2 inputs include quoted market prices in active markets for similar assets or liabilities, quoted market prices in inactive markets for identical or similar assets, and other observable inputs.

Table of Contents

*Savings Plan of Amega West Services, LLC*

**Notes to Financial Statements**

December 31, 2012 and 2011

**3. Fair Value Measurements (continued)**

Level 3 Fair value would be based on significant unobservable inputs. Examples of valuation methodologies that would result in Level 3 classification include option pricing models, discounted cash flows, and similar techniques.

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.

*Registered Investment Companies:* Valued at closing price reported on the active market on which the individual securities are traded.

*Carpenter Technology Master Trust Fund:*

*Carpenter Technology Stock Fund* - Valued at closing price of the Company's common stock as reported on the active market on which the securities are traded.

*Standish Mellon Stable Value Fund* - This fund invests in high credit quality fixed income securities within contracts that are intended to minimize market volatility and guaranteed investment contracts (GICs) issued by financial institutions which are backed by investment-grade, fixed-income securities and bond mutual funds, and money market securities. These investments are valued based on the fair value of the underlying assets which consists of short-term investment funds, Traditional GICs, Fixed Maturity Synthetic GICs and Constant Duration Synthetic GICs as follows:

- Short-term investment funds are valued based on quoted market values reported on active markets on which the individual securities are traded.
- Traditional GICs are unsecured, general account obligations of insurance companies backed by the general account assets of the insurance company that writes the investment contract. The fair values for traditional GICs are calculated using the present value for the contract's future cash flows discounted by comparable duration.



Table of Contents

Savings Plan of Amega West Services, LLC

**Notes to Financial Statements**

December 31, 2012 and 2011

**3. Fair Value Measurements (continued)**

- Fixed maturity synthetic GICs consist of an asset or collection of assets that are owned by the fund and a benefit responsive, book value wrap contract purchased for the portfolio. The fair values of the book value wrap contracts are not considered material to the overall valuation of the underlying contracts. Underlying assets consist of bond funds, U.S. Government securities, mortgage backed securities and other securities. The fair values for fixed maturity GICs are calculated using the sum, of all the underlying assets market values based on market values reported on active markets on which the individual securities are traded. However, the individual contracts are not actively traded.
- Constant duration synthetic GICs consist of a portfolio of securities owned by the fund and a benefit responsive, book value wrap contract purchased for the portfolio. The fair values of the book value wrap contracts are not considered material to the overall valuation of the underlying contracts. Underlying assets consist of bond funds, U.S. Government securities, mortgage backed securities and asset backed securities. The fair values for constant duration synthetic GICs are determined by reference to the net asset values reported by the investment managers holding the funds.

The preceding methods 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.



Table of ContentsSavings Plan of Amega West Services, LLC**Notes to Financial Statements**

December 31, 2012 and 2011

**3. Fair Value Measurements (continued)**

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2012 and 2011. Information for the Plan's investment in the Carpenter Technology Master Trust can be found in Note 5.

<b>2012</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Short-term reserve funds	\$ 16,906	\$	\$	\$ 16,906
Bond funds	64,391			64,391
Balanced funds	862,367			862,367
Domestic equity funds	20,742			20,742
International equity funds	4,559			4,559
Total registered investment companies	968,965			968,965

<b>2011</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Short-term reserve funds	\$ 5,878	\$	\$	\$ 5,878
Bond funds	20,166			20,166
Balanced funds	371,147			371,147
Domestic equity funds	29,475			29,475
International equity funds	1,205			1,205
Total registered investment companies	427,871			427,871

Table of ContentsSavings Plan of Omega West Services, LLC**Notes to Financial Statements**

December 31, 2012 and 2011

**4. Investments**

The following table presents investments that represent 5% or more of the Plan's net assets at December 31:

	<b>2012</b>	<b>2011</b>
Vanguard Target Retirement 2025 Fund	\$ 280,551	\$ 130,149
Vanguard Target Retirement 2015 Fund	171,657	46,009
Vanguard Target Retirement 2045 Fund	166,462	74,419
Vanguard Target Retirement 2035 Fund	140,899	64,663
Vanguard Target Retirement 2055 Fund	68,334	36,061
PIMCO Total Return Fund; Institutional Class	64,391	*

---

\* investment did not exist for this year

**5. Investment in the Carpenter Technology Master Trust Fund**

Effective April 1, 2011, the Company established the Carpenter Technology Master Trust Fund (the Master Trust) to hold certain investments of the Company's participating plans, which include the Plan and the Savings Plan of Carpenter Technology Corporation, and the Savings Plan of Carpenter Technology Corporation Effective January 1, 2012. The Master Trust maintains a separate account for each of the participating Plans assets and liabilities held. As of December 31, 2012 and 2011, the Plan's interest in the net assets of the Master Trust was .06% and .01%, respectively.

The Master Trust is invested in two funds – the Carpenter Technology Stock Fund and the Standish Mellon Stable Value Fund.

*Carpenter Technology Stock Fund:* The Carpenter Technology Stock Fund holds investments in the common stock of the Company.

*Standish Mellon Stable Value Fund:* This fund is invested in fully benefit-responsive investment contracts. There were no reserves against contract value for credit risk of the underlying investments of the fund. The crediting interest rate was based on a formula agreed upon with the various issuers. The fully benefit-responsive investments had minimum crediting interest rates, which reset periodically.



Table of Contents

*Savings Plan of Amega West Services, LLC*

**Notes to Financial Statements**

December 31, 2012 and 2011

**5. Investment in the Carpenter Technology Master Trust Fund (continued)**

Certain events may limit the ability to transact at contract value with the various issuers. Such events included the following: (1) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (2) changes to plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the plan, or (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The Company does not believe that any events which would limit the plan's ability to transact at contract value with participants are probable of occurring.

The underlying fully benefit-responsive investment contracts did not permit the insurance companies to terminate the agreements prior to the scheduled maturity dates.

Average Yields of Standish Mellon Stable Value Fund:	2012	2011
Based on actual earnings	2.07%	2.48%
Based on interest rate credited to participants	2.18%	2.59%

Table of ContentsSavings Plan of Amega West Services, LLC**Notes to Financial Statements**

December 31, 2012 and 2011

**5. Investment in the Carpenter Technology Master Trust Fund (continued)**

The total assets of the Master Trust are as follows as of December 31, 2012 and 2011:

	2012	2011
Investments, at fair value:		
Standish Mellon Stable Value Fund		
Monumental Life (Aegon)	\$ 30,416,690*	\$ 32,157,191*
Natixis Financial Products	29,536,032*	26,931,788*
Mellon Trust of New England	19,080,500*	8,623,062*
United of Omaha	10,348,107*	13,432,390*
Prudential	9,449,061*	8,671,029*
ING Life & Annuity Co	1,617,345	1,529,198
JP Morgan Chase Bank		1,626,948
Prudential		1,504,692
Bank of America, N.A.		1,019,587
Metropolitan		1,007,713
Total Standish Mellon Stable Value Fund	100,447,735	96,503,598
Carpenter Technology Corporation Stock Fund	67,848,968*	72,449,224*
Assets in Master Trust, at fair value	168,296,703	168,952,822
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(3,627,785)	(2,654,904)
Net assets in Master Trust	\$ 164,668,918	\$ 166,297,918

\* represents 5% of investments

Plan interest in Master Trust, at fair value	\$ 104,070	\$ 19,516
--	------------	-----------

Table of Contents

Savings Plan of Amega West Services, LLC

**Notes to Financial Statements**

December 31, 2012 and 2011

**5. Investment in the Carpenter Technology Master Trust Fund (continued)**

The total investment income of the Master Trust for the year ended December 31, 2012 was as follows:

Investment income:	
Net appreciation in fair value of investments:	
Carpenter Technology Corporation Stock Fund	\$ 1,636,205
Interest and dividends:	
Standish Mellon Stable Value Fund	1,761,965
Carpenter Technology Corporation Stock Fund	1,038,848
Total investment income	\$ 4,437,018

The change in the total assets of the Master Trust for 2012 was as follows:

Investment income:	
Net appreciation in fair value of investments	\$ 1,636,205
Interest and dividends	2,800,813
Total investment income	4,437,018
Net transfers	(6,066,018)
Net decrease	(1,629,000)
Net assets available for benefits, beginning of year	166,297,918
Net assets available for benefits, end of year	\$ 164,668,918

Table of ContentsSavings Plan of Amega West Services, LLC**Notes to Financial Statements**

December 31, 2012 and 2011

**5. Investment in the Carpenter Technology Master Trust Fund (continued)**

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

<b>2012</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Carpenter Technology Stock Fund	67,848,968			67,848,968
Standish Mellon Stable Value Fund				
Short-term investment funds	19,080,500			19,080,500
Traditional GICs		1,617,345		1,617,345
Fixed maturity synthetic GICs:				
Corporate bonds		475,549		475,549
U.S. Government securities		6,542,926		6,542,926
Mortgage backed securities		2,194,907		2,194,907
Other securities		1,134,725		1,134,725
Constant duration synthetic GICs:				
Corporate bonds		31,133,787		31,133,787
U.S. Government securities		11,367,401		11,367,401
Mortgage backed securities		14,908,744		14,908,744
Asset backed securities		11,991,851		11,991,851
Total Standish Mellon Stable Value Fund	19,080,500	81,367,235		100,447,735
Total Carpenter Technology Master Trust	\$ 86,929,468	\$ 81,367,235	\$	\$ 168,296,703

Table of ContentsSavings Plan of Omega West Services, LLC**Notes to Financial Statements**

December 31, 2012 and 2011

**5. Investment in the Carpenter Technology Master Trust Fund (continued)**

2011	Level 1	Level 2	Level 3	Total
Carpenter Technology Stock Fund	72,449,224			72,449,224
Standish Mellon Stable Value Fund				
Short-term investment funds	8,623,062			8,623,062
Traditional GICs		4,041,603		4,041,603
Fixed maturity synthetic GICs:				
Corporate bonds		1,023,599		1,023,599
U.S. Government securities		12,475,258		12,475,258
Mortgage backed securities		2,279,716		2,279,716
Other securities		300,352		300,352
Constant duration synthetic GICs:				
Corporate bonds		28,741,215		28,741,215
U.S. Government securities		12,468,344		12,468,344
Mortgage backed securities		14,811,302		14,811,302
Asset backed securities		11,739,147		11,739,147
Total Standish Mellon Stable Value Fund	8,623,062	87,880,536		96,503,598
Total Carpenter Technology Master Trust	\$ 81,072,286	\$ 87,880,536	\$	\$ 168,952,822

**6. Related Party Transactions**

Certain of the Plan's investments are managed by the Trustee, and therefore, these transactions qualify as party-in-interest transactions. Additionally, the Plan issues loans to participants, which are secured by the participants' account balances. These transactions qualify as party-in-interest. Fees paid by the Plan in 2012 to the Trustee for investment management services related to these funds totaled \$1,701.

The Carpenter Technology Stock Fund held in the Master Trust at December 31, 2012 is invested in shares of Carpenter Technology Corporation, the Plan Sponsor, therefore these transactions qualify as related party and party-in-interest transactions. Fees paid to the Trustee by the Plan in 2012 for investment management services related to this fund totaled \$91. In addition, total purchases and sales, at market value, for 2012 were \$88,458 and \$16,177 respectively. The Carpenter Technology Stock Fund included 1,812 and 308 of equivalent shares as of December 31, 2012 and 2011, respectively.



Table of Contents

*Savings Plan of Amega West Services, LLC*

**Notes to Financial Statements**

December 31, 2012 and 2011

**6. Related Party Transactions (continued)**

Certain administrative functions of the Plan are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan.

**7. Plan Termination**

Although it has not expressed any intent to do so, the Company has the right to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants will remain fully vested in their accounts.

**8. Tax Status**

The determination letter for the Plan is due to be filed no later than January 2016. Although the Plan has not received a determination letter, the Plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code and therefore believes that the Plan 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 (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. 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 asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

**9. Risks and Uncertainties**

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

reported in the Statements of Net Assets Available for Benefits.

Table of Contents

Savings Plan of Omega West Services, LLC

**Notes to Financial Statements**

December 31, 2012 and 2011

**10. Reconciliation of Financial Statements to Form 5500**

The following is a reconciliation of net assets available and total investment income per the financial statements to the Form 5500:

	<b>December 31, 2012</b>	<b>December 31, 2011</b>
Net assets available for benefits, at contract value, per the financial statements	\$ 1,114,830	\$ 455,547
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	380	101
Net assets available for benefits, at fair value, per Form 5500	\$ 1,115,210	\$ 455,648

	<b>Year Ended December 31, 2012</b>
Investment income, per the financial statements	\$ 83,408
Interest from notes receivable from participants	669
Change in adjustment from contract value to fair value for fully benefit-responsive investment contracts	279
Investment income, per Form 5500	\$ 84,356

Table of ContentsSavings Plan of Omega West Services, LLC

Schedule of Assets (Held at End of Year)

Form 5500 - Schedule H - Line 4i (1 of 2)

December 31, 2012

EIN: 23-0458500

PN: 025

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment, including Maturity Date, Interest Rate, Collateral, Par or Maturity Value	(e) Current Value
	Registered Investment Companies:		
	American Funds	American Funds EuroPacific Growth Fund; Class R-6	\$ 1,436
	PIMCO	PIMCO Total Return Fund; Institutional Class	64,391
	T. Rowe Price	T. Rowe Price Institutional Large Cap Growth Fund; Inst. Class	9,537
*	Vanguard	Vanguard Institutional Index Fund	5,653
*	Vanguard	Vanguard Mid-Cap Index Fund Institutional Shares	2,099
*	Vanguard	Vanguard Prime Money Market Fund	16,906
*	Vanguard	Vanguard Small-Cap Index Fund Institutional Shares	3,453
*	Vanguard	Vanguard Target Retirement 2015 Fund	171,657
*	Vanguard	Vanguard Target Retirement 2025 Fund	280,551
*	Vanguard	Vanguard Target Retirement 2030 Fund	1,428
*	Vanguard	Vanguard Target Retirement 2035 Fund	140,899
*	Vanguard	Vanguard Target Retirement 2040 Fund	462
*	Vanguard	Vanguard Target Retirement 2045 Fund	166,462
*	Vanguard	Vanguard Target Retirement 2055 Fund	68,334
*	Vanguard	Vanguard Target Retirement Income	32,574
*	Vanguard	Vanguard Total International Stock Index Fund Inst. Shares	3,123
	Total Registered Investment Companies		\$ 968,965
*	Participant Loans	Loans to Participants Interest rate 4.25%	\$ 42,175

*Historical cost has not been presented for investment funds, as all investments are participant directed*

---

\* Party-in-Interest

Table of Contents

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, Carpenter Technology Corporation has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Savings Plan of Amega  
West Services, LLC  
(Name of Plan)

Date: June 28, 2013

By: /s/ Tony R. Thene  
Tony R. Thene  
Senior Vice President and  
Chief Financial Officer

Table of Contents

EXHIBIT INDEX

**Exhibit**

<b>No.</b>	<b>Description</b>
23.1	Consent of Independent Registered Public Accounting Firm