



Parker Adds Sensors to Hydraulic Portfolio with Acquisition of Power Components of Midwest, Inc.

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CLEVELAND, Oct. 12 /PRNewswire-FirstCall/ - Parker (NYSE: PH), the world leader in motion and control, today announced the acquisition of Power Components of Midwest Inc., a designer and manufacturer of sensors and switches for original equipment manufacturers in the agricultural, off-road vehicle, heavy truck and general industrial markets. Revenues of the acquired business were approximately \$19 million for the year ended December 2005. Earnings are expected to be accretive to Parker in first full year. Terms of the deal were not disclosed.

Located in Mishawaka, Indiana, Power Components will be integrated into Parker's global Hydraulics Group. The company employs 191 people in two facilities and offers a full line of Hall Effect and non-contact sensors, including linear position, speed and direction, proximity, tilt and tip, and liquid level sensors and integrated smart sensor assemblies.

"One of the many strengths Power Components brings to Parker is new intellectual property that will aid our ongoing development of intelligent hydraulics," said Lee Banks, President of Parker Hydraulics. "We are also acquiring a team of people who are experts at integrating sensor technologies into hydraulic applications. Together, we will continue to penetrate mobile and industrial hydraulics markets worldwide."

"Power Components is also adept at quickly and cooperatively designing custom sensor solutions," said Todd Webster, CEO of Power Components. "Our company often uses the proprietary and patented designs resulting from these custom solutions as the building blocks for entire families of unique and marketable sensors."

With annual sales exceeding \$9 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 57,000 people in 43 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 Statements: Forward-looking statements contained in this Annual Report and other written reports and oral statements 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 Company's future performance and earnings projections of the Company 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 performance. Among 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, or significant changes in financial condition, 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 insurance and employee retirement and health care benefits, and global economic factors, including manufacturing activity, air travel trends, currency exchange rates, difficulties entering new markets and general economic conditions such as interest rates. The Company undertakes no obligation to update or publicly revise these forward-looking statements to reflect events or circumstances that arise after the date of this Report.

SOURCE Parker Hannifin Corporation
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