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 1, 2007

PARKER-HANNIFIN CORPORATION

(Exact Name of Registrant as Specified in Charter)

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

Ohio (State or Other Jurisdiction of Incorporation) 1-4982 (Commission File Number) 34-0451060 (IRS Employer Identification No.)

6035 Parkland Blvd. Cleveland, Ohio (Address of Principal Executive Offices)

44124-4141 (Zip Code)

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))

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 1, 2007, Parker-Hannifin Corporation issued a press release and presented a Webcast announcing earnings for the quarter ended June 30, 2007. A copy of the press release is furnished as Exhibit 99.1 to this report. The press release contains references to sales growth excluding the effects of acquisitions and foreign currency exchange rates. The effects of acquisitions and foreign currency exchange rates are removed to allow investors and the company to meaningfully evaluate changes in sales on a comparable basis from period to period. 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 August 1, 2007.
- 99.2 Webcast presentation by Parker-Hannifin Corporation, dated August 1, 2007.

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/ Timothy K. Pistell
Timothy K. Pistell Executive Vice President - Finance and Administration and Chief Financial Officer

Date: August 1, 2007



For Release: Immediately
Contact: Media –

Christopher M. Farage - Vice President, Corp. Communications

216/896-2750

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Financial Analysts – Pamela Huggins, Vice President - Treasurer

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Stock Symbol: PH - NYSE

Parker Surpasses \$10 Billion in Revenue in Another Record Year of Sales, Earnings and Cash Flow From Operating Activities

- Reports 18.7 Percent Increase in Fourth Quarter EPS to \$1.84
- Company guidance projects another record year in fiscal 2008

CLEVELAND, August 1, 2007 — Parker Hannifin Corporation (NYSE: PH), the global leader in motion and control technologies, today reported record results for the year and the fourth quarter. These results mark the fourth year in a row Parker has reported records in sales, earnings and cash flow from operating activities.

For the 2007 fiscal year, the company surpassed \$10 billion in sales for the first time in its 89 year history. Sales reached a record \$10.7 billion, an increase of 14.2 percent from \$9.4 billion in the previous year. Income from continuing operations increased 30 percent to \$830.0 million compared to \$638.3 million a year ago, and earnings per diluted share from continuing operations increased 32.8 percent to \$7.01 compared to \$5.28 a year ago. Cash flow from operating activities reached a record \$955.0 million, or 8.9 percent of sales.

For the fourth quarter of fiscal 2007, sales increased 9.8 percent to \$2.9 billion, compared to \$2.6 billion in the same period last year. Fourth quarter income from continuing operations increased 15.6 percent to \$217.2 million compared to \$187.9 million a year ago, and fourth quarter earnings per diluted share from continuing operations increased 18.7 percent to \$1.84 from \$1.55 a year ago.

"I want to thank our employees for their continued commitment to premier customer service, profitable growth and financial performance," said Chairman, CEO and President Don Washkewicz. "These three pillars of Parker's Win Strategy enabled us to deliver record quarterly and annual results for our shareholders."

"In surpassing the \$10 billion sales milestone, we continue to demonstrate our propensity to grow. Our compound annual growth rate over the last 35 years is in excess of 11 percent. This year, we grew by more than 14 percent, or more than three times GDP. This exceeded our Win Strategy goal to grow both organically and through disciplined acquisitions at a 10 percent compound annual rate. Of the 14 percent growth, 5 percent was organic, 6 percent was from strategic acquisitions, and the remainder was from the effects of foreign currency exchange rates. We're especially pleased with gains we've made in our Industrial International segment, where revenues grew by 34 percent and operating income grew by 51 percent. Margins in this segment also reached an all time high and continue to approach those in our North American segment. Overall, our revenues and profits are more balanced regionally than ever before, which speaks to the growing demand around the world for our motion and control technologies. By executing our Win Strategy, we delivered record earnings per share in the quarter and for the year. Total shareholder return for the year was 28 percent, or 35 percent higher than the S&P 500, and our return on invested capital remains at the top quartile among our peers."

"We also generated close to \$1 billion in annual cash flow from operating activities, which allowed us to both maintain our strong balance sheet and use cash wisely to invest in our company. We continued to invest in strategic acquisitions this year, purchasing eleven companies that added nearly \$260 million in annualized revenues. We spent \$433 million to repurchase 5.4 million shares, and we made discretionary contributions of \$161 million to our pension funds. In fiscal 2007, we increased dividends 13 percent, paying out approximately \$121 million to shareholders, maintaining our dividend increase record that spans 51 years."

Segment Results

In the Industrial North America segment, fourth-quarter sales decreased 1.6 percent to \$1.1 billion, and operating income decreased 0.4 percent from the prior year to \$164.6 million. For the full year, Industrial North America sales increased 1.8 percent to \$4.1 billion, and operating income increased 0.2 percent from the prior year to \$598.4 million.

In the Industrial International segment, fourth-quarter sales increased 30.3 percent to \$1.1 billion, and operating income increased 34.9 percent from the prior year to \$143.4 million. For the full year, Industrial International sales increased 34.4 percent to \$3.9 billion, and operating income increased 50.7 percent from the prior year to \$533.1 million.

In the Aerospace segment, fourth-quarter sales increased 5.9 percent to \$444.6 million, and operating income increased 4.5 percent from the prior year to \$67.3 million. For the full year, Aerospace sales increased 12.0 percent to \$1.7 billion, and operating income increased 22.1 percent from the prior year to \$269.9 million.

In the Climate & Industrial Controls segment, fourth-quarter sales decreased 0.7 percent to \$291.9 million, and operating income decreased 18.3 percent from the prior year to \$25.3 million. For the full year, Climate & Industrial Controls sales increased 8.4 percent to \$1.1 billion, and operating income decreased 1.1 percent from the prior year to \$82.3 million.

Orders

In addition to financial results, Parker also reported an increase of 3 percent in total orders for the quarter ending June 30 compared to the same quarter a year ago. Parker reported the following orders by operating segment:

- · Orders decreased 3 percent in the Industrial North America segment versus the same quarter a year ago.
- Orders increased 14 percent in the Industrial International segment versus the same quarter a year ago.
- Orders increased 8 percent in the Aerospace segment on a rolling 12 month average basis.
- · Orders decreased 6 percent in the Climate and Industrial Controls segment versus the same quarter a year ago.

Outlook

For fiscal year 2008, the company issued guidance for earnings from continuing operations in the range of \$7.20 to \$7.60 per diluted share.

"Our employees have embraced The Parker Win Strategy as a proven roadmap to operational success and profitable growth," added Washkewicz. "We remain uniquely positioned to meet the needs of both the OEM and MRO segments of the many diversified global motion and control markets we serve. Going forward, we expect to continue providing solid, dependable performance."

NOTICE OF CONFERENCE CALL: Parker Hannifin's conference call and slide presentation to discuss its fiscal fourth-quarter results is available to all interested parties via live webcast today at 10:00 a.m. ET, on the company's investor information web site, http://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.

With annual sales exceeding \$10 billion, 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 commercial, mobile, industrial and aerospace markets. The company employs more than 57,000 people in 43 countries around the world. Parker has increased its annual dividends paid to shareholders for 51 consecutive 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 http://www.parker.com, or its investor information site at http://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 in 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 and individual segments may differ materially from current expectations, depending on economic conditions within both its industrial and aerospace markets, and the company's ability to achieve anticipated benefits associated with announced realignment activities, strategic initiatives to improve operating margins, and growth and innovation initiatives. A change in economic conditions in individual markets may have a particularly volatile effect on segment results. Among the other factors which may affect future performance are: changes in business relationships with and purchases by or from major customers or suppliers, including delays or cancellations in shipments; uncertainties surrounding timing, successful completion or integration of acquisitions; threats associated with and efforts to combat terrorism; 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 employee retirement and health care benefits and insurance; and global economic factors, including manufacturing activity, air travel trends, currency exchange rates, difficulties entering new markets and general economic conditions such as inflation and interest rates. The company makes these statements as of the date of this disclosure, and undertakes no obligation to update them.

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PARKER HANNIFIN CORPORATION - JUNE 30, 2007 CONSOLIDATED STATEMENT OF INCOME

	Thr	Three Months Ended June 30,			Year Ended June 30,		0,
(Dollars in thousands except per share amounts)	200	7	2006		2007		2006
Net sales	\$ 2,87	4,365 \$	2,616,732	\$ 1	0,718,059	\$	9,385,888
Cost of sales	2,22	3,756	2,053,991		8,272,949		7,367,618
Gross profit	65	0,609	562,741		2,445,110		2,018,270
Selling, general and administrative expenses	33	3,434	277,087		1,226,861		1,036,646
Income from operations	31	7,175	285,654		1,218,249		981,624
Interest expense	2	1,535	18,667		83,414		75,763
Other (income) expense, net	(2,294)	1,661		(24,447)		5,903
Income from continuing operations before income taxes	29	7,934	265,326		1,159,282		899,958
Income taxes	8	0,748	77,445		329,236		261,682
Income from continuing operations	21	7,186	187,881		830,046		638,276
Discontinued operations			6,007			_	34,891
Net income	\$ 21	7,186	193,888	\$	830,046	\$	673,167
Earnings per share:							
Basic earnings per share from continuing operations	\$	1.88 \$	1.57	\$	7.13	\$	5.35
Discontinued operations			.05				.30
Basic earnings per share	\$	1.88	1.62	\$	7.13	\$	5.65
Diluted earnings per share from continuing operations	\$	1.84 \$	1.55	\$	7.01	\$	5.28
Discontinued operations			.04				.29
Diluted earnings per share	\$	1.84 \$	1.59	\$	7.01	\$	5.57
Average shares outstanding during period - Basic	115,65	2,989 11	19,687,216	11	6,428,885	1	19,211,192
Average shares outstanding during period - Diluted	117,89	6,867 12	21,572,305	11	8,329,927	_1:	20,884,182
Cash dividends per common share	\$.26	.23	\$	1.04	\$.92

BUSINESS SEGMENT INFORMATION BY INDUSTRY

	Three Months E	Three Months Ended June 30,		Year Ended June 30,		
(Dollars in thousands)	2007	2006	2007	2006		
Net sales						
Industrial:						
North America	\$ 1,054,987	\$ 1,071,719	\$ 4,063,889	\$ 3,993,370		
International	1,082,960	831,200	3,900,628	2,902,508		
Aerospace	444,558	419,875	1,685,431	1,504,922		
Climate & Industrial Controls	291,860	293,938	1,068,111	985,088		
Total	\$ 2,874,365	\$ 2,616,732	\$ 10,718,059	\$ 9,385,888		
Segment operating income	·					
Industrial:						
North America	\$ 164,583	\$ 165,185	\$ 598,405	\$ 597,204		
International	143,380	106,318	533,136	353,760		
Aerospace	67,309	64,430	269,931	221,005		
Climate & Industrial Controls	25,297	30,974	82,316	83,256		
Total segment operating income	\$ 400,569	\$ 366,907	\$ 1,483,788	\$ 1,255,225		
Corporate general and administrative expenses	57,909	40,220	179,077	133,695		
Income from continuing operations before interest expense and other	342,660	326,687	1,304,711	1,121,530		
Interest expense	21,535	18,667	83,414	75,763		
Other expense	23,191	42,694	62,015	145,809		
Income from continuing operations before income taxes	\$ 297,934	\$ 265,326	\$ 1,159,282	\$ 899,958		

PARKER HANNIFIN CORPORATION - JUNE 30, 2007 CONSOLIDATED BALANCE SHEET

Name of the path		June	30,
Current saster. S. 17,00 \$ 17,00 \$ 17,00 \$ 17,00 \$ 17,00 \$ 17,00 \$ 17,00 \$ 12,05,00 \$ 12,05,00 \$ 12,05,00 \$ 12,05,00 \$ 12,05,00 \$ 12,05,00 \$ 12,05,00 \$ 12,05,00 \$ 12,00	(Dollars in thousands)	2007	2006
Sab and each equivalents \$17,76 \$17,26 \$10,25	Assets		
Accounts receivable, net inventories 1,505,23 18,28,25 Pepal de panes 1,605,63 18,28,25 Pepal de panes 60,605 18,28,25 Fold carpenses 1,605,63 18,38,07 Fold auther de parties de la contraction to the state of the parties de la contraction of the state of the parties de la contraction of the	Current assets:		
Image	Cash and cash equivalents	\$ 172,706	\$ 171,553
Permit depenses 64,235 62,235 64,235 62,235 64,235 62,235 64,235	Accounts receivable, net	1,737,748	1,592,323
Defect of contentes 19,04 27,08 Colad current asses 33,81 3,18,07 Condovill 1,736,073 1,09,70 Condovill 2,24,40 20,14,08 Condovill 595,60 47,00 Diversasets 595,60 85,73 Collection 58,41,03 85,73 Libilities and sharcholders' cquity 81,93 72,03 Coxer payable 788,50 780,60 Accounts payable 788,50 780,60 Account gonitation 195,34 78,00 Account gonitation 195,34 18,00 Account gonitation 195,34 18,00 Account gonitation 195,34 18,00 Account gonitation 195,34 18,00 Account gonitation 20,20 18,00	Inventories	1,265,802	1,182,878
Ford current assets 3,36,175 3,18,377 path and and equipmen, net 1,76,327 2,50,000 20,004 ciock will 5,95,000 2,50,000 20,004 the assets 46,100 89,100 Cladi assets 87,000 89,100 Current liabilities 87,85,60 70,000 Accrued domestic and foreign taxes 192,52,45 10,100 College-time benefits 19,52,45 10,100 College-time benefits 19,50 20,100 College-time benefits 19,50 20,100 <	Prepaid expenses	69,655	64,238
Plant and equipment reficion will appeal to provide the provide seates of the provide seates of the provide seates of the provide seates of the provided seates	Deferred income taxes	140,264	127,986
Path and equipmen, ediconorial equipmen, ediconorial conorial conori	Total current assets	3,386,175	3,138,978
Goodwill (midnighle assets, net) 2,24,400 201,408 Other assets 469,109 89,007 State (assets) 841,013 82,032 Libitities and sharcholders' equity 200,000 81,000 Current liabilities 195,308 72,000 Votes popular 788,500 70,000 Accepted dishillies 195,308 72,000 Consider and additional posterior and shareholders' equity 195,308 72,000 Conference income the posterior mene flame 184,309 70,000 Conference income the posterior mene flame 14,309 11,409 Conference income the posterior mene flame 424,509 20,400 Control liabilities and shareholders' equity 47,105 24,120 Control liabilities and shareholders' equity 47,105 24,120 Control liabilities and shareholders' equity 80,401 30,401 Control liabilities and shareholders' equity 47,105 24,120 Control liabilities and shareholders' equity 47,105 24,120 Control liabilities and shareholders' equity 48,411 30,20	Plant and equipment, net	1,736,372	1,693,794
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Carbon Harbon Hore Control Habilities and Shareholders' equity	Other assets	469,190	859,10
Carbon Harbon Hore Control Habilities and Shareholders' equity	Total assets	\$ 8,441,413	\$ 8,173,432
Current liabilities \$ 195,34 \$ 7,00 Accounced liabilities 788,56 70,00 Accrued clambilities 152,73 16,10 Accrued clambilities 152,73 16,10 Long-ten debt 1,089,16 10,99,16 10,	Liabilities and shareholders' equity		
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Effect of exchange rate changes on cash 4,436 (3,731) Net increase (decrease) in cash and cash equivalents 1,153 (164,527) Cash and cash equivalents at beginning of period 171,553 336,080	Dividends	107,073	(101,480
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Cash and cash equivalents at beginning of period 336,080	Net cash (used in) financing activities	107,073 (121,263) (378,529)	(101,480 (109,643 (194,192
	Net cash (used in) financing activities Effect of exchange rate changes on cash	107,073 (121,263) (378,529) 4,436	(101,480 (109,643 (194,192 (3,731
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Parker Hannifin Corporation

Quarterly Earnings Release 4th Quarter FY 2007

August 1, 2007

Forward-Looking Statements

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 and individual segments may differ materially from current expectations, depending on economic conditions within both its 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, and growth and innovation initiatives. A change in economic conditions in individual markets may have a particularly volatile effect on segment results. Among the other factors which may affect future performance are: changes in business relationships with and purchases by or from major customers or suppliers, including delays or cancellations in shipments or significant changes in financial condition; uncertainties surrounding timing, successful completion or integration of acquisitions; threats associated with and efforts to combat terrorism; 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 employee retirement and health care benefits and insurance; and global economic factors, including manufacturing activity, air travel trends, currency exchange rates, difficulties entering new markets and general economic conditions such as inflation and interest rates. The company makes these statements as of the date of this disclosure, and undertakes no obligation to update them.

Non-GAAP Financial Measure

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 as well as the effects of currency exchange rates on sales. The effects of acquisitions and currency exchange rates are removed to allow investors and the company to meaningfully evaluate changes in sales on a comparable basis from period to period.

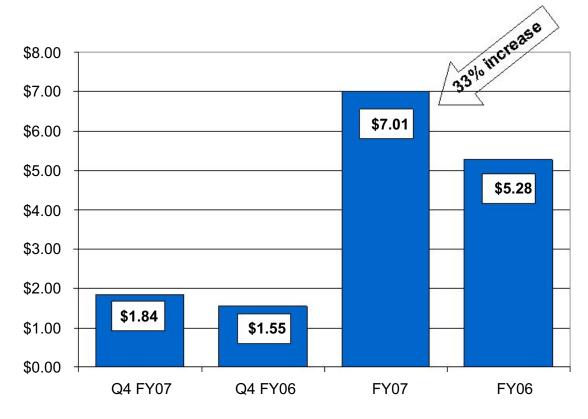
Discussion Agenda

- CEO 4th quarter highlights
- Key performance measures & outlook
- Questions & answers
- CEO closing comments

Fourth Quarter and Total Year Highlights

- Record Sales, Earnings, Cash Flow and Segment Operating Margins
- Earnings per share from continuing operations up 19% for the quarter and 33% for the year
- Inventory down to 11.8% of Sales
- 5% organic growth for the year
- Globally balanced in Sales and margins as evidenced by an all-time record in segment operating margin of 13.8%

Financial Highlights EPS from Continuing Operations 4th Quarter and Total Year



Influences on Earnings 4th Quarter and Total Year

- Sales increased 10% for the quarter and 14% for the year
- Gross profit improved 16% for the quarter and 21% for the year
- Higher Other income
- Reduction in shares outstanding
 - 3.9 million net reduction for the year
- Offset by:
- Higher SG&A expense
- Higher Interest expense
- Higher income taxes
 - Lower quarterly and annual rate

Financial Highlights Sales – 4th Quarter and Total Year

Dollars in millions	4th Quarter			8		
	FY2007	% Change	FY2006	FY2007	% Change	FY2006
Sales	1 12007	Change	1 12000	1 12007	_Change	112000
As reported	\$2,874	9.8 %	\$2,617	\$10,718	14.2 %	\$9,386
Acquisitions	120	4.6 %		585	6.2 %	
Currency	59	2.2 %		241	2.6 %	
Adjusted Sales	\$2,695	3.0 %		\$ 9,892	5.4 %	ś

Influences on Sales

- Continued Industrial end market strength
 - International
 - Asia Pacific
 - Latin America
 - Europe particularly Germany
 - Distribution
- Aerospace
- Acquisitions
- Emerging markets

Segment Reporting Industrial North America

Dollars in millions		4th Quarte	<u>r </u>	YTD			
	EV2007	%	EV2006	EV2007	%	EV2006	
Sales	FY2007	Change	FY2006	FY2007	Change	FY2006	
As reported	\$1,055	(1.6)%	\$1,072	\$ 4,064	1.8 %	\$3,993	
Acquisitions	21	2.0 %		98	2.5 %		
Currency	2	0.2 %		4	0.1 %		
Adjusted Sales	\$1,032	(3.8)%		\$ 3,962	(0.8)%		
Operating Margin							
As reported	\$ 165		\$ 165	\$ 598		\$ 597	
% of Sales	15.6 %		15.4 %	14.7 %		15.0 %	

Segment Reporting Industrial International

Dollars in millions		4th Quarte	<u>r</u>	YTD			
		%			%		
	FY2007	<u>Change</u>	FY2006	FY2007	<u>Change</u>	FY2006	
Sales							
As reported	\$1,083	30.3 %	\$ 831	\$ 3,901	34.4 %	\$2,903	
Acquisitions	90	10.8 %		415	14.3 %		
Currency	54	6.5 %		222	7.6 %		
Adjusted Sales	\$ 939	13.0 %		\$ 3,264	12.5 %		
Operating Margin							
As reported	\$ 143		\$ 106	\$ 533		\$ 354	
% of Sales	13.2 %		12.8 %	13.7 %		12.2 %	

Segment Reporting Aerospace

Dollars in millions	y .	4th Quarte	<u>r</u>	YTD			
	FY2007	% Change	FY2006	FY2007	% Change	FY2006	
Sales							
As reported	\$ 445	5.9 %	\$ 420	\$ 1,685	12.0 %	\$1,505	
Acquisitions	3	0.6 %		15	1.0 %		
Currency	3	0.7 %		12	0.8 %		
Adjusted Sales	\$ 439	4.6 %		\$ 1,658	10.2 %	-	
Operating Margin							
As reported	\$ 67		\$ 64	\$ 270		\$ 221	
% of Sales	15.1 %		15.3 %	16.0 %		14.7 %	

Segment Reporting Climate & Industrial Controls

Dollars in millions	4th Quarter			YTD			
	FY2007	% Change	FY2006	FY2007	% Change	FY2006	
Sales		<u> </u>			<u> </u>		
As reported	\$ 292	(0.7)%	\$ 294	\$ 1,068	8.4 %	\$ 985	
Acquisitions	6	2.1 %		56	5.7 %		
Currency		%		4	0.3 %		
Adjusted Sales	\$ 286	(2.8)%	,	\$ 1,008	2.4 %		
Operating Margin							
As reported	\$ 25		\$ 31	\$ 82		\$ 83	
% of Sales	8.7 %		10.5 %	7.7 %		8.5 %	

Parker Order Rates

Three months ending June

	FY07	_FY06_
Total Parker	+ 3%	+12 %
Industrial North America	- 3%	+ 8%
Industrial International	+14 %	+13 %
Aerospace	+ 8%	+15 %
Climate & Industrial Controls	- 6%	+22 %

Excludes Acquisitions & Currency
3-month year-over-year comparisons, except Aerospace
Aerospace is calculated using a 12-month moving average

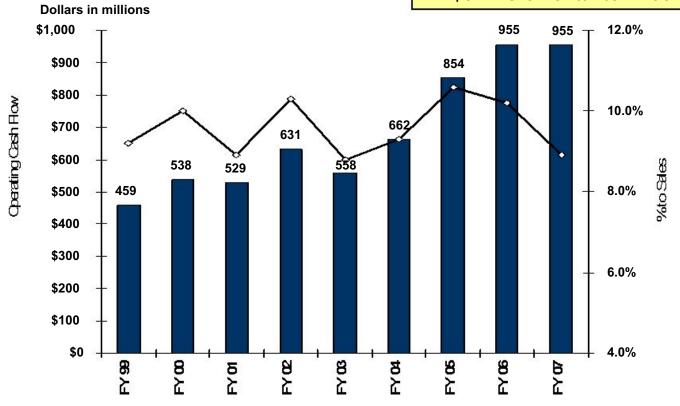
Balance Sheet Summary

- Cash
- Working capital
 - Inventory
 - *Accounts receivable
- ♦ Pensions FAS 158

Strong Cash Flow – Cash From Operations

FY 07 - \$955

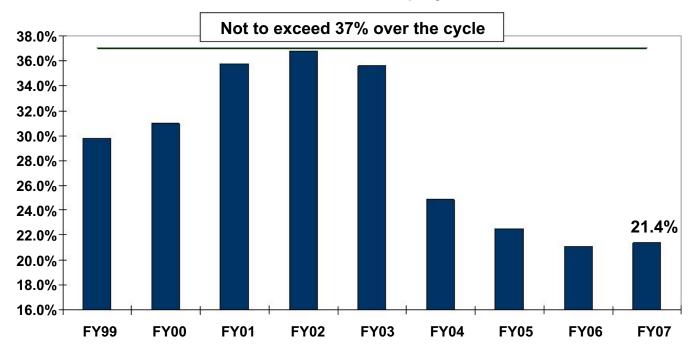
\$161 pension contribution; \$61 incremental to FY06



Slide 16

Financial Leverage

Debt to Debt Equity



FY 2008 Earnings Outlook Assumptions Segment Sales & Operating Income

FY 2008 Sales change versus FY 2007		
Industrial North America	.5 %	 1.5 %
Industrial International	8.9 %	 9.9 %
Aerospace	0.0 %	 1.0 %
Climate & Industrial Controls	0.0 %	 1.0 %

FY 2008 Operating margin percentages		
Industrial North America	14.5 %	 14.9 %
Industrial International	14.0 %	 14.4 %
Aerospace	15.7 %	 16.1 %
Climate & Industrial Controls	7.8 %	 8.2 %

FY 2008 Earnings Outlook Assumptions below Operating Margin

Corporate Admin

- 5% to - 9% vs. FY 2007

> Interest Expense

- 28% to - 29% vs. FY 2007

Other Exp. (Income) + 45% to + 41% vs. FY 2007

Tax Rate 30 %

Earnings Outlook - FY08

	Low	High
EPS from continuing operations	\$ 7.20	\$ 7.60

Questions & Answers...

Appendix

Income Statements

- 4th Quarter
- Total Year

Income Statement – 4th Quarter

Dollars in millions		FY 2007 % of Sales			FY 2006	
					% of Sales	
Net Sales	\$	2,874.4	100.0 %	\$2	2,616.7	100.0 %
Cost of sales		2,223.8	77.4 %		2,054.0	78.5 %
Gross profit		650.6	22.6 %		562.7	21.5 %
S, G & A		333.4	11.6 %		277.1	10.6 %
Interest expense		21.5	.7 %		18.7	.7 %
Other (income) expense		(2.2)	(.1)%	175	1.7	.1 %
Income from cont'g operations before taxes		297.9	10.4 %		265.2	10.1 %
Income taxes		80.7	2.8 %	-	77.4	3.0 %
Income from cont'g operations		217.2	7.6 %		187.8	7.2 %
Discontinued operations					6.0	.2 %
Net income	\$	217.2	7.6 %	\$	193.8	7.4 %

Income Statement - Total Year

Dollars in millions	FY 2007		FY 2	FY 2006		
50	9	6 of Sales		% of Sales		
Net Sales	\$10,718.1	100.0 %	\$9,385.9	100.0 %		
Cost of sales	8,273.0	77.2 %	7,367.6	78.5 %		
Gross profit	2,445.1	22.8 %	2,018.3	21.5 %		
S, G & A	1,226.9	11.4 %	1,036.6	11.0 %		
Interest expense	83.4	.8 %	75.8	.8 %		
Other (income) expense	(24.4)	(.2)%	5.9	.1 %		
Income from cont'g operations before taxes	s 1,159.2	10.8 %	900.0	9.6 %		
Income taxes	329.2	3.1 %	261.7	2.8 %		
Income from cont'g operations	830.0	7.7 %	638.3	6.8 %		
Discontinued operations			34.9	.4 %		
Net income	\$ 830.0	7.7 %	\$ 673.2	7.2 %		