



Parker Wins Fuel, Hydraulic & Flight Control Systems For China's ARJ21

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CLEVELAND, and IRVINE, Calif., Sep 3, 2003 /PRNewswire-FirstCall via COMTEX/ -- Parker Hannifin Corporation (NYSE: PH) today announced it has been selected by the Chinese AVIC I Commercial Aircraft Company, Ltd. (ACAC) to provide three major systems -- fuel, hydraulic and flight control actuation -- for a new fleet of regional jets known as the ARJ21 (Advanced Regional Jet for the 21st Century). With ACAC's projected worldwide market potential for 500 aircraft over the next 20 years, the contracts are expected to yield as much as \$275 million in original-equipment revenues for Parker, with significant additional opportunities to apply its systems expertise providing maintenance, repair and overhaul services in the aftermarket. The 70- to 90-seat ARJ21 will provide regional transport with a range of 2,000 kilometers (1,080 nautical miles). It will support rapid expansion of aviation in China, where plans call for 50 new airports to be constructed over the next five years.

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

"We believe this program will shape the future of civil aviation throughout Asia," said Parker President and CEO Don Washkewicz. "We are honored to have been chosen among many excellent companies that were part of this competitive process, and we are absolutely committed to further expand our investment and employment in China to support this program as a long-term partner."

Parker Aerospace will work with ACAC to develop, integrate, build, test, certify and provide service for the three systems throughout the life of the program, as lead integrator for the fuel and hydraulic systems, and in partnership with Honeywell on the flight control system.

"We are very proud to be a member of the ARJ21 team, and admire the commitment and leadership that has been demonstrated by our partners in China who are pioneering this effort," said Parker Aerospace President Bob Barker. "These ruggedly-designed aircraft will transport people between distant hubs across a vast region. The project requires a reliable team with proven development expertise to support the aircraft's critical operating systems. Parker is pleased to bring significant experience and enabling technology to this momentous program, and to the Chinese aerospace industry."

To support the ARJ21, Barker said the company will establish new aerospace facilities in China, staffed with local engineers and professionals. He said the company also will rely on Chinese suppliers for a range of purchased goods and services. The added facilities will increase Parker's overall presence in China, which currently includes operations in Beijing, Shanghai, Shenyang, Dong Guan and Guangzhou.

Parker has provided joint engineering and development for complete systems on numerous commercial and military platforms, including the Embraer 170/190, Airbus A340-500/600 and A380, Global Express, Q400, CRJ, C-17 and the F-35 Joint Strike Fighter. It is unique in its ability to provide proven experience in the three primary motion-control systems for regional aircraft, including fuel, hydraulic and flight control systems.

Parker Aerospace designs, manufactures, and services hydraulic, fuel, and pneumatic components, systems, and related electronic controls for aerospace and other high-technology markets. Based in Irvine, California, its product lines include flight-control actuation systems and components, thrust-reverser actuation systems, electro-hydraulic servo valves, utility hydraulic systems and components, engine-driven and electric hydraulic pumps, AC and DC motor pumps, fuel pumps and valves, fuel tank inerting systems, aerial refueling equipment, fuel measurement and management systems, fuel atomization equipment, cockpit instrumentation, flight inspection systems, pneumatic subsystems and components, lubrication and scavenge pumps, and wheels and brakes.

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 46,000 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 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 anticipated benefits associated with announced realignment activities, strategic initiatives to improve operating margins, and growth initiatives. A change in economic conditions in individual markets may have a particularly volatile effect on segment projections. 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; and global economic factors (including those which could affect the Chinese aerospace market), including currency exchange rates, difficulties entering new markets and general economic conditions such as 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

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