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

FORM 10-Q

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

For the quarterly period ended December 31, 2002

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	34-0451060
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

6035 Parkland Blvd., Cleveland, Ohio	44124-4141
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (216) 896-3000

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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No __.

Indicate by check mark whether Registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes X No __.

Number of Common Shares outstanding at December 31, 2002 118,115,070

PART I - FINANCIAL INFORMATION

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

<TABLE>
<CAPTION>

	Three Months Ended December 31,		Six Months Ended December 31,	
	2002	2001	2002	2001
<S>	<C>	<C>	<C>	<C>
Net sales	$ 1,517,201	$ 1,437,330	$ 3,103,105	$ 2,913,197
Cost of sales	1,258,827	1,203,893	2,558,717	2,401,518
Gross profit	258,374	233,437	544,388	511,679
Selling, general and administrative expenses	177,142	164,883	353,397	330,298
Interest expense	19,356	21,555	39,050	42,009
Interest and other expense, net	3,830	11	2,204	(106)
Income before income taxes	58,046	46,988	149,737	139,478

Income taxes	20,494	17,926	51,210	49,835
Net income	$ 37,552	$ 29,062	$ 98,527	$ 89,643
Earnings per share - Basic	$ .33	$ .25	$ .85	$ .78
Earnings per share - Diluted	$ .32	$ .25	$ .84	$ .77
Cash dividends per common share	$ .18	$ .18	$ .36	$ .36

</TABLE>

See accompanying notes to consolidated financial statements.

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

<TABLE>
<CAPTION>

ASSETS	December 31, 2002	June 30, 2002
<S>	<C>	<C>
Current assets:		
Cash and cash equivalents	$ 35,365	$ 46,384
Accounts receivable, net	898,888	1,006,313
Inventories:		
Finished products	534,144	531,821
Work in process	386,932	353,410
Raw materials	137,503	166,737
	1,058,579	1,051,968
Prepaid expenses	41,298	48,532
Deferred income taxes	87,483	82,421
Total current assets	2,121,613	2,235,618
Plant and equipment	3,446,055	3,354,258
Less accumulated depreciation	1,771,218	1,657,293
	1,674,837	1,696,965
Goodwill	1,079,808	1,083,768
Intangible assets, net	56,780	51,286
Other assets	658,182	684,946
Total assets	$ 5,591,220	$ 5,752,583
LIABILITIES		
Current liabilities:		
Notes payable	$ 580,816	$ 416,693
Accounts payable, trade	371,835	443,525
Accrued liabilities	409,126	451,310
Accrued domestic and foreign taxes	54,899	48,309
Total current liabilities	1,416,676	1,359,837
Long-term debt	773,733	1,088,883
Pensions and other postretirement benefits	510,206	508,313
Deferred income taxes	90,629	76,955
Other liabilities	128,850	135,079
Total liabilities	2,920,094	3,169,067
SHAREHOLDERS' EQUITY		
Serial preferred stock, $.50 par value; authorized 3,000,000 shares; none issued	--	--
Common stock, $.50 par value; authorized 600,000,000 shares; issued 118,220,974 shares at December 31 and 118,124,294 shares at June 30	59,110	59,062
Additional capital	381,349	378,918
Retained earnings	2,530,640	2,473,808
Unearned compensation related to guarantee of ESOP debt	(72,862)	(79,474)
Deferred compensation related to stock options	2,347	2,347
Accumulated other comprehensive (loss)	(225,552)	(247,497)
	2,675,032	2,587,164
Less treasury shares, at cost:		

105,904 shares at December 31 and 100,130 shares at June 30	(3,906)	(3,648)
Total shareholders' equity	2,671,126	2,583,516
Total liabilities and shareholders' equity	$ 5,591,220	$ 5,752,583

</TABLE>

See accompanying notes to consolidated financial statements.

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

<TABLE>
<CAPTION>

	Six Months Ended December 31,	
CASH FLOWS FROM OPERATING ACTIVITIES	2002	2001
<S>	<C>	<C>
Net income	$ 98,527	$ 89,643
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation	122,822	115,677
Amortization	7,005	6,839
Deferred income taxes	5,867	1,991
Foreign currency transaction loss	3,480	2,513
Loss on sale of plant and equipment	2,117	556
Changes in assets and liabilities:		
Accounts receivable, net	124,103	209,974
Inventories	8,323	(930)
Prepaid expenses	8,352	11,694
Net assets held for sale		21,291
Other assets	26,884	16,318
Accounts payable, trade	(79,875)	(73,345)
Accrued payrolls and other compensation	(40,231)	(48,271)
Accrued domestic and foreign taxes	14,248	(6,507)
Other accrued liabilities	(23,727)	(2,841)
Pensions and other postretirement benefits	(1,576)	(2,675)
Other liabilities	(15,870)	8,409
Net cash provided by operating activities	260,449	350,336
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions (less cash acquired of $8 in 2002 and $343 in 2001)	(1,999)	(310,178)
Capital expenditures	(79,053)	(113,119)
Proceeds from sale of plant and equipment	8,129	8,272
Other	2,273	(22,448)
Net cash used in investing activities	(70,650)	(437,473)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from (payments for) common share activity	2,222	(4,710)
Payments of notes payable, net	(160,350)	(56,003)
Proceeds from long-term borrowings	1,755	208,989
Payments of long-term borrowings	(4,049)	(11,770)
Dividends	(41,696)	(41,430)
Net cash (used in) provided by financing activities	(202,118)	95,076
Effect of exchange rate changes on cash	1,300	(2,621)
Net (decrease) increase in cash and cash equivalents	(11,019)	5,318
Cash and cash equivalents at beginning of year	46,384	23,565
Cash and cash equivalents at end of period	$ 35,365	$ 28,883

</TABLE>

See accompanying notes to consolidated financial statements.

PARKER-HANNIFIN CORPORATION
BUSINESS SEGMENT INFORMATION BY INDUSTRY

(Dollars in thousands)
(Unaudited)

The Company operates in two principal industry segments: Industrial and Aerospace. The Industrial Segment is the largest and includes a significant portion of 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, agricultural and military machinery and equipment. Sales are made directly 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 and fuel applications.

The Company also reports an Other Segment consisting of several business units which produce motion-control and fluid power control components for use primarily in the transportation industry and refrigeration and air conditioning industry; a business unit which designs and manufactures custom-engineered buildings; and a business unit which develops and manufactures chemical car care and industrial products. In June 2002, the Company divested the businesses which were part of the Other Segment which adminstered vehicle service contract programs and product-related service programs. Net sales and segment operating income of the divested businesses for the three months ended December 31, 2001 were $28,509 and $2,013, respectively. Net sales and segment operating income of the divested businesses for the six months ended December 31, 2001 were $55,029 and $3,870, respectively.

Business Segment Results by Industry

<TABLE>
<CAPTION>

	Three Months Ended December 31,		Six Months Ended December 31,	
	2002	2001	2002	2001
<S>	<C>	<C>	<C>	<C>
Net sales				
Industrial:				
North America	$ 669,905	$ 646,299	$1,397,482	$1,297,139
International	373,921	290,446	739,580	586,737
Aerospace	275,400	288,312	552,721	600,812
Other	197,975	212,273	413,322	428,509
Total	$1,517,201	$1,437,330	$3,103,105	$2,913,197
Segment operating income				
Industrial:				
North America	$ 27,423	$ 23,576	$ 78,468	$ 64,041
International	22,321	13,207	48,967	33,035
Aerospace	42,651	46,446	85,184	103,338
Other	12,445	9,429	31,289	26,421
Total segment operating income	104,840	92,658	243,908	226,835
Corporate general and administrative expenses	19,395	15,674	39,493	32,613
Income before interest expense and other	85,445	76,984	204,415	194,222
Interest expense	19,356	21,555	39,050	42,009
Other expense	8,043	8,441	15,628	12,735
Income before income taxes	$ 58,046	$ 46,988	$ 149,737	$ 139,478

</TABLE>

PARKER-HANNIFIN CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Dollars in thousands, except per share amounts

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1. Management representation

In the opinion of the Company, the accompanying unaudited consolidated financial statements contain all adjustments necessary to present fairly the financial position as of December 31, 2002, the results of operations for the three and six months ended December 31, 2002 and 2001 and cash flows for the six months then ended. Certain prior period amounts have been reclassified to conform to the current period presentation.

2. New accounting pronouncements

Effective July 1, 2002 the Company adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 143, "Accounting for Asset Retirement Obligations," SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," and SFAS No. 145, "Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13, and Technical Corrections." The implementation of these accounting pronouncements did not have a material effect on the Company's results of operations, financial position or cash flows.

In December 2002 the Company adopted the provisions of FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others." The implementation of this accounting pronouncement did not have a material effect on the Company's results of operations, financial position or cash flows.

In December 2002 the Financial Accounting Standards Board (FASB) issued SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure." SFAS No. 148 provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation and amends the disclosure requirements of SFAS No. 123. The transition provisions of this Statement are effective for fiscal years ending after December 15, 2002, and the disclosure requirements of the Statement are effective for interim periods beginning after December 15, 2002. The Company currently plans to continue to apply the intrinsic-value based method to account for stock options and will comply with the new disclosure requirements beginning with the third quarter of fiscal 2003.

3. Product warranty

In the ordinary course of business, the Company warrants its products against defect in design, materials and workmanship over various time periods. The warranty accrual as of December 31, 2002 and June 30, 2002 is immaterial to the financial position of the Company and the change in the accrual for the current quarter and first six months of fiscal 2003 is immaterial to the Company's results of operations and cash flows.

4. Earnings per share

The following table presents a reconciliation of the denominator of basic and diluted earnings per share for the three and six months ended December 31, 2002 and 2001.

<TABLE>
<CAPTION>

	Three Months Ended December 31, 2002	Three Months Ended December 31, 2001	Six Months Ended December 31, 2002	Six Months Ended December 31, 2001
Numerator:				
<S>	<C>	<C>	<C>	<C>
Net income applicable to common shares	$ 37,552	$ 29,062	$ 98,527	$ 89,643
Denominator:				
Basic - weighted average common shares	116,279,317	115,010,099	116,255,974	115,088,506
Increase in weighted average from dilutive effect of exercise of stock options	839,229	608,871	607,167	597,328
Diluted - weighted average common shares, assuming exercise of stock options	117,118,546	115,618,970	116,863,141	115,685,834
Basic earnings per share	$ .33	$ .25	$ .85	$ .78
Diluted earnings per share	$ .32	$ .25	$ .84	$ .77

</TABLE>

For the three months ended December 31, 2002 and 2001, 1,066,302 and 2,677,047 shares, respectively, subject to stock options were excluded from the computation of diluted earnings per share because the effect of their exercise would be anti-dilutive. For the six months ended December 31, 2002 and 2001, 2,558,178 and 2,793,884 of common shares, respectively, subject to stock options were excluded from the computation of diluted earnings per share because the effect of their exercise would be anti-dilutive.

5. Stock repurchase program

The Board of Directors has approved a program to repurchase the Company's common stock on the open market, at prevailing prices. The repurchase is primarily funded from operating cash flows and the shares are initially held as treasury stock. There were no share repurchases during the three-month period ended December 31, 2002. Year-to-date, the Company has purchased 15,000 shares at an average price of $37.84 per share.

6. Comprehensive income

The Company's items of other comprehensive income (loss) are foreign currency translation adjustments and unrealized gains (losses) on marketable equity securities. Comprehensive income for the three and six months ended December 31, 2002 and 2001 was as follows:

<TABLE>
<CAPTION>

	Three Months Ended December 31,		Six Months Ended December 31,	
	2002	2001	2002	2001
<S>	<C>	<C>	<C>	<C>
Net income	$ 37,552	$ 29,062	$ 98,527	$ 89,643
Foreign currency translation adjustments	40,791	238	22,875	11,124
Unrealized gains (losses) on marketable equity securities	(1,070)	368	(930)	(4,905)
Comprehensive income	$ 77,273	$ 29,668	$ 120,472	$ 95,862

</TABLE>

The unrealized gains (losses) on marketable equity securities is net of taxes of $645 and $560 for the three and six months ended December 31, 2002, respectively, and $222 and $2,956 for the three and six months ended December 31, 2001, respectively.

7. Charges related to business realignment and equity investment adjustment

During the second quarter of fiscal 2003, the Company recorded a $5,057 charge ($3,363 after-tax or $.03 per share) for the costs to structure its businesses to operate in their current economic environment. The charge primarily relates to severance costs attributable to 288 people in the Industrial Segment. As of December 31, 2002, the Company has made a significant portion of the severance payments with the remaining payments expected to be made by June 30, 2003. Also in the second quarter of fiscal 2003, the Company recorded a $2,246 charge ($2,246 after-tax or $.02 per share) related to an adjustment to fair market value of an equity investment in a publicly traded Japanese company with whom the Company has established an alliance.

During the first six months of fiscal 2003 the Company recorded charges of $7,132 ($4,743 after-tax or $.04 per share) for business realignment costs primarily related to the Industrial Segment. The business realignment costs and equity investment adjustment are presented in the Consolidated Statement of Income for the three and six months ended December 31, 2002 as follows: $4,692 and $6,231, respectively, in Cost of sales and $2,611 and $3,147, respectively, in Selling, general and administrative expenses.

During the second quarter of fiscal 2002, the Company recorded a $7,335 charge ($4,804 after-tax or $.04 per share) for the costs to structure appropriately its businesses to operate in their then current economic environment. The business realignment charge consisted of $4,761 of severance costs and $2,574 of costs relating to the consolidation of manufacturing product lines. The severance portion of the charge was attributable to 236 employees in the Industrial Segment, 206 employees in the Aerospace Segment and 18 employees in the Other Segment. Of the pre-tax amount, $3,890 related to the Industrial Segment, $1,848 related to the Aerospace Segment and $1,597 related to the Other Segment. All severance payments have been made. Also in the second quarter of fiscal 2002, the Company recorded a $4,973 charge ($4,973 after-tax or $.04 per share) related to an adjustment to fair market value of an equity investment in a publicly traded Japanese company with whom the Company has established an alliance.

7. Charges related to business realignment and equity investment adjustment, continued

During the first six months of fiscal 2002, the Company recorded charges of $12,376 ($8,106 after-tax or $.07 per share) for business realignment costs. Of the pre-tax amount, $7,207 related to the Industrial Segment, $3,055 related to the Aerospace Segment and $2,114 related to the Other Segment. The business realignment costs and equity investment adjustment are presented in the Consolidated Statement of Income for the three and six months ended December 31, 2001 as follows: $6,355 and $10,989, respectively, in Cost of sales and $5,953 and $6,360, respectively, in Selling, general and administrative expenses.

8. Goodwill and intangible assets

The changes in the carrying amount of goodwill for the six months ended December 31, 2002 are as follows:

<TABLE>
<CAPTION>

<S>	Industrial Segment <C>	Aerospace Segment <C>	Other Segment <C>	Total <C>
Balance as of June 30, 2002	$ 829,044	$ 76,216	$ 178,508	$ 1,083,768
Acquisitions	3,472			3,472
Goodwill adjustments and other	(13,475)	30	6,013	(7,432)
Balance as of December 31, 2002	$ 819,041	$ 76,246	$ 184,521	$ 1,079,808

</TABLE>

"Goodwill adjustments and other" primarily represent final adjustments to the purchase price allocation for acquisitions completed within the last twelve months and foreign currency translation adjustments.

Intangible assets are amortized on the straight-line method over their legal or estimated useful lives. The following summarizes the gross carrying value and accumulated amortization for each major category of intangible assets:

<TABLE>
<CAPTION>

	December 31, 2002		June 30, 2002	
<S>	Gross Carrying Amount <C>	Accumulated Amortization <C>	Gross Carrying Amount <C>	Accumulated Amortization <C>
Patents	$ 22,714	$ 10,935	$ 22,356	$ 9,930
Trademarks	20,164	1,166	17,058	644
Engineering drawings and other	30,203	4,200	24,576	2,130
Total	$ 73,081	$ 16,301	$ 63,990	$ 12,704

</TABLE>

Total intangible amortization expense for the six months ended December 31, 2002 was $3,150. The estimated amortization expense for the five years ending June 30, 2003 through 2007 is $7,477, $7,524, $6,432, $5,122 and $4,722, respectively.

PARKER-HANNIFIN CORPORATION

FORM 10-Q
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2002
AND COMPARABLE PERIODS ENDED DECEMBER 31, 2001

CONSOLIDATED STATEMENT OF INCOME

Net sales increased 5.6 percent for the current quarter and 6.5 percent for the first six months of fiscal 2003. Without the effects of acquisitions and divestitures, Net sales increased 2.9 percent for the current quarter and 2.1

percent for the first six months of fiscal 2003, primarily the result of higher sales in the Industrial International operations with currency-rate changes accounting for a significant portion of the increase.

Income from operations was $81.2 million for the current quarter and $191.0 million for the first six months of fiscal 2003, an increase from the comparable prior year periods of 18.5 percent and 5.3 percent, respectively. As a percent of sales, income from operations for the current quarter was 5.4 percent compared to 4.8 percent for the prior-year quarter and 6.2 percent for both the first six months of fiscal 2003 and 2002. Included in income from operations are business realignment charges and an equity investment adjustment of $7.3 million and $9.4 million for the current quarter and first six months of fiscal 2003, respectively, and $12.3 million and $17.3 million, respectively, for the prior-year quarter and first six months of fiscal 2002 (see Note 7 on page 8 for further discussion). Excluding the business realignment charges and equity method investment adjustment, income from operations, as a percent of sales, was 5.8 percent and 6.5 percent for the current quarter and first six months of fiscal 2003, respectively, compared to 5.6 percent and 6.8 percent for the prior-year quarter and first six months of fiscal 2002, respectively. For the current quarter, higher margins in the Industrial and Other Segments were partially offset by lower margins in the Aerospace operations. For the first half of the fiscal year, lower margins earned in the Aerospace operations more than offset the margin improvements experienced in the Industrial operations and Other Segment businesses.

Selling, general and administrative expenses, as a percent of sales, increased to 11.7 percent from 11.5 percent for the current quarter and increased to 11.4 percent from 11.3 percent for the first six months of fiscal 2003. Excluding business realignment charges and equity investment adjustment, Selling, general and administrative expenses, as a percent of sales, increased to 11.5 percent from 11.1 percent for the current quarter and increased to 11.3 percent from 11.1 percent for the first six months of fiscal 2003. The higher selling, general and administrative expenses were primarily due to an increase in expenses associated with employee health and welfare benefits.

Interest expense decreased 10.2 percent in the current quarter and 7.0 percent for the first six months of fiscal 2003 primarily due to lower weighted-average interest rates and lower average debt outstanding.

Interest and other expense, net for the current quarter and first six months of fiscal 2003 includes losses resulting from the sale of fixed assets in the ordinary course of business at levels higher than in the comparable prior periods.

The effective tax rate decreased to 35.3 percent for the current quarter compared to 38.1 percent in the prior-year quarter and decreased to 34.2 percent for the first six months of fiscal 2003, compared to 35.7 percent for the first six months of fiscal 2002. The decrease in the rates from the comparable prior periods is due to a lower foreign tax rate. The higher rate in the current year quarter as compared to the rate for the first six months of fiscal 2003 is primarily due to the non-deductibility of the above-mentioned equity investment adjustment.

Net income increased 29.2 percent in the current quarter and 9.9 percent for the first six months of fiscal 2003, as compared to the prior year comparable periods. As a percent of sales, Net income increased to 2.5 percent from 2.0 percent for the current quarter and increased to 3.2 percent from 3.1 percent for the first six months of fiscal 2003. Excluding the business realignment charges and the equity investment adjustment, Net income, as a percent of sales, increased slightly to 2.8 percent from 2.7 percent for the current quarter and decreased slightly to 3.4 percent from 3.5 percent for the first six months of fiscal 2003. Net income in the current quarter and first six months of fiscal 2003 were adversely affected by an additional expense of approximately $1.7 million and $8.2 million, respectively, related to domestic qualified benefit plans, resulting primarily from the lower market value of plan assets.

Backlog was $1.85 billion at December 31, 2002 compared to $1.90 billion in the prior year and $1.86 billion at June 30, 2002. The decrease in backlog reflects shipments exceeding new order rates across most of the Company's businesses.

RESULTS BY BUSINESS SEGMENT

INDUSTRIAL - The Industrial Segment operations experienced the following percentage increases in Net sales in the current year compared to the equivalent prior-year period:

<TABLE>
<CAPTION>

	Period ending December 31,	
	Three Months	Six Months

<S>	<C>	<C>
Industrial North America	3.7%	7.7%
Industrial International	28.7%	26.0%
Total Industrial	11.4%	13.4%

</TABLE>

Without the effect of currency-rate changes, International sales would have increased 20.2 percent for the current quarter and 18.8 percent for the first six months of fiscal 2003.

Without the effect of acquisitions completed within the past 12 months, the percentage changes in Net sales would have been:

<TABLE>
<CAPTION>

	Period ending December 31,	
	Three Months	Six Months
<S>	<C>	<C>
Industrial North America	(0.2)%	1.2%
Industrial International	14.0%	12.3%
Total Industrial	4.2%	4.6%

</TABLE>

Excluding the effect of acquisitions, Industrial North American sales for the second quarter remained flat as increased end-user demand experienced in the factory automation and oil and gas markets was offset by lower demand in the agriculture and transportation markets. The slight increase in Industrial North American sales for the first six months of fiscal 2003 is attributable to increased end-user demand experienced in the semi-conductor manufacturing and construction markets in early fiscal 2003. Excluding acquisitions and currency-rate changes, sales in the Industrial International businesses for the current quarter and first six months of fiscal 2003 increased as a result of higher demand across most businesses in the Asia Pacific region and Latin America, while sales in the European businesses were flat.

Operating income for the Industrial segment increased 35.2 percent for the current quarter and 31.3 percent for the first six months of fiscal 2003. Industrial North American operating income increased 16.3 percent for the current quarter and 22.5 percent for the first six months of fiscal 2003, and Industrial International operating income increased 69.0 percent for the current quarter and 48.2 percent for the first six months of fiscal 2003. Industrial North American operating income, as a percent of sales, increased to 4.1 percent from 3.6 percent for the current quarter and increased to 5.6 percent from 4.9 percent for the first six months of fiscal 2003. Industrial International operating income, as a percent of sales, increased to 6.0 percent from 4.5 percent for the current quarter and increased to 6.6 percent from 5.6 percent for the first six months of fiscal 2003.

Included in Industrial North American operating income are business realignment charges of $2.1 million and $3.0 million in the current quarter and first six months of fiscal 2003, respectively, and $2.5 million and $5.0 million in the prior-year quarter and first six months of fiscal 2002, respectively. Excluding business realignment charges, Industrial North American operating income, as a percent of sales, increased to 4.4 percent from 4.0 percent for the current quarter and increased to 5.8 percent from 5.3 percent for the first six months of fiscal 2003. Included in Industrial International operating income are business realignment charges of $2.2 million and $3.0 million in the current quarter and first six months of fiscal 2003, respectively, and $1.4 million and $2.2 million in the prior-year quarter and first six months of fiscal 2002, respectively. Excluding business realignment charges, Industrial International operating income, as a percent of sales, increased to 6.5 percent from 5.0 percent for the current quarter and increased to 7.0 percent from 6.0 percent for the first six months of fiscal 2003. The business realignment charges resulted from actions the Company took to structure the Industrial operations to operate in their economic environment and primarily consisted of severance costs and costs relating to the consolidation of manufacturing product lines.

The increase in Industrial North American margins was primarily due to product mix and operating efficiencies. Although overall Industrial North American sales volume was flat, an increase in sales was experienced in higher margin businesses in the current quarter and first six months of fiscal 2003. The increase in Industrial International margins was due to the higher volume in the Asia Pacific region and Latin America, especially in higher margin businesses, as well as operating efficiencies experienced in most of the European businesses.

Total Industrial Segment backlog remained unchanged from December 31, 2001 and decreased 8.0 percent since June 30, 2002. Without acquisitions, Industrial Segment backlog decreased 3.1 percent from a year ago. The decline in backlog is primarily due to shipments exceeding new order rates within most industrial markets.

The volatility of the global economy and the uncertainty of near-term U.S. military actions makes it difficult to assess the business conditions likely to be experienced by the Industrial Segment for the remainder of fiscal 2003. At the present time, the Company expects the Industrial North American operations to experience similar overall business conditions as those experienced in the first half of fiscal 2003. Business conditions in the Company's Industrial International operations are expected to stabilize at the current quarter level for the remainder of the fiscal year. The Company expects to continue to take the necessary actions to structure appropriately the Industrial Segment operations to operate in their economic environment. Such actions may include the necessity to record additional business realignment charges in the second half of fiscal 2003.

AEROSPACE - Net sales of the Aerospace Segment decreased 4.5 percent for the current quarter and 8.0 percent for the first six months of fiscal 2003. The decrease in sales was primarily due to a decline in both commercial OEM and aftermarket volume, partially offset by an increase in military volume. Operating income for the Aerospace Segment decreased 8.2 percent for the current quarter and 17.6 percent for the first six months of fiscal 2003. Operating income, as a percent of sales, declined to 15.5 percent from 16.1 percent for the current quarter and declined to 15.4 percent from 17.2 percent for the first six months of fiscal 2003. Included in Aerospace operating income are business realignment charges of $0.5 million and $0.9 million in the current quarter and first six months of fiscal 2003, respectively, and $1.8 million and $3.1 million in the prior-year quarter and first six months of fiscal 2002, respectively. Excluding the business realignment charges, Aerospace operating income, as a percent of sales, decreased to 15.7 percent from 16.8 percent for the current quarter and decreased to 15.6 percent from 17.7 percent for the first six months of fiscal 2003. Lower margins were primarily due to lower sales in the commercial OEM and aftermarket businesses partially offset by an increase in volume in military business.

Backlog for the Aerospace Segment decreased 4.7 percent compared to December 31, 2001 and increased 5.1 percent since June 30, 2002. The increase in backlog since June 30, 2002 is primarily due to higher military order rates. For the remainder of fiscal 2003, commercial OEM and aftermarket order rates are expected to stabilize at the current quarter level while order rates in the military and defense market are expected to increase marginally.

OTHER - Net sales of the Other Segment decreased 6.7 percent for the current quarter and 3.5 percent for the first six months of fiscal 2003. Without the effect of acquisitions and the prior-year divestiture of the businesses which administered vehicle service contract programs and product-related service programs, sales increased 7.7 percent for the current quarter and 5.4 percent for the first six months of fiscal 2003. The increase in sales is a result of higher demand in the automotive and refrigeration and air conditioning markets. Operating income increased 32.0 percent for the current quarter and 18.4 percent for the first six months of fiscal 2003. Operating income, as a percent of sales, increased to 6.3 percent from 4.4 percent for the current quarter and increased to 7.6 percent from 6.2 percent for the first six months of fiscal 2003. Included in operating income are business realignment charges of $0.3 million in the current quarter and first six months of fiscal 2003, and $1.6 million and $2.1 million in the prior-year quarter and first six months of fiscal 2002, respectively. Operating income for the prior-year quarter and first six months of fiscal 2002 includes $2.0 million and $3.9 million, respectively, of income from the divested businesses. Excluding the business realignment charges and income from divested businesses, operating income, as a percent of sales, increased to 6.4 percent from 4.9 percent for the current quarter and increased to 7.6 percent from 6.6 percent for the first six months of fiscal 2003, primarily due to the higher sales volume.

Backlog for the Other Segment increased 3.0 percent compared to a year ago and decreased 3.3 percent since June 30, 2002. The increase in backlog from a year ago is primarily due to an increase in orders in the transportation and refrigeration and air conditioning markets. The decline in backlog from June 30, 2002 is primarily due to a slowdown in order rates from major original equipment manufacturers. For the remainder of fiscal 2003, business conditions in the Other Segment are expected to be similar to those of the Industrial North American operations.

Corporate general and administrative expenses increased to $19.4 million from $15.7 million for the current quarter and increased to $39.5 million from $32.6 million for the first six months of fiscal 2003. As a percent of sales, corporate general and administrative expenses increased slightly to 1.3 percent from 1.1 percent for the current quarter and first six months of fiscal 2003.

Other expense (in the Business Segment Results by Industry) includes a charge of $2.2 million for the current quarter and first six months of fiscal 2003, and $5.0 million for the prior-year quarter and first six months of fiscal 2002 related to an adjustment to the fair market value of an equity investment in a publicly-traded Japanese company with whom the Company has established an alliance.

BALANCE SHEET

Working capital declined to $704.9 million at December 31, 2002 from $875.8 million at June 30, 2002, with the ratio of current assets to current liabilities decreasing to 1.5:1. The decrease in working capital was primarily due to an increase in Notes payable and a decrease in Accounts receivable, partially offset by a decrease in Accounts payable, trade and Accrued liabilities.

Accounts receivable decreased to $898.9 million at December 31, 2002 from $1,006.3 million at June 30, 2002 with days sales outstanding remaining at 55 days since June 30, 2002. Inventories increased $6.6 million since June 30, 2002, with days supply increasing to 92 days from 87 days at June 30, 2002.

Plant and equipment, net of accumulated depreciation, decreased $22.1 million since June 30, 2002, primarily as a result of depreciation exceeding capital expenditures.

The decrease in Goodwill since June 30, 2002 primarily reflects final purchase price adjustments to the purchase price allocation for acquisitions completed within the last twelve months.

Other assets decreased $26.8 million since June 30, 2002, primarily as a result of decreases in qualified benefit plan assets and other investment assets.

Accounts payable, trade decreased to $371.8 million at December 31, 2002 from $443.5 million at June 30, 2002, as purchasing levels throughout the Company's operations were lower during the latter part of the current quarter.

Accrued liabilities decreased $42.2 million since June 30, 2002 primarily as a result of lower incentive compensation accruals.

Due to the weakening of the dollar against certain currencies, foreign currency translation adjustments resulted in an increase in net assets of $22.9 million during the first half of fiscal 2003. The translation adjustments primarily affected Accounts receivable, Inventories, Goodwill, Plant and equipment and Long-term debt.

STATEMENT OF CASH FLOWS

Cash and cash equivalents decreased $11.0 million for the first six months of fiscal 2003 after increasing $5.3 million during the same period of fiscal 2002.

Net cash provided by operating activities was $260.4 million for the six months ended December 31, 2002 compared to $350.3 million for the same six months of 2001. The decrease in net cash provided by operating activities in 2002 was primarily the result of lower cash flows provided by working capital items, particularly Accounts receivable, partially offset by an increase in Net income.

Net cash used in investing activities was $70.7 million for the first half of fiscal 2003 compared to $437.5 million for the first half of fiscal 2002. The significant decrease in the amount of cash used in investing activities in 2003 is attributable to a reduction in acquisition activity and capital expenditures. The reduction of capital expenditures in 2003 can be attributed to the consolidation of manufacturing facilities, lean manufacturing initiatives, and a decline in product demand.

Net cash used in financing activities was $202.1 million in fiscal 2003 compared to providing cash of $95.1 million in fiscal 2002. In fiscal 2003 the Company decreased its outstanding borrowings by a net total of $162.6 million compared to an increase of $141.2 million in fiscal 2002. The decrease in the borrowing level in 2003 was due to the decline in acquisition activity and capital expenditure requirements.

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. The debt to debt-equity ratio at December 31, 2002 decreased to 33.6 percent compared to 36.8 percent as of June 30, 2002.

The Company expects to make a contribution of approximately $116 million to its qualified defined benefit plans during the third quarter of fiscal 2003, the vast majority of which will be contributed to the North American plans. The Company anticipates funding this contribution using its commercial paper note program.

QUANTITATIVE AND QUALITATIVE DISCLOSURE 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. 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. 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. The total carrying and fair 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.

The Company's debt portfolio contains variable rate debt, inherently exposing the Company to interest rate risk. The Company's objective is to maintain a 60/40 mix between fixed rate and variable rate debt thereby limiting its exposure to changes in near term interest rates. In addition, the Company has entered into an interest rate swap agreement for a $200 million contract amount. The agreement is with a major financial institution and the risk of loss is considered remote. The carrying value and fair value of the swap agreement is not material to the Company's financial position, liquidity or results of operations.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In December 2002 the Financial Accounting Standards Board (FASB) issued SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure." SFAS No. 148 provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation and amends the disclosure requirements of SFAS No. 123. The transition provisions of this Statement are effective for fiscal years ending after December 15, 2002, and the disclosure requirements of the Statement are effective for interim periods beginning after December 15, 2002. The Company currently plans to continue to apply the intrinsic-value based method to account for stock options and will comply with the new disclosure requirements beginning with the third quarter of fiscal 2003.

FORWARD-LOOKING STATEMENTS

Forward-looking statements contained in this Report on Form 10-Q and other written reports and oral statements are made based on known events and circumstances at the time of release, and as such, are subject in the future to unforeseen uncertainties and risks. All statements regarding future performance, earnings projections, events or developments are forward-looking statements. It is possible that the Company's future performance and earnings projections may differ materially from current expectations, depending on economic conditions within both the industrial and aerospace markets, and the Company's ability to achieve anticipated benefits associated with announced realignment activities and strategic initiatives to improve operating margins. Among other factors which may affect future performance are:

- changes in business relationships with and purchases by or from major customers or suppliers, including delays or cancellations in shipments,
- uncertainties surrounding timing, successful completion or integration of acquisitions,
- threats associated with and efforts to combat terrorism,
- competitive market conditions and resulting effects on sales and pricing,
- increases in raw-material costs that cannot be recovered in product pricing, and
- global economic factors, including currency exchange rates, difficulties entering new markets and general economic conditions such as interest rates.

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.

CONTROLS AND PROCEDURES

The Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's principal executive officer and principal financial officer, of the effectiveness of the Company's disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) within 90 days prior to the filing of this Form 10-Q. Based on this evaluation, the principal executive officer and principal financial officer have concluded that the Company's disclosure controls and procedures are effective.

The Company periodically conducts an evaluation, under the supervision and with the participation of the Company's management, including the Company's principal executive officer and principal financial officer as well as the Company's Audit Committee and independent auditors, of its internal controls and procedures. There have been no significant changes in the Company's internal controls or in other factors that could significantly affect the Company's internal controls subsequent to the date of the most recent evaluation.

PARKER-HANNIFIN CORPORATION

PART II - OTHER INFORMATION

Item 2. Changes in Securities and Use of Proceeds.

On October 29, 2002, the Registrant issued an aggregate of 11,934 shares of Common Stock, $.50 par value, valued at $43.585 per share to certain of its non-employee directors pursuant to the Registrant's Non-Employee Directors Stock Plan in lieu of all or a portion of their respective annual retainers. These transactions were exempt from the registration provisions of the Securities Act of 1933, as amended, pursuant to Section 4(2) of such Act for transactions not involving a public offering based on the fact that the shares were issued to accredited investors.

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 23, 2002.

(b) Not applicable.

(c)(i) The Shareholders elected four directors to the three-year class whose term of office will expire in 2005, as follows:

<TABLE>
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	Votes For	Votes Withheld
<S>	<C>	<C>
William E. Kassling	88,874,262.799	7,371,947.098
Peter W. Likins	85,475,470.870	10,770,739.027
Wolfgang R. Schmitt	88,752,137.706	7,494,072.191
Debra L. Starnes	89,477,633.351	6,768,576.546

</TABLE>

(ii) The Shareholders approved the appointment of PricewaterhouseCoopers LLP as independent certified public accountants of the Company for the fiscal year ending June 30, 2003, as follows:

For	86,942,406.803
Against	8,640,583.949
Abstain	633,219.145

(d) Not applicable.

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

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

Exhibit 10(a) Cancellation Agreement dated November 1, 2002 between the Registrant, Michael J. Hiemstra and the Irrevocable Trust Creating Vested Trusts for Children of M. J. Hiemstra dated August 16, 1999.

(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)

/s/ Michael J. Hiemstra

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

Date: February 4, 2003

CERTIFICATIONS

I, Donald E. Washkewicz, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Parker-Hannifin Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) Presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: February 4, 2003

/s/ Donald E. Washkewicz

Donald E. Washkewicz
President and Chief Executive Officer

I, Michael J. Hiemstra, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Parker-Hannifin Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue

statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) Presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: February 4, 2003

/s/ Michael J. Hiemstra

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

EXHIBIT INDEX

<TABLE>
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Exhibit No.	Description of Exhibit
<S>	<C>
10(a)	Cancellation Agreement dated November 1, 2002 between the Registrant, Michael J. Hiemstra and the Irrevocable Trust Creating Vested Trusts for Children of M. J. Hiemstra dated August 16, 1999.

</TABLE>

Exhibit 10(a)

CANCELLATION AGREEMENT

THIS AGREEMENT is made and entered into as of November 1, 2002 by and among Parker-Hannifin Corporation (the "Company"), Michael J. Hiemstra (the "Executive") and the Irrevocable Trust Creating Vested Trusts for Children of M. J. Hiemstra dated August 16, 1999 (the "Trust").

RECITALS

A. The Company and the Executive are parties to an Exchange Agreement dated as of October 29, 1999 (the "Exchange Agreement") whereby the Executive agreed to the surrender of a portion of his future base pay in exchange for the Company's agreement to be bound by the terms of an Executive Estate Protection Plan Document (as defined in the Exchange Agreement).

B. The Company, the Executive and the Trust are parties to an Executive Estate Protection Agreement dated as of October 29, 1999 (the "EEP Agreement") whereby the Company has agreed to provide life insurance for the benefit of the Executive and his wife by funding the premiums on a Policy (as defined in the EEP Agreement) to be owned by the Trust.

C. Subsequent to the execution of the Exchange Agreement and the EEP Agreement:

(1) the Internal Revenue Service has proposed regulations (the "Tax Regulations") which may negatively affect both the Executive and the Company from a financial standpoint; and

(2) Congress has enacted the Sarbanes-Oxley Act of 2002 (together with the Tax Regulations, the "Recent Developments").

D. As a result of the Recent Developments, the Executive has requested that the Company and the Trust agree to the cancellation of their respective obligations under the Exchange Agreement and EEP Agreement.

E. The Company and the Trust are willing to accommodate the Executive's request to cancel their respective obligations under the Exchange Agreement and the EEP Agreement pursuant to the terms and conditions stated herein.

AGREEMENT

1. The Executive, the Company and the Trust agree that the Exchange Agreement and the EEP Agreement shall be cancelled effective November 1, 2002 (the "Effective Date") and, except as specifically provided herein, no party shall have any further obligation thereunder. For the avoidance of doubt, as of the Effective Date, (a) Monthly Surrenders (as defined in the Exchange Agreement) shall no longer be deducted from the Executive's future base pay from the Company; and (b) the Company shall have no further obligation to pay premiums for the Policy, including without limitation the premium payment due on the Effective Date.

2. As of the Effective Date, the Trust and the Company shall instruct the Insurer (as defined in the EEP Agreement) in writing that they wish to surrender the Policy for its cash value (the "Cash Value"), payable to the Company as repayment for the funds provided by the Company for the acquisition and maintenance of the Policy. The Cash Value shall belong to the Company.

3. As of the Effective Date, the Company shall credit the Executive's account in the Company's Executive Deferral Plan (the "EDP Account") with an amount equal to 28.6% of the Cash Value (the "EDP Credit"). The EDP Credit shall be allocated to the EDP Account in the same manner as the Executive's current investment elections for the EDP Account.

4. The provisions contained in Section 4 of the Exchange Agreement which obligate the Company to disregard the Surrendered Compensation for purposes of determining the Executive's benefits under the Company's Supplemental Executive Retirement Program shall survive the cancellation of the Exchange Agreement.

5. This Agreement shall be governed by and construed under the laws of the State of Ohio.

IN WITNESS WHEREOF, the Company, the Executive and the Trust have executed this Agreement as of the date first above written.

PARKER-HANNIFIN CORPORATION

By: /s/Thomas A. Piraino, Jr.

Title: Vice President

/s/Michael J. Hiemstra

Michael J. Hiemstra

IRREVOCABLE TRUST
CREATING VESTED TRUSTS FOR CHILDREN
OF M. J. HIEMSTRA DATED August 16, 1999

By: /s/David J. Hiemstra

David J. Hiemstra
Trustee