

December 6, 2007



Parker Investor Day Reveals Technologies for Growing Markets

CLEVELAND, Dec. 6 /PRNewswire-FirstCall/ -- Parker Hannifin (NYSE: PH), the world leader in motion and control technologies, hosted financial analysts and shareholders at its annual Investor Day today at the company's Cleveland headquarters. Don Washkewicz, CEO, Chairman and President announced in his opening presentation that the company has identified opportunities within its targeted markets that will provide significant future growth opportunities within a dynamic \$100 billion dollar motion and control market. Total market opportunity for the company has grown to \$100 billion through the pursuit of innovative products offering significant future growth and the acquisition of companies with expertise in technologies adjacent to Parkers. Parker's most recent fiscal year, which ended in June, produced record \$10.7 billion sales and more than \$830 million in income from continuing operations.

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

"While we are excited by the expanded growth opportunities for Parker's technologies, we will remain focused on executing the fundamentals of our proven Win Strategy to fully recognize our potential within the dynamic motion and control marketplace," said Washkewicz. "We will continue to deliver premier customer service, to focus on financial performance as a measure of every activity of each business, and ensure that each activity we undertake has been evaluated and found capable of contributing to Parker's profitable growth. Our execution of these Win Strategy fundamentals produced the best year in our 90-year history. We have yet to reach our full potential, but we have put in place the processes, people and products necessary to continue our advance."

Parker's \$10.7 billion sales in FY07, ended in June, resulted from products and systems of nine technologies including hydraulics, filtration, refrigeration, electromechanical, aerospace, pneumatics, fluid and gas handling, process control, and sealing and shielding, addressing the needs of global markets. Following Washkewicz's opening overview of Parker, the Investor Day program consisted of brief presentations of new applications of these technologies. Topics ranged from submarine oil exploration to wind and wave sources of alternative energy, new drive systems for heavy trucks and safety systems for commercial and military aircraft, all enabled by Parker technologies.

The presentations, archived until December 20 at <http://www.phstock.com> , include "Unlimited Growth Potential ... by Design" by Craig Maxwell - Vice President of Innovation and Technology, which details Parker's disciplined approach to innovative product development and focuses on future growth while maintaining incremental product development. "We have developed measurable links between product portfolio development and performance of our divisions relative to Win Strategy goals," said Maxwell. "These

demand consideration of bottom line impact at every development stage. Intersections of our multiple technologies with market and customer knowledge offer a depth of technical knowledge and engineering capability to our customers that helps them break new ground while partnering with Parker on development of their products for greater efficiency and profitability."

Presentations in the archive include:

"Ocean Wave Energy" which demonstrates the application of Parker's electromechanical technology to harness ocean waves as electrical generators. Parker has partnered with a customer to reduce the control envelope of buoys that generate 75 to 400 kilowatts of electricity from wave motion. The World Energy Council estimates that two terawatts of electricity, more than twice the world's present generation capability, could be generated by such systems.

"Nuclear/Biological Filtration" Parker's filtration technology is being applied to replace older, less efficient carbon canisters as a safeguard in the event that nuclear, chemical, or biological agents are used against military personnel or civilians. Already in use on British military vehicles, these systems are being developed for use by individual soldiers as part of their personal protection equipment.

"Geothermal Systems" Demand for geothermal systems for heating and cooling has grown at a rate of 22 percent over the last three years. Such systems currently represent only one percent of the world market for heating and cooling. Parker has helped develop systems that have proven, in use, to be 200 percent more efficient than conventional heating and cooling systems and 30 percent more efficient than earlier geothermal systems.

"Fluid and Gas Handling Technology" In the world of oil and gas exploration and development, Parker offers multiple technologies to make deep offshore exploration possible, efficient and less costly than traditional methods. Some Parker products serve the increasingly important "workover" rig segment that wring additional oil from inactive wells. Recent acquisitions have made Parker a presence in expanding Gulf of Mexico and North Sea fields and include flexible, crush resistant hose for extremely deep water exploration.

"Aerospace Technology: Inerting" Parker's 45 -year's experience with on board inert gas generating systems, (OBIGGS) that provide ignition-preventing inert gas to fuel tanks of military aircraft, is now being adapted by the world's leading manufacturers for use on commercial aircraft. The inerting systems will remove the air component of fire ignition by supplying a blanket of nitrogen to airliner tanks. Regulations mandating use of inerting systems on commercial aircraft could call for retrofitting existing fleets.

"Hydraulic Technology: Energy Recovery System" Parker has more than a decade of experience with hydraulic systems designed to recover brake energy and apply it to reduce vehicle fuel consumption. The latest systems in the evolution of this concept are being applied to heavy and medium trucks for refuse collection and package delivery. Unlike other hydraulic hybrids, Parker offers a series system that eliminates the weight and maintenance associated with parallel hydraulic hybrid systems as well as the cost, charge time, and battery replacement required by electric hybrids.

How all of these technologies come together to help customers raise efficiency and reduce

their costs was the subject of a tour of Parker's new "ideation" laboratory at the headquarters building. Parker Innovation engineers use electronic design systems to facilitate collaborative work. Each engineer brings specific technology expertise to the group to determine concept feasibility before allocating in-depth design and development work. Rather than concentrating solely on incremental product development, this approach identifies breakthrough products to serve defined future needs of customers in the \$100-billion motion and control market.

With annual sales exceeding \$10 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 51 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 both its industrial and aerospace markets, and the company's ability to achieve and maintain 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 results. Among the 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; 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 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, 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