April 5, 2010

Mr. Kevin L. Vaughn
Accounting Branch Chief

Ms. Lynn A. Dicker
Staff Accountant

Securities and Exchange Commission
Division of Corporation Finance
100 F. Street, N.E.
Washington, DC 20549

Re: Twin Disc, Inc. Form 10-K for the fiscal year ended June 30, 2009
Filed September 11, 2009
File No. 001-07635

Dear Mr. Vaughn and Ms. Dicker:

The following letter is in response to your letter to me dated March 23, 2010 related to the Commission's review of Twin Disc, Inc.'s Form 10-K for the Fiscal Year Ended June 30, 2009. For clarity, I have restated the Commission's comment below, followed by the Company's response.

1. *We note your response to prior comment 2. Tell us how the 25th and 75th percentile inform your compensation decisions. Your response, together with your disclosure in the proxy statement, continues to suggest that compensation is targeted at the 50th percentile, such as to certain adjustments. If true, it would appear that you are benchmarking and must therefore disclose the identity of your benchmark companies.*

Company Response:

As previously disclosed, with respect to compensation decisions made in 2009, the Company did not retain a compensation consultant to provide survey data against which to compare compensation of Company executives. Therefore, the Company did not engage in any form of benchmarking in 2009.

With respect to years in which the Company has engaged a compensation consultant, the information received with respect to the 25th and 75th percentiles was provided merely as data in order to provide the Compensation Committee with a full range of information regarding competitive pay practices. The information regarding the 25th and 75th percentiles has not historically been a material factor in determining the compensation of executives of the Company.

With respect to the Company’s statements that the Compensation Committee considers an executive’s compensation to be competitive if it is within a band of plus or minus 15 percent from the competitive median, and that the competitive median is determined by reference to the 50th percentile of compensation for similar positions based on third-party surveys, the Company agrees that such a practice could be considered benchmarking, as the survey data provides framework for the Compensation Committee’s compensation decisions. In future years where the Compensation Committee engages in a similar process, the Company will disclose information regarding the compensation consultant retained, the specific surveys utilized in the course of making compensation decisions, the number of component companies in those surveys, and the manner in which the survey information was used in making compensation decisions. In addition, to the extent that a peer group of specific companies is compiled for purposes of benchmarking compensation, the Company will disclose the names of the constituent companies from that peer group.

However, to the extent that the Company utilizes broad-based third-party surveys in future years in a manner similar to how it has used such surveys in the past, the Company does not believe that disclosure of all of the constituent companies in those surveys provides material information to investors. As previously disclosed, the survey information by Towers Perrin (now Towers Watson) in 2007 was derived from a database of over 800 companies. Although Towers Perrin excluded companies from certain industries from the survey information provided to the Compensation Committee, the information that the Compensation Committee received was still based upon information from about 400 companies of varying sizes in a wide range of businesses throughout general industry.

In addition, as described in the enclosed letter from Towers Watson, the general industry surveys are open year-round to participants who submit data, and client analyses are based upon the companies that have submitted complete data at the time the analysis is done. Moreover, to protect the confidentiality of individual company data, the data is stripped of company-specific identifiers and reported by position rather than by company. In other words, once the information is submitted into the database, it cannot be linked back to any particular company and appears merely as data points within the database. The Company is not able to obtain specific information with respect to particular companies within the survey, nor is the Company able to supplement the survey information with compensation data from any particular companies not included in the survey.

* * *

The Company acknowledges that:

- the Company is responsible for the adequacy and accuracy of the disclosures in the filing;
- staff comments or changes to disclosure in response to staff comments do not foreclose the Commission from taking any action with respect to the filing; and
- the Company may not assert staff comments as a defense in any proceedings initiated by the Commission or any person under federal securities laws of the United States.

If you have any questions or further comments regarding the foregoing, please feel free to contact me at (262) 638-4343.

Sincerely,
/s/ CHRISTOPHER J. EPERJESY

Christopher J. Eperjesy
Vice President — Finance, Chief Financial Officer & Treasurer

Enclosure

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TOWERS WATSON

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Milwaukee, WI 53202
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1300

April 2, 2010

Ms. Denise Wilcox
Vice President Human Resources
Twin Disc, Inc.
1328 Racine Street
Racine, WI 53403

Dear Denise:

As requested, this letter provides information to help explain the approach used by Towers Watson to fulfill Twin Disc's request for competitive compensation estimates for Twin Disc's executive officers, including Twin Disc's Named Executive Officers. As you know, Twin Disc and Towers Watson have historically conducted this analysis every other year, following the process outlined below. This analysis was last conducted by Towers Watson on behalf of Twin Disc in June, 2007.

Note that prior to January, 2010 the individuals that conducted work for Twin Disc were part of Towers Perrin (prior to Towers Perrin's merger with Watson Wyatt, creating Towers Watson)– therefore, references to Towers Watson prior to 2010 should be interpreted as references to Towers Perrin.

The approach consists of the following process steps:

- Step 1. Screening the compensation database for data linked to a similar position (i.e. position with similar responsibilities) when compared to Twin Disc's position duties and responsibilities (i.e., similar position content). Comparability can be at the corporate OR business unit level.

- Step 2. The data that meet the screening criteria in Step 1 are subjected to regression analysis, a well-established and versatile statistical technique. The outcome of the regression is a "regression equation" that most closely defines the relationship between an independent variable (revenue, in this case) and a dependent variable (compensation).

- Step 3: Twin Disc's actual revenues for the position are put into the regression equation to calculate a compensation level consistent with the company's revenue size.

Referring to Towers Watson's 2007 work conducted for Twin Disc, the basis for the competitive compensation estimates was data culled from the 2006 editions of Towers Watson's proprietary general industry surveys for each similar position (the most current database available at that time).

The general industry surveys are open year-round to participants who submit data; there are no size or industry restrictions. This means that client analyses are based on the companies that have submitted complete data at the time the analysis is done. In working with Towers Watson, Twin Disc plays no role in selecting the companies for which data are pulled. Participating companies submit pay information for incumbents in positions that correspond to Towers Watson's predefined position descriptions, and also include organization information such as revenues for each position. For example, a participant submits corporate revenues for corporate-level positions and sector/business unit revenues for sector/business unit positions. Survey information is consolidated into the database on an as-received basis and, to protect the confidentiality of individual company data, the data is stripped of company-specific identifiers and reported by position rather than by company; in other words, once the information is submitted into the database it cannot be linked back to any particular company and appears merely as data points within the database.

For each Twin Disc position, Towers Watson screened the compensation database for companies that had similar position content. Because the reporting companies varied widely in size, Towers Watson adjusted for size using regression analysis. Essentially, this technique identifies a relationship between one variable (in this case, compensation) and another variable that is closely related to it. In general industry, the firmest linear relationship is to the revenues of the company (or of the sector, in the case of business units). In other words, a larger company would be likely to pay a higher amount of compensation for the same position than a smaller company. Using this relationship, one can predict the level of compensation that any company would pay for a given job based on its revenues.

Denise, please let me know if you have any questions regarding this process and our surveys. I trust this provides useful information about the use of regression analysis and its application to the historic analysis conducted by Towers Watson on behalf of Twin Disc.

Sincerely,

Towers Watson Pennsylvania Inc., a Towers Watson company