



United  
States

## Lincoln Electric Distributes 70th Consecutive Profit-Sharing Bonus

December 12, 2003

- Bonus pool totals \$27.5 million - Order volumes increased in September through November - Restores 401(k) match, effective January 1, 2004

CLEVELAND, Dec. 12 /PRNewswire-FirstCall/ -- Lincoln Electric today distributed employee bonuses totaling \$27,470,500, marking its 70th consecutive year of profit-sharing bonuses. The annual bonus ceremony was held at the Company's headquarters here and attended by approximately 2,600 employees in person or via satellite feed.

The year-end bonus has been a key component of Lincoln Electric's unique culture since 1934, when it was first instituted by James F. Lincoln, the architect of the Company's renowned incentive management system. The 2003 bonus was paid to all eligible employees and represents an average bonus of approximately \$10,800 per employee.

In remarks to employees at the bonus ceremony, John M. Stropki, Executive Vice President and Chief Operating Officer, said the Company remains committed to its incentive system that recognizes and rewards outstanding performance.

Mr. Stropki said, "Your individual contributions continue to drive excellence at every level of our organization. Our remarkable record of 70 consecutive profit-sharing bonus distributions is a great tribute to the success of our Company, our culture, and our talented and dedicated employees worldwide. Because of your efforts, we continue to successfully expand our leadership position in the global welding industry."

Addressing recent business activity and the overall economic outlook, Mr. Stropki said, "Our sales continue to expand with the overall rebound in the North American industrial economy. This September, we saw a double-digit sales increase at our Cleveland operations, resulting in the first quarter-to-quarter sales increase in our U.S. business in the last several years. October and November incoming orders continue to exceed prior-year results. The U.S. and key global manufacturing economies appear to be strengthening. The sales increase for the fourth quarter of 2003 is not expected to be strong enough to offset raw material, energy and pension costs and bring positive profit comparisons for the quarter, however, we anticipate our profitability in 2004 will improve as markets continue to recover. Thus, we are beginning to see evidence supporting a more optimistic view of the future."

Mr. Stropki also announced that the Company will restore its 35% 401(k) match, effective January 1, 2004.

Lincoln Electric is the world leader in the design, development and manufacture of arc-welding products, robotic welding systems, plasma and oxyfuel cutting equipment. Headquartered in Cleveland, Ohio, the Company has operations, manufacturing alliances and joint ventures in 18 countries and a worldwide network of distributors and sales offices covering more than 160 countries.

The Company's expectations and beliefs concerning the future contained in this news release are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements reflect management's current expectations and involve a number of risks and uncertainties. Actual results may differ materially from such statements due to a variety of factors that could adversely affect the Company's operating results. The factors include, but are not limited to: the effectiveness of operating initiatives; currency exchange and interest rates; adverse outcome of pending or potential litigation; possible acquisitions; the strength and duration of the increase in U.S. demand for the Company's products; and the possible effects of international terrorism and hostilities on the Company or its customers, suppliers and the economy in general.

SOURCE Lincoln Electric Holdings, Inc.