



Lennox International Increases Cost Control Efforts in Response to Steel Tariff

July 25, 2002

DALLAS, July 25 /PRNewswire-FirstCall/ -- Bob Schjerven, Lennox International Inc. (NYSE: LII) chief executive officer, says he expects increased prices in LII product as a result of the tariff levied on steel as a result of the Section 201 investigation of steel imports. (See Presidential Proclamation 7529, March 5, 2002.)

"Although the intent of the proclamation targeted imported steel, the market result was an increase in domestic steel product pricing as well," said Schjerven. "LII is making every effort to control internal costs in order to mitigate the price increase to our customers. However, because steel represents a significant amount of our purchased raw material, we expect it will be necessary to increase prices by the end of the current quarter."

LII filed requests with the Department of Commerce in May seeking to exclude the steel products most commonly used in their manufacturing from the safeguard tariffs. In addition, a joint letter from the presidents of the Air-Conditioning and Refrigeration Institute, Association of Home Appliance Manufacturers, Gas Appliance Manufacturers Association, and the National Electrical Manufacturers Association expressing concern over the tariffs has been sent to President Bush.

"We will continue to do all we can to mitigate the increased cost of steel; at the same time, each LII company will continue to monitor costs on their product lines and make individual pricing decisions accordingly," says Schjerven. "Until we know the result of our exclusion application, we will not be in a position to determine specific pricing, but we expect the increase to be, on average, in the 2 - 5% range depending on steel content of a given product line and may differ from company to company. Each operating company will communicate any increase in price to their respective customers."

A Fortune 500 company operating in over 70 countries, Lennox International Inc. is a global leader in the heating, ventilation, air conditioning, and refrigeration markets. Lennox International stock is traded on the New York Stock Exchange under the symbol "LII". Additional information is available at: www.lennoxinternational.com or by contacting Karen O'Shea, vice president, public relations and communications at 972.497.5258.

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