

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): December 17, 2003

ACTUANT CORPORATION

(Exact name of Registrant as specified in its charter)

Wisconsin  
(State or other jurisdiction  
of incorporation)

1-11288  
(Commission File  
Number)

39-0168610  
(I.R.S. Employer  
Identification No.)

6100 North Baker Road  
Milwaukee, WI 53209

Mailing address: P.O. Box 3241, Milwaukee, Wisconsin 53201  
(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code: (414) 352-4160

Item 12. Results of Operations and Financial Condition.

On December 17, 2003, the Company announced its results of operations for the first quarter ended November 30, 2003. A copy of the press release announcing the Company's results for the first quarter ended November 30, 2003 is attached as Exhibit 99.1 to this report on Form 8-K.

The information in this Form 8-K (including the exhibit hereto) is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section. The information in this Form 8-K (including the exhibit hereto) shall not be incorporated by reference in any other filing under the Securities Exchange Act or Securities Act of 1933 except as shall be expressly set forth by specific reference to this Form 8-K in such filing.

SIGNATURE

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

ACTUANT CORPORATION  
(Registrant)

Date: December 17, 2003

By: /s/ Andrew G. Lampereur  
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Andrew G. Lampereur  
Vice President and Chief Financial Officer

Actuant Announces 28% Increase in First  
Quarter Diluted EPS Prior to Special Charges, Management Promotion

MILWAUKEE--(BUSINESS WIRE)--Dec. 17, 2003--Actuant Corporation (NYSE:ATU) today announced results for its first quarter ended November 30, 2003. First quarter sales increased approximately 13% to \$166.6 million compared to \$147.9 million in the prior year. Current year results included those from Kwikiee Products ("Kwikiee"), which was acquired on September 3, 2003. Excluding the one-time impact of the Kwikiee acquisition and foreign currency rate changes, first quarter sales increased approximately 1% over the comparable prior year period. First quarter fiscal 2004 net income and diluted earnings per share ("EPS") were \$0.3 million and \$0.01, respectively, including a charge resulting from the repurchase of a portion of the Company's 13% Senior Subordinated Notes (the "13% Notes"). This compares to net income and EPS of \$1.9 million and \$0.08, respectively, for the first quarter of fiscal 2003. The previously disclosed special charge recorded in the first quarter of fiscal 2004 totaled \$15.1 million, \$9.8 million after tax, or \$0.40 per diluted share, attributable to the early extinguishment of approximately \$49 million of the 13% Notes. Fiscal 2003 results include a \$2.0 million charge, \$1.3 million after tax, or \$0.05 per diluted share, resulting from the repurchase of 13% Notes and a \$7.3 million charge, \$4.7 million after tax, or \$0.19 per diluted share for litigation matters associated with divested businesses. Excluding these special charges, first quarter fiscal 2004 EPS grew 28% to \$0.41 from \$0.32 in the prior year.

Commenting on the results, Robert C. Arzbaecher, President and CEO of Actuant stated, "We are pleased with the 28% increase in first quarter EPS before special charges. Results exceeded our expectations due in part to the weaker U.S. dollar, and solid execution of acquisition integration and cost reduction programs."

Arzbaecher continued, "We saw slight improvement in economic conditions during the quarter, most noticeably in our consumer-oriented businesses including the North American electrical retail do-it-yourself ("DIY") and recreational vehicle markets. Automotive convertible top system sales increased 36% in the quarter, reflecting the continued production increase in new models. From an acquisition integration standpoint, things have progressed well both at Kwikiee and Kopp. Both businesses are expected to deliver solid earnings improvements."

"We believe the execution of our business model, combining bolt-on acquisitions with core organic growth, will continue to generate above average returns to our shareholders. Actuant's new 2% Convertible Bonds provide a favorable foundation for our capital structure for the future. Similarly, Actuant's management team has been undergoing realignment over the last year to support our business model. As part of that process, I am pleased to announce that Bill Blackmore has been promoted to global leader of the Engineered Solutions segment. In this expanded role, Bill will be in charge of our global efforts in the automotive, RV, truck, medical and other OEM actuation markets. Bill has demonstrated solid leadership in the Engineered Solutions Americas role over the last eighteen months, and I am confident he will do more of the same in the expanded role."

Actuant's first quarter EBITDA (earnings before interest, income taxes, depreciation, amortization and minority interest deduction), before special charges, was \$24.2 million, or 12% higher than the \$21.6 million last year. EBITDA is a key financial metric of the Company and its investors in measuring performance prior to capitalization and income tax changes. (See attached supplemental schedule for calculation).

Fiscal 2004 first quarter Tools & Supplies segment sales were \$96.3 million, a 5% increase over last year. Excluding the impact of the weaker U.S. dollar, segment sales declined approximately 3%. Engineered Solutions segment sales increased 26% over the prior year to \$70.2 million due to higher automotive sales, the weaker U.S. dollar and the Kwikiee acquisition. Excluding the one-time impact of the Kwikiee acquisition and foreign currency rate changes, segment sales grew 6%.

Total debt at November 30, 2003 was approximately \$254 million. Net debt (total debt less approximately \$33 million of cash) was \$221 million, compared to \$165 million at the beginning of the quarter. The increase was primarily attributable to acquisitions, premiums paid to repurchase 13% Notes, seasonal working capital growth, semi-annual interest payments and income tax payments. The Company had no borrowings outstanding under its \$100 million revolver at November 30, 2003.

Commenting on the business outlook, Arzbaecher said, "We are off to a strong start in fiscal 2004. The Kwikiee acquisition and capitalization changes in the first quarter, as well as the weaker U.S. dollar and improving economy, provide us with the opportunity to generate full year diluted EPS excluding debt buyback costs near the high end of the \$1.60-\$1.75 range we previously endorsed. However, given the uncertainty of the speed and breadth of the economic

recovery, and foreign currency rate volatility, we are maintaining our prior sales and earnings guidance and will reassess it after the end of second quarter. Second quarter sales should be in the \$155-\$160 million range, and diluted earnings per share in the \$0.32-\$0.35 per share range. We continue to be optimistic about Actuant's growth prospects in fiscal 2004 and beyond."

#### Safe Harbor Statement

Certain of the above comments represent forward-looking statements made pursuant to the provisions of the Private Securities Litigation Reform Act of 1995. Management cautions that these statements are based on current estimates of future performance and are highly dependent upon a variety of factors, which could cause actual results to differ from these estimates. Actuant's results are also subject to general economic conditions, variation in demand from customers, the impact on the economy of terrorist attacks and other geopolitical activity, continued market acceptance of the Company's new product introductions, the successful integration of business unit acquisitions and related restructuring, operating margin risk due to competitive pricing and operating efficiencies, supply chain risk, material and labor cost increases, foreign currency fluctuations and interest rate risk. See the Company's registration statements filed with the Securities and Exchange Commission for further information regarding risk factors.

Actuant, headquartered in Milwaukee, Wisconsin, is a diversified industrial company with operations in more than 20 countries. The Actuant businesses are leading companies in highly engineered position and motion control systems and branded tools. Products are offered under such established brand names as Enerpac, Gardner Bender, Kopp, Kwikke, Milwaukee Cylinder, Nielsen Sessions, Power-Packer, and Power Gear.

The Company will be conducting an investor conference call at 11:00 EST today to discuss first quarter results. For further information on Actuant and its business units, including instructions on how to participate in today's conference call, visit the Company's website at [www.actuant.com](http://www.actuant.com).

Actuant Corporation  
Consolidated Balance Sheets  
(Dollars in thousands)

	November 30, 2003	August 31, 2003
	-----	
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$32,692	\$4,593
Accounts receivable, net	99,048	81,825
Inventories, net	74,666	67,640
Deferred income taxes	15,334	14,727
Other current assets	4,516	3,977
	-----	
Total Current Assets	226,256	172,762
Property, plant and equipment, net	63,555	59,197
Goodwill	121,530	101,680
Other intangible assets, net	21,985	19,521
Other long-term assets	11,968	8,493
	-----	
Total Assets	\$445,294	\$361,653
	=====	

#### LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities		
Short-term borrowings	\$516	\$1,224
Trade accounts payable	56,130	53,045
Accrued compensation and benefits	17,419	16,773
Income taxes payable	15,794	21,444
Current maturities of long-term debt	7,696	8,918
Other current liabilities	39,032	40,753
	-----	
Total Current Liabilities	136,587	142,157
Long-term debt, less current maturities	245,651	159,692
Deferred income taxes	9,444	8,841
Pension and postretirement benefit accruals	30,618	29,430
Other long-term liabilities	29,743	29,042
Minority interest in net equity of consolidated affiliates	160	4,117

Shareholders' equity		
Capital stock	4,714	4,702
Additional paid-in capital	(522,239)	(522,627)
Accumulated other comprehensive income (loss)	(17,799)	(21,823)
Stock held in trust	(676)	(636)
Deferred compensation liability	676	636
Retained earnings	528,415	528,122
	-----	-----
Total Shareholders' Deficit	(6,909)	(11,626)
	-----	-----
Total Liabilities and Shareholders' Equity	\$445,294	\$361,653
	=====	=====

Actuant Corporation  
Consolidated Statements of Earnings  
(In thousands except per share amounts)

	Three Months Ended November 30,	
	2003	2002
	-----	-----
Net Sales	\$166,584	\$147,858
Cost of Products Sold	111,966	101,956
	-----	-----
Gross Profit	54,618	45,902
Selling, Administrative and Engineering Expenses	33,349	27,087
Amortization of Intangible Assets	547	627
	-----	-----
Operating Profit	20,722	18,188
Net Financing Costs	4,391	5,662
Charge for Early Extinguishment of Debt	15,069	1,974
Litigation Charge associated with Divested Businesses	-	7,300
Other (Income) Expense, net	453	246
	-----	-----
Earnings from Continuing Operations Before Income Taxes and Minority Interest	809	3,006
Income Tax Expense	283	1,067
Minority Interest, net of Income Taxes	233	83
	-----	-----
Net Earnings	\$293	\$1,856
	=====	=====
Earnings per Share		
Basic	\$0.01	\$0.08
Diluted	0.01	0.08
Weighted Average Common Shares Outstanding		
Basic	23,539	23,206
Diluted	24,727	24,396

ACTUANT CORPORATION  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(In thousands)  
(Unaudited)

	Three Months Ended November 30,	
	2003	2002
	-----	-----
Operating Activities		
Net earnings	\$293	\$1,856
Adjustments to reconcile net earnings to net cash (used in) provided by operating activities:		
Depreciation and amortization	3,934	3,689
Amortization of debt discount and debt issuance costs	374	377
Write-off of debt discount and debt issuance costs in conjunction with early		

extinguishment of debt	1,385	317
Provision for deferred income taxes	820	366
Loss on disposal of assets	70	25
Changes in operating assets and liabilities, excluding the effects of the business acquisitions:		
Accounts receivable	(8,355)	(6,381)
Inventories	(2,413)	1,915
Prepaid expenses and other assets	(326)	1,978
Trade accounts payable	(136)	(2,621)
Accrued interest.	(4,056)	(4,117)
Income taxes payable.	(5,835)	(2,564)
Other accrued liabilities	625	9,148
	-----	-----
Net cash (used in) provided by operating activities (a)	(13,620)	3,988
Investing Activities		
-----		
Proceeds from sale of property, plant and equipment	--	4
Capital expenditures	(2,885)	(3,392)
Cash paid for business acquisitions, net of cash acquired	(33,197)	(8,730)
	-----	-----
Net cash used in investing activities	(36,082)	(12,118)
Financing Activities		
-----		
Partial redemption of 13% senior subordinated notes	(49,354)	(9,425)
Net proceeds from convertible debt offering	145,216	--
Net principal borrowings (payments) on other debt	(18,586)	18,010
Stock option exercises and other	358	298
	-----	-----
Net cash provided by financing activities	77,634	8,883
Effect of exchange rate changes on cash	167	3
	-----	-----
Net increase in cash and cash equivalents	28,099	756
Cash and cash equivalents - beginning of period	4,593	3,043
	-----	-----
Cash and cash equivalents - end of period	\$32,692	\$3,799
	=====	=====

(a) Includes cash paid in excess of face value on 13% senior subordinated note redemptions of \$13.7 million and \$1.7 million for the three months ended November 30, 2003 and 2002, respectively.

ACTUANT CORPORATION  
SUPPLEMENTAL UNAUDITED DATA  
(US dollars, in thousands)

	FISCAL 2003				
	Q1	Q2	Q3	Q4	TOTAL
	-----	-----	-----	-----	-----
SALES					
TOOLS & SUPPLIES SEGMENT	\$92,014	\$90,651	\$91,386	\$92,433	\$366,484
ENGINEERED SOLUTIONS SEGMENT	55,844	51,448	55,803	55,814	218,909
	-----	-----	-----	-----	-----
TOTAL REPORTED SALES	\$147,858	\$142,099	\$147,189	\$148,247	\$585,393
	=====	=====	=====	=====	=====
% SALES GROWTH					
TOOLS & SUPPLIES SEGMENT	43.6%	45.4%	39.0%	37.2%	41.2%
ENGINEERED SOLUTIONS SEGMENT	13.8%	11.6%	2.8%	3.3%	7.6%
TOTAL REPORTED SALES	30.7%	31.0%	22.6%	22.1%	26.4%
OPERATING PROFIT					
TOOLS & SUPPLIES SEGMENT	\$12,818	\$12,224	\$13,702	\$13,417	\$52,161
ENGINEERED SOLUTIONS					

SEGMENT	6,616	5,760	7,648	7,571	27,595
CORPORATE /					
GENERAL	(1,246)	(1,955)	(1,957)	(1,813)	(6,971)
-----					
TOTAL REPORTED					
RESULTS	\$18,188	\$16,029	\$19,393	\$19,175	\$72,785
=====					
OPERATING PROFIT %					
TOOLS & SUPPLIES					
SEGMENT	13.9%	13.5%	15.0%	14.5%	14.2%
ENGINEERED SOLUTIONS					
SEGMENT	11.8%	11.2%	13.7%	13.6%	12.6%
TOTAL (INCL. CORPORATE)	12.3%	11.3%	13.2%	12.9%	12.4%
EBITDA (1)					
TOOLS & SUPPLIES					
SEGMENT	\$15,126	\$14,454	\$16,829	\$15,746	\$62,155
ENGINEERED SOLUTIONS					
SEGMENT	7,666	7,501	8,739	8,947	32,853
CORPORATE /					
GENERAL (2)	(1,161)	(1,354)	(2,028)	(375)	(4,918)
-----					
TOTAL RECURRING					
EBITDA	21,631	20,601	23,540	24,318	90,090
OTHER ITEMS (3)	(9,274)	-	798	-	(8,476)
-----					
TOTAL	\$12,357	\$20,601	\$24,338	\$24,318	\$81,614
=====					
EBITDA %					
TOOLS & SUPPLIES					
SEGMENT	16.4%	15.9%	18.4%	17.0%	17.0%
ENGINEERED SOLUTIONS					
SEGMENT	13.7%	14.6%	15.7%	16.0%	15.0%
TOTAL RECURRING (INCL.					
CORPORATE)	14.6%	14.5%	16.0%	16.4%	15.4%
OTHER FINANCIAL DATA					
DEPRECIATION &					
AMORTIZATION					
TOOLS & SUPPLIES					
SEGMENT	\$2,413	\$2,433	\$2,137	\$2,380	\$9,363
ENGINEERED					
SOLUTIONS SEGMENT	1,133	1,237	1,321	1,367	5,058
CORPORATE / GENERAL	143	150	174	179	646
-----					
TOTAL DEPRECIATION &					
AMORTIZATION	\$3,689	\$3,820	\$3,632	\$3,926	\$15,067
=====					
OTHER INCOME					
(EXPENSE)					
TOOLS & SUPPLIES					
SEGMENT	\$(105)	\$(203)	\$990	\$(51)	\$631
ENGINEERED SOLUTIONS					
SEGMENT	(83)	504	(230)	9	200
CORPORATE / GENERAL	(58)	451	(245)	1,259	1,407
-----					
TOTAL REPORTED					
RESULTS	\$(246)	\$752	\$515	\$1,217	\$2,238
=====					
LEVERAGE					
NET DEBT (4)	\$204	\$192	\$185	\$165	
LEVERAGE RATIO (5)	2.4	2.2	2.1	1.8	

FISCAL 2004

	Q1	Q2	Q3	Q4	TOTAL
-----					
SALES					
TOOLS & SUPPLIES SEGMENT	\$96,335				\$96,335
ENGINEERED SOLUTIONS					
SEGMENT	70,249				70,249
-----					
TOTAL REPORTED SALES	\$166,584	\$-	\$-	\$-	\$166,584
=====					

% SALES GROWTH					
TOOLS & SUPPLIES SEGMENT	4.7%				4.7%
ENGINEERED SOLUTIONS					
SEGMENT	25.8%				25.8%
TOTAL REPORTED SALES	12.7%				12.7%

OPERATING PROFIT					
TOOLS & SUPPLIES SEGMENT	\$14,361				\$14,361
ENGINEERED SOLUTIONS					
SEGMENT	8,775				8,775
CORPORATE / GENERAL	(2,414)				(2,414)
TOTAL REPORTED RESULTS	\$20,722	\$-	\$-	\$-	\$20,722

OPERATING PROFIT %					
TOOLS & SUPPLIES SEGMENT	14.9%				14.9%
ENGINEERED SOLUTIONS					
SEGMENT	12.5%				12.5%
TOTAL (INCL. CORPORATE)	12.4%				12.4%

EBITDA (1)					
TOOLS & SUPPLIES SEGMENT	\$16,668				\$16,668
ENGINEERED SOLUTIONS					
SEGMENT	9,921				9,921
CORPORATE / GENERAL (2)	(2,386)				(2,386)
TOTAL RECURRING EBITDA	24,203	-	-	-	24,203
OTHER ITEMS (3)	(15,069)				(15,069)
TOTAL	\$9,134	\$-	\$-	\$-	\$9,134

EBITDA %					
TOOLS & SUPPLIES SEGMENT	17.3%				17.3%
ENGINEERED SOLUTIONS					
SEGMENT	14.1%				14.1%
TOTAL RECURRING (INCL. CORPORATE)	14.5%				14.5%

OTHER FINANCIAL DATA					
DEPRECIATION & AMORTIZATION					
TOOLS & SUPPLIES SEGMENT	\$2,083				\$2,083
ENGINEERED SOLUTIONS					
SEGMENT	1,666				1,666
CORPORATE / GENERAL	185				185
TOTAL DEPRECIATION & AMORTIZATION	\$3,934	\$-	\$-	\$-	\$3,934

OTHER INCOME (EXPENSE)					
TOOLS & SUPPLIES SEGMENT	\$224				\$224
ENGINEERED SOLUTIONS					
SEGMENT	(520)				(520)
CORPORATE / GENERAL	(157)				(157)
TOTAL REPORTED RESULTS	\$(453)	\$-	\$-	\$-	\$(453)

LEVERAGE					
NET DEBT (4)	\$221				
LEVERAGE RATIO (5)	2.4	-	-	-	

- (1) Segment EBITDA = segment operating profit + segment depreciation & amortization + segment other income (expense)
- (2) Corporate / general EBITDA in the fourth quarter of fiscal 2003 includes a \$1.2 million foreign currency gain recognized upon substantial liquidation of a Mexican subsidiary.
- (3) First quarter 2003 other items include a \$2.0 million charge related to the early redemption of debt and a \$7.3 million charge related to litigation for business units divested prior to the July 31, 2000 spin-off. Third quarter 2003 other items represents an \$0.8 million reversal of a portion of the \$7.3 million first quarter charge for the favorable settlement of such litigation. First quarter 2004 other items represents charges related to the early redemption of debt.
- (4) Net debt = long-term debt + current maturities of long-term debt + short-term borrowings - cash and cash equivalents
- (5) Leverage ratio = net debt / trailing four quarters total recurring EBITDA

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KEYWORD: WISCONSIN  
INDUSTRY KEYWORD: MANUFACTURING CONFERENCE CALLS EARNINGS  
SOURCE: Actuant Corporation



