

**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 22, 2008

PARKER-HANNIFIN CORPORATION

(Exact Name of Registrant as Specified in Charter)

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)

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))

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 April 22, 2008, Parker-Hannifin Corporation issued a press release and presented a Webcast announcing earnings for the quarter ended March 31, 2008. 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 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 April 22, 2008.
- 99.2 Webcast presentation by Parker-Hannifin Corporation, dated April 22, 2008.

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: April 22, 2008



For Release: **Immediately**

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Stock Symbol: PH – NYSE

Parker Reports Record Quarterly Sales, Net Income, Earnings Per Diluted Share and Cash Flow from Operations

- **Company raises earnings guidance for fiscal year 2008**

CLEVELAND, April 22, 2008 — Parker Hannifin (NYSE: PH), the world leader in motion and control technologies, today reported record third quarter sales, net income, earnings per diluted share and cash flow from operations.

For the third quarter of fiscal year 2008, which ended on March 31, 2008, sales were \$3.2 billion, an increase of 14.4 percent from \$2.8 billion in the same quarter a year ago. Net income increased 22.0 percent to \$255.4 million from \$209.3 million in the same quarter a year ago. Earnings per diluted share increased 25.2 percent to \$1.49 as compared to \$1.19 in the same quarter a year ago. Cash flow from operations was \$863.8 million, or 9.8 percent of sales.

“We are clearly headed to another record year for Parker, which will be the fifth record year in a row. The company continues to perform very well, showing strength during an economic cycle that has resulted in a challenging economic environment, particularly in North America. This is clearly the result of the dedication of our nearly 60,000 empowered employees who continue to stay focused on the Win Strategy, which is the clear roadmap that defines the goals, sets the strategies for achieving them, and identifies how progress will

be measured,” said Chairman, CEO and President Don Washkewicz. “First among those goals is one which serves Parker well independent of the economic cycle - to continually provide premier customer service. At Parker this means not just providing quality products on-time, but partnering with our customers all over the world to help them become more productive and profitable.”

“Our consistent profitable growth also clearly demonstrates the power behind Parker’s globally balanced assets and capabilities to serve customers in key regions of the world,” Washkewicz continued. “This allows for more consistent financial performance, and coupled with our strong global distribution network, also allows Parker to serve its customers, and their customers, anywhere in the world. This is a distinctive business model that we believe separates Parker from others in our industry.”

“Of the 14.4 percent sales growth this quarter, 4.3 percent was organic, 4.0 percent was the result of strategic acquisitions, and the remainder was from the movement of foreign currency exchange rates. Parker is benefiting today from the many strategic actions taken earlier in this decade. We have demonstrated our ability to profitably grow both organically and through strategic acquisitions of quality companies, and will continue to do so as further opportunities arise,” continued Washkewicz.

“Particularly strong results were again delivered this quarter by the Industrial International segment, with robust organic growth and an increase in operating income by over 50 percent as compared to the same period a year ago,” added Washkewicz.

“Adding high growth, advanced technologies and systems to our portfolio through acquisitions is an important part of the Win Strategy,” said Washkewicz. “Strong cash flow is leveraged to selectively add to the portfolio. We made two recent strategic acquisitions, which added approximately \$270 million in sales. These acquisitions included Vansco Electronics, a global leader in the design and manufacture of electronic controls, displays and terminals, communication and operator interfaces, and sensors. Vansco adds to our total systems capabilities to serve the mobile equipment market with applications for agricultural, construction,

material handling, bus, RV, and specialty truck equipment. The other recent acquisition was HTR Holdings Corp., which provides Parker greater access to the life sciences market. It adds to our capability to provide precision elastomeric components for medical devices such as intravenous equipment, drug infusion pumps, masks, septums, respirator hoses, catheters and diaphragms sold directly to original equipment manufacturers.”

Segment Results

In spite of a soft overall economy in the Industrial North America segment, third-quarter sales increased 3.7 percent to \$1.1 billion, and operating income increased 0.8 percent to \$148.0 million, as compared to the same period a year ago.

In the Industrial International segment, third-quarter sales increased 32.2 percent to \$1.3 billion, and operating income increased 54.7 percent to \$217.2 million, as compared to the same period a year ago.

In the Aerospace segment, third-quarter sales increased 7.7 percent to \$470.1 million, and operating income increased 3.2 percent to \$68.3 million, as compared to the same period a year ago. During the quarter, this segment was awarded a \$2 billion long-term contract to supply the fuel package and hydraulic system for the new Airbus A350 XWB aircraft.

In the Climate & Industrial Controls segment, third-quarter sales increased 0.5 percent to \$279.6 million, and operating income decreased 4.9 percent to \$18.3 million, as compared to the same period a year ago. This segment continues to be impacted by the ongoing weakness in the automotive, residential construction, and heavy duty truck markets.

Orders

In addition to financial results, for the quarter ending March 31, 2008, Parker also reported an increase of 9 percent in total orders before the effect of foreign currency and acquisitions, as compared to the same

quarter a year ago. Parker reported the following orders by operating segment:

- Orders increased 2 percent in the Industrial North America segment versus the same quarter a year ago.
- Orders increased 11 percent in the Industrial International segment versus the same quarter a year ago.
- Orders increased 28 percent in the Aerospace segment on a rolling 12 month average basis.
- Orders decreased 1 percent in the Climate and Industrial Controls segment versus the same quarter a year ago.

Outlook

For fiscal year 2008, the company increased its guidance for earnings to the range of \$5.40 to \$5.60 per diluted share. Previous guidance for earnings was \$5.15 to \$5.40 per diluted share.

“Since fiscal 2008 continues to be strong overall, we have again raised our earnings guidance,” said Washkewicz. “Orders are growing in Europe, Asia, Latin America and North America. Many of our key markets, including Aerospace, continue to grow. For other markets, especially those in North America which have been in recession, we are positioned to benefit when they return to more normal growth levels.”

“We will continue to invest to take advantage of the many growth opportunities we see,” continued Washkewicz. “To further this investment, we are pleased to have had our syndicated credit facility, comprised of 18 creditors around the world, increased by nearly 50 percent over previous levels to \$1.5 billion. Given today’s tight credit markets, we believe it signals our creditors’ trust in Parker’s ability to deliver on the profitable growth and financial performance measures of the Win Strategy.”

“We were also pleased to receive an important third-party recognition this quarter. Parker was honored with IR Magazine’s “Most Progress in Investor Relations” award at its annual recognition dinner for publicly held companies in New York City. The awards dinner recognizes outstanding communications between companies and their shareholders based on independent research conducted among more than 2,600 buy-side analysts, sell-side analysts, and portfolio managers in the U.S.”

Concluded Washkewicz, “Our financial results, along with our proven business model and the Win Strategy, give us confidence about the continuing growth potential we see in our future.”

NOTICE OF CONFERENCE CALL: Parker Hannifin’s conference call and slide presentation to discuss its fiscal third-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 52 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 maintain and achieve anticipated benefits associated with announced realignment activities, strategic initiatives to improve operating margins, and growth, innovation and global diversification 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, interest rates and credit availability. 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 - MARCH 31, 2008
CONSOLIDATED STATEMENT OF INCOME
(Unaudited)

(Dollars in thousands except per share amounts)	Three Months Ended March 31,		Nine Months Ended March 31,	
	2008	2007	2008	2007
Net sales	\$ 3,182,537	\$ 2,780,969	\$ 8,798,853	\$ 7,843,694
Cost of sales	<u>2,447,216</u>	<u>2,163,828</u>	<u>6,763,650</u>	<u>6,049,193</u>
Gross profit	735,321	617,141	2,035,203	1,794,501
Selling, general and administrative expenses	347,022	308,562	990,944	893,427
Interest expense	25,540	22,403	73,977	61,879
Other expense (income), net	4,965	(8,750)	(1,424)	(22,153)
Income before income taxes	357,794	294,926	971,706	861,348
Income taxes	102,353	85,617	274,805	248,488
Net income	\$ 255,441	\$ 209,309	\$ 696,901	\$ 612,860
Earnings per share:				
Basic earnings per share	\$ 1.52	\$ 1.21	\$ 4.14	\$ 3.50
Diluted earnings per share	\$ 1.49	\$ 1.19	\$ 4.05	\$ 3.45
Average shares outstanding during period - Basic	167,750,603	173,176,299	168,532,262	175,031,276
Average shares outstanding during period - Diluted	170,892,454	176,210,661	171,878,223	177,829,325
Cash dividends per common share	\$.21	\$.173	\$.63	\$.52

BUSINESS SEGMENT INFORMATION BY INDUSTRY
(Unaudited)

(Dollars in thousands)	Three Months Ended March 31,		Nine Months Ended March 31,	
	2008	2007	2008	2007
Net sales				
Industrial:				
North America	\$ 1,086,986	\$ 1,048,474	\$ 3,084,233	\$ 3,008,902
International	1,345,849	1,017,953	3,624,486	2,817,668
Aerospace	470,109	436,476	1,328,097	1,240,873
Climate & Industrial Controls	279,593	278,066	762,037	776,251
Total	\$ 3,182,537	\$ 2,780,969	\$ 8,798,853	\$ 7,843,694
Segment operating income				
Industrial:				
North America	\$ 148,019	\$ 146,794	\$ 444,881	\$ 433,822
International	217,243	140,456	575,903	389,756
Aerospace	68,323	66,219	177,676	202,622
Climate & Industrial Controls	18,282	19,232	39,209	57,019
Total segment operating income	\$ 451,867	\$ 372,701	\$ 1,237,669	\$ 1,083,219
Corporate general and administrative expenses	48,157	40,538	133,505	121,168
Income from operations before interest expense and other	403,710	332,163	1,104,164	962,051
Interest expense	25,540	22,403	73,977	61,879
Other expense	20,376	14,834	58,481	38,824
Income before income taxes	\$ 357,794	\$ 294,926	\$ 971,706	\$ 861,348

PARKER HANNIFIN CORPORATION - MARCH 31, 2008

CONSOLIDATED BALANCE SHEET

(Unaudited)

<u>(Dollars in thousands) March 31,</u>	<u>2008</u>	<u>2007</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 182,134	\$ 183,727
Accounts receivable, net	1,985,894	1,717,153
Inventories	1,488,799	1,270,971
Prepaid expenses	70,334	64,200
Deferred income taxes	145,013	132,261
Total current assets	3,872,174	3,368,312
Plant and equipment, net	1,861,893	1,709,239
Goodwill	2,652,727	2,169,631
Intangible assets, net	724,607	491,383
Other assets	497,776	969,972
Total assets	\$ 9,609,177	\$ 8,708,537
Liabilities and shareholders' equity		
Current liabilities:		
Notes payable	\$ 621,168	\$ 293,456
Accounts payable	879,169	734,801
Accrued liabilities	820,720	720,770
Accrued domestic and foreign taxes	166,229	147,734
Total current liabilities	2,487,286	1,896,761
Long-term debt	1,189,736	1,115,987
Pensions and other postretirement benefits	362,865	833,123
Deferred income taxes	140,077	122,942
Other liabilities	310,220	219,282
Shareholders' equity	5,118,993	4,520,442
Total liabilities and shareholders' equity	\$ 9,609,177	\$ 8,708,537

CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited)

<u>(Dollars in thousands)</u>	<u>Nine Months Ended March 31,</u>	
	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Net income	\$ 696,901	\$ 612,860
Depreciation and amortization	231,680	222,019
Stock-based compensation	37,934	28,517
Net change in receivables, inventories, and trade payables	(163,824)	(179,683)
Net change in other assets and liabilities	87,582	(71,970)
Other, net	(26,501)	(74,864)
Net cash provided by operating activities	863,772	536,879
Cash flows from investing activities:		
Acquisitions (net of cash of \$13,668 in 2008 and \$1,088 in 2007)	(467,686)	(188,340)
Capital expenditures	(188,172)	(174,946)
Proceeds from sale of plant and equipment	16,120	35,389
Other, net	(3,554)	(2,839)
Net cash (used in) investing activities	(643,292)	(330,736)
Cash flows from financing activities:		
Net (payments for) common share activity	(521,262)	(361,651)
Net proceeds from debt	414,363	254,196
Dividends	(107,077)	(91,187)
Net cash (used in) financing activities	(213,976)	(198,642)
Effect of exchange rate changes on cash	2,924	4,673
Net increase in cash and cash equivalents	9,428	12,174
Cash and cash equivalents at beginning of period	172,706	171,553
Cash and cash equivalents at end of period	\$ 182,134	\$ 183,727



Parker Hannifin Corporation

Quarterly Earnings Release
3rd Quarter FY 2008

April 22, 2008

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, innovation and global diversification 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, interest rates and credit availability. 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

- 3rd quarter highlights
- Key performance measures & outlook
- Questions & answers
- Closing comments

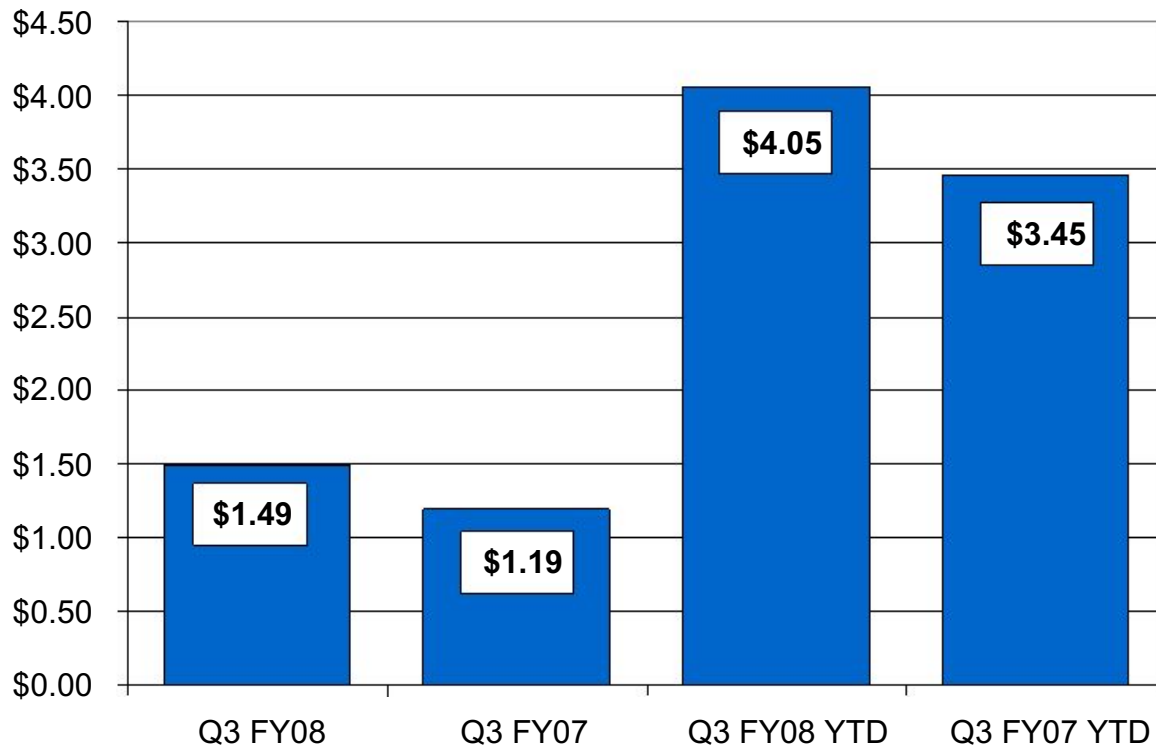
Third Quarter and Q3-YTD Highlights

- ◆ Record Quarterly Sales, Earnings, and Cash Flow
- ◆ FY 2008 projected to be another record year
- ◆ International strength offsetting challenging North American environment
- ◆ Q3 Sales growth 14.4% - 4.3% organic
- ◆ Earnings per diluted share up 25.2% in Q3, 17.4% Q3-YTD
- ◆ Total Parker Orders up 9% in Q3

Financial Highlights

Diluted Earnings per Share

3rd Quarter and YTD as of March 31



Influences on 3rd Quarter Earnings

- ◆ Sales increased 14.4%- 4.3% organic
- ◆ Segment operating income increased 21%
- ◆ Fewer shares outstanding
 - 5.3 million fewer diluted shares in FY08

Offset by:

- ◆ Lower No. America and Aerospace margins
- ◆ Higher Interest expense
- ◆ Higher Other expense

Financial Highlights

Sales – 3rd Quarter and YTD as of March 31

Dollars in millions	3rd Quarter			YTD		
	FY2008	% Change	FY2007	FY2008	% Change	FY2007
<u>Sales</u>						
As reported	\$3,183	14.4 %	\$2,781	\$ 8,799	12.2 %	\$7,844
Acquisitions	111	4.0 %		247	3.1 %	
Currency	172	6.1 %		382	4.9 %	
Adjusted Sales	\$2,900	4.3 %		\$ 8,170	4.2 %	

Influences on Sales

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

Segment Reporting

Industrial North America

Dollars in millions	3rd Quarter			YTD		
	FY2008	% Change	FY2007	FY2008	% Change	FY2007
<u>Sales</u>						
As reported	\$ 1,087	3.7 %	\$ 1,048	\$ 3,084	2.5 %	\$ 3,009
Acquisitions	6	0.6 %		51	1.7 %	
Currency	8	0.7 %		18	0.6 %	
Adjusted Sales	\$ 1,073	2.4 %		\$ 3,015	0.2 %	
<u>Operating Margin</u>						
As reported	\$ 148		\$ 147	\$ 445		\$ 434
% of Sales	13.6 %		14.0 %	14.4 %		14.4 %

Segment Reporting

Industrial International

Dollars in millions	3rd Quarter			YTD		
	FY2008	% Change	FY2007	FY2008	% Change	FY2007
<u>Sales</u>						
As reported	\$ 1,346	32.2 %	\$ 1,018	\$ 3,624	28.6 %	\$ 2,818
Acquisitions	92	9.0 %		174	6.2 %	
Currency	151	14.8 %		334	11.8 %	
Adjusted Sales	\$ 1,103	8.4 %		\$ 3,116	10.6 %	
<u>Operating Margin</u>						
As reported	\$ 217		\$ 140	\$ 576		\$ 390
% of Sales	16.1 %		13.8 %	15.9 %		13.8 %

Segment Reporting

Aerospace

Dollars in millions	3rd Quarter			YTD		
	FY2008	% Change	FY2007	FY2008	% Change	FY2007
<u>Sales</u>						
As reported	\$ 470	7.7 %	\$ 436	\$ 1,328	7.0 %	\$ 1,241
Acquisitions	14	3.2 %		22	1.8 %	
Currency	3	0.6 %		7	0.5 %	
Adjusted Sales	\$ 453	3.9 %		\$ 1,299	4.7 %	
<u>Operating Margin</u>						
As reported	\$ 68		\$ 66	\$ 178		\$ 203
% of Sales	14.5 %		15.2 %	13.4 %		16.3 %

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Segment Reporting

Climate & Industrial Controls

Dollars in millions	3rd Quarter			YTD		
	FY2008	% Change	FY2007	FY2008	% Change	FY2007
<u>Sales</u>						
As reported	\$ 280	0.5 %	\$ 278	\$ 762	(1.8)%	\$ 776
Acquisitions						
Currency	10	3.6 %		23	3.0 %	
Adjusted Sales	\$ 270	(3.1)%		\$ 739	(4.8)%	
<u>Operating Margin</u>						
As reported	\$ 18		\$ 19	\$ 39		\$ 57
% of Sales	6.5 %		6.9 %	5.1 %		7.3 %

Parker Order Rates

Three months ending March

	<u>FY08</u>	<u>FY07</u>
Total Parker	+ 9 %	+ 2 %
Industrial North America	+ 2 %	- 2 %
Industrial International	+11 %	+11 %
Aerospace	+28 %	+ 2 %
Climate & Industrial Controls	- 1 %	- 4 %

Excludes Acquisitions & Currency

**3-month year-over-year comparisons of total dollars, except Aerospace
Aerospace is calculated using a 12-month moving average**

Balance Sheet Summary

- ◆ Cash

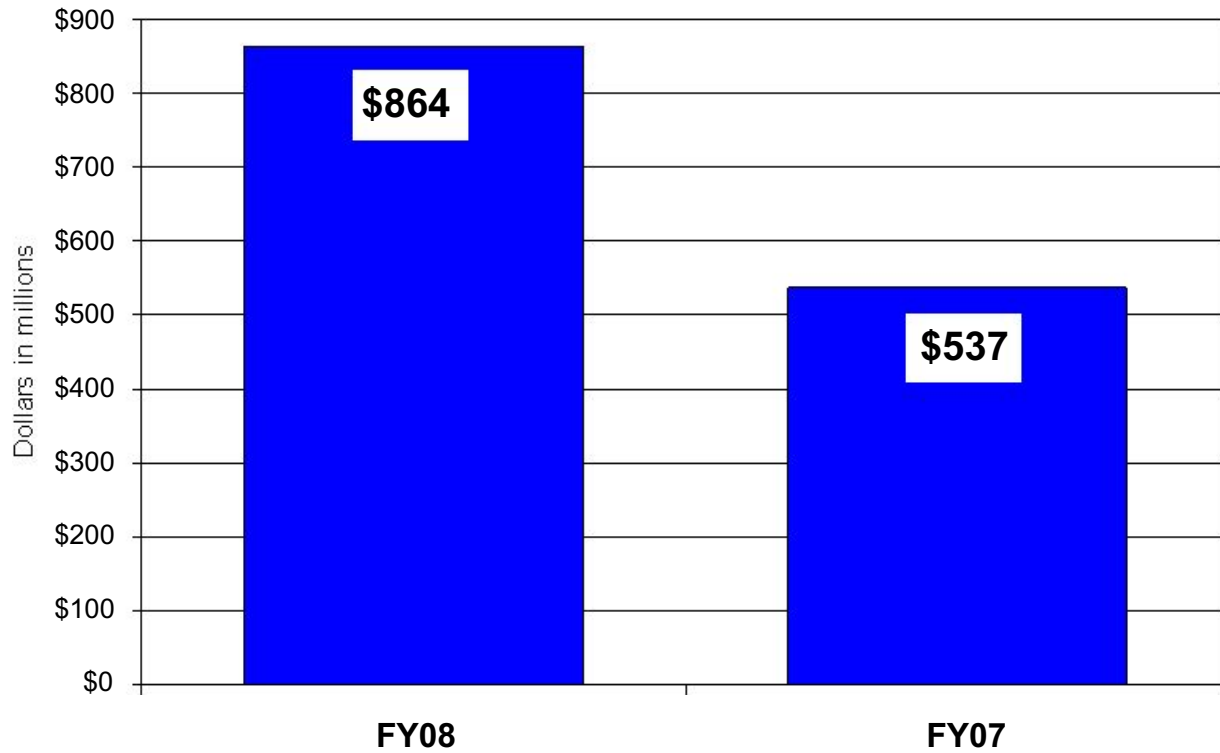
- ◆ Working capital
 - ❖ Inventory
 - ❖ Accounts receivable

- ◆ Pensions –FAS 158

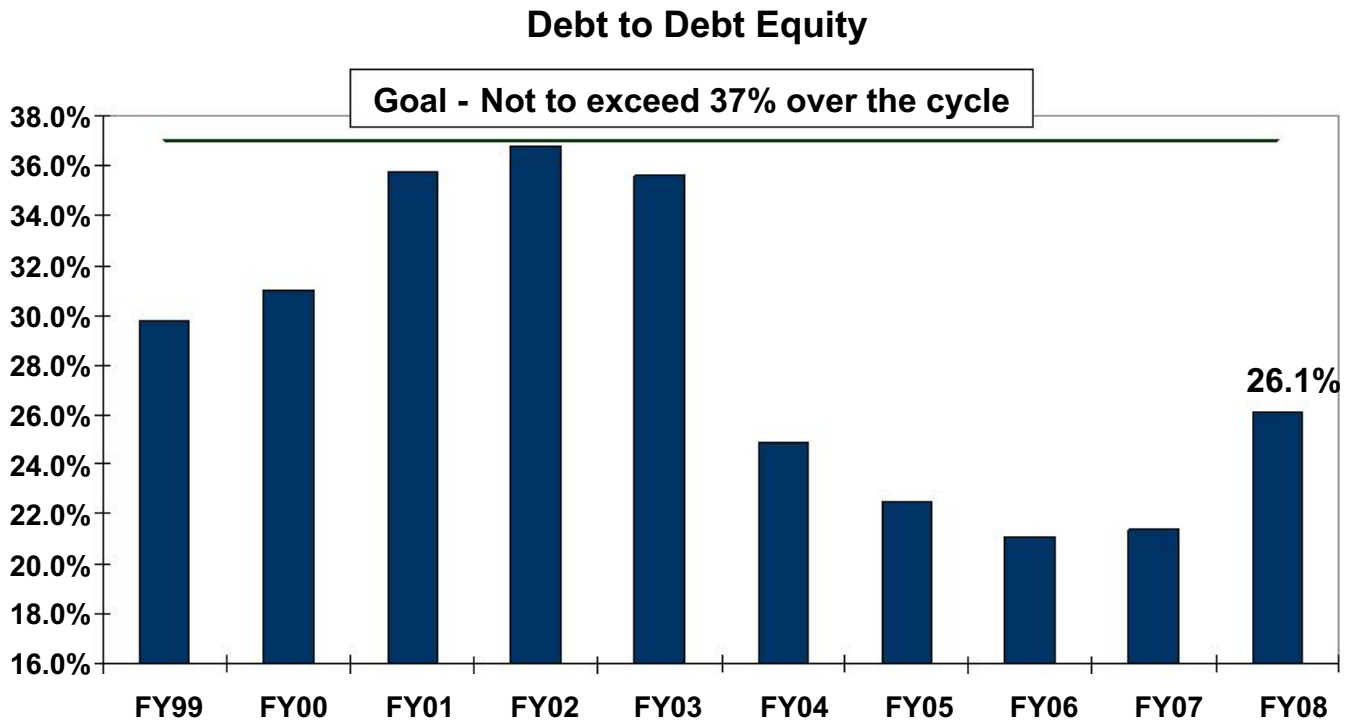
Strong Cash Flow

Cash from Operating Activities

3rd Quarter YTD



Financial Leverage



FY 2008 Earnings Outlook Assumptions Segment Sales & Operating Income

FY 2008 Sales change versus FY 2007	
Industrial North America	3.7 % -- 4.1 %
Industrial International	25.0 % -- 25.4 %
Aerospace	7.3 % -- 7.7 %
Climate & Industrial Controls	(2.8)% -- (2.4)%

FY 2008 Operating margin percentages	
Industrial North America	14.1 % -- 14.5 %
Industrial International	15.7 % -- 16.0 %
Aerospace	13.6 % -- 14.0 %
Climate & Industrial Controls	5.5 % -- 5.9 %

FY 2008 Earnings Outlook Assumptions below Operating Margin

- Corporate Admin + 2% to + 1% vs. FY 2007
- Interest Expense + 26% to + 23% vs. FY 2007
- Other Expense (Inc.) + 29% to + 24% vs. FY 2007
- Tax Rate 29 %

Earnings Outlook – FY08

	<u>Low</u>	<u>High</u>
Diluted earnings per share	\$ 5.40	\$ 5.60

Questions & Answers...

Slide 21

Appendix

Income Statements

- 3rd Quarter
- 3rd Quarter YTD

Income Statement – 3rd Quarter

Dollars in millions	FY 2008		FY 2007	
		% of Sales		% of Sales
Net Sales	\$ 3,182.5	100.0 %	\$2,781.0	100.0 %
Cost of sales	2,447.2	76.9 %	2,163.8	77.8 %
Gross profit	735.3	23.1 %	617.2	22.2 %
S, G & A	347.0	10.9 %	308.6	11.1 %
Interest expense	25.5	.8 %	22.4	.8 %
Other expense (income), net	5.0	.2 %	(8.7)	(.3)%
Income before taxes	357.8	11.2 %	294.9	10.6 %
Income taxes	102.4	3.2 %	85.6	3.1 %
Net income	\$ 255.4	8.0 %	\$ 209.3	7.5 %

Income Statement – 3rd Quarter YTD

Dollars in millions	<u>FY 2008</u>		<u>FY 2007</u>	
		<u>% of Sales</u>		<u>% of Sales</u>
Net Sales	\$ 8,798.9	100.0 %	\$7,843.7	100.0 %
Cost of sales	6,763.7	76.9 %	6,049.2	77.1 %
Gross profit	2,035.2	23.1 %	1,794.5	22.9 %
S, G & A	990.9	11.3 %	893.4	11.4 %
Interest expense	74.0	.8 %	61.9	.8 %
Other (income), net	(1.4)	(.0)%	(22.2)	(.3)%
Income before taxes	971.7	11.0 %	861.4	11.0 %
Income taxes	274.8	3.1 %	248.5	3.2 %
Net income	\$ 696.9	7.9 %	\$ 612.9	7.8 %