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TIMKEN CO
Form 8-K
September 12, 2003

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): SEPTEMBER 12, 2003

THE TIMKEN COMPANY

(Exact Name of Registrant as Specified in its Charter)

OHIO

(State or Other Jurisdiction of Incorporation)

1-1169

(Commission File Number)

34-0577130

(I.R.S. Employer Identification No.)

1835 DUEBER AVENUE, S.W., CANTON, OHIO 44706-2798

(Address of Principal Executive Offices) (Zip Code)

(330) 438-3000

(Registrant's Telephone Number, Including Area Code)

ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

The Timken Company ("Timken") is filing this Current Report on Form 8-K (this "Form 8-K") to disclose certain information required under Regulation G ("Regulation G") of the Securities Exchange Act of 1934 (the "Exchange Act"). Under Regulation G, among other things, because Timken has filed today a registration statement under the Securities Act of 1933 (the "Securities Act")

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that incorporates by reference certain periodic filings that contain a "non-GAAP financial measure" (as defined in Regulation G), Timken must also disclose the differences between the disclosed non-GAAP financial measure and the most comparable financial measure or measures calculated and presented in accordance with GAAP. The purpose of this Form 8-K is to satisfy the disclosure requirements of Regulation G.

In Timken's annual report on Form 10-K for the fiscal year ended December 31, 2002 (the "2002 10-K"), Timken disclosed its net-debt-to-net-capital ratio at December 31, 2002. In Timken's 2002 10-K and its quarterly reports on Form 10-Q for the periods ended March 31, 2003, and June 30, 2003, Timken disclosed its total-debt-to-total-capital ratio. The ratios at March 31, 2003, and June 30, 2003, reflect the acquisition of the Engineered Solutions business of Ingersoll-Rand Company Limited, which was consummated as of February 16, 2003. Timken defines "total debt" as long-term debt plus current portion of long-term debt, commercial paper and short-term debt; "net debt" as total debt less cash and cash equivalents; "total capital" as total debt plus total shareholders' equity, and "net capital" as net debt plus total shareholders' equity. Timken's definitions of total debt, net debt, total capital and net capital may not be comparable with those terms as defined by other companies. Management uses the total-debt-to-total-capital ratio as a measure of its financial leverage. Management believes the net-debt-to-net-capital ratio is also useful as a measure of Timken's financial leverage which eliminates the impact of cash items, such as payments received from the U.S. Treasury Department under the U.S. Continued Dumping Subsidy Offset Act.

Following is a reconciliation of the net-debt-to-net-capital ratio at December 31, 2002, and the total-debt-to-total-capital ratio at December 31, 2002, March 31, 2003, and June 30, 2003, and the comparable prior year periods:

	AT DECEMBER 31,		AT MARCH 31,	
	2001	2002	2002	2003
	-----	-----	-----	-----
	(IN THOUSANDS)			
Long-term debt	\$ 368,151	\$ 350,085	\$ 367,279	\$ 778,066
Plus Current portion of long-term debt.....	42,434	23,781	41,480	25,792
Plus Commercial paper	1,962	8,999	--	--
Plus Short-term debt	84,468	78,354	112,344	192,840
	-----	-----	-----	-----
Total debt	\$ 497,015	\$ 461,219	\$ 521,103	\$ 996,698
	=====	=====	=====	=====
 Total debt	\$ 497,015	\$ 461,219		
Less Cash and cash equivalents ..	33,392	82,050		
	-----	-----		
Net debt	\$ 463,623	\$ 379,169		
	=====	=====		
 Total debt	\$ 497,015	\$ 461,219	\$ 521,103	\$ 996,698
Plus Total shareholders' equity .	781,735	609,086	783,303	941,342
	-----	-----	-----	-----
Total capital	\$1,278,750	\$1,070,305	\$1,304,406	\$1,938,040
	=====	=====	=====	=====
 Net debt	\$ 463,623	\$ 379,169		
Plus Total shareholders' equity .	\$ 781,735	609,086		

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Net capital	----- \$1,245,358 =====	----- \$ 988,255 =====		
Total-debt-to-total-capital ratio	38.9%	43.1%	39.9%	51.4%
Net-debt-to-net-capital ratio ...	37.2%	38.4%		

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THE TIMKEN COMPANY

By: /s/ William R. Burkhart

William R. Burkhart
Senior Vice President and General Counsel

Date: September 12, 2003