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Parker Reaches Agreement to Sell Automotive Air Conditioning Business to ContiTech AG of Germany

CLEVELAND, Aug. 13, 2012 /PRNewswire/ -- Parker Hannifin Corporation (NYSE:PH), the global leader in motion and control technologies, today announced that it has signed a definitive agreement to sell the automotive air conditioning portion of its Mobile Climate Systems Division to ContiTech AG of Hanover, Germany. Terms of the transaction were not disclosed and completion of the agreement is subject to regulatory approvals and customary closing conditions.

(Logo: <https://photos.prnewswire.com/prnh/19990816/PHLOGO>)

The automotive air conditioning business manufactures highly engineered components for the global light vehicle automotive industry such as hose and tube assemblies, accumulators, receiver dryers and oil coolant assemblies. The business is part of the Climate and Industrial Controls segment and operates in five global manufacturing sites with annual sales of approximately \$140 million and 1,000 employees. The mobile and hose portions of the Mobile Climate Systems Division are not part of the transaction.

"Parker believes that the long term prospects for this business and our employees will be best served as part of an organization with a more strategic focus in this market," said Tom Healy, President of Parker's Climate and Industrial Controls Group. "We are pleased to have found a buyer that was the right fit with ContiTech. Their complementary product offering, strong automotive focus and balanced regional presence will enable the appropriate investment and growth in this business to ensure its continued success. I offer my sincere thanks to our employees for their dedication and best wishes to them for every success as part of ContiTech."

ContiTech AG is one of the global leading suppliers of technical elastomer products in the non-tire rubber sector and a specialist for rubber technology in the non-tire rubber sector. It develops and produces functional parts, components and systems for the automotive industry and other important industries.

"The acquisition is perfectly in line with our growth strategy," said ContiTech CEO Heinz-Gerhard Wente. "Parker has an excellent presence among the American and Japanese automotive manufacturers and will open additional doors for us in Asia. After the acquisition, we will also become a worldwide partner for manufacturers such as Ford, GM and Honda."

With annual sales exceeding \$13 billion in fiscal year 2012, 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 60,000 people in 48 countries around the world. Parker has increased its annual dividends paid to shareholders for 56 consecutive fiscal 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 www.parker.com, or its investor information web site at 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, including its 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 economic environment, and growth, innovation and global diversification initiatives. A change in the 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, suppliers or distributors, including delays or cancellations in shipments, disputes regarding contract terms or significant changes in financial condition, changes in contract cost and revenue estimates for new development programs and changes in product mix; ability to identify acceptable strategic acquisition targets; uncertainties surrounding timing, successful completion or integration of acquisitions; ability to realize anticipated cost savings from business realignment activities; 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 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 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 unless otherwise required by law.

SOURCE Parker Hannifin Corporation