



Parker Announces First Large Scale, International Installation of Its Power Conversion Technology for Energy Storage System in Chile

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Company participates with AES in 12 megawatt installation designed to improve electrical grid stability and efficiency

CLEVELAND, Jan 12, 2010 /PRNewswire via COMTEX/ -- Parker Hannifin Corporation (NYSE: PH), the global leader in motion and control technologies, today announced its first large scale, international installation of an inverter system designed to control the flow of electric current between the power grid and banks of storage batteries in an energy storage system. The company, through its SSD Drives Division, participated in a project to install a 12 megawatt energy storage system at a sub-station in the Atacama Desert, Chile, which is being managed by a subsidiary of AES Corporation, a Fortune 500 global power generation and distribution company.

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

"This power conversion technology is just one of a range of technologies we are bringing to bear in addressing some of the most pressing global challenges of our time," said Don Washkewicz, Chairman, President and CEO of Parker Hannifin. "Through application of our technology leadership in motion and control, such as the technology being applied in this 'Smart Grid' example, Parker is establishing itself as a premier global partner in the world energy market for both traditional and renewable energy applications."

The installation combines Parker AC890PX inverters and a lithium-ion battery system from A123 Systems. The technology helps the local system operator manage fluctuations in demand for electricity and regulate frequency in a less expensive and yet more responsive and efficient manner than traditional approaches which might require an investment in increased power generation capacity. The system operates as a contingency reserve, meaning that it stores energy, maintaining a charge on the battery banks. When a dip in grid frequency is detected, the system immediately responds, injecting the stored energy back to the grid to compensate, therefore better using and regulating existing energy capacity. Battery storage systems such as the one used at this facility are becoming an important solution in balancing growing global demand for energy with a desire to deliver that energy in more carbon neutral, efficient and reliable manner.

"Our ability to provide technologies for utility scale energy storage gives us an important position in what is anticipated to be a rapidly expanding market," said Roger Sherrard, Group President, Automation for Parker Hannifin. "Energy markets more generally provide many relevant opportunities for us to apply our capabilities and have become an important aspect of our growth strategy within the Automation group and across groups within Parker. We are truly unique in our ability to bring a range of technologies to these applications."

Chris Shelton, President of AES Energy Storage, said, "Parker's modular, scalable inverter design was a great fit for this project, as it enabled us to size the system to our requirements without the hassle and long lead times of made-to-order components."

Parker AC890PX inverters have been used in several smaller installations in the United States and the modular design of this platform holds great promise not only in contributing to greater efficiency in traditional methods of power generation but also for use in converting the power generated by renewable energy sources such as wind, solar and wave to a form that may be supplied to the grid.

With annual sales exceeding \$10 billion in fiscal year 2009, 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 mobile, industrial and aerospace markets. The company employs approximately 52,000 people in 48 countries around the world. Parker has increased its annual dividends paid to shareholders for 53 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 its mobile, industrial and aerospace markets, and the company's ability to maintain and achieve anticipated benefits associated with announced realignment activities, strategic initiatives to improve operating margins, actions taken to combat the effects of the current recession, and growth, innovation and global diversification 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, suppliers or distributors, including delays or cancellations in shipments, disputes regarding contract terms or significant changes in financial condition; uncertainties surrounding timing, successful completion or integration of acquisitions; threats associated with and efforts to combat terrorism; uncertainties surrounding the ultimate resolution of outstanding legal proceedings, including the outcome of any appeals; 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, deflation, interest rates and credit availability. The company makes these statements as of the date of this disclosure, and undertakes no obligation to update them.

SOURCE Parker Hannifin Corporation