December 19, 2007

Actuant Reports Record First Quarter Results, Raises Full Year Guidance

MILWAUKEE--(BUSINESS WIRE)--

Actuant Corporation (NYSE: ATU) today announced record sales and earnings for its first quarter ended November 30, 2007.

Highlights

- Record sales of $415 million, a 21% increase over the prior year, with 3% core sales growth (total sales less the impact of foreign currency rate changes and business acquisitions).
- 27% year-over-year improvement in diluted earnings per share ("EPS"), excluding restructuring charges, to $0.52 for the quarter.
- EBITDA margin expansion of 130 basis points, excluding restructuring charges.
- Seasonally strong cash generated from operations of approximately $27 million.
- Completed the acquisition of Templeton, Kenly & Co. (TK Simplex), broadening the Industrial segment product offering.
- Completed two-for-one split of the Company's common stock effective November 8, 2007.

Robert Arzbaecher, President and CEO of Actuant commented, "Actuant is off to a solid start in fiscal 2008 with core sales growth slightly ahead of expectations and excellent conversion to earnings. Robust Industrial segment sales as well as continued strength in the European truck market had a favorable impact on our core sales growth in the quarter. These results reinforce the benefits of Actuant's end market, geographic and customer diversification. Excluding restructuring charges, first quarter EPS increased 27% from last year, driven by higher sales, the benefit of acquisitions and margin expansion. We were especially pleased with the breadth of the year-over-year EBITDA margin increase as all of our business segments contributed to the improvement."

Consolidated Results

First quarter sales increased 21% to $415 million from $343 million in the prior year, reflecting the combination of core growth, business acquisitions and the weaker US dollar. Excluding the impact of foreign currency rate changes (5%) and acquisitions (13%), core sales growth was 3%. Both the Industrial and Engineered Products segments generated double digit core sales growth.

Excluding European Electrical restructuring charges, operating margins in the first quarter

improved 90 basis points, to 13.6% from 12.7% in the prior year. Higher gross profit margins as well as controlled selling, administrative and engineering spending were the primary drivers. The gross profit margin expansion reflects higher volume, favorable sales mix and the Company's continuous improvement initiatives including Lean Enterprise Across Discipline (LEAD).

First quarter fiscal 2008 net earnings and EPS were $27.4 million and $0.43, respectively, compared to prior year net earnings and EPS of $25.1 million and $0.41, respectively. Fiscal 2008 first quarter results include a $5.5 million ($0.09 per diluted share) charge covering a portion of the Company's previously announced European Electrical restructuring, versus $0.1 million in the first quarter of fiscal 2007. Excluding these restructuring charges, first quarter EPS increased 27% year-over-year from $0.41 to $0.52. (See attached reconciliation of GAAP to non-GAAP measures for earnings, EPS and EBITDA).

Segment Results

Industrial Segment

(US $ in millions)

	Three Months Ended November 30,	
	2007	2006
Sales	$137.1	$103.9
Operating Profit	$38.0	$29.0
Operating Profit %	27.7%	27.9%

First quarter fiscal 2008 Industrial segment sales increased 32% to $137 million. Excluding currency translation and acquisitions, Industrial segment core sales grew 11% driven by continued strong global demand in both the joint integrity and high-force hydraulic tool product lines. First quarter operating profit margins benefited from the higher volumes, price increases and operating efficiencies. However, they declined 20 basis points from the prior year due to acquisition mix and higher intangible asset amortization.

Electrical Segment

(US $ in millions)

	Three Months Ended November 30,	
	2007	2006
Sales	$134.0	$122.0
Operating Profit (1)	$10.4	$9.4
Operating Profit %	7.8%	7.7%

(1) Excludes European Electrical restructuring charges of $5.5 million and $0.1 million for the three months ended November 30, 2007 and 2006, respectively.

Fiscal 2008 first quarter Electrical segment sales increased 10% to $134 million due to

favorable foreign currency exchange rate changes and the acquisition of BH Electronics (July 2007). Core sales declined 3% due primarily to the impact of weaker European demand and lower OEM transformer sales. Excluding restructuring charges, electrical segment operating profit margin improved to 7.8% in the quarter from 7.7% in the prior year. The Company is on track to complete the previously announced European Electrical restructuring by the end of the second quarter of fiscal 2008.

Actuation Systems Segment

(US $ in millions)

	Three Months Ended November 30,	
	2007	2006
Sales	$112.9	$105.7
Operating Profit	$10.1	$8.6
Operating Profit %	8.9%	8.2%

Actuation Systems segment first quarter fiscal 2008 sales increased 7% to $113 million. Core sales grew 1% in the quarter as increased demand from the Company's recreational vehicle ("RV") and European and Asian truck customers was partially offset by declines in both the automotive and North American truck markets. The decline in North American truck was the result of the prior year emissions related pre-buy, while automotive sales declined due to new platform launches in the prior year. Operating profit margins improved 70 basis points compared to last year due primarily to the benefit of profit improvement actions and product line mix.

Engineered Products Segment

(US $ in millions)

	Three Months Ended November 30,	
	2007	2006
Sales	$31.2	$11.4
Operating Profit	$4.2	$1.7
Operating Profit %	13.6%	14.5%

Fiscal 2008 first quarter Engineered Products segment sales increased to $31 million from $11 million in the prior year reflecting both 19% core sales growth and the acquisition of Maxima in December 2006. The operating profit margin of 13.6% in the first quarter includes base business margin expansion, which was more than offset by unfavorable acquisition mix.

Financial Position

Net debt at November 30, 2007 was $505 million (total debt of $574 million less $69 million of cash), an increase of $30 million from the beginning of the quarter. Strong cash flow in the quarter was used to fund the $47 million investment in TK Simplex as well as $9 million of capital expenditures. Actuant's first quarter cash flow was impacted by seasonal trends

including working capital growth and the payment of prior year employee incentive compensation.

Outlook

The Company also announced that it has increased its full year sales and earnings guidance and provided guidance for the second quarter of fiscal 2008. Arzbaecher stated, "We expect second quarter sales and EPS to be lower than the first quarter due to normal seasonality, but do anticipate year-over-year growth. Excluding future acquisition activity and European Electrical restructuring charges, we are projecting second quarter sales and EPS to be in the range of $385 - 395 million, and $0.39-0.42 per share, respectively."

Arzbaecher continued "Our full year fiscal 2008 sales and earnings outlook, excluding future acquisitions and European Electrical restructuring charges, is being increased to reflect actual first quarter results, the weaker US dollar and current business conditions. Our increased guidance is for sales and EPS in the range of $1.625-1.660 billion and $1.95-2.05 per share, respectively. This translates to 13-18% EPS growth over the $1.73 fiscal 2007 EPS, excluding 2007 tax gains and European Electrical restructuring charges. We are pleased with our first quarter performance and remain committed to delivering outstanding customer and shareholder value."

Conference Call Information

An investor conference call is scheduled for 10am CST today, December 19, 2007. Webcast information and conference call materials will be made available on the Actuant company website (www.actuant.com) prior to the start of the call.

Safe Harbor Statement

Certain of the above comments represent forward-looking statements made pursuant to the provisions of the Private Securities Litigation Reform Act of 1995. Management cautions that these statements are based on current estimates of future performance and are highly dependent upon a variety of factors, which could cause actual results to differ from these estimates. Actuant's results are also subject to general economic conditions, variation in demand from customers, the impact of geopolitical activity on the economy, continued market acceptance of the Company's new product introductions, the successful integration of acquisitions, restructuring, operating margin risk due to competitive pricing and operating efficiencies, supply chain risk, material and labor cost increases, foreign currency fluctuations and interest rate risk. See the Company's Form 10-K filed with the Securities and Exchange Commission for further information regarding risk factors.

About Actuant

Actuant, headquartered in Butler, Wisconsin, is a diversified industrial company with operations in more than 30 countries. The Actuant businesses are market leaders in highly engineered position and motion control systems and branded hydraulic and electrical tools and supplies. Since its creation through a spin-off in 2000, Actuant has grown its sales from $482 million to $1.5 billion and its market capitalization from $113 million to over $1.8 billion. The Company employs a workforce of more than 7,500 worldwide. Actuant Corporation

trades on the NYSE under the symbol ATU. For further information on Actuant and its business units, visit the Company's website at www.actuant.com.

(tables follow)

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

	November 30, 2007	August 31, 2007
ASSETS		
Current assets		
Cash and cash equivalents	$68,741	$86,680
Accounts receivable, net	224,419	194,775
Inventories, net	218,412	197,539
Deferred income taxes	14,516	14,827
Other current assets	12,498	11,459
Total current assets	538,586	505,280
Property, plant and equipment, net	125,005	122,817
Goodwill	624,252	599,841
Other intangible assets, net	280,778	260,418
Other long-term assets	10,052	12,420
Total assets	$1,578,673	$1,500,776
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Short-term borrowings	$134	$-
Trade accounts payable	159,464	153,205
Accrued compensation and benefits	40,863	52,345
Income taxes payable	32,357	20,309
Current maturities of long-term debt	33	519
Other current liabilities	77,198	64,449
Total current liabilities	310,049	290,827
Long-term debt, less current maturities	573,267	561,138
Deferred income taxes	110,412	103,589
Pension and postretirement benefit accruals	23,222	27,437
Other long-term liabilities	24,235	17,864
Shareholders' equity		
Capital stock	11,152	5,535
Additional paid-in capital	(336,610)	(343,655)
Accumulated other comprehensive income (loss)	19,768	12,876
Stock held in trust	(1,939)	(1,744)
Deferred compensation liability	1,939	1,744
Retained earnings	843,178	825,165
Total shareholders' equity	537,488	499,921

Total liabilities and shareholders' equity	$1,578,673	$1,500,776

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

	Three Months Ended November 30,	
	2007	2006
Net sales	$415,143	$342,983
Cost of products sold	274,309	229,938
Gross profit	140,834	113,045
Selling, administrative and engineering expenses	81,296	67,154
Restructuring charge	5,521	109
Amortization of intangible assets	3,257	2,253
Operating profit	50,760	43,529
Financing costs, net	9,300	6,841
Other (income) expense, net	(1,110)	217
Earnings from operations before income tax expense and minority interest	42,570	36,471
Income tax expense	15,149	11,379
Minority interest, net of income taxes	(6)	(10)
Net earnings	$27,427	$25,102
Earnings per share		
Basic	$0.49	$0.46
Diluted	0.43	0.41
Weighted average common shares outstanding		
Basic	55,609	54,600
Diluted	64,654	63,434

Actuant Corporation
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Three Months Ended November 30,	
	2007	2006

Operating Activities		
Net earnings	$27,427	$25,102
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	10,464	7,877
Amortization of debt discount and debt issuance costs	453	382
Stock-based compensation expense	1,603	1,417
Provision for deferred income taxes	6,386	(2,917)
Loss/(gain) on disposal of assets	(261)	122
Other	(166)	-
Changes in operating assets and liabilities, excluding the effects of the business acquisitions		
Accounts receivable	(22,767)	(14,210)
Increase in AR securitization program	4,924	3,152
Inventories	(7,024)	(6,357)
Prepaid expenses and other assets	(459)	(1,372)
Trade accounts payable	238	(5,755)
Income taxes payable	2,452	5,377
Other accrued liabilities	4,047	(5,075)
Net cash provided by operating activities	27,317	7,743
Investing Activities		
Proceeds from sale of property, plant and equipment	8,321	2,789
Capital expenditures	(9,036)	(6,516)
Business acquisition, net of cash acquired	(47,437)	273
Net cash used in investing activities	(48,152)	(3,454)
Financing Activities		
Net borrowings (repayments) on revolving credit facilities and short-term borrowings	134	(1,860)
Principal repayments on term loans	(994)	-
Cash dividend	(2,221)	(2,187)
Proceeds from early termination of interest rate swap	1,407	-
Tax benefit from stock-based compensation	1,087	-
Other	926	114
Net cash provided by (used in) financing activities	339	(3,933)
Effect of exchange rate changes on cash	2,557	571
Net increase (decrease) in cash and cash equivalents	(17,939)	927
Cash and cash equivalents - beginning of period	86,680	25,659
Cash and cash equivalents - end of period	$68,741	$26,586

ACTUANT CORPORATION
SUPPLEMENTAL UNAUDITED DATA
(Dollars in thousands)

	FISCAL 2007				
	Q1	Q2	Q3	Q4	TOTAL
SALES					
INDUSTRIAL SEGMENT	$103,935	$96,501	$115,852	$122,855	$439,143
ELECTRICAL SEGMENT	122,017	123,599	127,653	132,439	505,708
ACTUATION SYSTEMS SEGMENT	105,654	97,656	111,768	104,367	419,445
ENGINEERED PRODUCTS SEGMENT	11,377	23,264	29,817	29,994	94,452
TOTAL	$342,983	$341,020	$385,090	$389,655	$1,458,748
% SALES GROWTH					
INDUSTRIAL SEGMENT	31%	34%	34%	22%	30%
ELECTRICAL SEGMENT	16%	17%	17%	18%	17%
ACTUATION SYSTEMS SEGMENT	19%	11%	2%	4%	9%
ENGINEERED PRODUCTS SEGMENT	7%	120%	157%	159%	112%
TOTAL	21%	24%	22%	20%	21%
OPERATING PROFIT					
INDUSTRIAL SEGMENT	$28,958	$24,203	$33,259	$34,865	$121,285
ELECTRICAL SEGMENT	9,357	9,535	10,341	10,851	40,084
ACTUATION SYSTEMS SEGMENT	8,614	7,954	10,994	9,562	37,124
ENGINEERED PRODUCTS SEGMENT	1,653	3,088	4,069	4,644	13,454
CORPORATE / GENERAL	(4,944)	(4,105)	(5,756)	(6,274)	(21,079)
TOTAL - EXCLUDING RESTRUCTURING CHARGE	$43,638	$40,675	$52,907	$53,648	$190,868
EUROPEAN ELECTRICAL RESTRUCTURING CHARGE	(109)	(3,776)	(434)	(1,076)	(5,395)
TOTAL	$43,529	$36,899	$52,473	$52,572	$185,473

OPERATING PROFIT %					
INDUSTRIAL SEGMENT	27.9%	25.1%	28.7%	28.4%	27.6%
ELECTRICAL SEGMENT	7.7%	7.7%	8.1%	8.2%	7.9%
ACTUATION SYSTEMS SEGMENT	8.2%	8.1%	9.8%	9.2%	8.9%
ENGINEERED PRODUCTS SEGMENT	14.5%	13.3%	13.6%	15.5%	14.2%
TOTAL (INCLUDING CORPORATE) - EXCLUDING RESTRUCTURING CHARGE	12.7%	11.9%	13.7%	13.8%	13.1%
EBITDA					
INDUSTRIAL SEGMENT	$31,356	$26,475	$35,738	$39,156	$132,725
ELECTRICAL SEGMENT	11,543	11,404	12,355	13,501	48,803
ACTUATION SYSTEMS SEGMENT	11,339	10,928	14,179	12,547	48,993
ENGINEERED PRODUCTS SEGMENT	1,904	3,986	4,962	5,780	16,632
CORPORATE / GENERAL	(4,844)	(4,028)	(5,822)	(6,350)	(21,044)
TOTAL - EXCLUDING RESTRUCTURING CHARGE	$51,298	$48,765	$61,412	$64,634	$226,109
EUROPEAN ELECTRICAL RESTRUCTURING CHARGE	(109)	(3,776)	(434)	(1,076)	(5,395)
TOTAL	$51,189	$44,989	$60,978	$63,558	$220,714
EBITDA %					
INDUSTRIAL SEGMENT	30.2%	27.4%	30.8%	31.9%	30.2%
ELECTRICAL SEGMENT	9.5%	9.2%	9.7%	10.2%	9.7%
ACTUATION SYSTEMS SEGMENT	10.7%	11.2%	12.7%	12.0%	11.7%
ENGINEERED PRODUCTS SEGMENT	16.7%	17.1%	16.6%	19.3%	17.6%
TOTAL (INCLUDING CORPORATE) - EXCLUDING RESTRUCTURING CHARGE	15.0%	14.3%	15.9%	16.6%	15.5%

	Q1	Q2	Q3	Q4	TOTAL
SALES					
INDUSTRIAL SEGMENT	$137,089				$137,089
ELECTRICAL SEGMENT	133,962				133,962
ACTUATION SYSTEMS SEGMENT	112,899				112,899
ENGINEERED PRODUCTS SEGMENT	31,193				31,193
TOTAL	$415,143				$415,143
% SALES GROWTH					
INDUSTRIAL SEGMENT	32%				32%
ELECTRICAL SEGMENT	10%				10%
ACTUATION SYSTEMS SEGMENT	7%				7%
ENGINEERED PRODUCTS SEGMENT	174%				174%
TOTAL	21%				21%
OPERATING PROFIT					
INDUSTRIAL SEGMENT	$37,976				$37,976
ELECTRICAL SEGMENT	10,426				10,426
ACTUATION SYSTEMS SEGMENT	10,059				10,059
ENGINEERED PRODUCTS SEGMENT	4,235				4,235
CORPORATE / GENERAL	(6,415)				(6,415)
TOTAL - EXCLUDING RESTRUCTURING CHARGE	$56,281				$56,281
EUROPEAN ELECTRICAL RESTRUCTURING CHARGE	(5,521)				(5,521)
TOTAL	$50,760				$50,760
OPERATING PROFIT %					
INDUSTRIAL SEGMENT	27.7%				27.7%
ELECTRICAL SEGMENT	7.8%				7.8%
ACTUATION SYSTEMS SEGMENT	8.9%				8.9%
ENGINEERED					

PRODUCTS SEGMENT	13.6%		13.6%
TOTAL (INCLUDING CORPORATE) - EXCLUDING RESTRUCTURING CHARGE	13.6%		13.6%
EBITDA			
INDUSTRIAL SEGMENT	$42,570		$42,570
ELECTRICAL SEGMENT	13,226		13,226
ACTUATION SYSTEMS SEGMENT	13,292		13,292
ENGINEERED PRODUCTS SEGMENT	5,399		5,399
CORPORATE / GENERAL	(6,632)		(6,632)
TOTAL - EXCLUDING RESTRUCTURING CHARGE	$67,855		$67,855
EUROPEAN ELECTRICAL RESTRUCTURING CHARGE	(5,521)		(5,521)
TOTAL	$62,334		$62,334
EBITDA %			
INDUSTRIAL SEGMENT	31.1%		31.1%
ELECTRICAL SEGMENT	9.9%		9.9%
ACTUATION SYSTEMS SEGMENT	11.8%		11.8%
ENGINEERED PRODUCTS SEGMENT	17.3%		17.3%
TOTAL (INCLUDING CORPORATE) - EXCLUDING RESTRUCTURING CHARGE	16.3%		16.3%

Note: All prior periods have been restated to include Milwaukee Cylinder as part of the Industrial Segment. Previously this business was part of the Engineered Products Segment.

ACTUANT CORPORATION
Reconciliation of GAAP measures to non-GAAP measures
(Dollars in thousands, except for per share amounts)

FISCAL 2007

	Q1	Q2	Q3	Q4	TOTAL
NET EARNINGS EXCLUDING RESTRUCTURING CHARGE AND TAX ADJUSTMENTS / CREDITS (1)					
NET EARNINGS (GAAP MEASURE)	$25,102	$18,919	$29,580	$31,351	$104,952
RESTRUCTURING CHARGES, NET OF TAX BENEFIT	109	2,926	434	1,076	4,545
TAX ADJUSTMENTS / CREDITS	-	-	-	(1,580)	(1,580)
TOTAL (NON-GAAP MEASURE)	$25,211	$21,845	$30,014	$30,847	$107,917
DILUTED EARNINGS PER SHARE EXCLUDING RESTRUCTURING CHARGE AND TAX ADJUSTMENTS / CREDITS (1)					
NET EARNINGS (GAAP MEASURE)	$0.41	$0.31	$0.47	$0.50	$1.69
RESTRUCTURING CHARGES, NET OF TAX BENEFIT	-	0.05	0.01	0.02	0.07
TAX ADJUSTMENTS / CREDITS	-	-	-	(0.02)	(0.02)
TOTAL (NON-GAAP MEASURE)	$0.41	$0.35	$0.48	$0.49	$1.73
EBITDA (2)					
NET EARNINGS (GAAP MEASURE)	$25,102	$18,919	$29,580	$31,351	$104,952
FINANCING COSTS, NET	6,841	8,268	9,076	8,816	33,001
INCOME TAX EXPENSE	11,379	8,956	13,146	13,300	46,781
DEPRECIATION & AMORTIZATION	7,877	8,844	9,165	10,137	36,023
MINORITY INTEREST, NET OF INCOME TAX	(10)	2	11	(46)	(43)
EBITDA (NON-GAAP MEASURE)	$51,189	$44,989	$60,978	$63,558	$220,714
EUROPEAN ELECTRICAL					

RESTRUCTURING CHARGE	109	3,776	434	1,076	5,395
EBITDA (NON-GAAP MEASURE) - EXCLUDING RESTRUCTURING CHARGE	$51,298	$48,765	$61,412	$64,634	$226,109

	FISCAL 2008				
	Q1	Q2	Q3	Q4	TOTAL
NET EARNINGS EXCLUDING RESTRUCTURING CHARGE AND TAX ADJUSTMENTS / CREDITS (1)					
NET EARNINGS (GAAP MEASURE)	$27,427				$27,427
RESTRUCTURING CHARGES, NET OF TAX BENEFIT	5,521				5,521
TAX ADJUSTMENTS / CREDITS	-				-
TOTAL (NON-GAAP MEASURE)	$32,948				$32,948
DILUTED EARNINGS PER SHARE EXCLUDING RESTRUCTURING CHARGE AND TAX ADJUSTMENTS / CREDITS (1)					
NET EARNINGS (GAAP MEASURE)	$0.43				$0.43
RESTRUCTURING CHARGES, NET OF TAX BENEFIT	0.09				0.09
TAX ADJUSTMENTS / CREDITS	-				-
TOTAL (NON-GAAP MEASURE)	$0.52				$0.52
EBITDA (2)					
NET EARNINGS (GAAP MEASURE)	$27,427				$27,427
FINANCING COSTS, NET	9,300				9,300

INCOME TAX EXPENSE	15,149		15,149
DEPRECIATION & AMORTIZATION	10,464		10,464
MINORITY INTEREST, NET OF INCOME TAX	(6)		(6)
EBITDA (NON-GAAP MEASURE)	$62,334		$62,334
EUROPEAN ELECTRICAL RESTRUCTURING CHARGE	5,521		5,521
EBITDA (NON-GAAP MEASURE) - EXCLUDING RESTRUCTURING CHARGE	$67,855		$67,855

(1)Net earnings and diluted earnings per share excluding restructuring charges and income tax adjustments / credits represent net earnings and diluted earnings per share per the Consolidated Statement of Earnings net of charges or credits for items to be highlighted for comparability purposes. These measures should not be considered as an alternative to net earnings or diluted earnings per share as an indicator of the company's operating performance. However, this presentation is important to investors for understanding the operating results of the current portfolio of Actuant companies. The total of the individual components do not equal diluted earnings per share excluding restructuring charges and income tax adjustments / credits due to rounding.

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

Source: Actuant Corporation