



Fiscal 2011 Third Quarter Earnings Call

June 16, 2011

Bob Arzbaecher, Chairman and CEO

Mark Goldstein, COO

Andy Lampereur, CFO

Karen Bauer, Investor Relations



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Statements in this presentation that are not historical are considered “forward-looking statements” and are subject to change based on various factors and uncertainties that may cause actual results to differ significantly from expectations. Those factors are contained in Actuant’s Securities and Exchange Commission filings.

All estimates of future performance are as of June 16, 2011.

In this presentation certain non-GAAP financial measures may be used. Please see the supplemental financial schedules at the end of this presentation, accompanying the Q3 Fiscal 2011 earnings press release, or refer to the Investors section of Actuant’s website (www.actuant.com) for a reconciliation to the appropriate GAAP measure.

Third Quarter Highlights



- Robust year-over-year core sales growth, accelerating to +14% for Q3
 - All four segments contributing led by Industrial and Energy
- Operating profit margins increased 140 basis points compared to last year (excluding prior year restructuring costs) - the 6th consecutive quarter of year-over-year increases
- EPS from continuing operations increased 46% to \$0.51 from \$0.35 last year, excluding prior year restructuring & tax items
- Strong free cash flow generation of \$69 million
- Completed acquisition of Weasler Engineering, Inc. just after quarter end

Third Quarter Operating Results



(US\$ in millions except EPS)

	F' 2010	F' 2011	Change
Sales	\$310	\$393	27%
Operating Profit ⁽¹⁾	\$42	\$58	40%
	13.4%	14.8%	140 bps
Adjusted EPS ⁽¹⁾	\$0.35	\$0.51	46%

Strong 46% Year-Over-Year EPS Growth

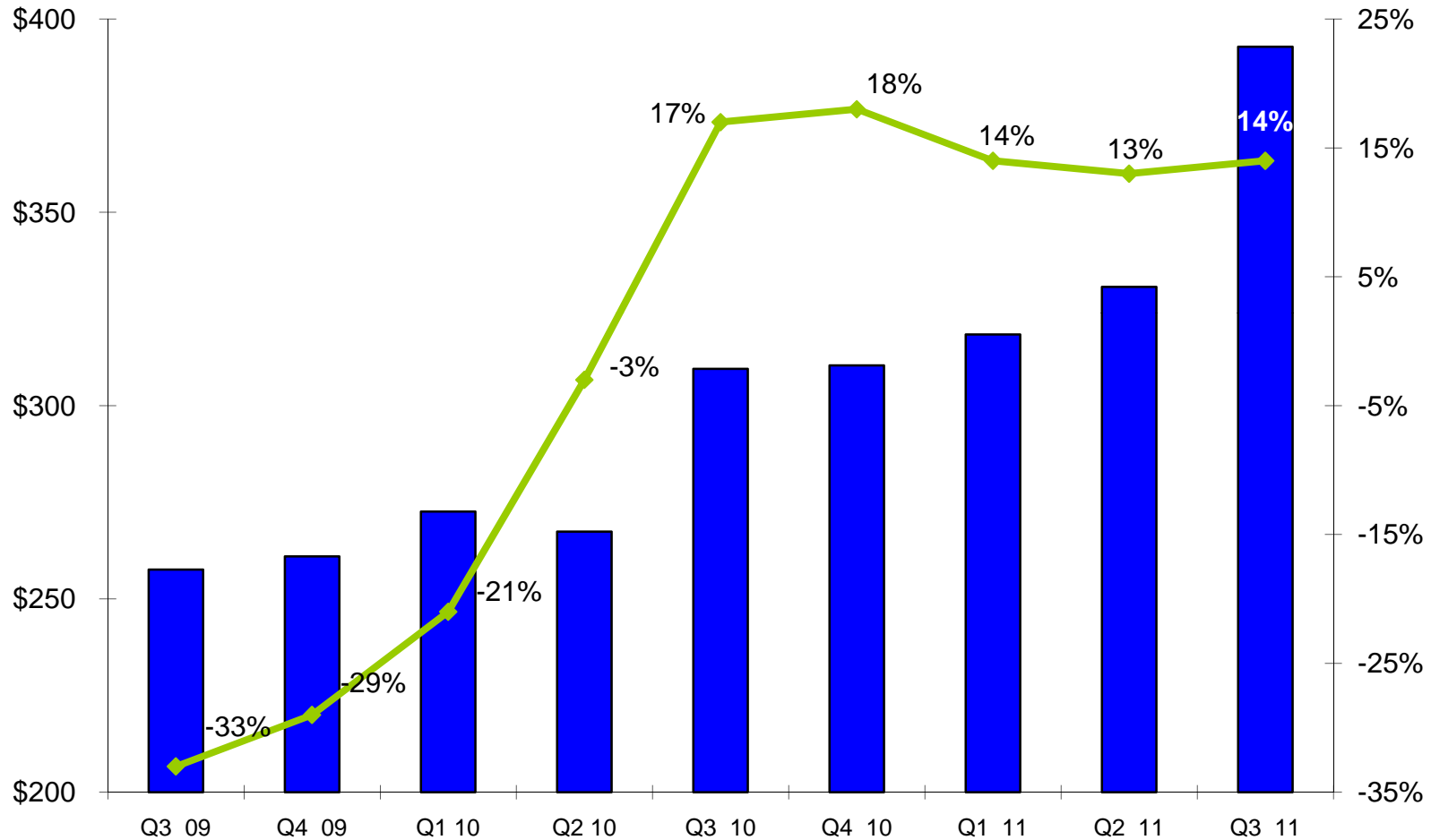
(1) From continuing operations, excluding prior year restructuring costs and tax adjustments

Delivering Robust Core Sales Growth



Sales (US\$ in millions)

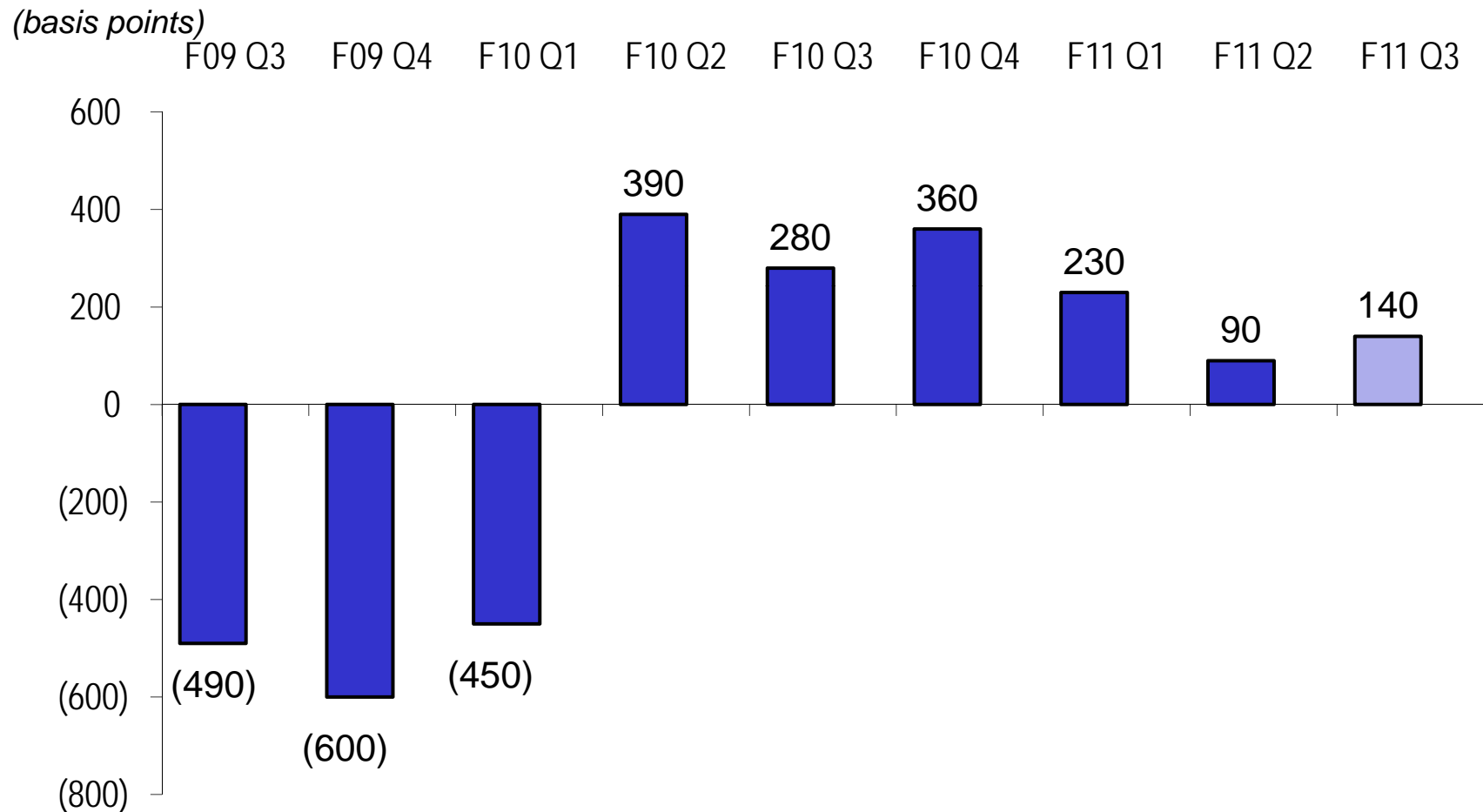
Year-over-Year
Core Sales Rate of Change



Accelerating Core Growth in Both Industrial and Energy

Operating Profit Margins Continue to Expand **Actuant**

Operating profit margin excluding restructuring and impairment charges for all periods presented



Six Consecutive Quarters of Year-Over-Year Improvement

Industrial Segment



- Accelerated year-over-year core growth across essentially all geographies and markets
 - Benefit of new product launches and vertical market focus
- Year-over year operating margins expanded reflecting higher volumes and improved mix

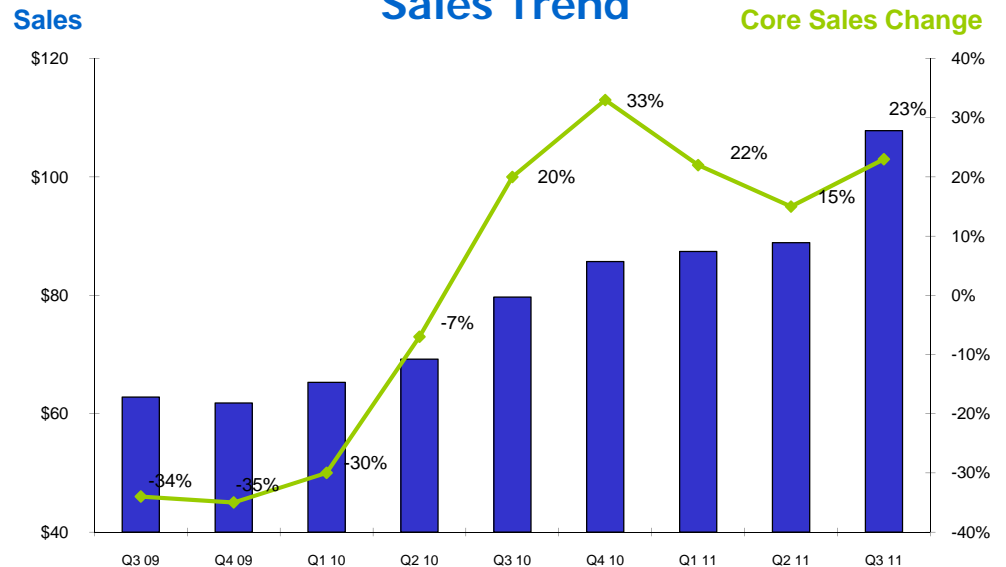
Financial Snapshot

(US\$ in millions)

	3rd Quarter		y-o-y change	2nd Quarter	
	2011	2010		2011	sequential change
Sales	\$108	\$80	35%	\$89	21%
Op Income ⁽¹⁾	\$29.5	\$20.7	43%	\$20.1	46%
Op Margin ⁽¹⁾	27.4%	26.0%	140 bps	22.7%	470 bps

(1) Excludes restructuring charges of \$0.3 million in Q3 of fiscal 2010.

Sales Trend



Energy Segment



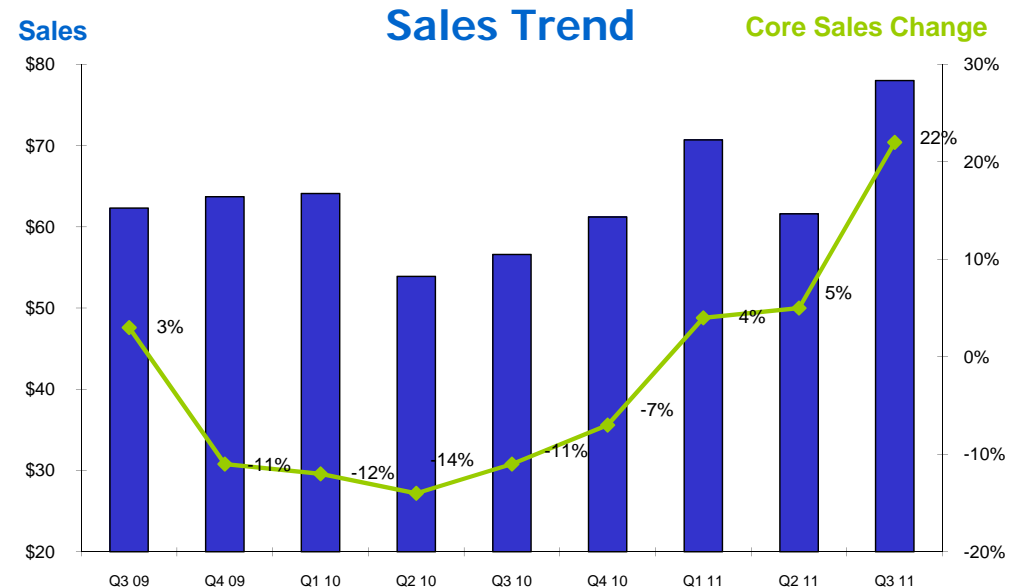
- Strong growth across majority of end markets
- Emerging / new market maintenance growth and higher energy related capital spend activity were primary drivers
- Year-over-year margin improvement from the higher volumes

Financial Snapshot

(US\$ in millions)

	3rd Quarter		y-o-y change	2nd Quarter	
	2011	2010		2011	sequential change
Sales	\$78	\$57	38%	\$62	27%
Op Income ⁽¹⁾	\$13.5	\$7.3	86%	\$6.8	99%
Op Margin ⁽¹⁾	17.4%	12.9%	450 bps	11.0%	640 bps

(1) Excludes restructuring charges of \$0.1 million Q3 of fiscal 2010.



Electrical Segment



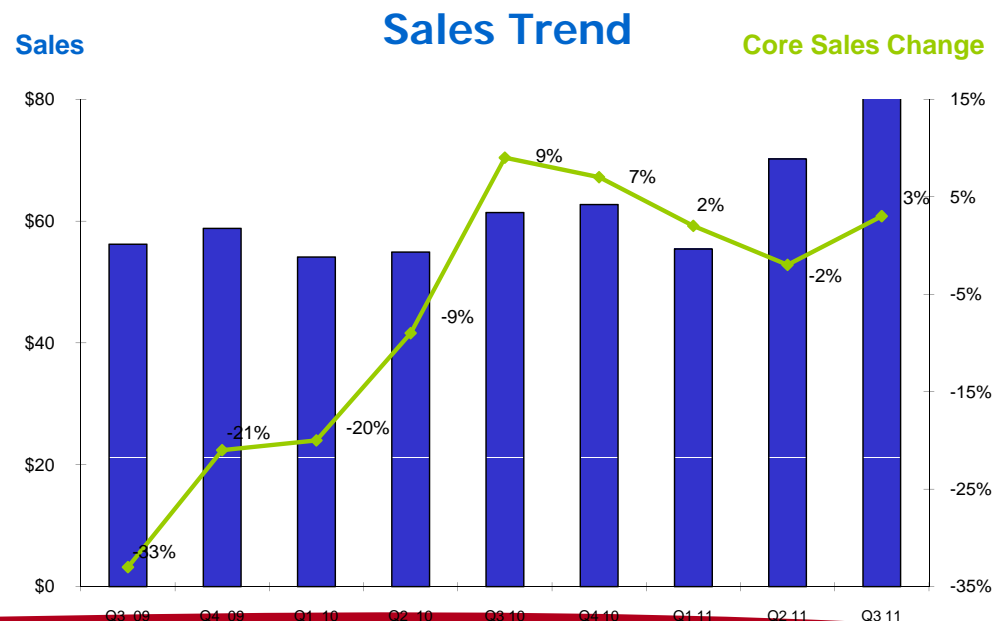
- Year-over-year core sales growth due to higher marine, industrial and utility activity
- Mastervolt marine volume on target while solar significantly below expectations
 - FIT changes
 - High channel inventories
- Margins negatively impacted by low solar volumes

Financial Snapshot

(US\$ in millions)

	3rd Quarter		y-o-y change	2nd Quarter	
	2011	2010		2011	sequential change
Sales	\$80	\$62	30%	\$70	14%
Op Income ⁽¹⁾	\$5.5	\$7.3	-25%	\$4.9	10%
Op Margin ⁽¹⁾	6.8%	11.8%	(500) bps	7.0%	(20) bps

(1) Excludes restructuring charges of \$0.5 million in Q3 of fiscal 2010.



Engineered Solutions Segment



- Year-over-year core sales growth moderated as expected with tougher comparisons
- Global truck, construction & ag production remains strong
- Year-over-year reduction in convertible top and RV
- Substantially improved operating margins reflect both higher volumes and restructuring benefits

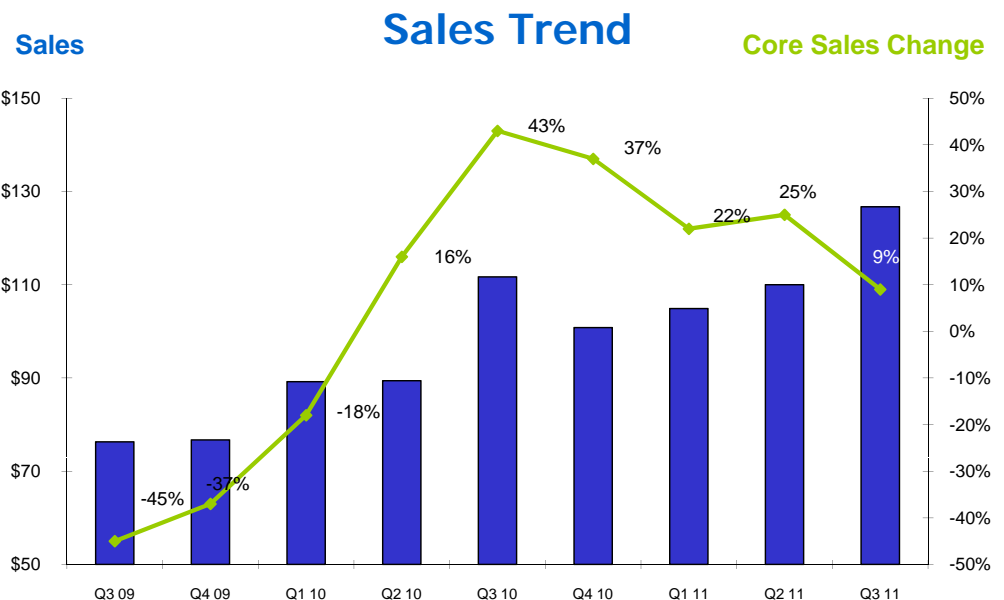
Financial Snapshot

(US\$ in millions)

	3rd Quarter		y-o-y change	2nd Quarter	
	2011	2010		2011	sequential change
Sales	\$127	\$112	13%	\$110	15%
Op Income ⁽¹⁾	\$20.0	\$13.6	47%	\$13.4	49%
Op Margin ⁽¹⁾	15.8%	12.1%	370 bps	12.2%	360 bps

(1) Excludes restructuring charges of \$0.4 million in Q3 of fiscal 2010.

POWER-PACKER **GITS MFG. CO.**



Third Quarter Cash Flow / Net Debt



(US\$ in millions)

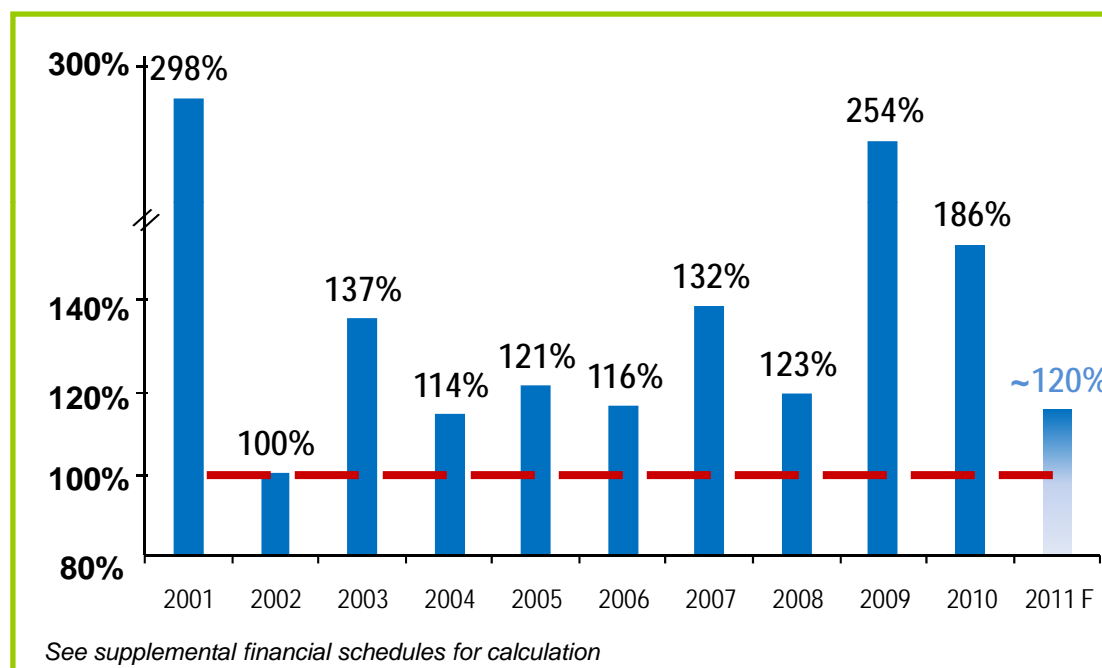
Free Cash Flow

EBITDA	\$71
Capital Expenditures	(7)
Cash Interest	(2)
Cash Taxes	(12)
Working Capital/Other	19
Free Cash Flow	\$69

Net Debt Reconciliation

Net Debt - Feb 28, 2011	\$468
Free Cash Flow	(69)
FX/Other	-
Net Debt - May 31, 2011	\$399

Free Cash Flow Conversion Trend

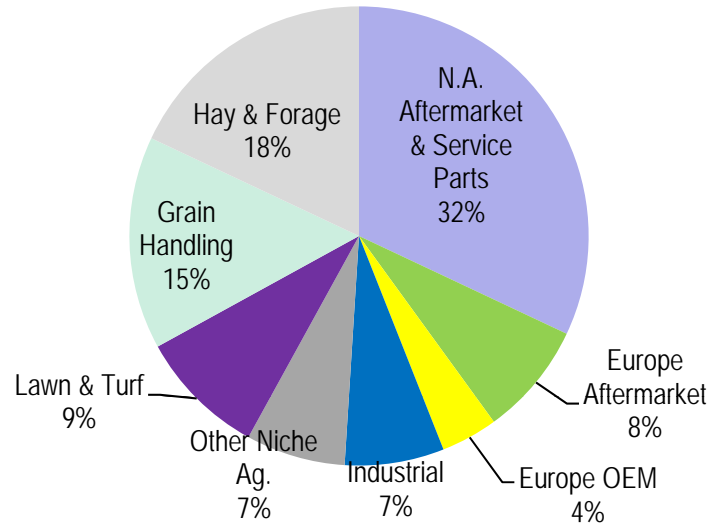


Expect Fiscal 2011 to be 11th Consecutive Year of Free Cash Flow Conversion to Net Income > 100%

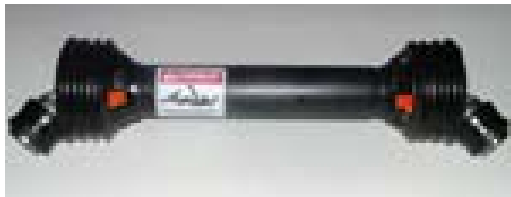
Weasler Engineering Inc. Snapshot



Sales by End Market



Drivelines – NA and Metric Sizes, Constant Velocity



Gearbox



Torque Limiter



- Diversifies Engineered Solutions segment with attractive agriculture exposure
- Driveline products provide critical linkage between equipment and implements/attachments
- Differentiated product features and robust product development, testing & quality lab
- 40% of revenue is spares / aftermarket
- NA leadership position in articulating drivelines and growing European presence
- Strong management team

Drive Train Applications

Hay Balers



Mower
Conditioners



Grain Augers



Forage
Harvesters



Wheel Loader



Rotary
Mowers



Trenchers



Many Others



- Diverse Implement Applications
 - Agriculture Implement OEMs
 - Full line—Deere, CNH, etc
 - Short line—Kuhn, MacDon, etc
 - Lawn & Turf—Deere, Toro, etc
 - Others – trenching, sprayers, diggers, etc
- Replacement demand
 - OEM dealer network
 - Retail – Tractor Supply, Farm & Fleet, etc
 - Distributors & service shops

Weasler – Integration Update



- Attractive secular trends
 - Global population, protein diet, bio fuels, productivity focus
- Developing global growth strategy
 - European market 2X size of North America
 - Leverage global customer relationships across Actuant portfolio
- New product development
 - Customized applications
 - Product extensions – system outsourcing
- Leverage technology with Elliott flexible shafts
- LEAD immersion / LCC Sourcing



Mastervolt Update



- Marine market sales in line with expectations
- Weaker than expected solar inverter product sales
 - European feed-in-tariff reductions
 - High channel inventory levels
- Long term growth dynamics still in place
 - Growing global energy requirements
 - Solar is renewable closest to grid parity
- Perspective...solar = ~4% ATU revenue



Metrics Comparison at Third Quarter



	F' 2010	F' 2011	Change
LTM Sales	\$1,111	\$1,352	22%
LTM EBITDA ⁽¹⁾	\$171	\$225	32%
<i>Margins</i>	<i>15.3%</i>	<i>16.7%</i>	<i>140 bps</i>
LTM Adjusted EPS ⁽¹⁾	\$0.94	\$1.48	57%
June EPS outlook for the next year	\$1.20-\$1.35	\$1.80-\$2.00	~50%
Stock Price (6/15)	\$19.99	\$22.82	14%

Momentum in Higher Margin Segments Bodes Well for
Margin and Earnings Growth

16 (1) Continuing operations, excluding prior year restructuring and tax items.

Fiscal 2011 Guidance Update



(US\$ in millions except EPS)

	Fourth Quarter		Full Year	
	Q4 2011	Change from PY	Fiscal 2011	Change from PY
Sales	\$390 - \$400	25% - 29%	\$1,430-\$1,440	23% - 24%
Diluted EPS (1)	\$0.43 - \$0.48	39%-55%	\$1.60 - \$1.65	48% - 53%

Assumptions:

- Fourth quarter core sales growth of approximately 8-9%
 - European truck and auto summer shut downs
- Weasler revenue included in Q4; EPS neutral due to transaction costs and purchase accounting
- Excludes future acquisitions
- Full year free cash flow of \$140-\$150 million

(1) Continuing operations, excluding prior year restructuring and tax items.

Fiscal 2012 Initial Outlook



(US\$ in millions except EPS)

	Fiscal 2011	Fiscal 2012	Change
Sales	\$1,430-\$1,440	\$1,600-\$1,650	12% - 15%
Diluted EPS	\$1.60 - \$1.65	\$1.80 - \$2.00	13% - 21%

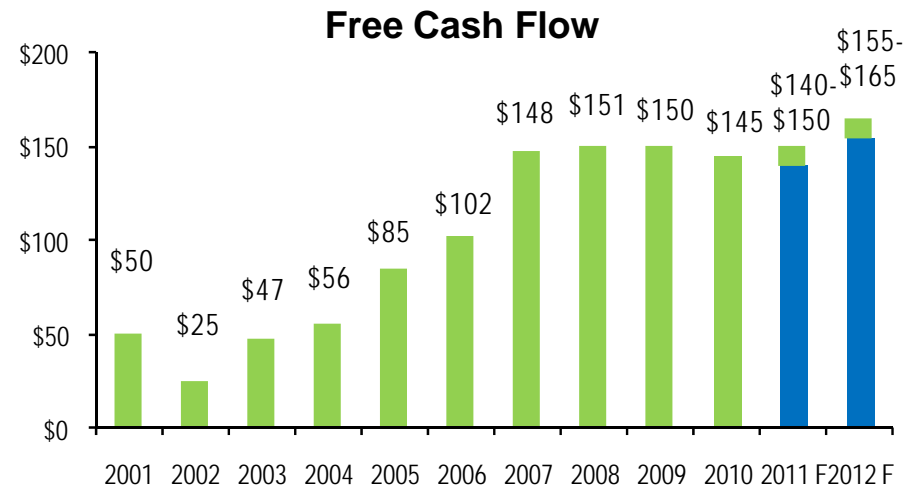
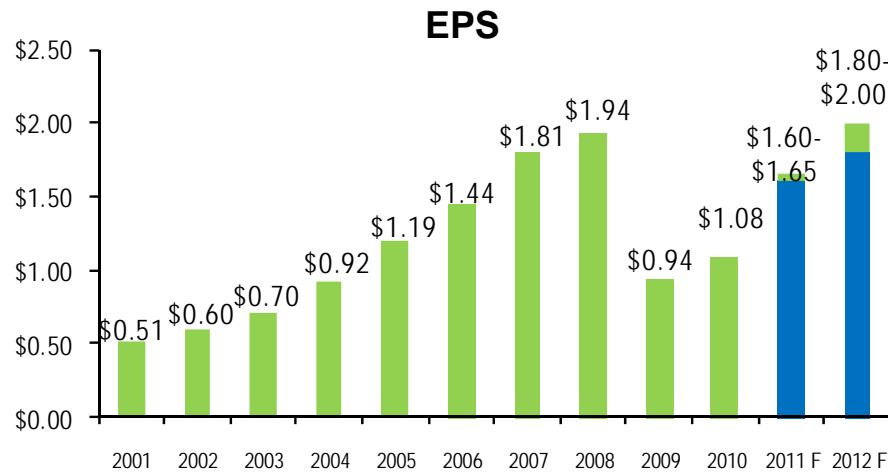
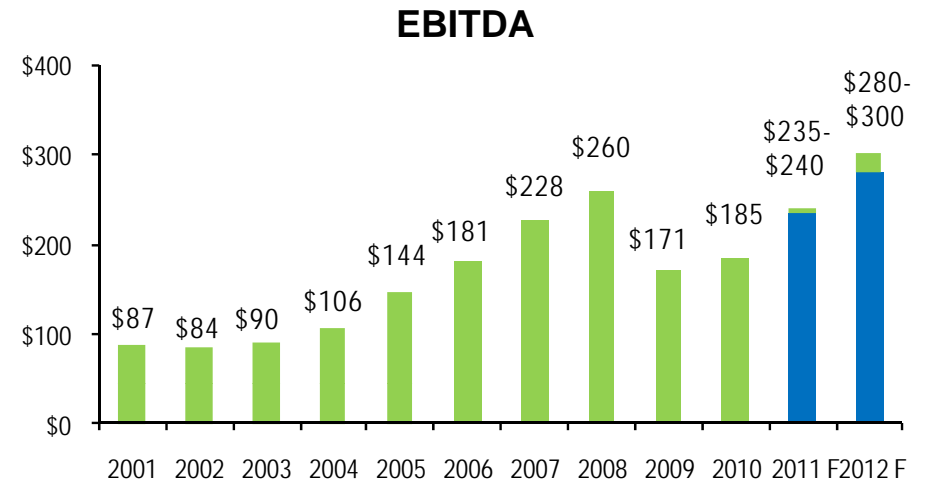
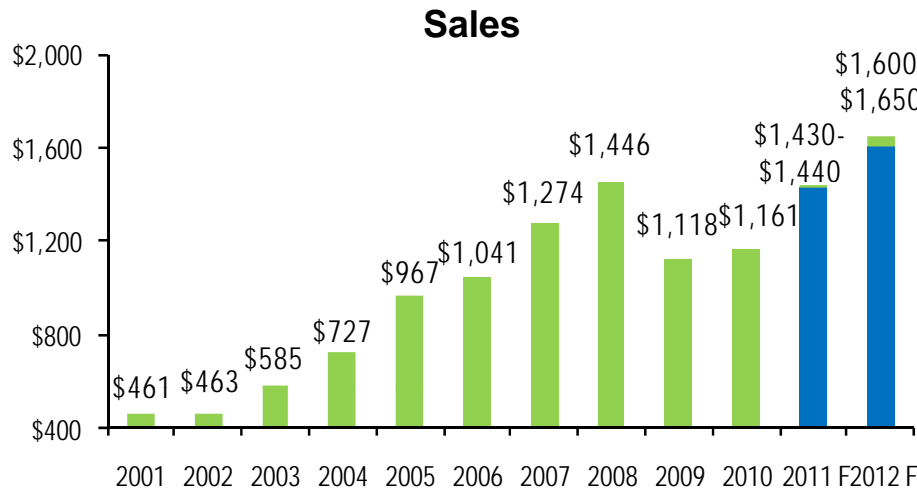
Assumptions:

- Full year core sales growth of 5-8%
- Key FX rates – approximately \$1.4/1€ and \$1.6/1£
- Carryover acquisition revenue of approximately \$100 million
- Margin expansion of 50-100 basis points
- ~25% effective tax rate
- Shares outstanding 76-77 million
- Excludes future acquisitions
- Free cash flow \$155 - \$165 million

Rebuilding Financial Track Record



(\$ in millions except per share data. Fiscal years ended August 31)



Demonstrated Track Record of Profitable Growth
 (2006-2010 reflect discontinued operations for European Electrical; 2011 and 2012 Guidance as of June 16, 2011)

19 Note: Adjusted EBITDA, adjusted EPS and FCF exclude discontinued operations, cumulative effect of changes in accounting, extraordinary charges, refinancing/debt extinguishment, net gains on business divestitures, tax gains and other special items. Adjusted EBITDA and adjusted EPS also exclude impairment and restructuring charges.



Q & A

Future Key Dates: Fourth Quarter Fiscal 2011 Earnings – September 28, 2011

Annual Investor Day: October 4, 2011 –NYC (Tentative)



Appendix

Reconciliation of Non-GAAP Measures

(US\$ in millions except EPS)



Net Earnings Excluding Special Items

	Q3 2010	Q3 2011
Net earnings	\$21.8	\$36.4
Net of Tax Adjustments		
Discontinued Operations	\$1.9	\$2.0
Tax adjustments	\$0.6	-
Restructuring Charge	\$1.1	-
Net earnings excluding special items	<u>\$25.4</u>	<u>\$38.4</u>

Diluted EPS Excluding Special Items

	Q3 2010	Q3 2011
Diluted Earnings per Share (EPS)	\$ 0.30	\$ 0.49
Net of Tax Adjustments:		
Discontinued Operations	0.03	0.02
Restructuring Charge	0.01	-
Tax adjustments	0.01	-
Diluted EPS excluding special items	<u>\$ 0.35</u>	<u>\$ 0.51</u>

EBITDA

	Q3 2010	Q3 2011
Net Earnings	\$21.8	\$36.4
Net Financing Costs	\$7.8	\$7.9
Income Tax Expense	\$3.7	\$11.4
Depreciation & Amortization	\$11.2	\$12.9
Discontinued Operations	\$6.5	\$2.0
EBITDA	<u>\$51.0</u>	<u>\$70.6</u>
Adjustments To EBITDA:		
Restructuring Charge	\$1.4	-
Adjusted EBITDA	<u>\$52.4</u>	<u>\$70.6</u>

Free Cash Flow

	Q3 2010	Q3 2011
Adjusted EBITDA	\$52.4	\$70.6
Cash Interest	(\$2.8)	(\$2.1)
Cash Taxes	(\$2.2)	(\$11.9)
Capital Expenditures	(\$6.4)	(\$6.5)
PWC/Other	\$5.2	\$19.3
Free Cash Flow	<u>\$46.2</u>	<u>\$69.4</u>

Free Cash Flow / Cash Flow Conversion



(US\$ in millions)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Total EBITDA	\$87	\$84	\$90	\$106	\$145	\$181	\$228	\$260	\$171	\$185
Cash Interest	(47)	(30)	(20)	(12)	(15)	(23)	(28)	(35)	(36)	(27)
Cash Taxes	(9)	(14)	(18)	(21)	(16)	(28)	(36)	(48)	(20)	(7)
Capital Expenditures	(5)	(7)	(13)	(11)	(15)	(20)	(31)	(44)	(21)	(20)
PWC/Other	24	(8)	8	(6)	(14)	(8)	15	18	56	14
Free Cash Flow	\$50	\$25	\$47	\$56	\$85	\$102	\$148	\$151	\$150	\$145
Net Earnings (1)	\$17	\$25	\$34	\$49	\$70	\$88	\$112	\$123	\$59	\$78
Free Cash Flow Conversion	298%	100%	137%	114%	121%	116%	132%	123%	254%	186%

(1) Net earnings excluding special items - excludes restructuring and impairment charges, discontinued operations, debt extinguishment charges and non-recurring income tax gains.