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

Form 10-Q/A

(Amendment No. 1)

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

For the quarter ended May 31, 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) (Zip Code)

(262) 523-7600
(Registrant's telephone number)

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 July 7, 2000 was 39,127,785.

This Form 10-Q/A (Amendment No. 1) contains the full text of Applied Power Inc.'s Form 10-Q for the quarter ended May 31, 2000, as amended, to reflect amendments in Item 1 (Financial Statements) and Item 2 (Management's Discussion and Analysis of Financial Condition and Results of Operations) in Part I of this report.

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)

<TABLE>
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	Three Months Ended May 31,		Nine Months Ended May 31,	
	2000	1999	2000	1999
<S>	<C>	<C>	<C>	<C>
Net sales	$ 178,527	$ 179,981	$ 535,655	$ 524,356
Cost of products sold	112,497	113,789	341,816	334,104
Gross profit	66,030	66,192	193,839	190,252
Engineering, selling and administrative expenses	34,761	36,572	103,329	105,558
Amortization of intangible assets	1,946	2,210	5,902	6,656
Corporate reorganization expenses	962	-	4,449	-
Contract termination (recovery) costs	-	-	(1,446)	7,824
Operating earnings	28,361	27,410	81,605	70,214
Other expense(income):				
Net financing costs	9,750	10,888	27,892	30,638
Other (income) expense - net	(191)	(125)	(823)	179
Earnings from continuing operations before income tax expense	18,802	16,647	54,536	39,397
Income tax expense	7,226	6,567	19,584	14,663

Earnings from continuing operations	11,576	10,080	34,952	24,734
Discontinued operations (Note B):				
Earnings from discontinued operations of Electronics Segment (less applicable income taxes of $7,591, $5,754, $22,790 and $18,836, respectively)	13,384	10,449	34,232	31,481
Earnings before extraordinary item	24,960	20,529	69,184	56,215
Extraordinary loss on sale of subsidiary, net of income tax benefit of $1,700	(12,186)	-	(12,186)	-
Net earnings	$ 12,774	$ 20,529	$ 56,998	$ 56,215

</TABLE>

(Continued on next page)

See accompanying Notes to Condensed Consolidated Financial Statements

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

<TABLE>
<CAPTION>

	Three Months Ended May 31,		Nine Months Ended May 31,	
	2000	1999	2000	1999
<S>	<C>	<C>	<C>	<C>
Basic earnings per share:				
Earnings per share from continuing operations	$ 0.30	$ 0.26	$ 0.89	$ 0.64
Earnings per share from discontinued operations	0.34	0.27	0.88	0.81
Earnings per share before extraordinary item	0.64	0.53	1.77	1.45
Extraordinary loss on sale of subsidiary, net of income tax benefit	(0.31)	-	(0.31)	-
Net earnings per share	$ 0.33	$ 0.53	$ 1.46	$ 1.45
Weighted average common shares outstanding (000's)	39,094	38,910	39,045	38,783
Diluted earnings per share:				
Earnings per share from continuing operations	$ 0.29	$ 0.25	$ 0.87	$ 0.62
Earnings per share from discontinued operations	0.33	0.26	0.85	0.78

Earnings per share before extraordinary item	0.62	0.51	1.72	1.40
Extraordinary loss on sale of subsidiary, net of income tax benefit	(0.30)	-	(0.30)	-
Net earnings per share	$ 0.32	$ 0.51	$ 1.42	$ 1.40
Weighted average common and equivalent shares outstanding (000's)	40,234	40,130	40,302	40,204

</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>	May 31, 2000 (Unaudited) <C>	August 31, 1999 <C>
ASSETS		
Current assets:		
Cash and cash equivalents	$ 6,808	$ 7,256
Accounts receivable, net	79,732	63,502
Inventories, net	93,276	100,724
Prepaid expenses and deferred taxes	15,721	16,333
Total current assets	195,537	187,815
Property, plant and equipment, net	70,679	78,998
Goodwill and other intangible assets, net	169,446	189,435
Net assets of discontinued operations	597,489	598,458
Other assets	2,385	5,166
Total assets	$ 1,035,536	$ 1,059,872
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings	$ -	$ 230
Trade accounts payable	55,730	52,361
Accrued compensation and benefits	16,448	20,340
Other current liabilities	19,582	23,591

Total current liabilities	91,760	96,522
Long-term debt	456,907	521,016
Deferred income taxes	8,485	7,720
Other liabilities	15,620	16,785
Shareholders' equity:		
Class A common stock, $0.20 par value, authorized 80,000,000 shares, issued and outstanding 39,110,838 and 38,978,340 shares, respectively	7,822	7,796
Additional paid-in capital	14,255	12,388
Retained earnings	468,104	412,863
Accumulated other comprehensive loss	(27,417)	(15,218)
	------------	------------
Total shareholders' equity	462,764	417,829
	------------	------------
Total liabilities and shareholders' equity	$ 1,035,536	$ 1,059,872
	============	============

</TABLE>

See accompanying Notes to Condensed Consolidated Financial Statements

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

<TABLE>
<CAPTION>

	Nine Months Ended May 31,	
	2000	1999
<S>	<C>	<C>
Operating activities		
Net earnings	$ 56,998	$ 56,215
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Earnings from discontinued operation	(34,232)	(31,481)
Depreciation and amortization	18,224	20,457
Gain on sale of assets	-	(124)
Extraordinary loss on sale of subsidiary	13,886	-
Changes in operating assets and liabilities, excluding the effects of business acquisitions and divestitures:		
Accounts receivable	(14,849)	3,926
Inventories	(4,971)	(7,740)
Prepaid expenses and other assets	2,402	2,338
Trade accounts payable	7,268	(4,627)
Other liabilities	(7,890)	(2,280)
	----------------	----------------
Cash provided by operating activities of continuing operations	36,836	36,684
Cash provided by operating activities of discontinued operations	17,704	47,458

Total net cash provided by operating activities	54,540	84,142
Investing activities		
Proceeds on the sale of property, plant and equipment	703	4,760
Additions to property, plant and equipment	(9,170)	(21,262)
Business acquisitions, net of cash acquired	-	(3,500)
Proceeds from the sale of subsidiaries and other	15,233	-
Net cash provided by (used in) investing activities of continuing operations	6,766	(20,002)
Net cash used in investing activities of discontinued operations	(42,206)	(409,078)
Total net cash used in investing activities	(35,440)	(429,080)
Financing activities		
Net repayments of long-term debt	(36,514)	(27,130)
(Decrease in) additional receivables financing facility	(9,656)	1,950
Dividends paid on common stock	(1,757)	(1,171)
Proceeds from stock option exercises	1,893	3,332
Net cash used in financing activities of continuing operations	(46,034)	(23,019)
Net cash provided by financing activities of discontinued operations	11,657	377,053
Total net cash (used in) provided by financing activities	(34,377)	354,034
Effect of exchange rate changes on cash	(173)	47
Net (decrease) increase in cash and cash equivalents	(15,450)	9,143
Effect of change in cash of discontinued operations	15,002	1,280
Cash and cash equivalents - beginning of period	7,256	5,069
Cash and cash equivalents - end of period	$ 6,808	$ 15,492

</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" or Applied Power) 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 recurring nature. Operating results for the three and nine months ended May 31, 2000 are not necessarily indicative of the results that may be expected for the entire fiscal year ending August 31, 2000.

Note B - Discontinued Operations
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On January 27, 2000, the Company's board of directors authorized various actions intended to enable the Company to distribute its Electronics segment ("APW Ltd.") to its shareholders (the "Distribution "). In the Distribution, Applied Power Inc. shareholders will receive, in the form of a special dividend, one share of APW Ltd. common stock for each Applied Power Inc. common share held as of July 21, 2000. As a result, APW Ltd. will become a separately traded, publicly held company.

On July 7, 2000, Applied Power Inc.'s board of directors approved the distribution of its Electronics businesses. Accordingly, the consolidated financial statements and related notes have been reclassified to reflect the Company's Electronics segment as a discontinued operation. Thus, the revenues, costs and expenses, assets and liabilities, and cash flows of the Electronics segment have been excluded from the respective captions in the accompanying consolidated financial statements. The net operating results, of the Electronics segment have been reported, net of applicable taxes, as "Earnings from operations of discontinued Electronics segment." The net operating results of the discontinued operations include financing costs related to the debt of the Electronics segment." The net assets of the Electronics segment have been reported in the Consolidated Balance Sheets as "Net assets of discontinued operations."

For purposes of this presentation, the amount of debt allocated to continuing and discontinued operations was determined based on preliminary estimates of the amount of debt retained by the Company and expected to be allocated to APW Ltd. in the Distribution. The allocation of interest to continuing and discontinued operations was based on relative debt levels assigned. In conjunction with the Distribution, the majority of the Company's existing credit facilities and notes are anticipated to be replaced with new facilities and notes. There were no general corporate expenses allocated to discontinued operations during the periods presented.

The following unaudited selected financial data for the Electronics business segment is presented for informational purposes only and does not necessarily reflect what the results of operations and financial position would have been had the segment operated as a stand-alone entity:

<TABLE>
<CAPTION>

(in thousands)	Three Months Ended May 31, 2000	Three Months Ended May 31, 1999	Nine Months Ended May 31, 2000	Nine Months Ended May 31, 1999
<S>	<C>	<C>	<C>	<C>
Net sales	$ 319,798	$ 260,524	$ 886,014	$ 773,763
Earnings before income tax expense	20,975	16,203	59,105	50,317
Income tax expense	7,591	5,754	22,790	18,836
Extraordinary loss, net of tax	-	-	(2,083)	-
Earnings from operations of discontinued Electronics segment, net of taxes	13,384	10,449	34,232	31,481

	May 31, 2000	August 31, 1999
Total assets	$1,170,102	$1,174,044
Total liabilities	572,613	575,586
Net assets of discontinued operations	597,489	598,458

</TABLE>

In order to effect the Distribution, Applied Power Inc. and APW Ltd. will enter into the following agreements:

- Contribution Agreement, Plan and Agreement of Reorganization and Distribution
- General Assignment, Assumption and Agreement regarding Litigation, Claims,

and other Liabilities
- Transitional Trademark Use and License Agreement
- Insurance Matters Agreement
- Bill of Sale and Assumption of Liabilities
- Employee Benefits and Compensation Agreement
- Tax Sharing and Indemnification Agreement
- Interim Administrative Services Agreement
- Confidentiality and Non Disclosure Agreement
- Assumption of Applied Power Inc. Debt Obligation

These Agreements define the ongoing relationship between the parties after the Distribution. Applied Power Inc. and APW Ltd. have established pricing terms for services to be effective after the Distribution believed to be comparable to what could be achieved through arm's-length negotiations. Following the Distribution, additional or modified agreements, arrangements and transactions may be entered into and such agreements and transactions will be negotiated on an arm's-length basis.

Note C - Earnings Per Share

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

<TABLE>
<CAPTION>

	Three Months Ended May 31,		Nine Months Ended May 31,	
Numerator:	2000	1999	2000	1999
	(in thousands, except per share amounts)			
<S>	<C>	<C>	<C>	<C>
Earnings from continuing operations	$ 11,576	$ 10,080	$ 34,952	$ 24,734
Earnings from discontinued operations	13,384	10,449	34,232	31,481
Earnings before extraordinary item	24,960	20,529	69,184	56,215
Extraordinary loss	(12,186)	-	(12,186)	-
Net earnings for basic and diluted earnings per share	$ 12,774	$ 20,529	$ 56,998	$ 56,215
Denominator:				
Weighted average common shares outstanding for basic earnings per share	39,094	38,910	39,045	38,783
Net effect of dilutive stock options based on the treasury stock method using average market price	1,140	1,220	1,257	1,421
Weighted average common and equivalent shares outstanding for diluted earnings per share	40,234	40,130	40,302	40,204
Basic Earnings Per Share:				
Earnings from continuing operations	$ 0.30	$ 0.26	$ 0.89	$ 0.64
Earnings from discontinued operations	0.34	0.27	0.88	0.81
Basic earnings per share before extraordinary item	0.64	0.53	1.77	1.45
Extraordinary loss	(0.31)	-	(0.31)	-

Basic earnings per share	$ 0.33	$ 0.53	$ 1.46	$ 1.45
Diluted Earnings Per Share:				
Earnings from continuing operations	$ 0.29	$ 0.25	$ 0.87	$ 0.62
Earnings from discontinued operations	0.33	0.26	0.85	0.78
Diluted earnings per share before extraordinary item	0.62	0.51	1.72	1.40
Extraordinary loss	(0.30)	-	(0.30)	-
Diluted earnings per share	$ 0.32	$ 0.51	$ 1.42	$ 1.40

</TABLE>

Note D - Comprehensive Income

The components of comprehensive income are as follows (in thousands):

<TABLE>
<CAPTION>

	Three Months Ended May 31,		Nine Months Ended May 31,	
	2000	1999	2000	1999
<S>	<C>	<C>	<C>	<C>
Net earnings	$ 12,774	$ 20,529	$ 56,998	$ 56,215
Foreign currency translation adjustments	(9,604)	(7,475)	(12,199)	(5,712)
Comprehensive income	$ 3,170	$ 13,054	$ 44,799	$ 50,503

</TABLE>

Note E - Sale of Business Unit

The company completed the sale of Air Cargo Equipment Corporation, a business unit in the Engineered Solutions segment, to Teleflex Incorporated on May 26, 2000. The total consideration from the transaction, which was structured as both a sale of stock of the Air Cargo Equipment Corporation and the sale of other assets, was $12.0 million, resulting in an extraordinary loss of $13.9 million, $12.2 million after-tax.

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 in the Engineered Solutions segment. Total consideration from the transaction was approximately $3.0 million, which approximated the book value of such 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 - Financing

In connection with the Distribution, Applied Power Inc. will retire substantially all of its existing debt. The Company has commenced an offer to purchase its 8.75% Senior Subordinated Notes due 2009 (the "1999 Notes") for cash and have conducted a concurrent consent solicitation designed to remove the restrictions on Applied Power Inc.'s operations currently included in the related indenture (the "Tender Offer"). In connection with the Distribution, the Company also expects to repay other non-public debt including its existing credit facility and accounts receivable financing facility. To finance the above Tender Offer and other debt repayments, the Company intends to issue senior subordinated notes as well as enter into a new senior secured credit facility. APW Ltd. will enter into a separate credit facility, which will be used to fund the debt realignment as contemplated with the Distribution.

Note H - Extraordinary Items

In May 2000 the Company recorded an extraordinary $13.9 million charge ($12.2 million net of $1.7 million tax benefit) related to the loss on the sale of Air Cargo Equipment Corporation and related other assets. Applied Power Inc. had acquired Air Cargo Equipment Corporation as part of the ZERO pooling of interests on July 1, 1998. It is presented as an extraordinary item due to meeting the following criteria: (i) the divestiture occurred within two years of the pooling of interest, (ii) the divestiture was not planned at that time of the pooling of interest and (iii) operations divested are material based on the relative criteria. See note E -Sale of Business Units for additional information.

Note I - Segment Information

The Company had been reporting two business segments, Industrial and Electronics. As a result of the Distribution, the Electronics segment is now included, in its entirety, as discontinued operations. Subsequent to the Distribution, the Company will be split into two reportable segments with separate and distinct operating management and strategies. Tools & Supplies is primarily involved in the design, manufacture and distribution of tools and supplies to the construction, electrical wholesale, retail do-it-yourself, retail automotive, industrial and production automation markets. Engineered Solutions focuses on developing and marketing value-added, customized solutions for original equipment manufacturers in the recreational vehicle, automotive, truck, medical and industrial 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:

<TABLE>
<CAPTION>

NET SALES :

(in thousands)	Three Months Ended May 31, 2000	Three Months Ended May 31, 1999	Nine Months Ended May 31, 2000	Nine Months Ended May 31, 1999
<S>	<C>	<C>	<C>	<C>
Tools & Supplies	$ 79,590	$ 78,804	$230,166	$234,587
Engineered Solutions	98,937	101,177	305,489	289,769
Total net sales	$178,527	$179,981	$535,655	$524,356

</TABLE>

<TABLE>
<CAPTION>

EARNINGS BEFORE INCOME TAX EXPENSE:

(in thousands)	Three Months Ended May 31, 2000	Three Months Ended May 31, 1999	Nine Months Ended May 31, 2000	Nine Months Ended May 31, 1999
<S>	<C>	<C>	<C>	<C>
Tools & Supplies	$ 14,976	$ 14,145	$ 41,248	$ 38,274
Engineered Solutions	17,793	16,290	55,412	41,009
General Corporate and other	(13,967)	(13,788)	(42,124)	(39,886)
Total EBIT	$ 18,802	$ 16,647	$ 54,536	$ 39,397

</TABLE>

Results for the nine months ended May 31, 1999 include a $7.8 million charge, $4.7 million after-tax, related to a contract termination for the Engineered Solutions segment. Results for the nine months ended May 31, 2000 for the Engineered Solutions segment include a $1.4 million recovery settlement, $0.9 million after-tax, related to the contract termination.

In addition, "General corporate and other" includes corporate reorganization expenses of $1.0 million, $0.6 million after tax, for the three months ended May 31, 2000, and $4.4 million, $2.8 million after tax, for the nine months ended May 31, 2000. These corporate reorganization expenses relate to costs incurred associated with the planned spin-off of the Electronics segment.

Note J - Subsequent Events

On June 30, 2000, Applied Power Inc. completed the sale of all outstanding capital stock of Barry Wright Corporation, a wholly owned subsidiary of Applied Power Inc. Barry Wright Corporation, comprised of the Barry Controls Aerospace and Barry Controls Defense and Industrial divisions, and its UK subsidiary Barry Controls Ltd., were sold to Hutchinson S.A., a subsidiary of the TotalFinaElf Group, a French based multi-national corporation. The net of tax cash proceeds were approximately $157.5 million.

On July 7, 2000, Applied Power Inc.'s Board of Directors approved the Distribution. Shareholders of Applied Power Inc. common stock will receive one share of APW Ltd. common stock for every Applied Power Inc. share owned on the July 21, 2000 record date. APW Ltd. will trade separately on the New York Stock Exchange (NYSE) as "APW" and Applied Power Inc. will continue to trade on the NYSE, but will change its ticker symbol to "ATU" and will subsequently change its name to Actuant Corporation during fiscal year 2001.

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, 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 (the "Distribution") to create a stand-alone public company focused on being a global supplier in the high-growth electronics manufacturing services (EMS) sector. The 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 Engineered Solutions and Tools & Supplies segments.

On March 9, 2000, Applied Power Inc. announced plans for its Industrial businesses to operate under the name of Actuant Corporation. Applied Power Inc. intends to change its name to Actuant Corporation during fiscal 2001.

The Company has recently sold its vibration isolation businesses, known as Barry Controls, and its aerospace cargo products business, known as Air Cargo Equipment Corporation. These initiatives were effected to reduce debt and more strategically focus the remaining Applied Power Inc. businesses. The Air Cargo transaction closed on May 26, 2000 and the Barry Controls transaction closed on June 30, 2000.

On July 7, 2000, Applied Power Inc.'s board of directors approved the distribution of its Electronics businesses. Shareholders of Applied Power Inc. common stock will receive one share of APW Ltd. common stock for every Applied Power Inc. share owned as of the July 21, 2000 record date. APW Ltd. will trade separately on the New York Stock Exchange (NYSE) as "APW" and Applied Power Inc. will continue to trade on the NYSE, but will change its ticker symbol to "ATU" in anticipation of the Actuant Corporation name change. The Distribution is expected to be completed on July 31, 2000. Accordingly, the consolidated financial statements and related notes have been reclassified to reflect the Company's Electronics segment as a discontinued operation. Thus, the revenues, costs and expenses, assets and liabilities, and cash flows of the Electronics segment have been excluded from the respective captions in the accompanying consolidated financial statements. The net operating results of the Electronics segment have been reported, net of applicable taxes, as "Earnings from operations of discontinued Electronics segment." The net operating results of the discontinued operations include financing cost related to the debt of the Electronics segment. The net assets of the Electronics segment have been reported in the Consolidated Balance Sheets as "Net assets of discontinued operations."

Pro forma financial information giving effect to the Distribution and other transactions was filed separately by both Applied Power Inc. and APW Ltd. See Item 6--Exhibits and Reports on Form 8-K.

Results of Operations
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The Company reported sales and earnings of $178.5 million and $12.8 million, respectively, for the third quarter ended May 31, 2000. Net earnings for the third quarter of fiscal 2000 decreased $7.7 million, or $0.19 per share on a diluted basis, over the comparable prior year quarter. Excluding non-recurring items recorded during the period, net earnings were $25.6 million, or $0.64 per diluted share, an increase of 25% percent over the $20.5 million, or $0.51 per diluted share, in the prior year third quarter.

The non-recurring items recorded during the quarter ended May 31, 2000 relate to (i) a $1.0 million ($0.6 million after-tax) for costs incurred associated with the spin-off of the Electronics business and incorporating APW Ltd. in Bermuda and (ii) an extraordinary loss on the sale of a subsidiary of $12.2 million (net of $1.7 million tax benefit) which is reported as an extraordinary item.

For the nine months ended May 31, 2000, net earnings were $57.0 million, or $1.42 per diluted share. Excluding non-recurring items in both periods, net earnings for the nine month period ended May 31, 2000 were $73.2 million, or $1.82 per share on a diluted basis, a 20% increase over the $60.9 million or $1.52 per diluted share for the first nine months of fiscal 1999.

The non-recurring item recorded during the first nine months of fiscal 1999 relates to the cancellation of a contract within the Engineered Solutions segment in November 1998. In the first quarter of fiscal 1999, the Company recorded to operating expense a contract termination charge of $7.8 million pre-tax ($4.7 million after-tax, or $0.12 per diluted share). Non-recurring items recorded during the first nine months of the current fiscal year relate to (i) an extraordinary charge recorded in discontinued operations in the second quarter relating to a make whole premium paid in connection with the early retirement of debt of $2.1 million (net of $1.2 million tax benefit), or $0.05 per diluted share; (ii) an extraordinary charge recorded in the third quarter relating to the loss on the sale of a subsidiary (mentioned above) of $12.2 million (net of $1.7 million tax benefit) or $0.30 per diluted share, (iii) spin-off transaction costs of $4.4 million pre-tax, $2.8 million after tax or $0.07 per diluted share, and (iv) 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).

With the approval of the spin-off of the Electronics business, the Company is now managed and reported as two segments revenue space: Tools & Supplies and Engineered Solutions. The Company had been reporting two business segments, Industrial and Electronics. The Electronics segment is now included, in its entirety, as discontinued operations. Tools & Supplies is primarily involved in the design, manufacture and distribution of tools and supplies to the construction, electrical wholesale, retail do-it-yourself, retail automotive, industrial and production automation markets. Engineered Solutions focuses on developing and marketing value-added, customized solutions for original equipment manufacturers in the recreational vehicle, automotive, truck, medical and industrial markets.

Reported financial information from continuous operations includes the results of certain business units that the Company has sold, or will not be a part of the Company following the Distribution, consisting of Samuel Groves, Air Cargo, Barry Controls, and Magnets (the "Non-continuing Businesses"). As a result, the reported financial information is not fully representative of the group of business units that will comprise Actuant in the future. We have included in the following tables certain adjusted financial information to show the effect of these non-continuing businesses on reported results.

<TABLE>
<CAPTION>

NET SALES BY SEGMENT

(in thousands)	Three Months Ended			Nine Months Ended		
	May 31,	May 31,		May 31,	May 31,	
	2000	1999	Change	2000	1999	Change
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Tools & Supplies	$ 79,590	$ 78,804	1.0 %	$ 230,166	$ 234,587	(1.9)%
Engineered Solutions	98,937	101,177	(2.2)%	305,489	289,769	5.4%
Less: Non-continuing Businesses	41,058	42,074	(2.5)%	129,600	126,025	2.8%
Adjusted Engineered Solutions	57,879	59,103	(2.1)%	175,889	163,744	7.4%
Total net sales	178,527	179,981	(0.8)%	535,655	524,356	2.2%
Less: Non-continuing Businesses	41,058	42,074	(2.5)%	129,600	126,025	2.8%
Adjusted net sales	$ 137,469	$ 137,907	(0.3)%	$ 406,055	$ 398,331	1.9%

</TABLE>

Total net sales increased by $11.3 million, or 2.2%, from $524.4 million for the nine months ended May 31, 1999 to $535.7 million for the nine months ended May 31, 2000. Excluding the negative translation effect of the stronger U.S. dollar, total net sales increased 4.8%. Excluding the Non-continuing Businesses, adjusted net sales increased by 1.9%, due to continued growth in recreational vehicle ("RV"), convertible top and truck product sales. Excluding currency translation, adjusted net sales increased by 5.0%.

Net sales for Tools & Supplies grew modestly in the third quarter and declined by $4.4 million, or 1.9% from $234.6 million for the nine months ended May 31, 1999 to $230.2 million for the nine months ended May 31, 2000. Excluding currency translation, Tools & Supplies net sales grew 2.8% and declined 0.3% in the respective quarter and year-to-date periods. The modest year-to-date reduction resulted primarily from the elimination of certain low profit margin or unprofitable product lines and SKUs.

Net sales for Engineered Solutions declined by $2.2 million, or 2.2%, from $101.2 million for the three months ended May 31, 1999 to $98.9 million for the three months ended May 31, 2000. The decrease was primarily due to currency translation, which impacted net sales growth by 3.1%, but was also due to the timing of certain program/model roll-offs and new models in the convertible top business. For the nine months ended May 31, 2000, Engineered Solutions net sales increased by %15.7 million, or 5.4%, from 289.8 million to $305.5 million for the nine months ended May 31, 1999. Excluding the Non-continuing Businesses, adjusted Engineered Solutions net sales increased by $12.1 million, or 7.4%, from $163.7 million for the nine months ended May 31, 1999 to $175.9 million for the nine months ended May 31, 2000.

Excluding currency translation, adjusted Engineered Solutions, net sales increased by $20.9 million, or 12.7% for the nine month period. Increased year-to-date sales are primarily attributable to continued growth in the RV, convertible top and truck product sales.

Sales declines in the non-continuing businesses for the third quarter resulted in a gross profit decrease of $0.8 million. Margins were negatively impacted by a shift in sales within the aerospace unit from after-market products to lower-margin OEM shipments.

<TABLE>
<CAPTION>

GROSS PROFIT BY SEGMENT

(in thousands)	Three Months Ended			Nine Months Ended		
	May 31,	May 31,		May 31,	May 31,	
	2000	1999	Change	2000	1999	Change
Tools & Supplies	$ 33,789	$ 33,697	0.3 %	$ 94,238	$ 95,080	(0.9)%
Engineered Solutions	32,241	32,495	(0.8)%	99,601	95,172	4.7 %
Less: Non-continuing Businesses	13,853	14,664	(5.5)%	46,161	46,361	(0.4)%
Adjusted Engineered Solutions	18,388	17,831	3.1 %	53,440	48,811	9.5 %
Total gross profit	66,030	66,192	(0.2)%	193,839	190,252	1.9 %
Less: Non-continuing Businesses	13,853	14,664	(5.5)%	46,161	46,361	(0.4)%
Adjusted gross profit	$ 52,177	$ 51,528	1.3 %	$ 147,678	$ 143,891	2.6 %
Gross Profit Margins by Segment:						
Tools & Supplies	42.5%	42.8%		40.9%	40.5%	
Engineered Solutions	32.6	32.1		32.6	32.8	
Adjusted Engineered Solutions	31.8	30.2		30.4	29.8	
Total gross profit margin	37.0	36.8		36.2	36.3	
Total adjusted gross profit margin	38.0	37.4		36.4	36.1	

</TABLE>

On July 7, 2000, Applied Power Inc.'s board of directors approved the distribution of its Electronics businesses. According, the consolidated financial statements and related notes have been reclassified to reflect the Company's Electronics segment as a discontinued operation. Thus, the revenues, costs and expenses, assets and liabilities, and cash flows of the Electronics segment have been excluded from the respective captions in the accompanying consolidated financial statements. The net operating results of the Electronics segment have been reported, net of applicable taxes, as "Earnings from operations of discontinued Electronics segment." The net operating results of the discontinued operations include financing costs related to the debt of the Electronics segment. The net assets of the Electronics segment have been reported in the Consolidated Balance Sheets as "Net assets of discontinued operations."

Total gross profit increased by $3.6 million, or 1.9%, from $190.3 million for the nine months ended May 31, 1999 to $193.8 million for the nine months ended May 31, 2000. This increase was due to the incremental net sales realized over the same period. Total gross profit margin declined slightly from 36.3% to 36.2% primarily as a result of sales mix changes in the Non-continuing Businesses. Excluding the Non-continuing Businesses, adjusted gross profit increased by $3.8 million from $143.9 million to $147.7 million. Total adjusted gross profit margin increased from 36.1% to 36.4% primarily as a result of modest cost reductions in the nine months ended May 31, 2000.

Gross profit for Tools & Supplies decreased by $0.8 million from $95.1 million for the nine months ended May 31, 1999 to $94.2 million for the nine months ended May 31, 2000, reflecting lower sales over the corresponding periods and the unfavorable impact of currency translation. Gross profit margins for Tools & Supplies increased from 40.5% to 40.9% for the nine month periods ended May 31, 1999 and 2000, respectively. This increase was primarily attributable to the elimination of low-profit margin and unprofitable SKUs and savings from closing one manufacturing operation and two small warehouses. Tools and Supplies gross profit margins in the third quarter declined from 42.8% in fiscal 1999 to 42.5% in fiscal 2000. The strengthening of the U.S. dollar negatively impacted the margins of Encrpac's European units as a portion of their materials is sourced from the U.S.

Gross profit for Engineered Solutions increased by $4.4 million from $95.2 million for the nine months ended May 31, 1999 to $99.6 million for the nine months ended May 31, 2000. The increase was due to net sales growth over the corresponding periods. Excluding the Non-continuing Businesses, adjusted Engineered Solutions gross profit increased by $4.6 million from $48.8 million to $53.4 million. Adjusted Engineered Solutions gross profit margin increased from 29.8% to 30.4%, reflecting leveraging of fixed manufacturing costs and favorable product mix.

<TABLE>
<CAPTION>

ENGINEERING, SELLING AND ADMINISTRATIVE EXPENSES BY SEGMENT

(in thousands)	Three Months Ended			Nine Months Ended		
	May 31,	May 31,		May 31,	May 31,	
	2000	1999	Change	2000	1999	Change
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Tools & Supplies	$ 17,896	$ 18,621	(3.9)%	$ 50,215	$ 53,863	(6.8)%
Engineered Solutions	13,419	14,926	(10.1)%	42,507	42,626	(0.3)%
Less: Non-continuing Businesses	8,522	8,793	(3.1)%	28,022	24,606	13.9 %
Adjusted Engineered Solutions	4,897	6,133	(20.2)%	14,485	18,020	(19.6)%
Combined segment engineering, selling and administrative expenses	31,315	33,547	(6.7)%	92,722	96,489	(3.9)%
General corporate expenses	3,237	3,025	7.0 %	9,182	9,069	1.2 %
Group expenses	209	-		1,425	-	
Total engineering, selling and administrative expenses	34,761	36,572	(5.0)%	103,329	105,558	(2.1)%
Less: Non-continuing Businesses	8,522	8,793	(3.1)%	28,022	24,606	13.9 %
Adjusted engineering, selling and administrative expenses	$ 26,239	$ 27,779	(5.5)%	$ 75,307	$ 80,952	(7.0)%

</TABLE>

Total engineering, selling and administrative expenses ("SAE expenses") decreased by $2.2 million, or 2%, from $105.6 million for the nine months ended May 31, 1999 to $103.3 million for the nine months ended May 31, 2000. This decrease was negatively impacted by increases recorded in the Non-continuing Businesses due to the acquisition of the Magnets business with Rubicon in October 1999. Excluding the Non-continuing Businesses, adjusted SAE expenses decreased by $5.6 million, or 7.0% from $81.0 million to $75.3 million. As a percent of sales, adjusted SAE expenses decreased from 20.3% for the nine months ended May 31, 1999 to 18.5% for the nine months ended May 31, 2000, reflecting the cost reduction initiatives discussed below.

SAE expenses for Tools & Supplies decreased by $3.6 million, or 6.8%, from $53.9

million for the nine months ended May 31, 1999 to $50.2 million for the nine months ended May 31, 2000. As a percentage of net sales, Tools & Supplies SAE expenses decreased from 23.0% to 21.8%. This improvement reflects the continuing benefits of earlier restructuring initiatives, including the combination of Enerpac's and GB's Wisconsin-based sales and administrative offices, and approximately $0.9 million due to currency translation effect.

SAE expenses for Engineered Solutions decreased by $0.1 million, or 0.3%, from $42.6 million for the nine months ended May 31, 1999 to $42.5 million for the nine months ended May 31, 2000. Excluding the Non-continuing Businesses, adjusted SAE expenses for Engineered Solutions decreased by $3.5 million, or 19.6%, from $18.0 million for the nine months ended May 31, 1999 to $14.5 million for the nine months ended May 31, 2000. As a percentage of net sales, adjusted SAE for Engineered Solutions decreased from 11.0% to 8.2% due primarily to the benefits obtained from cost reduction initiatives, including significant headcount reductions at our domestic, and approximately $0.7 million due to currency translation effect.

GENERAL CORPORATE EXPENSES. All of the general corporate expenses incurred by Applied Power Inc. are included in continuing operations as part of engineering, selling and administrative expense. No portion of such expenses has been allocated to the discontinued operation's financial results, which are included in the Condensed Consolidated Statements of Earnings. Management does not believe this level of expenses is reflective of those required to support Actuant had it been operating independently for the fiscal periods presented.

AMORTIZATION EXPENSE. Total amortization expense for the nine months ended May 31, 2000 was lower than that recorded in the comparable prior year period as a result of lower amortization expense recorded for certain non-compete agreements which became fully amortized in fiscal 1999.

CORPORATE REORGANIZATION EXPENSES. Through the first nine months current fiscal year, the company has recorded $4.4 million, $2.8 million after-tax, of fees and expenses associated with the spin-off transaction and incorporating APW Ltd. in Bermuda. Those fees and expenses represent investment banking, legal, accounting and other fees incurred by the Company through May 31, 2000 for services related to the spin-off transaction.

CONTRACT TERMINATION (RECOVERY) CHARGES. 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 Engineered Solutions segment. In the first quarter of fiscal 2000, a portion of the contract termination charge was recovered in a settlement of $1.4 million, $0.9 million after-tax.

NET FINANCING COSTS. Fiscal 2000 third quarter Net Financing Costs is net of a $1.2 million pre-tax gain related to the unwinding of interest rate swap agreements during the second quarter of fiscal 2000. Through nine months, Net Financing Costs include $6.5 million of pre-tax, recognized swap gains. 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 hedge transactions. In circumstances where the underlying anticipated transaction is no longer expected to occur, any remaining deferred amounts are recognized into income. This $6.5 million gain will be partially offset by increased interest expense in the future. Excluding the interest rate swap gains, net financing costs for the nine months ended May 31, 2000 increased over the prior year period primarily as a result of a general increase in interest rates throughout fiscal 2000. Other factors attributing to the increase in Net Financing Costs in the first nine months fiscal 2000 versus fiscal 1999 are borrowings incurred to finance acquisitions completed during and subsequent to the first nine months of fiscal 1999, offset by net repayments of debt.

EXTRAORDINARY ITEMS. The first nine months of fiscal 2000 results include an extraordinary charge of $13.9 million ($12.2 million net of a $1.7 million tax benefit) related to the loss on the sale of an Engineered Solutions subsidiary. The business was sold to reduce debt and more strategically focus the core strategy of the remaining Applied Power Inc. businesses.

Liquidity and Capital Resources

Cash and cash equivalents totaled $6.8 million and $7.3 million at May 31, 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 continuing operations, after considering non-cash items and changes in operating assets and liabilities, totaled $36.8 million for the nine months ended May 31, 2000.

Net cash provided from investing activities of continuing operations totaled $6.3 million for the first nine months of fiscal 2000. Approximately $9.2

million was used for capital expenditures. Those uses of cash were offset by $15.2 million in proceeds from the sale of subsidiaries and othe assets.

TOTAL CAPITALIZATION (in thousands)	May 31, 2000		August 31, 1999	
Total Debt	$ 456,907	49%	$ 521,246	55%
Shareholders' Equity	462,764	50%	417,829	44%
Deferred Income Taxes	8,485	1%	7,720	1%
Total	$ 928,156	100%	$ 946,795	100%

The capitalization structure of the Company detailed above will significantly change after the Distribution. Pro forma financial information giving effect to the Distribution and other transactions was filed separately by both Applied Power Inc. and APW Ltd. See Item 6--Exhibits and Reports on Form 8-K.

Financing activities from continuing operations in the first nine months of fiscal 2000 used $34.4 million of net cash during the period. In May 2000, the Company removed the accounts receivable of the Barry Controls businesses from its accounts receivable financing facility in anticipation of the sale of the businesses. Accounts receivable on the Balance Sheet increased $13.2 million from August 31, 1999 to May 31, 2000 as a result of this exclusion. This also is reflected in the decrease in the receivable financing facility within the Statement of Cash Flows. In addition, the Company paid $1.8 million in dividend payments to shareholders and received $1.9 million in proceeds from stock option exercises.

Total debt outstanding at May 31, 2000 totaled $456.9 million, a decrease of approximately $64.3 million since the beginning of the fiscal year. At May 31, 2000, the Company had $404.9 million of funds available under multi-currency credit agreements, unused non-committed lines of credit and receivable financing facilities.

Debt Realignment

We intend to realign our debt concurrent with the Distribution. We will be retiring our existing credit facilities and lines, and our accounts receivable financing facility and up to all of the 1999 Notes as part of this debt realignment with proceeds from new borrowings, proceeds from the sale of business units and funding from APW Ltd. Our new borrowings will consist of a new senior secured credit facility ("Actuant Credit Facility"), additional issuance of senior subordinated notes (the "Notes") and international working capital facilities. As part of the debt realignment, APW Ltd. will make borrowings under its new credit facility it arranges in connection with the Distribution, and transfer approximately $228.6 million of proceeds to Applied Power to fund the debt realignment. Such borrowings under APW Ltd. credit facilities will remain the obligation of APW Ltd. following the Distribution.

The Actuant Credit Facility will consist of a $100.0 million revolving credit facility (the "Revolver") with a six-year maturity, a $115.0 million term loan with a six-year maturity (the "Tranche A Term Loan") and a $135.0 million term loan with an eight-year maturity (the "Tranche B Term Loan"). The Actuant Credit Facility will be secured by substantially all of the assets of Actuant Corporation and its domestic subsidiaries and 65% of the capital stock of its foreign subsidiaries. Obligations under the Actuant Credit Facility will be guaranteed by certain of Actuant Corporation's domestic subsidiaries who will also guarantee the Notes. Interest on borrowings under the Revolver and the Tranche A Term Loan will be initially incurred at floating rates of LIBOR plus 2.75% annually, with adjustments based on our debt-to-EBITDA ratio. Interest on the Tranche B Term Loan will initially be incurred at a floating rate of LIBOR plus 3.50%, with potential upward adjustment based on our debt-to-EBITDA ratio. Interest payments are due quarterly. Borrowings under the Revolver will be available on a revolving basis through the sixth anniversary of the Distribution, with limits based on our debt-to-EBITDA ratio.

The Actuant Credit Facility will contain customary restrictions concerning investments, capital expenditures, liens on assets, sales of assets, maximum levels of debt and minimum levels of both interest and fixed charge coverages. The Actuant Credit Facility will be subject to annual principal maturities (payable quarterly) as follows: 2001--$12.0 million; 2002--$17.0 million; 2003--$22.0 million; 2004--$22.0 million; 2005--$25.0 million, with the balance due in years beyond 2005. The Notes are expected to mature ten years from the issue date and bear interest payable semi-annually. There are expected to be no scheduled principal payments on the Notes prior to their maturity. Redemption of the Notes is expected to be subject to certain restrictions and premiums.

Dividends

During the third quarter a dividend of $1.8 million was paid to shareholders. Following the Distribution, our dividend policy will be established by the board of directors from time to time based on the results of operations, financial condition and other business considerations that the board of directors deems relevant. The Actuant Credit Facility will contain restrictions as to the payment of dividends. Accordingly, we do not plan to pay a dividend in the near future; instead we plan to use cash flow from operations to reduce debt.

Year 2000 Considerations

In prior years, Applied Power had executed an action plan to ensure that its computer systems were capable of processing the 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, Applied Power Inc. 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 disruption has developed as of the date of this filing, Year 2000 problems may still surface through calendar year 2000. We will continue to monitor mission critical computer applications and those of our suppliers and vendors throughout calendar year 2000 to ensure that any latent Year 2000 matters that arise are addressed promptly.

Recent Events

Applied Power Inc. recently announced its intention to acquire certain of Ericsson's shelter integration businesses. The transaction is subject to a number of significant conditions, including completion of due diligence and execution of definitive agreements. If consummated, the assets will be purchased by APW Ltd. from Ericsson after the Distribution. Regardless of whether final agreements are executed or the transaction is completed or abandoned, any obligations arising from or relating to this transaction, including payment of the purchase price, will be the responsibility of APW Ltd. and not Actuant Corporation.

Item 3 - Quantitative and Qualitative Disclosures About Market Risk

The Company is exposed to market risk from changes in foreign exchange and interest rates. 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."

<u>Currency Risk</u> - 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.

PART II - OTHER INFORMATION

Item 2 - Changes in Securities

(a) See information concerning the Distribution above.

Item 5 - Other Information

(a) See information concerning the Distribution above.

Item 6 - Exhibits and Reports on Form 8-K

(a) See Index to Exhibits on page 20, which is incorporated herein by reference.

(b) On May 11, 2000, the Company filed a Current Report on Form 8-K dated as of May 1, 2000 reporting under Item 5 that the Company had entered into definitive agreements to sell Barry Wright Corporation and Air Cargo Equipment Corporation to unaffiliated parties.

On June 8, 2000, the Company filed a Current Report on Form 8-K reporting under Item 5 sales results for its fiscal third quarter and other financial information in preparation of a research analyst meeting hosted by the Company.

On July 5, 2000, the Company filed a Current Report on Form 8-K reporting under Items 5. and 7. pro forma financial statements related to the divestiture of the Barry Wright Corporation.

On July 7, 2000, the Company filed a Current Report on Form 8-K reporting under Items 5. and 7. pro forma financial statements disclosing the pro forma effect of the Distribution and the proposed Actuant $200 Million Senior Subordinated Notes offering on the results of operations and financial position of the Company.

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: August 7, 2000

By: /s/ Robert C. Arzbaecher

Robert C. Arzbaecher
Senior Vice President
(Acting Principal Financial 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 MAY 31, 2000

INDEX TO EXHIBITS

Exhibit	Description	Incorporated Herein By Reference To	Filed Herewith
27.1	Financial Data Schedule		X(1)

(1) Filed with the original filing of this Form 10-Q.