



Parker Closes Fiscal Year With Continued Strong Orders

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CLEVELAND, July 7 /PRNewswire-FirstCall/ -- Parker Hannifin Corporation (NYSE: PH) today reported year-over-year increases in orders for the month of June in the company's Industrial, Aerospace, and Climate and Industrial Control segments. Parker derives orders from a wide variety of global end markets which the company serves directly and through a collaborative network of thousands of distributor locations.

-- Orders for the North American Industrial business increased 7 percent over the same month last year. This increased growth is against increased order rates of 5 percent in 2005, and 24 percent in 2004. Strong orders were driven by distribution and MRO markets.

-- Rest-of-World Industrial orders increased 8 percent, against increased order rates of 7 percent in 2005, and 21 percent in 2004. Europe and Asia continued to be strong, and Latin America showed improvement.

-- Parker Aerospace reported a 15 percent increase in orders on a rolling 12-month basis. Commercial OEM and MRO markets remain strong.

-- In the Climate and Industrial Controls segment, order rates increased 30 percent compared to last year, led by especially strong orders from OEM customers in the month of June.

For the next fiscal year, the company is investigating moving to report all segment orders on a rolling average basis, similar to the practice currently followed for the Aerospace segment.

Orders provide near-term perspective on the company's outlook, particularly when viewed in the context of prior and future monthly order rates. However, orders are not in themselves an indication of future performance. All comparisons are at constant currency exchange rates, with the prior year restated to the current-year rates. All exclude acquisitions until they can be reflected in both the numerator and denominator. Aerospace comparisons are rolling 12-month average computations.

Comparative data on current and historical orders is available on the company's investor information web site, <http://www.phstock.com>. To access the information, first click on "Newsroom" and then click on the "Monthly Orders" link. Parker's investor web site also offers registration for investors to receive automatic e-mail notification of all upcoming news, events and information from the company.

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 55,000 people in 46 countries around the world. Parker has increased its annual dividends paid to shareholders for 50 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 Statement:

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 manufacturing activity, air travel trends, 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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