



**One name.
Many solutions.**

Third Quarter Fiscal 2013 Earnings Conference Call

Jeffry D. Frisby – President and Chief Executive Officer

**M. David Kornblatt - Executive Vice President and
Chief Financial Officer**



Triumph Group, Inc.

January 31, 2013



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.



Q3 FY13 in Review

✦ **Strong Quarter**

- **Increased Revenue, Operating Income Growth and Year Over Year Operating Margin Expansion, Across all Three Business Segments**
- **Very Strong Cash Flow Generation**

✦ **Integration of Vought Continues to Progress Well**

- **On Track to Deliver \$50 Million/Year Run Rate by June 2013**

✦ **Continued to Proactively and Effectively Manage our Pension Obligations**

✦ **Balance Sheet Continues to Strengthen**

✦ **Robust Backlog**

✦ **Completed Embee Acquisition and Signed Agreement to Acquire Goodrich Pump and Engine Control Systems**



Triumph Processing-Embee Division at a Glance

Overview

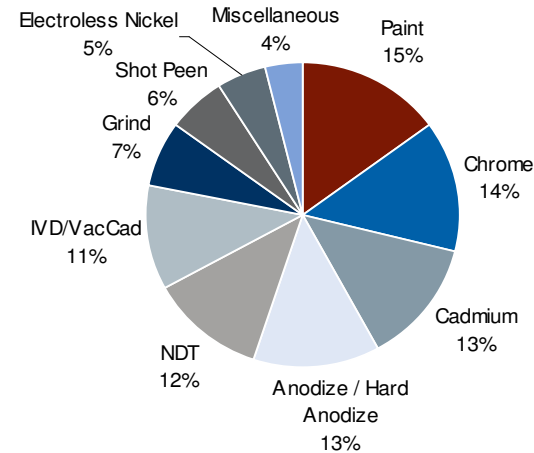
- Commercial metal finishing provider of over 70 services to a diverse set of customers
- Services largely provided on landing gear, hydraulic components, electronic actuation systems and spare parts
- Core competency in high quality precision parts with tight tolerances
- Capabilities serve a wide range of industries including: aerospace & defense, specialty automotive, medical devices and electronics
- Based in Santa Ana, CA, generates sales of approximately \$50 million and has 400 employees

Key Customers



Source: Management estimates.

Revenue by Service Line



Strategic Rationale

- Enhances capabilities in processing services on precision engineered parts for hydraulics, landing gear and electronic actuation systems
- Longstanding yet diverse customer list, approvals from substantially all of the prime contractors
 - Well-positioned in the commercial aerospace market
- Highly experienced and committed management team and workforce



Goodrich Pump and Engine Control Systems at a Glance

Overview

- Leading independent aerospace fuel system supplier
- Markets served include military and commercial aircraft, helicopters, and business jets
- Over 200 line-replacement unit (“LRU”) families in a wide range of engine applications
- Based in West Hartford, CT, generates sales of approximately \$195 million and has 530 employees

Key Products / Capabilities

**Electronic Engine Controls
Design / Development
Engineering, Assembly &
Test**



**Hydro-Mechanical Controls
Design / Development
Engineering, Assembly &
Test**



**Aftermarket
Maintenance, O&R**



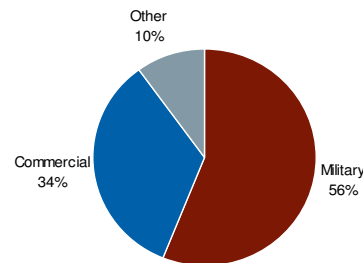
**High Precision Machining
(Gears, Shafts, Valves)**



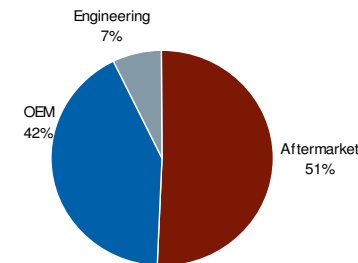
Source: Management estimates.

Revenue Contribution

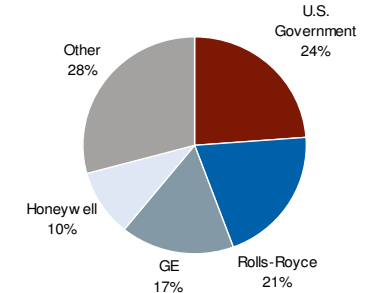
Revenue by End Market



Revenue by Segment



Revenue by Customer



Representative Engines & Platforms

- HON T55 (CH-47 Chinook)
- GE T700 (UH-60 BlackHawk / AH-64 Apache)
- RR250 (Various Commercial Helicopters)
- WI FJ44 (Various Business Jets)
- GE F414 (F/A-18 E/F Super Hornet)
- LHTEC CTS800 (AW159 Lynx)

Strategic Rationale

- Market leading small aerospace turbine fuel system capabilities
- Significant aftermarket content
- Diverse customer and product base
- Strong positions on important new and growing engine platforms



Financial Performance

Quarterly Comparison

(\$ in millions except per share data)

| | Q3 | | |
|---|--------------|--------------|--------|
| | 2013 | 2012 | Change |
| Sales | \$890.6 | \$826.0 | 8% |
| Operating Income, before integration costs and early retirement incentives | 136.6 | 119.7 | |
| <i>Operating Margin, before integration costs and early retirement incentives</i> | <i>15.3%</i> | <i>14.5%</i> | |
| Integration costs and early retirement incentives | (2.3) | (2.1) | |
| Operating Income | 134.4 | 117.6 | 14% |
| EBITDA, before early retirement incentives | 162.5 | 142.8 | 14% |
| <i>EBITDA Margin, before early retirement incentives</i> | <i>18.2%</i> | <i>17.3%</i> | |
| Income from Continuing Operations | 75.2 | 65.9 | 14% |
| Loss from Discontinued Operations | 0.0 | 0.0 | |
| Net Income | \$75.2 | \$65.9 | 14% |
| Earnings per Share (Diluted): | | | |
| Continuing Operations: | | | |
| Before integration costs and early retirement incentives | \$1.46 * | \$1.29 ** | |
| Integration costs and early retirement incentives | (0.02) | (0.03) | |
| Continuing Operations | 1.43*** | 1.27 *** | |
| Discontinued Operations | 0.00 | 0.00 | |
| Net Income | \$1.43 | \$1.27 | 13% |

* Excludes approximately \$0.00 per diluted share in integration costs and approximately \$0.02 per diluted share in early retirement incentives

** Excludes approximately \$0.03 per diluted share in integration costs

*** Difference due to rounding



Segment Performance

Aerostructures

(\$ in millions)

| Aerostructures | | Q3 | | |
|----------------|-------------------------|----------|----------|--------|
| | | 2013 | 2012 | Change |
| | Sales | \$ 676.8 | \$ 626.0 | 8% |
| | Operating Income | 117.5 | 103.9 | 13% |
| | <i>Operating Margin</i> | 17.4% | 16.6% | |
| | EBITDA | 135.4 | 121.4 | 12% |
| | <i>EBITDA Margin</i> | 20.0% | 19.4% | |



Segment Performance

Aerospace Systems

(\$ in millions)

| Aerospace Systems | | Q3 | | |
|-------------------|-------------------------|----------|----------|--------|
| | | 2013 | 2012 | Change |
| | Sales | \$ 141.1 | \$ 133.3 | 6% |
| | Operating Income | 20.6 | 18.6 | 10% |
| | <i>Operating Margin</i> | 14.6% | 14.0% | |
| | EBITDA | 25.3 | 22.9 | 10% |
| | <i>EBITDA Margin</i> | 17.9% | 17.2% | |



Segment Performance

Aftermarket Services

(\$ in millions)

| Aftermarket Services | | Q3 | | |
|----------------------|-------------------------|---------|---------|--------|
| | | 2013 | 2012 | Change |
| | Sales | \$ 74.6 | \$ 68.7 | 9% |
| | Operating Income | 9.9 | 6.9 | 42% |
| | <i>Operating Margin</i> | 13.2% | 10.1% | |
| | EBITDA | 12.1 | 9.3 | 30% |
| | <i>EBITDA Margin</i> | 16.3% | 13.6% | |



Pension / OPEB Analysis

Triumph Aerostructures-Vought Aircraft Division

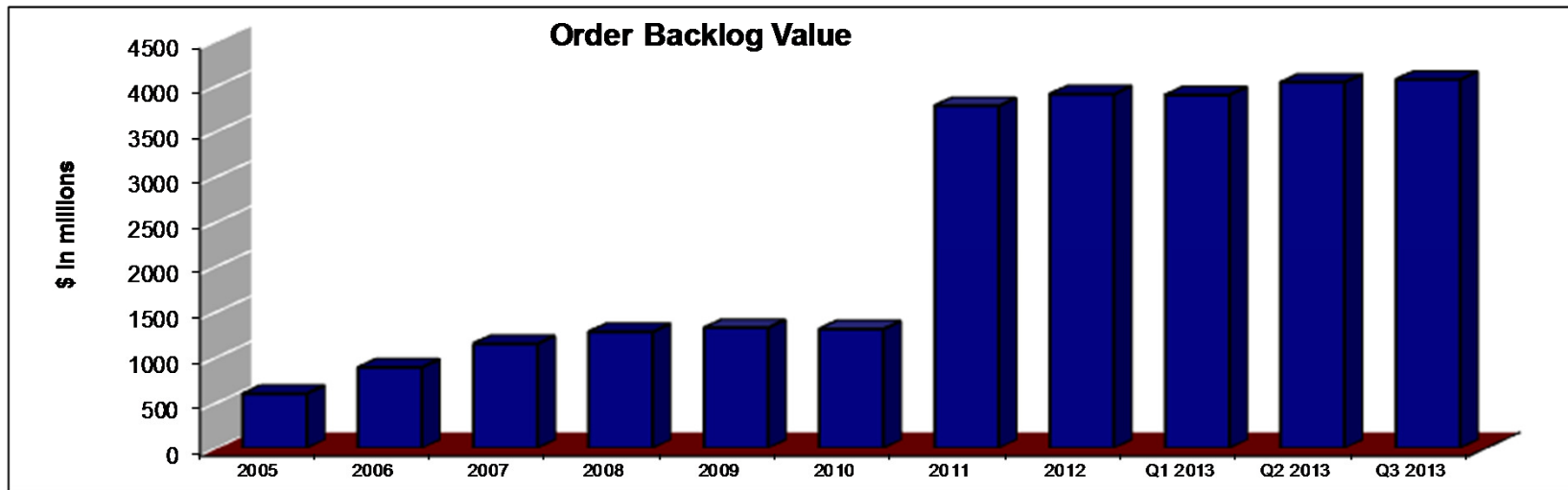
| Pension / OPEB Analysis | Fiscal Year 2013 | Fiscal Year 2014 * |
|----------------------------------|---------------------------------|-------------------------------|
| Pension Expense (Income) | ≈ (\$27) million ⁽¹⁾ | ≈ (\$47) million |
| Cash Pension Contribution | ≈ \$110 million | ≈ \$116 million |
| OPEB Expense | ≈ \$15 million | ≈ \$14 million |
| Cash OPEB Contribution | ≈ \$37 million | ≈ \$36 million |

* Assume all fiscal year 2013 actuarial assumptions are met

⁽¹⁾ Excludes early retirement incentives expensed in Q1, Q2 and Q3
and any similar expenses in Q4



Backlog



Order Backlog Stands at \$4.07 Billion, an Increase of 5% Over Prior Year.
Military Represents Approximately 28% of Total Backlog.

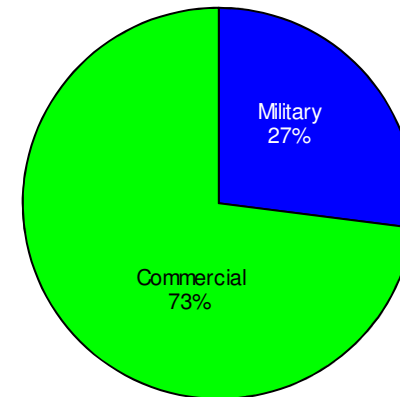


Top 10 Programs

| Top Programs* |
|--------------------------|
| 1. Boeing 747 |
| 2. Gulfstream G450, G550 |
| 3. Boeing 777 |
| 4. Boeing C-17 |
| 5. Boeing 787 |
| 6. Boeing 737 NG |
| 7. Airbus A330 |
| 8. Boeing V-22 |
| 9. Boeing 767 |
| 10. Lockheed C-130 |

* Based on backlog

| >10% Customers | Q3 FY13 % of Sales | Q3 FY12 % of Sales |
|----------------|-----------------------|-----------------------|
| Boeing | 50.1% | 46.9% |



Q3 FY13 Boeing Sales

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



Sales by Market

| (\$ in Millions) | Q3 FY 2013 | | Q3 FY 2012 | | \$ Change* | % Change* |
|----------------------|------------|------------|------------|------------|------------|-----------|
| | Sales | % of Total | Sales | % of Total | | |
| Commercial | \$ 516 | 58% | \$ 423 | 51% | \$ 93 | 22% |
| Military | 243 | 27% | 267 | 33% | (24) | (9%) |
| Business Jets | 106 | 12% | 108 | 13% | (2) | (1%) |
| Regional Jets | 7 | 1% | 9 | 1% | (2) | (22%) |
| Non-Aviation | 18 | 2% | 19 | 2% | (1) | (5%) |
| Total Sales | \$ 890 | 100% | \$ 826 | 100% | \$ 64 | 8% |
| OEM | | 87% | | 87% | | |
| Aftermarket | | 11% | | 11% | | |
| Other | | 2% | | 2% | | |
| Total | | 100% | | 100% | | |

* Difference due to rounding



Sales Trends

| Same Store Sales | | | |
|-------------------------------|-----------------|-----------------|---------------|
| <i>(in millions)</i> | Q3 | | |
| | 2013 | 2012 | Change |
| Aerostructures | \$ 676.8 | \$ 626.0 | 8% |
| Aerospace Systems | \$ 139.8 | \$ 133.3 | 5% |
| Aftermarket Services | \$ 72.1 | \$ 67.9 | 6% |
| Total Same Store Sales | \$ 888.7 | \$ 827.2 | 7% |
| Export Sales | | | |
| <i>(in millions)</i> | Q3 | | |
| | 2013 | 2012 | Change |
| Export Sales | \$ 126.3 | \$ 116.7 | 8% |



Cash Flow

(\$ in millions)

| | YTD | |
|---|----------|----------|
| | 2013 | 2012 |
| Cash Flow from Operations Before Pension Contributions | \$ 334.4 | \$ 241.6 |
| Pension Contributions - Triumph Aerostructures | \$ 103.8 | 97.7 |
| Cash Flow from Operations | \$ 230.6 | \$ 143.9 |
| CAPEX | \$ 89.7 | \$ 58.7 |



Current Capitalization

| <i>(\$ in millions)</i> | <u>12/31/2012</u> |
|---|--------------------------------|
| Cash | (\$33.5) |
| Revolver | 317.6 |
| Convertible Debt | 109.7 |
| Securitized Debt (Accounts Receivables & Capital Leases) | 209.6 |
| 2009 Senior Subordinated Notes Due 2017 | 173.3 |
| 2010 Senior Notes Due 2018 | 348.1 |
| Other Debt | 16.7 |
| Net Debt | <u>\$1,141.5</u> |
| Shareholders' Equity | <u>2,028.1</u> |
| Total Book Capitalization | <u><u>\$3,169.6</u></u> |

| | |
|-----------------------------------|--------------|
| Net Debt-to-Capitalization | 36.0% |
|-----------------------------------|--------------|



Fiscal 2013 Outlook

- † Backlog Remains Strong**
- † Remain Focused on Improving Execution, Driving Integration and Controlling Costs**
- † Positioned to Benefit From Increasing OEM Build Rates and Capitalize on New Opportunities**
- † FY 2013 Revenue Expected to be Approximately \$3.65 Billion**
- † Raising Earnings Guidance-EPS From Continuing Operations of Approximately \$6.05, Including Benefit of Retroactive Reinstatement of R&D Tax Credit and Excluding Integration Costs and Early Retirement Incentives, Based on:**
 - **Year-to-Date Performance**
 - **Current Market Conditions**
 - **Current Production Rates**
 - **Weighted Average Shares of 52.5 Million**
- † Investor Day – February 20, 2013 in New York City**



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 EBITDA, which is our income from continuing operations before interest, income taxes, amortization of acquired contract liabilities, early retirement incentives, depreciation and amortization. We disclose 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 EBITDA as an operating performance measure and as such we believe that the GAAP financial measure most directly comparable to it is income from continuing operations. In calculating EBITDA, we exclude from income from continuing operations 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. 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 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 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 EBITDA.

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 income from continuing operations has included significant charges for depreciation and amortization. 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 EBITDA helps investors meaningfully evaluate and compare our performance from quarter to quarter and from year to year. We also believe EBITDA is a measure of our ongoing operating performance because the isolation of non-cash income and expenses, such as 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 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 income from continuing operations to calculate EBITDA and the material limitations associated with using this non-GAAP financial measure as compared to income from continuing operations:

- 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 the acquisition of Vought. 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 EBITDA reconciled to our income from continuing operations for the indicated periods (in thousands):

| | Three Months Ended December 31, | | Nine Months Ended December 31, | |
|---|------------------------------------|------------|-----------------------------------|--------------|
| | 2012 | 2011 | 2012 | 2011 |
| Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA): | | | | |
| Income from Continuing Operations | \$ 75,223 | \$ 65,903 | \$ 231,746 | \$ 175,371 |
| Add-back: | | | | |
| Income Tax Expense | 42,369 | 37,194 | 135,834 | 97,429 |
| Interest Expense and Other | 16,767 | 14,543 | 50,667 | 58,676 |
| Early Retirement Incentives Expense | 2,030 | - | 5,137 | - |
| Amortization of Acquired Contract Liabilities | (6,219) | (4,994) | (19,774) | (18,504) |
| Depreciation and Amortization | 32,332 | 30,131 | 96,145 | 89,064 |
| Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") | \$ 162,502 | \$ 142,777 | \$ 499,755 | \$ 402,036 |
| Net Sales | \$ 890,565 | \$ 825,962 | \$ 2,716,434 | \$ 2,461,553 |
| EBITDA Margin | 18.2% | 17.3% | 18.4% | 16.3% |

-More-



EBITDA Disclosure

(Continued)

FINANCIAL DATA (UNAUDITED)

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

Non-GAAP Financial Measure Disclosures (continued)

| Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA): | Three Months Ended December 31, 2012 | | | | |
|--|--|-----------------------|--------------------------|-----------------------------|---------------------------------|
| | Total | Segment Data | | | |
| | | Aerostructures | Aerospace Systems | Aftermarket Services | Corporate / Eliminations |
| Income from Continuing Operations | \$ 75,223 | | | | |
| Add-back: | | | | | |
| Income Tax Expense | 42,369 | | | | |
| Interest Expense and Other | <u>16,767</u> | | | | |
| Operating Income | \$ 134,359 | \$ 117,450 | \$ 20,562 | \$ 9,856 | \$ (13,509) |
| Early Retirement Incentives Expense | 2,030 | - | - | - | 2,030 |
| Amortization of Acquired Contract Liabilities | (6,219) | (6,219) | - | - | - |
| Depreciation and Amortization | <u>32,332</u> | <u>24,180</u> | <u>4,707</u> | <u>2,283</u> | <u>1,162</u> |
| Earnings (Losses) before Interest, Taxes, Depreciation and Amortization ("EBITDA") | <u>\$ 162,502</u> | <u>\$ 135,411</u> | <u>\$ 25,269</u> | <u>\$ 12,139</u> | <u>\$ (10,317)</u> |
| Net Sales | <u>\$ 890,565</u> | <u>\$ 676,791</u> | <u>\$ 141,059</u> | <u>\$ 74,587</u> | <u>\$ (1,872)</u> |
| EBITDA Margin | <u>18.2%</u> | <u>20.0%</u> | <u>17.9%</u> | <u>16.3%</u> | n/a |
| Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA): | Nine Months Ended December 31, 2012 | | | | |
| | Segment Data | | | | |
| | Total | Aerostructures | Aerospace Systems | Aftermarket Services | Corporate / Eliminations |
| Income from Continuing Operations | \$ 231,746 | | | | |
| Add-back: | | | | | |
| Income Tax Expense | 135,834 | | | | |
| Interest Expense and Other | <u>50,667</u> | | | | |
| Operating Income (Loss) | \$ 418,247 | \$ 358,972 | \$ 69,739 | \$ 32,430 | \$ (42,894) |
| Early Retirement Incentives Expense | 5,137 | - | - | - | 5,137 |
| Amortization of Acquired Contract Liabilities | (19,774) | (19,774) | - | - | - |
| Depreciation and Amortization | <u>96,145</u> | <u>72,133</u> | <u>13,670</u> | <u>6,897</u> | <u>3,445</u> |
| Earnings (Losses) before Interest, Taxes, Depreciation and Amortization ("EBITDA") | <u>\$ 499,755</u> | <u>\$ 411,331</u> | <u>\$ 83,409</u> | <u>\$ 39,327</u> | <u>\$ (34,312)</u> |
| Net Sales | <u>\$2,716,434</u> | <u>\$ 2,060,622</u> | <u>\$ 431,710</u> | <u>\$ 230,625</u> | <u>\$ (6,523)</u> |
| EBITDA Margin | <u>18.4%</u> | <u>20.0%</u> | <u>19.3%</u> | <u>17.1%</u> | n/a |

-More-



EBITDA Disclosure

(Continued)

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

Non-GAAP Financial Measure Disclosures (continued)

| Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA): | Three Months Ended December 31, 2011 | | | | |
|--|--------------------------------------|---------------------|-------------------|----------------------|--------------------------|
| | Segment Data | | | | |
| | Total | Aerostructures | Aerospace Systems | Aftermarket Services | Corporate / Eliminations |
| Income from Continuing Operations | \$ 65,903 | | | | |
| Add-back: | | | | | |
| Income Tax Expense | 37,194 | | | | |
| Interest Expense and Other | 14,543 | | | | |
| Operating Income (Loss) | \$ 117,640 | \$ 103,947 | \$ 18,623 | \$ 6,917 | \$ (11,847) |
| Amortization of Acquired Contract Liabilities | (4,994) | (4,994) | - | - | - |
| Depreciation and Amortization | 30,131 | 22,476 | 4,296 | 2,431 | 928 |
| Earnings (Losses) before Interest, Taxes, Depreciation and Amortization ("EBITDA") | <u>\$ 142,777</u> | <u>\$ 121,429</u> | <u>\$ 22,919</u> | <u>\$ 9,348</u> | <u>\$ (10,919)</u> |
| Net Sales | <u>\$ 825,962</u> | <u>\$ 626,045</u> | <u>\$ 133,291</u> | <u>\$ 68,640</u> | <u>\$ (2,014)</u> |
| EBITDA Margin | <u>17.3%</u> | <u>19.4%</u> | <u>17.2%</u> | <u>13.6%</u> | <u>n/a</u> |
| | | | | | |
| Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA): | Nine Months Ended December 31, 2011 | | | | |
| | Segment Data | | | | |
| | Total | Aerostructures | Aerospace Systems | Aftermarket Services | Corporate / Eliminations |
| Income from Continuing Operations | \$ 175,371 | | | | |
| Add-back: | | | | | |
| Income Tax Expense | 97,429 | | | | |
| Interest Expense and Other | 58,676 | | | | |
| Operating Income (Loss) | \$ 331,476 | \$ 284,410 | \$ 63,684 | \$ 20,893 | \$ (37,511) |
| Amortization of Acquired Contract Liabilities | (18,504) | (18,504) | - | - | - |
| Depreciation and Amortization | 89,064 | 66,258 | 12,963 | 7,202 | 2,641 |
| Earnings (Losses) before Interest, Taxes, Depreciation and Amortization ("EBITDA") | <u>\$ 402,036</u> | <u>\$ 332,164</u> | <u>\$ 76,647</u> | <u>\$ 28,095</u> | <u>\$ (34,870)</u> |
| Net Sales | <u>\$2,461,553</u> | <u>\$ 1,857,328</u> | <u>\$ 400,076</u> | <u>\$ 209,555</u> | <u>\$ (5,406)</u> |
| EBITDA Margin | 16.3% | 17.9% | 19.2% | 13.4% | n/a |

-More-



EBITDA Disclosure

(Continued)

FINANCIAL DATA (UNAUDITED)

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

Non-GAAP Financial Measure Disclosures (continued)

Operating income, income from continuing operations and income from continuing operations diluted per share, before integration costs and early retirement incentives has been provided for consistency and comparability. These measures should not be considered in isolation or as alternatives to operating income, income from continuing operations and income from continuing operations per diluted share presented in accordance with GAAP. The following table reconciles operating income, income from continuing operations and income from continuing operations per diluted share, before integration costs and early retirement incentives to the operating income, income from continuing operations and income from continuing operations per diluted share, respectively.

| | Three Months Ended December 31, | | Nine Months Ended December 31, | |
|---|------------------------------------|------------|-----------------------------------|------------|
| | 2012 | 2011 | 2012 | 2011 |
| Operating income, before integration costs and early retirement incentives | \$ 136,639 | \$ 119,735 | \$ 425,611 | \$ 335,175 |
| Integration costs | 250 | 2,095 | 2,227 | 3,699 |
| Early retirement incentives expense | 2,030 | - | 5,137 | - |
| Operating income | \$ 134,359 | \$ 117,640 | \$ 418,247 | \$ 331,476 |
| Income from continuing operations, before integration costs and early retirement incentives | \$ 76,671 | \$ 67,254 | \$ 236,422 | \$ 177,757 |
| Integration costs, net of tax | 159 | 1,351 | 1,414 | 2,386 |
| Early retirement incentives expense, net of tax | 1,289 | - | 3,262 | - |
| Income from continuing operations | \$ 75,223 | \$ 65,903 | \$ 231,746 | \$ 175,371 |
| Income from continuing operations, before integration costs and early retirement incentives per diluted share | \$ 1.46 | \$ 1.29 | \$ 4.52 | \$ 3.44 |
| Integration costs per diluted share | (0.00) | (0.03) | (0.03) | (0.05) |
| Early retirement incentives expense per diluted share | (0.02) | - | (0.06) | - |
| Income from continuing operations per diluted share | \$ 1.43 * | \$ 1.27 * | \$ 4.43 | \$ 3.39 |

* Difference due to rounding.

-More-



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.

| | Nine Months Ended | |
|---|-------------------|------------------|
| | December 31, | |
| | 2012 | 2011 |
| Cash provided by operations, before pension contributions | \$ 334,431 | \$ 241,545 |
| Pension contributions | 103,805 | 97,730 |
| Cash provided by operations | <u>230,626</u> | <u>143,815</u> |
| Less: | | |
| Capital expenditures | 89,656 | 58,911 |
| Dividends | 6,001 | 4,920 |
| Free cash flow available for debt reduction | <u>\$ 134,969</u> | <u>\$ 79,984</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:

| | December 31, 2012 | March 31, 2012 |
|---------------------------------------|----------------------|---------------------|
| <u>Calculation of Net Debt</u> | | |
| Current portion | \$ 133,951 | \$ 142,237 |
| Long-term debt | 1,040,954 | 1,016,625 |
| Total debt | <u>1,174,905</u> | <u>1,158,862</u> |
| Less: Cash | 33,452 | 29,662 |
| Net debt | <u>\$ 1,141,453</u> | <u>\$ 1,129,200</u> |
| <u>Calculation of Capital</u> | | |
| Net debt | \$ 1,141,453 | \$ 1,129,200 |
| Stockholders' equity | 2,028,086 | 1,793,369 |
| Total capital | <u>\$ 3,169,539</u> | <u>\$ 2,922,569</u> |
| Percent of net debt to capital | 36.0% | 38.6% |

#####



Triumph Group, Inc.