

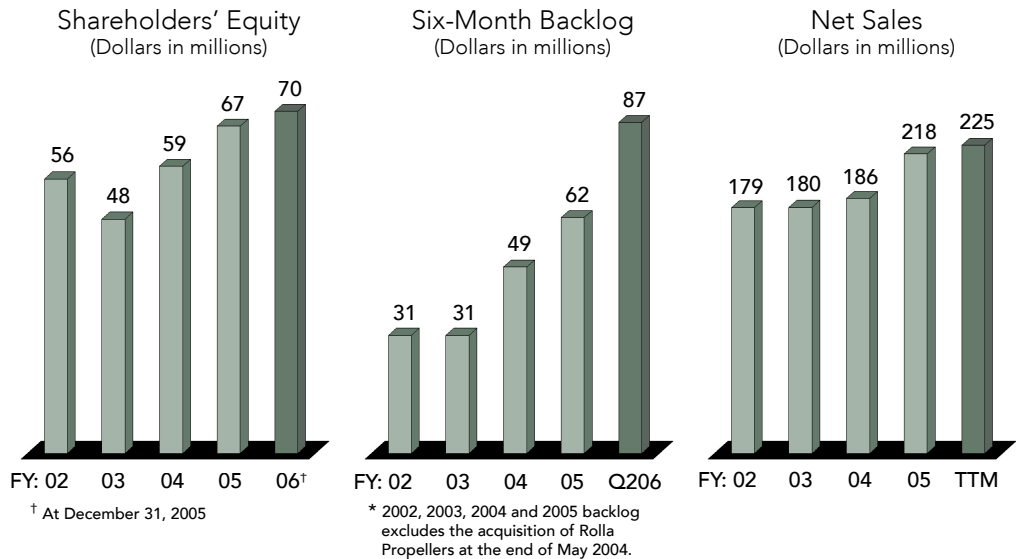


## INVESTMENT DATA

NASDAQ.....TWIN  
Recent Price (01-31-06).....\$57.05  
52-Week Price Range...\$19.75-60.00  
Market Capitalization.....168.3MM  
Diluted Shares Outstanding†...2.9MM  
Price/Book Value per Share.....2.4x  
TTM EPS.....\$3.31  
TTM P/E.....17.2x  
TTM Dividend (Yield)...\$0.715 (1.3%)  
Fiscal Year Ends.....June

† At December 31, 2005

## FINANCIAL TRENDS



## CORPORATE OVERVIEW

Since 1918, Twin Disc, Incorporated has dedicated its engineering, manufacturing and marketing expertise to providing power transmission solutions for a range of heavy-duty, off-highway, marine and industrial applications. Twin Disc's major customers include original equipment manufacturers (OEMs) of diesel engines, specialized vehicles, and equipment for the marine, construction, oil field and agricultural industries. Important product lines include marine transmissions and propulsion products, off-highway vehicle and stationary transmissions, and industrial power take-offs. A resurgence in offshore oil exploration and production has sparked demand for its commercial line of transmissions.

## INCREASING SHAREHOLDER VALUE

Fiscal 2006 is turning out to be one of the best years in the Company's 87-year history. The fiscal 2006 second quarter represents the best second quarter of sales since 1982, and the best second quarter for net earnings since 1989. Further, during the past five years, more than half of Twin Disc's sales and significantly more than half of its income have been realized in the second half of the year. As a result, management is very encouraged with the Company's financial growth and is confident about the financial outlook for fiscal 2006. Twin Disc's six-month backlog of orders is approximately \$87,000,000, up over 60.0 percent compared with the same period a year ago. Management is also seeking acquisitions to further expand Twin Disc's internal businesses.

The Company recently announced that the Board of Directors increased the quarterly cash dividend 8.6 percent to \$0.19 per share from \$0.175. The dividend will be payable on March 1, 2006, to shareholders of record on February 10, 2006. In addition, the Board of Directors approved a two-for-one stock split of Twin Disc's common stock. The split will increase the number of shares outstanding to approximately 5.8 million from approximately 2.9 million. Holders of the Company's common stock on March 10, 2006, will receive one additional share of common stock for every share of common stock they own. The Company's common stock will begin trading at its post-split price on April 3, 2006.

## COMPETITIVE ADVANTAGES

Twin Disc's core business features an expanding line of marine transmissions, propulsion systems and services that supply commercial, pleasure craft and military boats with transmissions, electronic controls, and surface and water jet drives. Twin Disc continues to expand its competitive edge in this industry with the introduction of new and innovative products, state-of-the-art manufacturing facilities, and break-through patented technologies.



Twin Disc also offers high horsepower, off-highway transmission products that are essential to a wide range of industries. These industries include the oil field, military, airport rescue and fire fighting, where highly reliable and full-featured transmissions find application in well-servicing rigs, all-terrain specialty vehicles, and airport crash and rescue trucks. Growth in this sector is excellent, as evidenced by the surge in demand from the oil and gas sector, the award of recent military contracts, and the success of proprietary technologies in the marketplace. Demand is expected to remain strong for the foreseeable future.

## FISCAL 2006 SECOND-QUARTER AND FIRST-HALF FINANCIAL RESULTS

Sales for the fiscal 2006 second quarter ended December 31, 2005, improved 4.2 percent to \$57,051,000 from \$54,731,000 in the same period a year ago. Year to date, sales increased 6.5 percent to \$106,628,000 from \$100,113,000 in the fiscal 2005 first half. Sales continue to benefit from strong demand across all the markets the Company serves, especially from its oilfield, military, and commercial marine customers.

For the fiscal 2006 second quarter gross margin as a percentage of sales increased 2.6 percentage points to 28.1 percent from 25.5 percent in last year's comparable period. For the fiscal 2006 first half, gross margin as a percentage of sales increased 2.9 percentage points to 28.5 percent from 25.6 percent in the same period last year. The increase in gross margins is a result of a shift in product mix to higher margin items, selective price increases, improved absorption due to higher volume at the Company's domestic

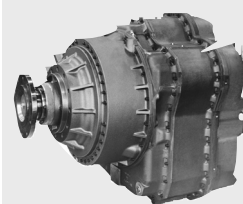
manufacturing operation, and previously announced cost reduction programs.

Net earnings for the second quarter increased 123.6 percent to \$2,489,000, or \$0.84 per diluted share, compared with \$1,113,000, or \$0.38 per diluted share, for the fiscal 2005 second quarter. For the fiscal 2006 first half, net earnings increased 127.1 percent to \$4,974,000, or \$1.70 per diluted share, compared with \$2,190,000, or \$0.76 per diluted share, in the fiscal 2005 first half.

Twin Disc's balance sheet remains firm. At the end of the second quarter, working capital increased 27.5 percent to \$55,608,000. Accounts receivable and accounts payable decreased 10.9 percent and 17.7 percent, respectively. Shareholders' equity at December 31, 2005, was \$69,879,000, or \$23.69 per diluted share, an increase of 4.5 percent from \$66,899,000 at June 30, 2005.



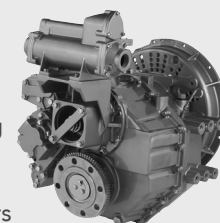
With the addition of Rolla Propellers to Twin Disc's extensive line of propulsion equipment, engine manufacturers, boat designers, builders, owners and operators now have one source for the greatest combined propulsion technology.



The Twin Disc 8500 Series transmission offers the oil and gas industry high capacity power and exceptional

reliability for well servicing and nitrogen pumping applications. The 3000-hp rating allows producers to maximize production with fewer vehicles. The Twin Disc 8500 Series transmission provides more cost effective production that results in higher revenues.

No other marine transmission in the world shifts as fast and smooth as the Twin Disc QuickShift®, yet it provides amazing slow speed control at five knots or less. With its patented, completely internal and integrated clutch actuating system, QuickShift® instantly delivers cushioned torque to the driveline when shifting from neutral to anywhere from full ahead to full reverse.



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### SELECTED FINANCIAL INFORMATION

(In thousands, except per-share data)

Income Statement Highlights	Three Months Ended December 31,		Six Months Ended December 31,	
	2005	2004	2005	2004
Net sales	\$ 57,051	\$ 54,731	\$ 106,628	\$ 100,113
Cost of goods sold	41,028	40,793	76,201	74,523
Gross profit	16,023	13,938	30,427	25,590
ME&A expense	11,489	11,261	21,637	20,770
Operating income	4,534	2,677	8,790	4,820
Interest expense, net	399	291	715	510
Other (income) expense, net	(47)	185	(101)	141
Earnings before income taxes and minority interest	4,182	2,201	8,176	4,169
Income taxes	1,671	1,045	3,137	1,911
Earnings before minority interest	2,511	1,156	5,039	2,258
Minority interest	22	43	65	68
Net earnings	\$ 2,489	\$ 1,113	\$ 4,974	\$ 2,190
Net earnings per share – diluted	\$ 0.84	\$ 0.38	\$ 1.70	\$ 0.76
Average shares outstanding – diluted	2,950	2,907	2,934	2,895
Dividends per share	\$ 0.175	\$ 0.175	\$ 0.35	\$ 0.35

Balance Sheet Highlights	Dec. 31, 2005	June 30, 2005
Cash and cash equivalents	\$ 11,493	\$ 11,614
Working capital	\$ 55,608	\$ 43,616
Total assets	\$ 184,343	\$ 185,295
Total liabilities	\$ 113,937	\$ 117,805
Shareholders' equity	\$ 69,879	\$ 66,899

This profile is for information purposes only. No statement or expression of opinion, or any other matter herein, directly or indirectly, is an offer, solicitation or recommendation to buy or sell this security. Investors should consult a professional investment adviser prior to making any investment decision. Statements contained in this profile that are not historical facts are forward-looking statements that involve risks and uncertainties. For a summary of important factors that could cause Twin Disc, Incorporated's results to differ materially from those projected in, or inferred by, the forward-looking statements, please refer to the Company's 2005 Annual Report on Form 10-K, as amended, or quarterly report on Form 10-Q.