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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, DC 20549

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**FORM 10-Q**

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

For the quarterly period ended April 30, 2009

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 0-21964

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**SHILOH INDUSTRIES, INC.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**51-0347683**  
(I.R.S. Employer  
Identification No.)

**880 Steel Drive, Valley City, Ohio 44280**  
(Address of principal executive offices—zip code)

**(330) 558-2600**  
(Registrant's telephone number, including area code)

N/A  
(Former name, former address and former fiscal year, if changed since last report)

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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 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). 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 "accelerated filer," "large accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

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 of Common Stock outstanding as of May 18, 2009 was 16,355,867.

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**PART I—FINANCIAL INFORMATION**

**Item 1. Condensed Consolidated Financial Statements**

**SHILOH INDUSTRIES, INC.**

**CONDENSED CONSOLIDATED BALANCE SHEETS**

(Dollar amounts in thousands)

(Unaudited)

	<u>April 30, 2009</u>	<u>October 31, 2008</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 152	\$ 2,210
Accounts receivable, net of allowance for doubtful accounts of \$288 and \$782 at April 30, 2009 and October 31, 2008, respectively	33,341	69,931
Related-party accounts receivable	3,159	2,774
Income taxes receivable	—	2,272
Inventories, net	23,227	34,212
Deferred income taxes	10,405	4,893
Prepaid expenses	<u>572</u>	<u>942</u>
<b>Total current assets</b>	<b><u>70,856</u></b>	<b><u>117,234</u></b>
Property, plant and equipment, net	163,135	175,555
Other assets	<u>725</u>	<u>823</u>
<b>Total assets</b>	<b><u>\$234,716</u></b>	<b><u>\$293,612</u></b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current debt	\$ 346	\$ 731
Accounts payable	29,723	53,914
Other accrued expenses	<u>15,891</u>	<u>22,411</u>
<b>Total current liabilities</b>	<b><u>45,960</u></b>	<b><u>77,056</u></b>
Long-term debt	53,397	70,221
Deferred income taxes	9,926	9,915
Long-term benefit liabilities	14,959	13,560
Other liabilities	<u>2,113</u>	<u>2,389</u>
<b>Total liabilities</b>	<b><u>126,355</u></b>	<b><u>173,141</u></b>
Commitments and contingencies		
Stockholders' equity:		
Common stock, 16,355,867 shares issued and outstanding at April 30, 2009 and October 31, 2008, respectively	164	164
Paid-in capital	60,727	60,470
Retained earnings	64,036	76,403
Accumulated other comprehensive loss	<u>(16,566)</u>	<u>(16,566)</u>
<b>Total stockholders' equity</b>	<b><u>108,361</u></b>	<b><u>120,471</u></b>
<b>Total liabilities and stockholders' equity</b>	<b><u>\$234,716</u></b>	<b><u>\$293,612</u></b>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**SHILOH INDUSTRIES, INC.**

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(Amounts in thousands, except per share data)**  
**(Unaudited)**

	Three months ended		Six months ended	
	April 30,		April 30,	
	2009	2008	2009	2008
Revenues	\$62,239	\$130,648	\$125,261	\$265,542
Cost of sales	63,381	118,400	130,658	242,539
Gross profit (loss)	(1,142)	12,248	(5,397)	23,003
Selling, general and administrative expenses	4,857	6,617	9,843	13,538
Asset impairment, net	1,633	897	714	897
Restructuring charges	906	—	906	—
Operating income (loss)	(8,538)	4,734	(16,860)	8,568
Interest expense	568	971	1,387	2,265
Interest income	13	4	25	14
Other income (expense), net	35	(21)	247	(6)
Income (loss) before income taxes	(9,058)	3,746	(17,975)	6,311
Provision (benefit) for income taxes	(2,826)	1,738	(5,608)	2,720
Net income (loss)	<u>\$ (6,232)</u>	<u>\$ 2,008</u>	<u>\$ (12,367)</u>	<u>\$ 3,591</u>
Earnings (loss) per share:				
Basic earnings (loss) per share	<u>\$ (0.38)</u>	<u>\$ .12</u>	<u>\$ (0.76)</u>	<u>\$ .22</u>
Basic weighted average number of common shares	<u>16,356</u>	<u>16,356</u>	<u>16,356</u>	<u>16,355</u>
Diluted earnings (loss) per share	<u>\$ (0.38)</u>	<u>\$ .12</u>	<u>\$ (0.76)</u>	<u>\$ .22</u>
Diluted weighted average number of common shares	<u>16,356</u>	<u>16,480</u>	<u>16,356</u>	<u>16,479</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**SHILOH INDUSTRIES, INC.**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Dollar amounts in thousands)

(Unaudited)

	<b>Six months ended</b>	
	<b>April 30,</b>	
	<b>2009</b>	<b>2008</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income (loss)	\$(12,367)	\$ 3,591
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	15,006	16,396
Asset impairment	714	897
Amortization of deferred financing costs	98	128
Deferred income taxes	(5,501)	(23)
Stock-based compensation expense	257	260
Loss on sale of assets	—	4
Changes in operating assets and liabilities:		
Accounts receivable	36,205	17,702
Inventories	10,985	2,929
Prepays and other assets	370	439
Payables and other liabilities	(30,378)	(22,831)
Income taxes payable (receivable) and estimated payments	2,393	(2,392)
Net cash provided by operating activities	<u>17,782</u>	<u>17,100</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Capital expenditures	(3,932)	(3,606)
Proceeds from sale of assets	1,009	31
Net cash used in investing activities	<u>(2,923)</u>	<u>(3,575)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayments of short-term borrowings	(385)	(495)
Payment of capital lease	(2)	(77)
Increase (decrease) in overdraft balances	292	(4,444)
Proceeds from long-term borrowings	8,600	16,800
Repayments of long-term borrowings	(25,422)	(8,568)
Payment of dividends	—	(16,356)
Proceeds from exercise of stock options	—	5
Net cash used in financing activities	<u>(16,917)</u>	<u>(13,135)</u>
Net increase (decrease) in cash and cash equivalents	(2,058)	390
Cash and cash equivalents at beginning of period	<u>2,210</u>	<u>131</u>
Cash and cash equivalents at end of period	<u>\$ 152</u>	<u>\$ 521</u>
<b>Supplemental Cash Flow Information:</b>		
Cash paid for interest	\$ 1,465	\$ 2,168
Cash paid (refund of) for income taxes	\$ (2,401)	\$ 5,134

The accompanying notes are an integral part of these condensed consolidated financial statements.

## SHILOH INDUSTRIES, INC.

### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Dollar amounts in thousands, except per share data)

#### Note 1—Basis of Presentation

The condensed consolidated financial statements have been prepared by Shiloh Industries, Inc. and its subsidiaries (the “Company”), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. The information furnished in the condensed consolidated financial statements includes normal recurring adjustments and reflects all adjustments, which are, in the opinion of management, necessary for a fair presentation of such financial statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations. Although the Company believes that the disclosures are adequate to make the information presented not misleading, it is suggested that these condensed consolidated financial statements be read in conjunction with the audited financial statements and the notes thereto included in the Company’s Annual Report on Form 10-K for the fiscal year ended October 31, 2008.

Revenues and operating results for the six months ended April 30, 2009 are not necessarily indicative of the results to be expected for the full year.

#### Note 2—Liquidity

The Company has experienced significant declines in revenues as a result of economic conditions in the automotive industry in general, and within its customer base specifically. The reduced sales volumes have resulted in the Company incurring operating losses through the first two quarters of the current fiscal year. Recent events have included the bankruptcy filing by Chrysler and the related closure of Chrysler plants for possibly up to a 60-day period and the announcement by General Motors of plant closures for varying weeks of time up to nine weeks. The Company is anticipating poor sales and low utilization of plant capacity for the upcoming third quarter period of fiscal 2009. As a result, the Company may not remain in compliance with the financial covenants of its Credit Agreement at July 31, 2009 and beyond. In the event of noncompliance, a waiver from the syndicate of lenders or an amendment to the Credit Agreement would be necessary in order for the Company to not be in default of the Credit Agreement. The Company is currently in discussion with the syndicate of lenders and believes that it will either obtain the necessary waiver or amend the Credit Agreement. In the absence of the waiver or amendment, the lenders could avail themselves of remedies under the credit agreement, and at this time, there is no assurance that cash flows from operations or funds available under the amended Credit Agreement will provide sufficient liquidity to meet the Company’s cash requirements through April 30, 2010. The Company is closely monitoring the business conditions that are currently affecting the automotive industry and has initiated actions to align production schedules of the Company’s plants with customers’ schedules, to reduce inventories, to adjust operating expenses in line with production and to reduce capital expenditures to a minimum.

#### Note 3—New Accounting Standards

During fiscal 2008, several new accounting standards became effective, or were issued by the Financial Accounting Standards Board (“FASB”), including Statements of Financial Accounting Standards (“SFAS”) Nos. 141R “Business Combinations”, 157 “Fair Value Measurements”, 159 “The Fair Value Option for Financial Assets and Financial Liabilities—Including an amendment of FASB Statement No. 115”, 160 “Noncontrolling Interests in Consolidated Financial Statements—an amendment of ARB No. 51”, 161 “Disclosures about Derivative Instruments and Hedging Activities—an amendment of FASB Statement No. 133” and 162 “The Hierarchy of Generally Accepted Accounting Principles”. The Company has determined that none of these accounting pronouncements have a material effect on the Company’s consolidated financial statements.

#### Note 4—Asset Impairment and Restructuring Charges

In fiscal 2006, management presented to the Board of Directors an assessment of its current business at its Cleveland Stamping facility and committed to a plan to cease operation of the Cleveland facility as of October 31, 2007, as a result of declining volumes. The Company recorded an impairment charge to reduce long-lived assets to their estimated fair value and recorded an estimated restructuring charge related to approximately 200 employees for severance, health insurance and curtailment of the retirement plan for employees of the Cleveland plant. At October 31, 2008, there was no restructuring reserve remaining related to the closure of the Cleveland facility. During the second quarter of fiscal 2008, the Company recorded a recovery of \$30 related to previously impaired assets that were sold. Impairment recoveries of \$919 and \$11 were also recorded during the first and second quarters of fiscal 2009, respectively, for cash received upon the sale of assets that were previously impaired.

During the second quarter of fiscal 2008, the Company recorded an asset impairment charge of \$927 related to equipment that was dedicated to a customer program that concluded production.

In March 2009, management presented to the Board of Directors a plan to cease the operations of the Company's Liverpool Manufacturing Division as a result of reduced volumes. The plan includes the relocation of certain machinery and equipment to another of the Company's plants to service business that will continue. Assets that will not be relocated were impaired and a charge of \$1,644 has been recorded to reduce the long-lived assets to their estimated fair value. The Company also recorded a restructuring charge of \$906 based on a negotiated settlement for approximately 100 employees for severance, health insurance and curtailment of the retirement plan of the Liverpool Manufacturing employees. A summary of these charges for Liverpool Manufacturing, which are included in the accompanying condensed consolidated statements of operations for the three and six months ended April 30, 2009, is below:

	Three and Six months ended April 30, 2009
Net asset impairment	<u>\$ 1,644</u>
Restructuring	
Severance and benefits	\$ 580
Pension curtailment	326
	<u>\$ 906</u>

An analysis of restructuring charges, cash payments and related reserves for the six-month periods ending April 30, 2008 and 2009 is as follows:

	Restructuring Reserves at October 31, 2007	Restructuring Charges	Cash Payments	Restructuring Reserves at April 30, 2008
Restructuring				
Severance and benefits	<u>\$ 251</u>	<u>\$ —</u>	<u>\$ (251)</u>	<u>\$ —</u>
	Restructuring Reserves at October 31, 2008	Restructuring Charges	Cash Payments	Restructuring Reserves at April 30, 2009
Restructuring				
Severance and benefits	<u>\$ —</u>	<u>\$ 580</u>	<u>\$ (128)</u>	<u>\$ 452</u>

The impairment charges recorded for the three and six-month periods ending April 30, 2009 and 2008 are summarized below:

	<u>Three months ended</u>		<u>Six months ended</u>	
	<u>April 30, 2009</u>	<u>April 30, 2008</u>	<u>April 30, 2009</u>	<u>April 30, 2008</u>
Cleveland Impairment Recovery	\$ (11)	\$ (30)	\$ (930)	\$ (30)
Liverpool Impairment	1,644	—	1,644	—
Program Impairment	—	927	—	927
	<u>\$ 1,633</u>	<u>\$ 897</u>	<u>\$ 714</u>	<u>\$ 897</u>

#### Note 5—Accounts Receivable

On April 27, 2009, the Company's Credit Agreement was amended to permit the Company to participate in the Auto Supplier Support Program established by the United States Department of the Treasury pursuant to the authority granted to it by and under the Economic Stabilization Act of 2008. By participating in the Auto Supplier Support Program, the Company may sell eligible accounts owed by Chrysler and General Motors to a special purpose vehicle entity created by Chrysler and General Motors (collectively "SPV") for the purpose of obtaining payment of the Company's eligible accounts receivable due from Chrysler and General Motors. The Company has selected the quick pay option, wherein the eligible receivables sold to an SPV are paid within a few days of the sale. The program extends for a period of one year, but may terminate if either Chrysler or General Motors files for bankruptcy. The Company has confirmed that it has been accepted into the program for both Chrysler and General Motors.

At April 30, 2009, the Company's accounts receivable and accounts payable include the following:

	<u>Chrysler</u>	<u>General Motors</u>
Accounts Receivable	\$ 3,737	\$ 11,709
Accounts Payable, for purchase of steel under each company's resale steel program	(6,551)	(10,161)
	<u>\$(2,814)</u>	<u>\$ 1,548</u>
Net position		

All of the net position with Chrysler is pre petition for bankruptcy and therefore should be protected under the program described above.

**Note 6—Inventories**

Inventories consist of the following:

	<u>April 30,</u> <u>2009</u>	<u>October 31,</u> <u>2008</u>
Raw materials	\$ 8,480	\$ 15,597
Work-in-process	4,807	6,586
Finished goods	<u>5,579</u>	<u>8,939</u>
Total material	18,866	31,122
Tooling	<u>4,361</u>	<u>3,090</u>
Total inventory	<u>\$23,227</u>	<u>\$ 34,212</u>

Total cost of inventory is net of reserves to reduce certain inventory from cost to net realizable value. Such reserves aggregated \$1,818 and \$2,267 at April 30, 2009 and October 31, 2008, respectively.

**Note 7—Property, Plant and Equipment**

Property, plant and equipment consist of the following:

	April 30, 2009	October 31, 2008
Land and improvements	\$ 8,635	\$ 8,644
Buildings and improvements	102,327	102,598
Machinery and equipment	333,988	336,572
Furniture and fixtures	10,402	10,420
Construction in progress	10,233	7,044
Total, at cost	465,585	465,278
Less: Accumulated depreciation	302,450	289,723
Property, plant and equipment, net	<u>\$163,135</u>	<u>\$175,555</u>

**Note 8—Financing Arrangements**

Debt consists of the following:

	April 30, 2009	October 31, 2008
Amended and Restated Credit Agreement—interest at 3.31% and 5.00% at April 30, 2009 and October 31, 2008, respectively	\$52,950	\$ 69,600
Insurance broker financing agreement	—	389
State of Ohio promissory note	793	961
Capital lease debt	—	2
Total debt	53,743	70,952
Less: Current debt	346	731
Total long-term debt	<u>\$53,397</u>	<u>\$ 70,221</u>

The weighted average interest rate of all debt was 3.07% and 3.55% for the three and six months ended April 30, 2009, respectively. The weighted average interest rate of all debt excluding the capital lease debt was 4.52% and 5.41% for the three and six months ended April 30, 2008, respectively.

On August 1, 2008, the Company entered into a credit agreement with a syndication of lenders with National City Bank as co-lead arranger, sole book runner and administrative agent and The Privatebank and Trust Company as co-lead arranger and syndication agent. The agreement provides the Company with a revolving line of credit up to \$120 million with the opportunity to borrow up to an additional \$80 million at then current market rates. The agreement extends through July 31, 2013. The Company may prepay the borrowings under the revolving credit facility without penalty. Borrowings under the former credit agreement were repaid with the proceeds from the new agreement.

Under the Credit Agreement, the Company has the option to select the applicable interest rate based upon two indices—a Base Rate, as defined in the Credit Agreement, or the Eurodollar rate (“LIBOR”). The selected index is combined with a designated margin from an agreed upon pricing matrix. The Base Rate is 1.0%, plus the greater of the National City Bank publicly announced prime rate or the Federal Funds effective rate plus 0.5% per annum. LIBOR is the published Reuters or Bloomberg Financial Markets Information Service rate. At April 30, 2009, the interest rate for the revolving credit facility was at LIBOR plus 2.75%.

Borrowings under the Credit Agreement are collateralized by a first priority security interest in substantially all of the tangible and intangible property of the Company and its domestic subsidiaries and 65% of the stock of foreign subsidiaries.

The Credit Agreement requires the Company to observe several financial covenants, including a minimum fixed charge coverage ratio of 2.50 to 1.00 and a maximum leverage ratio of 3.00 to 1.00. The Credit Agreement also establishes limits for additional borrowings, dividends, investments, acquisitions or mergers and sales of assets. The Company was in compliance with the covenants of the Credit Agreement at April 30, 2009.

The Credit Agreement specifies that upon the occurrence of an event or condition deemed to have a material adverse effect on the business or operations of the Company, as determined by the administrative agent of the lending syndicate or the required lenders, as defined, of 51% of the aggregate commitment under the Credit Agreement, the outstanding borrowings become due and payable. However, the Company does not anticipate at this time any change in business conditions or operations that could be deemed as a material adverse change by the lenders.

On April 27, 2009, the Credit Agreement was amended to permit the Company to participate in the Auto Supplier Support Program established by the United States Department of the Treasury pursuant to the authority granted to it by and under the Economic Stabilization Act of 2008. By participating in the Auto Supplier Support Program, the Company may sell eligible accounts owed by Chrysler and General Motors to a special purpose vehicle entity created by Chrysler and General Motors (collectively "SPV") for the purpose of obtaining payment of the Company's eligible accounts receivable due from Chrysler and General Motors. The Company has selected the quick pay option, wherein the eligible receivables sold to an SPV are paid within a few days of the sale. The program extends for a period of one year, but may terminate if either Chrysler or General Motors files for bankruptcy.

In July 2008, the Company entered into a finance agreement with an insurance broker for various insurance policies that bears interest at a fixed rate of 3.24% and requires monthly payments of \$78 through April 2009. In July 2007, the Company entered into a finance agreement with an insurance broker for various insurance policies that bore interest at a fixed rate of 5.79% and required monthly payments of \$84 through April 2008. As of April 30, 2009 and October 31, 2008, \$0 and \$389, respectively, remained outstanding under these agreements and were classified as current debt in the Company's consolidated balance sheets.

In June 2004, the Company issued a \$2,000 promissory note to the State of Ohio related to specific machinery and equipment at one of the Company's Ohio facilities. The promissory note bore interest at 1% for the first year of the term and 3% per annum for the balance of the term, with interest only payments for the first year of the term. Principal payments began in August 2005 in the amount of \$25, and monthly principal payments continue thereafter increasing annually until July 2011, when the loan matures. The Company may prepay this promissory note without penalty.

After considering letters of credit of \$7,306 that the Company has issued, available funds under the Credit Agreement were \$59,744 at April 30, 2009. Overdraft balances were \$3,819 and \$3,527 at April 30, 2009 and October 31, 2008, respectively, and are included in accounts payable in the Company's accompanying consolidated balance sheets.

**Note 9—Pension and Other Post-Retirement Benefit Matters**

The components of net periodic benefit cost for the three and six months ended April 30, 2009 and 2008 are as follows:

	<b>Pension Benefits</b>		<b>Other Post-Retirement Benefits</b>	
	<b>Three months ended</b>		<b>Three months ended</b>	
	<b>April 30,</b>		<b>April 30</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Service cost	\$ 164	\$ 153	\$ 1	\$ 1
Interest cost	1,017	981	9	13
Expected return on plan assets	(694)	(1,115)	—	—
Recognized net actuarial loss	300	161	41	48
Amortization of prior service cost	348	22	(43)	(43)
Amortization of transition obligation	2	4	—	—
<b>Net periodic benefit cost</b>	<b>\$ 1,137</b>	<b>\$ 206</b>	<b>\$ 8</b>	<b>\$ 19</b>

	<b>Pension Benefits</b>		<b>Other Post-Retirement Benefits</b>	
	<b>Six months ended</b>		<b>Six months ended</b>	
	<b>April 30,</b>		<b>April 30,</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Service cost	\$ 247	\$ 305	\$ 2	\$ 3
Interest cost	2,035	1,962	19	26
Expected return on plan assets	(1,389)	(2,231)	—	—
Recognized net actuarial loss	600	322	81	97
Amortization of prior service cost	371	45	(86)	(87)
Amortization of transition obligation	3	9	—	—
<b>Net periodic benefit cost</b>	<b>\$ 1,867</b>	<b>\$ 412</b>	<b>\$ 16</b>	<b>\$ 39</b>

The Company made \$84 of contributions to the defined benefit pension plans during the six months ended April 30, 2009. The Company expects estimated contributions to be \$187 for the remainder of fiscal 2009. Pension expense in fiscal 2009 has increased as a result of amortization of deferred investment losses and due to curtailment of the retirement plan for Liverpool Manufacturing employees, as described in Note 3.

**Note 10—Equity Matters**

The Company accounts for stock options and equity compensation in accordance with SFAS No. 123 (Revised 2004), “Share-Based Payment.” For the Company, SFAS No. 123R affects the stock options that have been granted and requires the Company to expense share-based payment (“SBP”) awards with compensation cost for SBP transactions measured at fair value. The Company has elected to use the simplified method of calculating the expected term of the stock options and historical volatility to compute fair value under the Black-Scholes option-pricing model. The risk-free rate for periods within the contractual life of the option is based on the U.S. zero coupon Treasury yield in effect at the time of grant. Forfeitures are estimated based upon the Company’s historical experience.

### 1993 Key Employee Stock Incentive Plan

The Company maintains the Amended and Restated 1993 Key Employee Stock Incentive Plan (the “Incentive Plan”), which authorizes grants to officers and other key employees of the Company and its subsidiaries of (i) stock options that are intended to qualify as incentive stock options, (ii) nonqualified stock options and (iii) restricted stock awards. An aggregate of 1,700,000 shares of Common Stock at an exercise price equal to 100% of the market value on the date of grant, subject to adjustment upon occurrence of certain events to prevent dilution or expansion of the rights of participants that might otherwise result from the occurrence of such events, has been reserved for issuance upon the exercise of stock options. An individual award is limited to 500,000 shares in a five-year period.

Non-qualified stock options and incentive stock options have been granted to date and all options have been granted at market price or at 110% of market price at the date of grant. The service period over which the stock options vest is three years from the date of grant. Options expire over a period not to exceed ten years from the date of grant. On December 12, 2008, options to purchase 319,200 shares were awarded to several officers and employees at an exercise price of \$2.11 and \$2.33. On February 21, 2008, options to purchase 20,000 shares were awarded to several officers and employees at an exercise price of \$8.83. The following assumptions were used to compute the fair value of the stock options granted during fiscal 2009:

	Fiscal 2009	
	\$ 2.33	\$ 2.11
Exercise price	\$ 2.33	\$ 2.11
Risk-free interest	1.656%	2.198%
Expected life (in years)	5.0	6.0
Expected volatility factor	81.94%	81.81%
Expected dividend yield	0.00%	0.00%

Activity in the Company’s stock option plan for the six months ended April 30, 2009 and 2008 was as follows:

	Fiscal 2009				Fiscal 2008			
	Number of Shares	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value	Number of Shares	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Options outstanding at November 1	335,734	\$ 8.29			360,242	\$ 8.85		
Options:								
Granted	319,200	\$ 2.13			20,000	\$ 8.83		
Exercised		\$			(1,168)	\$ 4.67		\$ 6
Canceled	(15,767)	\$ 10.58			(29,340)	\$ 13.18		\$ —
Options outstanding at April 30	639,167	\$ 5.15	7.40	\$ 162	349,734	\$ 8.50	6.74	\$ 1,240
Exercisable at April 30	270,067	\$ 7.09	5.14	\$ 94	227,401	\$ 5.75	5.60	\$ 1,221

At April 30, 2009, the exercise price of some of the Company’s stock option grants are higher than the market value of the Company’s stock. These grants are excluded from the computation of aggregate intrinsic value of the Company’s outstanding and exercisable stock options.

For the three and six months ended April 30, 2009, the Company recorded compensation expense related to the stock options currently vesting, effectively reducing income before taxes and net income by \$142 and \$257, respectively. For the three and six months ended April 30, 2008, the Company recorded compensation expense related to the stock options currently vesting, effectively reducing income before taxes and net income by \$132 and \$260, respectively. The impact on earnings per share was a reduction of \$.01 per share, basic and diluted in the second quarter of fiscal 2009 and 2008. The total compensation cost related to nonvested awards not yet recognized is expected to be a combined total of \$723 over the next three fiscal years.

### *Earnings per Share*

Basic earnings per share is computed by dividing net income available to common stockholders by the weighted average number of shares of Common Stock outstanding during the period. In addition, the shares of Common Stock issuable pursuant to stock options outstanding under the Incentive Plan are included in the diluted earnings per share calculation to the extent they are dilutive. For the three and six month periods ended April 30, 2009, 639,167 stock options were excluded from the computation of diluted earnings per share because they were anti-dilutive. For the three and six month periods ended April 30, 2008, 166,612 and 190,672 stock options, respectively, were excluded from the computation of diluted earnings per share because they were anti-dilutive. The following is a reconciliation of the numerator and denominator of the basic and diluted earnings per share computation for net income per share:

(Shares in thousands)	Three months ended April 30,		Six months ended April 30,	
	2009	2008	2009	2008
Net income (loss) available to common stockholders	\$ (6,232)	\$ 2,008	\$(12,367)	\$ 3,591
Basic weighted average shares	16,356	16,356	16,356	16,355
Effect of dilutive securities:				
Stock options	—	124	—	124
Diluted weighted average shares	16,356	16,480	16,356	16,479
Basic income (loss) per share	\$ (0.38)	\$ .12	\$ (0.76)	\$ .22
Diluted income (loss) per share	\$ (0.38)	\$ .12	\$ (0.76)	\$ .22

### *Comprehensive Income*

Comprehensive income and net income amounted to \$(6,232) and \$2,008 for the three months ended April 30, 2009 and 2008, respectively, and \$(12,367) and \$3,591 for the six months ended April 30, 2009 and 2008, respectively.

### **Note 11—Commitments and Contingencies**

In November 1999, the Company acquired the assets associated with the automotive division of MTD Products Inc. The Ohio Tax Commissioner (the "Commissioner") disputed the fair market value assigned by the Company to the purchased assets. Accordingly, the Commissioner claimed that the Company owed an additional amount of personal property tax for such assets. The Company appealed the Commissioner's decision to the Ohio Board of Tax Appeals, but in July 2006, the Board of Tax Appeals upheld the Commissioner's decision. Management of the Company strongly disagrees with the position of the Commissioner and the Board of Tax Appeals and the Company has presented its appeal of the decision of the Board of Tax Appeals to the Ohio Supreme Court. The Ohio Supreme Court, however, has ruled in favor of the Board of Tax Appeals and the Commissioner and against the Company. The Company, however, had previously considered the probability of an adverse ruling and as a result provided an accrual of \$2,324 during the fourth quarter of fiscal 2006 and has provided interest since the initial accrual, resulting in a balance of approximately \$2,750 for this matter. The Company is currently negotiating the final settlement, including payment terms, of this matter.

During the second quarter of fiscal 2007, a jury verdict was entered against Shiloh Industries, Inc., VCS Properties, LLC, Shiloh Corporation, and Sectional Stamping, Inc. in the United States District Court in Akron, Ohio following a jury trial in a claim by the bankruptcy estate of Valley City Steel, LLC relating to the Company's sale of certain assets in 2001 (the "Valley City Steel Litigation"). Valley City Steel, LLC claimed that the sale of certain assets to Valley City Steel, LLC, in connection with the creation of the joint venture in which the Company was a minority shareholder, amounted to a constructive fraudulent conveyance under Ohio law. The plaintiff also alleged that certain amounts were due and owing on account to Valley City Steel, LLC. The jury rendered a verdict on the constructive fraudulent conveyance claims of approximately \$1,693 against Shiloh Industries, Inc., approximately \$1,693 against VCS Properties, LLC and approximately \$1,292 against Shiloh Corporation. The jury also held that Sectional Stamping, Inc. owed the bankruptcy estate of Valley City Steel, LLC approximately \$261 on account. Shiloh Industries, Inc., VCS Properties, LLC and Shiloh Corporation believe that the verdicts relating to the constructive fraudulent conveyance claims are contrary to the facts and the law and filed post-trial motions including a motion for a new trial and other relief that were denied. The Company believes that there are valid grounds to reverse the final judgments relating to the constructive fraudulent conveyance claims on appeal and the Company has filed its appeal of this matter to the Sixth Circuit Court of Appeals. The Company is scheduled to present oral arguments before the Court in June 2009. However, there can be no assurance that the appeals will be successful. As a result, during the second quarter of fiscal 2007, the Company provided a reserve of \$2,070 for this matter based upon management's estimate of the probable outcome of the legal decisions possible in this case.

In addition to the matters discussed above, the Company is a party to several lawsuits and claims arising in the normal course of its business. In the opinion of management, the Company's liability or recovery, if any, under pending litigation and claims, other than those matters discussed above, would not materially affect its financial condition, results of operations or cash flow.

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

(Dollars in thousands, except per share data)

### **General**

Shiloh is a supplier of numerous parts to both automobile OEMs and, as a Tier II supplier, to Tier I automotive part manufacturers who in turn supply OEMs. The parts that the Company produces supply many models of vehicles manufactured by nearly all vehicle manufacturers that produce vehicles in North America. As a result, the Company's revenues are very dependent upon the North American production of automobiles and light trucks, particularly traditional domestic manufacturers, such as General Motors, Chrysler and Ford. According to industry statistics, traditional domestic manufacturer production for the first six months of fiscal 2009 declined by 45.2% and total North American car and light truck production for the first six months of fiscal 2009 decreased by 43.2%, in each case compared with production for the first six months of fiscal 2008. The continued viability of the traditional domestic manufacturers is critical to the profitability of the Company. As of April 30, 2009, 45.9% of receivables outstanding are due from General Motors, Chrysler, and Ford.

Another significant factor affecting the Company's revenues is the Company's ability to successfully bid on the production and supply of parts for models that will be newly introduced to the market by the Company's customers. These new model introductions typically go through a start of production phase with build levels that are higher than normal because the consumer supply network is filled to ensure adequate supply to the market, resulting in an increase in the Company's revenues at the beginning of the cycle.

Plant utilization levels are very important to profitability because of the capital-intensive nature of these operations. At April 30, 2009, the Company's facilities were operating at approximately 22% capacity, compared to 44.6% capacity at April 30, 2008. The Company defines capacity as 20 working hours per day and five days per week. Utilization of capacity is dependent upon the releases against customer purchase orders that are used to establish production schedules and manpower and equipment requirements for each month and quarterly period of the fiscal year.

The significant majority of the steel purchased by the Company's stamping and engineered welded blank operations is purchased through the customers' steel program. Under these programs, the Company pays the steel suppliers and passes on to the customers the steel price the customers negotiated with the steel suppliers. Although the Company takes ownership of the steel, the customers are responsible for all steel price fluctuations. The Company also purchases steel directly from domestic primary steel producers and steel service centers. Domestic steel pricing has generally been declining on softened demand. Finally, the Company blanks and processes steel for some of its customers on a toll processing basis. Under these arrangements, the Company charges a tolling fee for the operations that it performs without acquiring ownership of the steel and being burdened with the attendant costs of ownership and risk of loss. Toll processing operations result in lower revenues but higher gross margins than operations where the Company takes ownership of the steel. Revenues from operations involving directly owned steel include a component of raw material cost whereas toll processing revenues do not.

Changes in the price of scrap steel can have a significant effect on the Company's results of operations because substantially all of its operations generate engineered scrap steel. Engineered scrap steel is a planned by-product of the Company's processing operations, and net proceeds from the disposition of scrap steel contribute to gross margin by offsetting the increases in the cost of steel and the attendant costs of quality and availability. Changes in the price of steel impact the Company's results of operations because raw material costs are by far the largest component of cost of sales in processing directly owned steel. The Company actively manages its exposure to changes in the price of steel, and, in most instances, passes along the rising price of steel to its customers.

### **Company's Response to Current Economic Conditions Affecting the Automotive Industry**

Fiscal 2009 has begun with significant challenges before the Company that could have a significant financial impact as the year progresses. The projected production of cars and light trucks for fiscal 2009 in North America according to industry statistics indicates that production in 2009 will be at levels as low as approximately 8 million units. Production has not been this low in decades and is driven by low consumer demand, the inability to finance vehicle leases and purchases, and unemployment levels, among other factors affecting the economy at the present time. These same factors are affecting the automotive industry globally as well as domestically.

In response the Company has initiated several action plans to respond to significantly reduced production volumes. These include:

- **Challenging customer releases.** The Company's production scheduling is based on releases that are received weekly for thirteen week periods. The releases drive manning levels and inventory purchases. The Company's operations personnel review the releases each week to ensure that the releases are not optimistic and overstated, a problem that seems to impact Tier I customers and not OEM manufacturing plants.
- **Inventory orders.** The Company's operations personnel monitor daily the ordering and receipt of production material to ensure that inventory will be readily consumed in the manufacturing process and that cash outlays for purchases coincide with receipts for sale of parts to the Company's customers.
- **Manning levels.** The Company's operations personnel also monitor daily the level of personnel required to fulfill the production schedule by operating the equipment that produces the parts (direct personnel) and to support the direct personnel efforts (indirect, technical, and administrative staff). Manning is adjusted daily to react as necessary.
- **Discretionary spending in support of operations.** The Company's operating personnel also monitor the spending required for repair and maintenance, purchases of supplies consumed in operating production equipment and indirect support of operations, such as material handling equipment and utilities.

These daily activities are factored into forecasts for each plant for the balance of the fiscal year. The plant forecasts are consolidated to provide forecasts of operating results on a weekly and monthly basis, updated weekly to reflect the latest developments in terms of customer intelligence and new awards of business. This process is intended to address the cash needs of the Company considering capital asset and tooling needs related to new business as well as ongoing cash requirements for operations, payroll, pension contributions, debt repayment requirements, contingencies and other matters.

All of the above actions are intended to ensure that controllable variable spending is in line with the forecast of sales as indicated by the customer releases against open purchase orders. Actions have been initiated to monitor selling, general and administrative costs as well, such as temporary layoffs, salary reductions, suspension of the 401K Company match, travel restrictions, and overall reductions of controllable spending.

The Company also assesses the level of working capital risk with each customer by monitoring accounts receivable and payable levels to ensure that net balances are either equal or in favor of the Company. The Company also reviews compliance of the Company's customers with terms and conditions of their purchase orders and gathers market intelligence on the customers to consider in assessing any risk in the collection process.

The Company has enrolled in the Auto Supplier Support Program, which was established by the United States Department of the Treasury pursuant to the authority granted to it by and under the Emergency Economic Stabilization Act of 2008. The program provides for the sale of eligible accounts receivable to special purpose vehicles, which are subsidiaries of Chrysler and / or General Motors. The Company has selected the quick pay option, wherein the Company's eligible accounts receivable sold to an SPV are paid within a few days following the sale. Each special purpose vehicle is supported by a credit facility with the U.S. Treasury as the lender. The program extends for a period of one year, but may terminate if either Chrysler or General Motors files for bankruptcy.

The Company has also evaluated plant operations in view of the recently announced plant closures by Chrysler and General Motors. The Company has accelerated its closure of the Liverpool Manufacturing plant and consolidation of on-going Liverpool Manufacturing work into the Company's Liverpool Coil plant. Also, the Company is temporarily combining the operations of its Medina Blanking and Ohio Welded Blank plants during the customer plant closure period.

### **Critical Accounting Policies**

Preparation of the Company's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The Company believes its estimates and assumptions are reasonable; however, actual results and the timing of the recognition of such amounts could differ from those estimates. The Company has identified the items that follow as critical accounting policies and estimates utilized by management in the preparation of the Company's financial statements. These estimates were selected because of inherent imprecision that may result from applying judgment to the estimation process. The expenses and accrued liabilities or allowances related to these policies are initially based on the Company's best estimates at the time they are recorded. Adjustments are charged or credited to income and the related balance sheet account when actual experience differs from the expected experience underlying the estimates. The Company makes frequent comparisons of actual experience and expected experience in order to mitigate the likelihood that material adjustments will be required.

*Revenue Recognition.* In accordance with Securities and Exchange Commission Staff Accounting Bulletin No. 104, the Company recognizes revenue when there is evidence of a sales agreement, the delivery of goods has occurred, the sales price is fixed or determinable and collectibility of revenue is reasonably assured. The Company records revenues upon shipment of product to customers and transfer of title under standard commercial terms. Price adjustments are recognized in the period when management believes that such amounts become probable, based on management's estimates.

*Allowance for Doubtful Accounts.* The Company evaluates the collectibility of accounts receivable based on several factors. In circumstances where the Company is aware of a specific customer's inability to meet its financial obligations, a specific allowance for doubtful accounts is recorded against amounts due to reduce the net recognized receivable to the amount the Company reasonably believes will be collected. Additionally, the allowance for doubtful accounts is estimated based on historical experience of write-offs and the current financial condition of customers. The financial condition of the Company's customers is dependent on, among other things, the general economic environment, which may substantially change, thereby affecting the recoverability of amounts due to the Company from its customers.

In view of the current economic conditions affecting the automotive industry, the Company is carefully assessing its risk with each of its customers and considering compliance with terms and conditions, aging of the customer accounts, intelligence learned through contact with customer representatives and net account receivable / account payable position with customers, if applicable.

*Inventory Reserves.* Inventories are valued at the lower of cost or market. Cost is determined on the first-in, first-out basis. Where appropriate, standard cost systems are used to determine cost and the standards are adjusted as necessary to ensure they approximate actual costs. Estimates of lower of cost or market value of inventory are based upon current economic conditions, historical sales quantities and patterns, and in some cases, the specific risk of loss on specifically identified inventories.

The Company values inventories on a regular basis to identify inventories on hand that may be obsolete or in excess of current future projected market demand. For inventory deemed to be obsolete, the Company provides a reserve for the full value of the inventory, net of estimated realizable value. Inventory that is in excess of current and projected use is reduced by an allowance to a level that approximates future demand. Additional inventory reserves may be required if actual market conditions differ from management's expectations.

In view of the current economic conditions affecting the automotive industry, the Company is carefully monitoring purchases of inventory to insure that receipts coincide with shipments, thereby reducing the economic risk of holding excessive levels of inventory that could result in long holding periods or in unsalable inventory leading to losses in conversion.

*Deferred Tax Assets.* Deferred taxes are recognized at currently enacted tax rates for temporary differences between the financial reporting and income tax bases of assets and liabilities and operating loss and tax credit carryforwards. In assessing the realizability of deferred tax assets, the Company established a valuation allowance for several foreign, state, and local tax assets primarily related to net operating loss carryforwards. Consequently, these deferred tax assets are recorded at an amount that is more likely than not to be realized. At this time, it is anticipated all other deferred tax assets will be realized and additional valuation allowances will not be required for these assets. To the extent that a deferred tax asset is recorded for a United States federal income tax loss, sufficient taxable income exists during the permissible carryback period to utilize the loss. Future projections for taxable income and ongoing prudent and feasible tax planning strategies have been considered in assessing the need for valuation allowances. In the event the Company were to determine that it would be able to realize its deferred tax assets in the future in excess of their recorded amount, an adjustment to the deferred tax asset would increase income in the period such determination was made. Likewise, should the Company determine that it would not be able to realize all or part of its net deferred tax assets in the future, an adjustment to the deferred tax asset would be charged to income in the period such determination was made.

*Derivative Financial Instruments.* The Company does not engage in derivatives trading, market-making or other speculative activities. The intent of any contracts entered by the Company is to reduce exposure to currency movements affecting foreign currency purchase commitments. The Company's risks related to foreign currency exchange risks have historically not been material. The Company does not expect the effects of these risks to be material in the future based on current operating and economic conditions in the countries and markets in which it operates. These contracts are marked-to-market and the resulting gain or loss is recorded in the consolidated statements of operations in accordance with SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS No. 133"), as amended. As of April 30, 2009 and 2008, there were no foreign currency forward exchange contracts outstanding.

In the normal course of business, the Company employs established policies and procedures to manage exposure to changes in interest rates. The Company's objective in managing the exposure to interest rate changes is to limit the volatility and impact of interest rate changes on earnings and cash flows. The Company had no interest rate hedges outstanding at April 30, 2009 and 2008.

*Impairment of Long-lived Assets.* The Company's long-lived assets primarily include property, plant and equipment. If an indicator of impairment exists for certain groups of property, plant and equipment, the Company will compare the forecasted undiscounted cash flows attributable to the assets to their carrying value. If the carrying values exceed the undiscounted cash flows, the Company then determines the fair values of the assets. If the carrying value exceeds the fair value of the assets, then an impairment charge is recognized for the difference.

The Company cannot predict the occurrence of future impairment-triggering events. Such events may include, but are not limited to, significant industry or economic trends and strategic decisions made in response to changes in the economic and competitive conditions impacting the Company's business. Based on current facts, the Company recorded a net impairment charge of \$1,633 related to long-lived assets in the second quarter of fiscal 2009. The Company continues to assess impairment to long-lived assets based on expected orders from the Company's customers and current business conditions.

*Group Insurance and Workers' Compensation Accruals.* The Company is self-insured for group insurance and workers' compensation and reviews these accruals on a monthly basis to adjust the balances as determined necessary. The Company reviews claims data and lag analysis as the primary indicators of the accruals. Additionally, the Company reviews specific large insurance claims to determine whether there is a need for additional accrual on a case-by-case basis. Changes in the claim lag periods and the specific occurrences could materially impact the required accrual balance period-to-period. The Company carries excess insurance coverage for group insurance and workers' compensation claims exceeding a range of \$100-150 and \$250-500 per plan year, respectively, dependant upon the location where the claim is incurred. At April 30, 2009 and October 31, 2008, the amount accrued for group insurance and workers' compensation claims was \$3,060 and \$4,117, respectively. The Company does not self-insure for any other types of losses.

*Share-Based Payments.* The Company records compensation expense for the fair value of nonvested stock option awards over the remaining vesting period. The Company has elected to use the simplified method to calculate the expected term of the stock options outstanding at five to six years and has utilized historical weighted volatility, approximately 81.8%. The Company determines the volatility and risk-free rate assumptions used in computing the fair value using the Black-Scholes option-pricing model, in consultation with an outside third party.

The Black-Scholes option valuation model requires the input of highly subjective assumptions, including the expected life of the stock-based award and stock price volatility. The assumptions used are management's best estimates, but the estimates involve inherent uncertainties and the application of management judgment. As a result, if other assumptions had been used, the recorded and pro forma stock-based compensation expense could have been materially different from that depicted in the financial statements. In addition, the Company has estimated a 20% forfeiture rate. If actual forfeitures materially differ from the estimate, the share-based compensation expense could be materially different.

*Pension and Other Post-retirement Costs and Liabilities.* The Company has recorded significant pension and other post-retirement benefit liabilities that are developed from actuarial valuations. The determination of the Company's pension liabilities requires key assumptions regarding discount rates used to determine the present value of future benefit payments and the expected return on plan assets. The discount rate is also significant to the development of other post-retirement liabilities. The Company determines these assumptions in consultation with, and after input from, its actuaries.

The discount rate reflects the estimated rate at which the pension and other post-retirement liabilities could be settled at the end of the year. The Company formerly used the Moody's Aa Corporate bonds with maturities of at least twenty years as a benchmark when determining the discount rate. However, in fiscal 2008, the Company benchmarked its rate with the most recent available interest rates on the Citigroup Pension Discount Curve and Liability Index. Based upon this analysis, the Company increased the discount rate used to measure its pension and post-retirement liabilities to 8.00% at October 31, 2008 from 6.00% at October 31, 2007. A change of 25 basis points in the discount rate would increase or decrease expense on an annual basis by approximately \$76.

The assumed long-term rate of return on pension assets is applied to the market value of plan assets to derive a reduction to pension expense that approximates the expected average rate of asset investment return over ten or more years. A decrease in the expected long-term rate of return will increase pension expense whereas an increase in the expected long-term rate will reduce pension expense. Decreases in the level of plan assets will serve to increase the amount of pension expense whereas increases in the level of actual plan assets will serve to decrease the amount of pension expense. Any shortfall in the actual return on plan assets from the expected return will increase pension expense in future years due to the amortization of the shortfall, whereas any excess in the actual return on plan assets from the expected return will reduce pension expense in future periods due to the amortization of the excess. A change of 25 basis points in the assumed rate of return on pension assets would increase or decrease pension assets by approximately \$94.

The Company's investment policy for assets of the plans is to maintain an allocation generally of 40% to 60% in equity securities, 40% to 60% in debt securities, and 0% to 10% in real estate. Equity security investments are structured to achieve an equal balance between growth and value stocks. The Company determines the annual rate of return on pension assets by first analyzing the composition of its asset portfolio. Historical rates of return are applied to the portfolio. The Company's investment advisors and

actuaries review this computed rate of return. Industry comparables and other outside guidance are also considered in the annual selection of the expected rates of return on pension assets.

For the twelve months ended October 31, 2008, the actual return on pension plans' assets for all of the Company's plans approximated (30.44)% to (31.19)%, which was a lower rate of return than the 7.25% to 7.50% expected rates of return on plan assets used to derive pension expense. The long term expected rate of return takes into account years with exceptional gains and years with exceptional losses.

If the amount of the accumulated benefit obligation in excess of the fair value of plan assets is large enough, the Company may be required, by law to make additional contributions to the pension plans. Actual results that differ from these estimates may result in more or less future Company funding into the pension plans than is planned by management. Based on current market investment performance, the Company anticipates that contributions to the Company's defined benefit plans will increase in fiscal 2010, and that pension expense will increase in fiscal 2009 and beyond.

## Results of Operations

### *Three Months Ended April 30, 2009 Compared to Three Months Ended April 30, 2008*

**REVENUES.** Sales for the second quarter of fiscal 2009 were \$62,239, a decrease of \$68,409 from last year's second quarter sales of \$130,648, or 52.4%. Sales decreased during the second quarter of fiscal 2009 as a result of reduced production volumes experienced by the North American automotive and heavy truck industries for which the Company supplies parts and, most significantly, by the traditional domestic manufacturers, which include some of the Company's largest customers. According to industry statistics, traditional domestic manufacturer production for the second quarter of fiscal 2009 declined by 45.8% and total North American car and light truck production for the second quarter of fiscal 2009 decreased by 45.2%, in each case compared with production for the second quarter of fiscal 2008.

**GROSS PROFIT.** Gross profit for the second quarter of fiscal 2009 was a loss of \$1,142 compared to gross profit of \$12,248 in the second quarter of fiscal 2008, a decrease of \$13,390. Gross profit as a percentage of sales was a negative 1.8% in the second quarter of fiscal 2009 compared to 9.4% for the same period a year ago. Gross profit in the second quarter of fiscal 2009 compared to the second quarter of fiscal 2008 was adversely affected by the lower volume of sales in the quarter and the absence of the related gross profit of approximately \$17,700. Gross profit was also adversely affected by increased material costs and lower revenue realized from the sale of engineered scrap during the second quarter of fiscal 2009 compared to the second quarter of fiscal 2008. The effect of increased material cost was approximately \$9,200. These reductions of gross profit were offset by reduced manufacturing expenses that favorably affected gross profit by approximately \$13,400. Manufacturing expenses declined as a result of the actions that the Company initiated in response to the reduction in production volumes of the Company's customers. These actions resulted in reduced personnel and personnel related expenses of approximately \$8,200 and reduced expenditures for repairs, supplies and utilities of approximately \$3,450. Depreciation and taxes declined by \$1,750.

**SELLING, GENERAL AND ADMINISTRATIVE EXPENSES.** Selling, general and administrative expenses were \$4,857 in the second quarter of fiscal 2009, a decrease of \$1,760 from \$6,617 in the same period of the prior year. As a percentage of sales, these expenses were 7.8% of sales in the second quarter of fiscal 2009 and 5.1% of sales in the second quarter of fiscal 2008. The decrease in selling, general, and administrative expenses reflect lower personnel and personnel-related expenses of approximately \$580, and lower spending in controllable expense areas of approximately \$1,180, also in response to the current automotive market conditions.

**ASSET IMPAIRMENT AND RESTRUCTURING CHARGES.** In March 2009, the Company presented to the Board of Directors its plan to close the operations of its Liverpool Manufacturing Division due to declining levels of sales. The Company therefore is committed to its plan to relocate certain machinery and equipment to another of the Company's plants to service business that will continue and to close operations at Liverpool by August 2009. As a result, the Company recorded an impairment charge of \$1,644 to reduce long-lived assets that will not be transferred to their estimated fair value. The Company also recorded a restructuring charge of \$906 based on negotiated settlement for approximately 100 employees for severance, health insurance, and curtailment of the retirement plan of Liverpool Manufacturing employees.

In fiscal 2006, management presented to the Board of Directors an assessment of its current business at its Cleveland Stamping facility and committed to a plan to cease operation of the Cleveland facility as of October 31, 2007, as a result of declining volumes. The Company recorded an impairment charge to reduce long-lived assets to their estimated fair value and recorded an estimated restructuring charge related to approximately 200 employees for severance, health insurance and curtailment of the retirement plan for employees of the Cleveland plant. An impairment recovery of \$30 was recorded during the second quarter of fiscal 2008 for cash received upon the sale of assets that were previously impaired. An impairment recovery of \$11 was also recorded in the second quarter of fiscal 2009 for cash received upon the sale of assets that were previously impaired.

During the second quarter of fiscal 2008, the Company recorded an asset impairment charge of \$927 related to equipment that was dedicated to a customer program that concluded production.

**OTHER.** Interest expense for the second quarter of fiscal 2009 was \$568, compared to interest expense of \$971 during the second quarter of fiscal 2008. Interest expense decreased from the prior year second quarter as a result of a decrease in the interest

rate and a lower level of average borrowed funds in the second quarter of fiscal 2009 compared to the prior year. Borrowed funds averaged \$58,488 during the second quarter of fiscal 2009 and the weighted average interest rate was 3.07%. In the second quarter of fiscal 2008, borrowed funds averaged \$76,752 while the weighted average interest rate was 4.52%.

Other income, net was \$35 for the second quarter of fiscal 2009 compared to other expense, net of \$(21) for the second quarter of fiscal 2008. Other income in fiscal 2009 is the result of currency transaction gains realized by the Company's Mexican subsidiary.

The provision for income taxes in the second quarter of fiscal 2009 was a benefit of \$2,826 on loss before taxes of \$9,058 for an effective tax rate of 31.2%. The provision for income taxes in the second quarter of fiscal 2008 was \$1,738 on income before taxes of \$3,746 for an effective tax rate of 46.4%. The estimated effective tax rate for fiscal 2009 has declined in the second quarter of fiscal 2009 compared to the second quarter of fiscal 2008 as a result of losses that cannot be benefited from the Company's Mexican subsidiary.

**NET INCOME.** The net loss for the second quarter of fiscal 2009 was \$6,232, or \$0.38 per share, diluted. Net income for the second quarter of fiscal 2008 was \$2,008, or \$0.12 per share, diluted.

*Six Months Ended April 30, 2009 Compared to Six Months Ended April 30, 2008*

**REVENUES.** Sales for the first six months of fiscal 2009 were \$125,261, a decrease of \$140,281, or 52.8%, from last year's first six month sales of \$265,542. For the first half of fiscal 2009, North American automotive and light truck production decreased by 43.2% compared to the first half of fiscal 2008, while production of traditional domestic manufacturers declined 45.2% compared to the first half of fiscal 2008.

**GROSS PROFIT.** Gross profit for the first six months of fiscal 2009 was a loss of \$5,397 compared to gross profit of \$23,003 in the first half of fiscal 2008, a decrease of \$28,400. Gross profit as a percentage of sales was a negative 4.3% in the first half of fiscal 2009 compared to 8.7% in the same period a year ago. For the first six months of fiscal 2009 gross profit was reduced as a result of lower sales volume compared to the prior year first six-month period. The effect of reduced sales on gross profit was approximately \$37,000. Gross profit was also adversely affected by increased material costs and lower revenue realized from the sale of engineered scrap during the first half of fiscal 2009 compared to the first half of fiscal 2008. The effect of increased material cost was approximately \$17,500. These reductions of gross profit were offset by reduced manufacturing expenses that favorably affected gross profit by approximately \$26,100. Manufacturing expenses declined as a result of the actions that the Company initiated in response to the reduction in production volumes of the Company's customers. These actions resulted in reduced personnel and personnel related expenses of approximately \$16,700 and reduced expenditures for repairs, supplies and utilities of approximately \$7,000. Depreciation and taxes declined by \$2,400.

**SELLING, GENERAL AND ADMINISTRATIVE EXPENSES.** Selling, general and administrative expenses were \$9,843 or 7.9% of sales in the first six months of fiscal 2009 compared to \$13,538, or 5.1% of sales in the same period of the prior year. The decrease in selling, general, and administrative expenses reflect lower personnel and personnel-related expenses of approximately \$2,000, and lower spending in controllable expense areas of approximately \$1,700, also in response to the current automotive market conditions.

**ASSET IMPAIRMENT AND RESTUCTURING CHARGES.** In March 2009, the Company presented to the Board of Directors its plan to close the operations of its Liverpool Manufacturing Division due to declining levels of sales. The Company therefore is committed to its plan to relocate certain machinery and equipment to another of the Company's plants to service business that will continue and to close operations at Liverpool by August 2009. As a result, the Company recorded an impairment charge of \$1,644 to reduce long-lived assets that will not be transferred to their estimated fair value. The Company also recorded a restructuring charge of \$906 based on a negotiated settlement for approximately 100 employees for severance, health insurance, and curtailment of the retirement plan of the Liverpool Manufacturing employees.

In fiscal 2006, management presented to the Board of Directors an assessment of its current business at its Cleveland Stamping facility and committed to a plan to cease operation of the Cleveland facility as of October 31, 2007, as a result of declining volumes. The Company recorded an impairment charge to reduce long-lived assets to their estimated fair value and recorded an estimated restructuring charge related to approximately 200 employees for severance, health insurance and curtailment of the retirement plan for employees of the Cleveland plant. Impairment recoveries of \$30 and \$930 were also recorded during the first six-month periods of fiscal 2008 and 2009, respectively, for cash received upon the sale of assets that were previously impaired.

During the first six-month period of fiscal 2008, the Company recorded an asset impairment charge of \$927 related to equipment that was dedicated to a customer program that concluded production.

**OTHER.** For the first six months of fiscal 2009, interest expense was \$1,387, a decrease of \$878 from interest expense of \$2,265 in the first six months of fiscal 2008. The decrease in interest expense compared to the prior year six-month period resulted from a lower level of average borrowed funds and a decrease in the interest rate. Borrowed funds averaged \$62,643 during the first six months of fiscal 2009 and the weighted average interest rate was 3.55%. For the first six months of fiscal 2008, borrowed funds averaged \$76,492 while the weighted average interest rate was 5.41%.

Other income, net was \$247 for the first six months of fiscal 2009 compared to other expense, net of \$(6) for the first six months of fiscal 2008. Other income in fiscal 2009 is the result of currency transaction gains realized by the Company's Mexican subsidiary.

In the first six months of fiscal 2009 the provision for income taxes was a benefit of \$5,608 on loss before taxes of \$17,975 for an effective tax rate of 31.2%. The provision for income taxes in the first half of fiscal 2008 was \$2,720 on income before taxes of \$6,311 for an effective tax rate of 43.1%. The estimated effective tax rate for the first six months of fiscal 2009 has declined compared to the first six months of fiscal 2008 as a result of losses that cannot be benefited from the Company's Mexican subsidiary.

NET INCOME. The net loss for the first six months of fiscal 2009 was \$12,367, or \$.76 per share, diluted. Net income for the first six months of fiscal 2008 was \$3,591, or \$.22 per share, diluted.

## Liquidity And Capital Resources

On August 1, 2008, the Company entered into a new credit agreement with a syndication of lenders with National City Bank as co-lead arranger, sole book runner and administrative agent and The Privatebank and Trust Company as co-lead arranger and syndication agent. The agreement provides the Company with a revolving line of credit up to \$120 million with the opportunity to borrow up to an additional \$80 million at then current market rates. The agreement extends through July 31, 2013. The Company may prepay the borrowings under the revolving credit facility without penalty. Borrowings under the former credit agreement were repaid with the proceeds from the new agreement.

Under the Credit Agreement, the Company has the option to select the applicable interest rate based upon two indices—a Base Rate, as defined in the Credit Agreement, or the Eurodollar rate (“LIBOR”). The selected index is combined with a designated margin from an agreed upon pricing matrix. The Base Rate is 1.0%, plus the greater of the National City Bank publicly announced prime rate or the Federal Funds effective rate plus 0.5% per annum. LIBOR is the published Reuters or Bloomberg Financial Markets Information Service rate. At April 30, 2009, the interest rate for the revolving credit facility was at LIBOR plus 2.75%.

Borrowings under the Credit Agreement are collateralized by a first priority security interest in substantially all of the tangible and intangible property of the Company and its domestic subsidiaries and 65% of the stock of foreign subsidiaries.

The Credit Agreement requires the Company to observe several financial covenants, including a minimum fixed charge coverage ratio of 2.50 to 1.00 and a maximum leverage ratio of 3.00 to 1.00. The Credit Agreement also establishes limits for additional borrowings, dividends, investments, acquisitions or mergers and sales of assets. The Company assesses the Credit Agreement covenants quarterly and was in compliance at April 30, 2009.

The Credit Agreement specifies that upon the occurrence of an event or condition deemed to have a material adverse effect on the business or operations of the Company, as determined by the administrative agent of the lending syndicate or the required lenders, as defined, of 51% of the aggregate commitment under the Credit Agreement, the outstanding borrowings become due and payable. However, the Company does not anticipate at this time any change in business conditions or operations that could be deemed as a material adverse change by the lenders.

On April 27, 2009, the Credit Agreement was amended to permit the Company to participate in the Auto Supplier Support Program established by the United States Department of the Treasury pursuant to the authority granted to it by and under the Economic Stabilization Act of 2008. By participating in the Auto Supplier Support Program, the Company may sell eligible accounts owed by Chrysler and General Motors to a special purpose vehicle entity created by Chrysler and General Motors (collectively “SPV”) for the purpose of obtaining payment of the Company’s eligible accounts receivable due from Chrysler and General Motors. The Company has selected the quick pay option, wherein the eligible receivables sold to an SPV are paid within a few days of the sale. The program extends for a period of one year, but may terminate if either Chrysler or General Motors files for bankruptcy.

In July 2008, the Company entered into a finance agreement with an insurance broker for various insurance policies that bears interest at a fixed rate of 3.24% and requires monthly payments of \$78 through April 2009. In July 2007, the Company entered into a finance agreement with an insurance broker for various insurance policies that bore interest at a fixed rate of 5.79% and required monthly payments of \$84 through April 2008. As of April 30, 2009 and October 31, 2008, \$0 and \$389, respectively, remained outstanding under these agreements and were classified as current debt in the Company’s consolidated balance sheets.

In June 2004, the Company issued a \$2,000 promissory note to the State of Ohio related to specific machinery and equipment at one of the Company’s Ohio facilities. The promissory note bore interest at 1% for the first year of the term and 3% per annum for the balance of the term, with interest only payments for the first year of the term. Principal payments began in August 2005 in the amount of \$25, and monthly principal payments continue thereafter increasing annually until July 2011, when the loan matures. The Company may prepay this promissory note without penalty.

Scheduled repayments under the terms of the Amended Credit Agreement plus repayments of other debt for the next five years are listed below:

<u>Twelve Months ended April 30,</u>	<u>Amended Credit Agreement</u>	<u>Other Debt</u>	<u>Total</u>
2010	\$ —	\$ 346	\$ 346
2011	—	356	356
2012	—	91	91
2013	—	—	—
2014	52,950	—	52,950
Total	\$ 52,950	\$ 793	\$53,743

At April 30, 2009, total debt was \$53,743 and total equity was \$108,361, resulting in a capitalization rate of 33% debt, 67% equity. Current assets were \$70,856 and current liabilities were \$45,960, resulting in working capital of \$24,896.

Cash was consumed by the net loss and by expenses charged to earnings to arrive at the net loss that do not require a current outlay of cash amounting to \$(1,793) in the first half of fiscal 2009 compared to \$21,253 in the first half of fiscal 2008. The decrease of \$23,046 reflects the net loss and the tax benefit of the loss and its related effect on deferred taxes in the first half of fiscal 2009 compared to the first half of fiscal 2008.

Working capital changes since October 31, 2008 provided funds of \$19,575. During the first six months of fiscal 2009, accounts receivable have decreased by \$36,205 in connection with the reduced sales volume experienced in the first six months of fiscal 2009 and inventory decreased by \$10,985 since the end of fiscal 2008. Considering the increase in overdraft balances, accounts payable, net have decreased \$24,191, in line with the reduced level of production in the first half of fiscal 2009.

Capital expenditures in the first six months of fiscal 2009 were \$3,932.

Recent events have included the bankruptcy filing by Chrysler and the related closure of Chrysler plants for possibly up to a 60-day period and the announcement by General Motors of plant closures for varying weeks of time up to nine weeks. The Company is anticipating poor sales and low utilization of plant capacity for the upcoming third quarter period of fiscal 2009. As a result, the Company may not remain in compliance with the financial covenants of its Credit Agreement at July 31, 2009 and beyond. In the event of noncompliance, a waiver from the syndicate of lenders or an amendment to the Credit Agreement would be necessary in order for the Company to not be in default of the Credit Agreement. The Company is currently in discussion with the syndicate of lenders and believes that it will either obtain the necessary waiver or amend the Credit Agreement. In the absence of the waiver or amendment, the lenders could avail themselves of remedies under the credit agreement, and at this time, there is no assurance that cash flows from operations or funds available under the amended Credit Agreement will provide sufficient liquidity to meet the Company's cash requirements through April 30, 2010. The Company is closely monitoring the business conditions that are currently affecting the automotive industry and has initiated actions to align production schedules of the Company's plants with customers' schedules, to reduce inventories, to adjust operating expenses in line with production and to reduce capital expenditures to a minimum.

#### *Effect of Inflation, Deflation*

Inflation generally affects the Company by increasing the interest expense of floating rate indebtedness and by increasing the cost of labor, equipment and raw materials. Inflation has not generally had a material effect on the Company's financial results.

In periods of decreasing prices, deflation occurs and may also affect the Company's results of operations. With respect to steel purchases, the Company's purchases of steel through customers' resale steel programs protects recovery of the cost of steel through the selling price of the Company's products. For non-resale steel purchases, the Company coordinates the cost of steel purchases with the related selling price of the product.

## **FORWARD-LOOKING STATEMENTS**

Certain statements made by the Company in this Quarterly Report on Form 10-Q regarding earnings or general belief in the Company's expectations of future operating results are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In particular, forward-looking statements are statements that relate to the Company's operating performance, events or developments that the Company believes or expects to occur in the future, including those that discuss strategies, goals, outlook, or other non-historical matters, or that relate to future sales, earnings expectations, cost savings, awarded sales, volume growth, earnings or general belief in the Company's expectations of future operating results. The forward-looking statements are made on the basis of management's assumptions and expectations. As a result, there can be no guarantee or assurance that these assumptions and expectations will in fact occur. The forward-looking statements are subject to risks and uncertainties that may cause actual results to materially differ from those contained in the statements. Some, but not all of the risks, include the ability of the Company to accomplish its strategic objectives with respect to implementing its sustainable business model; the ability to obtain future sales; changes in worldwide economic and political conditions, including adverse effects from terrorism or related hostilities; costs related to legal and administrative matters; the Company's ability to realize cost savings expected to offset price concessions; inefficiencies related to production and product launches that are greater than anticipated; changes in technology and technological risks; increased fuel and utility costs; work stoppages and strikes at the Company's facilities and that of the Company's customers; the Company's dependence on the automotive and heavy truck industries, which are highly cyclical; the dependence of the automotive industry on consumer spending, which is subject to the impact of domestic and international economic conditions, including increased energy costs affecting car and light truck production, and regulations and policies regarding international trade; financial and business downturns of the Company's customers or vendors, including any production cutbacks or bankruptcies; increases in the price of, or limitations on the availability of, steel, the Company's primary raw material, or decreases in the price of scrap steel; the successful launch and consumer acceptance of new vehicles for which the Company supplies parts; the occurrence of any event or condition that may be deemed a material adverse effect under Amended Credit Agreement; pension plan funding requirements; and other factors, uncertainties, challenges and risks detailed in the Company's other public filings with the Securities and Exchange Commission. Any or all of these risks and uncertainties could cause actual results to differ materially from those reflected in the forward-looking statements. These forward-looking statements reflect management's analysis only as of the date of the filing of this Quarterly Report on Form 10-Q. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof. In addition to the disclosures contained herein, readers should carefully review risks and uncertainties contained in other documents the Company files from time to time with the Securities and Exchange Commission.

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

The Company maintains a set of disclosure controls and procedures designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms. As of the end of the period covered by this Quarterly Report, an evaluation of the effectiveness of the Company's disclosure controls and procedures was carried out under the supervision and with the participation of the Company's management, including the Chief Executive Officer and Chief Financial Officer. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures are effective.

There have been no changes in the Company's internal control over financial reporting during the second quarter of fiscal 2009 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## **Part II. OTHER INFORMATION**

### **Item 6. Exhibits**

- 10.10 First Amendment Agreement to the Credit and Security Agreement, dated October 17, 2008, among Shiloh Industries, Inc., the other loan parties thereto, National City Bank as co-lead arranger, sole book runner and administrative agent and the Privatebank and Trust Company as co-lead arranger and syndication agent.
- 10.11 Second Amendment Agreement to the Credit and Security Agreement, dated April 27, 2009, among Shiloh Industries, Inc., the other loan parties thereto, National City Bank as co-lead arranger, sole book runner and administrative agent and the Privatebank and Trust Company as co-lead arranger and syndication agent.
- 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.
- 32.1 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

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.

SHILOH INDUSTRIES , INC.

By:                   /s/ Theodore K. Zampetis                    
**Theodore K. Zampetis**  
**President and Chief Executive Officer**

By:                   /s/ Kevin Bagby                    
**Kevin Bagby**  
**Chief Financial Officer**

Date: May 26, 2009

## **EXHIBIT INDEX**

- 10.10 First Amendment Agreement to the Credit and Security Agreement, dated October 17, 2008, among Shiloh Industries, Inc., the other loan parties thereto, National City Bank as co-lead arranger, sole book runner and administrative agent and the Privatebank and Trust Company as co-lead arranger and syndication agent.
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- 31.2 Principal Financial Officer's Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

FIRST AMENDMENT AGREEMENT

This FIRST AMENDMENT AGREEMENT (this "Amendment") is made as of the 17<sup>th</sup> day of October, 2008, among:

- (a) SHILOH INDUSTRIES, INC., a Delaware corporation ("Borrower");
- (b) the Lenders, as defined in the Credit Agreement, as hereinafter defined;
- (c) NATIONAL CITY BANK, as co-lead arranger, sole book runner and administrative agent for the Lenders under the Credit Agreement ("Agent"); and
- (d) THE PRIVATEBANK AND TRUST COMPANY, as the co-lead arranger and syndication agent.

WHEREAS, Borrower, Agent and the Lenders are parties to that certain Credit and Security Agreement, dated as of August 1, 2008, that provides, among other things, for loans and letters of credit aggregating One Hundred Twenty Million Dollars (\$120,000,000), all upon certain terms and conditions (as the same may from time to time be amended, restated or otherwise modified, the "Credit Agreement");

WHEREAS, Borrower, Agent and the Lenders desire to amend the Credit Agreement to modify certain provisions thereof and add certain provisions thereto;

WHEREAS, each capitalized term used herein and defined in the Credit Agreement, but not otherwise defined herein, shall have the meaning given such term in the Credit Agreement; and

WHEREAS, unless otherwise specifically provided herein, the provisions of the Credit Agreement revised herein are amended as of the date of this Amendment;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein and for other valuable consideration, Borrower, Agent and the Lenders agree as follows:

1. Amendment to Definitions. Section 1.1 of the Credit Agreement is hereby retroactively amended, effective as of the Closing Date, to delete the definition of "Fixed Charge Coverage Ratio" therefrom and to insert in place thereof the following:

"Fixed Charge Coverage Ratio" means, as determined for the most recently completed four fiscal quarters of Borrower, on a Consolidated basis and in accordance with GAAP, the ratio of (a) (i) Consolidated EBITDA, minus (ii) the sum of (A) Consolidated Capital Expenditures, and (B) Capital Distributions (other than the 2008 Special Dividend); to (b) Consolidated Fixed Charges.

2. Addition to Definitions. Section 1.1 of the Credit Agreement is hereby amended to add the following new definition thereto:

"2008 Special Dividend" shall mean the one-time cash dividend by Borrower to its shareholders, made on March 11, 2008, in an aggregate amount equal to Sixteen Million Three Hundred Sixty Thousand Dollars (\$16,360,000).

3. Closing Deliveries. Concurrently with the execution of this Amendment, Borrower shall:

- (a) cause each Guarantor of Payment to execute the attached Guarantor Acknowledgment and Agreement; and

(b) pay all legal fees and expenses of Agent in connection with this Amendment.

4. Representations and Warranties. Borrower hereby represents and warrants to Agent and the Lenders that (a) Borrower has the legal power and authority to execute and deliver this Amendment; (b) the officers executing this Amendment have been duly authorized to execute and deliver the same and bind Borrower with respect to the provisions hereof; (c) the execution and delivery hereof by Borrower and the performance and observance by Borrower of the provisions hereof do not violate or conflict with the organizational agreements of Borrower or any law applicable to Borrower or result in a breach of any provision of or constitute a default under any other agreement, instrument or document binding upon or enforceable against Borrower; (d) no Default or Event of Default exists under the Credit Agreement, nor will any occur immediately after the execution and delivery of this Amendment or by the performance or observance of any provision hereof; (e) Borrower is not aware of any claim or offset against, or defense or counterclaim to, Borrower's obligations or liabilities under the Credit Agreement or any Related Writing; and (f) this Amendment constitutes a valid and binding obligation of Borrower in every respect, enforceable in accordance with its terms.

5. References to Credit Agreement. Each reference that is made in the Credit Agreement or any Related Writing shall hereafter be construed as a reference to the Credit Agreement as amended hereby. Except as herein otherwise specifically provided, all terms and provisions of the Credit Agreement are confirmed and ratified and shall remain in full force and effect and be unaffected hereby. This Amendment is a Related Writing.

6. Waiver and Release. Borrower, by signing below, hereby waives and releases Agent and each of the Lenders, and their respective directors, officers, employees, attorneys, affiliates and subsidiaries, from any and all claims, offsets, defenses and counterclaims of which Borrower is aware, such waiver and release being with full knowledge and understanding of the circumstances and effect thereof and after having consulted legal counsel with respect thereto.

7. Counterparts. This Amendment may be executed in any number of counterparts, by different parties hereto in separate counterparts and by facsimile signature, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

8. Headings. The headings, captions and arrangements used in this Amendment are for convenience only and shall not affect the interpretation of this Amendment.

9. Severability. Any term or provision of this Amendment held by a court of competent jurisdiction to be invalid or unenforceable shall not impair or invalidate the remainder of this Amendment and the effect thereof shall be confined to the term or provision so held to be invalid or unenforceable.

10. Governing Law. The rights and obligations of all parties hereto shall be governed by the laws of the State of Ohio, without regard to principles of conflicts of laws.

[Remainder of page intentionally left blank.]

JURY TRIAL WAIVER. BORROWER, THE LENDERS AND AGENT, TO THE EXTENT PERMITTED BY LAW, EACH HEREBY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG BORROWER, THE LENDERS AND AGENT, OR ANY THEREOF, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AMENDMENT OR ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS RELATED THERETO. THIS WAIVER SHALL NOT IN ANY WAY AFFECT, WAIVE, LIMIT, AMEND OR MODIFY AGENT'S OR ANY LENDER'S ABILITY TO PURSUE REMEDIES PURSUANT TO ANY CONFESSION OF JUDGMENT OR COGNOVIT PROVISION CONTAINED IN ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT AMONG BORROWER, AGENT AND THE LENDERS, OR ANY THEREOF.

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment in Cleveland, Ohio as of the date first set forth above.

SHILOH INDUSTRIES, INC.

By: \_\_\_\_\_  
Thomas M. Dugan  
Treasurer

NATIONAL CITY BANK,  
as Agent and as a Lender

By: \_\_\_\_\_  
Robert S. Coleman  
Senior Vice President

THE PRIVATEBANK AND TRUST COMPANY,  
as Syndication Agent and as a Lender

By: \_\_\_\_\_  
Robert M. Walker  
Managing Director

Signature Page to  
First Amendment Agreement

FIRSTMERIT BANK, N.A.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

KEYBANK NATIONAL ASSOCIATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

RBS CITIZENS, NATIONAL ASSOCIATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Signature Page to  
First Amendment Agreement

ACKNOWLEDGMENT AND AGREEMENT

The undersigned consent and agree to and acknowledge the terms of the foregoing First Amendment Agreement dated as of October 17, 2008. The undersigned further agree that the obligations of the undersigned pursuant to the Guaranty of Payment executed by the undersigned are hereby ratified and shall remain in full force and effect and be unaffected hereby.

The undersigned hereby waive and release Agent and the Lenders and their respective directors, officers, employees, attorneys, affiliates and subsidiaries from any and all claims, offsets, defenses and counterclaims of any kind or nature, absolute and contingent, of which the undersigned are aware or should be aware, such waiver and release being with full knowledge and understanding of the circumstances and effect thereof and after having consulted legal counsel with respect thereto.

JURY TRIAL WAIVER. THE UNDERSIGNED, TO THE EXTENT PERMITTED BY LAW, HEREBY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG BORROWERS, AGENT, THE LENDERS AND THE UNDERSIGNED, OR ANY THEREOF, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AMENDMENT OR ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS RELATED THERETO. THIS WAIVER SHALL NOT IN ANY WAY AFFECT, WAIVE, LIMIT, AMEND OR MODIFY THE ABILITY OF AGENT AND LENDERS TO PURSUE REMEDIES PURSUANT TO ANY CONFESSION OF JUDGMENT OR COGNOVIT PROVISION CONTAINED IN ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT BETWEEN BORROWER, AGENT AND LENDERS.

SHILOH CORPORATION

By: \_\_\_\_\_  
Thomas J. Stecz  
Treasurer

GREENFIELD DIE & MANUFACTURING CORP.

By: \_\_\_\_\_  
Thomas J. Stecz  
Treasurer

JEFFERSON BLANKING INC.

By: \_\_\_\_\_  
Thomas M. Dugan  
Assistant Secretary

SHILOH AUTOMOTIVE, INC.

By: \_\_\_\_\_  
Thomas J. Stecz  
Treasurer

By: \_\_\_\_\_  
Thomas J. Stecz  
Treasurer

SHILOH INDUSTRIES, INC. DICKSON  
MANUFACTURING DIVISION

By: \_\_\_\_\_  
Thomas J. Stecz  
Treasurer

MEDINA BLANKING, INC.

By: \_\_\_\_\_  
Thomas J. Stecz  
Treasurer

SECTIONAL STAMPING, INC.

By: \_\_\_\_\_  
Thomas J. Stecz  
Treasurer

LIVERPOOL COIL PROCESSING, INCORPORATED

By: \_\_\_\_\_  
Thomas J. Stecz  
Treasurer

THE SECTIONAL DIE COMPANY

By: \_\_\_\_\_  
Thomas J. Stecz  
Treasurer

SECOND AMENDMENT AGREEMENT

This SECOND AMENDMENT AGREEMENT (this "Amendment") is made as of the 27<sup>th</sup> day of April, 2009, among:

(a) SHILOH INDUSTRIES, INC., a Delaware corporation ("Borrower");

(b) the Lenders, as defined in the Credit Agreement, as hereinafter defined;

(c) NATIONAL CITY BANK, as the co-lead arranger, sole book runner and administrative agent for the Lenders under the Credit Agreement ("Agent"); and

(d) THE PRIVATEBANK AND TRUST COMPANY, as the co-lead arranger and syndication agent.

WHEREAS, Borrower, Agent and the Lenders are parties to that certain Credit and Security Agreement, dated as of August 1, 2008, that provides, among other things, for loans and letters of credit aggregating One Hundred Twenty Million Dollars (\$120,000,000), all upon certain terms and conditions (as amended and as the same may from time to time be further amended, restated or otherwise modified, the "Credit Agreement");

WHEREAS, Borrower, Agent and the Lenders desire to amend the Credit Agreement to modify certain provisions thereof and add certain provisions thereto;

WHEREAS, each capitalized term used herein and defined in the Credit Agreement, but not otherwise defined herein, shall have the meaning given such term in the Credit Agreement; and

WHEREAS, unless otherwise specifically provided herein, the provisions of the Credit Agreement revised herein are amended effective as of the date of this Amendment;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein and for other valuable consideration, Borrower, Agent and the Lenders agree as follows:

1. Addition to Definitions. Section 1.1 of the Credit Agreement is hereby amended to add the following new definitions thereto:

"Auto Supplier Support Program" means the Auto Supplier Support Program established by the United States Department of the Treasury pursuant to the authority granted to it by and under the Emergency Economic Stabilization Act of 2008 (Pub. L. 110-343, enacted October 1, 2008), as amended.

"Chrysler" means Chrysler LLC, a Delaware limited liability company.

"Chrysler Supplier Purchase Agreement" means that certain Supplier Purchase Agreement among Borrower, Chrysler Receivables SPV LLC and Citibank, which is being entered into on or about the date hereof in connection with the Auto Supplier Support Program.

"Citibank" means Citibank, N.A., a national banking association.

"GM" means General Motors Corporation, a Delaware corporation.

"GM Supplier Purchase Agreement" means that certain Supplier Purchase Agreement among Borrower, GM Supplier Receivables LLC and Citibank, which is being entered into on or about the date hereof in connection with the Auto Supplier Support Program.

2. Amendment to Financial Statements and Information Provision. Section 5.3 of the Credit Agreement is hereby amended to add the following new subsection (i) thereto:

(i) Accounts Sold Pursuant to Supplier Purchase Agreements. Borrower shall deliver to Agent, as frequently as Agent may request, but no less frequently than within five days after the end of each calendar month, a report detailing all Account sales made pursuant to the Chrysler Supplier Purchase Agreement and the GM Supplier Purchase Agreement, including a listing of all such previous Account sales and the payment status of each such Account sale, to be in form and substance reasonably satisfactory to Agent.

3. Amendment to Merger and Sale of Assets Provision. Section 5.12 of the Credit Agreement is hereby amended to add the following new subsections (h) and (i) thereto:

(h) the Companies may sell Accounts owed by Chrysler (or any subsidiary or affiliate of Chrysler) pursuant to the Chrysler Supplier Purchase Agreement, so long as:

(i) unless otherwise agreed to by Agent in writing, all sales are made in accordance with the terms of "Payment Option 1", as defined in the Chrysler Supplier Purchase Agreement; and

(ii) the "Designated Account", as defined in the Chrysler Supplier Purchase Agreement, is at all times (A) a Deposit Account maintained with The PrivateBank and Trust Company (or any other Lender that may from time to time maintain the cash management of Borrower), and (B) subject to a Control Agreement in favor of Agent and the Lenders; and

(i) the Companies may sell Accounts owed by GM (or any subsidiary or affiliate of GM) pursuant to the GM Supplier Purchase Agreement, so long as:

(i) unless otherwise agreed to by Agent in writing, all sales are made in accordance with the terms of "Payment Option 1", as defined in the GM Supplier Purchase Agreement; and

(ii) the "Designated Account", as defined in the GM Supplier Purchase Agreement, is at all times (A) a Deposit Account maintained with The PrivateBank and Trust Company (or any other Lender that may from time to time maintain the cash management of Borrower), and (B) subject to a Control Agreement in favor of Agent and the Lenders.

4. Closing Deliveries. Concurrently with the execution of this Amendment, Borrower shall:

(a) cause each Guarantor of Payment to execute the attached Guarantor Acknowledgment and Agreement; and

(b) pay all legal fees and expenses of Agent in connection with this Amendment.

5. Authorization to Execute Lien Priority Agreements. Agent is hereby authorized by the Lenders (a) to execute and deliver the Chrysler Lien Priority Agreement on behalf of the Lenders, substantially in the form of Exhibit A hereto, and (b) to execute the GM Lien Priority Agreement on behalf of the Lenders, substantially in the form of Exhibit B hereto.

6. Representations and Warranties. Borrower hereby represents and warrants to Agent and the Lenders that (a) Borrower has the legal power and authority to execute and deliver this Amendment; (b) the officers executing this Amendment have been duly authorized to execute and deliver the same and bind Borrower with respect to the provisions hereof; (c) the execution and delivery hereof by Borrower and the performance and observance by Borrower of the provisions hereof do not violate or conflict with the Organizational Documents of Borrower or any law applicable to Borrower or result in a breach of any provision of or constitute a default under any other agreement, instrument or document binding upon or enforceable against Borrower; (d) no Default or Event of Default exists, nor will any occur immediately after the execution and delivery of this Amendment or by the performance or observance of any provision hereof; (e) each of the representations and warranties contained in the Loan Documents is true and

correct in all material respects as of the date hereof as if made on the date hereof, except to the extent that any such representation or warranty expressly states that it relates to an earlier date (in which case such representation or warranty is true and correct in all material respects as of such earlier date); (f) Borrower is not aware of any claim or offset against, or defense or counterclaim to, Borrower's obligations or liabilities under the Credit Agreement or any Related Writing; (g) this Amendment constitutes a valid and binding obligation of Borrower in every respect, enforceable in accordance with its terms; and (h) both the GM Supplier Purchase Agreement and the Chrysler Supplier Purchase Agreement are, or will be upon the execution thereof, substantially in the form of Exhibit C hereto.

7. Waiver and Release. Borrower, by signing below, hereby waives and releases Agent and each of the Lenders, and their respective directors, officers, employees, attorneys, affiliates and subsidiaries, from any and all claims, offsets, defenses and counterclaims of which Borrower is aware, such waiver and release being with full knowledge and understanding of the circumstances and effect thereof and after having consulted legal counsel with respect thereto.

8. References to Credit Agreement and Ratification. Each reference that is made in the Credit Agreement or any other Related Writing shall hereafter be construed as a reference to the Credit Agreement as amended hereby. Except as herein otherwise specifically provided, all terms and provisions of the Credit Agreement are confirmed and ratified and shall remain in full force and effect and be unaffected hereby. This Amendment is a Related Writing.

9. Counterparts. This Amendment may be executed in any number of counterparts, by different parties hereto in separate counterparts and by facsimile signature, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

10. Headings. The headings, captions and arrangements used in this Amendment are for convenience only and shall not affect the interpretation of this Amendment.

11. Severability. Any term or provision of this Amendment held by a court of competent jurisdiction to be invalid or unenforceable shall not impair or invalidate the remainder of this Amendment and the effect thereof shall be confined to the term or provision so held to be invalid or unenforceable.

12. Governing Law. The rights and obligations of all parties hereto shall be governed by the laws of the State of Ohio, without regard to principles of conflicts of laws.

[Remainder of page intentionally left blank.]

JURY TRIAL WAIVER. BORROWER, AGENT AND THE LENDERS, TO THE EXTENT PERMITTED BY LAW, EACH HEREBY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG BORROWER, AGENT AND THE LENDERS, OR ANY THEREOF, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AMENDMENT OR ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS RELATED THERETO. THIS WAIVER SHALL NOT IN ANY WAY AFFECT, WAIVE, LIMIT, AMEND OR MODIFY AGENT'S OR ANY LENDER'S ABILITY TO PURSUE REMEDIES PURSUANT TO ANY CONFESSION OF JUDGMENT OR COGNOVIT PROVISION CONTAINED IN ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT AMONG BORROWER, AGENT AND THE LENDERS.

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment in Cleveland, Ohio as of the date first set forth above.

SHILOH INDUSTRIES, INC.

By: \_\_\_\_\_  
Thomas M. Dugan  
Treasurer

NATIONAL CITY BANK,  
as Agent and as a Lender

By: \_\_\_\_\_  
Robert S. Coleman  
Senior Vice President

THE PRIVATEBANK AND TRUST COMPANY,  
as Syndication Agent and as a Lender

By: \_\_\_\_\_  
Robert M. Walker  
Managing Director

FIRSTMERIT BANK, N.A.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

KEYBANK NATIONAL ASSOCIATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

RBS CITIZENS, NATIONAL ASSOCIATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ACKNOWLEDGMENT AND AGREEMENT

The undersigned consent and agree to and acknowledge the terms of the foregoing Second Amendment Agreement dated as of April 27, 2009. The undersigned further agree that the obligations of the undersigned pursuant to the Guaranty of Payment executed by the undersigned are hereby ratified and shall remain in full force and effect and be unaffected hereby.

The undersigned hereby waive and release Agent and the Lenders and their respective directors, officers, employees, attorneys, affiliates and subsidiaries from any and all claims, offsets, defenses and counterclaims of any kind or nature, absolute and contingent, of which the undersigned are aware or should be aware, such waiver and release being with full knowledge and understanding of the circumstances and effect thereof and after having consulted legal counsel with respect thereto.

JURY TRIAL WAIVER. THE UNDERSIGNED, TO THE EXTENT PERMITTED BY LAW, HEREBY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG BORROWERS, AGENT, THE LENDERS AND THE UNDERSIGNED, OR ANY THEREOF, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AMENDMENT OR ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS RELATED THERETO. THIS WAIVER SHALL NOT IN ANY WAY AFFECT, WAIVE, LIMIT, AMEND OR MODIFY THE ABILITY OF AGENT AND LENDERS TO PURSUE REMEDIES PURSUANT TO ANY CONFESSION OF JUDGMENT OR COGNOVIT PROVISION CONTAINED IN ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT BETWEEN BORROWER, AGENT AND LENDERS.

SHILOH CORPORATION

By: \_\_\_\_\_  
Thomas J. Stecz  
Treasurer

GREENFIELD DIE & MANUFACTURING CORP.

By: \_\_\_\_\_  
Thomas J. Stecz  
Treasurer

JEFFERSON BLANKING INC.

By: \_\_\_\_\_  
Thomas M. Dugan  
Assistant Secretary

SHILOH AUTOMOTIVE, INC.

By: \_\_\_\_\_  
Thomas J. Stecz  
Treasurer

By: \_\_\_\_\_  
Thomas J. Stecz  
Treasurer

SHILOH INDUSTRIES, INC. DICKSON  
MANUFACTURING DIVISION

By: \_\_\_\_\_  
Thomas J. Stecz  
Treasurer

MEDINA BLANKING, INC.

By: \_\_\_\_\_  
Thomas J. Stecz  
Treasurer

SECTIONAL STAMPING, INC.

By: \_\_\_\_\_  
Thomas J. Stecz  
Treasurer

LIVERPOOL COIL PROCESSING, INCORPORATED

By: \_\_\_\_\_  
Thomas J. Stecz  
Treasurer

THE SECTIONAL DIE COMPANY

By: \_\_\_\_\_  
Thomas J. Stecz  
Treasurer

EXHIBIT A  
CHRYSLER LIEN PRIORITY AGREEMENT

See attached.

S-1

EXHIBIT B  
GM LIEN PRIORITY AGREEMENT

See attached.

EXHIBIT C  
FORM OF SUPPLIER PURCHASE AGREEMENT

See attached.

S-3

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

I, Theodore K. Zampetis, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Shiloh Industries, Inc.;
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.

/s/ Theodore K. Zampetis

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**Theodore K. Zampetis**  
**President and Chief Executive Officer**

Date: May 26, 2009

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

I, Kevin Bagby, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Shiloh Industries, Inc.;
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.

/s/ Kevin Bagby  
\_\_\_\_\_  
**Kevin Bagby**  
**Chief Financial Officer**

Date: May 26, 2009

**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 Shiloh Industries, Inc. (the "Company") on Form 10-Q for the quarter ended April 30, 2009, 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 Section 1350, as adopted pursuant the Section 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 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.

Dated: May 26, 2009

/s/ Theodore K. Zampetis

**Theodore K. Zampetis**  
**President and Chief Executive Officer**

/s/ Kevin Bagby

**Kevin Bagby**  
**Chief Financial Officer**

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