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

Form 10-Q

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

For the quarter ended February 29, 2000

OR

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

Commission File No. 1-11288

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

Wisconsin	39-0168610
(State of incorporation)	(I.R.S. Employer Id. No.)

N22 W23685 Ridgeview Parkway West
Waukesha, Wisconsin 53188-1013
Mailing address: P. O. Box 325, Milwaukee, Wisconsin 53201
(Address of principal executive offices)

(262) 523-7600
(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ___

The number of shares outstanding of the Registrant's Class A Common Stock as of April 12, 2000 was 39,091,740.

APPLIED POWER INC.

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PART I - FINANCIAL INFORMATION

Item 1 - Financial Statements

APPLIED POWER INC.
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(Dollars in thousands, except per share amounts)
(Unaudited)

	Three Months Ended		Six Months Ended	
	February 29, 2000	February 28, 1999	February 29, 2000	February 28, 1999
Net Sales	$461,177	$421,955	$923,344	$857,615
Cost of Products Sold	323,199	295,445	645,836	593,703
Gross Profit	137,978	126,510	277,508	263,912
Engineering, Selling and Administrative Expenses	77,847	74,236	156,741	156,654
Amortization of Intangible Assets	8,003	7,088	15,798	14,153
Contract Termination (Recovery) Costs	-	-	(1,446)	7,824
Corporate Reorganization Expenses	3,487	-	3,487	-
Operating Earnings	48,641	45,186	102,928	85,281
Other Expense (Income):				
Net Financing Costs	12,022	15,489	28,360	29,388
Other - Net	564	(965)	701	(972)
Earnings Before Income Tax Expense	36,055	30,662	73,867	56,865
Income Tax Expense	13,430	11,376	27,560	21,178
Earnings Before Extraordinary Item	22,625	19,286	46,307	35,687
Extraordinary Loss on Early Retirement of Debt, Net of Income Tax Benefit of $1,250	(2,083)	-	(2,083)	-
Net Earnings	$ 20,542	$ 19,286	$ 44,224	

				$ 35,687
Basic Earnings Per Share:				
Earnings Per Share Before Extraordinary Item	$ 0.58	$0.50	$ 1.18	$0.92
Extraordinary Loss on Early Retirement of Debt, Net of Income Tax Benefit	(0.05)	-	(0.05)	-
Earnings Per Share	$ 0.53	$0.50	$ 1.13	$0.92
Weighted Average Common Shares Outstanding (000's)	39,052	38,786	39,023	38,724
Diluted Earnings Per Share:				
Earnings Per Share Before Extraordinary Item	$ 0.56	$0.48	$ 1.15	$0.89
Extraordinary Loss on Early Retirement of Debt, Net of income tax benefit	(0.05)	-	(0.05)	-
Earnings Per Share	$ 0.51	$0.48	$ 1.10	$0.89
Weighted Average Common and Equivalent Shares Outstanding (000's)	40,374	40,415	40,343	40,251

</TABLE>

See accompanying Notes to Condensed Consolidated Financial Statements

APPLIED POWER INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except share amounts)

<TABLE>
<CAPTION>

<S>	<C> February 29, 2000 (Unaudited)	<C> August 31, 1999
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 7,510	$ 22,258
Accounts receivable, net	168,994	149,525
Inventories, net	230,414	207,518
Prepaid expenses and deferred income taxes	33,972	29,735
Total Current Assets	440,890	409,036
Property, Plant and Equipment, net	267,491	273,902
Goodwill and Other Intangibles Assets, net	878,872	888,322
Other Assets	51,768	53,586
Total Assets	$1,639,021	$1,624,846
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Short-term borrowings	$ 2,383	$ 230
Trade accounts payable	155,727	157,515
Accrued compensation and benefits	44,601	47,089
Income taxes payable	39,139	36,491
Other current liabilities	67,594	82,340
Total Current Liabilities	309,444	323,665

Long-Term Debt	792,953	808,438
Deferred Income Taxes	16,641	15,869
Other Liabilities	60,092	59,045
Shareholders' Equity:		
Class A common stock, $0.20 par value, authorized 80,000,000 shares, issued and outstanding 39,084,661 and 38,978,340 shares, respectively	7,817	7,796
Additional paid-in capital	13,971	12,388
Accumulated other comprehensive income	(17,813)	(15,218)
Retained earnings	455,916	412,863
Total Shareholders' Equity	459,891	417,829
Total Liabilities and Shareholders' Equity	$1,639,021	$1,624,846

</TABLE>

See accompanying Notes to Condensed Consolidated Financial Statements

APPLIED POWER INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)
(Unaudited)

<TABLE>
<CAPTION>

<S>	Six Months Ended February 29, 2000 <C>	Six Months Ended February 28, 1999 <C>
Operating Activities		
Net Earnings	$ 44,224	$ 35,687
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	41,700	39,625
Extraordinary loss on early retirement of debt	3,333	-
Changes in operating assets and liabilities, excluding the effects of business acquisitions and divestitures:		
Accounts receivable	(24,187)	4,560
Inventories	(22,750)	(17,734)
Prepaid expenses and other assets	(3,238)	(1,567)
Trade accounts payable	366	(17,637)
Other liabilities	(17,649)	(7,889)
Income taxes payable	3,619	2,276
Net Cash Provided by Operating Activities	25,418	37,321
Investing Activities		
Proceeds on the sale of property, plant and equipment	914	6,743
Purchases of property, plant and equipment	(23,883)	(37,006)
Proceeds from sale of subsidiary	2,987	-
Investment in unconsolidated affiliate	(1,961)	-
Cash used for business acquisitions, net of cash acquired	(8,726)	(385,689)
Net Cash Used in Investing Activities	(30,669)	(415,952)
Financing Activities		
Proceeds from issuance of long-term debt	66,845	277,228
Principal payments on long-term debt	(68,917)	(34,174)
Net borrowings on short-term credit facilities	2,394	666
Net commercial paper (repayments) borrowings	(10,066)	109,351
Receivables financed	-	25,713
Dividends paid on common stock	(1,171)	(1,171)
Proceeds from stock option exercises	1,604	2,568
Net Cash (Used in) Provided by Financing Activities	(9,311)	380,181
Effect of Exchange Rate Changes on Cash	(186)	198
Net (Decrease) Increase in Cash and Cash Equivalents	(14,748)	1,748
Cash and Cash Equivalents - Beginning of Period	22,258	6,349
Cash and Cash Equivalents - End of Period	$ 7,510	$ 8,097

</TABLE>

See accompanying Notes to Condensed Consolidated Financial Statements

APPLIED POWER INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note A - Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of Applied Power Inc. (the "Company") have been prepared in accordance with generally accepted accounting principles for interim financial reporting and with the instructions of Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. The condensed consolidated balance sheet data as of August 31, 1999 was derived from audited financial statements, but does not include all disclosures required by generally accepted accounting principles. For additional information, refer to the consolidated financial statements and footnotes thereto in the Company's 1999 Annual Report on Form 10-K.

In the opinion of management, all adjustments considered necessary for a fair presentation of financial results have been made. Such adjustments consist of only those of a normal recurring nature. Operating results for the three and six months ended February 29, 2000 are not necessarily indicative of the results that may be expected for the entire fiscal year ending August 31, 2000.

Note B - Earnings Per Share

The reconciliations between basic and diluted earnings per share are as follows:

<TABLE>
<CAPTION>

	Three Months Ended		Six Months Ended	
(in thousands, except per share amounts)	February 29, 2000	February 28, 1999	February 29, 2000	February 28, 1999
<S>	<C>	<C>	<C>	<C>
Numerator:				
Net earnings for basic and diluted earnings per share	$20,542	$19,286	$44,224	$35,687
Denominator:				
Weighted average common shares outstanding for basic earnings per share	39,052	38,786	39,023	38,724
Net effect of dilutive stock options based on the treasury stock method using average market price	1,322	1,629	1,320	1,527
Weighted average common and equivalent shares outstanding for diluted earnings per share	40,374	40,415	40,343	40,251
Basic Earnings Per Share:				
Basic earnings per share before extraordinary item	$ 0.58	$ 0.50	$ 1.18	$ 0.92
Extraordinary loss on early retirement of debt	(0.05)	-	(0.05)	-
Basic earnings per share	$ 0.53	$ 0.50	$ 1.13	$ 0.92
Diluted Earnings Per Share:				
Diluted earnings per share before extraordinary loss	$ 0.56	$ 0.48	$ 1.15	$ 0.89

Extraordinary loss on early retirement of debt	(0.05)	-	(0.05)	-
Diluted earnings per share	$ 0.51	$ 0.48	$ 1.10	$ 0.89

</TABLE>

Note C - Comprehensive Income

The components of comprehensive income are as follows:

<TABLE>
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	Three Months Ended		Six Months Ended	
	February 29,	February 28,	February 29,	February 28,
(in thousands)	2000	1999	2000	1999
<S>	<C>	<C>	<C>	<C>
Net earnings	$20,542	$19,286	$44,224	$35,687
Foreign currency translation adjustments	(4,778)	(2,944)	(2,595)	1,763
Comprehensive income	$15,764	$16,342	$41,629	$37,450

</TABLE>

Note D - Acquisitions

On January 28, 2000, the Company, through a wholly-owned subsidiary, acquired all of the outstanding stock of Metalade of Pennsylvania Inc., ("Metalade"). Metalade specializes in metal fabrication relating to electronics enclosures and was integrated with the Company's Electronics business unit. The total purchase price of this acquisition totaled $8.7 million plus future consideration, not to exceed $5.0 million, based on achieved sales levels, including fees and expenses. The acquisition was funded by borrowings under the current credit facilities. The acquisition has been accounted for using the purchase method and the results of operations of the acquired company are included in the Condensed Consolidated Statements of Earnings from the acquisition date. Preliminary allocations of the purchase price resulted in approximately $6.7 million in goodwill.

Note E - Sale of Business Unit

On November 23, 1999, a wholly-owned subsidiary of the Company completed the sale of the assets of Samuel Groves & Co. Ltd., a business unit of the Industrial segment. Total consideration from the transaction was approximately $3.0 million, which approximated book value of the assets.

Note F - Net Inventories

The nature of the Company's products in several significant parts of its business is such that they have a very short production cycle. Consequently, the amount of work-in-process at any point in time is minimal. In addition, many parts or components are ultimately either sold individually or assembled with other parts making a distinction between raw materials and finished goods unclear. At these locations, the Company has not deemed it necessary or cost effective to categorize inventory by state of completion, but rather between material, labor and overhead. Several other parts of the Company maintain and manage their inventories using a job cost system where the distinction of categories of inventory by state of completion is also not available.

As a result of these factors, it is neither practical nor cost effective to segregate the amounts of raw materials, work-in-process or finished goods inventories at the respective balance sheet dates as segregation would only be possible as the result of physical inventories which are taken at dates different from the balance sheet dates.

Note G - Spin-Off of Electronics Segment

On January 27, 2000, the Company announced a plan to spin off its Electronics business segment to create a pure global supplier in the high-growth electronics manufacturing services (EMS) sector. The new Electronics business will be a separate publicly traded company incorporated in Bermuda, and will operate under the name APW Ltd. Following the spin-off, Applied Power Inc. will continue to operate the businesses making up the Industrial segment. The spin-off is expected to be completed by fiscal year-end, at which time Applied Power Inc. shareholders of record would receive a dividend of one newly issued share of APW Ltd. for each Applied Power Inc. share held.

The above contemplated transaction is contingent upon various conditions, including the effectiveness of a registration statement to be filed with the SEC in connection with the spin-off, receipt of a favorable tax opinion of counsel to the effect that the transaction should be tax-free for Federal income tax purposes, approval from the NYSE of listing on the exchange, obtaining credit facilities on acceptable terms and conditions, and final approval by the Applied Power Inc. Board of Directors.

Note H - Extraordinary Item

In January 2000, the Company retired the $50.0 million senior promissory notes that were due March 8, 2011. The notes were paid off in anticipation of the planned spin-off of the Electronics segment. In connection with this early retirement of debt, the Company paid a $3.3 million make-whole premium, $2.1 million net of the tax benefits. This premium has been recorded in the Company's Condensed Consolidated Statement of Earnings for the three and six months ended February 29, 2000, as an extraordinary charge, net of tax.

Note I - Segment Information

The Company is organized and managed along the lines of its two product segments: Electronics and Industrial. Electronics supplies electronic enclosures, power supplies, thermal management systems, backplanes, and cabling either as individual products, or as an integrated system incorporating certain of the Company's product design, supply chain management, assembly and test capabilities. Industrial provides both standard and customized industrial and electrical tools and accessories along with components and systems using hydraulic, actuation and vibration control technologies through a world-wide distribution system into a variety of niche markets. "General corporate and other" as indicated below primarily includes general corporate expenses, interest expense and foreign currency exchange adjustments.

The following table summarizes financial information by reportable segment.

(in thousands)	Three Months Ended		Six Months Ended	
	February 29, 2000	February 28, 1999	February 29, 2000	February 28, 1999
Net Sales:				
Electronics	$277,090	$250,055	$566,216	$513,240
Industrial	184,087	171,900	357,128	344,375
Total	$461,177	$421,955	$923,344	$857,615
Earnings Before Income Tax Expense:				
Electronics	$ 23,344	$ 17,150	$ 49,684	$ 42,476
Industrial	31,743	30,987	62,675	48,847
General corporate and other	(19,032)	(17,475)	(38,492)	(34,458)
Total	$ 36,055	$ 30,662	$ 73,867	$ 56,865

Results for the six months ended February 28, 1999 include a $7.8 million charge, $4.7 million after-tax, related to a contract termination for the Industrial segment. Results for the six months ended February 29, 2000 for the Industrial segment include a $1.4 million recovery settlement, $0.9 million after-tax, related to the contract termination.

In addition, results for the three and six months ended February 29, 2000 include corporate reorganization expenses of $3.5 million, $2.2 million after-tax, included in "General corporate and other." These corporate reorganization expenses relate to costs incurred associated with the planned spin-off of the Electronics segment.

Note J - Subsequent Event

On March 9, 2000, Applied Power Inc. announced plans for its Industrial business to operate under the name of Actuant Corporation. Applied Power Inc. intends to change its name to Actuant Corporation after the planned spin-off of the Electronics business.

Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations

Risk Factors That May Affect Future Results

Certain statements contained in the following Management's Discussion and Analysis of Financial Condition and Results of Operations, as well as statements in other Company communications, which are not historical facts, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. The terms "anticipate", "believe", "estimate", "expect", "objective", "plan", "project" and similar expressions are intended to identify forward-looking statements. Such forward-looking statements are subject to inherent risks and uncertainties that may cause actual results or events to differ materially from those contemplated by such forward-looking statements. In addition to the assumptions and other factors referred to specifically in connection with such statements, factors that may cause actual results or events to differ materially from those contemplated by such forward-looking statements 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, to a lesser extent, 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 latent Year 2000 issues during calendar year 2000, the Company's ability to access capital markets, the spin-off of the Electronics business, and other factors that may be referred to in the Company's reports filed with the Securities and Exchange Commission.

Strategic Developments

On January 27, 2000, the Company announced a plan to spin off its Electronics business segment to create a pure global supplier in the high-growth electronics manufacturing services (EMS) sector. The new Electronics business will be a separate publicly traded company incorporated in Bermuda, and will operate under the name APW Ltd. Following the spin-off, Applied Power Inc. will continue to operate the businesses making up the Industrial segment. The spin-off is expected to be completed by fiscal year-end, at which time Applied Power Inc. shareholders of record would receive a dividend of one newly issued share of APW Ltd. for each Applied Power Inc. share held.

On March 9, 2000, Applied Power Inc. announced plans for its Industrial business to operate under the name of Actuant Corporation. Applied Power Inc. intends to change its name to Actuant Corporation after the planned spin-off of the Electronics business.

Results of Operations

The Company reported record sales and earnings for the second quarter ended February 29, 2000. Net earnings for the second quarter of fiscal 2000 were $20.5 million, or $0.51 per share on a diluted basis. Excluding one time items during the period, net earnings were $24.8 million, or $0.61 per diluted share, an increase of 27% percent over the $19.3 million, or $0.48 per diluted share, in the prior year second quarter. Sales for the quarter were $461.2 million, a 9% increase over the prior year.

The one-time items during the current year quarter relate to (i) a $2.1 million make-whole premium (net of $1.2 million tax benefit) paid in connection with the early retirement of debt which is recorded as an extraordinary charge and (ii) a $3.5 million charge ($2.2 million after-tax) for costs incurred associated with spinning off the Electronics business and incorporating APW Ltd. in Bermuda.

For the six months ended February 29, 2000, net earnings were $44.2 million, or $1.10 per diluted share. Excluding one-time items in both periods, net earnings were $47.6 million or $1.18 per diluted share, a 17% increase over the $40.4 million or $1.01 per diluted share for the first six months of last year. Sales for the first half of fiscal 2000 were a record $923.3 million, an increase of 8% over the same period last year.

The one-time item recorded during the first six months of Fiscal 1999 relates to the cancellation of a contract within the Industrial segment in November 1998. In the first quarter of fiscal 1999, the Company recorded to operating expense a one-time contract termination charge of $7.8 million pre-tax ($4.7 million after-tax, or $0.12 per diluted share). One time items recorded during the current year first half relate to (i) the above mentioned extraordinary charge, (ii) the above mentioned spin-off transaction costs, and (iii) a recovered portion of the contract termination charge received during the first quarter of fiscal 2000 in a settlement of $1.4 million pre-tax ($0.9 million after-tax, or $0.02 per diluted share).

The Company is organized, managed and reported as two segments: Electronics and Industrial. Electronics supplies electronic enclosures, power supplies, thermal systems, backplanes, and cabling either as individual products, or as an integrated system incorporating certain of the Company's product design, supply chain management, assembly and test capabilities. Industrial provides both standard and customized industrial and electrical tools and accessories along with components and systems using hydraulic, actuation and vibration control technologies through a world-wide distribution system into a variety of niche markets.

<TABLE>
<CAPTION>

NET SALES BY SEGMENT

(in thousands)	Three Months Ended			Six Months Ended		
	February 29,	February 28,		February 29,	February 28,	
<S>	<C> 2000	<C> 1999	<C> Change	<C> 2000	<C> 1999	<C> Change
Electronics	$ 277,090	$ 250,055	11%	$ 566,216	$ 513,240	10%
Industrial	184,087	171,900	7%	357,128	344,375	4%
Total	$ 461,177	$ 421,955	9%	$ 923,344	$ 857,615	8%

</TABLE>

Revenues from the Electronics segment grew 11% and 10% for the quarter and year-to-date periods ended February 29, 2000, as compared to the prior year periods. Excluding the effect of foreign currency translations, Electronics' revenue grew 14% and 13% in the respective quarter and year-to-date periods. Internal growth was the primary reason for the sales increase.

Industrial segment sales increased 7% and 4% for the quarter and year-to-date periods ended February 29, 2000, as compared to the prior year periods. Exclusive of the adverse impact of the strong dollar on reported sales, Industrial's sales increased 10% during the current year second quarter compared to the prior year second quarter. Internal growth was principally generated from recreational vehicle systems and shock vibration systems.

<TABLE>
<CAPTION>

GROSS PROFIT BY SEGMENT

(in thousands)	Three Months Ended			Six Months Ended		
	February 29,	February 28,		February 29,	February 28,	
<S>	<C> 2000	<C> 1999	<C> Change	<C> 2000	<C> 1999	<C> Change
Electronics	$ 72,287	$ 63,992	13%	$ 149,699	$ 139,852	7%
Industrial	65,691	62,518	5%	127,809	124,060	3%

Total	$ 137,978	$ 126,510	9%	$ 277,508	$ 263,912	5%

</TABLE>

Second quarter and year-to-date gross profit dollars increased by 9% and 5%, respectively, over the comparable prior year periods. As a percentage of sales, gross profit was comparable between the prior year second quarter and the current year second quarter. As compared to the prior year periods, the increase in gross profit dollars was driven by continued growth and expansion of electronic enclosure business in the telecom and datacom industries, and internal growth of the recreational vehicle systems and shock vibration systems.

<TABLE>
<CAPTION>

ENGINEERING, SELLING AND ADMINISTRATIVE EXPENSES BY SEGMENT

(in thousands)	Three Months Ended			Six Months Ended		
	February 29,	February 28,		February 29,	February 28,	
<S>	<C> 2000	<C> 1999	<C> Change	<C> 2000	<C> 1999	<C> Change
Electronics	$ 42,917	$ 41,942	2%	$ 88,173	$ 87,668	1%
Industrial	31,971	29,343	9%	62,623	62,942	(1)%
General Corporate	2,959	2,951	0%	5,945	6,044	(2)%
Total	$ 77,847	$ 74,236	5%	$ 156,741	$ 156,654	0%

</TABLE>

Fiscal 2000 second quarter engineering, selling and administrative ("ESA") expenses were 5% higher than that reported in the second quarter of fiscal 1999. The increase in ESA expense during the quarter is a result of (i) additional ESA expenses incurred by businesses acquired since or during the second quarter of fiscal 1999, and (ii)

additional costs incurred to expand the Company's infrastructure in anticipation of the spin-off of the Electronics segment. In total, ESA expenses were reduced to 16.9 percent of net sales for the current year quarter compared to 17.6 percent for the prior year quarter. The reduction was the result of continued efforts to manage spending levels throughout the Company, along with the incremental sales growth of the Electronics segment, which typically has a lower percentage of ESA expenses to sales.

AMORTIZATION EXPENSE. Amortization expense of $8.0 million and $15.8 million for the respective three and six month periods ended February 29, 2000 was higher than in the comparable prior year periods due to the acquisitions completed during and subsequent to the second quarter of fiscal 1999.

CONTRACT TERMINATION (RECOVERY) COSTS. In the first quarter of fiscal 1999, the Company recorded a $7.8 million contract termination charge, $4.7 million after-tax, related to the cancellation of a contract in the Industrial segment. In the first quarter of fiscal 2000, a portion of the contract termination charge was recovered in a settlement amounting to $1.4 million, $0.9 million after-tax.

CORPORATE REORGANIZATION EXPENSES. In the second quarter of fiscal 2000, the Company recorded a $3.5 million charge, $2.2 million after-tax, related to fees and expenses associated with the spin-off transaction and incorporating APW Ltd. in Bermuda. Those fees and expenses represent legal, accounting, tax and investment banking fees incurred by the Company through February 29, 2000 for services related to the spin-off transaction.

OPERATING EARNINGS. Excluding one time items in both periods, operating profit margin for the three and six months ended February 29, 2000 was 11.3 percent and 11.4 percent, respectively. Operating profit margin, excluding one time items, for the three and six months ended February 28, 1999 was 10.7 percent and 10.9 percent, respectively. The increase in operating profit margin between periods is a result of leverage on internal sales growth, efficient integration of acquired businesses, and continued efforts to manage spending levels throughout the Company. Inclusive of one time items in both periods, the operating profit margin increased to 11.1 percent for the first half of fiscal 2000 compared to 9.9 percent for the first half of fiscal 1999.

NET FINANCING COSTS. During the second quarter of fiscal 2000, Net Financing Costs includes a $5.3 million pre-tax recognized gain related to the unwinding of interest rate swap agreements. The interest rate swap agreements were unwound in anticipation of the spin-off of the Electronics business segment. Gains relating to terminations of qualifying hedges are deferred and recognized in income at the same time as the underlying hedged transactions. In circumstances where the underlying anticipated transaction is no longer expected to occur, any remaining deferred amounts are recognized into income. This $5.3 million gain is expected to be partially offset by increased interest expense in the future. Excluding the interest rate swap gain, net financing costs for the six months ended February 29, 2000 increased over the prior year period as a result of additional borrowings incurred to finance acquisitions completed during and subsequent to the first half of fiscal 1999, offset by net repayments of debt. In addition, the increase in net financing costs can be attributable to general increases in interest rates throughout fiscal 2000.

EXTRAORDINARY ITEM. The fiscal 2000 first half results include a $3.3 million extraordinary charge ($2.1 million net of $1.2 million tax benefit) related to a make-whole premium paid in connection with the early retirement of the $50.0 million senior promissory notes due March 8, 2011. This debt was retired early in anticipation of the planned spin-off of the Company's Electronics segment.

Liquidity and Capital Resources

Cash and cash equivalents totaled $7.5 million and $22.3 million at February 29, 2000 and August 31, 1999, respectively. In order to minimize net financing costs, the Company intentionally maintains relatively low cash balances by using available cash to reduce short-term bank borrowings.

Net cash generated from operations, after considering non-cash items and changes in operating assets and liabilities, totaled $25.4 million for the six months ended February 29, 2000.

Net cash used in investing activities totaled $30.7 million for the first six months of fiscal 2000. $10.7 million was used for acquisitions and investments, while $23.9 million was used for capital expenditures. Those uses of cash were offset by $0.9 million in proceeds from the sale of equipment and $3.0 million in proceeds from the sale of Samuel Groves & Co. Ltd., a business unit of the Industrial segment.

TOTAL CAPITALIZATION (in thousands)	February 29, 2000		August 31, 1999	
Total Debt	$ 795,336	63%	$ 808,668	65%
Shareholders' Equity	459,891	36%	417,829	34%
Deferred Income Taxes	16,641	1%	15,869	1%
Total	$ 1,271,868	100%	$ 1,242,366	100%

Financing activities in the first half of fiscal 2000 used $9.3 million of net cash during the period. Net repayments of debt principal amounted to $6.4 million, and $3.3 million was used to pay a make-whole premium in connection with early retirement of debt. In addition, the Company paid $1.2 million in dividend payments to shareholders and received $1.6 million in proceeds from stock option exercises.

Outstanding debt at February 29, 2000 totaled $795.3 million, a decrease of approximately $13.3 million since the beginning of the fiscal year. At February 29, 2000, the Company had $368.6 million of funds available under multi-currency credit agreements, unused non-committed lines of credit and receivable financing facilities. The Company believes that availability under its credit facilities or other borrowings, plus funds generated from operations, will be adequate to meet operating, debt service and capital expenditure requirements for the foreseeable future.

Year 2000 Considerations

In prior years, the Company had executed an action plan to ensure that its computer systems are capable of processing periods for the Year 2000 and beyond. This action plan was completed in late calendar year 1999. As a result of those planning and implementation efforts, the Company experienced no significant disruptions in mission critical information technology and non-information technology systems and believes those systems successfully responded to the Year

2000 date change. While no such disruption has developed as of the date of this filing, Year 2000 problems may still surface throughout calendar year 2000. The Company will continue to monitor its mission critical computer applications and those of its suppliers and vendors throughout the calendar year 2000 to ensure that any latent Year 2000 matters that may arise are addressed promptly.

Item 3 - Quantitative and Qualitative Disclosures About Market Risk

The Company is exposed to market risk from changes in foreign exchange and interest rates and, to a lesser extent, commodities. To reduce such risks, the Company selectively uses financial instruments. All hedging transactions are authorized and executed pursuant to clearly defined policies and procedures, which strictly prohibit the use of financial instruments for trading purposes.

A discussion of the Company's accounting policies for derivative financial instruments is included in the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 1999 within Note A - "Summary of Significant Accounting Policies" in Notes to Consolidated Financial Statements, and further disclosure relating to financial instruments is included in Note G - "Debt."

Currency Risk - The Company has significant international operations. In most instances, the Company's products are produced at manufacturing facilities located near the customer. As a result, significant volumes of finished goods are manufactured in countries for sale into those markets. For goods purchased from other Company affiliates, the Company denominates the transaction in the functional currency of the producing operation.

The Company has adopted the following guidelines to manage its foreign exchange exposures:

(i) increase the predictability of costs associated with goods whose purchase price is not denominated in the functional currency of the buyer;
(ii) minimize the cost of hedging through the use of naturally offsetting positions (borrowing in local currency), netting, pooling; and
(iii) where possible, sell product in the functional currency of the producing operation.

The Company's identifiable foreign exchange exposures result primarily from the anticipated purchase of product from affiliates and third-party suppliers along with the repayment of intercompany loans with foreign subsidiaries denominated in foreign currencies. The Company periodically identifies naturally occurring offsetting positions and then purchases hedging instruments to protect against anticipated exposures. The Company's financial position is not materially sensitive to fluctuations in exchange rates as any gains or losses on foreign currency exposures are generally offset by gains and losses on underlying payables, receivables and net investments in foreign subsidiaries.

Interest Rate Risk - The Company periodically enters into interest rate swaps to stabilize financing costs by minimizing the effect of potential interest rate increases on floating-rate debt in a rising interest rate environment. Under these agreements, the Company contracts with a counter party to exchange the difference between a fixed rate and a floating rate applied to the notional amount of the swap. The differential to be paid or received on interest rate swap agreements is accrued as interest rates change and is recognized in net income as an adjustment to interest expense. Gains relating to terminations of qualifying hedges are deferred and recognized in income at the same time as the underlying hedged transactions.

Commodity Prices - The Company is exposed to fluctuation in market prices for steel. Therefore, the Company has established a program for centralized negotiation of steel prices. This program allows the Company to take advantage of economies of scale as well as to cap pricing. All business units are able to purchase steel under this arrangement. In general, the contracts lock steel pricing for 18 months and enable the Company to pay less if market prices fall.

PART II - OTHER INFORMATION

Item 4 - Submission of Matters to a Vote of Security Holders

The Annual Meeting of Shareholders was held on January 12, 2000 to elect a Board of six directors. Each director nominee was elected. The number of votes for each nominee is set forth below:

<TABLE>
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	Share Votes For	Share Votes Withheld
<S>	<C>	<C>
H. Richard Crowther	33,576,340	88,767

Jack L. Heckel	33,576,241	88,866
Richard A. Kashnow	33,568,402	96,705
L. Dennis Kozlowski	33,496,941	168,166
John J. McDonough	33,576,321	88,786
Richard G. Sim	33,561,099	104,008

</TABLE>

A shareholder proposal requesting the Board of Directors to take the steps necessary to adopt cumulative voting in the election of directors was present from the floor of the meeting. The vote on the proposal was 85 votes for and 33,665,022 against; there were no abstentions or broker non-votes.

Item 6 - Exhibits and Reports on Form 8-K

(a) See Index to Exhibits on page 15, which is incorporated herein by reference.

(b) On February 9, 2000, the Company filed a Current Report on Form 8-K dated January 27, 2000 reporting under Item 5 the Company's announcement of its plans to spin off its Electronics business.

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 thereunto duly authorized.

APPLIED POWER INC.
(Registrant)

Date: April 14, 2000

By: /s/ Richard D. Carroll
Richard D. Carroll
Vice President - Finance and Controller

(Acting Principal Financial and Accounting Officer and duly authorized to sign on behalf of the registrant)

APPLIED POWER INC.
(the "Registrant")
(Commission File No. 1-11288)

QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTER ENDED FEBRUARY 29, 2000
INDEX TO EXHIBITS

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Exhibit	Description	Incorporated Herein By Reference To	Filed Herewith
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27.1	Financial Data Schedule		X

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