



**One name.
Many solutions.**

Fourth Quarter and Full Year 2014 Earnings Conference Call

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Triumph Group, Inc.

May 8, 2014



Forward-Looking Information is Subject to Risk and Uncertainty

Parts of this presentation contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause Triumph's actual results, performance, or achievements to be materially different from any expected future results, performance, or achievements. For more information, see the risk factors described in Triumph's current Form 10-K and other SEC filings.



Q4 / FY 2014 in Review

✔ Solid Fourth Quarter Performance

- **Aerostructures**
 - Solid Quarter in Spite of Military Decline and Lower 767 Program Revenue
 - 747-8 Program Stabilized and On Schedule
- **Aerospace Systems**
 - Delivered Strong Margins, Expanding 280 Basis Points on a Sequential Quarterly Basis
 - Continued Good Performance at Triumph Engine Control Systems
- **Aftermarket Services**
 - Continued Strength in Operating Margin Performance Despite Military Aftermarket Weakness

✔ Successfully Completed Closure of Jefferson Street Facility and Move to Red Oak Facility Ahead of Schedule

✔ Continued to Proactively and Effectively Manage Pension Obligation

✔ Increased Share Repurchase Authorization to Approximately 5.5 Million Shares

- Executed 300,000 Share Buyback for Approximately \$19.1 Million

✔ Notified of Stop-Work on Final Three C-17 Production Units

✔ Awarded Three Year Contract to Provide Overhaul and Maintenance Services for C-17

✔ Awarded Airbus Contract to Provide Sharklet Wing Reinforcement Kit for A319 and A320



Financial Performance

Quarterly Comparison

(\$ in millions except per share data)

	Q4		
	2014	2013	Change
Sales	\$936.4	\$986.3	(5%)
Operating Income, before non-recurring costs	128.9	149.0	(13%)
<i>Operating Margin, before non-recurring costs</i>	<i>13.8%</i>	<i>15.1%</i>	
Non-recurring costs, excluding \$0.1 of interest *	(48.0)	(36.0)	
Operating Income	80.9	113.0	(28%)
Adjusted EBITDA	117.2	169.8	(31%)
<i>Adjusted EBITDA Margin</i>	<i>12.6%</i>	<i>17.3%</i>	
Net Income, before non-recurring costs, after tax	73.5	88.8	(17%)
Non-recurring costs	(31.2)	(23.2)	
Net Income	\$42.3	\$65.6	(36%)
Earnings per Share (Diluted):			
Before non-recurring costs	\$1.39	\$1.68	
Non-recurring costs	(0.59)	(0.44)	
Net Income	\$0.80	\$1.24	(36%)

* See Table A



Q4 FY2014 Non-Recurring Costs

TABLE A

	Fourth Quarter Ended March 31, 2014		Diluted EPS	Location on Financial Statements
	Pre-tax (In thousands)	After tax (In thousands)		
Adjusted Income from Continuing Operations- non-GAAP	\$ 111,373	\$ 73,467	\$ 1.39	
Non-Recurring Costs:				
Curtailments	\$ (395)	\$ (256)	\$ (0.00)	Corporate
Early Retirement Incentives	\$ 916	\$ 594	\$ 0.01	Corporate
Jefferson Street Move:				
Relocation Costs (Including Interest)	\$ 24,125	\$ 15,633	\$ 0.30	Aerostructures (Primarily)
Disruption	\$ 17,801	\$ 11,535	\$ 0.22	Aerostructures (EAC) **
Accelerated Depreciation	\$ 5,643	\$ 3,657	\$ 0.07	Aerostructures (EAC) **
Income from Continuing Operations- GAAP	\$ 63,283	\$ 42,304	\$ 0.80 *	

* Difference due to rounding

** EAC- estimated costs at completion with respect to contracts within the scope of Accounting Standards Codification 605-35, "Revenue Recognition-Construction-Type and Production-Type Contracts"



Financial Performance

Annual Comparison

(\$ in millions except per share data)

	YTD		
	2014	2013	Change
Sales	\$3,763.3	\$3,702.7	2%
Operating Income, before non-recurring costs	471.8	575.5	(18%)
<i>Operating Margin, before non-recurring costs</i>	<i>12.5%</i>	<i>15.5%</i>	
Non-recurring costs, excluding \$0.6 of interest *	(71.8)	(44.2)	
Operating Income	400.0	531.2 ^	(25%)
Adjusted EBITDA	523.7	669.6	(22%)
<i>Adjusted EBITDA Margin</i>	<i>14.1%</i>	<i>18.2%</i>	
Net Income, before non-recurring costs, after tax	253.2	325.9	(22%)
Non-recurring costs, after tax	(46.9)	(28.5)	
Net Income	\$206.3	\$297.3 ^	(31%)
Earnings per Share (Diluted):			
Before non-recurring costs			
Non-recurring costs	\$4.80	\$6.21	
Net Income	(0.89)	(0.54)	
	\$3.91	\$5.67	(31%)

* See Table B

^ Difference Due to Rounding



FY2014 Non-Recurring Costs

TABLE B

	<u>Fiscal Year Ended</u> <u>March 31, 2014</u>		<u>Diluted</u> <u>EPS</u>	<u>Location on</u> <u>Financial Statements</u>
	<u>Pre-tax</u> <u>(In thousands)</u>	<u>After tax</u> <u>(In thousands)</u>		
Adjusted Income from Continuing Operations- non-GAAP	\$ 384,615	\$ 253,161	\$ 4.80	
Non-Recurring Costs:				
Settlements and Curtailments, net	\$ 1,166	\$ 756	\$ 0.01	Corporate
Early Retirement Incentives	\$ 916	\$ 594	\$ 0.01	Corporate
Jefferson Street Move:				
Relocation Costs (Including Interest)	\$ 31,910	\$ 20,678	\$ 0.39	Aerostructures (Primarily)
Disruption	\$ 24,714	\$ 16,015	\$ 0.30	Aerostructures (EAC) **
Accelerated Depreciation	<u>\$ 13,676</u>	<u>\$ 8,862</u>	<u>\$ 0.17</u>	Aerostructures (EAC) **
Income from Continuing Operations- GAAP	<u>\$ 312,233</u>	<u>\$ 206,256</u>	<u>\$ 3.91</u>	*

* Difference due to rounding

** EAC- estimated costs at completion with respect to contracts within the scope of Accounting Standards Codification 605-35, "Revenue Recognition-Construction-Type and Production-Type Contracts"



Segment Performance

Aerostructures

(\$ in millions)

		Q4			YTD		
		2014	2013	Change	2014	2013	Change
Aerostructures	Sales	\$ 632.6	\$ 720.7	(12%)	\$ 2,612.4	\$ 2,781.3	(6%)
	Operating Income	36.2	110.9	(67%)	255.0	469.9	(46%)
	<i>Operating Margin</i>	5.7%	15.4%		9.8%	16.9%	
	EBITDA	62.4	129.0	(52%)	344.1	540.3	(36%)
	<i>EBITDA Margin</i>	9.9%	18.0%		13.3%	19.6%	



Business Case Key Figures

(in millions)

	RED OAK			
	FY 2013	FY 2014	FY 2015	FY 2016
Capital Investment	\$ 18.1	\$ 86.6	-	-
Inventory Growth	\$ 5.5	\$ 22.8	-	-
Non Recurring Costs:				
Relocation Cost	\$ -	\$ 31.3	\$ 0.7	-
Disruption	\$ 0.6	24.7	12.4	-
Accelerated Depreciation	0.8	13.7	7.7	-
Total Non-Recurring Costs	\$ 1.4	\$ 69.7	\$ 20.8	-
Non-Recurring EPS	\$ (0.02)	\$ (0.86)	\$ (0.26)	-
Recurring EPS			\$ 0.38	\$ 0.50



Segment Performance

Aerospace Systems

(\$ in millions)

Aerospace Systems		Q4			YTD		
		2014	2013	Change	2014	2013	Change
	Sales	\$ 235.3	\$ 184.1	28%	\$ 871.8	\$ 615.8	42%
	Operating Income	42.8	33.4	28%	149.7	103.2	45%
	<i>Operating Margin</i>	18.2%	18.2%		17.2%	16.8%	
	EBITDA	49.2	39.5	25%	169.8	122.9	38%
	<i>EBITDA Margin</i>	21.2%	21.5%		19.9%	20.0%	



Segment Performance

Aftermarket Services

(\$ in millions)

Aftermarket Services	Q4			YTD		
	2014	2013	Change	2014	2013	Change
Sales	\$ 70.5	\$ 83.9	(16%)	\$ 287.3	\$ 314.5	(9%)
Operating Income	11.6	13.0	(11%)	42.3	45.4	(7%)
<i>Operating Margin</i>	16.4%	15.4%		14.7%	14.4%	
EBITDA	13.5	15.2	(11%)	49.8	54.5	(9%)
<i>EBITDA Margin</i>	19.2%	18.1%		17.3%	17.3%	



Pension / OPEB Analysis

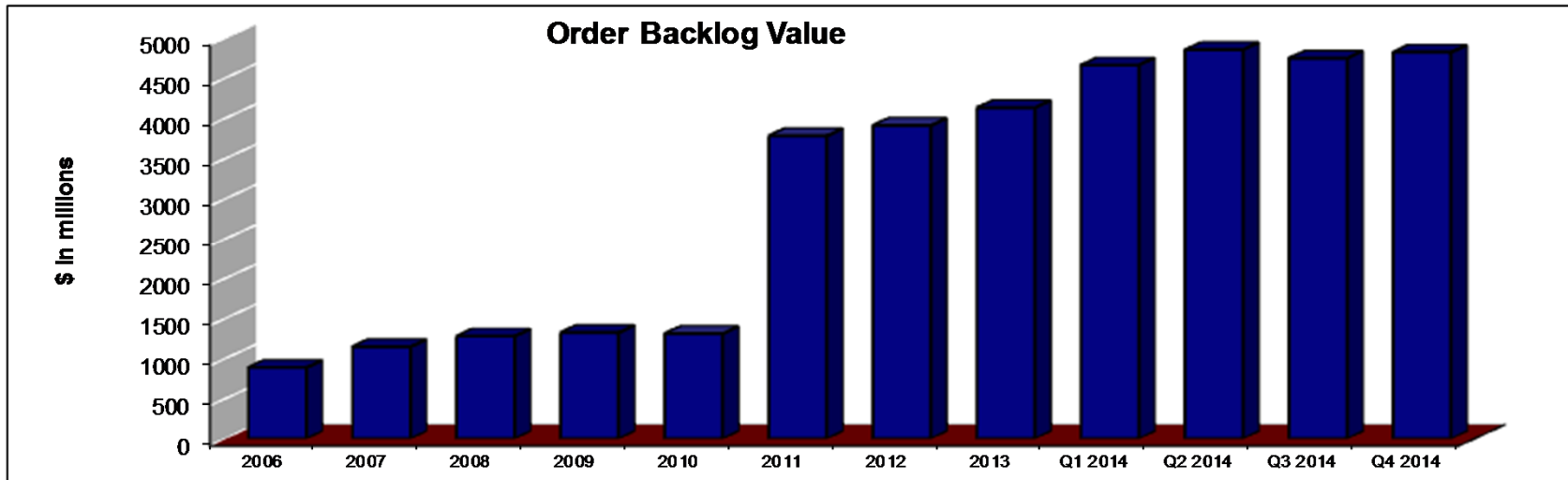
Triumph Aerostructures-Vought Aircraft Division

Pension / OPEB Analysis	Fiscal Year 2014 *	Fiscal Year 2015
Pension Expense (Income)	≈ (\$35) million	≈ (\$52) million
Cash Pension Contribution	≈ \$46 million	≈ \$110 million
OPEB Expense	≈ \$11 million	≈ \$11 million
Cash OPEB Contribution	≈ \$30 million	≈ \$27 million

* Excluding settlements, curtailments and special termination benefits



Backlog



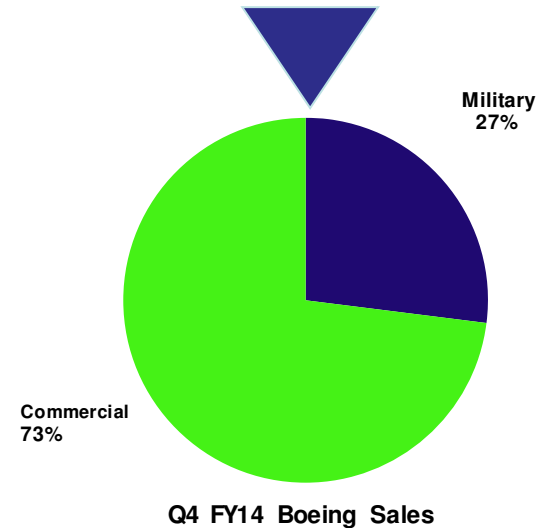
Order Backlog at Year End was \$4.75 Billion, an Increase of 5% Year Over Year. Military Represents Approximately 26% of Backlog.



Top 10 Programs

Top Programs
1. Boeing 747
2. Boeing 777
3. Gulfstream
4. Boeing C-17
5. Airbus A330
6. Boeing 737 NG
7. Boeing 767, Tanker
8. Boeing V-22
9. Boeing 787
10. Bombardier Global 7000/8000

>10% Customers	Q4 FY14 % of Sales	Q4 FY13 % of Sales
Boeing	44.9 %	49.4%



Boeing is the only customer with >10% of sales.



Sales by Market

(\$ in Millions)	FY 2014		FY 2013		\$ Change*	% Change*
	Sales	% of Total	Sales	% of Total		
Commercial	\$ 2,151	57%	\$ 2,114	57%	\$ 37	2%
Military	1,062	28%	1,027	28%	35	3%
Business Jets	415	11%	451	12%	(36)	(8%)
Regional Jets	58	2%	33	1%	25	76%
Non-Aviation	77	2%	78	2%	(1)	(1%)
Total Sales	\$ 3,763	100%	\$ 3,703	100%	\$ 60	2%
OEM		85%		87%		
Aftermarket		13%		11%		
Other		2%		2%		
Total		100%		100%		

* Difference due to rounding



Sales Trends

Same Store Sales						
<i>(in millions)</i>	Q4			YTD		
	2014	2013	Change	2014	2013	Change
Aerostructures	\$ 612.6	\$ 711.6	(14%)	\$ 2,518.2	\$ 2,747.1	(8%)
Aerospace Systems	\$ 164.2	\$ 163.1	1%	\$ 601.3	\$ 593.6	1%
Aftermarket Services	\$ 70.5	\$ 77.5	(9%)	\$ 287.0	\$ 288.6	(1%)
Total Same Store Sales	\$ 847.2 ^	\$ 952.2	(11%)	\$ 3,406.5	\$ 3,629.3	(6%)

Export Sales						
<i>(in millions)</i>	Q4			YTD		
	2014	2013	Change	2014	2013	Change
Export Sales	\$ 164.6	\$ 137.2	20%	\$ 621.6	\$ 504.1	23%

^ Difference due to rounding



Cash Flow

(\$ in millions)

	YTD	
	2014	2013
Cash Flow from Operations Before Pension Contributions	\$ 181.5	\$ 430.7
Pension Contributions - Triumph Aerostructures	\$ 46.3	109.8
Cash Flow from Operations	\$ 135.1 [^]	\$ 320.9
CAPEX	\$ 206.4	\$ 126.9

[^] Difference due to rounding



Current Capitalization

<i>(\$ in millions)</i>	<u>3/31/2014</u>
Cash	(\$29.0)
Revolver	569.4
Convertible Debt	12.8
Securitized Debt (Accounts Receivables & Capital Leases)	162.4
2010 Senior Notes Due 2018	348.4
2013 Senior Notes Due 2021	375.0
Capital Leases	74.3
Other Debt	8.0
Net Debt	<u>\$1,521.3</u>
Shareholders' Equity	<u>2,284.0</u>
Total Book Capitalization	<u><u>\$3,805.3</u></u>

Net Debt-to-Capitalization

40.0%



Fiscal 2015 Outlook

▼ Backlog Remains Strong

▼ Remain Focused on Improving Execution and Efficiency, Integrating Acquisitions and Reducing Costs

▼ FY 2015 Guidance

- **Revenue of \$3.7 to \$3.8 Billion**
- **EPS Excluding Jefferson Street/Red Oak Overhang Costs and Anticipated Refinancing Fees of \$5.65 – \$5.75 Per Share**
- **Cash Available for Debt Reduction, Acquisitions, and Share Repurchases of Approximately \$250 Million**



Appendix



EBITDA Disclosure

FINANCIAL DATA (UNAUDITED)

TRIUMPH GROUP, INC. AND SUBSIDIARIES (dollars in thousands)

Non-GAAP Financial Measure Disclosures

We prepare and publicly release quarterly unaudited financial statements prepared in accordance with GAAP. In accordance with Securities and Exchange Commission (the "SEC") guidance on Compliance and Disclosure Interpretations, we also disclose and discuss certain non-GAAP financial measures in our public releases. Currently, the non-GAAP financial measure that we disclose is Adjusted EBITDA, which is our net income before interest, income taxes, amortization of acquired contract liabilities, curtailments, settlements and early retirement incentives, depreciation and amortization. We disclose Adjusted EBITDA on a consolidated and an operating segment basis in our earnings releases, investor conference calls and filings with the SEC. The non-GAAP financial measures that we use may not be comparable to similarly titled measures reported by other companies. Also, in the future, we may disclose different non-GAAP financial measures in order to help our investors more meaningfully evaluate and compare our future results of operations to our previously reported results of operations.

We view Adjusted EBITDA as an operating performance measure and as such we believe that the GAAP financial measure most directly comparable to it is net income. In calculating Adjusted EBITDA, we exclude from net income the financial items that we believe should be separately identified to provide additional analysis of the financial components of the day-to-day operation of our business. We have outlined below the type and scope of these exclusions and the material limitations on the use of these non-GAAP financial measures as a result of these exclusions. Adjusted EBITDA is not a measurement of financial performance under GAAP and should not be considered as a measure of liquidity, as an alternative to net income (loss), income from continuing operations, or as an indicator of any other measure of performance derived in accordance with GAAP. Investors and potential investors in our securities should not rely on Adjusted EBITDA as a substitute for any GAAP financial measure, including net income (loss) or income from continuing operations. In addition, we urge investors and potential investors in our securities to carefully review the reconciliation of Adjusted EBITDA to net income set forth below, in our earnings releases and in other filings with the SEC and to carefully review the GAAP financial information included as part of our Quarterly Reports on Form 10-Q and our Annual Reports on Form 10-K that are filed with the SEC, as well as our quarterly earnings releases, and compare the GAAP financial information with our Adjusted EBITDA.

Adjusted EBITDA is used by management to internally measure our operating and management performance and by investors as a supplemental financial measure to evaluate the performance of our business that, when viewed with our GAAP results and the accompanying reconciliation, we believe provides additional information that is useful to gain an understanding of the factors and trends affecting our business. We have spent more than 15 years expanding our product and service capabilities partially through acquisitions of complementary businesses. Due to the expansion of our operations, which included acquisitions, our net income has included significant charges for depreciation and amortization. Adjusted EBITDA excludes these charges and provides meaningful information about the operating performance of our business, apart from charges for depreciation and amortization. We believe the disclosure of Adjusted EBITDA helps investors meaningfully evaluate and compare our performance from quarter to quarter and from year to year. We also believe Adjusted EBITDA is a measure of our ongoing operating performance because the isolation of non-cash income and expenses, such as amortization of acquired contract liabilities, depreciation and amortization, and non-operating items, such as interest and income taxes, provides additional information about our cost structure, and, over time, helps track our operating progress. In addition, investors, securities analysts and others have regularly relied on Adjusted EBITDA to provide a financial measure by which to compare our operating performance against that of other companies in our industry.

Set forth below are descriptions of the financial items that have been excluded from our net income to calculate Adjusted EBITDA and the material limitations associated with using this non-GAAP financial measure as compared to net income:

- Curtailments, settlements and early retirement incentives may be useful to investors to consider because it represents the current period impact of the change in defined benefit obligation due to the reduction in future service costs. We do not believe these charges (gains) necessarily reflect the current and ongoing cash earnings related to our operations.
- Amortization of acquired contract liabilities may be useful for investors to consider because it represents the non-cash earnings on the fair value of below market contracts acquired through acquisitions. We do not believe these earnings necessarily reflect the current and ongoing cash earnings related to our operations.
- Amortization expenses may be useful for investors to consider because it represents the estimated attrition of our acquired customer base and the diminishing value of product rights and licenses. We do not believe these charges necessarily reflect the current and ongoing cash charges related to our operating cost structure.
- Depreciation may be useful for investors to consider because they generally represent the wear and tear on our property and equipment used in our operations. We do not believe these charges necessarily reflect the current and ongoing cash charges related to our operating cost structure.
- The amount of interest expense and other we incur may be useful for investors to consider and may result in current cash inflows or outflows. However, we do not consider the amount of interest expense and other to be a representative component of the day-to-day operating performance of our business.

-More-



EBITDA Disclosure

(Continued)

FINANCIAL DATA (UNAUDITED)

TRIUMPH GROUP, INC. AND SUBSIDIARIES

(dollars in thousands)

Non-GAAP Financial Measure Disclosures (continued)

- Income tax expense may be useful for investors to consider because it generally represents the taxes which may be payable for the period and the change in deferred income taxes during the period and may reduce the amount of funds otherwise available for use in our business. However, we do not consider the amount of income tax expense to be a representative component of the day-to-day operating performance of our business.

Management compensates for the above-described limitations of using non-GAAP measures by using a non-GAAP measure only to supplement our GAAP results and to provide additional information that is useful to gain an understanding of the factors and trends affecting our business.

The following table shows our Adjusted EBITDA reconciled to our net income for the indicated periods (in thousands):

	Three Months Ended March 31,		Twelve Months Ended March 31,	
	2014	2013	2014	2013
Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA):				
Net Income	\$ 42,304	\$ 65,602	\$ 206,256	\$ 297,347
Add-back:				
Income Tax Expense	20,979	29,876	105,977	165,710
Interest Expense and Other	17,625	17,488	87,771	68,156
Curtailments, Settlements and Early Retirement Incentives	521	29,344	2,082	34,481
Amortization of Acquired Contract Liabilities	(8,256)	(5,870)	(42,629)	(25,644)
Depreciation and Amortization	43,997	33,361	164,277	129,506
Adjusted Earnings before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")	\$ 117,170	\$ 169,801	\$ 523,734	\$ 669,556
Net Sales	\$ 936,410	\$ 986,268	\$ 3,763,254	\$ 3,702,702
Adjusted EBITDA Margin	12.6%	17.3%	14.1%	18.2%

-More-



EBITDA Disclosure

(Continued)

FINANCIAL DATA (UNAUDITED)

TRIUMPH GROUP, INC. AND SUBSIDIARIES (dollars in thousands)

Non-GAAP Financial Measure Disclosures (continued)

Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA):	Three Months Ended March 31, 2014				
	Segment Data				
	Total	Aerostructures	Aerospace Systems	Aftermarket Services	Corporate / Eliminations
Income from Continuing Operations	\$ 42,304				
Add-back:					
Income Tax Expense	20,979				
Interest Expense and Other	17,625				
Operating Income	\$ 80,908	\$ 36,208	\$ 42,834	\$ 11,586	\$ (9,720)
Pension/OPEB Curtailment	521	-	-	-	521
Amortization of Acquired Contract Liabilities	(8,256)	(5,071)	(3,185)	-	-
Depreciation and Amortization	43,997	31,300	9,542	1,926	1,229
Adjusted Earnings (Losses) before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")	\$ 117,170	\$ 62,437	\$ 49,191	\$ 13,512	\$ (7,970)
Net Sales	\$ 936,410	\$ 632,601	\$ 235,339	\$ 70,463	\$ (1,993)
Adjusted EBITDA Margin	12.6%	9.9%	21.2%	19.2%	n/a

Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA):	Twelve Months Ended March 31, 2014				
	Segment Data				
	Total	Aerostructures	Aerospace Systems	Aftermarket Services	Corporate / Eliminations
Net Income	\$ 206,256				
Add-back:					
Income Tax Expense	105,977				
Interest Expense and Other	87,771				
Operating Income (Loss)	\$ 400,004	\$ 254,993	\$ 149,721	\$ 42,264	\$ (46,974)
Net Pension (Curtailment) Settlement	2,082	-	-	-	2,082
Amortization of Acquired Contract Liabilities	(42,629)	(25,207)	(17,422)	-	-
Depreciation and Amortization	164,277	114,302	37,453	7,529	4,993
Adjusted Earnings (Losses) before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")	\$ 523,734	\$ 344,088	\$ 169,752	\$ 49,793	\$ (39,899)
Net Sales	\$ 3,763,254	\$ 2,612,439	\$ 871,750	\$ 287,343	\$ (8,278)
Adjusted EBITDA Margin	14.1%	13.3%	19.9%	17.3%	n/a

-More-



EBITDA Disclosure

(Continued)

FINANCIAL DATA (UNAUDITED)
TRIUMPH GROUP, INC. AND SUBSIDIARIES
(dollars in thousands)

Non-GAAP Financial Measure Disclosures (continued)

Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA):	Three Months Ended March 31, 2013				
	Total	Segment Data			
		Aerostructures	Aerospace Systems	Aftermarket Services	Corporate / Eliminations
Income from Continuing Operations	\$ 65,602				
Add-back:					
Income Tax Expense	29,876				
Interest Expense and Other	17,488				
Operating Income (Loss)	\$ 112,966	\$ 110,901	\$ 33,440	\$ 12,950	\$ (44,325)
Curtailments and Early Retirement Incentives	29,344	-	-	-	29,344
Amortization of Acquired Contract Liabilities	(5,870)	(5,683)	(187)	-	-
Depreciation and Amortization	33,361	23,751	6,199	2,221	1,190
Adjusted Earnings (Losses) before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")	\$ 169,801	\$ 128,969	\$ 39,452	\$ 15,171	\$ (13,791)
Net Sales	\$ 986,268	\$ 720,722	\$ 184,061	\$ 83,881	\$ (2,396)
Adjusted EBITDA Margin	17.3%	18.0%	21.5%	18.1%	n/a

Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA):	Twelve Months Ended March 31, 2013				
	Total	Segment Data			
		Aerostructures	Aerospace Systems	Aftermarket Services	Corporate / Eliminations
Net Income	\$ 297,347				
Add-back:					
Income Tax Expense	165,710				
Interest Expense and Other	68,156				
Operating Income (Loss)	\$ 531,213	\$ 469,873	\$ 103,179	\$ 45,380	\$ (87,219)
Curtailments and Early Retirement Incentives	34,481	-	-	-	34,481
Amortization of Acquired Contract Liabilities	(25,644)	(25,457)	(187)	-	-
Depreciation and Amortization	129,506	95,884	19,869	9,118	4,635
Adjusted Earnings (Losses) before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")	\$ 669,556	\$ 540,300	\$ 122,861	\$ 54,498	\$ (48,103)
Net Sales	\$ 3,702,702	\$ 2,781,344	\$ 615,771	\$ 314,506	\$ (8,919)
Adjusted EBITDA Margin	18.2%	19.6%	20.0%	17.3%	n/a

-More-



EBITDA Disclosure

(Continued)

FINANCIAL DATA (UNAUDITED)

TRIUMPH GROUP, INC. AND SUBSIDIARIES (dollars in thousands)

Non-GAAP Financial Measure Disclosures (continued)

Adjusted income from continuing operations before income taxes, adjusted income from continuing operations and adjusted income from continuing operations diluted per share, before non-recurring costs has been provided for consistency and comparability. These measures should not be considered in isolation or as alternatives to income from continuing operations before income taxes, income from continuing operations and income from continuing operations per diluted share presented in accordance with GAAP. The following table reconciles income from continuing operations before income taxes, income from continuing operations and income from continuing operations per diluted share, before non-recurring costs.

	Three Months Ended			<u>Location on</u> <u>Financial Statements</u>
	March 31, 2014			
	<u>Pre-tax</u>	<u>After-tax</u>	<u>Diluted EPS</u>	
Income from Continuing Operations- GAAP	\$ 63,283	\$ 42,304	\$ 0.80	
Non-Recurring Costs:				
Curtailments	(395)	(256)	(0.00)	Corporate
Early retirement incentives	916	594	0.01	Corporate
Relocation Costs (including interest)	24,125	15,633	0.30	Aerostructures (Primarily)
Jefferson Street Move:				
Disruption	17,801	11,535	0.22	Aerostructures (EAC) **
Accelerated Depreciation	5,643	3,657	0.07	Aerostructures (EAC) **
Adjusted Income from Continuing Operations- non-GAAP	<u>\$ 111,373</u>	<u>\$ 73,467</u>	<u>\$ 1.39</u>	*
	Twelve Months Ended			<u>Location on</u> <u>Financial Statements</u>
	March 31, 2014			
	<u>Pre-tax</u>	<u>After-tax</u>	<u>Diluted EPS</u>	
Income from Continuing Operations- GAAP	\$312,233	\$ 206,256	\$ 3.91	
Non-Recurring Costs:				
Settlements and curtailments, net	1,166	756	0.01	Corporate
Early retirement incentives	916	594	0.01	Corporate
Relocation Costs (including interest)	31,910	20,678	0.39	Aerostructures (Primarily)
Jefferson Street Move:				
Disruption	24,714	16,015	0.30	Aerostructures (EAC) **
Accelerated Depreciation	13,676	8,862	0.17	Aerostructures (EAC) **
Adjusted Income from Continuing Operations- non-GAAP	<u>\$384,615</u>	<u>\$ 253,161</u>	<u>\$ 4.80</u>	*

* Difference due to rounding.

** EAC- estimated costs at completion with respect to contracts within the scope of Accounting Standards Codification 605-35, "Revenue Recognition-Construction-Type and Production-Type Contracts"

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EBITDA Disclosure

(Continued)

FINANCIAL DATA (UNAUDITED)

TRIUMPH GROUP, INC. AND SUBSIDIARIES

(dollars in thousands)

Non-GAAP Financial Measure Disclosures (continued)

	Three Months Ended			Location on Financial Statements
	March 31, 2013			
	Pre-tax	After-tax	Diluted EPS	
Income from Continuing Operations- GAAP	\$ 95,478	\$ 65,602	\$ 1.24	
Non-Recurring Costs:				
Curtailments	23,662	15,250	0.29	Corporate
Early retirement incentives	5,682	3,662	0.07	Corporate
Integration	438	282	0.01	Aerostructures (Primarily)
Pension remeasurement	1,800	1,160	0.02	Aerostructures (EAC) **
Jefferson Street Move:				
Disruption	600	387	0.01	Aerostructures (EAC) **
Accelerated Depreciation	800	516	0.01	Aerostructures (EAC) **
Deal Costs-Primarily Triumph Engine Control Systems	3,027	1,951	0.04	Corporate
Adjusted Income from Continuing Operations- non-GAAP	<u>\$ 131,487</u>	<u>\$ 88,810</u>	<u>\$ 1.68</u>	

	Twelve Months Ended			Location on Financial Statements
	March 31, 2013			
	Pre-tax	After-tax	Diluted EPS	
Income from Continuing Operations- GAAP	\$ 463,057	\$ 297,347	\$ 5.67	
Non-Recurring Costs:				
Curtailments	23,662	15,250	0.29	Corporate
Early Retirement Incentives	10,819	6,973	0.13	Corporate
Integration	2,665	1,718	0.03	Aerostructures (Primarily)
Pension Remeasurement	1,800	1,160	0.02	Aerostructures (EAC) **
Jefferson Street Move:				
Disruption	600	387	0.01	Aerostructures (EAC) **
Accelerated Depreciation	800	516	0.01	Aerostructures (EAC) **
Deal Costs- Primarily Triumph Engine Control Systems	3,892	2,508	0.05	Corporate
Adjusted Income from Continuing Operations- non-GAAP	<u>\$ 507,295</u>	<u>\$ 325,859</u>	<u>\$ 6.21</u>	

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EBITDA Disclosure

(Continued)

FINANCIAL DATA (UNAUDITED)

TRIUMPH GROUP, INC. AND SUBSIDIARIES (dollars in thousands)

Non-GAAP Financial Measure Disclosures (continued)

Cash provided by operations, before pension contributions has been provided for consistency and comparability. We also use free cash flow available for debt reduction as a key factor in planning for and consideration of strategic acquisitions, stock repurchases and the repayment of debt. This measure should not be considered in isolation, as a measure of residual cash flow available for discretionary purposes, or as an alternative to operating results presented in accordance with GAAP. The following table reconciles cash provided by operations, before pension contributions to cash provided by operations, as well as cash provided by operations to free cash flow available for debt reduction.

	Twelve Months Ended March 31,	
	2014	2013
Cash provided by operations, before pension contributions	\$ 181,483	\$ 430,736
Pension contributions	46,347	109,818
Cash provided by operations	135,136	320,918
Less:		
Capital expenditures	206,414	126,890
Dividends	8,334	8,005
Free cash flow available for debt reduction	<u>\$ (79,612)</u>	<u>\$ 186,023</u>

We use "Net Debt to Capital" as a measure of financial leverage. The following table sets forth the computation of Net Debt to Capital:

	March 31, 2014	March 31, 2013
Calculation of Net Debt		
Current portion	\$ 49,575	\$ 133,930
Long-term debt	1,500,808	1,195,933
Total debt	1,550,383	1,329,863
Less: Cash	28,998	32,037
Net debt	<u>\$ 1,521,385</u>	<u>\$ 1,297,826</u>
Calculation of Capital		
Net debt	\$ 1,521,385	\$ 1,297,826
Stockholders' equity	2,283,911	2,045,158
Total capital	<u>\$ 3,805,296</u>	<u>\$ 3,342,984</u>
Percent of net debt to capital	40.0%	38.8%

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Triumph Group, Inc.