



## **Parker Revises Earnings Projections Reflecting North American Industrial Downturn**

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CLEVELAND, March 19 /PRNewswire/ -- On the heels of a broad-based decline in North American industrial activity, including recent sharp drops in the semiconductor and telecommunications markets, Parker Hannifin Corporation (NYSE: PH) today issued revised earnings projections for its fiscal third quarter ending March 30, as well as for the fiscal year.

(Photo: <http://www.newscom.com/cgi-bin/prnh/19990816/PHLOGO> )

- The company said it expects quarterly earnings to range from \$0.70 to \$.80 per diluted share without unusual or extraordinary items, which include a charge of \$0.03 per share for the early retirement of debt completed in February.
- Results for the fiscal year ending June 30 are expected to range from \$3.00 to \$3.25 per diluted share, excluding extraordinary items.

Parker said it considers these ranges prudent given continued economic uncertainty. Recent declines observed in the company's North American industrial orders suggest that markets for capital goods will remain soft through the rest of the calendar year. The company noted that strong demand in its aerospace segment and growth in its international-industrial markets should partially offset the North American manufacturing recession.

In addition to ongoing restructuring activities, Parker said it is placing greater emphasis on immediate actions to address the domestic downturn, including reductions in both inventories and workforce in the businesses affected. While these adjustments will adversely affect near-term operating margins, they also will generate higher cash flows and position the company for stronger performance on the upside of the cycle.

In addition to providing earnings estimates, the company makes a monthly disclosure of orders several business days after the conclusion of each month. This information is available on the company's investor information web site, at [www.phstock.com](http://www.phstock.com) .

With annual sales of \$6 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 45,000 people in 46 countries around the world. For more information, visit the company's web site at [www.parker.com](http://www.parker.com) , or its investor information site at [www.phstock.com](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 company's future performance and earnings projections may differ materially from current expectations, depending on economic conditions in North American industrial markets and aerospace aftermarket, the company's ability to achieve anticipated benefits associated with announced inventory and workforce reductions. 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; competitive market conditions and resulting effects on sales and pricing; increases in raw-material costs that cannot be recovered in product pricing; and global economic factors, including currency exchange rates, difficulties entering new markets and general economic conditions such as interest rates. In each quarterly earnings report, the company intends to provide a range stating expected earnings per share for the succeeding quarter and full fiscal year, reflecting these ranges as estimates of diluted earnings per share before unusual items. The company makes these statements as of the date of this disclosure, and while it undertakes no obligation to update them, reserves the right to update its earnings projections for any reason during the quarter, including the occurrence of material events. SOURCE Parker Hannifin Corporation

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