



"At the Heart of What Drives Your World"

# NEWS RELEASE

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## Regal Beloit Acquires Morrill Motors

**Beloit, WI –October 12, 2007** – Regal Beloit Corporation (NYSE: RBC) today announced that the Company has acquired Morrill Motors.

The acquired business is a leading designer and manufacturer of fractional horsepower motors and components for the commercial refrigeration and freezer markets. Included in the motor offering are technology based-variable speed products. The business will be reported as part of the Company's Electrical Segment. The purchase price was not disclosed. The purchase price was paid in cash, subject to final working capital and other customary post close adjustments.

Regal Beloit expects the business to add approximately \$8.0 million to fourth quarter sales and add approximately \$42.0 million in sales to 2008. It is expected that the combined businesses will be neutral to diluted earnings per share for 2007 and add \$.03 to \$.05 to diluted earnings per share in 2008, including planned synergies. The Company's estimates include the estimated impact of purchase accounting and intangible amortization based on the preliminary purchase price allocation.

According to Henry W. Knueppel, Chairman and CEO of Regal Beloit, "*The business is a great addition to our portfolio of energy efficient system solutions for our customers. We believe the Morrill technology, coupled with our technologically advanced products, positions us well to capitalize on the market opportunities in the commercial refrigeration segment. Additionally, Morrill brings with it a wholly owned subsidiary located in Jiaxing China. This acquisition will further expand our global manufacturing and commercial capabilities. With Morrill's facilities in Erwin, Tennessee and Jiaxing China it is well positioned to serve customers' growing needs for technology and value. It is a well run company and we are excited to have it join our growing Regal Beloit family.*"

The business is based in Erwin, Tennessee and has manufacturing facilities in Erwin and in Jiaxing, China.

**About REGAL BELOIT CORPORATION:**

Regal Beloit Corporation is a leading manufacturer and marketer of branded mechanical and electrical motion control and power generation products serving markets throughout the world. Regal Beloit is headquartered in Beloit, Wisconsin, and has manufacturing, sales, and service facilities throughout the United States, Canada, Mexico, Europe and Asia.

**CAUTIONARY STATEMENT**

**The following is a cautionary statement made under the Private Securities Litigation Reform Act of 1995:** With the exception of historical facts, the statements contained in this press release may be forward looking statements. Forward-looking statements represent our management's judgment regarding future events. We cannot guarantee the accuracy of the forward-looking statements, and you should be aware that results and events could differ materially and adversely from those contained in the forward-looking statements due to a number of factors, including: unexpected issues and costs arising from the closing of the transaction and the integration of acquired companies and businesses and marketplace acceptance of these and other recent acquisitions, including the loss of, or a decline in business from, any significant customers of Regal Beloit or the acquired businesses. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the applicable cautionary statements. The forward-looking statements included in this press release are made only as of the date of this release, and we undertake no obligation to update these statements to reflect subsequent events or circumstances.

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