

PURSER BILL L
Form 4
December 19, 2006

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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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 *
PURSER BILL L

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)
12/18/2006

____ Director
 Officer (give title below) _____ Other (specify below)
President & COO

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount or Price (A) or (D) | | |
| Common Stock | 12/18/2006 | | M | | 10,000 <u>(1)</u> | A | \$ 7.922 87,531 D |
| Common Stock | 12/18/2006 | | S | | 100 <u>(1)</u> | D | \$ 26.9 87,431 D |
| Common Stock | 12/18/2006 | | S | | 2,000 <u>(1)</u> | D | \$ 26.91 85,431 D |
| Common Stock | 12/18/2006 | | S | | 400 <u>(1)</u> | D | \$ 27 85,031 D |
| Common Stock | 12/18/2006 | | S | | 100 <u>(1)</u> | D | \$ 27.05 84,931 D |

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| | | | | | | | | |
|--------------|------------|---|---------------------|---|----------|--------|---|----------------------------|
| Common Stock | 12/18/2006 | S | 1,200 <u>(1)</u> | D | \$ 27.06 | 83,731 | D | |
| Common Stock | 12/18/2006 | S | 1,000 <u>(1)</u> | D | \$ 27.07 | 82,731 | D | |
| Common Stock | 12/18/2006 | S | 800 <u>(1)</u> | D | \$ 27.08 | 81,931 | D | |
| Common Stock | 12/18/2006 | S | 2,200 <u>(1)</u> | D | \$ 27.09 | 79,731 | D | |
| Common Stock | 12/18/2006 | S | 600 <u>(1)</u> | D | \$ 27.11 | 79,131 | D | |
| Common Stock | 12/18/2006 | S | 400 <u>(1)</u> | D | \$ 27.12 | 78,731 | D | |
| Common Stock | 12/18/2006 | S | 1,200 <u>(1)</u> | D | \$ 27.14 | 77,531 | D | |
| Common Stock | | | | | | 43,452 | I | Deferred Compensation Plan |

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

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(9-02)

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 Securities (Instr. 3 and 4) | Amount or Number of Shares | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|--------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | |
| Employee Stock Option (Right to Buy) | \$ 7.922 | 12/18/2006 | | M | 10,000 <u>(1)</u> | 08/09/2002 ⁽²⁾ | 08/09/2011 | Common Stock | 10,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-----------------|-------|
| | Director | 10% Owner | Officer | Other |
| PURSER BILL L ONE APPLIED PLAZA CLEVELAND, OH 441155056 | | | President & COO | |

Signatures

By: Dianne Misenko/POA for Bill L.
Purser

12/19/2006

__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) Option exercise and sale of shares pursuant to a trading plan (pursuant to SEC Rule 10b5-1) entered into as of 11/10/06.
 - (2) 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.