

AMERICAN AXLE & MANUFACTURING HOLDINGS INC

Form 11-K

June 26, 2003

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

FORM 11-K

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

For the fiscal year ended December 31, 2002

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

For the transition period from ___ to ___

Commission File Number: 1-14303

**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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PERSONAL SAVINGS PLAN FOR HOURLY-RATE ASSOCIATES**

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INDEPENDENT AUDITORS REPORT

American Axle & Manufacturing, Inc. Personal Savings Plan For Hourly-Rate Associates

We have audited the accompanying statements of assets available for benefits of American Axle & Manufacturing, Inc. Personal Savings Plan for Hourly-Rate Associates as of December 31, 2002 and 2001 and the related statement of changes in assets available for benefits for the year ended December 31, 2002. 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, the financial statements referred to above present fairly, in all material respects, the assets available for benefits of the Plan as of December 31, 2002 and 2001 and the changes in assets available for benefits for the year ended December 31, 2002 in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed 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 supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements as a whole.

/s/ Deloitte & Touche LLP

Deloitte & Touche LLP

Detroit, Michigan
June 16, 2003

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

**STATEMENTS OF ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2002 AND 2001**

	<u>2002</u>	<u>2001</u>
ASSETS		
Investments at fair value (Note 3):		
Common stock American Axle & Manufacturing Holdings, Inc.	\$ 3,134,867	\$ 667,133
Shares of registered investment companies	100,397,196	116,141,295
Collective trust fund	33,486,932	13,250,345
Participant loans	12,523,781	11,245,281
TOTAL ASSETS AVAILABLE FOR BENEFITS	\$ 149,542,776	\$ 141,304,054

See accompanying notes to financial statements.

Table of Contents**AMERICAN AXLE & MANUFACTURING, INC.
PERSONAL SAVINGS PLAN FOR HOURLY-RATE ASSOCIATES****STATEMENT OF CHANGES IN ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2002**

ADDITIONS TO ASSETS ATTRIBUTED TO:	
Contributions participants	\$ 25,115,515
Investment income interest	914,205
Assets transferred in from former plans of U.S. subsidiaries	5,683,860
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Total additions	31,713,580
DEDUCTIONS FROM ASSETS ATTRIBUTED TO:	
Net depreciation in fair value of investments (Note 3)	16,876,051
Benefits paid to participants	6,576,055
Administrative fees	22,752
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Total deductions	23,474,858
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INCREASE IN ASSETS AVAILABLE FOR BENEFITS	8,238,722
ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR	141,304,054
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ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	\$ 149,542,776
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See accompanying 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, 2002 AND 2001 AND FOR THE YEAR ENDED DECEMBER 31, 2002**

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 more complete details 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). Effective June 3, 2002, Fidelity Investments (Fidelity) has been named as the trustee and custodian of the Plan and replaced Bank One and Putnam Fiduciary Trust Company (Putnam), respectively. The Plan was amended to include hourly employees of the Company s U.S. subsidiaries and a new array of investment options was made available. The collective bargaining agreements which cover the above employees expire in 2004 and 2005. 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 40% (1% to 25% in 2001 and prior) of their eligible earnings. The contributions are made on a pre-tax or after-tax basis. Beginning in 2002, employees over age 50 may contribute an additional 1% to 40% as catch-up contributions. 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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**AMERICAN AXLE & MANUFACTURING, INC.
PERSONAL SAVINGS PLAN FOR HOURLY-RATE ASSOCIATES**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001 AND FOR THE YEAR ENDED DECEMBER 31, 2002**

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 are valued at quoted market prices that represent the net asset value of shares held by the Plan at year-end. 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 assets available for benefits at the date of the financial statements and the reported amounts of increases or decreases in assets available for benefits during the reporting period. Actual results could differ from those estimates. The Plan invests in various securities including mutual funds. 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 assets available for benefits.

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PERSONAL SAVINGS PLAN FOR HOURLY-RATE ASSOCIATES****NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001 AND FOR THE YEAR ENDED DECEMBER 31, 2002****3. INVESTMENTS**

Investments that represent 5% or more of the Plan's assets available for benefits are listed below.

	<u>2002</u>	<u>2001</u>
Investments at fair value:		
One Group Diversified Mid Cap Fund Class I	\$	\$ 23,149,210
One Group Institutional Prime Money Market Fund		12,801,145
Putnam New Opportunities Fund		15,244,925
Putnam International Growth Fund		9,161,950
Vanguard Institutional Index Fund		28,622,750
Putnam Vista Fund		8,419,504
Putnam Stable Value Fund		13,250,345
PIMCO Total Return Administrative Class	7,957,291	
Fidelity Low-Priced Stock	40,533,573	
Fidelity Diversified International	8,612,616	
Fidelity Managed Income Portfolio II	33,486,932	
Spartan U.S. Equity Index	31,671,791	
Participant Loans	12,523,781	11,245,281

For the year ended December 31, 2002, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) depreciated in value as follows:

	<u>2002</u>
Common stock - American Axle & Manufacturing Holdings, Inc.	\$ 264,214
Shares of registered investment companies	16,611,837
Net depreciation in value	<u>\$ 16,876,051</u>

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

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001 AND FOR THE YEAR ENDED DECEMBER 31, 2002**

5. TRANSACTIONS WITH PARTIES-IN-INTEREST

Fees for accounting, legal, and trustee 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 at December 31, 2002 are managed by Fidelity, the trustee and custodian of the Plan. Further, certain other investments held by the Plan at December 31, 2001 were 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, 2002 and 2001, the Plan held \$141,109,849 and \$100,494,430, respectively, in such investments.

6. INCOME TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated July 18, 2002 that the Plan qualifies under Section 401(a) of the Internal Revenue Code (IRC) and, therefore, the related trust is not subject to tax under present income tax law. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The Plan administrator is not aware of any course of action or series of events that have occurred that might adversely affect the Plan s qualified status.

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Plan 004**AMERICAN AXLE & MANUFACTURING, INC.
PERSONAL SAVINGS PLAN FOR HOURLY-RATE ASSOCIATES****SCHEDULE H, LINE 4i SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2002**

Description of Investment	Current Value
PIMCO Total Return Administrative Class	\$ 7,957,291
PIMCO High Yield Administrative Class	111,915
Domini Social Equity	363,721
* Common Stock - American Axle & Manufacturing Holdings, Inc.	3,134,867
* Fidelity Low-Priced Stock	40,533,573
* Fidelity Diversified International	8,612,616
* Fidelity Freedom Income	1,104,283
* Fidelity Freedom 2000	182,568
* Fidelity Freedom 2010	359,123
* Fidelity Freedom 2020	6,380,651
* Fidelity Freedom 2030	2,909,539
* Fidelity Managed Income Portfolio II	33,486,932
* Spartan U.S. Equity Index	31,671,791
* Fidelity Freedom 2040	210,125
* Participant loans (interest rate range of 4.25% to 9.5%)	12,523,781
Assets held at December 31, 2002	<u>\$ 149,542,776</u>

* Denotes 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) have duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

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

June 26, 2003

By: /s/ Michael K. Simonte

Michael K. Simonte
Member of the Benefits Committee
and Treasurer of American Axle
& Manufacturing Holdings, Inc.

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Exhibit No.	Description
Exhibit 23	Consent of Deloitte & Touche LLP, Independent Auditors
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