



MONDAY, AUGUST 15, 2005

INSIDE SCOOP |

Timken's Outgoing Chairman Boosts Sales

By RUTH MANTELL

Insider Tables: Buyers | Sellers

LAST WEEK, outgoing Chairman W.R. Timken Jr. exercised options and sold almost 250,000 shares of Timken Co., the industrial-products manufacturer, according to a Securities and Exchange Commission filing.

Earlier this month, W.R. Timken Jr. and Director John M. Timken Jr. sold a total of 25,000 shares on behalf of family, according to SEC filings. Timkens have also acquired some stock, filings indicate.

And last week, James Griffith, Timken's president and chief executive, exercised options on 12,000 shares and sold the majority of that stock, according to an SEC filing.

"The insider trading is clearly a function of the better equity value that people have been giving the shares," says Christopher Olin, an analyst with Longbow Research.

Trading at 28.49, Timken shares have increased 29% during the past 12 months, compared with a 16% return from the Standard & Poor's 500 index.

However, despite the recent sales, the overall insider trading pattern is bullish, says Michael Painchaud, managing director of research for Market Profile Theorems.

During periods within the past 24 months, Timken's insider trading patterns have been exceptionally positive, with insiders accumulating more than selling.

Painchaud says he owns no Timken stock and that the company is not a client.

Timken has benefited from a rebound in industrial-machinery companies such as Caterpillar, as well as synergies produced by its \$840 million acquisition of Torrington, Olin says.

Olin, who says he owns no Timken shares, has a \$30 target price for the stock that he rates Buy. Longbow performs no investment banking.

Denise Bowler, a Timken spokeswoman, notes that W.R. Timken Jr.'s most recent transactions, as well trades by other insiders, are taking advantage of a trading window.

Further, the Timken family maintains a substantial position in Timken stock, Bowler says.

Today, W.R. Timken Jr.'s nephew became chairman, replacing W.R. Timken Jr. who is leaving to be U.S. ambassador to Germany.

W.R. Timken Jr.'s great-grandfather founded the company.