

APPLIED INDUSTRIAL TECHNOLOGIES INC  
 Form 4  
 July 12, 2006

**FORM 4**

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

OMB APPROVAL

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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 \*  
 YATES STEPHEN E

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)

3. Date of Earliest Transaction (Month/Day/Year)  
 07/10/2006

Director  10% Owner  
 Officer (give title below)  Other (specify below)

ONE APPLIED PLAZA

(Street)

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

CLEVELAND, OH 441155056

(City) (State) (Zip)

**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 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	07/10/2006		A	484.5 A	21,391.75 <sup>(2)</sup>	I	Deferred Compensation Plan

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

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SEC 1474 (9-02)

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

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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 Securities (Instr. 3 and 4)	8. Price of Underlying Securities (Instr. 3 and 4)
Stock Option (Right to Buy)	\$ 8.764 (3)					01/11/2001 01/11/2011	Common Stock	4,500 (3)
Stock Option (Right to Buy)	\$ 8.302 (3)					01/10/2002 01/10/2012	Common Stock	4,500 (3)
Stock Option (Right to Buy)	\$ 7.525 (3)					01/21/2003 01/21/2013	Common Stock	4,500 (3)
Stock Option (Right to Buy)	\$ 10.898 (3)					01/08/2004 01/08/2014	Common Stock	9,000 (3)
Stock Option (Right to Buy)	\$ 19.06 (3)					01/18/2005 01/18/2015	Common Stock	6,000 (3)
Stock Option (Right to Buy)	\$ 25.027 (3)					01/17/2006 01/17/2016	Common Stock	6,000 (3)

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
YATES STEPHEN E ONE APPLIED PLAZA CLEVELAND, OH 441155056		X		

## Signatures

By: Dianne Misenko/POA for Stephen E.  
Yates

07/12/2006

\_\_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) Shares allocated to the account of the participant in the Deferred Compensation Plan for Non-Employee Directors, at prices ranging from \$25.74 to \$30.91. Both share number and share price have been adjusted to reflect the 3 for 2 stock split paid on 6/15/06.
- (2) All transactions and holdings reflect the effect of the 3 for 2 stock split paid on 6/15/06.
- (3) Both share balance and share price adjusted to reflect the effect of the 3 for 2 stock split paid on 6/15/06.

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.