

AMERICAN AXLE & MANUFACTURING HOLDINGS INC

Form 11-K

June 28, 2002

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549-1004**

**FORM 11-K**

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

**For the fiscal year ended December 31, 2001**

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number \_\_\_\_\_ (to come)

**AMERICAN AXLE & MANUFACTURING, INC. PERSONAL SAVINGS PLAN  
FOR HOURLY-RATE ASSOCIATES**

(Full title of the plan)

American Axle & Manufacturing Holdings, Inc.  
1840 Holbrook Avenue, Detroit, MI 48212-3488

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

(313) 974-2000

(Registrant's telephone number,  
including area code)

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**INDEPENDENT AUDITORS REPORT**

American Axle and Manufacturing, Inc. Personal Savings Plan for Hourly-Rate Associates

We have audited the accompanying statements of net assets available for benefits of American Axle & Manufacturing, Inc. Personal Savings Plan for Hourly-Rate Associates (the Plan ) as of December 31, 2001 and 2000, and the related statement of changes in net assets available for benefits for the year ended December 31, 2001. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2001 and 2000, and the changes in net assets available for benefits for the year ended December 31, 2001 in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This schedule is the responsibility of the Plan s management, and has been subject to the auditing procedures applied in our audit of the basic 2001 financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

/s/ Deloitte & Touche LLP

Deloitte & Touche LLP

Detroit, Michigan  
June 11, 2002

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**AMERICAN AXLE & MANUFACTURING, INC.  
PERSONAL SAVINGS PLAN FOR HOURLY-RATE ASSOCIATES**

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS AS OF  
DECEMBER 31, 2001 AND 2000**

	<u>2001</u>	<u>2000</u>
<b>ASSETS</b>		
Investments at fair value (Note 3):		
Common Stock American Axle & Manufacturing Holdings, Inc.	\$ 667,133	\$
Shares of registered investment companies	116,141,295	117,417,881
Collective trust fund	13,250,345	9,644,913
Participant loans	11,245,281	9,498,921
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	<b>\$ 141,304,054</b>	<b>\$ 136,561,715</b>

See notes to financial statements.

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**AMERICAN AXLE & MANUFACTURING, INC.  
PERSONAL SAVINGS PLAN FOR HOURLY-RATE ASSOCIATES**

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE  
YEAR ENDED DECEMBER 31, 2001**

ADDITIONS TO ASSETS ATTRIBUTED TO:	
Contributions participants	\$ 24,022,963
Investment income Interest and dividends	1,429,642
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Total additions	25,452,605
DEDUCTIONS FROM ASSETS ATTRIBUTED TO:	
Net depreciation in fair value of investments (Note 3)	15,673,597
Benefits paid to participants	5,036,669
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Total deductions	20,710,266
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INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	4,742,339
NET ASSETS AVAILABLE FOR BENEFITS:	
Beginning of year	136,561,715
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End of year	\$ 141,304,054
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See notes to financial statements.

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**AMERICAN AXLE & MANUFACTURING, INC.  
PERSONAL SAVINGS PLAN FOR HOURLY-RATE ASSOCIATES**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000 AND FOR THE YEAR ENDED DECEMBER 31, 2001**

**1. DESCRIPTION OF THE PLAN**

**General** - The following description of the American Axle & Manufacturing, Inc. Personal Savings Plan for Hourly-Rate Associates (the Plan ) provides only general information. Participants should refer to the summary plan description for a more complete representation of the Plan s provisions. Copies of the summary plan description are available from the Company s human resource department.

The Plan, established March 1, 1994, is a defined contribution plan covering substantially all employees of American Axle & Manufacturing, Inc. (the Company ) who are members of the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America ( UAW ) and the International Association of Machinists and Aerospace Workers ( IAM ). The collective bargaining agreements which cover the above employees expire in the year 2004. The Company may amend, modify, suspend or terminate the Plan to the extent not precluded by applicable agreements. No amendment, modification, suspension or termination of the Plan shall have the effect of providing that any amounts then held under the Plan may be used or diverted to any purpose other than for the exclusive benefit of members or their beneficiaries. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ( ERISA ).

**Contributions** - The Plan provides for each participant to contribute from 1% to 25% of their eligible earnings. The contributions are made on a before or after-tax basis. Certain limitations exist as defined in the Plan agreement as to maximum contribution amounts. Additionally, employees may transfer funds into the Plan from other qualified plans.

**Vesting** - Each participant is fully vested in the assets credited to their account, and no portion of such account shall be subject to forfeiture. Employee participation is voluntary.

**Investment Options** - Participants may direct investments to be split between any of the investment fund options available.

**Participant Loans** - The Plan allows participants to borrow against their account balances with repayment through payroll deductions. Loans can be from a minimum of \$1,000 to a maximum of \$50,000 or 50%, whichever is less, of the participant s vested account balance.



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**2. SIGNIFICANT ACCOUNTING POLICIES**

**General** - The financial statements of the Plan are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Valuation of Investments** - The Plan's investments are stated at fair value. The shares of registered investment companies and the common stock of American Axle & Manufacturing Holdings, Inc. are valued at quoted market prices. The fair value of participation units owned by the Plan in the Putnam Stable Value Fund are based on the quoted redemption value on the last business day of the Plan year. Participant loans are recorded at cost, which approximates fair value.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits at the date of the financial statements and the reported amounts of increases or decreases in net assets available for benefits during the reporting period. Actual results could differ from those estimates. The Plan invests in various securities including mutual funds and the common stock of American Axle & Manufacturing Holdings, Inc. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

**Impact of Recent Accounting Pronouncements** - Statement of Financial Accounting Standards ( SFAS ) No. 133, *Accounting for Derivative Instruments and Hedging Activities*, is effective for all fiscal years beginning after June 15, 2000. SFAS No. 133, as amended, establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. Under SFAS No. 133, certain contracts that were not formerly considered derivatives may now meet the definition of a derivative. The Plan adopted SFAS No. 133 effective January 1, 2001. The adoption of SFAS No. 133 did not have a significant impact on the net assets available for benefits or the changes in net assets available for benefits of the Plan.

**Table of Contents****3. INVESTMENTS**

The following presents investments that represent 5% or more of the Plan's net assets available for benefits:

	2001	2000
Investments at fair value:		
One Group Diversified Mid Cap Fund Class I	\$ 23,149,210	\$ 23,718,284
One Group Institutional Prime Money Market Fund	12,801,145	
One Group Cash Management Money Market Fund		11,071,670
Putnam New Opportunities Fund	15,244,925	17,866,988
Putnam International Growth Fund	9,161,950	10,361,356
Vanguard Institutional Index Fund	28,622,750	30,299,885
Putnam Vista Fund	8,419,504	10,767,895
Putnam Stable Value Fund	13,250,345	9,644,913
Participant Loans	11,245,281	9,498,921

For the year ended December 31, 2001, the Plan's investments (including gains and losses on investment bought and sold, as well as held during the year) appreciated or depreciated in value as follows:

Common stock American Axle & Manufacturing Holdings, Inc.	\$ 172,499
Shares of registered investment companies	(16,487,146)
Collective trust fund	641,050
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Net depreciation in value	\$ (15,673,597)
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**4. PLAN TERMINATION**

Although it has not expressed any intent to do so, the Company reserves the right to terminate the Plan subject to the provisions of ERISA and any applicable agreements. In the event of Plan termination, each participant would have a nonforfeitable right to their total account balance as of the date of termination.

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**5. TRANSACTIONS WITH PARTIES-IN-INTEREST**

Fees for accounting, legal, trustee, and administrative services were paid by the Company on behalf of the Plan. The fees paid by the Company for services rendered by parties-in-interest were based on customary and reasonable rates for such services.

Certain investments held by the Plan are managed by Putnam, the custodian of the Plan, and Bank One, the trustee of the Plan. Such investments fall within the investment guidelines of the Plan and are considered related party transactions. As of December 31, 2001 and 2000, the Plan held \$100,494,430 and \$96,593,454, respectively, in such investments.

**6. INCOME TAX STATUS**

The Internal Revenue Service has determined and informed the Company by a letter dated December 13, 1996, that the Plan and related trust are designed in accordance with Section 401(a) of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

**7. SUBSEQUENT EVENT**

Effective June 3, 2002, Fidelity Investments has been named as the trustee and custodian of the Plan and replaced Bank One and Putnam, respectively. The Plan was also amended to include hourly employees of the Company's U.S. subsidiaries. Also effective June 3, 2002, the assets of this Plan were merged into a Master Trust which includes the American Axle & Manufacturing, Inc. Salaried Savings Plan. Alternative investment options were also made available on that date.

**Table of Contents****AMERICAN AXLE & MANUFACTURING, INC.  
PERSONAL SAVINGS PLAN FOR HOURLY-RATE ASSOCIATES****SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR  
DECEMBER 31, 2001**

Description of Investment	Current Value
Domini Social Equity Fund	\$ 274,460
* One Group Diversified Mid Cap Fund	23,149,210
* One Group Mid Cap Value Fund	4,321,744
Vanguard Institutional Index Fund	28,622,750
* One Group Institutional Prime Money Market Fund	12,801,145
* Putnam Asset Allocation: Balanced Portfolio	5,866,574
* Putnam International Growth Fund	9,161,950
* Putnam Income Fund	5,081,211
* Putnam Vista Fund	8,419,504
* Putnam New Opportunities Fund	15,244,925
* Putnam Asset Allocation: Growth Portfolio	2,409,337
* Putnam Asset Allocation: Conservative Portfolio	788,485
* Putnam Stable Value Fund	13,250,345
* American Axle Stock Fund	667,133
* Participant loans (interest rate range of 4.75% to 10.5%)	11,245,281
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Assets held for investment purposes	\$ 141,304,054
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\* represents a party-in-interest

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Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AMERICAN AXLE & MANUFACTURING, INC.  
PERSONAL SAVINGS PLAN FOR HOURLY-  
RATE ASSOCIATES  
(Name of Plan)

Date: June 28, 2002

By: /s/ Robin J. Adams

\_\_\_\_\_  
Robin J. Adams  
Executive Vice President - Finance and  
Chief Financial Officer  
Chairman of the Management Investment Committee

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**EXHIBIT INDEX**

Exhibit No.

Exhibit Description

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Independent Auditors' Consent