

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

JUN 27 2003



03025429

FORM 11-K

ANNUAL REPORT
PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

- ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the fiscal year ended December 30, 2002

OR

- TRANSITIONAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

PROCESSED

JUL 02 2003

THOMSON
FINANCIAL

Commission file number 1-1169

RAIL BEARING SERVICE CORPORATION
EMPLOYEE SAVINGS PLAN
(Full title of the plan)

THE TIMKEN COMPANY, 1835 Dueber Avenue, S.W., Canton, Ohio 44706
(Name of issuer of the securities held pursuant to the plan
and the address of its principal executive office)

AUDITED FINANCIAL STATEMENTS AND SCHEDULES

Rail Bearing Service Corporation Employee Savings Plan

December 30, 2002 and 2001 and Year ended December 30, 2002
with Report of Independent Auditors

Rail Bearing Service Corporation Employee Savings Plan

Audited Financial Statements and Schedules

December 30, 2002 and 2001 and
Year ended December 30, 2002

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Report of Independent Auditors

Rail Bearing Service Corporation, Administrator of the
Rail Bearing Service Corporation Employee Savings Plan

We have audited the accompanying statements of assets available for benefits of the Rail Bearing Service Corporation Employee Savings Plan as of December 30, 2002 and 2001, and the related statement of changes in assets available for benefits for the year ended December 30, 2002. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets available for benefits of the Plan at December 30, 2002 and 2001, and the changes in its assets available for benefits for the year ended December 30, 2002, in conformity with accounting principles generally accepted in the United States.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedules of assets (held at end of year) as of December 30, 2002, and reportable transactions for the year then ended, are presented for purposes of additional analysis and are not a required part of the financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole.

Canton, Ohio
June 20, 2003


ERNST & YOUNG LLP

Rail Bearing Service Corporation Employee Savings Plan

Statements of Assets Available for Benefits

	December 30	
	2002	2001
Assets		
Investments, at fair value	\$ 5,417,139	\$ 5,854,383
Receivables:		
Contribution receivable from participants	3,451	1,115
Contribution receivable from Rail Bearing Service Corporation	1,654	1,957
Accrued income	1,406	1,788
Total receivables	6,511	4,860
Assets available for benefits	<u>\$ 5,423,650</u>	<u>\$ 5,859,243</u>

See accompanying notes.

Rail Bearing Service Corporation Employee Savings Plan

Statement of Changes in Assets Available for Benefits

Year ended December 30, 2002

Additions

Interest and dividends	\$ 41,248
Contributions:	
Participants	157,462
Rail Bearing Service Corporation	218,241
	<u>375,703</u>
Total additions	416,951

Deductions

Benefits paid directly to participants	280,171
Net depreciation in fair value of investments	572,373
Total deductions	<u>852,544</u>

Net decrease (435,593)

Assets available for benefits:

Beginning of year	5,859,243
End of year	<u>\$ 5,423,650</u>

See accompanying notes.

Rail Bearing Service Corporation Employee Savings Plan

Notes to Financial Statements

December 30, 2002

1. Description of Plan

The following description of the Rail Bearing Service Corporation Employee Savings Plan (the Plan) provides only general information. Participants should refer to the Summary Plan Description for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering full-time and part-time employees of Rail Bearing Service Corporation (the Company and Plan Administrator). Employees of the Company become eligible to participate in the Plan immediately. Full-time employees are eligible to contribute to the Plan after completing one year of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Under the provisions of the Plan, participants may elect to contribute up to 15% of their gross earnings directly to the Plan subject to IRS limitations. The Company matches employee contributions at an amount equal to 50% on the first 6% of the participant's gross earnings, called "Company Match Contributions." In addition, the Company contributes Timken common shares at an amount equal to 10% on the first 6% of the participant's gross earnings, called "Stock Match Contributions." Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. The Plan also provides for a discretionary "Profit Sharing Contribution" by the Company.

Upon enrollment, a participant must direct his or her contribution in 5% increments to any of the Plan's fund options. The Company Match Contributions are based on the participant's contribution percentages. Participants are not allowed to direct the investment of the Stock Match Contribution until reaching the age of 55 or 30 years of service or following retirement. Participants have access to their account information and the ability to make account transfers and contribution changes in an unlimited number of times through an automated telecommunications system and through the Internet.

Rail Bearing Service Corporation Employee Savings Plan

Notes to Financial Statements (continued)

1. Description of Plan (continued)

Participant Accounts

Each participant's account is credited with the participant's contributions and allocations of (a) the Company's contributions and (b) Plan earnings, and is charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. Forfeited balances of terminated participants' nonvested accounts are used to reduce future Company contributions. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company Match Contribution and Stock Match Contribution portions of their accounts plus actual earnings thereon occurs over a period of seven years with 20% vested after three years and an additional 20% in each of the years four to seven. Also, vesting in the Company Profit Sharing Contribution portion of their accounts plus actual earnings thereon occurs over a period of five years with zero percent in years one through four and 100% in year five.

Participant Notes Receivable

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Loan terms generally cannot exceed five years, except loans made for purchasing a primary residence cannot exceed 30 years. The loans are secured by the balance in the participant's vested account and bear interest at an interest rate of one percent in excess of the prime rate, as published the first business day of each month in the Wall Street Journal. Principal and interest are paid ratably through payroll deductions.

Rail Bearing Service Corporation Employee Savings Plan

Notes to Financial Statements (continued)

1. Description of Plan (continued)

Payment of Benefits

On termination of service, a participant may leave his or her assets in the Plan until the later of age 70 ½ or normal retirement age under the Plan, receive a lump-sum amount equal to the vested balance of his or her account, or elect to receive staggered installments over a fixed period of time.

Plan Termination

Although it has not expressed any interest to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, the Trustee shall distribute to each participant the amount standing to his or her credit in his or her separate account.

Plan Amendment

Effective December 31, 2001, the Plan was amended to segregate the Timken Company Common Stock Fund into two components—a newly created Employee Stock Ownership Plan, or ESOP, and a Timken Stock Fund. The ESOP contained all shares held in the Timken Company Common Stock Fund at December 30, 2001. Beginning December 31, 2001, Company and participant contributions are made to the Timken Stock Fund. At the end of each plan year, all contributions, reinvested dividends and any market gains or losses in the Timken Stock Fund are then transferred into the Timken ESOP. Participants may elect to have their vested dividends in the Timken ESOP distributed to them in cash rather than automatically reinvested in Timken common shares.

Rail Bearing Service Corporation Employee Savings Plan

Notes to Financial Statements (continued)

2. Accounting Policies

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. American Express Trust Company (the Trustee) maintains a collective investment trust of Timken common shares in which the Company's defined contribution plans participate on a unit basis. Timken common shares are traded on a national securities exchange and participation units in the Timken Company Common Stock Fund are valued at the last reported sales price on the last business day of the Plan year. The valuation per unit of the Timken Company Common Stock Fund was \$10.67 and \$9.00 at December 30, 2002 and 2001, respectively.

2. Accounting Policies

The participation units owned by the Plan in the Trustee collective trust funds and mutual funds are valued at quoted market prices which represent the net asset values of shares held by the Plan at year end. The participant notes receivable are valued at their outstanding balances, which approximates fair value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Rail Bearing Service Corporation Employee Savings Plan

Notes to Financial Statements (continued)

3. Investments

During 2002, the Plan's investments (including investments purchased, sold, as well as held during the year) appreciated (depreciated) in fair value as determined by quoted market prices as follows:

	<u>Net Appreciation (Depreciation) in Fair Value of Investments</u>
Timken common shares	\$ 45,958
Mutual funds	(250,751)
Collective trust funds	(367,580)
	<u>\$ (572,373)</u>

Investments that represent 5% or more of fair value of the Plan's net assets are as follows:

	<u>2002</u>	<u>2001</u>
AXP New Dimensions Fund	\$ 714,146	\$ 966,679
Templeton Foreign Fund	-	336,580
American Express Trust U. S. Government Securities Fund I	1,218,521	1,048,886
American Express Trust Bond Fund	1,083,605	993,344
American Express Trust Medium-Term Horizon (50:50) Fund	567,314	658,824
American Express Trust Equity Index Base Fund	1,075,235	1,422,043

Rail Bearing Service Corporation Employee Savings Plan

Notes to Financial Statements (continued)

4. Nonparticipant-Directed Investments

Information about the net assets and the significant components of changes in net assets related to the nonparticipant-directed investment is as follows:

	December 30	
	2002	2001
Investments, at fair value:		
Timken Company Common Stock Fund	\$ 245,731	\$ 188,379
Receivable:		
Contribution receivable	384	328
	\$ 246,115	\$ 188,707
Change in assets:		
Net appreciation in fair value of investments		\$ 45,958
Dividends		5,283
Contributions		31,537
Benefits paid directly to participants		(7,329)
Transfers to participant directed accounts		(18,041)
		\$ 57,408

5. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated April 3, 2003, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan Administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax-exempt.

Rail Bearing Service Corporation Employee Savings Plan

Notes to Financial Statements (continued)

6. Related Party Transactions

The following is a summary of transactions in Timken common shares for the year ended December 30, 2002:

	<u>Shares</u>	<u>Dollars</u>
Purchased	11,308	\$ 250,910
Dividends received		5,283

Certain legal and accounting fees and certain administrative expenses relating to the maintenance of participant records are paid by the Company. Fees paid during the year for services rendered by parties-in-interest were based on customary and reasonable rates for such services.

Rail Bearing Service Corporation Employee Savings Plan

EIN: 54-1741259 Plan Number: 002

Schedule H, Line 4(i)—Schedule of Assets
(Held at End of Year)

December 30, 2002

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost (B)	Current Value
Timken Company Common Stock Fund*(A)	23,021 units	\$ 275,018	\$ 245,731
AXP New Dimensions Fund*	37,002 units		714,146
Templeton Foreign Fund	30,589 units		252,971
American Express Trust*:			
U.S. Government Securities Fund I	1,218,521 units		1,218,521
Bond Fund	15,176 units		1,083,605
Short-Term Horizon (25:75) Fund	3,276 units		57,674
Medium-Term Horizon (50:50) Fund	28,397 units		567,314
Long-Term Horizon (80:20) Fund	761 units		14,243
Small Cap Equity Index Fund II	6,475 units		73,617
Equity Index Base Fund	39,831 units		1,075,235
Participant notes receivable at interest rates ranging from 5.25% to 10.5%*	114,082 units		114,082
Total investments			<u>\$ 5,417,139</u>

* Indicates party-in-interest to the Plan.

(A) Nonparticipant-directed investment.

(B) Cost information is only required for nonparticipant-directed investments.

Rail Bearing Service Corporation Employee Savings Plan

EIN: 54-1741259 Plan Number 002

Schedule H, Line 4(j)—Schedule of Reportable Transactions

Year ended December 30, 2002

Identity of Party Involved	Description of Assets	Purchase Price	Selling Price	Expenses Incurred with Transaction (A)	Cost of Asset	Current Value of Asset on Transaction Date (B)	Net Gain or (Loss)
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Category (iii)—Series of Transactions in a Security in Excess of 5% of the Current Value of Plan Assets

The Timken Company*(C)	Timken common shares				\$ 250,910		
	58 purchases aggregating 11,308 shares	\$ 250,910			161,607		\$ 78,128
	30 sales aggregating 10,129 shares		\$ 239,735				

* Indicates party-in-interest to the Plan.

(A) Commissions, taxes and other expenses incurred with the transaction are capitalized on purchases and charged against proceeds on sales.

(B) Current value at the date of purchase or sale equals the transaction price.

(C) Nonparticipant-directed investment.

There were no category (i), (ii) or (iv) transactions during 2002.

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other person who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

RAIL BEARING SERVICE
CORPORATION EMPLOYEE SAVINGS
PLAN

Date: June 26, 2003

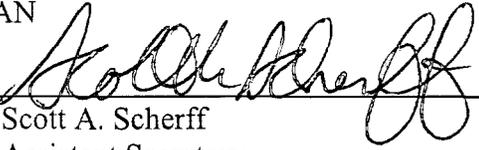
By: 
Scott A. Scherff
Assistant Secretary

EXHIBIT INDEX

<u>EXHIBIT NUMBER</u>	<u>EXHIBIT DESCRIPTION</u>
23	Consent of Ernst & Young LLP
99	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Consent of Independent Auditors

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-45753) pertaining to the Rail Bearing Service Employee Savings Plan of our report dated June 20, 2003, with respect to the financial statements and schedules of the Rail Bearing Service Employee Savings Plan included in this Annual Report (Form 11-K) for the year ended December 30, 2002.

Ernst & Young LLP
ERNST & YOUNG LLP

Canton, Ohio
June 20, 2003

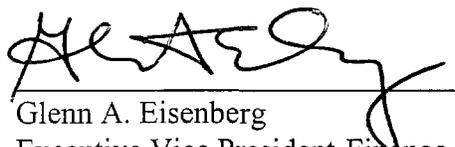
CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Annual Report of the Voluntary Investment Program for Hourly Employees of Rail Bearing Service Corporation Employee Savings Plan, (the "Plan") on Form 11-K for the period ended December 30, 2002 as filed with the Securities and Exchange Commission (the "SEC") on the date hereof (the "Report"), the undersigned certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Plan as of the dates and for the periods expressed in the Report.

This certification is provided solely pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed to be a part of the Report or "filed" for any purpose whatsoever.

Date: June 26, 2003



Glenn A. Eisenberg
Executive Vice President-Finance and Administration
of The Timken Company
(Principal Executive Officer and Principal Financial
Officer)