

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

Current Report Pursuant to Section 13 or 15(d) of  
The Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported) April 21, 2003

Twin Disc, Incorporated

(exact name of registrant as specified in its charter)

WISCONSIN

39-0667110

(State or other jurisdiction of  
incorporation or organization)

(IRS Employer Identification No.)

1328 Racine Street Racine, Wisconsin 53403

(Address of principal executive offices)

Registrant's telephone number, including area code: (262)638-4000

Item 7 Financial Statements and Exhibits.

(c) Exhibits.

Exhibit 99.1 Press Release dated April 21, 2003.

Item 9. Regulation FD Disclosure and

Item 12. Results of Operation and Financial Condition

Twin Disc, Inc. has reported its 3rd quarter 2003 financial results. The Company's press release dated April 21, 2003 announcing the results is attached hereto as Exhibit 99.1 and is incorporated herein in its entirety by reference.

The information in this Current Report is being furnished pursuant to Items 9 and 12 of Form 8-K and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and Section 11 of the Securities Act of 1933, as amended, or otherwise subject to the liabilities of those sections. The Current Report will not be deemed an admission by the Company as to the materiality of any information in this report that is required to be disclosed solely by Items 9 or 12. The Company does not undertake a duty to update the information in this Current Report and cautions that the information included in this Current Report is current only as of April 21, 2003, and may change thereafter.

SIGNATURE

Pursuant to the requirements of section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Twin Disc, Inc.

/s/ Fred H. Timm

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Fred H. Timm  
Chief Accounting Officer

Twin Disc Announces Financial Results for Fiscal 2003 Third Quarter and Nine Months; Third-Quarter EPS of \$0.18 Contrasts With Year-Ago Loss of \$0.01

RACINE, Wisc.--(BUSINESS WIRE)--April 21, 2003--Twin Disc, Inc. (NYSE:TDI), today announced financial results for the fiscal 2003 third quarter and nine months ended March 31, 2003.

Net sales for the fiscal 2003 third quarter reached \$47,177,000, a 13 percent improvement from the comparable period of 2002, attributable in part to foreign currency translation. Net earnings for the fiscal third quarter reached \$509,000, or \$0.18 per diluted share, contrasting with the loss of \$37,000, or \$0.01 per share, in the third quarter of fiscal 2002.

Fiscal 2003 quarter-over-quarter revenue comparisons were also favorable, with third-quarter net sales up 29 percent and 11 percent, respectively, from the current fiscal year's first and second quarters. Reflecting increased sales volume and a favorable product mix, gross margin for the fiscal third quarter expanded to 22.1 percent, a sharp improvement from 16.2 percent and 15.6 percent, respectively, in the current fiscal year's first and second quarters. Furthermore, earnings per share rebounded in the third fiscal quarter to \$0.18 from the loss of \$1.72 from continuing operations in the first two quarters of the fiscal year.

Fiscal 2003 nine-month net sales were \$126,491,000 versus 2002's \$126,545,000. The reported nine-month net loss of \$4,309,000, or \$1.54 per share, compared with net earnings of \$658,000, or \$0.23 per diluted share, for the same period a year ago.

Chairman and Chief Executive Officer Michael E. Batten, stated, "Expectations for a return to profitability were borne out in our fiscal third quarter. Net income rose sharply, and while year-to-date revenues were essentially unchanged, we are pleased to have generated sequential quarter-over-quarter improvements as the year has progressed. Perhaps more significantly, gross profit margin has rebounded, further reflecting our restructuring initiatives.

"On balance, demand for our products appears to be improving. We are encouraged by signs of nascent recovery in pleasure craft marine shipments during the quarter as well as improving order rates. Commercial marine activity, however, remained soft as new construction has slowed reflecting uncertainty with respect to world oil markets. Propulsion sales are demonstrating modest gains, and our industrial products and aftermarket parts sales, while still trailing year-ago levels, are experiencing relative improvement from recent lows. Sales of our 8500 Series transmissions, a high-horsepower, high-torque application for oilfield fracturing rigs, are up, partially offsetting softness in other sectors.

"Looking toward fiscal year-end and beyond," Batten continued, "we are encouraged on several fronts. Marine pleasure craft order rates, which had been affected by significantly weaker demand over most of the last two fiscal years, now appear to have begun to show strength. Furthermore, we expect to see continuing contributions from ongoing cost-reduction initiatives and new-product introductions. Our new line of QuickShift(TM) transmissions, which is a case in point, has taken hold and we are beginning to experience strengthening market share. Also, as announced in our April 11 press release, we expect to be successful in being awarded a contract for providing transmissions for TATRA-designed medium tactical trucks to be supplied to the Israeli Defense Forces. Further developments will be announced as they unfold.

"These factors have positioned us well, and while the pace and strength of a recovery are difficult to pinpoint precisely, we appear to be in the initial stages of an improving scenario. We expect our record of sequential quarterly improvements to continue in the final quarter of the fiscal year and expect positive year-over-year comparisons beginning the following quarter," Batten concluded.

Twin Disc, Inc., designs, manufactures and internationally distributes heavy-duty off-highway power transmission equipment for the construction, industrial, government, marine, agricultural, and energy and natural resources markets.

This press release may contain statements that are forward looking as defined by the Securities and Exchange Commission in its rules, regulations and releases. The Company intends that such forward-looking statements be subject to the safe harbors created thereby. All forward-looking statements are based on current expectations regarding important risk factors including those identified in the Company's most recent periodic report and other filings with the Securities and Exchange Commission. Accordingly, actual results may differ materially from those expressed in the forward-looking statements, and the making of such statements should not be regarded as a representation by the Company or any other person that the results expressed therein will be achieved.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(In thousands, except per-share data; unaudited)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2003	2002	2003	2002
Net sales	\$47,177	\$41,928	\$126,491	\$126,545
Cost of goods sold	36,752	32,314	103,457	98,423
Gross profit	10,425	9,614	23,034	28,122
Marketing, engineering and administrative expenses	9,041	9,238	26,331	25,784
Restructuring of operations	---	---	2,042	---
Interest expense	350	423	983	1,355
Other (income) expense, net	(133)	(588)	(238)	(879)
Earnings (loss) before income taxes and minority interest	1,167	541	(6,084)	1,862
Income taxes	653	546	(1,779)	1,150
Earnings (loss) before minority interest	514	(5)	(4,305)	712
Minority interest, net of income taxes	(5)	(32)	(4)	(54)
Net earnings (loss)	\$509	\$(37)	\$(4,309)	\$658
Earnings (loss) per share:				
Basic	\$0.18	\$(0.01)	\$(1.54)	\$(0.23)
Diluted	\$0.18	\$(0.01)	\$(1.54)	\$(0.23)
Average shares outstanding:				
Basic	2,806	2,808	2,807	2,808
Diluted	2,806	2,808	2,807	2,808
Dividends per share	\$0.175	\$0.175	\$0.525	\$0.525

CONTACT: Twin Disc, Inc.  
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