

TIMKEN CO  
Form PX14A6G  
January 02, 2013

**PX14A6G Filing**

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

Washington, D.C. 20549

**NOTICE OF EXEMPT SOLICITATION**

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| Name of the Registrant:                            | The Timken Company   |
| Name of the Person(s) relying on the Exemption:    | 1. Relational Investors LLC<br>2. Relational Investors Mid-Cap Fund I, L.P.<br>3. Relational Investors Mid-Cap Fund II, L.P.<br>4. Ralph V. Whitworth<br>5. David H Batchelder<br>6. California State Teachers Retirement System |
| Address of the Person(s) Relying on the Exemption: | 12400 High Bluff Drive<br>Suite 600<br>San Diego, CA 92130<br><br>100 Waterfront Place<br>MS 04<br>West Sacramento, CA 95605   |
| Written Materials:                                 | Letter to The Editor, Canton Repository. Posted on December 28, 2012.  |

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## Edgar Filing: TIMKEN CO - Form PX14A6G

Jim Hillibish's column "Show Calpers the door; we like our Timken as it is" (Dec. 9) is filled with inaccuracies.

The California State Teachers' Retirement System, or CalSTRS, is the world's largest educator-only retirement fund with more than \$154 billion in assets. CalSTRS' mission is to provide a secure retirement for more than 856,000 of California's educators and their families. This is achieved through contributions and investment returns. Mr. Hillibish incorrectly refers to CalSTRS as CalPERS, a completely different pension fund established for the benefit of California public employees and does not include teachers. CalSTRS is a self-funded organization; we finance our operations through the earnings and assets of the fund, not through taxes.

CalSTRS is not alone in our plan on Timken. We and a second registered investment advisor, Relational Investors, have filed an advisory shareholder proposal recommending the firm spin off the Timken steel business into a separately traded company. To date we have not advocated for the removal of any board members or executives.

We believe that a separation of Timken's steel business from the bearings business would fundamentally change the way the market values the overall business. Specifically, the steel business would be valued and classified as a materials company and the bearings business as an industrial company.

The two divergent businesses require different capital investments, working capital, business processes and manufacturing techniques. We feel that separating the two businesses will allow management to increase focus on managing each independent business optimally, leading to improved operating characteristics and maximizing shareholder value in the long-term. Canton is understandably proud of Timken and its success. However, that does not mean it is properly structured to continue that success or maximize value for shareholders. Under our plan, Canton will have two world-class companies of which to be proud.

Anne Sheehan

CalSTRS, Director of Corporate Governance

West Sacramento, Calif.

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