

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended June 30, 2000

OR

[] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No. 1-4982

PARKER-HANNIFIN CORPORATION

(Exact name of registrant as specified in its charter)

Ohio	34-0451060
-----	-----
(State of Incorporation)	(I.R.S. Employer Identification No.)
6035 Parkland Boulevard, Cleveland, Ohio	44124-4141
-----	-----
(Address of Principal Executive Offices)	(Zip Code)
Registrant's telephone number, including area code	(216) 896-3000

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on which Registered
-----	-----
Common Shares, \$.50 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes No .

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive

proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K [X].

The aggregate market value of the voting stock held by non-affiliates of the Registrant as of August 31, 2000, excluding, for purposes of this computation, only stock holdings of the Registrant's Directors and Officers: \$4,029,986,104.

The number of Common Shares outstanding on August 31, 2000 was 116,337,804.

Portions of the following documents are incorporated by reference:

- (1) Annual Report to Shareholders of the Company for the fiscal year ended June 30, 2000. Incorporated by reference into Parts I, II and IV hereof.
- (2) Definitive Proxy Statement for the Company's 2000 Annual Meeting of Shareholders. Incorporated by reference into Part III hereof.

PARKER-HANNIFIN CORPORATION

FORM 10-K

Fiscal Year Ended June 30, 2000

PART I

ITEM 1. BUSINESS. Parker-Hannifin Corporation is a leading worldwide full-line manufacturer of motion control products, including fluid power systems, electromechanical controls and related components. Fluid power involves the transfer and control of power through the medium of liquid, gas or air, in hydraulic, pneumatic and vacuum applications. Fluid power systems move and position materials, control machines, vehicles and equipment and improve industrial efficiency and productivity. Components of a simple fluid power system include a pump or compressor which generates pressure, valves which control the fluid's flow, an actuator which translates the pressure in the fluid into mechanical energy, a filter to insure proper fluid condition and numerous hoses, couplings, fittings and seals. Electromechanical control involves the use of electronic components and systems to control motion and precisely locate or vary speed in automation applications. In addition to motion control products, the Company also is a leading worldwide producer of fluid purification, fluid flow, process instrumentation, air conditioning, refrigeration, and electromagnetic shielding and thermal management products.

The Company was incorporated in Ohio in 1938. Its principal executive offices are located at 6035 Parkland Boulevard, Cleveland, Ohio 44124-4141, telephone (216) 896-3000. As used in this Report, unless the context otherwise requires, the term "Company" or "Parker" refers to Parker-Hannifin Corporation and its subsidiaries.

The Company's manufacturing, service, distribution and administrative facilities are located in 38 states, Puerto Rico and worldwide in 45 foreign countries. Its motion control technology is used in the products of its two business Segments: Industrial and Aerospace. The products are sold as original and replacement equipment through product and distribution centers worldwide. The Company markets its products through its direct-sales employees and more than 7,500 independent distributors. Parker products are supplied to approximately 400,000 customers in virtually every significant manufacturing, transportation and processing industry. For the fiscal year ended June 30, 2000, net sales were \$5,355,337,000; Industrial Segment products accounted for 79% of net sales and Aerospace Segment products for 21%.

MARKETS

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Motion control systems are used throughout industry in applications which include moving of materials, controlling machines, vehicles and equipment and positioning materials during the manufacturing process. Motion control systems contribute to the efficient use of energy and improve industrial productivity.

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The approximately 400,000 customers who purchase the Company's products are found throughout virtually every significant manufacturing, transportation and processing industry. No customer accounted for more than 5% of the Company's total net sales for the fiscal year.

The major markets for products of the Fluid Connectors, Hydraulics, Automation and Seal Groups of the Industrial Segment are agricultural machinery, automotive, construction equipment, electronic equipment, fabricated metals, food production, industrial machinery, lumber and paper, machine tools, marine, medical equipment, mining, mobile equipment, chemicals, robotics, semi-conductor equipment, telecommunications, textiles, transportation and every other major production and processing industry. Products manufactured by the Industrial Segment's Climate and Industrial Controls Group are utilized principally in mobile air conditioning systems, industrial refrigeration systems, home and commercial air conditioning equipment and industrial process markets. The major markets for products manufactured by the Instrumentation Group of the Industrial Segment are power generation, oil and gas exploration, petrochemical and chemical processing, pulp and paper, semi-conductor manufacturing, medical and analytical applications. The major markets for products of the Filtration Group of the Industrial Segment are industrial machinery, mobile equipment, process equipment, marine, aviation, environmental and semi-conductor manufacturing. Sales of Industrial Segment products are made to original equipment

manufacturers and their replacement markets.

Aerospace Segment sales are made primarily to the commercial, military and general aviation markets and are made to original equipment manufacturers and to end users for maintenance, repair and overhaul.

PRINCIPAL PRODUCTS, METHODS OF DISTRIBUTION AND COMPETITIVE CONDITIONS

INDUSTRIAL SEGMENT. The product lines of the Company's Industrial Segment cover most of the components of motion control systems. The Fluid Connectors Group manufactures connectors, including tube fittings and hose fittings, valves, hoses and couplers, which control, transmit and contain fluid. The Hydraulics Group produces hydraulic components and systems for builders and users of industrial and mobile machinery and equipment, such as cylinders, accumulators, rotary actuators, valves, motors and pumps, hydrostatic steering units, power units, integrated hydraulic circuits, electrohydraulic systems and metering pumps. The Automation Group supplies pneumatic and electromechanical components and systems, including pneumatic valves, air preparation units, indexers, stepper and servo drives, multi-axis positioning tables, electric and pneumatic cylinders, structural extrusions, vacuum products, pneumatic logic and human/machine interface hardware and software. The Climate and Industrial Controls Group manufactures components and systems for use in industrial, residential, automotive and mobile air conditioning and refrigeration systems and other applications, including pressure regulators, solenoid valves, expansion valves, filter-dryers, gerotors and hose assemblies. The Seal Group manufactures sealing devices, including o-rings and o-seals, gaskets and packings, which insure leak-proof connections and electromagnetic interference shielding and thermal management products. The Filtration Group manufactures filters, systems and instruments to monitor and to remove contaminants from fuel, air, oil, water and other fluids and gases, including hydraulic, lubrication and coolant filters; process, chemical and microfiltration filters; compressed air and gas purification filters; lube oil and fuel filters; fuel conditioning filters; fuel filters/water separators; cabin

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air filters; nitrogen and hydrogen generators and condition monitoring devices. The Instrumentation Group manufactures high quality critical flow components for process instrumentation, ultra-high-purity, medical and analytical applications, including instrumentation and ultra-high-purity tube fittings, ball, plug and needle valves, packless ultra-high-purity valves, fluoropolymer fittings, tubing, valves and spray guns, miniature solenoid valves, multi-solenoid manifolds, regulators, transducers, quick connects, hose products and cylinder connections.

Industrial Segment products include both standard items which are produced in large quantities and custom units which are engineered and produced to original equipment manufacturers' specifications for application to a particular end product. Both standard and custom products are also used in the replacement of original motion control system components. Industrial Segment products are marketed primarily through field sales employees and more than 7,500 independent distributors.

AEROSPACE SEGMENT. The principal products of the Company's Aerospace Segment are hydraulic, fuel and pneumatic systems and components that are used on commercial and military airframe and engine programs.

The Aerospace Segment offers complete hydraulic systems, as well as primary flight control components that include hydraulic, electrohydraulic and electromechanical systems used for precise control of aircraft rudders, elevators, ailerons and other aerodynamic control surfaces and utility hydraulic components such as reservoirs, accumulators, selector valves, electrohydraulic servovalves, thrust-reverser actuators, engine-driven pumps, nosewheel steering systems, electromechanical actuators, engine controls and electronic controllers. The Aerospace Segment also designs and manufactures aircraft wheels and brakes for the general aviation and military markets.

The Aerospace fuel product line includes complete fuel systems as well as components such as fuel transfer and pressurization controls, in-flight refueling systems, fuel pumps and valves, fuel measurement and management systems and center of gravity controls, engine fuel injection atomization nozzles and augmentor controls, and electronic monitoring computers.

Pneumatic components include bleed air control systems, pressure regulators, low-pressure pneumatic controls, heat transfer systems, engine start systems, engine bleed control and anti-ice systems, and electronic control and monitoring computers.

Aerospace Segment products are marketed by the Company's regional sales organization and are sold directly to manufacturers and end users.

COMPETITION. All aspects of the Company's business are highly competitive. No single manufacturer competes with respect to all products manufactured and sold by the Company and the degree of competition varies with different products. In the Industrial Segment, the Company competes on the basis of product quality and innovation, customer service, its manufacturing and distribution capability, and competitive price. The Company believes that, in most of the major markets for its products, it is one of the principal suppliers of motion control systems and components.

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In the Aerospace Segment, the Company has developed alliances with key customers based on Parker's advanced technological and engineering capabilities, superior performance in quality, delivery, and service, and price competitiveness, which has enabled Parker to obtain significant original equipment business on new aircraft programs for its systems and components and, thereby, obtain the follow-on repair and replacement business for these programs. The Company believes that it is one of the primary suppliers in the aerospace marketplace.

RESEARCH AND PRODUCT DEVELOPMENT

The Company continually researches the feasibility of new products through its development laboratories and testing facilities in many of its worldwide manufacturing locations. Its research and product development staff includes chemists, mechanical, electronic and electrical engineers and physicists.

Research and development costs relating to the development of new products or services and the improvement of existing products or services amounted to \$89,059,000 in fiscal 2000, \$86,953,000 in fiscal 1999 and \$83,117,000 in fiscal 1998. Reimbursements of customer-sponsored research included in the total cost for each of the respective years were \$16,409,000, \$15,239,000 and \$15,753,000.

PATENTS, TRADEMARKS, LICENSES

The Company owns a number of patents, trademarks and licenses related to its products and has exclusive and non-exclusive rights under patents owned by others. In addition, patent applications on certain products are now pending, although there can be no assurance that patents will be issued. The Company is not dependent to any material extent on any single patent or group of patents.

BACKLOG AND SEASONAL NATURE OF BUSINESS

The Company's backlog at June 30, 2000 was approximately \$1,797,233,000 and at June 30, 1999 was approximately \$1,625,637,000. Approximately 83% of the Company's backlog at June 30, 2000 is scheduled for delivery in the succeeding twelve months. The Company's business generally is not seasonal in nature.

ENVIRONMENTAL REGULATION

The Company is subject to federal, state and local laws and regulations designed to protect the environment and to regulate the discharge of materials into the environment. Among other environmental laws, the Company is subject to the federal "Superfund" law, under which the Company has been designated as a "potentially responsible party" and may be liable for cleanup costs associated with various waste sites, some of which are on the U.S. Environmental Protection Agency Superfund priority list.

As of August 31, 2000, the Company is involved in environmental remediation at 22 manufacturing facilities presently or formerly operated by the Company and has been named as a

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"potentially responsible party," along with other companies at ten off-site waste disposal facilities and two regional Superfund sites.

The Company believes that its policies, practices and procedures are properly designed to prevent unreasonable risk of environmental damage and the consequent financial liability to the Company. Compliance with environmental laws and regulations requires continuing management effort and expenditures by the Company. Compliance with environmental laws and regulations has not had in the past, and, the Company believes, will not have in the future, material effects on the capital expenditures, earnings, or competitive position of the Company.

As of August 31, 2000, the Company has a reserve of \$17,077,000 for environmental matters which are probable and reasonably estimable. This reserve is recorded based upon the best estimate of net costs to be incurred in light of the progress made in determining the magnitude of remediation costs, the timing and extent of remedial actions required by governmental authorities, the amount of the Company's liability in proportion to other responsible parties and any recoveries receivable.

The Company's estimated total liability for the above mentioned sites ranges from a minimum of \$17,080,000 to a maximum of \$36,465,000. The actual costs to be incurred by the Company will be dependent on final delineation of contamination, final determination of remedial action required, negotiations with federal and state agencies with respect to cleanup levels, changes in regulatory requirements, innovations in investigatory and remedial technology, effectiveness of remedial technologies employed, the ultimate ability to pay of the other responsible parties, and any insurance recoveries.

ENERGY MATTERS AND SOURCES AND AVAILABILITY OF RAW MATERIALS

The Company's primary energy source for each of its business segments is electric power. While the Company cannot predict future costs of such electric power, the primary source for production of the required electric power will be coal from substantial, proven coal reserves available to electric utilities. The Company is subject to governmental regulations in regard to energy supplies both in the United States and elsewhere. To date the Company has not experienced any significant disruptions of its operations due to energy curtailments.

Steel, brass, aluminum and elastomeric materials are the principal raw materials used by the Company. These materials are available from numerous sources in quantities sufficient to meet the requirements of the Company.

EMPLOYEES

The Company employed 43,895 persons as of June 30, 2000, of whom 16,680 were employed by foreign subsidiaries.

BUSINESS SEGMENT INFORMATION

The net sales, segment operating income and identifiable assets by business segment and net sales and long-lived assets by geographic area for the past three fiscal years, as set forth on page 25 of the Annual Report and specifically excerpted on pages 13-16 to 13-17 of Exhibit 13 hereto, are incorporated herein by reference.

ACQUISITIONS

During fiscal 2000 the Company completed several acquisitions. The discussion of these acquisitions, as set forth on page 27 of the Annual Report and specifically excerpted on page 13-20 of Exhibit 13 hereto, is incorporated herein by reference. On July 21, 2000 the Company completed its purchase of Wynn's International, Inc. ("Wynn's"). The discussion of this acquisition, as set forth on page 35 of the Annual Report and specifically excerpted on page 13-33 of Exhibit 13 hereto, is incorporated herein by reference.

ITEM 1A. EXECUTIVE OFFICERS OF THE COMPANY

The Company's Executive Officers are as follows:

<TABLE>
 <CAPTION>

Name -----	Position -----	Officer Since (1)	Age
<S> Duane E. Collins	<C> Chief Executive Officer and Chairman of the Board of Directors	<C> 1983	<C> 64
Donald E. Washkewicz	President, Chief Operating Officer and Director	1997	50
Dennis W. Sullivan	Executive Vice President and Director	1978	61
Lawrence M. Zeno	Vice President	1993	58
Claus Beneker	Vice President - Technical Director	1999	60
Robert W. Bond	Vice President and President, Automation Group	2000	43

Paul L. Carson	Vice President - Information Services	1993	64
Lynn M. Cortright	Vice President and President, Climate & Industrial Controls Group	1999	59
Dana A. Dennis	Controller	1999	52
Daniel T. Garey	Vice President - Human Resources	1995	57

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<TABLE>

<S>	<C>	<C>	<C>
Stephen L. Hayes	Vice President and President, Aerospace Group	1993	59
Michael J. Hiemstra	Vice President - Finance and Administration and Chief Financial Officer	1987	53
Marwan M. Kashkoush	Vice President and President, Hydraulics Group	2000	46
Thomas W. Mackie	Vice President and President, Instrumentation Group	2000	53
John D. Myslenski	Vice President and President, Fluid Connectors Group	1997	49
John K. Oelslager	Vice President and President, Filtration Group	1997	57
Thomas A. Piraino, Jr.	Vice President, General Counsel and Secretary	1998	51
Timothy K. Pistell	Treasurer	1993	53
Nickolas W. Vande Steeg	Vice President and President, Seal Group	1995	57

</TABLE>

- (1) Officers of the Company serve for a term of office from the date of election to the next organizational meeting of the Board of Directors and until their respective successors are elected, except in the case of death, resignation or removal. Messrs. Sullivan, Carson, Garey, Hayes, Hiemstra and Pistell have served in the executive capacities indicated above during the past five years.

Mr. Collins was named Chairman of the Board of Directors of the Company in October 1999. He was elected Chief Executive Officer in July 1993. He was President from July 1993 to February 2000.

Mr. Washkewicz was elected President and Chief Operating Officer in February 2000. Mr. Washkewicz was a Vice President and President of the Hydraulics Group from October 1997 to February 2000 and Vice President-Operations of the Fluid Connectors Group from October 1994 to October 1997.

Mr. Zeno was elected as a Vice President in October 1993. Mr. Zeno was a President of the Motion and Control Group from January 1994 to June 1997.

Mr. Beneker was elected as Vice President - Technical Director effective in February 1999. He was Vice President of Business Development of the Aerospace Group from July 1995 to February 1999.

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Mr. Bond was elected as a Vice President in July 2000 and named President of the Automation Group effective in March 2000. He was Vice President - Operations of the Fluid Connectors Group from July 1997 to March 2000 and General Manager of the Quick Coupling Division from January 1992 to June 1997.

Mr. Cortright was elected as a Vice President in January 1999 and was named President of the Climate & Industrial Controls Group in October 1998. He was President of the Latin American Group from November 1987 to October 1998.

Mr. Dennis was elected Controller effective July 1999. He was Vice President/Controller of the Automation Group from August 1997 to July 1999 and Vice President/Controller of the Motion and Control Group from July 1994 to August 1997.

Mr. Kashkoush was elected as a Vice President in July 2000 and named President of the Hydraulics Group in February 2000. He was President of the

European Operations of the Hydraulics Group from February 1999 to February 2000; Group Vice President - Sales and Marketing of the Hydraulics Group from July 1997 to February 1999; and Operations Manager of the Troy, Michigan Sales Division from February 1994 to July 1997.

Mr. Mackie was elected as a Vice President in July 2000 and named President of the Instrumentation Group in July 1997. He was Vice President - Operations of the Fluid Connectors Group from July 1994 to July 1997.

Mr. Myslenski was elected as a Vice President in October 1997 and named President of the Fluid Connectors Group in July 1997. He was Vice President-Operations of the Fluid Connectors Group from March 1989 to June 1997.

Mr. Oelslager was elected as a Vice President in October 1997 and named President of the Filtration Group effective in March 2000. He was President of the Automation Group from July 1997 to March 2000 and Vice President - Operations of the Motion and Control Group from July 1995 to June 1997.

Mr. Piraino was elected as Vice President, General Counsel and Secretary effective in July 1998. He was Vice President-Law from July 1990 to June 1998.

Mr. Vande Steeg was elected as a Vice President effective in September 1995. He has been President of the Seal Group since 1987.

ITEM 2. PROPERTIES. The following table sets forth the principal plants and other materially important properties of the Company and its subsidiaries. The leased properties are indicated with an asterisk. A "(1)" indicates that the property is occupied by the Company's Industrial Segment, a "(2)" indicates properties occupied by the Aerospace Segment, and a "(3)" indicates that the property is occupied by a business that the Company acquired in the Commercial Intertech or Wynn's acquisition that the Company plans on divesting or is exploring the possibility of divesting.

UNITED STATES

State -----	City ----
Alabama	Boaz (1) Decatur (1) Huntsville (1) Jacksonville (1)
Arizona	Glendale (2) Tempe (1) Tolleson (2) Tucson (1)
Arkansas	Benton (1) Siloam Springs (1) Trumann (1)
California	Azusa (3) Irvine (1) (2) Modesto (1) Newbury Park* (1) Orange (3) Richmond (1) Rohnert Park (1) San Diego (1)
Connecticut	New Britain (1)
Florida	Longwood (1) Miami* (1) Sarasota (1)
Georgia	Dublin (2)
Idaho	Boise* (1)
Illinois	Broadview (1) Des Plaines (1) Hampshire (1) Ladd (1) Lincolnshire* (1) Mount Prospect* (1) Rockford (1)
Indiana	Albion (1) Ashley (1) Goshen (1) Lebanon (1) Syracuse (1) Tell City (1)
Iowa	Red Oak (1)
Kansas	Manhattan (1)
Kentucky	Berea (1)

State -----	City -----
	Lexington (1)
	Springfield(1)
Louisiana	Harvey* (1)
Maine	Portland(1)
Maryland	Linthicum* (1)
Massachusetts	Ayer (2)
	Haverhill* (1)
	Tewksbury* (1)
	Woburn(1)
Michigan	Kalamazoo (2)
	Lakeview(1)
	Otsego(1)
	Oxford(1)
	Richland(1)
	Troy* (1)
Minnesota	Chanhasen* (1)
	Golden Valley(1)
	Minneapolis(1)
Mississippi	Batesville(1)
	Booneville(1)
	Madison(1)
Missouri	Kennett(1)
Nebraska	Gothenburg(1)
	Lincoln(1)
Nevada	Carson City(1)
New Hampshire	Hollis* (1)
	Hudson(1)
	Portsmouth* (1)
New Jersey	Belleville* (1)
	Fairfield* (1)
New York	Chestnut Ridge(1)
	Clyde(2)
	Lyons(1)
	Smithtown(2)
North Carolina	Forest City(1)
	Hillsborough(1)
	Kings Mountain(1)
	Sanford(1)
	Snow Hill(1)
	Wake Forest* (1)
	Wilson(1)
Ohio	Akron(1)
	Andover (2)

State -----	City -----
	Avon (2)
	Brookville(1)
	Columbus (1)
	Cuyahoga Falls* (1)
	Dayton* (1)
	Eastlake(1)
	Eaton(1)
	Elyria(1) (2)
	Englewood* (1)
	Forest (2)
	Green Camp(1)
	Hicksville(1)
	Kent (1)
	Lewisburg (1)
	Lewiston* (1)
	Mayfield Heights(1) (2)
	Mentor* (2)
	Metamora (1)
	Milford* (1)
	Ravenna (1)
	St. Marys (1)
	Wadsworth (1)
	Wickliffe (1)
	Youngstown(1) (3)
Oklahoma	Henryetta* (1)
Oregon	Eugene(1)
Pennsylvania	Canton(1)

South Carolina	Harrison City(1) Reading(1) Beaufort(1) Bishopville*(1) Mount Holley(2) Spartanburg(1)
Tennessee	Greeneville(1) Greenfield(1) Lebanon(1) Livingston(1) Memphis*(1)
Texas	Big Spring*(1) Cleburne(1) Ft. Worth(1) Mansfield(1) Saginaw(3)

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State -----	City -----
Utah	Ogden(2) Salt Lake City(1)
Virginia	Lynchburg(1)
Washington	Seattle*(1)
Wisconsin	Chetek(1) Grantsburg(1) Mauston(1) Waukesha(1)
Territory -----	City -----
Puerto Rico	Ponce*(2)

FOREIGN COUNTRIES

Country -----	City -----
Argentina	Buenos Aires(1)
Australia	Castle Hill(1) Port Melbourne(1) Wodonga*(1)
Austria	Wiener Neustadt(1)
Belgium	Brussels*(1) St. Niklaas(3)
Brazil	Cachoerinha(1) Jacarei(1) Mairinque(1) Sao Paulo(1)
Canada	Grimsby(1) Orillia(1) Owen Sound(1)
Chile	Santiago*(1)
Czech Republic	Chomutov*(1) Prague*(1) Prerov*(3) Sadska(1)
Denmark	Espergarde(1) Ishoj(1)
Egypt	Cairo*(1)
England	Barnstaple(1) Buxton(1) Cannock(1)

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FOREIGN COUNTRIES

Country -----	City -----
	Cheltenham*(1) Derby(1)

	Dewsbury(1)
	Grantham(1)
	Hemel Hempstead(1)
	Marlow*(1)
	Ossett(1)
	Poole*(1)
	Rotherham(1)
	Thetford(1)
	Warwick(1)
	Watford(1)
Finland	Hyrnsalmi*(1)
	Urjala(1)
	Vantaa(1)
France	Annemasse(1)
	Contamine(1)
	Evreux(1)
	Pontarlier(1)
	Wissembourg(1)
Germany	Bielefeld(1)
	Bietigheim-Bissingen(1)
	Chemnitz(1)
	Cologne(1)
	Erfurt(1)
	Geringswalde(1)
	Hochmossingen(1)
	Kaarst(1)
	Lampertheim(1)
	Mucke(1)
	Offenburg*(1)
	Pleidelsheim(1)
	Queckborn(1)
	Scholss-Holte(1)
	Weilheim(1)
	Wiesbaden(2)
Greece	Athens*(1)
Hong Kong	Hong Kong*(1)
Hungary	Budapest*(1)
India	Mumbai*(1)
Ireland	Dublin*(1)

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FOREIGN COUNTRIES

Country -----	City ----
Italy	Adro(1)
	Arsago Seprio(1)
	Corsico(1)
	Gessate(1)
Japan	Yokohama(1)(2)
Luxembourg	Diekirch(3)
Malaysia	Kuala Lumpur*(2)
Mexico	Matamoros(1)
	Montemorelos(1)
	Monterrey(1)
	Tijuana(1)
	Toluca(1)
Netherlands	Amelo*(1)
	Etten-Leur*(1)
	Hendrik-Ido-Ambacht(1)
	Hoogezand(1)
	Oldenzaal(1)
New Zealand	Mt. Wellington(1)
Norway	Langhus(1)
Peoples Republic of China	Beijing*(1)(2)
	Shanghai*(1)
Poland	Warsaw*(1)
	Wroclaw(1)
Portugal	Porto*(1)
Romania	Bucharest*(1)
Russia	Moscow*(1)
Saudi Arabia	Ryad*(1)
Singapore	Singapore*(1)
Slovenia	Novo Mesto*(1)
South Africa	Kempton Park(1)
South Korea	Chonan(1)
	Seoul*(1)
	Suwon(1)
	Yangsan(1)
Spain	Madrid*(1)

Sweden

Boras(1)
Falkoping(1)
Flen(1)
Spanga(1)
Trollhatten(1)
Ulricehamn(1)

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FOREIGN COUNTRIES

Country -----	City ----
Switzerland	Geneva(1)
Taiwan	Taipei*(1)
Thailand	Bangkok*(1)
Ukraine	Kiev*(1)
United Arab Emirates	Abu Dhabi*(1)
Venezuela	Caracas*(1)

The Company believes that its properties have been adequately maintained, are in good condition generally and are suitable and adequate for its business as presently conducted. The extent of utilization of the Company's properties varies among its plants and from time to time. Additional capacity has been added as the Company expands through business combinations. The Company's material manufacturing facilities remain capable of handling additional volume increases.

ITEM 3. LEGAL PROCEEDINGS. None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS. Not applicable.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS. As of August 31, 2000, the number of shareholders of record of the Company was 6,427 and the number of beneficial owners was approximately 48,650. Information regarding stock price and dividend information with respect to the Company's common stock, as set forth on page 35 of the Annual Report and specifically excerpted on page 13-34 of Exhibit 13 hereto, is incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA. The information set forth on pages 36 and 37 of the Annual Report, as specifically excerpted on page 13-37 of Exhibit 13 hereto, is incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS. The information set forth on pages 18, 20, 22, 24 and 38 of the Annual Report, as specifically excerpted on pages 13-1 to 13-9 of Exhibit 13 hereto, is incorporated herein by reference.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK. The Company enters into forward exchange contracts, costless collar contracts and cross-currency swap agreements to reduce its exposure to fluctuations in related foreign currencies. The total value of open contracts and any risk to the Company as a result of these arrangements is not material to the Company's financial position, liquidity or results of operations. For further discussion see the Significant Accounting Policies Footnote on page 27 of the Annual Report, as specifically excerpted on page 13-19 of Exhibit 13 hereto and incorporated herein by reference.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA. The information set forth on pages 17, 19, 21, 23, 25 to 35 and 38 of the Annual Report, as specifically excerpted on pages 13-10 to 13-36 of Exhibit 13 hereto, is incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE. Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT. Information required as to the Directors of the Company is contained on pages 1 to 3 of the

Company's definitive Proxy Statement dated September 25, 2000 (the "Proxy Statement") under the caption "Election of Directors." The foregoing information is incorporated herein by reference. Information as to the executive officers of the Company is included in Part I hereof.

ITEM 11. EXECUTIVE COMPENSATION. The information set forth under the caption "Compensation of Directors" on page 3 of the Proxy Statement and under the caption "Executive Compensation" on pages 7 to 10 of the Proxy Statement is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT. The information set forth under the caption "'Change in Control" Severance Agreements with Officers" on page 10 of the Proxy Statement and under the caption "Principal Shareholders of the Corporation" on page 12 of the Proxy Statement is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS. Not applicable.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

a. The following are filed as part of this report:

1. FINANCIAL STATEMENTS AND SCHEDULE

The financial statements and schedule listed in the accompanying Index to Consolidated Financial Statements and Schedules are filed or incorporated by reference as part of this Report.

2. EXHIBITS

The exhibits listed in the accompanying Exhibit Index and required by Item 601 of Regulation S-K (numbered in accordance with Item 601 of Regulation S-K) are filed or incorporated by reference as part of this Report.

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b. During the quarter ended June 30, 2000, the Registrant filed the following reports on Form 8-K:

1. On April 12, 2000 to file the press release issued jointly by the Registrant and Commercial Intertech Corp. announcing the completion of the merger of Commercial Intertech Corp. with and into the Registrant with Registrant as the surviving corporation effective April 11, 2000.

2. On June 23, 2000 (a) to file the press release issued jointly by the Registrant and Wynn's International, Inc. announcing that the Registrant entered into an Agreement and Plan of Merger with WI Holding Inc. and Wynn's International, Inc. whereby WI Holding Inc. will commence a tender offer to purchase all of the outstanding common stock of Wynn's International, Inc. and following the purchase of such shares WI Holding Inc. will be merged with Wynn's International, Inc.; and (b) to file the Agreement and Plan of Merger, Stockholder Tender Agreement and Consulting Agreement relating thereto.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

PARKER-HANNIFIN CORPORATION

By: /s/ Michael J. Hiemstra

Michael J. Hiemstra

September 28, 2000

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report on Form 10-K has been signed below by the following persons in the capacities and on the date indicated.

SIGNATURE AND TITLE

DUANE E. COLLINS, Chairman of the Board of Directors and Chief Executive Officer; DANA A. DENNIS, Contoller and Principal Accounting Officer; JOHN G. BREEN, Director; PAUL C. ELY, JR., Director; PETER W. LIKINS, Director; GIULIO MAZZALUPI, Director; KLAUS-PETER MUELLER, Director; HECTOR R. ORTINO, Director; ALLAN L. RAYFIELD, Director; WOLFGANG R. SCHMITT, Director; DEBRA L. STARNES, Director; DENNIS W. SULLIVAN, Director; and DONALD E. WASHKEWICZ, Director.

Date: September 28, 2000

/s/ Michael J. Hiemstra
Michael J. Hiemstra, Vice President - Finance and Administration, Principal Financial Officer and Attorney-in-Fact

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PARKER-HANNIFIN CORPORATION
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULES

<TABLE>
<CAPTION>

	Reference	
	-----	-----
	Form 10-K Annual Report (Page)	Excerpt from Annual Report as set forth in Exhibit 13 (Page)
	-----	-----
--		
--		
DATA INCORPORATED BY REFERENCE FROM THE ANNUAL REPORT AS SPECIFICALLY EXCERPTED IN EXHIBIT 13 HERETO:		
<S>	<C>	<C>
Report of Independent Accountants	---	13-36
Consolidated Statement of Income for the years ended June 30, 2000, 1999 and 1998	---	13-10
Consolidated Statement of Comprehensive Income for the years ended June 30, 2000, 1999 and 1998	---	13-11
Consolidated Balance Sheet at June 30, 2000 and 1999	---	13-12 and 13-13
Consolidated Statement of Cash Flows for the years ended June 30, 2000, 1999 and 1998	---	13-14 and 13-15
Notes to Consolidated Financial Statements	---	13-18 to 13-34
Report of Independent Accountants on the Financial Statement Schedule	F-2	
SCHEDULE:		
II - Valuation and Qualifying Accounts	F-3	---

</TABLE>

Individual financial statements and related applicable schedules for the Registrant (separately) have been omitted because the Registrant is primarily an operating company and its subsidiaries are considered to be totally-held.

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Report of Independent Accountants on
Financial Statement Schedule

To the Board of Directors
of Parker-Hannifin Corporation:

Our audits of the consolidated financial statements referred to in our report dated July 28, 2000 appearing in the 2000 Annual Report to Shareholders of Parker-Hannifin Corporation (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the financial statement schedule listed in Item 14(a)(1) of this Form 10-K. In our opinion, this financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/s/ PricewaterhouseCoopers LLP

Cleveland, Ohio
July 28, 2000

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PARKER-HANNIFIN CORPORATION

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED JUNE 30, 1998, 1999 and 2000
(Dollars in Thousands)

<TABLE>
<CAPTION>

Column A	Column B	Column C	Column D	Column E
Description	Balance at Beginning Of Period	Additions Charged to Costs and Expenses	Other (Deductions)/ Additions (A)	Balance At End Of Period
ALLOWANCE FOR DOUBTFUL ACCOUNTS:				
<S>	<C>	<C>	<C>	<C>
Year ended June 30, 1998	5,904	2,267	833	9,004
Year ended June 30, 1999	9,004	2,318	(1,925)	9,397
Year ended June 30, 2000	9,397	2,996	(1,973)	10,420

(A) Net balance of deductions due to uncollectible accounts charged off and additions due to acquisitions or recoveries.

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Exhibit Index

EXHIBIT NO.	DESCRIPTION OF EXHIBIT
(3)	ARTICLES OF INCORPORATION AND BY-LAWS
(3) (a)	Amended Articles of Incorporation(A).

(3) (b) Code of Regulations, as amended(B).

(4) INSTRUMENTS DEFINING RIGHTS OF SECURITY HOLDERS:

(4) (a) Rights Agreement, dated January 31, 1997, between the Registrant and KeyBank National Association ("KeyBank") (C), as amended by the First Addendum to Shareholder Protection Rights Agreement, dated April 21, 1997, between the Registrant and Wachovia Bank of North Carolina N.A. ("Wachovia"), as successor to KeyBank(D), and the Second Addendum to Shareholder Protection Rights Agreement, dated June 15, 1999, between the Registrant and National City Bank, as successor to Wachovia(D).

The Registrant is a party to other instruments, copies of which will be furnished to the Commission upon request, defining the rights of holders of its long-term debt identified in Note 8 of the Notes to Consolidated Financial Statements appearing on pages 29 and 30 of the Annual Report as specifically excerpted on page 13-24 of Exhibit 13 hereto, which Note is incorporated herein by reference.

(10) MATERIAL CONTRACTS:

(10) (a) Form of Change in Control Severance Agreement entered into by the Registrant and executive officers(E).(*)

(10) (b) Parker-Hannifin Corporation Change in Control Severance Plan, as amended(F).(*)

(10) (c) Form of Indemnification Agreement entered into by the Registrant and its directors and executive officers.

(10) (d) Exchange Agreement entered into as of May 11, 1999 between the Registrant and Duane E. Collins including an Executive Estate Protection Plan comprised of the Executive Estate Protection Agreement entered into by the Registrant, Duane E. Collins and The Duane E. Collins Irrevocable Trust dated 5/10/99 (the "Trust"), the Collateral Assignment between the Registrant and the Trust and the "as sold" illustration of an Executive Estate Protection Plan Insurance Policy(G).(*)

Exhibit Index

EXHIBIT NO. -----	DESCRIPTION OF EXHIBIT -----
(10) (e)	Exchange Agreement entered into as of October 29, 1999 between the Registrant and Michael J. Hiemstra including an Executive Estate Protection Plan comprised of the Executive Estate Protection Agreement among the Registrant, Michael J. Hiemstra, and the Irrevocable Trust Creating Vested Trusts for Children of Michael J. Hiemstra dated August 16, 1999 (the "Trust") and the Collateral Assignment between the Trust and the Registrant(H).(*)
(10) (f)	Exchange Agreement entered into as of February 22, 2000 between the Registrant and Daniel T.Garey including the Executive Estate Protection Agreement among the Registrant, Daniel T. Garey, and the Daniel T. Garey and Diane-Worthington Garey Irrevocable Trust dated December 22, 1999 (the "Trust") and the Collateral Assignment between the Trust and the Registrant(I).(*)
(10) (g)	Form of Executive Life Insurance Agreement entered into by the Registrant and executive officers (J).(*)
(10) (h)	Parker-Hannifin Corporation Supplemental Executive Retirement Benefits Program (August 15, 1996 Restatement) (K).(*)
(10) (i)	Parker-Hannifin Corporation 1990 Employees Stock Option Plan, as amended(L).(*)
(10) (j)	Parker-Hannifin Corporation 1993 Stock Incentive Program, as amended(M).(*)
(10) (k)	Parker-Hannifin Corporation 2000 Target Incentive Bonus

Plan Description (N).(*)

- (10) (l) Parker-Hannifin Corporation 2001 Target Incentive Bonus Plan Description.(*)
- (10) (m) Parker-Hannifin Corporation 1998-99-00 Long Term Incentive Plan Description, as amended(O).(*)
- (10) (n) Parker-Hannifin Corporation 1999-00-01 Long Term Incentive Plan Description(P).(*)
- (10) (o) Parker-Hannifin Corporation 2000-01-02 Long Term Incentive Plan Description(Q).(*)
- (10) (p) Parker-Hannifin Corporation 2001-02-03 Long Term Incentive Plan Description.(*)
- (10) (q) Parker-Hannifin Corporation Savings Restoration Plan, as restated.(*)

Exhibit Index

EXHIBIT NO. -----	DESCRIPTION OF EXHIBIT -----
(10) (r)	Parker-Hannifin Corporation Pension Restoration Plan, as amended and restated(R).(*)
(10) (s)	Parker-Hannifin Corporation Executive Deferral Plan, as restated.(*)
(10) (t)	Parker-Hannifin Corporation Volume Incentive Plan, as amended.(*)
(10) (u)	Parker-Hannifin Corporation Non-Employee Directors' Stock Plan, as amended(S).(*)
(10) (v)	Parker-Hannifin Corporation Non-Employee Directors Stock Option Plan(T).(*)
(10) (w)	Parker-Hannifin Corporation Deferred Compensation Plan for Directors, as amended and restated(U).(*)
(10) (x)	Parker-Hannifin Corporation Stock Option Deferral Plan(V).(*)
(10) (y)	Agreement and Plan of Merger, dated as of January 14, 2000, by and between Commercial Intertech Corp. and the Registrant(W).
(10) (z)	Agreement and Plan of Merger, dated as of June 13, 2000, by and among Wynn's International, Inc., the Registrant and WI Holding Inc.(X).
(11)	Computation of Common Shares Outstanding and Earnings Per Share is incorporated by reference to Note 5 of the Notes to Consolidated Financial Statements appearing on page 29 of the Annual Report as specifically excerpted on pages 13-22 and 13-23 of Exhibit 13 hereto.
(12)	Computation of Ratio of Earnings to Fixed Charges as of June 30, 2000.
(13)	Excerpts from Annual Report to Shareholders for the fiscal year ended June 30, 2000 which are incorporated herein by reference thereto.
(21)	List of subsidiaries of the Registrant.
(23)	Consent of Independent Accountants.
(24)	Power of Attorney.
(27)	Financial Data Schedule.

(*)Management contracts or compensatory plans or arrangements.

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- (A) Incorporated by reference to Exhibit 3 to the Registrant's Report on Form 10-Q for the quarterly period ended September 30, 1997.
 - (B) Incorporated by reference to Exhibits to the Registrant's Registration Statement on Form S-8 (No. 33-53193) filed with the Commission on April 20, 1994.
 - (C) Incorporated by reference to Exhibit 4.1 to the Registrant's Report on Form 8-K filed with the Commission on February 4, 1997.
 - (D) Incorporated by reference to Exhibit 4(a) to the Registrant's Report on Form 10-K for the fiscal year ended June 30, 1999.
 - (E) Incorporated by reference to Exhibit 10(a) to the Registrant's Report on Form 10-K for the fiscal year ended June 30, 1996.
 - (F) Incorporated by reference to Exhibit 10(b) to the Registrant's Report on Form 10-K for the fiscal year ended June 30, 1996.
 - (G) Incorporated by reference to Exhibit 10(d) to the Registrant's Report on Form 10-K for the fiscal year ended June 30, 1999.
 - (H) Incorporated by reference to Exhibit 10(a) to the Registrant's Report on Form 10-Q for the quarterly period ended December 31, 1999.
 - (I) Incorporated by reference to Exhibit 10(a) to the Registrant's Report on Form 10-Q for the quarterly period ended March 31, 2000.
 - (J) Incorporated by reference to Exhibit (10) (e) to the Registrant's Report on Form 10-K for the fiscal year ended June 30, 1999.
 - (K) Incorporated by reference to Exhibit 10(e) to the Registrant's Report on Form 10-K for the fiscal year ended June 30, 1996.
 - (L) Incorporated by reference to Exhibit 10(g) to the Registrant's Report on Form 10-K for the fiscal year ended June 30, 1996.
 - (M) Incorporated by reference to Exhibit 10 to the Registrant's Report on Form 10-Q for the quarterly period ended September 30, 1997.
 - (N) Incorporated by reference to Exhibit 10(k) to the Registrant's Report on Form 10-K for the fiscal year ended June 30, 1999.
 - (O) Incorporated by reference to Exhibit 10(m) to the Registrant's Report on Form 10-K for the fiscal year ended June 30, 1997.
 - (P) Incorporated by reference to Exhibit 10(m) to the Registrant's Report on Form 10-K for the fiscal year ended June 30, 1998.
 - (Q) Incorporated by reference to Exhibit 10(a) to the Registrant's Report on Form 10-Q for the quarterly period ended September 30, 1999.
 - (R) Incorporated by reference to Exhibit 10(p) to the Registrant's Report on Form 10-K for the fiscal year ended June 30, 1998.
 - (S) Incorporated by reference to Exhibit 10(s) to the Registrant's Report on Form 10-K for the fiscal year ended June 30, 1996.
 - (T) Incorporated by reference to Exhibit 10(t) to the Registrant's Report on Form 10-K for the fiscal year ended June 30, 1996.
 - (U) Incorporated by reference to Exhibit 10(b) to the

Registrant's Report on Form 10-Q for the quarterly period ended September 30, 1999.

- (V) Incorporated by reference to Exhibit 10(u) to the Registrant's Report on Form 10-K for the fiscal year ended June 30, 1998.
- (W) Incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K dated January 17, 2000.
- (X) Incorporated by reference to Exhibit (d)(2) to the Schedule TO filed by the Registrant and WI Holding Inc. on June 22, 2000.

Shareholders may request a copy of any of the exhibits to this Annual Report on Form 10-K by writing to the Secretary, Parker-Hannifin Corporation, 6035 Parkland Boulevard, Cleveland, Ohio 44124-4141.

Exhibit (10)(c)* to Report
on Form 10-K for Fiscal
Year Ended June 30, 2000
by Parker-Hannifin Corporation

Form of Indemnification Agreement entered into by the Registrant and
its directors and executive officers.

*Numbered in accordance with Item 601 of Regulation S-K.

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INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("Agreement") is made as of the ____ day of _____, 200__, by and between Parker-Hannifin Corporation, an Ohio corporation (the "Company"), and _____ (the "Indemnitee"), a Director of the Company.

RECITALS

A. The Indemnitee is presently serving as a Director of the Company and the Company desires the Indemnitee to continue in that capacity. The Indemnitee is willing, subject to certain conditions including without limitation the execution and performance of this Agreement by the Company, to continue in that capacity.

B. In addition to the indemnification to which the Indemnitee is entitled under the Regulations of the Company (the "Regulations"), the Company has obtained, as its sole expense, insurance protecting the Company and its officers and directors including the Indemnitee against certain losses arising out of actual or threatened actions, suits, or proceedings to which such persons may be made or threatened to be made parties. However, as a result of circumstances having no relation to, and beyond the control of, the Company and the Indemnitee, the scope of that insurance has been reduced and there can be no assurance of the continuation or renewal of that insurance.

Accordingly, and in order to induce the Indemnitee to continue to serve in his present capacity, the Company and the Indemnitee agree as follows:

1. CONTINUED SERVICE. The Indemnitee shall continue to serve at the will

of the Company as a Director of the Company so long as he is duly elected and qualified in accordance with the Regulations or until he resigns in writing in accordance with applicable law.

2. INITIAL INDEMNITY. (a) The Company shall indemnify the Indemnitee, if or when he is a party or is threatened to be made a party to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Company), by reason of the fact that he is or was a Director of the Company or by reason of any action alleged to have been taken or omitted in any such capacity, against any and all costs, charges, expenses (including without limitation fees and expenses of attorneys and/or others; all such costs, charges and expenses being herein jointly referred to as "Expenses"), judgments, fines, and amounts paid in settlement, actually and reasonably incurred by the Indemnitee in connection therewith including any appeal of or from any judgment or decision, unless it is proved by clear and convincing evidence in a court of competent jurisdiction that the Indemnitee's action or failure to act involved an act or omission undertaken with deliberate intent to cause injury to the Company or undertaken with reckless disregard for the best interests of the Company. In addition, with respect to any criminal action or proceeding, indemnification hereunder

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shall be made only if the Indemnitee had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the Indemnitee did not satisfy the foregoing standard of conduct to the extent applicable thereto.

(b) The Company shall indemnify the Indemnitee, if or when he is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding by or in the right of the Company to procure a judgment in its favor, by reason of the fact that the Indemnitee is or was a Director of the Company against any and all Expenses actually and reasonably incurred by the Indemnitee in connection with the defense or settlement thereof or any appeal of or from any judgment or decision, unless it is proved by clear and convincing evidence in a court of competent jurisdiction that the Indemnitee's action or failure to act involved an act or omission undertaken with deliberate intent to cause injury to the Company or undertaken with reckless disregard for the best interests of the Company, except that no indemnification shall be made in respect of any action or suit in which the only liability asserted against Indemnitee is pursuant to Section 1701.95 of the Ohio Revised Code.

(c) Any indemnification under Section 2(a) or 2(b) (unless ordered by a court) shall be made by the Company only as authorized in the specific case upon a determination that indemnification of the Indemnitee is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 2(a) or 2(b). Such authorization shall be made (i) by the Directors of the Company (the "Board") by a majority vote of a quorum consisting of Directors who were not and are not parties to or threatened with such action, suit, or proceeding, or (ii) if such a quorum of disinterested Directors is not available or if a majority of such quorum so directs, in a written opinion by independent legal counsel (designated for such purpose by the Board) which shall not be an attorney, or a firm having associated with it an attorney, who has been retained by or who has performed services for the Company, or any person to be indemnified, within the five years preceding such determination, or (iii) by the shareholders of the Company (the "Shareholders"), or (iv) by the court in which such action, suit, or proceeding was brought.

(d) To the extent that the Indemnitee has been successful on the merits or otherwise, including without limitation the dismissal of an action without prejudice, in defense of any action, suit, or proceeding referred to in Section 2(a) or 2(b), or in defense of any claim, issue, or matter therein, he shall be indemnified against Expenses actually and reasonably incurred by him in connection therewith. Expenses actually and reasonably incurred by the Indemnitee in defending any such action, suit, or proceeding shall be paid by the Company as they are incurred in advance of the final disposition of such action, suit, or proceeding under the procedure set forth in Section 4(b) hereof.

(e) For purposes of this Agreement, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on the Indemnitee with respect to any employee benefit plan; references to "serving at the request of the Company" shall include any service as a director, officer, employee, or agent of the Company which imposes duties on, or involves services by, the Indemnitee with respect to an employee

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benefit plan, its participants or beneficiaries; references to the masculine shall include the feminine; and references to the singular shall include the plural and VICE VERSA.

3. ADDITIONAL INDEMNIFICATION. Pursuant to Section 1701.13(E) (6) of the Ohio Revised Code (the "ORC"), without limiting any right which the Indemnitee may have pursuant to Section 2 hereof or any other provision of this Agreement or the Articles, the Regulations, the ORC, any policy of insurance, or otherwise, but subject to any limitation on the maximum permissible indemnity which may exist under applicable law at the time of any request for indemnity hereunder and subject to the following provisions of this Section 3, the Company shall indemnify the Indemnitee against any amount which he is or becomes obligated to pay relating to or arising out of any claim made against him because of any act, failure to act, or neglect or breach of duty, including any actual or alleged error, misstatement, or misleading statement, which he commits, suffers, permits, or acquiesces in while acting in his capacity as a Director of the Company. The payments which the Company is obligated to make pursuant to this Section 3 shall include without limitation, judgments, fines, and amounts paid in settlement and any and all Expenses actually and reasonably incurred by the Indemnitee in connection therewith including any appeal of or from any judgment or decision; PROVIDED, HOWEVER, that the Company shall not be obligated under this Section 3 to make any payment in connection with any claim against the Indemnitee:

(a) to the extent of any fine or similar governmental imposition which the Company is prohibited by applicable law from paying which results from a final, nonappealable order; or

(b) to the extent based upon or attributable to the Indemnitee having actually realized a personal gain or profit to which he was not legally entitled, including without limitation profit from the purchase and sale by the Indemnitee of equity securities of the Company which are recoverable by the Company pursuant to Section 16(b) of the Securities Exchange Act of 1934, or profit arising from transactions in publicly traded securities of the Company which were effected by the Indemnitee in violation of Section 10(b) of the Securities Exchange Act of 1934, or Rule 10b-5 promulgated thereunder.

A determination as to whether the Indemnitee shall be entitled to indemnification under this Section 3 shall be made in accordance with Section 4(a) hereof. Expenses incurred by the Indemnitee in defending any claim to which this Section 3 applies shall be paid by the Company as they are actually and reasonably incurred in advance of the final disposition of such claim under the procedure set forth in Section 4(b) hereof.

4. CERTAIN PROCEDURES RELATING TO INDEMNIFICATION. (a) For purposes of pursuing his rights to indemnification under Section 3 hereof, the Indemnitee shall (i) submit to the Board a sworn statement of request for indemnification substantially in the form of Exhibit 1 attached hereto and made a part hereof (the "Indemnification Statement") averring that he is entitled to indemnification hereunder; and (ii) present to the Company reasonable evidence of all amounts for which indemnification is requested. Submission of an Indemnification Statement to the Board shall create a presumption that the Indemnitee is entitled to indemnification hereunder, and the Company shall, within 60 calendar days after submission of the Indemnification Statement, make

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the payments requested in the Indemnification Statement to or for the benefit of the Indemnitee, unless (i) within such 60-calendar-day period the Board shall resolve by vote of a majority of the Directors at a meeting at which a quorum is present that the Indemnitee is not entitled to indemnification under Section 3 hereof, (ii) such vote shall be based upon clear and convincing evidence (sufficient to rebut the foregoing presumption), and (iii) the Indemnitee shall have received within such period notice in writing of such vote, which notice shall disclose with particularity the evidence upon which the vote is based. The foregoing notice shall be sworn to by all persons who participated in the vote and voted to deny indemnification. The provisions of this Section 4(a) are intended to be procedural only and shall not affect the right of Indemnitee to indemnification under Section 3 of this Agreement so long as Indemnitee follows the prescribed procedure and any determination by the Board that Indemnitee is not entitled to indemnification and any failure to make the payments requested in the Indemnification Statement shall be subject to judicial review by any court of competent jurisdiction.

(b) For purposes of obtaining payments of Expenses in advance of final disposition pursuant to the second sentence of Section 2(d) or the last sentence of Section 3 hereof, the Indemnitee shall submit to the Company a sworn request for advancement of Expenses substantially in the form of Exhibit 2 attached hereto and made a part hereof (the "Undertaking"), averring that he has reasonably incurred actual Expenses in defending an action, suit or proceeding referred to in Section 2(a) or 2(b) or any claim referred to in Section 3, or pursuant to Section 8 hereof. Unless at the time of the Indemnitee's act or

omission at issue, the Articles of Incorporation or Regulations of the Company prohibit such advances by specific reference to ORC Section 1701.13(E) (5) (a) and unless the only liability asserted against the Indemnitee in the subject action, suit or proceeding is pursuant to ORC Section 1701.95, the Indemnitee shall be eligible to execute Part A of the Undertaking by which he undertakes to (a) repay such amount if it is proved by clear and convincing evidence in a court of competent jurisdiction that the Indemnitee's action or failure to act involved an act or omission undertaken with deliberate intent to cause injury to the Company or undertaken with reckless disregard for the best interests of the Company and (b) reasonably cooperate with the Company concerning the action, suit, proceeding or claim. In all cases, the Indemnitee shall be eligible to execute Part B of the Undertaking by which he undertakes to repay such amount if it ultimately is determined that he is not entitled to be indemnified by the Company under this Agreement or otherwise. In the event that the Indemnitee is eligible to and does execute both Part A and Part B of the Undertaking, the Expenses which are paid by the Company pursuant thereto shall be required to be repaid by the Indemnitee only if he is required to do so under the terms of both Part A and Part B of the Undertaking. Upon receipt of the Undertaking, the Company shall thereafter promptly pay such Expenses of the Indemnitee as are noticed to the Company in writing and in reasonable detail arising out of the matter described in the Undertaking. No security shall be required in connection with any Undertaking.

5. LIMITATION ON INDEMNITY. Notwithstanding anything contained herein to the contrary, the Company shall not be required hereby to indemnify the Indemnitee with respect to any action, suit, or proceeding that was initiated by the Indemnitee unless (i) such action, suit, or proceeding was initiated by the Indemnitee to enforce any rights to indemnification arising hereunder and such person shall have been formally adjudged to be entitled to indemnity by reason

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hereof, (ii) authorized by another agreement to which the Company is a party whether heretofore or hereafter entered, or (iii) otherwise ordered by the court in which the suit was brought.

6. SUBROGATION; DUPLICATION OF PAYMENTS. (a) In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

(b) The Company shall not be liable under this Agreement to make any payment in connection with any claim made against Indemnitee to the extent Indemnitee has actually received payment (under any insurance policy, the Company's Regulations or otherwise) of the amounts otherwise payable hereunder.

7. RATIFICATION. The Company may, at its option, propose at any future meeting of Shareholders that this Agreement be ratified by the Shareholders; if the Shareholders vote not to ratify this Agreement, the Company shall have the right to amend this Agreement without the consent of the Indemnitee; provided, however, that no such amendment or termination shall deny or diminish the Indemnitee's rights to indemnity pursuant hereto (or the procedures set forth herein to obtain indemnification) as applied to any act or failure to act occurring in whole or in part prior to the date of such amendment or termination (whether or not a claim hereunder is made before or after such date).

8. FEES AND EXPENSES OF ENFORCEMENT. It is the intent of the Company that the Indemnitee not be required to incur the expenses associated with the enforcement of his rights under this Agreement by litigation or other legal action because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Indemnitee hereunder. Accordingly, if it should appear to the Indemnitee that the Company has failed to comply with any of its obligations under this Agreement or in the event that the Company or any other person takes any action to declare this Agreement void or unenforceable, or institutes any action, suit or proceeding to deny, or to recover from, the Indemnitee the benefits intended to be provided to the Indemnitee hereunder, the Company irrevocably authorizes the Indemnitee from time to time to retain counsel of his choice, at the expense of the Company as hereafter provided, to represent the Indemnitee in connection with the initiation or defense of any litigation or other legal action, whether by or against the Company or any director, officer, shareholder, or other person affiliated with the Company, in any jurisdiction. Regardless of the outcome thereof, the Company shall pay and be solely responsible for any and all costs, charges, and expenses including, without limitation, fees and expenses of attorneys and others, reasonably incurred by the Indemnitee pursuant to this Section 8.

9. MERGER OF CONSOLIDATION. In the event that the Company shall be a constituent corporation in a consolidation, merger, or other reorganization, the Company, if it shall not be the surviving, resulting, or acquiring corporation therein, shall require as a condition thereto that the surviving, resulting, or acquiring corporation agree to assume all of the obligations of the Company

hereunder and to indemnify the Indemnitee to the full extent provided herein. Whether or

not the Company is the resulting, surviving, or acquiring corporation in any such transaction, the Indemnitee shall also stand in the same position under this Agreement with respect to the resulting, surviving, or acquiring corporation as he would have with respect to the Company if its separate existence had continued.

10. NONEXCLUSIVITY AND SEVERABILITY. (a) The rights to indemnification provided by this Agreement shall not be exclusive of any other rights of indemnification to which the Indemnitee may be entitled under the Articles, the Regulations, the ORC or any other statute, any insurance policy, agreement, or vote of shareholders or directors or otherwise, as to any actions or failure to act by the Indemnitee, and shall continue after he has ceased to be a Director, officer, employee, or agent of the Company or other entity for which his service gives rise to a right hereunder, and shall inure to the benefit of his heirs, executors, and administrators. In the event of any payment under this Agreement, the Company shall be subrogated to the extent thereof to all rights of recovery previously vested in the Indemnitee, who shall execute all instruments and take all other actions as shall be reasonably necessary for the Company to enforce such right.

(b) If any provision of this Agreement or the application of any provision hereof to any person or circumstances is held invalid, unenforceable, or otherwise illegal, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected, and the provision so held to be invalid, unenforceable, or otherwise illegal shall be reformed to the extent (and only to the extent) necessary to make it enforceable, valid, and legal.

11. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio, without giving effect to the principles of conflict of laws thereof.

12. MODIFICATION. This Agreement and the rights and duties of the Indemnitee and the Company hereunder may be modified only by an instrument in writing signed by both parties hereto.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

PARKER-HANNIFIN CORPORATION

By: _____
[Title]

[Signature of Indemnitee]

EXHIBIT 1

INDEMNIFICATION STATEMENT

STATE OF _____)
) SS
COUNTY OF _____)

I, _____, being first duly sworn, do depose and say as follows:

1. This Indemnification Statement is submitted pursuant to the Indemnification Agreement, dated _____, 200__, between Parker-Hannifin Corporation (the "Company"), an Ohio corporation, and the undersigned.

2. I am requesting indemnification against costs, charges, expenses (which may include fees and expenses of attorneys and/or others), judgments, fines, and

amounts paid in settlement (collectively, "Liabilities"), which have been actually and reasonably incurred by me in connection with a claim referred to in Section 3 of the aforesaid Indemnification Agreement.

3. With respect to all matters related to any such claim, I am entitled to be indemnified as herein contemplated pursuant to the aforesaid Indemnification Agreement.

4. Without limiting any other rights which I have or may have, I am requesting indemnification against Liabilities which have or may arise out of

 -----.

 [Signature of Indemnitee]

Subscribed and sworn to before me, a Notary Public in and for said County and State, this ____ day of _____, 200__.

 [Seal]

My commission expires the ____ day of _____, 200__.

EXHIBIT 2

UNDERTAKING

STATE OF _____)
) SS
 COUNTY OF _____)

I, _____, being first duly sworn, do depose and say as follows:

1. This Undertaking is submitted pursuant to the Indemnification Agreement, dated _____, 200__, between Parker-Hannifin Corporation (the "Company"), an Ohio corporation and the undersigned.

2. I am requesting payment of costs, charges, and expenses which I have reasonably incurred or will reasonably incur in defending an action, suit or proceeding, referred to in Section 2(a) or 2(b) or any claim referred to in Section 3, or pursuant to Section 8, of the aforesaid Indemnification Agreement.

3. The costs, charges, and expenses for which payment is requested are, in general, all expenses related to _____

 -----.

4. PART A

I hereby undertake to (a) repay all amounts paid pursuant hereto if it is proved by clear and convincing evidence in a court of competent jurisdiction that my action or failure to act which is the subject of the matter described herein involved an act or omission undertaken with deliberate intent to cause injury to the Company or undertaken with reckless disregard for the best interests of the Company and (b) reasonably cooperate with the Company concerning the action, suit, proceeding or claim.

 [Signature of Indemnitee]

4. PART B

I hereby undertake to repay all amounts paid pursuant hereto if it ultimately is determined that I am not entitled to be indemnified by the Company under the aforesaid Indemnification Agreement or otherwise.

[Signature of Indemnitee]

Subscribed and sworn to before me, a Notary Public in and for said County and State, this ____ day of _____, 200__.

[Seal]

My commission expires the ____ day of _____, 200__.

Exhibit (10)(1)* to Report
on Form 10-K for Fiscal
Year Ended June 30, 2000
by Parker-Hannifin Corporation

Parker-Hannifin Corporation 2001 Target Incentive Bonus Plan Description.

*Numbered in accordance with Item 601 of Regulation S-K.

PARKER-HANNIFIN CORPORATION 2001 TARGET INCENTIVE BONUS PLAN

- A. Payments earned under the Bonus Plan depend upon the Company's performance against a pre-tax return on average assets (ROAA) schedule which is based upon the Fiscal Year 2001 operating plan.
- B. The payout under the Plan ranges from 15% to 150% of each participant's target award, with 100% payout set at achievement of fiscal year 2001 planned ROAA.
- C. Any payout pursuant to the Plan that will result in the exceedance of the \$1 million cap on the tax deductibility of executive compensation will be deferred until such time in the earliest subsequent fiscal year that such cap will not be exceeded.
- D. Participants: All of the executive officers of the Company, plus Group Presidents who are not executive officers.
- E. Fiscal year 2001 Planned ROAA: 13.2%

ROAA PAYOUT SCHEDULE

FY01 ROAA	Percentage of Target Award Paid*
----	-----
<2.8%	0%
2.8%	30%
4.4%	40%

5.9%	50%
7.5%	60%
8.9%	70%
9.3%	73%
10.4%	80%
11.8%	90%
13.2%	100%
13.9%	113%
14.6%	125%
15.3%	138%
16.0%	150%

*Fiscal year 2001 ROAA less than 9.3% will reduce the amount paid by 50%.

F. ROAA will not include the impact of:

1. Environmental costs in excess of planned amounts
2. Acquisitions/divestitures
3. Currency gains or losses

Exhibit (10) (p)* to Report
on Form 10-K for Fiscal
Year Ended June 30, 2000
by Parker-Hannifin Corporation

Parker-Hannifin Corporation 2001-02-03 Long Term Incentive Plan Description.

*Numbered in accordance with Item 601 of Regulation S-K.

PARKER-HANNIFIN CORPORATION
2001-02-03
LONG TERM INCENTIVE PLAN

The purpose of the Plan is to provide a long-term incentive portion of bonus compensation. The Plan's focus is on return on equity. It balances a competitive base salary pay structure, an annual cash bonus compensation based on a return on average assets, and a stock option plan with ten-year exercise rights. The return on equity objective is a key financial goal and comprehends return on sales at the net income level and asset utilization.

The participants in this Plan are limited to Corporate Officers and Group Presidents. They clearly can affect broadly the overall financial performance of the company.

The key elements of Parker-Hannifin's Plan are as follows:

Participation

Those key executives having a critical impact on the long term performance of the Company selected by the Chief Executive Officer and approved by the Compensation and Management Development Committee of the Board.

Performance Period

Three-year average Return on Equity with the grant to cover FY 01, 02 and 03.

Size of Awards

Commensurate with bonus compensation and stock option level of participants as determined by the CEO with approval of the Compensation and Management Development Committee.

Form of Awards

Awards will be expressed as a certain number of shares of Parker stock calculated by dividing the dollar equivalent of the award by the June 30, 2000 Parker stock price.

Performance Objective

The Return on Equity objective is 14%.

Value Range

Actual value of the payments under the Plan will be within a range of 25% to 200% of target value based on performance against the objective.

Performance Range

For performance below a threshold of 8% ROE objective, no payment will be made. For performance between 8% and 20% ROE, payments will be earned between 25% and 200% of the target value on a proportional basis above and below the target value. The Plan is capped at 200%.

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Payment

Payments earned under the Plan will be paid at the end of the three-year performance period. Payment will be made in restricted stock of the Corporation unless the participant is retired at the time of payment or has previously elected a cash payment to be deferred under the Corporation's Executive Deferral Plan. The value of the cash payment in lieu of restricted shares is determined based upon the share price of Parker-Hannifin's Common Shares on June 30, 2003. The restricted shares would be subject to a vesting schedule and such other terms and conditions determined by the Compensation Committee at the time of issuance. Any payout pursuant to this plan that will result in the exceedance of the \$1 million cap on the tax deductibility of executive compensation will be deferred until such time in the earliest subsequent fiscal year that such cap will not be exceeded.

Termination of Employment

If a participant dies, retires (with consent of the Compensation and Management Development Committee if earlier than age 65) or is disabled during the performance period, he/she will receive a pro rata portion of the award payable upon completion of the performance period. A participant who resigns or is otherwise terminated during the performance period forfeits the award.

Performance Schedule

The Plan performance schedule, based on the three-year simple average of annual report return on average equity, is as follows:

<TABLE>
<CAPTION>

Return on Equity

<S>	<C> <8.0%	<C> 8.0%	<C> 10.0%	<C> 12.0%	<C> 14.0%	<C> 16.0%	<C> 18.0%	<C> 20.0%
Payout %	0	25	50	75	100	133	167	200

</TABLE>

Change in Control

In the event of a "Change in Control" of the Corporation (as defined below), the payout under the Plan will be accelerated to fifteen (15) days after the Change in Control. The amount of the payout will be in cash and will be the greater of the target award or the amount the payout would have been had ROE during the Performance Period to the end of the fiscal quarter immediately preceding the date of the Change in Control continued throughout the Performance Period. The cash amount of such payout will be based upon the closing New York Stock Exchange stock price of the Corporation's Common Shares on the first day of the Performance Period or the date of the Change in Control, whichever is greater. If the Participant will reach age 65 prior to the end of the Performance Period, the payout in the event of a Change in Control will be reduced on a pro rata basis.

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"Change in Control" means the occurrence of one of the following events:

- (i) any "person" (as such term is defined in Section 3(a)(9) of the Securities Exchange Act of 1934 (the "Exchange Act") and as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act) is or becomes a "beneficial owner"

(as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of Parker-Hannifin Corporation (the "Company") representing 20% or more of the combined voting power of the Company's then outstanding securities eligible to vote for the election of the Board of Directors of the Company (the "Board") (the "Company's Voting Securities"); provided, however, that the event described in this paragraph shall not be deemed to be a Change in Control by virtue of any of the following situations: (A) an acquisition by the Company or any corporation or entity in which the Company has a direct or indirect ownership interest of 50% or more of the total combined voting power of the then outstanding securities of such corporation or other entity (a "Subsidiary"); (B) an acquisition by any employee benefit plan sponsored or maintained by the Company or any Subsidiary; (C) an acquisition by any underwriter temporarily holding securities pursuant to an offering of such securities; (D) a Non-Control Transaction (as defined in paragraph (iii)); (E) as pertains to a Plan participant (the "Executive"), any acquisition by the Executive or any group of persons (within the meaning of Sections 13(d)(3) and 14(d)(2) of the Exchange Act) including the Executive (or any entity in which the Executive or a group of persons including the Executive, directly or indirectly, holds a majority of the voting power of such entity's outstanding voting interests); or (F) the acquisition of Company Voting Securities from the Company, if a majority of the Board approves a resolution providing expressly that the acquisition pursuant to this clause (F) does not constitute a Change in Control under this paragraph (i);

(ii) individuals who, at the beginning of any period of twenty-four (24) consecutive months, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority thereof; provided, that (A) any person becoming a director subsequent to the beginning of such twenty-four (24) month period, whose election, or nomination for election, by the Company's shareholders was approved by a vote of at least two-thirds of the directors comprising the Incumbent Board who are then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without objection to such nomination) shall be, for purposes of this paragraph (ii), considered as though such person were a member of the Incumbent Board; provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to directors or any other actual or threatened solicitation of proxies or consents by or on behalf of any person other than the Board shall be deemed to be a member of the Incumbent Board;

(iii) the consummation of a merger, consolidation, share exchange or similar form of corporate reorganization of the Company or any Subsidiary that requires the approval of the Company's shareholders, whether for such transaction or the issuance of securities in connection with the transaction or otherwise (a "Business Combination"), unless (A) immediately following such Business Combination: (1) more than 50% of the total voting power of the corporation resulting from such Business Combination (the "Surviving Corporation") or, if applicable, the ultimate parent corporation which directly or indirectly has beneficial ownership of 100% of the voting securities eligible to elect directors of the Surviving Corporation (the "Parent

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Corporation"), is represented by Company Voting Securities that were outstanding immediately prior to the Business Combination (or, if applicable, shares into which such Company Voting Securities were converted pursuant to such Business Combination), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such Company Voting Securities among the holders thereof immediately prior to the Business Combination, (2) no person (other than any employee benefit plan sponsored or maintained by the Surviving Corporation or the Parent Corporation) is or becomes the beneficial owner, directly or indirectly, of 20% or more of the total voting power of the outstanding voting securities eligible to elect directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation), and (3) at least a majority of the members of the board of directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation), following the Business Combination, were members of the Incumbent Board at the time of the Board's approval of the execution of the initial agreement providing for such Business Combination (a "Non-Control Transaction") or (B) the Business Combination is effected by means of the acquisition of Company Voting Securities from the Company, and a majority of the Board approves a resolution providing expressly that such Business Combination does not constitute a Change in Control under this paragraph (iii); or

(iv) the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or the sale or other disposition of all or substantially all of the assets of the Company and its Subsidiaries.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because any person acquires beneficial ownership of more than 20% of the Company Voting Securities as a result of the acquisition of Company Voting Securities by the Company which, by reducing the number of Company Voting Securities outstanding, increases the percentage of shares beneficially owned by

such person; provided, that if a Change in Control would occur as a result of such an acquisition by the Company (if not for the operation of this sentence), and after the Company's acquisition such person becomes the beneficial owner of additional Company Voting Securities that increases the percentage of outstanding Company Voting Securities beneficially owned by such person, a Change in Control shall then occur.

Notwithstanding anything in this Plan to the contrary, if the Executive's employment is terminated prior to a Change in Control, and the Executive reasonably demonstrates that such termination was at the request of a third party who has indicated an intention or taken steps reasonably calculated to effect a Change in Control, (a "Third Party"), then for all purposes of this Plan, the date immediately prior to the date of such termination of employment shall be deemed to be the date of a Change in Control for such Executive.

Exhibit (10)(q)* to Report
on Form 10-K for Fiscal
Year Ended June 30, 2000
by Parker-Hannifin Corporation

Parker-Hannifin Corporation Savings Restoration Plan, as restated.

*Numbered in accordance with Item 601 of Regulation S-K.

PARKER-HANNIFIN CORPORATION

SAVINGS RESTORATION PLAN

Parker-Hannifin Corporation, an Ohio corporation, (the "Company"), established this Savings Restoration Plan (the "Plan"), effective October 1, 1994, for the purpose of attracting high quality executives and promoting in its executives increased efficiency and an interest in the successful operation of the Company by restoring some of the deferral opportunities and employer-provided benefits that are lost under The Parker Retirement Savings Plan due to legislative limits. The benefits provided under the Plan shall be provided in consideration for services to be performed after the effective date of the Plan, but prior to the executive's retirement. The Plan is hereby amended and restated as of July 1, 1999, except as otherwise specifically set forth hereinafter.

ARTICLE 1

Definitions

1.1 ADMINISTRATOR shall mean the Company or, if applicable, the committee appointed by the Board of Directors of the Company to administer the Plan pursuant to Article 13 of the Plan.

1.2 ANNUAL DEFERRAL shall mean the amount of Compensation which the Participant elects to defer for a Plan Year pursuant to Articles 2 and 3 of the Plan.

1.3 BENEFICIARY shall mean the person or persons or entity designated as such in accordance with Article 14 of the Plan.

1.4 CHANGE IN CONTROL means the occurrence of one of the following events:

(i) any "person" (as such term is defined in Section 3(a)(9)

of the Securities Exchange Act of 1934 (the "Exchange Act") and as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act) is or becomes a "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the Company's then outstanding securities eligible to vote for the election of the Board of Directors of the Company (the "Board") (the "Company Voting Securities"); provided, however, that the event described in this paragraph shall not be deemed to be a Change in Control by virtue of any of the following situations: (A) an acquisition by the Company or any corporation or other entity in which the Company has a direct or indirect ownership interest of 50% or more of the total combined voting power of the then outstanding securities or interests of such corporation or other entity (a "Subsidiary"); (B) an acquisition by any employee benefit plan sponsored or maintained by the Company or any Subsidiary; (C) an

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acquisition by any underwriter temporarily holding securities pursuant to an offering of such securities; (D) a Non-Control Transaction (as defined in paragraph (iii)); (E) as pertains to a Participant, any acquisition by the Participant or any group of persons (within the meaning of Sections 13(d)(3) and 14(d)(2) of the Exchange Act) including the Participant (or any entity in which the Participant or a group of persons including the Participant, directly or indirectly, holds a majority of the voting power of such entity's outstanding voting interests); or (F) the acquisition of Company Voting Securities from the Company, if a majority of the Board approves a resolution providing expressly that the acquisition pursuant to this clause (F) does not constitute a Change in Control under this paragraph (i);

(ii) individuals who, at the beginning of any period of twenty-four (24) consecutive months, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority thereof; provided, that (A) any person becoming a director subsequent to the beginning of such twenty-four (24) month period, whose election, or nomination for election, by the Company's shareholders was approved by a vote of at least two-thirds of the directors comprising the Incumbent Board who are then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without objection to such nomination) shall be, for purposes of this paragraph (ii), considered as though such person were a member of the Incumbent Board; provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to directors or any other actual or threatened solicitation of proxies or consents by or on behalf of any person other than the Board shall be deemed to be a member of the Incumbent Board;

(iii) the consummation of a merger, consolidation, share exchange or similar form of corporate reorganization of the Company or any Subsidiary that requires the approval of the Company's stockholders, whether for such transaction or the issuance of securities in connection with the transaction or otherwise (a "Business Combination"), unless (A) immediately following such Business Combination: (1) more than 50% of the total voting power of the corporation resulting from such Business Combination (the "Surviving Corporation") or, if applicable, the ultimate parent corporation which directly or indirectly has beneficial ownership of 100% of the voting securities eligible to elect directors of the Surviving Corporation (the "Parent Corporation"), is represented by Company Voting Securities that were outstanding immediately prior to the Business Combination (or, if applicable, shares into which such Company Voting Securities were converted pursuant to such Business Combination), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such Company Voting Securities among the holders thereof immediately prior to the Business Combination, (2) no person (other than any employee benefit plan sponsored or maintained by the Surviving Corporation or the Parent Corporation) is or becomes the beneficial owner, directly or indirectly, of 20% or more of the total voting power of the outstanding voting securities eligible to elect directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation), and (3) at least a majority of

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the members of the board of directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation), following the Business Combination, were members of the Incumbent Board at the time of the Board's approval of the execution of the initial agreement providing for such Business Combination (a "Non-Control Transaction") or (B) the Business Combination is effected by means of the acquisition of Company Voting Securities from the Company, and a majority of the Board approves a resolution providing expressly that such Business Combination does not constitute a Change in Control under this paragraph (iii); or

(iv) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the sale or other disposition of all or substantially all of the assets of the Company and its Subsidiaries.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because any person acquires beneficial ownership of more than 20% of the Company Voting Securities as a result of the acquisition of Company Voting Securities by the Company which, by reducing the number of Company Voting Securities outstanding, increases the percentage of shares beneficially owned by such person; provided, that if a Change in Control would occur as a result of such an acquisition by the Company (if not for the operation of this sentence), and after the Company's acquisition such person becomes the beneficial owner of additional Company Voting Securities that increases the percentage of outstanding Company Voting Securities beneficially owned by such person, a Change in Control shall then occur.

Notwithstanding anything in this Plan to the contrary, if the Participant's employment is terminated prior to a Change in Control, and the Participant reasonably demonstrates that such termination was at the request of a third party who has indicated an intention or taken steps reasonably calculated to effect a Change in Control (a "Third Party"), then for all purposes of this Plan, the date immediately prior to the date of such termination of employment shall be deemed to be the date of a Change in Control for such Participant.

1.5 COMPENSATION shall mean the sum of the Participant's base salary and regular bonuses (including profit-sharing, RONA, and executive compensation, but excluding payments under any long term incentive plan, volume incentive plan, or other extraordinary bonus or incentive plan) for a Plan Year before reductions for deferrals under the Plan, or the Executive Deferral Plan, or the Savings Plan, or the Parker Select program. Compensation shall not include any amounts payable on account of Termination of Employment, whether paid periodically or in a lump sum.

1.6 CREDITING RATE shall mean: (i) the amount described in Section 1.6.1 to the extent the Restoration Account balance represents either Annual Deferrals under Article 3 or earnings previously credited on such deferrals under Section 5.2; or (ii) the amount described in Section 1.6.2 to the extent the Restoration Account balance represents either Matching Credits under Article 4 or interest previously credited on such Matching

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Credits under Section 5.2:

1.6.1 CREDITING RATE FOR ANNUAL DEFERRALS shall mean any notional gains or losses equal to those generated as if the Restoration Account balance attributable to Annual Deferrals under Article 3 had been invested in one or more of the investment portfolios designated as available by the Administrator, less separate account fees and less applicable administrative charges determined annually by the Administrator.

A Participant (or after his death, his Beneficiary) may elect to allocate his Restoration Account among the available portfolios. The gains or losses shall be credited based upon the daily unit values for the portfolio(s) selected by the Participant. The rules and procedures for allocating the Restoration Account balance among the portfolios shall be determined by the Administrator. The Participant's allocation is solely for the purpose of calculating the Crediting Rate. Notwithstanding the method of calculating the Crediting Rate, the Company shall be under no obligation to purchase any investments designated by the Participant.

1.6.2 CREDITING RATE FOR MATCHING CREDITS shall mean any notional gains or losses equal to those generated as if the Restoration Account balance attributable to Matching Credits under Article 4 had been invested in the Common Stock of the Company, including reinvestment of dividends. The rules and procedures for determining the value of the Common Stock of the Company shall be determined by the Administrator. The rules and procedures for re-allocating the Restoration Account balance attributable to the Matching Credits among the other portfolios offered under the Plan shall be determined by the Administrator.

1.7 DISABILITY shall mean any long term disability as defined under the Company's long term disability plan. The Administrator, in its complete and sole discretion, shall determine a Participant's Disability. The Administrator may require that the Participant submit to an examination on an annual basis, at the expense of the Company, by a competent physician or medical clinic selected by the Administrator to confirm Disability. On the basis of such medical evidence, the determination of the Administrator as to whether or not a condition of Disability exists or continues shall be conclusive.

1.8 EARLY RETIREMENT DATE shall mean age 55 with ten or more years of employment with the Company.

1.9 ELIGIBLE EXECUTIVE shall mean a key employee of the Company or any of its subsidiaries who: (i) is designated by the Administrator as eligible to participate in the Plan (subject to the restriction in Sections 10.2, 11.2 and 12.2 of the Plan); and (ii) qualifies as a member of the "select group of

management or highly compensated employees" under ERISA.

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1.10 ERISA shall mean the Employee Retirement Income Security Act of 1974, as amended.

1.11 EXECUTIVE DEFERRAL PLAN shall mean the Parker-Hannifin Corporation Executive Deferral Plan as it currently exists and as it may subsequently be amended.

1.12 FINANCIAL HARDSHIP shall mean an unexpected need for cash arising from an illness, casualty loss, sudden financial reversal, or other such unforeseeable occurrence as determined by the Administrator. Cash needs arising from foreseeable events such as the purchase of a residence or education expenses for children shall not, alone, be considered a Financial Hardship.

1.13 MATCHING CREDIT shall mean the Company's credit to the Participant's Restoration Account under Article 4.

1.14 NORMAL RETIREMENT DATE shall mean the date on which a Participant attains age 65.

1.15 PARTICIPANT shall mean an Eligible Executive who has elected to participate and has completed a Participation Agreement pursuant to Article 2 of the Plan.

1.16 PARTICIPATION AGREEMENT shall mean the Participant's written election to participate in the Plan.

1.17 PLAN YEAR shall mean the calendar year.

1.18 RESTORATION ACCOUNT shall mean the notional account established for record-keeping purposes for a Participant pursuant to Article 5 of the Plan.

1.19 RETIREMENT shall mean a termination of employment following Normal or Early Retirement Date.

1.20 SAVINGS PLAN shall mean the Parker Retirement Savings Plan, formerly known as The Parker-Hannifin Employees' Savings Plus Stock Ownership Plan, as it currently exists and as it may subsequently be amended.

1.21 TERMINATION OF EMPLOYMENT shall mean the Participant's employment with the Company ceases for any reason whatsoever, whether voluntary or involuntary, other than Retirement or death.

1.22 UNSCHEDULED WITHDRAWAL shall mean a distribution of all or a portion of the entire amount credited to the Participant's Restoration Account requested by the Participant pursuant to the provisions of Article 11 of the Plan.

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1.23 VALUATION DATE shall mean each day on which the New York Stock Exchange is open, except that for purposes of determining the value of a distribution under Articles 6, 7, 8, 9 or 15, it shall mean the 24th day of each month (or the most recent business day preceding such date) immediately preceding the month in which a distribution is to be made.

ARTICLE 2

PARTICIPATION

2.1 PARTICIPATION AGREEMENT / ANNUAL DEFERRAL. An Eligible Executive shall become a Participant in the Plan on the first day of the Plan Year coincident with or next following the date the individual becomes an Eligible Executive, provided such Eligible Executive has submitted to the Administrator a Participation Agreement. To be effective, the Eligible Executive must submit the Participation Agreement to the Administrator during the enrollment period designated by the Administrator. In the Participation Agreement, and subject to the restrictions in Article 3, the Eligible Executive shall designate the Annual Deferral for the covered Plan Year.

2.2 CONTINUATION OF PARTICIPATION. An Eligible Executive who has elected to participate in the Plan by making an Annual Deferral shall continue as a Participant in the Plan for purposes of such Annual Deferral even though such executive ceases to be an Eligible Executive. However, a Participant shall not be eligible to elect a new Annual Deferral unless the Participant is an Eligible Executive for the Plan Year for which the election is made.

ARTICLE 3

EXECUTIVE DEFERRALS

3.1 DEFERRAL ELECTION. A Participant may elect an Annual Deferral under this Plan to defer all or a portion of the Compensation that he or she cannot defer under the Savings Plan due to the Statutory Limit. Such election shall designate a specified percentage of Compensation to be deferred. Annual Deferrals under this Plan shall be irrevocable.

3.2 MAXIMUM ANNUAL DEFERRAL. The Annual Deferral for a Plan Year shall be determined as:

(i) For a Participant who is not eligible to participate in the Executive Deferral Plan, any whole percentage between 1 and 9% of Compensation up to \$15,000.

(ii) For a Participant who is eligible to participate in the Executive Deferral Plan, any whole percentage between 1 and 5% of Compensation up to \$7,600.

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3.3 VESTING. The Participant's right to receive Compensation deferred (and gains or losses thereon) under this Article 3 shall be 100% vested at all times.

ARTICLE 4

COMPANY MATCHING CREDITS

4.1 AMOUNT. The Company's Matching Credit in each Plan Year shall equal one hundred percent (100%) of the first three percent (3%) of Compensation deferred and twenty-five percent (25%) of the next two (2%) of Compensation deferred, reduced by the maximum matching contributions that would have been credited to the Participant's account under the Savings Plan if he had elected to make the maximum permitted deferral to the Savings Plan, whether or not he actually does so. Notwithstanding the foregoing, the maximum Matching Credit allocated to any Participant's Restoration Account in a Plan Year shall be \$15,000, less the maximum matching contributions that would have been credited to the Participant's account under the Savings Plan if he had elected to make the maximum permitted deferral to the Savings Plan.

4.2 VESTING. Subject to Section 12.4, the Participant's right to receive Matching Credits (and gains or losses thereon) credited to the Participant's Restoration Account shall be one hundred percent (100%) vested.

ARTICLE 5

RESTORATION ACCOUNTS

5.1 RESTORATION ACCOUNTS. Solely for record keeping purposes, the Company shall maintain a Restoration Account for each Participant.

5.2 THE TIMING OF CREDITS.

(i) Annual Deferrals made under Article 3 shall be credited to the Restoration Account on the same day the deferrals would otherwise have been paid to the Participant but for the deferral election;

(ii) Matching Credits under Article 4 shall be credited to the Restoration Account as of the day the corresponding Annual Deferrals are credited to the Restoration Account; and

(iii) gains or losses shall be credited to the Restoration Account as of the close of business on each Valuation Date, based on the Crediting Rate in effect for the day under Section 1.6.

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5.3 TERMINATIONS. Following a Participant's Termination of Employment, Retirement or death, gains or losses shall continue to be credited to the Restoration Account through the final Valuation Date.

5.4 STATEMENT OF ACCOUNTS. The Administrator shall provide periodically to each Participant a statement setting forth the balance of the Restoration Account maintained for such Participant.

ARTICLE 6

RETIREMENT BENEFITS

6.1 AMOUNT. Upon Retirement, the Company shall pay to the Participant the value of his Restoration Account at the time and in the manner selected by the Participant pursuant to the rules set forth in Sections 6.2 and 6.3.

6.2 FORM OF RETIREMENT BENEFITS. The retirement benefit shall be paid

monthly over a period of fifteen (15) years or the number of whole years required to result in a monthly benefit of at least one thousand dollars (\$1,000), if less; provided, however, that the Participant may elect to have payment made in one of the following options:

(i) a single lump sum payment in cash;

(ii) monthly installments over 5, 10 or 15 years; provided, that if a monthly benefit is less than \$1,000, the Administrator may shorten the payout period in whole year increments to assure that each monthly payment is at least \$1,000; or

(iii) Effective as of January 1, 2000, an annual lump sum amount payable as of January 1 of each year equal to a specified whole number percentage (1-8%) of the account balance as of the Valuation Date preceding each such annual payment, plus monthly installments of the remaining balance of the account over 5, 10 or 15 years; provided, that if a monthly benefit is less than \$1,000, the Administrator may shorten the payout period in whole year increments to assure that each monthly payment is at least \$1,000.

Payments shall be made or shall begin as of the first day of the month no later than the date sixty (60) days after the Participant's Retirement, unless the Participant has elected to have payments begin as of January 1 of a later year. However, in no event shall payments commence later than the January 1 occurring five (5) years after Retirement or, if earlier, the date the Participant attains age seventy (70). Notwithstanding the foregoing, the Company may postpone all or a portion of any scheduled payment until the next fiscal year to avoid loss of the corporate tax deduction under Internal Revenue Code Section 162(m). Except as provided in Article 7, 10, 11 or 15, the Participant may change the election of the form of payment at any time, except that if the election is not filed at least

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thirteen (13) months prior to the Participant's Retirement (on and after January 1, 2000, scheduled date of commencement), the election shall be ineffective unless the Participant agrees to take a ten percent (10%) reduction in the value of the Restoration Account.

6.3 SMALL BENEFIT EXCEPTION. Notwithstanding any of the foregoing, if the sum of all benefits payable to the Participant is less than or equal to ten thousand dollars (\$10,000), the Company shall pay such benefits in a single lump sum.

ARTICLE 7

TERMINATION BENEFITS

7.1 AMOUNT. As of the first day of the month beginning no later than sixty (60) days after Termination of Employment, the Company shall pay to the Participant a termination benefit equal to the balance of the Restoration Account as of the Valuation Date.

7.2 FORM OF TERMINATION BENEFITS. The Company shall pay the termination benefits in a single lump sum; provided, however, that except following a Change in Control the Company may, in its sole discretion, elect to pay the termination benefits over a period of three (3) years in monthly installments, in which event the Restoration Account shall continue to be credited with gains or losses based on the Crediting Rate(s) elected by the Participant from time to time.

ARTICLE 8

SURVIVOR BENEFITS

8.1 PRE-COMMENCEMENT SURVIVOR BENEFIT. If the Participant dies prior to the commencement of installment payments, the Company shall pay the balance of the Restoration Account to the Participant's Beneficiary in one of the following forms, based on the Participant's election:

(i) a single lump sum payment in cash;

(ii) monthly installments over 5, 10 or 15 years; provided, that if a monthly benefit is less than \$1,000, the Administrator may shorten the payout period in whole year increments to assure that each monthly payment is at least \$1,000; or

(iii) an annual lump sum amount equal to a specified percentage (1-8%) of the account balance as of the Valuation Date preceding each such annual payment, plus monthly installments of the remaining balance of the account over 5, 10 or 15 years; provided, that if a monthly benefit is less than \$1,000, the Administrator may shorten the payout period in whole year increments to assure that each monthly payment is at least

\$1,000.

Payments shall be made or shall begin as of the first day of the month no later than the date sixty (60) days after the Participant's death unless the Participant has elected to have payments begin as of January 1 of a later year. However, in no event shall payments commence later than the January 1 occurring five (5) years after death or, if earlier, the date the Participant would have attained age seventy (70). Except as provided in Article 7, 10, 11 or 15, the Participant (or after his death, his Beneficiary) may change the election of the form of payment at any time, except that if the election is not filed at least thirteen (13) months prior to the Participant's death, the election shall be ineffective unless the Beneficiary agrees to take a ten percent (10%) reduction in the value of the Restoration Account.

8.2 POST-COMMENCEMENT SURVIVOR BENEFIT. If the Participant dies after the time installment payments have commenced, the Company shall pay the remaining balance of the Restoration Account to the Participant's Beneficiary in accordance with the following rules, based on the Participant's election:

(i) continue in the form in effect before the Participant's death; or

(ii) a single lump sum in cash to be paid the first of the month no later than the date 60 days after the Participant's death.

8.3 SMALL BENEFIT PAYMENT. Notwithstanding any of the foregoing, in the event the sum of all benefits payable to the Beneficiary is less than or equal to ten thousand dollars (\$10,000), the Company shall pay such benefits in a single lump sum.

ARTICLE 9

DISABILITY

If a Participant suffers a Disability, the Company shall pay the benefit described in Article 6 to the Participant as if the date of the Participant's Termination of Employment for Disability were the Participant's Normal Retirement Date.

ARTICLE 10

CHANGE IN CONTROL

10.1 ELECTION. At the time the Participant is completing his initial Participation Agreement, the Participant may elect that, if a Change in Control occurs, the Participant (or after the Participant's death the Participant's Beneficiary) shall receive a lump sum payment of the balance of the Restoration Account within thirty (30) days after the Change of Control. Such balance shall be determined as of the end of the month sixty (60) days prior to the month in which the Change in Control occurs.

10.2 BENEFIT REDUCTION ON WITHDRAWAL. If a Participant has not made the election described in Section 10.1 above and, within thirty (30) days after a Change of Control, the Participant (or Beneficiary) elects to receive a distribution of the balance of the Restoration Account (determined as described in Section 10.1), the lump sum payment shall be reduced by an amount equal to five percent (5%) of the total balance of the Restoration Account (instead of the ten percent (10%) reduction otherwise provided for in Section 11.2). If a Participant elects such a withdrawal, any on-going Annual Deferral shall cease, and the Participant may not make any further Annual Deferrals until one entire Plan Year following the Plan Year in which such withdrawal was made has elapsed.

ARTICLE 11

WITHDRAWALS

11.1 ELECTION. A Participant (or Beneficiary if the Participant is deceased) may request an Unscheduled Withdrawal of all or a portion of the entire amount credited to the Participant's Restoration Account as of the Valuation Date on which the written request is received by the Administrator, which shall be paid in a single lump sum as soon as practicable following receipt of the request; provided, however, that (i) the minimum withdrawal shall be twenty-five percent (25%) of the Restoration Account balance, and (ii) an election to withdraw seventy-five percent (75%) or more of the balance shall be deemed to be an election to withdraw the entire balance.

11.2 WITHDRAWAL PENALTY. There shall be a penalty deducted from the Restoration Account prior to an Unscheduled Withdrawal equal to ten percent

(10%) of the Unscheduled Withdrawal. If a Participant elects such a withdrawal, any on-going Annual Deferral shall cease, and the Participant may not make further Annual Deferrals until one entire Plan Year following the Plan Year in which such withdrawal was made has elapsed.

11.3 FINANCIAL HARDSHIP DISTRIBUTION. Upon a finding that the Participant or the Beneficiary has suffered a Financial Hardship, the Administrator may in its sole discretion permit the Participant to cease any on-going deferrals and accelerate

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distributions of benefits under the Plan in the amount reasonably necessary to alleviate such Financial Hardship. If a distribution is made to a Participant on account of Financial Hardship, the Participant may not make further Annual Deferrals under the Plan until one entire Plan Year following the Plan Year in which a distribution based on Financial Hardship was made has elapsed; however, there shall be no withdrawal penalty assessed.

11.4 SMALL BENEFIT EXCEPTION. Notwithstanding any of the foregoing, if the sum of all benefits payable to the Participant or Beneficiary who has requested the Unscheduled Withdrawal or Financial Hardship withdrawal is less than or equal to ten thousand dollars (\$10,000), the Company shall pay out the entire Restoration Account balance (reduced by the ten percent (10%) penalty, if applicable) in a single lump sum.

11.5 LIMIT ON WITHDRAWALS. Notwithstanding any of the foregoing, no Participant in a position described in Section 162(m) of the Internal Revenue Code (or who the Company reasonably believes will be in such a position) shall be permitted to take any distribution from the Plan in any year in which he is in or is believed to be in such a position.

ARTICLE 12

CONDITIONS RELATED TO BENEFITS

12.1 NONASSIGNABILITY. The benefits provided under the Plan may not be alienated, assigned, transferred, pledged or hypothecated by or to any person or entity, at any time or any manner whatsoever. These benefits shall be exempt from the claims of creditors of any Participant or other claimants and from all orders, decrees, levies, garnishment or executions against any Participant to the fullest extent allowed by law.

12.2 NO RIGHT TO COMPANY ASSETS. The benefits paid under the Plan shall be paid from the general funds of the Company, and the Participant and any Beneficiary shall be no more than unsecured general creditors of the Company with no special or prior right to any assets of the Company for payment of any obligations hereunder.

12.3 PROTECTIVE PROVISIONS. The Participant shall cooperate with the Company by furnishing any and all information requested by the Administrator, in order to facilitate the payment of benefits hereunder, taking such physical examinations as the Administrator may deem necessary and taking such other actions as may be requested by the Administrator. If the Participant refuses to cooperate, the Company shall have no further obligation to the Participant under the Plan. If the Participant makes any material misstatement of information or nondisclosure of medical history, then no benefits shall be payable to the Participant or the Participant's Beneficiary or estate under the Plan beyond the sum of the Participant's Annual Deferrals.

12.4 WITHHOLDING. The Participant or the Beneficiary shall make appropriate arrangements with the Company for satisfaction of any federal, state or local income tax

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withholding requirements and Social Security or other employee tax requirements applicable to the payment of benefits under the Plan. If no other arrangements are made, the Company may provide, at its discretion, for such withholding and tax payments as may be required.

ARTICLE 13

ADMINISTRATION OF PLAN

The Company shall administer the Plan, provided, however, that the Company may elect to appoint a committee of three (3) or more individuals to administer the Plan. All references to the Administrator herein shall refer to the Company or, if such committee has been appointed, the committee.

The Administrator shall administer the Plan and shall have discretionary authority to interpret, construe and apply its provisions in accordance with its terms. The Administrator shall further establish, adopt or revise such rules and regulations as it may deem necessary or advisable for the

administration of the Plan. All decisions of the Administrator shall be final and binding. The individuals serving on the committee shall, except as prohibited by law, be indemnified and held harmless by the Company from any and all liabilities, costs, and expenses (including legal fees), to the extent not covered by liability insurance arising out of any action taken by any member of the committee with respect to the Plan, unless such liability arises from the individual's own gross negligence or willful misconduct.

ARTICLE 14

BENEFICIARY DESIGNATION

The Participant shall have the right, at any time, to designate any person or persons as Beneficiary (both primary and contingent) to whom payment under the Plan shall be made in the event of the Participant's death. The Beneficiary designation shall be effective when it is submitted in writing to the Administrator during the Participant's lifetime on a form prescribed by the Administrator.

The submission of a new Beneficiary designation shall cancel all prior Beneficiary designations. Any finalized divorce or marriage of a Participant subsequent to the date of a Beneficiary designation shall revoke such designation, unless in the case of divorce the previous spouse was not designated as Beneficiary and unless in the case of marriage the Participant's new spouse has previously been designated as Beneficiary. The spouse of a married Participant shall consent to any designation of a Beneficiary other than the spouse, and the spouse's consent shall be witnessed by a notary public.

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If a Participant fails to designate a Beneficiary as provided above, or if the Beneficiary designation is revoked by marriage, divorce, or otherwise without execution of a new designation, or if every person designated as Beneficiary predeceases the Participant or dies prior to complete distribution of the Participant's benefits, then the Administrator shall direct the distribution of such benefits to the Participant's estate.

ARTICLE 15

AMENDMENT AND TERMINATION OF PLAN

15.1 AMENDMENT OF PLAN. Except as provided in Section 15.3, the Company may at any time amend the Plan in whole or in part, provided, however, that such amendment: (i) shall not decrease the balance of the Participant's Restoration Account at the time of such amendment; and (ii) shall not retroactively decrease the applicable Crediting Rate of the Plan prior to the time of such amendment. The Company may amend the Crediting Rate or Fixed Crediting Rate of the Plan prospectively, in which case the Company shall notify the Participant of such amendment in writing within thirty (30) days after such amendment.

15.2 TERMINATION OF PLAN. Except as provided in Section 15.3, the Company may at any time terminate the Plan. If the Company terminates the Plan, the date of such termination shall be treated as the date of Retirement or Termination of Employment for the purpose of calculating Plan benefits, and the Company shall pay to the Participant the benefits the Participant is entitled to receive under the Plan in monthly installments over a thirty-six (36) month period. Interest at an annualized rate equal to 90% of the Ten-Year United States Treasury Note rate as of January 1 of the year in which the Plan is terminated will be credited to the Participant's Restoration Account commencing as of the date of the Plan's termination and continuing until distribution under this Section is completed.

15.3 AMENDMENT OR TERMINATION AFTER CHANGE IN CONTROL. Notwithstanding the foregoing, the Company shall not amend or terminate the Plan without the prior written consent of affected Participants for a period of two calendar years following a Change in Control and shall not thereafter amend or terminate the Plan in any manner which affects any Participant (or Beneficiary of a deceased Participant) who commences receiving payment of benefits under the Plan prior to the end of such two year period following a Change in Control.

15.4 COMPANY ACTION. Except as provided in Section 15.3 or 15.5, the Company's power to amend or terminate the Plan shall be exercisable by the Company's Board of Directors or by the committee or individual authorized by the Company's Board of Directors to exercise such powers.

15.5 CONSTRUCTIVE RECEIPT TERMINATION. In the event the Administrator

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determines that amounts deferred under the Plan have been constructively received by Participants and must be recognized as income for federal income tax purposes, the Plan shall terminate and distributions shall be made to Participants in accordance with the Provisions of Section 15.2 or as may be

determined by the Administrator. The determination of the Administrator under this Section 15.5 shall be binding and conclusive.

ARTICLE 16

MISCELLANEOUS

16.1 SUCCESSORS OF THE COMPANY. The rights and obligations of the Company under the Plan shall inure to the benefit of, and shall be binding upon, the successors and assigns of the Company.

16.2 ERISA PLAN. The Plan is intended to be an unfunded plan maintained primarily to provide deferred compensation benefits for "a select group of management or highly compensated employees" within the meaning of Sections 201, 301 and 401 of ERISA and therefore to be exempt from Parts 2, 3 and 4 of Title I of ERISA.

16.3 TRUST. The Company shall be responsible for the payment of all benefits under the Plan. At its discretion, the Company may establish one or more grantor trusts for the purpose of providing for payment of benefits under the Plan. Such trust or trusts may be irrevocable, but the assets thereof shall be subject to the claims of the Company's creditors. Benefits paid to the Participant from any such trust shall be considered paid by the Company for purposes of meeting the obligations of the Company under the Plan.

16.4 EMPLOYMENT NOT GUARANTEED. Nothing contained in the Plan nor any action taken hereunder shall be construed as a contract of employment or as giving any Participant any right to continued employment with the Company.

16.5 GENDER, SINGULAR AND PLURAL. All pronouns and variations thereof shall be deemed to refer to the masculine, feminine, or neuter, as the identity of the person or persons may require. As the context may require, the singular may be read as the plural and the plural as the singular.

16.6 CAPTIONS. The captions of the articles and sections of the Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.

16.7 VALIDITY. If any provision of the Plan is held invalid, void or unenforceable, the same shall not affect, in any respect whatsoever, the validity of any other provisions of the Plan.

16.8 WAIVER OF BREACH. The waiver by the Company of any breach of any

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provision of the Plan by the Participant shall not operate or be construed as a waiver of any subsequent breach by the Participant.

16.9 APPLICABLE LAW. The Plan shall be governed and construed in accordance with the laws of Ohio except where the laws of Ohio are preempted by ERISA.

16.10 NOTICE. Any notice or filing required or permitted to be given to the Company under the Plan shall be sufficient if in writing and hand-delivered, or sent by first class mail, facsimile, or electronic mail to the principal office of the Company, directed to the attention of the Administrator. Such notice shall be deemed given as of the date of delivery, or, if delivery is made by mail, as of the date shown on the postmark.

ARTICLE 17

CLAIMS AND REVIEW PROCEDURES

17.1 CLAIMS PROCEDURE. The Company shall notify a Participant in writing, within ninety (90) days after his or her written application for benefits, of his or her eligibility or noneligibility for benefits under the Plan. If the Company determines that a Participant is not eligible for benefits or full benefits, the notice shall set forth: (i) the specific reasons for such denial; (ii) a specific reference to the provisions of the Plan on which the denial is based; (iii) a description of any additional information or material necessary for the claimant to perfect his or her claim, and a description of why it is needed; and (iv) an explanation of the Plan's claims review procedure and other appropriate information as to the steps to be taken if the Participant wishes to have the claim reviewed. If the Company determines that there are special circumstances requiring additional time to make a decision, the Company shall notify the Participant of the special circumstances and the date by which a decision is expected to be made, and may extend the time for up to an additional ninety-day period.

17.2 REVIEW PROCEDURE. If a Participant is determined by the Company not to be eligible for benefits, or if the Participant believes that he or she is entitled to greater or different benefits, the Participant shall have the opportunity to have such claim reviewed by the Company by filing a petition for

review with the Company within sixty (60) days after receipt of the notice issued by the Company. Said petition shall state the specific reasons which the Participant believes entitle him or her to benefits or to greater or different benefits. Within sixty (60) days after receipt by the Company of the petition, the Company shall afford the Participant (and counsel, if any) an opportunity to present his or her position to the Company orally or in writing, and the Participant (or counsel) shall have the right to review the pertinent documents. The Company shall notify the Participant of its decision in writing within the sixty-day period, stating specifically the basis of its decision, written in a manner calculated to be understood by the Participant and the specific provisions of the Plan on which the decision is based. If, because of the need for a hearing, the sixty-day period is not sufficient, the decision may be deferred for

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up to another sixty-day period at the election of the Company, but notice of this deferral shall be given to the Participant. In the event of the death of the Participant, the same procedures shall apply to the Participant's beneficiaries.

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Exhibit (10)(s)* to Report
on Form 10-K for Fiscal
Year Ended June 30, 2000
by Parker-Hannifin Corporation

Parker-Hannifin Corporation Executive Deferral Plan, as restated

*Numbered in accordance with Item 601 of Regulation S-K.

PARKER-HANNIFIN CORPORATION

EXECUTIVE DEFERRAL PLAN

WHEREAS, the Parker-Hannifin Corporation Executive Deferral Plan (the "Plan") was originally established as of October 1, 1994, for the purpose of attracting high quality executives and promoting in its executives increased efficiency and an interest in the successful operation of the Company by offering a deferral opportunity to accumulate capital on favorable economic terms; and

WHEREAS, pursuant to the authority granted in Article 14 of the Plan, Parker-Hannifin Corporation (the "Company"), has the authority to amend the Plan; and

WHEREAS, the Plan has been amended from time to time; and

WHEREAS, the Company now desires to further amend the Plan;

NOW, THEREFORE, the Plan is hereby amended and restated as of July 1, 1999 (except as otherwise specifically set forth hereinafter) to read as follows:

ARTICLE 1

DEFINITIONS

1.1 ACCOUNT shall mean the sum of the Annual Deferral Account and all LTI Deferral Accounts (vested and unvested).

1.2 ADMINISTRATOR shall mean the Company or, if applicable, the committee appointed by the Board of Directors of the Company to administer the Plan pursuant to Article 12 of the Plan.

1.3 ANNUAL DEFERRAL shall mean the amount of Compensation which the Participant elects to defer for a Plan Year pursuant to Articles 2 and 3 of the Plan.

1.4 ANNUAL DEFERRAL ACCOUNT shall mean the notional account established with respect to a Participant's Annual Deferrals and Automatic Deferrals for recordkeeping purposes pursuant to Article 4 of the Plan.

1.5 AUTOMATIC DEFERRAL shall mean any amount automatically deferred to this Plan pursuant to Section 3.4 of this Plan.

1.6 BENEFICIARY shall mean the person or persons or entity designated as such in accordance with Article 13 of the Plan.

1.7 BOARD shall mean the Board of Directors of the Company.

1.8 BONUSES shall mean amounts paid in cash to the Participant by the Company in the form of annual and other regular periodic bonuses before reductions for deferrals under this Plan, the Savings Plan or the Savings Restoration Plan. "Annual and other regular periodic bonuses" shall include amounts payable under the Company's Return on Net Assets Plan (RONA) and the Target Incentive Program, but shall exclude any payments under any long-term incentive program, any volume incentive or similar bonus program, and any other extraordinary bonus or incentive program.

1.9 CHANGE IN CONTROL shall mean any of the following events have occurred:

(i) any "person" (as such term is defined in Section 3(a)(9) of the Securities Exchange Act of 1934 (the "Exchange Act") and as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act) is or becomes a "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the Company's then outstanding securities eligible to vote for the election of the Board (the "Company Voting Securities"); provided, however, that the event described in this paragraph shall not be deemed to be a Change in Control by virtue of any of the following situations: (A) an acquisition by the Company or any corporation or other entity in which the Company has a direct or indirect ownership interest of 50% or more of the total combined voting power of the then outstanding securities or interests of such corporation or other entity (a "Subsidiary"); (B) an acquisition by any employee benefit plan sponsored or maintained by the Company or any Subsidiary; (C) an acquisition by any underwriter temporarily holding securities pursuant to an offering of such securities; (D) a Non-Control Transaction (as defined in paragraph (iii)); (E) as pertains to a Participant, any acquisition by the Participant or any group of persons (within the meaning of Sections 13(d)(3) and 14(d)(2) of the Exchange Act) including the Participant (or any entity in which the Participant or a group of persons including the Participant, directly or indirectly, holds a majority of the voting power of such entity's outstanding voting interests); or (F) the acquisition of Company Voting Securities from the Company, if a majority of the Board approves a resolution providing expressly that the acquisition pursuant to this clause (F) does not constitute a Change in Control under this paragraph (i);

(ii) individuals who, at the beginning of any period of twenty-four (24) consecutive months, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority thereof; provided, that (A) any person becoming a director subsequent to the beginning of such twenty-four (24) month period, whose election, or nomination for election, by the Company's shareholders was approved by a vote of at least two-thirds of the directors comprising the Incumbent Board who are then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without objection to such nomination) shall be, for purposes of this paragraph (ii), considered as though such person were a member of the Incumbent Board; provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to directors or any other actual

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or threatened solicitation of proxies or consents by or on behalf of any person other than the Board shall be deemed to be a member of the Incumbent Board;

(iii) the consummation of a merger, consolidation, share exchange or similar form of corporate reorganization of the Company or any Subsidiary that requires the approval of the Company's stockholders, whether for such transaction or the issuance of securities in connection with the transaction or otherwise (a "Business Combination"), unless (A) immediately following such Business Combination: (1) more than 50% of the total voting power of the corporation resulting from such Business Combination (the "Surviving Corporation") or, if applicable, the ultimate parent corporation which directly or indirectly has beneficial ownership of 100% of the voting securities eligible to elect directors of the Surviving Corporation (the "Parent Corporation"), is represented by Company Voting Securities that were outstanding immediately prior to the Business Combination (or, if applicable, shares into which such Company Voting Securities were converted pursuant to such Business Combination), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such Company Voting Securities among the holders thereof immediately prior to the Business Combination, (2) no person (other than any employee benefit plan sponsored or maintained by the Surviving Corporation or the Parent Corporation) is or becomes the beneficial owner, directly or indirectly, of 20% or more of the total voting power of the outstanding voting securities eligible to elect directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation), and (3) at least a majority of the members of the board of directors of the

Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation), following the Business Combination, were members of the Incumbent Board at the time of the Board's approval of the execution of the initial agreement providing for such Business Combination (a "Non-Control Transaction") or (B) the Business Combination is effected by means of the acquisition of Company Voting Securities from the Company, and a majority of the Board approves a resolution providing expressly that such Business Combination does not constitute a Change in Control under this paragraph (iii); or

(iv) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or the sale or other disposition of all or substantially all of the assets of the Company and its Subsidiaries.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because any person acquires beneficial ownership of more than 20% of the Company Voting Securities as a result of the acquisition of Company Voting Securities by the Company which, by reducing the number of Company Voting Securities outstanding, increases the percentage of shares beneficially owned by such person; provided, that if a Change in Control would occur as a result of such an acquisition by the Company (if not for the operation of this sentence), and after the Company's acquisition such person becomes the beneficial owner of additional Company Voting Securities that increases the percentage of outstanding Company Voting Securities beneficially owned by such person, a Change in Control shall then occur.

Notwithstanding anything in this Plan to the contrary, if the Participant's employment is terminated prior to a Change in Control, and the Participant reasonably demonstrates that such

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termination was at the request of a third party who has indicated an intention or taken steps reasonably calculated to effect a Change in Control (a "Third Party"), then for all purposes of this Plan, the date immediately prior to the date of such termination of employment shall be deemed to be the date of a Change in Control for such Participant.

1.10 CODE shall mean the Internal Revenue Code of 1986, as amended from time to time.

1.11 COMPENSATION shall mean the sum of the Participant's Salary and anticipated Bonuses for a Plan Year before reductions for deferrals under this Plan, the Savings Plan, the Savings Restoration Plan, or the Benefits Plus Program. Compensation shall not include any amounts payable on account of Termination of Employment, whether paid periodically or in a lump sum.

1.12 CREDITING RATE shall mean any notional gains or losses equal to those generated as if the Participant's Account balance had been invested in one or more of the investment portfolios designated as available by the Administrator, less separate account fees and less applicable administrative charges determined annually by the Administrator.

A Participant (or after his death, his Beneficiary) may elect to allocate his Account among the available portfolios. The gains or losses shall be credited based upon the daily unit values for the portfolio(s) selected by the Participant. The rules and procedures for allocating the Account balance among the portfolios shall be determined by the Administrator. The Participant's allocation is solely for the purpose of calculating the Crediting Rate. Notwithstanding the method of calculating the Crediting Rate, the Company shall be under no obligation to purchase any investments designated by the Participant.

1.13 DISABILITY shall mean any long term disability as defined under the Company's long term disability plan. The Administrator, in its complete and sole discretion, shall determine a Participant's Disability. The Administrator may require that the Participant submit to an examination on an annual basis, at the expense of the Company, by a competent physician or medical clinic selected by the Administrator to confirm Disability. On the basis of such medical evidence, the determination of the Administrator as to whether or not a condition of Disability exists or continues shall be conclusive.

1.14 EARLY RETIREMENT DATE shall mean age 55 with ten or more years of employment with the Company; provided, however, that any Early Retirement prior to age 60 must be with the consent of the Compensation Committee of the Board.

1.15 ELIGIBLE EXECUTIVE shall mean a key employee of the Company or any of its subsidiaries who: (a) is designated by the Administrator as eligible to participate in the Plan (subject to the restriction in Sections 9.2, 10.3 and 11.2 of the Plan); and (b) qualifies as a member of the "select group of management or highly compensated employees" under ERISA.

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1.16 ERISA shall mean the Employee Retirement Income Security Act of

1974, as amended.

1.17 FINANCIAL HARDSHIP shall mean an unexpected need for cash arising from an illness, casualty loss, sudden financial reversal, or other such unforeseeable occurrence as determined by the Administrator. Cash needs arising from foreseeable events such as the purchase of a residence or education expenses for children shall not, alone, be considered a Financial Hardship.

1.18 IN-SERVICE DISTRIBUTION shall mean a distribution elected by the Participant pursuant to Article 10 of the Plan.

1.19 LTI PAYMENT shall mean the amount that would otherwise be payable to an Eligible Executive for a Plan Year under any long-term incentive program of the Company.

1.20 LTI DEFERRAL shall mean the amount of any LTI Payment which the Participant elects to defer with respect to a Plan Year pursuant to Articles 2 and 3 of the Plan.

1.21 LTI DEFERRAL ACCOUNT shall mean the one or more notional accounts established with respect to a Participant's LTI Deferrals for recordkeeping purposes pursuant to Article 4 of the Plan.

1.22 NORMAL RETIREMENT DATE shall mean the date on which a Participant attains age 65.

1.23 PARTICIPANT shall mean an Eligible Executive who has elected to participate and has completed a Participation Agreement pursuant to Article 2 of the Plan.

1.24 PARTICIPATION AGREEMENT shall mean the Participant's written election to participate in the Plan.

1.25 PLAN YEAR shall mean the calendar year.

1.26 RETIREMENT shall mean a termination of employment following Normal or Early Retirement Date.

1.27 SALARY shall mean the Participant's annual basic rate of pay from the Company (excluding Bonuses, commissions and other non-regular forms of compensation) before reductions for deferrals under this Plan, the Savings Plan or the Savings Restoration Plan.

1.28 SAVINGS PLAN shall mean The Parker Retirement Savings Plan as it currently exists and as it may subsequently be amended.

1.29 SAVINGS RESTORATION PLAN shall mean the Parker-Hannifin Corporation Savings Restoration Plan as it currently exists and as it may subsequently be amended.

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1.30 SCHEDULED WITHDRAWAL shall mean a distribution of all or a portion of the entire vested amount credited to the Participant's Account requested by the Participant pursuant to the provisions of Article 10 of the Plan.

1.31 TERMINATION OF EMPLOYMENT shall mean the Participant's employment with the Company ceases for any reason whatsoever, whether voluntary or involuntary, other than Retirement or death.

1.32 UNSCHEDULED WITHDRAWAL shall mean a distribution of all or a portion of the entire amount credited to the Participant's Account requested by the Participant pursuant to the provisions of Article 10 of the Plan.

1.33 VALUATION DATE shall mean each day on which the New York Stock Exchange is open, except that for purposes of determining the value of a distribution under Article 5, 6, 7, 8 or 14, it shall mean the 24th day of each month (or the most recent business day preceding such date) immediately preceding the month in which a distribution is to be made.

ARTICLE 2

PARTICIPATION

2.1 PARTICIPATION AGREEMENT/DEFERRALS.

(a) An Eligible Executive shall become a Participant in the Plan on the first day of the Plan Year following appointment as an Eligible Executive and submission to the Administrator of an Annual Participation Agreement. To be effective, the Eligible Executive must submit the Annual Participation Agreement to the Administrator during the enrollment period designated by the Administrator. In the Annual Participation Agreement, and subject to the restrictions in Article 3, the Eligible Executive shall designate the Annual Deferral for the covered Plan Year.

(b) In addition, an Eligible Executive shall become a Participant automatically as of the date Automatic Deferrals are credited to his Account pursuant to Section 3.4.

(c) With respect to those Participants who are eligible for an LTI Payment, the Administrator shall provide for a separate enrollment period and separate LTI Participation Agreements each year under which the Participant may designate any LTI Deferrals for a specified Plan Year.

2.2 CONTINUATION OF PARTICIPATION. An Eligible Executive who has become a Participant in the Plan shall continue as a Participant in the Plan even though such executive ceases to be an Eligible Executive. However, a Participant shall not be eligible to elect a new Annual Deferral or LTI Deferral unless the Participant is an Eligible Executive for the Plan Year for which the election is made.

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ARTICLE 3

EXECUTIVE DEFERRALS

3.1 DEFERRAL COMMITMENT.

(a) A Participant may elect in the Annual Participation Agreement to defer an amount equal to a specified dollar amount of Salary and a specified dollar amount or percentage of Bonuses to be earned by such Participant during the next Plan Year.

(b) A Participant may elect in the LTI Participation Agreement to defer an amount equal to a specified dollar amount or a percentage of LTI Payment that may be payable to the Participant in the next Plan Year.

(c) Annual Deferrals and LTI Deferrals under this Plan shall be irrevocable.

3.2 MINIMUM ANNUAL DEFERRAL.

(a) The Annual Deferral for a Plan Year must equal at least five thousand dollars (\$5,000), from either Salary or Bonuses or a combination of Salary and Bonuses.

(b) The LTI Deferral for a Plan Year must equal at least five thousand dollars (\$5,000).

(c) Where a Participant elects to defer a specified percentage of Salary, Bonuses, and/or LTI Payment, the determination of whether the Annual Deferral or LTI Deferral is at least five thousand dollars (\$5,000) shall be made by multiplying the applicable elected percentages of Salary, Bonuses, and/or LTI Payment to be deferred by the Participant's anticipated Salary, Bonuses, and/or LTI Payment in the Plan Year immediately preceding the Plan Year for which the Deferral is being made. The Administrator may, in its sole discretion, permit Participants to elect to defer amounts in the form of a percentage based on anticipated future Salary, Bonuses, and/or LTI Payments.

3.3 MAXIMUM DEFERRAL COMMITMENT.

(a) The Annual Deferral for any Plan Year may not exceed 20% of Salary plus 75% of Bonuses; provided, that the Annual Deferral may not reduce the Participant's income to an amount below the old age, survivor, and disability insurance wage base under Social Security.

(b) The LTI Deferral for a Plan Year may be 100% of the LTI Payment.

(c) Notwithstanding the foregoing, the Administrator may reduce the amount of an Annual Deferral and/or an LTI Deferral to the extent necessary to insure the Participant will have

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sufficient earnings from the Company from which to take any taxes required to be withheld from the Participant's earnings under federal, state or local law.

3.4 AUTOMATIC DEFERRALS. An amount equal to any Compensation that is not paid to an Eligible Executive because it cannot be deducted by the Company by reason of Section 162(m) of the Code shall be deemed to have been deferred under this Plan.

3.5 VESTING. Subject to Section 11.3:

(a) The Participant's right to the value of his Annual Deferral

Account, as adjusted for gains and losses, shall be 100% vested at all times.

(b) The Participant's right to the value of each LTI Deferral Account, as adjusted for gains and losses, shall be 100% vested as of the third June 30 following the time the LTI Deferral Account is established; provided, however, that the Participant shall be fully vested in all LTI Deferrals as of the time: (1) he reaches age 60; (2) he retires prior to age 60 with permission of the Compensation Committee of the Board; (3) he retires due to Disability; (4) he dies; (5) there is a Change in Control; or (6) the Plan terminates.

ARTICLE 4

ACCOUNTS

4.1 ACCOUNTS. Solely for recordkeeping purposes, the Company shall maintain for each Participant one Annual Deferral Account for all Annual Deferrals and all Automatic Deferrals, and shall maintain for each Participant a separate LTI Deferral Account with respect to each LTI Deferral made by the Participant.

4.2 TIMING OF CREDITS--PRE-TERMINATION. Each Plan Year, the Company shall credit to the Annual Deferral Account a Participant's Annual Deferrals and any Automatic Deferrals as of the time the deferrals would otherwise have been paid to the Participant but for the Annual Deferral election or the operation of Section 162(m) of the Code, and shall credit to a separate LTI Deferral Account a Participant's LTI Deferral as of the time the deferrals would otherwise have been paid to the Participant but for the LTI Deferral election. Gains or losses shall be credited to the Participant's Account as of the close of business on each Valuation Date, based on the Crediting Rate(s) in effect for the day under Section 1.6.

4.3 TERMINATIONS. Following a Participant's Termination of Employment, Retirement or death, gains or losses shall continue to be credited to the Participant's Account through the final Valuation Date.

4.4 STATEMENT OF ACCOUNTS. The Administrator shall provide periodically to each Participant a statement setting forth the balance of the Annual Deferral Account and each LTI Deferral Account maintained for such Participant.

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ARTICLE 5

RETIREMENT BENEFITS

5.1 AMOUNT. Upon Retirement, the Company shall pay to the Participant the value of his Account at the time and in the manner selected by the Participant pursuant to the rules set forth in Sections 5.2 and 5.3.

5.2 FORM OF RETIREMENT BENEFITS. The retirement benefit shall be paid monthly over a period of fifteen (15) years or the number of whole years required to result in a monthly benefit of at least one thousand dollars (\$1,000), if less; provided, however, that the Participant may elect to have payment made in one of the following options:

(i) a single lump sum payment in cash;

(ii) monthly installments over 5, 10 or 15 years; provided, that if a monthly benefit is less than \$1,000, the Administrator may shorten the payout period in whole year increments to assure that each monthly payment is at least \$1,000; or

(iii) Effective as of January 1, 2000, an annual lump sum amount payable as of January 1 of each year equal to a specified whole number percentage (1-8%) of the account balance as of the Valuation Date preceding each such annual payment, plus monthly installments of the remaining balance of the account over 5, 10 or 15 years; provided, that if a monthly benefit is less than \$1,000, the Administrator may shorten the payout period in whole year increments to assure that each monthly payment is at least \$1,000.

Payments shall be made or shall begin as of the first day of the month no later than the date sixty (60) days after the Participant's Retirement, unless the Participant has elected to have payments begin as of January 1 of a later year. However, in no event shall payments commence later than the January 1 occurring five (5) years after Retirement or, if earlier, the date the Participant attains age seventy (70). Notwithstanding the foregoing, the Company may postpone all or a portion of any scheduled payment until the next fiscal year to avoid loss of the corporate tax deduction under Internal Revenue Code Section 162(m). Except as provided under Article 6, 9, 10 or 14, the Participant may change the election of the form of payment at any time, except that if the election is not filed at least thirteen (13) months prior to the Participant's Retirement (on and after January 1, 2000, scheduled date of commencement), the

election shall be ineffective unless the Participant agrees to take a ten percent (10%) reduction in the value of the Account.

5.3 SMALL BENEFIT EXCEPTION. Notwithstanding any of the foregoing, if the sum of all benefits payable to the Participant is less than or equal to ten thousand dollars (\$10,000), the Company shall pay such benefits in a single lump sum.

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ARTICLE 6

TERMINATION BENEFITS

6.1 AMOUNT. As of the first day of the month beginning no later than sixty (60) days after Termination of Employment, the Company shall pay to the Participant a termination benefit equal to the balance as of the Valuation Date of the Annual Deferral Account and each LTI Deferral Account in which he is vested under Section 3.5(b).

6.2 FORM OF TERMINATION BENEFITS. The Company shall pay the termination benefits in a single lump sum; provided, however, that except following a Change in Control the Company may, in its sole discretion, elect to pay the termination benefits over a period of three (3) years in monthly installments, in which event the Account shall continue to be credited with gains and losses based on the Crediting Rate(s) elected by the Participant from time to time.

ARTICLE 7

SURVIVOR BENEFITS

7.1 PRE-COMMENCEMENT SURVIVOR BENEFIT. If the Participant dies prior to the commencement of installment payments, the Company shall pay the balance of the Account to the Participant's Beneficiary in one of the following forms, based on the Participant's election:

(i) a single lump sum payment in cash;

(ii) monthly installments over 5, 10 or 15 years; provided, that if a monthly benefit is less than \$1,000, the Administrator may shorten the payout period in whole year increments to assure that each monthly payment is at least \$1,000; or

(iii) an annual lump sum amount equal to a specified percentage (1-8%) of the account balance as of the Valuation Date preceding each such annual payment, plus monthly installments of the remaining balance of the account over 5, 10 or 15 years; provided, that if a monthly benefit is less than \$1,000, the Administrator may shorten the payout period in whole year increments to assure that each monthly payment is at least \$1,000.

Payments shall be made or shall begin as of the first day of the month no later than the date sixty (60) days after the Participant's death unless the Participant has elected to have payments begin as of January 1 of a later year. However, in no event shall payments commence later than the January 1 occurring five (5) years after death or, if earlier, the date the Participant would have attained age seventy (70). Except as provided in Article 9, 10 or 14 the Participant (or after his death, his Beneficiary) may change the election of the form of payment at any time, except that if the election is not filed at least thirteen (13) months prior to the Participant's death, the election shall be ineffective unless the Beneficiary agrees to take a ten percent (10%) reduction in the value of the Account.

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7.2 POST-COMMENCEMENT SURVIVOR BENEFIT. If the Participant dies after the time installment payments have commenced, the Company shall pay the remaining balance of the Account to the Participant's Beneficiary in accordance with the following rules, based on the Participant's election:

(i) continue in the form in effect before the Participant's death; or

(ii) a single lump sum in cash to be paid the first of the month no later than the date 60 days after the Participant's death.

7.3 SMALL BENEFIT PAYMENT. Notwithstanding any of the foregoing, in the event the sum of all benefits payable to the Beneficiary is less than or equal to ten thousand dollars (\$10,000), the Company shall pay such benefits in a single lump sum.

ARTICLE 8

DISABILITY

If a Participant suffers a Disability, the Company shall pay the balance of the Participant's Account as of the Valuation Date to the Participant in accordance with Article 5 as if the date of the Participant's Termination of Employment for Disability were the Participant's Normal Retirement Date.

ARTICLE 9

CHANGE IN CONTROL

9.1 DISTRIBUTION.

(a) If a Change in Control occurs, the Participant (or after the Participant's death the Participant's Beneficiary) shall receive a lump sum payment of the balance of the Account within thirty (30) days after the Change of Control. In the event such a distribution is made, the Participant shall receive an additional adjustment payment calculated in accordance with the formula set forth in Exhibit A hereto.

(b) In addition to any other amounts payable hereunder, in the event it shall be determined that any payment, distribution or acceleration of vesting of any benefit hereunder would be subject to the excise tax imposed by Section 4999 of the Code, or any successor provision, or any interest or penalties are incurred by the Participant with respect to such excise tax, then the Participant shall be entitled to receive an additional "gross-up payment" calculated as set forth in the change in control severance agreement in effect between the Company and the Participant as of the date of the Change in Control; provided, however, that if the Participant does not have a change in control severance agreement, the payment under this Section shall be

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determined in accordance with the calculation set forth in the most recent change in control severance agreement entered into by the Company and any executive of the Company; provided, further, that there shall be no duplication of such additional payment under this Plan and any change in control severance agreement.

ARTICLE 10

SCHEDULED AND UNSCHEDULED WITHDRAWALS, FINANCIAL HARDSHIP DISTRIBUTIONS

10.1 PAYMENT OF SCHEDULED WITHDRAWAL. No later than the last day of March of the Plan Year designated in the initial Annual Participation Agreement for a Scheduled Withdrawal (which date shall be no sooner than the January 1 following 5 years of participation), the Company shall pay to the Participant, in a lump sum or four approximately equal annual installments, all or a portion of the vested balance in the Participant's Annual Deferral and/or his LTI Deferral Account as of the Valuation Date preceding the time payment is made or commences.

10.2 UNSCHEDULED WITHDRAWAL. A Participant (or Beneficiary if the Participant is deceased) may request an Unscheduled Withdrawal of all or any portion of the vested balance credited to the Participant's Account as of the Valuation Date on which the written request is received by the Administrator, which shall be paid in a single lump sum as soon as practicable following receipt of the request; provided, however, (i) that the minimum withdrawal shall be twenty-five percent (25%) of the vested Account balance, and (ii) that an election to withdraw seventy-five percent (75%) or more of the vested Account balance shall be deemed to be an election to withdraw the entire vested Account balance.

10.3 UNSCHEDULED WITHDRAWAL PENALTY. There shall be a penalty deducted from the Account prior to an Unscheduled Withdrawal equal to ten percent (10%) of the Unscheduled Withdrawal, which shall be ratably allocated among the Participant's Annual Deferral Account and each of his vested LTI Deferral Accounts. If a Participant elects such a withdrawal, any on-going Annual Deferral shall cease, any election of an LTI Deferral that otherwise would be effective before the first day of the Plan Year beginning one full Plan Year after such withdrawal shall not be effective, and the Participant may not make any further deferrals until one entire Plan Year following the Plan Year in which such withdrawal was made has elapsed.

10.4 FINANCIAL HARDSHIP DISTRIBUTION. Upon a finding that the Participant or the Beneficiary has suffered a Financial Hardship, the Administrator may in its sole discretion, permit the Participant to request distribution of a portion or all of his vested benefits under the Plan in the amount reasonably necessary to alleviate such Financial Hardship, which shall be ratably allocated among the Participant's Annual Deferral Account and each of his vested LTI Deferral Accounts. If a distribution is to be made to a Participant on account of Financial Hardship, any on-going Annual Deferrals shall cease, any election of an LTI Deferral that otherwise would be effective before the first day of the Plan Year beginning one full Plan Year after such

withdrawal shall not be effective, and the Participant may not make any further

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deferrals until one entire Plan Year following the Plan Year in which such withdrawal was made has elapsed; however, there shall be no withdrawal penalty assessed.

10.5 SMALL BENEFIT EXCEPTION. Notwithstanding any of the foregoing, if the sum of all vested benefits payable to the Participant or Beneficiary who has requested any withdrawal under this Article 10 is less than or equal to ten thousand dollars (\$10,000), the Company shall elect to pay out the entire vested Account balance (reduced, if applicable, by the ten percent (10%) penalty) in a single lump sum.

10.6 LIMIT ON WITHDRAWALS. Notwithstanding any of the foregoing, no Eligible Executive in a position described in Section 162(m)(3) of the Code (or who the Company reasonably believes will be in such a position) shall be permitted to take any distribution from the Plan in any year in which he is in or is believed to be a position described in Section 162(m)(3) of the Code.

ARTICLE 11

CONDITIONS RELATED TO BENEFITS

11.1 NONASSIGNABILITY. The benefits provided under the Plan may not be alienated, assigned, transferred, pledged or hypothecated by or to any person or entity, at any time or in any manner whatsoever. These benefits shall be exempt from the claims of creditors of any Participant or other claimants and from all orders, decrees, levies, garnishment or executions against any Participant to the fullest extent allowed by law.

11.2 NO RIGHT TO COMPANY ASSETS. The benefits paid under the Plan shall be paid from the general funds of the Company, and the Participants and any Beneficiaries shall be no more than unsecured general creditors of the Company with no special or prior right to any assets of the Company for payment of any obligations hereunder.

11.3 PROTECTIVE PROVISIONS. The Participant shall cooperate with the Company by furnishing any and all information requested by the Administrator, in order to facilitate the payment of benefits hereunder, taking such physical examinations as the Administrator may deem necessary and taking such other actions as may be requested by the Administrator. If the Participant refuses to cooperate, the Company shall have no further obligation to the Participant under the Plan. If the Participant makes any material misstatement of information or nondisclosure of medical history, then no benefits shall be payable to the Participant or the Participant's Beneficiary or estate under the Plan beyond the sum of the Participant's Annual Deferrals and LTI Deferrals.

11.4 WITHHOLDING. The Participant or the Beneficiary shall make appropriate arrangements with the Company for satisfaction of any federal, state or local income tax withholding requirements and Social Security or other employee tax requirements applicable to the payment of benefits under the Plan. If no other arrangements are made, the Company may provide, at its discretion, for such withholding and tax payments as may be required.

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ARTICLE 12

ADMINISTRATION OF PLAN

The Company shall administer the Plan, provided, however, that the Company may elect to appoint a committee of three (3) or more individuals to administer the Plan. All references to the Administrator herein shall refer to the Company or, if such committee has been appointed, the committee.

The Administrator shall administer the Plan and shall have discretionary authority to interpret, construe and apply its provisions in accordance with its terms. The Administrator shall further establish, adopt or revise such rules and regulations as it may deem necessary or advisable for the administration of the Plan. All decisions of the Administrator shall be final and binding. The individuals serving on the committee shall, except as prohibited by law, be indemnified and held harmless by the Company from any and all liabilities, costs, and expenses (including legal fees), to the extent not covered by liability insurance arising out of any action taken by any member of the committee with respect to the Plan, unless such liability arises from the individual's own gross negligence or willful misconduct.

ARTICLE 13

BENEFICIARY DESIGNATION

The Participant shall have the right, at any time, to designate any person or persons as Beneficiary (both primary and contingent) to whom payment

under the Plan shall be made in the event of the Participant's death. The Beneficiary designation shall be effective when it is submitted in writing to the Administrator during the Participant's lifetime on a form prescribed by the Administrator.

The submission of a new Beneficiary designation shall cancel all prior Beneficiary designations. Any finalized divorce or marriage of a Participant subsequent to the date of a Beneficiary designation shall revoke such designation, unless in the case of divorce the previous spouse was not designated as Beneficiary and unless in the case of marriage the Participant's new spouse has previously been designated as Beneficiary. The spouse of a married Participant shall consent to any designation of a Beneficiary other than the spouse, and the spouse's consent shall be witnessed by a notary public.

If a Participant fails to designate a Beneficiary as provided above, or if the Beneficiary designation is revoked by marriage, divorce, or otherwise without execution of a new designation, or if every person designated as Beneficiary predeceases the Participant or dies prior to complete distribution of the Participant's benefits, then the Administrator shall direct the distribution of such benefits to the Participant's estate.

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ARTICLE 14

AMENDMENT AND TERMINATION OF PLAN

14.1 AMENDMENT OF PLAN. Except as provided in Section 14.3, the Company may at any time amend the Plan in whole or in part, provided, however, that such amendment: (a) shall not decrease the balance of the Participant's Account at the time of such amendment; and (b) shall not retroactively decrease the applicable Crediting Rate of the Plan prior to the time of such amendment. The Company may amend the Crediting Rate or Fixed Crediting Rate of the Plan prospectively, in which case, the Company shall notify the Participant of such amendment in writing within thirty (30) days after such amendment.

14.2 TERMINATION OF PLAN. Except as provided in Section 14.3, the Company may at any time terminate the Plan. If the Company terminates the Plan, the date of such termination shall be treated as the date of Retirement or Termination of Employment for the purpose of calculating Plan benefits, and the Company shall pay to the Participant the benefits the Participant is entitled to receive under the Plan in monthly installments over a thirty-six (36) month period. Interest at an annualized rate equal to 90% of the Ten-Year United States Treasury Note rate as of January 1 of the year in which the Plan is terminated will be credited to the Participant's Account prospectively commencing as of the date of the Plan's termination and continuing until distribution under this Section is completed.

14.3 AMENDMENT OR TERMINATION AFTER CHANGE IN CONTROL. Notwithstanding the foregoing, the Company shall not amend or terminate the Plan without the prior written consent of affected Participants for a period of two calendar years following a Change in Control and shall not thereafter amend or terminate the Plan in any manner which affects any Participant (or Beneficiary) who commences receiving payment of benefits under the Plan prior to the end of such two year period following a Change in Control.

14.4 COMPANY ACTION. Except as provided in Section 14.3 or 14.5, the Company's power to amend or terminate the Plan shall be exercisable by the Company's Board of Directors or by the committee or individual authorized by the Company's Board of Directors to exercise such powers.

14.5 CONSTRUCTIVE RECEIPT TERMINATION. In the event the Administrator determines that amounts deferred under the Plan have been constructively received by Participants and must be recognized as income for federal income tax purposes, the Plan shall terminate and distributions shall be made to Participants in accordance with the Provisions of Section 14.2 or as may be determined by the Administrator. The determination of the Administrator under this Section shall be binding and conclusive.

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ARTICLE 15

MISCELLANEOUS

15.1 SUCCESSORS OF THE COMPANY. The rights and obligations of the Company under the Plan shall inure to the benefit of, and shall be binding upon, the successors and assigns of the Company.

15.2 ERISA PLAN. The Plan is intended to be an unfunded plan maintained primarily to provide deferred compensation benefits for "a select group of management or highly compensated employees" within the meaning of Sections 201, 301 and 401 of ERISA and therefore to be exempt from Parts 2, 3 and 4 of Title I of ERISA.

15.3 TRUST. The Company shall be responsible for the payment of all benefits under the Plan. At its discretion, the Company may establish one or more grantor trusts for the purpose of providing for payment of benefits under the Plan. Such trust or trusts may be irrevocable, but the assets thereof shall be subject to the claims of the Company's creditors. Benefits paid to the Participant from any such trust shall be considered paid by the Company for purposes of meeting the obligations of the Company under the Plan.

15.4 EMPLOYMENT NOT GUARANTEED. Nothing contained in the Plan nor any action taken hereunder shall be construed as a contract of employment or as giving any Participant any right to continued employment with the Company.

15.5 GENDER, SINGULAR AND PLURAL. All pronouns and variations thereof shall be deemed to refer to the masculine, feminine, or neuter, as the identity of the person or persons may require. As the context may require, the singular may be read as the plural and the plural as the singular.

15.6 CAPTIONS. The captions of the articles and sections of the Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.

15.7 VALIDITY. If any provision of the Plan is held invalid, void or unenforceable, the same shall not affect, in any respect whatsoever, the validity of any other provisions of the Plan.

15.8 WAIVER OF BREACH. The waiver by the Company of any breach of any provision of the Plan by the Participant shall not operate or be construed as a waiver of any subsequent breach by the Participant.

15.9 APPLICABLE LAW. The Plan shall be governed and construed in accordance with the laws of Ohio except where the laws of Ohio are preempted by ERISA.

15.10 NOTICE. Any notice or filing required or permitted to be given to the Company under the Plan shall be sufficient if in writing and hand-delivered, or sent by first class mail, facsimile or electronic mail to the principal office of the Company, directed to the attention of

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the Administrator. Such notice shall be deemed given as of the date of delivery, or, if delivery is made by mail, as of the date shown on the postmark.

ARTICLE 16

CLAIMS AND REVIEW PROCEDURES

16.1 CLAIMS PROCEDURE. The Company shall notify a Participant in writing, within ninety (90) days after his or her written application for benefits, of his or her eligibility or noneligibility for benefits under the Plan. If the Company determines that a Participant is not eligible for benefits or full benefits, the notice shall set forth: (a) the specific reasons for such denial; (b) a specific reference to the provisions of the Plan on which the denial is based; (c) a description of any additional information or material necessary for the claimant to perfect his or her claim, and a description of why it is needed; and (d) an explanation of the Plan's claims review procedure and other appropriate information as to the steps to be taken if the Participant wishes to have the claim reviewed. If the Company determines that there are special circumstances requiring additional time to make a decision, the Company shall notify the Participant of the special circumstances and the date by which a decision is expected to be made, and may extend the time for up to an additional ninety-day period.

16.2 REVIEW PROCEDURE. If a Participant is determined by the Company not to be eligible for benefits, or if the Participant believes that he or she is entitled to greater or different benefits, the Participant shall have the opportunity to have such claim reviewed by the Company by filing a petition for review with the Company within sixty (60) days after receipt of the notice issued by the Company. Said petition shall state the specific reasons which the Participant believes entitle him or her to benefits or to greater or different benefits. Within sixty (60) days after receipt by the Company of the petition, the Company shall afford the Participant (and counsel, if any) an opportunity to present his or her position to the Company orally or in writing, and the Participant (or counsel) shall have the right to review the pertinent documents. The Company shall notify the Participant of its decision in writing within the sixty-day period, stating specifically the basis of its decision, written in a manner calculated to be understood by the Participant and the specific provisions of the Plan on which the decision is based. If, because of the need for a hearing, the sixty-day period is not sufficient, the decision may be deferred for up to another sixty-day period at the election of the Company, but notice of this deferral shall be given to the Participant. In the event of the death of the Participant, the same procedures shall apply to the Participant's beneficiaries.

EXHIBIT A

The purpose of the adjustment payment to be added to the distribution made pursuant to Section 9.1(a) (the "Make Whole Amount") is to offset the Participant's inability to defer until retirement or later the payment of taxes on the amounts deferred and the earnings and interest that would have otherwise accrued between the date of the Change in Control and the date on which the Participant elected to commence receipt of his Account (the "Commencement Date") under the Plan.

The Make Whole Amount shall be calculated as follows:

1. The Participant's Account balance under the Plan as of the date of the Change in Control (exclusive of Automatic Deferrals) (the "EDP Amount") will be projected forward to the Commencement Date at an assumed tax-deferred annual earnings rate equal to the Moody's Seasoned Baa Corporate Bond Yield Average for the last twelve full calendar months prior to the Change in Control (the "Moody's Rate") (such projected amount shall be known as the "Projected Balance"). The Projected Balance will then be converted into annual installment benefit payments based upon the Participant's elected form of retirement payments under the Plan, assuming continued tax-deferred earnings on the undistributed balance at the Moody's Rate (the "Projected Annual Payouts"). The Projected Annual Payouts will then be reduced for assumed income taxes at the highest applicable federal, state and local marginal rates of taxation in effect in the Participant's taxing jurisdiction(s) for the calendar year in which the Make Whole Amount is paid (the "Tax Rate"). The after-tax Projected Annual Payouts will be known as the "After-Tax Projected Benefits".
 2. The term "Made Whole Amount", as used herein, shall mean the EDP Amount plus the Make Whole Amount. The Make Whole Amount is the amount which, when added to the EDP Amount, will yield After-Tax Annuity Benefits (as hereinafter defined) equal to the After-Tax Projected Benefits, based on the following assumptions:
 - a. The Made Whole Amount will be taxed at the Tax Rate upon receipt by the Participant.
 - b. The after-tax Made Whole Amount will be deemed to be invested by the Participant in a tax-deferred annuity that is structured to make payments beginning on the Commencement Date in the same form as elected by the Participant under the Plan (the "Annuity").
 - c. The Annuity will accrue interest at the Moody's Rate, less 80 basis points (i.e., 0.80%).
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- d. Annual Annuity payments will be taxed at the Tax Rate (after taking into account the annuity exclusion ratio), yielding "After-Tax Annuity Benefits".

Exhibit (10)(t)* to Report
on Form 10-K for Fiscal
Year Ended June 30, 2000
by Parker-Hannifin Corporation

Parker-Hannifin Corporation Volume Incentive Plan, as amended

*Numbered in accordance with Item 601 of Regulation S-K.

PARKER-HANNIFIN CORPORATION
VOLUME INCENTIVE PLAN,
AMENDED AS OF JULY 1, 2000

PARTICIPANTS: All Group Presidents, Trading Subsidiary Presidents and
Group Operating Vice Presidents

TERMS: Participants will receive a bonus of 1 percent of base pay for each 1 percent increase in excess of a 10 percent increase, up to a 15 percent increase, in current fiscal year customer sales over previous fiscal year customer sales for their respective operations. Participants will receive a bonus of 2 percent of base pay for each 1 percent increase in customer sales above 15 percent. Participants are limited to an overall maximum bonus under the Plan of 15 percent of base pay. Acquisitions may only account for up to 5 percent of the increase in customer sales. Also, sales growth above 15 percent will result in additional payments under the Plan only if the operating group is exceeding corporate goals with respect to its return on sales and its assets/sales ratio.

EXHIBIT (12) * TO REPORT
ON FORM 10-K FOR FISCAL
YEAR ENDED JUNE 30, 2000
BY PARKER-HANNIFIN CORPORATION

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
AS OF JUNE 30, 2000

<TABLE>
<CAPTION>

EXHIBIT 12
PARKER-HANNIFIN CORPORATION
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(IN THOUSANDS)

		Fiscal Year Ended June 30,				
		2000	1999	1998	1997	
1996						

	EARNINGS					

<S>		<C>	<C>	<C>	<C>	
<C>						
374,479	Income from continuing operations before income taxes	\$ 562,187	\$ 477,694	\$ 503,988	\$ 424,867	\$
35,665	Add: Interest on indebtedness, exclusive of interest capitalized in accordance with FASB #34 and interest on ESOP loan guarantee	51,576	63,132	52,463	46,373	
146	Amortization of deferred loan costs	659	565	324	286	
9,966	Portion of rents representative of interest factor	13,457	14,093	12,355	11,102	
513	Equity share of losses of companies for which debt obligations are not guaranteed	1,359		583	1,327	
219	Amortization of previously capitalized interest	254	313	296	220	

420,988	Income as adjusted	\$ 629,492	\$ 555,797	\$ 570,009	\$ 484,175	\$
=====						
	FIXED CHARGES					

35,665	Interest on indebtedness, exclusive of interest capitalized in accordance with FASB #34 and interest on ESOP loan guarantee	\$ 51,576	\$ 63,132	\$ 52,463	\$ 46,373	\$
538	Capitalized interest		2	1,372	272	
146	Amortization of deferred loan costs	659	565	324	286	
9,966	Portion of rents representative of interest factor	13,457	14,093	12,355	11,102	

46,315	Fixed charges	\$ 65,692	\$ 77,792	\$ 66,514	\$ 58,033	\$

=====

9.09x	RATIO OF EARNINGS TO FIXED CHARGES	9.58x	7.14x	8.57x	8.34x

</TABLE>

Exhibit (13) * to Report
On Form 10-K for Fiscal
Year Ended June 30, 2000
By Parker-Hannifin Corporation

Excerpts from Annual Report to Shareholders for the fiscal year ended
June 30, 2000.

*Numbered in accordance with Item 601 of Regulation S-K.

FORWARD-LOOKING STATEMENTS

This Annual Report and other written reports and oral statements made from time to time by the Company may contain "forward-looking statements", all of which are subject to risks and uncertainties. All statements which address operating performance, events or developments that we expect or anticipate will occur in the future, including statements relating to growth, operating margin performance, earnings per share or statements expressing general opinions about future operating results or the markets in which we do business, are forward-looking statements.

These forward-looking statements rely on a number of assumptions concerning future events, and are subject to a number of uncertainties and other factors, many of which are outside the Company's control, that could cause actual results to differ materially from such statements. Such factors include:

- continuity of business relationships with and purchases by major customers, including, among others, orders and delivery schedules for aircraft components,
- ability of suppliers to provide materials as needed,
- uncertainties surrounding timing, successful completion or integration of acquisitions,
- competitive pressure on sales and pricing,
- increases in material and other production costs which cannot be recovered in product pricing,
- difficulties in introducing new products and entering new markets, and
- uncertainties surrounding the global economy and global market conditions and the potential devaluation of currencies.

Any forward-looking statements are made based on known events and circumstances at the time. The Company undertakes no obligation to update or publicly revise these forward-looking statements to reflect events or circumstances that arise after the date of this Report.

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DISCUSSION OF STATEMENT OF INCOME

THE CONSOLIDATED STATEMENT OF INCOME summarizes the Company's operating performance over the last three fiscal years. All year references are to fiscal years.

NET SALES of \$5.36 billion for 2000 were 8.0 percent higher than the \$4.96 billion for 1999. Acquisitions completed in 2000 accounted for approximately two-fifths of this increase. The North American Industrial operations experienced higher demand within most of its markets, particularly in semiconductor manufacturing and telecommunications. The Aerospace operations experienced a slowdown in commercial aircraft build rates which was mitigated by an increase in demand for regional jets. The Industrial International operations were adversely affected by a struggling economy in Europe and Latin America in the first half of the year while higher volume was achieved in the Asia Pacific region. Currency rate changes reduced volume increases within the International operations by \$104.9 million.

Net Sales of \$4.96 billion for 1999 were 7.0 percent higher than the \$4.63 billion for 1998. Acquisitions completed in 1999 accounted for approximately one-half of this increase. The Aerospace operations experienced continued strong demand in commercial aircraft build rates while the Industrial operations experienced reduced order demand within most of its markets. Within the

Industrial operations, the European markets weakened in the latter part of 1999 while the Latin American markets operated in a weak economy throughout most of 1999. The Company continued to penetrate markets in the Asia Pacific region. Volume increases within International operations were partially offset by currency rate changes.

The Company expects the North American Industrial operations to continue to improve as record orders received in 2000 are converted to sales and recent acquisitions are integrated. The European and Latin American markets are anticipated to continue to improve while the Company expects to carry on its efforts to expand its infrastructure in the Asia Pacific region. The Aerospace operations expect the regional jet market to continue to improve while the commercial aviation OEM business is expected to decline. The defense business is projected to remain relatively constant.

GROSS PROFIT MARGIN was 22.4 percent in 2000 compared to 22.0 percent in 1999 and 23.4 percent in 1998. Cost of sales for 1998 included a non-cash, non-recurring charge of \$15.8 million for in-process R&D purchased as part of two acquisitions. The increased margins in 2000 reflect higher volume experienced in the North American Industrial operations, offset by weakness experienced in the International Industrial operations as well as the effect of business realignment charges (see pages 13-8 and 13-9 for further discussion).

The margin decline in 1999 is primarily the result of the underabsorption of overhead costs and pricing pressure. In addition, gross margins were affected by recently acquired operations contributing lower margins.

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SELLING, GENERAL AND ADMINISTRATIVE EXPENSES as a percent of sales decreased to 10.8 percent, from 11.1 percent in 1999, and 11.5 percent in 1998. This decrease is the result of continuing a concerted effort to control the level of these expenses.

INTEREST EXPENSE decreased by \$4.5 million in 2000 after an increase of \$10.9 million in 1999. The decline in 2000 was due to a lower average level of debt outstanding throughout the year as compared to 1999. The increase in 1999 was due to increased borrowings to complete acquisitions.

INTEREST AND OTHER (INCOME), NET was \$4.1 million in 2000 compared to \$5.1 million in 1999 and \$6.8 million in 1998. Fiscal 1999 included \$1.7 million in interest income related to an IRS refund and fiscal 1998 included \$3.8 million of interest income from a settlement with the IRS.

LOSS (GAIN) ON DISPOSAL OF ASSETS was a \$5.6 million loss in 2000, a \$2.4 million loss in 1999 and a \$.1 million gain in 1998. The loss in 2000 includes \$8.4 million of business realignment charges offset by \$6.4 million of income realized on the sale of real property.

INCOME TAXES decreased to an effective rate of 34.5 percent in 2000, compared to 35.0 percent in 1999 and 35.9 percent in 1998. The decrease in the rate from 1999 to 2000 was primarily the result of the utilization of foreign operating loss carryforwards and lower foreign taxes. The decrease in the rate from 1998 to 1999 was the result of increased tax benefits based on the export of products manufactured in the U.S.

EXTRAORDINARY ITEM - EXTINGUISHMENT OF DEBT - On June 30, 1998 the Company called for redemption all of its outstanding \$100 million, 10.375 percent debentures due 1999-2018.

NET INCOME of \$368.2 million for 2000 was 18.6 percent higher than 1999. Net income of \$310.5 million for 1999 was 2.8 percent lower than 1998. Net income as a percentage of sales was 6.9 percent in 2000, compared to 6.3 percent in 1999 and 6.9 percent in 1998.

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DISCUSSION OF BALANCE SHEET

THE CONSOLIDATED BALANCE SHEET shows the Company's financial position at year end, compared with the previous year end. This statement provides information to assist in assessing factors such as the Company's liquidity and financial resources. All year references are to fiscal years.

The effect of currency rate changes during the year caused a \$32.6 million decrease in Shareholders' equity. These rate changes also caused significant decreases in accounts receivable, inventories, goodwill, plant and equipment, accounts payable and various accrual accounts.

Working capital and the current ratio were as follows:

Working Capital (millions)	2000	1999

Current Assets	\$ 2,153	\$ 1,775

Current Liabilities	1,186	755
Working Capital	967	1,020
Current Ratio	1.8	2.4

ACCOUNTS RECEIVABLE are primarily receivables due from customers for sales of product (\$777.1 million at June 30, 2000, compared to \$684.2 million at June 30, 1999). The current year increase in accounts receivable is primarily due to acquisitions and increased volume. Days sales outstanding for the Company decreased to 45 days in 2000 from 47 days in 1999. An increase in the allowance for doubtful accounts in 2000 is primarily due to receivables obtained through acquisitions.

INVENTORIES increased to \$974.2 million at June 30, 2000, compared to \$915.1 million a year ago. The increase was primarily due to acquisitions partially offset by a decrease in inventory in the Aerospace operations where management focused on aligning inventory levels with current customer demand. Months supply of inventory on hand at June 30, 2000 decreased to 3.2 months from 3.5 months at June 30, 1999.

NET ASSETS HELD FOR SALE represents the estimated net cash proceeds and estimated net earnings during the holding period of the metal forming and building systems businesses, which were acquired as part of the Commercial Intertech transaction. These businesses are expected to be sold in the first half of 2001.

PLANT AND EQUIPMENT, net of accumulated depreciation, increased \$140.0 million in 2000 as a result of acquisitions and capital expenditures which exceeded annual depreciation.

INVESTMENTS AND OTHER ASSETS increased \$313.7 million in 2000 primarily as a result of increases in qualified benefit plan assets including those from acquisitions.

EXCESS COST OF INVESTMENTS OVER NET ASSETS ACQUIRED increased \$129.3 million in 2000 as a result of acquisitions, partially offset by current year amortization. The additional excess cost of investments in 2000 is being amortized over 20 years.

NOTES PAYABLE AND LONG-TERM DEBT PAYABLE WITHIN ONE YEAR increased \$274.7 million primarily due to an increase in commercial paper borrowings used to fund acquisitions.

Page 13-4

ACCOUNTS PAYABLE, TRADE increased \$59.5 million in 2000 primarily due to acquisitions as well as higher balances in the North American Industrial operations due to higher production levels.

ACCRUED PAYROLLS AND OTHER COMPENSATION increased \$24.1 million in 2000 primarily as a result of increased headcount from acquisitions and incentive plans which are based on sales and earnings.

ACCRUED DOMESTIC AND FOREIGN TAXES increased to \$84.2 million in 2000 from \$52.6 million in 1999 primarily due to acquisitions, as well as higher taxable income in 2000.

LONG-TERM DEBT decreased \$23.0 million in 2000 compared to 1999. See the Cash Flows From Financing Activities section on page 13-7 for further discussion.

The Company's goal is to maintain no less than an "A" rating on senior debt to ensure availability and reasonable cost of external funds. To meet this objective, the Company has established a financial goal of maintaining a ratio of debt to debt-equity of 34 to 37 percent.

Debt to Debt-Equity Ratio (millions)	2000	1999
Debt	\$ 1,037	\$ 785
Debt & Equity	3,347	2,639
Ratio	31.0%	29.8%

Excluding the effect of the ESOP loan guarantee on both Long-term debt and Shareholders' equity, the debt to debt-equity ratio at June 30, 2000 was 28.0 percent.

In fiscal 2001 additional borrowings are not anticipated for the stock repurchase program, capital investments, or for working capital purposes. However, additional borrowings were utilized to fund the Wynn's International acquisition. See Subsequent Event footnote on page 13-33 for further discussion. These additional borrowings are expected to cause a temporary increase in the debt to debt-equity ratio above the financial goal noted above but the ratio is expected to return to the target range once proceeds from the sale of certain net assets held for sale are realized.

PENSIONS AND OTHER POSTRETIREMENT BENEFITS increased 8.4 percent in 2000. These costs are explained further in Note 9 to the Consolidated Financial Statements.

OTHER LIABILITIES increased to \$71.1 million in 2000 from \$65.3 million in 1999 primarily due to increases in deferred compensation plans.

COMMON STOCK IN TREASURY increased to \$8.4 million in 2000 from \$1.8 million in 1999 due to the repurchase of Company common shares in 2000.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK - The Company enters into forward exchange contracts, costless collar contracts and cross-currency swap agreements to reduce its exposure to fluctuations in related foreign currencies. The total value of open contracts and any risk to the Company as a result of these arrangements is not material to the Company's financial position, liquidity or results of operations. See the Significant Accounting Policies footnote on page 13-19 for further discussion.

DISCUSSION OF CASH FLOWS

THE CONSOLIDATED STATEMENT OF CASH FLOWS reflects cash inflows and outflows from the Company's operating, investing and financing activities. All year references are to fiscal years.

Cash and cash equivalents increased \$35.2 million in 2000 after increasing \$2.8 million in 1999.

CASH FLOWS FROM OPERATING ACTIVITIES - The Company's largest source of cash continues to be net cash provided by operating activities. Net cash provided by operating activities in 2000 was a record \$538.0 million compared to \$459.1 million in 1999. Net income in 2000 increased \$57.7 million over 1999. Accounts payable provided cash of \$21.8 million in 2000 compared to using cash of \$33.1 million in 1999 and Accrued payrolls and other compensation provided cash of \$8.0 million in 2000 after using cash of \$21.9 million in 1999. These providers of cash in 2000 were partially offset by Deferred income taxes, which decreased \$11.9 million in 2000 as opposed to increasing \$5.7 million in 1999. Other liabilities provided cash of \$5.6 million in 2000 after providing cash of \$20.7 million in 1999. Inventories provided cash of \$17.2 million in 2000 compared to providing cash of \$30.6 million in 1999 and Accounts receivable used cash of \$42.4 million in 2000 after using cash of \$31.4 million in 1999.

The net cash provided by operating activities in 1999 increased \$138.5 million compared to 1998. This increase was principally due to Inventories providing cash of \$30.6 million in 1999 compared to using cash of \$185.6 million in 1998. Accrued domestic and foreign taxes provided cash of \$22.1 million in 1999 after using cash of \$15.3 million in 1998. Accounts receivable used cash of \$31.4 million in 1999 after using cash of \$71.0 million in 1998 and Other liabilities provided cash of \$20.7 million compared to providing cash of \$8.6 million in 1998. These providers of cash in 1999 were partially offset with cash used by Other assets of \$57.0 million in 1999 after using cash of \$31.6 million in 1998. Accounts payable used cash of \$33.1 million in 1999 after providing cash of \$52.9 million in 1998. Accrued payrolls and other compensation used cash of \$21.9 million in 1999 after providing cash of \$27.5 million in 1998.

CASH FLOWS FROM INVESTING ACTIVITIES - Net cash used in investing activities was \$266.7 million higher in 2000 than 1999, primarily due to Acquisitions using \$261.1 million more cash in 2000, partially offset by an increase of \$25.7 million in proceeds received from the sale of plant and equipment in 2000. Included in Other is an increase in cash used for equity investments in 2000.

Net cash used in investing activities was \$146.1 million lower in 1999 than 1998, primarily due to Acquisitions using \$143.1 million less cash in 1999. Also, Capital expenditures decreased by \$6.8 million in 1999.

To complete Acquisitions the Company utilized cash of \$351.0 million and the issuance of common stock valued at \$184.3 million in 2000; cash of \$89.9 million in 1999; and cash of \$233.0 million and treasury shares valued at \$11.9 million in 1998. The net assets of the acquired companies at their respective acquisition dates consisted of the following:

<TABLE>

<S> (in thousands)	<C> 2000	<C> 1999	<C> 1998
Assets acquired:			
Accounts receivable	\$ 72,651	\$ 16,529	\$ 39,286
Inventories	90,319	16,173	43,847
Prepaid expenses	2,329	2,509	1,393
Assets held for sale	164,000		
Deferred income taxes	27,814		1,643
Plant & equipment	119,889	17,686	54,718

Other assets	246,915	3,783	3,762
Excess cost of investments over net assets acquired	158,230	84,589	162,680
	882,147	141,269	307,329

Liabilities and equity assumed:			
Notes payable	2,433	10,433	8,690
Accounts payable	41,315	10,105	21,841
Accrued payrolls	18,345	6,828	4,418
Accrued taxes	102,473	(646)	2,840
Other accrued liabilities	56,432	3,535	11,421
Long-term debt	107,195	20,090	9,706
Pensions and other postretirement benefits	22,964	471	477
Other liabilities		588	3,033
Unearned compensation	(4,285)		
	346,872	51,404	62,426
	-----	-----	-----
Net assets acquired	\$535,275	\$ 89,865	\$244,903
	-----	-----	-----

</TABLE>

CASH FLOWS FROM FINANCING ACTIVITIES - In 2000 the Company increased its outstanding borrowings by a net total of \$154.6 million primarily to fund acquisitions. The majority of the funding occurred in the second half of 2000 and was accomplished through the issuance of commercial paper.

In 1999 the Company decreased its outstanding borrowings by a net total of \$148.4 million. This amount does not include the Company's issuance of the ESOP debt guarantee of \$112.0 million, which is reflected as a non-cash financing activity. The Company issued \$225.0 million in medium-term notes during 1999. As of June 30, 1999, the Company paid down the majority of its commercial paper borrowings and selected notes payable attributable to the International operations with the major source of funding for the repayment coming from the proceeds received from the sale of treasury shares to the ESOP.

Common share activity in 2000 includes the exercise of stock options and the repurchase of stock. During 2000 the Company purchased 267,200 shares for treasury.

Dividends have been paid for 200 consecutive quarters, including a yearly increase in dividends for the last 44 fiscal years. The current annual dividend rate is \$.68 per share.

In summary, based upon the Company's past performance and current expectations, management believes the cash flows generated from future operating activities, should provide adequate funds to support internal growth and continued improvements in the Company's manufacturing facilities and equipment. The Company's worldwide financial capabilities may be used to support planned growth as needed.

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DISCUSSION OF BUSINESS SEGMENT INFORMATION

THE BUSINESS SEGMENT INFORMATION presents sales, operating income and assets on a basis that is consistent with the manner in which the Company's various businesses are managed for internal review and decision-making. All year references are to fiscal years.

INDUSTRIAL SEGMENT

	2000	1999	1998
Operating income as a percent of sales	12.1%	11.0%	12.6%
Return on average assets	17.4%	16.0%	19.1%

Sales for the Industrial North American operations increased to a record \$2.94 billion in 2000, 14.7 percent over 1999, following 1999's increase of 4.5 percent over 1998. Acquisitions accounted for one-third of the increase in 2000 and four-fifths of the increase in 1999. The increase in Industrial North American sales is attributable to higher volume across all businesses, particularly in the semiconductor manufacturing and telecommunications markets. Sales in 1999 reflected lower demand within most of the Industrial North American markets.

International Industrial sales increased to \$1.27 billion, 2.7 percent over

1999. Acquisitions accounted for all of the 2000 increase. Without the impact of changes in currency rates, sales for 2000 increased 11.1 percent, mostly attributable to higher volume in the Asia Pacific region as well as higher market demand in Europe and Latin America in the latter part of 2000. International Industrial sales in 1999 increased to \$1.24 billion, 4.7 percent over 1998. Without the impact of changes in currency rates, volume for 1999 increased 5.8 percent. Acquisitions accounted for all of the 1999 increase.

Industrial North American operating income increased 27.3 percent in 2000 after a decline of 8.4 percent in 1999. Income from operations as a percent of sales was 14.5 percent in 2000 compared to 13.1 percent in 1999 and 14.9 percent in 1998. The increased margins in 2000 reflect better capacity utilization as market demand improved. Recent acquisitions, not yet fully integrated, contributed slightly lower margins. Raw material prices decreased during the year.

International operating income increased 2.2 percent in 2000 after a 1999 decrease of 11.4 percent. Operating income in 2000 includes \$9.0 million in business realignment charges that were taken to appropriately structure the European operations to operate in their current economic environment. Excluding this charge, income as a percent of sales in 2000 was 7.3 percent compared to 6.6 percent in 1999 and 7.8 percent in 1998. The increased margins reflect higher volume in the Asia Pacific region and improved market conditions in Latin America. Margins also benefited from the improved European market demand in the second half of 2000 with the increased volume improving capacity utilization. The lower margins in 1999 resulted primarily from struggling European and Latin American economies.

A significant upward trend in order rates was experienced in 2000 with orders in virtually all markets continuing on the upswing heading into fiscal 2001. It is unclear whether the sequential improvement in order rates can be sustained in 2001 as economic indicators for some North American markets are beginning to signal a slowdown in production. The Industrial European and Latin American operations are expected to experience modestly improving economies in 2001. Focused efforts will be made in 2001 to integrate acquisitions completed in 2000 as well as the recently completed Wynn's International acquisition. The Company will also continue to monitor European operations and take, where necessary, actions to manage these operations to ensure they are appropriately structured to operate in their current economic environment.

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Backlog for the Industrial Segment was \$751.0 million at June 30, 2000, compared to \$546.9 million at the end of 1999 and \$585.2 million at the end of 1998. The higher backlog reflects the strong order rates experienced across all markets during the year as well as acquisitions. The decline in backlog in 1999 was due to the weakened demand experienced by the Industrial markets.

Assets for the Industrial Segment increased 20.7 percent in 2000 after an increase of 3.4 percent in 1999. The increase in 2000 is primarily due to acquisitions. In 1999 an increase from acquisitions was partially offset by decreases in inventories and net goodwill as well as the effect of currency fluctuations. In both years net plant and equipment increased due to capital expenditures exceeding depreciation.

AEROSPACE SEGMENT

	2000	1999	1998
Operating income as a percent of sales	15.4%	15.4%	16.1%
Return on average assets	23.4%	23.1%	22.8%

Sales declined 1.2 percent in 2000 after an increase of 16.1 percent in 1999. The lower sales resulted from the expected reduction in commercial aircraft builds partially offset by an increase in regional jet build rates and maintenance, repair and overhaul business. An increase in commercial aircraft build rates contributed to the higher volume in 1999.

Operating income was \$175.7 million in 2000, \$177.2 million in 1999 and \$159.6 million in 1998. Operating income in 2000 includes \$4.4 million in business realignment charges that were taken in response to a decline in commercial aircraft orders. Excluding this charge, as a percent of sales, 2000 income was 15.8 percent compared to 15.4 percent in 1999 and 16.1 percent in 1998. An increase in margins from a higher mix of aftermarket business offset reduced margins from the lower volume, which resulted in lower capacity utilization. The 1999 decline in margins reflected a change in mix of sales from aftermarket to OEM.

Backlog at June 30, 2000 was \$1.05 billion compared to \$1.08 billion in 1999 and \$1.06 billion in 1998. The lower backlog reflects the decline in commercial aircraft build rates partially offset by an increase in orders in the regional jet market. This trend in order rates is expected to continue in 2001.

Assets declined 10.0 percent in 2000 after a 6.0 percent increase in 1999. The decline in 2000 was primarily due to a reduction in inventory. In 1999, increases in customer receivables and property, plant and equipment were partially offset by a decrease in net goodwill.

CORPORATE assets increased 180.9 percent in 2000 and 23.5 percent in 1999. The 2000 amount includes assets held for sale as separately identified on the Consolidated Balance Sheet. The increase in both years is due to increases in qualified and non-qualified benefit plan assets including those from acquisitions in 2000.

Page 13-9

CONSOLIDATED STATEMENT OF INCOME

<TABLE>

<CAPTION>

(Dollars in thousands, except per share amounts) 1998	For the years ended June 30,	2000	1999

<S>		<C>	<C>
<C>			
NET SALES		\$5,355,337	\$4,958,800
\$4,633,023			
Cost of sales		4,156,569	3,869,370
3,550,992			

Gross profit		1,198,768	1,089,430
1,082,031			
Selling, general and administrative expenses		575,906	550,681
532,134			
Interest expense		59,183	63,697
52,787			
Interest and other (income), net		(4,112)	(5,056)
(6,783)			
Loss (gain) on disposal of assets		5,604	2,414
(95)			

Income before income taxes		562,187	477,694
503,988			
Income taxes (Note 4)		193,955	167,193
180,762			

Income before extraordinary item		368,232	310,501
323,226			
Extraordinary item - extinguishment of debt (Note 8)			
(3,675)			

NET INCOME		\$ 368,232	\$ 310,501
\$ 319,551			

EARNINGS PER SHARE (Note 5)			
Basic earnings per share before extraordinary item		\$ 3.34	\$ 2.85
\$ 2.91			
Extraordinary item - extinguishment of debt			
(.03)			

Basic earnings per share		\$ 3.34	\$ 2.85
\$ 2.88			

Diluted earnings per share before extraordinary item		\$ 3.31	\$ 2.83
\$ 2.88			
Extraordinary item - extinguishment of debt			
(.03)			

Diluted earnings per share		\$ 3.31	\$ 2.83
\$ 2.85			

</TABLE>

The accompanying notes are an integral part of the financial statements.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<TABLE>

<CAPTION>

<S>
<C>

<C>

<C>

(Dollars in thousands)
1998

For the years ended June 30,

2000

1999

NET INCOME	\$ 368,232	\$ 310,501
\$ 319,551		
Other comprehensive income (loss), net of taxes:		
Foreign currency translation adjustment	(32,600)	(32,832)
(32,681)		
COMPREHENSIVE INCOME	\$ 335,632	\$ 277,669
\$ 286,870		

</TABLE>

The accompanying notes are an integral part of the financial statements.

Page 13-11

<TABLE>
<CAPTION>

CONSOLIDATED BALANCE SHEET

(Dollars in thousands)
1999

June 30, 2000

ASSETS	<C>	<C>
CURRENT ASSETS		
Cash and cash equivalents	\$ 68,460	\$
33,277		
Accounts receivable, less allowance for doubtful accounts	840,040	
(2000 - \$10,420; 1999 - \$9,397)		
738,773		
Inventories (Notes 1 and 6):		
Finished products	483,017	
442,361		
Work in process	344,804	
347,376		
Raw materials	146,375	
125,393		
	974,196	
915,130		
Prepaid expenses	32,706	
22,928		
Deferred income taxes (Notes 1 and 4)	73,711	
64,576		
Net assets held for sale (Note 2)	164,000	
TOTAL CURRENT ASSETS	2,153,113	
1,774,684		
Plant and equipment (Note 1):		
Land and land improvements	138,394	
125,990		
Buildings and building equipment	642,770	
592,086		
Machinery and equipment	1,825,889	
1,678,956		
Construction in progress	107,197	
109,780		
	2,714,250	
2,506,812		
Less accumulated depreciation	1,373,335	

1,305,943		

		1,340,915
1,200,869		
Investments and other assets (Note 1)		574,241
260,495		
Excess cost of investments over net assets acquired (Note 1)		570,740
441,489		
Deferred income taxes (Notes 1 and 4)		7,290
28,351		

TOTAL ASSETS		\$ 4,646,299
3,705,888		\$

Page 13-12

<TABLE>		
<CAPTION>		
<S>		
	<C>	<C>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Notes payable and long-term debt payable within one year (Notes 7 and 8)	\$ 335,298	\$
60,609		
Accounts payable, trade	372,666	
313,173		
Accrued payrolls and other compensation	169,837	
145,745		
Accrued domestic and foreign taxes	84,208	
52,584		
Other accrued liabilities	224,294	
182,402		

TOTAL CURRENT LIABILITIES	1,186,303	
754,513		
Long-term debt (Note 8)	701,762	
724,757		
Pensions and other postretirement benefits (Notes 1 and 9)	299,741	
276,637		
Deferred income taxes (Notes 1 and 4)	77,939	
30,800		
Other liabilities	71,096	
65,319		

TOTAL LIABILITIES	2,336,841	
1,852,026		

SHAREHOLDERS' EQUITY (Note 10)		
Serial preferred stock, \$.50 par value, authorized 3,000,000 shares; none issued		
Common stock, \$.50 par value, authorized 600,000,000 shares;		
issued 116,602,195 shares in 2000 and 111,945,179 shares in 1999 at par value	58,301	
55,973		
Additional capital	328,938	
132,227		
Retained earnings	2,165,625	
1,872,356		
Unearned compensation related to ESOP (Note 8)	(110,818)	
(112,000)		
Deferred compensation related to stock options	1,304	
Accumulated other comprehensive income (loss)	(125,458)	
(92,858)		

	2,317,892	
1,855,698		
Common stock in treasury at cost; 214,487 shares in 2000 and 43,836 shares in 1999	(8,434)	
(1,836)		

TOTAL SHAREHOLDERS' EQUITY	2,309,458	
1,853,862		

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 4,646,299	\$
3,705,888		

The accompanying notes are an integral part of the financial statements.

</TABLE>

CONSOLIDATED STATEMENT OF CASH FLOWS

<TABLE>
<CAPTION>

(Dollars in thousands)	For the years ended June 30,	2000	1999
1998			

<S>		<C>	<C>
<C>			
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income		\$ 368,232	\$ 310,501
\$ 319,551			
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation		167,356	164,577
153,633			
Amortization		39,052	37,469
29,046			
Deferred income taxes		(11,867)	5,718
7,680			
Foreign currency transaction loss (gain)		5,082	(2,495)
3,697			
(Gain) loss on sale of plant and equipment		(5,288)	1,886
291			
Write-off of purchased in-process research and development			
15,800			
Net effect of extraordinary loss			
3,675			
Changes in assets and liabilities, net of effects from acquisitions and dispositions:			
Accounts receivable		(42,386)	(31,396)
(71,034)			
Inventories		17,248	30,606
(185,569)			
Prepaid expenses		(7,881)	2,069
(3,473)			
Other assets		(53,105)	(56,957)
(31,620)			
Accounts payable, trade		21,792	(33,075)
52,947			
Accrued payrolls and other compensation		8,021	(21,892)
27,531			
Accrued domestic and foreign taxes		30,124	22,091
(15,282)			
Other accrued liabilities		(7,533)	(3,935)
(9,129)			
Pensions and other postretirement benefits		3,642	13,258
14,276			
Other liabilities		5,551	20,672
8,579			

Net cash provided by operating activities		538,040	459,097
320,599			
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions (less cash acquired of \$1,158 in 2000, \$2,609 in 1999 and \$4,260 in 1998)		(351,011)	(89,865)
(232,953)			
Capital expenditures		(230,482)	(230,122)
(236,945)			
Proceeds from sale of plant and equipment		32,051	6,382
7,151			
Other		(30,267)	548
3,630			

Net cash (used in) investing activities		(579,709)	(313,057)
(459,117)			

</TABLE>

<TABLE>
<CAPTION>

<S>		<C>	<C>
<C>			
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from (payments for) common share activity		1,202	74,076
(96,887)			

Proceeds from (payments of) notes payable, net 190,865	272,440	(228,896)
Proceeds from long-term borrowings 87,085	12,600	232,886
(Payments of) long-term borrowings (13,054)	(130,419)	(152,397)
Dividends paid, net of tax benefit of ESOP shares (66,501)	(74,963)	(69,461)

Net cash provided by (used in) financing activities	80,860	(143,792)
101,508		
Effect of exchange rate changes on cash (1,499)	(4,008)	541

Net increase (decrease) in cash and cash equivalents (38,509)	35,183	2,789
Cash and cash equivalents at beginning of year 68,997	33,277	30,488

Cash and cash equivalents at end of year \$ 30,488	\$ 68,460	\$ 33,277

Supplemental Data:		
Cash paid during the year for:		
Interest, net of capitalized interest \$ 48,105	\$ 56,341	\$ 62,997
Income taxes 175,546	167,211	129,893
Non-cash investing activities:		
Stock issued for acquisitions 11,950	184,263	
Non-cash financing activities:		
Capital lease obligations		7,346
ESOP debt guarantee		112,000

</TABLE>

The accompanying notes are an integral part of the financial statements.

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<TABLE>
<CAPTION>

BUSINESS SEGMENT INFORMATION
BY INDUSTRY
(Dollars in thousands)
1998

	2000	1999	

<S>	<C>	<C>	<C>
NET SALES:			
Industrial:			
North America	\$ 2,942,419	\$ 2,565,154	\$
2,454,558			
International	1,274,590	1,241,256	
1,185,584			
Aerospace	1,138,328	1,152,390	
992,881			

	\$ 5,355,337	\$ 4,958,800	\$
4,633,023			

SEGMENT OPERATING INCOME:			
Industrial:			
North America	\$ 426,630	\$ 335,259	\$
365,880			
International	84,022	82,245	
92,783			
Aerospace	175,710	177,213	
159,580			

Total segment operating income	686,362	594,717	
618,243			
Corporate administration	58,210	54,176	
61,829			

Income before interest expense and other	628,152	540,541	
556,414			
Interest expense	59,183	63,697	
52,787			
Other	6,782	(850)	
(361)			
Income before income taxes	\$ 562,187	\$ 477,694	\$
503,988			
IDENTIFIABLE ASSETS:			
Industrial	\$ 3,207,357	\$ 2,657,146	\$
2,570,273			
Aerospace	709,731	789,174	
744,335			
Corporate (a)	729,211	259,568	
210,213			
	\$ 4,646,299	\$ 3,705,888	\$
3,524,821			
PROPERTY ADDITIONS: (b)			
Industrial	\$ 329,651	\$ 209,230	\$
245,995			
Aerospace	20,720	36,993	
33,733			
Corporate		1,585	
11,935			
	\$ 350,371	\$ 247,808	\$
291,663			
DEPRECIATION:			
Industrial	\$ 142,078	\$ 140,914	\$
130,888			
Aerospace	21,342	19,523	
19,011			
Corporate	3,936	4,140	
3,734			
	\$ 167,356	\$ 164,577	\$
153,633			

</TABLE>

The accounting policies of the business segments are the same as those described in the Significant Accounting Policies footnote except that the business segment results are prepared on a management basis that is consistent with the manner in which the Company disaggregates financial information for internal review and decision-making.

- (a) Corporate assets are principally cash and cash equivalents, domestic deferred income taxes, investments, benefit plan assets, headquarters facilities, assets held for sale and the major portion of the Company's domestic data processing equipment.
- (b) Includes value of net plant and equipment at the date of acquisition of acquired companies accounted for by the purchase method (2000 - \$119,889; 1999 - \$17,686; 1998 - \$54,718).

<TABLE>
<CAPTION>

BY GEOGRAPHIC AREA (c)
(Dollars in thousands)

	2000	1999	1998
<S>	<C>	<C>	<C>

NET SALES:			
North America	\$ 4,054,367	\$ 3,684,786	\$ 3,425,704
International	1,300,970	1,274,014	1,207,319

	\$ 5,355,337	\$ 4,958,800	\$ 4,633,023

LONG-LIVED ASSETS:			
North America	\$ 969,788	\$ 873,222	\$ 790,162
International	371,127	327,647	345,063

	\$ 1,340,915	\$ 1,200,869	\$ 1,135,225

</TABLE>

(c) Net sales are attributed to countries based on the location of the selling unit. North America includes the United States, Canada and Mexico. No country other than the United States represents greater than 10% of consolidated sales. Long-lived assets are comprised of property, plant and equipment based on physical location.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except per share amounts)

NOTE 1
SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of the accompanying consolidated financial statements are summarized below.

NATURE OF OPERATIONS - The Company is a leading worldwide producer of motion control products, including fluid power systems, electromechanical controls and related components. The Company evaluates performance based on segment operating income before Corporate general and administrative expenses, Interest expense and Income taxes.

The Company operates in two principal business segments: Industrial and Aerospace. The Industrial Segment is an aggregation of several business units which produce motion-control and fluid power system components for builders and users of various types of manufacturing, packaging, processing, transportation, agricultural, construction, and military machinery, vehicles and equipment. Industrial Segment products are marketed primarily through field sales employees and independent distributors. The North American Industrial business represents the largest portion of the Company's manufacturing plants and distribution networks and primarily services North America. The International Industrial operations bring Parker products and services to countries throughout Europe, Asia Pacific and Latin America.

The Aerospace Segment produces hydraulic, pneumatic and fuel systems and components which are utilized on virtually every domestic commercial, military and general aviation aircraft. Its components also perform a vital role in naval vessels, land-based weapons systems, satellites and space vehicles. This Segment serves original equipment and maintenance, repair and overhaul customers worldwide. Its products are marketed by field sales employees and are sold directly to the manufacturer and to the end user.

There are no individual customers to whom sales are five percent or more of the Company's consolidated sales. Due to the diverse group of customers throughout the world the Company does not consider itself exposed to any concentration of credit risks.

The Company manufactures and markets its products throughout the world. Although certain risks and uncertainties exist, the diversity and breadth of the Company's products and geographic operations mitigate significantly the risk that adverse changes would materially affect the Company's operating results.

USE OF ESTIMATES - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

BASIS OF CONSOLIDATION - The consolidated financial statements include the accounts of all domestic and foreign subsidiaries. All material intercompany transactions and profits have been eliminated in the consolidated financial statements. Within the Business Segment Information, intersegment and interarea sales are recorded at fair market value and are immaterial in amount.

REVENUE RECOGNITION - Revenue is generally recognized when products are shipped.

CASH - Cash equivalents consist of short-term highly liquid investments, with a three-month or less maturity, carried at cost plus accrued interest, which are readily convertible into cash.

INVENTORIES - Inventories are stated at the lower of cost or market. The majority of domestic inventories are valued by the last-in, first-out method and the balance of the Company's inventories are valued by the first-in, first-out method.

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LONG-TERM CONTRACTS - The Company enters into long-term contracts for the production of aerospace products. For financial statement purposes, sales are recorded as deliveries are made (units of delivery method of percentage-of-completion). Unbilled costs on these contracts are included in inventory. Progress payments are netted against the inventory balances. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined.

PLANT, EQUIPMENT AND DEPRECIATION - Plant and equipment are recorded at cost and are depreciated principally using the straight-line method for financial reporting purposes. Depreciation rates are based on estimated useful lives of the assets, generally 40 years for buildings; 15 years for land improvements and building equipment; 10 years for machinery; and seven years for equipment. Improvements which extend the useful life of property are capitalized, and maintenance and repairs are expensed. When property is retired or otherwise disposed of, the cost and accumulated depreciation are removed from the appropriate accounts and any gain or loss is included in current income.

INVESTMENTS AND OTHER ASSETS - Investments in joint-venture companies in which ownership is 50% or less and in which the Company does not have operating control are stated at cost plus the Company's equity in undistributed earnings. These investments and the related earnings are not material to the consolidated financial statements.

EXCESS COST OF INVESTMENTS - The excess cost of investments over net assets acquired is being amortized, on a straight-line basis, over periods ranging from 15 years to 40 years. Unamortized cost in excess of associated expected operating cash flows is considered to be impaired and is written down to fair value.

INCOME TAXES - Income taxes are provided based upon income for financial reporting purposes. Deferred income taxes arise from temporary differences in the recognition of income and expense for tax purposes. Tax credits and similar tax incentives are applied to reduce the provision for income taxes in the year in which the credits arise.

FOREIGN CURRENCY TRANSLATION - Assets and liabilities of most foreign subsidiaries are translated at current exchange rates, and income and expenses are translated using weighted average exchange rates. The effects of these translation adjustments, as well as gains and losses from certain intercompany transactions, are reported in the Accumulated other comprehensive income (loss) component of Shareholders' equity. Such adjustments will affect Net income only upon sale or liquidation of the underlying foreign investments, which is not contemplated at this time. Exchange gains and losses from transactions in a currency other than the local currency of the entity involved, and translation adjustments in countries with highly inflationary economies, are included in income.

FINANCIAL INSTRUMENTS - The Company's financial instruments consist primarily of investments in cash, cash equivalents and long-term investments as well as obligations under notes payable and long-term debt. The carrying values for Cash and cash equivalents, Investments and other assets and Notes payable approximate fair value.

The Company enters into forward exchange contracts (forward contracts), costless collar contracts, and cross-currency swap agreements to reduce its exposure to fluctuations in related foreign currencies. These contracts are with major financial institutions and the risk of loss is considered remote. The Company does not hold or issue derivative financial instruments for trading purposes.

Gains or losses on forward contracts which hedge specific transactions are recognized in Net income, offsetting the underlying foreign currency gains or losses. Gains or losses on costless collar contracts are recognized in Net income when the spot rate of the contract falls outside the collar range.

Cross-currency swap agreements are recorded in Long-term debt as dollar-denominated receivables with offsetting foreign-currency payables. If the receivables more than offset the payables, the net difference is reclassified to an asset. Gains or losses are accrued monthly as an adjustment to Net income, offsetting the underlying foreign currency gains or losses. The differential between interest to be received and interest to be paid is accrued monthly as an adjustment to Interest expense.

In addition, the Company's foreign locations, in the ordinary course of business, enter into financial guarantees, through financial institutions, which enable customers to be reimbursed in the event of nonperformance by the Company.

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The total value of open contracts and any risk to the Company as a result of the above mentioned arrangements is not material.

STOCK OPTIONS - The Company applies the intrinsic-value based method to account for stock options granted to employees or outside Directors to purchase common shares. The option price equals the market price of the underlying common shares on the date of grant, therefore no compensation expense is recognized.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS - The Financial Accounting Standards Board (FASB) has issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." This standard establishes a new model for accounting for derivatives and hedging activities. Due to the immaterial amount of derivative and hedging activity within the Company, application of this standard, required in the first quarter of 2001 as a result of the issuance of SFAS No. 137, is not expected to have a material impact on the results and financial position of the Company.

NOTE 2
ACQUISITIONS AND NET ASSETS HELD FOR SALE

On February 3, 2000 the Company acquired the assets of Dana Corporation's Gresen Hydraulics business, located in Minneapolis, Minnesota and Sarasota, Florida, a manufacturer of a wide range of hydraulic pumps, motors, cylinders, control valves, filters and electronic controls for on- and off-highway vehicles. On April 11, 2000 the Company completed its merger with Commercial Intertech Corp. of Youngstown, Ohio with the Company being the surviving corporation. Commercial Intertech's hydraulics business manufactures gear pumps and motors, control valves and telescopic cylinders for use on heavy-duty mobile equipment. On May 30, 2000 the Company acquired the equity of Whatman's Industrial Filtration Business, based in Haverill, Massachusetts and Maidstone, United Kingdom, a manufacturer of high quality purification products and gas generators for a variety of industrial applications. Combined annual sales for these operations, for their most recent fiscal year prior to acquisition, were approximately \$716 million. Total purchase price for these businesses was approximately \$339 million in cash, 4.3 million shares of common stock valued at \$184 million and assumed debt of \$104 million.

The Company is currently soliciting offers for the purchase of Commercial Intertech's building systems and metal forming businesses. These businesses are valued at the estimated net cash proceeds from their sale plus estimated net earnings during the holding period and are reflected as Net assets held for sale on the Consolidated Balance Sheet.

On July 14, 1998 the Company acquired the equity of B.A.G. Acquisition Ltd., the parent company of Veriflo Corporation, a manufacturer of high-purity regulators and valves based in Richmond, California. On August 27, 1998 the Company acquired the equity of Fluid Power Systems, a manufacturer of hydraulic valves and electrohydraulic systems and controls located in Lincolnshire, Illinois. Combined annual sales for these operations, for their most recent fiscal year prior to acquisition, were approximately \$107 million. Total purchase price for these businesses was approximately \$85.2 million cash.

On May 1, 1998 the Company acquired the equity of Extrudit Ltd., a tubing manufacturer located in Buxton, England. On April 30, 1998 the Company purchased the equity of UCC Securities Limited of Thetford, Norfolk, England, a manufacturer of technology-based hydraulic filtration products. On April 1, 1998 the Company acquired the equity of Sempress Pneumatics, a manufacturer of pneumatic cylinders and valves located near Rotterdam, the Netherlands. On March 31, 1998 the Company acquired the assets of Temeto AB located in Flen, Sweden, a distributor of hydraulic components. On March 26, 1998 the Company purchased the remaining 51% of two Korean joint ventures - HS Parker Company Ltd., in Yangsan, and the HS Parker Air Conditioning Components Company Ltd., in Chonan, manufacturers of hydraulic hose, fittings, hose assemblies and accumulators. On February 27, 1998 Computer Technology Corporation of Milford, Ohio, a manufacturer of man-machine interface solutions, was merged into the Company. On September 26, 1997 the Company acquired the assets of the Skinner solenoid valve division of Honeywell Inc. and the equity of Honeywell Lucifer, S.A. Skinner is headquartered in New Britain, Connecticut, and Lucifer is headquartered in Geneva, Switzerland. On August 4, 1997 the Company acquired the assets of EWAL Manufacturing of Belleville, New Jersey, a leading producer of precision fittings and valves. Combined annual sales

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for operations acquired in fiscal 1998, for their most recent fiscal year prior to acquisition, were approximately \$243 million. Total purchase price for these businesses was approximately \$236.5 million cash and 263,279 shares of common stock valued at \$11.9 million.

The purchase price allocations of Computer Technology Corporation and UCC Securities Limited, as determined by independent appraisal, included a \$15.8 million asset for purchased in-process research and development. Generally accepted accounting principles do not allow the capitalization of R&D of this nature, therefore, a write-off of \$15.8 million (\$12.0 million after-tax or \$.11 per share) is included in Cost of sales in 1998.

These acquisitions were accounted for by the purchase method, and results are included as of the respective dates of acquisition.

NOTE 3
CHARGES RELATED TO BUSINESS REALIGNMENT

In 2000 the Company recorded a \$8,555 charge (\$5,560 after-tax or \$.05 per share) related to the costs of appropriately structuring its businesses to operate in their current economic environment. The charge primarily related to severance costs attributable to approximately 250 employees principally associated with the Industrial International operations. As of June 30, 2000, the Company has made substantially all severance payments.

A change in the future utilization of long-lived assets at certain locations triggered an impairment review of these long-lived assets during 2000. The Company evaluated the recoverability of the long-lived assets and determined that the estimated future undiscounted cash flows were below the carrying value of these assets. Accordingly, the Company recorded a non-cash impairment loss of \$4,875 (\$3,169 after-tax or \$.03 per share). Of the pre-tax amount, \$3,499 relates to the Aerospace Segment and \$1,376 relates to the Industrial Segment.

The severance and impairment loss are presented in the income statement for 2000 in the following captions: \$2,552 in Cost of sales; \$2,476 in Selling, general and administrative expenses; and \$8,402 in Loss (gain) on disposal of assets.

NOTE 4
INCOME TAXES

Income taxes include the following:

	2000	1999	1998
Federal	\$140,663	\$113,011	\$129,462
Foreign	29,393	34,309	27,847
State and local	11,099	11,236	16,928
Deferred	12,800	8,637	6,525
	\$193,955	\$167,193	\$180,762

A reconciliation of the Company's effective income tax rate to the statutory Federal rate follows:

	2000	1999	1998
Statutory Federal income tax rate	35.0%	35.0%	35.0%
State and local income taxes	1.5	1.8	2.1
FSC income not taxed	(1.7)	(2.3)	(1.7)
Foreign tax rate difference	(.6)	1.4	.2
Other	.3	(.9)	.3
Effective income tax rate	34.5%	35.0%	35.9%

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Deferred income taxes are provided for the temporary differences between the financial reporting basis and the tax basis of assets and liabilities. The differences comprising the net deferred taxes shown on the Consolidated Balance Sheet at June 30 were as follows:

	2000	1999
Postretirement benefits	\$ 1,710	\$ 74,238
Other liabilities and reserves	58,077	38,530
Long-term contracts	5,347	16,344
Operating loss carryforwards	45,182	4,719
Foreign tax credit carryforwards	3,356	2,264
Valuation allowance	(26,887)	(4,700)
Depreciation	(95,138)	(77,871)
Inventory	10,532	10,567
Net deferred tax asset	\$ 2,179	\$ 64,091
Change in net deferred tax asset (liability):		

Provision for deferred tax	\$ (12,800)	\$ (8,637)
Translation adjustment	320	1,710
Acquisitions	(49,432)	(1,707)

Total change in net deferred tax	\$ (61,912)	\$ (8,634)

At June 30, 2000, the Company has operating loss carryforwards of \$45,182 for tax purposes, some of which can be carried forward indefinitely and others which can be carried forward from three to 20 years. A valuation allowance has been established due to the uncertainty of realizing certain foreign operating loss carryforwards. The increase in the valuation allowance in 2000 was attributable to the Commercial Intertech acquisition. The recognition of any future tax benefit resulting from the reduction of \$24,703 of the valuation allowance will reduce any goodwill related to the Commercial Intertech acquisition remaining at the time of the reduction.

Provision has not been made for additional U.S. or foreign taxes on undistributed earnings of certain international operations as those earnings will continue to be reinvested. It is not practicable to estimate the additional taxes, including applicable foreign withholding taxes, that might be payable on the eventual remittance of such earnings.

Accumulated undistributed earnings of foreign operations reinvested in their operations amounted to \$276,481, \$205,756 and \$153,831, at June 30, 2000, 1999 and 1998, respectively.

NOTE 5
EARNINGS PER SHARE

Earnings per share have been computed according to SFAS No. 128, "Earnings per Share." Basic earnings per share is computed using the weighted average number of shares of common stock outstanding during the year.

Diluted earnings per share is computed using the weighted average number of common shares and common share equivalents outstanding during the year. Common share equivalents represent the dilutive effect of outstanding stock options. The computation of net income per share was as follows:

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<TABLE>
<CAPTION>

	2000	1999	1998

<S>	<C>	<C>	<C>
NUMERATOR:			
Net income applicable to common shares	\$ 368,232	\$ 310,501	\$ 319,551

DENOMINATOR:			
Basic - weighted average common shares	110,330,711	108,799,974	110,868,834
Increase in weighted average from dilutive effect of exercise of stock options	913,921	878,985	1,090,437

Diluted - weighted average common shares, assuming exercise of stock options	111,244,632	109,678,959	111,959,271

Basic earnings per share	\$ 3.34	\$ 2.85	\$ 2.88
Diluted earnings per share	\$ 3.31	\$ 2.83	\$ 2.85

</TABLE>

NOTE 6
INVENTORIES

Inventories valued on the last-in, first-out cost method are approximately 43% in 2000 and 34% in 1999 of total inventories. The current cost of these inventories exceeds their valuation determined on the LIFO basis by \$141,187 in 2000 and \$138,197 in 1999. Progress payments of \$20,279 in 2000 and \$22,593 in 1999 are netted against inventories.

NOTE 7
FINANCING ARRANGEMENTS

The Company has committed lines of credit totaling \$650,865 through several multi-currency unsecured revolving credit agreements with a group of banks, of which \$362,759 was available at June 30, 2000. The majority of these agreements expire October 2003. The interest on borrowings is based upon the terms of each specific borrowing and is subject to market conditions. The agreements also

require facility fees of up to 8/100ths of one percent of the commitment per annum. Covenants in some of the agreements include a limitation on the Company's ratio of debt to tangible net worth.

The Company has other lines of credit, primarily short-term, aggregating \$89,439 from various foreign banks, of which \$73,430 was available at June 30, 2000. Most of these agreements are renewed annually.

During fiscal 2000 the Company did not issue any medium-term notes leaving \$530,000 available for issuance at June 30, 2000.

The Company is authorized to sell up to \$600,000 of short-term commercial paper notes, rated A-1 by Standard & Poor's, P-1 by Moody's and F-1 by Fitch, Inc. At June 30, 2000 there were \$235,800 of commercial paper notes outstanding which were supported by the available domestic lines of credit.

Commercial paper, along with short-term borrowings from foreign banks, primarily make up the balance of Notes payable. The balance and weighted average interest rate of the Notes payable at June 30, 2000 and 1999 were \$314,365 and 5.6% and \$37,305 and 6.4%, respectively.

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NOTE 8
DEBT

	JUNE 30,	2000	1999

Domestic:			
Debentures			
9.75%, due 2002-2021		\$ 100,000	\$ 100,000
7.3%, due 2011		100,000	100,000
Medium-term notes			
5.65% to 7.39%, due 2004-2019		370,000	370,000
ESOP loan guarantee			
6.34%, due 2009		99,741	112,000
Variable rate demand bonds			
4.8% to 4.9%, due 2010-2025		20,035	20,035
Foreign:			
Bank loans, including revolving credit			
1.5% to 12.0%, due 2001-2018		24,764	37,206
Other long-term debt, including capitalized leases		8,155	8,820

Total long-term debt		722,695	748,061
Less long-term debt payable within one year		20,933	23,304

Long-term debt, net		\$ 701,762	\$ 724,757

On June 30, 1998, the Company called for redemption its outstanding \$100,000, 10.375 percent debentures due 1999-2018. The after-tax extraordinary loss for this transaction, including an early-redemption premium and the write-off of deferred issuance costs, was \$3,675 or \$.03 per share. The retirement of the debt was financed on July 15, 1998, through the issuance of \$100,000 of medium-term notes, due 2019, at an annual interest rate of 6.55 percent.

Principal amounts of Long-term debt payable in the five years ending June 30, 2001 through 2005 are \$20,933, \$24,580, \$22,781, \$199,176 and \$16,943, respectively. The carrying value of the Company's Long-term debt (excluding leases and cross-currency swaps) was \$714,540 and \$739,241 at June 30, 2000 and 1999, respectively, and was estimated to have a fair value of \$668,864 and \$711,505, at June 30, 2000 and 1999, respectively. The estimated fair value of the Long-term debt was estimated using discounted cash flow analyses based on the Company's current incremental borrowing rate for similar types of borrowing arrangements.

ESOP LOAN GUARANTEE - In 1999 the Company's Employee Stock Ownership Plan (ESOP) was leveraged when the ESOP Trust borrowed \$112,000 and used the proceeds to purchase 3,055,413 shares of the Company's common stock from the Company's treasury. The Company used the proceeds to pay down commercial paper borrowings. The loan is unconditionally guaranteed by the Company and therefore the unpaid balance of the borrowing is reflected on the Consolidated Balance Sheet as Long-term debt. A corresponding amount representing Unearned compensation is recorded as a deduction from Shareholders' equity.

LEASE COMMITMENTS -- Future minimum rental commitments as of June 30, 2000, under noncancelable operating leases, which expire at various dates, are as follows: 2001-\$43,732; 2002-\$31,663; 2003-\$21,462; 2004-\$12,726; 2005-\$12,585 and after 2005-\$30,832.

Rental expense in 2000, 1999 and 1998 was \$40,371, \$42,280 and \$37,065, respectively.

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NOTE 9
RETIREMENT BENEFITS

PENSIONS - The Company has noncontributory defined benefit pension plans covering eligible employees, including certain employees in foreign countries. Plans for most salaried employees provide pay-related benefits based on years of service. Plans for hourly employees generally provide benefits based on flat-dollar amounts and years of service. The Company also has contractual arrangements with certain key employees which provide for supplemental retirement benefits. In general, the Company's policy is to fund these plans based on legal requirements, tax considerations, local practices and investment opportunities. The Company also sponsors defined contribution plans and participates in government-sponsored programs in certain foreign countries.

Pension costs for all plans were \$9,304, \$23,644 and \$19,989 for 2000, 1999 and 1998, respectively. Pension costs for all defined benefit plans accounted for using SFAS No. 87, "Employers' Accounting for Pensions," are as follows:

<TABLE>
<CAPTION>

	2000	1999	1998
<S>	<C>	<C>	<C>
Service cost	\$ 38,179	\$ 34,890	\$ 28,190
Interest cost	68,807	63,257	57,892
Expected return on plan assets	(102,346)	(83,798)	(68,463)
Net amortization and deferral and other	(375)	4,081	445
Net periodic benefit cost	\$ 4,265	\$ 18,430	\$ 18,064

	2000	1999
CHANGE IN BENEFIT OBLIGATION		
Benefit obligation at beginning of year	\$ 962,663	\$ 877,752
Service cost	38,179	34,890
Interest cost	68,807	63,257
Actuarial (gain) loss	(11,812)	30,288
Benefits paid	(42,659)	(40,028)
Acquisitions	157,189	
Other	(4,753)	(3,496)
Benefit obligation at end of year	\$ 1,167,614	\$ 962,663

	2000	1999
CHANGE IN PLAN ASSETS		
Fair value of plan assets at beginning of year	\$ 1,099,989	\$ 997,913
Actual return on plan assets	123,997	131,872
Employer contributions	14,295	12,255
Benefits paid	(38,543)	(36,253)
Acquisitions	393,134	
Other	(10,787)	(5,798)
Fair value of plan assets at end of year	\$ 1,582,085	\$ 1,099,989

	2000	1999
FUNDED STATUS		
Plan assets in excess of benefit obligation	\$ 414,471	\$ 137,326
Unrecognized net actuarial (gain)	(175,644)	(144,706)
Unrecognized prior service cost	27,683	23,259
Unrecognized initial net (asset)	(7,173)	(9,587)
Net amount recognized	\$ 259,337	\$ 6,292

AMOUNTS RECOGNIZED ON THE CONSOLIDATED
BALANCE SHEET

Prepaid benefit cost	\$ 355,922	\$ 104,135
----------------------	------------	------------

Accrued benefit liability	(96,585)	(97,843)
---------------------------	----------	----------

Net amount recognized	\$ 259,337	\$ 6,292
-----------------------	------------	----------

</TABLE>

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The projected benefit obligation, accumulated benefit obligation, and fair value of plan assets for pension plans with accumulated benefit obligations in excess of plan assets were \$147,286, \$124,354 and \$37,208, respectively, at June 30, 2000, and \$143,177, \$122,411 and \$28,331, respectively, at June 30, 1999.

The plans' assets consist primarily of listed common stocks, corporate and government bonds, and real estate investments. At June 30, 2000 and 1999, the plans' assets included Company stock with market values of \$18,203 and \$24,314, respectively.

The assumptions used to measure the benefit obligations and to compute the expected long-term return on assets for the Company's significant defined benefit plans are:

	2000	1999	1998
U.S. defined benefit plans			
Discount rate	7.5%	7.5%	7.5%
Average increase in compensation	4.9%	4.9%	4.9%
Expected long-term return on assets	10%	10%	9.5%
Non-U.S. defined benefit plans			
Discount rate	4.75 TO 7%	4.5 to 6.5%	4.5 to 7%
Average increase in compensation	3 TO 4%	1.5 to 4%	3 to 4.5%
Expected long-term return on assets	6 TO 8.5%	6 to 9%	5.5 to 9%

EMPLOYEE SAVINGS PLAN -- The Company sponsors an employee stock ownership plan (ESOP) as part of its existing savings and investment 401(k) plan (the "Parker ESOP"), and as of April 11, 2000, assumed sponsorship of the Commercial Intertech ESOP (both plans collectively referred to as "ESOP's"). The ESOP's are available to eligible domestic employees. Parker Hannifin common stock is used to match contributions made by employees to the ESOP's up to a maximum of 3.5 percent of an employee's annual compensation. A breakdown of shares held by the ESOP's is as follows:

	2000	1999	1998
Allocated shares	8,660,550	7,866,152	7,631,677
Committed-to-be-released shares	77,038		
Suspense shares	3,373,734	3,055,413	
Total shares held by the ESOP's	12,111,322	10,921,565	7,631,677
Fair value of suspense shares	\$ 115,550	\$ 139,785	

In 1999 the Parker ESOP was leveraged and the loan was unconditionally guaranteed by the Company. The Company's matching contribution and dividends on the shares held by the Parker ESOP are used to repay the loan, and shares are released from the suspense account as the principal and interest are paid. Shares in the Parker ESOP suspense account are not considered outstanding for purposes of earnings per share computations until they are released. Company contributions to the ESOP's, recorded as compensation and interest expense, were \$26,984 in 2000, \$24,319 in 1999 and \$23,093 in 1998. Dividends earned by the suspense shares and interest income within the ESOP's totaled \$1,214 in 2000 and \$519 in 1999.

In addition to shares within the ESOP's, as of June 30, 2000 employees have elected to invest in 3,614,913 shares of common stock within the Company Stock Fund of the Parker Retirement Savings Plan.

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OTHER POSTRETIREMENT BENEFITS --The Company provides postretirement medical and life insurance benefits to certain retirees and eligible dependents. Most plans are contributory, with retiree contributions adjusted annually. The plans are unfunded and pay stated percentages of covered medically necessary expenses incurred by retirees, after subtracting payments by Medicare or other providers and after stated deductibles have been met. For most plans, the Company has established cost maximums to more effectively control future medical costs. The Company has reserved the right to change or eliminate these benefit plans.

Postretirement benefit costs included the following components:

	2000	1999	1998
Service cost	\$ 4,499	\$ 4,301	\$ 4,021
Interest cost	10,762	11,158	11,077
Net amortization and deferral	(2,758)	(1,683)	(1,815)
Net periodic benefit cost	\$12,503	\$ 13,776	\$ 13,283

CHANGE IN BENEFIT OBLIGATION	2000	1999
Benefit obligation at beginning of year	\$ 155,282	\$ 155,933
Service cost	4,499	4,301
Interest cost	10,762	11,158
Actuarial (gain)	(13,838)	(8,093)
Benefits paid	(7,923)	(8,017)
Acquisitions and other	21,805	
Benefit obligation at end of year	\$ 170,587	\$ 155,282

FUNDED STATUS

Benefit obligation in excess of plan assets	\$ (170,587)	\$ (155,282)
Unrecognized net actuarial (gain)	(22,472)	(10,029)
Unrecognized prior service cost	(12,224)	(13,679)
Net amount recognized	\$ (205,283)	\$ (178,990)

AMOUNTS RECOGNIZED ON THE CONSOLIDATED BALANCE SHEET:

Accrued benefit liability	\$ (205,283)	\$ (178,990)
---------------------------	--------------	--------------

The assumptions used to measure the postretirement benefit obligations are:

	2000	1999	1998
Discount rate	7.5%	7.5%	7.5%
Current medical cost trend rate	9%	9.5%	10.25%
Ultimate medical cost trend rate	5.5%	5.5%	6%
Medical cost trend rate decreases to ultimate in year	2007	2007	2007

A one percentage point change in assumed health care cost trend rates would have the following effects:

	1% INCREASE	1% DECREASE
Effect on total of service and interest cost components	\$ 1,811	\$ (1,476)
Effect on postretirement benefit obligation	\$ 15,201	\$ (12,590)

OTHER -- The Company has established nonqualified deferred compensation programs which permit officers, directors and certain management employees to annually elect to defer a portion of their compensation, on a pre-tax basis, until their retirement. The retirement benefit to be provided is based on the amount of compensation deferred, Company match, and earnings on the deferrals. Deferred compensation expense was \$17,157, \$17,849 and \$20,426 in 2000, 1999 and 1998, respectively.

The Company has invested in corporate-owned life insurance policies to assist in funding these programs. The cash surrender values of these policies are in a rabbi trust and are recorded as assets of the Company.

NOTE 10
SHAREHOLDERS' EQUITY

<TABLE>
<CAPTION>

COMMON SHARES	2000	1999	1998
---------------	------	------	------

<S>	<C>	<C>	<C>
Balance July 1	\$ 55,973	\$ 55,906	\$ 55,905
Shares issued under stock option plans (2000 - 331,421; 1999 - 133,514; 1998 - 3,650)	164	67	1
Shares issued for purchase acquisition	2,164		
Balance June 30	\$ 58,301	\$ 55,973	\$ 55,906
=====			
ADDITIONAL CAPITAL			
Balance July 1	\$ 132,227	\$ 139,726	\$ 150,702
Net increase (decrease) for Treasury or common shares issued under stock option plans	3,760	(2,194)	(11,481)
Shares issued for purchase acquisition	190,379	35	478
Restricted stock (surrendered) issued		(24)	27
Shares related to ESOP	2,572	(5,316)	
Balance June 30	\$ 328,938	\$ 132,227	\$ 139,726
=====			
RETAINED EARNINGS			
Balance July 1	\$ 1,872,356	\$ 1,631,316	\$ 1,378,297
Net income	368,232	310,501	319,551
Cash dividends paid on common shares, net of tax benefit of ESOP shares	(74,963)	(69,461)	(66,501)
Cash payments for stock split fractional shares			(31)
Balance June 30	\$ 2,165,625	\$ 1,872,356	\$ 1,631,316
=====			
UNEARNED COMPENSATION RELATED TO ESOP			
Balance July 1	\$ (112,000)	\$	\$
Unearned compensation related to ESOP debt guarantee	13,747	(112,000)	
ESOP shares related to acquisition	(12,565)		
Balance June 30	\$ (110,818)	\$ (112,000)	\$
=====			
DEFERRED COMPENSATION RELATED TO STOCK OPTIONS			
Balance July 1	\$	\$	\$
Deferred compensation related to stock options	1,304		
Balance June 30	\$ 1,304	\$	\$
=====			

</TABLE>

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<TABLE>
<CAPTION>

ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

<S>	<C>	<C>	<C>
Balance July 1	\$ (92,858)	\$ (60,026)	\$ (27,345)
Foreign currency translation	(32,600)	(32,832)	(32,681)
Balance June 30	\$ (125,458)	\$ (92,858)	\$ (60,026)

COMMON STOCK IN TREASURY

Balance July 1	\$ (1,836)	\$ (83,472)	\$ (10,258)
Shares purchased at cost (2000 - 288,543; 1999 - 1,538,633; 1998 - 2,507,872)	(11,132)	(48,734)	(109,645)
Shares issued under stock option plans (2000 - 122,957; 1999 - 369,847; 1998 - 563,318)	4,964	14,420	23,187
Shares issued for purchase acquisition	(17)	166	11,471
Restricted stock (surrendered) issued	(413)	(1,532)	1,773
Shares sold to ESOP		117,316	

Balance June 30	\$ (8,434)	\$ (1,836)	\$ (83,472)

</TABLE>

Shares surrendered upon exercise of stock options; 2000 -235,386; 1999 - 88,188; 1998 - 158,369.

SHARE REPURCHASES - The Board of Directors has authorized the repurchase of a total of 5.05 million of its common shares. At June 30, 2000, the remaining authorization to repurchase was 3.28 million shares. Repurchases are made on the open market, at prevailing prices, and are funded from operating cash flows. The shares are initially held as treasury stock.

NOTE 11
STOCK INCENTIVE PLANS

EMPLOYEES' STOCK OPTIONS -- The Company's stock option and stock incentive plans provide for the granting of nonqualified options to officers and key employees to purchase shares of common stock at a price not less than 100 percent of the fair market value of the stock on the dates options are granted. Outstanding options generally are exercisable either one or two years after the date of grant and expire no more than ten years after grant.

The Company derives a tax deduction measured by the excess of the market value over the option price at the date nonqualified options are exercised. The related tax benefit is credited to Additional capital.

As permitted by SFAS No. 123, "Accounting for Stock-Based Compensation," the Company continues to account for its stock option and stock incentive plans in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and makes no charges against capital with respect to options granted. SFAS No. 123 does, however, require the disclosure of pro forma information regarding Net Income and Earnings per share determined as if the Company had accounted for its stock options under the fair value method. For purposes of this pro forma disclosure the estimated fair value of the options is amortized to expense over the options' vesting period.

		2000	1999	1998

Net income:	As reported	\$368,232	\$ 310,501	\$ 319,551
	Pro forma	\$361,753	\$ 308,028	\$ 315,567
Earnings per share:				
Basic	As reported	\$3.34	\$ 2.85	\$ 2.88
	Pro forma	\$3.28	\$ 2.83	\$ 2.85
Diluted	As reported	\$3.31	\$ 2.83	\$ 2.85
	Pro forma	\$3.25	\$ 2.81	\$ 2.82

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The fair value for the significant options granted in 2000, 1999 and 1998 were estimated at the date of grant using a Black-Scholes option pricing model with the following weighted-average assumptions:

	AUG/99	Jan/99	Aug/98	Aug/97

Risk-free interest rate	6.1%	4.7%	5.3%	5.6%
Expected life of option	4.6 YRS	4.3 yrs	4.3 yrs	5 yrs
Expected dividend yield of stock	1.7%	1.9%	1.9%	2.3%
Expected volatility of stock	33.8%	30.7%	28.4%	26.9%
=====				

Options exercisable and shares available for future grant on June 30:

	2000	1999	1998

Options exercisable	3,483,071	3,065,577	3,476,016
Weighted-average option price per share of options exercisable	\$ 25.51	\$ 22.48	\$ 20.57

Weighted-average fair value of			
options granted during the year	\$ 14.62	\$ 8.35	\$ 11.43
Shares available for grant	3,352,083	3,230,548	3,256,232

A summary of the status and changes of shares subject to options and the related average price per share follows:

	Shares Subject To Options	Average Option Price Per Share
Outstanding June 30, 1998	3,661,806	\$ 21.71
Granted	1,196,384	31.06
Exercised	(591,189)	17.92
Canceled	(14,155)	
Outstanding June 30, 1999	4,252,846	\$ 24.77
GRANTED	1,078,799	44.48
ASSUMED	429,485	26.44
EXERCISED	(689,764)	18.96
CANCELED	(101,464)	
OUTSTANDING JUNE 30, 2000	4,969,902	\$ 30.03

The "Assumed" line identifies the options the Company assumed in the merger with Commercial Intertech and converted to options to purchase Parker Hannifin common stock. The exercise prices of the assumed options range from \$11.53 to \$49.75 after conversion into equivalent exercise prices of Parker Hannifin common stock. All other terms of the assumed options were unchanged.

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The range of exercise prices and the remaining contractual life of options as of June 30, 2000 were:

Range of exercise prices	\$11-\$22	\$24-\$38	\$41-\$50
Options outstanding:			
Outstanding as of June 30, 2000	1,214,897	2,479,364	1,275,641
Weighted-average remaining contractual life	3.5 yrs	7.3 yrs	8.7 yrs
Weighted-average exercise price	\$ 16.46	\$ 29.29	\$ 44.46
Options exercisable:			
Outstanding as of June 30, 2000	1,214,897	2,008,023	260,151
Weighted-average remaining contractual life	3.5 yrs	7.1 yrs	7.0 yrs
Weighted-average exercise price	\$ 16.46	\$ 28.75	\$ 42.84

RESTRICTED STOCK -- Restricted stock was issued, under the Company's 1993 Stock Incentive Program, to certain key employees under the Company's 1997-98-99, 1996-97-98 and 1995-96-97 Long Term Incentive Plans (LTIP). Value of the payments was set at the market value of the Company's common stock on the date of issuance. Shares were earned and awarded, and an estimated value was accrued, based upon attainment of criteria specified in the LTIP over the cumulative years of each 3-year Plan. Plan participants are entitled to cash dividends and to vote their respective shares, but the shares are restricted as to transferability for three years following issuance.

Restricted Shares for LTIP Plan	2000	1999	1998
Number of shares issued	8,023	15,774	39,619
Per share value on date of issuance	\$ 42.04	\$ 40.53	\$ 40.00
Total value	\$ 337	\$ 639	\$ 1,585

Under the Company's 1998-99-00 LTIP, a payout of 26,976 shares of restricted stock, from the Company's 1993 Stock Incentive Program, will be issued to certain key employees in 2001. The balance of the 1998-99-00 LTIP payout will be made as deferred cash compensation, as individually elected by the participants. The total payout, valued at \$4,043, has been accrued over the three years of the plan.

In addition, non-employee members of the Board of Directors have been given the opportunity to receive all or a portion of their fees in the form of restricted stock. These shares vest ratably, on an annual basis, over the term of office of the director. In 2000, 1999 and 1998, 6,012, 5,867 and 4,558 shares were issued, respectively, in lieu of directors' fees.

NON-EMPLOYEE DIRECTORS' STOCK OPTIONS -- In August 1996, the Company adopted a stock option plan for non-employee directors to purchase shares of common stock at a price not less than 100 percent of the fair market value of the stock on the date the options are granted. Outstanding options are exercisable either one or two years after the date of grant and expire no more than ten years after grant.

A summary of the status and changes of shares subject to options and the related average price per share follows:

	Shares Subject To Options	Average Option Price Per Share

Outstanding June 30, 1998	21,000	\$ 31.97
Granted	8,000	31.38

Outstanding June 30, 1999	29,000	\$ 31.81
=====		
GRANTED	7,650	45.00
EXERCISED	(3,250)	30.95
CANCELED	(2,250)	

OUTSTANDING JUNE 30, 2000	31,150	\$ 35.21
=====		

As of June 30, 2000, 23,500 options were exercisable and 336,850 shares were available for grant.

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At June 30, 2000, the Company had 8,301,411 common shares reserved for issuance in connection with its stock incentive plans.

NOTE 12
SHAREHOLDERS' PROTECTION RIGHTS AGREEMENT

The Board of Directors of the Company declared a dividend of one Right for each share of Common Stock outstanding on February 17, 1997 in relation to the Company's Shareholder Protection Rights Agreement. As of June 30, 2000, 116,387,708 shares of Common Stock were reserved for issuance under this Agreement. Under certain conditions involving acquisition of or an offer for 15 percent or more of the Company's Common Stock, all holders of Rights, except an acquiring entity, would be entitled to purchase, at an exercise price of \$100, a value of \$200 of Common Stock of the Company or an acquiring entity, or at the option of the Board, to exchange each Right for one share of Common Stock. The Rights remain in existence until February 17, 2007, unless earlier redeemed (at one cent per Right), exercised or exchanged under the terms of the agreement. In the event of an unfriendly business combination attempt, the Rights will cause substantial dilution to the person attempting the merger. The Rights should not interfere with any merger or other business combination that is in the best interest of the Company and its shareholders since the Rights may be redeemed.

NOTE 13
RESEARCH AND DEVELOPMENT

Research and development costs amounted to \$89,059 in 2000, \$86,953 in 1999, and \$83,117 in 1998. Customer reimbursements included in the total cost for each of the respective years were \$16,409, \$15,239 and \$15,753. Costs include those costs related to independent research and development as well as customer reimbursed and unreimbursed development programs.

NOTE 14
CONTINGENCIES

The Company is involved in various litigation arising in the normal course of business, including proceedings based on product liability claims, workers' compensation claims and alleged violations of various environmental laws. The Company is self-insured in the U.S. for health care, workers' compensation, general liability and product liability up to predetermined amounts, above which third party insurance applies. The Company purchases third party product liability insurance for products manufactured by its international operations and for products that are used in aerospace applications. Management regularly reviews the probable outcome of these proceedings, the expenses expected to be incurred, the availability and limits of the insurance coverage, and the established accruals for uninsured liabilities. While the outcome of pending proceedings cannot be predicted with certainty, management believes that any liabilities that may result from these proceedings are not reasonably likely to have a material effect on the Company's liquidity, financial condition or results of operations.

ENVIRONMENTAL - The Company is currently involved in environmental remediation at 20 manufacturing facilities presently or formerly operated by the Company and has been named as a "potentially responsible party," along with other companies, at nine off-site waste disposal facilities and one regional Superfund site.

As of June 30, 2000, the Company has a reserve of \$6,910 for environmental matters which are probable and reasonably estimable. This reserve is recorded based upon the best estimate of net costs to be incurred in light of the progress made in determining the magnitude of remediation costs, the timing and extent of remedial actions required by governmental authorities, the amount of the Company's liability in proportion to other responsible parties and any recoveries receivable. This reserve is net of \$415 for discounting, at a 7.5% annual rate, a portion of the costs at six locations for established treatment procedures required over periods ranging from three to 10 years. The Company also has an account receivable of \$490 for anticipated insurance recoveries.

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The Company's estimated total liability for the above mentioned sites ranges from a minimum of \$6,913 to a maximum of \$23,698. The actual costs to be incurred by the Company will be dependent on final delineation of contamination, final determination of remedial action required, negotiations with federal and state agencies with respect to cleanup levels, changes in regulatory requirements, innovations in investigatory and remedial technology, effectiveness of remedial technologies employed, the ultimate ability to pay of the other responsible parties, and any insurance recoveries.

NOTE 15
SUBSEQUENT EVENT

On July 21, 2000 the Company completed its purchase of Wynn's International (Wynn's), for a cash purchase price of approximately \$420 million plus the retirement of approximately \$44 million of Wynn's debt. The purchase price was financed by commercial paper borrowings and a short-term \$250 million revolving line of credit that was obtained to finance the Wynn's acquisition. It is anticipated that the borrowings in connection with the Wynn's acquisition will be repaid from internally generated funds and/or refinanced on a long-term basis in the private or public markets. Wynn's is a leading manufacturer of precision-engineered sealing media for the automotive, heavy-duty truck and aerospace markets and has annualized calendar year 2000 sales of approximately \$573 million. The acquisition will be accounted for by the purchase method.

NOTE 16
QUARTERLY INFORMATION (Unaudited)

<TABLE>
<CAPTION>

2000 (a)	1st	2nd	3rd	4th	Total
<S>	<C>	<C>	<C>	<C>	<C>
Net sales	\$1,242,293	\$1,239,207	\$1,393,659	\$1,480,178	\$5,355,337
Gross profit	265,672	267,909	319,526	345,661	1,198,768
Net income	73,594	74,963	106,703	112,972	368,232
Diluted earnings per share	.67	.68	.97	.99	3.31
=====					
1999	1st	2nd	3rd	4th	Total
Net sales	\$1,218,724	\$1,199,021	\$1,255,789	\$1,285,266	\$4,958,800
Gross profit	271,417	255,854	266,652	295,507	1,089,430
Net income	78,117	63,532	76,511	92,341	310,501
Diluted earnings per share	.71	.58	.70	.84	2.83
=====					

</TABLE>

(a) Results for the first quarter include a charge of \$8,555 (\$5,560 after-tax or \$.05 per share) related to business realignment costs and a non-cash impairment loss of \$4,875 (\$3,169 after-tax or \$.03 per share) related to certain long-lived assets.

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NOTE 17
STOCK PRICES AND DIVIDENDS (Unaudited)

<TABLE>
<CAPTION>

(IN DOLLARS)	1ST	2ND	3RD	4TH	FULL YEAR
<S>	<C>	<C>	<C>	<C>	<C>
2000	High \$ 48-1/8	\$ 51-7/16	\$ 54	\$ 48-5/16	\$ 54
	Low 43-1/8	41-3/16	33-15/16	34-1/4	33-15/16
	Dividends .170	.170	.170	.170	.680
=====					
1999	High \$ 38-3/4	\$ 38-5/16	\$ 39-3/4	\$ 50-1/2	\$ 50-1/2
	Low 26-9/16	27	29-1/2	34	26-9/16
	Dividends .150	.150	.170	.170	.640

1998	High	\$ 48-7/8	\$ 51-1/4	\$ 52-5/8	\$ 52-3/8	\$ 52-5/8
	Low	39-1/4	39-13/16	41-1/2	36-15/16	36-15/16
	Dividends	.150	.150	.150	.150	.600

Common Stock Listing: New York Stock Exchange, Stock Symbol PH
</TABLE>

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REPORT OF MANAGEMENT

The Company's management is responsible for the integrity and accuracy of the financial information contained in this annual report. Management believes that the financial statements have been prepared in conformity with generally accepted accounting principles appropriate in the circumstances and that the other information in this annual report is consistent with those statements. In preparing the financial statements, management makes informed judgments and estimates where necessary to reflect the expected effects of events and transactions that have not been completed.

Management is also responsible for maintaining an internal control system designed to provide reasonable assurance at reasonable cost that assets are safeguarded against loss or unauthorized use and that financial records are adequate and can be relied upon to produce financial statements in accordance with accounting principles generally accepted in the United States. The system is supported by written policies and guidelines, by careful selection and training of financial management personnel and by an internal audit staff which coordinates its activities with the Company's independent accountants. To foster a strong ethical climate, the Parker Hannifin Code of Ethics is publicized throughout the Company. This addresses, among other things, compliance with all laws and accuracy and integrity of books and records. The Company maintains a systematic program to assess compliance.

PricewaterhouseCoopers LLP, independent accountants, is retained to conduct an audit of Parker Hannifin's consolidated financial statements in accordance with auditing standards generally accepted in the United States and to provide an independent assessment that helps ensure fair presentation of the Company's consolidated financial position, results of operations and cash flows.

The Audit Committee of the Board of Directors is composed entirely of independent outside directors. The Committee meets periodically with management, internal auditors and the independent accountants to discuss internal accounting controls and the quality of financial reporting. Financial management, as well as the internal auditors and the independent accountants, have full and free access to the Audit Committee.

/s/ Duane E. Collins

Duane E. Collins
Chairman of the Board and
Chief Executive Officer

/s/ Michael J. Hiemstra

Michael J. Hiemstra
Vice President -
Finance and Administration
and Chief Financial Officer

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholders and Board of Directors
Parker Hannifin Corporation

In our opinion, the accompanying consolidated balance sheet and the related consolidated statement of income, comprehensive income and cash flows present fairly, in all material respects, the financial position of Parker Hannifin Corporation and its subsidiaries at June 30, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended June 30, 2000, in conformity with accounting principles generally accepted in the United States. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

/s/ PricewaterhouseCoopers LLP

Cleveland, Ohio
July 28, 2000

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FIVE-YEAR FINANCIAL SUMMARY

<TABLE>

<CAPTION>

(Amounts in thousands, except per share information)	2000	1999	1998 (a)	1997	1996

<S>	<C>	<C>	<C>	<C>	<C>
Net sales	\$ 5,355,337	\$ 4,958,800	\$ 4,633,023	\$ 4,091,081	\$ 3,586,448
Cost of sales	4,156,569	3,869,370	3,550,992	3,152,988	2,756,343
Selling, general and administrative expenses	575,906	550,681	532,134	475,180	425,449
Interest expense	59,183	63,697	52,787	46,659	36,667
Income taxes	193,955	167,193	180,762	150,828	134,812
Income - continuing operations	368,232	310,501	323,226	274,039	239,667
Net income	368,232	310,501	319,551	274,039	239,667
Basic earnings per share - continuing operations	3.34	2.85	2.91	2.46	2.15
Diluted earnings per share - continuing operations	3.31	2.83	2.88	2.44	2.14
Basic earnings per share	3.34	2.85	2.88	2.46	2.15
Diluted earnings per share	\$ 3.31	\$ 2.83	\$ 2.85	\$ 2.44	\$ 2.14
Average number of shares outstanding - Basic	110,331	108,800	110,869	111,602	111,261
Average number of shares outstanding - Diluted	111,245	109,679	111,959	112,518	112,189
Cash dividends per share	\$.680	\$.640	\$.600	\$.506	\$.480
Net income as a percent of net sales	6.9%	6.3%	6.9%	6.7%	6.7%
Return on average assets	8.8%	8.6%	9.8%	9.3%	9.2%
Return on average equity	17.7%	17.6%	19.8%	18.7%	18.6%

Book value per share	\$ 21.22	\$ 17.03	\$ 15.32	\$ 13.87	\$ 12.42
Working capital	\$ 966,810	\$ 1,020,171	\$ 791,305	\$ 783,550	\$ 635,242
Ratio of current assets to current liabilities	1.8	2.4	1.8	2.1	1.8
Plant and equipment, net	\$ 1,340,915	\$ 1,200,869	\$ 1,135,225	\$ 1,020,743	\$ 991,777
Total assets	4,646,299	3,705,888	3,524,821	2,998,946	2,887,124
Long-term debt	701,762	724,757	512,943	432,885	439,797
Shareholders' equity	\$ 2,309,458	\$ 1,853,862	\$ 1,683,450	\$ 1,547,301	\$ 1,383,958
Debt to debt-equity percent	31.0%	29.8%	31.6%	24.5%	30.7%

Depreciation	\$ 167,356	\$ 164,577	\$ 153,633	\$ 146,253	\$ 126,544
Capital expenditures	\$ 230,482	\$ 230,122	\$ 236,945	\$ 189,201	\$ 201,693
Number of employees	43,895	38,928	39,873	34,927	33,289
Number of shareholders	47,671	39,380	44,250	43,014	35,403
Number of shares outstanding at year-end	113,707	108,846	109,873	111,527	111,438

</TABLE>

(a) Includes an extraordinary item for the early retirement of debt.

Exhibit (21)* to Report
on Form 10-K for Fiscal
Year Ended June 30, 2000
by Parker-Hannifin Corporation

The Company has the following subsidiaries:

DOMESTIC SUBSIDIARIES

<TABLE>
<CAPTION>

Name - ----	Incorporated -----	Percentage Owned(1) -----
<S>	<C>	<C>
Alkid Corporation	California	100(2)
Atlantic Tubing Co.	New Jersey	100
Bond-Flex Rubber Co., Inc.	Indiana	100(3)
Bower Manufacturing Corp.	Indiana	100(4)
CTEK Insurance Corp.	Vermont	100
Dynamic Seals, Inc.	Delaware	100(5)
ETI, Incorporated	Florida	100(4)
GNC Corporation	North Carolina	100(3)
Goshen Rubber Co., Inc.	Indiana	100(4)
Goshen Rubber Companies, Inc.	Indiana	100(2)
Goshen Rubber International, Ltd.	U.S. Virgin Islands	100(4)
GR Plastics, Inc.	Indiana	100(6)
GRB Enterprises, Inc.	Indiana	100(4)
GRN Corporation	Nebraska	100(3)
Lone Star Manufacturing Co., Inc.	Texas	100(7)
Medallion Warranty Services, Inc.	California	100(8)
Parker AIP Corp.	Delaware	100
Parker de Puerto Rico, Inc.	Delaware	100
Parker Finance Corp.	Delaware	100(9)
Parker-Hannifin Asia Pacific Co., Ltd.	Delaware	100(10)
Parker Hannifin Customer Support Inc.	California	100
Parker-Hannifin International Corp.	Delaware	100
PRPC, Inc.	Tennessee	100(11)
Robert Skeels & Company	California	100(2)
Steel Forming Inc.	California	100
Syracuse Rubber Products, Inc.	Indiana	100(4)
Travel 17325 Inc.	Delaware	100
Waukesha Rubber Company, Inc.	Wisconsin	100(4)
Wynn Oil Company	California	100(2)
Wynn's Climate Systems, Inc.	Texas	100(2)
Wynn's Export, Inc.	U.S. Virgin Islands	100(2)
Wynn's Extended Care, Inc.	California	100(8)
Wynn's Fluid Power, Inc.	Delaware	100(2)
Wynn's International, Inc.	Delaware	100
Wynn's Keeper, Inc.	Delaware	80(12)
Wynn's - Precision, Inc.	Delaware	100(5)

<TABLE>
<CAPTION>

FOREIGN SUBSIDIARIES

<S>	<C>	<C>
Acadia International Insurance Limited	Ireland	100
Alenco (Holdings) Ltd.	United Kingdom	100(13)
Aquilo Gas Separation B.V.	Netherlands	100(14)
Astron SARL	France	100
Brownsville Rubber Co., S.A. de C.V.	Mexico	100(15)
Commercial Hydraulics Pensions Limited	United Kingdom	100(16)
Commercial Hydraulics Pty.	Australia	100
Commercial Hydraulics S.r.l.	Italy	100
Commercial Intertech do Brasil Ltda.	Brazil	100
Commercial Intertech GmbH	Germany	100(17)
Commercial Intertech Holdings Limited	United Kingdom	100(13)
Commercial Intertech Limited	United Kingdom	100(18)
Commercial Intertech Ltd.	Canada	100
Commercial Intertech S.A.	Luxembourg	100
Commercial Intertech S.r.o	Czech Republic	100
Goshen Rubber of Canada, Ltd.	Canada	100(4)
Gresen Hidraulica Ltda.	Brazil	100(19)
Parker Automotive de Mexico S.A. de C.V.	Mexico	100(15)
Parker Automation Servicios S.A. de C.V.	Mexico	100(15)
Parker Baja Servicios S.A. de C.V.	Mexico	100(15)

Parker Brownsville Servicios S.A. de C.V.	Mexico	100 (15)
Parker Enzed (Australia) Pty. Ltd.	Australia	100 (20)
Parker Enzed (N.Z.) Limited	New Zealand	100 (10)
Parker Enzed Equipment (Australia) Pty. Ltd.	Australia	100 (20)
Parker Enzed Technologies Pty. Ltd.	Australia	100 (20)
Parker Ermeto GesmbH	Austria	100 (21)
Parker Fluid Connectors S.A. de C.V.	Mexico	100 (15)
Parker Hannifin (1997) Co., Ltd.	Thailand	100 (22)
Parker Hannifin (Australia) Pty. Ltd.	Australia	100 (10)
Parker Hannifin (Canada) Inc.	Canada	100 (10)
Parker Hannifin (Espana) SA	Spain	100 (10)
Parker Hannifin (Holdings) Ltd.	United Kingdom	100 (10)
Parker Hannifin (Malaysia) Sdn Bhd	Malaysia	100 (23)
Parker Hannifin (N.Z.) Limited	New Zealand	100
Parker Hannifin (Thailand) Co., Ltd.	Thailand	100
Parker Hannifin (UK) Ltd.	United Kingdom	100 (17)
Parker Hannifin A/S	Norway	100 (24)
Parker Hannifin AB	Sweden	100
Parker Hannifin Argentina SAIC	Argentina	100
Parker Hannifin B.V.	Netherlands	100 (25)
Parker Hannifin Climate & Industrial Controls, Ltd.	Korea	100
Parker Hannifin Connectors Ltd.	Korea	100
Parker Hannifin Corp. Chile Limitada	Chile	100
Parker Hannifin de Venezuela, S.A.	Venezuela	100 (10)
Parker Hannifin Denmark A/S	Denmark	100
Parker Hannifin Finance B.V.	Netherlands	100 (14)
Parker Hannifin Foreign Sales Corp.	Guam	100 (10)
Parker Hannifin GmbH	Germany	100 (21)

</TABLE>

<TABLE>

<S>

Parker Hannifin Holding GmbH
Parker Hannifin Hong Kong Limited
Parker Hannifin Industria e Comercio Ltda.
Parker Hannifin Japan Ltd.
Parker Hannifin Motion & Control (Shanghai) Co. Ltd.
Parker Hannifin Oy
Parker Hannifin Portugal, Ida.
Parker Hannifin Pension Trustees Ltd.
Parker Hannifin plc
Parker Hannifin SA
Parker Hannifin S.p.A.
Parker Hannifin Sp. z.o.o.
Parker Hannifin Taiwan Ltd.
Parker Hannifin Verwaltungs GmbH
Parker Korea Ltd.
Parker Lucifer S.A.
Parker Sales (Ireland) Limited
Parker Seal de Baja S.A. de C.V.
Parker Seals S.p.A.
Parker Sistemas de Automatizacion S.A. de C.V.
Parker Hannifin de Mexico S.A. de C.V.
Parker-Hannifin (Africa) Proprietary Limited
Parker-Hannifin India Private Ltd.
Parker-Hannifin N.V. S.A.
Parker Hannifin Industrial s.r.o.
Parker-Hannifin s.r.o.
Parker-Hannifin Singapore Pte. Ltd.
Parker Servicios de Mexico S.A. de C.V.
P-H do Brasil Comercial Ltda.
PH Finance Ltd.
Parker Hannifin Fluid Power Systems & Components (Shanghai) Co., Ltd.

<C>

Germany	100 (10)
Hong Kong	100 (23)
Brazil	100 (26)
Japan	100
China	100
Finland	100
Portugal	100 (27)
United Kingdom	100 (18)
United Kingdom	100 (24)
France	100
Italy	100
Poland	100
Taiwan	100
Germany	100 (21)
Korea	100 (10)
Switzerland	100
Ireland	100 (24)
Mexico	100 (15)
Italy	100 (28)
Mexico	100
Mexico	100 (15)
South Africa	100
India	100
Belgium	100 (14)
Czech Republic	100 (21)
Czech Republic	100 (21)
Singapore	100
Mexico	100 (15)
Brazil	100 (10)
United Kingdom	100 (13)
China	100

<C>

PRP Seals, Ltd.	Canada	100 (29)
Sachsenhydraulik GmbH	Germany	100 (21)
Schrader Bellows Parker, S.A. de C.V.	Mexico	100 (15)
UCC Australia Pty. Ltd.	Australia	100 (20)
Ultra ABP Limited	United Kingdom	100 (30)
Ultra Group Ltd.	United Kingdom	100 (16)
Ultra Hydraulics Ltd.	United Kingdom	100 (30)
Whatman SAS	France	100
Wynn Oil (N.Z.) Limited	New Zealand	100 (8)
Wynn Oil (South Africa) (Pty.) Limited	South Africa	100 (8)
Wynn Oil (U.K.) Limited	England	100 (8)
Wynn Oil Venezuela, S.A.	Venezuela	51 (31)
Wynn's Australia Pty. Limited	Australia	100 (8)
Wynn's Automotive France (Professional)	France	100 (32)
Wynn's Automotive France S.A.	France	100 (32)
Wynn's Belgium N.V.	Belgium	100 (8)
Wynn's Canada, Ltd.	Canada	100 (8)

</TABLE>

<TABLE>

<S>	<C>	<C>
Wynn's Deutschland GmbH	Germany	100(8)
Wynn's Espana, S.A.	Spain	100(8)
Wynn's France, S.A.	France	100(8)
Wynn's Industrie S.N.C.	France	100(32)
Wynn's Friction Proofing de Mexico S.A. de C.V.	Mexico	100(8)
Wynn's Italia SpA	Italy	100(33)
Wynn's Mekuba India Private Limited	India	51(34)
Wynn's Nederland B.V.	Netherlands	100(33)
Wynn's-Precision Canada Ltd.	Canada	100(11)
Wynn's-Precision (U.K.) Ltd.	England	100(29)
Wynn's Reseau S.A.	France	100(35)
</TABLE>		

- - - - -

- (1) Excludes directors' qualifying shares
- (2) Owned 100% by Wynn's International, Inc.
- (3) Owned 100% by Goshen Rubber Co., Inc.
- (4) Owned 100% by Goshen Rubber Companies, Inc.
- (5) Owned 100% by Wynn's Fluid Power, Inc.
- (6) Owned 100% by GNC Corporation
- (7) Owned 100% by Wynn's Climate Systems, Inc.
- (8) Owned 100% by Wynn Oil Company
- (9) Owned 100% by Parker de Puerto Rico, Inc.
- (10) Owned 100% by Parker-Hannifin International Corp.
- (11) Owned 100% by Wynn's-Precision, Inc.
- (12) Owned 80% by Wynn's-Precision, Inc.
- (13) Owned 100% by Parker Hannifin (Holdings) Ltd.
- (14) Owned 100% by Parker Hannifin B.V.
- (15) Owned 100% by Parker Sistemas de Automatizacion S.A. de C.V.
- (16) Owned 100% by Commercial Intertech Holdings Limited
- (17) Owned 100% by Sachesenhydraulik GmbH
- (18) Owned 100% by Parker Hannifin plc
- (19) Owned 100% by Parker Hannifin Industria e Comercio Ltda.
- (20) Owned 100% by Parker-Hannifin (Australia) Pty. Ltd.
- (21) Owned 100% by Parker Hannifin Holding GmbH
- (22) Owned 51% by Parker Hannifin (Thailand) Co., Ltd. and 49% by Parker-Hannifin Corporation
- (23) Owned 99.9% by Parker-Hannifin Corporation and .01% by Parker-Hannifin International Corp.
- (24) Owned 100% by Alenco (Holdings) Ltd.
- (25) Owned 77.5% by Parker Hannifin International Corp. and 22.5% by Parker AIP Corp.
- (26) Owned 37.5% by P-H do Brasil Comercial Ltda. and 62.5% by Parker-Hannifin International Corp.
- (27) Owned 100% by Parker Hannifin Espana, SA
- (28) Owned 100% by Parker-Hannifin S.p.A.
- (29) Owned 100% by Wynn's-Precision Canada Ltd.
- (30) Owned 100% by Ultra Group Ltd.
- (31) Owned 51% by Wynn Oil Company

- (32) Owned 100% by Wynn's France, S.A.
- (33) Owned 100% by Wynn's Belgium N.V.
- (34) Owned 51% by Wynn's Belgium N.V.
- (35) Owned 100% by Wynn's Automotive France (Professional)

All of the foregoing subsidiaries are included in the Company's consolidated financial statements. In addition to the foregoing, the Company owns ten inactive or name holding companies.

*Numbered in accordance with Item 601 of Regulation S-K.

Exhibit (23) * to Report
On Form 10-K for Fiscal
Year Ended June 30, 2000
By Parker-Hannifin Corporation

Consent of Independent Accountants

*Numbered in accordance with Item 601 of Regulation S-K

Consent of Independent Accountants

We hereby consent to the incorporation by reference in the Registration Statement on Forms S-3 (No. 333-47955, 333-02761 and 333-96453) and Forms S-8 (No. 33-53193, 33-43938, 2-66732, 333-95477 and 333-34542) of Parker-Hannifin Corporation of our report dated July 28, 2000 relating to the consolidated financial statements, which appears in the Annual Report to Shareholders, which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report dated July 28, 2000 relating to the financial statement schedule, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Cleveland, Ohio
September 28, 2000

Exhibit (24)* to Report
on Form 10-K for Fiscal
Year Ended June 30, 2000
by Parker-Hannifin Corporation

Power of Attorney

*Numbered in accordance with Item 601 of Regulation S-K.

Securities and Exchange Commission
Washington, D.C. 20549

Re: Parker-Hannifin Corporation

Commission File No. 1-4982
Annual Report on Form 10-K
Authorized Representatives

Gentlemen:

Parker-Hannifin Corporation (the "Company") is the issuer of Securities registered under Section 12(b) of the Securities Exchange Act of 1934 (the "Act"). Each of the persons signing his name below confirms, as of the date appearing opposite his signature, that each of the following "Authorized Representatives" is authorized on his behalf to sign and to submit to the Securities and Exchange Commission Annual Reports on Form 10-K and amendments thereto as required by the Act:

AUTHORIZED REPRESENTATIVES

Duane E. Collins
Donald E. Washkewicz
Michael J. Hiemstra
Dennis W. Sullivan
Thomas A. Piraino, Jr.

Each person so signing also confirms the authority of each of the Authorized Representatives named above to do and perform, on his behalf, any and all acts and things requisite or necessary to assure compliance by the signing person with the Form 10-K filing requirements. The authority confirmed herein shall remain in effect as to each person signing his name below until such time as the Commission shall receive from such person a written communication terminating or modifying the authority.

<TABLE>
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	Date		Date
	----		----
<S>	<C>	<C>	<C>
/s/D. E. Collins D. E. Collins, Principal Executive Officer and Chairman of the Board of Directors	9/25/00	/s/K. P. Mueller K. P. Mueller, Director	9/22/00
/s/M. J. Hiemstra M. J. Hiemstra, Principal Financial Officer	9/19/00	/s/Hector R. Ortino H. R. Ortino, Director	9/22/00
/s/Dana A. Dennis D. A. Dennis Principal Accounting Officer	9/20/00	/s/Allan L. Rayfield A. L. Rayfield, Director	9/22/00
/s/John G. Breen J. G. Breen, Director	9/22/00	/s/Wolf R. Schmitt W. R. Schmitt, Director	9/21/00
/s/Paul C. Ely, Jr. P. C. Ely, Jr., Director	9/26/00	/s/Debra L. Starnes D. L. Starnes, Director	9/22/00
/s/P. W. Likins P. W. Likins, Director	9/22/00	/s/D. W. Sullivan D. W. Sullivan, Director	9/19/00
/s/Giulio Mazzalupi G. Mazzalupi Director	9/22/00	/s/D. E. Washkewicz D. E. Washkewicz, Director	9/19/00

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM
PARKER-HANNIFIN CORPORATION'S REPORT ON FORM 10-K FOR ITS FISCAL YEAR ENDED JUNE
30, 2000 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL
STATEMENTS.

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