PARK OHIO HOLDINGS CORP
Form 10-Q
August 11, 2008

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

Form 10-Q

(Mark One)

þ	**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934** **For the quarterly period ended June 30, 2008**
	or
o	**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 *(State or other jurisdiction of incorporation or organization)*	**34-1867219** *(I.R.S. Employer Identification No.)*
6065 Parkland Boulevard, Cleveland, Ohio *(Address of principal executive offices)*	**44124** *(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 þ No o

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 o Accelerated filer þ Non-accelerated filer Smaller reporting Company o
(Do not check if a 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 o No þ

Number of shares outstanding of registrant s Common Stock, par value $1.00 per share, as of July 31, 2008: 11,236,317.

The Exhibit Index is located on page 23.

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) June 30, 2008	December 31, 2007
	(Dollars in thousands)	
ASSETS		
Current Assets		
Cash and cash equivalents	$ 32,678	$ 14,512
Accounts receivable, less allowances for doubtful accounts of $3,273 at June 30, 2008 and $3,724 at December 31, 2007	194,451	172,357
Inventories	233,056	215,409
Deferred tax assets	21,976	21,897
Unbilled contract revenue	21,570	24,817
Other current assets	15,705	15,232
Total Current Assets	519,436	464,224
Property, Plant and Equipment	275,804	266,222
Less accumulated depreciation	170,222	160,665
	105,582	105,557
Other Assets		
Goodwill	101,060	100,997
Net assets held for sale	3,203	3,330
Other	102,547	95,081
	$ 831,828	$ 769,189
LIABILITIES AND SHAREHOLDERS EQUITY		
Current Liabilities		
Trade accounts payable	$ 139,311	$ 121,875
Accrued expenses	78,813	67,007
Current portion of long-term debt	8,172	2,362
Current portion of other postretirement benefits	2,041	2,041
Total Current Liabilities	228,337	193,285
Long-Term Liabilities, less current portion		
8.375% Senior Subordinated Notes due 2014	210,000	210,000

Revolving credit	164,400	145,400
Other long-term debt	2,770	2,287
Deferred tax liability	22,722	22,722
Other postretirement benefits and other long-term liabilities	23,227	24,017
	423,119	404,426
Shareholders Equity		
Capital stock, par value $1 a share:		
Serial Preferred Stock	-0-	-0-
Common Stock	12,249	12,233
Additional paid-in capital	63,043	61,956
Retained earnings	99,981	90,782
Treasury stock, at cost	(14,217)	(11,255)
Accumulated other comprehensive income	19,316	17,762
	180,372	171,478
	$ 831,828	$ 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.

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PARK-OHIO HOLDINGS CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
	(Amounts in thousands, except per share data)			
Net sales	$ 285,940	$ 286,636	$ 553,030	$ 554,522
Cost of products sold	242,205	244,256	470,602	473,533
Gross profit	43,735	42,380	82,428	80,989
Selling, general and administrative expenses	28,012	24,859	53,957	50,349
Gain on sale of assets held for sale	-0-	-0-	-0-	(2,299)
Operating income	15,723	17,521	28,471	32,939
Interest expense	6,632	8,286	13,896	16,293
Income before income taxes	9,091	9,235	14,575	16,646
Income taxes	3,374	3,386	5,376	5,593
Net income	$ 5,717	$ 5,849	$ 9,199	$ 11,053
Amounts per common share:				
Basic	$ .52	$ .53	$ .83	$ 1.00
Diluted	$ .49	$ .50	$ .79	$ .95
Common shares used in the computation:				
Basic	11,082	11,061	11,118	11,055
Diluted	11,597	11,631	11,644	11,598

See notes to consolidated financial statements.

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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			9,199			9,199
Foreign currency translation adjustment					1,615	1,615
Unrealized loss on marketable securities, net of tax					(143)	(143)
Pension and post retirement benefit adjustments, net of tax					82	82
Restricted stock award	16	(16)				-0-
Comprehensive income						10,753
Amortization of restricted stock		864				864
Purchase of treasury stock				(2,962)		(2,962)
Share-based compensation		239				239
Balance at June 30, 2008	$ 12,249	$ 63,043	$ 99,981	$ (14,217)	$ 19,316	$ 180,372

See notes to consolidated financial statements.

PARK-OHIO HOLDINGS CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Six Months Ended June 30,	
	2008	2007
	(Dollars in thousands)	
OPERATING ACTIVITIES		
Net income	$ 9,199	$ 11,053
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation and amortization	10,459	10,686
Share-based compensation expense	1,103	980
Gain on sale of assets held for sale	-0-	(2,299)
Changes in operating assets and liabilities:		
Accounts receivable	(22,094)	(7,381)
Inventories and other current assets	(17,103)	2,143
Accounts payable and accrued expenses	29,242	(28,888)
Other	(8,112)	3,435
Net Cash Provided (Used) by Operating Activities	2,694	(10,271)
INVESTING ACTIVITIES		
Purchases of property, plant and equipment, net	(9,008)	(8,964)
Purchases of marketable securities	(413)	-0-
Sales of marketable securities	2,562	-0-
Proceeds from sale of assets held for sale	-0-	4,365
Net Cash Used by Investing Activities	(6,859)	(4,599)
FINANCING ACTIVITIES		
Proceeds from debt, net	25,293	13,637
Purchase of treasury stock	(2,962)	(34)
Exercise of stock options	-0-	130
Net Cash Provided by Financing Activities	22,331	13,733
Increase (decrease) in Cash and Cash Equivalents	18,166	(1,137)
Cash and Cash Equivalents at Beginning of Period	14,512	21,637
Cash and Cash Equivalents at End of Period	$ 32,678	$ 20,500
Taxes paid	$ 4,002	$ 2,660
Interest paid	13,282	15,170

See notes to consolidated financial statements.

PARK-OHIO HOLDINGS CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

June 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 six-month periods ended June 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 Management™ services for a broad range of high-volume, specialty production components. Total Supply Management™ 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 June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Net sales:				
Supply Technologies	$ 138,551	$ 131,133	$ 267,784	$ 269,890
Aluminum Products	43,984	48,563	84,520	90,650
Manufactured Products	103,405	106,940	200,726	193,982

	$ 285,940	$ 286,636	$ 553,030	$ 554,522
Income before income taxes:				
Supply Technologies	$ 6,585	$ 5,548	$ 11,292	$ 12,132
Aluminum Products	(62)	1,404	(1,117)	2,154
Manufactured Products	14,419	14,164	27,641	23,673
	20,942	21,116	37,816	37,959
Corporate costs	(5,219)	(3,595)	(9,345)	(5,020)
Interest expense	(6,632)	(8,286)	(13,896)	(16,293)
Income before income taxes	$ 9,091	$ 9,235	$ 14,575	$ 16,646

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PARK-OHIO HOLDINGS CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

	June 30, 2008	December 31, 2007
Identifiable assets were as follows:		
Supply Technologies	$ 389,673	$ 354,165
Aluminum Products	112,819	98,524
Manufactured Products	277,710	231,459
General corporate	51,626	85,041
	$ 831,828	$ 769,189

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 interim and annual periods beginning after November 15, 2008. The Company is currently evaluating the impact of FAS 161 on its 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 fiscal years beginning on or after December 15, 2008. 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 have a material effect on 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

PARK-OHIO HOLDINGS CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

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 June 30, 2008, the Company s financial assets subject to FAS 157 consisted of marketable equity securities and other investments totaling $1,553 and $6,524, 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:

	June 30, 2008	December 31, 2007
Finished goods	$ 135,481	$ 129,074
Work in process	30,652	26,249
Raw materials and supplies	66,923	60,086
	$ 233,056	$ 215,409

NOTE E Shareholders Equity

At June 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 12,248,859 shares were issued, of which 11,228,817 were outstanding and 1,020,042 were treasury shares.

PARK-OHIO HOLDINGS CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

NOTE F Net Income Per Common Share

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
NUMERATOR				
Net income	$ 5,717	$ 5,849	$ 9,199	$ 11,053
DENOMINATOR				
Denominator for basic earnings per share weighted average shares	11,082	11,061	11,118	11,055
Effect of dilutive securities:				
Employee stock options	515	570	526	543
Denominator for diluted earnings per share weighted average shares and assumed conversions	11,597	11,631	11,644	11,598
Amounts per common share:				
Basic	$ .52	$ .53	$ .83	$ 1.00
Diluted	$ .49	$ .50	$ .79	$ .95

Stock options on 82,000 and 26,000 shares were excluded in the three months ended June 30, 2008 and 2007, respectively, and 69,000 and 13,000 shares were excluded in the six months ended June 30, 2008 and 2007, respectively, because they were anti-dilutive.

NOTE G Stock-Based Compensation

Total stock compensation expense recorded in the first six months of 2008 and 2007 was $1,103 and $980, respectively. Total stock compensation expense recorded in the second quarter of 2008 and 2007 was $550 and $496, respectively. There were stock options for 65,000 shares awarded with an exercise price of $15.61 per share during the three months and six months ended June 30, 2008. There were 16,000 restricted stock awards during the three months and six months ended June 30, 2008. As of June 30, 2008, there was $3,622 of unrecognized compensation cost related to non-vested stock-based compensation, which is expected to be recognized over a weighted average period of 2.3 years.

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 June 30,		Six Months Ended June 30,		Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007	2008	2007	2008	2007
Service costs	$ 108	$ 91	$ 216	$ 182	$ 43	$ 41	$ 86	$ 82
Interest costs	722	702	1,444	1,403	290	334	580	668
Expected return on plan assets	(2,408)	(2,213)	(4,816)	(4,425)	-0-	-0-	-0-	-0-
Transition obligation	(12)	(2)	(24)	(4)	-0-	-0-	-0-	-0-
Amortization of prior service cost	34	34	68	68	(13)	(16)	(26)	(32)
Recognized net actuarial loss	(29)	-0-	(58)	-0-	71	146	142	292
Benefit (income) costs	$ (1,585)	$ (1,388)	$ (3,170)	$ (2,776)	$ 391	$ 505	$ 782	$ 1,010

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PARK-OHIO HOLDINGS CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

NOTE I Comprehensive Income

Total comprehensive income was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	**2007**	**2008**	**2007**
Net income	$ 5,717	$ 5,849	$ 9,199	$ 11,053
Foreign currency translation	268	2,628	1,615	3,246
Unrealized loss on marketable securities, net of tax	(11)	-0-	(143)	-0-
Pension and post retirement benefit adjustments, net of tax	41	41	82	119
Total comprehensive income	$ 6,015	$ 8,518	$ 10,753	$ 14,418

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

	June 30, 2008	December 31, 2007
Foreign currency translation adjustment	$ 14,327	$ 12,712
Unrealized net losses on marketable securities, net of tax	(466)	(323)
Pension and postretirement benefit adjustments, net of tax	5,455	5,373
	$ 19,316	$ 17,762

The pension and postretirement benefit liability amounts are net of deferred taxes of $2,880 and $2,834 at June 30, 2008 and December 31, 2007, respectively. Unrealized net losses on marketable securities are net of deferred taxes of $293 and $182 at June 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 six months	(1,757)	(647)
Additional warranties issued during the first six months	4,368	1,939
Balance at June 30	$ 8,410	$ 4,849

NOTE K Income Taxes

The effective income tax rate in the first six months of 2008 and 2007 was 37% and 34%, respectively.

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

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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 June 30, 2008, and the related consolidated statements of income for the three-month and six-month periods ended June 30, 2008 and 2007, and the consolidated statement of shareholders equity and cash flows for the six-month period ended June 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
August 8, 2008

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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 Management[tm] 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 Management[tm], 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 Management[tm] 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.

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 interim and annual periods beginning after November 15, 2008. The Company is currently evaluating the impact of FAS 161 on its 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 fiscal years beginning on or after December 15, 2008. 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 June 30, 2008, the Company s financial assets subject to FAS 157 consisted of marketable equity securities and other investments totaling $1,553 and $6,524, 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

Six Months 2008 versus Six Months 2007

Net Sales by Segment:

	Six Months Ended June 30,	Percent

	2008	2007	Change	Change
Supply Technologies	$ 267.8	$ 269.9	$ (2.1)	(1)%
Aluminum products	84.5	90.6	(6.1)	(7)%
Manufactured products	200.7	194.0	6.7	3%
Consolidated Net Sales	$ 553.0	$ 554.5	$ (1.5)	0%

Consolidated net sales were essentially flat in the first six months of 2008 compared to the same period in 2007 as growth in the Manufactured Products segment and new customers in the Supply Technologies and Aluminum Products segments offset declines in Supply Technologies sales to the heavy-duty truck market caused by the introduction of

new environmental standards at the beginning of 2007 and reduced automotive sales. 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 7% as the general decline in auto industry sales volumes exceeded additional sales from new contracts starting production ramp-up. Manufactured Products sales increased 3% primarily in the induction, 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:

	Six Months Ended June 30,			
	2008	2007	Change	Percent Change
Consolidated cost of products sold	$ 470.6	$ 473.5	$ (2.9)	(1)%
Consolidated gross profit	$ 82.4	$ 81.0	$ 1.4	2%
Gross Margin	14.9%	14.6%		

Cost of products sold were essentially flat in the first six months of 2008 compared to the same period in 2007, while gross margin increased to 14.9% in the first six months of 2008 from 14.6% 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 six months of 2008 compared to the comparable period in 2007.

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

	Six Months Ended June 30,			
	2008	2007	Change	Percent Change
Consolidated SG&A expenses	$ 54.0	$ 50.3	$ 3.7	7%
SG&A percent	9.8%	9.1%		

Consolidated SG&A expenses increased 7% in the first six months of 2008 compared to the same period in 2007, representing a .7 percentage point increase in SG&A expenses as a percent of sales. SG&A expenses increased in the first six months of 2008 compared to the same period in 2007 primarily due to increased sales volume in the Manufactured Products Segment, which has a higher SG&A percentage of sales than the other segments, expenses related to the new office building and other corporate expenses, partially offset by a $.4 million increase in net pension credits.

Interest Expense:

	Six Months Ended June 30, 2008	2007	Change	Percent Change
Interest expense	$ 13.9	$ 16.3	$ (2.4)	(15)%
Average outstanding borrowings	$ 384.0	$ 389.5	$ (5.5)	(1)%
Average borrowing rate	7.24%	8.37%	113	basis points

Interest expense decreased $2.4 million in the first six 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 six months of 2008. The decrease in average borrowings in the first six months of 2008 resulted primarily from earnings, partially offset by increased working capital. The lower average borrowing rate in the first six months of 2008 was due primarily to decreased interest rates under our revolving credit facility compared to the same period in 2007.

Income Tax:

The provision for income taxes was $5.4 million in the first half of 2008, a 37% effective income tax rate, compared to income taxes of $5.6 million provided in the corresponding period of 2007, an effective 34% income tax rate. We estimate that the effective tax rate for full-year 2008 will be approximately 36%.

Results of Operations

Second Quarter 2008 versus Second Quarter 2007

Net Sales by Segment:

	Three Months Ended June 30,			Percent
	2008	**2007**	**Change**	**Change**
Supply Technologies	$ 138.5	$ 131.1	$ 7.4	6%
Aluminum Products	44.0	48.6	(4.6)	(9)%
Manufactured Products	103.4	106.9	(3.5)	(3)%
Consolidated Net Sales	$ 285.9	$ 286.6	$ (.7)	0%

Consolidated net sales were essentially the same in the second quarter of 2008 compared to the same quarter in 2007 as growth in the Supply Technologies segment offset declines in the Aluminum Products and Manufactured Products Segments. Supply Technologies sales increased 6% primarily due to the addition of new customers and increases in product range to existing customers. Aluminum Products sales decreased 9% 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 decreased 3% primarily in the induction equipment business but was offset by growth in 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 June 30,			Percent
	2008	**2007**	**Change**	**Change**
Consolidated cost of products sold	$ 242.2	$ 244.3	$ (2.1)	(1)%
Consolidated gross profit	$ 43.7	$ 42.4	$ 1.3	3%
Gross Margin	15.3%	14.8%		

Cost of products sold decreased 1% in the second quarter of 2008 compared to the same quarter in 2007, while gross margin increased to 15.3% in the second quarter of 2008 from 14.8% in the same quarter of 2007.

Supply Technologies gross margin increased from sales volume from new customers. 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 due to product mix.

SG&A Expenses:

	Three Months Ended June 30,			
	2008	**2007**	**Change**	**Percent Change**
Consolidated SG&A expenses	$ 28.0	$ 24.9	$ 3.1	12%
SG&A percent	9.8%	8.7%		

Consolidated SG&A expenses increased 12% in the second quarter of 2008 compared to the same quarter in 2007, representing an increase in SG&A expenses as a percent of sales of 1.1% from 8.7% to 9.8%. SG&A increased in the second quarter of 2008 compared to the same quarter in 2007 primarily due to increased expenses associated with the Manufactured Products Segment, which has a higher SG&A percentage of sales than other businesses, and expenses related to the new office building and other corporate expenses, partially offset by a $.2 million increase in net pension credits.

Interest Expense:

	Three Months Ended June 30,			
	2008	2007	Change	Percent Change
Interest expense	$ 6.6	$ 8.3	$ (1.7)	(20)%
Average outstanding borrowings	$ 390.2	$ 392.3	$ (2.1)	(1)%
Average borrowing rate	6.80%	8.46%	166	basis points

Interest expense decreased $1.7 million in the second quarter of 2008 compared to the same period of 2007, primarily due to lower average outstanding borrowings and a lower average borrowing rate during the second quarter of 2008. The decrease in average borrowings in the second quarter of 2008 resulted primarily from earnings, partially offset by increased working capital. The lower average borrowing rate in the second quarter of 2008 was due primarily to decreased interest rates under our revolving credit facility compared to the same period in 2007.

Income Tax:

The provision for income taxes was $3.4 million in the second quarter of 2008, a 37% effective income tax rate, compared to income taxes of $3.4 million provided in the corresponding quarter of 2007, an effective 37% 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 June 30, 2008, the Company had $164.4 million outstanding under the revolving credit facility, and approximately $71.2 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.

At June 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 2.27 at June 30, 2008 versus 2.40 at December 31, 2007. Working capital increased by $21.0 million to $291.1 million at June 30, 2008 from $270.1 million at December 31, 2007.

During the first six months of 2008, the Company provided $2.7 million from operating activities compared to using $10.3 million in the same period of 2007. The increase in operating cash provision of $13.0 million was primarily the result of a larger increase in accounts payable and accrued expenses in the first six months of 2008 compared to the same period of 2007 (an increase of $29.2 million compared to a decrease of $28.9 million, respectively), primarily due to an increase in advance billings in the first six months of 2008 of $8.8 million versus a reduction in advance billings in the first six months of 2007 of $13.2 million and to improvements in the timing of payments of accounts payable. This difference, plus a decrease in net income of $1.9 million, was offset by a larger increase in accounts receivable, inventories and other current assets in the first six months of 2008 compared to the same period of 2007 (an increase of $39.2 million compared to an increase of $5.2 million, respectively), due to an inventory increase in the Manufactured Products Segment and a receivable increase at the Supply Technologies and Aluminum Products Segments reflecting higher sales in the current quarter versus the prior quarter. In the first six months of 2008, the Company also used cash of $9.0 million for capital expenditures. These activities, plus cash interest and taxes payments of $17.3 million, $3.0 million of cash paid to purchase the Company s common stock, and a net increase in borrowing of $25.3 million, resulted in an increase in cash of $18.2 million in the first six 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 June 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 , i 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, 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; 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; dependence on the automotive and heavy-duty truck industries, which are highly cyclical; 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 June 30, 2008, and for the three-month and six-month periods ended June 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 Disclosure 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 $164.4 million at June 30, 2008. A 100 basis point increase in the interest rate would have resulted in an increase in interest expense of approximately $.8 million during the six-month period ended June 30, 2008.

Our foreign subsidiaries generally conduct business in local currencies. During the first six months of 2008, we recorded a favorable foreign currency translation adjustment of $1.6 million related to net assets located outside the United States. This foreign currency translation adjustment resulted primarily from the weakening 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 June 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 second 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 June 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.

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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)
April 1, 2008 through April 30, 2008	382(2)	$ 18.41	0	903,692
May 1, 2008 through May 31, 2008	16,025	$ 15.51	16,025	887,667
June 1, 2008 through June 30, 2008	134,512	$ 15.34	134,512	753,155
Total:	150,919	$ 15.36	150,537	753,155

(1) The Company has a share repurchase program whereby the Company may repurchase up to 1.0 million shares of its common stock. The Company purchased 150,537 shares under this program during the quarter ended June 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***

The Company held its annual meeting of shareholders on May 20, 2008. The shareholders approved the elections of three directors to serve until the annual meeting of stockholders in the year 2011. The votes cast for each nominee were as follows:

	For	Withheld

Edward F. Crawford	10,152,308	1,211,428
Kevin R. Greene	10,090,259	1,273,477
Dan T. Moore, III	10,175,863	1,187,873

Item 6. ***Exhibits***

The following exhibits are included herein:

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

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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: August 11, 2008

EXHIBIT INDEX

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

Exhibit

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