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**FOR IMMEDIATE RELEASE**

**THURSDAY, MARCH 18, 2004**

**CLARCOR REPORTS RECORD FIRST QUARTER 2004 RESULTS  
AND INCREASES FULL YEAR EARNINGS PER SHARE GUIDANCE**

**NET EARNINGS UP 22% OVER LAST YEAR'S FIRST QUARTER**

**Unaudited Fiscal First Quarter 2004 Highlights**

(Amounts in thousands, except per share data and percentages)

	Quarter Ended		% Change
	2/28/04	3/1/03	
Net Sales	\$175,272	\$171,494	2.2
Operating Profit	\$17,813	\$15,487	15.0
Net Earnings	\$11,661	\$9,596	21.5
Diluted Earnings Per Share	\$0.45	\$0.38	18.4
Average Diluted Shares Outstanding	25,813,606	25,348,353	1.8

**First Quarter 2004 Operating Review**

**ROCKFORD, IL, Thursday, March 18, 2004--CLARCOR Inc. (NYSE: CLC)** today reported results for the first quarter ended February 28, 2004. Sales in the first quarter of 2004 increased by \$4 million, a 2% increase compared to 2003. Operating profit in the first quarter of 2004 increased by 15% and net earnings by 22% compared to the same quarter in 2003. Diluted earnings per share increased by 18%. A weaker U.S. dollar increased sales by approximately \$1 million. Cash flow from operations was \$15 million in the first quarter compared to \$13 million in the same quarter in 2003.

Norm Johnson, CLARCOR's Chairman and Chief Executive Officer, said, "We are very pleased with our strong start to 2004 with net earnings growing by nearly 22% from the first quarter last year. Revenue growth was moderate and we believe that it will accelerate as the year progresses. Operating margins continue to improve, driven by increased sales in our Engine/Mobile segment, restructuring and cost reduction programs in our Industrial/Environmental segment and higher sales in our international operations which were helped by a weaker U.S. dollar. We expect improved operating margins in both our filtration segments during the remainder of 2004, and particularly in our Industrial/Environmental segment where, even without revenue growth, our cost reduction and restructuring initiatives are proving very effective.

“Engine/Mobile segment sales increased by 6% while Industrial/Environmental segment sales declined by 2%. Growth in Europe and in Asia was particularly good this quarter in both our filtration segments. Many of our overseas operations saw high single-digit or double-digit growth in local currencies. Our Engine/Mobile segment grew domestically due to additional sales through aftermarket distribution and to national accounts, and new business from railroads and railroad equipment maintenance companies. Sales were down domestically in our building air filtration companies, which are part of our Industrial/Environmental segment, though we expect this to reverse as the year progresses and the economy continues its expansion. On a positive note, we experienced growth in our other domestic Industrial/Environmental filtration companies, which sell specialty liquid filter applications to a variety of end markets.

“While we expect 2004 will be another strong cash flow year for CLARCOR, cash flow from operations, after capital expenditures and investment in working capital, will be lower in 2004 than in 2003. We will make investments this year to expand our production facilities at several of our filtration companies. We will also expand technical and research facilities in our Industrial/Environmental filtration segment at our environmental air filtration and process liquid filtration companies. We plan this year to invest in areas which we believe will grow strongly in the future, such as process liquid filter applications, and also to complete various restructuring programs to drive improved operating profitability. We expect capital expenditures this year to reach approximately \$25 million to \$30 million, up from \$13 million in 2003.

“We noted last quarter that our move to Nashville, Tennessee will cost us about \$0.07 per share this year, and this amount is not reflected in our earnings per share estimate. So far, we have incurred only a very small portion of those costs and expect the largest portion to occur in our third fiscal quarter. During the first quarter, we sold a facility in Europe for approximately \$1.3 million which resulted in a gain, recorded as part of other income, of approximately \$0.02 per share. Early in the second quarter of 2004, we acquired the operating assets of a small engine filter company in England, but this acquisition will not materially affect our operating results for 2004.

“We have raised our 2004 earnings forecast from \$2.25 to \$2.35 per share to \$2.25 to \$2.40 per share. We are optimistic about 2004 based on our first quarter results and indications of an improving U.S. economy. Our experience is that aftermarket filter sales, which comprise the dominant part of our business, tend to lag the overall economy. This is particularly true for our environmental air filtration companies. We have seen that our customers react to business opportunities first and then later address the maintenance of their facilities and equipment fleets, that is, change filters. Therefore, we expect stronger top-line growth later this year and improved margins and profitability overall for 2004 compared to last year.”

CLARCOR will be holding a conference call to discuss the first quarter at 10:00 am CST on March 19, 2004. Interested parties can listen to the conference call at [www.clarcor.com](http://www.clarcor.com) or [www.fulldisclosure.com](http://www.fulldisclosure.com). A replay will be available on these websites and also at 877-519-4471 or 973-341-3080 and providing confirmation code 4593883. The replay will be available through March 26, 2004 by telephone and for 30 days on the Internet.

CLARCOR is based in Rockford, Illinois, and is a diversified marketer and manufacturer of mobile, industrial and environmental filtration products and consumer and industrial packaging products sold in domestic and international markets. Common shares of the Company are traded on the New York Stock Exchange under the symbol CLC.

*The statements in this release concerning the Company's sales, earnings, business performance and prospects are forward-looking statements that involve significant risks and uncertainties, including the effect of changes in product demand, availability of labor, price and product competition, raw material costs, energy prices, productivity improvement and plant consolidation programs, distribution channels, acquisitions and divestitures, general economic conditions in both domestic and foreign markets, interest rates, currency fluctuations, the success of our Total Filtration Program, the success of sales and marketing programs, the cost of the relocation of the Company's corporate offices, the cost of compliance with recently enacted regulatory requirements such as Sarbanes-Oxley Rule Section 404 and other factors discussed in filings made with the Securities and Exchange Commission.*

**TABLES FOLLOW**

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**CONSOLIDATED STATEMENTS OF EARNINGS***(Dollars in thousands except per share data)*

For periods ended February 28, 2004 and March 1, 2003	First Quarter	
	2004	2003
Net sales.....	\$ 175,272	\$ 171,494
Cost of sales.....	123,788	123,145
Gross profit.....	51,484	48,349
Selling and administrative expenses.....	33,671	32,862
Operating profit.....	17,813	15,487
Other income (expense).....	551	(375)
Earnings before income taxes.....	18,364	15,112
Income taxes.....	6,703	5,516
Net earnings.....	\$ 11,661	\$ 9,596
Net earnings per common share:		
Basic.....	\$ 0.46	\$ 0.39
Diluted.....	\$ 0.45	\$ 0.38
Average shares outstanding:		
Basic.....	25,368,917	24,920,638
Diluted.....	25,813,606	25,348,353

**CONSOLIDATED BALANCE SHEETS***(Dollars in thousands)*

	February 28, 2004	November 29, 2003
<b>Assets</b>		
Current assets:		
Cash and cash investments.....	\$ 18,150	\$ 8,348
Accounts receivable, net.....	123,152	127,546
Inventories.....	103,631	99,673
Other.....	21,551	21,835
Total current assets.....	266,484	257,402
Plant assets, net.....	129,660	129,572
Acquired intangibles, net.....	122,519	122,351
Pension assets.....	20,443	20,153
Other assets.....	9,259	8,759
	\$ 548,365	\$ 538,237
<b>Liabilities</b>		
Current liabilities:		
Current portion of long-term debt..	\$ 639	\$ 674
Accounts payable and accrued liabilities.....	98,272	102,322
Income taxes.....	8,067	8,377
Total current liabilities.....	106,978	111,373
Long-term debt.....	18,414	16,913
Long-term pension liabilities.....	8,661	7,813
Other liabilities.....	32,453	31,746
	166,506	167,845
<b>Shareholders' Equity</b> .....	381,859	370,392
	\$ 548,365	\$ 538,237

**SUMMARY CASH FLOWS***(Dollars in thousands)*

	Three Months Ended	
	2004	2003
<b>From Operating Activities</b>		
Net earnings.....	\$ 11,661	\$ 9,596
Depreciation.....	4,602	4,967
Amortization.....	190	225
Changes in assets and liabilities.....	(993)	(1,570)
Other, net.....	(653)	-
Total provided (used) by operating activities.....	14,807	13,218
<b>From Investing Activities</b>		
Plant asset additions.....	(5,242)	(3,017)
Other, net.....	1,407	7
Total provided (used) by investing activities.....	(3,835)	(3,010)
<b>From Financing Activities</b>		
Proceeds from line of credit.....	1,500	6,250
Payments on line of credit.....	-	(18,333)
Payments on long-term debt.....	(34)	(181)
Cash dividends paid.....	(3,175)	(3,052)
Other, net.....	297	162
Total provided (used) by financing activities.....	(1,412)	(15,154)
Effect of exchange rate changes on cash.....	242	23
<b>Change in Cash and Cash Investments</b> .....	\$ 9,802	\$ (4,923)

## QUARTERLY INCOME STATEMENT DATA BY SEGMENT

(Dollars in thousands)

	Three Months Ended	
	February 28 2004	March 1 2003
<b>Net sales by segment:</b>		
Engine/Mobile Filtration.....	\$ 70,800	\$ 66,776
Industrial/Environmental Filtration.....	88,962	90,369
Packaging.....	15,510	14,349
	<u>\$ 175,272</u>	<u>\$ 171,494</u>
<b>Operating profit by segment:</b>		
Engine/Mobile Filtration.....	\$ 14,425	\$ 12,686
Industrial/Environmental Filtration.....	3,252	2,373
Packaging.....	136	428
	<u>\$ 17,813</u>	<u>\$ 15,487</u>