



## **Parker COO Details Long-Term Growth Strategy at Lehman Brothers Industrial Select Conference**

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### **\* Company Goal is \$10 billion in sales and 20-percent market share**

CLEVELAND, Feb. 2 /PRNewswire-FirstCall/ -- Parker Hannifin (NYSE: PH) President and Chief Operating Officer Nickolas Vande Steeg commented on the company's long-term growth strategy at the Lehman Brothers Industrial Select Conference in Miami, Fla., on Tuesday. During a presentation, Vande Steeg detailed the company's plan to reach \$10 billion in sales with a 20-percent share of the \$50-billion global motion and control market. Today, Parker is the global leader in motion and control, with more than \$7 billion in annual sales and a 14-percent market share.

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

"Our profitable growth plan includes 10-percent compounded annual revenue growth, with five percent coming from acquisitions and five percent organically through global expansion, innovation and increased sales in total Parker systems," said Vande Steeg. In his presentation, Vande Steeg highlighted each of the key growth drivers:

- **Strategic Acquisitions:** "Our acquisition focus is on higher return, less-cyclical businesses that bring Parker smart or expanded technologies, global presence, near-term synergies, and after-market content. He commented that Parker's recent acquisition of Sporlan, a market leader in refrigeration and air conditioning components and systems, provides an excellent example of the company's acquisition strategy because refrigeration is a growing market with very low cyclicity. Vande Steeg also commented on future acquisitions. "We've identified potential acquisitions in Europe, Asia Pacific and North America that are available to us and would be a good use of our cash."
- **Innovation:** Vande Steeg said the company is placing a strong emphasis on innovation. "We've assigned a Technology & Innovation Vice President to each of our eight operating groups exclusively dedicated to advancing Parker innovations. We are forming market-focused business units such as life sciences and fuel cells that are uniquely positioned to serve those markets with Parker-engineered customer solutions. We're providing corporate funding for breakthrough projects and we're collaborating with government and academia groups so that Parker is at the forefront of some of the world's most innovative technologies."
- **Total Parker System Solutions:** Vande Steeg defined systems with an example of Parker technologies onboard the Airbus A-380. "It means we provide the fuel systems, galley cooling systems, and ground-service connectors onboard for a total of \$1 million of Parker components per plane and there's more to come. We like to have all of the hydraulic, pneumatic and fuel systems on an airplane."
- **Globalization:** Vande Steeg said Parker continues to capture global market share with a #1 market position in Latin America; #1 or #2 market position in Eastern Europe; and #3 market position in Asia Pacific. He said, "We're really focused on Asia Pacific, primarily China and India, as well as Japan."

For more information about Parker's strategy and long-term growth plan, access the Lehman Brothers Industrial Select Conference presentation and audio webcast on the company's investor information site at <http://www.phstock.com> . The presentation will be archived on Parker's investor web site for two weeks.

With annual sales exceeding \$7 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 46 countries around the world. Parker has increased its annual dividends paid to shareholders for 48 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 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 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 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  
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