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

FORM 10-K/A

AMENDMENT NO. 1

TO

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

For the fiscal year ended August 31, 1997

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______ to _______.
Commission File No. 1-11288

APPLIED POWER INC.
(Exact name of Registrant as specified in its charter)

Wisconsin	39-0168610
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

13000 West Silver Spring Drive
Butler, Wisconsin 53007
Mailing address: P.O. Box 325, Milwaukee, Wisconsin 53201
(Address of principal executive offices)

(414) 781-6600
(Registrant's telephone number, including area code)

The undersigned registrant hereby amends the following items, financial statements, exhibits or other portions of its Annual Report on Form 10-K for the year ended August 31, 1997 (the "1997 10-K") as set forth in the pages attached hereto.

Items 7 and 14 of the 1997 10-K are hereby amended to expand the disclosure regarding Year 2000 considerations and to submit a dual-dated independent auditors' report to properly reflect the footnote information contained in Note O - "Subsequent Events" as audited and to file the related updated accountants' consent as Exhibit 23.

SIGNATURE

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

APPLIED POWER INC.

Date: June 19, 1998

By: /s/ Robert C. Arzbaecher
Robert C. Arzbaecher,
Vice President and
Chief Financial Officer

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND

RESULTS OF OPERATIONS

(Dollars in Millions, except per share amounts)

<TABLE>
<CAPTION>

RESULTS OF CONTINUING OPERATIONS	Years Ended August 31,			Percentage of Net Sales		
	1997	1996	1995	1997	1996	1995
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net Sales	$ 672.3	$ 571.2	$ 527.1	100.0%	100.0%	100.0%
Gross Profit	252.9	219.9	201.4	37.6	38.5	38.2
Operating Expenses	180.0	162.6	152.6	26.8	28.5	29.0
Operating Earnings	72.9	57.3	48.8	10.8	10.0	9.3
Other Expenses	10.2	8.2	11.9	1.5	1.4	2.3
Earnings Before Income Taxes	62.7	49.1	36.9	9.3	8.6	7.0
Income Tax Expense	20.7	15.4	11.9	3.1	2.7	2.3
Earnings Before Accounting Change and Extraordinary Loss	42.0	33.7	25.0	6.2	5.9	4.7
Extraordinary Loss	-	-	(4.9)	-	-	(0.9)
Net Earnings	$ 42.0	$ 33.7	$ 20.1	6.2%	5.9%	3.8%

</TABLE>

The preceding table sets forth the results of continuing operations of the Company for the years ended August 31, 1997, 1996 and 1995.

RECLASSIFICATIONS

Certain prior year amounts have been reclassified to conform to fiscal 1997 presentation, including but not limited to the reclassification of financial data previously reported in Tools & Supplies into Engineered Solutions and TEE.

OVERVIEW

In fiscal 1997, earnings per share improved 21% to $2.92 compared to $2.41 in 1996. Net earnings have more than doubled over the last two years as a result of higher sales volume, improved operating margins and lower financing costs.

NET SALES

Net sales increased 18% during fiscal 1997 to $672.3 from $571.2 in fiscal 1996. The increase in sales was primarily the result of increased volume and the effect of acquisitions. The incremental effect of acquisitions was approximately $79.7 in fiscal 1997. Price changes have not had a significant impact on the comparability of net sales during the last three years. Excluding the unfavorable impact on translated sales from the stronger US Dollar, sales increased 21% over 1996.

	Sales			Percentage Change from Prior Year		
SEGMENT SALES	1997	1996	1995	1997	1996	1995
Tools & Supplies	$ 292.5	$ 281.2	$ 264.9	4%	6%	19%
Engineered Solutions	189.5	193.8	192.2	(2)	1	18
Technical Environments and Enclosures	190.3	96.2	70.0	98	37	42
Totals	$ 672.3	$ 571.2	$ 527.1	18%	8%	22%

Sales in the Tools & Supplies segment increased 4% in 1997 to $292.5 from $281.2 in 1996. The increase was primarily the result of $11.7 of increased sales from acquisitions net of product line dispositions. The impact of the stronger US Dollar negatively impacted reported sales by 5% for the year. The growth rate slowed in 1997 compared to 1996 due to economic softening in some of the economies that the Tools & Supplies segment operates in, specifically Europe and Asia. In 1996, sales for Tools & Supplies increased 6% over 1995. The increase for 1996 was attributed to expansion into developing markets in Southeast Asia, Latin America and South America and approximately $16.7 from acquisitions net of product line dispositions. The impact of the stronger US Dollar in 1996 over 1995 negatively impacted sales by approximately 1%.

Sales for the Engineered Solutions segment fell 2% compared to 1996. The decrease was primarily the result of the sale of the mobile equipment valve line and the completion of the Cadillac valve contract, both in 1996. Excluding the impact of these two items, sales increased 4% for the year. The strengthening US Dollar negatively impacted sales by 3% in 1997. Sales increased 1% in 1996 over 1995 primarily the result of the improving aerospace market in the US.

Technical Environments & Enclosures (TEE) nearly doubled its sales in 1997 with an increase of 98% over 1996. The increase was the result of the acquisitions of Everest, C Fab and Hormann Electronics, as well as the continued expansion of its direct sales force in the US, Europe and Asia. Excluding acquisitions and the negative impact of the stronger US Dollar, TEE's sales grew 34%. In 1996, sales grew 37% due to the continued demand for its products, the expansion of its direct sales force and geographic expansion in Europe and Asia.

	Sales			Percentage Change from Prior Year		
GEOGRAPHIC SALES	1997	1996	1995	1997	1996	1995
North America	$ 448.2	$ 360.8	$ 323.0	24%	12%	16%
Europe	160.7	143.7	136.8	12	5	38
Japan and Asia Pacific	52.0	56.8	55.3	(8)	3	27
Latin America	11.4	9.9	12.0	15	(18)	6
Totals	$ 672.3	$ 571.2	$ 527.1	18%	8%	22%

The Company does business in many different geographic regions and is subject to various economic conditions. The improved economic environment in North America and the effect of acquisitions made in the third quarter of 1996 and first quarter of 1997 combined to increase sales 24% in this region over 1996. Sales increased 12% in 1996 over 1995 primarily due to improving US economy and the acquisition made in the third quarter of 1996.

Sales in Europe grew 12% in 1997 compared to 5% in 1996. The primary reason for the growth in 1997 was two acquisitions made during 1997. The slowing economies in Europe were the main reason sales grew 5% in 1996 compared to 38% in 1995. Sales in Japan and Asia Pacific fell 8% in 1997. Excluding the negative effect of the strengthening US Dollar, sales fell only 2%. The slowing economies in these regions were the causes for this decline. In 1996, sales grew 3% in Japan and Asia Pacific and 9% excluding the foreign currency fluctuations. This growth rate was in line with the overall economic growth for these regions. The sales growth generated in Latin America during 1997 was the result of geographic expansion in this region. In 1996, Latin American sales were significantly impacted by the devaluation of the Mexican Peso. Excluding the effect of this devaluation, sales growth was 1% in 1996.

GROSS PROFIT

Gross profit increased 15% in 1997 to $252.9 compared to $219.9 in 1996 and $201.4 in 1995. The increase in gross profit resulted primarily from increased sales in 1997 and 1996.

GROSS PROFIT PERCENTAGES BY SEGMENT	1997	1996	1995
Tools & Supplies	37.6%	40.5%	42.1%
Engineered Solutions	32.8	30.0	28.8
Technical Environments and Enclosures	42.5	49.9	48.8
Totals	37.6%	38.5%	38.2%

The overall gross profit percentage is primarily influenced by the relative sales mix between Tools & Supplies, Engineered Solutions and TEE. Engineered Solutions gross profit percentages are lower than either TEE or Tools & Supplies because a much higher proportion of its sales are made to OEM customers, which typically generate lower margins than non-OEM customers. The gross profit margin in Engineered Solutions has increased in each of the last two years as a result of continued efforts to reduce costs associated with manufacturing. Tools & Supplies gross profit margin declined in 1997 compared to 1996 primarily due to $2.1 of non-recurring charges and competitive pricing pressures. Gross profit margin in Tools & Supplies declined in 1996 relative to 1995 as a result of inefficiencies during the implementation of automated warehousing, competitive pricing pressures, higher discounts to distributors and increased shipments to OEM customers. Gross profit in TEE fell during 1997 compared to 1996. This is the result of the effect of the enclosure related acquisitions that took place during 1997. The enclosure businesses sell to OEM customers and carry a lower gross profit margin than the technical environment business. As the enclosure business becomes a larger percentage of TEE's overall business, the gross profit within TEE is expected to continue to decline. However, the enclosure businesses operate with lower selling, administrative and engineering expenses compared to the environment business. TEE gross profit margin increased in 1996 compared to 1995 due to higher production levels. The overall gross profit margin of the Company will vary depending on the levels of OEM sales within Engineered Solutions and the enclosure business within TEE.

OPERATING EXPENSES

Operating expenses increased 11% and 7% in 1997 and 1996, respectively. During the corresponding periods, sales increased 18% and 8%, respectively. The majority of the increase since 1995 relates to variable selling expenses, primarily commissions and increased amortization of goodwill associated with recent acquisitions. The Wright Line business within TEE has a direct sales force whose compensation is commission based. As a result of the sales growth in the Wright Line business over the last few years, its operating expenses have increased accordingly.

In addition to variable selling expenses, total operating costs have increased as a result of acquisitions, product development programs and expenditures for geographic expansion into emerging markets. Approximately $8.4 of the increase in fiscal 1997 was attributable to businesses acquired since the second quarter of 1996. Approximately $3.2 of the increase in fiscal 1996 was the result of acquisitions that took place since the third quarter of 1995. During the

last few years, the company has also opened sales offices in Russia, China and India, and has increased its presence in Latin America and Southeast Asia.

Overall, lower corporate expenses as a percent of sales, the effects of the lower operating cost enclosure businesses and the Company's goal to continually identify ways to be more cost efficient have allowed the Company to reduce operating costs as a percent of sales to 27% and 28% in 1997 and 1996, respectively, from 29% in 1995.

OTHER EXPENSE(INCOME)

OTHER EXPENSE(INCOME)	1997	1996	1995
Net financing costs	$ 12.0	$ 8.5	$ 10.3
Other - net	(1.9)	(0.2)	1.7

The increase in net financing costs noted in 1997 is attributable to increased debt levels following significant acquisitions completed during 1996 and 1997. Previously, net financing costs had been decreasing, reflecting lower interest rates and reduced debt levels. The Company refinanced certain debt in 1995, which also had the impact of lowering its financing costs. For further information, see "Liquidity and Capital Resources" below.

"Other - net" includes foreign exchange (gains)losses and miscellaneous other (income)expense. In 1997, the US Dollar strengthened against most of the major currencies and the Company realized foreign exchange gains due to transactions denominated in currencies outside of the functional currencies of certain of its foreign units. In 1996, net foreign exchange losses were slightly more than offset by miscellaneous income realized.

INCOME TAX EXPENSE

The Company's effective income tax rate was 33.0% and 31.4% in 1997 and 1996, respectively. The rate is largely impacted by the proportion of earnings generated inside and outside the US, as well as the utilization of foreign tax credits in the US. Higher US earnings and the utilization of foreign tax credits had a favorable impact on the effective tax rate in 1997 and 1996.

EXTRAORDINARY LOSS

The Company recorded an extraordinary loss of $4.9, or $0.36 per share, in 1995 in connection with the March 30, 1995 extinguishment of its $64.4, 9.92% Senior Unsecured Notes. The pre-tax extraordinary loss of $7.3 was comprised of an estimated "make whole" provision of $4.1, costs associated with the cancellation of underlying interest rate swap agreements of $3.0 and the write-off of $0.2 of deferred financing costs. For further information, see Note G - "Long-term Debt" in Notes to Consolidated Financial Statements.

NEW ACCOUNTING PRONOUNCEMENTS

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In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard ("SFAS") No. 128, "Earnings Per Share." The Company intends to adopt this statement, as required, in its interim financial statements issued for the second quarter of fiscal 1998. Under the new requirements for calculating primary earnings per share, to be called basic earnings per share, the dilutive effect of the Company's stock plans will be excluded. Adoption of this statement will increase basic earnings per share previously reported as primary earnings per share by $0.13, $0.09 and $0.06 for each of the three years ended August 31, 1997, 1996 and 1995, respectively. SFAS No. 128 is not expected to have a material impact on fully diluted earnings per share.

In June 1997, the Financial Accounting Standards Board issued two additional statements. SFAS No. 130, "Reporting Comprehensive Income," and SFAS No. 131, "Disclosure About Segments of an Enterprise and Related Information," are both effective for years beginning after December 15, 1997. The Company is assessing the required disclosures and expects to adopt these statements in fiscal 1998.

LIQUIDITY AND CAPITAL RESOURCES
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Outstanding debt at August 31, 1997 totaled $123.1, an increase of $30.5 since the beginning of the year. The increase in debt is a direct result of the business acquisitions that were made during 1997. End-of-year debt to total capital was 36% in 1997 compared to 33% in 1996. Approximately $64.8 of cash was generated from operating activities in 1997, a 98% increase over 1996. The Company used $75.0 of cash to fund acquisitions and $22.6 was used to fund capital expenditures. In 1996, $32.8 of cash was generated from operations of which $33.9 was used to fund acquisitions and $22.7 was used to fund capital expenditures. The balance of cash generated in 1996 originated from the additional sale of receivables. Dividends of $1.7 and $1.6 were paid during 1997 and 1996, respectively.

The Company extinguished all $64.4 of its 9.92% Senior Unsecured Notes on March 30, 1995. The funds used to retire the debt and disburse the "make whole" payments totaling $4.0 were obtained from new borrowings, including those under a temporary expansion of the Company's then existing $40.0 multi-currency revolving credit agreement. The Company replaced the original $40.0 multi- currency credit agreement and the temporary $40.0 expansion with the proceeds from a $120.0 multi-currency credit agreement in August 1995.

In August 1996, the multi-currency credit agreement was amended to provide unsecured credit availability of $170.0 and extend the expiration date to August 2001. During 1997, the Company incurred interest at a rate of .375 to .45 of 1% above the 30-day IBOR, determined by the underlying currency of the debt which the Company is borrowing. At August 31, 1997, the Company had borrowings denominated in the US Dollar, the Japanese Yen and the German Mark. For additional information, see Note G - "Long-term Debt" in Notes to Consolidated Financial Statements.

To reduce interest rate risk, the Company has entered into interest rate swap agreements which effectively convert $85.0 of the Company's variable rate debt to a weighted average fixed rate of 6.0% at August 31, 1997. The swap agreements expire on varying dates through 2003.

In 1995, the Company replaced its former $25.0 accounts receivable financing facility with a new facility that expires in August 1998 and provides up to $50.0 of multi-currency accounts receivable financing. During 1996, the agreement was amended to extend the terms through August 1999. An incremental $0.6 of receivables was financed in 1997, bringing the total balance financed to $50.0 at August 31, 1997. Proceeds were used to reduce debt. For additional information, see Note D - "Accounts Receivable Financing" in Notes to Consolidated Financial Statements.

On August 29, 1997, the Company entered into a letter agreement that provided for a committed credit line of an additional $140.0 for a term of 364 days. The purpose of the agreement was to secure funding for the tender offer for the common stock of Versa Technologies, Inc. Subsequent to year end, on October 3, 1997, the $140.0 credit agreement was executed.

On October 22, 1997, the Company replaced its $170.0 multi-currency credit agreement and the $140.0 credit agreement with a new multi-currency credit agreement which provides up to $350.0 in borrowings and expires in 2002. Additionally, the Company entered into interest rate swap agreements which effectively convert an additional $30.0 of variable rate debt to fixed rates at a weighted average interest rate of 6.23%. These swap agreements expire between 2002 and 2004.

The Company does not purchase or hold any derivative financial instruments for trading purposes.

The following table summarizes the Company's total capitalization over the last three years.

	Dollars			Percentage of Total Capitalization		
TOTAL CAPITALIZATION	1997	1996	1995	1997	1996	1995
Total Debt	$ 123.1	$ 92.6	$ 87.0	36%	33%	37%
Shareholders' Equity	204.1	168.5	131.7	60	61	56
Deferred Taxes	14.6	15.4	16.4	4	6	7
Totals	$ 341.8	$ 276.5	$ 235.1	100%	100%	100%

In order to minimize interest expense, the Company intentionally maintains low cash balances and uses available cash to reduce short-term bank borrowings. Funds available under unused non- committed lines and the $170.0 multi-currency credit agreement totaled $50.0 and $68.3, respectively, as of August 31, 1997. The Company believes that such availability, as subsequently expanded by the $350.0 multi-currency credit agreement, plus funds generated from operations will be adequate to fund operating activities, including capital expenditures and working capital, for the next fiscal year.

YEAR 2000 CONSIDERATIONS

The Company is taking actions intended to assure that its computer systems are capable of processing periods for the Year 2000 and beyond. The Company has developed and is implementing a program intended to address on a timely basis the "Year 2000 Problem" (the risk that computer applications used by the Company may be unable to recognize and perform properly date-sensitive functions involving dates after December 31, 1999). Based on the current status of the Company's compliance efforts, the costs associated with identified Year 2000 issues are not expected to have a material effect on the results of operations or financial condition of the Company. Most of the Company's business units have installed or are in the process of installing new business management systems which go beyond just Year 2000 compliance. Some businesses have chosen to upgrade existing systems to be compliant. At this time, the Company does not anticipate significant risks to its operations from internal Year 2000 noncompliance. In addition, where deemed necessary, the Company is proactively requiring key suppliers to certify their compliance. At this time, the Company does not expect the reasonably foreseeable consequences of the Year 2000 Problem to have material effects on the Company's business, operations or financial condition. However, the Year 2000 Problem has many elements and potential consequences, some of which may not be foreseeable, and there can be no assurance that unforeseeable consequences will not arise.

INFLATION

No meaningful measures of inflation are available because the Company has a significant number of small operations which operate in countries with diverse rates of inflation and currency rate movements.

OUTLOOK

The Company expects its trend of increasing sales and earnings per share to continue into 1998, assuming no significant downturn in the economy in North America or Western Europe. Net sales are expected to be approximately $900.0 with improved operating profit margins offset by increased interest expense and a higher effective tax rate generating record earnings per share. The strength of its core business segments, integration of recent acquisitions and additional strategic acquisitions will be the driving forces of the growth.

RISK FACTORS THAT MAY AFFECT FUTURE RESULTS

Certain statements in the above section entitled "Outlook," as well as statements in other Company communications, which are not historical facts, are forward looking statements that involve risks and uncertainties. There are several risk factors which are beyond the Company's control which could cause the Company's actual results to differ from those expressed in such forward looking statements. Those risk factors include, without limitation, general economic conditions and market conditions in the industrial production, trucking, construction, aerospace, automotive, recreational vehicle, computer, semiconductor, telecommunication, electronic and defense industries in North America, Europe and Asia, market acceptance of existing and new products, successful integration of acquisitions, competitive pricing, foreign currency risk, interest rate risk, unforeseen costs or consequences of Year 2000 issues and other factors.

SUBSEQUENT EVENTS

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On October 3, 1997, the Company, through a wholly-owned subsidiary, accepted for payment all shares of Versa Technologies, Inc. ("Versa/Tek") common stock which were tendered pursuant to the Company's tender offer to purchase all outstanding shares at a cash price of $24.625 net per share. Consideration for the transaction totaled approximately $140.0. The transaction was funded with proceeds from a $140.0, 364-day revolving credit facility from existing lenders. Versa/Tek, based in Racine, Wisconsin, is a value-added manufacturer of custom engineered components and systems for diverse industrial markets.

On October 15, 1997, the Company acquired certain assets of Nylo-Flex Manufacturing Company, Inc. ("Nylo-Flex") for approximately $3.0 in cash. The transaction was funded by proceeds from borrowings under existing credit facilities. Nylo-Flex, headquartered in Mobile, Alabama, does business under the TAM name and is a manufacturer, packager and distributor of high quality battery terminals, battery cables and battery maintenance accessories to the automotive, marine, farm, fleet and industrial markets.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) Documents filed as part of this report:

1. Consolidated Financial Statements

   See "Index to Consolidated Financial Statements and Financial Statement Schedules" on page 16, the Independent Auditors' Report on page 17 and the Consolidated Financial Statements on pages 18 to 35, all of which are incorporated herein by reference.

2. Financial Statement Schedules

   See "Index to Consolidated Financial Statements and Financial Statement Schedules" on page 16 and the Financial Statement Schedule on page 36, all of which are incorporated herein by reference.

3. Exhibits

   See "Index to Exhibits" on pages 38 to 43, which is incorporated herein by reference.

(b) Reports on Form 8-K:

   No reports on Form 8-K were filed in the fourth quarter.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULES

INDEX TO FINANCIAL STATEMENT SCHEDULES

All other schedules are omitted because they are not applicable, not required, or because the required information is included in the consolidated financial statements or notes thereto.

Independent Auditors' Report

To the Shareholders and Directors of Applied Power Inc.:

We have audited the accompanying consolidated balance sheets of Applied Power Inc. and subsidiaries as of August 31, 1997 and 1996, and the related consolidated statements of earnings, shareholders' equity, and cash flows for each of the three years in the period ended August 31, 1997. Our audits also included the consolidated financial statement schedule listed in the Index at Item 14. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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 audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Applied Power Inc. and subsidiaries at August 31, 1997 and 1996, and the results of their operations and their cash flows for each of the three years in the period ended August 31, 1997 in conformity with generally accepted accounting principles. Also, in our opinion, such consolidated financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

DELOITTE & TOUCHE LLP
Milwaukee, Wisconsin
September 25, 1997
[October 16, 1997 as to Note O]

APPLIED POWER INC.
CONSOLIDATED STATEMENT OF EARNINGS
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

<TABLE>
<CAPTION>

Years ended August 31,

<S>

	1997	1996	1995
Net sales	$672,316	$571,215	$527,058
Cost of products sold	419,420	351,283	325,621
Gross Profit	252,896	219,932	201,437
Engineering, selling and administrative expenses	173,200	158,485	149,210
Amortization of intangible assets	6,813	4,054	3,369
Operating Earnings	72,883	57,393	48,858
Other Expense(Income):			
Net financing costs	12,003	8,456	10,291
Other - net	(1,863)	(230)	1,694
Earnings Before Income Tax Expense and Extraordinary Loss	62,743	49,167	36,873
Income Tax Expense	20,705	15,438	11,868
Earnings Before Extraordinary Loss	42,038	33,729	25,005
Extraordinary Loss from Early Extinguishment of Debt, net of $2,423 tax benefit	-	-	(4,920)
Net Earnings	$42,038	$33,729	$20,085
Primary Earnings(Loss) Per Share:			
Earnings Before Extraordinary Loss	$2.92	$2.41	$1.82
Extraordinary Loss	-	-	(0.36)
Net Earnings Per Share	$2.92	$2.41	$1.46
Weighted Average Common and Equivalent Shares (000's)	14,377	13,983	13,746
Fully Diluted Earnings(Loss) Per Share:			
Earnings Before Extraordinary Loss	$2.88	$2.41	$1.79
Extraordinary Loss	-	-	(0.35)
Net Earnings Per Share	$2.88	$2.41	$1.44
Weighted Average Common and Equivalent Shares (000's)	14,613	13,983	13,958

</TABLE>

The accompanying notes are an integral part of these financial statements

APPLIED POWER INC.
CONSOLIDATED BALANCE SHEET

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

<TABLE>
<CAPTION>

	August 31,	
	1997	1996
ASSETS		
<S>	<C>	<C>
Current Assets		
Cash and cash equivalents	$ 5,846	$ 1,001
Accounts receivable, less allowances of $4,329 and $4,179, respectively	84,697	68,747
Inventories	115,761	120,648
Prepaid income tax	11,209	10,734
Prepaid expenses	8,393	5,775
Total Current Assets	225,906	206,905
Other Assets	7,305	6,370
Goodwill, net of accumulated amortization of $17,870 and $13,937, respectively	109,078	58,266
Other Intangibles, net of accumulated amortization of $14,691 and $11,917, respectively	30,723	33,464

Property, Plant and Equipment		
Property	2,197	1,923
Plant	46,501	40,252
Machinery and equipment	142,638	125,950
	191,336	168,125
Less: Accumulated depreciation	(100,756)	(91,889)
Net Property, Plant and Equipment	90,580	76,236
Total Assets	$463,592	$381,241
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Short-term borrowings	$ 21,428	$ 16,068
Trade accounts payable	54,555	41,397
Accrued compensation and benefits	24,736	20,805
Income taxes payable	7,093	7,081
Other current liabilities	20,462	22,378
Total Current Liabilities	128,274	107,729
Long-term Debt	101,663	76,548
Deferred Income Tax	14,596	15,395
Other Deferred Liabilities	14,950	13,114
Shareholders' Equity		
Class A common stock, $0.20 par value per share, authorized 40,000,000 shares, issued and outstanding 13,816,678 and 13,652,349 shares, respectively	2,763	2,730
Additional paid-in capital	38,388	34,383
Retained earnings	166,776	126,392
Cumulative translation adjustments	(3,818)	4,950
Total Shareholders' Equity	204,109	168,455
Total Liabilities and Shareholders' Equity	$463,592	$381,241

</TABLE>
The accompanying notes are an integral part of these financial statements

APPLIED POWER INC.
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

<TABLE>
<CAPTION>

	Years Ended August 31, 1997, 1996, and 1995			
	Class A Common Stock	Additional Paid-in Capital	Retained Earnings	Cumulative Translation Adjustments
<S>	<C>	<C>	<C>	<C>
Balances at September 1, 1994	$ 2,630	$23,648	$75,802	$ 5,231
Net earnings for the year	-	-	20,085	-
Cash dividends declared - $0.12 per share	-	-	(1,602)	-
Exercise of stock options	51	4,168	-	-
Tax benefit of option exercises	-	512	-	-
Currency translation adjustments	-	-	-	1,161
Balances at August 31, 1995	2,681	28,328	94,285	6,392
Net earnings for the year	-	-	33,729	-
Cash dividends declared - $0.12 per share	-	-	(1,622)	-
Exercise of stock options	24	1,582	-	-
Issuance of stock in acquisition	25	3,905	-	-
Tax benefit of option exercises	-	568	-	-
Currency translation adjustments	-	-	-	(1,442)
Balances at August 31, 1996	2,730	34,383	126,392	4,950
Net earnings for the year	-	-	42,038	-
Cash dividends declared - $0.12 per share	-	-	(1,654)	-

Exercise of stock options	33	2,883	-	-
Tax benefit of option exercises	-	1,052	-	-
Other	-	70	-	-
Currency translation adjustments	-	-	-	(8,768)
Balances at August 31, 1997	$ 2,763	$ 38,388	$166,776	$ (3,818)

</TABLE>

The accompanying notes are an integral part of these financial statements

APPLIED POWER INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
(DOLLARS IN THOUSANDS)

<TABLE>
<CAPTION>

	Years ended August 31,		
	1997	1996	1995
<S>	<C>	<C>	<C>
Net Earnings	$42,038	$33,729	$20,085
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	23,663	21,078	18,456
Non-cash charge - extraordinary loss	-	-	4,920
Provision for deferred taxes	(1,274)	(1,588)	(2,707)
Changes in operating assets and liabilities, excluding the effects of business acquisitions and disposals:			
Accounts receivable	(9,147)	(5,703)	(15,413)
Inventories	6,121	(14,219)	(8,170)
Prepaid expenses and other assets	(5,013)	(2,505)	(2,077)
Trade accounts payable	5,898	2,262	1,231
Other liabilities	2,544	(240)	7,499
Net Cash Provided by Operating Activities	64,830	32,814	23,824
Investing Activities			
Proceeds on the sale of property, plant and equipment	3,517	821	614
Additions to property, plant and equipment	(22,641)	(22,734)	(15,986)
Business acquisitions	(75,015)	(33,949)	(2,758)
Product line dispositions	-	5,181	-
Other	79	65	162
Net Cash Used in Investing Activities	(94,060)	(50,616)	(17,968)
Financing Activities			
Proceeds from issuance of long-term debt	77,000	42,433	116,055
Principal payments on long-term debt	(49,932)	(37,877)	(123,997)
Refinancing expenditures	-	-	(4,370)
Net borrowings(repayments) on short-term credit facilities	6,691	3,484	(2,092)
Net commercial paper repayments	-	(3,276)	(6,671)
Additional receivables financed	525	13,275	11,200
Dividends paid on common stock	(1,654)	(1,622)	(1,602)
Stock option exercises and other	2,867	1,551	4,219
Net Cash Provided by(Used in) Financing Activities	35,497	17,968	(7,258)
Effect of Exchange Rate Changes on Cash	(1,422)	(76)	406
Net Increase(Decrease) in Cash and Cash Equivalents	4,845	90	(996)
Cash and Cash Equivalents - Beginning of Year	1,001	911	1,907
Cash and Cash Equivalents - End of Year	$ 5,846	$ 1,001	$ 911

</TABLE>

The accompanying notes are an integral part of these financial statements

APPLIED POWER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation: The consolidated financial statements include the accounts of Applied Power Inc. and its subsidiaries ("Applied Power" or the "Company"). All significant intercompany balances, transactions and profits have been eliminated.

Cash and Cash Equivalents: The Company considers all highly liquid investments with original maturities of 90 days or less to be cash equivalents.

Inventories: Inventories are comprised of material, direct labor and manufacturing overhead, and are stated at the lower of cost or market.

Property, Plant and Equipment: Property, plant and equipment are stated at cost. Plant and equipment are depreciated over the estimated useful lives of the assets, ranging from two to thirty years, under the straight-line method for financial reporting purposes and both straight-line and accelerated methods for tax purposes. Expenditures for maintenance and repairs not expected to extend the useful life of an asset beyond its normal useful life are expensed.

Intangible Assets: Goodwill is amortized on a straight-line basis over periods of fifteen to forty years. Other intangible assets, consisting primarily of purchased patents, trademarks and noncompete agreements, are amortized over periods from two to forty years. The Company periodically evaluates the carrying value of intangible assets in accordance with Statement of Financial Accounting Standard ("SFAS") No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of." Impairment of goodwill, if any, is measured on the basis of whether anticipated undiscounted operating cash flows generated by the acquired businesses will recover the recorded goodwill balances over the remaining amortization period. At August 31, 1997 and 1996, no impairment of goodwill was indicated.

Revenue Recognition: Revenues and costs of products sold are recognized as the related products are shipped.

Research and Development Costs: Research and development costs are expensed as incurred. Such costs incurred in the development of new products or significant improvements to existing products totaled approximately $9,960, $9,852 and $8,725 in 1997, 1996 and 1995, respectively.

Financing Costs: Net financing costs represents interest expense on debt obligations, investment income and accounts receivable financing costs.

Income Taxes: The Company accounts for income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes." For further information, see Note L - "Income Taxes."

Earnings Per Share: Earnings per share is based on the weighted average number of common and common equivalent shares outstanding during the year. The dilutive effect of stock options, which are considered common stock equivalents, is calculated using the treasury stock method.

Foreign Currency Translation: Foreign currency translation adjustments are generally excluded from the Consolidated Statement of Earnings and are included in Cumulative translation adjustments in the Consolidated Balance Sheet. Gains and losses resulting from foreign currency transactions are included in Other - net in the Consolidated Statement of Earnings.

Derivative Financial Instruments: Derivative financial instruments are primarily utilized by the Company to manage risks associated with interest rate market volatility and foreign exchange exposures. The Company does not hold or

issue derivative financial instruments for trading purposes. The Company currently holds both interest rate and foreign currency swap agreements. For both interest rate and foreign currency swap agreements, the differential to be paid or received is accrued monthly as an adjustment to interest expense. The Company also utilizes foreign currency forward contracts to hedge existing foreign exchange exposures. Gains and losses resulting from these instruments are recognized in the same period as the underlying transaction. For further information, see Note G - "Long-term Debt."

Use of Estimates: The financial statements have been prepared in accordance with generally accepted accounting principles and necessarily include amounts based on estimates and assumptions by management. Actual results could differ from those amounts.

New Accounting Standards: In February 1997, the Financial Accounting Standards Board issued SFAS No. 128, "Earnings Per Share," which is required to be adopted in the Company's interim financial statements issued for the second quarter of fiscal 1998. At that time, the Company will be required to change the method currently used to compute earnings per share and to restate all prior periods. Under the new requirements for calculating primary earnings per share, to be called basic earnings per share, the dilutive effect of stock options will be excluded. Adoption of this statement will increase basic earnings per share previously reported as primary earnings per share by $0.13, $0.09 and $0.06 for each of the three years ended August 31, 1997, 1996 and 1995, respectively. SFAS No. 128 is not expected to have a material impact on fully diluted earnings per share.

In June 1997, the Financial Accounting Standards Board issued SFAS No. 130, "Reporting Comprehensive Income," and SFAS No. 131, "Disclosure About Segments of an Enterprise and Related Information." Both statements are effective for fiscal years beginning after December 15, 1997. The Company is currently assessing the impact these statements will have on its required disclosures.

Reclassifications: Certain prior year amounts shown have been reclassified to conform to fiscal 1997 presentation, including but not limited to the reclassification of financial data previously reported in Tools & Supplies into Engineered Solutions and TEE.

NOTE B - ACQUISITIONS

The Company, through its C Fab subsidiary, acquired all of the outstanding stock of Hormann Security Systems Limited ("Hormann") on June 6, 1997 for approximately $10,000 in cash. The transaction was funded through borrowings under existing credit facilities. Approximately $4,200 of the purchase price was assigned to goodwill. Hormann, based in Cork, Ireland, assembles electronic equipment for a variety of customers. The operating results of Hormann subsequent to June 6, 1997 are included in the Consolidated Statement of Earnings.

On April 1, 1997, the Company's Wright Line subsidiary purchased certain assets of All-Round Systemen B.V. ("All-Round"), one of its distributors based in the Netherlands. Of the approximately $1,500 cash paid for the assets, $1,400 was assigned to goodwill. The results of All-Round subsequent to April 1, 1997 are included in the Consolidated Statement of Earnings.

On January 13, 1997, the Company, through its Wright Line subsidiary, acquired C Fab Group Limited ("C Fab") for approximately $11,300 in net cash plus future consideration. The amount of future consideration ranges between $0 and $12,000 based on targeted sales and earnings. At August 31, 1997, no amounts had been paid related to the earn-out. The transaction generated goodwill of approximately $5,600, and was funded through borrowings under existing credit facilities. C Fab, headquartered in Dublin, Ireland, manufactures electronic enclosures used by the computer, telecom, datacom and other industries. The results of operations for C Fab subsequent to the acquisition date are included in the Consolidated Statement of Earnings.

The Company, through its Wright Line subsidiary, purchased the net assets of Everest Electronic Equipment, Inc. ("Everest") on September 26, 1996 for cash consideration of $52,000, which was funded through borrowings under existing credit facilities. Approximately $43,000 of the purchase price was assigned to goodwill. Everest is a

manufacturer of custom and standard electronic enclosures used by the computer, telecom, datacom and other industries and is headquartered in Anaheim, California. The results of Everest subsequent to September 26, 1996 are included in the Consolidated Statement of Earnings. The following unaudited pro forma data summarizes the results of operations for the periods indicated as if the acquisition of Everest had been completed on September 1, 1995, the beginning of the 1996 fiscal year. The pro forma data give effect to actual operating results prior to the acquisition and adjustments to interest expense, depreciation, goodwill amortization and income taxes. These pro forma amounts do not purport to be indicative of the results that would have actually been obtained if the acquisition had occurred on September 1, 1995 or that may be obtained in the future. The pro forma data do not give effect to the acquisitions completed subsequent to August 31, 1997. See Note O - "Subsequent Events."

	Years Ended August 31,	
	1997	1996
Net Sales	$675,812	$613,760
Net Earnings	$ 42,128	$ 35,059
Net Earnings Per Share	$ 2.93	$ 2.51

On May 15, 1996, CalTerm, Inc. ("CalTerm") was merged with a wholly-owned subsidiary of the Company. Consideration included 122,810 shares of Applied Power Inc. Class A common stock (valued at approximately $3,930) and approximately $1,038 in cash. In addition, the Company assumed approximately $6,000 of outstanding debt which was extinguished by the Company shortly after the merger. In conjunction with the acquisition, a warehouse operated by CalTerm in Reno, Nevada was purchased for approximately $2,300 and there were payments of $1,000 for non-compete agreements. Three individuals received employment agreements and related stock options. Cash payments required were funded through borrowings under existing credit facilities. Goodwill of approximately $2,000 was recorded as a result of this transaction. Headquartered in San Diego, California, CalTerm is a supplier of electrical consumables and tools primarily to the retail automotive aftermarket. The results of operations of CalTerm subsequent to the acquisition date are included in the Consolidated Statement of Earnings.

On February 23, 1996, the Company's TEE division acquired the European distribution rights for its products for cash of $1,250 plus forgiveness of accounts receivable outstanding of $723 from its European distributor. Goodwill of approximately $1,900 was generated in conjunction with the transaction.

On December 8, 1995, the Company acquired the remaining 10% minority interest in Applied Power Korea. Cash of $388 was used in the acquisition, which generated goodwill of approximately $340. The results of operations of this subsidiary have historically been included in the Consolidated Statement of Earnings.

On October 26, 1995, the Company's Enerpac division acquired the assets of Designed Fluid-Air Systems, Inc. ("DFAS"). Consideration consisted of $298 in cash plus future royalties over the next five years not to exceed $500 in the aggregate. As of August 31, 1997, approximately $50 in royalties were earned. Approximately $100 of the purchase price was assigned to goodwill. DFAS, located in Oswego, Illinois, designs, fabricates and assembles customized quick die change systems utilizing hydraulic, pneumatic and electrical components. The operating results of DFAS subsequent to the acquisition date are included in the Consolidated Statement of Earnings.

On September 29, 1995, the Company completed the acquisition of substantially all of the assets and certain liabilities of Vision Plastics Manufacturing Company ("Vision") for $3,557 in cash. Included in the liabilities assumed was $1,357 of outstanding mortgage debt, which was subsequently extinguished by the Company during the first quarter of fiscal 1996. On January 10, 1996, in a separate transaction, the Company acquired certain proprietary technology rights and patents related to Vision. Total consideration for the two transactions of approximately $21,500 was funded by proceeds from borrowings under existing credit facilities. Intangible assets of $19,942 were recorded which included approximately $950 of goodwill. Vision, based in San Diego, California, manufactures plastic cable ties which are sold through electrical wholesale, retail and OEM channels. The operating results of Vision subsequent to September 29, 1995 are included in the Consolidated Statement of Earnings.

The Company acquired all of the outstanding stock of New England Controls, Inc. ("NECON") on June 28, 1995 for approximately $2,059 in cash. Approximately $1,536 of the purchase price was assigned to goodwill. NECON, based in Milford, Connecticut, manufactures electrical switches for the electrical wholesale, retail and OEM markets. The operating results of NECON subsequent to June 28, 1995 are included in the Consolidated Statement of Earnings.

All acquisitions were accounted for using the purchase method. The transactions, except for Everest, were not material to the results of operations or the financial position of the Company.

NOTE C - SALES OF PRODUCT LINES

On January 24, 1996, the Company sold substantially all of the assets and liabilities of its APITECH mobile equipment product line. Total consideration from the transaction, which included future collection of retained accounts receivable, was approximately $5,200, which approximated the book value of the product line.

On December 13, 1995, the Company's GB Electrical subsidiary sold its HIT spring steel product line for approximately $2,400 in cash. Proceeds from the sale approximated the book value of the product line.

NOTE D - ACCOUNTS RECEIVABLE FINANCING

In August 1995, the Company entered into a multi-currency accounts receivable financing agreement that allows up to the equivalent of $50,000 of sold receivables at any one time. The agreement, as amended August 30, 1996 and again on February 28, 1997, expires in August 1999.

Under the terms of such agreement, the Company and certain subsidiaries (collectively, "Originators") sell trade accounts receivable to Applied Power Credit Corporation ("APCC"), a wholly-owned limited purpose subsidiary of the Company. APCC is a separate corporate entity that sells participating interests in its pool of accounts receivable to financial institutions ("Purchasers"). The Purchasers, in turn, receive an ownership and security interest in the pool of receivables. Participation interests in new receivables generated by the Originators are purchased by APCC and resold to the Purchasers as collections reduce previously sold participation interests. The sold accounts receivable are reflected as a reduction of receivables in the Consolidated Balance Sheet. APCC has the risk of credit loss on such receivables up to a maximum recourse amount and, accordingly, the full amount of the allowance for doubtful accounts has been retained on the Company's Consolidated Balance Sheet. The Company retains collection and administrative responsibilities on the participation interests sold as servicer for APCC and the Purchasers.

At August 31, 1997 and 1996, accounts receivable were reduced by $50,000 and $49,475, respectively, representing receivable interests sold under this program. The proceeds from the sales were used to reduce debt.

Accounts receivable financing costs totaling $2,978, $2,324 and $1,892 for the years ended August 31, 1997, 1996 and 1995, respectively, are included with financing costs in the accompanying Consolidated Statement of Earnings.

NOTE E - NET INVENTORIES

Inventory cost is determined using the last-in, first-out ("LIFO") method for substantially all US owned inventory (approximately 69% of total inventories in both 1997 and 1996). The first-in, first-out or average cost methods are used for all other inventories. If the LIFO method was not used, inventory balances would be higher than the amounts in the Consolidated Balance Sheet by approximately $7,920 and $9,222 at August 31, 1997 and 1996, respectively.

It is not practical to segregate the amounts of raw materials, work-in-process or finished goods at the respective balance sheet dates, since the segregation is possible only as the result of physical inventories which are taken at dates different from the balance sheet dates. The systems at many of the Company's operating units have not been designed to capture this segregation due to the very short production cycle of their products and the minimal amount of work-in-process.

NOTE F - SHORT-TERM BORROWINGS

The Company had borrowings under unsecured non-committed lines of credit with banks aggregating approximately $21,428 and $16,068 at August 31, 1997 and 1996, respectively. Interest rates vary depending on the currency being borrowed. The weighted average interest rates on the US and non- US short-term borrowings were 6.22% and 9.37% at August 31, 1997 and 1996, respectively. The amount of unused available borrowings under such lines of credit was approximately $50,000 at August 31, 1997.

NOTE G - LONG-TERM DEBT

	August 31,	
	1997	1996
Borrowings under:		
Multi-currency revolving credit agreement	$101,663	$ 76,298
Other notes	-	250
Total Long-term Debt	$101,663	$ 76,548

During 1995, the Company recorded an extraordinary loss of $4,920 ($0.36 per share) relating to the March 30, 1995 extinguishment of the outstanding $64,350, 9.92% Senior Unsecured Notes. The pre-tax extraordinary loss of $7,343 was comprised of an estimated "make whole" provision of $4,050, costs associated with the cancellation of underlying interest rate swap agreements of $3,047 and the write-off of deferred financing costs of $246.

Funds used to retire the Senior Unsecured Notes and pay the "make whole" obligation were obtained from borrowings under a then existing $40,000 multi-currency revolving credit agreement and a temporary $40,000 expansion to the existing multi-currency revolving credit agreement. These borrowings were extinguished on August 21, 1995, and all amounts outstanding were simultaneously reborrowed under a $120,000 multi-currency revolving credit agreement.

The $120,000 multi-currency revolving credit agreement was amended August 29, 1996 to increase the credit line to $170,000 and extend the term to August 2001. The Company can borrow at a floating rate of IBOR plus .30 to .70 of 1% annually, depending on the debt-to-capital ratio. Currently, the Company incurs interest at .450 of 1% above 30-day IBOR, determined by the underlying currency of the debt which the Company is borrowing. At August 31, 1997, the Company had borrowings denominated in the US Dollar, the Japanese Yen and the German Mark. A commitment fee, currently computed at a rate of .175 of 1% annually, is payable quarterly on the average unused credit line. The unused credit line at August 31, 1997 was $68,337.

The multi-currency credit agreement contains customary restrictions concerning investments, liens on assets, sales of assets, dividend payments, maximum levels of debt and minimum levels of shareholders' equity. In addition, the agreement requires the Company to maintain certain financial ratios. As of August 31, 1997, the Company was in compliance with all debt covenants. Under the most restrictive covenant, approximately $89,277 of retained earnings was available for the payment of future dividends on common stock as of August 31, 1997.

On August 29, 1997, the Company entered into a letter agreement that provided for a committed credit line of an additional $140,000 for a term of 364 days. The purpose of the agreement was to secure funding for the tender offer for the common stock of Versa Technologies, Inc. Subsequent to year end, the $140,000 credit agreement was executed. In addition, the Company subsequently replaced its $170,000 multi-currency credit agreement and the additional $140,000 credit agreement with a new multi-currency credit agreement which provides up to $350,000 in borrowings and expires in 2002.

Derivative Financial Instruments: As part of its interest rate management program, the Company periodically enters into interest rate swap agreements with respect to portions of its outstanding debt. The interest rate swap agreements in place at August 31, 1997 effectively convert $85,000 of the Company's variable rate debt to a weighted average

fixed rate of 6.03%. The swap agreements expire on varying dates through 2003. The accompanying Consolidated Balance Sheet at August 31, 1997 does not reflect a value for these swap agreements. The purpose of the Company's foreign currency hedging activities is to protect the Company from the risk that the eventual dollar cash flows resulting from the sale and purchase of products in foreign currencies will be adversely affected by changes in exchange rates. In addition, the Company seeks to manage the impact of foreign currency fluctuations related to the repayment of intercompany borrowings. Fluctuations in the value of hedging instruments are offset by fluctuations in the value of the underlying exposures being hedged.

The Company uses forward exchange contracts to hedge certain firm purchases and sales commitments and the related receivables and payables including other third party or intercompany foreign currency transactions. Cross-currency swaps are used to hedge foreign currency denominated payments related to intercompany loan agreements. Hedged transactions are denominated primarily in European currencies. The net realized and unrealized gains or losses on forward contracts deferred at August 31, 1997 were negligible.

The counterparties to these financial instruments consist of major financial institutions with investment grade or better credit ratings. The Company does not expect any losses from nonperformance by these counterparties.

Fair Values: The fair value of the Company's short-term borrowings and long-term debt approximated book value as of August 31, 1997 and 1996. The fair value of debt instruments is calculated by discounting the cash flow of such obligations using the market interest rates for similar instruments. If the Company decided to terminate the interest rate swap agreements, the Company would have had to pay $553 as of August 31, 1997. The swap agreements in place at August 31, 1996 had a fair value of approximately $886. The estimated fair values of the foreign currency contracts in place at August 31, 1997 were negligible.

Aggregate Maturities: Long-term debt outstanding at August 31, 1997 is payable in its entirety in 2001.

The Company paid $11,705, $8,084 and $10,363 for financing costs in 1997, 1996 and 1995, respectively, excluding the "make whole" payments associated with refinancing the 9.92% Senior Unsecured Debt.

NOTE H - LEASES

The Company leases certain facilities, computers, equipment and vehicles under various lease agreements over periods of one to twenty years. Under most arrangements, the Company pays the property taxes, insurance, maintenance and expenses related to the leased property. Many of the leases include provisions which enable the Company to renew leases based upon the fair values on the date of expiration of the initial lease.

Future obligations on non-cancelable operating leases in effect at August 31, 1997 were: $12,775 in 1998; $11,423 in 1999; $9,770 in 2000; $7,371 in 2001; $7,058 in 2002 and $24,794 thereafter.

Total rental expense under operating leases was $12,295, $10,739 and $11,076 in 1997, 1996 and 1995, respectively.

NOTE I - STOCK OPTION PLANS

A total of 4,092,901 shares of Class A common stock are authorized under the Company's stock option plans, of which a total of 1,269,443 have been issued through exercises of option grants. At August 31, 1997, 2,823,458 shares were reserved for issuance under the plans.

Employee Plans: On January 8, 1997, shareholders of the Company approved the adoption of the Applied Power Inc. 1996 Stock Plan (the "1996 Plan"). Previously, the Company had three nonqualified stock option plans for employees - the 1985, 1987 and 1990 plans. No further options may be granted under the 1985, 1987 or 1990 plans, although options previously issued and outstanding under these plans remain exercisable pursuant to the provisions of the plans. Under the terms of the 1996 Plan, options may be granted to officers and key employees. Options generally have a maximum term of ten years and an exercise price equal to 100% of the fair market value of a share of the Company's common stock at the date of grant. Options generally vest 50% after 2 years and 100% after 5 years.

A summary of option activity under the four plans is as follows:

	Number of Shares	Weighted Average Exercise Price
Outstanding at September 1, 1994	1,585,535	$ 16.82
Granted	227,740	28.46
Exercised	(250,136)	16.43
Canceled	(119,450)	17.55
Outstanding at August 31, 1995	1,443,689	$ 18.93
Granted	80,854	31.21
Exercised	(121,949)	12.87
Canceled	(154,699)	21.82
Outstanding at August 31, 1996	1,247,895	$ 20.13
Granted	229,250	36.58
Exercised	(164,329)	17.73
Canceled	(31,358)	26.44
Outstanding at August 31, 1997	1,281,458	$ 23.13
Exercisable at August 31, 1997	892,045	$ 20.45

The following table summarizes information concerning currently outstanding and exercisable options:

	Options Outstanding			Options Exercisable	
Range of Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$8.50	8,500	0.4 years	$ 8.50	8,500	$ 8.50
$13.50 - $20.19	686,045	3.5 years	$17.07	631,758	$17.19
$20.56 - $30.38	301,963	7.2 years	$25.55	151,287	$25.21
$31.75 - $44.75	278,950	9.1 years	$35.25	100,500	$34.75
$52.25	6,000	9.9 years	$52.25		
	1,281,458		$23.13	892,045	$20.45

The Company applies Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations in accounting for its employee stock option plans. Accordingly, no compensation expense has been recognized for its stock-based compensation plans other than for the outside director plan. If the Company had accounted for these stock options issued to employees in accordance with SFAS No. 123, "Accounting for Stock-Based Compensation," the Company's net earnings and earnings per share would have been changed to the pro forma amounts indicated below:

	Years Ended August 31,	
	1997	1996
Net earnings - as reported	$42,038	$33,729
Net earnings - pro forma	41,197	33,643
Earnings per share - as reported	$ 2.92	$ 2.41
Earnings per share - pro forma	2.87	2.41

The pro forma effects of applying SFAS No. 123 may not be representative of the effects on reported net income and earnings per share for future years since options vest over several years and additional awards are made each year.

The fair value of Applied Power stock options used to compute pro forma net earnings and pro forma earnings per share disclosures is the estimated present value at grant date using the Black-Scholes option-pricing model. The weighted average fair values per share of options granted in 1997 and 1996 are $11.03 and $8.80, respectively. The following weighted average assumptions were used in completing the model:

	Years Ended August 31,	
	1997	1996
Dividend yield	0.33%	0.40%
Expected volatility	19.0%	18.3%
Risk-free rate of return	6.3%	6.3%
Forfeitures	2% ANNUALLY	2% annually
Expected life	5 YEARS	5 years

Outside Director Plan: Annually, each outside director is granted stock options to purchase 1,500 shares of common stock at a price equal to the market price of the underlying stock on the date of grant. The amount of shares granted was increased in 1997, from 1,000 shares, by an amendment to the plan adopted on October 31, 1996. These options are recorded as compensation expense as required by SFAS No. 123. A maximum of 60,000 shares may be issued under this plan. Options vest 100% after 11 months.

A summary of option activity under this plan is as follows:

	Number of Shares	Weighted Average Exercise Price
Outstanding at September 1, 1994	19,000	$17.43
Granted	5,000	25.00
Exercised	(4,000)	17.81
Outstanding at August 31, 1995	20,000	$19.25
Granted	6,000	27.63
Exercised	(1,000)	17.00
Outstanding at August 31, 1996	25,000	$21.53
Granted	7,500	38.88
Canceled	(2,000)	16.84
Outstanding at August 31, 1997	30,500	$26.05
Exercisable at August 31, 1997	23,000	$21.93

NOTE J - EMPLOYEE STOCK OWNERSHIP AND RETIREMENT PLANS

US Employees: Primarily all of the Company's full-time US employees are participants in the Applied Power Inc. Employee Stock Ownership Plan (the "ESOP Plan"). Under the provisions of the ESOP Plan, the plan administrator acquires shares of Class A common stock on the open market and allocates such shares to accounts set aside for Company employees' retirements. Contributions equal 3% of each employee's annual cash compensation, subject to IRS limitations. During the years ended August 31, 1997, 1996 and 1995, pre-tax expense related to the ESOP Plan was $2,614, $1,735 and $1,720, respectively.

The Company also offers an employee 401(k) Savings Plan (the "Savings Plan") to encourage eligible employees to save on a regular basis for their retirements. Primarily all full-time US employees are eligible to participate in the Savings Plan, and generally may contribute up to 15% of their base compensation. Effective January 1, 1996, the Company's annual match equals approximately 25% of each participant's first 6% of earnings. Expense attributable to the Savings Plan was approximately $1,035, $672 and $643 for 1997, 1996 and 1995, respectively.

Non-US Employees: The Company contributes to a number of retirement programs for employees outside the US. Pension expense amounted to approximately $1,000, $948 and $821 in 1997, 1996 and 1995, respectively. These

plans are not required to report to US governmental agencies under the Employee Retirement Income Security Act of 1974 and the Company does not, therefore, determine the actuarial value of accumulated plan benefits or net assets available for benefits.

NOTE K - POSTRETIREMENT BENEFITS

The Company does not offer postretirement health care and life insurance benefits to employees. However, certain employees of businesses previously acquired by the Company were entitled to such benefits upon retirement. The individuals receiving health care benefits under these programs are required to make monthly contributions to defray a portion of the cost. Retiree contributions are adjusted annually. Retirees currently do not contribute toward the cost of life insurance. The accounting for retiree health care benefits assumes retirees will continue to contribute toward the cost of such benefits.

Net periodic postretirement benefit expense for 1997, 1996 and 1995 included the following components:

	1997	1996	1995
Service cost of benefits earned	$ 5	$ 8	$ 9
Interest cost on accumulated postretirement benefit obligation	353	400	482
Amortization of unrecognized gain	(305)	(251)	(180)
Total Postretirement Benefit Expense	$ 53	$ 157	$ 311

The Company's accumulated postretirement benefit obligation for such benefits is as follows:

	August 31,	
	1997	1996
Retirees	$3,843	$4,174
Vested former employees	748	1,029
Active employees	174	225
Subtotal	4,765	5,428
Unrecognized gain	4,312	4,131
Accumulated Postretirement Benefit Obligation	$9,077	$9,559

The Company's postretirement benefit obligation is not funded. Benefits paid in 1997 and 1996 were $128 and $22 higher than that expensed during those years, respectively. Payments in 1995 were $24 lower than that expensed during that year.

The health care cost trend rate used in the actuarial calculations was 10.2%, trending downward to 6.5% by the year 2009, and remaining level thereafter. The discount rate used in determining the accumulated postretirement benefit obligation was 7.75% in each of the years 1997, 1996 and 1995. The effect of a one percentage-point increase in health care cost trend rates would change the accumulated postretirement benefit obligation by approximately 8%.

NOTE L - INCOME TAXES

Income tax expense for continuing operations consists of the following:

	1997	1996	1995
Currently Payable:			
Federal	$14,736	$ 9,361	$ 7,007
Foreign	5,415	6,059	6,313
State	1,828	1,606	1,255
Subtotals	21,979	17,026	14,575
Deferred:			
Federal	(1,196)	(711)	(2,582)
Foreign	87	(780)	230
State	(165)	(97)	(355)
Subtotals	(1,274)	(1,588)	(2,707)
Totals	$20,705	$15,438	$11,868

Components of deferred income tax benefits include the following:

	1997	1996	1995
Compensation and other employee benefits	$ (677)	$ 371	$ (443)
Inventory items	(873)	(694)	26
Depreciation and amortization	258	(1,917)	(956)
Restructuring expenses	(65)	373	574
Deferred income	526	574	(1,225)
Book reserves and other items	(443)	(295)	(683)
Totals	$ (1,274)	$(1,588)	$(2,707)

Income tax expense differs from the amounts computed by applying the Federal income tax rate to earnings before income tax expense. A reconciliation of income taxes at the US statutory rate to the effective tax rate follows:

	Percent of Pre-tax Earnings		
	1997	1996	1995
Federal statutory rate	35.0%	35.0%	35.0%
State income taxes, net of Federal effect	1.7	2.0	1.6
Non-deductible amortization	0.8	0.9	1.2
Net effects of foreign tax rates and credits	(4.2)	(5.0)	(5.6)
Other items	(0.3)	(1.5)	-
Effective Tax Rate	33.0%	31.4%	32.2%

Temporary differences and carryforwards which gave rise to the deferred tax assets and liabilities included the following items:

	August 31,	
	1997	1996
Deferred tax assets:		
Operating loss and foreign tax credit carryforwards	$ 3,487	$ 2,064
Compensation and other employee benefits	6,004	5,327
Inventory items	6,531	5,821
Restructuring expenses	242	177
Deferred income	611	1,137
Book reserves and other items	3,321	3,092
	20,196	17,618
Valuation allowance	(4,206)	(2,441)
	15,990	15,177
Deferred tax liabilities:		
Depreciation and amortization	10,571	10,313
Inventory items	3,882	4,045

Other items	4,924	5,480
	19,377	19,838
Net Deferred Tax Liability	$(3,387)	$(4,661)

The valuation allowance primarily represents foreign and state loss carryforwards for which utilization is uncertain. The increase in the valuation allowance represents the current year increase in such losses. The majority of the foreign losses may be carried forward indefinitely. The state loss carryforwards expire in various years through 2012.

Income taxes paid during 1997, 1996 and 1995 were $20,666, $17,039 and $12,280, respectively.

The Company's policy is to remit earnings from foreign subsidiaries only to the extent any resultant foreign income taxes are creditable in the US. Accordingly, the Company does not currently provide for the additional US and foreign income taxes which would become payable upon remission of undistributed earnings of foreign subsidiaries. Undistributed earnings on which additional income taxes have not been provided amounted to approximately $59,000 at August 31, 1997. If all such undistributed earnings were remitted, an additional provision for income taxes of approximately $3,000 would have been necessary as of August 31, 1997.

Earnings from continuing operations before income taxes from non-US operations were $11,612, $10,639 and $16,156 for 1997, 1996 and 1995, respectively.

NOTE M - SEGMENT INFORMATION

The Company's operations are classified into three business segments: Tools & Supplies, Engineered Solutions and Technical Environments and Enclosures. Tools & Supplies is involved in the design, manufacture and distribution of tools and supplies to the construction, electrical wholesale, retail DIY, datacom, retail automotive, industrial and production automation markets. Engineered Solutions focuses on developing and marketing value-added, customized solutions for OEMs in the automotive, truck, off-highway equipment, medical, aerospace, semiconductor, defense and industrial markets. Technical Environments and Enclosures designs, manufactures and sells furnishings and enclosures utilized in technology intensive business environments.

Summarized financial information by business segment is as follows:

	1997	1996	1995
NET SALES:			
Tools & Supplies	$292,492	$281,225	$264,823
Engineered Solutions	189,481	193,812	192,219
Technical Environments and Enclosures	190,343	96,178	70,016
Totals	$672,316	$571,215	$527,058
OPERATIONS BEFORE INCOME TAXES:			
Tools & Supplies	$ 28,890	$ 35,044	$ 35,628
Engineered Solutions	20,590	14,978	13,880
Technical Environments and Enclosures	30,636	13,678	8,289
General corporate and other	(17,373)	(14,533)	(20,924)
Totals	$ 62,743	$ 49,167	$ 36,873
DEPRECIATION AND AMORTIZATION:			
Tools & Supplies	$ 9,521	$ 8,631	$ 6,578
Engineered Solutions	8,218	9,410	9,119
Technical Environments and Enclosures	5,849	2,971	2,704
General corporate and other	75	66	55
Totals	$ 23,663	$ 21,078	$ 18,456
CAPITAL EXPENDITURES:			
Tools & Supplies	$ 8,125	$ 9,515	$ 6,440
Engineered Solutions	6,133	6,497	6,321
Technical Environments and Enclosures	8,312	6,715	2,955
General corporate and other	71	7	270
Totals	$ 22,641	$ 22,734	$ 15,986

	August 31,		
	1997	1996	1995
ASSETS:			
Tools & Supplies	$196,666	$209,270	$163,053
Engineered Solutions	120,372	122,669	129,682
Technical Environments and Enclosures	135,449	37,077	25,969
General corporate	11,105	12,225	14,242
Totals	$463,592	$381,241	$332,946

Summarized financial information by geographic region is as follows:

	1997	1996	1995
NET SALES:			
North America	$448,231	$360,844	$323,015
Europe	160,656	143,683	136,813
Japan and Asia Pacific	51,961	56,750	55,208
Latin America	11,468	9,938	12,022
Totals	$672,316	$571,215	$527,058
OPERATIONS BEFORE INCOME TAXES:			
North America	$ 66,281	$ 45,070	$ 34,885
Europe	16,458	16,043	14,850
Japan and Asia Pacific	(1,120)	3,772	7,207
Latin America	(1,503)	(1,185)	855
General corporate and other	(17,373)	(14,533)	(20,924)
Totals	$ 62,743	$ 49,167	$ 36,873

	August 31,		
	1997	1996	1995
ASSETS:			
North America	$299,572	$240,420	$192,032
Europe	109,220	78,445	77,505
Japan and Asia Pacific	33,668	38,834	37,200
Latin America	10,027	11,317	11,967
General corporate	11,105	12,225	14,242
Totals	$463,592	$381,241	$332,946

Operations before income taxes for each business and geographic segment do not include general corporate expenses, interest expense or currency exchange adjustments. Sales between business segments and geographic areas are insignificant and are accounted for at prices intended to yield a reasonable return to the selling affiliate. No single customer accounted for more than 10% of total sales in 1997, 1996 or 1995. Export sales from domestic operations were less than 10% in each of the periods presented.

Corporate assets, which are not allocated, represent principally cash and prepaid taxes.

NOTE N - CONTINGENCIES AND LITIGATION

The Company had outstanding letters of credit totaling $773 and $830 at August 31, 1997 and 1996, respectively. The letters of credit generally serve as collateral for liabilities included in the Consolidated Balance Sheet.

The Company is involved in various legal proceedings which have arisen in the normal course of its business. These legal proceedings typically include product liability, environmental, labor and patent claims. The Company has recorded reserves for loss contingencies based on the specific circumstances of each case. Such reserves are recorded when the occurrence of loss is probable and can be reasonably estimated. In the opinion of management, the resolution of these contingencies will not have a material adverse effect on the Company's financial condition or results of operations.

The Company has facilities at numerous geographic locations which are subject to a range of environmental laws and regulations. Environmental costs are expensed or capitalized depending on their future economic benefit. Expenditures that have no future economic value are expensed. Liabilities are recorded when environmental

remediation is probable and the costs can be reasonably estimated. Although the level of future expenditures for environmental remediation is impossible to determine with any degree of certainty, it is management's opinion that such costs will not have a material effect on the Company's financial position. Environmental remediation accruals of $448 and $611 were included in the Consolidated Balance Sheet at August 31, 1997 and 1996, respectively.

NOTE O - SUBSEQUENT EVENTS

Subsequent to year end, the Company, through a wholly-owned subsidiary, accepted for payment all shares of Versa Technologies, Inc. ("Versa/Tek") common stock which were tendered pursuant to the Company's tender offer to purchase all outstanding shares at a cash price of $24.625 net per share. Consideration for the transaction was expected to total approximately $140,000. The transaction will be funded with proceeds from a $140,000, 364-day revolving credit facility from existing lenders. Versa/Tek, based in Racine, Wisconsin, is a value-added manufacturer of custom engineered components and systems for diverse industrial markets.

Subsequent to year end, the Company agreed to terms for the acquisition of certain assets of Nylo-Flex Manufacturing Company, Inc. ("Nylo-Flex") for approximately $3,000 in cash. The transaction is expected to be funded by proceeds from borrowings under existing credit facilities. Nylo-Flex, headquartered in Mobile, Alabama, does business under the TAM name and is a manufacturer, packager and distributor of high quality battery terminals, battery cables and battery maintenance accessories to the automotive, marine, farm, fleet and industrial markets.

APPLIED POWER INC. AND SUBSIDIARIES

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
(Dollars in Thousands)

<TABLE>
<CAPTION>

Description	Balance at Beginning of Period	Additions: Charged to Costs and Expenses	Additions: Net Acquired	Deductions: Accounts Written Off Less Recoveries	Deductions: Other	Balance at End of Period
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Deducted from assets to which they apply:						
Allowance for losses - trade accounts receivable						
August 31, 1997	$ 4,179	$1,696	$133	$1,370	$309	$ 4,329
August 31, 1996	$ 3,593	$1,203	$100	$ 662	$ 55	$ 4,179
August 31, 1995	$ 3,131	$1,255	-	$ 840	$(47)	$ 3,593
Allowance for losses - inventory						
August 31, 1997	$12,045	$7,488	$456	$5,674	$452	$13,872
August 31, 1996	$ 8,371	$7,529	$ 30	$3,794	$ 91	$12,045

August 31, 1995	$ 6,268	$5,413	-	$3,429	$(119)	$ 8,371
	=======	======	====	======	====	=======

</TABLE>

APPLIED POWER INC.
(COMMISSION FILE NO. 1-11288)
ANNUAL REPORT ON FORM 10-K
FOR THE FISCAL YEAR ENDED AUGUST 31, 1997

INDEX TO EXHIBITS

<TABLE>
<CAPTION>

EXHIBIT	DESCRIPTION	INCORPORATED HEREIN BY REFERENCE TO	FILED HEREWITH
3.1	(a) Amended and Restated Articles of Incorporation (as adopted January 8, 1987)	Exhibit 19.1(a) to the Registrant's Form 10-Q for quarter ended February 28, 1990 ("2/28/90 10-Q")	
	(b) Articles of Amendment to Amended and Restated Articles of Incorporation, amending Sections 3.1 and 3.2 of Article III and Article IV (as adopted January 13, 1990)	Exhibit 19.1(b) to 2/28/90 10-Q	
3.2	Amended and Restated By-Laws (as last amended by amendment to Section 3.01 decreasing the number of directors to six, adopted August 8, 1996 and effective as of January 8, 1997)		X
4+			
4.1	Articles III, IV and V of Amended and Restated Articles of Incorporation, as amended	See Exhibit 3.1 above	
4.2	Agreement for Purchase and Sale, dated August 29, 1990, between Minnesota Mining and Manufacturing Company and Applied Power Inc., and seven related Leases, each dated April 29, 1991, between Bernard Garland and Sheldon Garland, d/b/a Garland Enterprises, as Landlord, and Applied Power Inc., as Tenant	Exhibit 19.2(a)-(g) to the Registrant's Form 10-Q for quarter ended May 31, 1991	

</TABLE>

+ Pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K, the Registrant agrees to furnish to the Securities and Exchange Commission upon request a copy of any unfiled instruments, or any unfiled exhibits or schedules to filed instruments, defining the rights of security holders.

<TABLE>
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EXHIBIT	DESCRIPTION	INCORPORATED HEREIN BY REFERENCE TO	FILED HEREWITH
4.3	(a) Multi-currency Credit Agreement, dated as of August 22, 1995 between Applied Power Inc. and Applied Power Finance S.A., as borrowers, various financial institutions, as lenders, Bank of America National Trust and Savings	Exhibit 4.3 to the Registrant's Form 10-K for fiscal year ended August 31, 1995 ("1995 10-K")	

	Association, as agent, and BA Securities, Inc., as arranger		
	(b) First Amendment Agreement dated as of August 29, 1996	Exhibit 4.3(b) to 1996 10-K	
4.4	(a) Amended and Restated Receivables Purchase Agreement, dated as of August 30, 1995, between Applied Power Inc., Barry Wright Corporation, Technical Environments and Enclosures, GB Electrical, Inc., and certain other subsidiaries from time to time parties thereto, as sellers, and PNC Bank, National Association, and other financial institutions from time to time parties thereto, as purchasers	Exhibit 4.4 to 1995 10-K	
	(b) First Amendment to Amended and Restated Receivables Purchase Agreement dated as of August 30, 1996	Exhibit 4.4(b) to 1996 10-K	
	(c) Second Amended and Restated Receivables Purchase Agreement dated as of February 28, 1997		X
4.5	Credit Agreement, dated as of October 3, 1997 among Applied Power Inc., Bank of America National Trust and Savings Association, as agent, and the other financial institutions party hereto	Exhibit (b)(2) filed with Amendment No. 3 to the Registrant's Tender Offer Statement on Schedule 14D-1 dated October 6, 1997 (File No. 5-13342)	

</TABLE>

<TABLE>
<CAPTION>

EXHIBIT	DESCRIPTION	INCORPORATED HEREIN BY REFERENCE TO	FILED HEREWITH
<S>	<C>	<C>	<C>
4.6	Multi-currency Credit Agreement, dated as of October 22, 1997 between Applied Power Inc. and Applied Power Finance, S.A., as borrowers, various financial institutions, as lenders, Bank of America National Trust and Savings Association, as agent, and BA Robertson Stephens, as arranger		X
10.1*	Employment Agreement dated May 9, 1994 between Applied Power Inc. and Richard G. Sim (superseding Employment Agreement dated July 5, 1985, as amended)	Exhibit 10.1 to the Registrant's form 10-K for fiscal year ended August 31, 1994	
10.2*	(a) Applied Power Inc. 1985 Stock Option Plan adopted by Board of Directors on August 1, 1985 and approved by shareholders on January 6, 1986, as amended ("1985 Plan")	Exhibit 10.2(a) to the Registrant's Form 10-K for fiscal year ended August 31, 1989 ("1989 10-K")	
	(b) Amendment to 1985 Plan adopted by Board of Directors on November 8, 1989 and approved by shareholders on January 13, 1990	Exhibit 10.2(b) to 1989 10-K	
	(c) Amendment to 1985 Plan adopted by Board of Directors on August 9, 1990	Exhibit 10.2(c) to the Registrant's Form 10-K for fiscal year ended August 31, 1990 ("1990 10-K")	
	(d) Amendment to 1985 Plan adopted by Board of Directors on May 8, 1997		X
10.3*	(a) Applied Power Inc. 1987 Nonqualified Stock Option Plan adopted by Board of Directors on November 3, 1987 and approved by shareholders on January 7, 1988 ("1987 Plan")	Exhibit 10.8 to the Registrant's Form 10-K for fiscal year ended August 31,1987	

</TABLE>

* Management contracts and executive compensation plans and arrangements required to be filed as exhibits pursuant to Item 14(c) of Form 10-K.

<TABLE>
<CAPTION>

EXHIBIT	DESCRIPTION	INCORPORATED HEREIN BY REFERENCE TO	FILED HEREWITH
<S>	<C>	<C>	<C>
	(b) Amendment to 1987 Plan adopted by Board of Directors on November 8, 1989 and approved by shareholders on January 13, 1990	See Exhibit 10.2(b)	
	(c) Amendment to 1987 Plan adopted by Board of Directors on May 8, 1997		X
10.4*	(a) Applied Power Inc. 1990 Stock Option Plan adopted by Board of Directors on August 9, 1990 and approved by shareholders on January 7, 1991 ("1990 Plan")	Exhibit A to the Registrant's Proxy Statement dated December 5, 1990 for 1991 Annual Meeting of Shareholders	
	(b) Amendment to 1990 Plan adopted by Board of Directors on August 10, 1992 and approved by shareholders on January 7, 1993	Exhibit 10.5(b) to the Registrant's Form 10-K for fiscal year ended August 31, 1992	
	(c) Amendment to 1990 Plan adopted by Board of Directors on May 8, 1997		X
10.5*	Description of Fiscal 1997 Management Bonus Arrangements	Exhibit 10.6 to 1996 10-K	
10.6*	Description of Fiscal 1998 Management Bonus Arrangements		X
10.7*	(a) Applied Power Inc. 1989 Outside Directors' Stock Option Plan adopted by Board of Directors on November 8, 1989 and approved by shareholders on January 13, 1990 ("1989 Plan")	Exhibit 10.7 to 1989 10-K	
	(b) Amendment to 1989 Plan adopted by Board of Directors on November 9, 1990 and approved by shareholders on January 7, 1991	Exhibit 10.7(b) to 1990 10-K	

</TABLE>

* Management contracts and executive compensation plans and arrangements required to be filed as exhibits pursuant to Item 14(c) of Form 10-K.

<TABLE>
<CAPTION>

EXHIBIT	DESCRIPTION	INCORPORATED HEREIN BY REFERENCE TO	FILED HEREWITH
<S>	<C>	<C>	<C>
	(c) Amendment to 1989 Plan adopted by Board of Directors on October 31, 1996	Exhibit 10.7(c) to 1996 10-K	
10.8*	Outside Directors' Deferred Compensation Plan adopted by Board of Directors on May 4, 1995	Exhibit 10.8 to 1995 10-K	
10.9	Asset Purchase Agreement between Applied Power Inc. and Wright Line Inc., on the one hand and Everest Electronic Equipment, Inc., Wallace H. Twedt, Terry D. Wells and Robert L. Wells, on the other hand dated August 27, 1996	Exhibit 2.1 to the Registrant's Form 8-K dated October 11, 1996	
10.10*	(a) 1996 Stock Plan adopted by Board of Directors on August 8, 1996 and proposed for shareholder approval on January 8, 1997	Annex A to the Registrant's Proxy Statement dated November 19, 1996 for 1997 Annual Meeting of Shareholders	

	(b) Amendment to 1996 Stock Plan adopted by Board of Directors on May 8, 1997		X
10.11*	Deferred Compensation Plan adopted by Board of Directors on October 31, 1996	Exhibit 10.11 to 1996 10-K	
10.12	Agreement and Plan of Merger, dated as of September 2, 1997, among Applied Power Inc., TVPA Corp. and Versa Technologies, Inc.	Exhibit (c)(1) to Registrant's Tender Offer Statement on Schedule 14D-1 filed on September 5, 1997 (File No. 5-13342)	
11	Statement regarding Computation of Earnings Per Share		X
21	Subsidiaries of the Registrant		X
23	Consent of Deloitte & Touche LLP		X

</TABLE>

* Management contracts and executive compensation plans and arrangements required to be filed as exhibits pursuant to Item 14(c) of Form 10-K.

<TABLE>
<CAPTION>

EXHIBIT	DESCRIPTION	INCORPORATED HEREIN BY REFERENCE TO	FILED HEREWITH
<S>	<C>	<C>	<C>
24	Power of Attorney	See Signature Page of this report	
27	Financial Data Schedule		X

</TABLE>

Exhibit 23

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statements of Applied Power Inc. on Form S-3 No. 333-47493 and on Forms S-8, No. 33-18140, No. 33-21250, No. 33-24197, No. 33-38719, No. 33-38720, No. 33-62658, No. 333-42353 and No. 333-46469 of our report dated September 25, 1997, October 16, 1997 as to Note O, appearing in the Annual Report on Form 10-K/A of Applied Power Inc. for the year ended August 31, 1997. We also consent to the incorporation by reference in the above-mentioned registration statements of our report dated May 9, 1997 relating to Versa Technologies, Inc. appearing in the Current Report on Form 8-K of Applied Power Inc. dated October 3, 1997.

DELOITTE & TOUCHE LLP
Milwaukee, Wisconsin
June 18, 1998