# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION

## FORM 10-K

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2002**

# AMPCO-PITTSBURGH CORPORATION

| | |
|---|---|
| **Pennsylvania**<br>(State of Incorporation) | **25-1117717**<br>I.R.S. Employer ID No. |
| **600 Grant Street, Suite 4600**<br>**Pittsburgh, PA 15219**<br>(Address of principal executive offices) | **412/456-4400**<br>(Registrant's telephone number) |

**Securities registered pursuant to Section 12(b) of the Act:**

| Title of each class | Name of each exchange on which registered |
|---|---|
| Common stock, $1 par value | New York Stock Exchange<br>Philadelphia Stock Exchange |
| Series A Preference Stock Purchase Rights | New York Stock Exchange<br>Philadelphia Stock Exchange |

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YesxNoo

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.x

As of March 4, 2003, 9,632,497 common shares were outstanding. The aggregate market value of the voting stock of Ampco-Pittsburgh Corporation held by non-affiliates on June 28, 2002 (based upon the closing price of these shares on the New York Stock Exchange) was approximately $79 million.

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act).

YesxNoo

**PART I**

**ITEM 1 - BUSINESS**

**(a) GENERAL DEVELOPMENT OF BUSINESS**

Ampco-Pittsburgh Corporation (the "Corporation") was incorporated in Pennsylvania in 1929.

The Corporation classifies it's businesses in three segments – Forged and Cast Rolls, Air and Liquid Processing, and Plastics Processing Machinery.

In 2002, Formet Ltd., the small forging operation in the United Kingdom, which was included in the Forged and Cast Rolls segment, was sold. The Corporation continues to evaluate the businesses it operates to ensure that they meet the long term objectives of achieving maximum shareholder value.

The Corporation, individually or together with its consolidated subsidiaries, is also referred to herein as the Registrant.

**(b) FINANCIAL INFORMATION ABOUT SEGMENTS**

The sales and operating profit of the Corporation's three segments and the identifiable assets attributable to each segment for the three years ended December 31, 2002 are set forth in Note 18 (Business Segments) on page 25 of the Annual Report to Shareholders for the year ended December 31, 2002, which is incorporated herein by reference.

**(c) NARRATIVE DESCRIPTION OF BUSINESS**

**Forged and Cast Rolls Segment**

**Union Electric Steel Corporation** produces forged hardened steel rolls for producers of steel, aluminum and other metals throughout the world. It is headquartered in Carnegie, Pennsylvania with three manufacturing facilities in Pennsylvania and one in Indiana. Union Electric Steel Corporation is considered one of the largest producers of forged hardened steel rolls in the world. In addition to several domestic competitors, several major European, South American and Japanese manufacturers also compete in both the domestic and foreign markets.

**The Davy Roll Company Limited** produces cast rolls for hot and cold strip mills, medium/heavy section mills and plate mills in a variety of iron and steel qualities. It is located in Gateshead, England and is a major European supplier of cast rolls to the metal working industry worldwide. It primarily competes with one British company and several European and American companies in both the domestic and foreign markets.



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**Air and Liquid Processing Segment**

**Aerofin Corporation** produces finned tube and plate finned heat exchange coils for the commercial and industrial construction, process and utility industries and is headquartered in Lynchburg, Virginia.

**Buffalo Air Handling Company** produces large standard and custom air handling systems used in commercial, institutional and industrial buildings and is headquartered in Amherst, Virginia.

**Buffalo Pumps, Inc**. manufactures a line of centrifugal pumps for the refrigeration, power generation and marine defense industries and is headquartered in North Tonawanda, New York.

All three of the companies in this segment compete with several major competitors.

**Plastics Processing Machinery Segment**

**New Castle Industries, Inc**. and its subsidiaries primarily produce feed screws, barrels and chill rolls for use principally in the plastics processing industry and is headquartered in New Castle, Pennsylvania. The New Castle Industries group competes with a number of small regional companies.

F. R. Gross Company, located in Stow, Ohio, manufactures heat transfer rolls and chill rolls for use by original equipment machinery manufacturers and processors principally serving the plastics industry but also the paper, packaging, printing and converting industries. Keystone Rolls Company manufactures heat transfer rolls for the sheet, film, paper coating and textile industries. Both of these companies compete with a number of small regional companies.

In all three segments, the products are dependent on engineering, principally custom designed and are sold to sophisticated commercial and industrial users in the United States and countries outside of the United States.

No one customer’s purchases in any segment were material to the Corporation. Contracts that may be subject to renegotiation or termination are not material to the Corporation. The Corporation’s businesses are not seasonal but are subject to the cyclical nature of the industries and markets served.

For additional information on the products produced and financial information about each segment, see page 4 and Note 18 (Business Segments) on page 25 of the Annual Report to Shareholders for the year ended December 31, 2002, which are incorporated herein by reference.



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**Raw Materials**

Raw materials used in all segments are generally available from many sources and the Corporation is not dependent upon any single supplier for any raw material. Certain of the raw materials used by the Corporation have historically been subject to variations in price. The Corporation generally does not purchase or arrange for the purchase of a major portion of raw materials significantly in advance of the time it requires them.

**Patents**

While the Corporation holds some patents, trademarks and licenses, in the opinion of management, they are not material to any segment of the Corporation’s business other than in protecting the goodwill associated with the names under which products are sold.

**Working Capital**

Each of the Corporation’s businesses maintains levels of inventory, which generally reflect normal requirements and are believed to reflect the practices of its industries. Production in all segments is generally to custom order and requires inventory levels of raw materials or semi-finished products with only a limited level of finished products. The Corporation extends credit terms consistent with practices of the industries served.

**Backlog**

The backlog of orders at December 31, 2002 was approximately $106,088,000 compared to a backlog of $107,608,000 at year-end 2001. Most of those orders are expected to be filled in 2003.

**Competition**

The Corporation faces considerable competition from a large number of companies in each segment. The Corporation believes, however, that it is a significant factor in each of the principal markets which it serves. Competition in all segments is based on quality, service, price and delivery.

**Research and Development**

As part of an overall strategy to develop new markets and maintain leadership in each of the industry niches served, each of the Corporation’s businesses in all three



segments incur expenditures for research and development. The activities that are undertaken are designed to develop new products, improve existing products and processes, enhance product quality, adapt products to specific customer requirements and reduce costs. In the aggregate, these expenditures approximate $1,000,000 per year.

**Environmental Protection Compliance Costs**

Expenditures for environmental control matters were not material to any segment in 2002 and such expenditures are not expected to be material in 2003.

**Employees**

In December 2002, the Corporation had 1,448 active employees.

**Available Information**

The Corporation's website can be found at www.ampcopittsburgh.com. The Corporation makes available free of charge on or through our internet website, access to our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after such material is filed, or furnished, to the Securities and Exchange commission.

**(d) FINANCIAL INFORMATION ABOUT GEOGRAPHIC AREAS**

The Forged and Cast Rolls segment has a manufacturing operation in the United Kingdom and a European sales and engineering support group in Belgium. For financial information relating to foreign and domestic operations see Note 18 (Business Segments) on page 25 of the Annual Report to Shareholders for the year ended December 31, 2002, which is incorporated herein by reference.



**ITEM 2 - PROPERTIES**

The location and general character of the principal locations in each of the three segments, all of which are owned unless otherwise noted, are as follows:

| Company and Location | Principal Use | Approximate Square Footage | Type of Construction |
|---|---|---|---|
| **Forged and Cast Rolls Segment** | | | |
| **Union Electric Steel Corp.** | | | |
| Route 18<br>Burgettstown, PA 15021 | Manufacturing facilities | 186,000 on 55 acres | Metal and steel |
| 726 Bell Street<br>Carnegie, PA 15106 | Manufacturing facilities and offices | 153,000 on 5 acres | Metal and steel |
| U.S. Highway 30<br>Valparaiso, IN 46383 | Manufacturing facilities | 88,000 on 20 acres | Metal and steel |
| 1712 Greengarden Road<br>Erie, PA 16501 | Manufacturing facilities | 40,000* | Metal and steel |
| Industrie Park<br>B-3980 Tessenderlo<br>Belgium | Sales and engineering offices | 4,500* | Cement block |
| **The Davy Roll Company** | | | |
| Gateshead Division<br>Coulthards Lane<br>Gateshead, England | Manufacturing facilities and offices | 274,000 on 12 acres | Steel framed, metal and brick |



| Company and Location | Principal Use | Approximate Square Footage | Type of Construction |
|---|---|---|---|

**Air and Liquid Processing Segment**

| | | | |
|---|---|---|---|
| **Aerofin Corporation** | | | |
| 4621 Murray Place Lynchburg, VA 24506 | Manufacturing facilities and offices | 146,000 on 15.3 acres | Brick, concrete and steel |
| **Buffalo Air Handling Company** | | | |
| Zane Snead Drive Amherst, VA 24531 | Manufacturing facilities and offices | 89,000 on 19.5 acres | Metal and steel |
| 12740 Lynchburg Salem Turnpike Forest, VA | Assembly facility | 16,240* | Metal and steel |
| **Buffalo Pumps, Inc.** | | | |
| 874 Oliver Street N. Tonawanda, NY 14120 | Manufacturing facilities and offices | 94,000 on 7 acres | Metal, brick and cement block |
| **Plastics Processing Machinery Segment** | | | |
| **Atlantic Grinding &Welding, Inc.** | | | |
| 9 Ricker Avenue Londonderry, NH 03053 | Manufacturing facilities and offices | 19,000 on 2.6 acres | Metal and Steel |
| **Bimex Industries, Inc.** | | | |
| 319 Universal Street Wales, WI 53183 | Manufacturing facilities and offices | 33,500 on 7.8 acres | Metal and steel |
| **F. R. Gross Co., Inc.** | | | |
| 1397 Commerce Drive Stow, OH 44224 | Manufacturing facilities and offices | 25,300 on 4.2 acres | Masonry, metal and steel |
| **Keystone Rolls Company, Inc.** | | | |
| 40 Council Avenue Wheatland, PA 16161 | Manufacturing facilities and offices | 25,000 on 4.5 acres | Metal and steel |



* Facility is leased.

The Corporate office space is leased as are several small sales offices. All of the owned facilities are adequate and suitable for their respective purposes.

The Corporation estimates that all of its facilities were operated within 65% to 90% of their normal capacity during 2002. Normal capacity is defined as capacity under approximately normal conditions with allowances made for unavoidable interruptions, such as lost time for repairs, maintenance, breakdowns, set-up, failure, supply delays, labor shortages and absences, Sundays, holidays, vacation, inventory taking, etc. The number of work shifts is also taken into consideration.



**ITEM 3 - LEGAL PROCEEDINGS**

The Corporation and its subsidiaries are involved in various claims and lawsuits incidental to their businesses. In addition, claims have been asserted alleging personal injury from exposure to asbestos-containing components historically used in some products of certain of the Corporation’s subsidiaries. As of December 31, 2002, those subsidiaries, and in some cases, the Corporation, were defendants (among a number of defendants, typically over 50 and often over 100) in cases filed in various state and federal courts involving approximately 16,339 claimants. Most of the claims were made in a small number of lawsuits filed in Mississippi in 2002. The filings do not typically identify specific products as a source of asbestos exposure. The Corporation’s aggregate gross settlement costs, including defense costs, in 2002 were approximately $420,000, substantially all of which was paid by insurance. Eight cases, involving 17 claimants, have been dismissed in 2002 without any payment.

On February 7, 2003, Utica Mutual Insurance Company (“Utica”) filed a lawsuit in the Supreme Court of the State of New York, County of Oneida against the Corporation and certain of the subsidiaries named in the underlying asbestos actions (the “Policyholder Defendants”) and three other insurance carriers that provided primary coverage to the Corporation (the “Insurer Defendants”). In the lawsuit, Utica has alleged (i) it has no coverage obligation for years where the Policyholder Defendants cannot establish the existence of insurance contracts or coverage, where exposure occurred outside of the Utica policy periods or with respect to allegedly excluded products; (ii) the Policyholder Defendants breached the insurance contracts; and (iii) the Insurer Defendants have defense and indemnity obligations under insurance contracts they have issued to the Policyholder Defendants. Utica is seeking a declaratory judgment from the court on these issues and recoupment of amounts it has already paid. Although the outcome of this action cannot be predicted with certainty, the Corporation believes that the lawsuit ultimately should benefit all parties by defining the obligations of Utica and the Insurer Defendants to the Corporation and that the majority of the defense and indemnity costs of the pending cases ultimately will be covered by the appropriate insurance policies.

Based on the Corporation’s claims experience to date, insurance coverage and the identity of the subsidiaries that are named in the cases, the Corporation believes that the pending legal proceedings will not have a material adverse effect on its consolidated financial condition or liquidity. The outcome of any of the particular lawsuits, however, could be material to the consolidated results of operations of the period in which the costs, if any, are recognized. There can be no assurance that the Corporation or certain of its subsidiaries will not be subjected to significant additional claims in the future or that the Corporation's or its subsidiaries' ultimate liability with respect to these claims will not present significantly greater and longer lasting financial exposure than presently contemplated. Although it is probable that future costs will be incurred, the amounts cannot reasonably be estimated. Accordingly, the Corporation has not made an accrual for such costs in its financial statements. In addition, the Corporation has recently retained a law firm to advise it on all matters pertaining to these asbestos cases. As a result, the Corporation incurred uninsured legal costs approximating $400,000 in 2002 and expects that such costs may exceed $1 million in 2003.

With respect to environmental matters, the Corporation is currently performing certain remedial actions in connection with the sale of real estate previously owned and has been named a Potentially Responsible Party at one third-party landfill site used by a division which was previously sold. Environmental exposures are difficult to assess and estimate for numerous reasons including lack of reliable data, the multiplicity of possible solutions, the years of remedial and monitoring activity required, and identification of new sites. While it is not possible to quantify with certainty the environmental exposure, in the opinion of management, the potential liability for all environmental proceedings, based on information known to date and the estimated quantities of waste at these sites, will not have a material adverse effect on the financial condition, results of operations or liquidity of the Corporation.

**ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLD**

No matter was submitted to a vote of security holders during the fourth quarter.



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**PART II**

**ITEM 5 - MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS**

The information called for by this item is set forth on pages 26 and 27 of the Annual Report to Shareholders for the year ended December 31, 2002 which is incorporated herein by reference.

**ITEM 6 - SELECTED FINANCIAL DATA**

The information called for by this item is set forth on page 27 of the Annual Report to Shareholders for the year ended December 31, 2002, which is incorporated herein by reference.

**ITEM 7 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION**

The information called for by this item is set forth on pages 6 through 10 of the Annual Report to Shareholders for the year ended December 31, 2002, which are incorporated herein by reference.

**ITEM 7A - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

The information called for by this item is set forth in Note 11 (Financial Instruments) on pages 22 and 23 and Results of Operations on pages 6 through 10 of the Annual Report to Shareholders for the year ended December 31, 2002, which is incorporated herein by reference.

**ITEM 8 - FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

The information called for by this item is set forth on pages 11 through 26 of the Annual Report to Shareholders for the year ended December 31, 2002, which are incorporated herein by reference.

**ITEM 9 - CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

There were none.



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**PART III**

**ITEM 10 - DIRECTORS and EXECUTIVE OFFICERS**

**(a) IDENTIFICATION OF DIRECTORS**

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**Louis Berkman** (age 94, Director since 1960; current term expires in 2005). He has been Chairman of the Board of the Corporation and Chairman of the Executive Committee of the Corporation for more than five years. He is also Chairman and a director of The Louis Berkman Investment Company (steel products, fabricated metal products, building and industrial supplies). (2)

**Leonard M. Carroll** (age 60, Director since 1996; current term expires in 2004). He has been Managing Director of Seneca Capital Management, Inc. (a private investment company) for more than five years. (2)(3)

**William D. Eberle** (age 79, Director since 1982; current term expires in 2003). He is a private investor and consultant and is Chairman of Manchester Associates, Ltd. He is also a director of Mitchell Energy & Development Co., America Service Group and Konover Property Trust. (N)(3)

**Paul A. Gould** (age 57, Director since 2002; current term expires in 2003). He has been for more than five years managing director of Allen & Co., Inc., an investment banking company. He is also a director of Liberty Media Corporation and On-command Corporation. (N)

**Robert A. Paul** (age 65, Director since 1970; current term expires in 2003). He has been President and Chief Executive Officer of the Corporation for more than five years. He is also President and a director of The Louis Berkman Investment Company and director of National City Corporation. (N)(2)

**Laurence E. Paul** (age 38, Director since 1998; current term expires in 2004). He is a managing principal of Laurel Crown Capital, a private investment company since 2002. From 2001 to 2002 he was a Vice President of The Louis Berkman Company. From 1995 to February 2001 he served in various capacities, including as a Managing Director, of Donaldson, Lufkin & Jenrette (Investment Banker). The firm was bought by Credit Suisse First Boston in

2000. He is also a director of Biovail Corporation.



**(a) IDENTIFICATION OF DIRECTORS (cont')**

**Stephen E. Paul** (age 35, Director since 2002; current term expires in 2005). He is a managing principal of Laurel Crown Capital, a private investment company since 2002. From 2001 to 2002 he was a Vice President of The Louis Berkman Company. From 1998 to 2001 he was Vice President of Business Development for eToys, Inc.

**Carl H. Pforzheimer, III** (age 66, Director since 1982; current term expires in 2005). For more than five years he has been Managing Partner of Carl H. Pforzheimer & Co. (member of the New York and American Stock Exchanges). (3)

(N) Nominee for election at the April 22, 2003 Annual Meeting of Shareholders.

(1) Officers serve at the discretion of the Board of Directors.

(2) Member of Executive Committee.

(3) Member of Audit, Salary, Stock Option and Nominating Committees.

**(b) IDENTIFICATION OF EXECUTIVE OFFICERS**

In addition to Louis Berkman, Robert A. Paul and Ernest G. Siddons (see "Identification of Directors" above) the following are also Executive Officers of the Corporation:

**Rose Hoover** (age 47). She has been a Vice President of the Corporation since June 1999 and has been Secretary for more than five years. For more than five years before June 1999, she was Manager of Real Property and Environmental Control.

**Marliss D. Johnson** (age 38). She has been Vice President, Controller and Treasurer of the Corporation since July 1999. For five years before July 1999, she was a Senior Manager with PricewaterhouseCoopers LLP (a public accounting firm).

**Terrence W. Kenny** (age 43). He has been Group Vice President of the Corporation since February 1999 and was Vice President Corporate Development & Planning from April 1998 to February 1999. For five years prior to 1998, he was Vice President and Treasurer of Buffalo Pumps, Inc., a subsidiary of the Corporation.

(1) Officers serve at the discretion of the Board of Directors and none of the listed individuals serve as a director of a public company.



**(c) IDENTIFICATION OF CERTAIN SIGNIFICANT EMPLOYEES**

None.

**(d) FAMILY RELATIONSHIPS**

Louis Berkman is the father-in-law of Robert A. Paul, and grandfather of Laurence E. Paul and Stephen E. Paul (sons of Robert A. Paul). There are no other family relationships among the Directors and Executive Officers.



**ITEM 11 - EXECUTIVE COMPENSATION**

The following table sets forth certain information as to the total remuneration received for the past three years by the five most highly compensated executive officers of the Corporation, including the Chief Executive Officer (the "Named Executive Officers"):

**SUMMARY COMPENSATION TABLE**
Annual Compensation

| (a) Name and Principal Position | (b) Year | (c) Salary ($) | (d) Bonus ($) | (e) Other Annual Compensation ($) (1) | (g) Securities Underlying Options(#)(2) |
|---|---|---|---|---|---|
| **Robert A. Paul** | 2002 | 400,000 | 60,000 | 3,333 | |
| President and Chief | 2001 | 400,000 | 0 | 822 | |
| Executive Officer | 2000 | 375,000 | 63,750 | 1,584 | 60,000 |
| **Louis Berkman** | 2002 | 300,000 | 0 | 739 | |
| Chairman of the Board | 2001 | 400,000 | 0 | 1,645 | |

| | | | | | |
|---|---|---|---|---|---|
| and Executive Committee | 2000 | 375,000 | 63,750 | 978 | 60,000 |
| **Ernest G. Siddons** | 2002 | 370,000 | 55,500 | 1,582 | |
| Executive Vice President | 2001 | 360,000 | 0 | 2,131 | |
| and Chief Operating | 2000 | 336,000 | 57,120 | 1,336 | 50,000 |
| Officer | | | | | |
| **Terrence W. Kenny** | 2002 | 146,000 | 36,500 | 1,183 | |
| Group Vice President | 2001 | 140,000 | 38,500 | 134 | |
| | 2000 | 120,000 | 30,000 | 282 | 12,500 |
| **Robert F. Schultz** | 2002 | 158,000 | 15,000 | 26,777(3) | |
| Vice President | 2001 | 153,000 | 0 | 21,190(3) | |
| Industrial Relations | 2000 | 47,000 | 18,000 | 23,767(3) | 10,000 |
| and Senior Counsel | | | | | |

(1) Unless otherwise noted, amount represents reimbursement of taxes in connection with a medical reimbursement plan.
(2) Options granted in April 2000 and exercisable in June 2000.
(3) Mr. Schultz was the only individual in the compensation table whose total value of personal benefits exceeded the reporting threshold. Of the total value reported for 2002, 2001 and 2000, the value attributable to the personal use of a company provided vehicle was $8,554,$8,098 and $7,177 respectively.



**(b) COMPENSATION PURSUANT TO PLANS**

**Stock Option Plan**

The Corporation’s 1997 Stock Option Plan, as amended, permits the grant of options exercisable for shares of Common Stock to corporate officers and other key employees of the Corporation and its subsidiaries upon such terms, including exercise price and conditions and timing of exercise, as may be determined by the Stock Option Committee. The Stock Option Plan authorizes the grants of awards up to a maximum of 600,000 shares of the Corporation’s Common Stock, however, the maximum number of Shares with respect to which stock options may be granted to any one Participant in any fiscal year may not exceed 150,000. No options were granted in 2002.

**Aggregated Option Exercises in Last Fiscal Year and Fiscal Year End Option Values**

| Name | Shares Acquired on Exercise (#) | Value Realized ($) | Number of Securities Underlying Unexercised Options at Fiscal Year End(#) | Value of Unexercised In-the-Money Options at Fiscal Year End($) Exercisable/Unexercisable |
|---|---|---|---|---|
| Robert A. Paul | 0 | 0 | 120,000/0 | 210,450/0 |
| Louis Berkman | 0 | 0 | 120,000/0 | 210,450/0 |
| Ernest G. Siddons | 20,000 | $ 42,019 | 80,000/0 | 132,175/0 |
| Robert F. Schultz | 0 | 0 | 30,000/0 | 56,675/0 |
| Terrence W. Kenny | 0 | 0 | 25,000/0 | 43,844/0 |

**Pension Benefits**

The Corporation has a tax qualified retirement plan (the “Plan”) applicable to the Executive Officers and other employees, to which the Corporation makes annual contributions, as required, in amounts determined by the Plan’s actuaries. The Plan does not have an offset for Social Security and is fully paid for by the Corporation. Under the Plan, employees become fully vested after five years of participation and normal retirement age under the Plan is age 65 but actuarially reduced benefits may be available for early retirement at age 55. The primary benefit formula is 1.1% of the highest consecutive five year average earnings in the final ten years, times years of service. Federal law requires that 5% owners start receiving a pension no later than April 1 following the calendar year in which the age 70-1/2 is reached. Louis Berkman is currently receiving $6,622 a month pursuant to the Plan. As an active employee, Mr. Berkman continues to receive credit for additional service rendered after age 70-1/2.



The Corporation adopted a Supplemental Executive Retirement Plan (SERP) in 1988 (amended and restated in 1996) for certain officers and key employees covering retirement after completion of ten years of service and attainment of age 55. All officers listed in the compensation table are Participants in the SERP, except Louis Berkman. The combined retirement benefit at age 65 or older provided by the Plan and the SERP is 50% of the highest consecutive five year average earnings in the final ten years of service. The participants are eligible for reduced benefits for early retirement at age 55. A benefit equal to 50% of the benefit otherwise payable at age 65 is paid to the surviving spouse of any participant, who has had at least five years of service, commencing on the later of the month following the participant’s death or the month the participant would have reached age 55. In addition, there is an offset for pensions from other companies. Certain provisions, applicable if there is a change of control, are discussed below under Termination of Employment and Change of Control Arrangement.

The following shows the estimated annual pension that would be payable, without offset, under the Plan and the SERP, if applicable, to the individuals named in the compensation table assuming continued employment to retirement at age 65 or older, and assuming the total salary and bonus stated in the table for 2002 is the final five year average:

| | |
|---|---|
| Louis Berkman | (1) |
| Robert A. Paul | $ 230,000 |
| Ernest G. Siddons | $ 212,750 |

| | | |
|---|---|---|
| Terrence W. Kenny | $ | 91,250 |
| Robert F. Schultz | $ | 86,500 |

(1) Mr. Berkman is currently receiving a pension pursuant to the Plan as described above.

**(c) COMPENSATION OF DIRECTORS**

In 2002, each Director who was not employed by the Corporation received an annual retainer of $6,000 (payable quarterly), $1,000 for each Board meeting attended and $500 for each Committee meeting attended. Attendance could be either in person or by telephonic connection. Directors did not receive a fee for either Board or Committee meetings if they did not attend.

**(d) TERMINATION OF EMPLOYMENT AND CHANGE OF CONTROL ARRANGEMENTS**

Mr. Berkman, Mr. Paul and Mr. Siddons have two year contracts (which automatically renew for one year periods unless the Corporation chooses not to extend) providing for compensation equal to five times their annual compensation



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(with a provision to gross up to cover the cost of any federal excise tax on the benefits) in the event their employment is terminated following a change of control (including a voluntary departure for good cause) and the right to equivalent office space and secretarial help for a period of one year after a change in control. Mr. Schultz, Mr. Kenny, the two remaining Vice Presidents and one other employee have two year contracts providing for three times their annual compensation in the event their employment is terminated following a change in control (including a voluntary departure for good cause). All of the contracts provide for the continuation of employee benefits, for three years for the three senior executives and two years for the others, and the right to purchase the leased car used by the covered individual at the Corporation's then book value. The same provisions concerning change in control that apply to the contracts apply to the SERP and vest the right to that pension arrangement. A change of control triggers the right to a lump sum payment equal to the present value of the vested benefit under the SERP, if applicable.

**(e) SALARY COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION IN COMPENSATION DECISIONS**

A Salary Committee is appointed each year by the Board of Directors. The Salary Committee for the year 2002 was comprised of three Directors: William D. Eberle (Chairman), Leonard M. Carroll and Carl H. Pforzheimer, III. None of the Committee members is now, or ever has been, an officer or employee of the Corporation.

**(f) SALARY COMMITTEE REPORT ON EXECUTIVE COMPENSATION**

The Salary Committee approves salaries for executive officers within a range from $150,000 up to $200,000 and increases in the salary of any executive officer, which would result in such officer earning a salary within such range. Salaries of $200,000 per year and above must be approved by the Board of Directors, after a recommendation by the Salary Committee. Salaries for executive officers below the level of $150,000 are set by the Chairman, President and Executive Vice President of the Corporation.

The compensation for the Chief Executive Officer of the Corporation, as well as the other applicable executive officers, is typically based on an analysis conducted by the Salary Committee. The Committee does not specifically link remuneration solely to quantitative measures of performance because of the cyclical nature of the industries and markets served by the Corporation. In setting compensation, the Committee also considers various qualitative factors, including competitive compensation arrangements of other companies within relevant industries, individual contributions, leadership ability and an executive officer's overall performance. In this way, it is believed that the Corporation will attract and retain quality management, thereby benefiting the long-term interest of shareholders.



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In establishing the compensation reported in the table for the last completed fiscal year, the Committee conducted its analysis as described above and considered the weak results of the Corporation. Notwithstanding the belief that the results were reflective of the depressed economy and the down cycle of industries served, the salary of the Chief Executive Officer was not increased, the salary of the Chairman of the Board was reduced and the Chief Operating Officer was granted a modest increase. In addition, the Chairman of the Board elected not to participate in the 2002 and future incentive bonus plans.

The incentive bonus program for 2002 previously approved by the Salary Committee covered Robert A. Paul and Ernest G. Siddons. Incentive payments were to be determined, based on the Corporation's 2002 income from operations performance as compared to the Corporation's business plan. These payments were to be limited to 35% of base salary of participants. In 2002, Mr. Paul earned $60,000 and Mr. Siddons earned $55,500.

This report of the Salary Committee shall not be deemed incorporated by reference by any general statement incorporating by reference this 10-K report into any filing under the Securities Act of 1933 or under the Securities Exchange Act of 1934, except to the extent that the Corporation specifically incorporates this report and the information contained herein by reference, and shall not otherwise be deemed filed under such Acts.

*William D. Eberle, Chairman*
*Leonard M. Carrol*
*Carl H. Pforzheimer, III*



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**(g) STOCK PERFORMANCE GRAPH**

**Comparative Five-Year Total Returns***
Ampco-Pittsburgh Corporation, Standard & Poors 500 and Value Line Steel (Integrated) Index
(Performance results through 12/31/02)

[GRAPHIC APPEARS HERE]

Assumes $100 invested at the close of trading on the last trading day preceding January 1, 1998 in Ampco-Pittsburgh Corporation common stock, Standard & Poors 500 and Steel (integrated).

*Cumulative total return assumes reinvestment of dividends.

In the above graph, the Corporation has used Value Line's Steel (Integrated) Index for its peer comparison. The diversity of products produced by subsidiaries of the Corporation made it difficult to match to any one product-based peer group. The Steel Industry was chosen because it is impacted by some of the same end markets that the Corporation ultimately serves, such as the automotive, appliance and construction industries. Historical stock price performance shown on the above graph is not necessarily indicative of future price performance.



## ITEM 12 - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

### (a) SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

As of March 4, 2003, Louis Berkman owned directly 215,000 shares of the Common Stock of the Corporation and had the right to acquire 120,000 shares pursuant to stock options. As of the same date, The Louis Berkman Investment Company, P. O. Box 576, Steubenville, OH 43952 owned beneficially and of record 2,363,842 shares of the Common Stock of the Corporation. Louis Berkman, an officer and director of The Louis Berkman Investment Company, owns directly 61.51% of its common stock. Robert A. Paul, an officer and director of The Louis Berkman Investment Company, disclaims beneficial ownership of the 38.49% of its common stock owned by his wife. Louis Berkman and Robert A. Paul are trustees of The Louis and Sandra Berkman Foundation and disclaim beneficial ownership of the 1,266 shares of the Corporation's Common Stock held by such Foundation.

In March 1998, Gabelli Funds, Inc. and affiliates, Corporate Center, Rye, NY 10580, filed an amendment to its Schedule 13D reporting they owned 1,893,500 shares or 19.77%. In February 2003, Dimensional Fund Advisors Inc., 1299 Ocean Avenue, Santa Monica, CA 90401 filed a 13G disclosing that as of December 31, 2002 it had sole voting and dispositive power of 777,600 shares or 8.07% (all of which shares are held in portfolios of various investment vehicles). In September 2002, Van Den Berg Management, 1301 Capitol of Texas Hwy, Austin, TX 78746 filed a 13G disclosing that as of September 2002 it had shared and sole voting and dispositive power of 838,262 shares or 8.7%.

### (b) SECURITY OWNERSHIP OF MANAGEMENT

The following table sets forth as of March 4, 2003 information concerning the beneficial ownership of the Corporation's Common Stock by the Directors and Named Executive Officers and all Directors and Executive Officers of the Corporation as a group:

| Name of Beneficial owner | Amount and nature of beneficial ownership | Percent of class |
|---|---|---|
| Louis Berkman | 2,701,108 (1) (2) | 28.04 |
| Robert A. Paul | 177,922 (2) (3) | 1.85 |
| Ernest G. Siddons | 81,833 (4) | .85 |
| Robert F. Schultz | 30,200 (5) | .31 |
| Terrence W. Kenny | 25,000 (6) | .26 |
| Paul A. Gould | 3,000 | * |
| Carl H. Pforzheimer, III | 2,733 (7) | * |
| Leonard M. Carroll | 1,500 | * |
| Laurence E. Paul | 1,000 | * |
| Stephen E. Paul | 1,000 | * |
| William D. Eberle | 1,000 (8) | * |
| Directors and Executive Officers as a group | | |
| (13 persons) | 3,045,030 (9) | 31.61 |

*less than .1%



(1) Includes 215,000 shares owned directly, 120,000 shares which he has the right to acquire within sixty days pursuant to stock options, 2,363,842 shares owned by The Louis Berkman Investment Company, and the following shares in which he disclaims beneficial ownership: 1,266 shares held by The Louis and Sandra Berkman Foundation of which Louis Berkman and Robert A. Paul are trustees, and 1,000 shares owned by his wife.

(2) The Louis Berkman Investment Company owns beneficially and of record 2,363,842 shares of the Corporation's Common Stock. Louis Berkman is an officer and director of The Louis Berkman Investment Company and owns directly 61.51% of its common shares. Robert A. Paul, an officer and director of The Louis Berkman Investment Company, disclaims beneficial ownership of the 38.49% of its common stock owned by his wife. The number of shares shown in the table for Robert A. Paul does not include any shares held by The Louis Berkman Investment Company.

(3) Includes 42,889 shares owned directly, 120,000 shares which he has the right to acquire within sixty days pursuant to stock options, and the following shares in which he disclaims beneficial ownership: 13,767 shares owned by his wife and 1,266 shares held by The Louis and Sandra Berkman Foundation of which Robert A. Paul and Louis Berkman are Trustees.

(4) Includes 1,833 shares owned jointly with his wife and 80,000 shares which he has the right to acquire within sixty days pursuant to stock options.

(5) Includes 200 shares owned jointly with his wife and 30,000 shares which he has the right to acquire within sixty days pursuant to stock options.

(6) Shares which he has the right to acquire within sixty days pursuant to stock options.

(7) Includes 1,000 shares owned directly, 800 shares held by a trust of which he is a trustee and principal beneficiary, and the following shares in which he disclaims beneficial ownership: 133 shares held by his daughter and 800 shares held by a trust of which he is a trustee.

(8) Shares held by a trust of which he is a trustee.

(9) Includes 395,000 shares which certain officers have the right to acquire within sixty days pursuant to stock options and excludes double counting of shares deemed to be beneficially owned by more than one Director.

Unless otherwise indicated the individuals named have sole investment and voting power.



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**(c) CHANGES IN CONTROL**

The Corporation knows of no arrangements which may at a subsequent date result in a change in control of the Corporation.

**ITEM 13 - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

In 2002 the Corporation bought industrial supplies from The Louis Berkman Company in transactions in the ordinary course of business amounting to approximately $1,853,000. Additionally, The Louis Berkman Company paid the Corporation $235,000 for certain administrative services. Louis Berkman was an officer, director and shareholder, Robert A. Paul was an officer and director, and Laurence E. Paul and Stephen E. Paul were officers, of that company. These transactions and services were at prices generally available from outside sources. Transactions between the parties will take place in 2003.



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**PART IV**

**ITEM 14 - CONTROLS AND PROCEDURES**

Within 90 days prior to the filing of this report, the Chief Executive Officer and Chief Financial Officer undertook an evaluation of the Corporation’s disclosure controls and procedures. Based upon that evaluation, they have concluded that there are in place disclosure controls and procedures necessary to ensure that material information relating to the Corporation, including its consolidated subsidiaries, is made known to them by others in the Corporation, particularly with respect to the period covered by this report. Subsequent to the date of this evaluation there have been no significant changes in the internal controls or in other factors that could significantly affect the internal controls, including any corrective actions with regard to significant deficiencies and material weaknesses.

**ITEM 15 - EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K**

**(a) 1. Financial Statements**

The consolidated financial statements, together with the report thereon of Deloitte & Touche LLP appearing on pages 11 through 25 and page 27 of the Annual Report to Shareholders for the year ended December 31, 2002 are incorporated by reference in this Form 10-K Annual Report.

**2. Financial Statement Schedules**

The following additional financial data should be read in conjunction with the consolidated financial statements in the accompanying Annual Report. Schedules not included with this additional financial data have been omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

| | Schedule Number | Page Number |
|---|---|---|
| Index to Ampco-Pittsburgh Corporation Financial Data | | F-1 |
| Report of Independent Accountants | | F-2 |
| Valuation and Qualifying Accounts and Reserves | II | F-3 |



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**3. Exhibits**

**Exhibit No.**

**(3) Articles of Incorporation and By-laws**

a. Articles of Incorporation

Incorporated by reference to the Quarterly Report on Form 10-Q for the quarter ended March 31, 1983; the Quarterly Report on Form 10-Q for the quarter ended March 31, 1984; the Quarterly Report on Form 10-Q for the quarter ended March 31, 1985; the Quarterly Report on Form 10-Q for the quarter ended March 31, 1987; and the Quarterly Report on Form 10-Q for the quarter ended September 30, 1998.

b. By-laws

Incorporated by reference to the Quarterly Report on Form 10-Q for the quarter ended September 30, 1994 and the Quarterly Report on Form 10-Q for the quarter ended March 31, 1996 and 10-Q for the Quarter ended June 30, 2001.

**(4) Instruments defining the rights of securities holders**

a. Rights Agreement between Ampco-Pittsburgh Corporation and Chase Mellon Shareholder Services dated as of September 28, 1998.

Incorporated by reference to the Form 8-K Current Report dated September 28, 1998.

**(10) Material Contracts**

a. 1988 Supplemental Executive Retirement Plan

Incorporated by reference to the Quarterly Report on Form 10-Q for the quarter ended March 31, 1996.

b. Severance Agreements between Ampco-Pittsburgh Corporation and certain officers and employees of Ampco-Pittsburgh Corporation.

Incorporated by reference to the Quarterly Report on Form 10-Q for the quarter ended September 30, 1988; the Quarterly Report on Form 10-Q



for the quarter ended September 30, 1994, the Annual Report on Form 10-K for fiscal year ended December 31, 1994; the Quarterly Report on Form 10-Q for the quarter ended June 30, 1997; the Annual Report on Form 10-K for fiscal year ended December 31, 1998; and the Quarterly Report on Form 10-Q for the quarter ended June 30, 1999.

c. 1997 Stock Option Plan

Incorporated by reference to the Proxy Statement dated March 14, 1997 and the Proxy Statement dated March 15, 2000.

(13) Annual Report to Shareholders for the fiscal year ended December 31, 2002

(21) Significant Subsidiaries

(23) Consent of Expert

(99.1) Certification of Principal Executive Officer pursuant to Section 906 of The Sarbanes-Oxley Act of 2002.

(99.2) Certification of Principal Financial Officer pursuant to Section 906 of The Sarbanes-Oxley Act of 2002.

**(b) Reports on Form 8-K**

None.



**SIGNATURE**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**AMPCO-PITTSBURGH CORPORATION**
(Registrant)

March 13, 2003

By /s/ LOUIS BERKMAN

Director, Chairman of the Board -
**Louis Berkman**

| | |
|---|---|
| By | /s/ ROBERT A. PAUL |

**Director, President and Chief Executive Officer -**
**Robert A. Paul**

| | |
|---|---|
| By | /s/ ERNEST G. SIDDONS |

**Director, Executive Vice President and Chief Operating Officer -**
**Ernest G. Siddons**

| | |
|---|---|
| By | /s/ MARLISS D. JOHNSON |

**Vice President, Controller and Treasurer (Principal Financial Officer) -**
**Marliss D. Johnson**



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Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant, in their capacities as Directors, as of the date indicated.

March 13, 2003

| | |
|---|---|
| By | /s/ LEONARD M. CARROLL |
| | **Leonard M. Carroll** |
| By | /s/ WILLIAM D. EBERLE |
| | **William D. Eberle** |
| By | /s/ PAUL A. GOULD |
| | **Paul A. Gould** |
| By | /s/ LAURENCE E. PAUL |
| | **Laurence E. Paul** |
| By | /s/ STEPHEN E. PAUL |
| | **Stephen E. Paul** |
| By | /s/ CARL H. PFORZHEIMER, III |
| | **Carl H. Pforzheimer, III** |



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**AMPCO-PITTSBURGH CORPORATION**

**Certification**

I, Robert A. Paul, certify that:

1. I have reviewed this annual report on Form 10-K of Ampco-Pittsburgh Corporation (“the registrant”);

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

   c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):



   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ ROBERT A. PAUL

**Robert A. Paul**
**Chief Executive Officer**
**March 13, 2003**

**AMPCO-PITTSBURGH CORPORATION**

**Certification**

I, Marliss D. Johnson, certify that:

1. I have reviewed this annual report on Form 10-K of Ampco-Pittsburgh Corporation ("the registrant");

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

   c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ MARLISS D. JOHNSON

**Marliss D. Johnson**
**Vice President, Controller and Treasurer**
**Chief Financial Officer**
**March 13, 2003**

## Index to Ampco-Pittsburgh Corporation Financial Data





REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of
Ampco-Pittsburgh Corporation

We have audited the consolidated balance sheets of Ampco-Pittsburgh Corporation and subsidiaries as of December 31, 2002 and 2001, and the related consolidated statements of operations, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2002, and have issued our report thereon dated February 10, 2003; such consolidated financial statements and report are included in your 2002 Annual Report to Shareholders and are incorporated herein by reference. Our audits also included the financial statement schedule II, Valuation of Qualifying Accounts, of Ampco-Pittsburgh Corporation and subsidiaries for the years ended December 31, 2002, 2001, and 2000. This financial statement schedule is the responsibility of the Corporation's management. Our responsibility is to express an opinion based on our audits. In our opinion, such financial statement schedules, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

/s/ DELOITTE & TOUCHE LLP
Pittsburgh, Pennsylvania
February 10, 2003



Schedule II

Ampco-Pittsburgh
Corporation
Valuation and Qualifying Accounts
For the Years Ended December 31, 2002, 2001 and 2000

| Column A | Column B | Column C Additions | | Column D | Column E |
|---|---|---|---|---|---|
| Description | Balance at beginning of period | Charged to costs and expenses | Charged to other accounts - describe | Deductions-describe | Balance at end of period |
| Year ended December 31, 2002 | | | | | |
| Allowance for doubtful accounts | $ 1,450,868 | $ 295,872 | | ($ 194,206) (1) | $ 1,552,534 |
| Year ended December 31, 2001 | | | | | |
| Allowance for doubtful accounts | $ 626,727 | $ 1,099,889 | | ($ 275,748) (1) | $ 1,450,868 |
| Year ended December 31, 2000 | | | | | |
| Allowance for doubtful accounts | $ 364,138 | $ 384,251 | | ($ 121,662) (1) | $ 626,727 |

(1) Represents primarily writeoff of accounts receivable customer balances.