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NEWS RELEASE

FOR IMMEDIATE RELEASE

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TWIN DISC, INC., WILL TAKE A RESTRUCTURING CHARGE TO IMPROVE PROFITABILITY AT ITS BELGIAN MANUFACTURING OPERATION

RACINE, WISCONSIN—**June 29, 2007**—Twin Disc, Inc. (NASDAQ: TWIN), announced today a restructuring plan for its Belgian operation. This action will position the Belgian operation to benefit from its core manufacturing processes and allow for savings from outsourcing of non-core processes. As a result, the Company will take a pre-tax restructuring charge of approximately \$2,872,000 (approximately \$2,164,000 after tax) in its fiscal fourth quarter, which ends June 30, 2007. The charge is primarily the result of staffing reductions, which will occur over the next three years. Upon completion, the Company estimates annual pre-tax savings between \$1,000,000 - \$1,200,000.

"This decision is part of an ongoing commitment to improve the overall cost structure by outsourcing non-core production processes to low-cost suppliers and regions. The project should result in outsourcing about 20 percent of the Belgian facility's machining hours, leaving only core machining, assembly and test processes," said Michael E. Batten, Chairman, President and Chief Executive Officer.

The Company has already completed extensive outsourcing of non-core domestic production to low-cost countries, and has recently established a branch office in India to accelerate these cost reduction efforts.

Twin Disc, Inc. designs, manufactures and sells marine and heavy-duty off-highway power transmission equipment. Products offered include: marine transmissions, surface drives, propellers and boat management systems, as well as power-shift transmissions, hydraulic torque converters, power take-offs, industrial clutches and control systems. The Company sells its products to customers primarily in the pleasure craft, commercial and military marine markets, as well as in the energy and natural resources, government and industrial markets. The Company's worldwide sales to both domestic and foreign customers are transacted through a direct sales force and a distributor network.

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.