TIMKEN CO
Form S-3/A
January 17, 2003

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As filed with the Securities and Exchange Commission on January 17, 2003
Registration Statement No. 333-100731

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549-1004

Amendment No. 2

to

Form S-3

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

The Timken Company

(Exact Name of Registrant as Specified in its Charter)

Ohio	**34-0577130**
(State or Other Jurisdiction of Incorporation or Organization)	*(I.R.S. Employer Identification Number)*

The Timken Company

1835 Dueber Avenue, S.W.
Canton, Ohio 44706-2798
(330) 438-3000
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant s Principal Executive Offices)

Scott A. Scherff

Corporate Secretary and Assistant General Counsel
The Timken Company
1835 Dueber Avenue, S.W.
Canton, Ohio 44706-2798
(330) 438-3000
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

Copies To:

Christopher M. Kelly

Jones Day
901 Lakeside Avenue
Cleveland, Ohio 44114
(216) 586-3939

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this Registration Statement.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. o

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. þ

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. o

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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EXPLANATORY NOTE

This Registration Statement contains (1) a prospectus supplement which, together with the prospectus contained herein, will be utilized in connection with offers and sales of common stock registered under this Registration Statement, and (2) the alternate pages of a prospectus supplement, which, together with the prospectus contained herein, will be utilized in connection with offers and sales of senior unsecured notes registered under this Registration Statement.

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The information in this prospectus supplement is not complete and may be changed. We may not sell these securities until the related registration statement filed with the Securities and Exchange Commission is effective. This prospectus supplement is not an offer to sell these securities and we are not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JANUARY 17, 2003

PROSPECTUS SUPPLEMENT

(To prospectus dated , 2003)

11,000,000 Shares

The Timken Company

Common Stock

Our common stock is listed on the New York Stock Exchange under the symbol TKR. The last reported sale price on January 16, 2003 was $20.13 per share.

The underwriters may also purchase up to an additional 1,650,000 shares of common stock from us at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus supplement to cover overallotments.

We will use the net proceeds from this offering to finance a portion of the cost of acquiring the Engineered Solutions business of Ingersoll-Rand Company Limited. The closing of this offering is conditioned upon the closing of that acquisition.

Concurrently with this offering of common stock, we are offering, by means of a separate prospectus supplement, up to $ million aggregate principal amount of our senior unsecured notes to finance a portion of the acquisition mentioned above. We refer you to Prospectus Supplement Summary Concurrent Notes Offering in this prospectus supplement. The closing of this offering is not conditioned on the closing of the notes offering.

Investing in our common stock involves risks. See Risk Factors beginning on page S-15 of this prospectus supplement.

	Per Share	Total
Public offering price	$	$
Underwriting discounts and commissions	$	$
Proceeds to Timken, before expenses	$	$

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of common stock on or about , 2003.

The date of this prospectus supplement is , 2003.

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We have not authorized anyone to provide you with any information other than the information contained, incorporated or deemed incorporated by reference in this prospectus supplement and the accompanying prospectus. This document may only be used where it is legal to sell the common stock.

This prospectus supplement is part of, and you should read it in conjunction with, the accompanying prospectus. Unless the context otherwise requires, references in this prospectus supplement to Timken, we, us and our and similar references refer to The Timken Company, a Ohio corporation, and its consolidated subsidiaries.

We expect that delivery of the common stock we are offering by this prospectus supplement will be made against payment on or about the closing date specified on the cover page, which will be the fifth business day following the date of this prospectus supplement, which we refer to as T+5. Under Rule 15c6-1 adopted by the SEC under the Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Investors who wish to trade the common stock on the date of this prospectus supplement or the next succeeding business day will be required, by virtue of the fact that the common stock initially will settle in T+5, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Investors who wish to trade the common stock on the date hereof or the next succeeding business day should consult their own advisors.

This prospectus supplement contains some of our trademarks and trademarks of The Torrington Company or its affiliates. Each trademark, trade name or service mark of any other company appearing in this prospectus supplement belongs to its respective holder.

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MARKET AND INDUSTRY DATA

Market and industry data used throughout this prospectus supplement, including information relating to market share and trends, is based on our good faith estimates. These estimates were based on our review of internal surveys, independent industry publications and other publicly available information. Although we believe these sources are reliable, we have not independently verified the information and cannot guarantee its accuracy and completeness.

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WHERE YOU CAN FIND MORE INFORMATION

We are subject to the reporting requirements of the Securities Exchange Act of 1934 and, in accordance with these requirements, we file annual, quarterly and current reports, proxy statements and other information with the SEC. Reports, proxy statements and other information filed by us can be inspected at the public reference facilities maintained by the SEC at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Copies of these materials can also be obtained from the Public Reference Section of the SEC at the address mentioned above at prescribed rates.

The SEC also maintains a website that contains reports, proxy and information statements and other information regarding companies like us that file electronically with the SEC. The address of the SEC s website is *www.sec.gov*. Reports, proxy statements and other information concerning our business may also be inspected at the offices of the New York Stock Exchange, on which our common stock is listed, at 20 Broad Street, New York, New York 10005. This information may also be obtained from us as described below.

The SEC allows us to incorporate by reference the information we file with it into this prospectus supplement and the accompanying prospectus, which means that we can disclose important information to you by referring you to those documents, and those documents will be considered part of this prospectus supplement and the accompanying prospectus. Information that we file later with the SEC will automatically update and supercede the previously filed information. We incorporate by reference in this prospectus supplement and the accompanying prospectus each of the documents listed below and any future filings that we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act (Commission File No. 1-1169) (1) after the date of the filing of the registration statement of which this prospectus supplement is a part and prior to its effectiveness and (2) until this offering has been completed:

Our Annual Report on Form 10-K for the fiscal year ended December 31, 2001.

Those portions of our Annual Proxy Statement dated February 20, 2002 that are incorporated by reference into our Annual Report on Form 10-K for the fiscal year ended December 31, 2001.

Our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2002, June 30, 2002 and September 30, 2002.

Our Current Reports on Form 8-K filed with the SEC on January 22, 2002, February 19, 2002, February 22, 2002, March 20, 2002, April 8, 2002, April 15, 2002, April 16, 2002, May 20, 2002, June 17, 2002, July 17, 2002, July 19, 2002, August 7, 2002, August 15, 2002, September 23, 2002, October 16, 2002, October 17, 2002, October 18, 2002, November 19, 2002 and December 24, 2002.

The description of our common stock contained in our registration statement filed under the Exchange Act and any amendments and reports filed for purposes of updating that description.

We will provide you at no charge, upon request, with a copy of these filings, or any or all of the documents incorporated by reference into this prospectus supplement and the accompanying prospectus, other than exhibits to those documents unless the exhibits are specifically incorporated by reference into those documents or specifically referred to in this prospectus supplement or the accompanying prospectus. Requests should be directed to:

The Timken Company

1835 Dueber Avenue, S.W.
Canton, Ohio 44706-2798
Attention: Corporate Secretary
(330) 438-3000

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights basic information about us, the Torrington acquisition described below and the common stock that we are offering. You should carefully read this entire prospectus supplement, along with the accompanying prospectus, including the financial data and other information included and incorporated by reference, before making an investment decision.

The Timken Company

We are a leading global manufacturer of highly engineered bearings, alloy and specialty steel and related components. We are the world s largest manufacturer of tapered roller bearings and alloy seamless mechanical steel tubing and the largest North American-based bearings manufacturer. We have facilities in 27 countries on six continents.

We had net sales of $2.5 billion, $2.6 billion and $2.4 billion for the years ended December 31, 1999, 2000 and 2001 and $1.9 billion for the nine months ended September 30, 2002, and we employed approximately 18,100 people as of September 30, 2002. We reported income (loss) before cumulative effect of change in accounting principle of $62.6 million, $45.9 million and ($41.7 million) for the years ended December 31, 1999, 2000 and 2001 and $15.0 million for the nine months ended September 30, 2002. We manufacture two basic product lines: anti-friction bearings and steel products, and we report our business in three segments: automotive bearings, industrial bearings and steel. Automotive bearings, industrial bearings and steel represented 31%, 36% and 33%, respectively, of our net sales for the year ended December 31, 2001 and 33%, 35% and 32%, respectively, of our net sales for the nine months ended September 30, 2002.

In the bearing industry, we are best known for our principal product, the tapered roller bearing, which was originally patented in 1898 by our founder, Henry Timken. Our tapered roller bearings are used in a wide variety of products and applications, including passenger cars, trucks, aircraft wheels, locomotives and railroad cars and equipment for agriculture, construction, mining, pulp and paper processing, power generation, metal processing and metal mills. We also produce high-quality spherical and cylindrical roller bearings for large gear drives, rolling mills and other process industry and infrastructure development applications. In addition, our aerospace and super precision facilities produce high-performance ball and cylindrical bearings for ultra high-speed and high-accuracy applications. These types of bearings are used in aircraft and helicopter engines, gear boxes, transmissions, flight and fuel controls, missile guidance systems, dental handpieces, robotic equipment and semiconductor manufacturing equipment. A small part of our business involves providing bearing reconditioning services for industrial and railroad customers, both internationally and domestically.

Our steel products include steels of intermediate alloy, low alloy and carbon grades. We also make vacuum processed specialty steels. Our steel products are available in a wide range of solid and tubular sections with a variety of lengths and finishes. We sell our steel products, including semi-finished and finished precision steel components, to other anti-friction bearing companies and to companies in the automotive, tooling, aerospace, forging and oil and gas drilling industries, and to steel service centers. For the year ended December 31, 2001, approximately 15% of our steel production was consumed in our bearings operations.

Maintaining high standards of product quality and reliability while keeping production costs competitive is essential to our ability to compete with domestic and international manufacturers in both the anti-friction bearing and steel businesses. Beginning in the second quarter of 2001, we undertook an aggressive transformation of our manufacturing operations, which we refer to as our strategic manufacturing initiative, to allow us to more profitably execute our business strategies described below. The principal objectives of our strategic manufacturing initiative, attained primarily through internal cost cutting and reorganization, are creating focused factories for each product line or component; reducing our fixed costs; increasing production at our lowest cost plants; and implementing a more efficient, higher quality manufacturing process through a program we call Lean Six Sigma. As of September 30, 2002, we had achieved an estimated annualized rate of pre-tax savings of approximately $70 million from our strategic manufacturing initiative, and we expect to have increased this savings rate to approximately $80 million at the end of 2002. See Business Overview Strategic Manufacturing Initiative.

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The Torrington Acquisition

On October 16, 2002, we entered into a stock and asset purchase agreement, which we refer to as the purchase agreement, with Ingersoll-Rand Company Limited, which we refer to as Ingersoll-Rand, to acquire its Engineered Solutions business, including certain of its joint venture interests, operating assets and subsidiaries, including The Torrington Company. We refer to the business to be acquired as Torrington and to the acquisition as the Torrington acquisition. We will pay Ingersoll-Rand approximately $700 million in cash, subject to adjustment, and approximately $140 million in shares of our common stock for Torrington, a leading worldwide producer of needle roller, heavy-duty roller and ball bearings and motion control components and assemblies. Upon completion of the Torrington acquisition, we will have global leadership positions in the needle and tapered roller bearing and alloy steel industries, with operations on six continents. The closing of this offering is contingent upon the closing of the Torrington acquisition. See Risk Factors Risks Related to the Torrington Acquisition and Description of the Torrington Purchase Agreement and Related Agreements in this prospectus supplement.

Torrington

Torrington has been a leader in the bearing industry for over 100 years and is a leading manufacturer of needle roller bearings. It produces a wide range of bearings sold under a number of brand names, including Torrington needle roller bearings, Torrington heavy-duty roller bearings, Nadella precision needle roller bearings and linear motion solutions and Fafnir ball bearings and housed units. Torrington also produces a variety of precision motion control components and assemblies, such as steering shaft assemblies and steering column shafts. Torrington sells its products directly or through authorized distributors to automotive and industrial manufacturers, as well as to aftermarket users throughout the world. In recent years, Torrington has expanded its worldwide business through a series of acquisitions and joint ventures in France, Germany, China and India.

Torrington had net sales of $1.1 billion for the year ended December 31, 2001 and $912.4 million for the nine months ended September 30, 2002, employs approximately 10,500 people and operates 27 plants throughout the world. Torrington has two business divisions: automotive engineered solutions and industrial engineered solutions. Torrington s 2001 net sales were about evenly split between its two divisions.

The Torrington automotive business manufactures a variety of products, including roller and needle bearings and other components used in an automobile s transmission, chassis, steering column and engine. Many of these products, such as column locks and rotary tilt products for steering columns, are highly engineered with precision technology, and are specially designed through collaborative efforts between Torrington and its customers. These products are primarily sold to original equipment manufacturers, or OEMs, including large automobile manufacturers, and their principal suppliers. We believe that Torrington has created a high degree of customer loyalty as a result of this collaborative process and customization.

The Torrington industrial business produces a broad range of products, including roller bearings, needle bearings, wider inner ring ball bearings and housed units, radial ball bearings, super precision ball bearings, airframe control bearings, precision machined bearings and precision components and assemblies. These products are sold to OEMs, as well as through a global aftermarket network.

Strategic Benefits of the Torrington Acquisition

We expect to realize a number of strategic and competitive benefits as a result of the Torrington acquisition, including the following:

Expanding our global presence and market share. The Torrington acquisition will combine our global leadership position in tapered roller bearings with Torrington s leadership position in needle roller bearings. We expect the Torrington acquisition to provide us with opportunities to expand our geographic presence and enhance our industry coverage through increased scale and a stronger international distribution network, particularly in Europe and Asia. We expect this expanded global reach to enable us to compete more effectively with established worldwide firms and regional

competitors, although we will also become more susceptible to the risks associated with international operations. Nevertheless, we believe that with Torrington, our combined global presence and enhanced product line will better position us to capitalize on the trend among customers toward consolidating suppliers of their bearings and steel products.

Strengthening our core automotive business with a complementary product offering. We expect the Torrington acquisition to enhance our ability to produce a broader range of products for use in the automotive powertrain. The powertrain is the area of the vehicle that includes the engine and the driveline (primarily the transmission and axle) and uses both bearings and precision engineered solutions. We believe Torrington s highly engineered, value-added powertrain product portfolio complements our existing wheel hub (the technology used in automotive wheel-ends) portfolio and driveline solutions, will enable us to offer greater system design capability and will provide us with a broader product offering to better serve our customers. We expect future design change and growth in both the powertrain and wheel hub areas.

Broadening our industrial product portfolio. We expect the Torrington acquisition to strengthen our existing industrial business by broadening our product base and increasing our cross-selling opportunities, resulting in an increase in the penetration of our products into a broader installed base. In order to capitalize on these opportunities, we may have to overcome difficulties and incur costs in connection with retraining our skilled engineers and sales personnel, coordinating geographically diverse organizations and retooling and reprogramming our equipment and information technology systems. Ultimately, we believe the Torrington acquisition will enable us to achieve economies of scale with our customers and improve our service capabilities, providing us with more opportunities to become a preferred supplier to our customers. We believe the Torrington acquisition will expand our presence in the industrial service and aftermarket businesses and will enhance our position as a leading supplier of bearings and related products to the industrial aftermarket worldwide.

Increasing cost savings and manufacturing efficiencies. We intend to integrate Torrington into our operations by combining Torrington s automotive engineered solutions business with our automotive bearings segment and Torrington s industrial engineered solutions business with our industrial bearings segment. We believe we can generate incremental cost savings throughout the combined company by realizing economies of scale, rationalizing facilities to consolidate manufacturing operations, combining engineering and technology efforts and eliminating duplicative distribution and back office systems. In connection with the Torrington acquisition, we believe we can achieve an estimated annualized rate of pre-tax savings of approximately $80 million by the end of 2005 before implementation costs, including an estimated annualized rate of pre-tax savings of approximately $20 million by the end of the first year following the acquisition. These savings are in addition to the savings described above relating to our strategic manufacturing initiative. We may not, however, be able to realize the anticipated cost savings or other benefits from the integration of Torrington, either in the amount or in the time frame we currently expect, and the costs of achieving these benefits may be higher than we currently expect.

Enhancing our technology innovation platform. We believe that Torrington has one of the most flexible and responsive product development programs in the bearing industry. We expect to leverage the best practices of Torrington s product development programs across our core bearings technology and to apply our strong research focus across Torrington s product line. Although we may face initial challenges in consolidating functions and integrating procedures and technologies, we ultimately anticipate that these dual efforts will enable us to develop value-added products and to better meet the needs of our customers.

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Financing of the Torrington Acquisition

We intend to finance the Torrington acquisition and the costs and expenses relating to that acquisition through:

- this offering of 11 million shares of our common stock by this prospectus supplement;
- the issuance of approximately $140 million worth of shares of our common stock to Ingersoll-Rand in a private placement; and
- the incurrence of additional debt, including:
  - approximately $226 million of borrowings under our new revolving credit facility, approximately $27 million of which will be used to pay off existing commercial paper obligations; and
  - the net proceeds from the concurrent public offering of $ million of our senior unsecured notes.

Competitive Strengths

We believe that our core strengths provide us with a competitive advantage that has allowed us to remain consistently at the forefront of our industries. We believe the Torrington acquisition will enhance our competitive strengths, which include:

- *Being a leading worldwide manufacturer of anti-friction bearings and alloy steel.* We are a leading global manufacturer of highly engineered bearings, alloy and specialty steel and related components. Over the course of our more than 100-year history, we have become the world s largest manufacturer of tapered roller bearings and alloy seamless mechanical steel tubing. Torrington is a leading manufacturer of needle roller, heavy-duty roller and ball bearings and motion control components and assemblies. With the acquisition of Torrington, we will have global leadership positions in the needle and tapered roller bearing and alloy steel industries, with operations on six continents. Maintaining this leading position in the global markets for bearings and steel will depend on the success of our operating plans, including our ability to achieve fully the benefits of our strategic manufacturing initiative and successfully integrate Torrington into our operations.
- *A comprehensive product offering with leading brands.* We offer a broad array of products and services in the industries in which we operate. Many of our and Torrington s brands have an extensive history within the bearing industry and are well known for their quality, reliability and performance. We believe our brand name recognition and customer awareness help us to capture additional business, as well as to maintain existing customers, particularly as our customers look to reduce their supplier base.
- *A diverse business mix and customer base.* We provide our products and services to a wide range of industries and customers, which reduces our dependence on particular geographic or industry segments. We serve a diverse range of industries, including automotive, construction, aerospace and defense, agriculture, mining, metals, rail, energy, machine tool and general industrial. Many of these industries, however, are cyclical, and our exposure in these areas could negatively impact our business during general economic or industry-specific downturns. Our customers include both OEMs and aftermarket distributors. We expect the Torrington acquisition to complement our existing customer base and enhance our industrial aftermarket sales, allowing us to offset to some extent the cyclicality within the industries we serve.
- *Global manufacturing capabilities.* Our extensive global manufacturing network allows us to provide our products to our worldwide customers efficiently. We continue to focus on lowering our cost structure by creating focused factories for each product line or component, reducing our fixed costs and increasing production at our lowest cost plants. Our ability to reduce costs, however, is dependent on many complex factors, including economic conditions, severance requirements and engineering achievements, as well as our ability to implement changes to our existing operations without disruption. We also continue to implement Lean Six Sigma into our manufacturing and business processes to

further improve quality and productivity. We intend to apply these techniques within the combined company to further reduce our overall cost structure.

An experienced management team. Our executive management team has on average more than 19 years of experience with our company. In addition, our operational management team has substantial materials science expertise and engineering capabilities, which provide them with a distinctive skill set to apply to the bearing industry. As a result of their specialized knowledge, this team has developed strong relationships with, and an intimate understanding of, our customers, as well as the industries we serve.

Business Strategy

Our strategy is to achieve profitable growth by continuing to pursue the following initiatives:

Build on our customer centric focus to further partner with customers and diversify our customer base. We work collaboratively with our customers in our research and development efforts to allow us to manufacture products that fit our customers individual requirements, cost less and provide improved performance. We intend to continue to work closely with our customers to provide significant product improvements, create differentiated products and distribute our products efficiently. We believe this partnership approach creates significant brand equity, fosters long-term relationships with our customers and positions us to expand our already diverse customer base. For example, by providing integrated products that meet our customers needs, we are able to offer our customers higher value-added solutions. Other examples of this partnership approach are the several e-business initiatives we have implemented to better serve our industrial distribution customers and expand our distribution capabilities worldwide.

Leverage our technology and engineering competencies to introduce complementary new products. Since 1999, we have invested approximately $50 million annually into our research and development efforts to generate new revenue, reduce costs, develop more comprehensive solutions for our customers and enhance our manufacturing efficiency. We plan to continue leveraging our significant research and development investments and engineering expertise to develop highly differentiated and customized products and to produce them more efficiently for our customers.

Continuously improve our manufacturing processes. Through our strategic manufacturing initiative, we have put into place additional training and personnel needed to further drive process improvements, including our Lean Six Sigma effort. Using Lean Six Sigma, we seek to improve our overall manufacturing processes by reducing cycle time, inventory and floor space, which results in higher returns on our invested capital. We also intend to continue to enhance our productivity and reduce costs through process improvements achieved through research and development and changes driven by skilled plant managers.

Expand our international presence. Over the last 10 years, we have opened or acquired new manufacturing and distribution facilities in the United Kingdom, France, Mexico, Singapore, the Netherlands and Italy and expanded our lower cost bearing manufacturing centers in Poland, Romania and China. We have also formed joint ventures in emerging markets such as Brazil and China. These facilities further expand our more than 80-year international presence, improve our overall cost position and enable us to better meet customer demand for local sourcing of products. We seek to continue our strategy of international expansion, including through the Torrington acquisition, which will enable us to further develop our presence in Europe and Asia and provide additional opportunities for us to benefit from globalization.

We are incorporated in the State of Ohio. Our principal executive offices are located at 1835 Dueber Avenue, S.W., Canton, Ohio 44706-2798. Our telephone number is (330) 438-3000.

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The Offering

Common stock offered by us in this offering	11,000,000 shares
Common stock outstanding after the offering	shares
Use of proceeds	We expect to use the net proceeds from this offering and our concurrent notes offering, together with additional debt financing, to finance the cash consideration to be paid for the Torrington acquisition. The closing of this offering is conditioned on the closing of the Torrington acquisition. See Use of Proceeds.
New York Stock Exchange symbol	TKR
Risk factors	You should carefully consider all of the information in this prospectus supplement and the accompanying prospectus. In particular, you should evaluate the information set forth in the section of this prospectus supplement entitled Risk Factors beginning on page S-15 before deciding whether to invest in our common stock.

The number of shares of our common stock shown above to be outstanding after this offering is based on the number of shares of our common stock outstanding as of January , 2003, together with an estimated shares of common stock, approximately % of our then outstanding shares, that we expect to issue to Ingersoll-Rand in connection with the Torrington acquisition, based on a closing sale price of our common stock of $ per share on January , 2003. The number of shares of our common stock shown above excludes:

- shares of our common stock issuable upon the exercise of outstanding stock options at a weighted average exercise price of $ per share; and

- shares of our common stock reserved for additional grants under our stock option plan.

Unless we indicate otherwise, the share information in this prospectus supplement assumes the underwriters option to cover overallotments is not exercised. See Underwriting.

Concurrent Notes Offering

Concurrently with this offering of common stock, we are offering, by means of a separate prospectus supplement, an aggregate principal amount of $ million of our senior unsecured notes to finance a portion of the Torrington acquisition. The closing of this offering is not conditioned on the closing of our notes offering, and we cannot assure you that our notes offering will be completed. If we are unable to consummate our notes offering, we intend to borrow up to $ million under the term loan component of our new senior credit facility to finance the Torrington acquisition. See Description of Certain Indebtedness.

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SUMMARY HISTORICAL CONSOLIDATED AND PRO FORMA

FINANCIAL INFORMATION OF TIMKEN

We derived the summary historical consolidated financial information as of and for each of the three years ended December 31, 2001 set forth below from our audited consolidated financial statements and the related notes included or incorporated by reference in this prospectus supplement. We derived the financial information as of and for the nine months ended September 30, 2001 and 2002 from our unaudited condensed consolidated financial statements included or incorporated by reference in this prospectus supplement. Our unaudited condensed consolidated financial statements as of and for the nine months ended September 30, 2001 and 2002 include, in our opinion, all adjustments necessary for a fair presentation of the results for each period.

The unaudited pro forma financial information as of and for the year ended December 31, 2001 and the nine months ended September 30, 2002 set forth below give effect to the Torrington acquisition, the financing arrangements we expect to enter into for that acquisition, including this offering, our concurrent notes offering and borrowings under our new senior credit facility, and the application of the estimated net proceeds of those financings as described under Use of Proceeds, as if each had occurred on (1) January 1 of the relevant period presented, in the case of the statements of operations and other financial data, and (2) as of the last day of the period presented, in the case of the balance sheet data. See Unaudited Pro Forma Financial Information for a complete discussion of the assumptions underlying the summary pro forma financial information below.

You should read the following summary historical consolidated and pro forma financial information in conjunction with (1) our audited consolidated financial statements and related notes, (2) our unaudited consolidated financial statements and related notes, (3) Torrington s audited and unaudited combined financial statements and related notes, (4) the section entitled Management s Discussion and Analysis of Financial Condition and Results of Operations and (5) the section entitled Unaudited Pro Forma Financial Information, each included or incorporated by reference in this prospectus supplement.

	Year Ended December 31,				Nine Months Ended September 30,		
	1999	2000	2001	Pro Forma 2001	2001	2002	Pro Forma 2002
	(in thousands, except per share and ratio data)						
Statement of Operations Data:							
Net sales	$2,495,034	$2,643,008	$2,447,178	$3,525,266	$1,873,603	$1,905,177	$2,810,175
Gross profit	492,668	500,873	400,720	586,165	320,048	354,205	507,912
Impairment and restructuring charges		27,754	54,689	74,027	49,405	24,986	28,215
Operating income (loss)	132,758	105,620	(17,652)	38,618	(6,012)	62,840	123,350
Income (Loss) before cumulative effect of change in accounting principle, as reported	62,624	45,888	(41,666)	(33,688)	(42,884)	14,985	36,810
Diluted earnings per share, as reported [(1)]	1.01	0.76	(0.69)	(0.42)	(0.71)	0.25	0.45
Dividends per share	0.72	0.72	0.67		0.54	0.39	
Balance Sheet Data (as of end of period):							
Total assets	$2,441,318	$2,564,105	$2,533,084		$2,534,068	$2,542,043	$3,666,863
Total debt	449,890	514,604	497,015		590,348	481,947	1,063,225
Shareholders equity	1,045,981	1,004,682	781,735		914,700	819,073	1,121,323
Other Data:							
Net cash provided by operating activities	$ 277,418	$ 153,112	$ 179,871		$ 35,523	$ 89,056	
Net cash used by investing activities	(194,112)	(152,506)	(99,334)		(63,002)	(40,600)	
Net cash (used) provided by financing activities	(75,975)	3,037	(55,487)		44,268	(45,891)	
EBITDA[(2)]	273,069	250,087	156,876	250,421	102,632	161,306	255,097
Depreciation and amortization	149,949	151,047	152,467	189,833	114,015	110,956	139,864
Capital expenditures	173,222	162,717	102,347	144,584	76,108	54,140	85,310
Ratio of earnings to fixed charges[(3)]	3.85	2.96	(4)		(5)	2.15	

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(1) Diluted earnings per share, as reported, is calculated by dividing income (loss) before cumulative effect of change in accounting principle, which includes goodwill amortization in all periods prior to January 1, 2002, by the weighted average number of shares of common stock outstanding, adjusted for the dilutive impact of the potential issuance of shares of common stock upon exercise of outstanding stock options. Basic and diluted earnings per share calculate to the same amount for the periods shown. Excluding goodwill amortization, basic and diluted earnings per share would have increased by $0.08 per share for the years ended December 31, 2001, 2000 and 1999, and by $0.05 per share for the nine months ended September 30, 2001. See Note 5 to our audited consolidated financial statements included or incorporated by reference in this prospectus supplement. Pro forma diluted earnings per share for the year ended December 31, 2001 and the nine months ended September 30, 2002 are based on an assumed 80,439,093 and 81,490,068 weighted average shares outstanding, respectively.

(2) EBITDA is a measurement not calculated in accordance with generally accepted accounting principles in the United States, or GAAP. We define EBITDA as operating income (loss) plus other income (expense) plus depreciation and amortization. We do not exclude from operating income (loss) for purposes of calculating EBITDA (a) reorganization and implementation expenses for the years ended December 31, 2000, 2001 and 2001 on a pro forma basis of $11.1 million, $12.6 million and $12.6 million, respectively, and for the nine months ended September 30, 2001, 2002 and 2002 on a pro forma basis of $7.6 million, $14.3 million and $14.3 million, respectively, and (b) impairment and restructuring expenses for the years ended December 31, 2000, 2001 and 2001 on a pro forma basis of $27.8 million, $54.7 million and $74.0 million, respectively, and for the nine months ended September 30, 2001, 2002 and 2002 on a pro forma basis of $49.4 million, $25.0 million and $28.2 million, respectively. We also do not exclude from other income (expense) payments received from the U.S. Treasury Department under the Continued Dumping and Subsidy Offset Act, or CDO, of $31.0 million for the year ended December 31, 2001 on an actual and a pro forma basis. We do not intend EBITDA to represent cash flows from operations as defined by GAAP, and you should not consider it as an alternative to net income, cash flows from operations or any other items calculated in accordance with GAAP, or as an indicator of our operating performance. Our definition of EBITDA may not be comparable with EBITDA as defined by other companies. EBITDA is commonly used as an analytical indicator in our industries and also serves as a measure of leverage capacity and debt servicing ability. Following is a reconciliation of EBITDA to operating income (loss):

	Year Ended December 31,				Nine Months Ended September 30,		
	1999	2000	2001	Pro Forma 2001	2001	2002	Pro Forma 2002
				(in thousands)			
Operating income (loss)	$132,758	$105,620	$ (17,652)	$ 38,618	$ (6,012)	$ 62,840	$123,350
Other income (expense)	(9,638)	(6,580)	22,061	21,970	(5,371)	(12,490)	(8,117)
Depreciation and amortization	149,949	151,047	152,467	189,833	114,015	110,956	139,864
EBITDA	$273,069	$250,087	$156,876	$250,421	$102,632	$161,306	$255,097

(3) For purposes of calculating the ratio of earnings to fixed charges, earnings consist of income or loss before income taxes, extraordinary items, cumulative effects of accounting changes, amortization of capitalized interest and fixed charges excluding capitalized interest. Fixed charges consist of interest, both expensed and capitalized, and an estimate of the interest within rental expense.

(4) Earnings were inadequate to cover fixed charges for the year ended December 31, 2001. The coverage deficiency totaled $25,022,000 for that period.

(5) Earnings were inadequate to cover fixed charges for the nine-month period ended September 30, 2001. The coverage deficiency totaled $34,050,000 for that period.

SUMMARY HISTORICAL COMBINED

FINANCIAL INFORMATION OF TORRINGTON

We derived the summary historical combined financial information as of and for each of the three years ended December 31, 2001 set forth below from Torrington s audited combined financial statements. We derived the financial information as of and for the nine months ended September 30, 2001 and 2002 from Torrington s unaudited combined financial statements. You should read the following summary historical combined financial information in conjunction with Torrington s audited and unaudited combined financial statements and related notes included in this prospectus supplement.

	Year Ended December 31,			Nine Months Ended September 30,	
	1999	**2000**	**2001**	**2001**	**2002**
			(in thousands)		
Statements of Income Data:					
Net sales	$1,236,265	$1,194,204	$1,088,712	$804,898	$ 912,436
Gross profit	282,820	273,150	203,703	132,270	146,337
Restructuring charges	11,351	10,999	19,338	13,150	3,229
Operating income	154,947	149,803	77,453	42,673	54,745
Net income	75,110	90,077	47,819	14,173	28,001
Balance Sheet Data (as of end of period):					
Total assets		$ 958,986	$1,013,362	$954,581	$1,060,408
Total debt		26,439	16,414	30,243	14,233
Business equity		211,751	170,588	205,301	202,196
Other Data:					
Net cash provided by operating activities	$ 137,240	$ 121,752	$ 103,633	$ 53,106	$ 72,771
Net cash (used in) provided by investing activities	(45,689)	20,540	(54,391)	(29,402)	(27,924)
Net cash used in financing activities	(96,248)	(133,339)	(52,591)	(30,293)	(30,641)
EBITDA[(1)]	201,620	204,137	147,034	70,765	96,066
Depreciation and amortization	51,109	43,746	44,372	32,316	36,948
Capital expenditures	52,140	36,578	42,237	32,515	31,170

(1) EBITDA is a measurement not calculated in accordance with GAAP. We define EBITDA as operating income plus other income (expense) plus depreciation and amortization. We do not exclude from operating income for purposes of calculating EBITDA (a) restructuring expenses for the years ended December 31, 1999, 2000 and 2001 of $11.4 million, $11.0 million and $19.3 million, respectively, and for the nine months ended September 30, 2001 and 2002 of $13.2 million and $3.2 million, respectively, and (b) CDO payments for the year ended December 31, 2001 of $22.4 million. We also do not exclude from other income (expense) additional CDO payments for the year ended December 31, 2001 of $25.3 million. We do not intend EBITDA to represent cash flows from operations as defined by GAAP, and you should not consider it as an alternative to net income, cash flows from operations or any other items calculated in accordance with GAAP, or as an indicator of Torrington s operating performance. Our definition of EBITDA may not be comparable with EBITDA as defined by other companies. EBITDA is

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commonly used as an analytical indicator in our industries and also serves as a measure of leverage capacity and debt servicing ability. Following is a reconciliation of EBITDA to operating income:

	Year Ended December 31,			Nine Months Ended September 30,	
	1999	2000	2001	2001	2002
			(in thousands)		
Operating income	$154,947	$149,803	$ 77,453	$42,673	$54,745
Other income (expense)	(4,436)	10,588	25,209	(4,224)	4,373
Depreciation and amortization	51,109	43,746	44,372	32,316	36,948
EBITDA	$201,620	$204,137	$147,034	$70,765	$96,066

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RISK FACTORS

You should carefully consider the risks described below, as well as other information contained in this prospectus supplement and the accompanying prospectus and the documents incorporated or deemed incorporated by reference here or in the accompanying prospectus, before making an investment in shares of our common stock.

Risks Related to the Torrington Acquisition

In addition to increasing the risks relating to our business described further below, the increased scale, global reach and level of indebtedness associated with the Torrington acquisition will also expose us to the following risks.

We may not be able to effectively integrate Torrington into our operations.

Our future success will depend, in part, on our ability to effectively integrate Torrington into our operations. We may not be able to successfully do so without substantial costs, delays or other difficulties. We will face significant challenges in consolidating functions and integrating procedures, information technology systems, personnel, product lines and operations in a timely and efficient manner. In particular, we may encounter difficulties in integrating our technology and training our sales forces to work with new products and customers.

The integration process will be complex and time consuming, may be distracting to management and disruptive to our businesses, and may cause an interruption of, or a loss of momentum in, our businesses as a result of a number of obstacles, such as:

- the loss of key employees, whom we refer to as associates, or customers;
- the failure to maintain the quality of customer service that each business has historically provided;
- the need to retrain skilled engineering and sales personnel;
- the need to coordinate geographically diverse organizations;
- retooling and reprogramming of equipment and information technology systems; and
- the resulting diversion of management s attention from our day-to-day business and the need to hire additional management personnel to address integration obstacles.

If we are not successful in integrating Torrington into our operations, if the integration takes longer than anticipated, if Torrington does not perform as we anticipate or if the integrated product and service offerings fail to achieve market acceptance, our operations, margins, sales and reputation could be adversely affected. We may encounter similar problems with any future acquisitions.

We may not be able to realize the anticipated cost savings, synergies or revenue enhancements from combining our company with Torrington, and we will incur significant costs to achieve these savings.

Even if we are able to integrate successfully the operations of our company and Torrington, we may not be able to realize the cost savings, synergies or revenue enhancements that we anticipate from the integration, either in the amount or in the time frame that we currently expect. Our ability to realize anticipated cost savings, synergies and revenue enhancements may be affected by a number of factors, including the following:

- our ability to effectively eliminate duplicative backoffice overhead and overlapping sales personnel, rationalize manufacturing capacity and shift production to more economical facilities;
- our spending in excess of an estimated $130 million in cash on integration and implementation activities, over the next four years, in order to achieve those cost savings, which could offset any such savings and other synergies resulting from the Torrington acquisition;

increases in other expenses, operating losses or problems unrelated to the Torrington acquisition, which may offset the cost savings and other synergies from the acquisition; and

our ability to avoid labor disruption in connection with the integration of Torrington.

Claims against us relating to Torrington brought after the Torrington acquisition may necessitate our seeking indemnification from Ingersoll-Rand, which Ingersoll-Rand may not provide, and these claims may exceed Ingersoll-Rand s indemnification obligations to us under the purchase agreement or may, in the aggregate, materially affect our financial condition and results of operations.

Ingersoll-Rand must indemnify us after the closing of the Torrington acquisition for certain losses suffered or incurred by us related to Torrington, as provided in the purchase agreement. See Description of the Torrington Purchase Agreement and Related Agreements. However, we may not be able to successfully obtain indemnification from Ingersoll-Rand. We may, as a consequence, have to bear liabilities for which we are entitled to indemnification, but for which we are unable to collect.

In addition, for certain claims, Ingersoll-Rand s indemnification obligation to us is subject to certain financial limitations, including general and per-claim deductibles and a cap, as well as time limitations. If a significant number of small claims for which we cannot seek indemnification are brought against us, they may, in the aggregate, amount to a considerable sum, and the total liabilities may exceed our estimates or the $400 million cap.

Any claims brought against us in connection with the Torrington acquisition, whether or not subject to indemnification, may harm our reputation in the industries in which we operate and hence could have a substantial negative impact on the sales of our products.

We may not be able to acquire certain of Torrington s assets, which could reduce the benefits of the Torrington acquisition to us.

In connection with the Torrington acquisition it will be necessary to obtain the consent of certain Torrington joint venture parties and customers to the transfer of certain portions of Ingersoll-Rand s interest in Torrington to us. If Ingersoll-Rand is unable to obtain the necessary waivers or consents to those transfers, we may not be able to acquire the applicable asset, even if it is material to Torrington, the business of the combined company or our long-term business strategy. As a result, we may not achieve all of the expected benefits of the Torrington acquisition, including having access to certain customers or relationships.

Risks Related to our Industries

The bearing industry is highly competitive and this competition results in significant pricing pressure for our products that could affect our revenues and profitability.

The global bearing industry is highly competitive. We compete with domestic manufacturers and many foreign manufacturers of anti-friction bearings, including SKF AB, INA-Holding Schaeffler KG, NTN Corporation, Koyo Seiko Co., Ltd. and NSK Ltd. We compete primarily based on price, quality, timeliness of delivery and design, and the ability to provide engineering support and service on a global basis. The bearing industry is also capital intensive, and profitability is dependent on factors such as labor compensation and productivity and inventory management, which are subject to risks that we may not be able to control. Furthermore, it is becoming necessary to provide our customers with integrated systems and solutions rather than individual components, which may require us to invest significant additional capital into our research and development efforts. Some of our competitors may be better able to manage these costs or may have greater financial resources than us and, therefore, can more easily afford to make these expenditures. Due to the competitiveness within the bearing industry, we may not be able to increase prices for our products to cover increases in our costs, and, in many cases, we may face pressure to reduce prices, which could adversely affect our profitability.

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Competition and consolidation in the steel industry, together with global overcapacity, result in significant pricing pressure for our products.

Competition within the steel industry, both domestically and worldwide, is intense and is expected to remain so. More than 30 U.S. steel companies have declared bankruptcy in recent years and have either ceased operations or, more often, been acquired by other companies. Global production overcapacity is also likely to continue, which, combined with the high levels of steel imports into the United States, has exerted downward pressure on domestic steel prices and has resulted in, at times, a dramatic narrowing, or with many companies, the elimination, of gross margins. These industry conditions lead to significant downward pressure on prices for our steel products, which could have a material adverse effect on our revenues and profitability. In addition, many of our competitors are continuously exploring and implementing strategies, including through acquisitions, that focus on manufacturing higher margin products that compete more directly with our steel products. Our ability to remain competitive will depend, in part, on whether we are able to keep production costs competitive and keep pace with those product improvements in a cost effective manner.

Weakness in any of the industries in which our customers operate, as well as the cyclical nature of our customers businesses generally, could adversely impact our revenues and profitability.

The automotive, aerospace, heavy equipment and many of the other industries to which we sell our products are cyclical and tend to decline in response to overall declines in industrial production. Margins in those industries are highly sensitive to demand cycles, and our customers in those industries historically have tended to delay large capital projects, including expensive maintenance and upgrades, during economic downturns. As a result, our business is also cyclical and impacted by overall levels of industrial production. In addition, many of our customers have historically experienced periodic downturns, which often have had a negative effect on demand for our products. For example, deferrals or cancellations in aircraft orders adversely affect the volume and price of orders placed for products used to manufacture commercial aircraft, including our bearings and other individual parts and components we manufacture. Prior industry downturns have negatively affected our net sales, gross margin and net income. In addition, the United States and other world markets are currently experiencing an economic downturn and many of the markets we serve have been affected by this negative environment. An extension of the current economic downturn would have a material adverse impact on our revenues and profitability by reducing demand and margins for our products.

An increase in the use of substitutes for our steel products could adversely impact our revenues and profitability by reducing demand and margins.

In the case of certain product applications, steel competes with other materials, including plastic, aluminum, graphite composites and ceramics. The incorporation of more of these steel substitutes in automobiles and other applications could reduce the demand, and therefore the prices we are able to charge, for our steel products. If this were to happen, there could be a material adverse impact on our revenues and profitability by reducing demand and margins for our products.

Environmental regulations impose substantial costs and limitations on our operations, and environmental compliance may be more costly than we expect.

We are subject to the risk of substantial environmental liability and limitations on our operations due to environmental laws and regulations. We are subject to various federal, state, local and foreign environmental, health and safety laws and regulations concerning issues such as air emissions, wastewater discharges, solid and hazardous waste handling and disposal and the investigation and remediation of contamination. The risks of substantial costs and liabilities related to compliance with these laws and regulations are an inherent part of our business, and future conditions may develop, arise or be discovered that create substantial environmental compliance or remediation liabilities and costs.

Compliance with environmental legislation and regulatory requirements may prove to be more limiting and costly than we anticipate. New laws and regulations, stricter enforcement of existing laws and regulations, the discovery of previously unknown contamination or the imposition of new clean-up requirements could

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require us to incur costs or become the basis for new or increased liabilities that could have a material adverse effect on our business, financial condition or results of operations. We may also be subject from time to time to legal proceedings brought by private parties or governmental authorities with respect to environmental matters, including matters involving alleged property damage or personal injury.

Although Ingersoll-Rand has agreed to indemnify us in the purchase agreement for certain specified environmental liabilities, Torrington s operations, including past disposal practices, may subject us to potential significant liabilities relating to the investigation and clean-up of contaminated properties and to potential claims alleging personal injury. Torrington s environmental liabilities may exceed our estimates and the indemnity provided for in the purchase agreement may not be sufficient to address these potential liabilities.

Successful appeals with respect to, a relaxation of, or substantial exemptions from, the tariffs contained in President Bush s recent order regarding steel imports may lessen the benefits of the order.

The tariffs imposed by the United States on hot-rolled and cold-finished steel bar imports, which are among our products, are currently being challenged before the World Trade Organization, or WTO, by several countries. See Business Trade Law Enforcement. Retaliatory tariffs threatened by or imposed on U.S. steel and other products by a number of affected countries would increase the cost of our products in those markets, potentially reducing sales. In addition, a reduction or adverse change in the scope or duration of the remedy granted by the President could lead to a resurgence of steel bar imports. This would again put significant downward pressure on U.S. steel bar prices, which could negatively impact our steel sales, margins and profitability.

Payments to us from the U.S. Treasury Department under the Continued Dumping and Subsidy Offset Act may not continue.

We received a $31.0 million payment under the CDO in 2001 and an approximately $54.0 million payment in 2002. See Business Continued Dumping and Subsidy Offset Act. We may not receive future payments under the CDO nor can we predict the amount of any such payment we may receive under the CDO. Although Torrington received a payment of approximately $62.0 million under the CDO and approximately $72.1 million in 2002, under the purchase agreement, Ingersoll-Rand will retain 100% of the payment Torrington received in 2002, and we will be obligated to pay Ingersoll-Rand 80% of any such payments Torrington receives in 2003 and 2004.

Risks Related to our Business

The failure to fully carry out our strategic manufacturing initiative could negatively affect our business, financial condition or results of operations.

Maintaining our leading position in the global markets for bearings and steel will depend on the success of our operating plans, including our ability to achieve fully the benefits of our strategic manufacturing initiative. A combination of complex factors, including the general economic environment, the availability of lower cost manufacturing opportunities, severance requirements and engineering achievements, will affect our ability to carry out our strategic manufacturing initiative. Our belief as to the future cost savings from our strategic manufacturing initiative is based upon our current best estimates and we may not achieve these estimates, either in the amount or the time frame that we currently expect. Our inability to achieve the expected cost savings from our strategic manufacturing initiative or otherwise reduce our fixed costs to the extent we currently anticipate could materially adversely affect our business, financial condition and results of operations. In addition, increases in other costs and expenses may offset any cost savings from our strategic manufacturing initiative and our other cost reduction efforts.

We may incur further restructuring and impairment charges that could negatively affect our profitability.

We have taken approximately $73.7 million in restructuring and impairment charges from our strategic manufacturing initiative from the second quarter of 2001 through September 30, 2002. Moreover, Torrington has also taken restructuring charges of approximately $19.3 million and $3.2 million for the year ended

December 31, 2001 and the nine months ended September 30, 2002, respectively, related to a workforce reduction and facility consolidation effort that is substantially complete. Changes in business or economic conditions, in our business strategy or restructuring in connection with the Torrington acquisition may require us to take additional charges in the future.

Our level of indebtedness and other demands on our cash resources could materially affect our operations and business strategy.

As of September 30, 2002, we had approximately $482 million of total consolidated debt. We expect to incur significant additional indebtedness to finance the Torrington acquisition through our concurrent notes offering and our new senior credit facility. After giving pro forma effect to the Torrington acquisition, the financing of the Torrington acquisition and the application of the proceeds of those financings, as of September 30, 2002, we would have had total consolidated debt of approximately $1.7 billion, based on the minimum offering price per share required as a condition to the purchase agreement. In addition, we will have undrawn availability under our new revolving credit facility and our new accounts receivable facility. See Description of Certain Indebtedness. Subject to the limits contained in our new senior credit facility and our other debt agreements, we may also incur additional debt in the future. In addition to the debt service requirements on our outstanding debt, we have other demands on our cash resources, including, among others, capital expenditures and operating expenses.

Our level of indebtedness and the significant debt servicing costs associated with that indebtedness could have important effects on our operations and business strategy. For example, they could:

- require us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thereby reducing the amount of our cash flow available for working capital, capital expenditures, payments of dividends on our common stock, acquisitions and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in the industries in which we compete;
- place us at a competitive disadvantage compared to our competitors, some of which have lower debt service obligations and greater financial resources than we do;
- limit our ability to borrow additional funds;
- increase our vulnerability to general adverse economic and industry conditions; and
- result in our failure to satisfy the financial covenants contained in our new senior credit facility or in other agreements governing our indebtedness, which, if not cured or waived, could have a material adverse effect on our business, financial condition or results of operations.

On October 17, 2002, Standard & Poor s Rating Services, or S&P, publicly announced that it placed our ratings on CreditWatch with negative implications. Additionally, Moody s Investors Service, or Moody s, announced that it had placed our debt ratings under review for possible downgrade. These announcements were in response to our announcement of the Torrington acquisition. S&P and/or Moody s may, in the future, downgrade our credit profile. The downgrading of our ratings by S&P and Moody s would result in an increase in the interest rate on our new senior credit facility, could materially adversely affect our future ability to obtain funding or materially increase the cost of any additional funding.

Unexpected equipment failures may increase our costs and reduce our sales due to production curtailments or shutdowns.

Interruptions in production capabilities will inevitably increase our production costs and reduce sales and earnings for the affected period. In addition to equipment failures, our facilities are also subject to the risk of catastrophic loss due to unanticipated events such as fires, explosions or violent weather conditions. Our manufacturing processes are dependent upon critical pieces of equipment, such as furnaces, continuous casters and rolling equipment, as well as electrical equipment, such as transformers, and this equipment may, on occasion, be out of service as a result of unanticipated failures. In the future, we may experience material plant shutdowns or periods of reduced production as a result of these types of equipment failures.

Any change in the availability or cost of raw materials and energy resources could materially affect our earnings.

We require substantial amounts of raw materials, including our own steel tubing and bars, purchased strip steel, scrap metal, nickel and other alloys and natural gas and electric power to operate our business. The availability and prices of raw materials and energy resources may be subject to curtailment or change due to, among other things, new laws or regulations, suppliers allocations to other purchasers, interruptions in production by suppliers, changes in exchange rates and prevailing price levels. For example, the weighted average price of scrap metal increased 12.5% from 1999 to 2000, decreased 19.6% from 2000 to 2001, and increased 7.8% from December 31, 2001 to September 30, 2002.

Moreover, disruptions in the supply of our raw materials or energy resources could temporarily impair our ability to manufacture our products for our customers or require us to pay higher prices in order to obtain these raw materials or energy resources from other sources, and could thereby affect our sales and profitability. Any increase in the prices for such raw materials or energy resources could materially affect our costs and therefore our earnings.

The global nature of our business exposes us to foreign currency fluctuations that may affect our asset values, results of operations and competitiveness.

We are exposed to the risks of currency exchange rate fluctuations, because a significant portion of our net sales and certain of our costs, assets and liabilities are denominated in currencies other than the U.S. dollar. These risks include a reduction in our asset values, net sales, operating income and competitiveness.

For those countries outside the United States where we have significant sales, which currently include France, Germany and the United Kingdom, a devaluation in the local currency will reduce the value of our local inventory as presented in our financial statements. In addition, a stronger dollar will result in reduced revenue, operating profit and shareholders equity due to the impact of foreign exchange translation on our financial statements. Lastly, fluctuations in foreign currency exchange rates may make our products more expensive for customers to purchase or increase our operating costs, affecting our competitiveness and our profitability.

Changes in exchange rates between the U.S. dollar and other currencies, including the Brazilian *real,* and volatile economic, political and market conditions in Brazil, Argentina and other emerging market countries, have in the past adversely affected our financial performance and may continue to adversely affect the value of our assets located outside the United States, our gross profit and our operating results.

Global political instability and other risks of international operations may adversely affect our operating costs, revenues and the price of our products.

Our international operations expose us to risks not present in a purely domestic business, including primarily:

- changes in tariff regulations, which may make our products more costly to export;
- difficulties establishing and maintaining relationships with local distributors and dealers;
- import and export licensing requirements;
- compliance with a variety of foreign laws and regulations, including unexpected changes in taxation and environmental or other regulatory requirements, which could increase our operating and other expenses and limit our operations; and
- difficulty in staffing and managing geographically diverse operations.

These and related risks may increase the relative price of our products compared to those manufactured in other countries, reducing the demand for our products in the markets in which we operate. The Torrington acquisition would have increased our sales derived from international operations in 2001 from approximately

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$540 million to approximately $940 million on a pro forma basis after giving effect to the Torrington acquisition. As a result, following the Torrington acquisition, we will be more susceptible to the adverse consequences of the risks described above.

Additionally, we conduct a portion of our accounts payable, payroll, information technology and engineering and other business processing operations in India and we may expand those operations in the future. India has from time to time experienced unrest relating to religious and political differences within India s population and with neighboring countries. Although the hostilities have substantially abated of late and have not had an adverse impact on us directly, future events of this nature could have an adverse effect on our overall costs.

Declines in the stock market and prevailing interest rates may cause a significant reduction in our net worth.

In 2001, as a result of lower investment performance caused by lower stock market returns and a decline in prevailing interest rates, our pension fund asset values decreased. The reduction in asset values required that we take a non-cash after-tax charge to accumulated other comprehensive loss, which is a component of shareholders equity, of $122.5 million. Based on current asset performance and interest rate levels, we anticipate that we will be required to further reduce shareholders equity as of December 31, 2002, although the amount is dependent on the actual performance of our pension fund assets and interest rates and will not be determined until the first quarter of 2003. We may be required to take further charges related to pension liabilities and these charges may be significant. A reduction in our shareholders equity may affect our ability to maintain the required net worth ratios under our existing senior credit facility and our new senior credit facility.

Declines in prevailing interest rates and the stock market may require us to increase our pension liability for 2003 and future fiscal years and may lead us to accelerate funding of our pension obligations and divert funds from other uses.

A decline in prevailing interest rates and the lower investment performance caused by lower stock market returns have increased our defined benefit pension obligations. The increase in our defined benefit pension obligations, as well as our ongoing practice of managing our funding obligations over time, led us to prepay a portion of our funding obligations under our pension plans. In the first nine months of 2002, we contributed $51.9 million in cash and an aggregate of $54.5 million in treasury shares and a small number of newly issued shares to our pension plans for this purpose. We also made cash contributions of $56.8 million during 2000 and $84.8 million during 2001 to our pension plans. We currently expect to make significant cash contributions in the near term, but we cannot predict whether changing economic conditions or other factors will lead or require us to contribute additional substantial amounts to our pension plans, diverting funds we would otherwise apply to other uses.

Our new debt agreements restrict our ability, and the ability of some of our subsidiaries, to engage in particular activities.

Our new senior credit facility restricts our ability and the ability of some of our subsidiaries to, among other things:

- incur additional debt and make certain investments or acquisitions;
- incur or permit to exist certain liens;
- sell assets; and
- merge, consolidate or amalgamate with another company.

In addition, the indenture that will govern the notes that we are offering concurrently with this offering will restrict our ability and the ability of some of our subsidiaries to incur or permit to exist certain liens and

effect certain sale and leaseback transactions. See Description of Certain Indebtedness. Our future indebtedness may also contain restrictions on our ability to engage in particular activities.

We may not be able to maintain profitability or a positive ratio of earnings to fixed charges or meet certain financial standards required by our debt agreements.

We reported a net loss and our earnings were not sufficient to cover our fixed charges for 2001. The U.S. and global industrial manufacturing downturn deepened during 2002 and contributed to a decrease in our sales and profitability. We cannot foresee whether our operations will generate sufficient revenue for us to sustain profitability in the future and we may not be able to reduce fixed costs sufficiently to improve our operating ratios.

In addition, our existing senior credit facility and our new senior credit facility contain financial covenants that require us to achieve certain financial and operating results and maintain compliance with specified financial ratios. In particular, our new senior credit facility contains requirements to maintain a minimum consolidated net worth, a maximum consolidated leverage ratio and a minimum consolidated fixed charge coverage ratio. These covenants could limit our ability to obtain future financing and may prevent us from taking advantage of attractive business opportunities. Our ability to meet the financial covenants or requirements in our senior credit facilities may be affected by events beyond our control, and we may not be able to satisfy such covenants and requirements. A breach of these covenants or our inability to comply with the financial ratios, tests or other restrictions could result in an event of default under our senior credit facilities, which in turn could result in an event of default under the terms of our other indebtedness. Upon the occurrence of an event of default under our senior credit facilities, after the expiration of any grace periods, the lenders could elect to declare all amounts outstanding under our senior credit facilities, together with accrued interest, to be immediately due and payable. If this happens, our assets may not be sufficient to repay in full the payments due under those facilities or our other indebtedness.

In addition, if we are unable to service our indebtedness or fund our operating costs, we will be forced to adopt alternative strategies that may include:

- reducing or delaying capital expenditures;
- seeking additional debt financing or equity capital, possibly at a higher cost to us or have other terms that are less attractive to us than would otherwise be the case;
- selling assets;
- restructuring or refinancing debt, which may increase further our financing costs; or
- curtailing or eliminating certain activities.

Moreover, we may not be able to implement any of these strategies on satisfactory terms, if at all.

The departure of existing management and key personnel who are familiar with our business strategy and daily operations, or a shortage of skilled employees, would materially affect our business, operations and prospects.

Many of our executive officers are critical to the management and direction of our business. Our future success depends, in large part, on our ability to retain these officers and other capable management personnel. In addition, we have entered into severance agreements with all of our executive officers that allow those officers to terminate their employment with us in the event of a change of control affecting our company. We may not be able to attract and retain talented personnel and replace key personnel should the need arise and, our inability to do so could have a material adverse effect on our ability to successfully execute our business strategy, market and develop our products and serve our customers. In addition, because of the complex nature of many of our products and programs, we are generally dependent on an educated and highly skilled workforce. Our ability to efficiently develop and deliver our products could be adversely affected by a shortage of available skilled employees.

Strikes or work stoppages by our unionized associates could disrupt our manufacturing operations, reduce our revenues or increase our labor costs.

Approximately 32% percent of our U.S. associates and 4% of Torrington s employees are covered by collective bargaining agreements. Any potential strikes or work stoppages, and the resulting adverse impact on our relationships with customers, could significantly disrupt our operations and have a material adverse effect on our business, financial condition or results of operations.

Risks Related to our Common Stock

Substantial sales of shares of our common stock could cause our stock price to decline.

We may, in the future, sell additional shares of our common stock in subsequent public offerings and may also issue additional shares of our common stock to finance future acquisitions. A substantial number of shares of our common stock is also available for future sale pursuant to stock options that we have granted to our associates. Sales of substantial amounts of our common stock, or the perception that such sales could occur, may adversely affect prevailing market prices for shares of our common stock and could impair our ability to raise capital through future offerings.

Additionally, we have agreed to issue approximately $140 million worth of shares of our common stock, representing approximately % of our shares of common stock to be outstanding after the closing of the Torrington acquisition and after giving effect to this offering, to Ingersoll-Rand in a private placement, as part of the consideration for the Torrington acquisition. Under the terms of the purchase agreement relating to the Torrington acquisition, we will enter into a registration rights agreement with Ingersoll-Rand Company, a wholly owned U.S. subsidiary of Ingersoll-Rand, and, pursuant to the registration rights agreement, will file a shelf registration statement with the SEC in order to allow Ingersoll-Rand to sell these shares in registered resales in compliance with SEC rules. Ingersoll-Rand and Ingersoll-Rand Company have also agreed to enter into a standstill and voting agreement with us, among other things, to limit Ingersoll-Rand s ability to transfer these shares for a period of six months after the closing of the Torrington acquisition, subject to certain exceptions. After the expiration of the six-month lock-up period, subject to the availability of the shelf registration described above, Ingersoll-Rand will be able to sell some or all of its shares of our common stock in the public markets under the registration statement we have agreed to provide. Any such sales by Ingersoll-Rand, or the perception that such sales may occur, could adversely affect the market price of our common stock. See Description of the Torrington Purchase Agreement and Related Agreements.

We, our directors and executive officers will agree, with certain exceptions, not to sell or otherwise transfer any shares of our common stock for days after the date of this prospectus supplement, without first obtaining the written consent of . With the consent of , we, our directors and executive officers may sell shares before the expiration of such -day period without prior notice to our other shareholders or to any public market in which our common stock trades. Ingersoll-Rand will agree to enter into a substantially similar agreement with , except that the lock-up period under Ingersoll-Rand s agreement will be days.

Our stock price may become more volatile in the future, resulting in substantial losses for investors purchasing shares of our common stock in this offering. Investors may not be able to resell their shares of our common stock at or above the price to the public.

The trading price of our common stock may become more volatile in the future. Many factors may contribute to this volatility, including, but not limited to:

- changes in marketing, product pricing and sales strategies or development of new products by us or our competitors;
- changes in domestic or foreign governmental regulations;
- variations in our results of operations;
- perceptions about market conditions in the industries we serve; and
- general market conditions.

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Volatility may have a significant impact on the market price of our common stock. Moreover, the possibility exists that the stock market could experience extreme price and volume fluctuations that may materially adversely affect our stock price regardless of our operating results. This volatility makes it difficult to ascribe a stable valuation to a shareholder s holdings of our common stock.

Our articles of incorporation, regulations and Ohio corporate law could delay or prevent a change of control that you may favor.

Our articles of incorporation, regulations and Ohio corporate law contain provisions that could delay, defer or prevent a change of control of our company or our management. These provisions could also discourage proxy contests and make it more difficult for you and other shareholders to elect directors and take other corporate actions. These provisions:

- divide our board of directors into three classes, with members of each class to be elected for staggered three-year terms; and
- regulate how shareholders may present proposals or nominate directors for election at shareholder meetings.

Additionally, Ohio corporate law provides that certain notice and informational filings and special shareholder meeting and voting procedures must be followed prior to consummation of a proposed control share acquisition, as defined in the statute. Assuming compliance with the notice and information filings prescribed by statute, the proposed control share acquisition may be made only if, at a special meeting of shareholders, the acquisition is approved by both a majority of the voting power of the company represented at the meeting and a majority of the voting power remaining after excluding the combined voting power of the interested shares, as defined in the statute. For more information about these laws and our articles and regulations, see Description of Our Capital Stock in the accompanying prospectus. Together, these provisions of our articles, regulations and Ohio corporate law may discourage transactions that otherwise could provide for the payment of a premium over prevailing market prices for our common stock and could also limit the price that investors may be willing to pay in the future for shares of our common stock.

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USE OF PROCEEDS

We expect to receive net proceeds from this offering, after deducting the estimated discounts and commissions of the underwriters and other offering expenses, of approximately $ million, based on an assumed offering price of $ per share. We also expect to receive approximately $ of net proceeds, after deducting the estimated discounts and commissions and other expenses, from our concurrent notes offering. We intend to use the net proceeds from this offering and the notes offering, together with borrowings under our new senior credit facility, to finance the cash consideration to be paid for the Torrington acquisition and related fees and expenses. We intend for this offering to qualify as the Qualifying Equity Offering under the purchase agreement. The purchase agreement defines a Qualifying Equity Offering as a registered public offering of not more than 11 million shares of our common stock (without giving effect to any underwriters overallotment option), at a minimum price per share of $14.75. We expect that any excess of net proceeds to us from this offering over the minimum required by the purchase agreement, including due to the exercise by the underwriters of their overallotment option, will permit us to borrow less, either under our new senior credit facility or our notes offering. The closing of this offering is not conditioned on the closing of the notes offering. However, each offering is conditioned on the closing of the Torrington acquisition, and the closing of our notes offering is conditioned on the closing of this offering.

The following table sets forth the estimated sources and uses of funds in connection with the Torrington acquisition (in millions):

Sources of Funds	
Common stock[(1)]	$162.2
Senior unsecured notes[(1)(3)]	375.0
Revolving credit facility[(3)(4)]	225.9
Equity issuance to Ingersoll-Rand	140.0
Total sources of funds	$903.1

Uses of Funds	
The Torrington acquisition[(2)]	$836.5
Fees and expenses of the Torrington acquisition	40.0
Refinancing of our existing commercial paper[(4)]	26.6
Total uses of funds	$903.1

(1) Excludes underwriting discounts and commissions and offering expenses payable by us in connection with this offering and our concurrent notes offering.

(2) Pursuant to the purchase agreement, the purchase price for the Torrington acquisition is subject to adjustment after closing of the Torrington acquisition. The purchase price in the table above reflects an estimated purchase price adjustment of approximately $3.5 million as of September 30, 2002. See Description of the Torrington Purchase Agreement and Related Agreements Stock and Asset Purchase Agreement Consideration Payable by Us.

(3) The senior unsecured notes are being offered in a concurrent offering. If we do not consummate our notes offering, we will incur up to $ million of additional borrowings under the term loan component of our new senior credit facility in order to finance the Torrington acquisition. See Description of Certain Indebtedness.

(4) The revolving credit facility is part of our new senior credit facility. See Description of Certain Indebtedness. Upon the closing of the Torrington acquisition, the revolving credit facility will replace our existing senior credit facility. Under the terms of our new senior credit

facility, we are required to use the proceeds of the revolving credit facility to repay any amounts outstanding under our existing senior credit facility and then terminate our existing senior credit facility. As of September 30, 2002, no amounts were outstanding under our existing credit facility. We intend to borrow up to $26.6 million under our new senior credit facility to repay all of our outstanding commercial paper. We may also choose to repay additional amounts of short-term debt upon the closing of the Torrington acquisition. See Capitalization. The above table assumes that the actual amounts of commercial paper outstanding will equal the amount outstanding as of September 30, 2002. Actual amounts borrowed and repaid at the closing of the Torrington acquisition are subject to change.

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PRICE RANGE OF COMMON STOCK

Our common stock is listed for trading on the New York Stock Exchange under the symbol TKR. The following table sets forth on a per share basis the intraday high and low sales prices for our common stock for the quarters indicated.

	High	Low
2001:		
First Quarter	$17.38	$14.63
Second Quarter	18.65	14.89
Third Quarter	17.16	11.75
Fourth Quarter	16.49	13.04
2002:		
First Quarter	$24.50	$15.35
Second Quarter	27.41	20.50
Third Quarter	24.00	16.54
Fourth Quarter	20.27	14.92
2003:		
First Quarter (through January 16, 2003)	$20.46	$19.11

On January 16, 2003, the last reported sale price of our common stock on the New York Stock Exchange was $20.13 per share. You should obtain current market quotations before making any decision with respect to an investment in our common stock. As of September 30, 2002, there were approximately 7,769 holders of record of our common stock. This number excludes beneficial owners of common stock held in street name.

DIVIDEND POLICY

We pay dividends on shares of our common stock generally in March, June, September and December of each year. We have paid dividends on shares of our common stock every quarter since our initial public offering in 1922. During each quarter in 2000 and the first, second and third quarters of 2001, we paid a quarterly cash dividend on our common stock of $0.18 per share. During the fourth quarter of 2001 and each quarter in 2002, we paid a cash dividend of $0.13 per share. However, we cannot assure you that, or in what amount, we will continue to pay dividends with respect to any future quarters.

Our board of directors considers the payment of dividends based upon the earnings and financial condition of the company, as well as other relevant considerations.

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CAPITALIZATION

The following table sets forth our capitalization as of September 30, 2002 on an actual basis and on a pro forma, as adjusted basis to give effect to this offering, our concurrent notes offering, the Torrington acquisition and the other related financings and the application of the net proceeds from those financings as if each of them had occurred on September 30, 2002. See Use of Proceeds in this prospectus supplement. The following table assumes no exercise of the underwriters overallotment option in connection with this offering. The closing of this offering is not conditioned on the closing of our notes offering. However, each offering is conditioned on the closing of the Torrington acquisition, and the closing of our notes offering is conditioned on the closing of this offering. This table should be read in conjunction with Unaudited Pro Forma Financial Information, Selected Historical Financial Information of Timken, Management s Discussion and Analysis of Financial Condition and Results of Operations, the audited and unaudited combined financial statements and related notes of Torrington and our consolidated financial statements and the related notes, each included elsewhere or incorporated by reference in this prospectus supplement.

	As of September 30, 2002	
	Actual	Pro Forma, As Adjusted
Cash and cash equivalents	$ 36,812	$
Short-term debt and commercial paper[1]	$ 107,888	$
Current portion of long-term debt	23,544	
Long-term debt, net of current portion:		
Revolving credit facility[1]		
Senior unsecured notes[2]		
Other long-term debt	350,515	
Total debt	481,947	
Shareholders equity		
Class I and II Serial Preferred Stock, without par value:		
Authorized 10,000,000 shares each class, none issued		
Common stock, without par value:		
Authorized 200,000,000; 63,315,670 shares issued and outstanding, actual; shares, issued and outstanding, pro forma, as adjusted		
Stated capital	53,064	
Other paid-in capital	256,664	
Earnings invested in the business	736,212	
Accumulated other comprehensive loss	(226,867)	
Total shareholders equity	819,073	
Total capitalization	$ $1,301,020	

(1) Excludes current portion of long-term debt. As of September 30, 2002, we had $26.6 million of commercial paper and $81.3 million of other short-term debt outstanding. We expect to use up to $26.6 million of borrowings under our new senior credit facility to repay all of our outstanding commercial paper, and we may also choose, upon the closing of the Torrington acquisition, to repay additional amounts of our short-term debt with further borrowings under our new senior credit facility and/or borrowings under our new accounts receivable facility. See Description of Certain Indebtedness.

(2)

The senior unsecured notes are being offered in a concurrent offering. If we do not consummate our notes offering, we will incur up to $ million of additional borrowings under the term loan component of our new senior credit facility in order to finance the Torrington acquisition.

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UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following unaudited pro forma financial statements are based on our historical consolidated financial statements and the historical combined financial statements of Torrington as of and for the year ended December 31, 2001 and the nine months ended September 30, 2002 included in this prospectus supplement. Our and Torrington s historical financial statements have been prepared in accordance with GAAP. The unaudited pro forma financial statements should be read in conjunction with our audited consolidated financial statements and related notes for the year ended December 31, 2001, our unaudited consolidated condensed financial statements and notes for the nine months ended September 30, 2002, the audited combined financial statements of Torrington for the year ended December 31, 2001 and the unaudited combined financial statements of Torrington for the nine months ended September 30, 2002, each included in this prospectus supplement.

We will account for the Torrington acquisition under the purchase method of accounting. The unaudited pro forma financial statements give effect to the acquisition of Torrington and the financing of the $700 million cash component of the purchase price through (1) approximately $226 million of borrowings under our new senior credit facility, including amounts borrowed to refinance approximately $27 million of outstanding commercial paper, (2) a public offering of $375 million of senior unsecured notes, and (3) a public offering of 11 million shares of our common stock at an assumed price per share of $14.75, the minimum offering price per share required by the purchase agreement. The unaudited pro forma financial statements also give effect to the issuance of approximately $140 million of our common stock to Ingersoll-Rand, which is equivalent to an aggregate of 9,491,525 shares based on an assumed price per share of $14.75. In addition, the unaudited pro forma financial statements give effect to an approximately $3.5 million estimated purchase price adjustment as of September 30, 2002, as provided for in the purchase agreement. The unaudited pro forma statements of operations give effect to the above transactions as if they had occurred at the beginning of the relevant period presented. The unaudited pro forma balance sheet as of September 30, 2002 gives effect to the above transactions as if they had occurred on September 30, 2002. The unaudited pro forma financial statements presented below do not reflect any anticipated operating efficiencies or cost savings from the integration of Torrington into our business.

The unaudited pro forma financial statements reflect pro forma adjustments that are described in the accompanying notes and are based on available information and certain assumptions we believe are reasonable, but are subject to change. For example the unaudited pro forma financial statements reflect our preliminary estimates of, among other things, the allocation of the purchase price for the acquisition of Torrington, and are subject to change. We have made, in our opinion, all adjustments that are necessary to present fairly the pro forma information. The unaudited pro forma financial statements do not purport to represent what our actual results of operations or financial position would have been if the acquisition and related transactions described above had occurred on such dates or to project our results of operations or financial position for any future period.

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UNAUDITED PRO FORMA BALANCE SHEET

As of September 30, 2002
(in thousands)

The unaudited pro forma balance sheet presents the combined financial position of Timken and Torrington assuming the Torrington acquisition had occurred as of September 30, 2002.

	Timken Historical	Torrington Historical	Reclassifications*	Pro forma Adjustments	Pro forma
Assets					
Current assets:					
Cash and cash equivalents	$ 36,812	$ 24,917	$	$ (21,445)(a)	$ 40,284
Accounts receivable, net	376,416	139,814		60,000 (b)	575,479
				(751)(c)	
Amounts due from affiliates		94,960		(94,960)(d)	
Deferred income taxes	42,790	24,211		(24,211)(e)	42,790
Inventories	464,394	149,429		55,465 (f)	669,288
Prepaid expenses and other current assets		17,479	(17,479)		
Total current assets	920,412	450,810	(17,479)	(25,902)	1,327,841
Investments in and advances with partially owned affiliates		106,808	(106,808)		
Property, plant and equipment, net	1,237,407	346,416		69,009 (g)	1,652,832
Costs in excess of net assets of acquired businesses	129,526	6,836	(2,222)	142,160 (h)	276,300
Intangible pension asset	136,382		1,181	(1,181)(i)	136,382
Prepaid pension asset			57,365	(45,549)(i)	11,816
Other assets		57,383	(57,383)		
Miscellaneous receivables and other assets	71,958		106,826		178,784
Deferred income taxes	23,207	92,155		(92,155)(e)	23,207
Intangible assets	5,199		1,041	25,901 (j)	32,141
Deferred charges and prepaid expenses	17,952		17,479	(7,871)(k)	27,560
Total assets	$2,542,043	$1,060,408	$	$ 64,412	$3,666,863
Liabilities and Shareholders Equity					
Current liabilities:					
Short-term debt and commercial paper	$ 107,888	$ 10,660	$	$ (30,260)(l)	$ 88,288
Accounts payable and other liabilities	263,303	286,430	(143,186)	(63,774)(m)	342,022
				(751)(c)	
Amounts due to affiliates		118,890		(118,890)(d)	
Salaries, wages and benefits	257,517		97,837	(26,609)(n)	328,745
Income taxes	14,725		45,349	(45,349)(o)	14,725
Current portion of long-term debt	23,544				23,544

Total current liabilities	666,977	415,980		(285,633)	797,324
Long-term debt	350,515	3,573		597,305 (l)	951,393
Amounts due to affiliates		198,700		(198,700)(d)	
Accrued pension cost	270,179		17,377	1,723 (i)	289,279
Accrued postretirement benefits cost	413,319		156,084	(90,884)(n)	478,519

	Timken Historical	Torrington Historical	Reclassifications*	Pro forma Adjustments	Pro forma
Deferred income taxes		37,690		(36,217)(e)	1,473
Other non-current liabilities	21,980	202,269	(173,461)	(23,236)(p)	27,552
Total liabilities	1,722,970	858,212		(35,642)	2,545,540
Shareholders equity:					
Preferred stock (par)					
Stated capital	53,064				53,064
Other paid-in capital	256,664			302,250 (q)	558,914
Earnings invested in the business	736,212	216,493		(216,493)(r)	736,212
Accumulated other comprehensive (loss)	(226,867)	(14,297)		14,297 (r)	(226,867)
Total shareholders equity	819,073	202,196		100,054	1,121,323
Total liabilities and shareholders equity	$2,542,043	$1,060,408	$	$ 64,412	$3,666,863

* Certain amounts related to Torrington have been reclassified to conform with our presentation.

NOTES TO THE PRO FORMA BALANCE SHEET

a) Pursuant to the purchase agreement, cash is to be excluded from the assets transferred, except for certain amounts as defined in the purchase agreement.

b) Pursuant to the purchase agreement, we will also acquire the securitized accounts receivable designated pool of accounts from Ingersoll-Rand. This receivable balance is not included in Torrington s September 30, 2002 balance sheet.

c) Reflects the elimination of accounts receivable/payable between us and Torrington.

d) Reflects the elimination of Torrington s amounts due from/to affiliates not assumed in the Torrington acquisition.

e) Reflects the adjustments to Torrington s deferred income taxes resulting from the Torrington acquisition.

f) Reflects the adjustment of Torrington s inventory to estimated fair market value.

g) Reflects the write-up of property, plant and equipment to estimated fair market value.

h) Reflects the amount of purchase price in excess of the fair value of net assets acquired (goodwill).

i) Reflects the elimination of Torrington s prepaid and intangible pension assets and projected benefit obligation related to retired, deferred vested and inactive participants, which will not be assumed by us in the Torrington acquisition. Pursuant to the purchase agreement, no U.S. pension assets are to be transferred to us. This also reflects an adjustment to estimated fair value for the projected benefit obligation related to active employees for certain plans to be assumed by us in the Torrington acquisition.

j) Reflects the identifiable intangible assets acquired, at estimated fair market value.

k) Reflects the elimination of Torrington s prepaid assets not assumed in the Torrington acquisition.

l) Reflects the elimination of Torrington s debt not assumed in the Torrington acquisition, our issuance of new debt to finance a portion of the Torrington acquisition and our refinancing of commercial paper, as follows:

	Current	Long-term
Torrington debt amounts not assumed by us	$ (3,660)	$ (3,573)
Our issuance of senior unsecured notes		375,000
Our refinancing of commercial paper	(26,600)	
Our draw under our new revolving credit facility (including $26.6 million to refinance commercial paper)		225,878
	$ (30,260)	$ 597,305

m) Reflects the elimination of certain Torrington payables not assumed in the Torrington acquisition in accordance with the purchase agreement.

n) Reflects the elimination of Torrington s accumulated postretirement benefit obligation related to retired and inactive participants, which will not be assumed by us in the Torrington acquisition. This also reflects an adjustment to estimated fair value for the accumulated postretirement benefit obligation related to active employees for certain plans to be assumed by us in the Torrington acquisition.

o) Reflects the elimination of Torrington s accrued income taxes not assumed by us in the Torrington acquisition.

p)

Reflects the elimination of certain long-term liabilities not to be assumed by us in the Torrington acquisition, including principally environmental liabilities and certain postemployment benefits. Pursuant to the agreement, we will be responsible for 30% of those environmental liabilities that are unknown at the time of the closing, up to a limit of $10 million. No known environmental liabilities will be assumed by us in the Torrington acquisition.

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q) Reflects the common stock issued by us to Ingersoll-Rand and in the public offering to finance a portion of the Torrington acquisition, based on a per share price of $14.75, the minimum offering price per share required by the purchase agreement, without reduction for the fees and expenses of issuance, including underwriting discounts and commissions. Assuming a per share price of $20.13, the last reported sale price on the NYSE on January 16, 2003, the pro forma adjustment for other paid in capital would be $361,430,000.

r) Reflects the elimination of historical equity of Torrington.

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UNAUDITED PRO FORMA STATEMENT OF OPERATIONS

For the Year Ended December 31, 2001
(in thousands, except share data)

	Timken Historical	Torrington Historical	Reclassifications*	Pro Forma Adjustments	Pro Forma
Net sales	$2,447,178	$1,088,712	$	$(10,624)(a)	$3,525,266
Cost of products sold	2,046,458	885,009	22,400	(14,766)(b)	2,939,101
Gross profit	400,720	203,703	(22,400)	4,142	586,165
Selling, administrative and general expenses	363,683	106,912**		2,925 (c)	473,520
Impairment and restructuring charges	54,689	19,338			74,027
Operating (loss) income	(17,652)	77,453	(22,400)	1,217	38,618
Interest expense	(33,401)	(18,306)		(19,919)(d)	(71,626)
Interest income	2,109				2,109
Receipt of CDO payment	31,019		47,700	(47,700)(e)	31,019
Other (expense) income	(8,958)	25,209	(25,300)		(9,049)
(Loss) income before income taxes	(26,883)	84,356		&	