

**MARKETS  
UPDATE  
SUPPLEMENT  
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**Parker Hannifin Corporation**, Cleveland, OH, supplier of motion and control technologies, has acquired **Mitos Technologies, Inc.** Mitos manufactures fluid-handling products and systems designed specifically to meet the high purity requirements of the biotech industry, including tubing and hose, valves, pumps and molded components. Mitos had revenues of \$5.5 million in 2006 and employs 40 people at its headquarters in Phoenixville, PA. Parker Hannifin has annual sales of about \$9 billion.

**Real gross domestic product** – the output of goods and services produced by labor and property in the U.S. – increased at an annual rate of 0.7 percent in the first quarter of 2007, according to final estimates released by the Bureau of Economic Analysis. In the fourth quarter, real GDP increased 2.5 percent.

Influenced by the strength of the Canadian dollar, **prices in Canada for manufactured products** declined in May after six consecutive monthly increases. Crude oil pushed down prices for raw materials. From April to May, prices charged by manufacturers, as measured by the Industrial Product Price Index (IPPI), registered a 0.5 percent decline after six consecutive monthly increases. On a 12-month basis, the IPPI advanced 3 percent, a slowdown from the 3.8 percent increase registered in April.

**U.S. construction spending during May 2007** was estimated at a seasonally adjusted annual rate of \$1,176.6 billion, 0.9 percent above the revised April estimate. The May figure is 2.8 percent below the May 2006 estimate of \$1,210.0 billion. During the first five months of this year, construction spending amounted to \$442.1 billion, 3.9 percent below the \$460.1 billion for the same period in 2006.

**NetSuite Inc.**, San Mateo, CA, a vendor of on-demand, integrated business management application suites that provide ERP, CRM and e-commerce functionality for small and medium-sized businesses and divisions of large businesses, has filed a registration statement with the U.S. Securities and Exchange Commission on its intended initial public offering of common stock. The number of shares to be offered and the price range for the offering have not yet been determined.

Salem, OR-based **Ultratape Industries Inc.**, a manufacturer of adhesive tapes used in cleanroom environments, has been sold to Hayward, CA-based **Delphon Industries LLC**. Ultratape produces pressure sensitive adhesive tapes for use in semiconductor cleanrooms, labs, pharmaceutical manufacturing and other particle-free and static-free environments.

### Calculation of MDM Inflation Index for May 2007

	BLS Price Indices May '07	BLS Price Indices Apr. '07	BLS Price Indices May '06	% Sales Weight	Weighted Indices May '07 (1)X(4)	% Change May '07 Apr. '07	% Change May '07 May '06
1136 Abr. Prod.	462.2	462.2	451.5	19.1	88.28	0.00	2.37
1135 Cutting Tools	436.5	436.3	429.0	18.9	82.51	0.06	1.77
1145 Power Trans.	637.0	634.8	610.8	15.4	98.10	0.34	4.30
1081 Fasteners	444.3	442.6	424.5	9.0	39.98	0.37	4.64
1149.01 Valves, etc.	779.3	775.8	712.8	7.6	59.23	0.46	9.33
1132 Power Tools	328.3	329.0	324.1	6.5	21.34	-0.20	1.30
1144 Mat. Handling	461.3	461.3	443.8	6.2	28.60	0.00	3.94
0713.03 Belting	542.1	542.7	536.3	6.1	33.07	-0.12	1.08
1042 Hand Tools	680.0	678.7	666.7	8.1	55.08	0.20	1.99
108 Misc. Metal	418.2	415.0	406.0	3.1	12.96	0.75	2.99
"New" May Index	271.2	May Inflation Index			519.15	0.18	3.49
"New" April Index	270.8	April Inflation Index			518.22		
		May 2006 Inflation Index			501.64		

New index reflects 1977=100 base other #: 1967 To convert multiply by .52247