

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended November 30, 2004

OR

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

Commission File No. 1-11288

ACTUANT CORPORATION

(Exact name of registrant as specified in its charter)

Wisconsin
(State of incorporation)

39-0168610
(I.R.S. Employer Id. No.)

**6100 NORTH BAKER ROAD
MILWAUKEE, WISCONSIN 53209**
Mailing address: **P. O. Box 3241, Milwaukee, Wisconsin 53201**
(Address of principal executive offices)

(414) 352-4160
(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 for 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 No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares outstanding of the registrant's Class A Common Stock as of December 31, 2004 was 26,929,561.

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FORWARD LOOKING STATEMENTS AND CAUTIONARY FACTORS

This quarterly report on Form 10-Q contains certain statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. The terms “may,” “should,” “could,” “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 recreational vehicle, truck, automotive, industrial production, and construction industries in North America, Europe and, to a lesser extent, Asia, market acceptance of existing and new products, successful integration of acquisitions, operating margin risk due to competitive pricing and operating efficiencies, supply chain risk, material or labor cost increases, foreign currency risk, interest rate risk, commodity risk, the impact of geopolitical activity on the economy, the length of economic downturns in the Company’s markets, the resolution of contingent liabilities and other litigation matters, the Company’s ability to access capital markets, and other factors that may be referred to or noted in the Company’s reports filed with the Securities and Exchange Commission from time to time.

When used herein, the terms “Actuant,” “we,” “us,” “our,” and the “Company” refer to Actuant Corporation and its subsidiaries.

We provide free-of-charge access to our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments thereto, through our website, www.actuant.com, as soon as reasonably practical after such reports are electronically filed with the Securities and Exchange Commission.

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PART I - FINANCIAL INFORMATION

Item 1 - Financial Statements

ACTUANT CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended November 30,	
	2004	2003
Net sales	\$ 199,677	\$ 166,584
Cost of products sold	135,850	111,966
Gross profit	63,827	54,618
Selling, administrative and engineering expenses	35,957	33,349
Amortization of intangible assets	591	547
Operating profit	27,279	20,722
Financing costs, net	1,938	4,391
Charge for early extinguishment of debt	—	15,069
Other (income) expense, net	(1,219)	453
Earnings before income tax expense and minority interest	26,560	809
Income tax expense	9,110	283
Minority interest, net of income taxes	(56)	233
Net earnings	\$ 17,506	\$ 293
Earnings per share:		
Basic	\$ 0.73	\$ 0.01
Diluted	\$ 0.71	\$ 0.01
Weighted average common shares outstanding:		
Basic	23,877	23,539
Diluted	24,604	24,727

See accompanying Notes to Condensed Consolidated Financial Statements

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ACTUANT CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share amounts)

	November 30, 2004	August 31, 2004
	<i>(Unaudited)</i>	
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 7,088	\$ 6,033
Accounts receivable, net	112,895	90,433
Inventories, net	99,541	87,074
Deferred income taxes	11,681	11,126
Other current assets	4,812	7,648
	<u>236,017</u>	<u>202,314</u>
Gross property, plant and equipment	156,887	148,511
Less: accumulated depreciation	(106,512)	(100,538)
	<u>50,375</u>	<u>47,972</u>
Property, plant and equipment, net	50,375	47,972
Goodwill	155,415	145,387
Other intangible assets, net	22,565	22,127
Other long-term assets	6,373	6,336
	<u>64,723</u>	<u>62,826</u>
Total Assets	<u>\$ 470,745</u>	<u>\$ 424,136</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
Current liabilities:		
Short-term borrowings	\$ 803	\$ 960
Trade accounts payable	68,247	64,165
Accrued compensation and benefits	19,952	21,401
Income taxes payable	11,890	9,608
Current maturities of long-term debt	4,135	3,863
Other current liabilities	39,866	34,627
	<u>144,893</u>	<u>134,624</u>
Total current liabilities	144,893	134,624
Long-term debt, less current maturities	207,174	189,068
Deferred income taxes	9,706	8,376
Pension and postretirement benefit liabilities	30,486	28,862
Other long-term liabilities	13,915	31,218
Minority interest in net equity of consolidated affiliates	177	211
Shareholders' Equity:		
Class A common stock, \$0.20 par value, authorized 42,000,000 shares, issued and outstanding 24,052,314 and 23,762,494 shares, respectively	4,810	4,753
Additional paid-in capital	(512,612)	(518,321)
Retained earnings	580,451	562,945
Stock held in trust	(1,140)	(806)
Deferred compensation liability	1,140	806
Accumulated other comprehensive loss	(8,255)	(17,600)
	<u>64,394</u>	<u>31,777</u>
Total Shareholders' Equity	64,394	31,777
Total Liabilities and Shareholders' Equity	<u>\$ 470,745</u>	<u>\$ 424,136</u>

See accompanying Notes to Condensed Consolidated Financial Statements

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

	Three Months Ended November 30,	
	2004	2003
Operating Activities		
Net earnings	\$ 17,506	\$ 293
Adjustments to reconcile net earnings to net cash used in operating activities:		
Depreciation and amortization	4,098	3,934
Amortization of debt discount and debt issuance costs	245	374
Write-off of debt discount and debt issuance costs in conjunction with early extinguishment of debt	—	1,385
Provision for deferred income taxes	549	820
(Gain) loss on disposal of assets	(179)	70
Changes in operating assets and liabilities, excluding the effects of business acquisitions:		
Accounts receivable	(11,034)	(8,355)
Inventories	(5,327)	(2,413)
Prepaid expenses and other assets	3,785	(326)
Trade accounts payable	(1,940)	(136)
Income taxes payable	5,210	(5,835)
Reimbursement of tax refund to former subsidiary	(15,837)	—
Other accrued liabilities	(3,395)	(3,431)
Net cash used in operating activities	(6,319)	(13,620)
Investing Activities		
Proceeds from sale of property, plant and equipment	357	—
Capital expenditures	(3,183)	(2,885)
Cash paid for business acquisitions, net of cash acquired	(8,952)	(33,197)
Net cash used in investing activities	(11,778)	(36,082)
Financing Activities		
Partial redemption of 13% senior subordinated notes	—	(49,354)
Net proceeds from convertible senior subordinated note offering	—	145,216
Principal payments on term loans	(91)	(17,401)
Net borrowings (repayments) on revolving credit facilities and short-term borrowings	17,625	(1,185)
Stock option exercises and other	1,233	358
Net cash provided by financing activities	18,767	77,634
Effect of exchange rate changes on cash	385	167
Net increase in cash and cash equivalents	1,055	28,099
Cash and cash equivalents – beginning of period	6,033	4,593
Cash and cash equivalents - end of period	\$ 7,088	\$ 32,692

See accompanying Notes to Condensed Consolidated Financial Statements

ACTUANT CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except per share amounts)

Note 1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of Actuant Corporation (“Actuant,” or 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, 2004 was derived from audited financial statements, but does not include all disclosures required by generally accepted accounting principles. The Company’s significant accounting policies are disclosed in its fiscal 2004 Annual Report on Form 10-K. For additional information, refer to the consolidated financial statements and related footnotes in the Company’s fiscal 2004 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. Except as otherwise discussed, such adjustments consist of only those of a normal recurring nature. Operating results for the three months ended November 30, 2004 are not necessarily indicative of the results that may be expected for the entire fiscal year ending August 31, 2005.

Prior year financial statements have been reclassified where appropriate to conform to current year presentations.

Note 2. Acquisitions

Fiscal 2005

On September 16, 2004, the Company acquired 100% of the outstanding capital stock of Yvel S.A. (“Yvel” or the “Yvel Acquisition”) for \$10.0 million of cash (net of \$1.6 million of cash acquired). Included in the \$10.0 million total cash purchase price is a closing working capital payment of \$1.0 million made to the sellers on December 3, 2004 which was recorded in “Other current liabilities” at November 30, 2004 in the accompanying Condensed Consolidated Balance Sheet. There are no additional payments due to the sellers. Yvel, headquartered in Paris, France, is a leading provider of hydraulic latches to the European cab-over-engine heavy-duty truck market and is included in our Engineered Solutions segment. This transaction was funded through borrowings under the Company’s senior credit agreement. Yvel was an attractive acquisition candidate because of its market leadership and the synergistic opportunities with our Power-Packer truck business, as Yvel latches are often used in combination with Power-Packer cab-tilt systems to provide complete engine access solutions. The transaction was accounted for using the purchase method of accounting; therefore, the results of operations are included in the accompanying Condensed Consolidated Financial Statements only since the acquisition date. The purchase price allocation resulted in goodwill of \$7.1 million and intangible assets of \$0.6 million, consisting of trademarks, proprietary technology, and customer relationships.

See Note 17, “Subsequent Events,” for a discussion of acquisitions completed subsequent to November 30, 2004.

Fiscal 2004

On September 3, 2003, the Company acquired certain assets and assumed certain liabilities of Kwikkee Products Company, Inc. (“Kwikkee” or the “Kwikkee Acquisition”) for \$28.7 million of cash. Kwikkee, headquartered in Cottage Grove, Oregon, is a leading provider of retractable step systems and storage tray systems for the North American recreational vehicle (“RV”) market and is included in our Engineered Solutions segment. During the first quarter of fiscal 2005 the Company settled the final payment obligation due to the sellers for \$0.5 million, which resulted in an adjustment to recorded goodwill. This transaction was funded through borrowings under the Company’s senior secured credit agreement. Kwikkee was an attractive acquisition candidate because it holds leading market positions in retractable step systems and storage tray systems and increases the Company’s content per vehicle in the important motorhome segment of the RV industry. In addition, Kwikkee’s brand name, experienced management, and track record of profitable growth were all attractive factors in evaluating the acquisition. The transaction was accounted for using the purchase method of accounting; therefore, the results of operations are included in the accompanying Condensed Consolidated Financial Statements only since the acquisition date. The purchase price allocation resulted in goodwill of \$20.1 million and intangible assets of \$3.1 million, consisting of patents, trademarks, and customer relationships.

On December 30, 2003, the Company acquired 100% of the outstanding capital stock of Dresco B.V. (“Dresco” or the “Dresco Acquisition”) for \$31.9 million of cash (net of \$0.8 million of cash acquired). Dresco,

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headquartered in Wijchen, Netherlands, is a leading provider of electrical, plumbing and other supplies to the Benelux (Belgium, the Netherlands, and Luxembourg) home center market and is included in our Tools & Supplies segment. The purchase agreement requires additional payments to the sellers aggregating no less than \$2.3 million and no more than \$13.3 million, contingent on the Company achieving targeted net sales in the calendar years ended December 31, 2004 through 2006. The aggregate minimum payment of \$2.3 million has been recorded as a liability in the preliminary purchase price allocation. Dresco was an attractive acquisition candidate because of its market leadership, the synergistic opportunities with Kopp (our German-based electrical home center supplier), and its logistics competencies. Dresco's Benelux customer base provides the Company with geographic expansion opportunities for markets beyond those covered by Kopp in Germany, Austria, and Eastern Europe, and its non-electrical products, such as plumbing, expand the Tools & Supplies business product offering. A portion of the proceeds from the Company's 2% Convertible Senior Subordinated Debentures offering in November 2003 was used to fund the transaction. The transaction was accounted for using the purchase method of accounting; therefore, the results of operations are included in the accompanying Condensed Consolidated Financial Statements only since the acquisition date. The purchase price allocation resulted in goodwill of \$24.4 million and intangible assets of \$2.5 million, consisting of trademarks, a non-compete agreement, and customer relationships.

The following unaudited pro forma results of operations of the Company for the three months ended November 30, 2004 and 2003, respectively, give effect to the Yvel and Dresco acquisitions as though the transactions had occurred on September 1, 2003.

	Three Months Ended November 30,	
	2004	2003
Net sales:		
As reported	\$ 199,677	\$ 166,584
Pro forma	\$ 200,609	\$ 180,255
Operating profit:		
As reported	\$ 27,279	\$ 20,722
Pro forma	\$ 27,376	\$ 22,706
Net Earnings:		
As Reported	\$ 17,506	\$ 293
Pro forma	\$ 17,527	\$ 1,345
Earnings per share:		
Basic - as reported	\$ 0.73	\$ 0.01
Basic - pro forma	\$ 0.73	\$ 0.06
Diluted - as reported	\$ 0.71	\$ 0.01
Diluted - pro forma	\$ 0.71	\$ 0.05

The comparability of net earnings between the periods presented is impacted by a \$9.8 million net of tax charge for the early extinguishment of debt included in the results for the three months ended November 30, 2003.

Note 3. Restructuring Reserve

The Company committed to integration plans to restructure portions of its Kopp operation during the first quarter of fiscal 2003. These plans were designed to reduce administrative and operational costs, and the related reserves were established as part of the Kopp purchase price allocation. The reserve represents employee severance costs to be incurred in connection with the transfer of certain production out of Germany to lower cost locations and general reductions in the workforce. German employment has been reduced by over 200 employees, or nearly 30%. The \$2.7 million of accrued severance costs at November 30, 2004 will be paid to former employees over the next two years as dictated by contractual arrangements with those employees.

A rollforward of the restructuring reserve (all of which relates to accrued severance costs) follows:

Accrued severance costs as of August 31, 2004	\$2,815
Cash payments	(361)
Currency impact	241
Accrued severance costs as of November 30, 2004	\$2,695

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Note 4. Accounts Receivable Financing

The Company maintains an accounts receivable securitization program whereby it sells certain of its trade accounts receivable to a wholly owned, bankruptcy-remote special purpose subsidiary which, in turn, sells participating interests in its pool of receivables to a third-party financial institution (the "Purchaser"). The Purchaser receives an ownership and security interest in the pool of receivables. New receivables are purchased by the special purpose subsidiary and participation interests are resold to the Purchaser as collections reduce previously sold participation interests. The Company has retained collection and administrative responsibilities on the participation interests sold. The Purchaser has no recourse against the Company for uncollectible receivables; however, the Company's retained interest in the receivable pool is subordinate to the Purchaser and is recorded at fair value. Due to a short average collection cycle of approximately 60 days for such accounts receivable and the Company's collection history, the fair value of the Company's retained interest approximates book value. The retained interest recorded at November 30, 2004 and August 31, 2004 is \$16.3 million and \$18.6 million, respectively, and is included in accounts receivable in the accompanying Condensed Consolidated Balance Sheets. The securitization program has a final maturity in May 2006, subject to annual renewal by the Purchaser. The total credit capacity under the program is approximately \$35 million, with trade accounts receivables sold and being serviced by the Company totaling \$24.6 million at both November 30, 2004 and August 31, 2004.

Sales of trade receivables from the special purpose subsidiary to the Purchaser totaled \$51.7 million and \$49.0 million for the three months ended November 30, 2004 and 2003, respectively. Cash collections of trade accounts receivable balances in the total receivable pool totaled \$83.0 million and \$78.4 million for the three months ended November 30, 2004 and 2003, respectively.

The Accounts Receivables Securitization Program is accounted for as a sale in accordance with FASB Statement No. 140 "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities—a Replacement of FASB Statement No. 125." Sales of trade receivables are reflected as a reduction of accounts receivable in the accompanying Condensed Consolidated Balance Sheets and the proceeds received are included in cash flows from operating activities in the accompanying Condensed Consolidated Statements of Cash Flows.

The table below provides additional information about delinquencies and net credit losses for trade accounts receivable subject to the Accounts Receivable Securitization Program.

	Balance Outstanding		Balance Outstanding 60 Days or More Past Due		Net Credit Losses	
					Three Months Ended November 30,	
	November 30, 2004	August 31, 2004	November 30, 2004	August 31, 2004	2004	2003
Trade Accounts						
Receivable Subject to Securitization Program	\$ 40,933	\$ 43,148	\$ 2,126	\$ 2,468	\$ 146	\$ 377
Trade Accounts						
Receivable Balances Sold	24,617	24,571				
Retained Interest	\$ 16,316	\$ 18,577				

Accounts receivable financing costs of \$0.2 million and \$0.1 million for the three months ended November 30, 2004 and 2003, respectively, are included in financing costs, net in the accompanying Condensed Consolidated Statements of Earnings.

Note 5. Inventories, Net

The nature of the Company's products is such that they generally 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 impractical to determine. Several other locations 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.

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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 6. Goodwill and Other Intangible Assets

The changes in the carrying amount of goodwill for the three months ended November 30, 2004 are as follows:

	Tools & Supplies Segment	Engineered Solutions Segment	Total
Balance as of August 31, 2004	\$66,943	\$ 78,444	\$145,387
Goodwill of acquired businesses	—	7,289	7,289
Currency impact	2,244	495	2,739
Balance as of November 30, 2004	\$69,187	\$ 86,228	\$155,415

The gross carrying amount and accumulated amortization of the Company's intangible assets that have defined useful lives and are subject to amortization as of November 30, 2004 and August 31, 2004 are as follows:

	November 30, 2004			August 31, 2004		
	Gross Carrying Amount	Accumulated Amortization	Net Book Value	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Patents	\$ 22,487	\$ 10,712	\$ 11,775	\$ 22,440	\$ 10,341	\$ 12,099
Trademarks	5,544	1,799	3,745	5,196	1,724	3,472
Non-compete agreements	1,811	1,337	474	1,750	1,266	484
Other	2,963	983	1,980	2,632	868	1,764
Total	\$ 32,805	\$ 14,831	\$ 17,974	\$ 32,018	\$ 14,199	\$ 17,819

The gross carrying amount of the Company's intangible assets that have indefinite lives and are not subject to amortization as of November 30, 2004 and August 31, 2004 are \$4.6 million and \$4.3 million, respectively. These assets are comprised of acquired tradenames.

Amortization expense recorded on the intangible assets listed in the above table for the three months ended November 30, 2004 and 2003 was \$0.6 million and \$0.5 million, respectively. Amortization expense for future years is estimated to be as follows: \$2.4 million in fiscal 2005, \$2.2 million in fiscal 2006, \$2.1 million in fiscal 2007, \$1.9 million in both fiscal 2008 and 2009, and \$8.1 million thereafter. These estimates do not include the impact of the Key Components, Inc. acquisition that was completed on December 27, 2004 (See Note 17, "Subsequent Events," for additional details).

Note 7. Accrued Product Warranty Costs

The Company recognizes the cost associated with its product warranties at the time of sale. The amount recognized is based on historical claims rates and current claim cost experience. The following is a reconciliation of the changes in accrued product warranty during the three months ended November 30, 2004:

Balance as of August 31, 2004	\$ 4,729
Provision for warranties	1,258
Warranty payments and costs incurred	(1,084)
Warranty reserves of acquired business	208
Currency impact	187
Balance as of November 30, 2004	\$ 5,298

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Note 8. Debt

The Company's indebtedness, other than short-term borrowings, as of November 30, 2004 and August 31, 2004 was as follows:

	November 30, 2004	August 31, 2004
Senior revolving credit facility (the "Revolver")	\$ 38,000	\$ 15,000
Commercial paper	18,882	23,800
Euro denominated term loans	4,427	4,131
Sub-total – Senior indebtedness	61,309	42,931
Convertible senior subordinated debentures ("2% Convertible Notes"), due 2023	150,000	150,000
Total debt, excluding short-term borrowings	211,309	192,931
Less: current maturities of long-term debt	(4,135)	(3,863)
Total long-term debt, less current maturities	\$ 207,174	\$189,068

At November 30, 2004, outstanding Revolver borrowings were at a weighted-average interest rate of 3.88%, which represents a variable index rate plus a spread. A non-use fee is payable quarterly on the average unused credit line under the Revolver. At November 30, 2004, the non-use fee was 0.25%. Borrowings and non-use fees under the Revolver are subject to a pricing grid, which can result in further increases or decreases on a quarterly basis, depending on the Company's leverage ratios. The unused and available credit line under the Revolver at November 30, 2004 was approximately \$192.0 million. The Revolver contains customary limits and restrictions concerning investments, sales of assets, liens on assets, fixed charge coverage ratios, maximum leverage, acquisitions, dividends and other restricted payments. As of November 30, 2004 the Company was in compliance with all debt covenants.

In December 2004, the Company amended the Revolver to provide for additional borrowing capacity to fund the acquisition of Key Components, Inc. See Note 17, "Subsequent Events," for additional details.

At November 30, 2004, there was \$18.9 million of commercial paper outstanding, all of which had original maturity terms of 60 days or less and were at an average interest rate of 2.40%, including issuance fees. Total commercial paper outstanding cannot exceed \$50.0 million under the terms of the Revolver. The Revolver provides the liquidity backstop for outstanding commercial paper. Accordingly, the combined outstanding balance of the Revolver and Commercial Paper facility cannot exceed \$250.0 million.

Note 9. Stock Option Plans

The Company accounts for its stock option plans under the recognition and measurement principles of APB Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations. No employee or outside director compensation costs related to stock option grants are reflected in net income, as all option awards granted under those plans had an exercise price equal to the market value of the underlying common stock on the date of grant. For purposes of pro forma disclosures under SFAS No. 123, "Accounting for Stock based Compensation," the estimated fair value of the options is amortized to expense over the options' vesting period. The Company's pro forma information for the three months ended November 30, 2004 and 2003 are as follows:

	Three Months Ended November 30,	
	2004	2003
Net earnings, as reported	\$ 17,506	\$ 293
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(571)	(439)
Pro forma net earnings (loss)	\$ 16,935	\$ (146)
Earnings (loss) per share:		
Basic – as reported	\$ 0.73	\$ 0.01
Basic – pro forma	\$ 0.71	\$ (0.01)
Diluted – as reported	\$ 0.71	\$ 0.01
Diluted – pro forma	\$ 0.69	\$ (0.01)

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Note 10. Employee Benefit Plans

The Company provides defined benefit pension and other postretirement benefits to certain employees of domestic businesses it acquired that were entitled to those benefits prior to acquisition. At November 30, 2004 and August 31, 2004, the domestic defined benefit pension plans consisted of two plans, which cover certain employees and executives of a business acquired in 1997. The domestic plans are frozen and as a result plan participants no longer earn future benefits.

Certain former employees of acquired domestic businesses who retired before February 1, 1994 (and their dependents) have the option of being covered under the Company's postretirement medical plans. In addition, retiree life insurance is available to certain employees hired before 1988. The postretirement benefit liability related to these plans is unfunded. Most individuals receiving postretirement health care benefits under these programs are required to make monthly contributions to defray a portion of the cost. Retiree contributions are adjusted annually. The accounting for retiree health care benefits assumes retirees will continue to contribute toward the cost of such benefits. Retirees currently do not contribute toward the cost of life insurance.

The Company also maintains defined benefit pension plans for certain employees in various foreign countries. At November 30, 2004 and August 31, 2004, the foreign defined benefit pension plans consisted of five separate plans that covered employees in Germany, the Netherlands, and Japan. Future benefits are earned with respect to the foreign plans.

Components of net periodic benefit costs were as follows:

	Three Months Ended November 30,	
	2004	2003
Domestic Defined Benefit Pension Plans		
Interest cost	\$ 231	\$ 230
Expected return on assets	(223)	(225)
Amortization of actuarial loss	108	74
Net periodic benefit cost	<u>\$ 116</u>	<u>\$ 79</u>
Domestic Postretirement Medical Benefit Plans		
Service cost	\$ 4	\$ 2
Interest cost	52	88
Amortization of actuarial gain	(96)	(48)
Net periodic benefit (credit) cost	<u>\$ (40)</u>	<u>\$ 42</u>
Foreign Defined Benefit Pension Plans		
Service cost	\$ 113	\$ 120
Interest cost	238	218
Expected return on assets	(14)	(12)
Amortization of actuarial (gain) loss	(1)	(8)
Net periodic benefit cost	<u>\$ 336</u>	<u>\$ 318</u>

The Company contributed \$0.4 million in December 2004 to a domestic defined benefit pension plan, and will not be required to make any additional contributions to its pension plans in fiscal 2005. Postretirement medical claims and a majority of foreign defined pension benefits are paid as incurred.

Note 11. Distribution of Electronics Segment

On July 31, 2000, the Company distributed its former Electronics segment ("APW") to shareholders in the form of a special dividend (the "Distribution"). During the third quarter of fiscal 2002, APW and one of its wholly

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owned indirect subsidiaries commenced prepackaged bankruptcy cases in the United States Bankruptcy Court for the Southern District of New York. No other subsidiaries of APW have filed Chapter 11 cases. On July 31, 2002, APW and the wholly owned subsidiary emerged from bankruptcy.

In its bankruptcy filing, APW disclosed that it was rejecting the majority of the agreements entered into between it and the Company at the time of the Distribution that govern a variety of indemnification matters between the parties, including income tax indemnifications relating to years prior to the Distribution and the Distribution itself.

On August 6, 2002 the Company and APW entered into an agreement which provides, among other things, that the right of offset asserted by the Company with respect to approximately \$23.8 million of income tax refunds (the "Offset Funds") which the Company held on behalf of APW is an allowed secured claim which is unimpaired in APW bankruptcy proceeding; and, further, that the Company may retain possession of the Offset Funds and may use such Offset Funds to, among other things, reimburse itself for certain estimated costs arising from the Company's Distribution of APW. In November 2004, the Company entered into an agreement with APW to reimburse them for the remaining Offset Funds, prior to the contractual settlement date, in exchange for allowing the Company to retain \$2.0 million of the Offset Funds for their own use. The \$15.8 million reimbursement payment to APW fully satisfied APW's interest in the Offset Funds, and this favorable settlement resulted in a \$2.0 million pre-tax gain, which was recorded in "Other expense (income), net" on the Condensed Consolidated Statements of Earnings for the three months ended November 30, 2004.

Note 12. Earnings Per Share

The reconciliations between basic and diluted earnings per share for the three months ended November 30, 2004 and 2003 are as follows:

	Three Months Ended November 30,	
	2004	2003
Numerator:		
Net earnings	\$17,506	\$ 293
Denominator:		
Weighted average common shares outstanding for basic earnings per share	23,877	23,539
Net dilutive effect of stock options based on the treasury stock method using average market price	727	1,188
Weighted average common and equivalent shares outstanding for diluted earnings per share	24,604	24,727
Basic Earnings Per Share	\$ 0.73	\$ 0.01
Diluted Earnings Per Share	\$ 0.71	\$ 0.01

In November 2003, the Company sold \$150.0 million of 2% Convertible Notes due November 15, 2023. The 2% Convertible Notes bear interest at a rate of 2.0% annually. The 2% Convertible Notes are convertible into shares of the Company's common stock at a conversion rate of 25.0563 shares per \$1,000 of principal amount, which equals a conversion price of approximately \$39.91 per share. See Note 6, "Debt," in the Notes to Consolidated Financial Statements in the Company's fiscal 2004 Annual Report on Form 10-K for a complete discussion of conditions that must be met for the 2% Convertible Notes to be converted. The Company has excluded the potential conversion of 2% Convertible Notes into common stock in its diluted earnings per share calculations because the conditions under which conversion is allowed have not been met. The Emerging Issues Task Force (EITF) has issued EITF No. 04-8, "The Effect of Contingently Convertible Debt on Diluted Earnings per Share," which will require the inclusion of the potential conversion of the Company's 2% Convertible Notes into common stock in the diluted earnings per share calculation even if the conditions that must be satisfied to allow conversion have not been met. EITF 04-8 is effective for reporting periods ending after December 15, 2004. The Company will adopt EITF No. 04-8 during the second quarter of fiscal 2005 and will retroactively restate its fiscal 2004 and first quarter of fiscal 2005 diluted earnings per share. The Company currently estimates that the adoption of EITF 04-8 will cause diluted earnings per share during the first quarter of fiscal 2005 to be reduced from \$0.71 to \$0.63. The adoption of EITF 04-8 will not impact diluted earnings per share for the first quarter of fiscal 2004 because the effect is anti-dilutive.

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In December 2004, the Company sold, pursuant to an underwritten public offering, 2,875,000 shares of previously unissued shares of Class A Common Stock. See Note 17, "Subsequent Events," for additional details.

Note 13. Comprehensive Income

The components of comprehensive income are as follows:

	Three Months Ended November 30,	
	2004	2003
Net earnings	\$17,506	\$ 293
Accumulated foreign currency translation adjustments	9,345	4,015
Other items, net of taxes	—	9
Comprehensive income	\$26,851	\$4,317

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Note 14. Segment Information

The Company has two reportable segments: Tools & Supplies and Engineered Solutions, with separate and distinct operating management and strategies. The Tools & Supplies segment is primarily involved in the design, manufacture and distribution of tools and supplies to the retail, construction, electrical wholesale, industrial and production automation markets. The Engineered Solutions segment focuses on developing and marketing value-added, customized motion control systems for original equipment manufacturers in the recreational vehicle, automotive, truck, and industrial markets. The Company has not aggregated individual operating segments within these reportable segments. The Company evaluates segment performance based primarily on net sales and earnings (loss) before income tax expense and minority interest.

The following tables summarize financial information by reportable segment.

	Three Months Ended November 30,	
	2004	2003
Net Sales:		
Tools & Supplies	\$ 112,537	\$ 96,335
Engineered Solutions	87,140	70,249
Total	\$ 199,677	\$166,584
Earnings (Loss) Before Income Taxes and Minority Interest:		
Tools & Supplies	\$ 17,443	\$ 14,585
Engineered Solutions	11,588	8,255
General Corporate and Other	(2,471)	(22,031)
Total	\$ 26,560	\$ 809
	November 30, 2004	August 31, 2004
Assets:		
Tools & Supplies	\$ 252,791	\$231,928
Engineered Solutions	190,361	163,653
General Corporate and Other	27,593	28,555
Total	\$ 470,745	\$424,136

The comparability of the segment data is impacted by the Yvel and Dresco acquisitions, which occurred on September 16, 2004 and December 30, 2003, respectively. Yvel is included in the Engineered Solutions segment and Dresco is in the Tools & Supplies segment. The comparability of General Corporate and Other results is impacted by a reduction in financing costs due to the repurchase of the remaining 13% Notes during fiscal 2004 and the impact of the convertible debt issuance in fiscal 2004, as well as costs incurred for the early extinguishments of debt.

Corporate assets, which are not allocated, principally represent capitalized debt issuance costs, deferred income taxes, and the retained interest in trade accounts receivable (subject to the accounts receivable securitization program discussed in Note 4, "Accounts Receivable Financing").

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Note 15. Contingencies and Litigation

The Company had outstanding letters of credit of \$5.5 million and \$6.1 million at November 30, 2004 and August 31, 2004, respectively. The letters of credit secure self-insured workers compensation liabilities and contingent payments related to indemnifications provided to purchasers of divested businesses.

The Company is party to various legal proceedings that have arisen in the normal course of its business. These legal proceedings typically include product liability, environmental, labor, patent claims, and indemnification disputes. The Company has recorded reserves for loss contingencies based on the specific circumstances of each case. Such reserves are recorded when it is probable that a loss has been incurred as of the balance sheet date and such loss can be reasonably estimated. In the opinion of management, the resolution of these contingencies will not have a material adverse effect on the Company's financial condition, results of operations or cash flows.

The Company, in the normal course of business, enters into certain real estate and equipment leases or guarantees such leases on behalf of its subsidiaries. In conjunction with the Distribution, the Company assigned its rights in the leases used in the former Electronics segment, but was not released as a responsible party from all such leases by the lessors. Some of these businesses were subsequently sold to third parties. The Company remains contingently liable for those leases if any of these businesses are unable to fulfill their obligations thereunder. The discounted present value of future minimum lease payments for such leases totals, assuming no offset for sub-leasing, approximately \$14.3 million at November 30, 2004. The future undiscounted minimum lease payments for these leases are as follows: \$0.3 million in the balance of calendar 2004; \$3.1 million in calendar 2005; \$2.4 million in calendar 2006; \$2.4 million in calendar 2007; \$2.5 million in calendar 2008; \$1.9 million in calendar 2009; and \$7.2 million thereafter.

The Company has facilities in numerous geographic locations that are subject to a range of environmental laws and regulations. Environmental costs that have no future economic value are expensed. Liabilities are recorded when environmental remediation is probable and the costs are reasonably estimable. Environmental expenditures over the last three years have not been material. Management believes that such costs will not have a material adverse effect on the Company's financial position, results of operations or cash flows. Environmental remediation accruals of \$1.9 million were included in the Condensed Consolidated Balance Sheets at both November 30, 2004 and August 31, 2004.

Note 16. New Accounting Pronouncements

The Emerging Issues Task Force (EITF) has issued EITF No. 04-8, "The Effect of Contingently Convertible Debt on Diluted Earnings per Share," which will require the inclusion of the potential conversion of the Company's 2% Convertible Notes into common stock in the diluted earnings per share calculation even if the conditions that must be satisfied to allow conversion have not been met. EITF 04-8 is effective for reporting periods ending after December 15, 2004. The Company will adopt EITF No. 04-8 during the second quarter of fiscal 2005. See Note 12, "Earnings Per Share", for a description of the impact of this new accounting rule.

In December 2004, the Financial Accounting Standards Board ("FASB") revised SFAS No. 123, "Accounting for Stock Based Compensation." SFAS No. 123-Revised supercedes APB Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations, and will require all companies to estimate the fair value of incentive stock options granted and then amortize that estimated fair value to expense over the options' vesting period. SFAS No. 123-Revised is effective for all periods beginning after June 15, 2005. The Company currently accounts for its stock option plans under the recognition and measurement principles of APB Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations. No employee or outside director compensation costs related to stock option grants are currently reflected in net income, as all option awards granted under those plans had an exercise price equal to the market value of the underlying common stock on the date of grant. The Company is required to adopt SFAS No. 123-Revised by the first quarter of fiscal year 2006. See Note 9, "Stock Option Plans," for pro forma information if the Company had elected to adopt the requirements of the previously issued SFAS No. 123.

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Note 17. Subsequent Events

On December 1, 2004, the Company acquired A.W. Sperry Instruments, Inc. (“Sperry”). Sperry, headquartered in Hauppauge, New York, maintains a leading market position selling electrical test meters and instruments to the do-it-yourself retail channels. In the transaction, the Company acquired 100% of the outstanding shares of Sperry for \$12.5 million in cash. The transaction was funded by borrowings under the Revolver.

On December 27, 2004, the Company acquired Key Components, Inc. (“KCI”). Total consideration paid for the transaction was approximately \$315.0 million, including the assumption of approximately \$80.0 million of KCI’s 10.5% senior notes. KCI, headquartered in Tarrytown, New York, is a leading manufacturer of custom engineered products for a diverse array of end-user markets. The products offered through KCI’s six operating businesses consist of specialty electrical components, power conversion products, high-voltage utility switches, flexible shafts, and turbocharger components. Each of KCI’s operating businesses will fit into one of Actuant’s business segments, Tools & Supplies or Engineered Solutions. As discussed in more detail below, the transaction was funded by borrowings under the Company’s existing Senior Credit Facility, as amended in December 2004, and through a public offering of Class A Common Stock in December 2004.

The Company completed an amendment to its Senior Credit Facility in December 2004. The amendment provides for a \$250.0 million term loan in addition to the existing \$250.0 million revolving credit facility. The \$250.0 million term loan will initially bear interest at LIBOR plus 1.25% and will be repaid in installments starting in fiscal 2007. In connection with the amendment, the Company incurred approximately \$2.5 million of debt issuance costs, which will be amortized over the five year period of the term loan. The proceeds from the term loan will be used to fund the KCI acquisition.

In December 2004, the Company sold, pursuant to an underwritten public offering, 2,875,000 shares of previously unissued Class A Common Stock at a price of \$49.50 per share. Cash proceeds from the offering, net of underwriting discounts, were approximately \$135.2 million. In addition to underwriting discounts, the Company incurred approximately \$1.3 million of additional accounting, legal and other expenses related to the offering that were charged to additional paid-in-capital. The proceeds will be used to fund the call of the \$80.0 million of 10.5% senior notes assumed in the KCI acquisition and pay down outstanding borrowings on the Company’s Revolver and Commercial Paper facility.

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Item 2 – Management’s Discussion and Analysis of Financial Condition and Results of Operations

Background

We are a diversified global manufacturer and marketer of a broad range of industrial products and systems, organized into two reportable segments, Tools & Supplies and Engineered Solutions. Our Tools & Supplies segment provides branded specialized electrical and industrial tools and supplies to hydraulic and electrical wholesale distributors, to catalog houses and through various retail distribution channels. Our Engineered Solutions segment’s primary expertise is in designing, manufacturing and marketing customized motion control systems primarily for automotive, recreational vehicle and truck original equipment manufacturers (“OEMs”) in diversified niche markets. We believe that our strength in these product categories is the result of a combination of our brand recognition, proprietary engineering and design competencies, dedicated service philosophy, and global manufacturing and distribution capabilities.

Our long-term goal is to grow annual diluted earnings per share excluding unusual or non-recurring items (“EPS”) by 15% to 20%. We intend to leverage our leading market positions to generate annual internal sales growth that exceeds the annual growth rate of the gross domestic product. In addition to internal sales growth, we are focused on an acquisition strategy that identifies complementary businesses that can be acquired. Following an acquisition, we seek to drive cost reductions, develop additional cross-selling opportunities and deepen customer relationships. We also focus on profit margin expansion and cash flow generation to achieve our EPS growth goal. Our LEAD (“Lean Enterprise Across Disciplines”) process utilizes various continuous improvement techniques to drive out costs and improve efficiencies across all locations and functions worldwide, thereby expanding profit margins. Strong cash flow generation is achieved by maximizing returns on assets and minimizing primary working capital needs. The cash flow that results from efficient asset management and improved profitability is used to reduce debt and fund both acquisitions and internal growth opportunities. Our application of this strategy has generated favorable results, including significant debt reduction and profitability growth over the past five years.

Results of Operations for the Three Months Ended November 30, 2004 and 2003

In thousands, except per share amounts

	Three Months Ended November 30,	
	2004	2003
Net Sales	\$199,677	\$166,584
Cost of Products Sold	\$135,850	\$111,966
Gross Profit	\$ 63,827	\$ 54,618
Gross Profit Margin	32.0%	32.8%
Selling, Administrative and Engineering Expenses (“SAE”)	\$ 35,957	\$ 33,349
SAE as a Percentage of Net Sales	18.0%	20.0%
Amortization of Intangible Assets	\$ 591	\$ 547
Operating Profit	\$ 27,279	\$ 20,722
Operating Profit Margin	13.7%	12.4%
Financing Costs, net	\$ 1,938	\$ 4,391
Charge for Early Extinguishment of Debt	\$ —	\$ 15,069
Other (Income) Expense, net	\$ (1,219)	\$ 453
Earnings Before Income Tax Expense and Minority Interest	\$ 26,560	\$ 809

On September 16, 2004, the Company acquired 100% of the outstanding capital stock of Yvel S.A. (“Yvel” or the “Yvel Acquisition”), and on December 30, 2003 the Company acquired 100% of the outstanding capital stock of Dresco B.V. (“Dresco” or the “Dresco Acquisition”). Yvel is included in the Company’s Engineered Solutions segment, while Dresco is included in the Tools & Supplies segment. Both of these transactions impact the comparability of the operating results for the three months ended November 30, 2004 and 2003. See Note 2, “Acquisitions” in Notes to Condensed Consolidated Financial Statements for further information. Additionally, the weak US dollar favorably impacted comparisons of current year results to the prior year results due to the translation of non-US dollar denominated subsidiary results.

Consolidated net sales increased by \$33.1 million, or 20%, from \$166.6 million during the first quarter of fiscal 2004 to \$199.7 million during the first quarter of fiscal 2005. Excluding acquisitions and the \$7.2 million favorable impact of foreign currency exchange rate changes on translated results, fiscal 2005 first quarter consolidated net sales increased approximately 6%. The changes in net sales due to operating segment results are discussed in further detail below.

Consolidated earnings before income taxes and minority interest during the first quarter of fiscal 2005 were \$26.6 million, compared with \$0.8 million during the first quarter of fiscal 2004. In addition to the impact of the Yvel and Dresco Acquisitions and the weak US dollar, the comparability of consolidated earnings before income taxes and minority interest was impacted by the \$15.1 million pre-tax charge for the early extinguishment of debt during the three months ended November 30, 2003. The changes in earnings before income taxes and minority interest due to operating segment results and financing costs are discussed in further detail below.

Tools & Supplies Segment Results

	Three Months Ended November 30,	
	2004	2003
Net Sales	\$112,537	\$96,335
Cost of Products Sold	\$ 69,863	\$58,670
Gross Profit	\$ 42,674	\$37,665
Gross Profit Margin	37.9%	39.1%
Selling, Administrative and Engineering Expenses (“SAE”)	\$ 24,575	\$22,996
SAE as a Percentage of Net Sales	21.8%	23.9%
Amortization of Intangible Assets	\$ 381	\$ 308
Operating Profit	\$ 17,718	\$14,361
Operating Profit Margin	15.7%	14.9%
Other Expense (Income), net	\$ 275	\$ (224)
Earnings Before Income Tax Expense and Minority Interest	\$ 17,443	\$14,585

Net sales during the first quarter of fiscal 2005 increased \$16.2 million, or 17%, to \$112.5 million from \$96.3 million during the first quarter of fiscal 2004. Dresco, which was acquired on December 30, 2003, comprised 60% of the increase, while currency translation rate changes positively impacted net sales by \$4.4 million during the first quarter of fiscal 2005. Excluding the Dresco Acquisition and currency rate changes, core sales increased 2%. Core sales increased 11% in the Enerpac business due to successful efforts to obtain integrated system contracts worldwide and an increase in overall demand, while core sales declined approximately 3% in the Electrical business, reflecting weak demand and the loss of a region from a North American retail home center customer during the second half of fiscal 2004.

Gross profit during the three months ended November 30, 2004 increased by \$5.0 million, or 13%, to \$42.7 million from \$37.7 million primarily due to the higher sales. Excluding the \$1.7 million impact of foreign currency rate changes on translated results, gross profit increased 9%. Gross profit margins decreased from 39.1% during the first quarter of fiscal 2004 to 37.9% during the first quarter of fiscal 2005. Excluding the impact of Dresco's comparatively lower gross profit margins, gross profit margins increased slightly during the first quarter of fiscal 2005, reflecting positive sales mix offset by increasing raw materials prices and reduced absorption from the decrease in production volumes in the Electrical business.

SAE increased by \$1.6 million, or 7%, from \$23.0 million during the first quarter of fiscal 2004 to \$24.6 million during the first quarter of fiscal 2005. Excluding the \$1.0 million impact of foreign currency rate changes on translated results, SAE increased 2%. This increase is mainly due to the impact of the Dresco Acquisition, which was partially offset by the benefits of ongoing cost reduction actions.

Engineered Solutions Segment Results

	Three Months Ended November 30,	
	2004	2003
Net Sales	\$87,140	\$70,249
Cost of Products Sold	\$65,987	\$53,296
Gross Profit	\$21,153	\$16,953
Gross Profit Margin	24.3%	24.1%
Selling, Administrative and Engineering Expenses ("SAE")	\$ 8,738	\$ 7,939
SAE as a Percentage of Net Sales	10.0%	11.3%
Amortization of Intangible Assets	\$ 210	\$ 239
Operating Profit	\$12,205	\$ 8,775
Operating Profit Margin	14.0%	12.5%
Other Expense, net	\$ 617	\$ 520
Earnings Before Income Tax Expense and Minority Interest	\$11,588	\$ 8,255

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Net sales increased by \$16.9 million, or 24%, from \$70.2 million during the three months ended November 30, 2003 to \$87.1 million during the three months ended November 30, 2004. Yvel, which was acquired on September 16, 2004, comprised 31% of the increase, while currency translation rate changes positively impacted sales during the first quarter of fiscal 2005 by \$2.8 million. Excluding the impact of the Yvel Acquisition and foreign currency translation, core sales during the first quarter of fiscal 2005 increased 12%. With the exception of sales to the recreational vehicle (RV) market, core sales to all other markets grew in the first quarter of fiscal 2005 compared to the first quarter of fiscal 2004. The 18% core sales decrease to the RV market was due to reduced production levels at a number of RV OEM's, lower retail RV sales, and lost business during the second half of fiscal 2004. Core sales to the automotive market increased 40%, reflecting the continued benefit of the introduction of new convertible models in Europe and North America during the past twelve months, as well as increased demand for certain existing models. We expect the growth in automotive sales to slow as we reach the start of production anniversary dates on a number of the newer platforms in future quarters. Core sales to the heavy-duty truck market increased 15% due to the strength of the overall European truck market and market share gains by our OEM customers.

Gross profit increased by \$4.2 million, or 25%, from \$16.9 million during the first quarter of fiscal 2004 to \$21.1 million during the first quarter of fiscal 2005 primarily due to sales growth. Excluding the \$0.5 million positive impact of foreign currency rate changes on translated results, gross profit increased 22%. Gross profit margins increased slightly from 24.1% during the first quarter of fiscal 2004 to 24.3% during the comparable period for fiscal 2005 due to the benefits of improved efficiencies and increased production volumes, offset by rising raw material costs.

SAE increased by \$0.8 million, or 10%, from \$7.9 million during the three months ended November 30, 2003 to \$8.7 million during the comparable period in fiscal 2005. Excluding the \$0.3 million impact of foreign currency rate changes on translated results, SAE increased 7%. The increase is primarily due to the impact of the Yvel Acquisition and increased spending to support overall growth in this segment.

General Corporate Results

	Three Months Ended November 30,	
	2004	2003
Selling, Administrative and Engineering Expenses ("SAE")	\$ 2,644	\$ 2,414
Financing Costs, net	1,938	4,391
Charge for Early Extinguishment of Debt	—	15,069
Other (Income) Expense, net	(2,111)	147
Loss Before Income Tax Expense and Minority Interest	\$(2,471)	\$(22,031)

Financing costs, net declined 56% from the first quarter of fiscal 2004 to the first quarter of fiscal 2005 due to the gradual replacement of all outstanding 13% Notes throughout fiscal 2004 with lower interest rate debt such as the 2% Convertible Notes and the Revolver. See "Liquidity and Capital Resources" below for further information.

During the first quarter of fiscal 2004, the Company retired \$49.4 million (gross principal amount) of its senior subordinated notes due 2009 ("13% Notes") acquired through open market and negotiated purchases. The Company recorded a pre-tax charge of \$15.1 million related to the redemption of the 13% Notes. The pre-tax charge consisted of the \$13.7 million bond redemption premium payments and a \$1.4 million non-cash write-off of the associated debt discount and debt issuance costs.

See Note 11, "Distribution of Electronics Segment," in Notes to Condensed Consolidated Financial Statements for discussion of the \$2.0 million gain recognized during the first quarter of fiscal 2005.

Restructuring Reserves

The Company committed to integration plans to restructure portions of its Kopp operation during the first quarter of fiscal 2003. These plans were designed to reduce administrative and operational costs, and the related reserves were established as part of the Kopp purchase price allocation. The reserve represents employee severance costs to be incurred in connection with the transfer of certain production out of Germany to lower cost locations and general reductions in the workforce. German employment has been reduced by over 200 employees, or nearly 30%.

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The \$2.7 million of accrued severance costs at November 30, 2004 will be paid to former employees over the next two years as dictated by contractual arrangements with those employees.

A rollforward of the restructuring reserve (all of which relates to accrued severance costs) follows:

Accrued severance costs as of August 31, 2004	\$2,815
Cash payments	(361)
Currency impact	241
Accrued severance costs as of November 30, 2004	\$2,695

Liquidity and Capital Resources

Cash and cash equivalents totaled \$7.1 million and \$6.0 million at November 30, 2004 and August 31, 2004, respectively. Our goal is to maintain low cash balances, utilizing any excess cash to pay down debt in an effort to minimize financing costs.

The Company reported cash used in operating activities of \$6.3 million and \$13.6 million during the three months ended November 30, 2004 and 2003, respectively. The cash flows for the first quarter of fiscal 2005 include the impact of the \$15.8 million reimbursement to APW, and the cash flows of the first quarter of fiscal 2004 include approximately \$8.4 million of premiums paid to bondholders for 13% Note repurchases, net of the related tax benefit. First quarter of fiscal 2005 cash provided from operating activities, after considering the reimbursement to APW and premiums paid to bondholders, increased as compared to the first quarter of fiscal 2004 due to improved profitability resulting from the Yvel and Dresco acquisitions and core business growth, reduced cash payments for interest of approximately \$5.6 million, and the active management of our primary working capital. Operating cash flow during the first quarter of each fiscal year is typically weaker than the other fiscal quarters due to the seasonal build-up of primary working capital.

Cash used in investing activities was \$11.8 million and \$36.1 million during the three months ended November 30, 2004 and 2003, respectively. The Company used \$9.0 million to fund the closing of the Yvel acquisition during the first quarter of fiscal 2005, and used \$28.2 million for the acquisition of Kwikee during the first quarter of fiscal 2004. Additionally, \$5.0 million was used in the first quarter of fiscal 2004 to fund the purchase of the Kopp minority interest and pay the Kopp deferred purchase price. Capital expenditures were fairly consistent, totaling \$3.2 million and \$2.9 million during the three months ended November 30, 2004 and 2003, respectively.

The Company utilized borrowings of \$17.6 million on its revolving credit facilities during the three months ended November 30, 2004 to fund the cash used in operating and investing activities as discussed above. Net cash provided by financing activities totaled \$77.6 million for the three months ended November 30, 2003. In November 2003, the Company sold an aggregate principal amount of \$150.0 million of 2% Convertible Notes due November 15, 2023. Net proceeds from the issuance of the 2% Convertible Notes totaled \$145.2 million. Additionally, during the first quarter of fiscal 2004 the Company redeemed \$49.4 million of 13% Notes through open market purchases and made optional prepayments of \$13.0 million on the term loan under the senior secured credit agreement and \$4.3 million on the Euro denominated term loans.

In December 2004, the Company sold, pursuant to an underwritten public offering, 2,875,000 shares of previously unissued Class A Common Stock to fund the acquisition of Key Components, Inc and pay down outstanding revolving borrowings. Net proceeds, net of underwriting discounts and additional legal and accounting expenses, were approximately \$133.9 million. See Note 17, "Subsequent Events," in Notes to Condensed Consolidated Financial Statements for additional details.

Debt

Debt outstanding at November 30, 2004 totaled \$212.1 million, an \$18.2 million increase from the \$193.9 million at August 31, 2004. The net increase was attributable to \$9.0 million of borrowings to fund the Yvel acquisition and \$15.8 million of borrowings to reimburse APW for the fiscal 2000 income tax refund. These increases in debt were partially offset by cash flow from operations.

At November 30, 2004, outstanding Revolver borrowings were at a weighted-average interest rate of 3.88%, which represents a variable index rate plus a spread. A non-use fee is payable quarterly on the average unused credit line under the Revolver. At November 30, 2004, the non-use fee was 0.25%. Borrowings and non-use fees under the Revolver are subject to a pricing grid, which can result in further increases or decreases on a quarterly basis, depending on the Company's leverage ratios. The unused and available credit line under the Revolver at November 30, 2004 was approximately \$192.0 million.

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The Revolver contains customary limits and restrictions concerning investments, sales of assets, liens on assets, acquisitions, dividends, and other restricted payments. In addition, the Company must comply with two separate financial ratio covenants on a quarterly basis: the Leverage Ratio and the Fixed Charge Coverage Ratio. The Leverage Ratio measures indebtedness (as defined by the Revolver) as a multiple of earnings before interest, taxes, depreciation, and amortization (as defined by the Revolver). The maximum Leverage Ratio allowed by the Revolver is 3.50. For the twelve months ended November 30, 2004, the Company's Leverage Ratio was 2.05, including the impact of accounts receivable sold under the accounts receivable securitization program. The Fixed Charge Coverage Ratio measures earnings before interest, taxes, depreciation, and amortization adjusted for capital expenditures and lease payments (as defined by the Revolver) as a multiple of interest expense (as defined by the Revolver). The minimum Fixed Charge Coverage Ratio allowed by the Revolver is 1.75. For the twelve months ended November 30, 2004, the Company's Fixed Charge Coverage Ratio was 2.51.

In December 2004, the Company amended the Revolver to provide for additional borrowing capacity to fund the acquisition of Key Components, Inc. See Note 17, "Subsequent Events," in Notes to Condensed Consolidated Financial Statements for additional details.

At November 30, 2004, there was \$18.9 million of commercial paper outstanding, all of which had original maturity terms of 60 days or less and were at an average interest rate of 2.40%, including issuance fees. Total commercial paper outstanding cannot exceed \$50.0 million under the terms of the Revolver. The Revolver provides the liquidity backstop for outstanding commercial paper. Accordingly, the combined outstanding balance of the Revolver and Commercial Paper facility cannot exceed \$250.0 million.

The Company has made considerable progress in its efforts to reduce its financing costs over the past several years. Financing costs, net were \$1.9 million during the first quarter of fiscal 2005, compared with \$4.4 million during the first quarter of fiscal 2004. A major part of this reduction was the gradual replacement of 13% Notes with less expensive forms of debt, such as 2% Convertible Notes and Revolver borrowings. Throughout fiscal year 2004, the Company retired all of its remaining 13% Notes outstanding through open market and negotiated purchases of \$49.4 million and \$31.5 million during the first and third quarters, respectively; a cash tender and consent solicitation for \$28.0 million of 13% Notes outstanding during the fourth quarter; and the establishment of a defeasance trust for the remaining \$1.2 million of 13% Notes outstanding during the fourth quarter.

See the "Timing of Commitments" table below for the maturities schedule of long-term debt outstanding at November 30, 2004.

The Company was not party to any interest rate swaps at November 30, 2004 or August 31, 2004.

Commitments and Contingencies

The Company leases certain facilities, computers, equipment and vehicles under various operating lease agreements, generally over periods from one to twenty years. Under most arrangements, the Company pays the property taxes, insurance, maintenance and expenses related to the leased property. Many of the leases include provisions that enable the Company to renew the lease based upon fair value rental rates on the date of expiration of the initial lease. See the "Timing of Commitments" table below for further information.

The Company, in the normal course of business, enters into certain real estate and equipment leases or guarantees such leases on behalf of its subsidiaries. In conjunction with the Distribution, the Company assigned its rights in the leases used in the former Electronics segment, but was not released as a responsible party from all such leases by the lessors. Some of these businesses were subsequently sold to third parties. The Company remains contingently liable for those leases if any of these businesses are unable to fulfill their obligations thereunder. The discounted present value of future minimum lease payments for such leases totals, assuming no offset for sub-leasing, approximately \$14.3 million at November 30, 2004. The future undiscounted minimum lease payments for these leases are as follows: \$0.3 million in the balance of calendar 2004; \$3.1 million in calendar 2005; \$2.4 million in calendar 2006; \$2.4 million in calendar 2007; \$2.5 million in calendar 2008; \$1.9 million in calendar 2009; and \$7.2 million thereafter.

As more fully discussed in Note 4, "Accounts Receivable Financing" in the Notes to Condensed Consolidated Financial Statements, the Company is party to an accounts receivable securitization arrangement. Trade receivables sold and being serviced by the Company were \$24.6 million at both November 30, 2004 and August 31, 2004, respectively. If the Company were to discontinue this securitization program, at November 30, 2004 it would have been required to borrow approximately \$24.6 million to finance the working capital increase. Total capacity under the program is approximately \$35 million.

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Cash outflows totaling approximately \$2.7 million will be required in fiscal 2005 and 2006 to fund the Kopp restructuring cash flow requirements. See Note 3, "Kopp Restructuring Reserve," in the accompanying Notes to Condensed Consolidated Financial Statements for further information.

The Company had outstanding letters of credit of \$5.5 million and \$6.1 million at November 30, 2004 and August 31, 2004, respectively. The letters of credit secure self-insured workers compensation liabilities and contingent payments related to indemnifications provided to purchasers of divested businesses.

Dividends have not been declared or paid during fiscal 2005 or 2004, and the Company currently does not plan to pay dividends. Cash flow from operations is expected to be retained for working capital needs, acquisitions, and to reduce outstanding debt. At November 30, 2004, the Company had approximately \$192.0 million of availability under the Revolver. The Company believes that availability under the Revolver, plus funds generated from operations, will be adequate to meet operating, debt service and capital expenditure requirements for at least the next twelve months.

Timing of Commitments

The timing of payments due under the Company's commitments is as follows:

Contractual Obligations(a)

Years Ended August 31,	Long-term Debt Obligations (b)	Operating Lease Obligations (c)	Total
<i>Amounts in 000's</i>			
2005	\$ 4,135	\$ 13,260	\$ 17,395
2006	146	11,222	11,368
2007	146	8,847	8,993
2008	—	7,847	7,847
2009	56,882	6,713	63,595
Thereafter	150,000	26,968	176,968
Total	\$ 211,309	\$ 74,857	\$286,166

- (a) The above table excludes the additional payments ("earn-out payments") due to a third party related to the Dresco acquisition, as the exact amounts or timing of payments are not known. The Dresco purchase agreement allows for earn-out payments to the sellers aggregating no less than \$2.3 million and no more than \$13.3 million, contingent on the Company achieving targeted net sales in the calendar years ended December 31, 2004 through 2006.
- (b) Interest on long-term debt is payable as follows:
- Senior revolving facility; payable on interest-rate reset dates on individual borrowings
 - Commercial paper; payable on maturity dates of individual issuances
 - 2% Convertible Notes; payable semi-annually on November 15th and May 15th
 - Euro denominated term loans; payable semi-annually on January 31st and July 31st
- (c) The Company's purchase obligations generally relate to amounts due under contracts with third party service providers. These contracts are primarily for real estate leases, information technology services, including software and hardware support services and leases, and telecommunications services. Those purchase obligations, such as leases, that are not cancelable are included in the table. The Company routinely issues purchase orders to numerous vendors for the purchase of inventory and other supplies. These purchase orders are generally cancelable with reasonable notice to the vendor, and as such, they are excluded from the contractual obligations table.

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New Accounting Pronouncements

The Emerging Issues Task Force (EITF) has issued EITF No. 04-8, "The Effect of Contingently Convertible Debt on Diluted Earnings per Share," which will require the inclusion of the potential conversion of the Company's 2% Convertible Notes into common stock in the diluted earnings per share calculation even if the conditions that must be satisfied to allow conversion have not been met. EITF 04-8 is effective for reporting periods ending after December 15, 2004. The Company will adopt EITF No. 04-8 during the second quarter of fiscal 2005 and will retroactively restate its fiscal 2004 and first quarter of fiscal 2005 diluted earnings per share. The Company currently estimates that the adoption of EITF 04-8 will cause diluted earnings per share during the first quarter of fiscal 2005 to be reduced from \$0.71 to \$0.63. The adoption of EITF 04-8 will not impact diluted earnings per share for the first quarter of fiscal 2004 because the effect is anti-dilutive.

In December 2004, the Financial Accounting Standards Board ("FASB") revised SFAS No. 123, "Accounting for Stock Based Compensation." SFAS No. 123-Revised supercedes APB Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations, and will require all companies to estimate the fair value of incentive stock options granted and then amortize that estimated fair value to expense over the options' vesting period. SFAS No. 123-Revised is effective for all periods beginning after June 15, 2005. The Company currently accounts for its stock option plans under the recognition and measurement principles of APB Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations. No employee or outside director compensation costs related to stock option grants are currently reflected in net income, as all option awards granted under those plans had an exercise price equal to the market value of the underlying common stock on the date of grant. The Company is required to adopt SFAS No. 123-Revised by the first quarter of fiscal year 2006. See Note 9, "Stock Option Plans," in the Notes to Condensed Consolidated Financial Statements for pro forma information if the Company had elected to adopt the requirements of the previously issued SFAS No. 123.

Item 3 – Quantitative and Qualitative Disclosures about Market Risk

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

A discussion of the Company's accounting policies for derivative financial instruments is included within Note 1, "Summary of Significant Accounting Policies" in the Notes to Consolidated Financial Statements in the Company's fiscal 2004 Annual Report on Form 10-K.

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Currency Risk—The Company has exposure to foreign currency exchange fluctuations. Approximately 61% and 53% of its revenues for the three months ended November 30, 2004 and the year ended August 31, 2004, respectively, were denominated in currencies other than the U.S. dollar. Of those non-U.S. dollar denominated amounts, approximately 84% and 82%, respectively, were denominated in euro, with the majority of the remainder denominated in various Asian and other European currencies. The Company does not hedge the translation exposure represented by the net assets of its foreign subsidiaries. Foreign currency translation adjustments are recorded as a component of shareholders' equity.

The Company's identifiable foreign currency exchange exposure results primarily from the anticipated purchase of product from affiliates and third party suppliers and from the repayment of intercompany loans between subsidiaries denominated in foreign currencies. The Company periodically identifies areas where it does not have naturally occurring offsetting positions and then may purchase hedging instruments to protect against anticipated exposures. There are no material hedging instruments in place as of the date of this filing.

Interest Rate Risk—The Company has earnings exposure related to interest rate changes on its outstanding floating rate debt instruments that are indexed to the LIBOR and EURIBOR interest rates. The Company has periodically utilized interest rate swap agreements to manage overall financing costs and interest rate risk. At November 30, 2004 or August 31, 2004, the Company was not party to any interest rate swap agreements. An increase or decrease of 25 basis points in the applicable interest rates on unhedged variable rate debt would result in a change in pre-tax interest expense of approximately \$0.2 million on an annual basis.

Commodity Risk— We source a wide variety of materials and components from a network of global suppliers. While such materials are typically available from numerous suppliers, commodity raw materials are subject to price fluctuations. Fluctuations in the market prices for these commodities resulted in a reduction in gross profit by approximately \$2.0 million for fiscal 2004. However, market prices of certain commodities such as steel, plastic resin, and copper have been rising, which could have a negative impact on our results. Prior to the completion of the KCI acquisition in December 2004, we estimated that increases in raw material prices would have an incremental negative impact on our gross profit of approximately \$2 – \$3 million in fiscal 2005 as compared to fiscal 2004. However, the actual negative impact of increases in raw material prices will likely be higher, perhaps substantially, in part because this estimate did not take into account the effect of these increases on KCI's operating results. We attempt to pass along such commodity price increases to customers to avoid profit margin erosion. We have not entered into any derivative contracts to hedge our exposure to commodity risk during the first quarter of fiscal 2005 or in fiscal years 2004 or 2003.

Item 4 – Controls and Procedures

The Company's chief executive officer and chief financial officer have concluded, based on their evaluation as of the end of the period covered by this report, that the Company's disclosure controls and procedures (as defined in the Securities Exchange Act of 1934 Rules 13a-15(e) and 15d-15(e)) are effective to ensure that information required to be disclosed in the reports that the Company files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. There were no changes in the Company's internal control over financial reporting during the quarter ended November 30, 2004 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

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PART II - OTHER INFORMATION

Item 6 – Exhibits

(a) Exhibits

See “Index to Exhibits” on page 26, which is incorporated herein by reference.

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SIGNATURE

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

ACTUANT CORPORATION
(Registrant)

Date: January 7, 2005

By: /s/ Andrew G. Lampereur

Andrew G. Lampereur
Executive Vice President and Chief Financial Officer

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ACTUANT CORPORATION
(the "Registrant")
(Commission File No. 1-11288)

QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTER ENDED NOVEMBER 30, 2004
INDEX TO EXHIBITS

<u>Exhibit</u>	<u>Description</u>	<u>Incorporated Herein By Reference To</u>	<u>Filed Herewith</u>
3.1	Bylaws, as amended		X
10.1	Stock Purchase Agreement between Key Components, Inc. ("KCI"), the shareholders of KCI, and Actuant Corporation dated November 18, 2004	Exhibit 2.1 to current report on Form 8-K dated November 19, 2004	
10.2	Amendment No. 1 to the Stock Purchase Agreement dated November 18, 2004 between Key Components, Inc. ("KCI"), the shareholders of KCI, and Actuant Corporation dated December 3, 2004	Exhibit 2.1 to current report on Form 8-K dated December 9, 2004	
10.3	Amendment No. 2 to the Stock Purchase Agreement dated November 18, 2004 between Key Components, Inc. ("KCI"), the shareholders of KCI, and Actuant Corporation dated December 16, 2004	Exhibit 2.1 to current report on Form 8-K dated December 22, 2004	
10.4	Amended and Restated Credit Agreement dated as of December 27, 2004 among the Company and JPMorgan Chase Bank, N.A. (successor by merger to Bank One, NA (Illinois)), as Administrative Agent for the revolving loan facility and the term loan facility, Wachovia Bank, National Association, and U.S. Bank, National Association, as Syndication Agents for the revolving loan facility and the term loan facility, LaSalle Bank N.A. and M&I Marshall & Ilsley Bank, as Document Agents for the revolving loan facility, and Bank Of America, N.A. and Harris Trust & Savings Bank, as Document Agents for the revolving loan facility.	Exhibit 4.8 to current report on Form 8-k dated December 27, 2004	
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002		X
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002		X
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002		X
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002		X

AMENDED AND RESTATED BYLAWS
of
ACTUANT CORPORATION
ADOPTED
NOVEMBER 7, 1991
and
AS LAST AMENDED EFFECTIVE OCTOBER 27, 2004

ARTICLE I
OFFICES; RECORDS; FISCAL YEAR

1.01 Principal and Business Offices. The corporation may have such principal and other business offices, either within or without the State of Wisconsin, as the Board of Directors may designate or as the business of the corporation may require from time to time.

1.02 Registered Office and Registered Agent. The registered office of the corporation required by the Wisconsin Business Corporation Law to be maintained in the State of Wisconsin may be, but need not be, identical with the principal office in the State of Wisconsin. The street address of the registered office may be changed from time to time by any officer or by the registered agent. The business office of the registered agent of the corporation shall be identical to the street office of such registered office.

1.03 Corporate Records. The following documents and records shall be kept at the corporation's principal office or at such other reasonable location as may be specified by the corporation:

- (a) Minutes of shareholders' and Board of Directors' meetings, any written notices thereof and any written waivers of such notices.
- (b) Records of actions taken by the shareholders or Board of Directors without a meeting.
- (c) Records of actions taken by committees of the Board of Directors in place of the Board of Directors and on behalf of the Corporation.
- (d) Accounting records.
- (e) A record of its shareholders.
- (f) Current Bylaws.

1.04 Fiscal Year. The fiscal year of the corporation shall commence on the first day of September and end on the last day of August.

ARTICLE II
SHAREHOLDERS

2.01 Annual Meeting. The annual meeting of the shareholders shall be held on the second Tuesday in January, or at such other time and date as may be fixed by or under the authority of the Board of Directors, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting is a legal holiday in the State of Wisconsin, such meeting shall be held on the next succeeding business day. If the election of directors is not held on the day designated herein, or fixed as herein provided, for any annual meeting of the shareholders, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a meeting of the shareholders as soon thereafter as may be convenient.

2.02 Special Meetings. Special meetings of the shareholders, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the Chairperson of the Board, if there is one, the President or the Board of Directors. If and as required by the Wisconsin Business Corporation Law, a special meeting shall be called upon written demand describing one or more purposes for which it is to be held by holders of shares with at least 10% of the votes entitled to be cast on any issue proposed to be considered at the meeting. The purpose or purposes of any special meeting shall be described in the notice required by Section 2.04 of these Bylaws.

2.03 Place of Meeting. The Board of Directors may designate any place, either within or without the State of Wisconsin, as the place of meeting for any annual meeting or any special meeting. If no designation is made, the place of meeting shall be the principal office of the corporation but any meeting may be adjourned to reconvene at any place designated by vote of a majority of the shares represented thereat.

2.04 Notice of Shareholder Nomination(s) and/or Proposal(s).

(a) Annual Meetings of Shareholders.

(1) Except with respect to nomination(s) or proposal(s) adopted or recommended by the Board of Directors for inclusion in the corporation's proxy statement for its annual meeting, a shareholder entitled to vote at a meeting may nominate a person or persons for election as director(s) or propose action(s) to be taken at a meeting only if written notice of any shareholder nomination(s) and/or proposal(s) to be considered for a vote at an annual meeting. To be timely, a shareholder's notice shall be delivered to the Secretary at the principal executive offices of the corporation no later than the close of business on the 120th/ day nor earlier than the close of business on the 150th/ day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by the shareholder to be timely must be so delivered not earlier than the close of business on the 150th/ day prior to such annual meeting and not later than the close of business on the later of the 120th/ day prior to such annual meeting or the 10th/ day following the day on which public announcement of the date of such meeting is first made. In no event shall the public announcement of an adjournment of an annual meeting commence a new time period for the giving of a shareholder's notice as described above.

(2) With respect to shareholder nomination(s) for the election of directors each such notice shall set forth: (i) the name and address of the shareholder who intends to make the nomination(s), of any beneficial owner of shares on whose behalf such nomination is being made and of the person or persons to be nominated; (ii) a representation that the shareholder is a holder of record of stock of the corporation entitled to vote at such meeting (including the

number of shares the shareholder owns as of the record date (or as of the most recent practicable date if no record date has been set) and the length of time the shares have been held) and intends to appear in person or by attorney in fact at the meeting to nominate the person or persons specified in the notice; (iii) a description of all arrangements and understandings between the shareholder or any beneficial holder on whose behalf it holds such shares, and their respective affiliates, and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder; (iv) such other information regarding each nominee proposed by such shareholder as would have been required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission (whether or not such rules are applicable) had each nominee been nominated, or intended to be nominated, by the Board of Directors; and (v) the consent of each nominee to serve as a director of the corporation if so elected.

(3) With respect to shareholder proposal(s) for action(s) to be taken at an annual meeting of shareholders, the notice shall clearly set forth: (i) the name and address of the shareholder who intends to make the proposal(s); (ii) a representation that the shareholder is a holder of record of the stock of the corporation entitled to vote at the meeting (including the number of shares the shareholder owns as of the record date (or as of the most recent practicable date if no record date has been set) and the length of time the shares have been held) and intends to appear in person or by proxy to make the proposal(s) specified in the notice; (iii) the proposal(s) and a brief supporting statement of such proposal(s); (iv) a statement that the shareholder (or the shareholder's legal representative) will attend the meeting and present the proposal; and (v) such other information regarding the proposal(s) as would have been required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission (whether or not such rules are applicable). A shareholder may submit no more than two proposals for a particular meeting of shareholders.

(4) Notwithstanding anything in the second sentence of paragraph (a)(1) of this bylaw to the contrary, in the event that the number of directors to be elected to the Board of Directors of the corporation is increased and there is no public announcement naming all the nominees for director or specifying the size of the increased Board of Directors made by the corporation at least 100 days prior to the first anniversary of the preceding year's annual meeting, a shareholder's notice required by this bylaw shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the corporation not later than the close of business on the 10th/ day following the day on which such public announcement is first made by the corporation.

(b) Special Meetings of Shareholders.

(1) Except with respect to nomination(s) or proposal(s) adopted or recommended by the Board of Directors for inclusion in the notice to shareholders

for a special meeting of shareholders, a shareholder entitled to vote at a special meeting may nominate a person or persons for election as director(s) and/or propose action(s) to be taken at a meeting only if written notice of any shareholder nomination(s) and/or proposal(s) to be considered for a vote at a special meeting is delivered personally or mailed by Certified Mail-Return Receipt Requested to the Corporate Secretary of the corporation at the principal business office of the corporation so that it is received in a reasonable period of time (as determined by the Board) before such special meeting and only if such nomination or proposal is within the purposes described in the notice to shareholders of the special meeting.

(2) With respect to shareholder nomination(s) for the election of directors at a special meeting, a nominating shareholder shall comply with the notice requirements for notices of nominees pertaining to annual meetings under paragraph (a)(2) of this bylaw. With respect to shareholder proposal(s) for action(s) to be taken at a special meeting of shareholders, the notice shall clearly set forth: (i) the name and address of the shareholder who intends to make the proposal(s); (ii) a representation that the shareholder is a holder of record of the stock of the corporation entitled to vote at the meeting (including the number of shares the shareholder owns as of the record date (or as of the most recent practicable date if no record date has been set) and the length of time the shares have been held) and intends to appear in person or by proxy to make the proposal(s) specified in the notice; (iii) the proposal(s) and a brief supporting statement of such proposal(s); (iv) a statement that the shareholder (or the shareholder's legal representative) will attend the meeting and present the proposal; and (v) such other information regarding the proposal(s) as would have been required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission (whether or not such rules are applicable).

(c) General.

(1) Only such persons who are nominated in accordance with the procedures set forth in this bylaw shall be eligible to serve as directors and only such business shall be conducted at a meeting of shareholders as shall have been brought before the meeting in accordance with the procedures set forth in this bylaw. Except as otherwise provided by law, the Articles of Incorporation or the Bylaws of the corporation, the Chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made, or proposed, as the case may be, in accordance with the procedures set forth in this bylaw and, if such proposed nomination or business is not in compliance with this bylaw, to declare that such defective proposal or nomination shall be disregarded.

(2) For purposes of this bylaw, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the

corporation with the Securities and Exchange Commissions pursuant to Section 13, 14 or 15(d) of the Securities Exchange Act of 1934, as amended (“Exchange Act”).

(3) Notwithstanding the foregoing provisions of this bylaw, a shareholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this bylaw. Nothing in this bylaw shall be deemed to affect any rights of (i) shareholders to request inclusion of proposals in the corporation’s proxy statements pursuant to Rule 14a-8 under the Exchange Act or (ii) the holders of any series of Preferred Stock to elect directors under specified circumstances.

2.05 Fixing of Record Date. The Board of Directors may fix in advance a date as the record date for one or more voting classes for any determination of shareholders entitled to notice of a shareholders’ meeting, to demand a special meeting, to vote, or to take any other action, such date in any case to be not more than seventy (70) days prior to the meeting or action requiring such determination of shareholders, and may fix the record date for determining shareholders entitled to a share dividend or distribution. If no record date is fixed for the determination of shareholders entitled to demand a shareholder meeting, to notice of or to vote at a meeting of shareholders, or to consent to action without a meeting, (a) the close of business on the day before the corporation receives the first written demand for a shareholder meeting, (b) the close of business on the day before the first notice of the meeting is mailed or otherwise delivered to shareholders, or (c) the close of business on the day before the first written consent to shareholder action without a meeting is received by the corporation, as the case may be, shall be the record date for the determination of shareholders. If no record date is fixed for the determination of shareholders entitled to receive a share dividend or distribution (other than a distribution involving a purchase, redemption or other acquisition of the corporation’s shares), the close of business on the day on which the resolution of the Board of Directors is adopted declaring the dividend or distribution shall be the record date. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, such determination shall be applied to any adjournment thereof unless the Board of Directors fixes a new record date and except as otherwise required by law. A new record date must be set if a meeting is adjourned to a date more than 120 days after the date fixed for the original meeting.

2.06 Shareholder List. The officer or agent having charge of the stock transfer books for shares of the corporation shall, before each meeting of shareholders, make a complete record of the shareholders entitled to notice of such meeting, arranged by class or series of shares and showing the address of and the number of shares held by each shareholder. The shareholder list shall be available at the meeting and may be inspected by any shareholder or his or her agent or attorney at any time during the meeting or any adjournment. Any shareholder or his or her agent or attorney may inspect the shareholder list beginning two (2) business days after the notice of the meeting is given and continuing to the date of the meeting, at the corporation’s principal office or at a place identified in the meeting notice in the city where the meeting will be held and, subject to Section 180.1602(2)(b) 3 to 5 of the Wisconsin Business Corporation Law, may copy the list, during regular business hours and at his or her expense, during the period that it is available for inspection hereunder. The original stock transfer books and nominee certificates on

file with the corporation (if any) shall be prima facie evidence as to who are the shareholders entitled to inspect the shareholder list or to vote at any meeting of shareholders. Refusal or failure to comply with the requirements of this section shall not affect the validity of any action taken at such meeting.

2.07 Quorum and Voting Requirements. Except as otherwise provided in the Articles of Incorporation or in the Wisconsin Business Corporation Law, a majority of the votes entitled to be cast by shares entitled to vote as a separate voting class on a matter, represented in person or by proxy, shall constitute a quorum of that voting class for action on that matter at a meeting of shareholders. If a quorum exists, action on a matter, other than the election of directors, by a voting class is approved if the votes cast within the voting class favoring the action exceed the votes cast opposing the action unless a greater number of affirmative votes is required by the Wisconsin Business Corporation Law or the Articles of Incorporation. If the Articles of Incorporation or the Wisconsin Business Corporation Law provide for voting by two (2) or more voting classes on a matter, action on that matter is taken only when voted upon by each of those voting classes counted separately. Action may be taken by one (1) voting class on a matter even though no action is taken by another voting class entitled to vote on the matter. Although less than a quorum exists at a meeting, a majority of the shares represented at the meeting may adjourn the meeting from time to time and, unless a new record date is or must be set for the meeting, the corporation is not required to give notice of the new date, time or place of the meeting if the new date, time or place is announced at the meeting before adjournment. Once a share is represented for any purpose at a meeting, other than for the purpose of objecting to holding the meeting or transacting business at the meeting, it is considered present for purposes of determining whether a quorum exists for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be set for that meeting. The term "voting class" as used in these Bylaws shall have the same meaning as the term "voting group" under the Wisconsin Business Corporation Law.

2.08 Conduct of Meetings. The Chairperson of the Board, or if there is none, or in his or her absence, the President, and in the President's absence, a Vice President in the order provided under Section 4.06 of these Bylaws, and in their absence, any person chosen by the shareholders present shall call the meeting of the shareholders to order and shall act as chairperson of the meeting, and the Secretary shall act as secretary of all meetings of the shareholders, but, in the absence of the Secretary, the presiding officer may appoint any other person to act as secretary of the meeting.

2.09 Proxies. At all meetings of shareholders, a shareholder entitled to vote may vote in person or by proxy appointed in writing by the shareholder or by his or her duly authorized attorney-in-fact. All proxy appointment forms shall be filed with the Secretary or other officer or agent of the corporation authorized to tabulate votes before or at the time of the meeting. Unless the appointment form conspicuously states that it is irrevocable and the appointment is coupled with an interest, a proxy appointment may be revoked at any time. The presence of a shareholder who has filed a proxy appointment shall not of itself constitute a revocation. No proxy appointment shall be valid after eleven months from the date of its execution, unless otherwise expressly provided in the appointment form. The Board of Directors shall have the power and authority to make rules that are not inconsistent with the Wisconsin Business Corporation Law as to the validity and sufficiency of proxy appointments.

2.10 Voting of Shares. Each outstanding share shall be entitled to one (1) vote on each matter submitted to a vote at a meeting of shareholders, except to the extent that the voting rights of the shares are enlarged, limited or denied by the Articles of Incorporation or the Wisconsin Business Corporation Law. Shares owned directly or indirectly by another corporation are not entitled to vote if this corporation owns, directly or indirectly, sufficient shares to elect a majority of the directors of such other corporation. However, the prior sentence shall not limit the power of the corporation to vote any shares, including its own shares, held by it in a fiduciary capacity. Redeemable shares are not entitled to vote after notice of redemption is mailed to the holders and a sum sufficient to redeem the shares has been deposited with a bank, trust company, or other financial institution under an irrevocable obligation to pay the holders the redemption price on surrender of the shares.

ARTICLE III
BOARD OF DIRECTORS

3.01 General Powers and Number. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of, its Board of Directors. The number of directors of the corporation shall be ten (10). The number of directors may be increased or decreased from time to time by amendment to this Section adopted by the shareholders or the Board of Directors, but no decrease shall have the effect of shortening the term of an incumbent director.

3.02 Election, Removal, Tenure and Qualifications. Unless action is taken without a meeting under Section 7.01 of these Bylaws, directors shall be elected by a plurality of the votes cast by the shares of the voting class entitled to vote for such directors in the election at a shareholders meeting at which a quorum is present; i.e., the individuals eligible for election by a voting class with the largest number of votes in favor of their election are elected as directors up to the maximum number of directors to be chosen in the election by such voting class. Votes against a candidate are not given legal effect and are not counted as votes cast in an election of directors. In the event two (2) or more persons tie for the last vacancy to be filled, a run-off vote shall be taken from among the candidates receiving the tie vote. Each director shall hold office until the next annual meeting of shareholders and until the director's successor shall have been elected or there is a decrease in the number of directors, or until his or her prior death, resignation or removal. Any director may be removed from office by the affirmative vote of a two-thirds majority of the shares outstanding of the class or classes of stock which elected such director at a special meeting of shareholders called for that purpose. Although the foregoing bylaw establishes a greater shareholder voting requirement than is generally provided by the Wisconsin Business Corporation Law, it has not been amended or repealed, and it is therefore effective pursuant to Section 180.1706(4) or successor statutes. The removal may be made with or without cause unless the Articles of Incorporation or these Bylaws provide that directors may be removed only for cause. If a director is elected by a voting class of shareholders, only the shareholders of that voting class may participate in the vote to remove that director. A director may resign at any time by delivering a written resignation to the Board of Directors, to the Chairperson of the Board (if there is one), or to the corporation through the Secretary or otherwise. Directors need not be residents of the State of Wisconsin or shareholders of the corporation.

3.03 Regular Meetings. A regular meeting of the Board of Directors shall be held, without other notice than this Bylaw, immediately after the annual meeting of shareholders, and each adjourned session thereof. The place of such regular meeting shall be the same as the place of the meeting of shareholders which precedes it, or such other suitable place as may be announced at such meeting of shareholders or designated in a notice sent to the directors. The Board of Directors and any committee may provide, by resolution, the time and place, either within or without the State of Wisconsin, for the holding of additional regular meetings without other notice than such resolution.

3.04 Special Meetings. Special meetings of the Board of Directors may be called by the Secretary of the corporation at the request of any member of the Board of Directors or by the Chairman or the President of the corporation. Special meetings of any committee may be called by or at the request of the foregoing persons or the chairperson of the committee. The persons calling any special meeting of the Board of Directors or committee may fix any place, either within or without the State of Wisconsin, as the place for holding any special meeting called by them, and if no other place is fixed the place of meeting shall be the principal office of the corporation in the State of Wisconsin.

3.05 Meetings By Telephone or Other Communication Technology.

(a) Any or all directors may participate in a regular or special meeting or in a committee meeting of the Board of Directors by, or conduct the meeting through the use of, telephone or any other means of communication by which either: (i) all participating directors may simultaneously hear each other during the meeting or (ii) all communication during the meeting is immediately transmitted to each participating director, and each participating director is able to immediately send messages to all other participating directors.

(b) If a meeting will be conducted through the use of any means described in Section 3.05(a), all participating directors shall be informed that a meeting is taking place at which official business may be transacted. A director participating in a meeting by any means described in Section 3.05(a) is deemed to be present in person at the meeting.

3.06 Notice of Meetings. Except as otherwise provided in the Articles of Incorporation or the Wisconsin Business Corporation Law, notice of the date, time and place of any special meeting of the Board of Directors and of any special meeting of a committee of the Board shall be given orally or in writing to each director or committee member at least 48 hours prior to the meeting, except that notice by mail or private carrier shall be given at least five (5) days prior to the meeting. The notice need not describe the purpose of the meeting. Notice may be communicated in person, by telephone, telegraph or facsimile, or by mail or private carrier. Oral notice is effective when communicated. Written notice is effective as follows: If delivered in person, when received; if given by mail, when deposited, postage prepaid, in the United States mail addressed to the director at his or her business or home address (or such other address as the director may have designated in writing filed with the Secretary); if given by private carrier, when delivered to the private carrier, with fees prepaid, addressed to the director at his or her business or home address (or such other address as the director may have designated in writing filed with the Secretary); if given by facsimile, at the time transmitted to a facsimile number at any address designated above; and if given by telegraph, when delivered to the telegraph company.

3.07 Quorum. Except as otherwise provided by the Wisconsin Business Corporation Law, a majority of the number of directors as provided in Section 3.01 shall constitute a quorum of the Board of Directors. Except as otherwise provided by the Wisconsin Business Corporation Law, a majority of the number of directors appointed to serve on a committee shall constitute a quorum of the committee. Although less than a quorum of the Board of Directors or a committee is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

3.08 Manner of Acting. Except as otherwise provided by the Wisconsin Business Corporation Law or the Articles of Incorporation, the affirmative vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors or any committee thereof.

3.09 Conduct of Meetings. The Chairperson of the Board, or if there is none, or in his or her absence, the President, and in the President's absence, a Vice President in the order provided under Section 4.06 of these Bylaws, and in their absence, any director chosen by the directors present, shall call meetings of the Board of Directors to order and shall chair the meeting. The Secretary of the corporation shall act as secretary of all meetings of the Board of Directors, but in the absence of the Secretary, the presiding officer may appoint any assistant secretary or any director or other person present to act as secretary of the meeting.

3.10 Vacancies. Any vacancy occurring in the Board of Directors, including a vacancy created by an increase in the number of directors, may be filled by the shareholders or the Board of Directors. If the directors remaining in office constitute fewer than a quorum of the Board, the directors may fill a vacancy by the affirmative vote of a majority of all directors remaining in office. If the vacant office was held by a director elected by a voting class of shareholders, only the holders of shares of that voting class may vote to fill the vacancy if it is filled by the shareholders, and only the remaining directors elected by that voting class may vote to fill the vacancy if it is filled by the directors. A vacancy that will occur at a specific later date (because of a resignation effective at a later date or otherwise) may be filled before the vacancy occurs, but the new director may not take office until the vacancy occurs.

3.11 Compensation. The Board of Directors, irrespective of any personal interest of any of its members, may fix the compensation of directors, or may delegate the authority to an appropriate committee.

3.12 Presumption of Assent. A director who is present and is announced as present at a meeting of the Board of Directors or a committee thereof at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless (i) the director objects at the beginning of the meeting or promptly upon his or her arrival to holding the meeting or transacting business at the meeting, or (ii) the director's dissent or abstention from the action taken is entered in the minutes of the meeting, or (iii) the director delivers his or her written dissent or abstention to the presiding officer of the meeting before the adjournment thereof or to the corporation immediately after the adjournment of the meeting. Such right to dissent or abstain shall not apply to a director who voted in favor of such action.

3.13 Committees. Unless the Articles of Incorporation otherwise provide, the Board of Directors, by resolution adopted by the affirmative vote of a majority of all the directors then in office, may create one (1) or more committees. Each committee shall consist of three (3) or more directors as members. An Executive Committee so appointed shall have and may exercise, when the Board of Directors is not in session, the powers of the Board of Directors in the management of the business and affairs of the corporation, subject to the limitations set forth in this Section 3.13 and any additional limitations provided by resolution adopted by the affirmative vote of the directors then in office. Committees other than an Executive Committee, to the extent provided in the resolution adopted by the Board of Directors creating such other committees, and as thereafter supplemented or amended by further resolution adopted by a like vote, may exercise the authority of the Board of Directors, except that neither the Executive Committee nor any other committee may: (a) authorize distributions; (b) approve or propose to shareholders action that the Wisconsin Business Corporation Law requires be approved by shareholders; (c) fill vacancies on the Board of Directors or any of its committees, except that the Board of Directors may provide by resolution that any vacancies on a committee shall be filled by the affirmative vote of a majority of the remaining committee members; (d) amend the Articles of Incorporation; (e) adopt, amend or repeal Bylaws; (f) approve a plan of merger not requiring shareholder approval; (g) authorize or approve reacquisition of shares, except according to a formula or method prescribed by the Board of Directors or (h) authorize or approve the issuance or sale or contract for sale of shares, or determine the designation and relative rights, preferences and limitations of a class or series of shares, except within limits prescribed by the Board of Directors. The Board of Directors may elect one or more of its members as alternate members of any such committee who may take the place of any absent member or members at any meeting of such committee, upon request by the Chairperson of the Board, if there is one, the President or upon request by the chairperson of such meeting. Each such committee shall fix its own rules (consistent with the Wisconsin Business Corporation Law, the Articles of Incorporation and these Bylaws) governing the conduct of its activities and shall make such reports to the Board of Directors of its activities as the Board of Directors may request. Unless otherwise provided by the Board of Directors in creating a committee, a committee may employ counsel, accountants and other consultants to assist it in the exercise of authority. The creation of a committee, delegation of authority to a committee or action by a committee does not relieve the Board of Directors or any of its members of any responsibility imposed on the Board of Directors or its members by law.

ARTICLE IV
OFFICERS

4.01 Appointment. The principal officers shall include a President, one or more Vice Presidents (the number and designations to be determined by the Board of Directors), a Secretary, a Treasurer and such other officers if any, as may be deemed necessary by the Board of Directors, each of whom shall be appointed by the Board of Directors. Any two or more offices may be held by the same person.

4.02 Resignation and Removal. An officer shall hold office until he or she resigns, dies, is removed hereunder, or a different person is appointed to the office. An officer may resign at any time by delivering an appropriate written notice to the corporation. The resignation is effective when the notice is delivered, unless the notice specifies a later effective date and the corporation accepts the later effective date. Any officer may be removed by the Board of Directors with or without cause and notwithstanding the contract rights, if any, of the person removed. Except as provided in the preceding sentence, the resignation or removal is subject to any remedies provided by any contract between the officer and the corporation or otherwise provided by law. Appointment shall not of itself create contract rights.

4.03 Vacancies. A vacancy in any office because of death, resignation, removal or otherwise, shall be filled by the Board of Directors. If a resignation is effective at a later date, the Board of Directors may fill the vacancy before the effective date if the Board of Directors provides that the successor may not take office until the effective date.

4.04 Chairperson of the Board. The Board of Directors may at its discretion appoint a Chairperson of the Board. The Chairperson of the Board, if there is one, shall preside at all meetings of the shareholders and Board of Directors, and shall carry out such other duties as directed by the Board of Directors.

4.05 President. The President shall be the principal executive officer and, subject to the control and direction of the Board of Directors, shall in general supervise and control all of the business and affairs of the corporation. He or she shall, in the absence of the Chairperson of the Board (if one is appointed), preside at all meetings of the shareholders and of the Board of Directors. The President shall have authority, subject to such rules as may be prescribed by the Board of Directors, to appoint such agents and employees of the corporation as he or she shall deem necessary, to prescribe their powers, duties and compensation, and to delegate authority to them. Such agents and employees shall hold office at the discretion of the President. The President shall have authority to sign, execute and acknowledge, on behalf of the corporation, all deeds, mortgages, bonds, stock certificates, contracts, leases, reports and all other documents or instruments necessary or proper to be executed in the course of the corporation's regular business, or which shall be authorized by resolution of the Board of Directors; and, except as otherwise provided by law or directed by the Board of Directors, the President may authorize any Vice President or other officer or agent of the corporation to sign, execute and acknowledge such documents or instruments in his or her place and stead. In general he or she shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

4.06 Vice Presidents. In the absence of the President, or in the event of the President's death, inability or refusal to act, or in the event for any reason it shall be impracticable for the President to act personally, a Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order designated by the Board of Directors, or in the absence of any designation, then in the order of their appointment) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President may sign, with the Secretary or Assistant Secretary, certificates for shares of the corporation; and shall perform such other duties and have such authority as from time to time may be delegated or assigned to him or her by the President or the

Board of Directors. The execution of any instrument of the corporation by any Vice President shall be conclusive evidence, as to third parties, of the Vice President's authority to act in the stead of the President.

4.07 Secretary. The Secretary shall: (a) keep (or cause to be kept) regular minutes of all meetings of the shareholders, the Board of Directors and any committees of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation, if any, and see that the seal of the corporation, if any, is affixed to all documents which are authorized to be executed on behalf of the corporation under its seal; (d) keep or arrange for the keeping of a register of the post office address of each shareholder which shall be furnished to the Secretary by such shareholder; (e) sign with the President, or a Vice President, certificates for shares of the corporation, the issuance of which shall have been authorized by resolution of the Board of Directors; (f) keep or arrange for the keeping of the stock transfer books of the corporation; and (g) in general perform all duties incident to the office of Secretary and have such other duties and exercise such authority as from time to time may be delegated or assigned to him or her by the President or by the Board of Directors.

4.08 Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as shall be selected by the corporation; and (c) in general perform all of the duties incident to the office of Treasurer and have such other duties and exercise such other authority as from time to time may be delegated or assigned to him or her by the President or by the Board of Directors.

4.09 Assistants and Acting Officers. The Board of Directors or the President shall have the power to appoint any person to act as assistant to any officer, or as agent for the corporation in the officer's stead, or to perform the duties of such officer whenever for any reason it is impracticable for such officer to act personally, and such assistant or acting officer or other agent so appointed by the Board of Directors or President shall have the power to perform all the duties of the office to which that person is so appointed to be assistant, or as to which he or she is so appointed to act, except as such power may be otherwise defined or restricted by the Board of Directors or the President.

4.10 Salaries. The salaries of the principal officers shall be fixed from time to time by the Board of Directors or by a duly authorized committee thereof, and no officer shall be prevented from receiving such salary by reason of the fact that such officer is also a director of the corporation.

ARTICLE V

CERTIFICATES FOR SHARES AND THEIR TRANSFER

5.01 Certificates for Shares. All shares of this corporation shall be represented by certificates. Certificates representing shares of the corporation shall be in such form, consistent

with law, as shall be determined by the Board of Directors. At a minimum, a share certificate shall state on its face the name of the corporation and that it is organized under the laws of the State of Wisconsin, the name of the person to whom issued, and the number and class of shares and the designation of the series, if any, that the certificate represents. If the corporation is authorized to issue different classes of shares or different series within a class, the front or back of the certificate must contain either (a) a summary of the designations, relative rights, preferences and limitations applicable to each class, and the variations in the rights, preferences and limitations determined for each series and the authority of the Board of Directors to determine variations for future series, or (b) a conspicuous statement that the corporation will furnish the shareholder the information described in clause (a) on request, in writing and without charge. Such certificates shall be signed, either manually or in facsimile, by the President or a Vice President and by the Secretary or an Assistant Secretary. All certificates for shares shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the corporation. All certificates surrendered to the corporation for transfer shall be canceled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and canceled, except as provided in Section 5.05.

5.02 Signature by Former Officers. If an officer or assistant officer, who has signed or whose facsimile signature has been placed upon any certificate for shares, has ceased to be such officer or assistant officer before such certificate is issued, the certificate may be issued by the corporation with the same effect as if that person were still an officer or assistant officer at the date of its issue.

5.03 Transfer of Shares. Prior to due presentment of a certificate for shares for registration of transfer, and unless the corporation has established a procedure by which a beneficial owner of shares held by a nominee is to be recognized by the corporation as the shareholder, the corporation may treat the registered owner of such shares as the person exclusively entitled to vote, to receive notifications and otherwise to have and exercise all the rights and power of an owner. The corporation may require reasonable assurance that all transfer endorsements are genuine and effective and in compliance with all regulations prescribed by or under the authority of the Board of Directors.

5.04 Restrictions on Transfer. The face or reverse side of each certificate representing shares shall bear a conspicuous notation of any restriction upon the transfer of such shares imposed by the corporation or imposed by any agreement of which the corporation has written notice.

5.05 Lost, Destroyed or Stolen Certificates. Where the owner claims that his or her certificate for shares has been lost, destroyed or wrongfully taken, a new certificate shall be issued in place thereof if the owner (a) so requests before the corporation has notice that such shares have been acquired by a bona fide purchaser, and (b) if required by the corporation, files with the corporation a sufficient indemnity bond, and (c) satisfies such other reasonable requirements as may be prescribed by or under the authority of the Board of Directors.

5.06 Consideration for Shares. The shares of the corporation may be issued for such consideration as shall be fixed from time to time and determined to be adequate by the Board of Directors, provided that any shares having a par value shall not be issued for a consideration less than the par value thereof. The consideration may consist of any tangible or intangible property or benefit to the corporation, including cash, promissory notes, services performed, contracts for services to be performed, or other securities of the corporation. When the corporation receives the consideration for which the Board of Directors authorized the issuance of shares, such shares shall be deemed to be fully paid and nonassessable by the corporation.

5.07 Stock Regulations. The Board of Directors shall have the power and authority to make all such rules and regulations not inconsistent with the statutes of the State of Wisconsin as it may deem expedient concerning the issue, transfer and registration of certificates representing shares of the corporation, including the appointment or designation of one or more stock transfer agents and one or more registrars.

ARTICLE VI
WAIVER OF NOTICE

6.01 Shareholder Written Waiver. A shareholder may waive any notice required by the Wisconsin Business Corporation Law, the Articles of Incorporation or these Bylaws before or after the date and time stated in the notice. The waiver shall be in writing and signed by the shareholder entitled to the notice, shall contain the same information that would have been required in the notice under the Wisconsin Business Corporation Law except that the time and place of meeting need not be stated, and shall be delivered to the corporation for inclusion in the corporate records.

6.02 Shareholder Waiver by Attendance. A shareholder's attendance at a meeting, in person or by proxy, waives objection to both of the following:

(a) Lack of notice or defective notice of the meeting, unless the shareholder at the beginning of the meeting or promptly upon arrival objects to holding the meeting or transacting business at the meeting.

(b) Consideration of a particular matter at the meeting that is not within the purpose described in the meeting notice, unless the shareholder objects to considering the matter when it is presented.

6.03 Director Written Waiver. A director may waive any notice required by the Wisconsin Business Corporation Law, the Articles of Incorporation or the Bylaws before or after the date and time stated in the notice. The waiver shall be in writing, signed by the director entitled to the notice and retained by the corporation.

6.04 Director Waiver by Attendance. A director's attendance at or participation in a meeting of the Board of Directors or any committee thereof waives any required notice to him or her of the meeting unless the director at the beginning of the meeting or promptly upon his or her arrival objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

ARTICLE VII
ACTION WITHOUT MEETINGS

7.01 Shareholder Action Without Meeting. Action required or permitted by the Wisconsin Business Corporation Law to be taken at a shareholders' meeting may be taken without a meeting by all shareholders entitled to vote on the action. The action must be evidenced by one or more written consents describing the action taken, signed by the shareholders consenting thereto and delivered to the corporation for inclusion in its corporate records. Action taken hereunder is effective when the consent is delivered to the corporation, unless the consent specifies a different effective date. A consent hereunder has the effect of a meeting vote and may be described as such in any document.

7.02 Director Action Without Meeting. Unless the Articles of Incorporation provide otherwise, action required or permitted by the Wisconsin Business Corporation Law to be taken at a Board of Directors meeting or committee meeting may be taken without a meeting if the action is taken by all members of the Board or committee. The action shall be evidenced by one or more written consents describing the action taken, signed by each director and retained by the corporation. Action taken hereunder is effective when the last director signs the consent, unless the consent specifies a different effective date. A consent signed hereunder has the effect of a unanimous vote taken at a meeting at which all directors or committee members were present, and may be described as such in any document.

ARTICLE VIII
INDEMNIFICATION

8.01 Indemnification for Successful Defense. Within twenty (20) days after receipt of a written request pursuant to Section 8.03, the corporation shall indemnify a director or officer, to the extent he or she has been successful on the merits or otherwise in the defense of a proceeding, for all reasonable expenses incurred in the proceeding if the director or officer was a party because he or she is a director or officer of the corporation.

8.02 Other Indemnification.

(a) In cases not included under Section 8.01, the corporation shall indemnify a director or officer against all liabilities and expenses incurred by the director or officer in a proceeding to which the director or officer was a party because he or she is a director or officer of the corporation, unless liability was incurred because the director or officer breached or failed to perform a duty he or she owes to the corporation and the breach or failure to perform constitutes any of the following:

- (1) A willful failure to deal fairly with the corporation or its shareholders in connection with a matter in which the director or officer has a material conflict of interest.

(2) A violation of criminal law, unless the director or officer had reasonable cause to believe that his or her conduct was lawful or no reasonable cause to believe that his or her conduct was unlawful.

(3) A transaction from which the director or officer derived an improper personal profit.

(4) Willful misconduct.

(b) Determination of whether indemnification is required under this Section shall be made pursuant to Section 8.05.

(c) The termination of a proceeding by judgment, order, settlement or conviction, or upon a plea of no contest or an equivalent plea, does not, by itself, create a presumption that indemnification of the director or officer is not required under this Section.

8.03 Written Request. A director or officer who seeks indemnification under Sections 8.01 or 8.02 shall make a written request to the corporation.

8.04 Nonduplication. The corporation shall not indemnify a director or officer under Sections 8.01 or 8.02 if the director or officer has previously received indemnification or allowance of expenses from any person, including the corporation, in connection with the same proceeding. However, the director or officer has no duty to look to any other person for indemnification.

8.05 Determination of Right to Indemnification.

(a) Unless otherwise provided by the Articles of Incorporation or by written agreement between the director or officer and the corporation, the director or officer seeking indemnification under Section 8.02 shall select one of the following means for determining his or her right to indemnification:

(1) By a majority vote of a quorum of the Board of Directors consisting of directors not at the time parties to the same or related Proceedings. If a quorum of disinterested directors cannot be obtained, by majority vote of a committee duly appointed by the Board of Directors and consisting solely of two (2) or more directors who are not at the time parties to the same or related proceedings. Directors who are parties to the same or related proceedings may participate in the designation of members of the committee.

(2) By independent legal counsel selected by a quorum of the Board of Directors or its committee in the manner prescribed in sub. (1) or, if unable to obtain such a quorum or committee, by a majority vote of the full Board of Directors, including directors who are parties to the same or related proceedings.

(3) By a panel of three (3) arbitrators consisting of one arbitrator selected by those directors entitled under sub. (2) to select independent legal counsel, one arbitrator selected by the director or officer seeking indemnification and one arbitrator selected by the two (2) arbitrators previously selected.

(4) By an affirmative vote of shares represented at a meeting of shareholders at which a quorum of the voting group entitled to vote thereon is present. Shares owned by, or voted under the control of, persons who are at the time parties to the same or related proceedings, whether as plaintiffs or defendants or in any other capacity, may not be voted in making the determination.

(5) By a court under Section 8.08.

(6) By any other method provided for in any additional right to indemnification permitted under Section 8.07.

(b) In any determination under (a), the burden of proof is on the corporation to prove by clear and convincing evidence that indemnification under Section 8.02 should not be allowed.

(c) A written determination as to a director's or officer's indemnification under Section 8.02 shall be submitted to both the corporation and the director or officer within 60 days of the selection made under (a).

(d) If it is determined that indemnification is required under Section 8.02, the corporation shall pay all liabilities and expenses not prohibited by Section 8.04 within ten (10) days after receipt of the written determination under (c). The corporation shall also pay all expenses incurred by the director or officer in the determination process under (a).

8.06 Advance of Expenses. Within ten (10) days after receipt of a written request by a director or officer who is a party to a proceeding, the corporation shall pay or reimburse his or her reasonable expenses as incurred if the director or officer provides the corporation with all of the following:

(a) A written affirmation of his or her good faith belief that he or she has not breached or failed to perform his or her duties to the corporation.

(b) A written undertaking, executed personally or on his or her behalf, to repay the allowance to the extent that it is ultimately determined under Section 8.05 that indemnification under Section 8.02 is not required and that indemnification is not ordered by a court under Section 8.08(b)(2). The undertaking under this Section 8.06(b) shall be an unlimited general obligation of the director or officer and may be accepted without reference to his or her ability to repay the allowance. The undertaking may be secured or unsecured.

8.07 Nonexclusivity.

(a) Except as provided in Section 8.07(b), Sections 8.01, 8.02 and 8.06 do not preclude any additional right to indemnification or allowance of expenses that a director or officer may have under any of the following:

(1) The Articles of Incorporation.

(2) A written agreement between the director or officer and the corporation.

(3) A resolution of the Board of Directors.

(4) A resolution, after notice, adopted by a majority vote of all of the corporation's voting shares then issued and outstanding.

(b) Regardless of the existence of an additional right under Section 8.07(a), the corporation shall not indemnify a director or officer, or permit a director or officer to retain any allowance of expenses unless it is determined by or on behalf of the corporation that the director or officer did not breach or fail to perform a duty he or she owes to the corporation which constitutes conduct under Section 8.02(a)(1), (2), (3) or (4). A director or officer who is a party to the same or related proceeding for which indemnification or an allowance of expenses is sought may not participate in a determination under this Section 8.07(b).

(c) Sections 8.01 to 8.14 do not affect the corporation's power to pay or reimburse expenses incurred by a director or officer in either of the following circumstances:

(1) As a witness in a proceeding to which he or she is not a party.

(2) As a plaintiff or petitioner in a proceeding because he or she is or was an employee, agent, director or officer of the corporation.

8.08 Court-Ordered Indemnification.

(a) Except as provided otherwise by written agreement between the director or officer and the corporation, a director or officer who is a party to a proceeding may apply for indemnification to the court conducting the proceeding or to another court of competent jurisdiction. Application shall be made for an initial determination by the court under Section 8.05(a)(5) or for review by the court of an adverse determination under Section 8.05(a)(1), (2), (3), (4) or (6). After receipt of an application, the court shall give any notice it considers necessary.

(b) The court shall order indemnification if it determines any of the following:

(1) That the director or officer is entitled to indemnification under Sections 8.01 or 8.02.

(2) That the director or officer is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, regardless of whether indemnification is required under Section 8.02.

(c) If the court determines under Section 8.08(b) that the director or officer is entitled to indemnification, the corporation shall pay the director's or officer's expenses incurred to obtain the court-ordered indemnification.

8.09 Indemnification and Allowance of Expenses of Employees and Agents. The corporation shall indemnify an employee of the corporation who is not a director or officer of the corporation, to the extent that he or she has been successful on the merits or otherwise in defense of a proceeding, for all reasonable expenses incurred in the proceeding if the employee was a party because he or she was an employee of the corporation. In addition, the corporation may indemnify and allow reasonable expenses of an employee or agent who is not a director or officer of the corporation to the extent provided by the Articles of Incorporation or these Bylaws, by general or specific action of the Board of Directors or by contract.

8.10 Insurance. The corporation may purchase and maintain insurance on behalf of an individual who is an employee, agent, director or officer of the corporation against liability asserted against or incurred by the individual in his or her capacity as an employee, agent, director or officer, regardless of whether the corporation is required or authorized to indemnify or allow expenses to the individual against the same liability under Sections 8.01, 8.02, 8.06, 8.07 and 8.09.

8.11 Securities Law Claims.

(a) Pursuant to the public policy of the State of Wisconsin, the corporation shall provide indemnification and allowance of expenses and may insure for any liability incurred in connection with a proceeding involving securities regulation described under Section 8.11(b) to the extent required or permitted under Sections 8.01 to 8.10.

(b) Sections 8.01 to 8.10 apply, to the extent applicable to any other proceeding, to any proceeding involving a federal or state statute, rule or regulation regulating the offer, sale or purchase of securities, securities brokers or dealers, or investment companies or investment advisers.

8.12 Liberal Construction. In order for the corporation to obtain and retain qualified directors, officers and employees, the foregoing provisions shall be liberally administered in order to afford maximum indemnification of directors, officers and, where Section 8.09 of these Bylaws applies, employees. The indemnification above provided for shall be granted in all applicable cases unless to do so would clearly contravene law, controlling precedent or public policy.

8.13 Definitions Applicable to this Article. For purposes of this Article:

(a) "Affiliate" shall include, without limitation, any corporation, partnership, joint venture, employee benefit plan, trust or other enterprise that directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the corporation.

(b) "Corporation" means this corporation and any domestic or foreign predecessor of this corporation where the predecessor corporation's existence ceased upon the consummation of a merger or other transaction.

(c) "Director or officer" means any of the following:

(1) An individual who is or was a director or officer of this corporation.

(2) An individual who, while a director or officer of this corporation, is or was serving at the corporation's request as a director, officer, partner, trustee, member of any governing or decision-making committee, employee or agent of another corporation or foreign corporation, partnership, joint venture, trust or other enterprise.

(3) An individual who, while a director or officer of this corporation, is or was serving an employee benefit plan because his or her duties to the corporation also impose duties on, or otherwise involve services by, the person to the plan or to participants in or beneficiaries of the plan.

(4) Unless the context requires otherwise, the estate or personal representative of a director or officer.

For purposes of this Article, it shall be conclusively presumed that any director or officer serving as a director, officer, partner, trustee, member of any governing or decision-making committee, employee or agent of an affiliate shall be so serving at the request of the corporation.

(d) "Expenses" include fees, costs, charges, disbursements, attorney fees and other expenses incurred in connection with a proceeding.

(e) "Liability" includes the obligation to pay a judgment, settlement, penalty, assessment, forfeiture or fine, including an excise tax assessed with respect to an employee benefit plan, and reasonable expenses.

(f) "Party" includes an individual who was or is, or who is threatened to be made, a named defendant or respondent in a proceeding.

(g) "Proceeding" means any threatened, pending or completed civil, criminal, administrative or investigative action, suit, arbitration or other proceeding, whether formal or informal, which involves foreign, federal, state or local law and which is brought by or in the right of the corporation or by any other person.

ARTICLE IX

SEAL

The Board of Directors may provide a corporate seal which may be circular in form and have inscribed thereon the name of the corporation and the state of incorporation and the words "Corporate Seal."

ARTICLE X

AMENDMENTS

10.01 By Shareholders. These Bylaws may be amended or repealed and new Bylaws may be adopted by the shareholders by the vote provided in Section 2.07 of these Bylaws or as specifically provided in this Section 10.01. If authorized by the Articles of Incorporation, the shareholders may adopt or amend a Bylaw that fixes a greater or lower quorum requirement or a greater voting requirement for shareholders or voting classes of shareholders than otherwise is provided in the Wisconsin Business Corporation Law. The adoption or amendment of a Bylaw that adds, changes or deletes a greater or lower quorum requirement or a greater voting requirement for shareholders must meet the same quorum requirement and be adopted by the same vote and voting classes required to take action under the quorum and voting requirement then in effect.

10.02 By Directors. Except as the Articles of Incorporation may otherwise provide, these Bylaws may also be amended or repealed and new Bylaws may be adopted by the Board of Directors by the vote provided in Section 3.08, but (a) no Bylaw adopted by the shareholders shall be amended, repealed or readopted by the Board of Directors if the Bylaw so adopted so provides and (b) a Bylaw adopted or amended by the shareholders that fixes a greater or lower quorum requirement or a greater voting requirement for the Board of Directors than otherwise is provided in the Wisconsin Business Corporation Law may not be amended or repealed by the Board of Directors unless the Bylaw expressly provides that it may be amended or repealed by a specified vote of the Board of Directors. Action by the Board of Directors to adopt or amend a Bylaw that changes the quorum or voting requirement for the Board of Directors must meet the same quorum requirement and be adopted by the same vote required to take action under the quorum and voting requirement then in effect, unless a different voting requirement is specified as provided by the preceding sentence. A Bylaw that fixes a greater or lower quorum requirement or a greater voting requirement for shareholders or voting classes of shareholders than otherwise is provided in the Wisconsin Business Corporation Law may not be adopted, amended or repealed by the Board of Directors.

10.03 Implied Amendments. Any action taken or authorized by the shareholders or by the Board of Directors, which would be inconsistent with the Bylaws then in effect but is taken or authorized by a vote that would be sufficient to amend the Bylaws so that the Bylaws would be consistent with such action, shall be given the same effect as though the Bylaws had been temporarily amended or suspended so far, but only so far, as is necessary to permit the specific action so taken or authorized.

CERTIFICATION

I, Robert C. Arzbaecher, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Actuant Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting

Date: January 7, 2005

/s/ Robert C. Arzbaecher

Robert C. Arzbaecher
Chairman, Chief Executive
Officer and President

CERTIFICATION

I, Andrew G. Lampereur, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Actuant Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting

Date: January 7, 2005

/s/ Andrew G. Lampereur

Andrew G. Lampereur
Executive Vice President and
Chief Financial Officer

WRITTEN STATEMENT OF THE CHIEF EXECUTIVE OFFICER

Pursuant to 18 U.S.C. ss.1350, I, the undersigned Chairman, Chief Executive Officer and President of Actuant Corporation (the "Company"), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarterly period ended November 30, 2004 (the "Report") fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the periods covered in the Report.

Date: January 7, 2005

/s/ Robert C. Arzbaecher

Robert C. Arzbaecher

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Actuant Corporation and will be retained by Actuant Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished to the Securities and Exchange Commission as an exhibit to the Form 10-Q and shall not be considered filed as part of the Form 10-Q.

WRITTEN STATEMENT OF THE CHIEF FINANCIAL OFFICER

Pursuant to 18 U.S.C. ss.1350, I, the undersigned Executive Vice President and Chief Financial Officer of Actuant Corporation (the "Company"), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarterly period ended November 30, 2004 (the "Report") fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the periods covered in the Report.

Date: January 7, 2005

/s/ Andrew G. Lampereur

Andrew G. Lampereur

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Actuant Corporation and will be retained by Actuant Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished to the Securities and Exchange Commission as an exhibit to the Form 10-Q and shall not be considered filed as part of the Form 10-Q