



## **CapitalWorks, Keane & Parker form iPower Logistics to Move Leading Integrated Supply Network to the Web**

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CLEVELAND, July 11 /PRNewswire/ -- CapitalWorks, Keane (Amex: KEA) and Parker Hannifin (NYSE: PH) today announced the formation of a new company, iPower Logistics LLC, which has acquired the iPower Distribution Group Inc. from Parker Hannifin Corporation. Parker retains a 20-percent equity stake in the new company.

The supply network, which currently serves 165 large industrial customers and 175 distributors, has been operated by iPower Distribution Group Inc., as a wholly owned subsidiary of Parker Hannifin, and was originally launched as a service to Parker's distributors and other complementary industrial distributors. Today, the network covers a broad range of industrial supplies, including electrical, safety and industrial products, hydraulics and pneumatics, bearings and power transmission parts, pipes, valves and fittings, fasteners and other items from brand-name manufacturers. The integrated supply platform has allowed customers to reduce their procurement costs by 20 to 40 percent, while reducing inventory by up to 70 percent.

The new iPower Logistics business combination will offer new products and services to the existing iPower Distribution distributors and develop new web-enabled integrated supply and vendor-managed inventory software and services. Keane will provide software development and other technical services.

The chief executive officer of the new company will be J.D. Sullivan, Jr., co-founder and principal of CapitalWorks. Sullivan will leave CapitalWorks, and will be joined by a management team from Parker Hannifin that includes Michael P. Marvin, who will continue as president, the position he holds in iPower Distribution Group.

"We are excited about carving out this new-economy service provider and developing web-enabled sets of software tools for integrated supply and vendor-managed inventory," said Sullivan. "The growth opportunities as a stand-alone company are tremendous."

"Founded in 1994, iPower Distribution Group established a strong platform for electronic integrated supply," said Marvin. "The new company will focus on moving this concept to the web and provide e-commerce services for its customers."

Keane, Inc., a market-leading B2B e-Solutions and information technology services firm, is a major investor and the technology development partner. The firm will provide software development working with iPower Logistics' in-house software team to build new integrated supply and vendor-managed inventory products to complement the existing system. John F. Keane, chairman and founder of Keane, Inc., will join the board of directors of iPower Logistics LLC.

"Keane is attracted to the business model because iPower Distribution is a proven community seeking a web solution rather than a web solution in search of a community," said Brian T. Keane, chief executive officer. "iPower Distribution has customers and significant transaction volume today."

"We recognized that customers and distributors require value-added software tools and support to serve national accounts and to simplify their customers' purchasing decisions," said Dennis W. Sullivan, executive vice president of Parker Hannifin. "Parker established this business to be a total-solution, premier-customer-service provider. Now, we are turning to new business partners with unique expertise in software development to grow this business. We are confident that our new partners can capitalize on iPower Distribution Group's national network and existing customer base with the next generation of web-enabled software tools."

iPower Logistics' board of directors will consist of Robert G. McCreary III, a principal of CapitalWorks; J.D. Sullivan, Jr.; John F. Keane, Sr.; and Dennis W. Sullivan (no relation to J.D. Sullivan, Jr.).

iPower Logistics expects to begin delivering new products in the fourth quarter of 2000 and will continue to support its existing software and distribution network through iPower Distribution Group which will operate as a subsidiary.

### About CapitalWorks, LLC

CapitalWorks, LLC is a Cleveland-based private equity firm founded in 1999 by Robert G. McCreary III, Robert B. Shepherd and J.D. Sullivan, Jr.

#### About Keane, Inc.

Headquartered in Boston, Massachusetts, Keane, Inc. is a \$1 billion firm that helps companies plan, build and manage application software to achieve business advantage. Keane does this by adhering to rigorous process and management disciplines and performance metrics incorporated in its core IT solutions. Keane's services include Business Innovation Consulting, Digital Strategy, e-Solutions, Customer Relationship Management (CRM) and Applications Development and Maintenance Outsourcing. These services are delivered through a network of more than 50 branch offices in North America and the United Kingdom. Information about Keane is available via [www.keane.com](http://www.keane.com) or via Shareholder Direct at 1-800-75-KEANE.

#### About Parker Hannifin

With annual sales of \$6 billion, Parker Hannifin Corporation 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 nearly 42,000 people in 40 countries around the world. 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) . SOURCE Parker Hannifin Corporation

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