

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): March 17, 2004

ACTUANT CORPORATION

(Exact name of Registrant as specified in its charter)

Wisconsin	1-11288	39-0168610
(State or other jurisdiction of incorporation)	(Commission File Number)	(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 March 17, 2004, the Company announced its results of operations for the second quarter ended February 29, 2004. A copy of the press release announcing the Company's results for the second quarter ended February 29, 2004 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: March 17, 2004

By: /s/ Andrew G. Lampereur

Andrew G. Lampereur
Vice President and Chief Financial Officer

Actuant Raises 2004 Guidance, Reports 41% Increase in Second Quarter Diluted EPS Prior to Refinancing Charge

MILWAUKEE--(BUSINESS WIRE)--March 17, 2004--Actuant Corporation (NYSE:ATU) today announced results for its second quarter ended February 29, 2004. Second quarter sales increased approximately 24% to \$176.0 million compared to \$142.1 million in the prior year. Current year results include those from Kwiikee Products Company Inc. ("Kwiikee") and Dresco B.V. ("Dresco"), which were acquired on September 3, 2003 and December 30, 2003, respectively. Excluding the acquisition impacts of Kwiikee and Dresco and the favorable impact of foreign currency exchange rate changes on translated results, second quarter sales increased approximately 6%. Second quarter fiscal 2004 net earnings and diluted earnings per share ("diluted EPS") were \$8.8 million and \$0.35 per diluted share, respectively. Such results include the previously announced \$2.3 million pre-tax charge (\$1.5 million net of tax, or \$0.06 per diluted share) attributable to the write-off of remaining debt issuance costs associated with the senior secured credit facility that was replaced during February 2004. Excluding this charge, second quarter fiscal 2004 net earnings and diluted EPS were \$10.2 million and \$0.41 per share, respectively. This compares favorably to prior year second quarter net earnings and diluted EPS of \$7.1 million and \$0.29 per diluted share, respectively, representing increases of 44% and 41%, respectively.

Sales for the six months ended February 29, 2004 were \$342.6 million, approximately 18% higher than the \$290.0 million in the comparable prior year period. Excluding the impact of the Dresco and Kwiikee acquisitions, as well as the impact of foreign currency rate changes on translated results, sales for the six-month period increased 3%. Net earnings for the six-months ended February 29, 2004 were \$9.1 million, or \$0.36 per diluted share, compared to \$9.0 million, or \$0.37 per diluted share for the comparable prior year period. The Company recorded net of tax special charges of \$1.3 million, or \$0.05 per diluted share, in the first quarter of fiscal 2003 related to the early extinguishment of debt and \$4.7 million, or \$0.19 per diluted share, related to litigation matters associated with businesses divested prior to the spin-off of APW Ltd. in July 2000. In addition, the Company recorded net of tax special charges of \$9.8 million or \$0.40 per diluted share, in the first quarter of fiscal 2004 and \$1.5 million, or \$0.06 per diluted share, in the current quarter, related to the early extinguishment of debt. Excluding all of these special charges, net earnings and diluted EPS for the first half of fiscal 2004 were \$20.3 million and \$0.82 per diluted share, compared to \$15.0 million and \$0.61 per diluted share, respectively, in the prior year.

Commenting on the results, Robert C. Arzbaeher, President and CEO of Actuant, stated, "We are pleased with second quarter results, especially the 41% increase in diluted earnings per share before the refinancing charge. Earnings improved primarily as a result of higher sales, lower financing costs, improved economic conditions, and the continued weakening of the U.S. dollar. Additionally, we saw earnings contributions from both Kwiikee and Dresco, which were acquired this fiscal year, as well as solid margins at Kopp, which was acquired last year.

"Profit margins increased in all major operations other than automotive, which continued to be adversely impacted by inefficiencies and manufacturing variances resulting from the production start-ups of new convertible top platforms and the recent launch of production at our North America automotive plant. While these challenges continue, we are confident that we will see automotive margin improvement in the near future.

"Actuant is off to a strong fiscal 2004 with first half diluted earnings per share before special charges of \$0.82 per share, or 34% higher than last year. This exceeds our long-term goal of increasing earnings by 15-20% annually. Despite increases in commodity costs such as steel, plastic resin and copper, we are raising our previous sales and earnings estimates for fiscal 2004 to reflect our current outlook. We are projecting full year sales of \$695-705 million, and diluted earnings per share excluding debt extinguishment charges of \$1.75-1.85 per share. Based on today's exchange rates, we are expecting third quarter sales to be approximately \$180-\$185 million and diluted EPS of between \$0.48-0.53 per share. Given our present cost structure, the future benefit of completed acquisitions and an improved economic outlook, Actuant is positioned for continued profitable growth."

Fiscal 2004 second quarter sales in the Tools & Supplies segment were \$103.6 million, or approximately 14% higher than last year's \$90.7 million, primarily due to foreign currency rate changes and the impact of the Dresco acquisition. Excluding these factors, Tools & Supplies segment revenues were relatively unchanged, reflecting higher North American sales offset by lower European sales. Second quarter sales in the Engineered Solutions segment increased approximately 41% over the prior year to \$72.5 million, reflecting higher shipments in all major markets, the Kwiikee acquisition and the favorable impact of

foreign currency. Excluding foreign currency rate changes and the impact of the Kwiikee acquisition, segment sales increased 18%.

Actuant's second quarter operating profit increased 26% from \$16.0 million in 2003 to \$20.2 million this year, reflecting 24% sales growth and higher overall profit margins. Second quarter EBITDA (earnings before interest, income taxes, depreciation, amortization and minority interest), before special charges, was \$23.8 million, or 15% higher than the \$20.6 million last year, reflecting sales growth and increased operating profit margins, offset by foreign currency transaction losses. EBITDA is a key financial metric of the Company and its investors in measuring performance prior to capitalization and income tax charges. (See attached supplemental schedule for calculation.)

Total debt at February 29, 2004 was \$231 million, compared to approximately \$254 million at the beginning of the second quarter. The decline in debt resulted from strong second quarter operating cash flow and the approximate \$15 million proceeds from the sale/leaseback of a German facility in December. Cash balances declined from approximately \$33 million at the beginning of the quarter to \$3 million at February 29, 2004, reflecting the use of approximately \$32 million of cash to fund the Dresco acquisition. Liquidity remains strong with only \$12 million of the Company's \$250 million revolver drawn at quarter-end. Second quarter net financing costs declined 29% year-over-year due to lower interest rates on funded debt, primarily reflecting fewer 13% Senior Subordinated Notes outstanding compared to the prior year.

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 Dresco, Enerpac, Gardner Bender, Kopp, Kwiikee, 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 second quarter results. For further information on Actuant and its business units, and to listen to today's conference call, visit the Company's website at www.actuant.com.

Actuant Corporation Consolidated Balance Sheets (Dollars in thousands)

	February 29, 2004	August 31, 2003
	-----	-----
	(Unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents	\$3,127	\$4,593
Accounts receivable, net	102,000	81,825
Inventories, net	82,530	67,640
Deferred income taxes	15,676	14,727
Other current assets	5,687	3,977
	-----	-----
Total Current Assets	209,020	172,762
Property, plant and equipment, net	54,427	59,197
Goodwill	145,817	101,680
Other intangible assets, net	24,036	19,521
Other long-term assets	10,514	8,493
	-----	-----
Total Assets	\$443,814	\$361,653
	=====	=====

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities		
Short-term borrowings	\$2,188	\$1,224
Trade accounts payable	57,360	53,045
Accrued compensation and benefits	19,106	16,773
Income taxes payable	13,841	21,444
Current maturities of long-term debt	4,120	8,918
Other current liabilities	42,430	40,753
	-----	-----
Total Current Liabilities	139,045	142,157
Long-term debt, less current maturities	225,066	159,692
Deferred income taxes	11,808	8,841
Pension and postretirement benefit accruals	31,276	29,430
Other long-term liabilities	30,263	29,042
Minority interest in net equity of consolidated affiliates	161	4,117
Shareholders' equity		
Capital stock	4,730	4,702
Additional paid-in capital	(520,552)	(522,627)
Accumulated other comprehensive income (loss)	(15,156)	(21,823)
Stock held in trust	(724)	(636)
Deferred compensation liability	724	636
Retained earnings	537,173	528,122
	-----	-----
Total Shareholders' Equity (Deficit)	6,195	(11,626)
	-----	-----
Total Liabilities and Shareholders' Equity	\$443,814	\$361,653
	=====	=====

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

	Three Months Ended		Six Months Ended	
	February 29, 2004	February 28, 2003	February 29, 2004	February 28, 2003
	-----	-----	-----	-----
Net Sales	\$176,022	\$142,099	\$342,606	\$289,957
Cost of Products Sold	121,227	95,610	233,193	197,566
	-----	-----	-----	-----
Gross Profit	54,795	46,489	109,413	92,391
Selling, Administrative and Engineering Expenses	34,036	29,867	67,385	56,954
Amortization of Intangible Assets	587	593	1,134	1,220
	-----	-----	-----	-----
Operating Profit	20,172	16,029	40,894	34,217
Net Financing Costs	3,877	5,443	8,268	11,105
Charge for Early Extinguishment of Debt	2,268	-	17,337	1,974
Litigation Charge associated with Divested Businesses	-	-	-	7,300
Other (Income) Expense, net	638	(752)	1,091	(506)
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Earnings from Continuing Operations Before Income Taxes and Minority Interest	13,389	11,338	14,198	14,344
Income Tax Expense	4,660	4,025	4,943	5,092
Minority Interest,				

net of Income Taxes	(29)	197	204	280

Net Earnings	\$8,758	\$7,116	\$9,051	\$8,972
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Earnings per Share				
Basic	\$0.37	\$0.31	\$0.38	\$0.39
Diluted	0.35	0.29	0.36	0.37
Weighted Average Common Shares Outstanding				
Basic	23,601	23,283	23,580	23,259
Diluted	24,912	24,466	24,825	24,451

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

	Three Months Ended	
	February 29, 2004	February 28, 2003

Operating Activities		

Net earnings	\$8,758	\$7,116
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	4,255	3,822
Amortization of debt discount and debt issuance costs	468	367
Write-off of debt discount and debt issuance costs in conjunction with early extinguishment of debt	2,180	--
(Benefit) provision for deferred income taxes	(1,036)	330
Loss on disposal of assets	67	--
Changes in operating assets and liabilities, excluding the effects of the business acquisitions:		
Accounts receivable	3,409	5,313
Inventories	1,152	2,095
Trade accounts payable	(3,411)	(130)
Other	(825)	(2,373)

Net cash provided by operating activities	15,017	16,540
Investing Activities		

Proceeds from sale of property, plant and equipment	14,601	5
Capital expenditures	(3,016)	(3,158)
Cash paid for business acquisitions, net of cash acquired	(31,903)	--

Net cash used in investing activities	(20,318)	(3,153)
Financing Activities		

Extinguishment of senior secured credit agreement	(30,000)	--
Initial proceeds from senior credit agreement	30,000	--
Net repayments on revolving credit facilities and short-term borrowings	(16,467)	(7,081)
Principal payments on term loans	(6,968)	(8,804)
Debt issuance costs	(1,123)	--
Other	249	446

Net cash used in financing activities	(24,309)	(15,439)
Effect of exchange rate changes on cash	45	180

Net decrease in cash and cash equivalents	(29,565)	(1,872)
Cash and cash equivalents - beginning of period	32,692	3,799

Cash and cash equivalents - end of period	\$3,127	\$1,927

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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

FISCAL 2004

	Q1	Q2	Q3	Q4	TOTAL
SALES					
TOOLS & SUPPLIES					
SEGMENT	\$96,335	\$103,554			\$199,889
ENGINEERED SOLUTIONS					
SEGMENT	70,249	72,468			142,717
TOTAL REPORTED SALES	\$166,584	\$176,022	\$-	\$-	\$342,606

% SALES GROWTH					
TOOLS & SUPPLIES					
SEGMENT	4.7%	14.2%			9.4%
ENGINEERED SOLUTIONS					
SEGMENT	25.8%	40.9%			33.0%
TOTAL REPORTED SALES	12.7%	23.9%			18.2%

OPERATING PROFIT					
TOOLS & SUPPLIES					
SEGMENT	\$14,361	\$15,714			\$30,075
ENGINEERED SOLUTIONS					
SEGMENT	8,775	7,257			16,032
CORPORATE / GENERAL	(2,414)	(2,799)			(5,213)
TOTAL REPORTED RESULTS	\$20,722	\$20,172	\$-	\$-	\$40,894

OPERATING PROFIT %					
TOOLS & SUPPLIES					
SEGMENT	14.9%	15.2%			15.0%
ENGINEERED SOLUTIONS					
SEGMENT	12.5%	10.0%			11.2%
TOTAL (INCL. CORPORATE)	12.4%	11.5%			11.9%

EBITDA (1)					
TOOLS & SUPPLIES					
SEGMENT	\$16,668	\$17,511			\$34,179
ENGINEERED SOLUTIONS					
SEGMENT	9,921	8,986			18,907
CORPORATE / GENERAL (2)	(2,386)	(2,709)			(5,095)
TOTAL RECURRING EBITDA	24,203	23,788	-	-	47,991
OTHER ITEMS (3)	(15,069)	(2,268)			(17,337)
TOTAL	\$9,134	\$21,520	\$-	\$-	\$30,654

EBITDA %					
TOOLS & SUPPLIES					
SEGMENT	17.3%	16.9%			17.1%
ENGINEERED SOLUTIONS					
SEGMENT	14.1%	12.4%			13.2%
TOTAL RECURRING (INCL. CORPORATE)	14.5%	13.5%			14.0%

OTHER FINANCIAL DATA					
DEPRECIATION & AMORTIZATION					
TOOLS & SUPPLIES					
SEGMENT	\$2,083	\$2,261			\$4,344
ENGINEERED SOLUTIONS					
SEGMENT	1,666	1,805			3,471
CORPORATE / GENERAL	185	188			373
TOTAL DEPRECIATION & AMORTIZATION	\$3,934	\$4,254	\$-	\$-	\$8,188

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OTHER INCOME (EXPENSE)				
TOOLS & SUPPLIES				
SEGMENT	\$224	\$ (464)		\$ (240)
ENGINEERED SOLUTIONS				
SEGMENT	(520)	(76)		(596)
CORPORATE / GENERAL	(157)	(98)		(255)

TOTAL REPORTED				
RESULTS	\$ (453)	\$ (638)	\$-	\$- \$ (1,091)
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- (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. Second quarter 2004 other items represents the non-cash charge attributable to the write-off of remaining debt issuance costs associated with the senior secured credit facility that was replaced during February 2004.

CONTACT: Actuant Corporation
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