



## Lennox International Opens New Manufacturing Operation in Mexico

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DALLAS, July 20 /PRNewswire-FirstCall/ -- Lennox International Inc. (NYSE: LII) announced plans to open a new manufacturing operation in Saltillo, Mexico under the name LII United Products. The manufacturing lines responsible for Lennox-brand Merit series air conditioners and heat pumps, as well as air handlers, will be shifted to Saltillo. The Merit series is currently manufactured in Marshalltown, IA, while the CB26 air handler is currently manufactured in Grenada, MS.

The three-year project is expected to break ground in the second half of 2007, with initial production starting in the second quarter 2008 and ramping up to full production by early 2010. The Saltillo operation is anticipated to be 300,000 square feet and employ over 500 at full production. The projected capital commitment is approximately \$45 million over three years and is expected to lead to cost reductions of over \$13 million by 2009, increasing to over \$20 million per annum by 2010.

"There is fierce competition for the growing business in the Sunbelt region," said Todd Bluedorn, LII chief executive officer. "Our Merit series offering is our primary Lennox-brand product line serving the Sunbelt market, and we must produce quality products at the lowest costs to compete in that market and grow our business. The Saltillo location offers significant manufacturing and logistics cost advantages to help us expand our capacity and flexibility to meet long-term demand and carry out our Sunbelt growth strategies."

The company's current plans are for its remaining Lennox-branded products, including all furnaces, its mid-tier Elite series cooling products, and its premium line of Dave Lennox Signature Collection products, to continue to be manufactured at its Marshalltown facility. "LII began in Marshalltown, and still has deep roots there," Bluedorn said. "The Marshalltown workforce is a high-quality workforce and will continue to be involved in the production of our more complex product lines."

"The markets in which we compete demand the highest quality products and the most effective distribution, at the lowest possible cost. Moving forward, one of our top priorities will be to continually review all of our manufacturing and sourcing needs, finding opportunities to lower our costs and more effectively serve our customers."

Lennox International Inc., through its subsidiaries, is a global leader in the heating, 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: <http://www.lennoxinternational.com> or by contacting Karen O'Shea, vice president, communications and public relations, at 972-497-5172.

This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are subject to numerous risks and uncertainties that could cause actual results to differ materially from such statements. For information concerning these risks and uncertainties, see LII's publicly available filings with the Securities and Exchange Commission. LII disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

SOURCE Lennox International Inc.

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