

**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): July 30, 2009

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 July 30, 2009, Parker-Hannifin Corporation issued a press release and presented a Webcast announcing earnings for the quarter ended June 30, 2009. 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 July 30, 2009.
- 99.2 Webcast presentation by Parker-Hannifin Corporation, dated July 30, 2009.

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: July 30, 2009



For Release: Immediately

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Stock Symbol: PH – NYSE

**Parker Reports Fiscal 2009 Full Year and Fourth Quarter Sales, Net Income and Earnings per Share
- Company Generates Strong Operating Cash, Issues Outlook for Fiscal 2010**

CLEVELAND, July 30, 2009 – Parker Hannifin Corporation (NYSE: PH), the global leader in motion and control technologies, today reported results for the fourth quarter and fiscal year ending June 30, 2009. Fiscal 2009 sales were \$10.3 billion, a decline of 15.1 percent from \$12.1 billion in the previous year. Fiscal 2009 net income declined 46.4 percent to \$508.5 million, from \$949.5 million in fiscal 2008. Earnings per diluted share declined 43.4 percent to \$3.13, compared with \$5.53 in the previous year. Cash flow from operations for fiscal 2009 was \$1.1 billion, or 11.0 percent of sales, compared with \$1.3 billion, or 10.8 percent of sales in the prior year.

“We started the year strongly, however, our performance in the second half of the year reflected the impact of the ongoing global recession, which resulted in significantly reduced order rates,” said Chairman, CEO and President Don Washkewicz. “As we had anticipated, our focus on implementing the Win Strategy throughout much of this decade, has re-shaped our company and allowed us to weather this downturn much more successfully than in previous recessions. We are especially pleased with our very strong operating cash flow both in the quarter and for the year, and that we maintained total segment operating margins approaching 10 percent for the year. Additionally, we are proud of the fact that our decline in operating profit during the quarter was 32 percent of the decline in revenue, and includes the effect of acquisitions, inventory reduction and reductions in force.”

Fiscal 2009 fourth quarter sales were \$2.2 billion, a decline of 33.9 percent from \$3.3 billion in the same quarter a year ago. Net income for the fourth quarter declined 80.4 percent to \$49.5 million from \$252.6 million in the fourth quarter of fiscal 2008. Earnings per diluted share for the quarter declined 79.2 percent to 31 cents, compared with \$1.47 in last year's fourth quarter. Cash flow from operations in the quarter was \$413.1 million, or a record 18.7 percent of sales, compared with \$452.8 million, or 13.5 percent in the fourth quarter of fiscal 2008. The company used its cash flow to pay down \$321 million in outstanding debt in the quarter.

Reflecting on the quarter Washkewicz added, "Our fourth quarter performance was influenced by order rates which declined year-over-year and sequentially from the third quarter levels. This led to a 32 percent decline in organic sales for the quarter, while foreign currency translation negatively impacted sales by 5 percent and acquisitions contributed 3 percent to sales. The decline in sales was the primary driver of lower profitability levels, and our Industrial International segment was hit particularly hard as reductions in workforce have taken longer to implement. However, with cash being our primary focus, I am particularly pleased that fourth quarter cash flow reached such a strong level. We remain committed to deploying cash to pay down debt and strengthening our balance sheet to prepare the company to fund future growth opportunities, while maintaining our long standing dividend increase record."

"As we move into fiscal 2010, we will continue to manage our business for cash, while maintaining productivity levels and reducing inventories. Actions to reduce our workforce to align with customer order rates, a broad-based wage freeze, reduced work weeks and significantly reduced discretionary spending are anticipated to benefit us more fully in the year ahead. While many challenges and uncertainties await, our ability to respond reflects favorably on our management team and is a credit to the remarkable performance of Parker employees throughout our company. They have stepped up to the challenges presented to them with their capabilities, loyalty, perseverance and sacrifice."

Segment Results

In the Industrial North America segment, fourth-quarter sales declined 33.3 percent to \$777.5 million, and operating income declined 67.0 percent to \$53.7 million, compared with the same period a year ago. For the full year, Industrial North America sales declined 12.1 percent to \$3.7 billion, and operating income declined 35.0 percent to \$394.9 million, compared with fiscal 2008.

In the Industrial International segment, fourth-quarter sales declined 42.6 percent to \$793.2 million, and the segment reported an operating loss of \$5.7 million, compared with an operating profit of \$213.0 million in the same period a year ago. For the full year, Industrial International sales declined 22.2 percent to \$3.9 billion, and operating income declined 55.6 percent to \$350.7 million, compared with fiscal 2008.

In the Aerospace segment, fourth-quarter sales decreased 11.5 percent to \$451.1 million, and operating income declined 19.7 percent to \$58.5 million, compared with the same period a year ago. For the full year, Aerospace sales increased 2.5 percent to \$1.9 billion, and operating income increased 4.6 percent to \$262.0 million, compared with fiscal 2008.

In the Climate & Industrial Controls segment, fourth-quarter sales declined 34.6 percent to \$189.2 million, and the segment recorded an operating profit of \$0.9 million, compared with an operating profit of \$20.3 million in the same period a year ago. For the full year, Climate & Industrial Controls sales decreased 24.4 percent to \$795.3 million, and the segment reported an operating loss of \$3.7 million, compared with an operating profit of \$59.5 million in fiscal 2008.

Orders

In addition to financial results, Parker also reported a decline of 38 percent in total orders for the quarter ending June 30, 2009, compared with the same quarter a year ago. Parker reported the following orders by operating segment:

- Orders declined 40 percent in the Industrial North America segment, compared with the same quarter a year ago.

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- Orders declined 43 percent in the Industrial International segment, compared with the same quarter a year ago.
 - Orders declined 22 percent in the Aerospace segment on a rolling 12 month average basis.
 - Orders declined 31 percent in the Climate and Industrial Controls segment, compared with the same quarter a year ago.

Outlook

For fiscal 2010, the company has issued guidance for earnings from continuing operations in the range of \$1.25 to \$1.75 per diluted share.

Washkewicz added, "In the year ahead, we will continue to focus on maintaining a strong balance sheet, managing for cash and managing our costs to a level consistent with reduced demand. We anticipate that conditions will not improve appreciably in our markets for the balance of this calendar year. However, near-term challenges aside, the actions that we continue to implement give me every confidence that we will emerge from this recession far stronger than we have ever been, poised to benefit significantly from the recovery."

NOTICE OF CONFERENCE CALL: Parker Hannifin's conference call and slide presentation to discuss its fiscal 2009 fourth-quarter and full year results are 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 in fiscal year 2009, 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 52,000 people in 48 countries around the world. Parker has increased its annual dividends paid to shareholders for 53 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 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 recession, 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, disputes regarding contract terms or significant changes in financial condition; uncertainties surrounding timing, successful completion or integration of acquisitions; 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 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, 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.

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PARKER HANNIFIN CORPORATION - JUNE 30, 2009

CONSOLIDATED STATEMENT OF INCOME

(Dollars in thousands except per share amounts)	Three Months Ended June 30,		Year Ended June 30,	
	2009	2008	2009	2008
Net sales	\$ 2,210,958	\$ 3,346,752	\$ 10,309,015	\$ 12,145,605
Cost of sales	<u>1,814,069</u>	<u>2,575,422</u>	<u>8,181,348</u>	<u>9,339,072</u>
Gross profit	396,889	771,330	2,127,667	2,806,533
Selling, general and administrative expenses	302,521	373,138	1,290,379	1,364,082
Interest expense	25,275	25,019	112,071	98,996
Other expense, net	4,776	18,355	43,763	16,931
Income before income taxes	64,317	354,818	681,454	1,326,524
Income taxes	14,801	102,253	172,939	377,058
Net income	\$ 49,516	\$ 252,565	\$ 508,515	\$ 949,466
Earnings per share:				
Basic earnings per share	\$.31	\$ 1.51	\$ 3.15	\$ 5.64
Diluted earnings per share	\$.31	\$ 1.47	\$ 3.13	\$ 5.53
Average shares outstanding during period - Basic	160,472,872	167,545,162	161,564,111	168,285,487
Average shares outstanding during period - Diluted	161,548,615	171,441,236	162,719,148	171,643,835
Cash dividends per common share	\$.25	\$.21	\$ 1.00	\$.84

BUSINESS SEGMENT INFORMATION BY INDUSTRY

(Dollars in thousands)	Three Months Ended June 30,		Year Ended June 30,	
	2009	2008	2009	2008
Net sales				
Industrial:				
North America	\$ 777,464	\$ 1,165,685	\$ 3,734,613	\$ 4,249,918
International	793,163	1,381,824	3,895,874	5,006,310
Aerospace	451,109	509,791	1,883,273	1,837,888
Climate & Industrial Controls	189,222	289,452	795,255	1,051,489
Total	\$ 2,210,958	\$ 3,346,752	\$ 10,309,015	\$ 12,145,605
Segment operating income				
Industrial:				
North America	\$ 53,733	\$ 162,940	\$ 394,923	\$ 607,821
International	(5,693)	213,022	350,662	788,925
Aerospace	58,483	72,847	261,953	250,523
Climate & Industrial Controls	947	20,285	(3,737)	59,494
Total segment operating income	\$ 107,470	\$ 469,094	\$ 1,003,801	\$ 1,706,763
Corporate general and administrative expenses	29,006	59,461	152,118	192,966
Income from operations before interest expense and other	78,464	409,633	851,683	1,513,797
Interest expense	25,275	25,019	112,071	98,996
Other (income) expense	(11,128)	29,796	58,158	88,277
Income before income taxes	\$ 64,317	\$ 354,818	\$ 681,454	\$ 1,326,524

PARKER HANNIFIN CORPORATION - JUNE 30, 2009

CONSOLIDATED BALANCE SHEET

(Dollars in thousands)	June 30,	
	2009	2008
Assets		
Current assets:		
Cash and cash equivalents	\$ 187,611	\$ 326,048
Accounts receivable, net	1,417,305	2,046,726
Inventories	1,254,550	1,494,694
Prepaid expenses	142,335	82,326
Deferred income taxes	121,980	145,831
Total current assets	3,123,781	4,095,625
Plant and equipment, net	1,880,554	1,926,522
Goodwill	2,903,077	2,798,092
Intangible assets, net	1,273,862	1,020,609
Other assets	674,628	546,006
Total assets	\$9,855,902	\$10,386,854
Liabilities and shareholders' equity		
Current liabilities:		
Notes payable	\$ 481,467	\$ 118,864
Accounts payable	649,718	961,886
Accrued liabilities	761,462	919,370
Accrued domestic and foreign taxes	113,107	183,136
Total current liabilities	2,005,754	2,183,256
Long-term debt	1,839,705	1,952,452
Pensions and other postretirement benefits	1,233,271	491,935
Deferred income taxes	183,457	162,678
Other liabilities	314,090	337,562
Shareholders' equity	4,279,625	5,258,971
Total liabilities and shareholders' equity	\$9,855,902	\$10,386,854

CONSOLIDATED STATEMENT OF CASH FLOWS

(Dollars in thousands)	Year Ended June 30,	
	2009	2008
Cash flows from operating activities:		
Net income	\$ 508,515	\$ 949,466
Depreciation and amortization	357,737	326,724
Share incentive plan compensation	47,215	44,947
Net change in receivables, inventories, and trade payables	511,797	(93,136)
Net change in other assets and liabilities	(284,474)	132,231
Other, net	(11,598)	(43,622)
Net cash provided by operating activities	1,129,192	1,316,610
Cash flows from investing activities:		
Acquisitions (net of cash of \$24,203 in 2009 and \$21,276 in 2008)	(722,635)	(921,014)
Capital expenditures	(270,733)	(280,327)
Proceeds from sale of plant and equipment	28,986	29,997
Other, net	3,551	544
Net cash (used in) investing activities	(960,831)	(1,170,800)
Cash flows from financing activities:		
Net (payments for) common share activity	(440,551)	(523,557)
Net proceeds from debt	327,778	667,039
Dividends	(161,575)	(142,260)
Net cash (used in) provided by financing activities	(274,348)	1,222
Effect of exchange rate changes on cash	(32,450)	6,310
Net (decrease) increase in cash and cash equivalents	(138,437)	153,342
Cash and cash equivalents at beginning of period	326,048	172,706
Cash and cash equivalents at end of period	\$ 187,611	\$ 326,048



Parker Hannifin Corporation

Quarterly Earnings Release
4th Quarter & Total FY2009

July 30, 2009

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 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 recession, 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, disputes regarding contract terms or significant changes in financial condition; uncertainties surrounding timing, successful completion or integration of acquisitions; 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 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, 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.

Slide 2

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 4^h Quarter Highlights
- Key Performance Measures & Outlook
- Questions & Answers
- CEO Closing Comments

Fourth Quarter & YTD Highlights

Q4 FY09:

- ◆ Record Operating Cash Flow/Sales of 18.7%
- ◆ Operating Cash Flow/Net Income of 834%
- ◆ Marginal Return on Sales of 32% Includes the Effect of Acquisitions, Inventory Reduction and Realignment

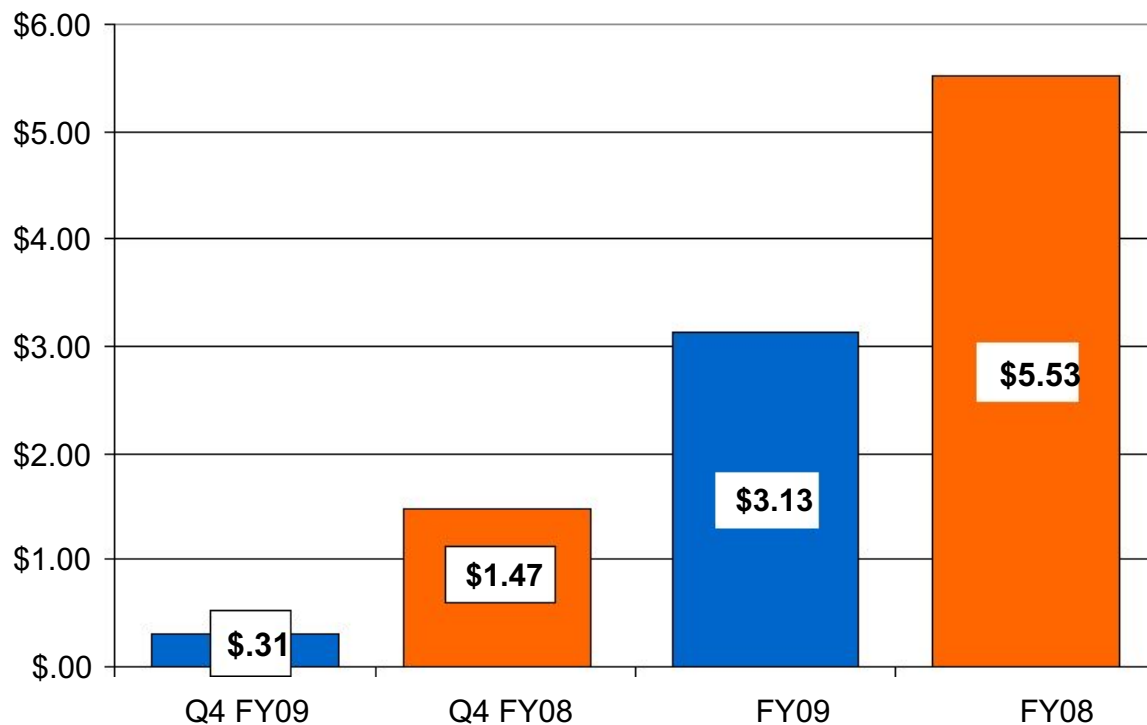
YTD FY09:

- ◆ Cash Flow YTD of \$1.1 Billion (11.0% of Sales)
- ◆ Inventory/Sales Reduced to 12.2% (*Remains In Line with FY08*)

Financial Highlights

Diluted Earnings per Share

4th Quarter and Total Year



Influences on 4th Quarter Earnings

Diluted Earnings Per Share Decreased Y-O-Y as a Result of:

- ◆ Lower Sales (34%) Due To A Recession Driven Decline In Nearly All Markets
- ◆ Realignment Expenses of \$15M
- ◆ Inventory Reductions of \$81M

Offset by:

- ◆ Lower Corporate, General and Administrative Expenses of \$30M
- ◆ Lower “Other” Expense of \$41M, Partially Due to a LIFO Inventory Gain of \$19.5M
- ◆ Lower Tax Expense Due to Decreased Income
- ◆ Fewer Shares Outstanding

Financial Highlights

Sales

4th Quarter and Total Year

Dollars in millions	4th Quarter			Total Year		
	FY2009	% Change	FY2008	FY2009	% Change	FY2008
<u>Sales</u>						
As reported	\$2,211	(33.9)%	\$ 3,347	\$ 10,309	(15.1)%	\$ 12,146
Acquisitions	89	2.7 %		539	4.5 %	
Currency	(153)	(4.6)%		(491)	(4.1)%	
Adjusted Sales	\$2,275	(32.0)%		\$ 10,261	(15.5)%	

Segment Reporting

Industrial North America

Dollars in millions	4th Quarter			Total Year		
	FY2009	% Change	FY2008	FY2009	% Change	FY2008
<u>Sales</u>						
As reported	\$ 778	(33.3)%	\$ 1,166	\$ 3,735	(12.1)%	\$ 4,250
Acquisitions	30	2.6 %		271	6.4 %	
Currency	(12)	(1.1)%		(51)	(1.2)%	
Adjusted Sales	\$ 760	(34.8)%		\$ 3,515	(17.3)%	
<u>Operating Margin</u>						
As reported	\$ 54		\$ 163	\$ 395		\$ 608
% of Sales	6.9 %		14.0 %	10.6 %		14.3 %

Segment Reporting

Industrial International

Dollars in millions	4th Quarter			Total Year		
	FY2009	% Change	FY2008	FY2009	% Change	FY2008
Sales						
As reported	\$ 793	(42.6)%	\$ 1,382	\$ 3,896	(22.2)%	\$ 5,006
Acquisitions	59	4.2 %		250	5.0 %	
Currency	(124)	(8.9)%		(386)	(7.7)%	
Adjusted Sales	\$ 858	(37.9)%		\$ 4,032	(19.5)%	
Operating Margin						
As reported	\$ (6)		\$ 213	\$ 351		\$ 789
% of Sales	(0.7)%		15.4 %	9.0 %		15.8 %

Segment Reporting

Aerospace

Dollars in millions	4th Quarter			Total Year		
	FY2009	% Change	FY2008	FY2009	% Change	FY2008
<u>Sales</u>						
As reported	\$ 451	(11.5)%	\$ 510	\$ 1,883	2.5 %	\$ 1,838
Acquisitions				18	1.0 %	
Currency	(6)	(1.1)%		(18)	(1.0)%	
Adjusted Sales	\$ 457	(10.4)%		\$ 1,883	2.5 %	
<u>Operating Margin</u>						
As reported	\$ 58		\$ 73	\$ 262		\$ 251
% of Sales	13.0 %		14.3 %	13.9 %		13.6 %

Segment Reporting

Climate & Industrial Controls

Dollars in millions	4th Quarter			Total Year		
	FY2009	% Change	FY2008	FY2009	% Change	FY2008
Sales						
As reported	\$ 189	(34.6)%	\$ 289	\$ 795	(24.4)%	\$ 1,051
Acquisitions						
Currency	(11)	(3.8)%		(36)	(3.4)%	
Adjusted Sales	\$ 200	(30.8)%		\$ 831	(21.0)%	
Operating Margin						
As reported	\$ 1		\$ 20	\$ (4)		\$ 59
% of Sales	0.5 %		7.0 %	(0.5)%		5.7 %

Parker Order Rates

Three Month Rolling at Period End

	<u>FY09</u>		<u>FY08</u>	
	<u>JUN</u>	<u>MAR</u>	<u>JUN</u>	<u>MAR</u>
Total Parker	- 38 %	- 34 %	+ 8 %	+ 9 %
Industrial North America	- 40 %	- 35 %	+ 4 %	+ 2 %
Industrial International	- 43 %	- 41 %	+ 8 %	+ 11 %
Aerospace	- 22 %	- 12 %	+ 23 %	+ 28 %
Climate & Industrial Controls	- 31 %	- 36 %	- 7 %	- 1 %

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

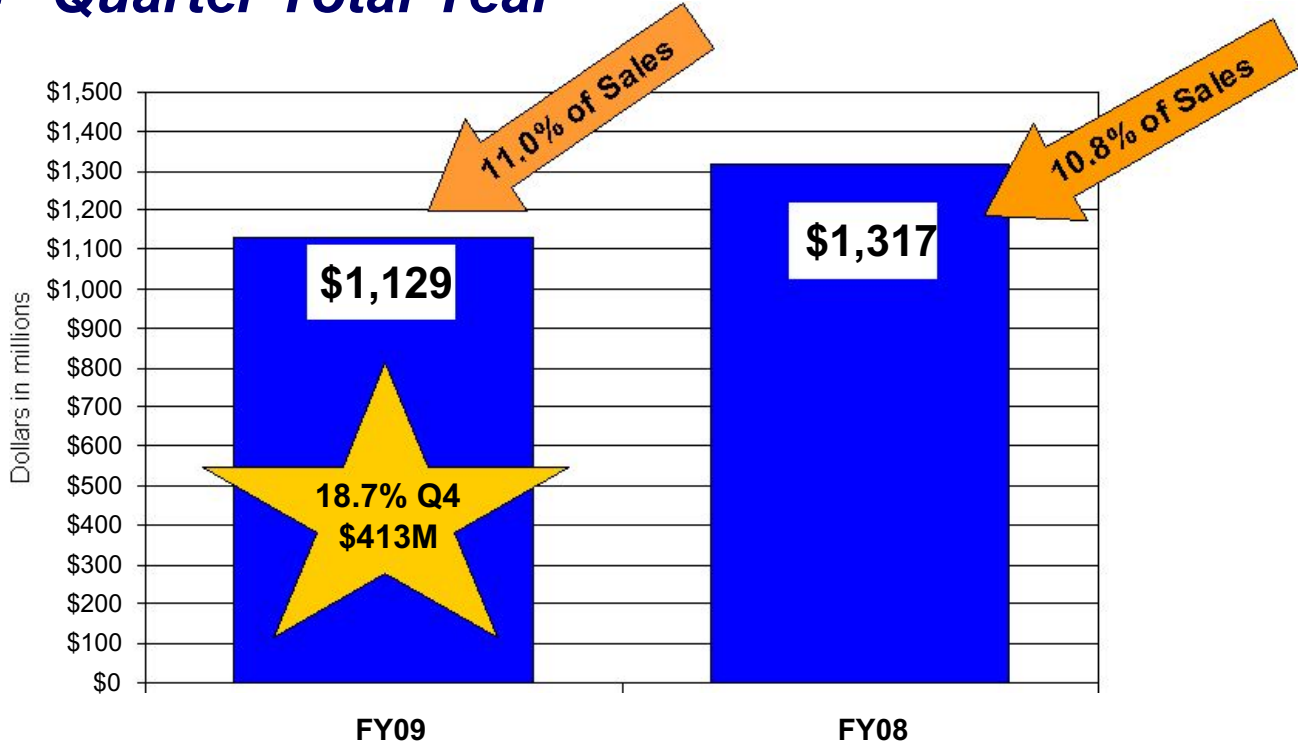
Balance Sheet Summary

- ◆ Cash
- ◆ Working capital
 - Inventory
 - Accounts receivable
 - Accounts payable
- ◆ Pension Plan
 - Plan not at risk
 - Credit Balance carryover

Strong Cash Flow

Cash from Operating Activities

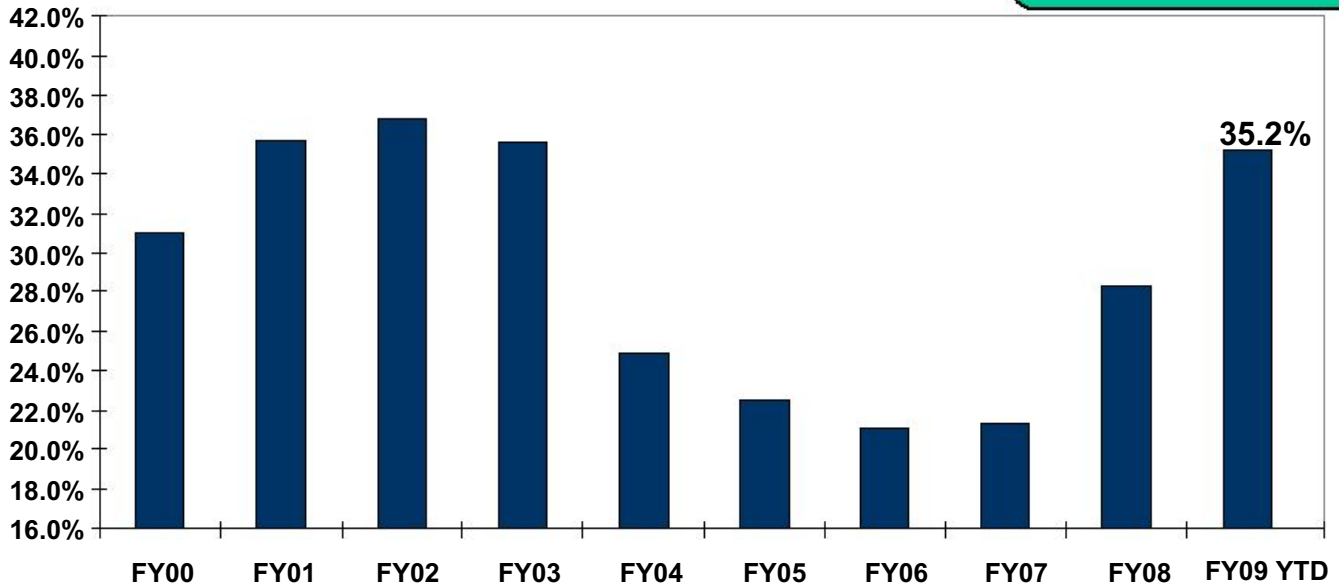
4th Quarter Total Year



Financial Leverage

Debt to Debt Equity

35.2%
Debt to Debt Equity
(33.3% net Debt)



FY 2010 Earnings Outlook Assumptions Segment Sales & Operating Margins

FY 2010 Sales change versus FY 2009	
Industrial North America	(6.7)% -- (11.5)%
Industrial International	(11.7)% -- (16.2)%
Aerospace	(5.7)% -- (6.6)%
Climate & Industrial Controls	(10.1)% -- (13.1)%

FY 2010 Operating margin percentages	
Industrial North America	9.0 % -- 9.4 %
Industrial International	4.0 % -- 4.6 %
Aerospace	11.5 % -- 11.7 %
Climate & Industrial Controls	2.1 % -- 2.9 %

FY 2010 Earnings Outlook Assumptions below Operating Margin

- Corporate Admin (8)% to 11.0% vs. FY 2009
- Interest Expense (6)% to + 3% vs. FY 2009
- Other Expense (Inc.) 12% to +25% vs. FY 2009
- Tax Rate 30 %

Earnings Outlook – FY10

	<u>Low</u>	<u>High</u>
Diluted earnings per share	\$1.25	\$1.75

Questions & Answers...

Slide 20

Appendix

Income Statements

- 4th Quarter FY2009
- Total Year FY2009

Income Statement – 4th Quarter

Dollars in millions	<u>FY 2009</u>		<u>FY 2008</u>	
	<u>% of Sales</u>		<u>% of Sales</u>	
Net Sales	\$ 2,211.0	100.0 %	\$ 3,346.8	100.0 %
Cost of sales	1,814.1	82.0 %	2,575.4	77.0 %
Gross profit	396.9	18.0 %	771.4	23.0 %
S, G & A	302.5	13.6 %	373.1	11.1 %
Interest expense	25.3	1.2 %	25.0	.7 %
Other expense (income), net	4.8	.2 %	18.4	.6 %
Income before taxes	64.3	2.9 %	354.9	10.6 %
Income taxes	14.8	.7 %	102.3	3.1 %
Net income	\$ 49.5	2.2 %	\$ 252.6	7.5 %

Income Statement – Total Year

Dollars in millions	<u>FY 2009</u>		<u>FY 2008</u>	
	<u>% of Sales</u>		<u>% of Sales</u>	
Net Sales	\$10,309.0	100.0 %	\$12,145.6	100.0 %
Cost of sales	8,181.3	79.4 %	9,339.1	76.9 %
Gross profit	2,127.7	20.6 %	2,806.5	23.1 %
S, G & A	1,290.4	12.5 %	1,364.1	11.2 %
Interest expense	112.1	1.1 %	99.0	.8 %
Other expense (income), net	43.8	.4 %	16.9	.1 %
Income before taxes	681.4	6.7 %	1,326.5	10.9 %
Income taxes	172.9	1.7 %	377.0	3.1 %
Net income	\$ 508.5	4.9 %	\$ 949.5	7.8 %