

Total operating profit was \$37 million in 2011 compared to \$233 million in 2010. In addition to the aforementioned segment results, 2011 operating results included a \$242 million net asbestos provision and a \$30 million charge related to an increase in our expected remediation liability at the Goodyear, Arizona Superfund Site.

Net income attributable to common shareholders in 2011 was \$26 million as compared with \$154 million in 2010. In addition to the items mentioned above, net of tax, net income in 2010 included a \$5.6 million tax benefit caused by the reinvestment of non-U.S. earnings associated with the acquisition of Money Controls.

Results From Discontinued Operations — For the Years Ended December 31, 2012, 2011 and 2010

(in millions)	2012	2011	2010
Income from Continuing Operations	\$196	\$23	\$153
Discontinued Operations:			
Income from Discontinued Operations, net of tax	2	4	1
Gain from Sales of Discontinued Operations, net of tax	19	—	—
Discontinued Operations, net of tax	22	4	1
Net income before allocation to noncontrolling interests	\$218	\$27	\$154
Net income attributable to common shareholders	\$217	\$26	\$154

For the years 2012, 2011 and 2010, we reported two divested businesses as discontinued operations on our Statements of Operations. The sale of Azonix resulted in an after-tax gain of \$14.5 million. Azonix had sales of \$17.1 million, \$31.7 million and \$26.3 million and pre-tax profit from operations of \$2.4 million, \$3.4 million and \$0.8 million in 2012, 2011 and 2010, respectively. The sale of our valve service center in Houston, Texas resulted in an after-tax gain of \$4.6 million. Our valve service center in Houston, Texas, had sales of \$8.4 million, \$13.8 million and \$12.2 million and pre-tax profit from operations of \$1.3 million, \$2.3 million and \$1.1 million in 2012, 2011 and 2010, respectively.

AEROSPACE & ELECTRONICS

(in millions, except %)	2012	2011	2010
Net Sales	\$ 701	\$ 678	\$ 577
Operating Profit	156	146	109
Assets	510	514	499
Operating Margin	22.2%	21.5%	18.9%

2012 compared with 2011. Sales of our Aerospace & Electronics segment increased \$24 million, or 3%, in 2012 to \$701 million, reflecting sales increases of \$20 million and \$4 million in our Aerospace Group and Electronics Group, respectively. The Aerospace & Electronics segment's operating profit increased \$10 million, or 7%, in 2012. The increase in operating profit was due to a \$15 million increase in operating profit in the Aerospace Group and \$5 million decrease in the Electronics Group. The operating margin for the segment was 22.2% in 2012 compared to 21.5% in 2011. Backlog was \$378 million at December 31, 2012, a decrease of 8% from \$411 million at December 31, 2011.

Aerospace Group sales in 2012 by the four solution sets were as follows: Landing Systems, 34%; Sensing and Utility Systems, 33%; Fluid Management, 23%; and Cabin Systems, 10%. The commercial market accounted for 78% of Aerospace Group sales in 2012, while sales to the military market were 22% of total Aerospace Group sales. During both 2012 and 2011, sales to OEMs and aftermarket customers were 59% and 41%, respectively.

Aerospace Group sales increased 5% from \$417 million in 2011 to \$437 million in 2012. The increase in 2012 was due to higher OEM sales which increased \$15 million, or 6%, to \$260 million in 2012 from \$246 million in 2011, primarily due to higher commercial product sales associated with large commercial transport and business jets. In addition, the sales increase was attributable to higher aftermarket product sales which increased \$5 million, or 3%, to \$177 million in 2012 from \$172 million in 2011 primarily due to higher modernization and upgrade ("M&U") products sales and repair and overhaul sales.

Aerospace Group operating profit increased 14% over the prior year, primarily due to lower engineering expense and the leverage on the higher sales volume. Aerospace engineering expense was about 8% of sales in 2012 versus 11% in 2011. Total engineering expense for the Aerospace Group was \$36 million in 2012 compared to \$44 million in 2011.

Electronics Group sales by market in 2012 were as follows: military/defense, 58%; commercial aerospace, 25%; and other, 17%. Sales in 2012 by the Group's solution sets were as follows: Power, 64%; Microwave Systems, 26%; and Microelectronics, 10%.

Electronics Group sales increased 1% from \$261 million in 2011 to \$264 million in 2012. The slight core sales increase reflects higher sales of our Microwave and Power Solutions products, partially offset by lower sales of our Microelectronics Solutions products. The increase in Power Solutions product sales reflects an increase in demand from the defense market. The decrease in Microelectronics product sales reflects lower sales to medical device customers.

Electronics Group operating profit decreased 11% over the prior year reflecting unfavorable sales mix and higher manufacturing costs, partially offset by the impact of the higher sales volume.

2011 compared with 2010. Sales of our Aerospace & Electronics segment increased \$101 million, or 17%, in 2011 to \$678 million, reflecting sales increases of \$72 million and \$29 million in our Aerospace Group and Electronics Group, respectively. The Aerospace & Electronics segment's operating profit increased \$36 million, or 33%, in 2011. The increase in operating profit was due to a \$33 million increase in operating profit in the Aerospace Group and \$3 million increase in the Electronics Group. The operating margin for the segment was 21.5% in 2011 compared to 18.9% in 2010. Backlog was \$411 million at December 31, 2011, a decrease of 5% from \$432 million at December 31, 2010.

Aerospace Group sales in 2011 by the four solution sets were as follows: Landing Systems, 34%; Sensing and Utility Systems, 33%; Fluid Management, 23%; and Cabin Systems, 10%. The commercial market accounted for 79% of Aerospace Group sales in 2011, while sales to the military market were 21% of total Aerospace Group sales. During 2011, sales to OEMs and aftermarket customers were 59% and 41%, respectively, compared to 60% and 40%, respectively, of the total sales in 2010.