

TWIN DISC INC  
Form 8-K  
November 26, 2012

UNITED STATES  
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) November 19, 2012

TWIN DISC, INCORPORATED

(Exact name of registrant as specified in its charter)

WISCONSIN  
(State or other jurisdiction  
of incorporation)

001-7635  
(Commission  
File Number)

39-0667110  
(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

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Entry into a Material Definitive Agreement

Item  
1.01

On November 19, 2012, Twin Disc, Incorporated (the "Company") and its wholly-owned subsidiary Twin Disc International, S.A. ("TWINSA") (collectively, the "Borrowers") entered into a multi-currency revolving Credit Agreement (the "Credit Agreement") with Wells Fargo Bank, National Association ("Wells Fargo").

Pursuant to the Credit Agreement, the Borrowers may, from time to time, enter into revolving credit loans in amounts not to exceed, in the aggregate, Wells Fargo's revolving credit commitment of \$15,000,000. In general, outstanding revolving credit loans (other than foreign currency loans) will bear interest at one of the following rates, as selected by the Borrowers: (1) a "Base Rate," which is equal to the highest of (i) the prime rate; (ii) the federal funds rate plus 0.50%; or (iii) LIBOR plus 1.00%; or (2) a "LIBOR Rate" (which is equal to LIBOR divided by the difference between 1.00 and the Eurodollar Reserve Percentage (as defined in the Credit Agreement)) plus 1.50%. Outstanding revolving credit loans that are foreign currency loans will bear interest at the LIBOR Rate plus 1.50%, plus an additional "Mandatory Cost," which is designed to compensate Wells Fargo for the cost of compliance with the requirements of the Bank of England and/or the Financial Services Authority, or the requirements of the European Central Bank. In addition to principal and interest payments, the Borrowers will be responsible for paying monthly commitment fees equal to .25% of the unused revolving credit commitment. The Borrowers have the option of making additional prepayments subject to certain limitations.

The Credit Agreement includes financial covenants regarding minimum net worth, minimum EBITDA for the most recent four fiscal quarters of \$11,000,000, and a maximum total funded debt to EBITDA ratio of 3.0:1. The Credit Agreement also includes certain restrictive covenants that limit, among other things, certain investments, acquisitions and indebtedness. The Credit Agreement provides that it shall automatically include any covenants or events of default not previously included in the Credit Agreement to the extent such covenants or events of default are granted to any other lender of an amount in excess of \$1,000,000. Following an event of default, Wells Fargo may accelerate all amounts outstanding under any revolving credit notes or the Credit Agreement. The Credit Agreement is scheduled to expire on May 31, 2015.

A copy of the Credit Agreement is attached to this report as Exhibit 10.1 and is incorporated herein by reference. The description of the Credit Agreement is qualified in its entirety by reference to Exhibit 10.1.

Item Creation of a Direct Financial Obligation or an Obligation Under an Off-Balance Sheet Arrangement of a  
2.03 Registrant

See Item 1.01, which is incorporated herein by reference.

Item Financial Statements and Exhibits  
9.01

(c)Exhibits.

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EXHIBIT NUMBERDESCRIPTION

10.1 Credit Agreement Between Twin Disc, Incorporated, Twin Disc International, S.A., and Wells Fargo Bank, National Association, dated November 19, 2012.

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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.

Date: November 26, 2012

Twin Disc, Incorporated

  /s/ THOMAS E. VALENTYN  
Thomas E. Valentyn  
General Counsel & Secretary

