

**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): October 20, 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 October 20, 2009, Parker-Hannifin Corporation issued a press release and presented a Webcast announcing earnings for the quarter ended September 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 October 20, 2009.
- 99.2 Webcast presentation by Parker-Hannifin Corporation, dated October 20, 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: October 20, 2009



For Release: Immediately

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Stock Symbol: PH – NYSE

Parker Reports Fiscal 2010 First Quarter Sales, Net Income and Earnings per Share

- Cash Flows Remain Strong, Company Increases Full-Year Outlook

CLEVELAND, October 20, 2009 — Parker Hannifin Corporation (NYSE: PH), the global leader in motion and control technologies, today reported results for the fiscal 2010 first quarter ending September 30, 2009. Fiscal 2010 first quarter sales were \$2.2 billion, a decline of 27 percent from \$3.1 billion in the first quarter a year ago. Fiscal 2010 first quarter net income declined 71 percent to \$73.5 million, from a record \$250.2 million in the first quarter of fiscal 2009. Earnings per diluted share declined 70 percent to \$0.45, compared with \$1.50 in the previous period. Cash flow from operations for the first quarter of fiscal 2010 was \$260.1 million, or 11.6 percent of sales, compared with \$307.3 million, or 10.0 percent of sales in the prior year period.

“Our results this quarter continue to reflect the impact of the global recession on our business, coupled with the fact that we are comparing current results with the record performance we achieved in the first quarter a year ago.” said Chairman, CEO and President Don Washkewicz. “Our sales declined 28 percent organically in the quarter, while foreign currency translation negatively impacted sales by 1 percent and acquisitions contributed 2 percent to sales. We were pleased to note that orders, although down year-over-year, have steadily improved sequentially from the levels we witnessed in the June quarter, and our actions to reduce costs have begun to have a positive effect on margins.”

"The implementation of the Win Strategy throughout our operations has allowed us to perform much better in this down cycle than in previous recessions. We continue to take additional actions to reduce costs and generate strong cash flows. These actions have helped us attain an impressive decremental marginal return on sales of 30% during the quarter. Importantly, our operating cash flows as a percentage of sales remained strong at 11.6 percent, well above our targeted level of 10 percent. This strong cash performance has enabled us to pay down our outstanding debt by an additional \$162 million in the quarter, and positions us well for growth when the recovery ultimately takes hold."

Segment Results

In the Industrial North America segment, first quarter sales declined 29.3 percent to \$783.1 million, and operating income declined 52.5 percent to \$76.2 million, compared with the same period a year ago.

In the Industrial International segment, first quarter sales declined 30.5 percent to \$850.3 million, and operating income declined 69.5 percent to \$61.8 million compared with the same period a year ago.

In the Aerospace segment, first quarter sales decreased 12.9 percent to \$416.9 million, and operating income declined 22.0 percent to \$53.1 million, compared with the same period a year ago.

In the Climate & Industrial Controls segment, first quarter sales declined 27.0 percent to \$187.0 million, and segment operating income declined 32.3 percent to \$10.5 million, compared with the same period a year ago.

Orders

In addition to financial results, Parker also reported a decline of 25 percent in total orders for the quarter ending September 30, 2009, compared with the same quarter a year ago. Parker reported the following orders by operating segment:

- Orders declined 27 percent in the Industrial North America segment, compared with the same quarter a year ago.

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- Orders declined 25 percent in the Industrial International segment, compared with the same quarter a year ago.
 - Orders declined 23 percent in the Aerospace segment on a rolling 12 month average basis.
 - Orders declined 17 percent in the Climate and Industrial Controls segment, compared with the same quarter a year ago.

Outlook

For fiscal 2010, the company has increased its guidance for earnings from continuing operations to the range of \$1.55 to \$2.05 per diluted share.

Washkewicz added, "The major markets we serve present a mixed picture in terms of customer demand with some markets flattening out while others are beginning to show modest sequential improvement. While we do not believe we will see material changes in trends for the remainder of the calendar year 2009, we are cautiously optimistic that we are at the bottom of the cycle. Parker employees throughout the world continue to step up to the challenges and manage our company effectively through the downturn. Our priorities will remain unchanged as we progress through this fiscal year focused on managing for cash while simultaneously targeting strong operating margin performance."

NOTICE OF CONFERENCE CALL: Parker Hannifin's conference call and slide presentation to discuss its fiscal 2010 first quarter 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, suppliers or distributors, 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 - SEPTEMBER 30, 2009
CONSOLIDATED STATEMENT OF INCOME
(Unaudited)

	Three Months Ended September 30,	
	2009	2008
(Dollars in thousands except per share amounts)		
Net sales	\$ 2,237,165	\$ 3,064,688
Cost of sales	<u>1,800,945</u>	<u>2,337,222</u>
Gross profit	436,220	727,466
Selling, general and administrative expenses	301,843	332,683
Interest expense	25,723	28,096
Other (income) expense, net	<u>(5,375)</u>	<u>8,299</u>
Income before income taxes	114,029	358,388
Income taxes	<u>40,059</u>	<u>106,553</u>
Net income	73,970	251,835
Less: Noncontrolling interests	477	1,659
Net income attributable to common shareholders	\$ 73,493	\$ 250,176
Earnings per share attributable to common shareholders:		
Basic earnings per share	<u>\$.46</u>	<u>\$ 1.52</u>
Diluted earnings per share	<u>\$.45</u>	<u>\$ 1.50</u>
Average shares outstanding during period - Basic	160,629,291	164,415,418
Average shares outstanding during period - Diluted	<u>162,040,785</u>	<u>166,913,216</u>
Cash dividends per common share	<u>\$.25</u>	<u>\$.25</u>

BUSINESS SEGMENT INFORMATION BY INDUSTRY
(Unaudited)

	Three Months Ended September 30,	
	2009	2008
(Dollars in thousands)		
Net sales		
Industrial:		
North America	\$ 783,085	\$ 1,107,077
International	850,250	1,223,192
Aerospace	416,856	478,473
Climate & Industrial Controls	186,974	255,946
Total	\$ 2,237,165	\$ 3,064,688
Segment operating income		
Industrial:		
North America	\$ 76,171	\$ 160,486
International	61,823	202,952
Aerospace	53,146	68,148
Climate & Industrial Controls	10,497	15,499
Total segment operating income	201,637	447,085
Corporate general and administrative expenses	26,302	40,374
Income from operations before interest expense and other	175,335	406,711
Interest expense	25,723	28,096
Other expense	35,583	20,227
Income before income taxes	\$ 114,029	\$ 358,388

PARKER HANNIFIN CORPORATION - SEPTEMBER 30, 2009

CONSOLIDATED BALANCE SHEET

(Unaudited)

(Dollars in thousands)

	September 30,	2009	2008
Assets			
Current assets:			
Cash and cash equivalents		\$ 189,849	\$ 608,327
Accounts receivable, net		1,452,494	1,821,681
Inventories		1,266,319	1,506,793
Prepaid expenses		100,189	72,870
Deferred income taxes		124,640	147,447
Total current assets		3,133,491	4,157,118
Plant and equipment, net		1,891,438	1,855,830
Goodwill		2,964,321	2,625,761
Intangible assets, net		1,276,049	986,759
Other assets		671,874	507,088
Total assets		\$ 9,937,173	\$ 10,132,556

Liabilities and shareholders' equity

Current liabilities:

Notes payable		\$ 304,083	\$ 677,890
Accounts payable		659,764	836,873
Accrued liabilities		719,228	808,566
Accrued domestic and foreign taxes		152,262	219,298
Total current liabilities		1,835,337	2,542,627
Long-term debt		1,855,531	1,878,933
Pensions and other postretirement benefits		1,255,515	482,895
Deferred income taxes		187,907	165,136
Other liabilities		233,270	247,092
Shareholders' equity		4,481,984	4,736,618
Noncontrolling interests		87,629	79,255
Total liabilities and equity		\$ 9,937,173	\$ 10,132,556

CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited)

(Dollars in thousands)

	Three Months Ended September 30,	
	2009	2008
Cash flows from operating activities:		
Net income	\$ 73,970	\$ 251,835
Depreciation and amortization	92,963	86,166
Share incentive plan compensation	26,436	20,655
Net change in receivables, inventories, and trade payables	15,291	(54,100)
Net change in other assets and liabilities	73,694	(6,755)
Other, net	(22,301)	9,546
Net cash provided by operating activities	260,053	307,347
Cash flows from investing activities:		
Acquisitions (net of cash of \$119 in 2008)	—	(12,088)
Capital expenditures	(30,099)	(98,273)
Proceeds from sale of plant and equipment	4,422	7,437
Other, net	(1,334)	(8,004)
Net cash (used in) investing activities	(27,011)	(110,928)
Cash flows from financing activities:		
Net (payments for) common share activity	(1,246)	(410,590)
Net (payments for) proceeds from debt	(197,279)	561,558
Dividends	(40,171)	(41,109)
Net cash (used in) provided by financing activities	(238,696)	109,859
Effect of exchange rate changes on cash	7,892	(23,999)
Net increase in cash and cash equivalents	2,238	282,279
Cash and cash equivalents at beginning of period	187,611	326,048
Cash and cash equivalents at end of period	\$ 189,849	\$ 608,327



Parker Hannifin Corporation

Quarterly Earnings Release
1st Quarter FY 2010

October 20, 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, suppliers or distributors, 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.

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 1st Quarter Highlights
- Key Performance Measures & Outlook
- Questions & Answers
- CEO Closing Comments

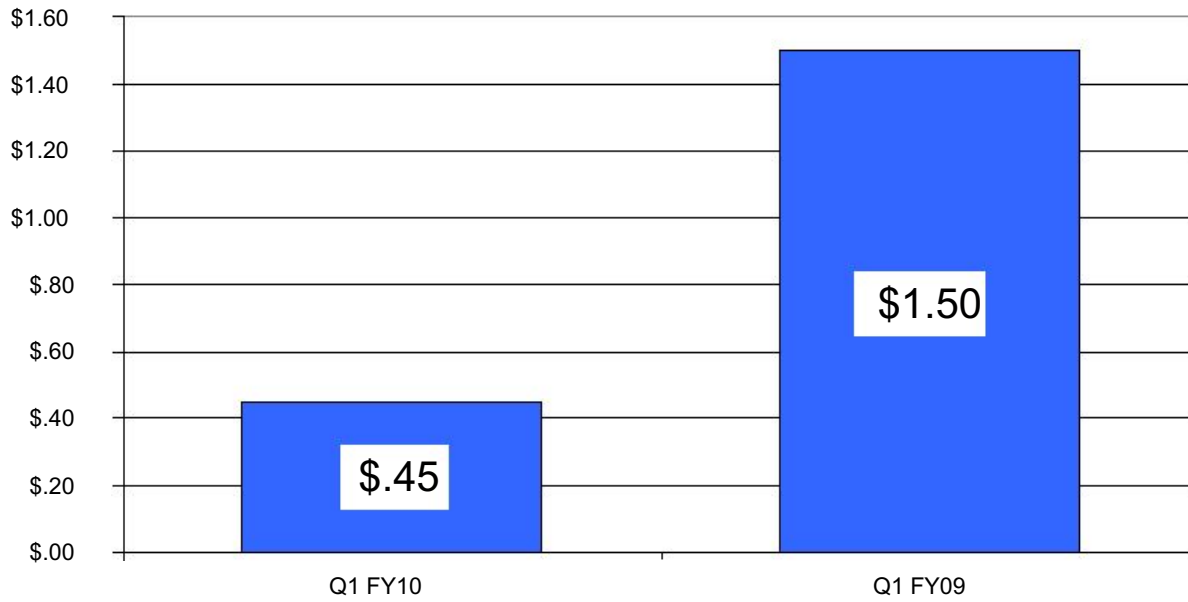
First Quarter FY10 Highlights

- ◆ **Indicative Signs That Markets Have Bottomed:** Orders Improved Sequentially From Q4 FY09
- ◆ **Continued Strong Cash Flow:** Operating Cash Flow/Sales of 11.6%
- ◆ **Continued Inventory Reduction:** \$253M in Past 9 Months
- ◆ **Continued Debt Reduction:** \$162M in Q1 FY10; \$745M in Past 9 Months
- ◆ **Continued Reduction in Leverage:** Debt to Total Capital Ratio Reduced to 32.5% (gross) or 30.5% (net)
- ◆ **Operating Margin Improvement:** Sequential Quarter Improvement to 9.0% from 4.9% (Q4 FY09)
- ◆ **Continued Cost Control:** Impressive Decremental Marginal Return on Sales of 29.7% (Unadjusted GAAP Number)

Financial Highlights

Diluted Earnings per Share

1st Quarter



Influences on 1st Quarter Earnings

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

- ◆ Decreased Revenues (27%) Due To Global Recession and Decline In Nearly All Markets
- ◆ Realignment Expenses of \$19M

Offset by:

- ◆ Reduced SG&A Expenses of \$31M Due To Tight Budgetary Control and Lower Incentive Compensation
- ◆ Lower Interest Expense: \$2M Due to Less Debt Outstanding
- ◆ Lower Other Income: \$14M Primarily Due to “One-off” Expenses in FY09
- ◆ Lower Taxes Due to Decreased Operating Income

Financial Highlights

Sales - 1st Quarter

Dollars in millions	1st Quarter		
	FY2010	% Change	FY2009
<u>Sales</u>			
As reported	\$ 2,237	(27.0)%	\$ 3,065
Acquisitions	76	2.5 %	
Currency	(46)	(1.5)%	
Adjusted Sales	\$ 2,207	(28.0)%	

Segment Reporting

Industrial North America

Dollars in millions	1st Quarter		
	FY2010	% Change	FY2009
Sales			
As reported	\$ 783	(29.3)%	\$ 1,107
Acquisitions	20	1.8 %	
Currency	(7)	(0.7)%	
Adjusted Sales	\$ 770	(30.4)%	
Operating Margin			
As reported	\$ 76		\$ 160
% of Sales	9.7 %		14.5 %

Segment Reporting

Industrial International

Dollars in millions

	1st Quarter		
	FY2010	% Change	FY2009
Sales			
As reported	\$ 850	(30.5)%	\$ 1,223
Acquisitions	56	4.6 %	
Currency	(31)	(2.6)%	
Adjusted Sales	\$ 825	(32.5)%	
Operating Margin			
As reported	\$ 62		\$ 203
% of Sales	7.3 %		16.6 %

Segment Reporting

Aerospace

Dollars in millions	1st Quarter		
	FY2010	% Change	FY2009
<u>Sales</u>			
As reported	\$ 417	(12.9)%	\$ 478
Acquisitions			
Currency	(2)	(0.4)%	
Adjusted Sales	\$ 419	(12.5)%	
<u>Operating Margin</u>			
As reported	\$ 53		\$ 68
% of Sales	12.7 %		14.2 %

Segment Reporting

Climate & Industrial Controls

Dollars in millions	1st Quarter		
	FY2010	% Change	FY2009
<u>Sales</u>			
As reported	\$ 187	(27.0)%	\$ 256
Acquisitions			
Currency	(6)	(2.2)%	
Adjusted Sales	\$ 193	(24.8)%	
<u>Operating Margin</u>			
As reported	\$ 10		\$ 15
% of Sales	5.6 %		6.1 %

Parker Order Rates

Three Month Rolling at Period End

	<u>SEPT '09</u>	<u>JUN '09</u>	<u>SEPT '08</u>	<u>JUN '08</u>
Total Parker	- 25 %	- 38 %	+ 1 %	+ 8 %
Industrial North America	- 27 %	- 40 %	+ 2 %	+ 4 %
Industrial International	- 25 %	- 43 %	- 4 %	+ 8 %
Aerospace	- 23 %	- 22 %	+ 9 %	+ 23 %
Climate & Industrial Controls	- 17 %	- 31 %	+ 5 %	- 7 %

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

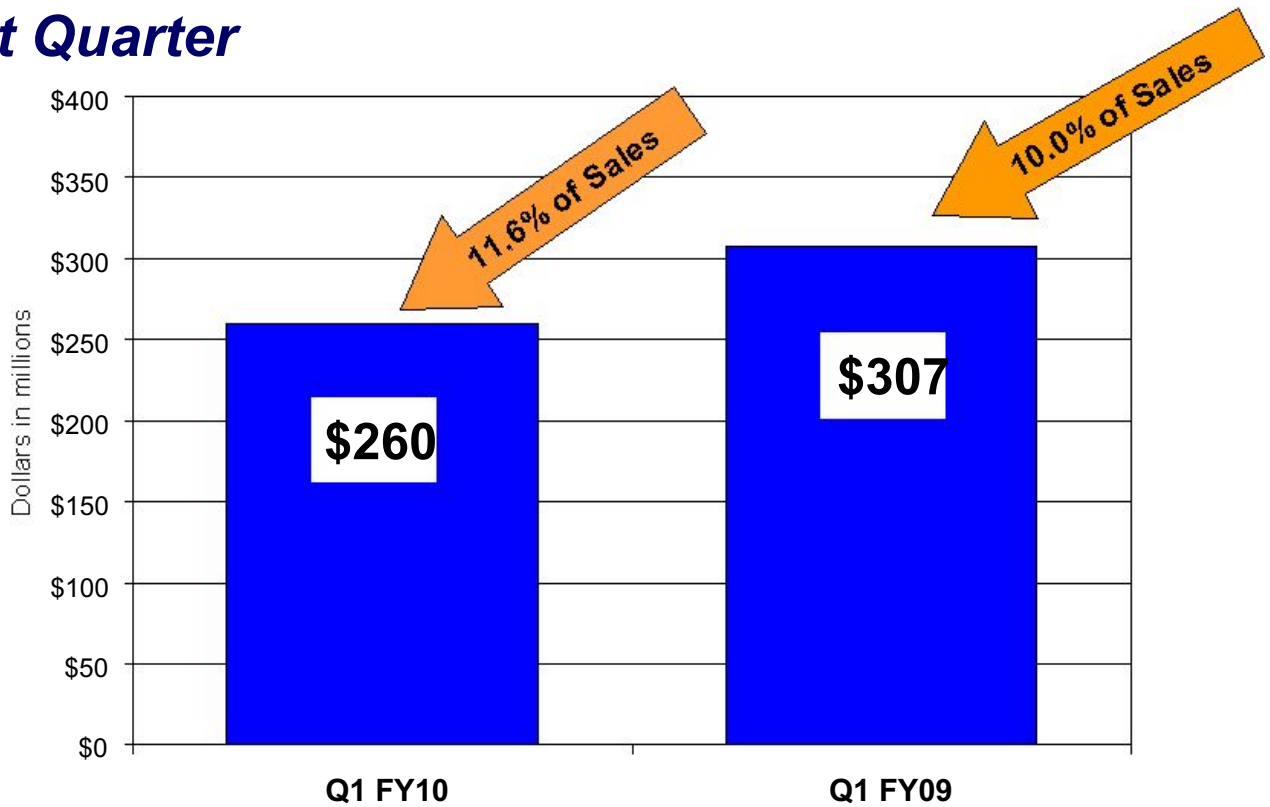
- ◆ Working capital
 - Inventory
 - Accounts receivable
 - Accounts payable

- ◆ Reclassification of Noncontrolling Interests

Strong Cash Flow

Cash from Operating Activities

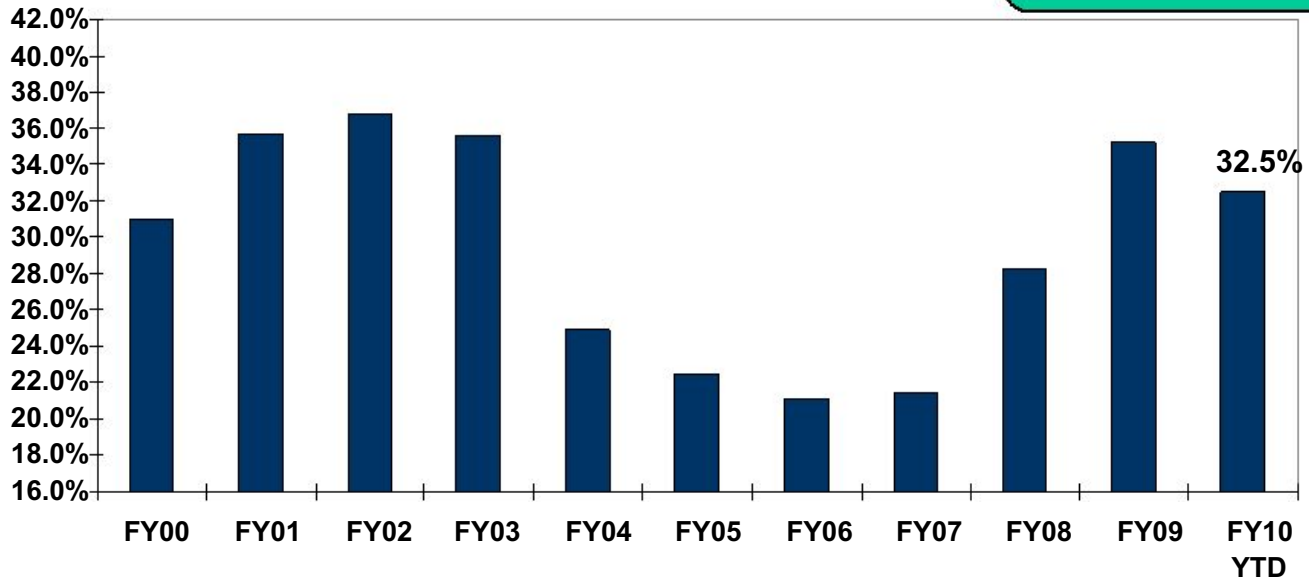
1st Quarter



Financial Leverage

Debt to Debt Equity

32.5%
Debt to Debt Equity
(30.5% net Debt)



FY 2010 Earnings Outlook Assumptions Segment Sales & Operating Margins

FY 2010 Sales change versus FY 2009	
Industrial North America	(7.8)% -- (11.8)%
Industrial International	(8.1)% -- (13.1)%
Aerospace	(7.8)% -- (8.6)%
Climate & Industrial Controls	(10.5)% -- (12.9)%

FY 2010 Operating margin percentages	
Industrial North America	9.9 % -- 9.6 %
Industrial International	6.7 % -- 6.2 %
Aerospace	11.4 % -- 11.0 %
Climate & Industrial Controls	4.0 % -- 3.2 %

FY 2010 Earnings Outlook Assumptions below Operating Margin (+/- 7.0%)

➤ Corporate Admin	\$ 147 M
➤ Interest Expense	\$ 108 M
➤ Other Expense (Inc.)	\$ 100 M
➤ Total	<u>\$ 355 M</u>
➤ Tax Rate	30 %

Earnings Outlook – FY10

	<u>Low</u>	<u>High</u>
Diluted earnings per share	\$1.55	\$2.05

Questions & Answers...

Slide 20

Appendix

Income Statement

- 1st Quarter FY2010

Income Statement – 1st Quarter

Dollars in millions	FY 2010		FY 2009	
	% of Sales		% of Sales	
Net Sales	\$ 2,237.2	100.0 %	\$ 3,064.7	100.0 %
Cost of sales	1,801.0	80.5 %	2,337.2	76.3 %
Gross profit	436.2	19.5 %	727.5	23.7 %
S, G & A	301.8	13.4 %	332.7	10.9 %
Interest expense	25.7	1.2 %	28.1	.9 %
Other expense (income), net	(5.3)	(.2)%	8.3	.2 %
Income before taxes	114.0	5.1 %	358.4	11.7 %
Income taxes	40.0	1.8 %	106.6	3.5 %
Net income	\$ 74.0	3.3 %	\$ 251.8	8.2 %
Less: Noncontrolling interests	\$.5		\$ 1.6	
Net income attributable to common shareholders	\$ 73.5	3.3 %	\$ 250.2	8.2 %