UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2008

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.)*
6065 Parkland Boulevard, Cleveland, Ohio	**44124**
(Address of principal executive offices)	*(Zip Code)*

440/947-2000

(Registrant's telephone number, including area code)

Park-Ohio Holdings Corp. is a successor issuer to Park-Ohio Industries, Inc.

Indicate by check mark whether the registrant:

(1) Has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve 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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ☑	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting Company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

Number of shares outstanding of registrant's Common Stock, par value $1.00 per share, as of October 31, 2008: 11,022,171.

The Exhibit Index is located on page 25.

PARK-OHIO HOLDINGS CORP. AND SUBSIDIARIES

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PART I. Financial Information

ITEM 1. ***Financial Statements***

PARK-OHIO HOLDINGS CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	(Unaudited) September 30, 2008	December 31, 2007
	(Dollars in thousands)	
ASSETS		
Current Assets		
Cash and cash equivalents	$ 28,992	$ 14,512
Accounts receivable, less allowances for doubtful accounts of $3,026 at September 30, 2008 and $3,724 at December 31, 2007	185,697	172,357
Inventories	236,581	215,409
Deferred tax assets	21,897	21,897
Unbilled contract revenue	21,014	24,817
Other current assets	13,593	15,232
Total Current Assets	507,774	464,224
Property, Plant and Equipment	250,679	266,222
Less accumulated depreciation	156,285	160,665
	94,394	105,557
Other Assets		
Goodwill	100,683	100,997
Net assets held for sale	-0-	3,330
Other	104,272	95,081
	$ 807,123	$ 769,189
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Trade accounts payable	$ 136,045	$ 121,875
Accrued expenses	75,046	67,007
Current portion of long-term debt	8,063	2,362
Current portion of other postretirement benefits	2,041	2,041
Total Current Liabilities	221,195	193,285
Long-Term Liabilities, less current portion		
8.375% Senior Subordinated Notes due 2014	210,000	210,000
Revolving credit	160,200	145,400
Other long-term debt	2,114	2,287
Deferred tax liability	22,722	22,722
Other postretirement benefits and other long-term liabilities	23,770	24,017
	418,806	404,426
Shareholders' Equity		
Capital stock, par value $1 a share:		
Serial Preferred Stock	-0-	-0-
Common Stock	12,199	12,233
Additional paid-in capital	63,663	61,956
Retained earnings	90,913	90,782
Treasury stock, at cost	(14,421)	(11,255)
Accumulated other comprehensive income	14,768	17,762
	167,122	171,478
	$ 807,123	$ 769,189

Note: The balance sheet at December 31, 2007 has been derived from the audited financial statements at that date, but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

See notes to consolidated financial statements.

PARK-OHIO HOLDINGS CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	Three Months Ended September 30, 2008	Three Months Ended September 30, 2007	Nine Months Ended September 30, 2008	Nine Months Ended September 30, 2007
	(Amounts in thousands, except per share data)			
Net sales	$ 266,148	$ 269,104	$ 819,178	$ 823,626
Cost of products sold	226,759	226,880	697,361	700,413
Gross profit	39,389	42,224	121,817	123,213
Selling, general and administrative expenses	28,799	24,187	82,755	74,537
Impairment charges	17,480	-0-	17,480	-0-
Gain on sale of assets held for sale	-0-	-0-	-0-	(2,299)
Operating income (loss)	(6,890)	18,037	21,582	50,975
Interest expense	6,775	7,993	20,672	24,286
Income (loss) before income taxes	(13,665)	10,044	910	26,689
Income taxes (benefit)	(4,597)	3,816	779	9,408
Net income (loss)	$ (9,068)	$ 6,228	$ 131	$ 17,281
Amounts per common share:				
Basic	$ (.82)	$ .56	$ .01	$ 1.56
Diluted	$ (.82)	$ .53	$ .01	$ 1.48
Common shares used in the computation:				
Basic	11,006	11,127	11,081	11,079
Diluted	11,006	11,707	11,606	11,641

See notes to consolidated financial statements.

PARK-OHIO HOLDINGS CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY (UNAUDITED)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total
			(Dollars in thousands)			
Balance at January 1, 2008	$ 12,233	$ 61,956	$ 90,782	$ (11,255)	$ 17,762	$ 171,478
Comprehensive income:						
Net income			131			131
Foreign currency translation adjustment					(3,160)	(3,160)
Unrealized gain on marketable securities, net of tax					44	44
Pension and postretirement benefit adjustments, net of tax					122	122
Restricted stock awards	23	(23)				-0-
Comprehensive income (loss)						(2,863)
Amortization of restricted stock		1,299				1,299
Restricted stock exchanged for restricted share units	(62)	62				-0-
Purchase of treasury stock				(3,166)		(3,166)
Exercise of stock options (4,803 shares)	5	5				10
Share-based compensation		364				364
Balance at September 30, 2008	$ 12,199	$ 63,663	$ 90,913	$ (14,421)	$ 14,768	$ 167,122

See notes to consolidated financial statements.

PARK-OHIO HOLDINGS CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Nine Months Ended September 30, 2008	Nine Months Ended September 30, 2007
	(Dollars in thousands)	
OPERATING ACTIVITIES		
Net income	$ 131	$ 17,281
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation and amortization	16,081	16,019
Share-based compensation expense	1,663	1,504
Gain on sale of assets held for sale	-0-	(2,299)
Impairment charges	17,480	-0-
Changes in operating assets and liabilities:		
Accounts receivable	(13,340)	(15,751)
Inventories and other current assets	(17,950)	(540)
Accounts payable and accrued expenses	22,210	(12,696)
Other	(15,429)	4,592
Net Cash Provided by Operating Activities	10,846	8,110
INVESTING ACTIVITIES		
Purchases of property, plant and equipment, net	(15,756)	(14,292)
Purchases of marketable securities	(533)	-0-
Sales of marketable securities	2,751	-0-
Proceeds from sale of assets held for sale	-0-	4,365
Net Cash Used by Investing Activities	(13,538)	(9,927)
FINANCING ACTIVITIES		
Proceeds from debt, net	20,328	(311)
Purchase of treasury stock	(3,166)	(910)
Exercise of stock options	10	279
Net Cash Provided (Used) by Financing Activities	17,172	(942)
Increase (decrease) in Cash and Cash Equivalents	14,480	(2,759)
Cash and Cash Equivalents at Beginning of Period	14,512	21,637
Cash and Cash Equivalents at End of Period	$ 28,992	$ 18,878
Taxes paid	$ 5,826	$ 4,386
Interest paid	15,236	18,048

See notes to consolidated financial statements.

PARK-OHIO HOLDINGS CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

September 30, 2008
(Dollar amounts in thousands — except per share data)

NOTE A — Basis of Presentation

The consolidated financial statements include the accounts of Park-Ohio Holdings Corp. and its subsidiaries (the "Company"). All significant intercompany transactions have been eliminated in consolidation.

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three-month and nine-month periods ended September 30, 2008 are not necessarily indicative of the results that may be expected for the year ending December 31, 2008. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2007.

NOTE B — Segments

The Company operates through three segments: Supply Technologies, Aluminum Products and Manufactured Products. Supply Technologies provides our customers with Total Supply Managementtm services for a broad range of high-volume, specialty production components. Total Supply Managementtm manages the efficiencies of every aspect of supplying production parts and materials to our customers' manufacturing floor, from strategic planning to program implementation and includes such services as engineering and design support, part usage and cost analysis, supplier selection, quality assurance, bar coding, product packaging and tracking, just-in-time and point-of-use delivery, electronic billing services and ongoing technical support. Aluminum Products manufactures cast aluminum components for automotive, agricultural equipment, construction equipment, heavy-duty truck and marine equipment industries. 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.

Results by business segment were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
Net sales:				
Supply Technologies	$ 131,668	$ 134,066	$ 399,452	$ 403,956
Aluminum Products	35,784	41,188	120,304	131,838
Manufactured Products	98,696	93,850	299,422	287,832
	$ 266,148	$ 269,104	$ 819,178	$ 823,626
Income (loss) before income taxes:				
Supply Technologies	$ 5,259	$ 8,288	$ 16,551	$ 20,420
Aluminum Products	(17,557)	1,131	(18,674)	3,285
Manufactured Products	10,062	11,619	37,703	35,292
	(2,236)	21,038	35,580	58,997
Corporate costs	(4,654)	(3,001)	(13,998)	(8,022)
Interest expense	(6,775)	(7,993)	(20,672)	(24,286)
Income (loss) before income taxes	$ (13,665)	$ 10,044	$ 910	$ 26,689

	September 30, 2008	December 31, 2007
Identifiable assets were as follows:		
Supply Technologies	$ 394,568	$ 354,165
Aluminum Products	92,187	98,524
Manufactured Products	277,346	231,459
General corporate	43,022	85,041
	$ 807,123	$ 769,189

During the third quarter of 2008, the Company recorded $18,059 of impairment charges associated with the recent volume declines and volatility in the automotive markets (See Note L). Below is a summary of these charges by segment.

	Asset Impairment	Cost of Products Sold	Total
Aluminum Products	$ 13,189	$ 579	$ 13,768
Manufactured Products	4,291	-0-	4,291
	$ 17,480	$ 579	$ 18,059

NOTE C — Recent Accounting Pronouncements

In March 2008, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 161, "Disclosures about Derivative Instruments and Hedging Activities — an amendment of FASB Statement No. 133" ("FAS 161"). FAS 161 modifies existing requirements to include qualitative disclosures regarding the objectives and strategies for using derivatives, fair value amounts of gains and losses on derivative instruments and disclosures about credit-risk-related contingent features in derivative agreements. The pronouncement also requires the cross-referencing of derivative disclosures within the financial statements and notes thereto. The requirements of FAS 161 are effective for the Company in 2009. The adoption of FAS 161 will not have an impact on the Company's financial statements.

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 160, "Noncontrolling Interests in Consolidated Financial Statements — an amendment of ARB No. 51" ("FAS 160"). FAS 160 modifies the reporting for noncontrolling interests in the balance sheet and minority interest income (expense) in the income statement. The pronouncement also requires that increases and decreases in the noncontrolling ownership interest amount be accounted for as equity transactions. FAS 160 is required to be adopted prospectively, with limited exceptions, effective for the Company in 2009. The Company is currently evaluating the effect the adoption of FAS 160 will have on its financial position, results of operations and related disclosures.

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 141R, "Business Combinations" ("FAS 141R"). FAS 141R modifies the accounting for business combinations by requiring that acquired assets and assumed liabilities be recorded at fair value, contingent consideration arrangements be recorded at fair value on the date of the acquisition and preacquisition contingencies will generally be accounted for in purchase accounting at fair value. The pronouncement also requires that transaction costs be expensed as incurred, acquired research and development be capitalized as an indefinite-lived intangible asset and the requirements of Statement of Financial Accounting Standards No. 146, "Accounting for Costs Associated with Exit or Disposal Activities," be met at the acquisition date in order to accrue for a restructuring plan in purchase accounting. FAS 141R is required to be adopted prospectively effective for fiscal years beginning after December 15, 2008.

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" ("FAS 159"). FAS 159 permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. The pronouncement also establishes presentation and disclosure requirements to facilitate comparison between entities that choose different measurement attributes for similar types of assets and liabilities. FAS 159 is effective for fiscal years beginning after November 15, 2007. The Company did not elect to measure its financial instruments or any other items at fair value as permitted by FAS 159. Therefore, the adoption of FAS 159 did not impact the Company's financial position or results of operations.

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("FAS 157"). FAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. The provisions of FAS 157 apply under other accounting pronouncements that require or permit fair value measurements. FAS 157 is effective for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years for financial assets and liabilities, and for fiscal years beginning after November 15, 2008 for non-financial assets and liabilities. The adoption of FAS 157 for financial assets and liabilities did not have a material effect on the Company's financial position or results of operations.

As of September 30, 2008, the Company's financial assets subject to FAS 157 consisted of marketable equity securities and other investments totaling $1,235 and $7,261, respectively. The marketable securities are classified as having Level 1 inputs, as the fair value is based on quoted prices in active markets. The other investments are classified as having Level 2 inputs, as the fair value is based on inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly, including quoted prices for similar assets in active markets; quoted prices for identical or similar assets in markets that are not active; inputs other than quoted prices that are observable for the asset; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

NOTE D — Inventories

The components of inventory consist of the following:

	September 30, 2008	December 31, 2007
Finished goods	$ 137,308	$ 129,074
Work in process	30,052	26,249
Raw materials and supplies	69,221	60,086
	$ 236,581	$ 215,409

NOTE E — Shareholders' Equity

At September 30, 2008, capital stock consists of (i) Serial Preferred Stock, of which 632,470 shares were authorized and none were issued, and (ii) Common Stock, of which 40,000,000 shares were authorized and 12,199,192 shares were issued, of which 11,168,971 were outstanding and 1,030,221 were treasury shares.

NOTE F — Net Income Per Common Share

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
NUMERATOR				
Net income (loss)	$ (9,068)	$ 6,228	$ 131	$ 17,281
DENOMINATOR				
Denominator for basic earnings per share — weighted average shares	11,006	11,127	11,081	11,079
Effect of dilutive securities:				
Employee stock options	(a)	580	525	562
Denominator for diluted earnings per share — weighted average shares and assumed conversions	11,006	11,707	11,606	11,641
Amounts per common share:				
Basic	$ (.82)	$ .56	$ .01	$ 1.56
Diluted	$ (.82)	$ .53	$ .01	$ 1.48

(a) The addition of 539,000 shares in the three months ended September 30, 2008 would result in anti-dilution because the Company reported a net loss in that period.

Stock options on 47,000 shares were excluded in the three months ended September 2007 and 88,000 and 25,000 shares were excluded in the nine months ended September 30, 2008 and 2007, respectively, because they were anti-dilutive.

NOTE G — Stock-Based Compensation

Total stock compensation expense recorded in the first nine months of 2008 and 2007 was $1,663 and $1,504, respectively. Total stock compensation expense recorded in the third quarter of 2008 and 2007 was $560 and $524, respectively. There were stock options for 15,000 shares awarded with an exercise price of $13.40 per share during the three months ended September 30, 2008. There were stock options for 80,000 shares awarded with an average exercise price of $15.20 per share during the nine months ended September 30, 2008. There were 7,500 and 23,500 restricted stock awards during the three months and nine months ended September 30, 2008, respectively. As of September 30, 2008, there was $3,273 of unrecognized compensation cost related to non-vested stock-based compensation, which is expected to be recognized over a weighted average period of 2.2 years.

On September 11, 2008, the Company delayed the vesting of 61,970 restricted shares of the Company's common stock held by two of the Company's officers. In lieu of vesting the restricted shares, the officers agreed to exchange 61,970 shares of restricted stock for 61,970 restricted stock units. The restricted stock units were fully vested and will be paid in shares of the Company's common stock either upon termination of employment with the Company or when the deduction by the Company for such payment would not be prohibited under Section 162(m) of the Internal Revenue Code.

PARK-OHIO HOLDINGS CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — (Continued)

NOTE H — Pension Plans and Other Postretirement Benefits

The components of net periodic benefit cost recognized during interim periods was as follows:

	Pension Benefits				Postretirement Benefits			
	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007	2008	2007	2008	2007
Service costs	$ 108	$ 91	$ 324	$ 273	$ 43	$ 41	$ 129	$ 123
Interest costs	722	702	2,166	2,105	290	333	870	1,000
Expected return on plan assets	(2,408)	(2,213)	(7,224)	(6,638)	-0-	-0-	-0-	-0-
Transition obligation	(12)	(2)	(36)	(6)	-0-	-0-	-0-	-0-
Amortization of prior service cost	34	34	102	102	(13)	(16)	(39)	(48)
Recognized net actuarial loss	(29)	-0-	(87)	-0-	71	146	213	438
Benefit (income) costs	$ (1,585)	$ (1,388)	$ (4,755)	$ (4,164)	$ 391	$ 504	$ 1,173	$ 1,513

NOTE I — Comprehensive Income (Loss)

Total comprehensive income (loss) was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
Net income (loss)	$ (9,068)	$ 6,228	$ 131	$ 17,281
Foreign currency translation	(4,775)	3,755	(3,160)	7,001
Unrealized loss on marketable securities, net of tax	187	-0-	44	-0-
Pension and post retirement benefit adjustments, net of tax	40	59	122	178
Total comprehensive income (loss)	$ (13,616)	$ 10,042	$ (2,863)	$ 24,460

The components of accumulated comprehensive income at September 30, 2008 and December 31, 2007 are as follows:

	September 30, 2008	December 31, 2007
Foreign currency translation adjustment	$ 9,552	$ 12,712
Unrealized net losses on marketable securities, net of tax	(279)	(323)
Pension and postretirement benefit adjustments, net of tax	5,495	5,373
	$ 14,768	$ 17,762

The pension and postretirement benefit liability amounts are net of deferred taxes of $2,904 and $2,834 at September 30, 2008 and December 31, 2007, respectively. Unrealized net losses on marketable securities are net of deferred taxes of $160 and $182 at September 30, 2008 and December 31, 2007, respectively. No income taxes are provided on foreign currency translation adjustments as foreign earnings are considered permanently invested.

NOTE J — Accrued Warranty Costs

The Company estimates the amount of warranty claims on sold products that may be incurred based on current and historical data. The actual warranty expense could differ from the estimates made by the Company based on product performance. The following table presents the changes in the Company's product warranty liability:

	2008	2007
Balance at January 1	$ 5,799	$ 3,557
Claims paid during the first nine months	(2,105)	(1,167)
Additional warranties issued during the first nine months	3,506	3,312
Balance at September 30	$ 7,200	$ 5,702

NOTE K — Income Taxes

The effective income tax rate in the first nine months of 2008 and 2007 was 86% and 35%, respectively. The increase in the effective income tax rate is primarily due to lower income before taxes.

There have been no material changes to the balance of unrecognized tax benefits reported at December 31, 2007.

NOTE L — Impairment Charges

Due to the recent volume declines and volatility in the automotive markets, the Company evaluated its long-lived assets in accordance with Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("FAS 144"). The Company determined whether the carrying amount of its long-lived assets was recoverable by comparing the carrying amount to the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the assets. If the carrying value of the assets exceeded the expected cash flows, the Company estimated the fair value of these assets to determine whether an impairment existed. During the third quarter of 2008, based on the results of these tests, the Company recorded asset impairment charges of $18,059, which were composed of $579 of inventory impairment included in Cost of Products Sold and $17,480 for impairment of property and equipment and other long-term assets. Below is a summary of these charges by segment.

	Asset Impairment	Cost of Products Sold	Total
Aluminum Products	$ 13,189	$ 579	$ 13,768
Manufactured Products	4,291	-0-	4,291
	$ 17,480	$ 579	$ 18,059

NOTE M — Goodwill

Subsequent to the end of the third quarter, the Company experienced a sharp decline in its stock price. The Company believes this decline was principally driven by circumstances that occurred subsequent to the end of the third quarter including, but not limited to, an extraordinary decline in the stock market as a whole and other factors specific to its stock price that the Company believes do not necessarily reflect changes in its business as of the end of the third quarter. However, due to the fact that the Company is required to use a hypothetical market participant's perspective when developing the assumptions to estimate fair value for its annual impairment tests, it is possible that the estimated fair value of its goodwill may be less than its carrying amounts when the Company performs its annual impairment tests during the fourth quarter. If so, the Company would be required to record an additional non-cash impairment charge during the fourth quarter.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Shareholders
Park-Ohio Holdings Corp.

We have reviewed the accompanying consolidated balance sheet of Park-Ohio Holdings Corp. and subsidiaries as of September 30, 2008, and the related consolidated statements of operations for the three-month and nine-month periods ended September 30, 2008 and 2007, and the consolidated statement of shareholders' equity and cash flows for the nine-month period ended September 30, 2008. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based upon our review, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Park-Ohio Holdings Corp. and subsidiaries as of December 31, 2007 and the related consolidated statements of income, shareholders' equity, and cash flows for the year then ended, not presented herein; and in our report dated March 13, 2008, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2007, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ Ernst & Young LLP

Cleveland, Ohio
November 7, 2008

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

Our consolidated financial statements include the accounts of Park-Ohio Holdings Corp. and its subsidiaries. All significant intercompany transactions have been eliminated in consolidation.

Executive Overview

We are an industrial Total Supply Managementtm and diversified manufacturing business, operating in three segments: Supply Technologies, Aluminum Products and Manufactured Products. In November 2007, our Integrated Logistics Solutions (ILS) business changed its name to Supply Technologies to better reflect its breadth of services and focus on driving efficiencies throughout the total supply management process. Our Supply Technologies business provides our customers with Total Supply Managementtm, a proactive solutions approach that manages the efficiencies of every aspect of supplying production parts and materials to our customers' manufacturing floor, from strategic planning to program implementation. Total Supply Managementtm includes such services as engineering and design support, part usage and cost analysis, supplier selection, quality assurance, bar coding, product packaging and tracking, just-in-time and point-of-use delivery, electronic billing services and ongoing technical support. The principal customers of Supply Technologies are in the heavy-duty truck, automotive and vehicle parts, electrical distribution and controls, consumer electronics, power sports/fitness equipment, HVAC, agricultural and construction equipment, semiconductor equipment, plumbing, aerospace and defense, and appliance industries. Aluminum Products casts and machines aluminum engine, transmission, brake, suspension and other components such as pump housings, clutch retainers/pistons, control arms, knuckles, master cylinders, pinion housings, brake calipers, oil pans and flywheel spacers for automotive, agricultural equipment, construction equipment, heavy-duty truck and marine equipment original equipment manufacturers ("OEMs"), primarily on a sole-source basis. Aluminum Products also provides value-added services such as design and engineering and assembly. Manufactured Products operates a diverse group of niche manufacturing businesses that design and manufacture a broad range of highly-engineered products including induction heating and melting systems, pipe threading systems, industrial oven systems, injection molded rubber components, and forged and machined products. Manufactured Products also produces and provides services and spare parts for the equipment it manufactures. The principal customers of Manufactured Products are OEMs, sub-assemblers and end users in the steel, coatings, forging, foundry, heavy-duty truck, construction equipment, bottling, automotive, oil and gas, rail and locomotive manufacturing and aerospace and defense industries. Sales, earnings and other relevant financial data for these three segments are provided in Note B to the consolidated financial statements.

During the years 2004 through 2007, we reinforced our long-term availability and attractive pricing of funds by refinancing both of our major sources of borrowed funds: senior subordinated notes and our revolving credit facility. In November 2004, we sold $210.0 million of 8.375% senior subordinated notes due 2014. We have amended our revolving credit facility, most recently in June 2007, to extend its maturity to December 2010, increase the credit limit to $270.0 million subject to an asset-based formula, and provide lower interest rate levels.

The domestic and international automotive markets were significantly impacted in 2008, which adversely affected our business units serving those markets. During the third quarter of 2008, the Company recorded asset impairment charges associated with the recent volume declines and volatility in the automotive markets. The charges were composed of $.6 million of inventory impairment included in Cost of Products Sold and $17.5 million for impairment of property and equipment and other long-term assets. See Note L to the consolidated financial statements included in this quarterly report on Form 10-Q.

Accounting Changes

In March 2008, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 161, "Disclosures about Derivative Instruments and Hedging Activities — an amendment of

FASB Statement No. 133" ("FAS 161"). FAS 161 modifies existing requirements to include qualitative disclosures regarding the objectives and strategies for using derivatives, fair value amounts of gains and losses on derivative instruments and disclosures about credit-risk-related contingent features in derivative agreements. The pronouncement also requires the cross-referencing of derivative disclosures within the financial statements and notes thereto. The requirements of FAS 161 are effective for the Company in 2009. The adoption of FAS 161 will not have an impact on the Company's financial statements.

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 160, "Noncontrolling Interests in Consolidated Financial Statements — an amendment of ARB No. 51" ("FAS 160"). FAS 160 modifies the reporting for noncontrolling interests in the balance sheet and minority interest income (expense) in the income statement. The pronouncement also requires that increases and decreases in the noncontrolling ownership interest amount be accounted for as equity transactions. FAS 160 is required to be adopted prospectively, with limited exceptions, effective for the Company in 2009. The Company is currently evaluating the effect the adoption of FAS 160 will have on its financial position, results of operations and related disclosures.

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 141R, "Business Combinations" ("FAS 141R"). FAS 141R modifies the accounting for business combinations by requiring that acquired assets and assumed liabilities be recorded at fair value, contingent consideration arrangements be recorded at fair value on the date of the acquisition and preacquisition contingencies will generally be accounted for in purchase accounting at fair value. The pronouncement also requires that transaction costs be expensed as incurred, acquired research and development be capitalized as an indefinite-lived intangible asset and the requirements of Statement of Financial Accounting Standards No. 146, "Accounting for Costs Associated with Exit or Disposal Activities," be met at the acquisition date in order to accrue for a restructuring plan in purchase accounting. FAS 141R is required to be adopted prospectively effective for fiscal years beginning after December 15, 2008.

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" ("FAS 159"). FAS 159 permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. The pronouncement also establishes presentation and disclosure requirements to facilitate comparison between entities that choose different measurement attributes for similar types of assets and liabilities. FAS 159 is effective for fiscal years beginning after November 15, 2007. The Company did not elect to measure its financial instruments or any other items at fair value as permitted by FAS 159.

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("FAS 157"). FAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. The provisions of FAS 157 apply under other accounting pronouncements that require or permit fair value measurements. FAS 157 is effective for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years for financial assets and liabilities, and for fiscal years beginning after November 15, 2008 for non-financial assets and liabilities. The adoption of FAS 157 for financial assets and liabilities did not have a material effect on the Company's financial position or results of operations.

As of September 30, 2008, the Company's financial assets subject to FAS 157 consisted of marketable equity securities and other investments totaling $1,235 and $7,261, respectively. The marketable securities are classified as having Level 1 inputs, as the fair value is based on quoted prices in active markets. The other investments are classified as having Level 2 inputs, as the fair value is based on inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly, including quoted prices for similar assets in active markets; quoted prices for identical or similar assets in markets that are not active; inputs other than quoted prices that are observable for the asset; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Results of Operations

Nine Months 2008 versus Nine Months 2007

Net Sales by Segment:

	Nine Months Ended September 30, 2008	Nine Months Ended September 30, 2007	Change	Percent Change
Supply Technologies	$ 399.5	$ 404.0	$ (4.5)	(1)%
Aluminum Products	120.3	131.8	(11.5)	(9)%
Manufactured Products	299.4	287.8	11.6	4%
Consolidated Net Sales	$ 819.2	$ 823.6	$ (4.4)	(1)%

Consolidated net sales were essentially flat in the first nine months of 2008 compared to the same period in 2007 as growth in the Manufactured Products segment nearly offset declines in Aluminum Products sales resulting from reduced automotive sales and Supply Technologies sales resulting from reduced sales to the heavy-duty truck market caused by the introduction of new environmental standards at the beginning of 2007. Supply Technologies sales decreased 1% primarily due to volume reductions in the heavy-duty truck industry, partially offset by the addition of new customers and increases in product range to existing customers. Aluminum Products sales decreased 9% as the general decline in auto industry sales volumes exceeded additional sales from new contracts starting production ramp-up. Manufactured Products sales increased 4% primarily in the induction, pipe threading equipment and forging businesses, due largely to worldwide strength in the steel, oil & gas, aerospace and rail industries. Approximately 20% of the Company's consolidated net sales are to the automotive markets. Net sales to the automotive markets as a percentage of net sales by segment were approximately 17%, 79% and 8% for the Supply Technologies, Aluminum Products and Manufactured Products Segments, respectively.

Cost of Products Sold & Gross Profit:

	Nine Months Ended September 30, 2008	Nine Months Ended September 30, 2007	Change	Percent Change
Consolidated cost of products sold	$ 697.4	$ 700.4	$ (3.0)	0%
Consolidated gross profit	$ 121.8	$ 123.2	$ (1.4)	(1)%
Gross Margin	14.9%	15.0%		

Cost of products sold were essentially flat in the first nine months of 2008 compared to the same period in 2007, while gross margin decreased to 14.9% in the first nine months of 2008 from 15.0% in the same period of 2007.

Supply Technologies gross margin decreased slightly, as the effect of reduced heavy-duty truck sales volume outweighed the margin benefit from new sales. Aluminum Products gross margin decreased primarily due to both the costs associated with starting up new contracts and reduced volume. Gross margin in the Manufactured Products segment was essentially the same in the first nine months of 2008 compared to the comparable period in 2007.

Selling, General & Administrative (SG&A) Expenses:

	Nine Months Ended September 30, 2008	Nine Months Ended September 30, 2007	Change	Percent Change
Consolidated SG&A expenses	$ 82.8	$ 74.5	$ 8.3	11%
SG&A percent of sales	10.1%	9.0%		

Consolidated SG&A expenses increased 11% in the first nine months of 2008 compared to the same period in 2007, representing a 1.1 percentage point increase in SG&A expenses as a percent of sales. SG&A expenses increased in the first nine months of 2008 compared to the same period in 2007 primarily due to higher professional fees in the Supply Technologies and Manufactured Products segments, expenses related to the new office building and other one-time charges at the corporate office consisting of losses on the sales of securities, severance costs and legal and professional fees, partially offset by a $.6 million increase in net pension credits.

Interest Expense:

	Nine Months Ended September 30,			
	2008	2007	Change	Percent Change
Interest expense	$ 20.7	$ 24.3	$ (3.6)	(15)%
Average outstanding borrowings	$ 385.7	$ 387.6	$ (1.9)	(1)%
Average borrowing rate	7.15%	8.35%	(120)	basis points

Interest expense decreased $3.6 million in the first nine months of 2008 compared to the same period of 2007, primarily due to lower average outstanding borrowings and a lower average borrowing rate during the first nine months of 2008. The decrease in average borrowings in the first nine months of 2008 resulted primarily from increased cash flow, partially offset by increased working capital. The lower average borrowing rate in the first nine months of 2008 was due primarily to decreased interest rates under our revolving credit facility compared to the same period in 2007.

Impairment Charges

During the third quarter of 2008, the Company recorded asset impairment charges associated with the recent volume declines and volatility in the automotive markets. Charges of $17.5 million were for impairment of property and equipment and other long-term assets.

Income Tax:

The provision for income taxes was $.8 million in the first nine months of 2008, an 86% effective income tax rate, compared to income taxes of $9.4 million provided in the corresponding period of 2007, a 35% effective income tax rate. We estimate that the effective tax rate for full-year 2008 will be approximately 38%.

Results of Operations

Third Quarter 2008 versus Third Quarter 2007

Net Sales by Segment:

	Three Months Ended September 30,			
	2008	2007	Change	Percent Change
Supply Technologies	$ 131.7	$ 134.1	$ (2.4)	(2)%
Aluminum Products	35.8	41.2	(5.4)	(13)%
Manufactured Products	98.6	93.8	4.8	5%
Consolidated Net Sales	$ 266.1	$ 269.1	$ (3.0)	(1)%

Consolidated net sales were essentially the same in the third quarter of 2008 compared to the same quarter in 2007 as growth in the Manufactured Products segment nearly offset declines in the Supply Technologies and Aluminum Products segments. Supply Technologies sales decreased 2% primarily due to reduced sales to the heavy-duty truck market nearly offset by the addition of new customers and increases in product range to existing customers. Aluminum Products sales decreased 13% as the sales volume from new contracts starting production ramp-up was offset by the end of production of other parts and the general decline in auto industry sales volumes. Manufactured Products sales increased 5% primarily in the induction equipment business and the pipe threading equipment and forging businesses, due largely to worldwide strength in the steel, oil & gas, aerospace and rail industries.

Cost of Products Sold & Gross Profit:

	Three Months Ended September 30, 2008	Three Months Ended September 30, 2007	Change	Percent Change
Consolidated cost of products sold	$ 226.8	$ 226.9	$ (.1)	0%
Consolidated gross profit	$ 39.4	$ 42.2	$ (2.8)	7%
Gross Margin	14.8%	15.7%		

Cost of products sold was flat in the third quarter of 2008 compared to the same quarter in 2007, while gross margin decreased to 14.8% in the third quarter of 2008 from 15.7% in the same quarter of 2007.

Supply Technologies gross margin decreased primarily from product mix. Aluminum Products gross margin decreased primarily due to the costs associated with starting up new contracts and delays in new contract volume ramp-ups. Gross margin in the Manufactured Products segment increased primarily from increased parts and service sales in the capital equipment business which have a higher gross margin.

SG&A Expenses:

	Three Months Ended September 30, 2008	Three Months Ended September 30, 2007	Change	Percent Change
Consolidated SG&A expenses	$ 28.8	$ 24.2	$ 4.6	19%
SG&A percent of sales	10.8%	9.0%		

Consolidated SG&A expenses increased 19% in the third quarter of 2008 compared to the same quarter in 2007, representing an increase in SG&A expenses as a percent of sales of 1.8%. SG&A increased in the third quarter of 2008 compared to the same quarter in 2007 primarily due to higher professional fees in the Supply Technologies and Manufactured Products segments, expenses related to the new office building and other one-time charges at the corporate office consisting of losses on the sales of securities, severance costs and legal and professional fees, partially offset by a $.2 million increase in net pension credits.

Interest Expense:

	Three Months Ended September 30, 2008	Three Months Ended September 30, 2007	Change	Percent Change
Interest expense	$ 6.8	$ 8.0	$ (1.2)	(15)%
Average outstanding borrowings	$ 388.6	$ 384.4	$ 4.2	1%
Average borrowing rate	7.00%	8.32%	(132)	basis points

Interest expense decreased $1.2 million in the third quarter of 2008 compared to the same period of 2007, due to a lower average borrowing rate during the third quarter of 2008 partially offset by higher average outstanding borrowings. The increase in average borrowings in the third quarter of 2008 resulted from increased working capital. The lower average borrowing rate in the third quarter of 2008 was due primarily to decreased interest rates under our revolving credit facility compared to the same period in 2007.

Impairment Changes

During the third quarter of 2008, the Company recorded asset impairment charges associated with the recent volume declines and volatility in the automotive markets. Charges of $17.5 million were for impairment of property and equipment and other long-term assets.

Income Tax:

The benefit for income taxes was $4.6 million in the third quarter of 2008, a 34% effective income tax rate, compared to a provision for income taxes of $3.8 million provided in the corresponding quarter of 2007, a 38% effective income tax rate.

Liquidity and Sources of Capital

Our liquidity needs are primarily for working capital and capital expenditures. Our primary sources of liquidity have been funds provided by operations and funds available from existing bank credit arrangements and the sale of our senior subordinated notes. In 2003, we entered into a revolving credit facility with a group of banks which, as subsequently amended, matures at December 31, 2010 and provides for availability of up to $270 million subject to an asset-based formula. The revolving credit facility is secured by substantially all our assets in the United States, Canada and the United Kingdom. Borrowings from this revolving credit facility will be used for general corporate purposes.

Amounts borrowed under the revolving credit facility may be borrowed at the Company's election at either (i) LIBOR plus .75% to 1.75% or (ii) the bank's prime lending rate. The LIBOR-based interest rate is dependent on the Company's debt service coverage ratio, as defined in the revolving credit facility. Under the revolving credit facility, a detailed borrowing base formula provides borrowing availability to the Company based on percentages of eligible accounts receivable, inventory and fixed assets. As of September 30, 2008, the Company had $160.2 million outstanding under the revolving credit facility and approximately $76.4 million of unused borrowing availability.

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. The future availability of bank borrowings under the revolving credit facility is based on the Company's ability to meet a debt service ratio covenant, which could be materially impacted by negative economic trends. Failure to meet the debt service ratio could materially impact the availability and interest rate of future borrowings. Disruptions, uncertainty or volatility in the credit markets may adversely impact the availability of credit already arranged and the availability and cost of credit in the future. These market conditions may limit our ability to replace, in a timely manner, maturing liabilities and access the capital necessary to grow and maintain our business. Accordingly, we may be forced to delay raising capital or pay unattractive interest rates, which could increase our interest expense, decrease our profitability and significantly reduce our financial flexibility. There can be no assurances that government responses to the disruptions in the financial markets will stabilize the markets or increase liquidity and the availability of credit.

At September 30, 2008, the Company was in compliance with the debt service coverage ratio covenant and other covenants contained in the revolving credit facility.

The ratio of current assets to current liabilities was 2.30 at September 30, 2008 versus 2.40 at December 31, 2007. Working capital increased by $16.5 million to $286.6 million at September 30, 2008 from $270.1 million at December 31, 2007.

During the first nine months of 2008, the Company provided $10.8 million from operating activities compared to $8.1 million in the same period of 2007. The increase in operating cash provision of $2.7 million was primarily the result of a larger increase in accounts payable and accrued expenses in the first nine months of 2008 compared to the same period of 2007 (an increase of $22.2 million compared to a decrease of $12.7 million, respectively), primarily due to an increase in advance billings in the first nine months of 2008 of $6.1 million versus a reduction in advance billings in the first nine months of 2007 of $7.3 million and to improvements in the timing of payments of accounts payable. This difference, plus a decrease in net income of $17.2 million, was offset by non-cash impairment charges of $17.5 million and a larger increase in accounts receivable, inventories and other current assets in the first nine months of 2008 compared to the same period of 2007 (an increase of

$31.3 million compared to an increase of $16.3 million, respectively), due to an inventory increase in the Manufactured Products Segment and a receivable increase at the Supply Technologies and Aluminum Products Segments. In the first nine months of 2008, the Company also used cash of $15.8 million for capital expenditures. These activities, plus cash interest and tax payments of $21.1 million, $3.2 million of cash paid to purchase the Company's common stock, and a net increase in borrowing of $20.3 million, resulted in an increase in cash of $14.5 million in the first nine months of 2008.

We do not have off-balance sheet arrangements, financing or other relationships with unconsolidated entities or other persons. There are occasions whereupon we enter into forward contracts on foreign currencies, primarily the euro, purely for the purpose of hedging exposure to changes in the value of accounts receivable in those currencies against the U.S. dollar. At September 30, 2008, none were outstanding. We currently have no other derivative instruments.

Seasonality; Variability of Operating Results

Our results of operations are typically stronger in the first six months than the last six months of each calendar year due to scheduled plant maintenance in the third quarter to coincide with customer plant shutdowns and due to holidays in the fourth quarter.

The timing of orders placed by our 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 our 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-Q 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. The words "will", "believes", "anticipates", "plans", "expects", "intends", "estimates" and similar expressions are intended to identify forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance and achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These uncertainties and other factors include such things as: general business conditions and competitive factors, including pricing pressures and product innovation; demand for our products and services; raw material availability and pricing; changes in our relationships with customers and suppliers; the financial condition of our customers, including the impact of any bankruptcies; our ability to successfully integrate recent and future acquisitions into existing operations; changes in general domestic economic conditions such as inflation rates, interest rates, tax rates and adverse impacts to us, including the uncertainties related to the current global financial crisis; adverse impacts to us, our suppliers and customers from acts of terrorism or hostilities; our ability to meet various covenants, including financial covenants, contained in our revolving credit agreement and the indenture governing our senior subordinated notes; disruptions, uncertainty or volatility in the credit markets that may limit our access to capital; increasingly stringent domestic and foreign governmental regulations, including those affecting the environment; inherent uncertainties involved in assessing our potential liability for environmental remediation-related activities; the outcome of pending and future litigation and other claims; our dependence on the automotive and heavy-duty truck industries, which are highly cyclical; the dependence of the automotive industry on consumer spending, which could be lower due to the effects of the current financial crisis; dependence on key management; and dependence on information systems. Any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law. In light of these and other uncertainties, the inclusion of a forward-looking statement herein should not be regarded as a representation by us that our plans and objectives will be achieved.

Review By Independent Registered Public Accounting Firm

The consolidated financial statements at September 30, 2008, and for the three-month and nine-month periods ended September 30, 2008 and 2007, have been reviewed, prior to filing, by Ernst & Young LLP, our independent registered public accounting firm, and their report is included herein.

Item 3. ***Quantitative and Qualitative Disclosures About Market Risk***

We are exposed to market risk including changes in interest rates. We are subject to interest rate risk on borrowings under our floating rate revolving credit agreement, which consisted of borrowings of $160.2 million at September 30, 2008. A 100 basis point increase in the interest rate would have resulted in an increase in interest expense of approximately $1.2 million during the nine-month period ended September 30, 2008.

Our foreign subsidiaries generally conduct business in local currencies. During the first nine months of 2008, we recorded an unfavorable foreign currency translation adjustment of $3.2 million related to net assets located outside the United States. This foreign currency translation adjustment resulted primarily from the strengthening of the U.S. dollar. Our foreign operations are also subject to other customary risks of operating in a global environment, such as unstable political situations, the effect of local laws and taxes, tariff increases and regulations and requirements for export licenses, the potential imposition of trade or foreign exchange restrictions and transportation delays.

The Company periodically enters into forward contracts on foreign currencies, primarily the euro and the British Pound Sterling, purely for the purpose of hedging exposure to changes in the value of accounts receivable in those currencies against the U.S. dollar. The Company currently uses no other derivative instruments. At September 30, 2008, there were no such currency hedge contracts outstanding.

Item 4. ***Controls and Procedures***

Under the supervision of and with the participation of our management, including our chief executive officer and chief financial officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15(d)-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this quarterly report. Based on that evaluation, our chief executive officer and chief financial officer have concluded that, as of the end of the period covered by this quarterly report, our disclosure controls and procedures were effective.

There have been no changes in our internal control over financial reporting that occurred during the third quarter of 2008 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

OTHER INFORMATION

Item 1. *Legal Proceedings*

We are 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 is not expected to have a material adverse effect on our financial condition, liquidity or results of operations.

At September 30, 2008, we were a co-defendant in approximately 365 cases asserting claims on behalf of approximately 8,400 plaintiffs alleging personal injury as a result of exposure to asbestos. These asbestos cases generally relate to production and sale of asbestos-containing products and allege various theories of liability, including negligence, gross negligence and strict liability and seek compensatory and, in some cases, punitive damages.

In every asbestos case in which we are named as a party, the complaints are filed against multiple named defendants. In substantially all of the asbestos cases, the plaintiffs either claim damages in excess of a specified amount, typically a minimum amount sufficient to establish jurisdiction of the court in which the case was filed (jurisdictional minimums generally range from $25,000 to $75,000), or do not specify the monetary damages sought. To the extent that any specific amount of damages is sought, the amount applies to claims against all named defendants.

There are only four asbestos cases, involving 21 plaintiffs, that plead specified damages. In each of the four cases, the plaintiff is seeking compensatory and punitive damages based on a variety of potentially alternative causes of action. In three cases, the plaintiff has alleged compensatory damages in the amount of $3.0 million for four separate causes of action and $1.0 million for another cause of action and punitive damages in the amount of $10.0 million. In the other case, the plaintiff has alleged compensatory damages in the amount of $20.0 million for three separate causes of action and $5.0 million for another cause of action and punitive damages in the amount of $20.0 million.

Historically, we have been dismissed from asbestos cases on the basis that the plaintiff incorrectly sued one of our subsidiaries or because the plaintiff failed to identify any asbestos-containing product manufactured or sold by us or our subsidiaries. We intend to vigorously defend these asbestos cases, and believe we will continue to be successful in being dismissed from such cases. However, it is not possible to predict the ultimate outcome of asbestos-related lawsuits, claims and proceedings due to the unpredictable nature of personal injury litigation. Despite this uncertainty, and although our results of operations and cash flows for a particular period could be adversely affected by asbestos-related lawsuits, claims and proceedings, management believes that the ultimate resolution of these matters will not have a material adverse effect on our financial condition, liquidity or results of operations. Among the factors management considered in reaching this conclusion were: (a) our historical success in being dismissed from these types of lawsuits on the bases mentioned above; (b) many cases have been improperly filed against one of our subsidiaries; (c) in many cases, the plaintiffs have been unable to establish any causal relationship to us or our products or premises; (d) in many cases, the plaintiffs have been unable to demonstrate that they have suffered any identifiable injury or compensable loss at all, that any injuries that they have incurred did in fact result from alleged exposure to asbestos; and (e) the complaints assert claims against multiple defendants and, in most cases, the damages alleged are not attributed to individual defendants. Additionally, we do not believe that the amounts claimed in any of the asbestos cases are meaningful indicators of our potential exposure because the amounts claimed typically bear no relation to the extent of the plaintiff's injury, if any.

Our cost of defending these lawsuits has not been material to date and, based upon available information, our management does not expect its future costs for asbestos-related lawsuits to have a material adverse effect on our results of operations, liquidity or financial position.

Item 1A. ***Risk Factors***

There have been no material changes in the risk factors previously disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2007.

Item 2. ***Unregistered Sales of Equity Securities and Use of Proceeds***

Period	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May yet be Purchased Under the Plans or Programs(1)
July 1, 2008 through July 31, 2008	—	$ —	-0-	753,155
August 1, 2008 through August 31, 2008	291(2)	$ 21.29	-0-	753,155
September 1, 2008 through September 30, 2008	9,888(2)	$ 20.00	-0-	753,155
Total:	10,179	$ 20.04	-0-	753,155

(1) The Company has a share repurchase program, which it announced on September 27, 2006, whereby the Company may repurchase up to 1.0 million shares of its common stock. The Company did not purchase shares under this program during the quarter ended September 30, 2008.

(2) Consists of shares of common stock the Company acquired from recipients of restricted stock awards at the time of vesting of such awards in order to settle recipient withholding tax liabilities.

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

None.

Item 6. ***Exhibits***

The following exhibits are included herein:

10.1	Separation agreement with Richard P. Elliott, former Vice President and Chief Financial Officer, dated as of July 17, 2008
15	Letter re: unaudited interim financial information
31.1	Principal Executive Officer's Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Principal Financial Officer's Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	Certification requirement under Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURE

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

PARK-OHIO HOLDINGS CORP.
(Registrant)

By /s/ Jeffrey L. Rutherford
Name: Jeffrey L. Rutherford
Title: Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: November 10, 2008

EXHIBIT INDEX
QUARTERLY REPORT ON FORM 10-Q
PARK-OHIO HOLDINGS CORP. AND SUBSIDIARIES
FOR THE QUARTER ENDED SEPTEMBER 30, 2008

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EX-10.1 2 l34268aexv10w1.htm EX-10.1

Exhibit 10.1

NOTICE: YOU SHOULD THOROUGHLY REVIEW AND UNDERSTAND THE TERMS, CONDITIONS AND EFFECT OF THIS AGREEMENT OF SETTLEMENT AND RELEASE. THEREFORE, PLEASE CONSIDER IT FOR AT LEAST TWENTY-ONE (21) DAYS BEFORE SIGNING IT. YOU ARE ADVISED TO CONSULT WITH AN ATTORNEY BEFORE YOU SIGN THIS GENERAL RELEASE.

AGREEMENT OF SETTLEMENT AND RELEASE

This Agreement of Settlement and Release ("Agreement") is effective this 1st day of July, 2008, by and between Richard P. Elliott for himself and any and all of his heirs, successors, assigns, agents, representatives, attorneys and all other affiliated and related individuals (collectively referred to as "EMPLOYEE") and **Park-Ohio Industries, Inc., a subsidiary of Park-Ohio Holdings Corp.**, individually ("PARK-OHIO") and all of its affiliates, subsidiaries, directors, officers, present, former and future shareholders, representatives, employees, insurers, successors, agents, assigns, heirs, beneficiaries, personal representatives, executors, administrators and any and all persons acting by, through under or in concert with any of them (collectively referred to as "EMPLOYER").

WHEREAS, EMPLOYEE and PARK-OHIO terminated their employment relationship on July 1, 2008; and

WHEREAS, EMPLOYEE desires to release EMPLOYER from any and all of EMPLOYEE'S potential and existing claims and disputes against EMPLOYER, whether known or unknown, as of the date of this Agreement; and

WHEREAS, EMPLOYEE held a position of trust and responsibility as a key employee of PARK-OHIO and has acquired substantial knowledge of the identity of customers, suppliers, vendors, products, pricing plans, operations, procedures, innovations, business relationships, development projects, plans and other confidential information of EMPLOYER and the disclosure of such information in a manner not authorized could severely damage the business of EMPLOYER; and

WHEREAS, EMPLOYER has a substantial interest in protecting its investment in its technology, operations and business activities, including the goodwill it has established with its customers.

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, and for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged by the parties, EMPLOYEE and PARK-OHIO hereby agree as follows:

1. EMPLOYEE does hereby fully and forever release and discharge EMPLOYER of and from any and all claims, demands and complaints, whether in law or in equity, civil or criminal, vested or contingent, before any federal, state, local or private court, agency, arbitrator or other entity, whether for damages, wages, separation pay, front pay, back pay, vacation pay, attorneys' fees, costs, expenses and/or any other relief or remedy arising from, based upon, or in any way connected with or relating to EMPLOYEE'S employment and/or the termination of his employment with PARK-OHIO during or after his employment with PARK-OHIO, whether known or unknown, under any contract and/or federal, state or local law, ordinance or regulation, including, but not limited to, laws or regulations covering unemployment insurance benefits, workers' compensation, industrial accidents, the National Labor Relations Act, as amended (29 U.S.C. §141 et seq. and 29 U.S.C. §151 et seq.), Title VII of the Civil Rights Act of 1964, and the Civil Rights Act of 1991 (42 U.S.C. §2000e et seq.), Sections 1981 through 1988 of Title 42 of the United States Code, the Employee Retirement Income Security Act of 1974, as amended (29 U.S.C. §1001 et seq.), the Immigration Reform and Control Act (8 U.S.C. §1101 et seq.), the Americans with Disabilities Act of 1990 (42 U.S.C. §12101 et seq.), the Age Discrimination in Employment Act of 1967, as amended by the Older Workers Benefit Protection Act (29 U.S.C. §621 et seq.), the Fair Labor Standards Act, as amended (29 U.S.C. §201 et seq.), the Occupational Safety and Health Act, as amended (29 U.S.C. §651 et seq.), the Family and Medical Leave Act (29 U.S.C. §2601 et seq.), Uniform Services Employment and Reemployment Rights Act (38 U.S.C. §4301 et seq.), the Worker Adjustment and Retraining Notification Act of 1988 (29 U.S.C. 2101 *et seq.*), and the Sarbanes-Oxley Act (18 U.S.C. 651 et seq.). EMPLOYEE further waives and releases any and all claims or demands arising under state or local law (e.g., Ohio Revised Code § 4112 et seq., Ohio Revised Code §4113.52 et seq., Ohio Revised Code §4123 et seq., Ohio Revised Code §4123.90 et seq., of like or similar import), including but not limited to, any and all common law claims including, but not limited to, breach of oral, express or implied contract, promissory estoppel, wrongful discharge, violation of public policy, and any and all claims of interference with lawful business relationships, intentional and/or negligent infliction of emotional distress, loss of consortium, any claims for personal injury, any claims for failing to obtain employment with any other person or employer, and any other claims under any other tort or contractual, common law or statutory theory that EMPLOYEE may have which arise out of, or in any way relate, directly or

indirectly, to any aspect of EMPLOYEE'S employment and subsequent termination from employment with PARK-OHIO. EMPLOYEE further agrees that he has received, without incident or interference, any and all rights and benefits under the Family and Medical Leave Act and the Uniform Services Employment and Reemployment Rights Act.

2. EMPLOYEE recognizes and understands that by executing this Agreement, EMPLOYEE shall be releasing EMPLOYER from any claims under the Age Discrimination in Employment Act, 29 U.S.C. Section 621 et seq., as amended, by reason of any matters or things arising out of, or in any way connected with, directly or indirectly, any acts or omissions which would have occurred prior to and including the effective date of this Agreement.

3. In consideration of the terms and conditions of this Agreement and subject to EMPLOYEE's compliance with the terms and conditions of this Agreement and that certain Non-Competition/Non-Disclosure/Non-Solicitation Agreement ("Non-Competition Agreement") PARK-OHIO hereby agrees to provide to EMPLOYEE the payments and benefits described in the following subparagraphs (a) and (b):

(a) PARK-OHIO agrees to pay to EMPLOYEE $300,000.00 as separation pay, with all federal income, state income, Social Security/Medicare taxes, and any other applicable taxes or deductions being withheld (the "Separation Pay"). The Separation Pay will be paid in monthly installments for twelve (12) months in accordance with PARK-OHIO'S regular monthly payroll frequency. The first payment will be made at the first regular monthly payroll to occur following the date that is fourteen (14) days after the receipt by PARK-OHIO of this Agreement executed by EMPLOYEE (the "First Payment Date"). EMPLOYEE waives all rights to interest on the severance amount under common law, O.R.C. §1343.03(a) or any other law. EMPLOYEE agrees that PARK-OHIO has compensated EMPLOYEE for all hours worked in accordance with federal and state wage and hour laws and that the PARK-OHIO does not owe EMPLOYEE any unpaid wages.

(b) Except as provided in this subparagraph (b) with respect to medical insurance plan coverage, EMPLOYEE'S participation in all benefit plans and programs provided by PARK-OHIO or any of its affiliates shall terminate on July 1, 2008. Notwithstanding the foregoing cessation of benefits, EMPLOYEE and his dependents (as defined in PARK-OHIO'S medical insurance plan) shall be entitled to continue participation in PARK-OHIO's medical, dental and related healthcare insurance plans through the earlier of (i) the date EMPLOYEE becomes eligible for any such coverage under another employer's or any other medical plan or (ii) June 30, 2009 (the "Medical Continuation Period"). During the Medical Continuation Period, EMPLOYEE shall be responsible for paying the employee's portion of the medical insurance premium payments at the same rate that active employee's, who have elected the same level of coverage, pay. EMPLOYEE hereby authorizes PARK-OHIO to deduct the employee medical premiums for the medical insurance coverage period in equal installments from EMPLOYEE's separation payments hereunder. EMPLOYEE agrees that the coverage under the medical insurance plan provided during the Medical Continuation Period shall count against the medical insurance plan's obligation to provide continuation coverage pursuant to Part 6 of Subtitle B of Title I of the Employee Retirement Income Security Act of 1974, as amended ("COBRA"). EMPLOYEE acknowledges and agrees that after June 30, 2009, EMPLOYEE shall only be entitled to purchase medical insurance in accordance with and pursuant to the time limits permitted and remaining under COBRA and EMPLOYEE shall be responsible for the payment of any and all premiums required to continue the medical insurance coverage under COBRA.

4. All EMPLOYER owned property, including but not limited to hardware, software, printers, phones, electronics, computers, keys, identification cards and confidential and proprietary information, as well as open or closed non-confidential business files and records, and credit cards concerning EMPLOYER business whether held in paper, electronic or any other form, will be returned promptly by EMPLOYEE.

5. EMPLOYEE shall not access any network systems managed or used by PARK-OHIO. EMPLOYEE will be permitted access to his PARK-OHIO email account for the forty five (45) days following the effective date of this Agreement. In further consideration of the payments to be made to EMPLOYEE hereunder, EMPLOYEE agrees to make himself available, cooperate with and provide PARK-OHIO reasonable assistance, as necessary, for the transition of EMPLOYEE'S assignments, including but not limited to turning over all matters in which EMPLOYEE was or is involved.

6. EMPLOYEE acknowledges that he has not initiated a claim, lawsuit, charge of discrimination or any other legal proceeding against EMPLOYER.

7. EMPLOYEE agrees never to file or otherwise initiate a lawsuit or any other legal proceeding, or seek damages against EMPLOYER regarding any claim that is released in this Agreement. While EMPLOYEE acknowledges and understands that by this Agreement he

foregoes, among other things, any and all past and present rights to recover money damages arising out of EMPLOYEE'S employment and termination, the parties agree that this Agreement shall not preclude EMPLOYEE from filing any charge with the EEOC or similar administrative agency or from any way participating in any investigation, hearing, or proceeding of the EEOC. EMPLOYEE, however, agrees to waive any relief from any such administrative agency. Notwithstanding the foregoing, Agreement shall not affect EMPLOYEE's right to receive unemployment compensation. EMPLOYEE further represents that he will not encourage, solicit, cooperate or participate in the investigation or prosecution of any action against EMPLOYER (other than an investigation of an administrative agency charge) unless EMPLOYEE is specifically subpoenaed to appear in such proceedings. Finally, EMPLOYEE agrees that he will not encourage, solicit or assist any former, current or future employee of EMPLOYER to pursue any claim(s) against EMPLOYER and will not discuss in any way with any former, current or future employees of EMPLOYER the pursuit of such claims.

8. EMPLOYEE hereby acknowledges and agrees that in the event EMPLOYEE breaches any term or condition of this Agreement or the Non-Competition Agreement then PARK-OHIO shall be under no further obligation to pay EMPLOYEE any amounts or benefits under this Agreement which remain unpaid at the time of such breach. The foregoing shall be in addition to any other remedies PARK-OHIO may otherwise have under the law.

9. EMPLOYEE acknowledges that by entering into this Agreement, EMPLOYER does not admit that it engaged in any wrongful or unlawful act or that it violated any federal, state or local statute, law, ordinance or regulation. EMPLOYEE further acknowledges that EMPLOYER specifically denies that it engaged in any wrongful or unlawful acts and that it is entering into this Agreement solely for the purpose of avoiding the time and expense involved in proceeding with a lawsuit. This Agreement extends to all claims of every nature and kind whatsoever, whether known or unknown, suspected or unsuspected, that exists or might exist as of the date of this Agreement.

10. EMPLOYEE agrees to keep the terms of this Agreement confidential. EMPLOYEE further agrees that he will refrain from making any disparaging statements about EMPLOYER, or EMPLOYER'S personnel.

11. EMPLOYEE represents and acknowledges that in executing this Agreement, he does not rely and has not relied upon any representations or statements made by any other party hereto, or by any other party's agents, representatives or attorneys. Further, EMPLOYEE expressly waives

his rights to any information which is not disclosed prior to the execution of this Agreement.

12. EMPLOYEE acknowledges that he was given at least twenty-one (21) days in which to consider whether to execute this Agreement before being required to make a decision. EMPLOYEE further acknowledges that he may revoke this Agreement for a period of seven (7) calendar days from the date he executed the Agreement. EMPLOYEE understands that if he exercises his right to revoke this Agreement, the agreements reflected herein will no longer be in effect. Any notice of revocation must be in writing and must be received by PARK-OHIO, Attention Legal Department, at 6065 Parkland Boulevard, Cleveland, Ohio 44124 prior to the expiration of the seven (7) calendar day revocation period.

13. EMPLOYEE represents and warrants that he has neither made, nor suffered to be made, any assignment or transfer of any right, claim, demand or cause of action which is the subject of this Agreement and that EMPLOYEE is the sole and absolute legal and equitable owner of all rights, claims, demands or causes of action herein released.

14. EMPLOYEE agrees to abide by and acknowledges the validity and enforceability of the Non-Competition Agreement which EMPLOYEE executed, and which is attached hereto and made a part hereof as Exhibit A. Should there be a conflict between the terms of this Agreement and the Non-Competition Agreement relating to subject matter of the Non-Competition Agreement, then the terms of the Non-Competition Agreement shall prevail. 15. The parties hereto acknowledge and agree that, in the event of default of EMPLOYEE'S obligations hereunder, EMPLOYER would suffer irreparable injury and EMPLOYER shall be entitled to immediate injunctive relief in addition to monetary damages, attorney fees and costs.

16. This Agreement, the Non-Competition Agreement attached as Exhibit A, the Stock Option Agreements dated November 30, 2001, May 2, 2005 and April 12, 2007 and that certain letter agreement between EMPLOYER and EMPLOYEE dated July 11, 2008 constitute the entire agreements between EMPLOYEE and EMPLOYER and there are no other oral or written agreements between EMPLOYEE and EMPLOYER. No waiver, modification or amendment of any terms, conditions or provisions of this Agreement shall be valid or have any force or effect unless made in writing and signed by the parties.

17. The parties acknowledge that this Agreement shall be construed and interpreted in accordance with the laws of the State of Ohio. The parties hereto voluntarily consent and allow the

courts of the State of Ohio to assume jurisdiction over any disputes and/or controversies between the parties, arising out of or concerning this Agreement. The parties agree that any litigation arising out of this Agreement or concerning the rights and obligations hereunder shall be commenced and maintained in the appropriate courts of the State of Ohio.

18. The provisions of this Agreement are severable, and the invalidity of any one or more of the provisions shall not affect or limit the enforceability of the remaining provisions. Should any provision be held unenforceable for any reason, the remaining provisions shall be enforced to the maximum extent permitted by law. In addition, should a court of competent jurisdiction herein find any provision of the Non-Competition Agreement null and void or unenforceable, it is expressly agreed that EMPLOYER shall then be entitled to the maximum relief allowable by law as to geography, duration and scope of relief.

19. Each payment and the provision of each benefit under this Agreement will be considered a separate payment and not one of a series of payments for purposes of Section 409A of the Internal Revenue Code ("Code"). It is intended that this Plan comply with the provisions of Section 409A of the Code. This Plan will be administered in a manner consistent with such intent. Notwithstanding any other provision of this Agreement, PARK-OHIO shall not be obligated to guarantee any particular tax result for EMPLOYEE with respect to any payment provided to EMPLOYEE hereunder, and EMPLOYEE shall be responsible for any taxes imposed on EMPLOYEE with respect to any such payment.

20. EMPLOYEE represents and affirms under penalties of perjury that he executes this Agreement knowingly and voluntarily, that he has been thoroughly advised of his right to discuss all aspects of this Agreement with counsel prior to executing this Agreement, that he understands the terms of this Agreement, that he has had a reasonable time to consider this Agreement, that its terms represent consideration in addition to anything of value to which he is already entitled, and that his attorney has explained the terms of this Agreement to him.

/s/ Richard P. Elliott

EMPLOYEE

SWORN TO BEFORE ME and subscribed in my presence this 17th day of July, 2008.

/s/ Linda Kold
Notary Public

Park-Ohio Industries, Inc.

By: /s/ Robert D. Vilsack

Its: Secretary and General Counsel

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EXHIBIT (15)

LETTER RE: UNAUDITED INTERIM FINANCIAL INFORMATION

Board of Directors and Shareholders
Park-Ohio Holdings Corp.

We are aware of the incorporation by reference in the following Registration Statements of Park-Ohio Holdings Corp for the registration of its common stock of our report dated November 7, 2008 relating to the unaudited consolidated interim financial statements of Park-Ohio Holdings Corp., that is included in its Form 10-Q for the quarter ended September 30, 2008.

Registration Statement	Description	Shares Registered
Form S-8 (333-01047)	Individual Account Retirement Plan	1,500,000
Form S-8 (333-58161)	Park-Ohio Holdings Corp. Amended and Restated 1998 Long-Term Incentive Plan	550,000
Form S-8 (333-110536)	Park-Ohio Holdings Corp. Amended and Restated 1998 Long-Term Incentive Plan	1,100,000
Form S-3 (333-134653)	Registration of $100 million of Park-Ohio Holdings Corp.'s shares of common stock and debt securities	
Form S-8 (333-137540)	Park-Ohio Holdings Corp. Amended and Restated 1998 Long-Term Incentive Plan	1,000,000

/s/ Ernst & Young LLP

Cleveland, Ohio
November 7, 2008

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EXHIBIT 31.1

**PRINCIPAL EXECUTIVE OFFICER'S CERTIFICATIONS
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Edward F. Crawford, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Park-Ohio Holdings Corp.;

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

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

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By /s/ Edward F. Crawford
Name: Edward F. Crawford
Title: Chairman and Chief Executive Officer

Dated: November 7, 2008

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EXHIBIT 31.2

PRINCIPAL FINANCIAL OFFICER'S CERTIFICATIONS
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jeffrey L. Rutherford, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Park-Ohio Holdings Corp.;

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

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

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By /s/ Jeffrey L. Rutherford
Name: Jeffrey L. Rutherford
Title: Vice President and Chief Financial Officer

Dated: November 7, 2008

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EXHIBIT 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Park-Ohio Holdings Corp. (the "Company") on Form 10-Q for the period ended September 30, 2008, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

By /s/ Edward F. Crawford
Name: Edward F. Crawford
Title: Chairman and Chief Executive Officer

By /s/ Jeffrey L. Rutherford
Name: Jeffrey L. Rutherford
Title: Vice President and Chief Financial Officer

Date: November 7, 2008

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.