

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

FORM 10-Q

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

For the quarterly period ended September 30, 1995

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 number 1-4982

PARKER-HANNIFIN CORPORATION
(Exact name of registrant as specified in its charter)

OHIO
(State or other
jurisdiction of
incorporation)

34-0451060
(IRS Employer
Identification No.)

17325 Euclid Avenue, Cleveland, Ohio
(Address of principal executive offices)

44112
(Zip Code)

Registrant's telephone number, including area code: (216) 531-3000

Indicate by check mark whether Registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act
of 1934 during the preceding 12 months, and (2) has been subject to such
filing requirements for the past 90 days.

Yes . No .

Number of Common Shares outstanding at September 30, 1995 74,152,078

PARKER-HANNIFIN CORPORATION

INDEX

Page Nos.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Consolidated Statement of Income -
Three Months Ended September 30, 1995
and 1994 3

Consolidated Balance Sheet -
September 30, 1995 and June 30, 1995 4

Consolidated Statement of Cash Flows -
Three Months Ended September 30, 1995
and 1994 5

Business Segment Information by Industry -
Three Months Ended September 30, 1995
and 1994 6

Notes to Consolidated Financial Statements 7

Item 2. Management's Discussion and Analysis
of Financial Condition and Results
of Operations 8-9

PART II - OTHER INFORMATION

Item 4.	Submission of Matters to a Vote of Security Holders	10
Item 6.	Exhibits and Reports on Form 8-K	11
EXHIBIT 11*	- Computation of Earnings per Common Share	13
EXHIBIT 27*	- Financial Data Schedule	14

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

- 2 -

PART I - FINANCIAL INFORMATION

<TABLE>
<CAPTION>

PARKER-HANNIFIN CORPORATION
CONSOLIDATED STATEMENT OF INCOME
(Dollars in thousands, except per share amounts)
(Unaudited)

	Three Months Ended	
	September 30,	
	1995	1994
<S>	<C>	<C>
Net sales	\$ 839,054	\$ 712,457
Cost of sales	645,609	550,527
Gross profit	<u>193,445</u>	<u>161,930</u>
Selling, general and administrative expenses	97,719	81,535
Income from operations	<u>95,726</u>	<u>80,395</u>
Other income (deductions):		
Interest expense	(7,988)	(7,224)
Interest and other income, net	3,333	188
	<u>(4,655)</u>	<u>(7,036)</u>
Income before income taxes	<u>91,071</u>	<u>73,359</u>
Income taxes	33,696	29,710
Net income	<u>\$ 57,375</u>	<u>\$ 43,649</u>
	=====	=====
Earnings per share (A)	\$.77	\$.59
Cash dividends per common share (A)	\$.180	\$.167

<FN>

(A) Fiscal 1995 per share amounts have been adjusted for the 3-shares-for-2 common stock split paid June 2, 1995.

See accompanying notes to consolidated financial statements.

</TABLE>

- 3 -

<TABLE>
<CAPTION>

PARKER-HANNIFIN CORPORATION
CONSOLIDATED BALANCE SHEET
(Dollars in thousands)

	September 30,	June 30,
	1995	1995
	(Unaudited)	
<S>	<C>	<C>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 47,046	\$ 63,830
Accounts receivable, net	473,904	484,962
Inventories:		
Finished products	319,165	314,180
Work in process	219,274	201,386
Raw materials	111,088	110,340
	<u>649,527</u>	<u>625,906</u>

Prepaid expenses	13,795	14,994
Deferred income taxes	65,685	56,690
Total current assets	<u>1,249,957</u>	<u>1,246,382</u>
Plant and equipment	1,836,881	1,812,667
Less accumulated depreciation	1,014,507	996,896
	<u>822,374</u>	<u>815,771</u>
Other assets	244,730	240,056
Total assets	<u>\$ 2,317,061</u>	<u>\$ 2,302,209</u>
	=====	=====

LIABILITIES

Current liabilities:		
Notes payable	\$ 108,852	\$ 97,372
Accounts payable, trade	194,649	227,482
Accrued liabilities	260,951	280,891
Accrued domestic and foreign taxes	75,116	46,876
Total current liabilities	<u>639,568</u>	<u>652,621</u>
Long-term debt	236,784	237,157
Pensions and other postretirement benefits	179,146	188,292
Deferred income taxes	20,101	23,512
Other liabilities	7,914	9,113
Total liabilities	<u>1,083,513</u>	<u>1,110,695</u>

SHAREHOLDERS' EQUITY

Serial preferred stock, \$.50 par value; authorized 3,000,000 shares; none issued	--	--
Common stock, \$.50 per value; authorized 150,000,000 shares; issued 74,152,078 shares at September 30 and 74,002,402 shares at June 30	37,076	37,001
Additional capital	160,146	158,454
Retained earnings	1,018,532	974,486
Deferred compensation related to guarantee of ESOP debt	(13,468)	(13,468)
Currency translation adjustment	31,262	35,041
Total shareholders' equity	<u>1,233,548</u>	<u>1,191,514</u>
Total liabilities and shareholders' equity	<u>\$ 2,317,061</u>	<u>\$ 2,302,209</u>
	=====	=====

See accompanying notes to consolidated financial statements.

</TABLE>

- 4 -

<TABLE>
<CAPTION>

PARKER-HANNIFIN CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
(Dollars in thousands)
(Unaudited)

	Three Months Ended	
	September 30,	
	1995	1994
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 57,375	\$ 43,649
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation	31,979	27,621
Amortization	2,722	1,806
Deferred income taxes	(5,922)	1,225
Foreign currency translation loss	(291)	(847)
Loss on sale of plant and equipment	(589)	79
Changes in assets and liabilities:		
Accounts receivable	9,195	(14,423)
Inventories	(21,553)	(4,282)

Prepaid expenses	1,071	1,824
Other assets	(3,330)	(2,903)
Accounts payable, trade	(32,827)	(22,793)
Accrued payrolls and other compensation	(19,741)	(9,544)
Accrued domestic and foreign taxes	28,409	17,655
Other accrued liabilities	4,503	(3,851)
Pensions and other postretirement benefits	(7,738)	3,964
Other liabilities	(1,102)	(1,229)
Net cash provided by operating activities	42,161	37,951
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions (excluding cash of \$68 in 1995 and \$4,825 in 1994)	(11,780)	(72,192)
Capital expenditures	(44,683)	(27,565)
Proceeds from sale of plant and equipment	4,323	1,640
Other	(5,670)	4,691
Net cash used in investing activities	(57,810)	(93,426)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Payments) proceeds from common share activity	(144)	728
Proceeds from notes payable, net	13,640	23,735
Proceeds from long-term borrowings	214	10,044
Payments of long-term borrowings	(1,355)	(15,151)
Dividends	(13,329)	(12,244)
Net cash (used in) provided by financing activities	(974)	7,112
Effect of exchange rate changes on cash	(161)	678
Net decrease in cash and cash equivalents	(16,784)	(47,685)
Cash and cash equivalents at beginning of year	63,830	81,590
Cash and cash equivalents at end of period	\$ 47,046	\$ 33,905
	=====	=====

See accompanying notes to consolidated financial statements.

</TABLE>

- 5 -

PARKER-HANNIFIN CORPORATION
BUSINESS SEGMENT INFORMATION BY INDUSTRY
(Dollars in thousands)
(Unaudited)

Parker operates in two industry segments: Industrial and Aerospace. The Industrial Segment is the largest and includes the International operations.

Industrial - This segment produces a broad range of motion-control and fluid systems and components used in all kinds of manufacturing, packaging, processing, transportation, mobile construction, and agricultural and military machinery and equipment. Sales are direct to major original equipment manufacturers (OEMs) and through a broad distribution network to smaller OEMs and the aftermarket.

Aerospace - This segment designs and manufactures products and provides aftermarket support for commercial, military and general-aviation aircraft, missile and spacecraft markets. The Aerospace Segment provides a full range of systems and components for hydraulic, pneumatic, cryogenic and fuel applications.

<TABLE>

<CAPTION>

Results by Business Segment:

	Three Months Ended	
	September 30,	
	1995	1994
<S>	<C>	<C>
Net sales, including intersegment sales		
Industrial:		
North America	\$ 474,073	\$ 411,021
International	229,763	170,151
Aerospace	135,331	131,381
Intersegment sales	(113)	(96)
Total	\$ 839,054	\$ 712,457
	=====	=====

Income from operations before corporate

general and administrative expenses		
Industrial:		
North America	\$ 66,562	\$ 61,273
International	22,184	12,920
Aerospace	18,379	15,932
Total	<u>107,125</u>	<u>90,125</u>
Corporate general and administrative expenses	11,399	9,730
Income from operations	<u>\$ 95,726</u>	<u>\$ 80,395</u>
	=====	=====

See accompanying notes to consolidated financial statements.

</TABLE>

- 6 -

PARKER-HANNIFIN CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Dollars in thousands, except per share amounts

1. Management Representation

In the opinion of the Company, the accompanying unaudited consolidated financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position as of September 30, 1995, the results of operations for the three months ended September 30, 1995 and 1994 and cash flows for the three months then ended.

2. Earnings per share

Fiscal 1995 per share amounts have been adjusted for the 3-shares-for-2 common stock split paid June 2, 1995.

Primary earnings per share are computed using the weighted average number of shares of common stock and common stock equivalents outstanding during the period. Fully diluted earnings per share are not presented because such dilution is not material.

3. Acquisitions

On July 31, 1995 the Company purchased the General Valve Corp. of Fairfield, New Jersey, a leading producer of miniature solenoid valves for high-technology applications for approximately 152,000 shares of common stock. Also on August 4, 1995 the Company purchased inventory and machinery from Teledyne Fluid Systems consisting of the Republic Valve product line, the Sprague double-diaphragm pump line and the Sprague airborne accumulator product line for approximately \$5.2 million in cash. Sales by these operations for their most recent fiscal year prior to acquisition approximated \$16.8 million. These acquisitions were accounted for by the purchase method.

- 7 -

PARKER-HANNIFIN CORPORATION

FORM 10-Q

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1995
AND COMPARABLE PERIOD ENDED SEPTEMBER 30, 1994

CONSOLIDATED STATEMENT OF INCOME

Net sales for the first quarter of fiscal 1996 increased 17.8 percent to \$839.1 million from \$712.5 million for the first quarter of fiscal 1995. Without the effect of acquisitions made within the past twelve months the increase would have been 10.3 percent. International Industrial business continued to grow substantially while the growth within North American Industrial markets began to ease somewhat.

Income from operations increased 19.1 percent to \$95.7 million and as a percent of sales increased to 11.4 percent from 11.3 percent compared to the prior-year quarter. Cost of sales, as a percent of sales, decreased to 76.9 percent from 77.3 percent as a result of the continuing benefits from prior years' restructuring activities and the positive effects of higher production levels in relation to fixed costs. Selling, general and administrative expenses, as a percent of sales, increased slightly to 11.6 percent from

11.4 percent as a result of increased sales and marketing efforts primarily within International markets.

The effective income tax rate for the first quarter of fiscal 1996 was 37.0 percent compared to a rate of 40.5 percent for the first quarter of fiscal 1995. The lower rate in fiscal 1996 is due to the continuing benefit realized from the use of net operating loss carry-forwards and a change in the anticipated geographic mix of earnings.

Net Income increased 31.4 percent to \$57.4 million compared to the prior year, and increased to 6.8 percent of sales compared to 6.1 percent for the prior-year quarter.

Backlog increased to \$1,029.9 million at September 30, 1995 compared to \$869.9 million the prior year, and \$1,025.7 million at June 30, 1995. The Aerospace Segment has experienced a steady increase in backlog while the Industrial Segment increased throughout fiscal 1995 but experienced a slight decrease in the first quarter of fiscal 1996.

RESULTS BY BUSINESS SEGMENT

INDUSTRIAL - Net sales of the Industrial Segment increased 21.1 percent to \$703.8 million compared to \$581.2 million the prior year. Industrial North America sales increased 15.3 percent while Industrial International sales increased 35.0 percent. Without the effect of acquisitions, North America sales would have increased 8.6 percent and International sales would have increased 19.3 percent. Without the effects of currency rate changes International sales would have increased 27.4 percent. The increased sales are the result of continuing growth in the industrial, farm and construction equipment markets as well as gains made in market share. Some Industrial North America markets are beginning to slow, while International markets continue to grow. Industrial North America volume is expected to modestly exceed prior year volume (excluding the effect of acquisitions) while Industrial International volume is expected to continue to grow.

Operating income for the Industrial Segment increased 19.6 percent to \$88.7 million. Industrial North America increased 8.6 percent while Industrial International increased 71.7 percent. North America operating income, as a percent of sales, decreased to 14.0 percent from 14.9 percent primarily due to accruals recorded in the current period for incentive compensation that had not been anticipated, and therefore not recorded, during the first quarter of fiscal 1995. International operating income, as a percent of sales, improved to 9.7 percent from 7.6 percent as a result of acquisitions, increased volume and benefits achieved from previous restructuring efforts.

- 8 -

Industrial Segment backlog increased 24.6 percent compared to a year ago, but decreased 2.7 percent since June 30, 1995. The decrease since June occurred within North America, while International backlog remained steady.

AEROSPACE - Net sales of the Aerospace Segment were up 3.0 percent for the quarter as a result of higher volume in commercial spares and the MRO business. These increases were partially offset by continuing declines in the military business.

Income from operations increased 15.4 percent and Income from operations as a percent of sales increased to 13.6 percent from 12.1 percent. This margin improvement is due to the product mix moving increasingly toward the commercial product lines and increased repair and overhaul activity, in addition to the continuing benefits being realized from prior years' restructuring activities.

Management expects the Aerospace Segment to continue the trend of increasing volume and higher margins. Backlog for the Aerospace Segment increased 14.4 percent compared to a year ago, and 2.8 percent since June 30, 1995.

BALANCE SHEET

Working capital increased to \$610.4 million at September 30, 1995 from \$593.8 million at June 30, 1995, with the ratio of current assets to current liabilities increasing slightly to 2.0 to 1 from 1.9 to 1. An increase of \$23.6 million in Inventories and decreases in Accounts payable, trade of \$32.8 million and Accrued liabilities of \$19.9 million were the primary cause of the increase. Acquisitions contributed \$4.9 million of the increase in Inventories, but months supply also increased due to planned replenishments of inventory levels. The decreases in Accounts payable, trade and Accrued liabilities were primarily due to heavy purchases of raw material at year end and liabilities accrued throughout the year which were paid shortly after the year end.

These increases in working capital were partially offset by decreases in Cash and cash equivalents of \$16.8 million and Accounts receivable, net of

\$11.1 million and increases in Accrued domestic and foreign taxes of \$28.2 million and Notes payable of \$11.5 million. Days sales outstanding increased slightly despite the decrease in Accounts receivable.

Acquisitions had only a minor effect on the \$6.6 million increase in Plant and equipment, net. The increase in Other assets is primarily due to an increase in goodwill from acquisitions.

The debt to debt-equity ratio, excluding the effect of the ESOP loan guarantee on both Long-term debt and Shareholders' equity, remained at 21.0 percent at September 30, 1995.

STATEMENT OF CASH FLOWS

Net cash provided by operating activities was \$42.2 million and \$38.0 million for the three months ended September 30, 1995 and 1994, respectively. Net income, adjusted for non-cash items included therein, provided \$85.3 million net cash in fiscal 1996 compared to \$73.5 million in the same three months of fiscal 1995. This additional net cash provided more than offset changes in the principal working capital items - Accounts receivable, Inventories, and Accounts payable, trade - which used net cash of \$45.2 million in fiscal 1996 compared to \$41.5 million in the same three months of fiscal 1995.

Net cash used in investing activities was \$57.8 million in fiscal 1996 compared to \$93.4 million in fiscal 1995. Fiscal 1996 used \$44.7 million for capital expenditures and \$11.8 million for acquisitions, compared to \$27.6 million cash used for capital expenditures and \$72.2 million used for acquisitions in fiscal 1995.

Financing activities used net cash of \$1.0 million as opposed to providing net cash of \$7.1 million for the three months ended September 30, 1995 and 1994, respectively.

- 9 -

PARKER-HANNIFIN CORPORATION

PART II - OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders.

(a) The Annual Meeting of the Shareholders of the Registrant was held on October 25, 1995.

(b) Not applicable.

(c) (i) The Shareholders elected four directors to the three-year class whose term of office will expire in 1998 as follows:

	Votes For	Votes Withheld
John G. Breen	66,545,116	325,540
Patrick S. Parker	66,533,911	336,745
Walter Seipp	66,537,550	333,106
Dennis W. Sullivan	66,539,645	331,011

325,540 shares abstained.

(ii) The Shareholders approved an amendment to the Corporation's Amended Articles of Incorporation to increase the authorized number of Common Shares from 150,000,000 to 300,000,000 as follows:

For	49,815,686
Against	16,608,954
Abstain	446,016

(iii) The Shareholders approved the Corporation's Non-Employee Directors' Stock Plan as follows:

For	61,946,332
Against	1,676,056
Abstain	3,248,268

(iv) The Shareholders approved the appointment of Coopers & Lybrand L.L.P. as auditors of the Corporation for the fiscal year ending June 30, 1996 as follows:

For	66,283,544
Against	167,325
Abstain	419,787

(d) Not applicable.

- 10 -

Item 6. Exhibits and Reports on Form 8-K.

(a) The following documents are furnished as exhibits and numbered pursuant to Item 601 of Regulation S-K:

Exhibit 11 - Statement regarding computation of per share earnings.

Exhibit 27 - Financial Data Schedule

(b) No reports on Form 8-K have been filed during the quarter for which this Report is filed.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PARKER-HANNIFIN CORPORATION
(Registrant)

Michael J. Hiemstra
Michael J. Hiemstra
Vice President - Finance and Administration

Date: November 10, 1995

- 11 -

EXHIBIT INDEX

Exhibit No.	Description of Exhibit	Sequential Page
11	Computation of Earnings Per Common Share	13
27	Financial Data Schedule	14

- 12 -

EXHIBIT 11

<TABLE>
<CAPTION>

PARKER-HANNIFIN CORPORATION

FORM 10-Q
COMPUTATION OF EARNINGS PER COMMON SHARE
(Dollars in thousands, except per share amounts)
(Unaudited)

	Three Months Ended	
	September 30,	
	1995	1994 (A)
<S>	<C>	<C>
Net income applicable to common shares	\$ 57,375	\$ 43,649
	=====	=====
Weighted average common shares outstanding for the period	74,070,861	73,453,255
Increase in weighted average from dilutive effect of exercise of stock options	811,722	505,053
	-----	-----
Weighted average common shares, assuming issuance of the above securities	74,882,583	73,958,308
	=====	=====
Earnings per common share:		
Primary	\$.77	\$.59
Fully diluted (B)	\$.77	\$.59

<FN>

(A) Weighted average shares and earnings per share have been restated for the 3-shares-for-2 common stock split paid June 2, 1995.

(B) This calculation is submitted in accordance with Regulation S-K Item 601(b)(11) although not required for income statement presentation because it results in dilution of less than 3 percent.

</TABLE>

<TABLE> <S> <C>

<ARTICLE> 5

<LEGEND>

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM PARKER-HANNIFIN CORPORATION'S REPORT ON FORM 10-Q FOR ITS QUARTERLY PERIOD ENDED SEPTEMBER 30, 1995 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

<MULTIPLIER> 1,000

<S>	<C>
<PERIOD-TYPE>	3-MOS
<FISCAL-YEAR-END>	JUN-30-1996
<PERIOD-END>	SEP-30-1995
<CASH>	47,046
<SECURITIES>	0
<RECEIVABLES>	431,525
<ALLOWANCES>	6,879
<INVENTORY>	649,527
<CURRENT-ASSETS>	1,249,957
<PP&E>	1,836,881
<DEPRECIATION>	1,014,507
<TOTAL-ASSETS>	2,317,061
<CURRENT-LIABILITIES>	639,568
<BONDS>	258,259
<COMMON>	37,076
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<OTHER-SE>	1,196,472
<TOTAL-LIABILITY-AND-EQUITY>	2,317,061
<SALES>	839,054
<TOTAL-REVENUES>	839,054
<CGS>	645,609
<TOTAL-COSTS>	645,609
<OTHER-EXPENSES>	0
<LOSS-PROVISION>	268
<INTEREST-EXPENSE>	7,988
<INCOME-PRETAX>	91,071
<INCOME-TAX>	33,696
<INCOME-CONTINUING>	57,375
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	57,375
<EPS-PRIMARY>	.77
<EPS-DILUTED>	.77

</TABLE>