AETHLON MEDICAL INC
Form 8-K
November 14, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 13, 2017

AETHLON MEDICAL, INC.

(Exact name of registrant as specified in its charter)

Nevada	000-21846	13-3632859
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification Number)

8910 University Center Lane, Suite 660 San Diego, California	92122
(Address of principal executive offices)	(Zip Code)

Registrant’s telephone number, including area code: (858) 459-7800

Not applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by checkmark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934

Emerging growth company.

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

FORWARD-LOOKING STATEMENTS

This Form 8-K and other reports filed by Registrant from time to time with the Securities and Exchange Commission (collectively, the "Filings") contain or may contain forward-looking statements and information that are based upon beliefs of, and information currently available to, Registrant's management as well as estimates and assumptions made by Registrant's management. When used in the Filings the words "anticipate,” "believe," "estimate," "expect," "future," "intend," "plan" or the negative of these terms and similar expressions as they relate to Registrant or Registrant's management identify forward-looking statements. Such statements reflect the current view of Registrant with respect to future events and are subject to risks, uncertainties, assumptions and other factors relating to Registrant's industry, Registrant's operations and results of operations and any businesses that may be acquired by Registrant. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, expected, intended or planned.

Although Registrant believes that the expectations reflected in the forward-looking statements are reasonable, Registrant cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, Registrant does not intend to update any of the forward-looking statements to conform these statements to actual results.

ITEM 8.01 Other Events

On November 13, 2017, Aethlon Medical, Inc. (the “Company”) received a letter from Nasdaq stating that the Company has regained compliance with its majority independent board and audit committee composition requirements based upon the information regarding the appointment of Charles (“Chuck”) J. Fisher, Jr., MD, to the Company’s Board of Directors and Audit Committee, as detailed in the Company’s Form 8-K, dated November 6, 2017.

SIGNATURES

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

AETHLON MEDICAL, INC.

By: /s/ James B. Frakes
James B. Frakes
Dated: November 14, 2017 Chief Financial Officer

OTTOM:2px solid #000000">$ **24,473** $ 20,337

Customer-related liabilities include liabilities for product warranty claims and deposits received on future orders. The following summarizes changes in the liability for product warranty claims for each of the years ended December 31.

	2012	2011	2010
Balance at the beginning of the year	**$ 5,498**	$ 5,113	$ 4,929
Satisfaction of warranty claims	**(2,411)**	(2,691)	(1,727)
Provision for warranty claims	**3,399**	3,087	1,987
Other, primarily impact from changes in foreign currency exchange rates	**139**	(11)	(76)
Balance at the end of the year	**$ 6,625**	$ 5,498	$ 5,113

NOTE 6 BORROWING ARRANGEMENTS:

The Corporation maintains short-term lines of credit of approximately $9,400 (including £3,000 in the U.K. and 400 in Belgium). No amounts were outstanding under these lines of credit as of December 31, 2012 and 2011.

As of December 31, 2012, the Corporation had the following Industrial Revenue Bonds (IRBs) outstanding: (1) $4,120 tax-exempt IRB maturing in 2020, interest at a floating rate which averaged 0.22% during the current year; (2) $7,116 taxable IRB maturing in 2027, interest at a floating rate which averaged 0.22% during the current year and (3) $2,075 tax-exempt IRB maturing in 2029, interest at a floating rate which averaged 0.25% during the current year. The IRBs are remarketed periodically at which time interest rates are reset. The IRBs are secured by letters of credit of equivalent amounts. The letter of credit agreements require, among other things, maintenance of a minimum net worth and prohibit a leverage ratio in excess of a stipulated amount. The Corporation was in compliance with the applicable bank covenants as of December 31, 2012.

Despite principal not beginning to become due until 2020, the IRBs can be put back to the Corporation on short notice if, although considered remote by the Corporation and its bankers, the bonds cannot be remarketed. At that time, the bondholders can seek reimbursement from the letters of credit. As provided by a separate agreement with the Corporation s bank, funding of the letters of credit, if so drawn against, would be satisfied with equal and immediate borrowings under a separate IRB Standby Letter of Credit facility (the Facility). The Facility expires on August 1, 2014 and is expected to be renewed annually to provide for a continual term of greater than one year. However, the Facility includes language regarding material adverse change to the Corporation s business which could result in it being called or cancelled at the bank s discretion; accordingly, the IRBs remain classified as a current liability. The availability under the Facility is $13,566, equal to the letters of credit, and as of December 31, 2012 no amounts were outstanding.

NOTE 7 PENSION AND OTHER POSTRETIREMENT BENEFITS:

Pension Plans

The Corporation has a qualified defined benefit pension plan covering substantially all of its U.S. employees. Generally, benefits are based on years of service multiplied by either a fixed amount or a percentage of compensation. For its U.S. pension plan covered by the Employee Retirement Income Security Act of 1974 (ERISA), the Corporation s policy is to fund at least the minimum actuarially computed annual contribution required under ERISA. Although no minimum contributions were required, voluntary contributions of $7,000 and $5,000 were made in 2011 and 2010, respectively. No voluntary contributions were made in the current year. In 2012, *Moving Ahead for Progress in the 21st Century* (MAP-21) was signed into law. MAP-21 reduces funding requirements for single-employer defined benefit plans. As a result, no minimum contributions are expected for 2013. Estimated benefit payments for subsequent years are $8,334 for 2013, $8,815 for 2014, $9,267 for 2015, $9,699 for 2016, $10,149 for 2017 and $57,898 for 2018 2022. The fair value of the plan s assets as of December 31, 2012 and 2011 approximated $140,218 and $133,403, respectively, in comparison to accumulated benefit obligations of $180,737 and $161,126 for the same periods.

Employees of UES-UK participate in a contributory defined benefit pension plan that was curtailed effective December 31, 2004 and replaced with a defined contribution pension plan. The UES-UK plans are non-U.S. plans and therefore are not covered by ERISA. Instead, the Trustees and UES-UK have agreed to a recovery plan that estimates the amount of employer contributions, based on U.K. regulations, necessary to eliminate the funding deficit of the plan over an agreed period with such estimates subject to change based on the future investment performance of the plan s assets. Employer contributions to the contributory defined benefit pension plan approximated $1,786, $1,693 and $1,420 in 2012, 2011 and 2010, respectively, and are expected to approximate $1,825 in 2013. The fair value of the plan s assets as of December 31, 2012 and 2011 approximated $41,875 (£25,774) and $36,436 (£23,443), respectively, in comparison to accumulated benefit obligations of $59,210 (£36,443) and $50,698 (£32,620) for the same periods. Estimated benefit payments for subsequent years are $1,169 for 2013, $1,239 for 2014, $1,549 for 2015, $1,460 for 2016, $2,167 for 2017 and $12,660 for 2018 2022. Contributions to the defined contribution pension plan approximated $311, $415 and $337 in 2012, 2011 and 2010, respectively, and are expected to approximate $375 in 2013.

The Corporation also maintains a nonqualified defined benefit pension plan to provide supplemental retirement benefits for selected executives in addition to benefits provided under the Corporate-sponsored pension plans. The assets are held in a grantor tax trust known as a Rabbi trust; accordingly, the assets are subject to claims of the Corporation s creditors, but otherwise must be used only for purposes of providing benefits under the plan. No contributions were made to the trust in 2010 2012 and none are expected in 2013. The fair market value of the trust at December 31, 2012 and 2011, which is included in other noncurrent assets, was $3,358 and $3,090, respectively. Changes in the fair market value of the trust are recorded as a component of other comprehensive income (loss). The plan is treated as a non-funded pension plan for financial reporting purposes. Accumulated benefit obligations approximated $2,082 and $1,698 at December 31, 2012 and 2011, respectively. Estimated benefit payments for subsequent years are approximately $25 for 2013, $35 for 2014, $44 for 2015, $53 for 2016, $70 for 2017 and $1,860 for 2018 2022.

Employees at one location participate in a multi-employer plan, I.A.M. National Pension Fund, in lieu of the Corporation s defined benefit pension program. A multi-employer plan generally receives contributions from two or more unrelated employers pursuant to one or more collective-bargaining agreements. The assets contributed by one employer may be used to fund the benefits provided to employees of other employers in the plan because the plan assets, once contributed, are not restricted to individual employers. The latest report of summary plan information (for the 2011 plan year) provided by I.A.M. National Pension Fund indicates:

1,038 employers contribute to the plan and in excess of 100,000 employees participate in the plan

Assets of nearly $8.5 billion and a funded status in excess of 100%.

Less than 100 of the Corporation s employees participate in the plan and contributions are based on a rate per hour. The Corporation s contributions equaled $241, $246 and $232 in 2012, 2011 and 2010, respectively, and represent less than five percent of total contributions to the plan by all contributing employers. Contributions are expected to approximate $275 in 2013.

Other Postretirement Benefits

The Corporation provides postretirement health care benefits principally to the bargaining groups of one subsidiary. The plan covers participants and their spouses and/or dependents who retire under the existing pension plan on other than a deferred vested basis and at the time of retirement have also rendered 15 or more years of continuous service irrespective of age. Other health care benefits are provided to retirees under plans no longer being offered by the Corporation. Retiree life insurance is provided to substantially all retirees. Postretirement benefits with respect to health care are subject to certain Medicare offsets. The Corporation also provides health care and life insurance benefits to former employees of certain discontinued operations. This obligation had been estimated and provided for at the time of disposal. The Corporation s postretirement health care and life insurance plans are not funded or subject to any minimum regulatory funding requirements. Estimated benefit payments for subsequent years, which would represent employer contributions, are approximately $764 for 2013, $809 for 2014, $840 for 2015, $862 for 2016, $871 for 2017, and $5,068 for 2018 2022.

Reconciliations

The following provides a reconciliation of projected benefit obligations, plan assets, the funded status of the plans and the amounts recognized in the consolidated balance sheets for the Corporation s defined benefit plans calculated using a measurement date as of the end of the respective years.

	U.S. Pension Benefits[(a)]		Foreign Pension Benefits		Other Postretirement Benefits	
	2012	2011	**2012**	2011	**2012**	2011
Change in projected benefit obligations:						
Projected benefit obligations at January 1	**$ 174,814**	$ 153,595	**$ 50,698**	$ 47,009	**$ 22,348**	$ 17,058
Service cost	**3,943**	3,115	**0**	0	**804**	643
Interest cost	**8,514**	8,867	**2,506**	2,589	**919**	1,020
Plan amendments	**(42)**	153	**0**	0	**0**	0
Foreign currency exchange rate changes	**0**	0	**2,434**	(298)	**0**	0
Actuarial loss (gain)	**17,289**	16,121	**5,239**	2,321	**(623)**	4,277
Participant contributions	**0**	0	**0**	0	**428**	495
Benefits paid from plan assets	**(7,425)**	(6,992)	**(1,667)**	(923)	**0**	0
Benefits paid by the Corporation	**(36)**	(45)	**0**	0	**(1,070)**	(1,145)
Projected benefit obligations at December 31	**$ 197,057**	$ 174,814	**$ 59,210**	$ 50,698	**$ 22,806**	$ 22,348
Change in plan assets:						
Fair value of plan assets at January 1	**$ 133,403**	$ 135,730	**$ 36,436**	$ 34,836	**$ 0**	$ 0
Actual return on plan assets	**14,240**	(2,335)	**3,586**	1,014	**0**	0
Foreign currency exchange rate changes	**0**	0	**1,734**	(184)	**0**	0
Corporate contributions	**36**	7,045	**1,786**	1,693	**642**	650
Participant contributions	**0**	0	**0**	0	**428**	495
Gross benefits paid	**(7,461)**	(7,037)	**(1,667)**	(923)	**(1,070)**	(1,145)
Fair value of plan assets at December 31	**$ 140,218**	$ 133,403	**$ 41,875**	$ 36,436	**$ 0**	$ 0
Funded status of the plans:						
Fair value of plan assets	**$ 140,218**	$ 133,403	**$ 41,875**	$ 36,436	**$ 0**	$ 0
Less benefit obligations	**197,057**	174,814	**59,210**	50,698	**22,806**	22,348
Funded status at December 31	**$ (56,839)**	$ (41,411)	**$ (17,335)**	$ (14,262)	**$ (22,806)**	$ (22,348)

(a) Includes the non-qualified defined benefit pension plan.

	U.S. Pension Benefits 2012	U.S. Pension Benefits 2011	Foreign Pension Benefits 2012	Foreign Pension Benefits 2011	Other Postretirement Benefits 2012	Other Postretirement Benefits 2011
Amounts recognized in the balance sheets:						
Employee benefit obligations:						
Accrued payrolls and employee benefits (current)	**$ (25)**	$ (53)	**$ (152)**	$ (1,905)	**$ (738)**	$ (881)
Employee benefit obligations (noncurrent)	**(56,814)**	(41,358)	**(17,183)**	(12,357)	**(22,068)**	(21,467)
	$ (56,839)	$ (41,411)	**$ (17,335)**	$ (14,262)	**$ (22,806)**	$ (22,348)
Accumulated other comprehensive loss (pre-tax):						
Net actuarial loss	**$ 84,825**	$ 78,307	**$ 28,155**	$ 23,848	**$ 6,403**	$ 7,098
Prior service cost	**2,113**	2,825	**0**	0	**227**	312
Total (pre-tax)	**$ 86,938**	$ 81,132	**$ 28,155**	$ 23,848	**$ 6,630**	$ 7,410

Amounts included in accumulated other comprehensive loss as of December 31, 2012 expected to be recognized in net periodic pension and other postretirement costs in 2013 include:

	U.S. Pension Benefits	Foreign Pension Benefits	Other Postretirement Benefits
Net actuarial loss	$ 7,232	$ 710	$ 335
Prior service cost	665	0	85
	$ 7,897	**$ 710**	**$ 420**

Investment Policies and Strategies

The investment policies and strategies are determined and monitored by the Investment Committee of the Board of Directors for the U.S. pension plan and by the Trustees (as appointed by UES-UK and the employees of UES-UK) for the foreign pension plan, each of whom employ their own investment managers to manage the plan s assets in accordance with the policy guidelines. Pension assets are invested with the objective of maximizing long-term returns while minimizing material losses to meet future benefit obligations as they become due. Investments in equity securities are primarily in common stocks of publicly-traded U.S. and international companies across a broad spectrum of industry sectors. Investments in fixed-income securities are principally A-rated or better bonds with maturities of less than ten years, preferred stocks and convertible bonds. The Corporation believes there are no significant concentrations of risk associated with the Plans assets.

Attempts to minimize risk include allowing temporary changes to the allocation mix in response to market conditions, diversifying investments among asset categories (e.g., equity securities, fixed-income securities, alternative investments, cash and cash equivalents) and within these asset categories (e.g., economic sector, industry, geographic distribution, size) and consulting with independent financial and legal counsels to assure that the investments and their expected returns and risks are consistent with the goals of the Investment Committee or Trustees.

With respect to the U.S. pension plan, the following investments are prohibited unless otherwise approved by the Investment Committee: stock of the Corporation, futures and options except for hedging purposes, unregistered or restricted stock, warrants, margin trading, short-selling, real estate excluding public or real estate partnerships and commodities including art, jewelry and gold. The foreign plan invests in specific funds. Any investments other than those specifically identified would be considered prohibited.

The following summarizes target asset allocations (within +/-5% considered acceptable) and major asset categories. Certain investments are classified differently for target asset allocation purposes and external reporting purposes.

	U.S. Pension Benefits			Foreign Pension Benefits		
	Target Allocation Dec. 31, 2012	Percentage of Plan Assets 2012	Percentage of Plan Assets 2011	Target Allocation Dec. 31, 2012	Percentage of Plan Assets 2012	Percentage of Plan Assets 2011
Equity Securities	**65%**	**66%**	65%	**44%**	**44%**	47%
Fixed-Income Securities	**15%**	**18%**	19%	**35%**	**34%**	43%
Alternative Investments	**15%**	**12%**	14%	**21%**	**22%**	9%
Other (primarily cash and cash equivalents)	**5%**	**4%**	2%	**0%**	**0%**	1%

Fair Value Measurement of Plan Assets

Equity securities and mutual funds are actively traded on exchanges and price quotes for these investments are readily available. Similarly, corporate debt and preferred securities consist of fixed income securities of U.S. and U.K. corporations and price quotes for these investments are readily available. Common collective trust and commingled funds are not traded publicly, but the underlying assets (such as stocks and bonds) held in these funds are traded on active markets and the prices for the underlying assets are readily observable. For securities not actively traded, the fair value may be based on third-party appraisals, discounted cash flow analysis, benchmark yields and inputs that are currently observable in markets for similar securities.

Investment Strategies

The significant investment strategies of the various funds are summarized below.

Fund	Investment Strategy	Primary Investment Objective
Temporary Investment Funds	Invests primarily in a diversified portfolio of investment grade money market instruments.	Achieve a high level of current income while maintaining stability of principal and liquidity.
Various Equity Funds	Each fund maintains a diversified holding in common stock of applicable companies (e.g. common stock of small capitalization companies if a small-cap fund, common stock of medium capitalization companies if a mid-cap fund, common stock of foreign corporations if an international fund, etc.).	Outperform the fund s related index.
Pooled Funds	Invests primarily in common stocks and other equity securities of issuers organized or conducting business in countries other than the United States.	Exceed the return of the corresponding Morgan Stanley Index.
Various Growth and Value Funds	Invests primarily in common stocks and other equity securities generally traded on a major U.S. exchange or the NASDAQ Stock Market.	Exceed the return of the Russell 2500 Growth Index or Value Index, as applicable, over a market cycle.
Return Fund	Invests at least 65% of its assets in a diversified portfolio of fixed income securities of varying maturities.	Outperform the Barclays Capital U.S. Aggregate Index.
Alternative Investments Managed Funds	Invests in equities and equity-like asset classes and strategies, (such as public equities, venture capital, private equity, real estate, natural resources and hedged strategies) and fixed income securities.	Generate a minimum annual inflation adjusted return of 5% and outperform a traditional 70/30 equities/bond portfolio.
Alternative Investments Hedge and Absolute Return Funds	Invests in a diversified portfolio of alternative investment styles and strategies.	Generate long-term capital appreciation while maintaining a low correlation with the traditional global financial markets.

Categories of Plan Assets

Asset categories based on the nature and risks of the Plans assets as of December 31, 2012 are summarized below.

	U.S. Pension Benefits			
	Quoted Prices in Active Markets for Identical Inputs (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Equity Securities:				
U.S.				
Capital goods	$ 1,269	$ 0	$ 0	**$ 1,269**
Chemicals	1,864	0	0	**1,864**
Commercial property	1,919	0	0	**1,919**
Commercial services	1,192	0	0	**1,192**
Common collective trust funds	0	30,451	0	**30,451**
Electronics	1,208	0	0	**1,208**
Engineering & construction	794	0	0	**794**
Food processing	3,549	0	0	**3,549**
Health care	830	0	0	**830**
Limited partnerships public equity	7,251	0	0	**7,251**
Manufacturing	1,868	0	0	**1,868**
Oil and gas	3,322	0	0	**3,322**
Retail	870	0	0	870
Technology	879	0	0	**879**
Other (represents 11 business sectors)	5,196	0	0	**5,196**
International				
Bank and financial services	1,255	0	0	**1,255**
Common collective trust funds	0	5,916	0	**5,916**
Energy	763	0	0	**763**
Real estate	1,929	0	0	**1,929**
Technology	1,004	0	0	**1,004**
Other (represents 10 business sectors)	3,751	0	0	**3,751**
Total Equity Securities	40,713	36,367	0	**77,080**
Fixed-Income Securities:				
Commingled funds	0	14,482	0	**14,482**
Preferred (represents 3 business sectors)	5,755	0	0	**5,755**
Other (represents 1 business sector)	684	0	0	**684**
Total Fixed-Income Securities	6,439	14,482	0	**20,921**
Alternative Investments:				
Managed funds [(a)]	0	0	30,064	**30,064**
Hedge and absolute return funds	0	0	6,490	**6,490**
Total Alternative Investments	0	0	36,554	**36,554**
Other (primarily cash and cash equivalents):				
Mutual funds	2,944	0	0	**2,944**
Commingled funds	0	696	0	**696**
Other [(b)]	2,023	0	0	**2,023**
Total Other	4,967	696	0	**5,663**
	$ 52,119	$ 51,545	$ 36,554	**$ 140,218**

(a) *Includes approximately 57% in equity and equity-like asset securities, 32% in alternative investments (real assets, commodities and resources, absolute return funds), 10% fixed income securities and 1% in cash and cash equivalents.*
(b) *Includes accrued receivables and pending broker settlements.*

	Foreign Pension Benefits			
	Quoted Prices in Active Markets for Identical Inputs (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Equity Securities:				
Commingled Funds (U.K.)	$ 3,277	$ 0	$ 0	**$ 3,277**
Commingled Funds (International)	15,140	0	0	**15,140**
Total Equity Securities	18,417	0	0	**18,417**
Fixed-Income Securities:				
Commingled Funds (U.K.)	14,341	0	0	**14,341**
Alternative Investments:				
Hedge and Absolute Return Funds	0	0	9,031	**9,031**
Cash and cash equivalents	86	0	0	**86**
	$ 32,844	$ 0	$ 9,031	**$ 41,875**

Asset categories based on the nature and risks of the Plans assets as of December 31, 2011 are summarized below.

	U.S. Pension Benefits			
	Quoted Prices in Active Markets for Identical Inputs (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Equity Securities:				
U.S.				
Bank and financial services	$ 1,881	$ 0	$ 0	**$ 1,881**
Capital goods	1,448	0	0	**1,448**
Chemicals	1,626	0	0	**1,626**
Commercial property	1,769	0	0	**1,769**
Commercial services	1,331	0	0	**1,331**
Common collective trust funds	0	28,165	0	**28,165**
Electronics	1,003	0	0	**1,003**
Food processing	3,221	0	0	**3,221**
Health care	1,300	0	0	**1,300**
Limited partnerships public equity	7,253	0	0	**7,253**
Manufacturing	1,782	0	0	**1,782**
Oil and gas	2,904	0	0	**2,904**
Technology	1,608	0	0	**1,608**
Wholesale distribution	1,017	0	0	**1,017**
Other (represents 12 business sectors)	6,057	0	0	**6,057**
International				
Common collective trust funds	0	5,349	0	**5,349**
Real estate	1,654	0	0	**1,654**
Other (represents 6 business sectors)	2,619	0	0	**2,619**
Total Equity Securities	38,473	33,514	0	**71,987**
Fixed-Income Securities:				
Commingled funds	0	13,100	0	**13,100**
Preferred (represents 4 business sectors)	6,481	0	0	**6,481**
Other (represents 2 business sectors)	1,195	0	0	**1,195**
Total Fixed-Income Securities	7,676	13,100	0	**20,776**
Alternative Investments:				
Managed funds [a]	0	0	29,280	**29,280**
Hedge and absolute return funds	0	0	5,940	**5,940**
Total Alternative Investments	0	0	35,220	**35,220**
Other (primarily cash and cash equivalents):				
Mutual funds	1,906	0	0	**1,906**
Commingled funds	0	3,182	0	**3,182**

Other (b)	332	0	0	**332**
Total Other	2,238	3,182	0	**5,420**
	$ 48,387	$ 49,796	$ 35,220	**$ 133,403**

(a) Includes approximately 54% in equity and equity-like asset securities, 35% in alternative investments (real assets, commodities and resources, absolute return funds), 10% fixed income securities and 1% in cash and cash equivalents.

(b) Includes accrued receivables and pending broker settlements.

	Foreign Pension Benefits			
	Quoted Prices in Active Markets for Identical Inputs (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Equity Securities:				
Commingled Funds (U.K.)	$ 4,521	$ 0	$ 0	$ 4,521
Commingled Funds (International)	12,411	0	0	12,411
Total Equity Securities	16,932	0	0	16,932
Fixed-Income Securities:				
Commingled Funds (U.K.)	15,733	0	0	15,733
Alternative Investments:				
Hedge and Absolute Return Funds	0	0	3,324	3,324
Cash and cash equivalents	447	0	0	447
	$ 33,112	$ 0	$ 3,324	$ 36,436

The table below sets forth a summary of changes in the fair value of the Level 3 plan assets for U.S. and foreign pension plans for the year ended December 31, 2012.

	Alternative Investments		
	U.S. Pension Benefits		Foreign Pension Benefits
Fair value as of January 1, 2012	$ 5,940	$ 29,280	$ 3,324
Acquisitions	0	0	5,191
Withdrawals	0	(1,919)	(87)
Change in net unrealized gain	550	2,703	333
Other, primarily impact from changes in foreign currency exchange rates	0	0	270
Fair value as of December 31, 2012	$ 6,490	$ 30,064	$ 9,031

The table below sets forth a summary of changes in the fair value of the Level 3 plan assets for U.S. and foreign pension plans for the year ended December 31, 2011.

	Alternative Investments		
	U.S. Pension Benefits		Foreign Pension Benefits
Fair value as of January 1, 2011	$ 5,951	$ 0	$ 3,211
Acquisitions	0	28,433	25
Change in net unrealized gain	(11)	847	100
Other, primarily impact from changes in foreign currency exchange rates	0	0	(12)
Fair value as of December 31, 2011	$ 5,940	$ 29,280	$ 3,324

Net Periodic Pension and Other Postretirement Benefit Costs

The actual return on the fair value of plan assets is included in determining the funded status of the plans. In determining net periodic pension costs, the expected long-term rate of return on the market-related value of plan assets is used. Differences between the actual return on plan assets and the expected long-term rate of return on plan assets are classified as part of unrecognized actuarial gains or losses and are recorded as a component of accumulated other comprehensive income (loss) on the consolidated balance sheet. When these gains or losses exceed 10% of the greater of the projected benefit obligation or the market-related value of plan assets, they are amortized to net periodic pension and other postretirement costs over the average remaining service period of employees expected to receive benefits under the plans. When the gains or losses are less than 10% of the greater of the projected benefit obligation or the market-related value of plan assets, they are included in net periodic pension and other postretirement costs indirectly as a result of lower/higher interest costs arising from a decrease/increase in the projected benefit obligation.

Net periodic pension and other postretirement benefit costs include the following components for the year ended December 31:

	U.S. Pension Benefits			Foreign Pension Benefits			Other Postretirement Benefits		
	2012	2011	2010	**2012**	2011	2010	**2012**	2011	2010
Service cost	**$ 3,943**	$ 3,115	$ 2,868	**$ 0**	$ 0	$ 0	**$ 804**	$ 643	$ 482
Interest cost	**8,514**	8,867	8,525	**2,506**	2,589	2,482	**919**	1,020	924
Expected return on plan assets	**(9,556)**	(9,658)	(9,572)	**(2,101)**	(2,311)	(1,885)	**0**	0	0
Amortization of prior service cost	**668**	656	656	**0**	0	0	**85**	86	86
Amortization of actuarial loss	**6,087**	4,236	3,484	**598**	496	464	**71**	256	140
Net cost	**$ 9,656**	$ 7,216	$ 5,961	**$ 1,003**	$ 774	$ 1,061	**$ 1,879**	$ 2,005	$ 1,632

Assumptions

Assumptions are reviewed on an annual basis. The expected long-term rate of return on plan assets is an estimate of average rates of earnings expected to be earned on funds invested or to be invested to provide for the benefits included in the projected benefit obligation. Since these benefits will be paid over many years, the expected long-term rate of return is reflective of current investment returns and investment returns over a longer period. Consideration is also given to target and actual asset allocations, inflation and real risk-free return. The discount rates used in determining future pension obligations and other postretirement benefits for each of the plans are based on rates of return on high-quality fixed-income investments currently available and expected to be available during the period to maturity of the pension and other postretirement benefits. High-quality fixed-income investments are defined as those investments which have received one of the two highest ratings given by a recognized rating agency with maturities of 10+ years.

The following assumptions were used to determine the benefit obligations as of December 31:

	U.S. Pension Benefits		Foreign Pension Benefits		Other Postretirement Benefits	
	2012	2011	**2012**	2011	**2012**	2011
Discount rate	**4.25%**	5.00%	**4.50%**	4.90%	**4.25%**	5.00%
Weighted-average rate of increases in compensation	**4.00%**	4.00%	**n/a**	n/a	**n/a**	n/a

In addition, the assumed health care cost trend rate at December 31, 2012 for other postretirement benefits is 7% for 2013 gradually decreasing to 4.75% in 2018. In selecting rates for current and long-term health care assumptions, the Corporation considers known health care cost increases, the design of the benefit programs, the demographics of its active and retiree populations and expectations of inflation rates in the future. A one percentage point increase or decrease in the assumed health care cost trend rate would change the postretirement benefit obligation at December 31, 2012 and the annual benefit expense for 2012 by approximately $3,400 and $260, respectively.

The following assumptions were used to determine net periodic pension and other postretirement benefit costs for the year ended December 31:

	U.S. Pension Benefits			Foreign Pension Benefits			Other Postretirement Benefits		
	2012	2011	2010	**2012**	2011	2010	**2012**	2011	2010
Discount rate	**5.00%**	5.75%	6.00%	**4.90%**	5.40%	5.80%	**5.00%**	5.75%	6.00%
Expected long-term rate of return on plan assets	**8.00%**	8.00%	8.00%	**5.61%**	6.39%	6.00%	**n/a**	n/a	n/a
Weighted-average rate of increases in compensation	**4.00%**	4.00%	4.00%	**n/a**	n/a	n/a	**n/a**	n/a	n/a

NOTE 8 COMMITMENTS AND CONTINGENT LIABILITIES:

Outstanding standby and commercial letters of credit as of December 31, 2012 approximated $18,749, the majority of which serves as collateral for the IRBs.

In 2010, UES-UK was awarded a government grant of up to $1,325 (£850) toward the purchase and installation of certain machinery and equipment of which $1,083 (£680) has been received. Under the agreement, the grant is repayable if certain conditions are not met including achieving and maintaining a targeted level of employment through 2017. UES-UK s level of employment currently exceeds and is expected to continue to exceed the targeted level of employment; accordingly, no liability has been recorded.

Approximately 53% of the Corporation s employees are covered by collective bargaining agreements. There are six bargaining agreements. Two of the bargaining agreements, which represented approximately 50% of covered employees, expired in 2012; however, employees continue to work under the expired agreements while negotiations proceed. The remaining bargaining agreements have expiration dates ranging from May 2014 to October 2017.

See Note 17 regarding litigation and Note 18 for environmental matters.

NOTE 9 STOCK-BASED COMPENSATION:

In May 2011, the shareholders of the Corporation approved the adoption of the 2011 Omnibus Incentive Plan (Incentive Plan) which authorizes the issuance of up to 1,000,000 shares of the Corporation s common stock for grants of equity-based compensation. Awards under the Incentive Plan may include incentive non-qualified stock options, stock appreciation rights, restricted shares and restricted stock units, performance awards, other stock-based awards or short-term cash incentive awards. The Incentive Plan is administered by the Compensation Committee of the Board of Directors who has the authority to determine, within the limits of the express provisions of the Incentive Plan, the individuals to whom the awards will be granted; the nature, amount and terms of such awards; and the objectives and conditions for earning such awards.

The Compensation Committee granted non-qualified stock options in each of the years as outlined below. The options granted in 2012 and 2011 have a ten-year life and vest over a three-year period. The options previously granted under earlier incentive plans have a ten-year life with one-third vesting at the date of grant, one-third vesting on the first anniversary date of the date of grant and one-third vesting on the second anniversary date of the date of grant. The exercise prices are equal to the closing prices of the Corporation s common stock on the New York Stock Exchange on the dates of grant.

The fair value of the options as of the dates of grant was calculated using the Black-Scholes option-pricing model based on the assumptions outlined below.

	Grant Date		
	2012	2011	2010
Options granted	**164,500**	176,250	325,000
Exercise price	**$ 17.67**	$ 25.18	$ 25.77
Assumptions:			
Expected life in years	**6**	6	6
Risk-free interest rate	**0.76%**	2.30%	2.98%
Expected annual dividend yield	**3.01%**	2.96%	3.00%
Expected volatility	**53.46%**	56.25%	55.12%
Grant date fair value	**$ 6.68**	$ 10.53	$ 10.77
Resulting stock-based compensation expense	**$ 1,099**	$ 1,857	$ 3,500

The resulting stock-based compensation expense is recognized over the requisite service period and approximated $1,058, $1,636 and $3,267 for 2012, 2011 and 2010, respectively. The related income tax benefit recognized in the statements of operations was $370, $573 and $1,143 for the respective years. Unrecognized stock-based compensation expense equaled $1,680 at December 31, 2012 and is expected to be recognized over a weighted-average period of two years.

A summary of stock options outstanding and exercisable and activity for the year ended December 31, 2012 is as follows:

	Shares Under Options	Weighted Average Exercise Price	Remaining Contractual Life In Years	Intrinsic Value
Outstanding at January 1, 2012	1,011,089	$ 27.24	7.7	$ 1,118
Granted	164,500	17.67		
Exercised	(9,168)	13.37		
Outstanding at December 31, 2012	**1,166,421**	**$ 26.00**	**7.1**	**$ 1,178**
Exercisable at December 31, 2012	**884,421**	**$ 27.65**	**6.5**	**$ 1,178**
Vested or expected to vest at December 31, 2012	**1,166,421**	**$ 26.00**	**7.1**	**$ 1,178**

The 2011 Incentive Plan also provides for annual grants of shares of the Corporation s common stock to non-employee directors following the Corporation s annual shareholder meeting. Each annual director award will be for a number of shares having a fair market value equal to $25 and will fully vest as of the grant date. In 2012 and 2011, respectively, 11,320 and 7,944 shares of common stock were issued to the non-management directors.

NOTE 10 ACCUMULATED OTHER COMPREHENSIVE LOSS:

Net change and ending balances for the various components of other comprehensive income (loss) and for accumulated other comprehensive loss as of and for the year ended December 31, 2010, 2011 and 2012 is summarized below.

	Foreign Currency Translation Adjustments	Unrecognized Components of Employee Benefit Plans	Unrealized Holding Gains (Losses) on Securities	Derivatives	Accumulated Other Comprehensive Loss
Balance at January 1, 2010	$ (3,769)	$ (61,457)	$ 287	$ 695	$ (64,244)
Net Change	(1,620)	5,596	290	504	4,770
Balance at December 31, 2010	(5,389)	(55,861)	577	1,199	(59,474)
Net Change	653	(19,364)	(15)	(1,090)	(19,816)
Balance at December 31, 2011	(4,736)	(75,225)	562	109	(79,290)
Net Change	3,193	(6,558)	71	209	(3,085)
Balance at December 31, 2012	**$ (1,543)**	**$ (81,783)**	**$ 633**	**$ 318**	**$ (82,375)**

The tax benefit (expense) associated with the various components of other comprehensive income (loss) for each of the years ended December 31 is summarized below. Foreign currency translation adjustments exclude the effect of income taxes since earnings of non-U.S. subsidiaries are deemed to be reinvested for an indefinite period of time.

	2012	2011	2010
Tax benefit (expense) associated with changes in:			
Unrecognized employee benefit costs	**$ 5,256**	$ 12,958	$ (2,219)
Unrealized holding gains (losses) on marketable securities	**(80)**	15	(144)
Fair value of cash flow hedges	**(61)**	427	(801)
Tax benefit (expense) associated with reclassification adjustments:			
Amortization of unrecognized employee benefit costs	**(2,632)**	(2,065)	(1,745)
Realized (gains) losses from sale of marketable securities	**42**	(7)	(12)
Realized losses (gains) from settlement of cash flow hedges	**(68)**	228	503

NOTE 11 DERIVATIVE INSTRUMENTS:

Certain of the Corporation s operations are subject to risk from exchange rate fluctuations in connection with sales in foreign currencies. To minimize this risk, foreign currency sales contracts are entered into which are designated as cash flow or fair value hedges and are recorded in the consolidated balance sheet as either an asset or a liability measured at their fair value. The accounting for changes in the fair value of a derivative depends on the use of the derivative. To the extent that a derivative is designated and effective as a cash flow hedge of an exposure to future changes in value, the change in fair value of the derivative is deferred in accumulated other comprehensive income (loss). Any portion considered to be ineffective, including that arising from the unlikelihood of an anticipated transaction to occur, is reported as a component of earnings (other income/expense) immediately. Upon occurrence of the anticipated transaction, the derivative designated and effective as a cash flow hedge is de-designated as a fair value hedge and the change in fair value previously deferred in accumulated other comprehensive income (loss) is reclassified to earnings (net sales) with subsequent changes in fair value recorded as a component of earnings (other income/expense). To the extent that a derivative is designated and effective as a hedge of an exposure to changes in fair value, the change in the derivative s fair value will be offset in the consolidated statement of operations by the change in the fair value of the item being hedged and is recorded as a component of earnings (other income/expense).

As of December, 2012, approximately $13,037 of anticipated foreign-denominated sales has been hedged which are covered by fair value contracts settling at various dates through October 2013. The fair value of assets held as collateral for the fair value contracts as of December 31, 2012 approximated $812. As of December 31, 2012, there are no cash flow contracts outstanding for future sales.

Additionally, certain of the Corporation s divisions are subject to risk from increases in the price of commodities (copper and aluminum) used in the production of inventory. To minimize this risk, futures contracts are entered into which are designated as cash flow hedges. The change in fair value of the derivative is deferred in accumulated other comprehensive income (loss). Any portion considered to be ineffective, including that arising from the unlikelihood of an anticipated transaction to occur, is reported as a component of earnings (other income/expense) immediately. Upon occurrence of the anticipated transaction, the futures contract is settled and the change in fair value previously deferred in accumulated other comprehensive income (loss) is reclassified to earnings (costs of products sold, excluding depreciation) when the projected sales occur. At December 31, 2012, approximately 57% or $3,267 of anticipated copper purchases over the next nine months and 63% or $769 of anticipated aluminum purchases over the next six months are hedged. The fair value of assets held as collateral as of December 31, 2012 equaled $500.

The Corporation previously entered into foreign currency purchase contracts to manage the volatility associated with Euro-denominated progress payments to be made for certain machinery and equipment. As of December 31, 2010, all contracts had been settled and the underlying fixed assets were placed in service. The change in the fair value is included in accumulated other comprehensive income (loss) and is being amortized to pre-tax earnings (as an offset to depreciation expense) over the life of the underlying assets.

No portion of the existing cash flow or fair value hedges is considered to be ineffective, including any ineffectiveness arising from the unlikelihood of an anticipated transaction to occur. Additionally, no amounts have been excluded from assessing the effectiveness of the hedge.

At December 31, 2012, the Corporation has purchase commitments covering 46% or $7,000 of anticipated natural gas usage over approximately the next three years at one of its subsidiaries. The commitments qualify as normal purchases and, accordingly, are not reflected on the consolidated balance sheet.

The Corporation does not enter into derivative transactions for speculative purposes and, therefore, holds no derivative instruments for trading purposes.

The location and fair value of the foreign currency sales contracts recorded on the consolidated balance sheets as of December 31, 2012 and 2011 are as follows:

		December 31,	
	Location	**2012**	2011
Cash flow hedge contracts	Other current assets	**$ 46**	$ 256
	Noncurrent assets	**0**	57
Fair value hedge contracts	Other current assets	**218**	107
	Noncurrent assets	**0**	112
Fair value hedged item	Accounts receivable	**(94)**	(72)
	Other current liability	**223**	174
	Noncurrent liability	**0**	116

The change in the fair value of the cash flow contracts is recorded as a component of accumulated other comprehensive income (loss). The balances as of December 31, 2012 and 2011 and the amount recognized as and reclassified from accumulated other comprehensive income (loss) for each of the years is summarized below. All amounts are after-tax.

For the Year Ended December 31, 2012	**Comprehensive Gain (Loss) Beginning of the Year**	**Recognized as Comprehensive Income (Loss)**	**Gain (Loss) Reclassified from Accumulated Other Comprehensive Income (Loss)**	**Comprehensive Gain (Loss) End of the Year**
Foreign currency sales contracts cash flow hedges	$ 114	$ 10	$ 124	$ 0
Foreign currency sales contracts fair value hedges	n/a	n/a	n/a	n/a
Foreign currency purchase contracts	309	0	17	292
Futures contracts copper and aluminum	(314)	92	(248)	26
For the Year Ended December 31, 2011				
Foreign currency sales contracts cash flow hedges	$ 281	$ (24)	$ 143	$ 114
Foreign currency sales contracts fair value hedges	n/a	n/a	n/a	n/a
Foreign currency purchase contracts	329	0	20	309
Futures contracts copper and aluminum	589	(684)	219	(314)

The change in fair value reclassified or expected to be reclassified from accumulated other comprehensive income (loss) to earnings is summarized below. All amounts are pre-tax.

	Location of Gain (Loss) in Statements of Operations	**Estimated to be Reclassified in the Next 12 Months**	**Year Ended December 31, 2012**	2011	2010
Foreign currency sales contracts cash flow hedges	Sales	**n/a**	**$ 197**	$ 228	$ 999
Foreign currency sales contracts fair value hedges	n/a	**n/a**	**n/a**	n/a	n/a
Foreign currency purchase contracts	Depreciation expense	**$ 27**	**27**	32	16
Futures contracts copper and aluminum	Costs of products sold (excluding depreciation)	**40**	**(398)**	353	328

Gains (losses) on foreign exchange transactions included in other income (expense) approximated $107, $(371) and $655 for 2012, 2011 and 2010, respectively.

NOTE 12 FAIR VALUE:

The Corporation s financial assets and liabilities that are reported at fair value in the accompanying consolidated balance sheets were as follows:

2012	Quoted Prices in Active Markets for Identical Inputs (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments				
Other noncurrent assets	$ 3,358	$ 0	$ 0	**$ 3,358**
Foreign currency exchange contracts				
Other current assets	0	264	0	**264**
Other noncurrent assets	0	0	0	**0**
Other current liabilities	0	223	0	**223**
Other noncurrent liabilities	0	0	0	**0**

2011				
Investments				
Other noncurrent assets	$ 3,090	$ 0	$ 0	$ 3,090
Foreign currency exchange contracts				
Other current assets	0	363	0	363
Other noncurrent assets	0	169	0	169
Other current liabilities	0	174	0	174
Other noncurrent liabilities	0	116	0	116

Fair Value of Financial Instruments

The investments held as other noncurrent assets represent assets held in the Rabbi trust for the purpose of providing benefits under the non-qualified defined benefit pension plan. The fair value of the investments is based on quoted prices of the investments in active markets. The fair value of foreign currency exchange contracts is determined based on the fair value of similar contracts with similar terms and remaining maturities. The fair value of futures contracts is based on market quotations. The fair value of the variable-rate IRB debt approximates its carrying value. Additionally, the fair value of trade receivables and trade payables approximates their carrying value.

NOTE 13 INCOME TAXES:

Income before income taxes and equity losses in Chinese joint venture was comprised of the following:

	2012	2011	2010
Domestic	**$ 14,754**	$ 30,629	$ 17,664
Foreign	**413**	4,098	6,958
	$ 15,167	$ 34,727	$ 24,622

At December 31, 2012, the Corporation has state net operating loss carryforwards of $25,188 which begin to expire in 2018 through 2032 and capital loss carryforwards of $1,019 which begin to expire in 2014.

The provision (benefit) for taxes on income consisted of the following:

	2012	2011	2010
Current:			
Federal	**$ 2,550**	$ 6,047	$ 4,983
State	**184**	754	995
Foreign	**(61)**	140	364
	2,673	6,941	6,342
Deferred:			
Federal	**2,142**	3,518	2,210
State	**360**	2	(494)
Foreign	**175**	2,633	1,284
Reversal of valuation allowance	**(132)**	(178)	(655)
	2,545	5,975	2,345
	$ 5,218	$ 12,916	$ 8,687

The provision (benefit) for taxes on income was affected by the reversal of valuation allowances previously provided against deferred income tax assets associated with state net operating loss carryforwards for 2012 and 2011, and foreign tax credits and capital loss carryforwards for 2010.

The difference between statutory U.S. federal income tax and the Corporation s effective income tax was as follows:

	2012	2011	2010
Computed at statutory rate	**$ 5,309**	$ 12,154	$ 8,618
Tax differential on non-U.S. earnings	**(45)**	(358)	(355)
State income taxes	**403**	1,296	902
Manufacturers deduction (I.R.C. Section 199)	**(257)**	(792)	(449)
Meals and entertainment	**198**	220	191
Tax credits	**(64)**	(29)	(165)
Chinese joint venture	**(558)**	(175)	(168)
Reversal of valuation allowance	**(132)**	(178)	(655)
Subpart F income inclusion	**0**	0	615
Other net	**364**	778	153
	$ 5,218	$ 12,916	$ 8,687

Deferred income tax assets and liabilities as of December 31, 2012 and 2011 are summarized below. The current portion of net deferred income tax assets is included in other current assets. Unremitted earnings of the Corporation s non-US subsidiaries and affiliates are deemed to be permanently reinvested, and accordingly, no deferred tax liability has been recorded. It is not practical to estimate the income tax effect that might be incurred if cumulative prior year earnings not previously taxed in the U.S were remitted to the U.S.

	2012	2011
Assets:		
Employment related liabilities	**$ 12,814**	$ 12,129
Pension liability foreign	**3,984**	3,562
Pension liability domestic	**19,574**	14,178
Liabilities related to discontinued operations	**1,155**	1,322
Capital loss carryforwards	**391**	418
Asbestos-related liability	**23,702**	26,882
Net operating loss state	**1,795**	1,616
Other	**5,820**	6,827
Gross deferred income tax assets	**69,235**	66,934
Valuation allowance	**(2,887)**	(3,042)
	66,348	63,892
Liabilities:		

Depreciation	**(31,931)**	(30,124)
Mark-to-market adjustment derivatives	**(153)**	(42)
Other	**(2,353)**	(1,824)
Gross deferred income tax liabilities	**(34,437)**	(31,990)
Net deferred income tax assets	**$ 31,911**	$ 31,902

The following summarizes changes in unrecognized tax benefits:

		2012		2011		2010
Balance at the beginning of the year	**$**	**311**	$	786	$	804
Gross increases for tax positions taken in the current year		**233**		81		55
Gross increases for tax positions taken in prior years		**18**		0		0
Gross decreases in tax positions due to lapse in statute of limitations		**(120)**		(498)		(29)
Gross decreases for tax positions taken in prior years		**0**		(25)		(44)
Gross decreases for tax settlements with taxing authorities		**0**		(33)		0
Balance at the end of the year	**$**	**442**	$	311	$	786

If the unrecognized tax benefits were recognized, $354 would reduce the Corporation s effective income tax rate. The amount of penalties and interest recognized in the consolidated balance sheets as of December 31, 2012 and 2011 and in the consolidated statements of operations for 2012, 2011 and 2010 is insignificant. Unrecognized tax benefits of $55 are to expire due to the lapse in the statute of limitations within the next 12 months.

The Corporation is subject to taxation in the U.S., various states and foreign jurisdictions, and remains subject to examination by tax authorities for tax years 2009-2012. The consolidated U.S. federal income tax return for 2009 was under examination by the Internal Revenue Service but was completed in 2012 without adjustment.

NOTE 14 OPERATING LEASES:

The Corporation leases certain factory and office space and certain office equipment. Operating lease expense was $1,013 in 2012, $813 in 2011 and $815 in 2010. Operating lease payments for subsequent years are $997 for 2013, $810 for 2014, $474 for 2015, $115 for 2016, $41 for 2017 and $17 thereafter.

NOTE 15 RESEARCH AND DEVELOPMENT COSTS:

Expenditures relating to the development of new products, identification of products or process alternatives and modifications and improvements to existing products and processes are expensed as incurred. These expenses approximated $1,476 for 2012, $1,698 for 2011 and $1,711 for 2010.

NOTE 16 RELATED PARTIES:

In the ordinary course of business, the Corporation purchases industrial supplies from a subsidiary of The Louis Berkman Company (LB Co) and the Chinese cast roll joint venture company, and earns a commission from the sale of forged backup rolling mill rolls for the Chinese forged roll joint venture company. Certain directors of the Corporation are either officers, directors and/or shareholders of LB Co; UES-UK has a 25% interest in the cast roll joint venture company; and UES has a 49% interest in the Chinese forged roll joint venture company.

Purchases from LB Co approximated $1,538 in 2012, $1,579 in 2011 and $1,752 in 2010. In addition, LB Co paid the Corporation approximately $253 in 2012, $246 in 2011 and $239 in 2010 for certain administrative services. At December 31, 2012 and 2011, the net amount payable to LB Co approximated $61 and $57, respectively. Purchases of industrial supplies from the Chinese cast roll joint venture company approximated $455 in 2012, $480 in 2011 and $449 in 2010. At December 31, 2012, no amounts were outstanding and at December 31, 2011, $108 was payable to the Chinese cast roll joint venture company. During 2012, UES earned $74 in commissions of which $14 was outstanding as of December 31, 2012. During 2011, UES earned $191 in commissions of which $50 was outstanding as of December 31, 2011. No amounts were earned prior thereto.

NOTE 17 LITIGATION:

The Corporation and its subsidiaries are involved in various claims and lawsuits incidental to their businesses. In addition, it is also subject to asbestos litigation as described below.

Asbestos Litigation

Claims have been asserted alleging personal injury from exposure to asbestos-containing components historically used in some products of predecessors of the Corporation s Air & Liquid Systems Corporation subsidiary (Asbestos Liability) and of an inactive subsidiary in dissolution.

Those subsidiaries, and in some cases the Corporation, are defendants (among a number of defendants, often in excess of 50) in cases filed in various state and federal courts.

Asbestos Claims

The following table reflects approximate information about the claims for Asbestos Liability against the subsidiaries and the Corporation, along with certain asbestos claims asserted against the inactive subsidiary in dissolution, for the two years ended December 31, 2012 and 2011**:**

	2012	2011
Total claims pending at the beginning of the period	**8,145[(1)]**	8,081
New claims served	**1,538**	1,565
Claims dismissed	**(1,420)**	(1,225)
Claims settled	**(256)**	(276)
Total claims pending at the end of the period [(1)]	**8,007**	8,145
Gross settlement and defense costs (in 000 s)	**$ 23,589**	$ 22,767
Average gross settlement and defense costs per claim resolved (in 000 s)	**$ 14.07**	$ 15.17

(1) Included as open claims are approximately 1,632 claims and 1,668 claims in 2012 and 2011 respectively, classified in various jurisdictions as inactive or transferred to a state or federal judicial panel on multi-district litigation, commonly referred to as the MDL.

A substantial majority of the settlement and defense costs reflected in the above table was reported and paid by insurers. Because claims are often filed and can be settled or dismissed in large groups, the amount and timing of settlements, as well as the number of open claims, can fluctuate significantly from period to period.

Asbestos Insurance

The Corporation and its Air & Liquid Systems Corporation (Air & Liquid) subsidiary are parties to a series of settlement agreements (Settlement Agreements) with insurers that have coverage obligations for Asbestos Liability (the Settling Insurers). The Settlement Agreements include agreements with insurers encompassing all known solvent primary policies and solvent first-layer excess policies with responsibilities for Asbestos Liability. The Settlement Agreements also include an agreement, effective on October 8, 2012, with insurers responsible for the majority of the solvent second-layer and above excess insurance policies issued to the Corporation from 1981 through 1984. Under the Settlement Agreements, the Settling Insurers accept financial responsibility, subject to the terms and conditions of the respective agreements, including overall coverage limits, for pending and future claims for Asbestos Liability. The claims against the Corporation s inactive subsidiary in dissolution, numbering approximately 300 as of December 31, 2012, are not included within the Settlement Agreements. The Corporation believes that the claims against the inactive subsidiary in dissolution are immaterial.

The Settlement Agreements include acknowledgements that Howden North America, Inc. (Howden) is entitled to coverage under policies covering Asbestos Liability for claims arising out of the historical products manufactured or distributed by Buffalo Forge, a former subsidiary of the Corporation (the Products). The Settlement Agreements do not provide for any prioritization on access to the applicable policies or any sub limits of liability as to Howden or the Corporation and Air & Liquid, and, accordingly, Howden may access the coverage afforded by the Settling Insurers for any covered claim arising out of a Product. In general, access by Howden to the coverage afforded by the Settling Insurers for the Products will erode coverage under the Settlement Agreements available to the Corporation and Air & Liquid for Asbestos Liability.

On February 24, 2011, the Corporation and Air & Liquid filed a lawsuit in the United States District Court for the Western District of Pennsylvania against thirteen domestic insurance companies, certain underwriters at Lloyd s, London and certain London market insurance companies, and Howden. The lawsuit seeks a declaratory judgment regarding the respective rights and obligations of the parties under excess insurance policies that were issued to the Corporation from 1981 through 1984 as respects claims against the Corporation and its subsidiary for Asbestos Liability and as respects asbestos bodily-injury claims against Howden arising from the Products. The Corporation and Air & Liquid entered into an agreement, effective October 8, 2012, as described above, with eight of the domestic defendant insurers in the action. That agreement specifies the terms and conditions upon which the insurer parties would contribute to defense and indemnity costs for claims for Asbestos Liability. Howden also reached an agreement with such insurers, effective the same day, addressing asbestos-related bodily injury claims arising from the Products. On October 16, 2012, the Court entered Orders dismissing all claims filed by the Corporation and Air & Liquid, Howden and the eight settling excess insurers against each other in the litigation. Various counterclaims, cross claims and third party claims have been filed in the litigation and remain pending as to non-settled parties.

Asbestos Valuations

In 2006, the Corporation retained Hamilton, Rabinovitz & Associates, Inc. (HR&A), a nationally recognized expert in the valuation of asbestos liabilities, to assist the Corporation in estimating the potential liability for pending and unasserted future claims for Asbestos Liability. HR&A was not requested to estimate asbestos claims against the inactive subsidiary in dissolution, which the Corporation believes are immaterial. Based on this analysis, the Corporation recorded a reserve for Asbestos Liability claims pending or projected to be asserted through 2013 as at December 31, 2006. HR&A s analysis has been periodically updated since that time. Most recently, the HR&A analysis was updated in 2012, and additional reserves were established by the Corporation as at December 31, 2012 for Asbestos Liability claims pending or projected to be asserted through 2022. The methodology used by HR&A in its projection in 2012 of the operating subsidiaries liability for pending and unasserted potential future claims for Asbestos Liability, which is substantially the same as the methodology employed by HR&A in prior estimates, relied upon and included the following factors:

¡ HR&A s interpretation of a widely accepted forecast of the population likely to have been exposed to asbestos;

¡ epidemiological studies estimating the number of people likely to develop asbestos-related diseases;

¡ HR&A s analysis of the number of people likely to file an asbestos-related injury claim against the subsidiaries and the Corporation based on such epidemiological data and relevant claims history from January 1, 2010 to December 20, 2012;

¡ an analysis of pending cases, by type of injury claimed and jurisdiction where the claim is filed;

¡ an analysis of claims resolution history from January 1, 2010 to December 20, 2012 to determine the average settlement value of claims, by type of injury claimed and jurisdiction of filing; and

¡ an adjustment for inflation in the future average settlement value of claims, at an annual inflation rate based on the Congressional Budget Office s ten year forecast of inflation.

Using this information, HR&A estimated in 2012 the number of future claims for Asbestos Liability that would be filed through the year 2022, as well as the settlement or indemnity costs that would be incurred to resolve both pending and future unasserted claims through 2022. This methodology has been accepted by numerous courts.

In conjunction with developing the aggregate liability estimate referenced above, the Corporation also developed an estimate of probable insurance recoveries for its Asbestos Liabilities. In developing the estimate, the Corporation considered HR&A s projection for settlement or indemnity costs for Asbestos Liability and management s projection of associated defense costs (based on the current defense to indemnity cost ratio), as well as a number of additional factors. These additional factors included the Settlement Agreements then in effect, policy exclusions, policy limits, policy provisions regarding coverage for defense costs, attachment points, prior impairment of policies and gaps in the coverage, policy exhaustions, insolvencies among certain of the insurance carriers, the nature of the underlying claims for Asbestos Liability asserted against the subsidiaries and the Corporation as reflected in the Corporation s asbestos claims database, and the status of negotiations with insurers not party to the Settlement Agreements, as well as estimated erosion of insurance limits on account of claims against Howden arising out of the Products. In addition to consulting with the Corporation s outside legal counsel on these insurance matters, the Corporation consulted with a nationally-recognized insurance consulting firm it retained to assist the Corporation with certain policy allocation matters that also are among the several factors considered by the Corporation when analyzing potential recoveries from relevant historical insurance for Asbestos Liabilities. Based upon all of the factors considered by the Corporation, and taking into account the Corporation s analysis of publicly available information regarding the credit-worthiness of various insurers, the Corporation estimated the probable insurance recoveries for Asbestos Liability and defense costs through 2022. Although the Corporation believes that the assumptions employed in the insurance valuation were reasonable and previously consulted with its outside legal counsel and insurance consultant regarding those assumptions, there are other assumptions that could have been employed that would have resulted in materially lower insurance recovery projections.

Based on the analyses described above, the Corporation s reserve at December 31, 2012 for the total costs, including defense costs, for Asbestos Liability claims pending or projected to be asserted through 2022 was $181,022, of which approximately 73% was attributable to settlement costs for unasserted claims projected to be filed through 2022 and future defense costs. While it is reasonably possible that the Corporation will incur additional charges for Asbestos Liability and defense costs in excess of the amounts currently reserved, the Corporation believes that there is too much uncertainty to provide for reasonable estimation of the number of future claims, the nature of such claims and the cost to resolve them beyond 2022. Accordingly, no reserve has been recorded for any costs that may be incurred after 2022.

The Corporation s receivable at December 31, 2012 for insurance recoveries attributable to the claims for which the Corporation s Asbestos Liability reserve has been established, including the portion of incurred defense costs covered by the Settlement Agreements in effect through December 31, 2012, and the probable payments and reimbursements relating to the estimated indemnity and defense costs for pending and unasserted future Asbestos Liability claims, was $118,115.

The following table summarizes activity relating to insurance recoveries for each of the years ended December 31, 2012 and 2011.

	2012	2011
Insurance receivable asbestos, beginning of the year	**$ 126,206**	$ 141,839
Settlement and defense costs paid by insurance carriers	**(15,468)**	(15,633)
Changes in estimated coverage	**7,377**	0
Insurance receivable asbestos, end of the year	**$ 118,115**	$ 126,206

The insurance receivable recorded by the Corporation does not assume any recovery from insolvent carriers, and a substantial majority of the insurance recoveries deemed probable was from insurance companies rated A (excellent) or better by A.M. Best Corporation. There can be no assurance, however, that there will not be further insolvencies among the relevant insurance carriers, or that the assumed percentage recoveries for certain carriers will prove correct. The difference between insurance recoveries and projected costs is not due to exhaustion of all insurance coverage for Asbestos Liability. The Corporation and the subsidiaries have substantial additional insurance coverage which the Corporation expects to be available for Asbestos Liability claims and defense costs the subsidiaries and it may incur after 2022. However, this insurance coverage also can be expected to have gaps creating significant shortfalls of insurance recoveries as against claims expense, which could be material in future years.

The amounts recorded by the Corporation for Asbestos Liabilities and insurance receivables rely on assumptions that are based on currently known facts and strategy. The Corporation s actual expenses or insurance recoveries could be significantly higher or lower than those recorded if assumptions used in the Corporation s or HR&A s calculations vary significantly from actual results. Key variables in these assumptions are identified above and include the number and type of new claims to be filed each year, the average cost of disposing of each such new claim, average annual defense costs, the resolution of coverage issues with insurance carriers, and the solvency risk with respect to the relevant insurance carriers. Other factors that may affect the Corporation s Asbestos Liability and ability to recover under its insurance policies include uncertainties surrounding the litigation process from jurisdiction to jurisdiction and from case to case, reforms that may be made by state and federal courts, and the passage of state or federal tort reform legislation.

The Corporation intends to evaluate its estimated Asbestos Liability and related insurance receivables as well as the underlying assumptions on a regular basis to determine whether any adjustments to the estimates are required. Due to the uncertainties surrounding asbestos litigation and insurance, these regular reviews may result in the Corporation incurring future charges; however, the Corporation is currently unable to estimate such future charges. Adjustments, if any, to the Corporation s estimate of its recorded Asbestos Liability and/or insurance receivables could be material to operating results for the periods in which the adjustments to the liability or receivable are recorded, and to the Corporation s liquidity and consolidated financial position.

NOTE 18 ENVIRONMENTAL MATTERS:

The Corporation is currently performing certain remedial actions in connection with the sale of real estate previously owned. Environmental exposures are difficult to assess and estimate for numerous reasons including lack of reliable data, the multiplicity of possible solutions, the years of remedial and monitoring activity required, and identification of new sites. In the opinion of management and in consideration of advice from the Corporation s consultants, the potential liability for all environmental proceedings of approximately $1,174 at December 31, 2012 is considered adequate based on information known to date.

NOTE 19 BUSINESS SEGMENTS:

The Corporation organizes its business into two operating segments Forged and Cast Rolls and Air and Liquid Processing. Summarized financial information concerning the Corporation s reportable segments is shown in the following tables. Corporate assets included under Identifiable Assets represent primarily cash and cash equivalents and other items not allocated to reportable segments. Long-lived assets exclude deferred income tax assets. Corporate costs are comprised of operating costs of the corporate office and other costs not allocated to the segments.

The accounting policies are the same as those described in Note 1.

	Net Sales			**Income Before Income Taxes and Equity Losses in Chinese Joint Venture**		
	2012	2011	2010	**2012**	2011	2010
Forged and Cast Rolls	**$ 189,470**	$ 248,380	$ 240,345	**$ 18,415**	$ 38,761	$ 48,674
Air and Liquid Processing[1]	**103,435**	96,436	86,541	**7,267**	8,155	(12,605)
Total Reportable Segments	**292,905**	344,816	326,886	**25,682**	46,916	36,069
Corporate costs, including other income (expense)				**(10,515)**	(12,189)	(11,447)
	$ 292,905	$ 344,816	$ 326,886	**$ 15,167**	$ 34,727	$ 24,622

	Capital Expenditures			**Depreciation Expense**			**Identifiable Assets[2]**		
	2012	2011	2010	**2012**	2011	2010	**2012**	2011	2010
Forged and Cast Rolls	**$ 8,867**	$ 15,108	$ 34,214	**$ 9,282**	$ 8,712	$ 6,942	**$ 268,489**	$ 265,340	$ 251,343
Air and Liquid Processing	**798**	610	701	**1,311**	1,374	1,553	**186,340**	195,463	210,111
Corporate	**3**	62	86	**68**	67	70	**78,350**	70,829	65,509
	$ 9,668	$ 15,780	$ 35,001	**$ 10,661**	$ 10,153	$ 8,565	**$ 533,179**	$ 531,632	$ 526,963

	Net Sales[3]			**Long-Lived Assets[4]**			**Income Before Income Taxes and Equity Losses in Chinese Joint Venture**		
Geographic Areas:	**2012**	2011	2010	**2012**	2011	2010	**2012**	2011	2010
United States[1]	**$ 143,579**	$ 148,629	$ 129,094	**$ 228,177**	$ 238,927	$ 251,967	**$ 14,707**	$ 30,190	$ 17,664
Foreign	**149,326**	196,187	197,792	**41,620**	40,536	37,615	**460**	4,537	6,958
	$ 292,905	$ 344,816	$ 326,886	**$ 269,797**	$ 279,463	$ 289,582	**$ 15,167**	$ 34,727	$ 24,622

	Net Sales by Product Line		
	2012	2011	2010
Forged and Cast Rolls[5]	**$ 189,470**	$ 248,380	$ 240,345
Heat Exchange Coils	**44,477**	41,845	36,812
Centrifugal Pumps	**30,551**	28,602	25,467
Air Handling Systems	**28,407**	25,989	24,262
Total Net Sales	**$ 292,905**	$ 344,816	$ 326,886

(1) *Income before income taxes and equity losses in Chinese joint venture for 2010 includes a pre-tax charge of $19,980 for estimated costs of asbestos-related litigation, net of estimated insurance recoveries as described in Note 17.*

(2) *Identifiable assets for the Forged and Cast Rolls segment include investments in joint ventures of $13,319, $14,872 and $14,160 at December 31, 2012, 2011 and 2010, respectively. The change in the identifiable assets of the Air and Liquid Processing segment relates primarily to the movement in asbestos-related insurance receivables, the balances of which equaled $118,115, $126,206 and $142,089 at December 31, 2012, 2011 and 2010, respectively. See Note 17.*

(3) Net sales are attributed to countries based on location of the customer. Sales to individual countries were less than 10% of consolidated net sales in 2012 and 2011. China represented approximately 10% of consolidated net sales for 2010.

(4) Foreign long-lived assets represent primarily investments in joint ventures of $13,319, $14,872 and $14,160 at December 31, 2012, 2011 and 2010, respectively, and assets of the U.K. operations. Long-lived assets of the U.S. include noncurrent asbestos-related insurance receivables of $99,715, $108,206 and $124,089 for 2012, 2011 and 2010, respectively.

(5) For the Forged and Cast Rolls segment, two customers accounted for 23% of its net sales for 2012 and 22% of its net sales for 2011 and one customer accounted for 12% of its net sales for 2010.

NOTE 20 - QUARTERLY INFORMATION

QUARTERLY INFORMATION UNAUDITED

(in thousands, except per share amounts)	**First Quarter**	**Second Quarter**	**Third Quarter**	**Fourth Quarter**
2012				
Net sales	**$ 73,605**	**$ 69,956**	**$ 72,190**	**$ 77,154**
Gross profit[(a)]	**17,369**	**15,654**	**16,124**	**17,852**
Net income	**2,000**	**1,508**	**1,528**	**3,319**
Net income per common share:				
Basic	**0.19**	**0.15**	**0.15**	**0.32**
Diluted	**0.19**	**0.15**	**0.15**	**0.32**
Comprehensive income (loss) [(b)]	**5,445**	**1,278**	**4,362**	**(5,815)**
2011				
Net sales	$ 89,068	$ 94,971	$ 74,263	$ 86,514
Gross profit[(a)]	25,674	27,381	16,204	19,527
Net income	7,676	9,123	2,756	1,754
Net income per common share:				
Basic	0.74	0.88	0.27	0.17
Diluted	0.74	0.88	0.26	0.17
Comprehensive income (loss) [(b)]	9,477	9,817	1,194	(18,995)

(a) Gross profit excludes depreciation.

(b) Fourth quarter includes a net-of-tax adjustment to reflect the funded status of the various pension and other postretirement benefit plans of $(10,520) and $(23,028) for 2012 and 2011, respectively.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Ampco-Pittsburgh Corporation

We have audited the accompanying consolidated balance sheets of Ampco-Pittsburgh Corporation and subsidiaries (the Corporation) as of December 31, 2012 and 2011, and the related consolidated statements of operations, comprehensive income, shareholders equity, and cash flows for each of the three years in the period ended December 31, 2012. These financial statements are the responsibility of the Corporation 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, such consolidated financial statements present fairly, in all material respects, the financial position of Ampco-Pittsburgh Corporation and subsidiaries as of December 31, 2012 and 2011, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2012, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Corporation s internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 15, 2013 expressed an unqualified opinion on the Corporation s internal control over financial reporting.

/s/ Deloitte & Touche LLP

Pittsburgh, Pennsylvania
March 15, 2013

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

The Corporation did not experience any changes in, or disagreements with its accountants on, accounting and financial disclosure during the period covered.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures. An evaluation of the effectiveness of the Corporation s disclosure controls and procedures as of the end of the period covered by this report was carried out under the supervision, and with the participation, of management, including the principal executive officer and principal financial officer. Disclosure controls and procedures are defined under Securities and Exchange Commission (SEC) rules as controls and other procedures that are designed to ensure that information required to be disclosed by a company in the reports that it files under the Exchange Act is recorded, processed, summarized and reported within required time periods. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure. Based on that evaluation, the Corporation s management, including the principal executive officer and principal financial officer, has concluded that the Corporation s disclosure controls and procedures were effective at the reasonable assurance level as of December 31, 2012.

Management s Annual Report on Internal Control Over Financial Reporting. The Corporation s management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a 15(f) under the Securities Exchange Act of 1934, as amended). Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. Effective internal control over financial reporting can only provide reasonable assurance that the objectives of the control process are met. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore it is possible to design into the process safeguards to reduce, though not eliminate, this risk. Further, the design of internal control over financial reporting includes the consideration of the benefits of each control relative to the cost of the control.

Management assessed the effectiveness of internal control over financial reporting as of December 31, 2012. In making this assessment, management used the criteria set forth in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on those criteria and management s assessment, management, including the principal executive officer and principal financial officer, concluded that the Corporation s internal control over financial reporting was effective as of December 31, 2012.

The Corporation s independent registered public accounting firm, Deloitte & Touche LLP, has issued an attestation report on the Corporation s internal control over financial reporting which is included herein.

Changes in Internal Control Over Financial Reporting. There were no changes in the Corporation s internal control over financial reporting during the quarter ended December 31, 2012 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Ampco-Pittsburgh Corporation

We have audited the internal control over financial reporting of Ampco-Pittsburgh Corporation and subsidiaries (the Corporation) as of December 31, 2012, based on criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Corporation s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management s Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Corporation s internal control over financial reporting based on our audit.

We conducted our audit 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 effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company s internal control over financial reporting is a process designed by, or under the supervision of, the company s principal executive and principal financial officers, or persons performing similar functions, and effected by the company s board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company s assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on the criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2012 of the Corporation and our report dated March 15, 2013 expressed an unqualified opinion on those financial statements.

/s/ Deloitte & Touche LLP

Pittsburgh, Pennsylvania
March 15, 2013

ITEM 9B. OTHER INFORMATION

No information was required to be disclosed in a report on Form 8-K during the fourth quarter of 2012 which was not reported.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

IDENTIFICATION OF DIRECTORS

Name, Age, Tenure as a Director, Position with the Corporation(1), Principal Occupation, Business Experience Past Five Years, Other Directorships in Public Companies and the qualifications, attributes or skills that led to the conclusion that the individual should serve as a Director of the Corporation.

Robert J. Appel (age 81, Director since 2004; current term expires in 2015). Mr. Appel has been President of Appel Associates since 2003 and before that was a partner of Neuberger Berman (an investment advisory firm) for twenty years. He also served as a director of Neuberger Berman during the past five years. The Board concluded that Mr. Appel should serve as a director because of his many years of financial and investment experience, including his background as a Certified Public Accountant.

Leonard M. Carroll (age 70, Director since 1996; current term expires in 2013). Mr. Carroll has been Managing Director of Seneca Capital Management, Inc., a private investment company, for the past fifteen years. The Board concluded that Mr. Carroll should serve as a director because of his broad financial background and investment knowledge. He is a retired Certified Public Accountant and has held various positions in the banking industry including President, Director and Chairman for over 37 years. (N)

Paul A. Gould (age 67, Director since 2002; current term expires in 2015). Mr. Gould has been with Allen & Co., Inc., an investment banking company, for more than thirty-five years and has been managing director of that company for more than five years. During the last five years, he has served as a director of Discovery Communications, Discovery Holding Company, UnitedGlobalCom, Inc., Liberty Global, Inc., Liberty Media Corporation and DirecTV. He resigned from the Boards of Liberty Media Corporation and Discovery Holding Company in 2009. Mr. Gould s long-term financial and investment background led to the Board s conclusion that he should serve as a director.

William K. Lieberman (age 65, Director since 2004; current term expires in 2014). Mr. Lieberman has been President of The Lieberman Companies, insurance brokerage and consulting company, for more than five years. In addition to more than forty years of management experience in the insurance, benefit and risk management areas, Mr. Lieberman has served as a director or trustee of many organizations including charitable companies, hospital and universities. These qualifications led the Board to conclude that he should serve as a director.

Laurence E. Paul (age 48, Director since 1998; current term expires in 2013). Mr. Paul has been a managing principal of Laurel Crown Partners, a private investment company, for more than five years and prior to that was an investment banker for ten years. He became a President of The Louis Berkman Investment Company, a private investment company, in 2013. He is also a director of Valeant Pharmaceuticals International, Inc. Mr. Paul s experience as a senior investment banker and private equity investor for almost twenty years led the Board to conclude that he possessed skills in financial management and risk assessment that would be beneficial to the Corporation. (N)

Robert A. Paul (age 75, Director since 1970; current term expires in 2015). Mr. Paul was elected Chairman and Chief Executive Officer of the Corporation in 2004. Prior to that, he was President and Chief Executive Officer of the Corporation for more than five years. He is also Chairman and a director of The Louis Berkman Investment Company, a private investment company. As a shareholder, officer and director of the Corporation for more than forty years, the Board believes he possesses the experience and knowledge to serve as a Director. In addition, the Board considered his many years of service to the community serving as Trustee and Chairman of the Investment Committees of several major hospitals and universities.

Stephen E. Paul (age 45, Director since 2002; current term expires in 2014). Mr. Paul has been a managing principal of Laurel Crown Partners, a private investment company, for more than five years. He became a President of The Louis Berkman Investment Company, a private investment company, in 2013. Mr. Paul s background in investment banking and private equity investment led the Board to conclude that he should serve as a director.

Carl H. Pforzheimer, III (age 76, Director since 1982; current term expires in 2014). Mr. Pforzheimer has been Managing Partner or Manager of Carl H. Pforzheimer & Co. LLC or its predecessors or related entities for more than forty-five years. In addition to the attendant investment advisory analytical skills gained from such a long term position, his role as chairman of the Audit and Risk Management Committees of U. S. Trust Co. led the Board to conclude Mr. Pforzheimer should serve as a director.

Ernest G. Siddons (age 79, Director since 1981; current term expires in 2013). Mr. Siddons was President and Chief Operating Officer of the Corporation for more than five years prior to his retirement as President in April 2009. With more than thirty years of experience with the Corporation in operations and financial management, the Board concluded that Mr. Siddons should serve as a director. Positions held earlier with the Corporation, including those of Chief Financial Officer and Treasurer and President of Union Electric Steel, and his qualification as a Chartered Accountant were also considered. (N)

(N) Nominee for election at the May 2, 2013 Annual Shareholders Meeting.

(1) Officers serve at the discretion of the Board of Directors.

IDENTIFICATION OF EXECUTIVE OFFICERS

The identification of the Executive Officers of the Corporation can be found in Part 1 of this Annual Report on Form 10K.

FAMILY RELATIONSHIPS

Robert A. Paul is the father of Laurence E. Paul and Stephen E. Paul. There are no other family relationships among the Directors and Executive Officers.

COMMITTEES

The various committees of the Board of Directors are currently comprised as follows:

Audit Committee: Carl H. Pforzheimer, III (Chairman), Robert J. Appel, Leonard M. Carroll, Paul A. Gould and William K. Lieberman;

Compensation Committee: Robert J. Appel (Chairman), Paul A. Gould, William K. Lieberman and Carl H. Pforzheimer, III;

Executive Committee: Robert A. Paul (Chairman), Leonard M. Carroll, William K. Lieberman, Carl H. Pforzheimer, III and Ernest G. Siddons;

Investment Committee: Robert A. Paul (Chairman), Robert J. Appel, Leonard M. Carroll, Paul A. Gould, Ernest G. Siddons, Laurence E. Paul and Stephen E. Paul; and

Nominating and Corporate Governance Committee: Paul A. Gould (Chairman), William K. Lieberman and Carl H. Pforzheimer, III.

The Nominating and Governance Committee Charter, the Compensation Committee Charter, the Audit Committee Charter and the Corporate Governance Guidelines are available on the Corporation s website at www.ampcopittsburgh.com. The Corporation will provide a copy of these documents to any shareholder who makes a request in writing to the Corporate Secretary, Ampco-Pittsburgh Corporation, 600 Grant Street, Suite 4600, Pittsburgh, PA 15219.

AUDIT COMMITTEE FINANCIAL EXPERT

The Board of Directors has determined that Carl H. Pforzheimer, III, Chairman of the Audit Committee, is a financial expert and independent as defined under applicable SEC rules.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires the Corporation s directors, executive officers and persons who beneficially own more than 10% of the Corporation s common stock, to file reports of holdings and transactions in the Corporation s common stock with the SEC and to furnish the Corporation with copies of all Section 16(a) reports that they file. Based on those records and other information furnished, during 2011, executive officers, directors and persons who beneficially own more than 10% of the Corporation s common stock complied with all filing requirements.

CODE OF ETHICS

The Corporation has adopted a Code of Business Conduct and Ethics that applies to all of its officers, directors and employees, as well as an additional Code of Ethics that applies to the Corporation s principal executive and financial officers. Copies of both Codes are available on the Corporation s website at www.ampcopittsburgh.com. In addition, the Corporation will provide without charge, upon request of any shareholder, a copy of the Codes as requested by written request to the Corporate Secretary, Ampco-Pittsburgh Corporation, 600 Grant Street, Suite 4600, Pittsburgh, PA 15219. The Corporation will make any required disclosures regarding amendments to, or waivers of, provisions of its Code of Business Conduct and Ethics and its separate Code of Ethics for its principal executive and financial officers by posting such information on its website or by filing a Form 8-K.

ITEM 11. EXECUTIVE COMPENSATION

The information required for this item is hereby incorporated by reference to the Corporation s Proxy Statement dated March 19, 2013.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDERS MATTERS

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table summarizes information, as of the December 31, 2012, with respect to compensation plans under which equity securities of the Corporation are authorized for issuance:

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	1,166,421	$26	639,986
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	1,166,421	$26	639,986

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following table sets forth information, to the extent known by the Corporation, concerning individuals (other than directors or officers of the Corporation) or entities holding more than five percent of the outstanding shares of the Corporation s Common Stock. The percent of class in the table below is calculated based upon 10,346,090 shares outstanding as of March 11, 2013.

Name of beneficial owner	Amount and nature of beneficial ownership	Percent of class
Gabelli Funds, Inc. (and affiliates) Corporate Center Rye, NY 10580	1,803,218(1)	17.43
The Louis Berkman Investment Company P.O. Box 576 Steubenville, OH 43952	1,438,641(2)	13.90
Royce & Associates, LLC 745 Fifth Avenue New York, NY 10151	1,383,571(3)	13.37
BlackRock, Inc. 40 East 52nd Street New York, NY 10022	558,418(4)	5.40

(1) *Reported in an amendment to Schedule 13D filed with the SEC in February 2011.*

(2) *Robert A. Paul, Chairman and Chief Executive Officer of the Corporation, is an officer and director of The Louis Berkman Investment Company and disclaims beneficial ownership of the 28.79% of its common stock owned by his wife. Laurence E. Paul and Stephen E. Paul, directors of the Corporation, own 23.33% and 23.94%, respectively, of The Louis Berkman Investment Company s non-voting stock, held in various trusts.*

(3) *Reported as of December 31, 2012 on an amended Schedule 13G filed with the SEC disclosing it had sole voting and dispositive power over these shares.*

(4) *Reported as of December 31, 2012 on a Schedule 13G filed with the SEC disclosing it had sole voting and dispositive power over these shares.*

The following table sets forth, as of March 11, 2013, information concerning the beneficial ownership of the Corporation s Common Stock by the Directors and Named Executive Officers and all Directors and Executive Officers of the Corporation as a group:

Name of beneficial owner	Amount and nature of beneficial ownership	Percent of class
Robert A. Paul	1,621,563[(1)(2)]	15.49
Laurence E. Paul	1,441,989[(3)]	13.94
Stephen E. Paul	1,441,989[(4)]	13.94
Robert F. Schultz	71,700[(5)]	*
Rose Hoover	64,834[(6)]	*
Marliss D. Johnson	53,500[(6)]	*
Ernest G. Siddons	50,083[(7)]	*
Paul A. Gould	13,348[(8)]	*
Robert J. Appel	9,348[(8)]	
Carl H. Pforzheimer, III	5,141[(9)]	*
Leonard M. Carroll	3,908[(8)]	*
William K. Lieberman	3,408[(10)]	*
Directors and Executive Officers as a group (12 persons)	1,903,529[(11)]	17.78

* *Less than1%*

(1) *Includes 42,889 shares owned directly, 125,000 shares he has the right to acquire within sixty days pursuant to stock options and the following shares in which he disclaims beneficial ownership: 1,438,641 shares owned by The Louis Berkman Investment Company, 13,767 shares owned by his wife and 1,266 shares held by The Louis and Sandra Berkman Foundation, of which he is a trustee.*

(2) *The Louis Berkman Investment Company owns beneficially and of record 1,438,641 shares of the Corporation s Common Stock. Robert A. Paul, an officer and director of The Louis Berkman Investment Company, disclaims beneficial ownership of the 28.79% of its common stock owned by his wife.*

(3) *Represents 3,348 shares owned directly and 1,438,641 shares owned by The Louis Berkman Investment Company. Mr. Paul is a President of The Louis Berkman Investment Company and owns 23.33% of its non-voting stock held in various trusts.*

(4) *Represents 3,348 shares owned directly and 1,438,641 shares owned by The Louis Berkman Investment Company. Mr. Paul is a President of The Louis Berkman Investment Company and owns 23.94% of its non-voting stock held in various trusts.*

(5) *Includes 200 shares held jointly with his wife and 71,500 shares he has the right to acquire within sixty days pursuant to stock options.*

(6) *Represents shares that she has the right to acquire within sixty days pursuant to stock options.*

(7) *Includes 1,007 shares held jointly with his wife, 2,408 shares owned directly and 46,668 shares he has the right to acquire within sixty days pursuant to stock options.*

(8) *Represents shares owned directly.*

(9) *Includes 3,408 shares owned directly, 800 shares held by a trust of which he is a trustee and principal beneficiary, and the following shares in which he disclaims beneficial ownership: 133 shares held by his daughter and 800 shares held by a trust of which he is a trustee.*

(10) *Includes 1,000 shares held jointly with his wife and 2,408 shares owned directly.*

(11) *Excludes double counting of shares deemed to be beneficially owned by more than one director.*

Unless otherwise indicated the individuals named have sole investment and voting power.

CHANGES IN CONTROL

The Corporation knows of no arrangements that may at a subsequent date result in a change in control of the Corporation.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The Corporation s policies and procedures for reviewing, approving and ratifying transactions with related persons are set forth in the Corporation s Corporate Governance Guidelines, which are available on the Corporation s website at www.ampcopittsburgh.com. Under these policies and procedures, the Corporation s management is responsible for determining whether a particular transaction should be referred to the Nominating and Governance Committee for consideration. The Nominating and Governance Committee then determines whether to approve, ratify, revise the terms of or reject the transaction or to refer the transaction to the full Board or another appropriate committee of the Board for approval or ratification. The policy and procedures apply to transactions involving an amount in excess of $120,000 in which a related person has a direct or indirect material interest. The policy and procedures generally do not apply to employment matters (except employment of an executive officer who is an immediate family member of another executive officer), director compensation, commercial transactions in the ordinary course of business under ordinary business terms, charitable contributions, transactions such as payment of dividends where all shareholders receive the same proportional benefits and transactions involving competitive bids.

In 2012, the Corporation bought industrial supplies from a subsidiary of The Louis Berkman Company in transactions in the ordinary course of business amounting to $1,538,051. Additionally, The Louis Berkman Company paid the Corporation $253,000 for certain administrative services. Robert A. Paul is an officer and director of that company. These transactions and services were at prices generally available from outside sources. Transactions between the parties will also take place in 2013.

The purchase of industrial supplies from a subsidiary of The Louis Berkman Company follows a competitive bid process which includes several non-related vendors after which annual contract awards are made to the lowest bidder by the purchasing executive at each of the Corporation s subsidiary companies. The administration services are provided under an agreement to provide such services for fees which are subject to annual review.

Following his retirement as President in April 2009, the Corporation entered into a Consulting Agreement with Ernest G. Siddons for a term of three years from the date of his retirement and renewed the term of that agreement in 2012 for an additional year. The current agreement primarily provides for compensation of $120,000 per year and the same medical provided to him prior to his retirement.

The Board of Directors has adopted categorical standards to assist it in evaluating the independence of its Directors. The standards are attached to the Corporate Governance Guidelines which are available on the Corporation s website at www.ampcopittsburgh.com. After performing this evaluation in accordance with those guidelines, the Board has determined that Robert J. Appel, Leonard M. Carroll, Paul A. Gould, William K. Lieberman and Carl H. Pforzheimer, III do not have material relationships with the Corporation (other than as members of the Board of Directors) and are independent within the meaning of the Corporation s independence standards and those of the NYSE.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table summarizes the aggregate fees to the Corporation by Deloitte & Touche LLP:

	2012	2011
Audit fees[(a)]	**$ 733,270**	$ 748,055
Audit-related fees[(b)]	**31,010**	28,035
Tax fees[(c)]	**1,000**	107,081
All other fees	**0**	0
Total[(d)]	**$ 765,280**	$ 883,171

(a) *Fees for audit services related primarily to the audit of the Corporation s annual consolidated financial statements and its internal control over financial reporting.*

(b) *Fees for audit-related services related primarily to the audits of the Corporation s employee benefit plans.*

(c) *Fees for tax services provided in connection with tax planning and advice.*

(d) *The Audit Committee approved all fees in the years reported.*

In considering the nature of the services provided by Deloitte & Touche LLP, the Audit Committee determined that such services are compatible with the provision of independent audit services. The Audit Committee discussed these services with Deloitte & Touche LLP and the Corporation s management to determine that they are permitted under the rules and regulations concerning auditor independence promulgated by the SEC. All services provided by Deloitte & Touche LLP and reflected in the table above were approved by the Audit Committee in accordance with the policy described below.

The Audit Committee has adopted a Policy for Approval of Audit and Non-Audit Services (the Policy) provided by the Corporation s independent auditor. According to the Policy, the Corporation s independent auditor may not provide the following services to the Corporation:

- maintain or prepare the Corporation s accounting records or prepare the Corporation s financial statements that are either filed with the SEC or form the basis of financial statements filed with the SEC;
- provide appraisal or valuation services when it is reasonably likely that the results of any valuation or appraisal would be material to the Corporation s financial statements, or where the independent auditor would audit the results;
- provide certain management or human resource functions;
- serve as a broker-dealer, promoter or underwriter of the Corporation s securities;
- provide any service in which the person providing the service must be admitted to practice before the courts of a U.S. jurisdiction;
- provide any internal audit services relating to accounting controls, financial systems, or financial statements; or
- design or implement a hardware or software system that aggregates source data underlying the financial statements or generates information that is significant to the Corporation s financial statements, taken as a whole.

In addition, in connection with its adoption of the Policy, the Audit Committee pre-approved certain audit-related and other non-prohibited services. Any services not prohibited or pre-approved by the Policy must be pre-approved by the Audit Committee in accordance with the Policy. The Policy is reviewed and approved annually by the Board of Directors.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

THE FOLLOWING DOCUMENTS ARE FILED AS PART OF THIS REPORT:

1. Financial Statements

Consolidated Balance Sheets

Consolidated Statements of Operations

Consolidated Statements of Comprehensive Income

Consolidated Statements of Shareholders Equity

Consolidated Statements of Cash Flow

Notes to Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

2. Financial Statement Schedules

The following additional financial data should be read in conjunction with the consolidated financial statements in this Annual Report on Form 10-K. Schedules not included with this additional financial data have been omitted because they are not applicable or the required information is shown in the financial statements or notes thereto:

	Schedule Number	**Page Number**
Index to Ampco-Pittsburgh Corporation Financial Data		71
Report of Independent Registered Public Accounting Firm		72
Valuation and Qualifying Accounts	II	73

3. Exhibits

Exhibit No.

(3) Articles of Incorporation and By-laws

a. Articles of Incorporation

Incorporated by reference to the Quarterly Report on Form 10-Q for the quarter ended March 31, 1983; the Quarterly Report on Form 10-Q for the quarter ended March 31, 1984; the Quarterly Report on Form 10-Q for the quarter ended March 31, 1985; the Quarterly Report on Form 10-Q for the quarter ended March 31, 1987; and the Quarterly Report on Form 10-Q for the quarter ended September 30, 1998.

b. By-laws

Incorporated by reference to the Form 8-K dated December 21, 2010.

(10) Material Contracts

a. 1988 Supplemental Executive Retirement Plan, as amended and restated December 17, 2008 Incorporated by reference to the 2008 Annual Report on Form 10-K.

b. Severance Agreements between Ampco-Pittsburgh Corporation and certain officers and employees of Ampco-Pittsburgh Corporation as amended and restated December 31, 2008 Incorporated by reference to the 2008 Annual Report on Form 10-K.

c. Amendment to Severance Agreement between Ampco-Pittsburgh Corporation and Robert A. Paul dated February 16, 2011 Incorporated by reference to the 2010 Annual Report on Form 10-K.

d. 2008 Omnibus Incentive Plan Incorporated by reference to the Proxy Statement dated March 6, 2008.

e. 2011 Omnibus Incentive Plan Incorporated by reference to the Proxy Statement dated March 22, 2011.

f. Retirement and Consulting Agreement between Ampco-Pittsburgh Corporation and Ernest G. Siddons dated April 30, 2009 Incorporated by reference to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2009.

Amendment effective May 1, 2012 to Retirement and Consulting Agreement dated April 30, 2009 between Ampco-Pittsburgh Corporation and Ernest G. Siddons.

(21) Significant Subsidiaries

(23.1) Consent of Deloitte & Touche LLP

(23.2) Consent of Hamilton, Rabinovitz & Associates, Inc.

(31.1) Certification of Principal Executive Officer pursuant to Section 302 of The Sarbanes-Oxley Act of 2002.

(31.2) Certification of Principal Financial Officer pursuant to Section 302 of The Sarbanes-Oxley Act of 2002.

(32.1) Certification of Principal Executive Officer pursuant to Section 906 of The Sarbanes-Oxley Act of 2002.

(32.2) Certification of Principal Financial Officer pursuant to Section 906 of The Sarbanes-Oxley Act of 2002.

(101) Interactive Data File (XBRL)

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

March 15, 2013

AMPCO-PITTSBURGH CORPORATION
By: /s/ Robert A. Paul
Name: **Robert A. Paul**
Title: Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in their capacities and on the dates indicated.

SIGNATURE	**TITLE**	**DATE**
/s/ Robert A. Paul	Director, Chairman and Chief	March 15, 2013
Robert A. Paul	Executive Officer (Principal	
	Executive Officer)	
/s/ Marliss D. Johnson	Vice President, Controller and	March 15, 2013
Marliss D. Johnson	Treasurer (Principal Financial	
	and Accounting Officer)	
/s/ Robert J. Appel	Director	March 15, 2013
Robert J. Appel		
/s/ Leonard M. Carroll	Director	March 15, 2013
Leonard M. Carroll		
/s/ Paul A. Gould	Director	March 15, 2013
Paul A. Gould		
/s/ William K. Lieberman	Director	March 15, 2013
William K. Lieberman		
/s/ Laurence E. Paul	Director	March 15, 2013
Laurence E. Paul		
/s/ Stephen E. Paul	Director	March 15, 2013
Stephen E. Paul		
/s/ Carl H. Pforzheimer	Director	March 15, 2013

Carl H. Pforzheimer, III

/s/ Ernest G. Siddons	Director	March 15, 2013

Ernest G. Siddons

INDEX TO AMPCO-PITTSBURGH CORPORATION FINANCIAL DATA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Ampco-Pittsburgh Corporation

We have audited the consolidated financial statements of Ampco-Pittsburgh Corporation and subsidiaries (the Corporation) as of December 31, 2012 and 2011, and for each of the three years in the period ended December 31, 2012, and the Corporation s internal control over financial reporting as of December 31, 2012, and have issued our reports thereon dated March 15, 2013; such reports are included elsewhere in this Form 10-K. Our audits also included the consolidated financial statement schedule of the Corporation listed in Item 15. The consolidated financial statement schedule is the responsibility of the Corporation s management. Our responsibility is to express an opinion based on our audits. In our opinion, such consolidated financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ Deloitte & Touche LLP

Pittsburgh, Pennsylvania

March 15, 2013

SCHEDULE Valuation and Qualifying Accounts

SCHEDULE II

Ampco-Pittsburgh Corporation

Valuation and Qualifying Accounts

For the Years Ended December 31, 2012, 2011 and 2010

(in thousands)

		Additions				
Description	**Balance at Beginning of Period**	**Charged to Costs and Expenses**	**Charged to Other Accounts[1]**	**Deductions**	**Other[3]**	**Balance at End of Period**
Year ended December 31, 2012						
Allowance for doubtful accounts	$ 141	$ 379	$ 0	$ (4)	$ 3	$ 519
Valuation allowance against gross deferred income tax assets	$ 3,042	$ 0	$ 11	$ (132)[2]	$ (34)	$ 2,887
Year ended December 31, 2011						
Allowance for doubtful accounts	$ 176	$ 6	$ 0	$ (41)	$ 0	$ 141
Valuation allowance against gross deferred income tax assets	$ 1,853	$ 0	$ 1,368	$ (178)[2]	$ (1)	$ 3,042
Year ended December 31, 2010						
Allowance for doubtful accounts	$ 428	$ 61	$ 0	$ (313)	$ 0	$ 176
Valuation allowance against gross deferred income tax assets	$ 2,465	$ 0	$ 54	$ (655)[2]	$ (11)	$ 1,853

(1) Represents valuation allowances established for deferred income tax assets since it is more likely than not that the assets will not be realized.

(2) Reduction in valuation allowances reflects primarily changes in the amount of deferred income tax assets expected to be realized, resulting in credit to the income tax provision (benefit) in the statements of operations.

(3) Represents primarily impact from changes in foreign currency exchange rates.