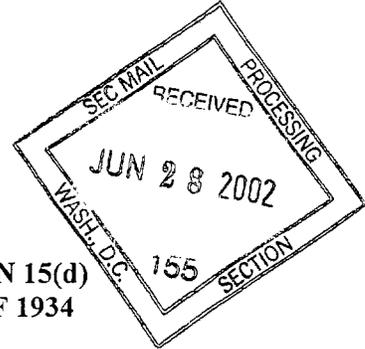


UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549



FORM 11-K

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



For the Fiscal Year Ended December 31, 2001.

ROCKWELL COLLINS  
RETIREMENT SAVINGS PLAN  
FOR HOURLY EMPLOYEES

Rockwell Collins, Inc.

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction  
of incorporation or organization)

400 Collins Road NE  
Cedar Rapids, Iowa  
(Address of principal executive offices)

PROCESSED

JUL 08 2002

THOMSON  
FINANCIAL

52-2314475  
(I.R.S. Employer  
Identification No.)

52498  
(Zip Code)

Registrant's telephone number, including area code: (319) 295-6835  
(Office of the Corporate Secretary)

# ROCKWELL COLLINS RETIREMENT SAVINGS PLAN FOR HOURLY EMPLOYEES

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## INDEPENDENT AUDITORS' REPORT

To the Trustee and Participants of  
Rockwell Collins Retirement Savings Plan for Hourly Employees:

We have audited the accompanying statement of net assets available for benefits of Rockwell Collins Retirement Savings Plan for Hourly Employees (the "Plan") as of December 31, 2001, and the related statement of changes in net assets available for benefits for the period from June 29, 2001 (date of inception) through December 31, 2001. 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 audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2001, and the changes in net assets available for benefits for the period from June 29, 2001 (date of inception) through December 31, 2001 in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule listed in the Table of Contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This schedule is the responsibility of the Plan's management. Such schedule has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

*Deloitte & Touche LLP*

June 13, 2002

**ROCKWELL COLLINS RETIREMENT SAVINGS PLAN  
FOR HOURLY EMPLOYEES**

**STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS  
DECEMBER 31, 2001**

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NET ASSETS AVAILABLE FOR BENEFITS - Investments:	
Rockwell Collins Defined Contribution Master Trust	\$5,139,861
Loan Fund	<u>85,971</u>
 NET ASSETS AVAILABLE FOR BENEFITS	 <u>\$5,225,832</u>

See notes to financial statements.

**ROCKWELL COLLINS RETIREMENT SAVINGS PLAN  
FOR HOURLY EMPLOYEES**

**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
FOR THE PERIOD FROM JUNE 29, 2001 (DATE OF INCEPTION)  
THROUGH DECEMBER 31, 2001**

ADDITIONS:

Earnings from Investments:

Net earnings in Defined Contribution Master Trust	\$ 305,599
Interest	<u>1,635</u>
Total earnings from investments	<u>307,234</u>

Contributions:

Employer	292,161
Participants	573,770
Rollovers	<u>1,571</u>
Total contributions	<u>867,502</u>

Net transfers from affiliate plan (Note 1)	<u>4,057,520</u>
--------------------------------------------	------------------

Total additions	<u>5,232,256</u>
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DEDUCTIONS:

Benefit payments	6,157
Administrative expenses	<u>267</u>
Total deductions	<u>6,424</u>

NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	5,225,832
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NET ASSETS AVAILABLE FOR BENEFITS, JUNE 29, 2001	<u>-</u>
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NET ASSETS AVAILABLE FOR BENEFITS, END OF PERIOD	<u>\$ 5,225,832</u>
--------------------------------------------------	---------------------

See notes to financial statements.

# ROCKWELL COLLINS RETIREMENT SAVINGS PLAN FOR HOURLY EMPLOYEES

NOTES TO FINANCIAL STATEMENTS  
FOR THE PERIOD FROM JUNE 29, 2001 (DATE OF INCEPTION)  
THROUGH DECEMBER 31, 2001

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## 1. DESCRIPTION OF PLAN

This brief description of the Rockwell Collins Retirement Savings Plan for Hourly Employees (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

On June 29, 2001 Rockwell Collins, Inc. ("Rockwell Collins" or "the Company") was spun-off from its parent corporation, Rockwell International Corporation, which was subsequently renamed Rockwell Automation, Inc. ("Automation")

In connection with the spin-off, the Company created three new defined contribution savings plans for the benefit of its employees and established the Rockwell Collins Defined Contribution Master Trust (the "Master Trust") to hold and administer the investment assets of these plans. These plans include the Rockwell Collins Retirement Savings Plan for Hourly Employees, the Rockwell Collins Retirement Savings Plan for Salaried Employees and the Rockwell Collins Retirement Savings Plan for Bargaining Unit Employees. Each of the participating plans has an interest in the net assets of the Master Trust and changes therein. Wells Fargo of California, N.A. (the "Trustee") is the trustee for the Master Trust and maintains supporting records for the purpose of allocating the net assets and the gain or loss of the investment accounts to each of the participating plans. During 2001, the investment function was administered by various investment managers. All investment managers are selected by the Employee Benefit Plan Committee of the Company.

The Company granted active participants the option to transfer their account balances from the Automation sponsored defined contribution savings plans into the newly credited plans sponsored by the Company. This transfer of \$4,057,520 was made on September 18, 2001.

**General** – The Plan is a defined contribution plan sponsored by Rockwell Collins. All hourly employees are eligible to participate in the Plan. The Rockwell Collins Employee Benefit Committee and the Plan Administrator control and manage the operation and administration of the plan. The assets are managed by the Trustee and several other investment managers. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Participants may invest in sixteen mutual funds and these stock funds specific to the Plan:

- *Rockwell Collins, Inc. Stock Fund (Company Contributions)* – Invests principally in the common stock of Rockwell Collins but may hold cash. Participants may not change their investment in Rockwell Collins, Inc. Stock Fund.
- *Rockwell Collins, Inc. Stock Fund (Employee Contributions)* – Invests principally in the common stock of Rockwell Collins but may hold cash.

Certain participants have balances in the following stock funds that no longer allow additional contributions or transfers from other mutual funds by the employee or the Company:

- *ArvinMeritor Stock Fund* – Invests principally in the common stock of ArvinMeritor Automotive, Inc. but may hold cash.
- *Boeing Stock Fund* – Invests principally in the common stock of Boeing Company but may hold cash.
- *Conexant Stock Fund* – Invests principally in the common stock of Conexant Systems, Inc. but may hold cash.
- *Rockwell International Stock Fund* - Invests principally in the common stock of Automation, a related party, but may hold cash.

Beginning December 31, 2002, the Boeing Stock Fund and the ArvinMeritor Stock Funds will no longer be maintained in the Plan.

*Contributions* – The Plan provides that eligible employees electing to become participants may contribute up to a maximum of 16% of base compensation. Participant contributions can be made either before or after United States federal taxation of a participant's base compensation. However, pre-tax contributions by highly compensated participants are limited to 12% of the participant's base compensation.

Rockwell Collins contributes an amount equal to 75% of the first 8% of base compensation contributed by participants. Rockwell Collins contributions are made to Rockwell Collins, Inc. Stock Fund. However, participants who are 55 with five years of service, or retirees electing to defer distribution may elect to have all or a portion of the balance in Rockwell Collins, Inc. Stock Fund transferred to one or more of the sixteen mutual fund alternatives. Refer to Note 6 for further information.

*Investment Elections* – Participants may elect to have their contributions made to any of the funds that are available to participant contributions in 1% increments. Participants may change such investment elections on a daily basis. If a participant does not have an investment election on file, contributions will be made to the Fidelity Managed Income Portfolio II Fund.

*Unit Values* – Participants do not own specific securities or other assets in the various funds, but have an interest therein represented by units valued as of the end of each business day. However, voting rights are extended to participants in proportion to their interest in Rockwell Collins common stock held in the Rockwell Collins, Inc. Stock Fund. Participants' accounts are charged or credited, as the case may be, with the number of units properly attributable to each participant.

*Vesting* – Each participant is fully vested at all times in the portion of a participant's account that relates to the participant's contributions and earnings thereon. Vesting in the Rockwell Collins contribution portion of participant accounts plus actual earnings thereon is based on years of vested service. A participant is 100% vested after three years of vested service. Until a participant reaches three years of vesting service, the participant is not vested in amounts related to Rockwell Collins contributions. Service with Automation prior to the spin-off is counted toward the vesting service in this Plan.

**Loans** – Loans may be obtained from the balance of a participant's account in amounts not less than \$1,000 and not greater than \$50,000 reduced by the participant's highest outstanding loan balance during the 12 month period before the date of the loan or 50% of the participant's vested account balance less any outstanding loans. Participants may have up to two outstanding loans at a time. Loans are collateralized by the remaining balance in the participants' account. Interest is charged at a rate equal to the prime rate plus 1% at time of loan origination. Loan repayments of principal and interest are collected through payroll deductions over terms of 12, 24, 36, 48 and 60 months or up to 120 months for the purchase of a primary residence, or repaid in full at any time after a minimum of one month. Payments of principal and interest are credited to the participant's account.

**Forfeitures** – The non-vested portion of a participant's account is forfeited when certain terminations described in the Plan occur. Forfeitures remain in the Plan and are used to reduce the Company's contributions to the Plan. The Plan contains specific break in service provisions that enable participants' accounts to be restored upon re-employment and fulfillment of certain requirements.

**Plan Termination** – Although Rockwell Collins has not expressed any current intent to terminate the Plan, Rockwell Collins has the authority to terminate or modify the Plan or suspend contributions to the Plan in accordance with ERISA. In the event that the Plan is terminated or contributions by Collins are discontinued, each participant's Company contribution account will be fully vested. Benefits under the Plan will be provided solely from the Plan assets.

**Benefit Payments** – Active participants may withdraw certain amounts up to their entire vested interest when the participant attains the age of 59-1/2 or is able to demonstrate financial hardship. Participant vested amounts are payable upon retirement, death or other termination of employment. Account balances of persons who have elected to withdraw from the Plan but have not been paid at December 31, 2001 totaled \$15,159.

Upon retirement, participants may elect to receive the vested portion of their account balance (employee and Company contributions) in the form of a lump sum or in annual installment payments for up to 10 years.

Upon termination of employment other than retirement, participants receive the vested portion of their account balance (employee and Company contributions) in the form of a lump sum.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting** – The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

**Valuation of Investments** – Investment in the Defined Contribution Master Trust is stated at fair value, which has been determined based on the fair value of the underlying investments of the Master Trust, which are based on quoted market prices. The loan fund is stated at cost which approximates fair value. Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded as earned. Dividends are accrued on the ex-dividend date.

**Administrative Expenses** – Certain expenses are borne by the Plan, while others are borne by the Company.

*Use of Estimates* – Estimates and assumptions made by the Plan’s management affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions to the Plan net assets available for benefits during the reporting period. Actual results could differ from those estimates. The Plan utilizes various investment instruments. 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 may occur and that such changes could materially affect the amounts reported in the financial statements.

### 3. DEFINED CONTRIBUTION MASTER TRUST

The Plan’s investment assets, with the exception of the Participant Loan Fund, are held in the Master Trust account at the Trustee. This Plan participates in the Master Trust along with the Rockwell Collins Retirement Savings Plan for Bargaining Unit Employees and the Rockwell Collins Retirement Savings Plan for Salaried Employees (collectively, the “participating plans”.) Each of the participating plans have an interest in the net assets of the Master Trust and changes therein. The Trustee maintains supporting records for the purpose of allocating the net assets and net gain or loss of the investment accounts to each of the participating plans.

The Master Trust investments are valued at fair value at the end of each day.

The net earnings or loss of the accounts for each day is allocated by the Trustee to each participating plan based on the relationship of the interest of each plan to the total of the interests of all participating plans.

The net assets of the Master Trust at December 31, 2001 consist of the following:

Cash and cash equivalents	\$ 1,355,051
Mutual funds	236,744,285
Common stocks	141,908,045
Receivables - Accrued interest and dividends	3,122
Liabilities - Due to broker	<u>(1,896,115)</u>
Net assets	<u>\$378,114,388</u>
Plan's investment in Master Trust	<u>\$ 5,139,861</u>
Plan's investment in Master Trust as a percentage of total	<u>1.4 %</u>

The net earnings of the Master Trust for the period ended December 31, 2001 consist of the following:

Interest and dividends	\$ 2,452,904
Net appreciation in fair market value of investments:	
Stock funds	15,347,539
Mutual funds	<u>8,212,565</u>
Net earnings	<u>\$26,013,008</u>

**4. FEDERAL INCOME TAX STATUS**

This Plan has applied for a determination letter from the Internal Revenue Service. Rockwell Collins believes that the Plan is designed and being operated in compliance with the applicable requirements of the Internal Revenue Code and that the Plan is tax exempt. Therefore, no provision for income taxes is included in the Plan's financial statements.

**5. RELATED-PARTY TRANSACTIONS**

As described in Note 1, the Plan invests in common stock of the Company.

Certain Plan investments are interests in the Master Trust managed by the trustee and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan for the investment management services were \$267 for the period ended December 31, 2001.

**6. SUBSEQUENT EVENTS**

Effective June 1, 2002, participants may elect to transfer all or a portion of their balances in the Company contributions in Rockwell Collins, Inc. Stock Fund (Company contributions) to any of the sixteen mutual fund alternatives at any time.

Effective June 1, 2002, participants will be allowed to have an additional amount contributed as pre-tax catch-up contributions to the Plan, not to exceed \$1,000, \$2,000, and \$3,000 for the Plan years ended December 31, 2002, 2003, and 2004, respectively. No Company contributions will be made with respect to the catch-up contributions.

\* \* \* \* \*

**ROCKWELL COLLINS RETIREMENT SAVINGS PLAN  
FOR HOURLY EMPLOYEES**

FORM 5500, SCHEDULE H, PART IV, LINE 4i

**SCHEDULE OF ASSETS (HELD AT END OF YEAR) AS OF DECEMBER 31, 2001**

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Identity of Issuer, Borrower, Lessor or Similar party	Description of Investment Including Collateral, Rate of Interest, Maturity Date, Part or Maturity Value	Current Value
Wells Fargo of California, N.A.*	Defined Contribution Master Trust	\$ 5,139,861
Various participants*	Participant loans; prime rate plus 1%, (4.4%- 10.0%) due 2002 to 2010	<u>85,971</u>
Total assets held for investment purposes		<u>\$ 5,225,832</u>

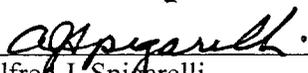
\*Represents a party-in-interest to the Plan.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Administrator has duly caused this annual report to be signed on its behalf by the undersigned, hereunto duly authorized.

ROCKWELL COLLINS RETIREMENT SAVINGS PLAN FOR HOURLY EMPLOYEES

By

  
\_\_\_\_\_  
Alfred J. Spigarelli  
Plan Administrator

Date: June 28, 2002

**INDEPENDENT AUDITORS' CONSENT**

We consent to the incorporation by reference in Registration Statement No. 333-63100 of Rockwell Collins, Inc. on Form S-8 of our report dated June 13, 2002, appearing in this Annual Report on Form 11-K of Rockwell Collins, Inc. Retirement Savings Plan for Hourly Employees for the period from June 29, 2001 (date of inception) through December 31, 2001.

*Deloitte & Touche LLP*

Chicago, Illinois  
June 13, 2002