

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(MARK ONE)

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999

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 0-3134

PARK-OHIO HOLDINGS CORP.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

OHIO

34-1867219

(STATE OR OTHER JURISDICTION OF
INCORPORATION OR ORGANIZATION)

(I.R.S. EMPLOYER IDENTIFICATION NO.)

23000 EUCLID AVENUE
CLEVELAND, OHIO

44117

(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

(ZIP CODE)

Registrant's telephone number, including area code: (216) 692-7200

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

None

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:

COMMON STOCK, PAR VALUE \$1.00 PER SHARE
(TITLE OF CLASS)

PARK-OHIO HOLDINGS CORP. IS A SUCCESSOR ISSUER TO PARK-OHIO INDUSTRIES, INC.

Indicate by check mark whether the registrant (1) has filed 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 ☒ 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. ☒

Aggregate market value of the voting stock held by non-affiliates of the registrant as of March 22, 2000: Approximately \$78,400,000.

Number of shares outstanding of the registrant's Common Stock, par value \$1.00 per share, as of March 8, 2000: 10,549,791.

DOCUMENTS INCORPORATED BY REFERENCE

PORTIONS OF THE REGISTRANT'S DEFINITIVE PROXY STATEMENT FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 4, 2000 ARE INCORPORATED BY REFERENCE INTO PART III OF THIS FORM 10-K.

TABLE OF CONTENTS

ITEM NO.		PAGE NO.
-----		-----
PART I		
1.	Business.....	1
2.	Properties.....	6
3.	Legal Proceedings.....	6
4.	Submission of Matters to a Vote of Security Holders.....	7
4A.	Executive Officers of the Registrant.....	7
PART II		
5.	Market for the Registrant's Common Stock and Related Security Holder Matters.....	8
6.	Selected Consolidated Financial Data.....	8
7.	Management's Discussion and Analysis of Financial Condition and Results of Operations.....	10
7A.	Quantitative and Qualitative Disclosure about Market Risk...	14
8.	Financial Statements and Supplementary Data.....	15
9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.....	34
PART III		
	Part III information will appear in the Registrant's Proxy Statement in connection with its 2000 Annual Meeting of Shareholders. Such Proxy Statement will be filed with the Securities and Exchange Commission pursuant to Regulation 14A and such information will be incorporated herein by reference as of the date of such filing.....	34
PART IV		
14.	Exhibits, Financial Statement Schedules, and Reports on Form 8-K.....	35
SIGNATURES	36

3

PART I

ITEM 1. BUSINESS

THE COMPANY

Park-Ohio Holdings Corp. ("Holdings") was incorporated as an Ohio corporation in 1998. Holdings, primarily through the subsidiaries owned by its direct subsidiary, Park-Ohio Industries, Inc. ("Park-Ohio") is a leading provider of logistics services and a manufacturer of highly engineered products. Reference herein to the "Company" includes, where applicable, Holdings, Park-Ohio and its direct and indirect subsidiaries and its predecessor companies, which have operated for more than 150 years.

The Company operates through three segments, Integrated Logistics Solutions ("ILS"), Aluminum Products and Manufactured Products, which serve a wide variety of industrial markets. ILS is a leading national supplier of fasteners (e.g., nuts, bolts and screws) and other industrial products to original equipment manufacturers ("OEMs"), other manufacturers and distributors. In connection with the supply of such industrial products, ILS provides a variety of value-added, cost-effective procurement solutions. The principal customers of ILS are OEMs in the transportation, industrial, electrical and lawn and garden equipment industries. Aluminum Products manufactures cast aluminum components primarily for automotive OEMs. Aluminum Products also provides value-added services such as design and engineering, machining and assembly. Manufactured Products is a diverse group of manufacturing businesses that design and manufacture a broad range of high quality products which includes capital equipment, rubber products and forged and machined products for specific customer applications. The principal customers of Manufactured Products are end-users in the automotive, railroad, truck and aerospace industries. Between 1995 and 1999, the Company grew significantly, through both internal growth and acquisitions. Over this period, the Company's net sales increased from \$289.5 million to \$717.2 million, income from continuing operations before income taxes increased from \$12.9 million to \$28.4 million, and EBITDA increased from \$24.9 million to \$71.9 million. As of December 31, 1999, the Company employed approximately 4,100

persons.

OPERATIONS

The following chart highlights the Company's three business segments, the primary industries they serve and the key products they sell.

SEGMENT	PRIMARY INDUSTRIES SERVED	SELECTED PRODUCTS/SERVICES	NET SALES FOR THE YEAR ENDED DEC. 31, 1999 (MILLIONS)
INTEGRATED LOGISTICS SOLUTIONS	Automotive parts and accessories, electrical equipment, lawn and garden equipment, HVAC, industrial equipment and heavy truck	Inventory management, engineering and procurement of standard and specialty fasteners, fittings, rubber and other industrial products.	\$443.1
ALUMINUM PRODUCTS	Automotive	Engineering and manufacturing the following: Aluminum castings such as transmission pump housings, pinion carriers, clutch retainers, intake manifolds, oil filter adapters and other die, sand and permanent mold machined castings.	127.1

1

4

SEGMENT	PRIMARY INDUSTRIES SERVED	SELECTED PRODUCTS/SERVICES	NET SALES FOR THE YEAR ENDED DEC. 31, 1999 (MILLIONS)
MANUFACTURED PRODUCTS	Automotive, aerospace, power generation, railroad, shipbuilding, steel, telecommunications and truck	Engineering and manufacturing the following: forged and machined products such as aircraft landing gears, locomotive crankshafts and camshafts; induction heating systems; and industrial rubber products.	147.0

INTEGRATED LOGISTICS SOLUTIONS

ILS is a leading national supplier of over 175,000 standard and specialty fasteners and other industrial products pursuant to either supply chain management agreements or traditional wholesale supply arrangements. ILS operates out of branches located throughout the United States, Canada, Puerto Rico, Mexico and England, and has a central distribution center located in Dayton, Ohio. ILS generated net sales of \$443.1 million, or 62% of the Company's net sales for the year ended December 31, 1999. The four largest customers, comprised of many divisions, accounted for approximately 23% of sales of ILS. The loss of any one of these customers would have an adverse effect on this segment.

Products and Services. Supply chain management, which is ILS' primary focus for future growth, involves offering customers procurement solutions and comprehensive, on-site management for most of their fastener and related hardware needs. Supply chain management customers receive value-added services, such as part usage and cost analysis, product redesign recommendations, supplier selection, quality assurance, bar coding, product packaging and tracking, just-in-time delivery, electronic billing services and ongoing technical

support. Supply chain management services are typically provided to customers pursuant to total fastening services ("TFS") contracts. TFS contracts enable ILS' customers to both reduce procurement costs and better focus on their companies' core manufacturing competencies by: (i) significantly reducing the administrative and labor costs associated with fastener procurement by outsourcing certain internal purchasing, quality control and inventory fulfillment responsibilities; (ii) reducing the amount of working capital invested in inventory; (iii) achieving purchasing efficiencies as a result of vendor consolidation; and (iv) receiving technical expertise in the selection of fasteners and other components for certain manufacturing processes. Management believes that TFS contracts foster longer-lasting supply relationships with customers, who increasingly rely on the Company for their fastener needs, as compared to traditional buy/sell distribution relationships. Sales pursuant to TFS contracts have increased significantly in recent years and represented over 61% of ILS' net sales for the year ended December 31, 1999. The increase in TFS contracts has caused an increased investment in inventory in order to meet customer just-in-time delivery requirements. ILS' remaining sales are generated through the wholesale supply of fasteners and other industrial products to OEMs, other manufacturers and distributors pursuant to master or authorized distributor relationships.

ILS supplies standard and specialty engineered fasteners such as nuts, bolts, screws and washers on a fully integrated basis. ILS engineers and manufactures precision cold formed and cold extruded products including locknuts, SPAC(R) nuts and wheel hardware, which are principally used in applications where controlled tightening is required due to high vibration. These are manufactured by shaping cold raw materials. Standard and specialty nuts are produced to customer specifications, which are used in large volumes by customers in the automotive, truck and railroad industries.

In addition to fasteners, ILS supplies, among other things, valves, fittings, clamps and rubber products, which currently represent approximately 10% of ILS' net sales. ILS also provides engineering

2

5

and design services to its customers. Applications-engineering specialists and the direct sales force work closely with the engineering staff of OEM customers to recommend the appropriate fasteners for a new product or to suggest alternative fasteners that reduce overall production costs, streamline assembly or enhance the appearance or performance of the end product.

Markets and Customers. In 1999, approximately 90% of ILS' net sales were to domestic customers. Remaining sales were primarily to Canada and Mexico. The domestic industrial fastener market is estimated by industry sources to have generated between \$7 and \$9 billion in annual sales in 1999 at the wholesale level. Fasteners are used extensively by OEMs in a variety of industries, and demand is generally related to the state of the economy and to the overall level of manufacturing activity.

ILS markets and sells fasteners and other industrial products to over 15,000 customers domestically and internationally. The principal markets served by ILS are transportation equipment, including manufacturers of heavy trucks and recreational vehicles; automotive parts and accessories; industrial equipment; electrical equipment, including manufacturers of electrical controls; appliances and motors; lawn and garden equipment and HVAC.

In recent years, OEMs have made it a priority to reduce their total cost of purchasing and handling fasteners. Due to the low unit cost and the large number of different fasteners used to manufacture or assemble a single product, administrative and overhead costs comprise a substantial portion of an OEM's fastener-related costs. As a result, management believes industrial fastener suppliers are consolidating as OEMs rely on fewer suppliers to achieve purchasing efficiencies. ILS provides a wide array of value-added services and is a reliable source for just-in-time delivery and is well positioned to capitalize on these trends. In addition, OEMs are increasingly relying on fastener suppliers to provide design and applications-engineering support, enabling more efficient use of internal engineering resources thereby allowing ILS to increase the amount of low unit cost fastener and non-fastener items supplied to OEMs.

Competition. The industrial fastener supply industry is highly competitive and fragmented. Management believes that substantially all of ILS' competitors operate on a regional basis and do not provide customers with the wide array of supply chain management services offered by ILS. ILS competes primarily on the basis of its value-added services, delivery capabilities, extensive product selection and price with primarily domestic competitors who are capable of providing inventory management programs.

ALUMINUM PRODUCTS

In January, 1999 the Company acquired all of the shares of The Metalloy Corporation ("Metalloy"). Metalloy is a full service aluminum casting and machining company.

The Aluminum Products segment generated net sales of \$127.1 million, or 18% of the Company's net sales for the year ended December 31, 1999. The three largest customers, of which the Company sells to multiple operating divisions, accounted for approximately 92% of Aluminum Products sales in 1999. The loss of any one of these customers would have a material adverse effect on this segment. Aluminum permanent mold, sand casted, and die casted products are produced at Aluminum Products multiple locations in five states. Management believes Aluminum Products is one of the few automotive part suppliers that has the capabilities of providing permanent mold, sand-casted and die-casted products.

Aluminum Products' cast aluminum parts are critical components manufactured primarily for automotive OEMs. Aluminum Products' principal automotive products include: transmission pump housings, intake manifolds, planetary pinion carriers, oil filter adapters, clutch retainers, rotor castings and bearing cups. In addition, Aluminum Products manufactures products for non-automotive end users such as surgical table components, light housings and electrical meter housings. Aluminum Products also provides value-added services such as secondary casting, machining, drilling, tapping and part assembly. Although these parts are lightweight, they possess high durability and integrity characteristics even under extreme pressure and temperature conditions. Demand by automotive OEMs for aluminum

3

6

castings has increased in recent years as OEMs have sought lighter alternatives to heavier steel and iron components. Lighter aluminum cast components increase an automobile's fuel efficiency without decreasing its structural integrity. Management believes this replacement trend will continue as government standards regarding fuel efficiency become increasingly stringent. Aluminum Products sells its products primarily to customers located in North America. The market for aluminum castings is comprised of two segments: automotive and non-automotive. The domestic aluminum castings industry is highly competitive. Aluminum Products competes principally on the basis of its ability to: (i) engineer and manufacture high quality, machined castings in large volumes; (ii) provide timely delivery; and (iii) retain the manufacturing flexibility necessary to quickly adjust to the needs of its customers. Although there are a number of smaller domestic companies with aluminum casting capabilities, the automotive industry's stringent quality and service standards enable only large suppliers with the requisite quality certifications to compete effectively. As one of these suppliers, Aluminum Products has benefited in recent years as automotive OEMs have consolidated their supplier base.

MANUFACTURED PRODUCTS

The Manufactured Products segment includes forged and machined products, capital equipment, industrial rubber products and other manufactured products. Manufactured Products generated net sales of \$147 million, or 20% of the Company's net sales for the year ended December 31, 1999. The three largest customers, of which the Company sells to multiple operating divisions, accounted for approximately 20% of Manufactured Products sales in 1999. The loss of business from any one of these customers would have an adverse effect on this segment.

The Company's forged and machined products business is carried out at four operating units consisting of Park Drop Forge, Ohio Crankshaft, Park-Ohio Structural Hardware, and Blue Falcon Forge. The forging process enables metal to be shaped while generally retaining higher structural integrity than metal shaped through other processes. Park Drop Forge manufactures closed-die metal forgings of up to 6,000 pounds, including crankshafts and aircraft landing gears, primarily for customers in the railroad and aerospace industries. Park Drop Forge's products are sold primarily to machining companies, including Ohio Crankshaft and subassemblers who finish the products for sale to OEMs in the railroad and aerospace industries. Ohio Crankshaft machines, induction hardens and surface finishes crankshafts and camshafts used primarily in locomotives, power generators and ships. Park-Ohio Structural Hardware manufactures and machines specialized hardware such as turnbuckles and clevises for construction companies. Its products are manufactured according to customers' specific dimensional and/or strength requirements. Blue Falcon Forge produces large forged products such as center plates and couplings, both of which are used in the undercarriage of rail cars. Forged and machined products are sold to a wide variety of domestic and international OEMs and other manufacturers in the

transportation, power generation and construction industries. The Company's forged and machined products business competes domestically and internationally with other small to medium-sized businesses on the basis of product quality and precision.

The Company manufactures large industrial equipment through its operating units consisting of Tocco, Ajax, Feco and PMC-Colinet. Tocco specializes in the engineering and construction of induction heating systems primarily for the automotive and truck industries. Tocco's induction heating systems are engineered and built to customer specifications and are used primarily by OEMs for surface hardening. Ajax engineers, manufactures and services mechanical forging presses ranging in size from 500 to 8,000 tons that are used worldwide in the automotive and truck manufacturing industries. Feco produces complete oven systems that combine heat processing and curing technologies with material handling and conveying methods. Feco's principal products include industrial drying and curing ovens for automotive components, metal can curing ovens, specialized conveyor and automation systems for lightweight containers, and plastic and glass bottle coating and finishing systems. PMC-Colinet produces tube threading machines and related parts for the oil drilling industry. The Company's capital equipment units compete with large domestic and international equipment manufacturers on the basis of service capability, ability to meet customer specifications, delivery performance and engineering expertise.

4

7

The Company manufactures injection and transfer molded products, lathe-cut goods, roll coverings and various items requiring rubber to metal bonding for use in industrial applications through three operating units consisting of Castle Rubber, Cicero Flexible Products and Geneva Rubber. Castle manufactures valve seals, power and conveyor rolls and slitter rings. Cicero is a developer and manufacturer of injection molded silicone rubber products for customers in the automotive, food processing and consumer appliance industries, such as wire harnesses, spark plug boots and nipples and general sealing gaskets. Geneva is a manufacturer of injection molded rubber products for customers in the automotive, telecommunications and heavy truck industries. Its products include primary wire harnesses, transoceanic cable boots and shock and vibration mounts. The industrial rubber products operating units compete primarily on the basis of price and product quality with other domestic small to medium-sized manufacturers of rubber products.

SALES AND MARKETING

ILS markets its products and services in the United States, Mexico, Canada and Europe, primarily through its direct sales force, which is assisted by applications engineers who provide the technical expertise necessary to assist the engineering staff of OEM customers in designing new products and improving existing products. ILS often obtains new customers as a result of referrals from existing customers. Aluminum Products and Manufactured Products markets and sells its products through both internal sales personnel and independent sales representatives. In some instances, the internal engineering staff assists in the sales and marketing effort through joint design and applications-engineering efforts with major customers. In addition, Manufactured Products markets certain of its products through various regional and national trade shows.

RAW MATERIALS AND SUPPLIERS

ILS purchases substantially all of its fasteners from third party suppliers. Aluminum Products and Manufactured Products purchase substantially all of their raw materials, principally metals and certain component parts incorporated into their products, from third-party suppliers and manufacturers. Management believes that raw materials and component parts other than certain specialty fasteners are available from alternative sources. ILS has multiple sources of supply for standard products, but has limited supply sources for certain specialty products. Approximately 12% of ILS' fasteners are purchased from suppliers in foreign countries, primarily Taiwan, Japan and Korea. The Company is dependent upon the ability of such suppliers to meet stringent quality and performance standards and to conform to delivery schedules. Most raw materials required by Aluminum Products and Manufactured Products are commodity products available from several domestic suppliers.

BACKLOG

Management believes that backlog is not a meaningful measure for ILS, as a majority of ILS' customers require just-in-time delivery of fasteners and other industrial products. Management believes that Aluminum Products' and Manufactured Products' backlog as of any particular date is not a meaningful measure of sales for any future period as a significant portion of sales are on a release or firm order basis.

ENVIRONMENTAL REGULATIONS

The Company is subject to numerous federal, state and local laws and regulations designed to protect public health and the environment ("Environmental Laws"), particularly with regard to discharges and emissions, as well as handling, storage, treatment and disposal, of various substances and wastes. Pursuant to certain Environmental Laws, owners or operators of facilities may be liable for the costs of response or other corrective actions for contamination identified at or emanating from current

5

8

or former locations, without regard to whether the owner or operator knew of, or was responsible for, the presence of any such contamination, and for related damages to natural resources. Additionally, persons who arrange for the disposal or treatment of hazardous substances or materials may be liable for costs of response at sites where they are located, whether or not the site is owned or operated by such person.

The Company believes that it is currently in material compliance with applicable Environmental Laws. In general, the Company has not experienced difficulty in complying with Environmental Laws in the past, and compliance with Environmental Laws has not had a material adverse effect on the Company's financial condition, liquidity and results of operations. The Company's capital expenditures on environmental control facilities were not material during the past five years and such expenditures are not expected to be material to the Company in the foreseeable future.

The Company has been identified as a potentially responsible party at certain third-party sites under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, or comparable state laws which provide for strict and, under certain circumstances, joint and several liability. The Company is participating in the cost of certain clean-up efforts at several of these sites. The availability of third-party payments or insurance for environmental remediation activities is subject to risks associated with the willingness and ability of the third party to make payments. However, the Company's share of such costs has not been material and based on available information, the Company does not expect its exposure at any of these locations to have a material adverse effect on its results of operations, liquidity or financial condition.

INFORMATION AS TO INDUSTRY SEGMENT REPORTING AND GEOGRAPHIC AREAS

The information contained under the heading of "Note J -- Industry Segments" of notes to consolidated financial statements included herein, relating to net sales, operating income, identifiable assets and other information by industry segment for the years ended December 31, 1999, 1998, and 1997 is incorporated herein by reference.

RECENT DEVELOPMENTS

The information contained under the heading of "Note B -- Acquisitions and Disposition" of notes to consolidated financial statements included herein, is incorporated by reference.

ITEM 2. PROPERTIES

The Company's operations include numerous manufacturing and warehousing facilities located in 26 states in the United States and in 4 other countries. Approximately 48% of the available square footage is owned. In 1999, approximately 38% of the available domestic square footage was used by the ILS segment; approximately 47% was used by the Manufactured Products segment and 15% by the Aluminum Products segment. Approximately 89% of the available foreign square footage was used by the ILS segment and 11% was used by the Manufactured Products segment. In the opinion of management, Park-Ohio's facilities are generally well maintained and are suitable and adequate for their intended uses.

ITEM 3. LEGAL PROCEEDINGS

The Company is subject to various pending and threatened lawsuits in which claims for monetary damages are asserted in the ordinary course of business. While any litigation involves an element of uncertainty, in the opinion of management, liabilities, if any, arising from currently pending or threatened litigation will not have a material adverse effect on the Company's financial condition, liquidity or results of operations.

6

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of security holders during the fourth quarter of 1999.

ITEM 4A. EXECUTIVE OFFICERS OF THE REGISTRANT

Information with respect to the executive officers of the Company is as follows:

NAME ----	AGE ---	POSITION -----
EXECUTIVE OFFICERS		
Edward F. Crawford.....	60	Chairman of the Board, Chief Executive Officer and President
James S. Walker.....	57	Vice President and Chief Financial Officer
Felix J. Tarorick.....	57	Vice Chairman of the Board and Vice President of Operations
Ronald J. Cozean.....	36	Secretary and General Counsel
Matthew V. Crawford.....	30	Assistant Secretary, Corporate Counsel and Director
Patrick W. Fogarty.....	39	Director of Corporate Development

Edward F. Crawford has been Chairman of the Board and Chief Executive Officer of the Company since 1992.

James S. Walker has served as Vice President and Chief Financial Officer of the Company since 1991. Mr. Walker has been with the Company for over 20 years and has served in several capacities, including Corporate Controller and Assistant Treasurer.

Felix J. Tarorick became Vice Chairman of the Board in 1998 and has been Vice President of Operations since 1996. From 1992 to 1995, Mr. Tarorick served as President of the former consumer products group. Mr. Tarorick joined the Company in 1992. Mr. Tarorick became a director of the Company in February, 1998.

Ronald J. Cozean has served as Secretary and General Counsel since joining the Company in 1994.

Matthew V. Crawford has served as Assistant Secretary and Corporate Counsel since joining the Company in February 1995 and has served as President of Crawford Container Company since 1991. Mr. M. Crawford became a director of the Company in August 1997. Mr. E. Crawford is the father of Mr. M. Crawford.

Patrick W. Fogarty has been Director of Corporate Development since 1997 and joined the Company in 1995 as Director of Finance. Prior thereto, Mr. Fogarty held various positions, including Senior Manager, at Ernst & Young LLP from 1983 to 1995.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON STOCK AND RELATED SECURITY HOLDER MATTERS

The Company's common stock, \$1 par value, trades on The NASDAQ Stock Market(R) under the symbol PKOH. The table presents its high and low sales prices during the periods presented. No dividends were paid during the periods.

QUARTERLY COMMON STOCK PRICE RANGES

QUARTER -----	1999 -----		1998 -----	
	HIGH ----	LOW ---	HIGH ----	LOW ---
1st	17 1/8	13 1/4	20 1/2	15 3/8
2nd	17 5/8	12 5/8	19 3/4	17 5/8

3rd	18 1/2	12 7/16	19 3/8	11 7/8
4th	12 1/2	9	17	10 11/16

The number of shareholders of record for the Company's common stock as of March 8, 2000 was 1,188.

ITEM 6. SELECTED CONSOLIDATED FINANCIAL DATA

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	YEAR ENDED DECEMBER 31				
	1999	1998	1997	1996	1995
Selected Income Statement Data:					
Net sales.....	\$717,222	\$551,793	\$441,110	\$ 347,679	\$289,501
Cost of products sold.....	591,439	455,167	368,734	289,400	240,871
Gross profit.....	125,783	96,626	72,376	58,279	48,630
Selling, general and administrative expenses.....	72,613	56,478	44,396	38,131	30,020
Restructuring charge.....	--	--	--	2,652	--
Operating income (b).....	53,170	40,148	27,980	17,496	18,610
Other (income) expense.....	--	--	(320)	(4,204) (c)	(214)
Interest expense.....	24,752	17,488	9,101	6,947	5,911
Income from continuing operations before income taxes.....	28,418	22,660	19,199	14,753	12,913
Income taxes (benefit).....	12,164	9,726	7,903	5,060	(6,900)
Income from continuing operations before extraordinary charge.....	\$ 16,254	\$ 12,934	\$ 11,296	\$ 9,693	\$ 19,813
Income per common share from continuing operations before extraordinary charge -- diluted.....	\$ 1.51	\$ 1.16	\$ 1.01	\$.88	\$ 1.87

8

11

	YEAR ENDED DECEMBER 31				
	1999	1998	1997	1996	1995
Supplemental per common share data:					
Pro forma income per common share from continuing operations before extraordinary charge on a fully taxable basis -- diluted.....	\$ 1.51	\$ 1.16	\$ 1.01	\$.88	\$.75
Other Financial Data:					
Net cash flows (used) provided by operating activities	\$ (728)	\$ 3,627	\$ (10,039)	\$ 7,726	\$ (3,992)
EBITDA (d).....	71,868	52,901	38,345	28,146	24,888
Capital expenditures.....	22,650	22,681	15,947	15,590	13,632
Selected Balance Sheet Data:					
Cash and cash equivalents.....	\$ 5,867	\$ 4,320	\$ 1,814	\$ 4,659	\$ 2,662
Working capital.....	208,810	176,932	146,444	99,094	96,307
Total assets.....	629,881	489,554	413,109	282,910	301,747
Total debt.....	340,620	238,105	172,755	82,989	118,738
Shareholders' equity.....	154,685	141,187	129,010	115,069	95,542

(a) The selected consolidated financial data is not directly comparable on a

year-to-year basis due to acquisitions made throughout the five years ended December 31, 1999 which include the following:

- 1999 -- The Metalloy Corporation, Columbia Nut and Bolt Corp., Industrial Fasteners Corporation, M.P. Colinet, St Louis Screw and Bolt and PMC Industries.
- 1998 -- Direct Fasteners Limited and GIS Industries, Inc.
- 1997 -- Arden Industrial Products, Inc.
- 1995 -- RB & W Corporation

All of the acquisitions were accounted for as purchases.

- (b) Operating income is defined as net sales less cost of products sold, selling, general and administrative expenses and a restructuring charge. In 1996, the Company incurred a restructuring charge of \$2.7 million related to the consolidation of three of the Company's manufacturing facilities into one and the discontinuation of certain product lines.
- (c) In 1996, other income was comprised of (i) a gain of \$2.7 million in connection with the full settlement of subordinated notes receivable resulting from the sale of two manufacturing facilities and (ii) a gain of \$1.5 million on the sale of certain securities by the Company in the third quarter of 1996.
- (d) EBITDA is defined as earnings from continuing operations before interest, income taxes, depreciation, amortization, other income and non-recurring items. Non-recurring items include a restructuring charge of \$2.7 million in the fourth quarter of 1996 related to the consolidation of three of the Company's manufacturing facilities into one and the discontinuation of certain product lines. EBITDA is not a measure of performance under generally accepted accounting principles ("GAAP"). While EBITDA should not be considered in isolation or as a substitute for net income, cash flows from operating activities and other income or cash flow statement data prepared in accordance with GAAP or as a measure of profitability or liquidity, management understands that EBITDA is customarily used as an indication of a company's ability to incur and service debt. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" for a discussion of other measures of liquidity and operations that are covered by the audited financial

statements. EBITDA as defined herein may not be comparable to other similarly titled measures of other companies.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The consolidated financial statements of the Company include the accounts of Park-Ohio Holdings Corp. and its subsidiaries. All significant intercompany transactions have been eliminated in consolidation. The historical financial information is not directly comparable on a year-to-year basis due to acquisitions made in 1999 and 1998. During 1999, the Company acquired six businesses for an aggregate purchase price of \$65.4 million. In January, the Company acquired all of the shares of The Metalloy Corporation ("Metalloy") and substantially all of the assets of St. Louis Screw & Bolt Co. ("St. Louis Screw"). Metalloy is a full service aluminum casting and machining company. St. Louis Screw is a manufacturer of bolts used in the construction industry. In February, the Company acquired substantially all of the assets of PMC Industries, ("PMC") and, in September, the Company acquired all of the shares of M.P. Colinet ("Colinet"). PMC and Colinet provide capital equipment and associated parts for the oil drilling industry. In July, the Company acquired all of the shares of Columbia Nut and Bolt Corp. ("Columbia") and Industrial Fasteners Corporation ("Industrial"). Columbia and Industrial are logistics providers of fastener related components. During 1998, the Company acquired two businesses for \$40.2 million. In October, the Company acquired all of the shares of GIS Industries, Inc. ("Gateway"). Gateway is a logistics provider of fastener-related components and a manufacturer of metal products and fasteners. In April, the Company acquired all of the shares of Direct Fasteners Limited ("Direct"), a logistics provider of fastener related components located in Ontario, Canada. Each of these transactions has been accounted for as a purchase and consequently their results are included in the consolidated financial statements from their respective dates of acquisition.

The Company operates diversified manufacturing and logistics businesses that serve a wide variety of industrial markets. During the first quarter of 1999 the Company, upon completion of the acquisition of Metalloy, redefined and restated its operating segments. The Company manages its businesses based upon three operating segments: Integrated Logistics Solutions ("ILS"), Aluminum Products and Manufactured Products. ILS is a leading national supplier of fasteners (e.g., nuts, bolts and screws) and other industrial products to original equipment manufacturers ("OEMs"), other manufacturers and distributors. In connection with the supply of such industrial products, ILS provides a variety of value-added, cost-effective procurement solutions. The principal customers of ILS are in the transportation, industrial, electrical and lawn and garden equipment industries. Aluminum Products manufactures cast aluminum components primarily for automotive OEMs. Aluminum Products also provides value-added services such as design and engineering, machining and assembly. Manufactured Products operates a diverse group of niche manufacturing businesses that design and manufacture a broad range of high quality products engineered for specific customer applications. The principal customers of Manufactured Products are OEMs and end-users in the automotive, railroad, truck and aerospace industries.

Between 1993 and 1999, the Company has grown significantly, both internally and through acquisitions. Over this period, the Company's net sales increased at a 40% compounded annual growth rate ("CAGR"), from \$94.5 million to \$717.2 million, and income from continuing operations on a fully taxed basis increased at a 38% CAGR from \$2.4 million to \$16.3 million.

Recent growth has been primarily attributable to the Company's strategy of making selective acquisitions in order to complement internal growth. The Company has acquired businesses with potential for: (i) significant cost reductions through improved labor, supplier and customer relations and increased purchasing power and (ii) revenue enhancement due to better asset utilization and management practices, as well as increased access to capital. The Company's internal growth has been driven

10

13

primarily by the addition of ILS customers under total fastening service ("TFS") contracts and by the leveraging of existing customer relationships in the Aluminum and Manufactured Products segments.

Between January 1, 1994 and December 31, 1999, the Company's continuing operations incurred \$86.9 million of capital expenditures, the majority of which was used to expand existing manufacturing facilities, upgrade equipment and enhance the Company's management information systems.

RESULTS OF OPERATIONS

1999 versus 1998

Net sales increased by \$165.4 million, or 30%, from \$551.8 million in 1998 to \$717.2 million in 1999. This growth results primarily from recent acquisitions and relates to the ILS and the Aluminum Products segments. For ILS, the growth in net sales amounted to \$78.5 million of which \$51.7 million related to acquisitions and the remainder was organic growth. For Aluminum Products, net sales increased by \$87.3 million of which \$81.2 million related to the acquisition of Metalloy and the remainder to internal growth.

Gross profit increased by \$29.2 million, or 30%, from \$96.6 million in 1998 to \$125.8 million in 1999 and is directly related to acquisitions made in 1999. The Company's consolidated gross margin of approximately 17.5% was the same for both periods.

Selling, general and administrative costs increased by 29% to \$72.6 million for 1999 from \$56.5 million for 1998. The increase was related to recent acquisitions. Consolidated selling, general and administrative expenses as a percentage of net sales were 10.1% during the current period and 10.2% for 1998.

Interest expense increased by \$7.3 million from \$17.5 million in 1998 to \$24.8 million in 1999 due to higher average debt outstanding during the current period offset by lower average interest rates in 1999 versus 1998. For the year ended December 31, 1999, the Company averaged outstanding borrowings of \$294.6 million as compared to \$205.3 million for 1998. The \$89.3 million increase related primarily to acquisitions completed during the latter part of 1998 and in 1999. The average borrowing rate of 8.40% for the year ended December 31, 1999 is 12 basis points lower than the average rate of 8.52% for 1998 primarily because of increased borrowings under the Company's bank revolving credit which carries a lower effective interest rate as compared to the 9.25% on the

The effective income tax rate for 1999 and 1998 was 43%. At December 31, 1999, subsidiaries of the Company had \$1.1 million of net operating loss carryforwards for federal tax purposes.

1998 versus 1997

Net sales increased by \$110.7 million, or 25%, from \$441.1 million in 1997 to \$551.8 million in 1998. Approximately 27% of this increase was attributable to internal growth and 73% was a result of acquisitions completed in 1997 or 1998. Of the internal sales growth, approximately 66% was primarily attributable to ILS and the addition of TFS customers, and the remainder was due to increased orders from Aluminum Products' (11%) and Manufactured Products' (23%) customers. The growth in net sales from acquisitions applies to ILS and primarily pertains to Arden and Gateway.

Gross profit increased by \$24.2 million, or 33%, from \$72.4 million in 1997 to \$96.6 million in 1998. Of the increase, 67% relates to acquisitions and 33% to internal growth. The Company's consolidated gross margin increased to 17.5% for 1998 from 16.4% for 1997. This increase in consolidated gross margin was due to increased margins in both the ILS and Manufactured Products segments offset by a decrease in Aluminum Products margins. The increase in margin in Manufactured Products was due to a change in revenue mix and to increased production thereby allocating fixed manufacturing overhead over a greater production base. The increase in margins in the ILS segment is a result of reduced material costs. The decrease in margin in Aluminum Products was the result of higher than expected start-up costs associated with new facilities necessitated by significant new orders from a major customer.

11

14

Selling, general and administrative costs increased by 27% to \$56.5 million in 1998 from \$44.4 million in 1997. Approximately 78% of such increase was related to acquisitions while the remainder related to the increase in internally generated net sales. During 1998, selling, general and administrative expenses benefited from an increase in net pension credits of \$2.4 million, reflecting favorable investment returns on pension plan assets. Consolidated selling, general and administrative expenses as a percentage of net sales was approximately 10% for both periods.

Interest expense increased by \$8.4 million from \$9.1 million for 1997 to \$17.5 million for 1998 due to higher average debt outstanding during 1998 and to higher average interest rates in 1998 versus 1997. For the year ended December 31, 1998, the Company averaged outstanding borrowings of \$205.3 million as compared to \$123.1 million outstanding for 1997. The \$82.2 million increase related primarily to acquisitions completed during the latter part of 1997 and 1998, working capital increases to support the realized and anticipated growth in business and capital expenditures to support the operations. The average borrowing rate of 8.5% for the year ended December 31, 1998 is 1.1% higher than the average rate of 7.4% for the year ended December 31, 1997 primarily because of the \$150 million bond offering in November, 1997 which carries a rate of 9.25% versus a 7.3% rate on the bank debt it replaced.

The effective income tax rate for 1998 was 43% as compared to 41% for 1997. The increase is directly attributable to an increase in expenses recorded for financial reporting purposes, but not deductible for income tax purposes, primarily certain goodwill amortization. At December 31, 1998, subsidiaries of the Company had \$1.1 million of net operating loss carryforwards for tax purposes.

LIQUIDITY AND SOURCES OF CAPITAL

The Company's liquidity needs are primarily for working capital and capital expenditures. The Company's primary sources of liquidity have been funds provided by operations and funds available from existing bank credit arrangements and the sale of Senior Subordinated Notes. On November 1, 1999, Park-Ohio amended its credit agreement with a group of banks under which it may borrow up to \$175 million on an unsecured basis. The proceeds from the amended credit agreement, which expires on April 30, 2001, will be used for general corporate purposes. Amounts borrowed under the new credit agreement may be borrowed at Park-Ohio's election at either (i) the bank's prime lending rate less 100 basis points to plus 20 basis points or (ii) LIBOR plus 90-220 basis points depending on the aggregate amount borrowed under the new credit agreement. As of December 31, 1999, \$138 million was outstanding under the facility; this had increased to \$150.5 million at March 24, 2000. The Company's ability to refinance or extend its borrowings under this facility will be dependent on a variety of factors, including the Company's operating performance

and the outlook for the Company and its industry groups and the availability of credit for borrowers in the Company's industry groups and in the economy generally.

On June 3, 1999, the Company sold an additional \$50 million of its 9.25% Senior Subordinated Notes due 2007 bringing the amount of Notes outstanding to \$200 million. The Company used the net proceeds from the sale of the Notes (\$49.5 million) to repay outstanding bank borrowings.

Current financial resources (working capital and available bank borrowing arrangements) and anticipated funds from operations are expected to be adequate to meet current cash requirements. Capital expenditures for 2000 are projected to be approximately \$10-\$12 million that will be used to invest in the Company's current facilities for projected new business, for scheduled improvements and new equipment to expand existing products.

The ratio of current assets to current liabilities was 2.93 at December 31, 1999 versus 3.19 at December 31, 1998. Working capital increased by \$31.9 million to \$208.8 million at December 31, 1999 from \$176.9 million at December 31, 1998, as a result of the inclusion of acquisitions completed in 1999 and to support the internal growth of the Company.

During 1999, the Company generated \$41.9 million from operations before changes in operating assets and liabilities. After giving effect to the use of \$42.6 million in the operating accounts, the Company used \$700 thousand from operating activities compared to providing \$3.6 million in 1998.

12

15

During the year, the Company invested \$22.7 million in capital expenditures, used \$65.4 million for acquisitions and used \$3.9 million for other purposes, primarily the purchase of treasury shares. These activities were funded by issuing \$49.5 million of 9.25% Senior Subordinated Notes and a net increase of \$44.8 million in bank borrowings which resulted in an increase in cash for the year of \$1.6 million.

During 1998, the Company generated \$32.3 million of cash from operations before changes in operating assets and liabilities. After giving effect to the use of \$28.6 million in the operating accounts, the Company provided \$3.6 million from operating activities. During the year, the Company invested \$22.7 million in facilities, machinery and equipment, and information systems, used \$40.2 million for acquisitions and used \$2.8 million to purchase common shares for the treasury. These activities were funded by a net increase in bank borrowings of \$64.3 million offset by a \$2.5 million increase in cash during the period.

During 1997, the Company generated \$27.0 million from continuing operations before changes in operating assets and liabilities. After giving effect to the use of \$37.0 million in the operating accounts, the Company used \$10.0 million for operating activities. During the period, the Company invested \$15.9 million in capital expenditures and \$60.4 million for acquisitions and investments including the acquisition of Arden for \$44.0 million. During the year, the Company bought shares of its common stock in the open market for \$3.0 million and issued shares under stock option agreements for which the Company received \$3.2 million. In addition, the Company purchased in the open market \$1.2 million of its convertible senior subordinated debentures. These activities were funded by a net increase in long-term borrowings of \$85.4 million and a decrease in cash balances of \$2.8 million.

YEAR 2000 COMPLIANCE

In 1999, the Company completed a formal program to address and resolve potential exposure associated with information and non-information technology systems arising from the Year 2000 issue. The Year 2000 issue is the result of computer programs that rely on two digits rather than four to define the applicable year. Such systems may treat a date using "00" as the year 1900 rather than the year 2000. This could result in a system failure or miscalculations causing disruption of operations, including, among other things, a temporary inability to process transactions, send invoices, or engage in similar normal business activities.

During 1996-1999, we assessed, remediated or replaced, tested and implemented computer systems and applications in order that they would be able to operate and properly process information dated after December 31, 1999. As a result of these efforts, to date, the Company has not experienced any Year 2000 failures of its key computer systems and applications. Likewise, to date, the Company's key customers and suppliers have been able to continue to meet their obligations to the Company.

The Company expended approximately \$9 million relating to Year 2000 readiness efforts from 1996 to 1999. Of this cost, 75% represents new systems, which the Company may have initiated during the period notwithstanding the Year 2000 issue.

ENVIRONMENTAL

The Company has been identified as a potentially responsible party at certain third-party sites under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, or comparable state laws which provide for strict and, under certain circumstances, joint and several liability. The Company is participating in the cost of certain clean-up efforts at several of these sites. However, the Company's share of such costs has not been material and based on available information, the Company does not expect its exposure at any of these locations to have a material adverse effect on its results of operations, liquidity or financial condition.

13

16

SEASONALITY; VARIABILITY OF OPERATING RESULTS

As a result of the significant growth in the Company's net sales and operating income in recent years, seasonal fluctuations have been substantially mitigated. The Company, however, performs scheduled plant maintenance in the third quarter to coincide with customer plant shut downs.

The timing of orders placed by the Company's customers has varied with, among other factors, orders for customers' finished goods, customer production schedules, competitive conditions and general economic conditions. The variability of the level and timing of orders has, from time to time, resulted in significant periodic and quarterly fluctuations in the operations of the Company's business units. Such variability is particularly evident at the capital equipment businesses, included in the Manufactured Products segment, which typically ship a few large systems per year.

FORWARD-LOOKING STATEMENTS

This Form 10-K contains certain statements that are "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Certain statements in this Management's Discussion and Analysis of Financial Condition and Results of Operations contain forward-looking statements, including without limitation, discussion regarding the Company's anticipated levels and funding of capital expenditures and the Y2K issue. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Company, that could cause actual results to differ materially from such statements. These uncertainties and other factors include such things as: general business conditions, competitive factors, including pricing pressures and product innovation and quality; raw material availability and pricing; changes in the Company's relationships with customers and suppliers; the ability of the Company to successfully integrate recent and future acquisitions into its existing operations; changes in general domestic economic conditions such as inflation rates, interest rates and tax rates; increasingly stringent domestic and foreign governmental regulations including those affecting the environment; inherent uncertainties involved in assessing the Company's potential liability for environmental remediation-related activities; the outcome of pending and future litigation and other claims; dependence on the automotive industry; dependence on key management; dependence on information systems; and the ability of the Company, its vendors and customers to remain Y2K failure free. Any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise. In light of these and other uncertainties, the inclusion of a forward-looking statement herein should not be regarded as a representation by the Company that the Company's plans and objectives will be achieved.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The Company is exposed to market risk including changes in interest rates. The Company is subject to interest rate risk on its floating rate revolving credit facility which consisted of borrowings of \$138 million at December 31, 1999. A 100 basis point increase in the interest rate would have resulted in an increase in interest expense of approximately \$1.2 million for the year ended December 31, 1999.

14

17

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY FINANCIAL DATA

	PAGE

Report of Independent Auditors.....	16
Consolidated Balance Sheets -- December 31, 1999 and December 31, 1998.....	17
Consolidated Statements of Income -- Years Ended December 31, 1999, 1998 and 1997.....	18
Consolidated Statements of Shareholders' Equity -- Years Ended December 31, 1999, 1998 and 1997.....	19
Consolidated Statements of Cash Flows -- Years Ended December 31, 1999, 1998 and 1997.....	20
Notes to Consolidated Financial Statements.....	21
Supplementary Financial Data:	
Selected Quarterly Financial Data (Unaudited) -- Years Ended December 31, 1999 and 1998.....	34

15

18

REPORT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

Board of Directors and Shareholders
Park-Ohio Holdings Corp.

We have audited the accompanying consolidated financial statements of Park-Ohio Holdings Corp. and subsidiaries listed in the Index at Item 14(a) (1). 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 in accordance with auditing standards generally accepted in the United States. Those standards 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Park-Ohio Holdings Corp. and subsidiaries at December 31, 1999 and 1998 and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1999 in conformity with accounting principles generally accepted in the United States.

/s/ Ernst & Young LLP

Cleveland, Ohio
February 22, 2000

16

19

PARK-OHIO HOLDINGS CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	DECEMBER 31	
	-----	-----
	1999	1998
	-----	-----
(DOLLARS IN THOUSANDS)		
ASSETS		
Current Assets		
Cash and cash equivalents.....	\$ 5,867	\$ 4,320

Accounts receivable, less allowances for doubtful accounts of \$3,296 in 1999 and \$2,803 in 1998.....	112,896	95,718
Inventories.....	192,270	150,052
Deferred tax assets.....	600	2,232
Other current assets.....	5,250	5,468
	-----	-----
Total Current Assets.....	316,883	257,790
Property, Plant and Equipment		
Land and land improvements.....	6,471	4,460
Buildings.....	32,504	25,912
Machinery and equipment.....	172,118	130,253
	-----	-----
	211,093	160,625
Less accumulated depreciation.....	86,721	70,468
	-----	-----
	124,372	90,157
Other Assets		
Excess purchase price over net assets acquired, net of accumulated amortization of \$11,941 in 1999 and \$8,105 in 1998.....	137,905	99,351
Deferred taxes.....	2,400	8,900
Other.....	48,321	33,356
	-----	-----
	\$629,881	\$489,554
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Trade accounts payable.....	\$ 72,452	\$ 46,410
Accrued expenses.....	33,064	32,076
Current portion of long-term liabilities.....	2,557	2,372
	-----	-----
Total Current Liabilities.....	108,073	80,858
Long-Term Liabilities, less current portion		
Long-term debt.....	339,813	237,483
Other postretirement benefits.....	25,470	26,286
Other.....	1,840	3,740
	-----	-----
	367,123	267,509
Shareholders' Equity		
Capital stock, par value \$1 a share		
Serial preferred stock:		
Authorized -- 632,470 shares; Issued and outstanding -- none.....	-0-	-0-
Common stock:		
Authorized -- 40,000,000 shares; Issued -- 11,147,462 shares in 1999 and 1998.....	11,148	11,148
Additional paid-in capital.....	55,684	55,755
Retained earnings.....	96,674	80,420
Treasury stock, at cost, 583,571 shares in 1999 and 336,206 in 1998.....	(7,969)	(4,554)
Accumulated other comprehensive earnings (loss).....	(852)	(1,582)
	-----	-----
	154,685	141,187
	-----	-----
	\$629,881	\$489,554
	=====	=====

See notes to consolidated financial statements.

PARK-OHIO HOLDINGS CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

	YEAR ENDED DECEMBER 31		
	1999	1998	1997
	-----	-----	-----
	(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)		
Net sales.....	\$717,222	\$551,793	\$441,110
Cost of products sold.....	591,439	455,167	368,734

Gross profit.....	125,783	96,626	72,376
Selling, general and administrative expenses.....	72,613	56,478	44,396
Operating income.....	53,170	40,148	27,980
Other income.....	-0-	-0-	(320)
Interest expense.....	24,752	17,488	9,101
Income before income taxes.....	28,418	22,660	19,199
Income taxes.....	12,164	9,726	7,903
Income before extraordinary charge.....	16,254	12,934	11,296
Extraordinary charge for early retirement of debt, net of tax benefit of \$928.....	-0-	-0-	(1,513)
Net income.....	<u>\$ 16,254</u>	<u>\$ 12,934</u>	<u>\$ 9,783</u>
Per common share:			
Basic earnings per share:			
Income before extraordinary charge.....	\$ 1.52	\$ 1.18	\$ 1.06
Extraordinary charge.....	-0-	-0-	(.14)
Net Income.....	<u>\$ 1.52</u>	<u>\$ 1.18</u>	<u>\$.92</u>
Diluted earnings per share:			
Income before extraordinary charge.....	\$ 1.51	\$ 1.16	\$ 1.01
Extraordinary charge.....	-0-	-0-	(.13)
Net income.....	<u>\$ 1.51</u>	<u>\$ 1.16</u>	<u>\$.88</u>

See notes to consolidated financial statements.

PARK-OHIO HOLDINGS CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	TREASURY STOCK	ACCUMULATED OTHER COMPREHENSIVE EARNINGS (LOSS)	TOTAL
	-----	-----	-----	-----	-----	-----
	(DOLLARS IN THOUSANDS)					
Balance at January 1, 1997.....	\$10,433	\$49,337	\$57,703	\$ (1,775)	\$ (629)	\$115,069
Comprehensive income:						
Net income.....			9,783			9,783
Foreign currency translation adjustment.....					(196)	(196)
Comprehensive income....						9,587
Issuance of General Aluminum Mfg. Company earn-out shares.....	375	3,600				3,975
Exercise of stock options.....	152	539		2,673		3,364
Purchase of treasury stock.....				(2,985)		(2,985)
Balance at December 31, 1997.....	10,960	53,476	67,486	(2,087)	(825)	129,010
Comprehensive income:						
Net income.....			12,934			12,934
Foreign currency translation adjustment.....					(757)	(757)
Comprehensive income....						12,177
Issuance of General Aluminum Mfg. Company						

earn-out shares.....	188	2,306				2,494
Exercise of stock options.....		(27)		294		267
Purchase of treasury stock.....				(2,761)		(2,761)
	-----	-----	-----	-----	-----	-----
Balance at December 31, 1998.....	11,148	55,755	80,420	(4,554)	(1,582)	141,187
Comprehensive income:						
Net income.....			16,254			16,254
Foreign currency translation adjustment.....					730	730

Comprehensive income....						16,984
Exercise of stock options.....		(71)		330		259
Purchase of treasury stock.....				(3,745)		(3,745)
	-----	-----	-----	-----	-----	-----
Balance at December 31, 1999.....	<u>\$11,148</u>	<u>\$55,684</u>	<u>\$96,674</u>	<u>\$ (7,969)</u>	<u>\$ (852)</u>	<u>\$154,685</u>

See notes to consolidated financial statements.

PARK-OHIO HOLDINGS CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	YEAR ENDED DECEMBER 31		
	1999	1998	1997
	-----	-----	-----
	(DOLLARS IN THOUSANDS)		
OPERATING ACTIVITIES			
Net Income.....	\$ 16,254	\$ 12,934	\$ 9,783
Adjustments to reconcile net income to net cash (used) provided by operations:			
Extraordinary charge.....	-0-	-0-	1,513
Gain on sale of investments.....	-0-	-0-	(320)
Depreciation and amortization.....	18,698	12,753	10,365
Deferred income taxes.....	6,904	6,659	5,686
	-----	-----	-----
	41,856	32,346	27,027
Changes in operating assets and liabilities excluding acquisitions of businesses:			
Accounts receivable.....	(5,127)	(2,312)	(14,008)
Inventories.....	(32,726)	(10,404)	(21,021)
Accounts payable and accrued expenses.....	(2,427)	(7,810)	5,623
Other.....	(2,304)	(8,193)	(7,660)
	-----	-----	-----
Net Cash (Used) Provided by Operating Activities.....	(728)	3,627	(10,039)
INVESTING ACTIVITIES			
Purchases of property, plant and equipment, net.....	(22,650)	(22,681)	(15,947)
Costs of acquisitions, net of cash acquired.....	(65,426)	(40,175)	(60,389)
Purchase of investments.....	(445)	(101)	(1,432)
Proceeds from sales of investments.....	-0-	-0-	551
	-----	-----	-----
Net Cash (Used) by Investing Activities.....	(88,521)	(62,957)	(77,217)
FINANCING ACTIVITIES			
Proceeds from bank arrangements.....	101,500	66,000	106,500
Payments on long-term debt.....	(56,726)	(1,670)	(166,657)
Issuance of 9.25% senior subordinated notes, net of deferred financing costs.....	49,508	-0-	145,604
Cash paid to retire subordinated debentures.....	-0-	-0-	(1,245)
Issuance of common stock under stock option plan.....	259	267	3,194
Purchase of treasury stock.....	(3,745)	(2,761)	(2,985)
	-----	-----	-----
Net Cash Provided by Financing Activities.....	90,796	61,836	84,411
Increase (Decrease) in Cash and Cash Equivalents.....	1,547	2,506	(2,845)
Cash and Cash Equivalents at Beginning of Year.....	4,320	1,814	4,659

Cash and Cash Equivalents at End of Year.....	\$ 5,867	\$ 4,320	\$ 1,814
Taxes paid.....	\$ 6,892	\$ 2,326	\$ 1,215
Interest paid.....	23,646	17,947	7,713

See notes to consolidated financial statements.

20

23

PARK-OHIO HOLDINGS CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 1999, 1998 AND 1997

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidation: The consolidated financial statements include the accounts of the Company and all of its subsidiaries. All significant intercompany accounts and transactions have been eliminated upon consolidation.

Accounting Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents: The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Inventories: Inventories are stated at the lower of cost (principally the first-in, first-out method) or market value. If the first-in, first-out method of inventory accounting had been used exclusively by the Company, inventories would have been approximately \$5,098 and \$4,869 higher than reported at December 31, 1999 and 1998, respectively.

Major Classes of Inventories

	DECEMBER 31	
	1999	1998
In-process and finished goods.....	\$160,648	\$124,783
Raw materials and supplies.....	31,622	25,269
	\$192,270	\$150,052

Property, Plant and Equipment: Property, plant and equipment are carried at cost. Major additions and associated interest costs are capitalized and betterments are charged to accumulated depreciation; expenditures for repairs and maintenance are charged to operations. Depreciation of fixed assets is computed principally by the straight-line method based on the estimated useful lives of the assets. The Company capitalized interest of \$1.0 million in 1998. Interest capitalized in 1999 and 1997 was immaterial.

Excess Purchase Price Over Net Assets Acquired: The Company records amortization of excess purchase price over the fair value of net assets acquired (see Note B) over periods from twenty-five to forty years using the straight-line method. Management periodically evaluates for possible impairment of the current value of these intangibles, and other long-lived assets, through undiscounted cash flow analyses as required by Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of" which established accounting standards for determining the impairment of long-lived assets to be held and used, certain identifiable intangibles, and goodwill related to those assets and for long-lived assets and certain identifiable intangibles to be disposed of. Amortization expense related to the excess purchase price over net assets acquired totalled \$3,835, \$2,356 and \$2,211 in 1999, 1998 and 1997, respectively.

Pensions and Other Postretirement Benefits: The Company and its subsidiaries have pension plans, principally noncontributory defined benefit or noncontributory defined contribution plans, cover-

PARK-OHIO HOLDINGS CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- CONTINUED

ing substantially all employees. In addition, the Company has two postretirement benefit plans. For the defined benefit plans, benefits are based on the employee's years of service and the Company's policy is to fund that amount recommended by its independent actuaries. For the defined contribution plans, the costs charged to operations and the amount funded are based upon a percentage of the covered employees' compensation.

Stock-Based Compensation: The Company has elected to account for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25 "Accounting for Stock Issued to Employees" ("APB 25"), and related interpretations. Under APB 25, because the exercise price of the Company's employee stock options equals the market price of the underlying stock on the date of grant, no compensation expense is recognized.

Income Taxes: The Company accounts for income taxes under the liability method whereby deferred tax assets and liabilities are determined based on temporary differences between the financial reporting and the tax bases of assets and liabilities and are measured using the current enacted tax rates.

Revenue Recognition: For the majority of its operations, the Company recognizes revenues upon shipment of its product. Revenues on long-term contracts are recognized using the percentage of completion method of accounting, under which the sales value of performance is recognized on the basis of the percentage each contract's cost to date bears to the total estimated cost. The recognition of profit, based upon anticipated final costs, is made only after evaluation of the contract status at critical milestones. The Company's contracts generally provide for billing to customers at various points prior to contract completion. Revenues earned on contracts in process in excess of billings are classified in other current assets in the accompanying balance sheet.

Environmental: The Company accrues environmental costs related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible. Costs which extend the life of the related property or mitigate or prevent future environmental contamination are capitalized. The Company records a liability when environmental assessments and/or remedial efforts are probable and can be reasonably estimated. The estimated liability of the Company is not discounted or reduced for possible recoveries from insurance carriers.

Concentration of Credit Risk: The Company sells its products to customers in diversified industries. The Company performs ongoing credit evaluations of its customers' financial condition but does not require collateral to support customer receivables. The Company establishes an allowance for doubtful accounts based upon factors surrounding the credit risk of specific customers, historical trends and other information. As of December 31, 1999 the Company had uncollateralized receivables with seven customers in the automotive and truck industry, each with several locations, approximating \$34,176 which represents approximately 30% of the Company's trade accounts receivable. During 1999, sales to these customers amounted to approximately \$245,588 which represents 34% of the Company's net sales.

Impact of Recently Issued Accounting Standards: In March 1998, the American Institute of Certified Public Accountants ("AICPA") issued Statement of Position ("SOP") 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use". The SOP requires companies to capitalize qualifying computer software costs incurred during the application development stage. The Company adopted the statement in the first quarter of 1999. The impact of this new standard did not have a significant effect on the Company's financial position or results of operations.

In April 1998, the AICPA issued SOP 98-5, "Accounting for the Costs of Start-up Activities". The SOP requires that costs of start-up activities be expensed as incurred. The SOP is effective for fiscal years beginning after December 15, 1998. The Company adopted the SOP in the first quarter of 1999. The

impact of adoption of the SOP on the Company's financial position, results of operations or cash flows was immaterial.

The Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" was issued in June 1998. Statement 133 requires derivatives to be recorded on the balance sheet at fair value and establishes accounting for three different types of hedges: hedges of changes in fair value of assets, liabilities, or firm commitments; hedges of the variable cash flows of forecasted transactions; and hedges of foreign currency exposures of net investments in foreign operations. Statement 133 is effective for years beginning after June 15, 2000 and is not expected to have a significant impact on the Company's financial position or results of operations.

Reclassification: Certain amounts in the prior period's financial statements have been reclassified to be consistent with the current presentation.

NOTE B -- ACQUISITIONS AND DISPOSITION

During 1999, the Company acquired all of the stock of The Metalloy Corporation ("Metalloy"), Columbia Nut and Bolt Corp. ("Columbia"), Industrial Fasteners Corporation ("Industrial"), M.P. Colinet ("Colinet") and substantially all of the assets of St. Louis Screw & Bolt Co. ("St. Louis Screw") and PMC Industries ("PMC") for cash of approximately \$65.4 million. Metalloy is a full service aluminum casting and machining company. Columbia and Industrial are logistics providers of fastener related components. St. Louis Screw is a manufacturer of bolts and PMC and Colinet provide capital equipment and associated parts for the oil drilling industry. Each of these transactions has been accounted for as a purchase. The purchase price and the results of operations of each of these businesses prior to their respective dates of acquisition were not deemed to be significant as defined in Regulation S-X.

During 1998, the Company completed the acquisitions of Direct Fasteners Limited ("Direct") and GIS Industries, Inc. ("Gateway"). The transactions have been accounted for as purchases. Direct is a logistics provider of fastener related components. Gateway is a logistics provider of fastener related components and manufacturer of fabricated metal products and fasteners. The aggregate purchase price and the results of operations of Direct and Gateway prior to their respective dates of acquisition were not deemed to be significant as defined in Regulation S-X.

On August 1, 1997, the Company acquired substantially all of the shares of Arden Industrial Products, Inc. ("Arden") for cash of approximately \$44 million. The transaction has been accounted for as a purchase. Arden is a national distributor of specialty and standard fasteners to the industrial market. Arden is included in the Company's ILS segment.

The following is the estimated value of the net assets of Arden as of August 1, 1997:

Cash.....	\$ 2,711
Accounts receivable.....	11,503
Inventories.....	17,764
Property, plant and equipment.....	4,468
Excess purchase price over net assets acquired.....	19,599
Other assets.....	6,680
Trade accounts payable.....	(6,437)
Accrued expenses.....	(5,930)
Long-term liabilities.....	(6,358)

Total estimated cost of acquisition.....	<u>\$44,000</u>

During the year ended December 31, 1997, the Company acquired four other businesses for an aggregate purchase price of approximately \$18.6 million. Each of these transactions was accounted for as a purchase, resulting in excess

purchase price over net assets acquired of \$8.6 million. The following unaudited pro forma results of operations assume the acquisitions of Arden and the other businesses discussed above occurred on January 1, 1997. These pro forma results have been prepared for comparative purposes only and do not purport to be indicative of the results of operations which actually would have resulted had the acquisition occurred on the date indicated, or which may result in the future.

	YEAR ENDED ----- 1997 -----
Net sales.....	\$508,724
Gross profit.....	93,547
Income from continuing operations.....	12,454
Income from continuing operations per common share assuming dilution.....	\$ 1.10 =====

On October 15, 1993, the Company acquired General Aluminum Mfg. Company ("GAMCO"), by issuing 250,000 shares of its common stock valued at \$3,127 in exchange for the outstanding shares of GAMCO. An additional 187,500 shares of common stock valued at \$1,931, were issued in March, 1995; an additional 375,000 shares of common stock valued at \$3,975 were issued in January, 1997; an additional 187,500 shares of common stock valued at \$2,494, representing the final earn-out shares to be issued under the GAMCO purchase agreement, were issued in 1998. The additional \$8,400 represents purchase price in excess of net assets acquired.

During September, 1998 the Company completed the sale of the assets of Friendly and Safe Packaging Systems, Inc. to Kerr Group. The transaction had an immaterial effect on the consolidated results of operations and financial position of the Company.

NOTE C -- ACCRUED EXPENSES

Accrued expenses include the following:

	DECEMBER 31 -----	
	1999 -----	1998 -----
Self-insured liabilities.....	\$ 3,924	\$ 2,911
Warranty and installation accruals.....	3,348	3,156
Accrued payroll and payroll-related items.....	3,844	2,586
State and local taxes.....	2,533	2,101
Advance billings.....	2,549	2,229
Acquisition liabilities.....	2,780	5,930
Interest payable.....	2,187	1,695
Sundry.....	11,899	11,468
	-----	-----
Totals.....	\$33,064 =====	\$32,076 =====

NOTE D -- FINANCING ARRANGEMENTS

Long-term debt consists of the following:

DECEMBER 31, -----	
1999 -----	1998 -----

9.25% Senior Subordinated Notes due 2007.....	\$200,000	\$150,000
Revolving credit maturing on April 30, 2001.....	138,000	86,000
Other.....	2,620	2,105
	-----	-----
	340,620	238,105
Less current maturities.....	807	622
	-----	-----
Total.....	\$339,813	\$237,483
	=====	=====

During 1999 Park-Ohio amended its credit agreement with a group of banks under which it may borrow up to \$175 million on an unsecured basis. Interest is payable quarterly at the prime lending rate (8.5% at December 31, 1999) less 1% to plus .2% or at Park-Ohio's election at LIBOR plus .9% to 2.2% (which aggregated 7.5% at December 31, 1999). The interest rate is dependent on the aggregate amounts borrowed under the agreement. The credit agreement expires on April 30, 2001.

Provisions of the Senior Subordinated Notes and the revolving credit agreement contain restrictions on the Company's ability to incur additional indebtedness, to create liens or other encumbrances, to make certain payments, investments, loans and guarantees and to sell or otherwise dispose of a substantial portion of assets to or merge or consolidate with, an unaffiliated entity. The revolving credit agreement also requires maintenance of specific financial ratios.

On November 25, 1997, the Company sold \$150 million of its 9.25% Senior Subordinated Notes due 2007 at a price of 97.375% of face value. Interest on the Senior Subordinated Notes is payable semi-annually on June 1 and December 1 of each year beginning on June 1, 1998. The Company used the net proceeds of the Senior Subordinated Notes along with borrowings under its new credit facility to (i) redeem its 7 1/4% Convertible Senior Subordinated Debentures due June 15, 2004 and (ii) to repay substantially all amounts of its then existing credit facility. The early extinguishment of the 7 1/4% Convertible Senior Subordinated Debentures and the then existing credit facility resulted in an extraordinary charge of \$1.5 million consisting of the following:

Discount on prepayment of 7 1/4% Convertible Senior Subordinated Debentures.....	\$1,245
Write-off related unamortized financing costs.....	1,196

Extraordinary charge before income tax benefit.....	2,441
Income tax benefit.....	928

Net extraordinary charge.....	\$1,513
	=====

On June 3, 1999, the Company sold an additional \$50 million of its 9.25% Senior Subordinated Notes due 2007 at a price of 99.016% of face value. The Company used the net proceeds to reduce the amount borrowed under its credit facility.

The weighted average interest rate on all debt was 8.6% at December 31, 1999.

The fair market value of fixed rate debt securities at December 31, 1999 was approximately \$192,500.

The Company has agreements on which up to \$5 million in standby letters of credit and commercial letters of credit may be issued. In addition to the bank's customary letter of credit fees, a 3/4% fee is assessed on standby letters of credit on an annual basis. As of December 31, 1999, in addition to amounts borrowed under the revolving credit agreement, there is \$2.9 million outstanding primarily for standby letters of credit. A fee of 1/4% to 3/8% is imposed by the bank on the unused portion of available borrowings.

Maturities of long-term debt during each of the five years following December 31, 1999 are approximately \$807 in 2000, \$138,836 in 2001, \$558 in

2002, \$281 in 2003 and \$80 in 2004.

NOTE E -- INCOME TAXES

Significant components of the Company's net deferred tax assets and liabilities are as follows:

	DECEMBER 31,	
	1999	1998
Deferred tax assets:		
Postretirement benefit obligation.....	\$ 9,400	\$ 9,900
Inventory.....	6,700	6,800
Tax net operating loss carryforwards and credits.....	2,000	1,500
Other -- net.....	1,600	4,832
	-----	-----
Total deferred tax assets.....	19,700	23,032
Deferred tax liabilities:		
Tax over book depreciation.....	10,200	6,900
Pension.....	6,500	5,000
	-----	-----
Total deferred tax liabilities.....	16,700	11,900
	-----	-----
Net deferred tax assets.....	\$ 3,000	\$11,132
	=====	=====

Income taxes consisted of the following:

	YEARS ENDED DECEMBER 31		
	1999	1998	1997
	-----	-----	-----
	(DOLLARS IN THOUSANDS)		
Current:			
Federal.....	\$ 3,007	\$ 1,023	\$ 775
State.....	1,246	1,037	733
Foreign.....	1,007	1,007	709
	-----	-----	-----
	5,260	3,067	2,217
Deferred:			
Federal.....	6,029	6,195	5,175
State.....	875	464	511
	-----	-----	-----
	6,904	6,659	5,686
	-----	-----	-----
Income taxes.....	\$12,164	\$ 9,726	\$ 7,903
	=====	=====	=====

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- CONTINUED

The reasons for the difference between income taxes and the amount computed by applying the statutory Federal income tax rate to income before income taxes are as follows:

	YEARS ENDED DECEMBER 31		
	1999	1998	1997
	-----	-----	-----
Computed statutory amount.....	\$ 9,662	\$ 7,700	\$ 6,500
Effect of state income taxes payable.....	1,400	1,000	800
Other.....	1,102	1,026	603
	-----	-----	-----
Income taxes.....	\$12,164	\$ 9,726	\$ 7,903

At December 31, 1999, subsidiaries of the Company have net operating loss carryforwards for income tax purposes of approximately \$1.1 million subject to certain limitations, which expire in 2001 to 2007.

NOTE F -- STOCK PLANS

Under the provisions of the Company's Amended and Restated 1992 Stock Option Plan, incentive stock options or non-statutory options to purchase 850,000 shares of the Company's stock were granted to officers and other key employees at the market price on the respective date of grant. The option rights are exercisable only if and after the employee shall have remained in the employ of the Company for one year from the date the option is granted.

The 1996 Non-Employee Director Stock Option Plan authorized the granting of options on 250,000 shares of common stock to directors who are not employees of the Company. Annually, each non-employee director may receive options to acquire 6,000 shares at the market price on the date of grant in lieu of any retainer or meeting fees. Options under this plan are exercisable six months from the date of grant. Also during 1996 the Chairman and Chief Executive Officer of the Company was granted a non-statutory stock option to purchase 500,000 shares of common stock at \$13.625 per share which was the market price at the date of grant. The options become 100% exercisable after five years and terminate fifteen years from the option date.

Under the provisions of the 1998 Long-Term Incentive Plan ("1998 Plan"), which is administered by the Compensation Committee, incentive stock options, non-statutory stock options, stock appreciation rights ("SARs") restricted shares, performance shares or stock awards may be awarded to all employees of the Company and its subsidiaries. Stock options will be exercisable in whole or in installments as may be determined provided that no options will be exercisable more than ten years from date of grant. The exercise price will be the market price at the date of grant. The aggregate number of shares of the Company's stock which may be awarded under the 1998 Plan is 550,000, all of which may be incentive stock options. No more than 250,000 shares shall be the subject of awards to any individual participant in any one calendar year. During 1999, options to purchase 100,000 shares of common stock were awarded under the 1998 Plan. During 1998, there were no awards under the 1998 Plan.

Had the compensation cost for the stock options granted in 1999, 1998 and 1997 been determined based on the fair value method of FASB Statement No. 123, the Company's net income and diluted earnings per share would have been reduced by \$1,077 (\$.10 per share) in 1999, \$1,235 (\$.11 per share) in 1998, and \$1,304 (\$.11 per share) in 1997. The effects on 1999, 1998 and 1997 net earnings may not be representative of the effect on future years net earnings amounts as the compensation cost on each year's grant is recognized over the vesting period.

27

30

PARK-OHIO HOLDINGS CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- CONTINUED

Fair value was estimated at the date of grant using a Black-Scholes option pricing model with the following weighted-average assumptions for 1999, 1998 and 1997, respectively: risk-free interest rates of 6.25%, 4.75% and 5.25%; zero dividend yield; expected volatility of 38% in 1999, 39% in 1998 and 40% in 1997 and expected option lives of 6 years.

The following table reflects activity under all stock plans from January 1, 1997 through December 31, 1999, and the weighted average exercise prices:

	NUMBER OF SHARES	WEIGHTED AVERAGE PRICE PER SHARE
	-----	-----
Outstanding,		
January 1, 1997.....	1,206,000	\$11.63
Granted.....	60,000	13.02
Exercised.....	(351,000)	7.97
Forfeited.....	-0-	-0-
Outstanding,		
December 31, 1997.....	915,000	13.13
Granted.....	145,000	18.45

Exercised.....	(20,817)	12.82
Forfeited.....	(3,333)	13.62
Outstanding,		
December 31, 1998.....	1,035,850	13.88
Granted.....	124,000	10.66
Exercised.....	(24,000)	10.81
Forfeited.....	(4,000)	18.25

Outstanding,		
December 31, 1999.....	1,131,850	\$13.57
	=====	

The following table summarizes information about options outstanding as of December 31, 1999:

RANGE OF EXERCISE PRICES	OPTIONS OUTSTANDING			OPTIONS EXERCISABLE	
	NUMBER OUTSTANDING AS OF DECEMBER 31, 1999	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER EXERCISABLE AS OF DECEMBER 31, 1999	WEIGHTED AVERAGE EXERCISE PRICE
-----	-----	-----	-----	-----	-----
\$ 9.125-\$13.000	244,000	9.27	\$10.46	139,001	\$10.89
13.125- 14.250	707,850	9.59	13.62	507,850	13.62
14.438- 19.375	180,000	8.44	17.59	104,344	17.22
	-----			-----	
	1,131,850			751,195	
	=====			=====	

NOTE G -- LEGAL PROCEEDINGS

The Company is subject to various pending and threatened lawsuits in which claims for monetary damages are asserted in the ordinary course of business. While any litigation involves an element of uncertainty, in the opinion of management, liabilities, if any, arising from currently pending or threatened litigation will not have a material adverse effect on the Company's financial condition, liquidity and results of operations.

PARK-OHIO HOLDINGS CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- CONTINUED

NOTE H -- PENSIONS AND OTHER POSTRETIREMENT BENEFITS

	PENSION BENEFITS		OTHER BENEFITS	
	1999	1998	1999	1998
-----	-----	-----	-----	-----
CHANGE IN BENEFIT OBLIGATION				
Benefit obligation at beginning of year.....	\$ 45,701	\$ 45,473	\$ 21,718	\$ 21,673
Service cost.....	561	403	150	133
Amendments and other.....	306	116	-0-	-0-
Acquisition.....	4,686	-0-	-0-	-0-
Interest cost.....	3,387	3,136	1,449	1,496
Plan participants' contributions.....	-0-	-0-	118	118
Actuarial losses (gains).....	(3,469)	731	(1,516)	497
Benefits paid.....	(4,352)	(4,158)	(2,199)	(2,199)
	-----	-----	-----	-----
Benefit obligation at end of year.....	\$ 46,820	\$ 45,701	\$ 19,720	\$ 21,718
	=====	=====	=====	=====
CHANGE IN PLAN ASSETS				
Fair Value of plan assets at beginning of				
year.....	\$ 83,960	\$ 80,274	\$ -0-	\$ -0-
Actual return on plan assets.....	23,299	7,832	-0-	-0-
Acquisition.....	3,504	-0-	-0-	-0-
Company contributions.....	159	12	2,081	2,081
Plan participants' contributions.....	-0-	-0-	118	118
Benefits paid.....	(4,352)	(4,158)	(2,199)	(2,199)

Fair value of plan assets at end of year.....	\$106,570	\$ 83,960	\$ -0-	\$ -0-
Funded (underfunded) status of the plan.....	\$ 59,750	\$ 38,259	\$ (19,720)	\$ (21,718)
Unrecognized net transition obligation.....	(380)	(329)	-0-	-0-
Unrecognized net actuarial gain.....	(39,190)	(21,027)	(6,856)	(5,595)
Unrecognized prior service cost.....	1,686	1,395	(644)	(723)
Prepaid (accrued) benefit cost.....	\$ 21,866	\$ 18,298	\$ (27,220)	\$ (28,036)

The prepaid pension benefit is included in other assets.

WEIGHTED-AVERAGE ASSUMPTIONS AS OF DECEMBER 31

Discount rate.....	7.75%	7.00%	7.75%	7.00%
Expected return on plan assets.....	8.25%	8.50%	N/A	N/A
Rate of compensation increase.....	2.50%	2.50%	N/A	N/A

For measurement purposes, an 8.0% percent annual rate of increase in the per capita cost of covered health care benefits was assumed for 1999. The rate was assumed to decrease gradually to 5.5% for 2004 and remain at that level thereafter.

PARK-OHIO HOLDINGS CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- CONTINUED

	PENSION BENEFITS			OTHER BENEFITS		
	1999	1998	1997	1999	1998	1997
COMPONENTS OF NET PERIODIC BENEFIT COST						
Service costs.....	\$ 561	\$ 403	\$ 302	\$ 150	\$ 133	\$ 118
Interest costs.....	3,387	3,136	3,252	1,449	1,496	1,541
Expected return on plan assets....	(7,062)	(6,642)	(5,181)	-0-	-0-	-0-
Transition obligation.....	63	77	77	-0-	-0-	-0-
Amortization of prior service cost.....	229	181	170	(79)	(79)	(79)
Recognized net actuarial gain.....	(1,132)	(1,225)	(332)	(255)	(343)	(407)
Benefit costs.....	<u>\$ (3,954)</u>	<u>\$ (4,070)</u>	<u>\$ (1,712)</u>	<u>\$ 1,265</u>	<u>\$ 1,207</u>	<u>\$ 1,173</u>

The Company has two non-pension postretirement benefit plans. Health care benefits are provided on both a contributory and noncontributory basis. The life insurance plan is primarily noncontributory.

The assumed health care cost trend rate has a significant effect on the amounts reported. A one-percentage-point change in the assumed health care cost trend rate would have the following effects:

	1-PERCENTAGE POINT INCREASE	1-PERCENTAGE POINT DECREASE
Effect on total of service and interest cost components in 1999.....	\$ 124,000	\$ 124,000
Effect on post retirement benefit obligation as of December 31, 1999.....	\$1,247,000	\$1,247,000

The total contribution charged to pension expense for the Company's defined contribution plans was \$1,158 in 1999, \$876 in 1998 and \$687 in 1997.

NOTE I -- LEASES

Rental expense for 1999, 1998 and 1997 was \$11,814, \$7,056 and \$6,696, respectively. Future minimum lease commitments during each of the five years following December 31, 1999 are as follows: \$10,128 in 2000, \$8,318 in 2001, \$5,863 in 2002, \$3,950 in 2003, \$1,810 in 2004 and \$3,853 thereafter.

During the first quarter of 1999 the Company, upon completion of the acquisition of Metalloy, redefined and restated its operating segments. The Company retained its Integrated Logistics Solutions ("ILS") segment and further segregated its former Manufactured Products segment into an Aluminum Products segment and a Manufactured Products segment. ILS is a leading national supplier of fasteners (e.g., nuts, bolts and screws) and other industrial products to original equipment manufacturers, other manufacturers and distributors. In connection with the supply of such industrial products, ILS provides a variety of value-added, cost-effective procurement solutions. The principal customers of ILS are in the transportation, industrial, electrical, lawn and garden equipment industries. Aluminum Products manufactures cast aluminum components primarily for automotive original equipment manufacturers. In addition, Aluminum Products also provides value-added services such as design and engineering, machining and assembly. Manufactured Products designs and manufactures a broad range of high quality products which includes capital equipment, rubber products and forged and machined products for specific customer applications. The principal customers of Manufactured Products are original equipment manufacturers and end-users in the automotive, railroad, truck and aerospace industries.

PARK-OHIO HOLDINGS CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- CONTINUED

The Company's sales are made through its own sales organization, distributors and representatives. Intersegment sales are immaterial and eliminated in consolidation and are not included in the figures presented. Intersegment sales are accounted for at values based on market prices. Income allocated to segments excludes certain corporate expenses, interest expense and amortization of excess purchase price over net assets acquired. Identifiable assets by industry segment include assets directly identified with those operations.

Corporate assets generally consist of cash and cash equivalents, deferred tax assets, and other assets.

	YEARS ENDED DECEMBER 31		
	1999	1998	1997
Net sales			
ILS.....	\$443,078	\$364,546	\$266,292
Aluminum products.....	127,148	39,871	36,500
Manufactured products.....	146,996	147,376	138,318
	<u>\$717,222</u>	<u>\$551,793</u>	<u>\$441,110</u>
Income before income taxes			
ILS.....	\$ 39,217	\$ 34,595	\$ 23,310
Aluminum products.....	10,925	1,842	2,753
Manufactured products.....	11,214	10,162	8,010
	<u>61,356</u>	<u>46,599</u>	<u>34,073</u>
Amortization of excess purchase price over net assets acquired.....	(3,836)	(2,277)	(2,211)
Corporate costs.....	(4,350)	(4,174)	(3,562)
Interest expense.....	(24,752)	(17,488)	(9,101)
	<u>\$ 28,418</u>	<u>\$ 22,660</u>	<u>\$ 19,199</u>
Identifiable assets			
ILS.....	\$343,522	\$288,713	\$252,763
Aluminum products.....	97,717	40,063	37,869
Manufactured products.....	170,267	147,032	102,409
General corporate.....	18,375	13,746	20,068
	<u>\$629,881</u>	<u>\$489,554</u>	<u>\$413,109</u>
Depreciation and amortization expense			
ILS.....	\$ 7,710	\$ 6,124	\$ 4,352
Aluminum products.....	4,929	1,268	1,299
Manufactured products.....	5,864	5,173	4,525

General corporate.....	195	188	189
	<u>-----</u>	<u>-----</u>	<u>-----</u>
	\$ 18,698	\$ 12,753	\$ 10,365
	<u>=====</u>	<u>=====</u>	<u>=====</u>
Capital expenditures			
ILS.....	\$ 6,046	\$ 4,274	\$ 3,938
Aluminum products.....	4,963	1,650	8,167
Manufactured products.....	8,904	16,666	3,703
General corporate.....	2,737	91	139
	<u>-----</u>	<u>-----</u>	<u>-----</u>
	\$ 22,650	\$ 22,681	\$ 15,947
	<u>=====</u>	<u>=====</u>	<u>=====</u>

The Company had sales of \$95,504 in 1999 to Ford Motor Company which represented 13% of consolidated net sales.

31

34

PARK-OHIO HOLDINGS CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- CONTINUED

In 1999, approximately 91% of the Company's net sales are within the United States, none of the net sales to any foreign country represented more than 5% of the Company's total sales and approximately 94% of the Company's assets are maintained in the United States.

NOTE K -- EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share:

	YEARS ENDED DECEMBER 31		
	1999	1998	1997
	<u>-----</u>	<u>-----</u>	<u>-----</u>
NUMERATOR			
Numerator for basic earnings per share -- income before extraordinary charge.....	\$16,254	\$12,934	\$11,296
Effect of dilutive securities:			
Amortization of imputed goodwill associated with the earnout shares.....	-0-	-0-	(63)
Interest (net of income taxes) associated with convertible senior subordinated debentures.....	-0-	-0-	886
	<u>-----</u>	<u>-----</u>	<u>-----</u>
Numerator for diluted earnings per share-income after assumed conversions.....	\$16,254	\$12,934	\$12,119
	<u>=====</u>	<u>=====</u>	<u>=====</u>
Extraordinary charge, net of tax.....	\$ -0-	\$ -0-	\$ (1,513)
	<u>=====</u>	<u>=====</u>	<u>=====</u>
Numerator for basic earnings per share-net income.....	\$16,254	\$12,934	\$ 9,783
	<u>=====</u>	<u>=====</u>	<u>=====</u>
Numerator for diluted earnings per share-net income after assumed conversions.....	\$16,254	\$12,934	\$10,606
	<u>=====</u>	<u>=====</u>	<u>=====</u>
DENOMINATOR			
Denominator for basic earnings per share-weighted average shares.....	10,685	10,958	10,691
Effect of dilutive securities:			
Effect of General Aluminum Mfg. Company earnout shares deemed to be issued.....	-0-	-0-	140
Employee stock options.....	86	203	204
Convertible subordinated debentures.....	-0-	-0-	1,019
	<u>-----</u>	<u>-----</u>	<u>-----</u>
Denominator for diluted earnings per share-adjusted weighted-average shares and assumed conversions.....	10,771	11,161	12,054
Basic earnings (loss) per share:			
Income before extraordinary charge.....	\$ 1.52	\$ 1.18	\$ 1.06
	<u>=====</u>	<u>=====</u>	<u>=====</u>
Extraordinary charge, net of tax.....	\$ -0-	\$ -0-	\$ (.14)
	<u>=====</u>	<u>=====</u>	<u>=====</u>
Net income.....	\$ 1.52	\$ 1.18	\$.92
	<u>=====</u>	<u>=====</u>	<u>=====</u>
Diluted earnings (loss) per share:			
Income before extraordinary charge.....	\$ 1.51	\$ 1.16	\$ 1.01

Extraordinary charge, net of tax.....	\$ -0-	\$ -0-	\$ (.13)
Net income.....	\$ 1.51	\$ 1.16	\$.88

32

35

PARK-OHIO HOLDINGS CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- CONTINUED

NOTE L -- CORPORATE REORGANIZATION

At the 1998 Annual Meeting of Shareholders of Park-Ohio Industries, Inc. ("Park-Ohio") held on May 28, 1998, the shareholders of Park-Ohio approved an agreement of Merger ("Merger Agreement") dated February 20, 1998 by and among Park-Ohio, PKOH Holdings Corp. ("Holdings") and PKOH Merger Corp. ("Merger Corp.") providing for a reorganization of Park-Ohio into a holding company form of ownership with Holdings as its sole parent. On June 10, 1998, Holdings amended and restated its articles of incorporation to increase its authorized shares from 100 shares of common stock, \$1.00 par value per share, to 40,000,000 shares of common stock and 632,470 shares of preferred stock, all \$1.00 par value per share, and changed its name from PKOH Holding Corp. to Park-Ohio Holdings Corp. Effective as of the close of business on June 15, 1998, Merger Corp. was merged with and into Park-Ohio upon the terms and conditions of the Merger Agreement. At the effective time of the Merger, (i) all of the shares of Park-Ohio's common stock issued and outstanding immediately prior to the Merger were converted into an equal number of shares of Holding's common stock (on a share-for-share basis), (ii) all of the shares of Merger Corp.'s common stock issued and outstanding immediately prior to the Merger were converted into 100 shares of Park-Ohio's common stock and (iii) all of the shares of Holdings' common stock issued and outstanding immediately prior to the Merger were canceled.

Prior to the Merger, there was no public market for Holdings' common stock, and Park-Ohio's common stock was listed for trading on the NASDAQ National Market under the symbol "PKOH". Upon the opening of the market after the effective time of the Merger: (i) Holdings' common stock was registered under Section 12(g) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and was listed for trading on the NASDAQ National Market under the symbol "PKOH"; (ii) Park-Ohio common stock was simultaneously delisted from the NASDAQ National Market and ceased to be registered under Section 12(g) of the Exchange Act; and (iii) Holdings assumed Park-Ohio's reporting obligations under the Exchange Act.

33

36

SUPPLEMENTARY FINANCIAL DATA

SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

1999	QUARTER ENDED			
	MARCH 31	JUNE 30	SEPT. 30	DEC. 31
Net sales.....	\$171,403	\$186,917	\$178,087	\$180,815
Gross profit.....	30,967	33,813	31,545	29,458
Net Income.....	\$ 4,348	\$ 4,536	\$ 3,876	\$ 3,494
Diluted Earnings Per Share.....	\$.40	\$.42	\$.36	\$.33

1998	QUARTER ENDED			
	MARCH 31	JUNE 30	SEPT. 30	DEC. 31
Net sales.....	\$136,503	\$140,765	\$133,370	\$141,155
Gross profit.....	23,332	23,586	23,896	25,812
Net Income.....	\$ 2,874	\$ 3,336	\$ 2,916	\$ 3,808

Diluted Earnings Per Share.....	\$.26	\$.30	\$.26	\$.35
---------------------------------	--------	--------	--------	--------

NOTE 1 -- During October 1998, the Company acquired all of the shares of GIS Industries, Inc. ("Gateway"). The transaction has been accounted for as a purchase. Gateway is a distributor of fasteners and a manufacturer of fabricated metal products and fasteners.

NOTE 2 -- During January, 1999, the Company acquired all of the shares of The Metalloy Corporation. The transaction has been accounted for as a purchase. Metalloy is a full service aluminum casting and machining company.

NOTE 3 -- In July, 1999, the Company acquired all of the shares of Columbia Nut & Bolt Corp. and Industrial Fasteners Corporation. These transactions have been accounted for as purchases. These companies distribute fasteners and other industrial products. In addition, Industrial Fasteners manufactures fasteners, primarily screws, rivets and pins.

NOTE 4 -- On June 3, 1999, the Company sold \$50 million of its 9.25% Senior Subordinated Notes due 2007. The Company used the net proceeds to reduce the amount borrowed under its credit facility.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There were no changes in nor disagreements with Park-Ohio's independent auditors on accounting and financial disclosure matters within the two-year period ended December 31, 1999.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information concerning directors required under this item is incorporated herein by reference from the material contained under the caption "Election of Directors" in the registrant's definitive proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A, not later than 120 days after the close of the fiscal year. Information relating to executive officers is contained under Part I of this Annual Report on Form 10-K.

34

37

ITEM 11. EXECUTIVE COMPENSATION

The information relating to executive compensation contained under the headings "Certain Matters Pertaining to the Board of Directors" and "Executive Compensation" in the registrant's definitive proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A, not later than 120 days after the close of the fiscal year, is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required under this item is incorporated herein by reference from the material contained under the caption "Principal Shareholders" in the registrant's definitive proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A, not later than 120 days after the close of the fiscal year.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required under this item is incorporated herein by reference from the material contained under the caption "Certain Transactions" in the registrant's definitive proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A, not later than 120 days after the close of the fiscal year.

PART IV

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

(a) (1) The following financial statements are included in Part II, Item 8:

	PAGE

Report of Independent Auditors.....	16
Financial Statements	
Consolidated balance sheets -- December 31, 1999 and 1998.....	17
Consolidated statements of income -- years ended December 31, 1999, 1998 and 1997.....	18
Consolidated statements of shareholders' equity -- years ended December 31, 1999, 1998 and 1997.....	19
Consolidated statements of cash flows -- years ended December 31, 1999, 1998 and 1997.....	20
Notes to consolidated financial statements.....	21
Selected quarterly financial data (unaudited) -- years ended December 31, 1999 and 1998.....	34

(2) Financial Statement Schedules

All Schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are not applicable and, therefore, have been omitted.

(3) Exhibits:

The Exhibits filed as part of this Form 10-K are listed on the Exhibit Index immediately preceding such exhibits, incorporated herein by reference.

(b) Reports on Form 8-K filed in the fourth quarter of 1999:

None

35

38

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.

PARK-OHIO HOLDINGS CORP.
(Registrant)

By: /s/ RONALD J. COZEAN

Ronald J. Cozean, Secretary

Date: March 27, 2000

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES EXCHANGE ACT OF 1934, THIS REPORT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES AND ON THE DATES INDICATED.

*	-----	Chairman, Chief Executive Officer and President (Principal Executive Officer) and Director
Edward F. Crawford		
*	-----	Vice President -- and Chief Financial Officer (Principal Financial and Accounting Officer)
James S. Walker		
*	-----	Director
Matthew V. Crawford		
*	-----	Director
Kevin R. Greene		
*	-----	Director

March 27, 2000

Lewis E. Hatch, Jr.

* Director

Thomas E. McGinty

* Director

Lawrence O. Selhorst

* Director

Felix J. Tarorick

* Director

James W. Wert

* The undersigned, pursuant to a Power of Attorney executed by each of the Directors and officers identified above and filed with the Securities and Exchange Commission, by signing his name hereto, does hereby sign and execute this report on behalf of each of the persons noted above, in the capacities indicated.

March 27, 2000

By: /s/ RONALD J. COZEAN

Ronald J. Cozean, Attorney-in-Fact

36

39

ANNUAL REPORT ON FORM 10-K
PARK-OHIO HOLDINGS CORP.

FOR THE YEAR ENDED DECEMBER 31, 1999

EXHIBIT INDEX

EXHIBIT

-
- 3.1 Amended and Restated Articles of Incorporation of Park-Ohio Holdings Corp. (filed as Exhibit 3.1 to the Form 10-K of Park-Ohio Holdings Corp. for the year ended December 31, 1998, SEC File No. 000-03134 and incorporated by reference and made a part hereof)
 - 3.2 Code of Regulations of Park-Ohio Holdings Corp. (filed as Exhibit 3.2 to the Form 10-K of Park-Ohio Holdings Corp. for the year ended December 31, 1998, SEC File No. 000-03134 and incorporated by reference and made a part hereof)
 - 4.1 Indenture, dated November 25, 1997 by and among Park-Ohio Industries, Inc. and Norwest Bank Minnesota, N.A. as trustee (filed as Exhibit 4.1 of the Company's Registration Statement on Form S-4, filed on December 23, 1997, SEC File No. 333-43005 and incorporated by reference and made a part hereof)
 - 4.2 Indenture, dated June 3, 1999 by and among Park-Ohio Industries, Inc. and Norwest Bank Minnesota, N.A., as trustee (filed as Exhibit 4.2 of the Company's Registration Statement on Form S-4, filed on July 23, 1999, SEC File No. 333-83117 and incorporated by reference and made a part hereof)
 - 4.3 Amended and Restated Credit Agreement among Park-Ohio Industries, Inc., and various financial institutions dated November 2, 1998 (filed as Exhibit 4 to the Form 10-Q of Park-Ohio Holdings Corp., filed on November 13, 1998, SEC File No. 000-03134 and incorporated by reference and made a part hereof)
 - 4.4 First amendment to the Amended and Restated Credit Agreement among Park-Ohio Industries, Inc. and various financial institutions
 - 4.5 Second amendment to the Amended and Restated Credit Agreement among Park-Ohio Industries, Inc. and various financial institutions
 - 4.6 Third amendment to the Amended and Restated Credit Agreement among Park-Ohio Industries, Inc. and various financial

- institutions
- 10.1 Form of Indemnification Agreement entered into between Park-Ohio Holdings Corp. and each of its directors and certain officers (filed as Exhibit 10.1 to the Form 10-K of Park-Ohio Holdings Corp. for the year ended December 31, 1998, SEC File No. 000-03134 and incorporated by reference and made a part hereof)
- 10.2* Park-Ohio Industries, Inc. Amended and Restated 1992 Stock Option Plan (filed as Exhibit A to Schedule 14A of Park-Ohio Industries, Inc. filed on May 12, 1995, SEC File No. 000-03134 and incorporated by reference and made a part hereof)
- 10.3* Non-Statutory Stock Option Agreement dated February 22, 1996 by and between Park-Ohio Industries, Inc., and Edward F. Crawford (filed as Appendix A to the Definitive Proxy Statement of Park-Ohio Industries, Inc., filed on April 16, 1996, SEC File No. 000-03134 and incorporated by reference and made a part hereof)
- 10.4* 1996 Non-employee Director Stock Option Plan (filed as Appendix B to the Definitive Proxy Statement of Park-Ohio Industries, Inc., filed on April 16, 1996, SEC File No. 000-03134 and incorporated by reference and made a part hereof)
- 10.5* 1998 Long-Term Incentive Plan (filed as appendix E to the Definitive Proxy Statement of Park-Ohio Industries, Inc., filed on April 24, 1998, SEC File No. 000-03134 and incorporated by reference and made a part hereof)

37

40

EXHIBIT

- - - - -

- 12.1 Computation of Ratios
- 21.1 List of Subsidiaries of Park-Ohio Holdings Corp.
- 23.1 Consent of Ernst & Young, LLP
- 24.1 Power of Attorney
- 27.1 Financial Data Schedule for period ended December 31, 1999 (Electronic Filing Only)

- - - - -

- * Reflects management contract or other compensatory arrangement required to be filed as an exhibit pursuant to Item 14(c) of this Report.

38

