



## **Parker Reports Increase in Total Orders for February; Announces Quarterly Orders Reporting Beginning in Fiscal Year 2008**

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CLEVELAND, March 7 /PRNewswire-FirstCall/ -- Parker Hannifin Corporation (NYSE: PH) today reported an increase of 3 percent in total orders for the month of February compared to the same month a year ago. The company also announced that beginning in fiscal year 2008 it will change the method and reporting of its orders.

### **Segment Orders**

In addition to the 3 percent increase in total orders for the month of February, Parker reported the following orders by operating segment:

- Orders in the Industrial North America segment decreased 2 percent versus February a year ago.
- Orders in the Industrial International segment increased 9 percent versus February a year ago.
- Orders in the Aerospace segment increased 4 percent on a rolling 12 month average basis.
- Orders in the Climate and Industrial Controls segment increased 3 percent versus February a year ago.

Orders provide near-term perspective on the company's outlook, particularly when viewed in the context of prior and future monthly order rates. However, orders are not in themselves an indication of future performance. All comparisons are at constant currency exchange rates, with the prior year restated to the current-year rates. All exclude acquisitions until they can be reflected in both the numerator and denominator. Aerospace comparisons are rolling 12-month average computations. The Total Parker orders number is derived from a weighted average of the year-over-year monthly percent change in orders for the Industrial North America, Industrial International, and Climate and Industrial Controls segments, and the year-over-year 12-month rolling average of orders in the Aerospace segment. Comparisons are made using a daily average based on the number of workdays in the respective periods. A varying number of workdays year over year could influence the daily averages and could produce a different result than if the comparison was based on total order dollars for the periods.

### **Quarterly Reporting to Begin in Fiscal 2008**

The company's current order reporting methodology compares the monthly percent change in average daily order dollars year over year for the Industrial North America, Industrial International and Climate and Industrial Controls segments. This will change to quarterly reporting of orders on a total dollar basis year over year for these segments. Orders will be calculated by comparing three month orders on a total dollar basis year over year. The Aerospace segment will remain on a trailing 12 month year over year comparison, and also will be reported quarterly on a total dollar basis. Total Parker orders will be calculated using a weighted average reflecting the segment calculations.

Orders using the current methodology will continue to be reported each month through June 2007, the end of Parker's current fiscal year. The new quarterly reporting of orders will be included as part of the company's fiscal 2007 year end earnings release.

"After a thorough analysis and careful consideration of shareholder input, we've concluded that our current method of reporting orders is not the best indicator of the future prospects of the company," said Chairman, CEO and President Don Washkewicz. "One-month order rates are too focused on the short-term to effectively characterize the longer term trends of our markets. We believe the new orders reporting methodology, when coupled with updated annual earnings guidance, will deliver the most meaningful data to our shareholders."

Comparative data on current and historical orders is available on the company's investor information web site, <http://www.phstock.com>. To access the information, first click on "Newsroom" and then click on the "Monthly Orders" link. Parker's investor web site also offers registration for investors to receive automatic e-mail notification of all upcoming news, events and information from the company.

With annual sales exceeding \$9 billion, Parker Hannifin is the world's leading diversified manufacturer of motion and control technologies and systems, providing precision-engineered solutions for a wide variety of commercial, mobile, industrial and aerospace markets. The company employs more than 57,000 people in 43 countries around the world. Parker has increased its annual dividends paid to shareholders for 50 consecutive years, among the top five longest-running dividend-increase records in

the S&P 500 index. For more information, visit the company's web site at <http://www.parker.com>, or its investor information site at <http://www.phstock.com>.

**Forward-Looking Statements:**

Forward-looking statements contained in this and other written and oral reports are made based on known events and circumstances at the time of release, and as such, are subject in the future to unforeseen uncertainties and risks. All statements regarding future performance, earnings projections, events or developments are forward-looking statements. It is possible that the future performance and earnings projections of the company and individual segments may differ materially from current expectations, depending on economic conditions within both its industrial and aerospace markets, and the company's ability to achieve and maintain anticipated benefits associated with announced realignment activities, strategic initiatives to improve operating margins, and growth and innovation initiatives. A change in economic conditions in individual markets may have a particularly volatile effect on segment results. Among the other factors which may affect future performance are: changes in business relationships with and purchases by or from major customers or suppliers, including delays or cancellations in shipments; uncertainties surrounding timing, successful completion or integration of acquisitions; threats associated with and efforts to combat terrorism; competitive market conditions and resulting effects on sales and pricing; increases in raw-material costs that cannot be recovered in product pricing; the company's ability to manage costs related to employee retirement and health care benefits and insurance; and global economic factors, including manufacturing activity, air travel trends, currency exchange rates, difficulties entering new markets and general economic conditions such as inflation and interest rates. The company makes these statements as of the date of this disclosure, and undertakes no obligation to update them.

**SOURCE** Parker Hannifin Corporation 03/07/2007 **CONTACT:** Media, Christopher M. Farage, Vice President, Corp. Communications, +1-216-896-2750, or [cfarage@parker.com](mailto:cfarage@parker.com), or Financial Analysts, Pamela Huggins, Vice President - Treasurer, +1-216-896-2240, or [phuggins@parker.com](mailto:phuggins@parker.com)