

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): April 28, 2015

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

On April 28, 2015, Parker-Hannifin Corporation issued a press release and presented a Webcast announcing results of operations for the quarter ended March 31, 2015. A copy of the press release is furnished as Exhibit 99.1 to this report. A copy of the Webcast presentation is furnished 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 April 28, 2015.

99.2 Webcast presentation by Parker-Hannifin Corporation, dated April 28, 2015.

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 &

Administration and Chief Financial Officer

Date: April 28, 2015



Exhibit 99.1

For Release: Immediately

Contact: Media -
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Stock symbol: PH - NYSE

Parker Reports Fiscal 2015 Third Quarter Results

- *Company reports earnings per diluted share of \$2.02, or \$2.06 adjusted for restructuring*
- *A quick response to macro-economic headwinds results in third quarter operating margins of 14.2%, or 14.4% adjusted and year-to-date operating cash flow of 8.3% of sales*
- *Full year fiscal 2015 guidance revised to reflect foreign currency impact and current market conditions*

CLEVELAND, April 28, 2015 -- Parker Hannifin Corporation (NYSE: PH), the global leader in motion and control technologies, today announced results for the fiscal 2015 third quarter ended March 31, 2015. Fiscal 2015 third quarter sales decreased 6 percent to \$3.16 billion, primarily as a result of the impact of changes in foreign currency rates, compared with \$3.36 billion in the same quarter a year ago. Fiscal 2015 third quarter net income was \$285.5 million, an increase of 18 percent, compared with \$242.5 million in the third quarter of fiscal 2014. Fiscal 2015 third quarter earnings per diluted share were \$2.02, an increase of 26 percent, compared with \$1.60 per diluted share in the prior year quarter. Adjusting for restructuring expenses, earnings per diluted share were \$2.06 in the fiscal 2015 third quarter compared with \$1.88 per diluted share in the prior year quarter. A reconciliation of as reported to adjusted earnings per diluted share is included with the financial tables accompanying this news release.

Cash flow from operations for the first nine months of fiscal 2015 was \$791.1 million, or 8.3 percent of sales, compared with \$817.5 million, or 8.4 percent of sales, in the prior year period.

"We performed well in the face of an increasingly challenging macro-economic environment, including weakness in key end markets, as well as the significant strengthening of the U.S. dollar," said Tom Williams, Chief Executive Officer. "Segment operating margins were 14.2 percent, reflecting the benefits of our restructuring activities and the adaptability of our businesses to changing market conditions."

Segment Results

Diversified Industrial Segment: North American third quarter sales decreased 1 percent to \$1.44 billion and operating income was \$235.5 million, compared with \$243.0 million in the same period a year ago. International third quarter sales decreased 15 percent to \$1.15 billion and operating income was \$139.5 million, compared with \$126.9 million in the same period a year ago.

Aerospace Systems Segment: Third quarter sales increased 5 percent to \$572.4 million and operating income was \$73.3 million, compared with \$64.0 million in the same period a year ago.

Orders

Parker reported a decrease of 4 percent in orders for the quarter ending March 31, 2015, compared with the same quarter a year ago. The company reported the following orders by business:

- Orders decreased 6 percent in the Diversified Industrial North America businesses;
- Orders decreased 3 percent in the Diversified Industrial International businesses;
and
- Orders decreased 3 percent in the Aerospace Systems segment on a rolling 12-month average basis.

Share Repurchases

During the third quarter of fiscal year 2015, the company completed share repurchases of \$477 million. Fiscal year 2015 repurchases, as of March 31, 2015, were \$1.34 billion.

Outlook

For the fiscal year ending June 30, 2015, the company has revised guidance for earnings from continuing operations to the range of \$7.25 to \$7.45 per diluted share, or \$7.55 to \$7.75 per diluted share on an adjusted basis. Fiscal year 2015 guidance is adjusted for expected restructuring expenses of approximately \$0.17 per diluted share in connection with a previously announced restructuring program and approximately \$0.13 per diluted share in connection with a voluntary retirement program to be completed in the fourth quarter of fiscal 2015, as part of overhead efficiency initiatives.

Williams added, "Our third quarter order rates and unfavorable currency trends have had a significant influence on our outlook for the fourth quarter. We are taking appropriate actions to respond to the current environment. Near-term challenges aside, I am confident in our ability to take Parker's long-term performance to the next level with our winning culture, engaged employees, distinctive technologies and a relentless focus on meeting our customers' needs."

NOTICE OF CONFERENCE CALL: Parker Hannifin's conference call and slide presentation to discuss its fiscal 2015 third quarter 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 exceeding \$13 billion in fiscal year 2014, 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 57,500 people in 50 countries around the world. Parker has increased its annual dividends paid to shareholders for 59 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 website at www.parker.com, or its investor information website at www.phstock.com.

Note 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 Diversified Industrial North America and Diversified Industrial International, and the year-over-year 12-month rolling average of orders for the Aerospace Systems segment.

Note on Non-GAAP Numbers

This press release contains references to (a) earnings per diluted share without the effect of restructuring expenses; and (b) the effect of restructuring expenses and the voluntary retirement program on forecasted earnings from continuing operations per diluted share; and (c) segment operating margins without the effect of restructuring expenses. The effects of restructuring expenses and the voluntary retirement program are removed to allow investors and the company to meaningfully evaluate changes in earnings per diluted share and segment operating margins on a comparable basis from period to period.

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; the ability to successfully divest businesses planned for divestiture and realize the anticipated benefits of such divestitures; 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 implement successfully the Company's capital allocation initiatives, including timing, price and execution of share repurchases; 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 - MARCH 31, 2015

Exhibit 99.1

CONSOLIDATED STATEMENT OF INCOME

(Unaudited)	Three Months Ended March 31,		Nine Months Ended March 31,	
(Dollars in thousands except per share amounts)	2015	2014	2015	2014
Net sales	\$ 3,162,311	\$ 3,358,406	\$ 9,567,236	\$ 9,690,556
Cost of sales	2,373,016	2,605,893	7,234,465	7,502,273
Gross profit	789,295	752,513	2,332,771	2,188,283
Selling, general and administrative expenses	372,306	407,241	1,152,950	1,212,807
Goodwill and intangible asset impairment	—	—	—	188,870
Interest expense	35,003	20,594	83,609	62,403
Other (income), net	(6,380)	(4,812)	(32,055)	(424,693)
Income before income taxes	388,366	329,490	1,128,267	1,148,896
Income taxes	102,904	86,972	295,299	408,654
Net income	285,462	242,518	832,968	740,242
Less: Noncontrolling interests	117	112	282	232
Net income attributable to common shareholders	\$ 285,345	\$ 242,406	\$ 832,686	\$ 740,010

Earnings per share attributable to common shareholders:

Basic earnings per share	\$ 2.06	\$ 1.63	\$ 5.77	\$ 4.96
Diluted earnings per share	\$ 2.02	\$ 1.60	\$ 5.68	\$ 4.88
Average shares outstanding during period - Basic	138,794,789	149,039,529	144,342,288	149,143,478
Average shares outstanding during period - Diluted	141,189,803	151,739,617	146,627,273	151,562,276
Cash dividends per common share	\$ 0.63	\$ 0.48	\$ 1.74	\$ 1.38

RECONCILIATION OF NET INCOME AND EARNINGS PER DILUTED SHARE TO ADJUSTED NET INCOME AND EARNINGS PER DILUTED SHARE

Net income	\$ 285,462	\$ 242,518	\$ 832,968	\$ 740,242
Adjustments:				
Restructuring charges	6,023	42,516	18,166	60,830
Asset writedowns	—	—	—	192,188
Gain related to joint venture agreement	—	—	—	(255,652)
Adjusted net income	\$ 291,485	\$ 285,034	\$ 851,134	\$ 737,608
Earnings per diluted share	\$ 2.02	\$ 1.60	\$ 5.68	\$ 4.88
Adjustments:				
Restructuring charges	0.04	0.28	0.12	0.40
Asset writedowns	—	—	—	1.26
Gain related to joint venture agreement	—	—	—	(1.68)
Adjusted earnings per diluted share	\$ 2.06	\$ 1.88	\$ 5.80	\$ 4.86

BUSINESS SEGMENT INFORMATION BY INDUSTRY

(Unaudited)	Three Months Ended March 31,		Nine Months Ended March 31,					
	(Dollars in thousands)	2015	2014	2015	2014			
Net sales								
Diversified Industrial:								
North America	\$	1,441,625	\$	1,455,212	\$	4,302,644	\$	4,168,489
International		1,148,248		1,357,513		3,599,145		3,905,159
Aerospace Systems		572,438		545,681		1,665,447		1,616,908
Total net sales	\$	3,162,311	\$	3,358,406	\$	9,567,236	\$	9,690,556
Segment operating income								
Diversified Industrial:								
North America	\$	235,516	\$	242,998	\$	726,640	\$	677,824
International		139,473		126,933		465,803		434,541
Aerospace Systems		73,334		63,974		205,500		166,306
Total segment operating income		448,323		433,905		1,397,943		1,278,671
Corporate general and administrative expenses		45,515		38,377		152,319		132,406
Income before interest expense and other expense		402,808		395,528		1,245,624		1,146,265
Interest expense		35,003		20,594		83,609		62,403
Other expense (income)		(20,561)		45,444		33,748		(65,034)
Income before income taxes	\$	388,366	\$	329,490	\$	1,128,267	\$	1,148,896

RECONCILIATION OF TOTAL SEGMENT OPERATING MARGIN TO ADJUSTED TOTAL SEGMENT OPERATING MARGIN

	Three Months Ended March 31, 2015		Nine Months Ended March 31, 2015			
	Operating Income	% of Sales	Operating Income	% of Sales		
Total segment operating income						
As reported	\$	448,323	14.2 %	\$	1,397,943	14.6 %
Restructuring charges		7,766			22,699	
Adjusted	\$	456,089	14.4 %	\$	1,420,642	14.8 %

PARKER HANNIFIN CORPORATION - MARCH 31, 2015

CONSOLIDATED BALANCE SHEET

(Unaudited)	March	June 30,	March 31,
(Dollars in thousands)	2015	2014	2014
Assets			
Current assets:			
Cash and cash equivalents	\$ 1,017,013	\$ 1,613,555	\$ 2,095,989
Marketable securities and other investments	1,013,692	573,701	—
Trade accounts receivable, net	1,701,017	1,858,176	1,859,657
Non-trade and notes receivable	324,140	388,437	238,406
Inventories	1,387,681	1,371,681	1,448,989
Prepaid expenses	188,855	129,837	183,119
Deferred income taxes	152,599	136,193	122,840
Total current assets	5,784,997	6,071,580	5,949,000
Plant and equipment, net	1,643,538	1,824,294	1,827,980
Goodwill	2,892,705	3,171,425	3,164,175
Intangible assets, net	1,022,425	1,188,282	1,210,967
Other assets	993,550	1,018,781	950,236
Total assets	\$ 12,337,215	\$ 13,274,362	\$ 13,102,358
Liabilities and equity			
Current liabilities:			
Notes payable	\$ 665,123	\$ 816,622	\$ 1,078,846
Accounts payable	1,138,163	1,252,040	1,200,466
Accrued liabilities	822,385	960,523	933,077
Accrued domestic and foreign taxes	141,653	223,611	154,792
Total current liabilities	2,767,324	3,252,796	3,367,181
Long-term debt	2,724,943	1,508,142	1,508,611
Pensions and other postretirement benefits	1,288,166	1,346,224	1,306,667
Deferred income taxes	78,276	94,819	111,508
Other liabilities	323,567	409,573	354,158
Shareholders' equity	5,151,715	6,659,428	6,450,996
Noncontrolling interests	3,224	3,380	3,237
Total liabilities and equity	\$ 12,337,215	\$ 13,274,362	\$ 13,102,358

PARKER HANNIFIN CORPORATION - MARCH 31, 2015

CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited)	Nine Months Ended March 31,	
(Dollars in thousands)	2015	2014
Cash flows from operating activities:		
Net income	\$ 832,968	\$ 740,242
Depreciation and amortization	237,232	253,150
Stock incentive plan compensation	74,830	84,647
Goodwill and intangible asset impairment	—	188,870
Gain on sale of deconsolidation of subsidiary	—	(412,612)
Gain on sale of businesses	(4,732)	—
Net change in receivables, inventories, and trade payables	(132,515)	(52,953)
Net change in other assets and liabilities	(118,047)	9,263
Other, net	(98,686)	6,864
Net cash provided by operating activities	791,050	817,471
Cash flows from investing activities:		
Acquisitions (net of cash of \$3,979 in 2015)	(18,640)	(14,272)
Capital expenditures	(157,418)	(167,371)
Proceeds from sale of plant and equipment	15,525	10,785
Proceeds from sale of businesses	35,577	—
Proceeds from deconsolidation of subsidiary	—	202,498
Purchases of marketable securities and other investments	(1,456,410)	—
Maturities and sales of marketable securities and other investments	828,653	—
Other, net	(44,726)	(3,382)
Net cash (used in) provided by investing activities	(797,439)	28,258
Cash flows from financing activities:		
Net payments for common stock activity	(1,326,521)	(120,890)
Net proceeds from (payments for) debt	1,117,343	(255,319)
Dividends	(252,745)	(206,516)
Net cash (used in) financing activities	(461,923)	(582,725)
Effect of exchange rate changes on cash	(128,230)	51,573
Net (decrease) increase in cash and cash equivalents	(596,542)	314,577
Cash and cash equivalents at beginning of period	1,613,555	1,781,412
Cash and cash equivalents at end of period	\$ 1,017,013	\$ 2,095,989

PARKER HANNIFIN CORPORATION**RECONCILIATION OF FORECASTED EARNINGS PER DILUTED SHARE TO ADJUSTED FORECASTED EARNINGS PER DILUTED SHARE**

(Unaudited)

(Amounts in dollars)

	Fiscal Year 2015
Forecasted earnings per diluted share	\$7.25 to \$7.45
Adjustments:	
Restructuring charges	0.17
Voluntary retirement program	0.13
Adjusted forecasted earnings per diluted share	\$7.55 to \$7.75

Parker Hannifin Corporation

Exhibit 99.2

3rd Quarter Fiscal Year 2015 Earnings Release



PH
LISTED
NYSE

ENGINEERING YOUR SUCCESS.

April 28, 2015

Forward-Looking Statements and Non-GAAP Financial Measures

Safe Harbor 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; the ability to successfully divest businesses planned for divestiture and realize the anticipated benefits of such divestitures; 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 implement successfully the Company's capital allocation initiatives, including the timing, price and execution of share repurchases; 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.

This presentation reconciles (a) sales amounts reported in accordance with U.S. GAAP to sales amounts adjusted to remove the effects of acquisitions and the effects of currency exchange rates, (b) cash flow from operating activities and cash flow from operating activities as a percent of sales in accordance with U.S. GAAP to cash flow from operating activities and cash flow from operating activities as a percent of sales without the effect of a discretionary pension plan contribution, (c) operating margins reported in accordance with U.S. GAAP to operating margins without the effect of restructuring expenses and, (d) net income and earnings per diluted share reported in accordance with U.S. GAAP to net income & earnings per diluted share without the effect of restructuring expenses and with respect to the nine-month period, asset write downs and the effect of a joint venture. The effects of acquisitions, divestitures, currency exchange rates, discretionary pension plan contributions, restructuring expenses, asset write downs and the effect of a joint venture 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, operating margins, net income and earnings per diluted share on a comparable basis from period to period. Full year adjusted guidance removes the (a) sales impact of the joint venture with GE Aviation, (b) restructuring expenses and (c) expenses related to a voluntary retirement program.

Agenda

- **CEO Comments**

- **Results & Outlook**

- **Questions and Answers**

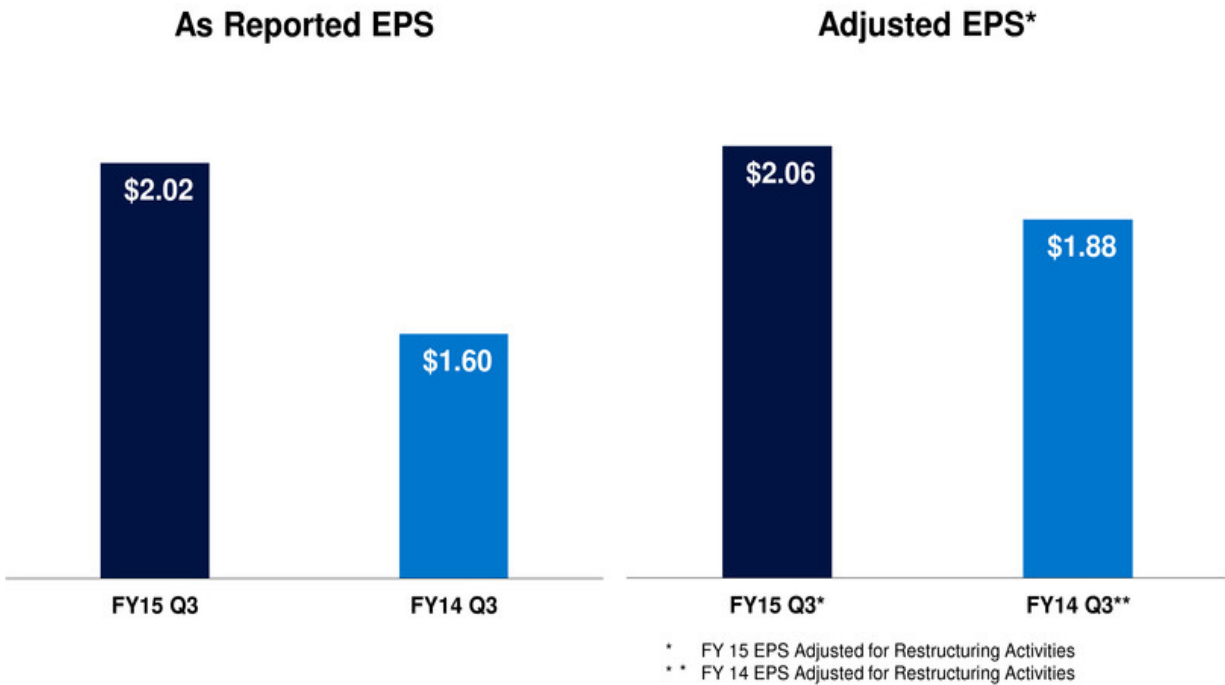
Highlights

3rd Quarter FY2015

- **Second Quarter Sales of \$3.2B**
 - **Significantly Impacted by Currency Rates**
- **Segment Operating Margins 14.2%**
 - **Adjusted Segment Operating Margins 14.4%**
- **As Reported Earnings per Share of \$2.02**
 - **Adjusted Earnings per Share of \$2.06**
- **Orders Declined to -4%**
- **Share Repurchase Program Update**
- **Restructuring on Track**

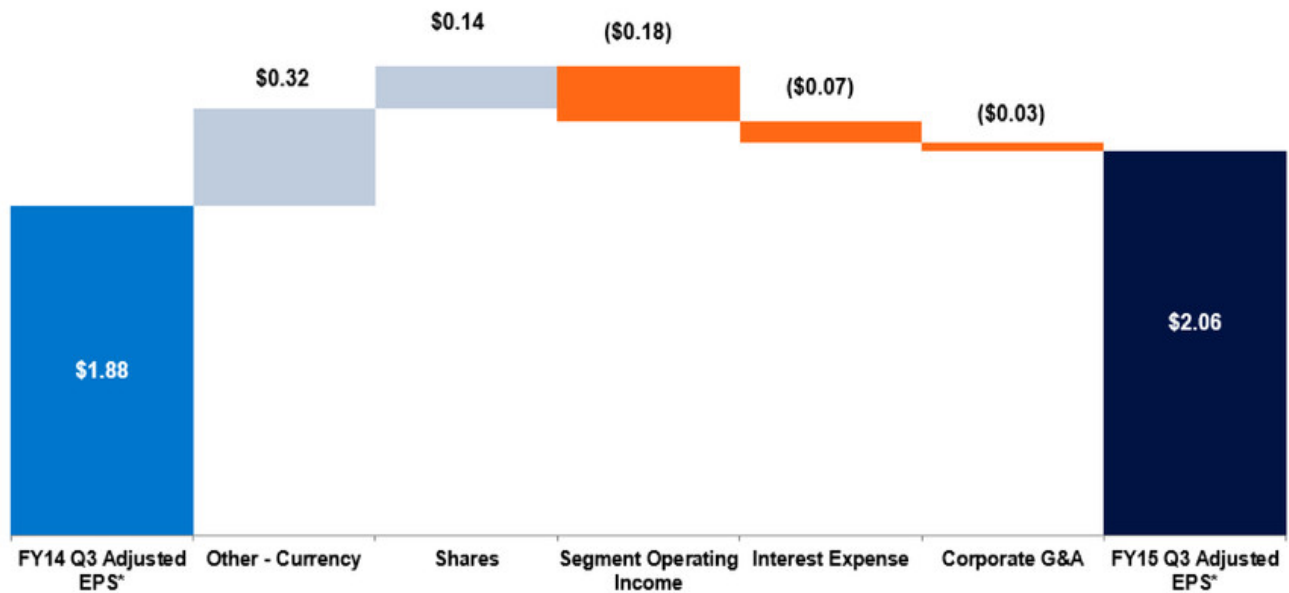
Diluted Earnings Per Share

3rd Quarter FY2015



Influences on Adjusted Earnings Per Share

3rd Quarter FY2015 vs. 3rd Quarter FY2014



- * FY 15 EPS Adjusted for Restructuring Activities
- * FY 14 EPS Adjusted for Restructuring Activities

Sales & Segment Operating Margin

Total Parker

\$ in millions	3rd Quarter		
	FY2015	% Change	FY2014
Sales			
As Reported	\$3,162	(5.8)%	\$3,358
Acquisitions	3	0.1 %	
Currency	(205)	(6.1)%	
Organic Sales	\$3,364	0.2 %	

	FY2015	% of Sales	FY2014	% of Sales
Segment Operating Margin				
As Reported	\$ 448	14.2 %	\$ 434	12.9 %
Restructuring	8		60	
Adjusted	\$ 456	14.4 %	\$ 494	14.7 %

Sales & Segment Operating Margin

Diversified Industrial North America

\$ in millions	3rd Quarter		
	FY2015	% Change	FY2014
Sales			
As Reported	\$1,442	(0.9)%	\$1,455
Acquisitions	-	- %	
Currency	(16)	(1.1)%	
Organic Sales	\$1,458	0.2 %	

	FY2015	% of Sales	FY2014	% of Sales
Segment Operating Margin				
As Reported	\$ 236	16.3 %	\$ 243	16.7 %
Restructuring	1		0	
Adjusted	\$ 237	16.4 %	\$ 243	16.7 %

Sales & Segment Operating Margin

Diversified Industrial International

\$ in millions	3rd Quarter			
	FY2015	% Change	FY2014	
Sales				
As Reported	\$ 1,148	(15.4)%	\$ 1,357	
Acquisitions	3	0.2 %		
Currency	(185)	(13.6)%		
Organic Sales	\$ 1,330	(2.0)%		
	FY2015	% of Sales	FY2014	% of Sales
Segment Operating Margin				
As Reported	\$ 139	12.1 %	\$ 127	9.4 %
Restructuring	7		59	
Adjusted	\$ 146	12.7 %	\$ 186	13.7 %

Sales & Segment Operating Margin

Aerospace Systems

\$ in millions	3rd Quarter			
	FY2015	% Change	FY2014	
<u>Sales</u>				
As Reported	\$ 572	4.9 %	\$ 546	
Acquisitions	-	- %		
Currency	(4)	(0.8)%		
Organic Sales	\$ 576	5.7 %		
	<u>FY2015</u>	<u>% of Sales</u>	<u>FY2014</u>	<u>% of Sales</u>
<u>Segment Operating Margin</u>				
As Reported	\$ 73	12.8 %	\$ 64	11.7 %
Restructuring	1		0	
Adjusted	\$ 74	12.9 %	\$ 64	11.7 %

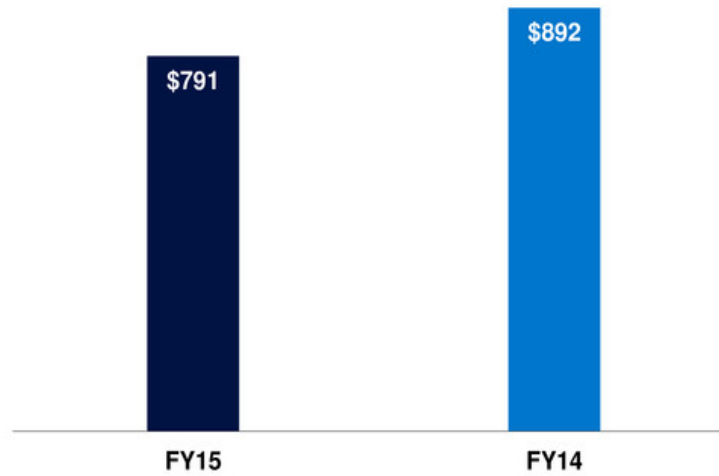
Order Rates

	<u>Mar 2015</u>	<u>Dec 2014</u>	<u>Mar 2014</u>	<u>Dec 2013</u>
Total Parker	- 4 %	+ 4 %	+ 7 %	+ 5 %
Diversified Industrial North America	- 6 %	+ 4 %	+ 6 %	+ 3 %
Diversified Industrial International	- 3 %	+ 1 %	- 4 %	+ 6 %
Aerospace Systems	- 3 %	+ 9 %	+ 17 %	+ 7 %

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

Cash Flow from Operating Activities

FY2015 YTD



	Full Year			
	FY 2015	% of Sales	FY 2014	% of Sales
As Reported Cash Flow From Operating Activities	791	8.3%	817	8.4%
Discretionary Pension Plan Contribution			75	
Adjusted Cash Flow From Operating Activities	791	8.3%	892	9.2%



FY2015 Guidance

Adjusted EPS Revised to \$7.65 Midpoint

Adjusted Sales Growth vs. Prior Year	
Diversified Industrial North America	1% - 2%
Diversified Industrial International	(12%) - (11%)
Aerospace Systems	3% - 5%
Total Parker	(4%) - (3%)
Adjusted Segment Operating Margins	
Diversified Industrial North America	16.8% - 16.9%
Diversified Industrial International	13.4% - 13.6%
Aerospace Systems	13.3% - 13.5%
Total Parker	14.9% - 15.1%
Below the Line Items	
Corporate General & Administrative Expense, Interest and Other	\$395 M
Tax Rate	
Full Year	26.5%
Shares	
Diluted Shares Outstanding	145.6 M
Earnings Per Share	
As Reported Range	\$7.25 - \$7.45
Adjusted Range	\$7.55 - \$7.75

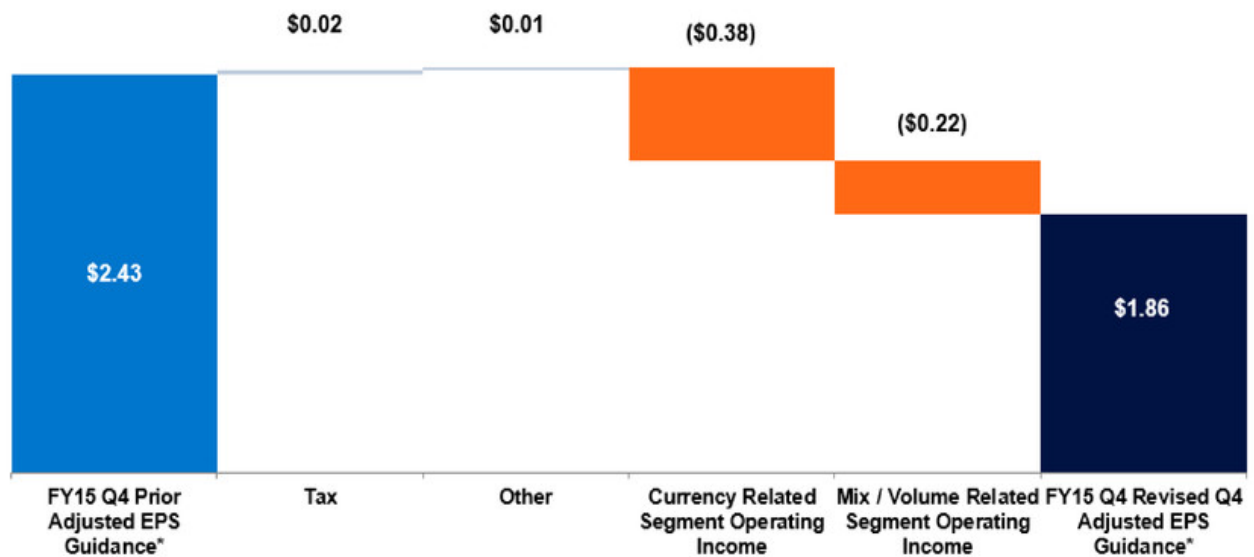
FY15 Adjusted Sales Growth %'s calculated from FY14 Sales adjusted for JV with GE Aviation

FY15 Adjusted Segment Operating Margins exclude FY15 Restructuring and Voluntary Retirement Program Expenses

FY15 Adjusted Earnings Per Share excludes Restructuring and Estimated Voluntary Retirement Program Expenses

FY2015 Q4 Guidance

Revised Q4 Guidance vs Prior Q4 Guidance



* FY 15 Q4 EPS Adjusted for Restructuring Expenses and Voluntary Retirement Program



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Appendix

- Consolidated Statement of Income
- Reconciliation of Net Income & EPS
- Business Segment Information By Industry
- Reconciliation of Segment Operating Income & Segment Operating Margin
- Consolidated Balance Sheet
- Consolidated Statement of Cash Flows
- Reconciliation of Forecasted EPS
- Supplemental Sales Information – Global Technology Platforms

Consolidated Statement of Income

(Unaudited) (Dollars in thousands except per share amounts)	Three Months Ended March 31,		Nine Months Ended March 31,	
	2015	2014	2015	2014
Net sales	\$ 3,162,311	\$ 3,358,406	\$ 9,567,236	\$ 9,690,556
Cost of sales	2,373,016	2,605,893	7,234,465	7,502,273
Gross profit	789,295	752,513	2,332,771	2,188,283
Selling, general and administrative expenses	372,306	407,241	1,152,950	1,212,807
Goodwill and intangible asset impairment	-	-	-	188,870
Interest expense	35,003	20,594	83,609	62,403
Other (income), net	(6,380)	(4,812)	(32,055)	(424,693)
Income before income taxes	388,366	329,490	1,128,267	1,148,896
Income taxes	102,904	86,972	295,299	408,654
Net income	285,462	242,518	832,968	740,242
Less: Noncontrolling interests	117	112	282	232
Net income attributable to common shareholders	\$ 285,345	\$ 242,406	\$ 832,686	\$ 740,010
Earnings per share attributable to common shareholders:				
Basic earnings per share	\$ 2.06	\$ 1.63	\$ 5.77	\$ 4.96
Diluted earnings per share	\$ 2.02	\$ 1.60	\$ 5.68	\$ 4.88
Average shares outstanding during period - Basic	138,794,789	149,039,529	144,342,288	149,143,478
Average shares outstanding during period - Diluted	141,189,803	151,739,617	146,627,273	151,562,276
Cash dividends per common share	\$.63	\$.48	\$ 1.74	\$ 1.38

Reconciliation of Net Income & EPS

(Unaudited)	Three Months Ended March 31,		Nine Months Ended March 31,	
(Dollars in thousands except per share amounts)	2015	2014	2015	2014
Net income	\$ 285,462	\$ 242,518	\$ 832,968	\$ 740,242
Adjustments:				
Restructuring charges	6,023	42,516	18,166	60,830
Asset w ritedow ns	-	-	-	192,188
Gain related to joint venture agreement	-	-	-	(255,652)
Adjusted net income	\$ 291,485	\$ 285,034	\$ 851,134	\$ 737,608
Earnings per diluted share	\$ 2.02	\$ 1.60	\$ 5.68	\$ 4.88
Adjustments:				
Restructuring charges	0.04	0.28	0.12	0.40
Asset w ritedow ns	-	-	-	1.26
Gain related to joint venture agreement	-	-	-	(1.68)
Adjusted earnings per diluted share	\$ 2.06	\$ 1.88	\$ 5.80	\$ 4.86

Business Segment Information By Industry

(Unaudited)	Three Months Ended March 31,		Nine Months Ended March 31,	
(Dollars in thousands)	2015	2014	2015	2014
Net sales				
Diversified Industrial:				
North America	\$ 1,441,625	\$ 1,455,212	\$ 4,302,644	\$ 4,168,489
International	1,148,248	1,357,513	3,599,145	3,905,159
Aerospace Systems	572,438	545,681	1,665,447	1,616,908
Total	\$ 3,162,311	\$ 3,358,406	\$ 9,567,236	\$ 9,690,556
Segment operating income				
Diversified Industrial:				
North America	\$ 235,516	\$ 242,998	\$ 726,640	\$ 677,824
International	139,473	126,933	465,803	434,541
Aerospace Systems	73,334	63,974	205,500	166,306
Total segment operating income	448,323	433,905	1,397,943	1,278,671
Corporate general and administrative expenses	45,515	38,377	152,319	132,406
Income before interest and other	402,808	395,528	1,245,624	1,146,265
Interest expense	35,003	20,594	83,609	62,403
Other expense (income)	(20,561)	45,444	33,748	(65,034)
Income before income taxes	\$ 388,366	\$ 329,490	\$ 1,128,267	\$ 1,148,896

Reconciliation of Segment Operating Income & Segment Operating Margin

	Three Months Ended March 31, 2015		Nine Months Ended March 31, 2015	
	Operating Income	% of Sales	Operating Income	% of Sales
Total segment operating income				
As reported	\$ 448,323	14.2%	\$ 1,397,943	14.6%
Restructuring	7,766		22,699	
Adjusted	\$ 456,089	14.4%	\$ 1,420,642	14.8%

Consolidated Balance Sheet

(Unaudited)	March 31,	June 30,	March 31,
(Dollars in thousands)	2015	2014	2014
Assets			
Current assets:			
Cash and cash equivalents	\$ 1,017,013	\$ 1,613,555	\$ 2,095,989
Marketable securities and other investments	1,013,692	573,701	-
Trade accounts receivable, net	1,701,017	1,858,176	1,859,657
Non-trade and notes receivable	324,140	388,437	238,406
Inventories	1,387,681	1,371,681	1,448,989
Prepaid expenses	188,855	129,837	183,119
Deferred income taxes	152,599	136,193	122,840
Total current assets	5,784,997	6,071,580	5,949,000
Plant and equipment, net	1,643,538	1,824,294	1,827,980
Goodwill	2,892,705	3,171,425	3,164,175
Intangible assets, net	1,022,425	1,188,282	1,210,967
Other assets	993,550	1,018,781	950,236
Total assets	\$ 12,337,215	\$ 13,274,362	\$ 13,102,358
Liabilities and equity			
Current liabilities:			
Notes payable	\$ 665,123	\$ 816,622	\$ 1,078,846
Accounts payable	1,138,163	1,252,040	1,200,466
Accrued liabilities	822,385	960,523	933,077
Accrued domestic and foreign taxes	141,653	223,611	154,792
Total current liabilities	2,767,324	3,252,796	3,367,181
Long-term debt	2,724,943	1,508,142	1,508,611
Pensions and other postretirement benefits	1,288,166	1,346,224	1,306,667
Deferred income taxes	78,276	94,819	111,508
Other liabilities	323,567	409,573	354,158
Shareholders' equity	5,151,715	6,659,428	6,450,996
Noncontrolling interests	3,224	3,380	3,237
Total liabilities and equity	\$ 12,337,215	\$ 13,274,362	\$ 13,102,358

Consolidated Statement of Cash Flows

(Unaudited)	Nine Months Ended March 31,	
(Dollars in thousands)	2015	2014
Cash flows from operating activities:		
Net income	\$ 832,968	\$ 740,242
Depreciation and amortization	237,232	253,150
Stock incentive plan compensation	74,830	84,647
Goodwill and intangible asset impairment	-	188,870
Gain on deconsolidation of subsidiary	-	(412,612)
Gain on sale of businesses	(4,732)	-
Net change in receivables, inventories, and trade payables	(132,515)	(52,953)
Net change in other assets and liabilities	(118,047)	9,263
Other, net	(98,686)	6,864
Net cash provided by operating activities	791,050	817,471
Cash flows from investing activities:		
Acquisitions (net of cash of \$3,979 in 2015)	(18,640)	(14,272)
Capital expenditures	(157,418)	(167,371)
Proceeds from sale of plant and equipment	15,525	10,785
Proceeds from sale of businesses	35,577	-
Proceeds from deconsolidation of subsidiary	-	202,498
Purchases of marketable securities and other investments	(1,456,410)	-
Maturities and sales of marketable securities and other investments	828,653	-
Other, net	(44,726)	(3,382)
Net cash (used in) provided by investing activities	(797,439)	28,258
Cash flows from financing activities:		
Net payments for common stock activity	(1,326,521)	(120,890)
Net proceeds from (payments for) debt	1,117,343	(255,319)
Dividends	(252,745)	(206,516)
Net cash (used in) financing activities	(461,923)	(582,725)
Effect of exchange rate changes on cash	(128,230)	51,573
Net (decrease) increase in cash and cash equivalents	(596,542)	314,577
Cash and cash equivalents at beginning of period	1,613,555	1,781,412
Cash and cash equivalents at end of period	\$ 1,017,013	\$ 2,095,989

Reconciliation of Forecasted EPS

(Unaudited)	Fiscal Year
(Amounts in dollars)	2015
Forecasted earnings per diluted share	\$7.25 to \$7.45
Adjustments:	
Restructuring	.17
Voluntary retirement program	.13
Adjusted forecasted earnings per diluted share	\$7.55 to \$7.75

Supplemental Sales Information

Global Technology Platforms

(Unaudited)	Three Months Ended Mar 31,		Nine Months Ended Mar 31,	
(Dollars in thousands)	2015	2014	2015	2014
Net sales				
Diversified Industrial:				
Motion Systems	\$ 893,765	\$ 999,742	\$ 2,736,690	\$ 2,862,396
Flow and Process Control	996,092	1,097,427	3,036,989	3,124,482
Filtration and Engineered Materials	700,016	715,556	2,128,110	2,086,770
Aerospace Systems	572,438	545,681	1,665,447	1,616,908
Total	\$ 3,162,311	\$ 3,358,406	\$ 9,567,236	\$ 9,690,556

