



"At the Heart of What Drives Your World"

NEWS RELEASE

FOR RELEASE ON OR AFTER: July 3, 2007, 3:00 pm
FOR ADDITIONAL INFORMATION, PLEASE CONTACT:

David A. Barta
Vice President,
Chief Financial Officer
608-361-7405

Page 1

Regal Beloit Corporation to Acquire Electric Motor and Blower Businesses from Tecumseh Products Company

Beloit, WI – July 3, 2007 – Regal Beloit Corporation (NYSE: RBC) today announced that it has signed a definitive agreement with Tecumseh Products Company (Nasdaq: TECUA; TECUB) under which Regal Beloit will acquire the assets of the FASCO Residential/Commercial operations and the stock of the FASCO Asia/Pacific operations of Tecumseh (FASCO). Tecumseh's FASCO Automotive/Specialty business is not part of this transaction. The FASCO businesses that Regal Beloit is acquiring manufacture and market motors and blower systems for air moving applications including alternative fuels systems, water heaters and HVAC systems. Regal Beloit expects the acquired businesses to add approximately \$290 -million of sales in 2008.

The transaction is valued at approximately \$220 million and is expected to close in the third calendar quarter, subject to the satisfaction of customary conditions for closing and the receipt of required regulatory approvals. Regal Beloit expects the acquisition to add approximately \$.10 to \$.15 to 2008 diluted earnings per share. The purchase price will be paid in cash.

Henry W. Knueppel, Chairman and CEO of Regal Beloit commented, *"FASCO is a great business with a long history of product and manufacturing excellence. We are very excited about the people, facilities, and technology that are the foundation of these acquired businesses. This acquisition is consistent with our strategy to expand our end markets and integrated product solutions. We are particularly pleased that this acquisition would allow us to offer our customers a range of complete motor and blower system solutions. Additionally, the acquisition would continue the expansion of our global manufacturing and commercial footprints and expand our reach further into Asia including the Australian market."*

Included in the acquisition are manufacturing and distribution facilities in Eldon, Missouri; Cassville, Missouri; Piedras Negras, Mexico; Bangkok, Thailand and Melbourne, Australia. The FASCO Automotive and Specialty business will remain with Tecumseh but will not retain the FASCO brand.

Robert W. Baird & Co. served as the exclusive financial advisor to Regal Beloit.

Regal Beloit will hold a conference call on July 9, 2007 at 10:00 am (CDT), 11:00 am (EDT) to discuss this acquisition. Interested parties may participate in the call by dialing 800-230-1092, International callers dial 612-288-0337. The replay, which will be available for 15 days, may be accessed by calling 800-475-6701, International callers 320-365-3844, passcode 879862.

About REGAL BELOIT CORPORATION:

Regal Beloit Corporation is a leading manufacturer of 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: uncertainties regarding the timing and closing of the transaction, including the receipt of regulatory approvals and the satisfaction of other closing conditions, unexpected issues and costs arising from the closing of the transaction and the integration of acquired companies and businesses and marketplace acceptance of this 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.

###

Corporate Offices

200 State Street • Beloit, WI 53511-6254

608-364-8808 • Fax: 608-364-8818

Website: www.regal-beloit.com