



Regal-Beloit Corporation: Recipient of the
2007 North American Motors
Company of the Year Award



From left to right: Sandeep Maheshwari, Frost & Sullivan, Vice President Automation & Electronics; Mike Wickiser, Regal-Beloit Corporation, Sr. Vice President Motor Sales and Marketing

“Partnering with clients to create innovative growth strategies”

2007 North American Motors Company of the Year Award

Award Description

The Frost & Sullivan Award for Company of the Year in the motors space is presented each year to the company that has demonstrated excellence in the fields of technology and evident customer confidence in terms of loyalty and service. The award recognizes the company's commitment to continuously evolve and remain a leading participant in the motors industry by adopting technologies and providing services that offer better value to customers. The varied services that the company offers and the benefits that the clients receive through the company's efforts are important measuring tools that set the company apart for this award.

The recipient has displayed excellence in all areas of the process, including the identification of industry challenges, market drivers and restraints, as well as strategy development and methods of addressing these market dynamics. By utilizing these strategies for success, the company has established itself as the market leader in its respective industry.

The recipient company has developed and implemented new customer care systems that set very high standards for customer interaction, timely response, and attention to customer needs. In addition, the company has demonstrated flexibility in tailoring its product offerings to suit customer businesses.

Research Methodology

To choose the recipient of this award, the analyst team tracks companies in the motors industry and benchmarks them with respect to competitor revenues and market share in the industry. The criteria for this analysis include client-to-employee ratio, period of serving the industry, the design, delivery, and enhancement of services to customers, and an increase in revenue growth despite market recession. The selection process includes interviewing market participants and secondary research proprietary data sources. The data obtained is then compared and ranked for determining relative positions, and the company that secures the highest rating in terms of the criteria established, is awarded the number one industry ranking.

Measurement Criteria

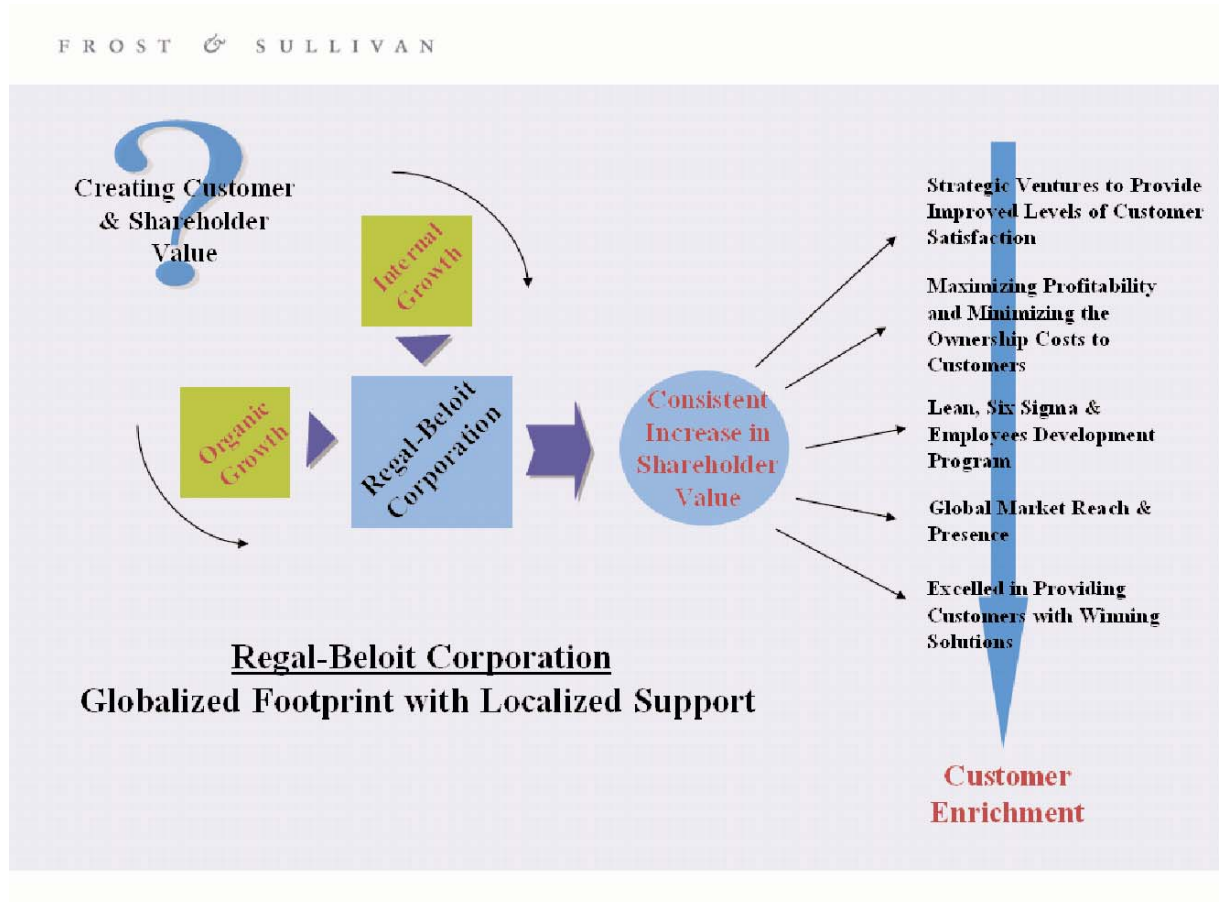
In addition to the methodology described above, there are specific criteria used in determining the final ranking of competitors in this industry. The recipient of this Award has excelled based on one or more of the following criteria:

- Maximizing profitability and minimizing ownership costs to customers
- Providing better lifecycle benefits for all its products
- Involving in strategic ventures to provide consistent quality, value, and service philosophy across all verticals
- Ensuring quality and reliability of products
- Responding to customer needs with improvement in customer satisfaction level and expanding its customer base on a year on year basis
- Delivering value-enhancing solutions to customers
- Keeping pace with technology developments in the market and pioneering technological innovation and leadership
- Having global market reach and presence
- Gaining market leadership across various verticals and horizontals of the motors space and the ability to penetrate newer markets
- Establishing brand equity with a strong revenue growth and consistent increase in shareholder value
- Efficiently managing channel partners to provide better value to all its customers



The 2007 Frost & Sullivan Company of the Year Award in the motors domain is presented to Regal-Beloit Corporation. The company has shown a strong commitment in exceeding customer expectations with a persistent focus on customer value and flexibility in offering customized products and services. The company's exceptional ability to increase the breadth of its offerings and provide an unsurpassed range of solutions across end-user verticals is highly commendable.

Regal-Beloit's unique focus on aligning all its brands, processes, and supporting technologies to offer improved lifecycle benefits are unsurpassed in the industry. Regal-Beloit has shown keen focus on enabling customers to achieve operational excellence and a consistent increase in shareholder value, which has positioned it as a truly global brand.



Globalization has urged manufacturing companies to strive for competitive advantage through ventures and collaborative business arrangements. However, the challenge remains that mergers and acquisitions can be risky or rewarding, based on the execution ability of the companies. Regal-Beloit has been able to consistently deliver customer and shareholder value with its unique ability to unite and utilize complimentary strengths of all its acquisitions. While peer group companies are struggling over the integration of complex systems after the merger or

acquisition, Regal Beloit has carved a niche for itself by acquiring and rapidly integrating 43 companies over a period of 51 years enabling the company to introduce innovative solutions that positively impact the customer's bottom line. From all its strategic associations, the company has been able to identify, assess, evaluate, and establish a clear customer-winning approach, which has also enabled it to generate increased market revenues and expand its customer base globally. A case in hand is the acquisition of the General Electric Commercial Alternating current (GE CAC) and the heating, ventilation, and air-conditioning (HVAC) motors business in 2004, which effectively doubled the size of Regal Beloit, making it the undisputed leader in the HVAC industry vertical.

Regal Beloit's approach of utilizing complementary strengths in all its strategic alliances to add more credibility to its global customers has been recognized as an industry benchmark. The company's meticulous and disciplined acquisition approach to bring efficient people, good customer relationships, excellent distribution networks, and robust research and development (R&D) as a part of a winning culture is a class apart. Customers testify these acquisitions to have resulted in improved levels of customer service, cutting-edge technologies, and competitive costs, thus ensured Regal Beloit's success

With very fierce market competition, companies should also optimize opportunities for growth within their own company. Therefore, companies should strive to eliminate cost by focusing on their core competencies and value chain activities. Regal Beloit has proved to be equally competent in demonstrating a strong commitment toward accelerated organic growth. The lean and Six Sigma initiatives are examples of the company's continual strive to provide enhanced value to its customers.

The opening up of the emerging economies has significantly challenged manufacturers to seek a unified view of all their processes and at the same time consolidate their positions globally. Regal Beloit has shown a unique ability to standardize all its products with consistent quality and efficiency on a global platform. Very few companies can match Regal Beloit's abilities to deliver consistent quality at a competitive price across the end-user verticals on a global basis. This is indicated by the fact that the company had a revenue growth rate of more than 88 percent in 2005, which is exceptional when compared to the industry average. Customers laud the company's effort in reducing the total cost of ownership by shifting more than 4,000 products to new lower cost platforms.

Regal Beloit has been following a proactive business model of making its employees adept at customer responsiveness by nurturing initiatives such as the 'business talent review process' and the 'multi-generation product planning process'. The company has displayed a great amount of intellect in creating an ideal marketing mix of direct sales and channel distribution networks to execute more targeted and effective inbound and outbound customer campaigns. The company has remained closer to the customers through an excellent network of distributors and suppliers, which have demonstrated an inherent ability to deliver the products on time even to the remotest of customer locations. Cross pollination of ideas from its global teams helps Regal Beloit understand the customer's futuristic needs.

Worldwide, manufacturing companies are compelled to introduce innovative products to the market or risk losing potential customers to competitors. Regal Beloit has shown a unique ability in embodying quality and reliability through superior product development and innovation, thus improving lifecycle benefits in all its products. Customers have testified Regal Beloit to have brought in products and offerings that are in line with their needs. The company has shown exceptional understanding of the customer business requirements and has effectively translated them into products that help customers realize the benefits on a real-time basis. A case in hand would be its radical X13 motor for the HVAC application that has resulted in significant energy savings and enhanced life cycle benefits to all its customers.

Customers appreciate Regal Beloit's unique competence to engineer value-enhancing solutions for their specific needs. Examples of the success with this approach include the line of leisure spa motors that have contributed to improved reliability, better energy efficiency, and reduced noise.

With more than 11,000 employees and 69 manufacturing and service/distribution facilities, Regal Beloit manifests a global manufacturing footprint with highly localized support for its customers. It has remained a highly responsive company that has consistently delivered its promises and excelled in providing winning solutions to its customers. Regal Beloit has set industry benchmarks in driving customer profitability goals, driving their internal growth, and consistently outperformed the same in exceeding customer expectations, thus truly deserving the 2007 Frost & Sullivan Company of the Year Award in the motors domain.



About Frost & Sullivan

Frost & Sullivan, a global growth consulting company founded in 1961, partners with clients to create value through innovative growth strategies. The foundation of this partnership approach is our Growth Partnership Services platform, whereby we provide industry research, marketing strategies, consulting and training to our clients to help grow their business. A key benefit that Frost & Sullivan brings to its clients is a global perspective on a broad range of industries, markets, technologies, econometrics, and demographics. With a client list that includes Global 1000 companies, emerging companies, as well as the investment community, Frost & Sullivan has evolved into one of the premier growth consulting companies in the world.

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