

BAUER FRED D  
Form 4  
August 10, 2006

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
BAUER FRED D

2. Issuer Name and Ticker or Trading Symbol  
APPLIED INDUSTRIAL TECHNOLOGIES INC [AIT]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
ONE APPLIED PLAZA  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
08/08/2006

\_\_\_\_ Director  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
VP-General Counsel & Secretary

CLEVELAND, OH 441155056  
(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
\_\_\_\_ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| Common Stock                    |                                      |  |                                |   | 35,077 <sup>(1)</sup>   | D  |   |
| Common Stock                    |                                      |  |                                |   | 5,139.23 <sup>(1)</sup>   | I  | Retirement Savings Plan                               |
| Common Stock                    |                                      |  |                                |   | 71.35 <sup>(1)</sup>  | I  | Supplemental Defined Contribution Plan                |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not**

SEC 1474 (9-02)

required to respond unless the form displays a currently valid OMB control number.

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| Stock Appreciation Rights                  | \$ 21.94   | 08/08/2006                           |  | A                              | 16,300  | 08/08/2007 <sup>(2)</sup> 08/08/2016                     | Common Stock 1  |
| Employee Stock Option (Right to Buy)       | \$ 6.94 <sup>(3)</sup>                                 |                                      |  |                                |   | 08/06/2003 <sup>(4)</sup> 08/06/2012                     | Common Stock 2  |
| Employee Stock Option (Right to Buy)       | \$ 9.465 <sup>(3)</sup>                                |                                      |  |                                |   | 08/08/2004 <sup>(4)</sup> 08/08/2013                     | Common Stock 3  |
| Stock Appreciation Rights                  | \$ 12.907 <sup>(3)</sup>                               |                                      |  |                                |   | 08/06/2005 <sup>(2)</sup> 08/06/2014                     | Common Stock 2  |
| Stock Appreciation Rights                  | \$ 23 <sup>(3)</sup>                                   |                                      |  |                                |   | 08/09/2006 <sup>(2)</sup> 08/09/2015                     | Common Stock 1  |

## Reporting Owners

| Reporting Owner Name / Address                               | Relationships |           |                                |       |
|--|---------------|-----------|--------------------------------|-------|
|  | Director      | 10% Owner | Officer                        | Other |
| BAUER FRED D<br>ONE APPLIED PLAZA<br>CLEVELAND, OH 441155056 |               |           | VP-General Counsel & Secretary |       |

## Signatures

By: Dianne Misenko/POA for Fred D. Bauer 08/10/2006

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) All holdings reflect the effect of the 3 for 2 stock split paid on 6/15/06.
- (2) Stock-only stock appreciation rights which become exercisable in annual increments of 25% commencing one year after the date of grant.
- (3) Both share balance and share price adjusted to reflect the effect of the 3 for 2 stock split paid on 6/15/06.
- (4) These options become exercisable in annual increments of 25% commencing one year after the date of grant.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.