

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): April 24, 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 April 24, 2012, Parker-Hannifin Corporation issued a press release and presented a Webcast announcing earnings for the quarter ended March 31, 2012. 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 April 24, 2012.
- 99.2 Webcast presentation by Parker-Hannifin Corporation, dated April 24, 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: April 24, 2012



For Release: Immediately

Contact: Media –
 Christopher M. Farage - Vice President, Communications & External Affairs 216/896-2750
cfarage@parker.com

Financial Analysts –
 Pamela Huggins, Vice President - Treasurer 216/896-2240
phuggins@parker.com

Stock Symbol: PH – NYSE

Parker Reports Record Sales, Net Income and Earnings per Share for the Fiscal 2012 Third Quarter

- **Sales Reached a Third Quarter Record of \$3.4 billion**
- **Earnings Per Diluted Share Increased 20 percent to All-Time Quarterly Record of \$2.01**
- **Operating Cash Flow Year-to-Date Exceeded \$1 billion**
- **Company Exceeds Guidance and Increases Outlook for Full Year Earnings**

CLEVELAND, April 24, 2012 – Parker Hannifin Corporation (NYSE: PH), the global leader in motion and control technologies, today reported results for the fiscal 2012 third quarter ended March 31, 2012. Fiscal 2012 third quarter sales were \$3.4 billion, a third quarter record and an increase of 4.7 percent from \$3.2 billion in the prior year quarter. Net income was an all-time quarterly record at \$312.7 million, an increase of 11.0 percent compared with \$281.6 million in the third quarter of fiscal 2011. Fiscal 2012 third quarter earnings per diluted share were an all-time quarterly record at \$2.01, an increase of 19.6 percent compared with \$1.68 in the prior year quarter. Cash flow from operations for the first nine months of fiscal 2012 was \$1,006.5 million, or 10.3 percent of sales, compared with \$799.9 million, or 9.0 percent of sales, for the first nine months of fiscal 2011.

“This quarter’s results benefitted, in part, from the favorable resolution of prior year tax filings, however, all-time record quarterly earnings were largely achieved as a result of strong operating performance in North America,” said Chairman, CEO and President, Don Washkewicz. “Our organic sales growth was 6 percent, led by a double-digit increase in the North America Industrial segment, while currency translation negatively affected sales by 1

percent. Internationally, results outpaced expectations for the quarter and market conditions remain stable. Total company segment operating margin remained strong and represented a third quarter record at 15.1 percent, primarily driven by record third quarter operating margins in the Industrial North America segment. Year-to-date, operating cash flow is very strong at 10.3 percent of sales and we continue to invest for growth including our recently completed acquisition of Snap-tite Incorporated to expand our presence in fluid power and process control markets.”

Segment Results

In the Industrial North America segment, third quarter sales increased 11.6 percent to \$1.3 billion, and operating income was \$227.0 million compared with \$189.5 million in the same period a year ago.

In the Industrial International segment, third quarter sales declined 0.5 percent to \$1.3 billion, and operating income was \$195.1 million compared with \$199.8 million in the same period a year ago.

In the Aerospace segment, third quarter sales increased 7.7 percent to \$542.8 million, and operating income was \$65.9 million compared with \$69.0 million in the same period a year ago.

In the Climate and Industrial Controls segment, third quarter sales declined 6.0 percent to \$248.7 million, and operating income was \$23.2 million compared with \$22.6 million in the same period a year ago.

Orders

Parker reported an increase of 2 percent in orders for the quarter ending March 31, 2012, compared with the same quarter a year ago. The company reported the following orders by operating segment:

- Orders increased 7 percent in the Industrial North America segment, compared with the same quarter a year ago.
- Orders declined 1 percent in the Industrial International segment, compared with the same quarter a year ago.
- Orders increased 4 percent in the Aerospace segment on a rolling 12-month average basis.
- Orders declined 6 percent in the Climate and Industrial Controls segment, compared with the same quarter a year ago.

Outlook

For fiscal 2012, the company has increased its guidance for earnings from continuing operations to the range of \$7.30 to \$7.50 per diluted share.

Washkewicz added, "Reflecting our strong outperformance relative to guidance, Parker is increasing our earnings outlook for the year. The Company remains on pace to deliver an all-time record year in fiscal 2012."

NOTICE OF CONFERENCE CALL: Parker Hannifin's conference call and slide presentation to discuss its fiscal 2012 third 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 - MARCH 31, 2012
CONSOLIDATED STATEMENT OF INCOME
(Unaudited)

| (Dollars in thousands except per share amounts) | Three Months Ended March 31, | | Nine Months Ended March 31, | |
|--|------------------------------|---------------------|-----------------------------|---------------------|
| | 2012 | 2011 | 2012 | 2011 |
| Net sales | \$ 3,393,563 | \$ 3,240,103 | \$ 9,734,276 | \$ 8,936,040 |
| Cost of sales | <u>2,590,315</u> | <u>2,463,083</u> | <u>7,386,079</u> | <u>6,796,685</u> |
| Gross profit | 803,248 | 777,020 | 2,348,197 | 2,139,355 |
| Selling, general and administrative expenses | 377,479 | 375,069 | 1,132,635 | 1,054,332 |
| Interest expense | 22,313 | 24,619 | 69,303 | 74,883 |
| Other expense (income), net | <u>2,629</u> | <u>(12,385)</u> | <u>(5,100)</u> | <u>(22,191)</u> |
| Income before income taxes | 400,827 | 389,717 | 1,151,359 | 1,032,331 |
| Income taxes | <u>88,138</u> | <u>108,069</u> | <u>298,169</u> | <u>269,835</u> |
| Net income | 312,689 | 281,648 | 853,190 | 762,496 |
| Less: Noncontrolling interests | <u>615</u> | <u>2,059</u> | <u>3,332</u> | <u>5,556</u> |
| Net income attributable to common shareholders | \$ 312,074 | \$ 279,589 | \$ 849,858 | \$ 756,940 |
| Earnings per share attributable to common shareholders: | | | | |
| Basic earnings per share | <u>\$ 2.07</u> | <u>\$ 1.72</u> | <u>\$ 5.61</u> | <u>\$ 4.68</u> |
| Diluted earnings per share | <u>\$ 2.01</u> | <u>\$ 1.68</u> | <u>\$ 5.49</u> | <u>\$ 4.58</u> |
| Average shares outstanding during period - Basic | 151,017,910 | 162,160,426 | 151,472,380 | 161,711,394 |
| Average shares outstanding during period - Diluted | <u>154,944,246</u> | <u>166,690,347</u> | <u>154,904,549</u> | <u>165,270,482</u> |
| Cash dividends per common share | <u>\$.39</u> | <u>\$.32</u> | <u>\$ 1.13</u> | <u>\$.88</u> |

BUSINESS SEGMENT INFORMATION BY INDUSTRY
(Unaudited)

| (Dollars in thousands) | Three Months Ended March 31, | | Nine Months Ended March 31, | |
|---|------------------------------|--------------------|-----------------------------|--------------------|
| | 2012 | 2011 | 2012 | 2011 |
| Net sales | | | | |
| Industrial: | | | | |
| North America | \$1,315,357 | \$1,178,714 | \$3,703,526 | \$3,289,098 |
| International | 1,286,751 | 1,293,047 | 3,794,678 | 3,533,259 |
| Aerospace | 542,760 | 503,806 | 1,536,757 | 1,400,116 |
| Climate & Industrial Controls | <u>248,695</u> | <u>264,536</u> | <u>699,315</u> | <u>713,567</u> |
| Total | \$3,393,563 | \$3,240,103 | \$9,734,276 | \$8,936,040 |
| Segment operating income | | | | |
| Industrial: | | | | |
| North America | \$ 226,986 | \$ 189,463 | \$ 645,951 | \$ 538,254 |
| International | 195,065 | 199,798 | 569,224 | 551,374 |
| Aerospace | 65,925 | 68,984 | 204,824 | 176,404 |
| Climate & Industrial Controls | <u>23,203</u> | <u>22,577</u> | <u>52,818</u> | <u>53,630</u> |
| Total segment operating income | 511,179 | 480,822 | 1,472,817 | 1,319,662 |
| Corporate general and administrative expenses | <u>38,377</u> | <u>41,734</u> | <u>142,529</u> | <u>112,681</u> |
| Income before interest and other | 472,802 | 439,088 | 1,330,288 | 1,206,981 |
| Interest expense | 22,313 | 24,619 | 69,303 | 74,883 |
| Other expense | <u>49,662</u> | <u>24,752</u> | <u>109,626</u> | <u>99,767</u> |
| Income before income taxes | \$ 400,827 | \$ 389,717 | \$1,151,359 | \$1,032,331 |

CONSOLIDATED BALANCE SHEET

(Unaudited)

| (Dollars in thousands) | March 31, 2012 | June, 30 2011 | March 31, 2011 |
|--|----------------------|----------------------|----------------------|
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 773,459 | \$ 657,466 | \$ 1,107,955 |
| Accounts receivable, net | 2,061,501 | 1,977,856 | 1,950,980 |
| Inventories | 1,429,014 | 1,412,153 | 1,390,862 |
| Prepaid expenses | 100,336 | 111,934 | 89,692 |
| Deferred income taxes | 132,991 | 145,847 | 151,840 |
| Total current assets | 4,497,301 | 4,305,256 | 4,691,329 |
| Plant and equipment, net | 1,721,970 | 1,797,179 | 1,788,377 |
| Goodwill | 2,926,311 | 3,009,116 | 2,976,232 |
| Intangible assets, net | 1,096,306 | 1,177,722 | 1,191,072 |
| Other assets | 647,236 | 597,532 | 729,852 |
| Total assets | \$ 10,889,124 | \$ 10,886,805 | \$ 11,376,862 |
| Liabilities and equity | | | |
| Current liabilities: | | | |
| Notes payable | \$ 273,907 | \$ 75,271 | \$ 173,233 |
| Accounts payable | 1,148,939 | 1,173,851 | 1,085,126 |
| Accrued liabilities | 872,547 | 909,147 | 844,852 |
| Accrued domestic and foreign taxes | 193,907 | 232,774 | 237,209 |
| Total current liabilities | 2,489,300 | 2,391,043 | 2,340,420 |
| Long-term debt | 1,515,217 | 1,691,086 | 1,683,731 |
| Pensions and other postretirement benefits | 848,521 | 862,938 | 1,341,920 |
| Deferred income taxes | 141,467 | 160,035 | 159,777 |
| Other liabilities | 308,151 | 293,367 | 267,285 |
| Shareholders' equity | 5,577,592 | 5,383,854 | 5,481,908 |
| Noncontrolling interests | 8,876 | 104,482 | 101,821 |
| Total liabilities and equity | \$ 10,889,124 | \$ 10,886,805 | \$ 11,376,862 |

CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited)

| (Dollars in thousands) | Nine Months Ended March 31, | |
|---|-----------------------------|---------------------|
| | 2012 | 2011 |
| Cash flows from operating activities: | | |
| Net income | \$ 853,190 | \$ 762,496 |
| Depreciation and amortization | 244,403 | 254,125 |
| Stock incentive plan compensation | 64,102 | 56,792 |
| Net change in receivables, inventories, and trade payables | (191,071) | (239,968) |
| Net change in other assets and liabilities | 85,060 | (35,202) |
| Other, net | (49,223) | 1,690 |
| Net cash provided by operating activities | 1,006,461 | 799,933 |
| Cash flows from investing activities: | | |
| Acquisitions (net of cash of \$6,802 in 2012 and \$385 in 2011) | (31,004) | (60,227) |
| Capital expenditures | (154,097) | (158,455) |
| Proceeds from sale of plant and equipment | 15,560 | 23,818 |
| Other, net | (16,381) | (8,251) |
| Net cash (used in) investing activities | (185,922) | (203,115) |
| Cash flows from financing activities: | | |
| Net (payments for) proceeds from common stock activity | (312,545) | 4,198 |
| Acquisition of noncontrolling interests | (147,441) | — |
| Net proceeds from debt | 47,763 | 15,035 |
| Dividends | (178,606) | (142,906) |
| Net cash (used in) financing activities | (590,829) | (123,673) |
| Effect of exchange rate changes on cash | (113,717) | 59,284 |
| Net increase in cash and cash equivalents | 115,993 | 532,429 |
| Cash and cash equivalents at beginning of period | 657,466 | 575,526 |
| Cash and cash equivalents at end of period | \$ 773,459 | \$ 1,107,955 |



Parker Hannifin Corporation

Quarterly Earnings Release 3rd Quarter FY2012

April 24, 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 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.

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 3^d Quarter Highlights
- Key Performance Measures & Outlook
- Questions & Answers
- CEO Closing Comments

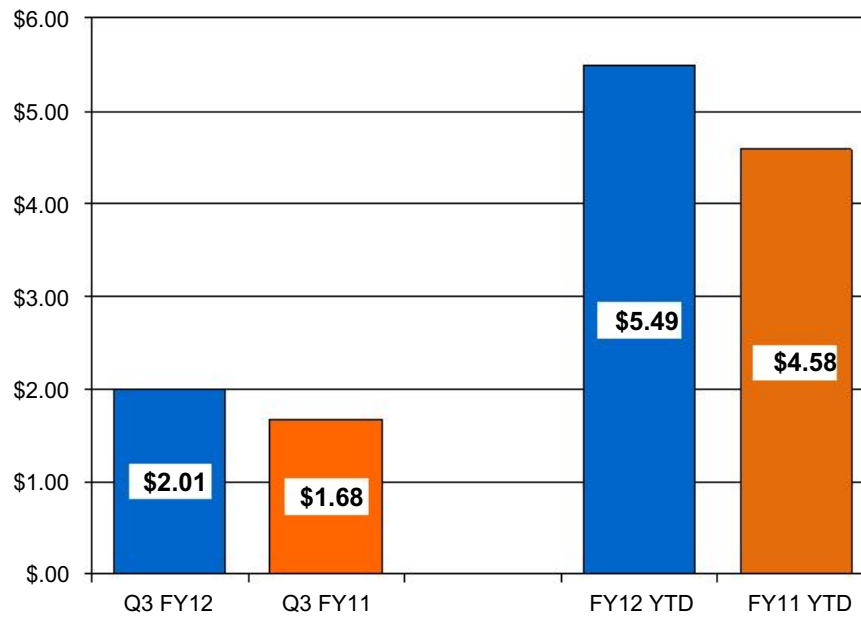
Third Quarter FY12 Highlights

- ◆ **Record 3rd Quarter Sales:** Q3 Sales Increased 4.7% Year-over-Year to \$3.4B due to Industrial North America and Aerospace
- ◆ **End Market Demand:** Order Improvement of 2% Year-over-Year Against Tougher Comparables driven by North America and Aerospace
- ◆ **Operating Margin:** 15.1% as compared to 14.8% in Q3 FY11
 - ❖ NA Industrial Increased to 17.3% from 16.1% in Q3 FY11; a Third Quarter Record
- ◆ **Net Income:** All-time Quarterly Record of \$313 million
- ◆ **Earnings Per Share:** All-time Quarterly Record of \$2.01 vs. \$1.68 in Q3 FY11
- ◆ **Strong Balance Sheet:** Cash Balance of \$773M and Debt/Total Capitalization Metric of 24.3%
- ◆ **Continued Strong Cash Flow:** Q3 FY12 Operating Cash Flow/Sales of 13.1%; YTD FY12 of 10.3%

Financial Highlights

Diluted Earnings per Share

3rd Quarter and Year-to-Date



Influences on 3rd Quarter Earnings

Diluted Earnings Per Share Increase Year-over-Year of \$.33 or 20% Primarily Driven By:

- ◆ Improved Segment Operating Margins to 15.1% from 14.8% (\$.13 EPS Impact) driven by Industrial North America and Climate & Industrial Controls
- ◆ Lower Tax Rate due to Favorable Resolution of Prior Year Tax Filings (\$.13 EPS Impact)
- ◆ Lower Shares Outstanding due to Share Repurchase (\$.14 EPS Impact)

Offset by:

- ◆ Increased Expense Below Segment Operating Income Mainly due to Negative Currency Impact and Prior Year Favorable Insurance Recoveries (\$.08 EPS Impact)

Financial Highlights

Sales – 3rd Quarter

| Dollars in millions | 3rd Quarter | | | Year to Date | | |
|-------------------------|-----------------|--------------|----------|-----------------|--------------|----------|
| | FY2012 | % Change | FY2011 | FY2012 | % Change | FY2011 |
| Sales | | | | | | |
| As reported | \$ 3,394 | 4.7 % | \$ 3,240 | \$ 9,734 | 8.9 % | \$ 8,936 |
| Acquisitions | 7 | 0.2 % | | 39 | 0.4 % | |
| Currency | (42) | (1.3)% | | 44 | 0.5 % | |
| Adjusted Sales | \$ 3,429 | 5.8 % | | \$ 9,651 | 8.0 % | |
| Operating Margin | | | | | | |
| As reported | \$ 511 | | \$ 481 | \$ 1,473 | | \$ 1,320 |
| % of Sales | 15.1 % | | 14.8 % | 15.1 % | | 14.8 % |

Slide 8

Segment Reporting

Industrial North America

| Dollars in millions | 3rd Quarter | | | Year to Date | | |
|-------------------------|-------------|-------------|----------|--------------|-------------|----------|
| | FY2012 | % Change | FY2011 | FY2012 | % Change | FY2011 |
| Sales | | | | | | |
| As reported | \$ 1,315 | 11.6 % | \$ 1,179 | \$ 3,703 | 12.6 % | \$ 3,289 |
| Acquisitions | 3 | 0.3 % | | 18 | 0.6 % | |
| Currency | (4) | (0.3)% | | (3) | (0.1)% | |
| Adjusted Sales | \$ 1,316 | 11.6 % | | \$ 3,688 | 12.1 % | |
| Operating Margin | | | | | | |
| As reported | \$ 227 | | \$ 189 | \$ 646 | | \$ 538 |
| % of Sales | 17.3 % | | 16.1 % | 17.4 % | | 16.4 % |

Segment Reporting

Industrial International

| Dollars in millions | 3rd Quarter | | | Year to Date | | |
|-------------------------|-------------|-------------|----------|--------------|-------------|----------|
| | FY2012 | % Change | FY2011 | FY2012 | % Change | FY2011 |
| Sales | | | | | | |
| As reported | \$ 1,287 | (0.5)% | \$ 1,293 | \$ 3,795 | 7.4 % | \$ 3,533 |
| Acquisitions | 4 | 0.3 % | | 20 | 0.5 % | |
| Currency | (35) | (2.7)% | | 46 | 1.3 % | |
| Adjusted Sales | \$ 1,318 | 1.9 % | | \$ 3,729 | 5.6 % | |
| Operating Margin | | | | | | |
| As reported | \$ 195 | | \$ 200 | \$ 569 | | \$ 551 |
| % of Sales | 15.2 % | | 15.5 % | 15.0 % | | 15.6 % |

Segment Reporting

Aerospace

| Dollars in millions | 3rd Quarter | | | Year to Date | | |
|-------------------------|-------------|----------|--------|--------------|----------|----------|
| | FY2012 | % Change | FY2011 | FY2012 | % Change | FY2011 |
| Sales | | | | | | |
| As reported | \$ 543 | 7.7 % | \$ 504 | \$ 1,537 | 9.8 % | \$ 1,401 |
| Acquisitions | 0 | 0.0 % | | 0 | 0.0 % | |
| Currency | (1) | (0.1)% | | 0 | 0.0 % | |
| Adjusted Sales | \$ 544 | 7.8 % | | \$ 1,537 | 9.8 % | |
| Operating Margin | | | | | | |
| As reported | \$ 66 | | \$ 69 | \$ 205 | | \$ 176 |
| % of Sales | 12.1 % | | 13.7 % | 13.3 % | | 12.6 % |

Segment Reporting

Climate & Industrial Controls

| Dollars in millions | 3rd Quarter | | | Year to Date | | |
|-------------------------|-------------|-------------|--------|--------------|-------------|--------|
| | FY2012 | % Change | FY2011 | FY2012 | % Change | FY2011 |
| Sales | | | | | | |
| As reported | \$ 249 | (6.0)% | \$ 264 | \$ 699 | (2.0)% | \$ 713 |
| Acquisitions | 0 | 0.0 % | | 1 | 0.1 % | |
| Currency | (2) | (0.9)% | | 1 | 0.1 % | |
| Adjusted Sales | \$ 251 | (5.1)% | | \$ 697 | (2.2)% | |
| Operating Margin | | | | | | |
| As reported | \$ 23 | | \$ 23 | \$ 53 | | \$ 54 |
| % of Sales | 9.3 % | | 8.5 % | 7.6 % | | 7.5 % |

Parker Order Rates

Three Month Rolling at Period End

| | <u>MAR '12</u> | <u>DEC '11</u> | <u>MAR '11</u> | <u>DEC '10</u> |
|--|----------------|----------------|----------------|----------------|
| Total Parker | + 2 % | + 3 % | + 24 % | + 29 % |
| Industrial North America | + 7 % | + 8 % | + 20 % | + 26 % |
| Industrial International | - 1 % | + 1 % | + 22 % | + 29 % |
| Aerospace | + 4 % | + 0 % | + 44 % | + 37 % |
| Climate & Industrial Controls | - 6 % | - 5 % | + 14 % | + 26 % |

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

3rd Quarter and Year-To- Date

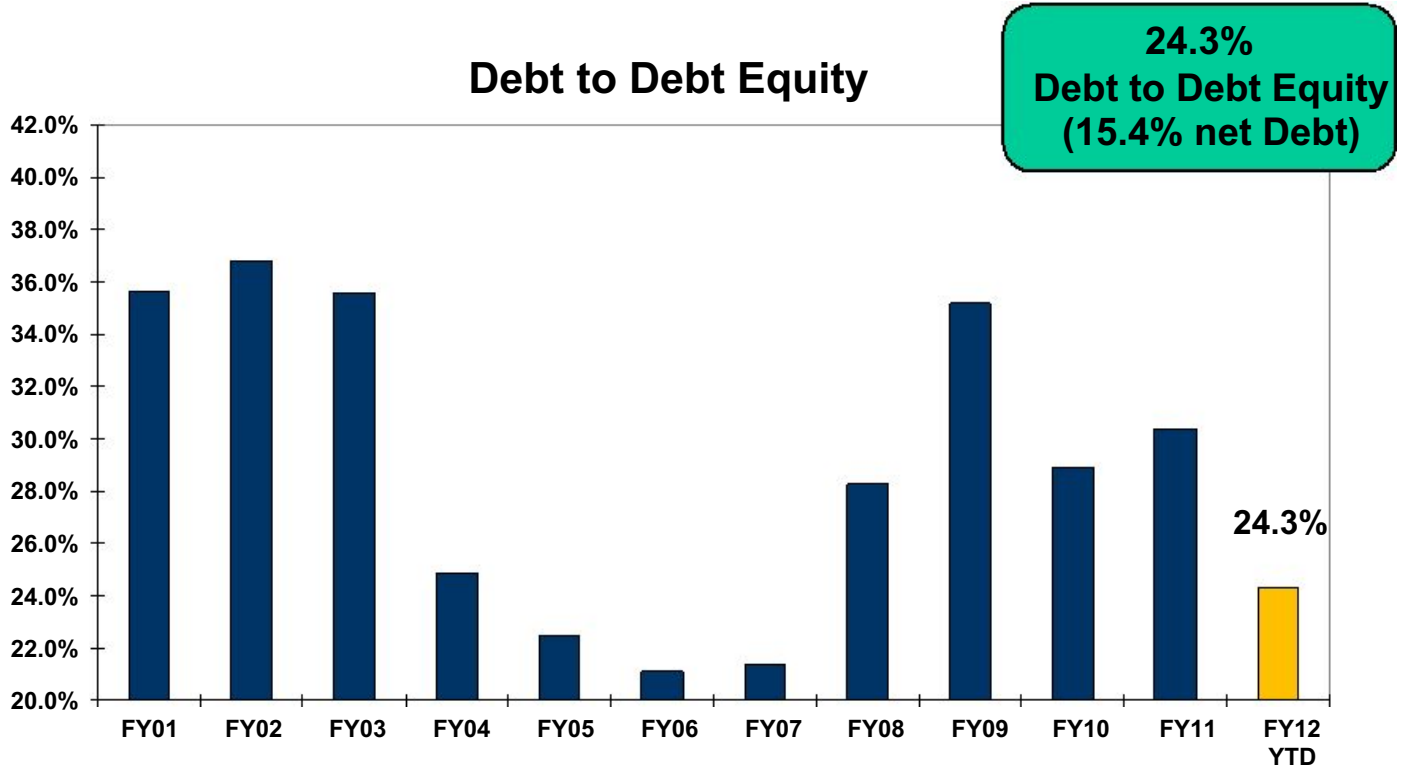
Cash From Operating Activities

| | <u>Q3 '12</u> | <u>Q3 '11</u> |
|---------------------|---------------|---------------|
| As Reported | \$443.0M | \$391.8M |
| As Reported % Sales | 13.1% | 12.1% |

Year-to-Date Cash from Operating Activities:

| | <u>YTD '12</u> | <u>YTD '11</u> |
|---------------------|----------------|----------------|
| As Reported | \$1,006.5M | \$799.9M |
| As Reported % Sales | 10.3% | 9.0% |

Financial Leverage



FY 2012 Earnings Outlook Assumptions Segment Sales & Operating Margins

| FY 2012 Sales change versus FY 2011 | | |
|--|---------------|------------------|
| Industrial North America | 11.0 % | -- 11.5 % |
| Industrial International | 3.3 % | -- 4.1 % |
| Aerospace | 8.0 % | -- 9.0 % |
| Climate & Industrial Controls | (3.9)% | -- (2.8)% |

| FY 2012 Operating margin percentages | | |
|---|---------------|------------------|
| Industrial North America | 17.3 % | -- 17.5 % |
| Industrial International | 14.9 % | -- 15.1 % |
| Aerospace | 13.2 % | -- 13.4 % |
| Climate & Industrial Controls | 8.0 % | -- 8.2 % |

FY 2012 Earnings Outlook Assumptions below Operating Margin (+/- .7%)

- Expenses Below Segment Operating Margin*
 - ❖ \$429M at Midpoint

- Tax Rate = 26.5%

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

Earnings Outlook – FY12

| | <u>Low</u> | <u>Midpoint</u> | <u>High</u> |
|----------------------------|------------|-----------------|-------------|
| Diluted earnings per share | \$ 7.30 | \$7.40 | \$7.50 |

Questions & Answers...

Appendix

Income Statement

- 3rd Quarter FY2012
- 3rd Quarter YTD FY2012

Income Statement – 3rd Quarter

| Dollars in millions | FY 2012 | | FY 2011 | |
|---|------------|------------|------------|------------|
| | | % of Sales | | % of Sales |
| Net Sales | \$ 3,393.5 | 100.0 % | \$ 3,240.1 | 100.0 % |
| Cost of sales | 2,590.3 | 76.3 % | 2,463.1 | 76.0 % |
| Gross profit | 803.2 | 23.7 % | 777.0 | 24.0 % |
| S, G & A | 377.5 | 11.1 % | 375.1 | 11.6 % |
| Interest expense | 22.3 | .7 % | 24.6 | .8 % |
| Other expense (income), net | 2.6 | .1 % | (12.4) | (.4)% |
| Income before taxes | 400.8 | 11.8 % | 389.7 | 12.0 % |
| Income taxes | 88.1 | 2.6 % | 108.1 | 3.3 % |
| Net income | \$ 312.7 | 9.2 % | \$ 281.6 | 8.7 % |
| Less: Noncontrolling interests | \$.6 | .0 % | \$ 2.0 | .1 % |
| Net income attributable to common shareholders | \$ 312.1 | 9.2 % | \$ 279.6 | 8.6 % |

Income Statement – 3rd Quarter YTD

| Dollars in millions | FY 2012 | | FY 2011 | |
|---|------------|------------|------------|------------|
| | | % of Sales | | % of Sales |
| Net Sales | \$ 9,734.3 | 100.0 % | \$ 8,936.0 | 100.0 % |
| Cost of sales | 7,386.1 | 75.9 % | 6,796.7 | 76.1 % |
| Gross profit | 2,348.2 | 24.1 % | 2,139.3 | 23.9 % |
| S, G & A | 1,132.6 | 11.6 % | 1,054.3 | 11.8 % |
| Interest expense | 69.3 | .8 % | 74.9 | .8 % |
| Other (income), net | (5.1) | (.1)% | (22.2) | (.2)% |
| Income before taxes | 1,151.4 | 11.8 % | 1,032.3 | 11.5 % |
| Income taxes | 298.2 | 3.1 % | 269.8 | 3.0 % |
| Net income | \$ 853.2 | 8.7 % | \$ 762.5 | 8.5 % |
| Less: Noncontrolling interests | \$ 3.3 | .0 % | \$ 5.6 | .0 % |
| Net income attributable to common shareholders | \$ 849.9 | 8.7 % | \$ 756.9 | 8.5 % |