

November 16, 2010



Parker Acquires Gulf Coast Seal Limited to Build on Its Oil and Gas Market Position and Extend Its Quick Response Service Model

CLEVELAND, Nov. 16, 2010 /PRNewswire-FirstCall/ -- Parker Hannifin Corporation (NYSE: PH), the global leader in motion and control technologies, today announced that it has acquired Gulf Coast Seal Limited based in Houston, Texas. Gulf Coast Seal (GCS) is a leading provider of highly engineered elastomeric and plastic sealing components and sub-systems for use in offshore oil and gas applications as well as quick response machining and value added services. Gulf Coast Seal has facilities located in Houston, Texas and in Glasgow, Scotland. Terms of the transaction were not disclosed. The acquisition is expected to be accretive to earnings in its first full year of operations.

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Gulf Coast Seal has annual sales of approximately \$45 million and employs approximately 160 people. Sales will be reported in Parker's Industrial reporting segment and the acquired company will be integrated into the Engineered Polymer Systems Division, which is headquartered in Salt Lake City, UT and is part of the Parker Seal Group.

"This acquisition further strengthens our ability to service the critical oil and gas market and accelerates our growth globally in this key area," said Kurt Keller, President of Parker's Seal Group. "In addition, GCS provides Parker a product line extension, manufacturing a full line of PEEK components, accompanied by a quick response cell, kitting and assembly.

Importantly, the GCS culture is focused on providing superior service to their customers, which is the primary goal of Parker's Win strategy."

"Parker acquiring Gulf Coast Seal is recognition of the prominent market position we have worked so hard to achieve," said Steve Leatherwood, President of Gulf Coast Seal. "Joining a highly respected global operation will allow us to expand the business far beyond what we would be capable of doing on our own, while still allowing us to operate with the autonomy and agility to meet our customer's needs. We are excited and pleased to be a part of Parker, which like us puts its customers first and we are fully committed to staying with the business as we work on a smooth transition in the next several years."

With annual sales of \$10 billion in fiscal year 2010, 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 55,000 people in 46 countries around the world. Parker has increased its annual dividends paid to shareholders for 54 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, and changes in contract cost and revenue estimates for new development programs; 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