



Parker Hannifin Broadens Automation Offering with Acquisition of SSD Drives

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*** Combination Strengthens Parker's Global Position In Industrial Electromechanical Technology * Companies Bring Complementary Technologies**

CLEVELAND, Aug 09, 2005 /PRNewswire-FirstCall via COMTEX/ -- Parker Hannifin Corporation (NYSE: PH) and SSD Drives Holding Limited today jointly announced that Parker has acquired SSD (formerly Eurotherm Drives) from the private equity firm Compass Partners International Limited for an undisclosed amount. SSD Drives had fiscal 2005 annual revenues of \$165 million, with approximately 60 percent of its business in Europe. The acquisition is expected to be accretive to earnings within the first full year of integration.

(Logo: <http://www.newscom.com/cgi-bin/prnh/19990816/PHLOGO>)

SSD Drives has four main manufacturing facilities, including one each in the United Kingdom, France, Germany and the United States, and a sales presence in more than 40 countries. The company employs about 1,000 people worldwide and manufactures AC and DC drives, as well as servo drives, motors, and systems for leading original equipment manufacturers, end users, and integrators in automated industrial process applications. SSD Drives serves global target markets such as plastics, converting, packaging, extrusion, printing, pulp and paper, primary metals and general industrial automation. It will become part of Parker's Automation Group, with results reported within the company's Industrial Segments.

The acquisition offers complementary technology, products, and customers, adding its leadership in industrial automation and drives technology to Parker's existing strong presence in the precision electromechanical market.

"This is a strategic acquisition for Parker. It not only significantly increases our automation product offering, but SSD Drives' well-established footprint in Europe and presence in China also gives us a very strong position in the global electromechanical and drives market," commented Parker Chairman and CEO Don Washkewicz.

Parker Automation Group President Roger Sherrard said, "We are all very excited about the expanded value proposition this combination brings to our customers. The talented SSD Drives team's successful track record with innovative motion technology fits very well into our solutions-oriented growth model. Their automation experience, combined with Parker's existing global industrial markets, will be very complementary to our strategy."

SSD Drives' CEO Dan Barnhouse commented, "The SSD Drives team is very excited about this opportunity. We believe that by joining the Parker family, we have discovered an organization whose values are similar to our own. The combination of vision, talents and skills from our two leading companies will ensure that together we will have all the capabilities needed to compete successfully in serving a broad range of industrial customers around the world. This combination will create an exciting new force in global automation."

With annual sales exceeding \$8 billion, Parker Hannifin is the world's leading diversified manufacturer of motion and control technologies and systems, providing precision-engineered solutions for a wide variety of commercial, mobile, industrial and aerospace markets. The company employs more than 50,000 people in 46 countries around the world. Parker has increased its annual dividends paid to shareholders for 49 consecutive years, among the top five longest-running dividend-increase records in the S&P 500 index. For more information, visit the company's web site at <http://www.parker.com>, or its investor information site at <http://www.phstock.com>.

Forward-Looking Statements:

Forward-looking statements contained in this and other written and oral reports are made based on known events and circumstances at the time of release, and as such, are subject in the future to unforeseen uncertainties and risks. All statements regarding future performance, earnings projections, events or developments are forward-looking statements. It is possible that the future performance and earnings projections of the company and individual segments may differ materially from current expectations, depending on economic conditions within both its industrial and aerospace markets, and the company's ability to achieve anticipated benefits associated with announced realignment activities, strategic initiatives to improve operating margins, and growth and innovation initiatives. A change in economic conditions in individual markets may have a particularly volatile effect on segment results. Among the other factors which may affect future performance are: changes in business relationships with and

purchases by or from major customers or suppliers, including delays or cancellations in shipments; uncertainties surrounding timing, successful completion or integration of acquisitions; threats associated with and efforts to combat terrorism; competitive market conditions and resulting effects on sales and pricing; increases in raw- material costs that cannot be recovered in product pricing; the company's ability to manage costs related to employee retirement and health care benefits and insurance; and global economic factors, including currency exchange rates, difficulties entering new markets and general economic conditions such as inflation and interest rates. The company makes these statements as of the date of this disclosure, and undertakes no obligation to update them.

SOURCE Parker Hannifin Corporation

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