

Edgar Filing: HUTTIG BUILDING PRODUCTS INC - Form 11-K

HUTTIG BUILDING PRODUCTS INC

Form 11-K

June 30, 2003

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

ANNUAL REPORT

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

(MARK ONE)

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

For the fiscal year ended December 31, 2000

OR

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

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

Commission File Number 001-14982

A. Full title of the Plan and the address of the Plan, if different  
from that of the issuer named below:

Huttig Building Products, Inc. Savings and  
Profit Sharing Plan

B. Name of issuer of the securities held pursuant to the Plan and  
the address of its principal executive office:

Huttig Building Products, Inc.  
555 Maryville University Drive, Suite 240  
St. Louis, MO 63141

REQUIRED INFORMATION

ITEM 1.

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Not applicable.

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ITEM 2.

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Not applicable.

ITEM 3.

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Not applicable.

ITEM 4.

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- (a) Financial Statements. Filed as part of this Report on Form 11-K are the financial statements and the schedules attached hereto of the Huttig Building Products, Inc. Savings and Profit Sharing Plan as required by Form 11-K.
- (b) Exhibits. See Exhibit Index.

HUTTIG BUILDING PRODUCTS, INC.  
SAVINGS AND PROFIT SHARING PLAN

Financial Statements for the Year Ended  
December 31, 2000 and Period  
December 16, 1999 (inception) to  
December 31, 1999, Supplemental Schedules  
as of December 31, 2000 and  
Independent Auditors' Report

HUTTIG BUILDING PRODUCTS, INC.  
SAVINGS AND PROFIT SHARING PLAN

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## Edgar Filing: HUTTIG BUILDING PRODUCTS INC - Form 11-K

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### SUPPLEMENTAL SCHEDULES:

Form 5500, Schedule H, Part IV, Line 4a - Schedule of Nonexempt Transactions

Form 5500, Schedule H, Part IV, Line 4i - Schedule of Assets Held  
for Investment Purposes at the End of the Year

All other supplemental schedules required by Rules and Regulations of the Department of Labor are omitted because of the absence of conditions under which they are required.

### INDEPENDENT AUDITORS' REPORT

To the Savings and Profit Sharing Plan Committee of  
Huttig Building Products, Inc.:

We have audited the accompanying statements of net assets available for plan benefits of Huttig Building Products, Inc. Savings and Profit Sharing Plan (the "Plan") as of December 31, 2000 and 1999, and the related statements of changes in net assets available for plan benefits for the year ended December 31, 2000 and for the period from December 16, 1999 (inception) to December 31, 1999. These financial statements and supplemental schedules 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 net assets available for plan benefits of the Plan as of December 31, 2000 and 1999, and the changes in net assets available for plan benefits for the year ended December 31, 2000 and for the period from December 16, 1999 (inception) to December 31, 1999, 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 2000 and 1999 financial statements taken as a whole. The supplemental schedules listed in the Table of Contents are presented for the purpose of additional

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analysis and are not a required part of the basic financial statements, but are 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. These schedules are the responsibility of the Plan's management. Such schedules have been subjected to the auditing procedures applied in our audit of the financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

/s/ DELOITTE & TOUCHE LLP

St. Louis, Missouri  
October 11, 2002

HUTTIG BUILDING PRODUCTS, INC.  
SAVINGS AND PROFIT SHARING PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS  
DECEMBER 31, 2000 AND 1999

	2000	1999
-----		
ASSETS		
INVESTMENTS:		
Investments:		
Investments at fair value	\$ 83,383,045	\$ 40,198,115
Loans to participants	1,320,489	870,547
Other	2,873	59
	-----	-----
Total investments	84,706,407	41,068,721
	-----	-----
Receivables:		
Participant contributions	381,486	268,728
Employer contributions	147,446	100,216
Loans to participants	43,030	28,479
	-----	-----
Total receivables	571,962	397,423
	-----	-----
NET ASSETS AVAILABLE FOR PLAN BENEFITS	\$ 85,278,369	\$ 41,466,144
	=====	=====

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See notes to financial statements.

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HUTTIG BUILDING PRODUCTS, INC.  
SAVINGS AND PROFIT SHARING PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS  
FOR THE YEAR ENDED DECEMBER 31, 2000 AND FOR THE PERIOD FROM  
DECEMBER 16, 1999 (INCEPTION) TO DECEMBER 31, 1999

	2000	1999
-----		
ADDITIONS:		
Contributions and other additions:		
Employer contributions	\$ 2,591,732	\$
Participant contributions	5,186,832	1
Participant rollover contributions	589,631	
Transfers from alternate funding agencies	56,817,797	38,5
	-----	-----
Total contributions and other additions	65,185,992	38,7
	-----	-----
Investment (loss)/income:		
Interest and dividends	422,756	4
Interest on loans to participants	118,440	
Net (depreciation)/appreciation in fair value of investments	(7,950,241)	2,2
	-----	-----
Total investment (loss)/income	(7,409,045)	2,6
	-----	-----
Total additions	57,776,947	41,4
	-----	-----
DEDUCTIONS:		
Benefits paid to participants	2,492,165	
Transfers to alternate funding agencies	10,986,354	
Loan defaults, net	485,143	
Administrative and other expenses	1,060	
	-----	-----
Total deductions	13,964,722	
	-----	-----
NET INCREASE IN NET ASSETS AVAILABLE FOR PLAN BENEFITS	43,812,225	41,4

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NET ASSETS AVAILABLE FOR PLAN BENEFITS, BEGINNING OF PERIOD	41,466,144	-----
NET ASSETS AVAILABLE FOR PLAN BENEFITS, END OF PERIOD	\$ 85,278,369	=====
		\$ 41,4

See notes to financial statements

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HUTTIG BUILDING PRODUCTS, INC.  
SAVINGS AND PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000 AND FOR THE PERIOD FROM  
DECEMBER 16, 1999 (INCEPTION) TO DECEMBER 31, 1999

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## 1. PLAN DESCRIPTION

The following description of the Huttig Building Products, Inc. Savings and Profit Sharing Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

GENERAL - The Plan was established on December 16, 1999. The Plan is a defined contribution plan sponsored and administered by Huttig Building Products, Inc. ("Huttig" or the "Company"). Prudential Trust Company serves as Plan Trustee ("Trustee") and The Prudential Investment Company of America serves as Plan Recordkeeper and Custodian.

The Company, effective December 16, 1999, established the Plan pursuant to the terms of an agreement between the Company and Crane Co., the Company's former parent, related to the spin-off of the Company by Crane Co. Pursuant to the spin-off, the total amount transferred in was \$38,590,966 and is included as transfers from alternate funding agencies in the statement of changes in net assets available for plan benefits for 1999.

The Plan covers all employees of the Company or any other corporation affiliated with the Company, which has adopted the Plan, who have completed thirty days of service, as defined in the Plan and are not leased employees. Each employee may become a participant in the Plan on the first day of any calendar month coinciding with, or following, the fulfillment of the eligibility requirements.

Effective December 10, 1999, Rugby USA, Inc. employees no longer participated in the Rugby USA, Inc. Profit Sharing Retirement Plan and Trust (the "Rugby Plan"). The "freeze" period for employees of Rugby USA, Inc., whereby no contributions were permitted, extended from December 10, 1999 to March 15, 2000. All assets of the participants of Rugby USA, Inc.

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were transferred from the Rugby Plan to the Plan in multiple transfers occurring in March and June of 2000. The total amount transferred in was \$45,389,183 and is included as transfers from alternate funding agencies in the statement of changes in net assets available for plan benefits for 2000.

Effective June 15, 2000, American Pine Products employees no longer participated in the American Pine Products Tax Shelter Investment Plan (the "American Pine Plan"). The "freeze" period for employees of American Pine Products, whereby no loans, withdrawals or transfers were permitted, extended from June 15, 2000 to August 15, 2000. Contributions continued to be permitted and beginning on June 15, 2000, were remitted to the Trustee. The assets of the participants of American Pine Products were transferred from the American Pine Plan to the Plan on July 14, 2000. The total amount transferred in was \$11,428,614 and is included as transfers from alternate funding agencies in the statement of changes in net assets available for plan benefits for 2000.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

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CONTRIBUTIONS - Participants may contribute not less than 2% nor more than 16% of their eligible compensation on a deferred savings or non-deferred savings basis, as defined in the Plan, up to the maximum percentage allowable under section 401(k) of the Internal Revenue Code. The Company may contribute a matching contribution, as determined by the Board of Directors, in an amount equal to 50% of the deferred savings up to, but not exceeding, 6% of the employee's eligible compensation.

The Company may also make a profit-sharing contribution on a discretionary basis on behalf of all eligible participants, as defined in the Plan, whether or not they make an elective contribution for the Plan year. Profit-sharing contributions are based on the Company's profitability. Total profit sharing contributions remitted to the Plan during the year ended December 31, 2000 and for the period from December 16, 1999 to December 31, 1999 were \$680,956 and \$-0-, respectively. An eligible participant is one who is employed as of the actual date the contribution is made. Profit-sharing contributions are allocated based upon a participant's yearly eligible compensation as a percentage of total eligible compensation for that particular year.

Company contributions may be in the form of cash or Company common stock. If a contribution is in Company stock, such contribution shall be based on the fair market value of the Company common stock as of the day of delivery to the Trustee.

PARTICIPANT ACCOUNTS - Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and (b) Plan earnings. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account, including earnings thereon.

VESTING - All participants transferred from the Crane Co. Savings and Investment Plan into the Plan became fully vested in all pre-existing contributions upon establishment of the Plan on December 16, 1999. All participants transferred from the Rugby Plan and American Pine Plan into the Plan became fully vested in all pre-existing contributions on the

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above-indicated effective dates.

In general, participants' contributions and earnings thereon are fully vested upon entrance into the Plan. Vesting in Company matching and discretionary profit sharing contributions is based upon years of service. A participant is vested 20% after each year of service and becomes fully vested after five years of service.

LOANS - Participants may request loans from their individual accounts. A participant can borrow up to 50% of their total vested balance but not more than \$50,000, less the participant's highest outstanding loan balance during the prior twelve months. The minimum loan amount is \$1,000. Loan terms range from one to five years or up to ten years for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at the prime lending rate plus 2%. Interest rates on existing loans range from 8.00% to 11.50%. Principal and interest is paid ratably through monthly payroll deductions. Interest income on the loan fund is included as interest income in the participants' fund accounts based on their elected loan allocation.

BENEFIT DISTRIBUTIONS - Distributions to participants, in their entire interest of a participant's account balance, are payable upon retirement, death or permanent disability. Benefits, in the value of a participant's vested account balance, are payable upon any other termination of employment. Forfeitures of any contributions are used to reduce the next Company contribution.

FORFEITURES - Any amounts forfeited are allocated towards the employer matching contributions for the Plan year following the year the forfeiture occurs. For the period from December 16, 1999 (inception)

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to December 31, 1999 and the year ended December 31, 2000, forfeitures were \$-0- and \$174,634, respectively.

TAX STATUS - The Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting.

INVESTMENTS - All investments are stated at fair value of the underlying assets as determined by closing market prices.

Individual participants may elect to place their deferred or non-deferred contributions in the following funds: Dreyfus Premier Balanced A, Fidelity Advisors Growth Opportunity T, Huttig Company Stock, Oppenheimer Enterprise A, Prudential Jennison Growth Fund Z, Prudential Stock Index Fund Z and Putnam International Growth A. Individual participants may further elect among the following master trust investment accounts: Stable Value Fund and Stable Value Separate Account. As a result of the spin-off of the Company by Crane Co., all assets resulting from such transfer held within the Crane Co. Stock fund are held as a separate investment fund; however, participants are not permitted to direct any contributions to the



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Crane Co. Stock fund from and after the effective date of the Plan.

The matching Company contribution is invested directly in Huttig common stock. Additional profit sharing amounts may be contributed at the option of the Company's Board of Directors and are invested in Huttig common stock. Contributions are subject to certain limitations.

The cost value of participant loans is expected to approximate market value as the majority of the loans are limited to a five-year repayment schedule and interest rates within that time frame are not expected to fluctuate materially or to have a material effect on the financial statements.

NET APPRECIATION (DEPRECIATION) IN FAIR VALUE OF INVESTMENTS - Net appreciation (depreciation) in the fair value of investments includes realized gains and losses and unrealized appreciation and depreciation.

ADMINISTRATIVE EXPENSES - The assets of the Plan shall be used to pay benefits as provided in the Plan and, to the extent not paid directly by the Company, to pay the reasonable expenses of administering the Plan.

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

The Plan invests in various securities that, 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 plan benefits.

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### 3. INVESTMENTS

The Plan's investments which exceeded 5% of net assets available for benefits as of December 31, 2000 and 1999 are as follows:

	2000	1999
Investments at fair value:		
Prudential Jennison Growth Fund Z	\$ 14,119,577	\$ 6,905,142
Fidelity Advisors Growth Opportunity T	13,031,358	9,846,220
Stable Value Separate Account	12,211,214	--

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Stable Value Fund	12,104,243	5,629,389
Crane Company Stock	10,412,122	10,912,210
Oppenheimer Enterprise A	5,496,954	--
Prudential Stock Index Fund Z	5,093,851	--
Dreyfus Premier Balanced Fund A	4,518,115	4,386,806

During 2000 and for the period from December 16, 1999 to December 31, 1999, the Plan's investments (including realized capital gains and losses on investments bought and sold, as well as held during the period) (depreciated) appreciated in value as follows:

	YEAR ENDED 2000	PERIOD ENDED 1999
Net (depreciation)/appreciation in fair value:		
Crane Co. Stock	\$ 3,763,877	\$ 1,132,700
Huttig Common Stock	(372,402)	153,992
Dreyfus Premier Balanced Fund A	(242,796)	50,991
Fidelity Advisors Growth Opportunity T	(2,960,826)	312,311
Oppenheimer Enterprise A	(3,904,578)	7,347
Prudential Jennison Growth Fund Z	(4,535,587)	486,224
Prudential Stock Index Fund Z	(381,393)	67,711
Putnam International Growth A	(291,666)	6,123
Stable Value Fund	550,790	15,441
Stable Value Separate Account	424,340	--
	-----	-----
	\$ (7,950,241)	\$ 2,232,840
	=====	=====

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#### 4. NONPARTICIPANT-DIRECTED INVESTMENTS

Information about the net assets and the significant components of the changes in net assets relating to the nonparticipant-directed investment in Huttig common stock is as follows:

	2000	1999
Common stock	\$ 2,568,640	\$ 601,000
Employer contribution receivable	147,446	51,000
	-----	-----

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Net assets	\$ 2,716,086	\$ 653
	=====	=====
Change in net assets:		
Employer contributions	\$ 2,591,732	\$ 51
Dividends		447
Net appreciation (depreciation) in fair value of investments	(337,178)	153
Distributions to participants	(77,289)	
Transfers to alternate funding agencies	(114,675)	
	-----	-----
Net change in net assets	\$ 2,062,590	\$ 653
	=====	=====

5. PRIORITIES UPON PLAN TERMINATION

Although the Company has expressed no intent to do so, it has the right to terminate the Plan at any time by giving written notice of such termination to the plan administrator and custodian. In the event of complete or partial Plan termination, all amounts then credited to the accounts of the affected participants shall immediately be fully vested and nonforfeitable.

6. RELATED PARTY TRANSACTIONS

Certain Plan investments are invested in shares of funds managed by the Trustee. The Trustee is the custodian of the Plan assets, therefore, transactions involving these funds qualify as party-in-interest.

Because of its affiliation with the Plan, transactions involving the Huttig Common Stock fund qualify as party-in-interest.

7. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for plan benefits from the financial statements to Form 5500:

	YEAR ENDED 2000	PERI
Net assets available for benefits per Form 5500	\$ 84,749,437	\$ 41
Amounts for participant and employer contributions receivables	528,932	
	-----	-----
Net assets available for plan benefits per the financial statements	\$ 85,278,369	\$ 41
	=====	=====

At December 31, 2000, all participant and employer contributions receivables were recorded within the statement of changes in net assets available for plan benefits in the financial statements but were not reflected within Form 5500.

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8. PROHIBITED TRANSACTIONS

During 2000 and 1999, employee deferrals of \$1,481,117 and \$268,728, respectively, were withheld from certain payrolls and not remitted on a timely basis (as defined by the Department of Labor (the "DOL")) by the Company. All such deferrals have been remitted to the trust by the Company. These transactions were prohibited according to the provisions of the DOL.

9. SUBSEQUENT EVENTS

Subsequent to December 31, 2000, the domestic and international capital markets have experienced significant volatility with respect to certain investments and, as a result, Plan management believes that there has been significant fluctuations in the values of the Plan's investments.

In 2001, the Plan remitted to participants total excess payments of \$293,401 and \$36,095 in connection with the Actual Deferred Percentage (ADP) and Actual Compensation Percentage (ACP) non-discrimination tests performed for the fiscal year ended December 31, 2000, respectively.

During 2002, the Company underwent an audit by the DOL. The audit resulted in the Company reimbursing \$36,621 in lost earnings to employees relating to the delay in remitting contributions to the Plan.

Effective September 1, 2002, the Plan's investment fund options were revised to maintain an appropriate level of diversification of investment alternatives. Certain investment funds are no longer offered and all assets previously invested in such funds were transferred into new and/or existing fund offerings.

\* \* \* \* \*

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HUTTIG BUILDING PRODUCTS, INC.  
SAVINGS AND PROFIT SHARING PLAN

FORM 5500, SCHEDULE H, PART IV, LINE 4a  
SCHEDULE OF NONEXEMPT TRANSACTIONS  
DECEMBER 31, 2000

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IDENTITY OF PARTY INVOLVED	RELATIONSHIP OF PLAN EMPLOYER, OR OTHER PARTY-IN-INTEREST	DESCRIPTION OF TRANSACTIONS INCLUDING MATURITY DATE, RATE OF INTEREST, COLLATERAL, PAR OR MATURITY VALUE	PURCHASE PRICE	C
Huttig Buildings Products, Inc.	Plan Sponsor	Employee contributions not timely remitted to the Plan	\$1,481,117(a)	\$ 1,
Huttig Building Products, Inc.	Plan Sponsor	Employee contributions		

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not timely remitted  
to the Plan

268,728(b)

- (a) This represents the total amount of contributions that have been withheld from employees, but not remitted timely into the Plan by the Plan Sponsor for 2000.
- (b) This represents the total amount of contributions that have been withheld from employees, but not remitted timely into the Plan by the Plan Sponsor for 1999.

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HUTTIG BUILDING PRODUCTS, INC.  
SAVINGS AND PROFIT SHARING PLAN

FORM 5500, SCHEDULE H, PART IV, LINE 4i - SCHEDULE OF ASSETS  
HELD FOR INVESTMENT PURPOSES AT THE END OF THE YEAR  
DECEMBER 31, 2000

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IDENTITY OF ISSUE, BORROWER, LESSOR, OR SIMILAR PARTY	UNIT
Crane Company Stock	366,
*Huttig Company Stock (participant and nonparticipant directed, nonparticipant directed investment cost of \$2,899,478)	703,
Dreyfus Premier Balanced Fund A	309,
Fidelity Advisors Growth Opportunity T	381,
Oppenheimer Enterprise A	251,
*Prudential Jennison Growth Fund Z	774,
*Prudential Stock Index Fund Z	173,
Putnam International Growth A	141,
Stable Value Fund	411,
Stable Value Separate Account	1,180,
*Participant Loans (interest rates ranging from 8.00% to 11.50% and maturities ranging from 2001 - 2010)	
Other	
 Total investments	

\* Represents a party-in-interest to the Plan.

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SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act

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of 1934, the Trustees (or other persons who administer the employee benefit plan) have duly caused this Annual Report to be signed on its behalf by the undersigned hereunto duly authorized.

HUTTIG BUILDING PRODUCTS, INC.  
SAVINGS AND PROFIT SHARING PLAN

Date: June 30, 2003

By: /s/ Thomas D. Tenhula

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Thomas D. Tenhula  
Director of Human Resources  
Plan Administrator

EXHIBIT INDEX

Exhibit No. -----	Description -----
23.1	Consent of Deloitte & Touche LLP, independent certified public accountants.