

UNITED STATES  
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 21, 2005

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On December 21, 2005, Actuant Corporation (the "Company") announced its results of operations for the first quarter ended November 30, 2005. A copy of the press release announcing the Company's results for the first quarter ended November 30, 2005 is attached as Exhibit 99.1 to this report on Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

99.1 Press Release of the Company dated December 21, 2005.

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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 21, 2005

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

## Actuant Announces Record First Quarter Sales and Earnings

MILWAUKEE--(BUSINESS WIRE)--Dec. 21, 2005--Actuant Corporation (NYSE:ATU) today announced record results for its first quarter ended November 30, 2005. First quarter fiscal 2006 net earnings and diluted earnings per share ("EPS") were \$21.3 million and \$0.70, respectively. This compares favorably to net earnings and EPS of \$16.9 million and \$0.62, respectively, for the first quarter of fiscal 2005 which included a \$2.0 million pre-tax gain (\$1.3 million after tax or \$0.05 per diluted share), for the favorable settlement of a liability to a former subsidiary.

First quarter sales increased approximately 42% to \$284 million compared to \$200 million in the prior year. Current year results include those from Key Components, Inc., Hydratight Sweeney, Hedley Purvis Holdings Limited, and A.W. Sperry Instruments, Inc., which were acquired during the second and third quarters of fiscal 2005. Excluding the impact of foreign currency exchange rate changes, first quarter core sales (year-over-year sales in both existing and acquired businesses) increased approximately 1%. Sales from businesses owned at least twelve months were flat compared to the prior year, excluding foreign currency rate changes. The increase in core sales resulted from strong industrial and North American electrical sales, partially offset by declines in the recreational vehicle ("RV") and automotive convertible top markets.

Robert C. Arzbaecher, President and CEO of Actuant, commented, "I am pleased with the strong start to fiscal 2006 and better than forecasted first quarter results. Of particular note was the improvement in year-over-year sales growth excluding foreign currency exchange rate changes from businesses owned at least twelve months, which improved from -5% in the fourth quarter of fiscal 2005 to flat in the first quarter of fiscal 2006."

Arzbaecher continued, "Tools & Supplies performance exceeded our expectations, especially the industrial and electrical units, which more than offset the expected declines in the automotive convertible top and RV businesses. This favorable sales mix also benefited margins and earnings. Engineered Solutions segment results were in line with our expectations. We anticipate improvement in this segment as the year progresses, reflecting sales growth from new convertible top platform launches and improved RV market conditions. Late in the first quarter, we started actuation system production for two new retractable hard top convertibles, and are scheduled to start shipping systems for two additional new models in the next ninety days. Meanwhile, we believe RV market conditions will improve as production levels better match retail demand."

Actuant's operating profit in the first quarter of fiscal 2006 was \$38.2 million, or 45% higher than the \$26.4 million in the first quarter of last year, due to operating profit from companies acquired subsequent to the first quarter of fiscal 2005, and improvement in operating profit margins. Operating profit margins expanded to 13.5% in the first quarter of fiscal 2006 from 13.2% and 12.5% in the first and fourth quarters of fiscal 2005, respectively, reflecting favorable sales mix, increased low cost country sourcing, price increases and cost reductions.

Fiscal 2006 first quarter Tools & Supplies segment sales were \$181 million, a 61% increase over last year. Excluding the impact of foreign currency rate changes, year-over-year first quarter Tools & Supplies segment core sales increased 9% and sales from businesses owned at least twelve months increased 11%. First quarter fiscal 2006 Engineered Solutions segment sales increased approximately 18% to \$103 million, compared to \$87 million in the previous year. Excluding the impact of foreign currency rate changes, first quarter Engineered Solutions core sales decreased 11% and sales from businesses owned at least twelve months decreased 14%, both the result of lower sales to automotive convertible top and RV motorhome original equipment manufacturers ("OEMs").

Total debt at November 30, 2005 was approximately \$425 million. Net debt (total debt less approximately \$7 million of cash) was \$418 million, compared to \$432 million at the beginning of the quarter. This \$14 million reduction resulted from strong first quarter cash flow even after considering the seasonal working capital increases in the business.

The Company also announced sales and earnings guidance for the second quarter of fiscal 2006 and confirmed its full year guidance. Arzbaecher stated, "We expect second quarter sales and EPS to be lower than the first quarter due to normal seasonality, but expect year-over-year core sales and earnings growth compared to the prior year period. We are projecting second quarter sales and EPS to be in the range of \$270 - \$275 million and \$0.58 - \$0.63 per share, respectively. Full year fiscal 2006 sales and earnings guidance remains unchanged from our previous ranges of \$1.150 - \$1.175 billion and \$2.75 - \$3.00 per share, respectively."

## 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 of geopolitical activity on the economy, continued market acceptance of the Company's new product introductions, the successful integration of 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.

### About Actuant

Actuant, headquartered in Glendale, Wisconsin, is a diversified industrial company with operations in 31 countries. The Actuant businesses are market leaders in highly engineered position and motion control systems and branded hydraulic and electrical tools and supplies. Formerly known as Applied Power Inc., Actuant was created in 2000 after the spin-off of Applied Power's electronics business segment into a separate public company. Since 2000, Actuant has grown its sales from \$482 million to over \$1 billion and its market capitalization from \$113 million to over \$1 billion. The Company employs a workforce of approximately 6,000 worldwide. Actuant Corporation trades on the New York Stock Exchange under the symbol ATU. For further information on Actuant and its business units, visit the Company's website at [www.actuant.com](http://www.actuant.com).

The Company will be conducting an investor conference call at 11:00 EST Wednesday, December 21 to discuss first quarter results. To listen to the live web cast of the call visit the Company's website at [www.actuant.com](http://www.actuant.com).

### Actuant Corporation Condensed Consolidated Balance Sheets (Dollars in thousands)

	November 30, 2005	August 31, 2005
	-----	-----
	(Unaudited)	
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$7,470	\$10,356
Accounts receivable, net	146,642	131,185
Inventories, net	139,633	135,960
Deferred income taxes	14,786	14,974
Other current assets	7,732	6,838
	-----	-----
Total current assets	316,263	299,313
Property, plant and equipment, net	82,336	83,879
Goodwill	422,952	428,285
Other intangible assets, net	170,591	175,001
Other long-term assets	11,835	9,857
	-----	-----
Total assets	\$1,003,977	\$996,335
	=====	=====
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities		
Short-term borrowings	\$3,492	\$21
Trade accounts payable	94,416	89,506
Accrued compensation and benefits	30,648	32,663
Income taxes payable	20,338	15,049
Current maturities of long-term debt	130	136
Other current liabilities	49,945	51,360
	-----	-----
Total current liabilities	198,969	188,735
Long-term debt, less current maturities	421,996	442,661
Deferred income taxes	59,216	58,783
Pension and postretirement benefit accruals	40,519	41,192
Other long-term liabilities	21,255	20,131

Shareholders' equity

Capital stock	5,424	5,410
Additional paid-in capital	(367,239)	(370,875)
Accumulated other comprehensive income (loss)	(28,140)	(20,282)
Restricted stock awards	(1,323)	(1,452)
Stock held in trust	(1,302)	(1,166)
Deferred compensation liability	1,302	1,166
Retained earnings	653,300	632,032
	-----	-----
Total shareholders' equity	262,022	244,833
	-----	-----
Total liabilities and shareholders' equity	\$1,003,977	\$996,335
	=====	=====

Actuant Corporation  
 Condensed Consolidated Statements of  
 Earnings  
 (Dollars in thousands except per share amounts)

	Three Months Ended November 30,	
	2005	2004
	-----	-----
	(Unaudited)	
Net sales	\$283,876	\$199,677
Cost of products sold	184,398	135,876
	-----	-----
Gross profit	99,478	63,801
Selling, administrative and engineering expenses	59,482	36,800
Amortization of intangible assets	1,785	591
	-----	-----
Operating profit	38,211	26,410
Financing costs, net	6,067	1,938
Other (income) expense, net	698	(1,219)
	-----	-----
Earnings from operations before income tax expense and minority interest	31,446	25,691
Income tax expense	10,220	8,806
Minority interest, net of income taxes	(42)	(56)
	-----	-----
Net earnings	\$21,268	\$16,941
	=====	=====
Earnings per share		
Basic	\$0.79	\$0.71
Diluted	0.70	0.62
Weighted average common shares outstanding		
Basic	27,037	23,877
Diluted	31,453	28,362

Actuant Corporation  
 Condensed Consolidated Statements of  
 Cash Flows  
 (Dollars in thousands)

	Three Months Ended November 30,	
	2005	2004
	-----	-----
	(Unaudited)	
Operating Activities		
Net earnings	\$21,268	\$16,941
Adjustments to reconcile net earnings to net cash used in operating activities:		
Depreciation and amortization	6,521	4,098
Amortization of debt discount and debt issuance costs	360	245
Stock-based compensation expense	1,066	915

Provision for deferred income taxes	57	245
Gain on disposal of assets	(66)	(179)
Changes in operating assets and liabilities, excluding the effects of the business acquisition:		
Accounts receivable	(18,446)	(11,034)
Inventories	(5,745)	(5,327)
Prepaid expenses and other assets	(1,184)	3,785
Trade accounts payable	6,707	(1,940)
Income taxes payable	5,493	1,827
Reimbursement of tax refund to former subsidiary	-	(15,837)
Other accrued liabilities	4,992	(3,441)
	-----	-----
Net cash provided by (used in) operating activities	21,023	(9,702)
Investing Activities		
Proceeds from sale of property, plant and equipment	115	357
Capital expenditures	(5,075)	(3,183)
Cash paid for business acquisition, net of cash acquired	-	(8,952)
	-----	-----
Net cash used in investing activities	(4,960)	(11,778)
Financing Activities		
Net borrowings (repayments) on revolving credit facilities and short-term borrowings	(17,103)	17,625
Principal payments on term loans	-	(91)
Cash dividend	(2,165)	-
Tax benefit from stock-based compensation	188	3,383
Stock option exercises and other	428	1,233
	-----	-----
Net cash provided by (used in) financing activities	(18,652)	22,150
Effect of exchange rate changes on cash	(297)	385
	-----	-----
Net increase (decrease) in cash and cash equivalents	(2,886)	1,055
Cash and cash equivalents - beginning of period	10,356	6,033
	-----	-----
Cash and cash equivalents - end of period	\$7,470	\$7,088
	=====	=====

ACTUANT CORPORATION  
SUPPLEMENTAL UNAUDITED DATA  
(Dollars in thousands)

	FISCAL 2005				
	Q1	Q2	Q3	Q4	TOTAL
SALES					
TOOLS & SUPPLIES					
SEGMENT	\$112,537	\$138,546	\$158,211	\$174,250	\$583,544
ENGINEERED SOLUTIONS					
SEGMENT	87,140	96,721	113,522	95,139	392,522
	-----	-----	-----	-----	-----
TOTAL	\$199,677	\$235,267	\$271,733	\$269,389	\$976,066
	=====	=====	=====	=====	=====
% SALES GROWTH					
TOOLS & SUPPLIES					
SEGMENT	16.8%	33.8%	43.9%	63.9%	40.2%
ENGINEERED SOLUTIONS					
SEGMENT	24.0%	33.5%	31.2%	16.8%	26.3%
TOTAL	19.9%	33.7%	38.3%	43.5%	34.3%
OPERATING PROFIT					
TOOLS & SUPPLIES					
SEGMENT	\$17,493	\$19,621	\$21,924	\$28,537	\$87,575
ENGINEERED SOLUTIONS					
SEGMENT	12,080	10,803	16,091	10,792	49,766
CORPORATE / GENERAL	(3,163)	(3,486)	(4,137)	(4,064)	(14,850)
	-----	-----	-----	-----	-----
TOTAL	\$26,410	\$26,938	\$33,878	\$35,265	\$122,491

=====					
OPERATING PROFIT %					
TOOLS & SUPPLIES					
SEGMENT	15.5%	14.2%	13.9%	16.4%	15.0%
ENGINEERED SOLUTIONS					
SEGMENT	13.9%	11.2%	14.2%	11.3%	12.7%
TOTAL (INCLUDING CORPORATE)	13.2%	11.4%	12.5%	13.1%	12.5%

EBITDA					
TOOLS & SUPPLIES					
SEGMENT	\$19,262	\$22,560	\$25,619	\$31,877	\$99,318
ENGINEERED SOLUTIONS					
SEGMENT	13,384	13,345	18,143	13,150	58,022
CORPORATE / GENERAL	(919)	(3,308)	(3,871)	(4,186)	(12,284)
TOTAL	\$31,727	\$32,597	\$39,891	\$40,841	\$145,056
=====					

EBITDA %					
TOOLS & SUPPLIES					
SEGMENT	17.1%	16.3%	16.2%	18.3%	17.0%
ENGINEERED SOLUTIONS					
SEGMENT	15.4%	13.8%	16.0%	13.8%	14.8%
TOTAL (INCLUDING CORPORATE)	15.9%	13.9%	14.7%	15.2%	14.9%

FISCAL 2006					
-----					
	Q1	Q2	Q3	Q4	TOTAL
-----					
SALES					
TOOLS & SUPPLIES					
SEGMENT	\$181,306				\$181,306
ENGINEERED SOLUTIONS					
SEGMENT	102,570				102,570
TOTAL	\$283,876	\$-	\$-	\$-	\$283,876
=====					

% SALES GROWTH					
TOOLS & SUPPLIES					
SEGMENT	61.1%				61.1%
ENGINEERED SOLUTIONS					
SEGMENT	17.7%				17.7%
TOTAL	42.2%				42.2%

OPERATING PROFIT					
TOOLS & SUPPLIES					
SEGMENT	\$30,416				\$30,416
ENGINEERED SOLUTIONS					
SEGMENT	11,762				11,762
CORPORATE / GENERAL	(3,967)				(3,967)
TOTAL	\$38,211	\$-	\$-	\$-	\$38,211
=====					

OPERATING PROFIT %					
TOOLS & SUPPLIES					
SEGMENT	16.8%				16.8%
ENGINEERED SOLUTIONS					
SEGMENT	11.5%				11.5%
TOTAL (INCLUDING CORPORATE)	13.5%				13.5%

EBITDA					
TOOLS & SUPPLIES					
SEGMENT	\$33,530				\$33,530
ENGINEERED SOLUTIONS					
SEGMENT	14,105				14,105
CORPORATE / GENERAL	(3,601)				(3,601)
TOTAL	\$44,034	\$-	\$-	\$-	\$44,034
=====					

EBITDA %					
TOOLS & SUPPLIES					
SEGMENT	18.5%				18.5%
ENGINEERED SOLUTIONS					
SEGMENT	13.8%				13.8%
TOTAL (INCLUDING CORPORATE)	15.5%				15.5%

ACTUANT CORPORATION  
Reconciliation of GAAP measures to non-GAAP measures  
(Dollars in thousands)

FISCAL 2005					
	Q1	Q2	Q3	Q4	TOTAL
EBITDA(1)					
NET EARNINGS	\$16,941	\$15,198	\$19,997	\$19,115	\$71,251
FINANCING COSTS, NET	1,938	3,907	4,936	6,146	16,927
INCOME TAX EXPENSE	8,806	8,022	8,744	9,440	35,012
DEPRECIATION & AMORTIZATION	4,098	5,699	6,448	6,176	22,421
MINORITY INTEREST, NET OF INCOME TAXES	(56)	(229)	(234)	(36)	(555)
EBITDA (NON-GAAP MEASURE)	\$31,727	\$32,597	\$39,891	\$40,841	\$145,056

FISCAL 2006					
	Q1	Q2	Q3	Q4	TOTAL
EBITDA(1)					
NET EARNINGS	\$21,268				\$21,268
FINANCING COSTS, NET	6,067				6,067
INCOME TAX EXPENSE	10,220				10,220
DEPRECIATION & AMORTIZATION	6,521				6,521
MINORITY INTEREST, NET OF INCOME TAXES	(42)				(42)
EBITDA (NON-GAAP MEASURE)	\$44,034	\$-	\$-	\$-	\$44,034

(1) EBITDA represents net earnings before financing costs, income tax expense, depreciation & amortization and minority interest. EBITDA is not a calculation based upon generally accepted accounting principles (GAAP). The amounts included in the EBITDA calculation, however, are derived from amounts included in the Consolidated Statements of Earnings data. EBITDA should not be considered as an alternative to net earnings or operating profit as an indicator of the company's operating performance, or as an alternative to operating cash flows as a measure of liquidity. Actuant has presented EBITDA because it regularly reviews this as a measure of the company's ability to incur and service debt. In addition, EBITDA is used by many of our investors and lenders, and is presented as a convenience to them. However, the EBITDA measure presented may not always be comparable to similarly titled measures reported by other companies due to differences in the components of the calculation.

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