

**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 20, 2012

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 20, 2012, Parker-Hannifin Corporation issued a press release and presented a Webcast announcing earnings for the quarter ended December 31, 2011. The press release contains references to sales growth excluding the effects of acquisitions and foreign currency exchange rates. The effects on sales 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 20, 2012.

99.2 Webcast presentation by Parker-Hannifin Corporation, dated January 20, 2012.

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/ Jon P. Marten

Jon P. Marten
Executive Vice President - Finance and
Administration and Chief Financial Officer

Date: January 20, 2012



For Release: **Immediately**

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Stock Symbol: PH – NYSE

Parker Reports Record Fiscal 2012 Second Quarter Sales, Net Income and Earnings per Share

- **Sales Increased 8 percent, Reaching a Second Quarter Record of \$3.1 billion**
- **Earnings Per Diluted Share Increased 12 percent to a Second Quarter Record of \$1.56**
- **Company Adjusts Outlook for Full Year Earnings; Continues to Anticipate Record Year**

CLEVELAND, January 20, 2012 – Parker Hannifin Corporation (NYSE: PH), the global leader in motion and control technologies, today reported results for the fiscal 2012 second quarter ended December 31, 2011. Fiscal 2012 second quarter sales were \$3.1 billion, a second quarter record and an increase of 8.4 percent from \$2.9 billion in the prior year quarter. Net income was also a second quarter record at \$242.3 million, an increase of 4.5 percent compared with \$231.8 million in the second quarter of fiscal 2011. Fiscal 2012 second quarter earnings per diluted share were a second quarter record at \$1.56, an increase of 12.2 percent compared with \$1.39 in the prior year quarter. Cash flow from operations for the first six months of fiscal 2012 was \$563.4 million, or 8.9 percent of sales, compared with \$408.2 million, or 7.2 percent of sales, for the first six months of fiscal 2011.

“We are pleased to deliver strong organic growth and second quarter record sales, net income and earnings,” said Chairman, CEO and President, Don Washkewicz. “We generated 8 percent sales growth in the quarter, substantially all of which was organic, led by double-digit revenue growth in our Industrial North America business segment. Internationally, we are seeing some softening in business conditions consistent with global

macro-economic indicators, which moderated our year over year revenue growth and affected segment operating margin performance. However, strong operating margin performance in the Industrial North America segment contributed to an overall increase in total segment operating margins, which reached 14.2 percent for the quarter and exceeded 15 percent year to date.”

Segment Results

In the Industrial North America segment, second quarter sales increased 13.2 percent to \$1.2 billion, and operating income was \$195.7 million compared with \$159.4 million in the same period a year ago.

In the Industrial International segment, second quarter sales increased 6.2 percent to \$1.2 billion, and operating income was \$165.9 million compared with \$167.8 million in the same period a year ago.

In the Aerospace segment, second quarter sales increased 8.0 percent to \$496.5 million, and operating income was \$70.3 million compared with \$63.6 million in the same period a year ago.

In the Climate and Industrial Controls segment, second quarter sales declined 2.9 percent to \$208.2 million, and operating income was \$9.8 million compared with \$9.5 million in the same period a year ago.

Orders

Parker reported an increase of 3 percent in orders for the quarter ending December 31, 2011, compared with the same quarter a year ago. The company reported the following orders by operating segment:

- Orders increased 8 percent in the Industrial North America segment, compared with the same quarter a year ago.
- Orders increased 1 percent in the Industrial International segment, compared with the same quarter a year ago.
- Orders remained unchanged in the Aerospace segment on a rolling 12-month average basis.
- Orders declined 5 percent in the Climate and Industrial Controls segment, compared with the same quarter a year ago.

Outlook

For fiscal 2012, the company has adjusted its guidance for earnings from continuing operations to the range of \$6.90 to \$7.30 per diluted share.

Washkewicz added, “We have made an adjustment in our earnings range to reflect business conditions internationally, while continued strength in North America will allow Parker to deliver an all-time record fiscal year in diluted earnings per share.”

NOTICE OF CONFERENCE CALL: Parker Hannifin’s conference call and slide presentation to discuss its fiscal 2012 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 at 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 www.phstock.com for one year after the call.

With annual sales exceeding \$12 billion in fiscal year 2011, 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 58,000 people in 47 countries around the world. Parker has increased its annual dividends paid to shareholders for 55 consecutive fiscal 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 www.parker.com, or its investor information web site at 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, including its 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 economic environment, and growth, innovation and global diversification initiatives. A change in the economic conditions in individual markets may have a particularly volatile effect on segment performance. Among 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, changes in contract cost and revenue estimates for new development programs and changes in product mix; ability to identify acceptable strategic acquisition targets; uncertainties surrounding timing, successful completion or integration of acquisitions; ability to realize anticipated cost savings from business realignment activities; 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 insurance and employee retirement and health care benefits; 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 unless otherwise required by law.

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PARKER HANNIFIN CORPORATION - DECEMBER 31, 2011
CONSOLIDATED STATEMENT OF INCOME
(Unaudited)

(Dollars in thousands except per share amounts)	Three Months Ended December 31,		Six Months Ended December 31,	
	2011	2010	2011	2010
Net sales	\$ 3,106,832	\$ 2,866,664	\$ 6,340,713	\$ 5,695,937
Cost of sales	<u>2,381,322</u>	<u>2,195,728</u>	<u>4,795,764</u>	<u>4,333,602</u>
Gross profit	725,510	670,936	1,544,949	1,362,335
Selling, general and administrative expenses	368,690	345,679	755,156	679,263
Interest expense	23,769	25,631	46,990	50,264
Other (income), net	<u>(5,896)</u>	<u>(6,624)</u>	<u>(7,729)</u>	<u>(9,806)</u>
Income before income taxes	338,947	306,250	750,532	642,614
Income taxes	<u>96,604</u>	<u>74,432</u>	<u>210,031</u>	<u>161,766</u>
Net income	242,343	231,818	540,501	480,848
Less: Noncontrolling interests	<u>1,577</u>	<u>1,638</u>	<u>2,717</u>	<u>3,497</u>
Net income attributable to common shareholders	\$ 240,766	\$ 230,180	\$ 537,784	\$ 477,351
Earnings per share attributable to common shareholders:				
Basic earnings per share	\$ 1.59	\$ 1.42	\$ 3.55	\$ 2.96
Diluted earnings per share	\$ 1.56	\$ 1.39	\$ 3.47	\$ 2.90
Average shares outstanding during period - Basic	150,960,202	161,701,219	151,699,614	161,486,878
Average shares outstanding during period - Diluted	154,717,211	166,101,535	155,024,479	164,790,789
Cash dividends per common share	\$.37	\$.29	\$.74	\$.56

BUSINESS SEGMENT INFORMATION BY INDUSTRY
(Unaudited)

(Dollars in thousands)	Three Months Ended December 31,		Six Months Ended December 31,	
	2011	2010	2011	2010
Net sales				
Industrial:				
North America	\$ 1,183,352	\$ 1,045,469	\$ 2,388,169	\$ 2,110,384
International	1,218,812	1,147,231	2,507,927	2,240,212
Aerospace	496,505	459,630	993,997	896,310
Climate & Industrial Controls	208,163	214,334	450,620	449,031
Total	\$ 3,106,832	\$ 2,866,664	\$ 6,340,713	\$ 5,695,937
Segment operating income				
Industrial:				
North America	\$ 195,738	\$ 159,429	\$ 418,965	\$ 348,791
International	165,940	167,776	374,159	351,576
Aerospace	70,262	63,644	138,899	107,420
Climate & Industrial Controls	9,823	9,501	29,615	31,053
Total segment operating income	441,763	400,350	961,638	838,840
Corporate general and administrative expenses	<u>46,136</u>	<u>37,593</u>	<u>104,152</u>	<u>70,947</u>
Income before interest and other	395,627	362,757	857,486	767,893
Interest expense	23,769	25,631	46,990	50,264
Other expense	<u>32,911</u>	<u>30,876</u>	<u>59,964</u>	<u>75,015</u>
Income before income taxes	\$ 338,947	\$ 306,250	\$ 750,532	\$ 642,614

PARKER HANNIFIN CORPORATION - DECEMBER 31, 2011
CONSOLIDATED BALANCE SHEET
(Unaudited)

(Dollars in thousands)	December 31, 2011	June, 30 2011	December 31, 2010
Assets			
Current assets:			
Cash and cash equivalents	\$ 487,984	\$ 657,466	\$ 808,736
Accounts receivable, net	1,828,117	1,977,856	1,636,905
Inventories	1,452,664	1,412,153	1,361,457
Prepaid expenses	129,439	111,934	106,416
Deferred income taxes	144,819	145,847	130,426
Total current assets	4,043,023	4,305,256	4,043,940
Plant and equipment, net	1,691,162	1,797,179	1,764,558
Goodwill	2,879,169	3,009,116	2,910,729
Intangible assets, net	1,101,020	1,177,722	1,178,912
Other assets	613,210	597,532	720,705
Total assets	\$10,327,584	\$ 10,886,805	\$10,618,844
Liabilities and equity			
Current liabilities:			
Notes payable	\$ 78,375	\$ 75,271	\$ 101,293
Accounts payable	1,069,503	1,173,851	960,567
Accrued liabilities	821,335	909,147	730,011
Accrued domestic and foreign taxes	150,896	232,774	148,997
Total current liabilities	2,120,109	2,391,043	1,940,868
Long-term debt	1,659,434	1,691,086	1,742,464
Pensions and other postretirement benefits	838,644	862,938	1,328,893
Deferred income taxes	147,123	160,035	150,069
Other liabilities	306,371	293,367	241,957
Shareholders' equity	5,158,126	5,383,854	5,113,261
Noncontrolling interests	97,777	104,482	101,332
Total liabilities and equity	\$10,327,584	\$ 10,886,805	\$10,618,844

CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

(Dollars in thousands)	Six Months Ended December 31,	
	2011	2010
Cash flows from operating activities:		
Net income	\$ 540,501	\$ 480,848
Depreciation and amortization	164,131	170,293
Stock incentive plan compensation	44,462	41,331
Net change in receivables, inventories, and trade payables	(94,532)	(62,540)
Net change in other assets and liabilities	(75,129)	(257,071)
Other, net	(16,017)	35,296
Net cash provided by operating activities	563,416	408,157
Cash flows from investing activities:		
Acquisitions (net of cash of \$6,802 in 2011 and \$1 in 2010)	(90,545)	(43,359)
Capital expenditures	(96,897)	(109,795)
Proceeds from sale of plant and equipment	11,179	17,243
Other, net	(14,498)	(9,369)
Net cash (used in) investing activities	(190,761)	(145,280)
Cash flows from financing activities:		
Net (payments for) proceeds from common stock activity	(308,747)	4,863
Net (payments for) proceeds from debt	(1,089)	19,673
Dividends	(119,031)	(90,907)
Net cash (used in) financing activities	(428,867)	(66,371)
Effect of exchange rate changes on cash	(113,270)	36,704
Net (decrease) increase in cash and cash equivalents	(169,482)	233,210
Cash and cash equivalents at beginning of period	657,466	575,526
Cash and cash equivalents at end of period	\$ 487,984	\$ 808,736

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Parker Hannifin Corporation

Quarterly Earnings Release
2nd Quarter FY2012

January 20, 2012

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, including its 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 economic environment, and growth, innovation and global diversification initiatives. A change in economic conditions in individual markets may have a particularly volatile effect on segment performance. Among 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, changes in contract cost and revenue estimates for new development programs and changes in product mix; ability to identify acceptable strategic acquisition targets; uncertainties surrounding timing, successful completion or integration of acquisitions; ability to realize anticipated cost savings from business realignment activities; 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 insurance and employee retirement and health care benefits; 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 unless otherwise required by law.

Slide 2

Non-GAAP Financial Measures

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 and 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

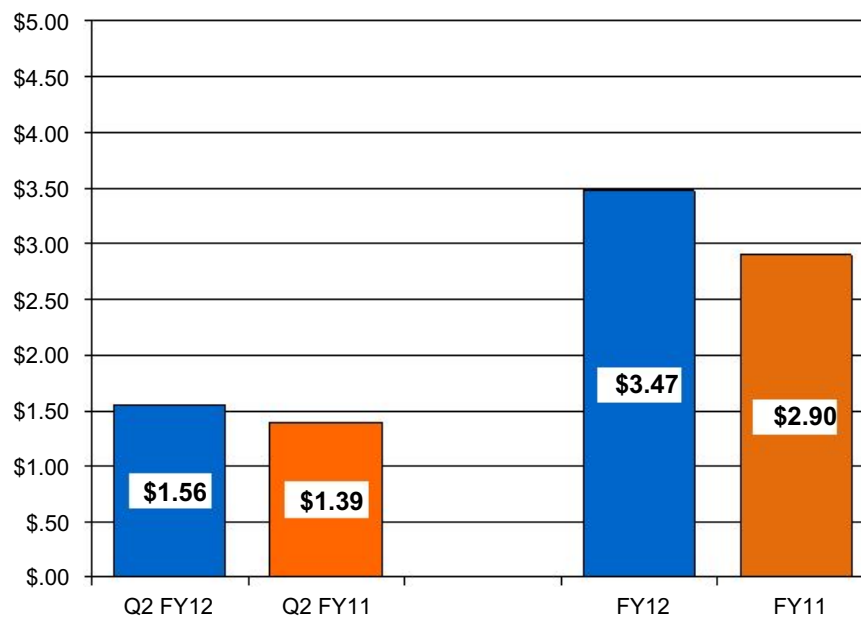
Second Quarter FY12 Highlights

- ◆ **Record 2nd Quarter Sales:** Q2 Sales Increased 8.4% Year-over-Year to \$3.1B
- ◆ **End Market Demand:** Order Improvement of 3% Year-over-Year Against Tougher Comparables ; International Industrial Orders Moderating
- ◆ **Operating Margin:** 14.2% as compared to 14.0% in Q2 FY11
 - ❖ NA Industrial Increased to 16.5% from 15.2% in Q2 FY11
- ◆ **Record 2nd Quarter Net Income:** \$242 million
- ◆ **Continued Strong Cash Flow:** Q2 FY12 Operating Cash Flow/Sales of 8.2%; YTD FY12 of 8.9%
- ◆ **Earnings Per Share:** Q2 Record of \$1.56 vs. \$1.39 in Q2 FY11
- ◆ **Strong Balance Sheet:** Cash Balance Greater than \$487M and Debt/Total Capitalization Metric of 25.2%

Financial Highlights

Diluted Earnings per Share

2nd Quarter and Year-to-Date



Influences on 2nd Quarter Earnings

Diluted Earnings Per Share Increase Year-over-Year of \$.17 or 12% Primarily Driven By:

- ◆ Improved NA Segment Operating Margins to 16.5% from 15.2% (\$.17 EPS Impact)
- ◆ Improved Aerospace Segment Operating Margins to 14.2% from 13.8% (\$.03 EPS Impact)
- ◆ Lower Shares Outstanding due to Share Repurchase (\$.11 EPS Impact)
- ◆

Offset by:

- ◆ Increased Expense Below Segment Operating Income due to Higher Market-driven Benefit Expense (\$.04 EPS Impact)
- ◆ Higher Tax Rate due to Multi-period R&D Tax Credit booked in Q2 FY11 (\$.09 EPS Impact)

Financial Highlights

Sales – 2nd Quarter

Dollars in millions	2nd Quarter			Year to Date		
	FY2012	% Change	FY2011	FY2012	% Change	FY2011
<u>Sales</u>						
As reported	\$ 3,107	8.4 %	\$ 2,867	\$ 6,340	11.3 %	\$ 5,696
Acquisitions	10	0.3 %		32	0.6 %	
Currency	0	0.0 %		86	1.5 %	
Adjusted Sales	\$ 3,097	8.1 %		\$ 6,222	9.2 %	
<u>Operating Margin</u>						
As reported	\$ 442		\$ 400	\$ 962		\$ 839
% of Sales	14.2 %		14.0 %	15.2 %		14.7 %

Segment Reporting

Industrial North America

Dollars in millions	2nd Quarter			Year to Date		
	FY2012	% Change	FY2011	FY2012	% Change	FY2011
Sales						
As reported	\$ 1,183	13.2 %	\$ 1,046	\$ 2,388	13.2 %	\$ 2,110
Acquisitions	4	0.4 %		15	0.7 %	
Currency	(3)	(0.3)%		1	0.1 %	
Adjusted Sales	\$ 1,182	13.1 %		\$ 2,372	12.4 %	
Operating Margin						
As reported	\$ 196		\$ 159	\$ 419		\$ 349
% of Sales	16.5 %		15.2 %	17.5 %		16.5 %

Segment Reporting

Industrial International

Dollars in millions	2nd Quarter			Year to Date		
	FY2012	% Change	FY2011	FY2012	% Change	FY2011
<u>Sales</u>						
As reported	\$ 1,219	6.2 %	\$ 1,147	\$ 2,508	12.0 %	\$ 2,240
Acquisitions	6	0.5 %		16	0.7 %	
Currency	4	0.4 %		81	3.6 %	
Adjusted Sales	\$ 1,209	5.3 %		\$ 2,411	7.7 %	
<u>Operating Margin</u>						
As reported	\$ 166		\$ 168	\$ 374		\$ 352
% of Sales	13.6 %		14.6 %	14.9 %		15.7 %

Segment Reporting

Aerospace

Dollars in millions	2nd Quarter			Year to Date		
	FY2012	% Change	FY2011	FY2012	% Change	FY2011
<u>Sales</u>						
As reported	\$ 497	8.0 %	\$ 460	\$ 994	10.9 %	\$ 897
Acquisitions	0	0.0 %		0	0.0 %	
Currency	0	0.0 %		1	0.1 %	
Adjusted Sales	\$ 497	8.0 %		\$ 993	10.8 %	
<u>Operating Margin</u>						
As reported	\$ 70		\$ 64	\$ 139		\$ 107
% of Sales	14.2 %		13.8 %	14.0 %		12.0 %

Segment Reporting

Climate & Industrial Controls

Dollars in millions	2nd Quarter			Year to Date		
	FY2012	% Change	FY2011	FY2012	% Change	FY2011
<u>Sales</u>						
As reported	\$ 208	(2.9)%	\$ 214	\$ 450	0.4 %	\$ 449
Acquisitions	0	0.0 %		1	0.2 %	
Currency	(1)	(0.5)%		3	0.7 %	
Adjusted Sales	\$ 209	(2.4)%		\$ 446	(0.5)%	
<u>Operating Margin</u>						
As reported	\$ 10		\$ 10	\$ 30		\$ 31
% of Sales	4.7 %		4.4 %	6.6 %		6.9 %

Parker Order Rates

Three Month Rolling at Period End

	<u>DEC '11</u>	<u>SEPT '11</u>	<u>DEC '10</u>	<u>SEPT '10</u>
Total Parker	+ 3 %	+ 9 %	+ 29 %	+ 29 %
Industrial North America	+ 8 %	+ 16 %	+ 26 %	+ 31 %
Industrial International	+ 1 %	+ 4 %	+ 29 %	+ 34 %
Aerospace	+ 0 %	+ 14 %	+ 37 %	+ 16 %
Climate & Industrial Controls	- 5 %	- 4 %	+ 26 %	+ 23 %

Excludes Acquisitions & Currency

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

Balance Sheet Summary

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

Strong Cash Flow

Cash from Operating Activities

2nd Quarter and Year-To- Date

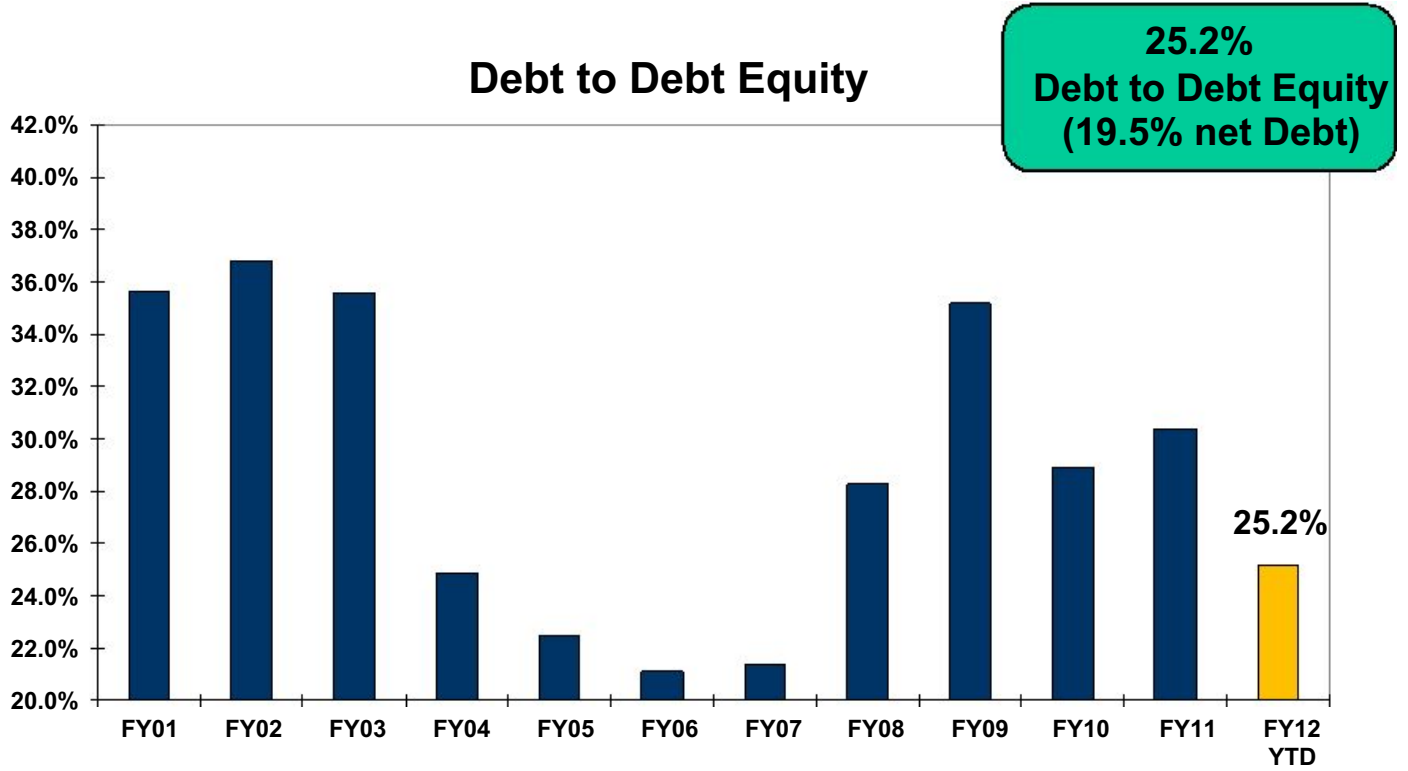
Cash From Operating Activities

	<u>Q2 '12</u>	<u>Q2 '11</u>
As Reported	\$ 254M	\$285M
As Reported % Sales	8.2%	10.0%

Year-to-Date Cash from Operating Activities:

	<u>YTD '12</u>	<u>YTD '11</u>
As Reported	\$563M	\$408M
As Reported % Sales	8.9%	7.2%

Financial Leverage



FY 2012 Earnings Outlook Assumptions Segment Sales & Operating Margins

FY 2012 Sales change versus FY 2011	
Industrial North America	8.4 % -- 10.4 %
Industrial International	1.9 % -- 3.9 %
Aerospace	7.1 % -- 9.1 %
Climate & Industrial Controls	(2.7) % -- .3 %

FY 2012 Operating margin percentages	
Industrial North America	17.0 % -- 17.4 %
Industrial International	14.7 % -- 15.1 %
Aerospace	13.3 % -- 13.7 %
Climate & Industrial Controls	7.7 % -- 8.0 %

FY 2012 Earnings Outlook Assumptions below Operating Margin (+/- .50%)

- Expenses Below Segment Operating Margin*
 - ❖ \$412M at Midpoint

- Tax Rate = 29%

* *Corporate Admin, Interest and Other Expense (Income)*

Earnings Outlook – FY12

	<u>Low</u>	<u>Midpoint</u>	<u>High</u>
Diluted Earnings Per Share	\$ 6.90	\$ 7.10	\$ 7.30

Questions & Answers...

Appendix

Income Statement

- 2nd Quarter FY2012
- 1st Half FY2012

Income Statement – 2nd Quarter

Quarter	FY 2012		FY 2011	
Dollars in millions				
		% of Sales		% of Sales
Net Sales	\$ 3,106.8	100.0 %	\$ 2,866.6	100.0 %
Cost of sales	2,381.3	76.6 %	2,195.7	76.6 %
Gross profit	725.5	23.4 %	670.9	23.4 %
S, G & A	368.7	11.9 %	345.7	12.1 %
Interest expense	23.8	.8 %	25.6	.9 %
Other (income), net	(5.9)	(.2)%	(6.6)	(.3)%
Income before taxes	338.9	10.9 %	306.2	10.7 %
Income taxes	96.6	3.1 %	74.4	2.6 %
Net income	\$ 242.3	7.8 %	\$ 231.8	8.1 %
Less: Noncontrolling interests	\$ 1.5	.1 %	\$ 1.6	.1 %
Net income attributable to common shareholders	\$ 240.8	7.7 %	\$ 230.2	8.0 %

Income Statement – 1st Half

Dollars in millions	FY 2012		FY 2011	
		% of Sales		% of Sales
Net Sales	\$ 6,340.7	100.0 %	\$ 5,695.9	100.0 %
Cost of sales	4,795.8	75.6 %	4,333.6	76.1 %
Gross profit	1,544.9	24.4 %	1,362.3	23.9 %
S, G & A	755.1	11.9 %	679.2	11.9 %
Interest expense	47.0	.8 %	50.3	.9 %
Other (income), net	(7.7)	(.1)%	(9.8)	(.2)%
Income before taxes	750.5	11.8 %	642.6	11.3 %
Income taxes	210.0	3.3 %	161.8	2.8 %
Net income	\$ 540.5	8.5 %	\$ 480.8	8.5 %
Less: Noncontrolling interests	\$ 2.7	.0 %	\$ 3.5	.1 %
Net income attributable to common shareholders	\$ 537.8	8.5 %	\$ 477.3	8.4 %