



Parker Reduces Near-Term Earnings Outlook

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CLEVELAND, Mar 18, 2003 /PRNewswire-FirstCall via COMTEX/ -- Amid lingering effects of a widespread industrial recession, Parker Hannifin (NYSE: PH) today revised earnings expectations for the company's fiscal third quarter ended March 31, now projected to range between 43 and 53 cents per diluted share, excluding realignment items. In January, the company had projected third-quarter earnings between 55 and 65 cents, with full-year earnings estimated to range from \$2.10 to \$2.30 per share, both excluding realignment items.

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

The company did not issue a revised projection for the full year, given that current economic uncertainties cloud any prediction of performance three months from now. "We don't feel comfortable trying to project earnings with such limited visibility of either industrial or aerospace activity due to the effects of a potential conflict," said Parker CEO Don Washkewicz. "We're staying focused internally, controlling costs as we plan for the new fiscal year, and generating cash. Our balance sheet remains strong, and based on our past performance post-recession, we're well primed to resume growth when the industrial economies improve."

In addition to providing earnings estimates, Parker advises shareholders to note order trends, for which the company makes a disclosure 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 .

With annual sales exceeding \$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 48,000 people in 44 countries around the world. For more information, visit the company's web site at www.parker.com , or its investor information site at 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 within both its industrial and aerospace markets, and the company's ability to achieve anticipated benefits associated with announced realignment activities and strategic initiatives to improve operating margins. 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 and integration of acquisitions; threats associated with and efforts to combat terrorism, including a possible conflict with Iraq; 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 realignment activities. 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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