

July 31, 2013



Parker Announces Consolidation of the Climate and Industrial Controls Group

CLEVELAND, July 31, 2013 /PRNewswire/ -- Parker Hannifin Corporation (NYSE: PH), the global leader in motion and control technologies, today announced that it has consolidated its Climate and Industrial Controls (CIC) group into other existing operating groups within the company's Industrial Segment. As a result of this consolidation and the resulting change in management structure, the company will have two reporting segments beginning with fiscal year 2014, Diversified Industrial (which will continue to include supplemental sales and profitability data for North America and International) and Aerospace Systems.

(Logo: <https://photos.prnewswire.com/prnh/19990816/PHLOGO>)

"We have completed strategic divestitures within the CIC group during this past year, including our previously announced transaction to sell the automotive air conditioning portion of our Mobile Climate Systems Division to ContiTech AG," said Chairman, CEO and President, Don Washkewicz. "We believe this change in group and management structure will better leverage the natural synergies among our operating groups and will foster greater focus, efficiencies and opportunities for growth. Our new reporting segment names more accurately describe the breadth of our capabilities and the position we have achieved as an innovative provider of highly engineered aerospace systems to our customers."

In fiscal year 2014, the financial results of the CIC group will be reported in the Diversified Industrial Segment. On a geographic basis, approximately 70% of CIC group sales will be reported within Diversified Industrial North America and approximately 30% of CIC group sales will be reported within Diversified Industrial International.

The company also announced that, beginning with the first quarter of fiscal year 2014, it will provide supplemental information, including sales, on three global technology platforms. This supplemental information is expected to provide greater clarity into the operations that comprise the Diversified Industrial Segment. The three global technology platforms are strategically aligned based on complementary technologies and will be called Motion Systems, Flow and Process Control, and Filtration and Engineered Materials.

"This supplemental information will provide greater transparency and showcase the breadth of the technologies that we leverage in unique ways to meet our customers' needs around the world," added Washkewicz. "We believe that this information will broaden awareness of our competitive strengths and the scope of our global footprint, end markets, sales channels, products and applications."

Historical sales and operating income for the CIC segment, that will now be included in the Diversified Industrial Segment in North America and International, is included in this press release and will be posted on the company's investor information site at www.phstock.com.

With annual sales exceeding \$13 billion in fiscal year 2012, Parker Hannifin is the world's leading diversified manufacturer of motion and control technologies and systems, providing precision-engineered solutions for a wide variety of mobile, industrial and aerospace markets. The company employs approximately 60,000 people in 48 countries around the world. Parker has increased its annual dividends paid to shareholders for 57 consecutive fiscal years, among the top five longest-running dividend-increase records in the S&P 500 index. For more information, visit the company's web site at www.parker.com or its investor information web site at www.phstock.com.

Forward-Looking Statements

Forward-looking statements contained in this and other written and oral reports are made based on known events and circumstances at the time of release, and as such, are subject in the future to unforeseen uncertainties and risks. All statements regarding future performance, earnings projections, events or developments are forward-looking statements. It is possible that the future performance and earnings projections of the company, including its individual segments, may differ materially from current expectations, depending on economic conditions within its mobile, industrial and aerospace markets, and the company's ability to maintain and achieve anticipated benefits associated with announced realignment activities, strategic initiatives to improve operating margins, actions taken to combat the effects of the current economic environment, and growth, innovation and global diversification initiatives. A change in the economic conditions in individual markets may have a particularly volatile effect on segment performance. Among other factors which may affect future performance are: changes in business relationships with and purchases by or from major customers, suppliers or distributors, including delays or cancellations in shipments, disputes regarding contract terms or significant changes in financial condition, changes in contract cost and revenue estimates for new development programs and changes in product mix; ability to identify acceptable strategic acquisition targets; uncertainties surrounding timing, successful completion or integration of acquisitions; ability to realize anticipated cost savings from business realignment activities; ability to realize anticipated benefits of the consolidation of the Climate and Industrial Controls Group; threats associated with and efforts to combat terrorism; uncertainties surrounding the ultimate resolution of outstanding legal proceedings, including the outcome of any appeals; competitive market conditions and resulting effects on sales and pricing; increases in raw material costs that cannot be recovered in product pricing; the company's ability to manage costs related to insurance and employee retirement and health care benefits; and global economic factors, including manufacturing activity, air travel trends, currency exchange rates, difficulties entering new markets and general economic conditions such as inflation, deflation, interest rates and credit availability. The company makes these statements as of the date of this disclosure, and undertakes no obligation to update them unless otherwise required by law.

PARKER HANNIFIN CORPORATION

BUSINESS SEGMENT INFORMATION BY INDUSTRY - REFLECTING CONSOLIDATION OF CIC SEGMENT INTO INDUSTRIAL SI

FY2013

(Unaudited)

(Dollars in thousands)

Three Months Ending

	September 30, 2012	December 31, 2012	March 31, 2013
Net sales			
Industrial:			
North America			
North America - As Reported	\$ 1,266,047	\$ 1,197,705	\$ 1,283,64
CIC North America	159,232	119,675	144,78
North America w/ CIC	1,425,279	1,317,380	1,428,43
International			
International - As Reported	1,176,890	1,168,961	1,241,46
CIC International	71,683	50,498	59,12
International w/ CIC	1,248,573	1,219,459	1,300,58
Aerospace	541,083	528,656	578,02
Total	\$ 3,214,935	\$ 3,065,495	\$ 3,307,04

Segment operating income

Industrial:

North America

North America - As Reported	\$ 227,192	\$ 183,914	\$ 209,04
CIC North America	16,883	6,517	15,43
North America w/ CIC	244,075	190,431	224,48

International

International - As Reported	151,771	123,434	152,30
CIC International	4,827	1,613	5,88
International w/ CIC	156,598	125,047	158,19

Aerospace	61,898	52,172	80,08
Total segment operating income	462,571	367,650	462,76
Corporate general and administrative expenses	39,767	45,401	41,41
Income before interest and other expense	422,804	322,249	421,35
Interest expense	23,509	24,216	23,05
Other expense	63,237	35,404	59,75
Income before income taxes	\$ 336,058	\$ 262,629	\$ 338,55

PARKER HANNIFIN CORPORATION

BUSINESS SEGMENT INFORMATION BY INDUSTRY - REFLECTING CONSOLIDATION OF CIC SEGMENT INTO INDUSTRIAL SI
FY2012

(Unaudited)
(Dollars in thousands)

	Three Months Ending			Ji
	September 30, 2011	December 31, 2011	March 31, 2012	
Net sales				
Industrial:				
North America				
North America - As Reported	\$ 1,204,817	\$ 1,183,352	\$ 1,315,357	\$
CIC North America	165,310	138,030	171,338	
North America w/ CIC	1,370,127	1,321,382	1,486,695	
International				
International - As Reported	1,289,115	1,218,812	1,286,751	
CIC International	77,147	70,133	77,357	
International w/ CIC	1,366,262	1,288,945	1,364,108	
Aerospace	497,492	496,505	542,760	
Total	\$ 3,233,881	\$ 3,106,832	\$ 3,393,563	\$

Segment operating income

Segment operating income

Industrial:

North America

North America - As Reported	\$	223,227	\$	195,738	\$	226,986	\$
CIC North America		15,556		6,980		16,781	
North America w/ CIC		238,783		202,718		243,767	

International

International - As Reported		208,219		165,940		195,065	
CIC International		4,236		2,843		6,422	
International w/ CIC		212,455		168,783		201,487	

Aerospace		68,637		70,262		65,925	
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Total segment operating income		519,875		441,763		511,179	
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Corporate general and administrative expenses		58,016		46,136		38,377	
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Income before interest and other expense		461,859		395,627		472,802	
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Interest expense		23,221		23,769		22,313	
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Other expense		27,053		32,911		49,662	
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Income before income taxes	\$	411,585	\$	338,947	\$	400,827	\$
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PARKER HANNIFIN CORPORATION**BUSINESS SEGMENT INFORMATION BY INDUSTRY - REFLECTING CONSOLIDATION OF CIC SEGMENT INTO INDUSTRIAL SI****FY2011**(Unaudited)
(Dollars in thousands)**Three Months Ending**

	September 30, 2010	December 31, 2010	March 31, 2011	Ji
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Net sales

Industrial:

North America					
North America - As Reported	\$	1,064,915	\$	1,045,469	\$ 1,178,714 \$
CIC North America		166,088		144,692	184,772
North America w/ CIC		1,231,003		1,190,161	1,363,486
International					
International - As Reported		1,092,981		1,147,231	1,293,047
CIC International		68,609		69,642	79,764
International w/ CIC		1,161,590		1,216,873	1,372,811
Aerospace		436,680		459,630	503,806
Total	\$	2,829,273	\$	2,866,664	\$ 3,240,103 \$
Segment operating income					
Segment operating income					
Industrial:					
North America					
North America - As Reported	\$	189,362	\$	159,429	\$ 189,463 \$
CIC North America		16,449		6,658	18,023
North America w/ CIC		205,811		166,087	207,486
International					
International - As Reported		183,800		167,776	199,798
CIC International		5,103		2,843	4,554
International w/ CIC		188,903		170,619	204,352
Aerospace		43,776		63,644	68,984
Total segment operating income		438,490		400,350	480,822
Corporate general and administrative expenses		33,354		37,593	41,734
Income before interest and other expense		405,136		362,757	439,088
Interest expense		24,633		25,631	24,619

Other expense		44,139		30,876		24,752	
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Income before income taxes	\$	336,364	\$	306,250	\$	389,717	\$
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SOURCE Parker Hannifin Corporation