



Parker Acquires Cabett Subsea

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- Adds Strength to Portfolio of Solutions for Oil and Gas Market

CLEVELAND, Dec. 4 /PRNewswire-FirstCall/ -- Parker Hannifin (NYSE: PH), the world leader in motion and control technologies, today announced the acquisition of Cabett Subsea, a designer and manufacturer of fluid handling systems and services used in deepwater oil and gas exploration and production. Revenues of the acquired business totaled approximately \$25.1 million in 2005. Earnings are expected to be accretive to Parker in the first full year. Terms of the deal were not disclosed.

Commencing operations in 1985, Cabett Subsea is headquartered in Houston, Texas and employs approximately 35 people. The company produces steel tube hydraulic and electro-hydraulic umbilicals, typically made in three to sixteen mile continuous lengths, at its 85,000 square foot dock-side manufacturing plant in Freeport, Texas. The Port of Freeport offers rapid access to the open waters of the Gulf of Mexico, a jumping-off point for the world oil market. Cabett's location is extremely attractive to clients for ease of logistics, mobilization of related equipment, and it supports factory acceptance and system integration testing programs that are common to almost all major oil projects.

Cabett Subsea will be integrated into Parker's worldwide Fluid Connectors Group within the company's Industrial North America segment. Commenting on the transaction, Parker Fluid Connectors Group President Bob Bond said, "The acquisition of Cabett Subsea brings outstanding technology, along with a world class manufacturing facility, to Parker's upstream oil and gas market platform. Their proven engineered umbilical designs that are being used globally complement our hose technology and will expand our systems offering to key customers that discover and produce the world's energy."

John Martin, CEO of Cabett Subsea stated, "Becoming part of the world's leading motion and control company provides Cabett Subsea with all the tools necessary to grow the business to the next level. Our customers, employees, and many valued business partners are looking forward to the many opportunities that a growing world class company like Parker can offer."

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 document 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 12/04/2006 **CONTACT:** Media, Christopher M. Farage, Vice

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