

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) of the
Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): August 6, 2013

PARKER-HANNIFIN CORPORATION

(Exact Name of Registrant as Specified in Charter)

Ohio
(State or other jurisdiction of
Incorporation or Organization)
6035 Parkland Boulevard, Cleveland, Ohio
(Address of Principal Executive Offices)

34-0451060
(I.R.S. Employer
Identification No.)
44124-4141
(Zip Code)

Registrant's telephone number, including area code: **(216) 896-3000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition

Item 7.01 Regulation FD Disclosure

The following information is furnished pursuant to Item 2.02, “Results of Operations and Financial Condition” and Item 7.01, “Regulation FD Disclosure”

On August 6, 2013, Parker-Hannifin Corporation issued a press release and presented a Webcast announcing earnings for the quarter ended June 30, 2013. The press release contains references to sales growth excluding the effects of acquisitions and currency exchange rates and the effect on cash flows from operating activities as a percent of sales of a discretionary pension plan contribution. The effects of acquisitions, currency exchange rates and the discretionary pension plan contribution are removed to allow investors and the company to meaningfully evaluate changes in sales and cash flows from operating activities as a percent of sales on a comparable basis from period to period. A copy of the press release is filed as Exhibit 99.1 to this report. A copy of the Webcast presentation is filed as Exhibit 99.2 to this report.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits:

99.1 Press release issued by Parker-Hannifin Corporation, dated August 6, 2013.

99.2 Webcast presentation by Parker-Hannifin Corporation, dated August 6, 2013.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

PARKER-HANNIFIN CORPORATION

By: /s/ Jon P. Marten

Jon P. Marten

Executive Vice President - Finance and
Administration and Chief Financial Officer

Date: August 6, 2013



Exhibit 99.1

For Release: Immediately

Contact: **Media -**
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Financial Analysts -
Pamela Huggins, Vice President - Treasurer 216-896-2240
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Stock Symbol: PH – NYSE

Parker Reports Fiscal 2013 Fourth Quarter and Year End Results

- **Fiscal 2013 Fourth Quarter Sales a Record at \$3.43 Billion**
- **Achieves Fiscal 2013 Full Year Diluted Earnings per Share of \$6.26**
- **Issues Guidance for Fiscal 2014 Full Year Earnings**

CLEVELAND, August 6, 2013 -- Parker Hannifin Corporation (NYSE: PH), the global leader in motion and control technologies, today reported results for the fiscal 2013 fourth quarter and year ended June 30, 2013. Fiscal 2013 sales were \$13.0 billion, compared with \$13.1 billion in fiscal 2012. Net income for the year was \$948.8 million, compared with \$1,155.5 million in fiscal 2012. Fiscal 2013 earnings per diluted share were \$6.26, compared with \$7.45 in the previous year, and included an increase in domestic qualified pension expense of approximately \$0.35 per diluted share due to accounting regulations which required the use of a lower discount rate due to market conditions. Cash flow from operations for fiscal 2013 was \$1.2 billion, or 9.1 percent of sales, compared with cash flow from operations of \$1.5 billion, or 11.6 percent of sales, in the prior year. Cash flow from operations in fiscal 2013 included a \$225.6 million discretionary contribution to the company's pension plan. Excluding this contribution, cash flow from operations as a percent of sales was 10.9 percent for fiscal 2013.

Fiscal 2013 fourth quarter sales were a record at \$3.43 billion compared with \$3.41 billion in the same quarter a year ago. Net income for the fiscal 2013 fourth quarter was \$271.1 million, compared with \$302.3 million in the fourth quarter of fiscal 2012. Earnings per diluted share for the fiscal 2013 fourth quarter were \$1.78, compared with \$1.96 in last year's fourth quarter. Earnings per diluted share were less than expected due to reduced volumes, and greater than anticipated inventory, acquisition, integration and related expenses.

“Our performance in fiscal year 2013 largely reflects challenging global macro-economic conditions and integration and acquisition related costs,” said Chairman, CEO and President, Don Washkewicz. “As the year progressed, we continued to adapt to weak conditions and drive stronger operational performance finishing positively with record fourth quarter sales and our highest quarterly segment operating margin for the fiscal year at 14.5 percent. For the year, we were able to deliver high levels of segment operating margin and operating cash flows.”

Fourth Quarter Segment Results

In Industrial North America, fiscal 2013 fourth quarter sales decreased 2.6 percent to \$1.3 billion, and operating income was \$225.1 million compared with \$249.1 million in the same period a year ago.

In Industrial International, fourth quarter sales increased 3.3 percent to \$1.28 billion, and operating income was \$156.2 million compared with \$163.9 million in the same period a year ago.

In Aerospace, fourth quarter sales increased 9.5 percent to \$620.0 million, and operating income was \$86.1 million compared with \$85.3 million in the same period a year ago.

In Climate and Industrial Controls, fourth quarter sales decreased 16.3 percent to \$224.6 million, and operating income was \$31.1 million compared with \$31.5 million in the same period a year ago. These results reflect the impact of business divestitures completed in fiscal 2013.

Orders

Parker reported orders that were flat for the quarter ended June 30, 2013, compared with the same quarter a year ago. The company reported the following orders:

- Orders decreased 5 percent in Industrial North America, compared with the same quarter a year ago.
- Orders increased 3 percent in Industrial International, compared with the same quarter a year ago.
- Orders increased 3 percent in Aerospace on a rolling 12-month average basis.
- Orders were flat in Climate and Industrial Controls, compared with the same quarter a year ago.

Fiscal 2014 Outlook

For fiscal 2014, the company has issued guidance for earnings from continuing operations in the range of \$7.35 to \$8.15 per diluted share. Fiscal 2014 guidance includes an expected gain of approximately \$1.50 per diluted share associated with a previously announced joint venture agreement between Parker Aerospace and GE Aviation and expenses related to possible restructuring of approximately \$100 million.

Washkewicz added, "Our current outlook is that throughout fiscal 2014, global macro-economic conditions will remain relatively flat. As a result, we plan to spend approximately \$100 million to right size our global operations, which we believe is prudent given these conditions. We will continue to manage our business accordingly while executing the Win Strategy by investing in new product development, expansion in emerging markets, and acquisitions to strengthen our portfolio. These operational actions, combined with our dividend, are expected to deliver strong returns for our shareholders."

NOTICE OF CONFERENCE CALL: Parker Hannifin's conference call and slide presentation to discuss its fiscal 2013 fourth quarter and full year results are available to all interested parties via live webcast today at 11:00 a.m. ET, on the company's investor information web site at www.phstock.com. To access the call, click on the "Live Webcast" link. From this link, users also may complete a pre-call system test and register for e-mail notification of future events and information available from Parker. A replay of the conference call will also be available at www.phstock.com for one year after the call.

With annual sales of \$13 billion in fiscal year 2013, 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 mobile, industrial and aerospace markets. The company employs approximately 58,000 people in 49 countries around the world. Parker has increased its annual dividends paid to shareholders for 57 consecutive fiscal 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 www.parker.com, or its investor information web site at www.phstock.com.

Notes on Orders

Orders provide near-term perspective on the company's outlook, particularly when viewed in the context of prior and future quarterly order rates. However, orders are not in themselves an indication of future performance. All comparisons are at constant currency exchange rates, with the prior year restated to the current-year rates. All exclude acquisitions until they can be reflected in both the numerator and denominator. Aerospace comparisons are rolling 12-month average computations. The total Parker orders number is derived from a weighted average of the year-over-year quarterly percent change in orders for the Industrial North America, Industrial International, and Climate and Industrial Controls segments, and the year-over-year 12-month rolling average of orders for the Aerospace segment.

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, including its individual segments, may differ materially from current expectations, depending on economic conditions within its mobile, industrial and aerospace markets, and the company's ability to maintain and achieve anticipated benefits associated with announced realignment activities, strategic initiatives to improve operating margins, actions taken to combat the effects of the current economic environment, and growth, innovation and global diversification initiatives. A change in the economic conditions in individual markets may have a particularly volatile effect on segment performance. Among other factors which may affect future performance are: changes in business relationships with and purchases by or from major customers, suppliers or distributors, including delays or cancellations in shipments, disputes regarding contract terms or significant changes in financial condition, changes in contract cost and revenue estimates for new development programs and changes in product mix; ability to identify acceptable strategic acquisition targets; uncertainties surrounding timing, successful completion or integration of acquisitions and similar transactions, including the anticipated closing of the previously announced joint venture with GE Aviation; the determination to undertake business realignment activities and the expected costs thereof and, if undertaken, the ability to complete such activities and realize the anticipated cost savings from such activities;

the ability to realize anticipated benefits of the consolidation of the Climate and Industrial Controls Group; threats associated with and efforts to combat terrorism; uncertainties surrounding the ultimate resolution of outstanding legal proceedings, including the outcome of any appeals; 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 insurance and employee retirement and health care benefits; and global economic factors, including manufacturing activity, air travel trends, currency exchange rates, difficulties entering new markets and general economic conditions such as inflation, deflation, interest rates and credit availability. The company makes these statements as of the date of this disclosure, and undertakes no obligation to update them unless otherwise required by law.

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PARKER HANNIFIN CORPORATION - JUNE 30, 2013

CONSOLIDATED STATEMENT OF INCOME

(Dollars in thousands except per share amounts)	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2013	2012	2013	2012
Net sales	\$ 3,428,233	\$ 3,411,666	\$ 13,015,704	\$ 13,145,942
Cost of sales	2,618,067	2,572,258	10,086,675	9,958,337
Gross profit	810,166	839,408	2,929,029	3,187,605
Selling, general and administrative expenses	413,061	386,681	1,554,973	1,519,316
Interest expense	20,777	23,487	91,552	92,790
Other expense (income), net	2,565	3,901	(28,497)	(1,199)
Income before income taxes	373,763	425,339	1,311,001	1,576,698
Income taxes	102,633	123,037	362,217	421,206
Net income	271,130	302,302	948,784	1,155,492
Less: Noncontrolling interests	(34)	337	357	3,669
Net income attributable to common shareholders	\$ 271,164	\$ 301,965	\$ 948,427	\$ 1,151,823

Earnings per share attributable to common shareholders:

Basic earnings per share	\$ 1.82	\$ 2.01	\$ 6.36	\$ 7.62
Diluted earnings per share	\$ 1.78	\$ 1.96	\$ 6.26	\$ 7.45
Average shares outstanding during period - Basic	149,298,277	150,470,993	149,218,257	151,222,033
Average shares outstanding during period - Diluted	152,115,402	154,155,617	151,588,031	154,664,510
Cash dividends per common share	\$ 0.45	\$ 0.41	\$ 1.70	\$ 1.54

BUSINESS SEGMENT INFORMATION BY INDUSTRY

(Dollars in thousands)	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2013	2012	2013	2012
Net sales				
Industrial:				
North America	\$ 1,303,203	\$ 1,337,580	\$ 5,050,604	\$ 5,041,106
International	1,280,443	1,239,571	4,867,758	5,034,249
Aerospace	619,950	565,990	2,267,715	2,102,747
Climate & Industrial Controls	224,637	268,525	829,627	967,840
Total	\$ 3,428,233	\$ 3,411,666	\$ 13,015,704	\$ 13,145,942
Segment operating income				
Industrial:				
North America	\$ 225,071	\$ 249,059	\$ 845,225	\$ 895,010
International	156,233	163,899	583,747	733,123
Aerospace	86,136	85,311	280,286	290,135
Climate & Industrial Controls	31,063	31,456	82,227	84,274
Total segment operating income	498,503	529,725	1,791,485	2,002,542
Corporate general and administrative expenses	59,189	50,838	185,767	193,367
Income before interest and other	439,314	478,887	1,605,718	1,809,175
Interest expense	20,777	23,487	91,552	92,790
Other expense	44,774	30,061	203,165	139,687
Income before income taxes	\$ 373,763	\$ 425,339	\$ 1,311,001	\$ 1,576,698

PARKER HANNIFIN CORPORATION - JUNE 30, 2013

CONSOLIDATED BALANCE SHEET

(Dollars in thousands)	June 30, 2013	June, 30 2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,781,412	\$ 838,317
Accounts receivable, net	2,062,745	1,992,284
Inventories	1,377,405	1,400,732
Prepaid expenses	182,669	137,429
Deferred income taxes	126,955	129,352
Total current assets	5,531,186	4,498,114
Plant and equipment, net	1,808,240	1,719,968
Goodwill	3,223,515	2,925,856
Intangible assets, net	1,290,499	1,095,218
Other assets	687,458	931,126
Total assets	\$ 12,540,898	\$ 11,170,282
Liabilities and equity		
Current liabilities:		
Notes payable	\$ 1,333,826	\$ 225,589
Accounts payable	1,156,002	1,194,684
Accrued liabilities	894,296	911,931
Accrued domestic and foreign taxes	136,079	153,809
Total current liabilities	3,520,203	2,486,013
Long-term debt	1,495,960	1,503,946
Pensions and other postretirement benefits	1,372,437	1,909,755
Deferred income taxes	102,920	88,091
Other liabilities	307,897	276,747
Shareholders' equity	5,738,426	4,896,515
Noncontrolling interests	3,055	9,215
Total liabilities and equity	\$ 12,540,898	\$ 11,170,282

PARKER HANNIFIN CORPORATION - JUNE 30, 2013

CONSOLIDATED STATEMENT OF CASH FLOWS

Twelve Months Ended June 30,

(Dollars in thousands)	2013	2012
Cash flows from operating activities:		
Net income	\$ 948,784	\$ 1,155,492
Depreciation and amortization	335,624	321,929
Stock incentive plan compensation	84,996	80,935
Net change in receivables, inventories, and trade payables	11,230	(59,732)
Net change in other assets and liabilities	(195,938)	86,407
Other, net	6,239	(54,646)
Net cash provided by operating activities	1,190,935	1,530,385
Cash flows from investing activities:		
Acquisitions (net of cash of \$33,932 in 2013 and \$19,161 in 2012)	(621,144)	(156,256)
Capital expenditures	(265,896)	(218,817)
Proceeds from sale of plant and equipment	25,047	20,404
Proceeds from sale of businesses	73,515	—
Other, net	(21,367)	(21,099)
Net cash (used in) investing activities	(809,845)	(375,768)
Cash flows from financing activities:		
Net payments for common stock activity	(159,773)	(430,263)
Acquisition of noncontrolling interests	(1,091)	(147,441)
Net proceeds from (payments for) debt	992,047	(5,162)
Dividends	(255,009)	(240,654)
Net cash provided by (used in) financing activities	576,174	(823,520)
Effect of exchange rate changes on cash	(14,169)	(150,246)
Net increase in cash and cash equivalents	943,095	180,851
Cash and cash equivalents at beginning of period	838,317	657,466
Cash and cash equivalents at end of period	\$ 1,781,412	\$ 838,317

Parker Hannifin Corporation

Exhibit 99.2 **99.2**

4th Quarter & Fiscal Year 2013 Earnings Release



PH
LISTED
NYSE

ENGINEERING YOUR SUCCESS.

August 6, 2013

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, including its individual segments, may differ materially from current expectations, depending on economic conditions within its mobile, industrial and aerospace markets, and the company's ability to maintain and achieve anticipated benefits associated with announced realignment activities, strategic initiatives to improve operating margins, actions taken to combat the effects of the current economic environment, and growth, innovation and global diversification initiatives. A change in the economic conditions in individual markets may have a particularly volatile effect on segment performance. Among other factors which may affect future performance are: changes in business relationships with and purchases by or from major customers, suppliers or distributors, including delays or cancellations in shipments, disputes regarding contract terms or significant changes in financial condition, changes in contract cost and revenue estimates for new development programs and changes in product mix; ability to identify acceptable strategic acquisition targets; uncertainties surrounding timing, successful completion or integration of acquisitions and similar transactions, including the anticipated closing of the previously announced joint venture with GE Aviation; the determination to undertake business realignment activities and the expected costs thereof and, if undertaken, the ability to complete such activities and realize the anticipated cost savings from such activities; ability to realize anticipated benefits of the consolidation of the Climate and Industrial Controls Group; threats associated with and efforts to combat terrorism; uncertainties surrounding the ultimate resolution of outstanding legal proceedings, including the outcome of any appeals; 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 insurance and employee retirement and health care benefits; and global economic factors, including manufacturing activity, air travel trends, currency exchange rates, difficulties entering new markets and general economic conditions such as inflation, deflation, interest rates and credit availability. The company makes these statements as of the date of this disclosure, and undertakes no obligation to update them unless otherwise required by law.

Non-GAAP Financial Measures

This presentation reconciles sales amounts reported in accordance with U.S. GAAP to sales amounts adjusted to remove the effects of acquisitions made within the prior four quarters and the effects of currency exchange rates. This presentation also reconciles cash flow from operating activities as a percent of sales in accordance with U.S. GAAP to cash flow from operating activities as a percent of sales without the effect of a discretionary pension plan contribution. The effects of acquisitions, currency exchange rates and the discretionary pension plan contribution are removed to allow investors and the company to meaningfully evaluate changes in sales and cash flow from operating activities as a percent of sales on a comparable basis from period to period.

Agenda

- **CEO Full Year & 4th Quarter Highlights**

- **Key Performance Measures & Outlook**

- **Questions and Answers**

- **CEO Closing Comments**

Highlights

FY2013

Sales

- Sales of \$13b
- Acquisitions offset negative impact of currency, divestitures and organic

Earnings & Margins

- Segment Operating Margins of 13.8% in challenging economic environment
- Earnings impacted by
 - Volume
 - Acquisition, Integration and Related Expenses

Cash Flow

- Strong Cash Flow from Operations \$1.4b

Other

- Completed 8 acquisitions that added \$0.5b
- CIC Divestitures and Consolidation
- Joint Venture with GE Aviation
- Dividend Increase of 10% & \$257m share buyback

Highlights

4th Quarter FY2013

Sales & Orders

- Achieved Record Quarterly Sales
- Acquisitions contributed 3% to offset organic decline of 2%
- Signs global economy bottoming
- Orders reversed negative trend

Earnings & Margins

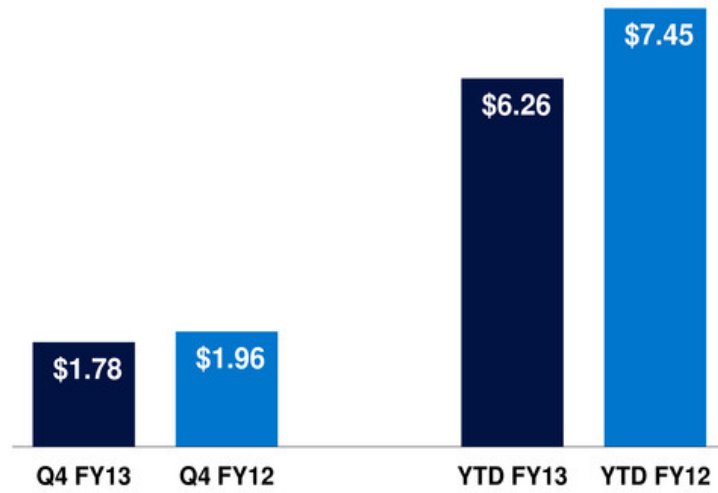
- Achieved Net Income of \$271m or \$1.78 per fully diluted share
- Highest net income and operating margins of the year
- Influences on Earnings
 - Decreased Volume in North America
 - Acquisition, Integration and related expenses
 - Inventory reduction

Cash Flow

- Generated very strong cash flow of \$472m or 13.8% of sales

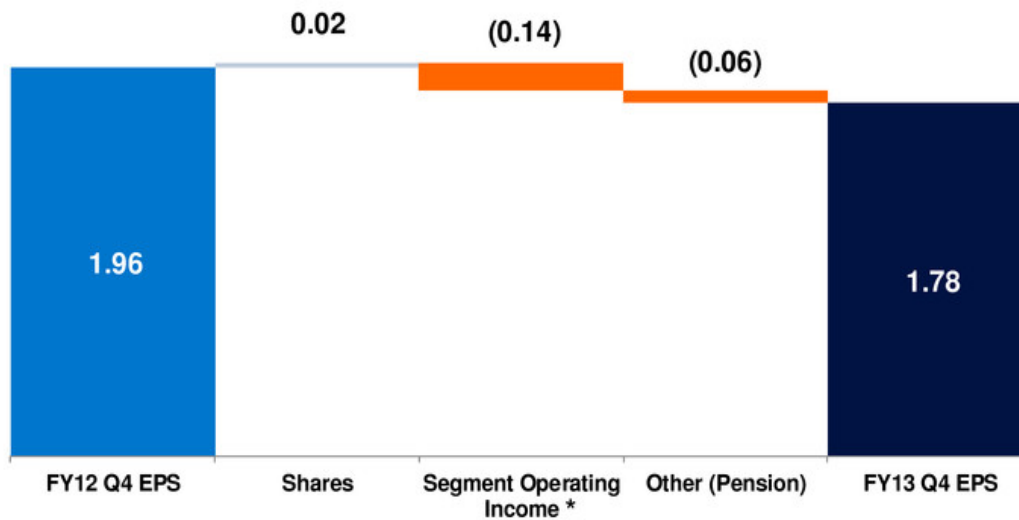
Diluted Earnings Per Share

4th Quarter FY2013



Influences on Earnings

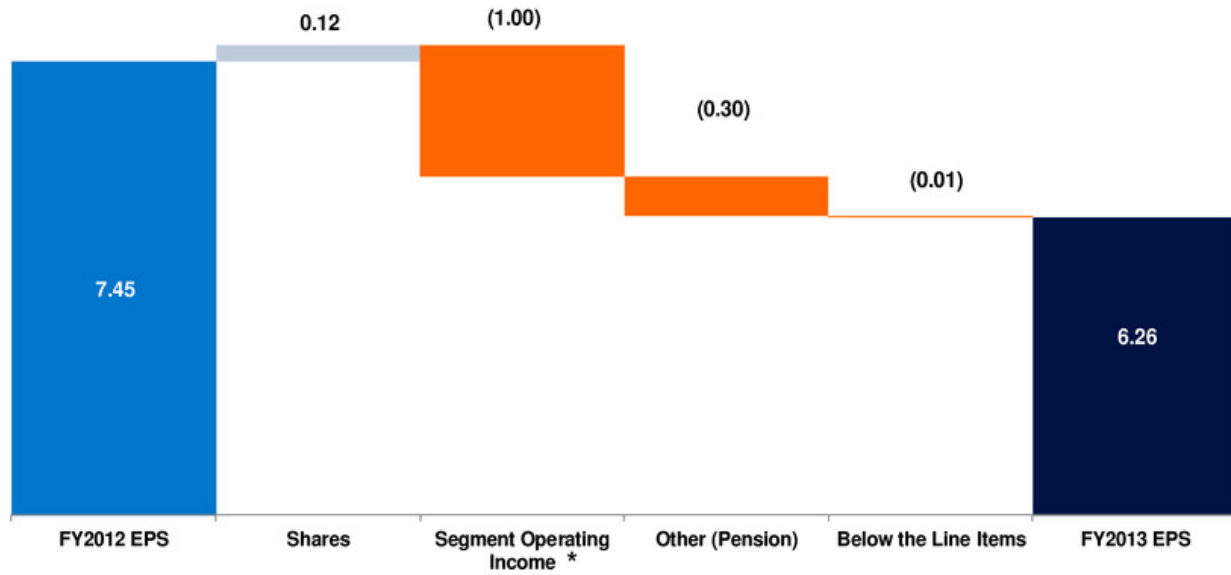
4th Quarter FY2013 vs. 4th Quarter FY2012



* Segment Operating Income decline mainly due to Industrial North America

Influences on Earnings

FY2013 vs. FY2012



* Segment Operating Income decline mainly due to Industrial International

Sales & Operating Margin

4th Quarter FY2013 - Total Parker

\$ in millions	4th Quarter			Total Year		
	FY2013	% Change	FY2012	FY2013	% Change	FY2012
<u>Sales</u>						
As reported	\$ 3,428	0.5 %	\$ 3,412	\$ 13,016	(1.0)%	\$ 13,146
Acquisitions	105	3.1 %		449	3.4 %	
Currency	(7)	(0.2)%		(141)	(1.1)%	
Adjusted Sales	\$ 3,330	(2.4)%		\$ 12,708	(3.3)%	
<u>Operating Margin</u>						
As reported	\$ 499		\$ 530	\$ 1,791		\$ 2,003
% of Sales	14.5 %		15.5 %	13.8 %		15.2 %

Sales & Operating Margin

4th Quarter FY2013 - Industrial North America

\$ in millions	4th Quarter			Total Year		
	FY2013	% Change	FY2012	FY2013	% Change	FY2012
Sales						
As reported	\$ 1,303	(2.6)%	\$ 1,338	\$ 5,051	0.2 %	\$ 5,041
Acquisitions	47	3.5 %		217	4.3 %	
Currency	1	0.1 %		2	0.0 %	
Adjusted Sales	\$ 1,255	(6.2)%		\$ 4,832	(4.1)%	
Operating Margin						
As reported	\$ 225		\$ 249	\$ 845		\$ 895
% of Sales	17.3 %		18.6 %	16.7 %		17.8 %

Sales & Operating Margin

4th Quarter FY2013 - Industrial International

\$ in millions	4th Quarter			Total Year		
	FY2013	% Change	FY2012	FY2013	% Change	FY2012
<u>Sales</u>						
As reported	\$ 1,280	3.3 %	\$ 1,239	\$ 4,867	(3.3)%	\$ 5,034
Acquisitions	58	4.7 %		232	4.6 %	
Currency	(9)	(0.7)%		(137)	(2.7)%	
Adjusted Sales	\$ 1,231	(0.7)%		\$ 4,772	(5.2)%	
<u>Operating Margin</u>						
As reported	\$ 156		\$ 164	\$ 584		\$ 733
% of Sales	12.2 %		13.2 %	12.0 %		14.6 %

Sales & Operating Margin

4th Quarter FY2013 - Aerospace

\$ in millions	4th Quarter			Total Year		
	FY2013	% Change	FY2012	FY2013	% Change	FY2012
<u>Sales</u>						
As reported	\$ 620	9.5 %	\$ 566	\$ 2,268	7.8 %	\$ 2,103
Acquisitions	-	- %		-	- %	
Currency	-	- %		(3)	(0.1)%	
Adjusted Sales	\$ 620	9.5 %		\$ 2,271	7.9 %	
<u>Operating Margin</u>						
As reported	\$ 86		\$ 85	\$ 280		\$ 290
% of Sales	13.9 %		15.1 %	12.4 %		13.8 %

Sales & Operating Margin

4th Quarter FY2013 - Climate & Industrial Controls

\$ in millions	4th Quarter			Total Year		
	FY2013	% Change	FY2012	FY2013	% Change	FY2012
<u>Sales</u>						
As reported	\$ 225	(16.3)%	\$ 269	\$ 830	(14.3)%	\$ 968
Acquisitions	-	- %		-	- %	
Currency	1	0.1 %		(3)	(0.4)%	
Adjusted Sales	\$ 224	(16.4)%		\$ 833	(13.9)%	
<u>Operating Margin</u>						
As reported	\$ 31		\$ 31	\$ 82		\$ 84
% of Sales	13.8 %		11.7 %	9.9 %		8.7 %

Order Rates

	<u>Jun 2013</u>	<u>Mar 2013</u>	<u>Jun 2012</u>	<u>Mar 2012</u>
Total Parker	+ 0 %	- 7 %	- 1 %	+ 2 %
Industrial North America	- 5 %	- 10 %	+ 4 %	+ 7 %
Industrial International	+ 3 %	- 7 %	- 9 %	- 1 %
Aerospace	+ 3 %	+ 0 %	+ 7 %	+ 4 %
Climate & Industrial Controls	+ 0 %	- 1 %	+ 1 %	- 6 %

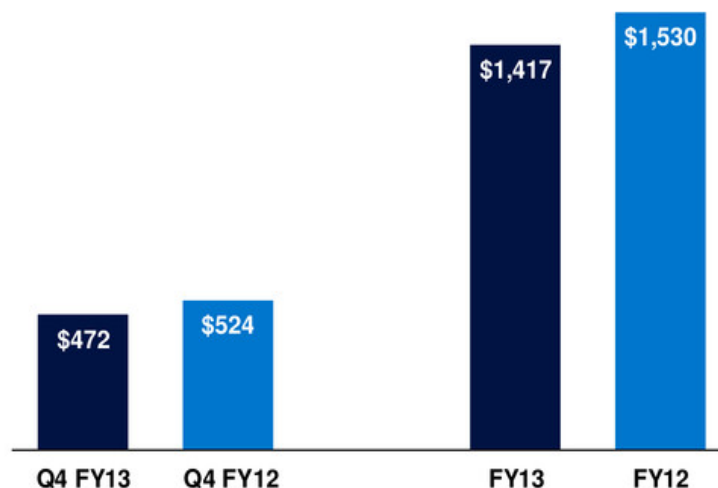
Excludes Acquisitions, Divestitures & Currency
 3-month year-over-year comparisons of total dollars, except Aerospace
 Aerospace is calculated using a 12-month rolling average

Balance Sheet Summary

- **Cash**
- **Working capital**
 - **Accounts receivable**
 - **Inventory**
 - **Accounts payable**

Cash Flow from Operating Activities

4th Quarter and FY2013



Cash Flow From Operating Activities

	4th Quarter		Total Year	
	FY2013	FY2012	FY2013	FY2012
As Reported	\$ 472	\$ 524	\$ 1,191	\$ 1,530
As Reported % Sales	13.8%	15.4%	9.1%	11.6%
Discretionary Pension Plan Contribution	\$ -	\$ -	\$ 226	\$ -
Adjusted Cash From Operating Activities	\$ 472	\$ 524	\$ 1,417	\$ 1,530
Adjusted % Sales	13.8%	15.4%	10.9%	11.6%

FY2014 Guidance Assumptions

Sales & Segment Operating Margins

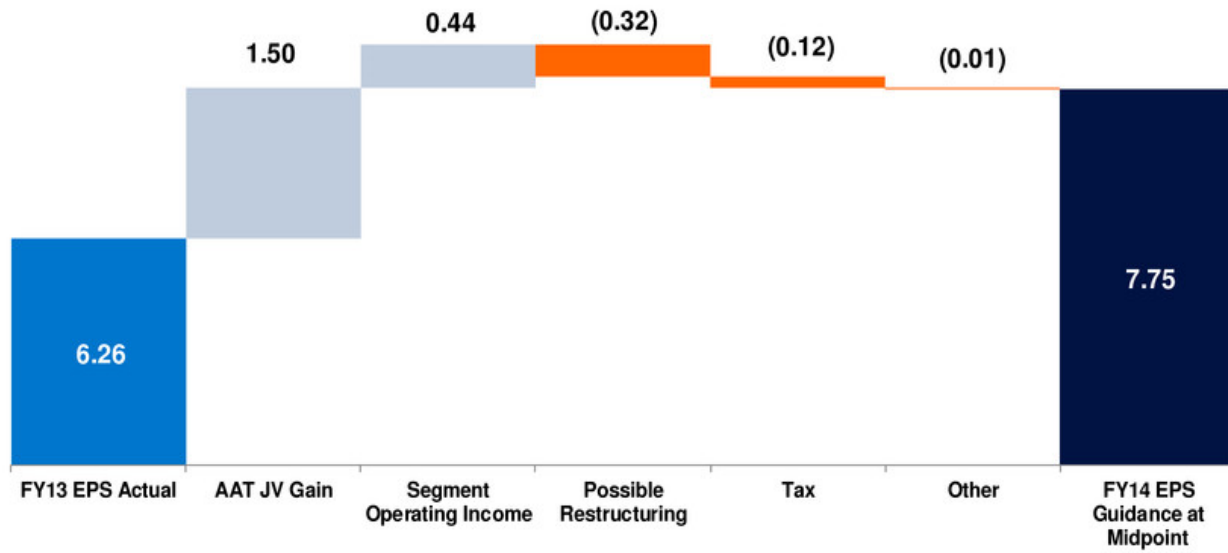
FY 2014 Sales Change versus FY 2013	
Total Parker	0.0% - 4.0 %
Diversified Industrial North America	0.0% - 5.0 %
Diversified Industrial International	0.0% - 4.8 %
Aerospace Systems	0.0% - 4.0 %

FY 2014 Segment Operating Margin Percentages	
Total Parker	13.4 % - 14.0 %
Diversified Industrial North America	16.5 % - 17.1 %
Diversified Industrial International	10.3 % - 10.7 %
Aerospace Systems	12.4 % - 13.4 %

FY2014 Guidance Assumptions

- Sales Growth, 0% to +4%
- Segment Operating Margins, 13.4% to 14.0%
- Below Segment Operating Margin Line (+/- 2.5%)
 - Corporate Admin, Interest and Other Expense (Income)
 - \$120M at Midpoint including expected AAT JV gain
 - Expected Pre-Tax gain of \$360M from AAT JV in Q2
 - Tax Rate
 - 30.8% Full Year Rate including expected JV gain
 - Expected Gain on AAT JV taxed at 37.25% in Q2
 - 29.0% Full Year Rate excluding impact of AAT JV
- Shares Outstanding
 - 151.6M

FY2014 Guidance



	<u>Low</u>	<u>Midpoint</u>	<u>High</u>
Diluted Earnings Per Share	\$ 7.35	\$ 7.75	\$ 8.15





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Appendix

- Consolidated Statement of Income
- Business Segment Information By Industry
- Consolidated Balance Sheet
- Consolidated Statement of Cash Flows
- Business Segment Information – CIC Consolidation

Consolidated Statement of Income

(Dollars in thousands except per share amounts)	Three Months Ended June 30,		Year Ended June 30,	
	2013	2012	2013	2012
Net sales	\$ 3,428,233	\$ 3,411,666	\$ 13,015,704	\$ 13,145,942
Cost of sales	2,618,067	2,572,258	10,086,675	9,958,337
Gross profit	810,166	839,408	2,929,029	3,187,605
Selling, general and administrative expenses	413,061	386,681	1,554,973	1,519,316
Interest expense	20,777	23,487	91,552	92,790
Other expense (income), net	2,565	3,901	(28,497)	(1,199)
Income before income taxes	373,763	425,339	1,311,001	1,576,698
Income taxes	102,633	123,037	362,217	421,206
Net income	271,130	302,302	948,784	1,155,492
Less: Noncontrolling interests	(34)	337	357	3,669
Net income attributable to common shareholders	\$ 271,164	\$ 301,965	\$ 948,427	\$ 1,151,823
Earnings per share attributable to common shareholders:				
Basic earnings per share	\$ 1.82	\$ 2.01	\$ 6.36	\$ 7.62
Diluted earnings per share	\$ 1.78	\$ 1.96	\$ 6.26	\$ 7.45
Average shares outstanding during period - Basic	149,298,277	150,470,993	149,218,257	151,222,033
Average shares outstanding during period - Diluted	152,115,402	154,155,617	151,588,031	154,664,510
Cash dividends per common share	\$.45	\$.41	\$ 1.70	\$ 1.54

Business Segment Information By Industry

(Dollars in thousands)	Three Months Ended June 30,		Year Ended June 30,	
	2013	2012	2013	2012
Net sales				
Industrial:				
North America	\$ 1,303,203	\$ 1,337,580	\$ 5,050,604	\$ 5,041,106
International	1,280,443	1,239,571	4,867,758	5,034,249
Aerospace	619,950	565,990	2,267,715	2,102,747
Climate & Industrial Controls	224,637	268,525	829,627	967,840
Total	\$ 3,428,233	\$ 3,411,666	\$ 13,015,704	\$ 13,145,942
Segment operating income				
Industrial:				
North America	\$ 225,071	\$ 249,059	\$ 845,225	\$ 895,010
International	156,233	163,899	583,747	733,123
Aerospace	86,136	85,311	280,286	290,135
Climate & Industrial Controls	31,063	31,456	82,227	84,274
Total segment operating income	498,503	529,725	1,791,485	2,002,542
Corporate general and administrative expenses	59,189	50,838	185,767	193,367
Income before interest and other	439,314	478,887	1,605,718	1,809,175
Interest expense	20,777	23,487	91,552	92,790
Other expense	44,774	30,061	203,165	139,687
Income before income taxes	\$ 373,763	\$ 425,339	\$ 1,311,001	\$ 1,576,698

Consolidated Balance Sheet

(Dollars in thousands)	June 30, 2013	June 30, 2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,781,412	\$ 838,317
Accounts receivable, net	2,062,745	1,992,284
Inventories	1,377,405	1,400,732
Prepaid expenses	182,669	137,429
Deferred income taxes	126,955	129,352
Total current assets	5,531,186	4,498,114
Plant and equipment, net	1,808,240	1,719,968
Goodwill	3,223,515	2,925,856
Intangible assets, net	1,290,499	1,095,218
Other assets	687,458	931,126
Total assets	\$ 12,540,898	\$ 11,170,282
Liabilities and equity		
Current liabilities:		
Notes payable	\$ 1,333,826	\$ 225,589
Accounts payable	1,156,002	1,194,684
Accrued liabilities	894,296	911,931
Accrued domestic and foreign taxes	136,079	153,809
Total current liabilities	3,520,203	2,486,013
Long-term debt	1,495,960	1,503,946
Pensions and other postretirement benefits	1,372,437	1,909,755
Deferred income taxes	102,920	88,091
Other liabilities	307,897	276,747
Shareholders' equity	5,738,426	4,896,515
Noncontrolling interests	3,055	9,215
Total liabilities and equity	\$ 12,540,898	\$ 11,170,282

Consolidated Statement of Cash Flows

(Dollars in thousands)	Year Ended June 30,	
	2013	2012
Cash flows from operating activities:		
Net income	\$ 948,784	\$ 1,155,492
Depreciation and amortization	335,624	321,929
Stock incentive plan compensation	84,996	80,935
Net change in receivables, inventories, and trade payables	11,230	(59,732)
Net change in other assets and liabilities	(195,938)	86,407
Other, net	6,239	(54,646)
Net cash provided by operating activities	1,190,935	1,530,385
Cash flows from investing activities:		
Acquisitions (net of cash of \$33,932 in 2013 and \$19,161 in 2012)	(621,144)	(156,256)
Capital expenditures	(265,896)	(218,817)
Proceeds from sale of plant and equipment	25,047	20,404
Proceeds from sale of businesses	73,515	-
Other, net	(21,367)	(21,099)
Net cash (used in) investing activities	(809,845)	(375,768)
Cash flows from financing activities:		
Net payments for common stock activity	(159,773)	(430,263)
Acquisition of noncontrolling interests	(1,091)	(147,441)
Net proceeds from (payments for) debt	992,047	(5,162)
Dividends	(255,009)	(240,654)
Net cash provided by (used in) financing activities	576,174	(823,520)
Effect of exchange rate changes on cash	(14,169)	(150,246)
Net increase in cash and cash equivalents	943,095	180,851
Cash and cash equivalents at beginning of period	838,317	657,466
Cash and cash equivalents at end of period	\$ 1,781,412	\$ 838,317

Business Segment Information

Reflecting CIC Consolidation – FY2013

(Unaudited)
(Dollars in thousands)

	Three Months Ending				Fiscal Year-to-Date			
	September 30, 2012	December 31, 2012	March 31, 2013	June 30, 2013	September 30, 2012	December 31, 2012	March 31, 2013	June 30, 2013
Net sales								
Industrial:								
North America								
North America - As Reported	\$ 1,266,047	\$ 1,197,705	\$ 1,283,649	\$ 1,303,203	\$ 1,266,047	\$ 2,463,752	\$ 3,747,401	\$ 5,050,604
CIC North America	159,232	119,675	144,781	163,365	159,232	278,907	423,688	587,053
North America w/ CIC	1,425,279	1,317,380	1,428,430	1,466,568	1,425,279	2,742,659	4,171,089	5,637,657
International								
International - As Reported	1,176,890	1,168,961	1,241,464	1,280,443	1,176,890	2,345,851	3,587,315	4,867,758
CIC International	71,683	50,498	59,121	61,272	71,683	122,181	181,302	242,574
International w/ CIC	1,248,573	1,219,459	1,300,585	1,341,715	1,248,573	2,468,032	3,768,617	5,110,332
Aerospace	541,083	528,656	578,026	619,950	541,083	1,069,739	1,647,765	2,267,715
Total	\$ 3,214,935	\$ 3,065,495	\$ 3,307,041	\$ 3,428,233	\$ 3,214,935	\$ 6,280,430	\$ 9,587,471	\$ 13,015,704
Segment operating income								
Industrial:								
North America								
North America - As Reported	\$ 227,192	\$ 183,914	\$ 209,048	\$ 225,071	\$ 227,192	\$ 411,106	\$ 620,154	\$ 845,225
CIC North America	16,883	6,517	15,439	24,655	16,883	23,400	38,839	63,494
North America w/ CIC	244,075	190,431	224,487	249,726	244,075	434,506	658,993	908,719
International								
International - As Reported	151,771	123,434	152,309	156,233	151,771	275,205	427,514	583,747
CIC International	4,827	1,613	5,885	6,408	4,827	6,440	12,325	18,733
International w/ CIC	156,598	125,047	158,194	162,641	156,598	281,645	439,839	602,480
Aerospace	61,898	52,172	80,080	86,136	61,898	114,070	194,150	280,286
Total segment operating income	462,571	367,650	462,761	498,503	462,571	830,221	1,292,982	1,791,485
Corporate general and administrative expenses	39,767	45,401	41,410	59,189	39,767	85,168	126,578	185,767
Income before interest and other expense	422,804	322,249	421,351	439,314	422,804	745,053	1,166,404	1,605,718
Interest expense	23,509	24,216	23,050	20,777	23,509	47,725	70,775	91,552
Other expense	63,237	35,404	59,750	44,774	63,237	98,641	158,391	203,165
Income before income taxes	\$ 336,058	\$ 262,629	\$ 338,551	\$ 373,763	\$ 336,058	\$ 598,687	\$ 937,238	\$ 1,311,001

Business Segment Information

Reflecting CIC Consolidation – FY2012

(Unaudited)

(Dollars in thousands)

	Three Months Ending				Fiscal Year-to-Date			
	September 30, 2011	December 31, 2011	March 31, 2012	June 30, 2012	September 30, 2011	December 31, 2011	March 31, 2012	June 30, 2012
Net sales								
Industrial:								
North America								
North America - As Reported	\$ 1,204,817	\$ 1,183,352	\$ 1,315,357	\$ 1,337,580	\$ 1,204,817	\$ 2,388,169	\$ 3,703,526	\$ 5,041,106
CIC North America	165,310	138,030	171,338	192,273	165,310	303,340	474,678	666,951
North America w/ CIC	1,370,127	1,321,382	1,486,695	1,529,853	1,370,127	2,691,509	4,178,204	5,708,057
International								
International - As Reported	1,289,115	1,218,812	1,286,751	1,239,571	1,289,115	2,507,927	3,794,678	5,034,249
CIC International	77,147	70,133	77,357	76,252	77,147	147,280	224,637	300,889
International w/ CIC	1,366,262	1,288,945	1,364,108	1,315,823	1,366,262	2,655,207	4,019,315	5,335,138
Aerospace	497,492	496,505	542,760	565,990	497,492	993,997	1,536,757	2,102,747
Total	\$ 3,233,881	\$ 3,106,832	\$ 3,393,563	\$ 3,411,666	\$ 3,233,881	\$ 6,340,713	\$ 9,734,276	\$ 13,145,942
Segment operating income								
Industrial:								
North America								
North America - As Reported	\$ 223,227	\$ 195,738	\$ 226,986	\$ 249,059	\$ 223,227	\$ 418,965	\$ 645,951	\$ 895,010
CIC North America	15,556	6,980	16,781	25,925	15,556	22,536	39,317	65,242
North America w/ CIC	238,783	202,718	243,767	274,984	238,783	441,501	685,268	960,252
International								
International - As Reported	208,219	165,940	195,065	163,899	208,219	374,159	569,224	733,123
CIC International	4,236	2,843	6,422	5,531	4,236	7,079	13,501	19,032
International w/ CIC	212,455	168,783	201,487	169,430	212,455	381,238	582,725	752,155
Aerospace	68,637	70,262	65,925	85,311	68,637	138,899	204,824	290,135
Total segment operating income	519,875	441,763	511,179	529,725	519,875	961,638	1,472,817	2,002,542
Corporate general and administrative expenses	58,016	46,136	38,377	50,838	58,016	104,152	142,529	193,367
Income before interest and other expense	461,859	395,627	472,802	478,887	461,859	857,486	1,330,288	1,809,175
Interest expense	23,221	23,769	22,313	23,487	23,221	46,990	69,303	92,790
Other expense	27,053	32,911	49,662	30,061	27,053	59,964	109,626	139,687
Income before income taxes	\$ 411,585	\$ 338,947	\$ 400,827	\$ 425,339	\$ 411,585	\$ 750,532	\$ 1,151,359	\$ 1,576,698

Business Segment Information

Reflecting CIC Consolidation – FY2011

(Unaudited) (Dollars in thousands)	Three Months Ending				Fiscal Year-to-Date			
	September 30, 2010	December 31, 2010	March 31, 2011	June 30, 2011	September 30, 2010	December 31, 2010	March 31, 2011	June 30, 2011
Net sales								
Industrial:								
North America								
North America - As Reported	\$ 1,064,915	\$ 1,045,469	\$ 1,178,714	\$ 1,227,412	\$ 1,064,915	\$ 2,110,384	\$ 3,289,098	\$ 4,516,510
CIC North America	166,088	144,692	184,772	192,490	166,088	310,780	495,552	688,042
North America w/ CIC	1,231,003	1,190,161	1,363,486	1,419,902	1,231,003	2,421,164	3,784,650	5,204,552
International								
International - As Reported	1,092,981	1,147,231	1,293,047	1,380,748	1,092,981	2,240,212	3,533,259	4,914,007
CIC International	68,609	69,642	79,764	84,312	68,609	138,251	218,015	302,327
International w/ CIC	1,161,590	1,216,873	1,372,811	1,465,060	1,161,590	2,378,463	3,751,274	5,216,334
Aerospace	436,680	459,630	503,806	521,868	436,680	896,310	1,400,116	1,921,984
Total	\$ 2,829,273	\$ 2,866,664	\$ 3,240,103	\$ 3,406,830	\$ 2,829,273	\$ 5,695,937	\$ 8,936,040	\$ 12,342,870
Segment operating income								
Industrial:								
North America								
North America - As Reported	\$ 189,362	\$ 159,429	\$ 189,463	\$ 207,290	\$ 189,362	\$ 348,791	\$ 538,254	\$ 745,544
CIC North America	16,449	6,658	18,023	17,654	16,449	23,107	41,130	58,784
North America w/ CIC	205,811	166,087	207,486	224,944	205,811	371,898	579,384	804,328
International								
International - As Reported	183,800	167,776	199,798	202,848	183,800	351,576	551,374	754,222
CIC International	5,103	2,843	4,554	4,850	5,103	7,946	12,500	17,350
International w/ CIC	188,903	170,619	204,352	207,698	188,903	359,522	563,874	771,572
Aerospace	43,776	63,644	68,984	70,722	43,776	107,420	176,404	247,126
Total segment operating income	438,490	400,350	480,822	503,364	438,490	838,840	1,319,662	1,823,026
Corporate general and administrative expenses	33,354	37,593	41,734	51,187	33,354	70,947	112,681	163,868
Income before interest and other expense	405,136	362,757	439,088	452,177	405,136	767,893	1,206,981	1,659,158
Interest expense	24,633	25,631	24,619	24,821	24,633	50,264	74,883	99,704
Other expense	44,139	30,876	24,752	45,966	44,139	75,015	99,767	145,733
Income before income taxes	\$ 336,364	\$ 306,250	\$ 389,717	\$ 381,390	\$ 336,364	\$ 642,614	\$ 1,032,331	\$ 1,413,721

