

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) July 30, 2004

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 July 30, 2004.

Item 9. Regulation FD Disclosure and

Item 2.02 Results of Operation and Financial Condition

Twin Disc, Inc. has reported its 4th quarter 2004 financial results. The Company's press release dated July 30, 2004 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 July 30, 2004, 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

Fred H. Timm
Chief Accounting Officer

TWIN DISC, INC., ANNOUNCES SIGNIFICANTLY HIGHER FISCAL 2004 FOURTH-QUARTER AND
AND FULL-YEAR EARNINGS VERSUS PRIOR YEAR

Third-Quarter EPS \$0.62 versus \$0.18
Nine-Months EPS \$0.86 versus Loss of \$1.54
Trailing 12 Months EPS \$1.56 versus Loss of \$1.05
Management Sees Improving Earnings Trend Continuing

RACINE, WISCONSIN-JULY 30, 2004-Twin Disc, Inc. (NYSE: TDI), today announced improved financial results for the fiscal 2004 fourth quarter and full year ended June 30, 2004. The fiscal 2004 quarter was the sixth-consecutive period earnings improved year-over-year, and the sales level was the highest in over 20 years.

Net sales for the fourth quarter of fiscal 2004 increased 7.6 percent to \$57,146,000 from \$53,100,000 for the same period last year. Sales were positively impacted by net favorable currency exchange rates, primarily the Euro and Australian Dollar in relation to the U.S. Dollar, of approximately \$1.7 million compared with the same quarter last year. The Company's joint venture agreement governing its subsidiary in Japan was amended effective in the fiscal 2004 first quarter. The effect of this change had no impact on net earnings during this quarter. Last year's fiscal fourth-quarter results, however, included \$3.6 million in sales for certain territories that are no longer recognized by the joint venture. If these were excluded, sales in the fiscal 2004 fourth quarter would have been 15.4 percent higher than the same period last year.

Profitability in the quarter continued to improve from the implementation of cost reduction programs, a restructuring program undertaken last year, a better product mix and the absence of manufacturing inefficiencies which absorbed higher steel, energy and shipping costs. The gross margin in the fiscal 2004 fiscal 2004 quarter improved 385 basis points over the same period last year. For the fiscal 2004 fourth quarter, net income was \$2,788,000, or \$0.97 per diluted share, compared with last year's net income of \$1,941,000, or \$0.70 per diluted share.

Net sales for the 2004 full year were up 3.6 percent to \$1,86,089,000 compared with last year's \$179,591,000. Included in the 2004 sales were net favorable currency exchange rate benefits of approximately \$10.0 million compared with the same period last year. The prior year included \$13.0 million in sales from the Japanese distribution subsidiary that are no longer recognized in accordance with the amended agreement discussed previously. This change had no impact on net earnings. The sequence of the manufacturing efficiencies that began in the prior fiscal year contributed strongly to the 610 basis point improvement in the gross margin for fiscal 2004 compared with last year. Net income for 2004 was \$5,243,000, or \$1.84 per diluted share compared with last year's net loss of \$2,368,000, or \$0.84 per share.

Michael E. Batten, Chairman and Chief Executive Officer, said, "We were very pleased that the sales and earnings improvements that began in fiscal 2003 gained momentum throughout this year. Our people were consistently challenged in fiscal 2004 especially during the second half, to maintain manufacturing quality at high production rates. Our shipments were up, on a sequential basis, nearly 18.0 percent in the fourth quarter and 15.0 percent in the third quarter.

"In the fourth quarter we acquired a wonderful company, Rolla SP Propellers. Based in Switzerland, Rolla is a leading international designer and manufacturer of high-performance propulsion products. The acquisition will have no impact on this year's operating results because it closed on June 30, 2004, but will be accretive to fiscal 2005's financial results. Our Arneson operation has worked closely with Rolla over the years and having its hydrodynamic technology in house will further enhance its quality and service.

"In addition, our balance sheet strengthened at year end because of our strong asset management and the financial improvements. Shareholders' equity increased nearly 21.0 percent to \$60.7 million, or \$21.37 per share, while long-term debt was up modestly, and the accrued retirement liability declined by almost 13.0 percent.

"Our backlog of orders may have a greater variance over comparable periods because our selling cycle is narrowing. Orders to be shipped over the next six months were \$49,400,000 which was an increase of more than 60.0 percent from the start of the fiscal year, but down modestly from the prior quarter's \$52,300,000. Our marketing activity and production schedules are higher than normal for this time of year, seasonally a softer period, which bodes well for our fiscal 2005 outlook"

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.

- --Financial Results Follow--

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

	Three Months Ended		Nine Months Ended	
	March 31,		March 31,	
	2004	2003	2004	2003
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Net sales	\$57,146	\$53,100	\$186,089	\$179,591
Cost of goods sold	42,050	41,118	138,459	144,575
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Gross profit	15,096	11,982	47,630	35,016
Marketing, engineering and administrative expenses	10,012	8,460	37,168	34,790
Restructuring of operations	0	0	0	2,042
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Operating income	5,084	3,522	10,462	(1,816)
Interest expense	243	340	1,078	1,323
Other (income) expense, net	(366)	(262)	(593)	(500)
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Earnings (loss) before income taxes and minority interest	5,207	1,498	4,709	(283)
Income taxes	2,411	1,946	5,268	(2,356)
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Earnings (loss) before minority Interest	2,796	1,946	5,268	(2,356)
Minority interest, net of income Taxes	(8)	(5)	(25)	(12)
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Net earnings (loss)	\$ 2,788	\$ 1,941	\$ 5,243	\$ (2,368)
Earnings (loss) per share:				
Basic	\$ 0.99	\$ 0.70	\$ 1.86	\$ (0.84)
Diluted	\$ 0.97	\$ 0.70	\$ 1.84	\$ (0.84)
Average shares outstanding:				
Basic	2,822	2,798	2,814	2,805
Diluted	2,868	2,798	2,843	2,805
Dividends per share	\$ 0.175	\$ 0.175	\$ 0.70	\$ 0.70

Contact: Twin Disc, Inc.
Christopher J. Eperjesy (262-638-4343)

CONDENSED CONSOLIDATE BALANCE SHEETS
(In thousands, except per-share data; unaudited)

	JUNE 30, 2004	JUNE 30, 2003
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ASSETS		
Current assets:		
Cash and cash equivalents	\$ 9,127	\$ 5,908
Trade accounts receivable, net	37,091	35,367
Inventories, net	52,079	47,247
Deferred income taxes	4,216	4,469
Other	3,111	4,104
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Total current assets	105,624	97,095
Property, plant and equipment, net		
Investments in affiliates	33,222	30,210
Goodwill	0	2,550
Deferred income taxes	12,717	12,876
Intangible pension asset	15,668	20,164
Other assets	0	24
	9,406	7,439
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LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes payable	\$ 1,607	\$ 2,429
Current maturities on long-term debt	3,018	2,857
Accounts payable	17,241	16,115
Accrued liabilities	27,262	24,885
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Total current liabilities	49,128	46,286
Long-term debt		
Accrued retirement benefits	16,813	16,584
	49,456	56,732
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	115,397	119,602
Minority interest		
	509	485
Shareholders' equity:		
Common stock	11,653	11,653
Retained earnings	88,443	83,191
Unearned Compensation	(304)	-
	(20,301)	(26,978)
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	77,941	67,866
Less treasury stock, at cost	16,760	17,595
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Total shareholders' equity	60,731	50,271
	\$176,637	\$170,358
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