

AMETEK INC/
Form 11-K
June 23, 2010

Table of Contents

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2009

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number 1-12981

Hamilton Precision Metals

401(k) Employee Savings Plan

(Full title of the plan)

AMETEK, Inc.

37 North Valley Road, Building 4, P.O. Box 1764

Paoli, Pennsylvania 19301-0801

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

**Hamilton Precision Metals 401(k) Employee Savings Plan
Financial Statements and Supplemental Schedule
Year Ended December 31, 2009
Contents**

Financial Statements (Unaudited):

<u>Statement of Assets Available for Benefits</u>	2
<u>Statement of Changes in Assets Available for Benefits</u>	3
<u>Notes to Financial Statements</u>	4

Supplemental Schedule:

<u>Schedule H, Line 4i Schedule of Assets (Held at End of Year)</u>	11
<u>Signatures</u>	12

Table of Contents

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

	December 31, 2009
Assets:	
Investments, at fair value	\$ 2,444,466
Adjustment from fair value to contract value for Common Collective Trust	(17,913)
Assets available for benefits	\$ 2,426,553

See accompanying notes.

2

Table of Contents

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

	Year Ended December 31, 2009
Additions:	
Contributions:	
Employer	\$ 65,192
Participant	182,131
Participant rollovers and transfers from other plans	15,891
	263,214
Investment income:	
Net appreciation in fair value of investments	285,221
Interest and dividend income	47,387
	332,608
Total additions	595,822
Deductions:	
Benefits paid to participants	(116,881)
Net increase	478,941
Assets available for benefits:	
Beginning of period	1,947,612
End of period	\$ 2,426,553

See accompanying notes.

Table of Contents

**Hamilton Precision Metals 401(k) Employee Savings Plan
Notes to Financial Statements
December 31, 2009
(Unaudited)**

1. Description of the Plan

General

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

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

Participant Eligibility

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

Contributions

Each year, participants have an opportunity to invest up to 100% before tax of their annual compensation, as defined by the Plan, in multiples of one percent, subject to Internal Revenue Code annual limits except for certain highly compensated participants who may be subject to certain regulatory limitations. Participants may also contribute amounts representing rollovers from other qualified plans. Participants direct their elective contributions into various investment options offered by the Plan and can change their investment options on a daily basis.

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

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

Participant Accounts

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

Vesting

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

Table of Contents

**Hamilton Precision Metals 401(k) Employee Savings Plan
Notes to Financial Statements
December 31, 2009
(Unaudited)**

1. Description of the Plan (continued)

Participant Loans

Effective October 30, 2009, the Plan was amended to allow participant to borrow a minimum of \$1,000 or up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. Participants may have up to two loans outstanding at any time, although only one loan may be for a primary residence, the sum of which may not exceed the maximum allowable under the Plan. Repayment terms of the loans are generally limited to no longer than 60 months from inception or for a reasonable period of time in excess of 60 months for the purchase of a principal residence, as fixed by the Plan. The loans are secured by the balance in the participant's account and bear interest at rates established by the Plan, which approximate rates charged by commercial lending institutions for comparable loans. Principal and interest is paid ratably through payroll deductions. There were no loans outstanding at December 31, 2009.

Payment of Benefits

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

Administrative Expenses

The expenses of administering the Plan are payable from the trust funds, unless the Company elects to pay such expenses. From inception of the Plan to the present, the Company has elected to pay such expenses directly.

Plan Termination

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

Table of Contents

Hamilton Precision Metals 401(k) Employee Savings Plan
Notes to Financial Statements
December 31, 2009
(Unaudited)

2. Summary of Significant Accounting Policies**Basis of Financial Statements and Presentation Format**

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

Use of Estimates

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

Master Trust

Effective April 1, 2009, AMETEK, Inc. (AMETEK) has entered into the AMETEK, Inc. Master Trust (Master Trust) agreement with the Vanguard Fiduciary Trust Company (Trustee). Under the Master Trust agreement, the AMETEK Stock Fund of certain employee savings plans of AMETEK are combined. Participating plans purchase units of participation in the AMETEK Stock Fund based on their contribution to such fund along with income that the fund may earn, less distributions made to the plans' participants. See Note 3.

The Plan held no interest in the assets of the Master Trust at December 31, 2009. The value of the assets held by the Master Trust at December 31, 2009 was \$36,130,454.

A summary of the investment income for the assets held by the Master Trust for the period April 1, 2009 to December 31, 2009 was as follows:

Net appreciation in fair value of investment	\$ 6,721,141
Interest and dividend income on investment	113,957
Total investment income	\$ 6,835,098

Table of Contents

**Hamilton Precision Metals 401(k) Employee Savings Plan
Notes to Financial Statements
December 31, 2009
(Unaudited)**

2. Summary of Significant Accounting Policies (continued)

Risks and Uncertainties

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

Investment Valuation and Income Recognition

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

Investments in shares of registered investment companies are valued at quoted market prices, which represent the net asset values of shares held by the Plan at year end. Money market and short-term investments are carried at the fair value established by the issuer and/or the trustee. The AMETEK Stock Fund is valued at its year end unit closing price. The participant loans are valued at their outstanding book values, which approximates fair value.

The Plan invests in investment contracts through a common collective trust (Vanguard Retirement Savings Trust). The statements of assets available for benefits present the fair value of the Vanguard Retirement Savings Trust and the adjustment from fair value to contract value. The fair value of the Plan's interest in the Vanguard Retirement Savings Trust is based on information reported by the issuer of the common collective trust at year end. The contract value of the Vanguard Retirement Savings Trust represents contributions plus earnings, less participant withdrawals and administrative expenses.

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

The net appreciation or depreciation of investments represents the sum of the change in the difference between year end market value and the cost of investments, and the difference between the proceeds received and the cost of investments sold during the year.

Table of Contents

**Hamilton Precision Metals 401(k) Employee Savings Plan
Notes to Financial Statements
December 31, 2009
(Unaudited)**

3. Investment Programs

At December 31, 2009, the Vanguard Fiduciary Trust Company was the Trustee and a party-in-interest to the Plan. A participant may direct contributions (up to certain specified limits) in any of the following investment options:

AMETEK Stock Fund

Vanguard Retirement Savings Trust

Registered investment companies:

Vanguard Total Bond Market Index Fund

Vanguard LifeStrategy Funds

Vanguard Wellington Fund

Vanguard Windsor II Fund*

Vanguard PRIMECAP Fund*

Vanguard Small-Cap Index Fund*

Vanguard 500 Index Fund*

Vanguard Prime Money Market

Artio International Equity Fund II

BlackRock Small Cap Fund*

Keeley Small Cap Value*

* Represents Domestic Equities Level 1 investments. See Note 4.

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

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

	December 31, 2009
Vanguard Retirement Savings Trust (stated at contract value)	\$810,546
Vanguard 500 Index Fund	617,664
Vanguard LifeStrategy Moderate Growth Fund	372,576
Vanguard LifeStrategy Conservative Growth Fund	235,781

Vanguard LifeStrategy Growth Fund

201,499

For the period April 1, 2009 to December 31, 2009, the Plan's investments (including gains and losses on investments bought, sold, as well as, held during the year) appreciated in value \$360,958 in registered investment companies.

8

Table of Contents

Hamilton Precision Metals 401(k) Employee Savings Plan
Notes to Financial Statements
December 31, 2009
(Unaudited)

4. Fair Value Measurements

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

The AMETEK Stock Fund held by the Master Trust is considered a level 2 investment within the fair value hierarchy. The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value:

	December 31, 2009		
	Level 1	Level 2	Total
Vanguard Total Bond Market Index Fund	\$ 8,076	\$	\$ 8,076
Vanguard LifeStrategy Funds*	809,856		809,856
Vanguard Wellington Fund**	9,245		9,245
Mutual Funds - Domestic Equities	731,296		731,296
Artio International Equity Fund II	57,534		57,534
Vanguard Retirement Savings Trust		828,459	828,459
Total Assets at Fair Value	\$ 1,616,007	\$ 828,459	\$ 2,444,466

* This category includes investments in highly diversified funds designed to remain appropriate for investors in terms of risk throughout a variety of life circumstances. These registered investment company funds share a common goal of first growing and then later preserving

principal and contain a mix of primarily U.S. and international stocks, plus U.S. Treasury and corporate bonds. There are currently no redemption restrictions on these investments.

** This category includes registered investment company funds that are designed to try and outperform market returns with moderate movements in share values through a mix of primarily fairly large, well-known U.S. stocks and U.S. Treasury bonds. There are currently no redemption restrictions on these investments.

5. Income Tax Status

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

Table of Contents

Hamilton Precision Metals 401(k) Employee Savings Plan
Notes to Financial Statements
December 31, 2009
(Unaudited)

6. Differences Between Financial Statements and Form 5500

The following is a reconciliation of assets available for benefits per the financial statements to the Plan's Form 5500 at December 31, 2009:

Assets available for benefits per the financial statements	\$ 2,426,553
Adjustment from contract value to fair value for Common Collective Trust	17,913
 Assets available for benefits per Form 5500	 \$ 2,444,466

The following is a reconciliation of total additions per the financial statements to total income per the Plan's Form 5500 for the year ended December 31, 2009:

Total additions per the financial statements	\$ 595,822
Adjustment from contract value to fair value for Common Collective Trust at December 31, 2009	17,913
 Total income per Form 5500	 \$ 613,735

7. Plan Amendments

Effective October 30, 2009, the Plan was amended to allow participant loans. See Note 1.

8. Recent Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2010-06, *Fair Value Measurements and Disclosures* (ASU 2010-06). ASU 2010-06 provides amendments that clarify existing disclosures and require new disclosures related to fair value measurements providing greater disaggregated information on each class of assets and liabilities and more robust disclosures on transfers between levels 1 and 2 and activity in level 3 fair value measurements. The new disclosures and clarifications of existing disclosures are effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about activity in level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010 and for interim periods within those fiscal years. The Plan is currently evaluating the impact of adopting ASU 2010-06 on our fair value measurement disclosures.

In September 2009, the FASB issued ASU 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* (ASU 2009-12). ASU 2009-12 amended Accounting Standards Codification (ASC) 820 to allow entities to use net asset value per share (or its equivalent), as a practical expedient, to measure fair value when the investment does not have a readily determinable fair value and the net asset value is calculated in a manner consistent with investment company accounting. ASC 2009-12 was effective for interim and annual periods ending after December 15, 2009. The adoption of ASC 2009-12 did not have a material impact on the Plan's financial statements. See Note 4.

In April 2009, the FASB issued ASC 820-10-65-4, *Transition Related to FASB Staff Position FAS 157-4, Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly* (ASC 820-10-65-4). ASC 820-10-65-4 amends ASC 820, and provides additional guidance for estimating fair value in accordance with ASC 820 when the volume and level of activity for the asset or liability have significantly decreased and also includes guidance on identifying circumstances that indicate a transaction is not orderly for fair value measurements. ASC 820-10-65-4 is applied prospectively with retrospective application not permitted. ASC 820-10-65-4 was effective for interim and annual periods ending after June 15, 2009. The adoption of ASC 820-10-65-4 did not have an impact on the Plan's financial statements. See Note 4.

Table of Contents

Hamilton Precision Metals 401(k) Employee Savings Plan
EIN 14 1682544 Plan #002
Schedule H, Line 4i Schedule of Assets (Held at End of Year)
December 31, 2009
(Unaudited)

Identity of issue, borrower, lessor or similar party	Description of investment, including maturity date, rate of interest, collateral, par, or maturity value	Current Value
Vanguard Retirement Savings Trust*	Common/Collective Trust	\$ 828,459
Vanguard Total Bond Market Index Fund*	Registered Investment Company	8,076
Vanguard LifeStrategy Conservative Growth Fund*	Registered Investment Company	235,781
Vanguard LifeStrategy Growth Fund*	Registered Investment Company	201,499
Vanguard LifeStrategy Moderate Growth Fund*	Registered Investment Company	372,576
Vanguard Wellington Fund*	Registered Investment Company	9,245
Vanguard Windsor II Fund*	Registered Investment Company	9,916
Vanguard Small-Cap Index Fund*	Registered Investment Company	10,249
Vanguard 500 Index Fund*	Registered Investment Company	617,664
Artio International Equity Fund II*	Registered Investment Company	57,534
BlackRock Small Cap Fund*	Registered Investment Company	93,467
		\$ 2,444,466

* Indicates party in interest to the Plan.

Historical cost column is not included as all investments are participant directed.

Table of Contents

Signatures

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the Members of the Pension Investment Committee have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Hamilton Precision Metals 401(k) Employee
Savings Plan

(Name of Plan)

Date: June 22, 2010

By: /s/ John J. Molinelli
John J. Molinelli
Member, Pension Investment Committee

12