



DATE: June 6, 2007

SUBJECT: Baldor Electric Company Completes  
Sales of Power Services Business

Fort Smith, Arkansas – Baldor Electric Company (NYSE:BEZ) markets, designs, and manufactures industrial electric motors, power transmission products, drives, and generators and is based in Fort Smith, Arkansas. Baldor announced today that it has completed the sale of the Reliance Electric Company Power Services business.

The Power Services business, which represented less than 4% of Baldor’s annual revenues, provides diagnostic support, repair, maintenance, and performance improvement consulting services for electric motors and rotating mechanical power transmission products from 11 different locations in the United States. Baldor sold the business for strategic purposes, and all proceeds will be used to reduce outstanding debt.

The sale will not have a material impact on Baldor’s balance sheet or results of operations, and the terms of the sale were not disclosed.

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