

AMERICAN AXLE & MANUFACTURING HOLDINGS INC

Form 11-K

June 29, 2007

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549-1004  
FORM 11-K**

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

**For the fiscal year ended December 31, 2006**

**OR**

o **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.  
One Dauch Drive, Detroit, MI 48211-1198**

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

**(313) 758-2000**

**(Registrant's telephone number,  
including area code)**

**AMERICAN AXLE & MANUFACTURING, INC.  
PERSONAL SAVINGS PLAN FOR HOURLY-RATE ASSOCIATES  
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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

June 21, 2007

To the Participants and Plan Administrator

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

Detroit, Michigan

We have audited the accompanying statements of assets available for benefits of the American Axle & Manufacturing, Inc. Personal Savings Plan for Hourly-Rate Associates (the Plan ) as of December 31, 2006 and 2005, and the related statement of changes in assets available for benefits for the year ended December 31, 2006. 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 the standards of the Public Company Accounting Oversight Board (United States). 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 aforementioned financial statements present fairly, in all material respects, the assets available for benefits of the Plan as of December 31, 2006 and 2005, and the changes in assets available for benefits for the year ended December 31, 2006, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2, during the year ended December 31, 2006, the Plan changed its method of presentation of collective trust funds holding fully benefit-responsive investment contracts in accordance with the provisions of Financial Accounting Standards Board Staff Position AAG INV-1 and SOP 94-4-1, Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans.

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Participants and Plan Administrator

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

June 21, 2007

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (CONTINUED)**

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held for investment purposes as of December 31, 2006 is presented for purposes of complying with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended, and is not a required part of the basic financial statements. This 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 taken as a whole.

/s/ GEORGE JOHNSON & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Detroit, Michigan

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**AMERICAN AXLE & MANUFACTURING, INC.  
PERSONAL SAVINGS PLAN FOR HOURLY-RATE ASSOCIATES  
STATEMENTS OF ASSETS AVAILABLE FOR BENEFITS  
DECEMBER 31, 2006 AND 2005**

	<b>2006</b>	<b>2005</b>
<b>ASSETS:</b>		
Participant-directed investments:		
Investments, at fair value (Notes 2 and 3):		
Investments in registered investment companies	\$ 227,659,232	\$ 199,142,738
Common stock American Axle & Manufacturing Holdings, Inc.	4,212,085	3,365,009
Collective trust fund	36,823,678	37,209,297
Participant loans receivable	23,318,028	20,884,343
Total Investments	292,013,023	260,601,387
Receivables:		
Participant contributions	213,101	248,155
Total Assets Reflecting All Investments at Fair Value	292,226,124	260,849,542
Adjustment from fair value to contract value for fully benefit-responsive investment contracts (Note 3)	441,519	553,542
<b>TOTAL ASSETS AVAILABLE FOR BENEFITS</b>	<b>\$ 292,667,643</b>	<b>\$ 261,403,084</b>

See accompanying notes to financial statements.

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**AMERICAN AXLE & MANUFACTURING, INC.  
PERSONAL SAVINGS PLAN FOR HOURLY-RATE ASSOCIATES  
STATEMENT OF CHANGES IN ASSETS AVAILABLE FOR BENEFITS  
YEAR ENDED DECEMBER 31, 2006**

	<b>Participant- Directed Investments</b>
ADDITIONS:	
Participant contributions	\$ 17,640,651
Interest income on participant loans	1,121,353
Dividends	15,136,015
Net appreciation in fair value of investments (Note 3)	17,674,037
 Total Additions	 51,572,056
DEDUCTIONS:	
Benefits paid to participants	20,280,099
Administrative expenses	27,398
 Total Deductions	 20,307,497
 INCREASE IN ASSETS AVAILABLE FOR BENEFITS	 31,264,559
 ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	 261,403,084
 ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	 \$ 292,667,643

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, 2006 AND 2005 AND FOR THE YEAR ENDED DECEMBER 31, 2006**

**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 human resource department of American Axle & Manufacturing, Inc. (the Company ).

The Plan, established March 1, 1994, is a defined contribution plan covering substantially all U.S. employees of the Company and employees of the Company 's U.S. subsidiaries 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 various years beginning in 2008 through 2010. The Company may amend, modify, suspend, or terminate the Plan to the extent not precluded by the 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, as amended ( ERISA ).

**Contributions** - The Plan provides for each participant to contribute from 1% to 40% of his or her eligible earnings. Participant contributions may be made on a pre-tax or after-tax basis. Participants over age 50 were eligible to contribute an additional \$5,000 for the 2006 calendar year as a catch-up contribution. Certain limitations exist as defined in the Plan agreement as to maximum contribution amounts. Additionally, participants may transfer funds into the Plan from other qualified plans. Employee participation is voluntary.

**Vesting** - Each participant is fully vested in the assets credited to his or her account, and no portion of such account shall be subject to forfeiture.

**Investment Options** - Participants may direct investments to be split among 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 may range from a minimum of \$1,000 to a maximum of \$50,000 or 50% of the participant 's vested account balance, whichever is less.



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**AMERICAN AXLE & MANUFACTURING, INC.  
PERSONAL SAVINGS PLAN FOR HOURLY-RATE ASSOCIATES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2006 AND 2005 AND FOR THE YEAR ENDED DECEMBER 31, 2006**

**1. DESCRIPTION OF THE PLAN (CONTINUED)**

***Hardship Withdrawals*** - The Plan provides for early withdrawal of savings in the event of a participant's financial hardship. A financial hardship is considered to be those amounts necessary to prevent an eviction from, or mortgage foreclosure on, the participant's principal residence, extraordinary medical expenses for one or more members of the participant's immediate family not covered by insurance, post-secondary tuition for one or more members of the participant's immediate family, or the purchase or construction of a principal place of residence. A financial hardship exists only when funds are not reasonably available from the participant's other sources, and the amount withdrawn must not exceed the amount needed in the situation.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

***Change in Accounting Principle*** - In December 2005, the Financial Accounting Standards Board ( FASB ) issued FASB Staff Position ( FSP ) AAG INV-1 and SOP 94-4-1, Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans. Under this FSP, investment contracts held by a defined contribution plan, including collective trust funds holding investment contracts, are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. As required by the FSP, the statements of assets available for benefits present the fair value of the collective trust fund holding investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The statement of changes in assets available for benefits is prepared on a contract value basis. The provisions of the FSP have been retroactively applied to the accompanying 2005 financial statements. The application of the FSP has not impacted assets available for benefits as of December 31, 2006 or 2005.

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PERSONAL SAVINGS PLAN FOR HOURLY-RATE ASSOCIATES  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2006 AND 2005 AND FOR THE YEAR ENDED DECEMBER 31, 2006**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Valuation of Investments* - The Plan's investments are stated at fair value. The shares of registered investment companies and common stock, as well as the units of collective trust funds, are valued at quoted market prices that represent the asset value of the shares or units 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 GAAP 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.

**3. INVESTMENTS**

The fair value of individual investments that exceed five percent of the Plan's assets available for benefits is as follows as of December 31, 2006 and 2005:

	2006		2005	
	Number of Shares or Units	Fair Value	Number of Shares or Units	Fair Value
Fidelity Low-Priced Stock Fund	2,027,634.631	\$88,283,212	1,962,934.823	\$80,166,258
Spartan U.S. Equity Index Fund	1,147,202.638	57,566,628	1,170,924.689	51,708,034
Fidelity Managed Income Portfolio II Fund	37,265,197.490	36,823,678	37,762,839.130	37,209,297
Fidelity Diversified International Fund	806,853.858	29,813,250	709,990.449	23,103,089
Participant loans receivable	n/a	23,318,028	n/a	20,884,343
Fidelity Freedom 2020 Fund	970,326.770	15,069,175	890,328.897	13,096,738

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 PERSONAL SAVINGS PLAN FOR HOURLY-RATE ASSOCIATES  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 2006 AND 2005 AND FOR THE YEAR ENDED DECEMBER 31, 2006**

**3. INVESTMENTS (CONTINUED)**

The Plan's investment in the Fidelity Managed Income Portfolio II Fund includes wrapper contracts with a fair value of \$2,329 and \$7,442 as of December 31, 2006 and 2005, respectively.

For the year ended December 31, 2006, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

Common stock - American Axle & Manufacturing Holdings, Inc.	\$ 206,656
Investments in registered investment companies	17,467,381
Net Appreciation in Value	\$ 17,674,037

As of December 31, 2006 and 2005, the Plan held the following investments with various parties-in-interest:

	<b>2006</b>	<b>2005</b>
Registered investment companies managed by Fidelity Management Trust Company ( Fidelity )	\$ 207,630,212	\$ 182,237,833
Collective trust fund managed by Fidelity (at contract value)	37,265,197	37,762,839
Common stock - American Axle & Manufacturing Holdings, Inc.	4,212,085	3,365,009
Participant loans receivable	23,318,028	20,884,343
	\$ 272,425,522	\$ 244,250,024

**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 his or her total account balance as of the date of termination.

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DECEMBER 31, 2006 AND 2005 AND FOR THE YEAR ENDED DECEMBER 31, 2006**

**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 as of December 31, 2006 and 2005 are managed by Fidelity, the trustee and custodian of the Plan. Such investments fall within the investment guidelines of the Plan and are considered parties-in-interest. See Note 3 for investments held by the Plan with various parties-in-interest.

**6. INCOME TAX STATUS**

The Plan obtained its latest determination letter on July 18, 2002, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code ( IRC ). The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe that the Plan is currently designed and 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. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500**

The following is a reconciliation of assets available for benefits from the financial statements to Form 5500 as of December 31, 2006:

Assets available for benefits, financial statements	\$ 292,667,643
Less: Adjustment to reflect fully benefit-responsive investment contracts at fair value	(441,519)
 Assets Available for Benefits, Form 5500	 \$ 292,226,124

The collective trust fund, which holds fully benefit-responsive investment contracts, is adjusted to contract value in the accompanying financial statements. Such investments are required to be reported at fair value on Form 5500.

The following amounts recorded on Form 5500 are not recorded on the financial statements:

Net investment loss from common and collective trusts	\$ (441,519)
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2006 AND 2005 AND FOR THE YEAR ENDED DECEMBER 31, 2006**

**8. NEW ACCOUNTING PRONOUNCEMENTS**

The FASB has issued Statement of Financial Accounting Standards ( SFAS ) No. 157, Fair Value Measurements, and SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities Including an Amendment of FASB Statement No. 115. SFAS No. 157 defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and expands disclosures about fair value measurements. SFAS No. 159 provides entities with the option of recording many financial instruments and certain other items at fair value and further modifies disclosure requirements regarding such fair values. SFAS No. 157 and SFAS No. 159 apply to the Plan s financial statements for the year ending December 31, 2008. The Plan has not determined the impact, if any, on its financial statements of implementing these Statements.

The FASB has also issued FASB Interpretation ( FIN ) No. 48, Accounting for Uncertainty in Income Taxes. FIN No. 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise s financial statements in accordance with SFAS No. 109, Accounting for Income Taxes, prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. FIN No. 48 applies to the Plan s financial statements for the year ending December 31, 2007. The Plan s management does not anticipate the implementation of this Interpretation to have any impact on the Plan s financial statements.

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**SUPPLEMENTAL SCHEDULE**

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<b>Party-in-Interest</b>	<b>Identity of Issue, Borrower, Lessor, or Similar Party</b>	<b>Description of Investment (Including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value)</b>	<b>Cost</b>	<b>Current Value</b>
	Registered Investment Companies: Managed by Fidelity Management Trust Company:			
*	Fidelity Low-Priced Stock Fund	2,027,634.631 shares	(a)	\$ 88,283,212
*	Fidelity Diversified International Fund	806,853.858 shares	(a)	29,813,250
*	Fidelity Freedom Income Fund	198,234.503 shares	(a)	2,287,626
*	Fidelity Freedom 2000 Fund	24,197.673 shares	(a)	301,503
*	Fidelity Freedom 2010 Fund	224,262.054 shares	(a)	3,278,711
*	Fidelity Freedom 2020 Fund	970,326.770 shares	(a)	15,069,175
*	Fidelity Freedom 2030 Fund	542,077.082 shares	(a)	8,689,496
*	Fidelity Freedom 2040 Fund	246,899.854 shares	(a)	2,340,611
*	Spartan U.S. Equity Index Fund	1,147,202.638 shares	(a)	57,566,628
				207,630,212
	Other:			
	PIMCO Total Return Institutional Class Fund	1,009,974.420 shares	(a)	10,483,534
	PIMCO High Yield Institutional Class Fund	415,245.789 shares	(a)	4,106,781
	Domini Social Equity R Fund	109,347.272 shares	(a)	1,382,150
	Munder Small Cap Value Y Class Fund	77,352.002 shares	(a)	2,272,602
	American Beacon Small Cap Value Institutional Class Fund	82,475.856 shares	(a)	1,783,953
				227,659,232
	Common Stock:			
*	American Axle & Manufacturing Holdings, Inc.	221,805.399 shares	(a)	4,212,085
	Collective Trust Fund:			

*	Fidelity Managed Income Portfolio II Fund (including wrapper contracts)	37,265,197.490 units	(a)	36,823,678
Participant Loans Receivable:				
*	Plan participants	Loans receivable; interest rates ranged from 7.25 percent to 8.25 percent during 2006	\$ -0-	23,318,028
				\$ 292,013,023

(a) - These are participant-directed investments; therefore, the cost is not required to be reported.

There were no investment assets reportable as acquired and disposed of during the year ended December 31, 2006.



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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 hereunto duly authorized.

This information shall not be deemed filed for purposes of the Securities Exchange Act of 1934 (the Exchange Act ), or incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act.

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

June 28, 2007

/s/ Michael K. Simonte

Michael K. Simonte  
Vice President Finance & Chief Financial  
Officer  
American Axle & Manufacturing Holdings,  
Inc.

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