

**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): January 19, 2010

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 January 19, 2010, Parker-Hannifin Corporation issued a press release and presented a Webcast announcing earnings for the quarter ended December 31, 2009. The press release and the Webcast presentation contain 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 January 19, 2010.
- 99.2 Webcast presentation by Parker-Hannifin Corporation, dated January 19, 2010.

Considering that our second quarter is typically our weakest, our margin performance this quarter was most impressive with decremental margins at just 10.6 percent. Total segment operating margins exceeded 10 percent at this low point in the cycle and were equal to last year. These are strong indicators that we are managing through this unprecedented downturn very effectively.

“Although the effects of the global recession continue to linger, we are encouraged to see Parker’s order trends improve sequentially for the second consecutive quarter. Organic sales declined approximately 16 percent in the quarter, while foreign currency translation positively impacted sales by approximately 4 percent. Operating cash flow year to date of 13.2 percent, another critical measure of our performance, was well above our targeted level of 10 percent. Our strong cash performance and balance sheet management throughout the recession has enabled us to pay down our outstanding debt by approximately \$1 billion in the past twelve months, bringing our current debt-to-debt equity ratio below 30 percent and further strengthening our balance sheet.”

Segment Results

In the Industrial North America segment, second quarter sales declined 14.7 percent to \$847.2 million, and operating income increased 6.3 percent to \$114.4 million, compared with the same period a year ago.

In the Industrial International segment, second quarter sales declined 10.6 percent to \$932.1 million, and operating income declined 28.2 percent to \$82.6 million, compared with the same period a year ago.

In the Aerospace segment, second quarter sales declined 15.4 percent to \$400.6 million, and operating income declined 41.1 percent to \$41.0 million, compared with the same period a year ago.

In the Climate & Industrial Controls segment, second quarter sales declined 2.4 percent to \$174.9 million, and operating income increased 147.9 percent to \$6.1 million, compared with the same period a year ago.

Orders

In addition to financial results, Parker also reported a decline of 7 percent in total orders for the quarter ending December 31, 2009, compared with the same quarter a year ago. Parker reported the following orders by operating segment:

- Orders declined 3 percent in the Industrial North America segment, compared with the same quarter a year ago.
- Orders were unchanged in the Industrial International segment, compared with the same quarter a year ago.
- Orders declined 27 percent in the Aerospace segment on a rolling 12 month average basis.
- Orders increased 6 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 by 44 percent to the range of \$2.40 to \$2.80 per diluted share.

Washkewicz added, "With our actions to drive strong margin and cash flow performance taking full effect, and what we believe to be the early signs of a recovery emerging, we are anticipating a strong second half to our fiscal year and have raised our guidance appropriately. Our priorities will remain unchanged as we progress through this fiscal year focused on executing the Win Strategy and managing for cash while simultaneously targeting strong margin performance. Parker's management remains proud of our worldwide team of employees who has made these results possible. As the recovery unfolds, Parker's leading market position, global scale and balance, end market breadth, and solid financial and operational fundamentals position us well for profitable growth."

NOTICE OF CONFERENCE CALL: Parker Hannifin's conference call and slide presentation to discuss its fiscal 2010 second 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. A replay of the conference call will also be available at <http://www.phstock.com> for one year after the call.

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 web 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 for 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 – DECEMBER 31, 2009
CONSOLIDATED STATEMENT OF INCOME
(Unaudited)

(Dollars in thousands except per share amounts)	Three Months Ended December 31,		Six Months Ended December 31,	
	2009	2008	2009	2008
Net sales	\$ 2,354,708	\$ 2,688,656	\$ 4,591,873	\$ 5,753,344
Cost of sales	1,869,481	2,121,450	3,670,426	4,458,672
Gross profit	485,227	567,206	921,447	1,294,672
Selling, general and administrative expenses	309,840	337,183	611,683	669,866
Interest expense	25,029	30,307	50,752	58,403
Other expense, net	8,123	483	2,748	8,782
Income before income taxes	142,235	199,233	256,264	557,621
Income taxes	37,272	42,472	77,331	149,025
Net income	104,963	156,761	178,933	408,596
Less: Noncontrolling interests	417	1,360	894	3,019
Net income attributable to common shareholders	\$ 104,546	\$ 155,401	\$ 178,039	\$ 405,577
Earnings per share attributable to common shareholders:				
Basic earnings per share	\$.65	\$.97	\$ 1.11	\$ 2.49
Diluted earnings per share	\$.64	\$.96	\$ 1.10	\$ 2.47
Average shares outstanding during period – Basic	160,767,790	160,839,120	160,698,541	162,627,269
Average shares outstanding during period – Diluted	162,744,788	161,755,586	162,378,082	164,272,066
Cash dividends per common share	\$.25	\$.25	\$.50	\$.50

BUSINESS SEGMENT INFORMATION BY INDUSTRY
(Unaudited)

(Dollars in thousands)	Three Months Ended December 31,		Six Months Ended December 31,	
	2009	2008	2009	2008
Net sales				
Industrial:				
North America	\$ 847,208	\$ 993,040	\$ 1,630,293	\$ 2,100,117
International	932,057	1,042,741	1,782,307	2,265,933
Aerospace	400,551	473,667	817,407	952,140
Climate & Industrial Controls	174,892	179,208	361,866	435,154
Total	\$ 2,354,708	\$ 2,688,656	\$ 4,591,873	\$ 5,753,344
Segment operating income				
Industrial:				
North America	\$ 114,435	\$ 107,615	\$ 190,606	\$ 268,101
International	82,636	115,122	144,459	318,074
Aerospace	41,026	69,658	94,172	137,806
Climate & Industrial Controls	6,144	(12,814)	16,641	2,685
Total segment operating income	244,241	279,581	445,878	726,666
Corporate general and administrative expenses	31,472	42,372	57,774	82,746
Income from operations before interest expense and other	212,769	237,209	388,104	643,920
Interest expense	25,029	30,307	50,752	58,403
Other expense	45,505	7,669	81,088	27,896
Income before income taxes	\$ 142,235	\$ 199,233	\$ 256,264	\$ 557,621

PARKER HANNIFIN CORPORATION – DECEMBER 31, 2009
CONSOLIDATED BALANCE SHEET
(Unaudited)

(Dollars in thousands)	December 31,	
	2009	2008
Assets		
Current assets:		
Cash and cash equivalents	\$ 233,899	\$ 261,990
Accounts receivable, net	1,368,449	1,682,338
Inventories	1,232,979	1,519,651
Prepaid expenses	98,989	69,498
Deferred income taxes	124,182	145,131
Total current assets	3,058,498	3,678,608
Plant and equipment, net	1,842,750	1,888,023
Goodwill	2,948,304	2,884,187
Intangible assets, net	1,254,982	1,236,724
Other assets	689,655	427,649
Total assets	\$9,794,189	\$ 10,115,191
Liabilities and shareholders' equity		
Current liabilities:		
Notes payable	\$ 389,715	\$ 1,022,112
Accounts payable	692,721	751,942
Accrued liabilities	680,450	777,462
Accrued domestic and foreign taxes	153,152	116,183
Total current liabilities	1,916,038	2,667,699
Long-term debt	1,554,088	1,882,693
Pensions and other postretirement benefits	1,258,258	480,561
Deferred income taxes	186,493	216,131
Other liabilities	241,526	213,970
Shareholders' equity	4,552,027	4,564,109
Noncontrolling interests	85,759	90,028
Total liabilities and equity	\$9,794,189	\$ 10,115,191

CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

(Dollars in thousands)	Six Months Ended December 31,	
	2009	2008
Cash flows from operating activities:		
Net income	\$ 178,933	\$ 408,596
Depreciation and amortization	189,937	175,885
Share incentive plan compensation	37,060	28,451
Net change in receivables, inventories, and trade payables	155,231	72,151
Net change in other assets and liabilities	79,808	(250,577)
Other, net	(34,719)	10,009
Net cash provided by operating activities	606,250	444,515
Cash flows from investing activities:		
Acquisitions (net of cash of \$24,191 in 2008)	—	(705,128)
Capital expenditures	(61,232)	(174,391)
Proceeds from sale of plant and equipment	5,665	10,550
Other, net	(14,310)	(2,973)
Net cash (used in) investing activities	(69,877)	(871,942)
Cash flows from financing activities:		
Net (payments for) common share activity	(3,973)	(430,080)
Net (payments for) proceeds from debt	(399,933)	911,428
Dividends	(80,363)	(81,331)
Net cash (used in) provided by financing activities	(484,269)	400,017
Effect of exchange rate changes on cash	(5,816)	(36,648)
Net increase (decrease) in cash and cash equivalents	46,288	(64,058)
Cash and cash equivalents at beginning of period	187,611	326,048
Cash and cash equivalents at end of period	\$ 233,899	\$ 261,990



Parker Hannifin Corporation

Quarterly Earnings Release
2nd Quarter FY 2010

January 19, 2010

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 2nd Quarter Highlights
- Key Performance Measures & Outlook
- Questions & Answers
- CEO Closing Comments

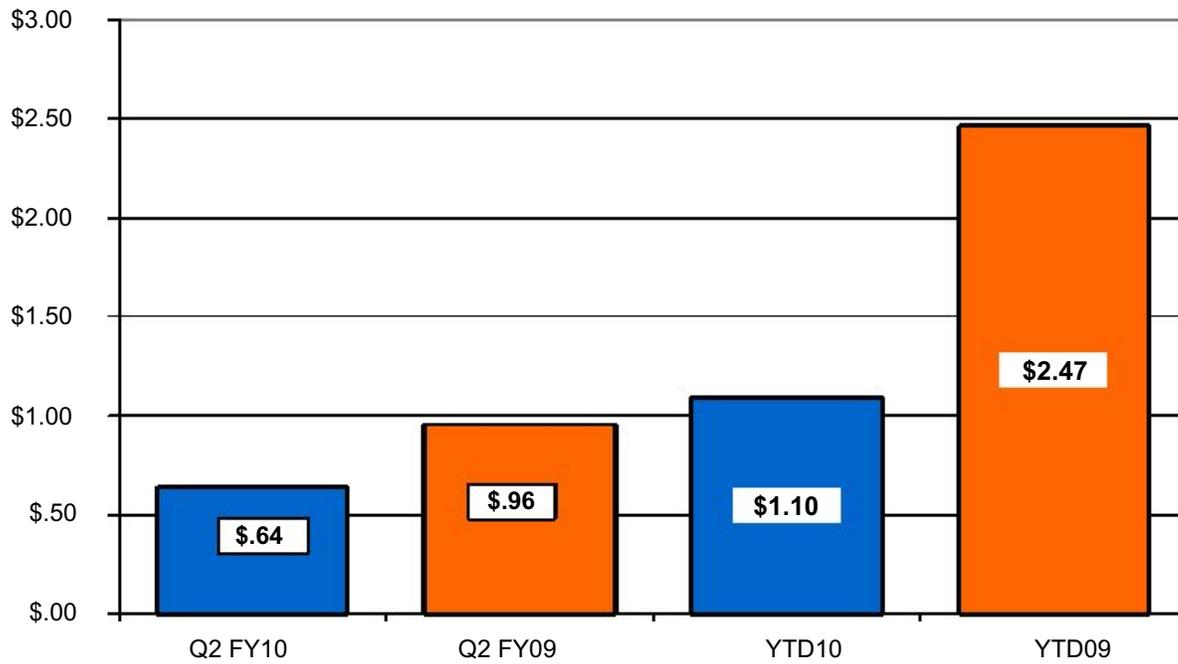
Second Quarter FY10 Highlights

- ◆ **Indicative Signs of Industrial Markets Improvement:** Industrial Orders Improved Sequentially From Q1 FY10
- ◆ **Continued Strong Cash Flow:** Operating CashFlow/Sales of 14.7%
- ◆ **Continued Inventory Reduction:** \$33M in Q2 FY10; \$287M Y-o-Y
- ◆ **Continued Debt Reduction:** \$203M in Q2 FY10; \$1B Y-o-Y
- ◆ **Continued Reduction in Leverage:** Debt to Total Capital Ratio Reduced to 29.9% (gross) or 27.3% (net of cash)
- ◆ **Operating Margin Improvement:** Sequential Quarter Improvement to 10.4% from 9.0% in Q1 FY10
- ◆ **Continued Cost Control:** Impressive Decremental Marginal Return on Sales of 10.6% (includes the effects of Acquisitions, Realignment and Inventory Reductions)

Financial Highlights

Diluted Earnings per Share

2nd Quarter



Influences on 2nd Quarter Earnings

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

- ◆ Decreased Revenues (12.4%) Due To Global Recession and Decline In Nearly All Markets
- ◆ Increased Other Expense: \$8M Due to Asset Write-Downs

Offset by:

- ◆ Reduced SG&A Expenses of \$27M Due To Tight Budgetary Control and Lower Incentive Compensation
- ◆ Lower Interest Expense: \$5M Due to Less Debt Outstanding
- ◆ Lower Taxes Due to Decreased Operating Income; Higher Tax Rate Due to Normalized R&D Tax Credits

Financial Highlights

Sales – 2nd Quarter

Dollars in millions	2nd Quarter		
	FY2010	% Change	FY2009
<u>Sales</u>			
As reported	\$ 2,355	(12.4)%	\$ 2,689
Acquisitions	7	0.3 %	
Currency	102	3.8 %	
Adjusted Sales	\$ 2,246	(16.5)%	

Segment Reporting

Industrial North America

Dollars in millions	2nd Quarter		
	FY2010	% Change	FY2009
<u>Sales</u>			
As reported	\$ 847	(14.7)%	\$ 993
Acquisitions	4	0.4 %	
Currency	7	0.7 %	
Adjusted Sales	\$ 836	(15.8)%	
<u>Operating Margin</u>			
As reported	\$ 114		\$ 108
% of Sales	13.5 %		10.8 %

Segment Reporting

Industrial International

Dollars in millions	2nd Quarter		
	FY2010	% Change	FY2009
<u>Sales</u>			
As reported	\$ 932	(10.6)%	\$ 1,043
Acquisitions	3	0.3 %	
Currency	87	8.3 %	
Adjusted Sales	\$ 842	(19.2)%	
<u>Operating Margin</u>			
As reported	\$ 83		\$ 115
% of Sales	8.9 %		11.0 %

Segment Reporting

Aerospace

Dollars in millions	2nd Quarter		
	FY2010	% Change	FY2009
<u>Sales</u>			
As reported	\$ 401	(15.4)%	\$ 474
Acquisitions			
Currency	3	0.6 %	
Adjusted Sales	\$ 398	(16.0)%	
<u>Operating Margin</u>			
As reported	\$ 41		\$ 70
% of Sales	10.2 %		14.7 %

Segment Reporting

Climate & Industrial Controls

Dollars in millions	2nd Quarter		
	FY2010	% Change	FY2009
<u>Sales</u>			
As reported	\$ 175	(2.4)%	\$ 179
Acquisitions			
Currency	5	2.6 %	
Adjusted Sales	\$ 170	(5.0)%	
<u>Operating Margin</u>			
As reported	\$ 6		\$ (13)
% of Sales	3.5 %		(7.2)%

Parker Order Rates

Three Month Rolling at Period End

	<u>DEC '09</u>	<u>SEPT '09</u>	<u>DEC '08</u>	<u>SEPT '08</u>
Total Parker	- 7 %	- 25 %	- 20 %	+ 1 %
Industrial North America	- 3 %	- 27 %	- 18 %	+ 2 %
Industrial International	0.0%	- 25 %	- 28 %	- 4 %
Aerospace	- 27 %	- 23 %	+ 2 %	+ 9 %
Climate & Industrial Controls	+ 6 %	- 17 %	- 28 %	+ 5 %

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

Strong Cash Flow

Cash from Operating Activities

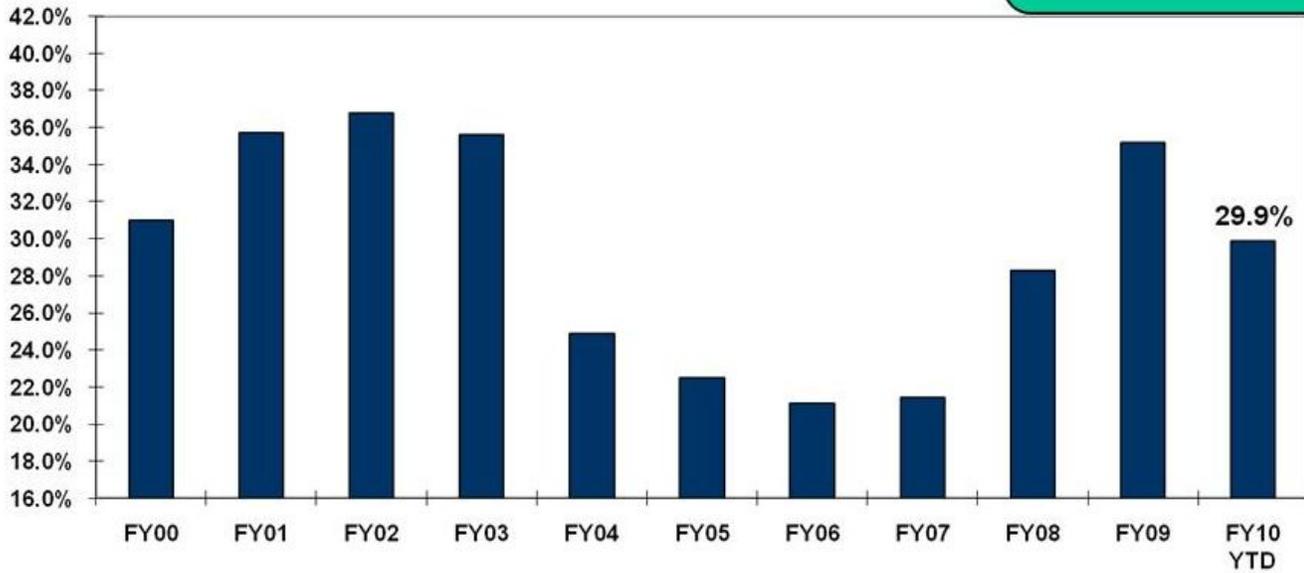
1st Half FY10



Financial Leverage

Debt to Debt Equity

29.9%
Debt to Debt Equity
(27.3% net Debt)



FY 2010 Earnings Outlook Assumptions Segment Sales & Operating Margins

FY 2010 Sales change versus FY 2009	
Industrial North America	(6.3)% -- (10.3)%
Industrial International	(1.4)% -- (6.4)%
Aerospace	(7.9)% -- (8.7)%
Climate & Industrial Controls	(4.3)% -- (6.7)%

FY 2010 Operating margin percentages	
Industrial North America	12.6 % -- 12.4 %
Industrial International	8.8 % -- 8.4 %
Aerospace	11.4 % -- 11.1 %
Climate & Industrial Controls	6.2 % -- 5.6 %

FY 2010 Earnings Outlook Assumptions below Operating Margin (+/- 3.0%)

➤ Corporate Admin	\$142M	
➤ Interest Expense	\$101M	
➤ Other Expense (Inc.)	<u>\$150M</u>	
➤ Total	\$393M	
➤ Tax Rate		29 %

Earnings Outlook – FY10

	<u>Low</u>	<u>High</u>
Diluted earnings per share	\$ 2.40	\$ 2.80

Questions & Answers...

Slide 20

Appendix

Income Statement

- 2nd Quarter FY2010
- 1st Half FY2010

Income Statement – 2nd Quarter

Quarter

Dollars in millions

	FY 2010		FY 2009	
		% of Sales		% of Sales
Net Sales	\$ 2,354.7	100.0 %	\$ 2,688.6	100.0 %
Cost of sales	1,869.5	79.4 %	2,121.4	78.9 %
Gross profit	485.2	20.6 %	567.2	21.1 %
S, G & A	309.8	13.2 %	337.2	12.5 %
Interest expense	25.0	1.1 %	30.3	1.1 %
Other expense, net	8.1	.3 %	.5	.0 %
Income before taxes	142.3	6.0 %	199.2	7.5 %
Income taxes	37.3	1.6 %	42.5	1.6 %
Net income	\$ 105.0	4.4 %	\$ 156.7	5.9 %
Less: Noncontrolling interests	\$.4		\$ 1.3	.1 %
Net income attributable to common shareholders	\$ 104.6	4.4 %	\$ 155.4	5.8 %

Income Statement – 1st Half

Total Year

Dollars in millions

	FY 2010		FY 2009	
		% of Sales		% of Sales
Net Sales	\$ 4,591.9	100.0 %	\$ 5,753.3	100.0 %
Cost of sales	3,670.4	79.9 %	4,458.6	77.5 %
Gross profit	921.5	20.1 %	1,294.7	22.5 %
S, G & A	611.7	13.3 %	669.9	11.6 %
Interest expense	50.8	1.1 %	58.4	1.0 %
Other expense, net	2.7	.1 %	8.8	.2 %
Income before taxes	256.3	5.6 %	557.6	9.7 %
Income taxes	77.3	1.7 %	149.0	2.6 %
Net income	\$ 179.0	3.9 %	\$ 408.6	7.1 %
Less: Noncontrolling interests	\$.9		\$ 3.0	.1 %
Net income attributable to common shares	\$ 178.1	3.9 %	\$ 405.6	7.0 %