

AMERICAN AXLE & MANUFACTURING HOLDINGS INC

Form 11-K

June 28, 2006

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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, 2005

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 19, 2006

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, 2005 and 2004, and the related statement of changes in assets available for benefits for the year ended December 31, 2005. 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, 2005 and 2004, and the changes in assets available for benefits for the year ended December 31, 2005, 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 of assets held for investment purposes as of December 31, 2005 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, 2005 AND 2004**

	2005	2004
ASSETS:		
Participant-directed investments:		
Investments, at fair value (Notes 2 and 3):		
Investments in registered investment companies	\$ 199,142,738	\$ 182,769,075
Common stock American Axle & Manufacturing Holdings, Inc.	3,365,009	4,640,569
Collective trust fund	37,762,839	37,179,257
Total Investments, at Fair Value	240,270,586	224,588,901
Investments, at cost (Note 2):		
Participant loans receivable	20,884,343	18,199,714
Total Investments	261,154,929	242,788,615
Receivables:		
Participant contributions	248,155	236,992
TOTAL ASSETS AVAILABLE FOR BENEFITS	\$ 261,403,084	\$ 243,025,607

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, 2005**

	Participant- Directed Investments
ADDITIONS:	
Participant contributions	\$ 21,416,696
Interest income on participant loans	934,311
Dividends	9,712,151
Net appreciation in fair value of investments (Note 3)	4,157,451
 Total Additions	 36,220,609
DEDUCTIONS:	
Benefits paid to participants	17,816,814
Administrative expenses	26,318
 Total Deductions	 17,843,132
 INCREASE IN ASSETS AVAILABLE FOR BENEFITS	 18,377,477
 ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	 243,025,607
 ASSETS AVAILABLE FOR BENEFITS, END OF YEAR	 \$ 261,403,084

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, 2005 AND 2004 AND FOR THE YEAR ENDED DECEMBER 31, 2005**

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 employees of the Company and 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 2008. 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. The employee contributions may be made on a pre-tax or after-tax basis. Employees over age 50 may contribute an additional \$4,000 for the 2005 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.

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**AMERICAN AXLE & MANUFACTURING, INC.
PERSONAL SAVINGS PLAN FOR HOURLY-RATE ASSOCIATES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005 AND 2004 AND FOR THE YEAR ENDED DECEMBER 31, 2005**

1. DESCRIPTION OF THE PLAN (CONTINUED)

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%, whichever is less, of the participant's vested account balance.

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).

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.

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**AMERICAN AXLE & MANUFACTURING, INC.
 PERSONAL SAVINGS PLAN FOR HOURLY-RATE ASSOCIATES
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2005 AND 2004 AND FOR THE YEAR ENDED DECEMBER 31, 2005**

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, 2005 and 2004:

	2005	2004
Fidelity Low-Priced Stock Fund	\$80,166,258	\$76,967,099
Spartan U.S. Equity Index Fund	51,708,034	50,311,653
Fidelity Managed Income Portfolio II Fund	37,762,839	37,179,257
Fidelity Diversified International Fund	23,103,089	18,487,862
Participant loans receivable	20,884,343	18,199,714
Fidelity Freedom 2020 Fund	13,096,738	11,806,839

For the year ended December 31, 2005, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated/(depreciated) in value as follows:

Common stock - American Axle & Manufacturing Holdings, Inc.	\$ (1,962,551)
Investments in registered investment companies	6,120,002

Net Appreciation in Value	\$ 4,157,451
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As of December 31, 2005 and 2004, the Plan held the following investments with various parties-in-interest:

	2005	2004
Registered investment companies managed by Fidelity Management Trust Company (Fidelity)	\$ 182,237,833	\$ 169,117,132
Collective trust fund managed by Fidelity	37,762,839	37,179,257
Common stock - American Axle & Manufacturing Holdings, Inc.	3,365,009	4,640,569
Participant loans receivable	20,884,343	18,199,714
	\$ 244,250,024	\$ 229,136,672

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**AMERICAN AXLE & MANUFACTURING, INC.
PERSONAL SAVINGS PLAN FOR HOURLY-RATE ASSOCIATES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005 AND 2004 AND FOR THE YEAR ENDED DECEMBER 31, 2005**

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.

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, 2005 and 2004 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.

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SUPPLEMENTAL SCHEDULE

Table of Contents**AMERICAN AXLE & MANUFACTURING, INC.****PERSONAL SAVINGS PLAN FOR HOURLY-RATE ASSOCIATES****(Federal Employer Identification Number: 38-3138388; Plan Number: 004)****SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES (Form 5500, Schedule H, Item 4i)****DECEMBER 31, 2005**

Party-in-Interest	Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment (Including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value)	Cost	Current Value
	Registered Investment Companies: Managed by Fidelity Management Trust Company:			
*	Fidelity Low-Priced Stock Fund	1,962,934.823 shares	(a)	\$80,166,258
*	Fidelity Diversified International Fund	709,990.449 shares	(a)	23,103,089
*	Fidelity Freedom Income Fund	167,158.105 shares	(a)	1,900,588
*	Fidelity Freedom 2000 Fund	30,845.706 shares	(a)	376,626
*	Fidelity Freedom 2010 Fund	202,301.374 shares	(a)	2,842,335
*	Fidelity Freedom 2020 Fund	890,328.897 shares	(a)	13,096,738
*	Fidelity Freedom 2030 Fund	476,729.472 shares	(a)	7,160,477
*	Fidelity Freedom 2040 Fund	213,328.151 shares	(a)	1,883,688
*	Spartan U.S. Equity Index Fund	1,170,924.689 shares	(a)	51,708,034
				182,237,833
	Other:			
	PIMCO Total Return Institutional Class Fund	1,043,787.921 shares	(a)	10,959,773
	PIMCO High Yield Institutional Class Fund	284,086.638 shares	(a)	2,761,322
	Domini Social Equity R Fund	112,471.761 shares	(a)	1,273,180
	Munder Small Cap Value Y Class Fund	38,075.459 shares	(a)	1,046,694

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	42,349.820	(a)	
American Beacon Small Cap Value Institutional Class Fund	shares		863,936
			199,142,738
Common Stock:			
* American Axle & Manufacturing Holdings, Inc.	183,579.337	(a)	3,365,009
	shares		
Collective Trust Fund:			
* Fidelity Managed Income Portfolio II Fund	37,762,839.130	(a)	37,762,839
	units		
Participant Loans Receivable:			
* Plan participants	Loans receivable; interest rates ranged from 5.15 percent to 6.59 percent during 2005	\$ -0-	20,884,343
			\$261,154,929

(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, 2005.

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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, 2006

/s/ Michael K. Simonte

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

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