

MDM News Digest

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ERIKS group reported sales of €1.132 billion (US\$1.48 billion at the current exchange rate), an increase of 19.3 percent over sales for 2007. Organic growth contributed €42 million (US\$54.9 million) to growth in 2008; acquisitions in 2007 and 2008 added €208 million (US\$272 million).

The fourth quarter **Baird Industrial Distribution Survey**, from Robert W. Baird Inc., indicates the industrial economy is in recession. On average, respondents' fourth quarter revenues were down significantly, with increased pricing offsetting unit volume declines. Expectations are for continued declines through 2009, though the trajectory should not be as severe as it was in recent weeks which were negatively impacted by abnormal holiday closures.

Canadian manufacturing sales decreased for a fourth consecutive month in November. Sales fell 6.4 percent to \$48.4 billion, the lowest level since December 2004.

Parker Hannifin, Cleveland, OH, reported sales of \$2.7 billion for fiscal 2009 second quarter ending Dec. 31, 2008, a decline of 5 percent from the same quarter a year ago. Profit declined 26.7 percent to \$155.4 million. "Current quarter results reflect the fact that the global recession has deepened and widened in recent months and creates

some uncertainty for the remainder of our fiscal year and throughout calendar 2009," said Don Washkewicz, president and CEO.

Precision Castparts Corp., Portland, OR, reported sales for the third quarter were \$1.6 billion, a decline of 3.2 percent over the prior year period. Profit was \$239.1 million, down 3 percent. For the first nine months ended Dec. 28, 2008, sales improved 4.8 percent to \$5.2 billion, compared to the first nine months of fiscal year 2008. Profit for the period increased 10.7 percent to \$784.2 million.

Rexnord LLC, Milwaukee, WI, announced that **Zurn Industries**, LLC, its wholly owned water management subsidiary, has agreed to acquire **Fontaine-Alliance Inc.** for CAD30 million. Fontaine manufactures sluice gates and other engineered flow control products for the municipal water and wastewater markets. Fontaine is based in Magog, Quebec, Canada, and has annual sales of CAD40 million.

Industrial and automotive product manufacturer **Gates Corp.**, Denver, CO, will close its Salt Lake City, UT, distribution center in the summer of 2009. The center currently services automotive aftermarket customers, and employs 42 associates.

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Calculation of MDM Inflation Index for December 2008

	BLS Price Indices Dec. '08	BLS Price Indices Nov. '08	BLS Price Indices Dec. '07	% Sales Weight	Weighted Indices Dec. '08 (1)X(4)	% Change Dec. '08 Nov. '08	% Change Dec. '08 Dec. '07
1136 Abr. Prod.	512.1	512.1	473.8	19.1	97.81	0.00	8.08
1135 Cutting Tools	450.6	448.7	438.2	18.9	85.17	0.42	2.85
1145 Power Trans.	724.2	717.6	651.4	15.4	111.52	0.91	11.18
1081 Fasteners	492.9	499.3	465.6	9.0	44.36	-1.30	5.86
1149.01 Valves, etc.	854.4	848.4	787.1	7.6	64.93	0.71	8.55
1132 Power Tools	344.7	339.9	331.0	6.5	22.41	1.43	4.15
1144 Mat. Handling	524.7	523.2	468.5	6.2	32.53	0.27	12.00
0713.03 Belting	607.4	614.2	549.8	6.1	37.05	-1.10	10.48
1042 Hand Tools	734.5	732.5	683.4	8.1	59.50	0.28	7.48
108 Misc. Metal	457.7	458.8	425.2	3.1	14.19	-0.25	7.64
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"New" December Index	297.5	December Inflation Index			569.46	0.24	7.86
"New" November Index	296.8	November Inflation Index			568.10		
		December 2007 Inflation Index			527.97		

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