

The Payne Firm, Inc. was the Environmental Consultant assisting in this deal. Below is the press release.

Applied Industrial Buys Minnesota Bearing Co.

Applied Industrial Technologies, Cleveland, OH, has acquired Minnesota Bearing Company, a \$35 million distributor of bearings, power transmission and related specialty products headquartered in Minneapolis, MN.

Applied acquired all divisions of Minnesota Bearing, which include Iowa Bearing Company, Western Bearing & Supply Company, and Nebraska Bearing Company, as well as Air-Hydraulic Systems, Inc., a full-service provider of hydraulic and pneumatic components and systems.

Founded in 1936, Minnesota Bearing operates nine locations throughout the Upper Midwest, including Minnesota, Iowa, Nebraska, North Dakota and Wisconsin.

Minnesota Bearing serves a broad range of customers in virtually every industry. Air-Hydraulic Systems specializes in developing systems for taconite mining and processing, logging, food processing, energy, manufacturing, agriculture and construction. Together, the Minnesota Bearing divisions produce multi-product systems, install equipment, make repairs and offer preventive maintenance.

"The strength of Minnesota Bearing, together with the expertise of Air-Hydraulic Systems, provide a good fit with Applied in terms of both product and service capabilities," said Todd Barlett, Applied's Vice President for Acquisitions and Global Business Development. "Minnesota Bearing's technical knowledge and geographic coverage strengthens our position in the Upper Midwest and creates opportunities for additional growth. We are also pleased to add Air-Hydraulic Systems to our growing fluid power business as part of this transaction."

Tony Greaton, a 36-year veteran who has held numerous management positions, will assume the new title of regional manager for the Minnesota Bearing Company locations, reporting to Benjamin Mondics, Applied's Vice President-Midwest Area. Air-Hydraulic Systems will operate as a subsidiary within Applied's fluid power business unit led by Warren Hoffner, III, Vice President-Fluid Power.

With more than 440 facilities and 4,500 employee-associates across North America, Applied Industrial Technologies is an industrial distributor that offers more than 2 million parts critical to the operations of MRO and OEM customers in virtually every industry. In addition, Applied provides engineering, design and systems integration for industrial and fluid power applications, as well as customized mechanical, fabricated rubber and fluid power shop services. For its fiscal year ended June 30, 2005, Applied posted sales of \$1.72 billion.