



## **Parker Hannifin Announces Acquisition of UK-based Sterling Hydraulics**

October 14, 2005

CLEVELAND, Oct. 14 /PRNewswire-FirstCall/ -- Parker Hannifin (NYSE: PH) today announced that it has acquired Sterling Hydraulics for an undisclosed amount of cash from Sterling Industries, Plc, a wholly owned subsidiary of Caledonia Investments Plc. Headquartered in Crewkerne, England, Sterling is a leader in the design and custom manufacture of products for mobile applications. Sterling Hydraulics produced revenue of approximately \$42 million in its fiscal year ended March 31, 2005. The acquisition is expected to be accretive in its first full year of integration.

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

"We look forward to working with Sterling and growing our product offering together," said Lee Banks, President of Parker's Hydraulics Group. "We have a number of customers in common in the mobile hydraulics marketplace who will welcome this extension of our product line, as well as the greater market presence in Europe and Asia."

"Sterling has developed an international reputation as an independent hydraulics specialist, and is ready to expand beyond its traditional markets," said Tim Hair, Managing Director of Sterling. "We are confident that Parker's global reach will accelerate this process and create new opportunities for the business."

Sterling Hydraulics operates facilities in England and Chicago, Illinois employing nearly 300 people. Since the 1960s, Sterling has been a recognized world leader in the design of custom hydraulic screw-in cartridge valves and manifold systems.

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 48 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 [www.parker.com](http://www.parker.com), or its investor information site at [www.phstock.com](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  
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