

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
THE TIMKEN COMPANY		34-0577130	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
STEVE D. TSCHIEGG	330-438-3000	STEVE.TSCHIEGG@TIMKEN.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
4500 MT. PLEASANT ST., NW		NORTH CANTON, OH 44720-5450	
8 Date of action		9 Classification and description	
JUNE 30, 2014		DISTRIBUTION TO PUBLIC SHAREHOLDERS OF TIMKENSTEEL COMMON STOCK	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
887389104		TKR	

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **On June 30, 2014, The Timken Company ("TKR") distributed the common stock of TimkenSteel Corporation ("TMST") to shareholders of the TKR common stock (the "Distribution"). Under the terms of the Distribution, each TKR shareholder that held TKR common stock on June 23, 2014 at 5:00pm, New York City time, the record date for the Distribution, received one share of TMST common stock for every two shares of TKR common stock held by such TKR shareholder.**

As a result of the Distribution, TimkenSteel Corporation became an independent, publicly traded company. The TimkenSteel common stock began trading on the NYSE Stock Market ("NYSE") on July 1, 2014.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **Please see attachment.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **Please see attachment.**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ _____

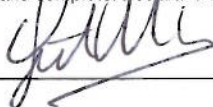
The Distribution is intended to qualify for non-recognition treatment under Section 355 of the Internal Revenue Code of 1986, as amended (the "Code"). The sum of the tax basis of the TKR common stock plus the tax basis of the TMST common stock will be the same as the tax basis of the TKR common stock immediately before the Distribution, allocated in the manner described in Treasury Regulation Section 1.358-2.

18 Can any resulting loss be recognized? ▶ **Gain or loss may be recognized with respect to the receipt of cash in lieu of fractional shares of TMST common stock.**

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ **The Distribution took place on June 30, 2014. Therefore, the tax basis adjustments to the shares of the common stock of TKR and the common stock of TimkenSteel are generally effective as of the date of the Distribution, June 30, 2014.**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶  Date ▶ July 2, 2014

Print your name ▶ **M. Quinton Cutler** Title ▶ **Director - Tax**

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

FORM 8937 ATTACHMENT

PART II, ITEM 15

Under section 358 of the Code, each TKR shareholder will need to allocate the tax basis in TKR shares immediately before the Distribution between the shares of TKR common stock and TMST common stock received in the Distribution.

PART II, ITEM 16

Generally, the allocation of tax basis is based upon the relative fair market values of TKR and TMST common stock on the Distribution date; however, there is no definitive authority under the United States federal income tax law concerning a method for determining fair market value for this purpose. Generally, under United States federal income tax law, fair market value is the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having had reasonable knowledge of the relevant facts.

A generally accepted practice to determine fair market value for this purpose is to use the average of the high and the low trading prices for each of TKR and TMST on July 1, 2014, which was the first day of trading for TMST on the NYSE. The average of the high and the low trading price for TKR was \$48.60. The average of the high and the low trading price for TMST was \$40.46. Based upon these values, the pre-Distribution tax basis in the TKR shares would be allocated 29.39% to TMST and 70.61% to TKR, computed as follows:

	Average High/Low	Exchange Ratio	Divided by Exchange Ratio	Allocation Ratio
TKR	\$48.60	1	\$48.60	48.60/68.83 = 70.61%
TMST	\$40.46	2	<u>\$20.23</u>	20.23/68.83 = 29.39%
Total			\$68.83	