SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

FOR QUARTER ENDED SEPTEMBER 30, 1996	COMMISSION FILE NO. 0-3134

PARK-OHIO INDUSTRIES, INC.

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

OHIO	34-6520107
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
23000 EUCLID AVENUE CLEVELAND, OHIO	44117
	(Zip Code)

(Address of principal executive offices)

Registrant's telephone number, including area code 216/692-7200

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 X NO
--------- ---------

Number of shares outstanding of registrant's Common Stock, par value $1.00 per share, as of October 31, 1996: 10,995,498 including 562,500 shares held in escrow.

The Exhibit Index is located on page 15.

INDEX

PARK-OHIO INDUSTRIES, INC. AND SUBSIDIARIES

PART I. FINANCIAL INFORMATION
- - -----------------------------

PART I

FINANCIAL INFORMATION

CONSOLIDATED CONDENSED BALANCE SHEETS
PARK-OHIO INDUSTRIES, INC. AND SUBSIDIARIES

	(Unaudited) September 30 1996	December 31 1995
	(In Thousands)	
ASSETS		
Current Assets		
Cash and cash equivalents	$ 2,232	$ 2,662
Accounts receivable, less allowances for doubtful accounts of $1,128,000 at September 30, 1996 and $787,000 at December 31, 1995	59,761	55,121
Inventories	80,128	80,702
Deferred taxes	8,000	8,000
Other current assets	4,967	3,935
Total Current Assets	155,088	150,420
Property, Plant and Equipment	102,605	94,117
Less accumulated depreciation	53,690	49,691
	48,915	44,426
Other Assets		
Excess purchase price over net assets acquired, net	41,756	41,991
Net assets of discontinued operations	-0-	33,694
Deferred taxes	5,700	15,400
Other	21,169	15,816

	$272,628	$301,747
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Trade accounts payable	$ 25,098	$ 30,859
Accrued expenses	17,895	17,013
Current portion of long-term liabilities	6,955	5,829
Total Current Liabilities	49,948	53,701
Long-Term Liabilities, less current portion		
Long-term debt	49,847	92,450
Other postretirement benefits	28,718	30,562
Other	6,983	6,845
	85,548	129,857
Convertible Senior Subordinated Debentures	22,235	22,235
Shareholders' Equity		
Capital stock, par value $1 a share:		
Serial Preferred Stock	-0-	-0-
Common Stock	10,408	10,402
Additional paid-in capital	49,234	49,184
Retained earnings	55,255	36,368
	114,897	95,954
	$272,628	$301,747

Note: The balance sheet at December 31, 1995 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. Certain amounts have been reclassified for comparative purposes.

See notes to consolidated condensed financial statements.

CONSOLIDATED CONDENSED STATEMENTS OF INCOME (UNAUDITED)
PARK-OHIO INDUSTRIES, INC. AND SUBSIDIARIES
(In Thousands - Except Per Share Data)

	Three Months Ended September 30		Nine Months Ended September 30	
	1996	1995	1996	1995
Net sales	$ 79,750	$77,164	$ 261,297	$207,806
Cost of products sold	66,706	65,616	217,293	173,104
Gross profit	13,044	11,548	44,004	34,702
Selling, general and administrative expenses	9,482	7,522	28,314	21,244
Interest expense	1,627	1,772	5,478	4,046
Investment (Income)	(1,521)	-0-	(1,521)	-0-
Income from continuing operations before income taxes	3,456	2,254	11,733	9,412

Income taxes	1,343	195	4,488	436
Income from continuing operations	2,113	2,059	7,245	8,976
Income from discontinued operations, net of tax in 1996	8,817	956	11,642	2,600
Net Income	$ 10,930	$ 3,015	$ 18,887	$ 11,576
Primary earnings per share:				
Continuing operations	$ .19	$ .19	$ .66	$ .89
Discontinued operations	.81	.09	1.06	.26
Net income	$ 1.00	$ .28	$ 1.72	$ 1.15
Common shares used in the computation	10,924	10,799	10,977	10,040

See notes to consolidated condensed financial statements.

CONSOLIDATED CONDENSED STATEMENTS
OF CASH FLOWS (UNAUDITED)
PARK-OHIO INDUSTRIES, INC. AND SUBSIDIARIES
(In Thousands)

	Nine Months Ended September 30	
	1996	1995
OPERATING ACTIVITIES		
Net income	$ 18,887	$ 11,576
Adjustments to reconcile net income to net cash provided (used) by continuing operations:		
Discontinued operations	(11,642)	(2,600)
Depreciation and amortization	5,512	4,859
Deferred taxes from continuing operations	4,000	-0-
Gain on sales of investments	(1,521)	-0-
	15,236	13,835
Changes in operating assets and liabilities of continuing operations excluding acquisitions of businesses:		
Accounts receivable	(1,524)	(4,214)
Inventories and other current assets	(346)	(13,787)
Accounts payable and accrued expenses	(8,320)	(1,665)
Other	(6,755)	(3,459)
Net Cash(Used) by Continuing Operations	(1,709)	(9,290)
Net Cash Provided by Discontinued Operations	1,474	1,325
Net Cash (Used) by Operations	(235)	(7,965)
INVESTING ACTIVITIES		
Purchases of property, plant and equipment, net	(8,600)	(10,045)
Cost of acquisitions, net of cash acquired	-0-	(33,383)
Investments	(4,763)	-0-
Proceeds from sales of investments	6,065	-0-
Proceeds from sale of discontinued operation	48,522	-0-
Net Cash Provided (Used) by Investing Activities	41,224	(43,428)

FINANCING ACTIVITIES		
Proceeds from bank arrangements for acquisitions	-0-	66,202
Proceeds from bank arrangements for operations	9,500	18,765
Payments on bank borrowings	(50,976)	(216)
Payments on acquired debt	-0-	(32,819)
Issuance of common stock under stock option plan	57	-0-
Net Cash (Used) Provided by Financing Activities	(41,419)	51,932
(Decrease) Increase in Cash and Cash Equivalents	(430)	539
Cash and Cash Equivalents at Beginning of Period	2,662	2,172
Cash and Cash Equivalents at End of Period	$ 2,232	$ 2,711

See notes to consolidated condensed financial statements

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
PARK-OHIO INDUSTRIES, INC. AND SUBSIDIARIES
September 30, 1996

NOTE A - BASIS OF PRESENTATION

The accompanying unaudited consolidated condensed financial statements have been prepared in accordance with generally accepted accounting principles 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 generally accepted accounting principles 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 and nine-month periods ended September 30, 1996 are not necessarily indicative of the results that may be expected for the year ending December 31, 1996. 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, 1995. Certain amounts for the prior periods have been reclassified for comparative purposes.

NOTE B - ACQUISITION OF RB&W CORPORATION

On March 31, 1995, the Company acquired all of the shares of RB&W Corporation (RB&W)in exchange for 2,023,000 shares of the Company's common stock ($11.50 market value as of March 31, 1995) and cash of $30,968,000. The transaction has been accounted for as a purchase.

The table below reflects the fair value of the net assets acquired of RB&W:

	(In thousands)
Cash	$ 510
Accounts receivable	29,551
Inventories	36,131
Property, plant and equipment	5,591
Excess purchase price over net assets acquired	25,596
Deferred tax assets	13,300
Other assets	12,620
Notes payable	(28,739)
Trade accounts payable	(21,524)
Accrued expenses	(9,172)
Long-term liabilities	(9,622)
Total Cost of Acquisition	$ 54,242

The following unaudited pro forma results of continuing operations assume the acquisition occurred on January 1, 1995. These pro forma results have been prepared for comparative purposes only and do not purport to be indicative of the results of continuing operations which actually would have resulted had the acquisition occurred on the date indicated.

	Nine Months Ended September 30, 1995 (In thousands- Except Per share data)
Net sales	$ 254,838
Gross Profit	38,655
Income from continuing operations	7,960
Income from continuing operations per common share	$ .73

NOTE C - INVENTORIES

The components of inventory consist of the following:

	September 30 1996	December 31 1995
	(In thousands)	
In process and finished goods	$59,603	$58,215
Raw materials and supplies	20,525	22,487
	$80,128	$80,702

NOTE D - INCOME TAXES

Effective December 31, 1995, the Company recorded the deferred tax assets relating to anticipated future income tax benefits from utilization of net operating loss carryforwards. As a result, as of January 1, 1996, the Company began to fully provide for Federal income taxes. Income tax expense from continuing operations for the three and nine-months periods ended September 30, 1995 was reduced by $766,000 and $3,200,000, respectively due to the utilization of net operating loss carryforwards.

NOTE E - SHAREHOLDERS' EQUITY

Capital stock consists of the following:
- Serial Preferred Stock:
  - Authorized - 632,470 shares; none issued
- Common Stock:
  - Authorized - 20,000,000 shares
  - Issued and outstanding - 10,407,998 shares at September 30, 1996 and 10,401,831 at December 31, 1995. The increase in outstanding shares results from the issuance of 6,167 common shares upon the exercise of stock options.

NOTE F - NET INCOME PER COMMON SHARE

Net income per common share is based on the average number of common shares outstanding and assumes the exercise of outstanding dilutive stock options and the issuance of certain additional shares subject to earn-out provisions. On a fully diluted basis, both net income and common shares outstanding are adjusted to assume the conversion of the convertible senior subordinated debentures. Fully diluted earnings per share were as follows for the three and nine-month periods ended September 30, 1996 and September 30, 1995, respectively.

	Three Months Ended September 30		Nine Months Ended Septmeber 30	
	1996	1995	1996	1995
Continuing operations	$ .20	$ .20	$ .66	$ .91
Discontinued operations	.73	.08	.96	.23
Net Income	$ .93	$ .28	$ 1.62	$ 1.14
Common shares used in the computation	12,075	11,950	12,128	11,191

NOTE G - SALE OF BENNETT INDUSTRIES

On July 31, 1996, the Company completed the sale of substantially all of the assets of Bennett Industries, Inc. ("Bennett"), a wholly-owned subsidiary which manufactures plastic containers, to North American Packaging Corporation, an indirect wholly-owned subsidiary of Southcorp Holdings Limited , an Australian company, for approximately $50 million in cash, resulting in a pretax gain of approximately $14 million recognized in the third quarter of 1996. The results of operations and changes in cash flows for Bennett have been classified as discontinued operations for all periods presented in the related consolidated condensed statements of income and the consolidated condensed statements of cash flows, respectively. Interest expense has been allocated to discontinued operations based on the ratio of net assets discontinued to the total net assets of the consolidated entity plus consolidated debt. The assets and liabilities of Bennett have been classified in the consolidated condensed balance sheets as net assets of discontinued operations at December 31, 1995. The Company now operates in two industry segments: manufactured products and logistics.

Summary operating results of the discontinued operations,excluding the above gain, for the three and nine-month periods ended September 30, 1996 and September 30, 1995 were as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	1996	1995	1996	1995
Sales	$ 7,897	$21,452	$49,448	$63,040
Costs and Expenses	7,481	20,496	44,502	60,440
Income from discontinued operations before income taxes	416	956	4,946	2,600
Income taxes	115	-0-	1,820	-0-
Net income from discontinued operations	$ 301	$ 956	$ 3,126	$ 2,600

Independent Accountants' Review Report

Board of Directors and Shareholders
Park-Ohio Industries, Inc.

We have reviewed the accompanying consolidated condensed balance sheet of Park-Ohio Industries, Inc. and subsidiaries as of September 30, 1996, and the related consolidated condensed statements of income for the three-month and nine-month periods ended September 30, 1996 and 1995, and the consolidated condensed statements of cash flows for the nine-month periods ended September 30, 1996 and 1995. These financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data, and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, which will be performed for the full year with the objective of expressing an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

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

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet of Park-Ohio Industries, Inc. and subsidiaries as of December 31, 1995, 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 February 22, 1996, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated condensed balance sheet as of December 31, 1995, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ Ernst & Young LLP

October 18, 1996
Cleveland, Ohio

MANAGEMENT'S DISCUSSION

RESULTS OF OPERATIONS
FIRST NINE MONTHS 1996 VERSUS FIRST NINE MONTHS 1995

On July 31, 1996, substantially all of the assets of Bennett Industries, Inc., a wholly-owned subsidiary of the Company, which manufactures plastic containers, were sold to North American Packaging Corporation, an indirect wholly-owned subsidiary of Southcorp Holding Limited of Australia for approximately $50 million in cash. Accordingly, the results of operations and changes in cash flows of Bennett have been classified as discontinued operations for all periods presented in the consolidated condensed statements of income and cash flows. The assets and liabilities of Bennett have been classified in the consolidated condensed balance sheets as net assets of discontinued operations at December 31, 1995. The Company now operates in two industry segments: manufactured products and logistics.

Effective March 31, 1995, the Company acquired all of the shares of RB&W Corporation (RB&W) in exchange for $31 million in cash and 2.0 million of its common shares in a transaction valued at $54.2 million. The combination has been accounted for as a purchase and, accordingly, the operations of RB&W are included in the consolidated financial statements as of that date. The metal forming business of RB&W is included within the manufactured products segment, and the supply chain management business comprises the Company's logistics segment.

Net sales from continuing operations increased by $53.5 million or 26% in the first nine months of 1996 from the corresponding period of the prior year. Of the sales increase, approximately $47 million pertains to incorporating RB&W in the consolidated results for the entire nine months of 1996 with the remainder pertaining to acquisitions made subsequent to the second quarter of 1995.

Gross profit from continuing operations rose to $44.0 million in the current period from $34.7 million in the first nine months of 1995. RB&W accounted for approximately 85% of the increase while acquisitions made subsequent to the second quarter of 1995 accounted for the remainder. Consolidated gross margins were 16.8% of sales in the current period and 16.7% in the first nine months of 1995.

Selling, general and administrative costs from continuing operations increased by 33% in the current period primarily as a result of incorporating RB&W into the consolidated results for the entire first nine months of 1996. Of the total increase of $7.1 million, 62% pertains to RB&W and the remainder to increased sales, one time charges related to the installation of new systems, start-up costs related to the Company's cap and vial business and to other companies acquired during 1995. As a percentage of sales, consolidated selling, general and administrative costs accounted for 10.8% of the sales dollar in the current period and 10.2% in the corresponding period of the prior year.

Interest expense from continuing operations increased by $1.4 million in the current period due to higher levels of debt outstanding during the period. Average debt outstanding for the period increased from $84.6 million in 1995 to $109.9 million in 1996. The increase in borrowings was caused by the acquisition of RB&W as of April 1, 1995, and higher levels of revolving credit debt to support increased sales and production. Interest rates for the period are approximately the same as in the first nine months of 1995.

As of December 31, 1995, the Company recorded the deferred tax assets relating to anticipated future income tax benefits from utilization of net operating loss carryforwards. As a result, as of January 1, 1996, the Company began to fully provide for Federal income taxes. At December 31, 1995, the Company had net operating loss carryforwards for tax purposes of approximately $16.0 million available to offset future taxable income. During 1996, as a result of the gain on the sale of Bennett Industries, it is expected that the entire amount of net operating loss carryforwards will be utilized. Additionally, a subsidiary of the Company has net operating loss carryforwards for tax purposes of approximately $10.0 million, subject to certain limitations. For financial reporting purposes, the Company has additional net operating loss carryforwards relating to deductible temporary differences, the most significant of which relates to other postretirement benefits. Federal income tax expense from continuing operations for the 1995 period was reduced by $3.2 million due to the utilization of net operating loss carryforwards.

THIRD QUARTER 1996 VERSUS THIRD QUARTER 1995

Net sales from continuing operations increased by $2.6 million or 3% in the current period from the corresponding period of the prior year. The increase in sales pertains to companies acquired subsequent to the second quarter of 1995.

Gross profit from continuing operations rose to $13.0 million in the current period from $11.5 million in the third quarter of 1995 and is primarily attributable to internal growth. Consolidated gross margins were approximately 16% in the current period as compared to 15% in the corresponding period of the prior year.

Selling, general, and administrative costs from continuing operations increased by 26% in the period and is primarily due to increased sales, one time charges related to the installation of new systems, start-up costs related to the Company's cap and vial system and to businesses acquired in or after the third quarter of 1995. As a percentage of sales, consolidated selling, general and administrative costs approximated 12% in the current period versus 10% in the third quarter of 1995.

During the current period, the Company realized a gain on the sale of securities of approximately $1.5 million.

Interest expense from continuing operations decreased by $145 thousand in the third quarter of 1996 due to lower levels of debt outstanding during the period. During the period the Company applied the proceeds from the sale of its container division to pay down outstanding revolving credit debt. Average debt outstanding for the period decreased from $109.9 million in 1995 to $89.8 million in 1996. Interest rates for both periods are approximately the same.

LIQUIDITY AND SOURCES OF CAPITAL

Current financial resources (working capital and available bank borrowing arrangements) and anticipated funds from continuing operations are expected to be adequate to meet current cash requirements, including capital expenditures. The Company's recent growth has largely been fueled by acquisitions. In the event additional capital resources are needed for other opportunities in the near future, the Company believes adequate financing is either in place or would be available. In addition, on July 31, 1996 the Company applied the net proceeds from the sale of Bennett (approximately $50 million) to reduce outstanding bank borrowings. The Company currently has in place a $125 million bank agreement of which $53.7 million is borrowed as of October 31, 1996.

During the nine-month period ended September 30, 1996, the Company generated $15.2 million from continuing operations before changes in operating assets and liabilities. After giving effect to the use of $16.9 million in the operating accounts and $1.5 million provided from discontinued operations, the Company used $235 thousand in operating activities. This amount coupled with capital expenditures of $8.6 million was funded by bank borrowings of $9.5 million.

REVIEW BY INDEPENDENT ACCOUNTANTS

The condensed consolidated financial statements at September 30, 1996, and for the three-month and nine-month periods then ended have been reviewed, prior to filing, by Ernst & Young LLP, the Company's independent accountants, and their report is included herein.

PART II

OTHER INFORMATION

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

There were no matters submitted to a vote of security holders during the third quarter of 1996.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

The following exhibits are included herein:

(11) Computation of net income per common share

(15) Letter re: unaudited financial information

(27) Financial data schedule (Electronic Filing Only)

The Company did not file any reports on Form 8-K during the three months ended September 30, 1996.

SIGNATURE

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

PARK-OHIO INDUSTRIES, INC.

(Registrant)

By /s/ J.S. WALKER

Name: J.S. Walker
Title: Vice President and Chief
Financial Officer

Dated November 14, 1996

EXHIBIT INDEX

QUARTERLY REPORT ON FORM 10-Q

PARK-OHIO INDUSTRIES, INC. AND SUBSIDIARIES
FOR THE QUARTER ENDED SEPTEMBER 30, 1996

Exhibit	
11	Computation of net income per common share
15	Letter re: unaudited financial information
27	Financial data schedule (Electronic filing only)