



**One name.
Many solutions.**

Second Quarter Fiscal 2013 Earnings Conference Call

**Jeffrey D. Frisby – President and Chief Executive Officer
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Chief Financial Officer & Treasurer**



Triumph Group, Inc.

October 31, 2012



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.



Q2 FY13 in Review

✦ Strong Quarter

- **Increased Revenue, Record Operating Income* and Year Over Year Operating Margin Expansion, Particularly Aerostructures and Aftermarket Services**
- **Record EBITDA**

✦ 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

✦ Solid Balance Sheet

✦ Robust Backlog

*Excludes curtailment gain



Financial Performance

Quarterly Comparison

(\$ in millions except per share data)

	Q2		
	2013	2012	Change
Sales	\$938.2	\$790.5	19%
Operating Income, before integration costs and early retirement incentives	146.3	109.6	
<i>Operating Margin, before integration costs and early retirement incentives</i>	<i>15.6%</i>	<i>13.9%</i>	
Integration costs and early retirement incentives	(3.4)	(1.1)	
Operating Income	142.9	108.5	32%
EBITDA, before early retirement incentives	170.3	132.2	29%
<i>EBITDA Margin, before early retirement incentives</i>	<i>18.2%</i>	<i>16.7%</i>	
Income from Continuing Operations	80.2	58.6	37%
Loss from Discontinued Operations	0.0	(0.1)	
Net Income	\$80.2	\$58.5	37%
Earnings per Share (Diluted):			
Continuing Operations:			
Before integration costs and early retirement incentives	\$1.57 *	\$1.15 **	
Integration costs and early retirement incentives	0.04	(0.01)	
Continuing Operations	1.53	1.13 ***	
Discontinued Operations	0.00	0.00	
Net Income	\$1.53	\$1.13	35%

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

** Excludes approximately \$0.01 per diluted share in integration costs

*** Difference due to rounding



Segment Performance

Aerostructures

(\$ in millions)

Aerostructures		Q2		
		2013	2012	Change
	Sales	\$ 714.0	\$ 588.0	21%
	Operating Income	121.4	92.5	31%
	<i>Operating Margin</i>	17.0%	15.7%	
	EBITDA	138.9	108.7	28%
	<i>EBITDA Margin</i>	19.5%	18.5%	



Segment Performance

Aerospace Systems

(\$ in millions)

Aerospace Systems		Q2		
		2013	2012	Change
	Sales	\$ 150.1	\$ 133.8	12%
	Operating Income	25.7	22.6	14%
	<i>Operating Margin</i>	17.1%	16.9%	
	EBITDA	30.2	27.0	12%
	<i>EBITDA Margin</i>	20.1%	20.2%	



Segment Performance

Aftermarket Services

(\$ in millions)

Aftermarket Services		Q2		
		2013	2012	Change
	Sales	\$ 76.1	\$ 70.5	8%
	Operating Income	10.8	7.0	54%
	<i>Operating Margin</i>	14.2%	9.9%	
	EBITDA	13.1	9.4	40%
	<i>EBITDA Margin</i>	17.2%	13.3%	



Pension / OPEB Analysis

Triumph Aerostructures-Vought Aircraft Division

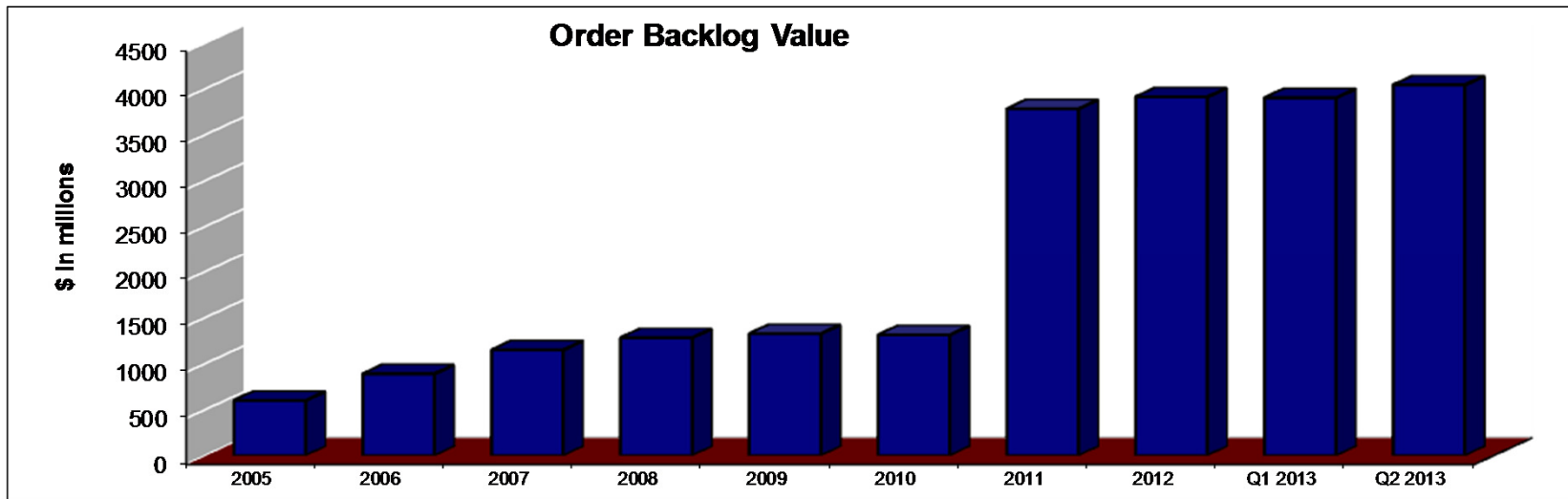
Pension / OPEB Analysis	Fiscal Year 2013	Fiscal Year 2014 *
Pension Expense (Income)	≈ (\$27) million ⁽¹⁾	≈ (\$47) million
Cash Pension Contribution	≈ \$110 million	≈ \$116 million
OPEB Expense	≈ \$15 million	≈ \$14 million
Cash OPEB Contribution	≈ \$37 million	≈ \$36 million

* Assume all fiscal year 2013 actuarial assumptions are met

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



Backlog



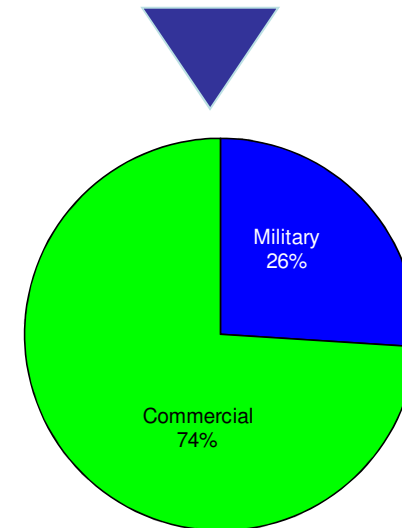
Order Backlog Stands at \$4.04 Billion, an Increase of 8% Over Prior Year.
Heritage Triumph Backlog Increased 5.1% Year Over Year. Military
Represents Approximately 25% of Total Backlog.



Top 10 Programs

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

>10% Customers	Q2 FY13 % of Sales	Q2 FY12 % of Sales
Boeing	50.4%	43.6%



Q2 FY13 Boeing Sales

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



Sales by Market

(\$ in Millions)	Q2 FY 2013		Q2 FY 2012		\$ Change*	% Change*
	Sales	% of Total	Sales	% of Total		
Commercial	\$ 526	56%	\$ 393	50%	\$ 133	34%
Military	263	28%	263	33%	0	0%
Business Jets	120	13%	104	13%	16	15%
Regional Jets	7	1%	11	1%	(4)	(36%)
Non-Aviation	22	2%	20	3%	2	10%
Total Sales	\$ 938	100%	\$ 791	100%	\$ 147	19%
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>	Q2		
	2013	2012	Change
Aerostructures	\$ 714.0	\$ 588.0	21%
Aerospace Systems	\$ 150.1	\$ 133.8	12%
Aftermarket Services	\$ 73.3	\$ 70.5	4%
Total Same Store Sales	\$ 937.4	\$ 792.3	18%
Export Sales			
<i>(in millions)</i>	Q2		
	2013	2012	Change
Export Sales	\$ 113.5	\$ 111.8	2%



Cash Flow

(\$ in millions)

	YTD	
	2013	2012
Cash Flow from Operations Before Pension Contributions	\$ 188.9	\$ 122.1
Pension Contributions - Triumph Aerostructures	\$ 56.0	61.0
Cash Flow from Operations	\$ 132.9	\$ 61.1
CAPEX	\$ 61.2	\$ 34.1



Current Capitalization

<i>(\$ in millions)</i>	<u>9/30/2012</u>
Cash	(\$30.7)
Revolver	238.3
Convertible Debt	109.7
Securitized Debt (Accounts Receivables & Capital Leases)	215.5
2009 Senior Subordinated Notes Due 2017	173.2
2010 Senior Notes Due 2018	348.0
Other Debt	8.0
Net Debt	<u>\$1,062.0</u>
Shareholders' Equity	<u>1,951.1</u>
Total Book Capitalization	<u><u>\$3,013.1</u></u>
Net Debt-to-Capitalization	35.2%



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**
- † Reaffirming FY 2013 Revenue Guidance of \$3.5-\$3.7 Billion**
- † Raising Earnings Guidance-EPS From Continuing Operations of Approximately \$5.95, 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**



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 EBITDA to income from continuing operations 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 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 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.

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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		Six Months Ended	
	September 30,		September 30,	
	2012	2011	2012	2011
Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA):				
Income from Continuing Operations	\$ 80,191	\$ 58,564	\$ 156,523	\$ 109,468
Add-back:				
Income Tax Expense	46,088	32,221	93,466	60,235
Interest Expense and Other	16,668	17,671	33,900	44,133
Early Retirement Incentives Expense	1,957	-	3,107	-
Amortization of Acquired Contract Liabilities	(6,563)	(5,770)	(13,555)	(13,510)
Depreciation and Amortization	31,998	29,466	63,813	58,933
Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA")	<u>\$ 170,339</u>	<u>\$ 132,152</u>	<u>\$ 337,254</u>	<u>\$ 259,259</u>
Net Sales	<u>\$ 938,181</u>	<u>\$ 790,528</u>	<u>\$ 1,825,869</u>	<u>\$ 1,635,591</u>
EBITDA Margin	<u>18.2%</u>	<u>16.7%</u>	<u>18.5%</u>	<u>15.9%</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)

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA):	Three Months Ended September 30, 2012				
	Total	Segment Data			
		Aerostructures	Aerospace Systems	Aftermarket Services	Corporate / Eliminations
Income from Continuing Operations	\$ 80,191				
Add-back:					
Income Tax Expense	46,088				
Interest Expense and Other	16,668				
Operating Income	\$ 142,947	\$ 121,385	\$ 25,712	\$ 10,767	\$ (14,917)
Early Retirement Incentives Expense	1,957	-	-	-	1,957
Amortization of Acquired Contract Liabilities	(6,563)	(6,563)	-	-	-
Depreciation and Amortization	31,998	24,049	4,489	2,288	1,172
Earnings (Losses) before Interest, Taxes, Depreciation and Amortization ("EBITDA")	\$ 170,339	\$ 138,871	\$ 30,201	\$ 13,055	\$ (11,788)
Net Sales	\$ 938,181	\$ 713,978	\$ 150,139	\$ 76,061	\$ (1,997)
EBITDA Margin	18.2%	19.5%	20.1%	17.2%	n/a

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA):	Six Months Ended September 30, 2012				
	Total	Segment Data			
		Aerostructures	Aerospace Systems	Aftermarket Services	Corporate / Eliminations
Income from Continuing Operations	\$ 156,523				
Add-back:					
Income Tax Expense	93,466				
Interest Expense and Other	33,900				
Operating Income (Loss)	\$ 283,889	\$ 241,523	\$ 49,177	\$ 22,574	\$ (29,385)
Early Retirement Incentives Expense	3,107	-	-	-	3,107
Amortization of Acquired Contract Liabilities	(13,555)	(13,555)	-	-	-
Depreciation and Amortization	63,813	47,953	8,963	4,614	2,283
Earnings (Losses) before Interest, Taxes, Depreciation and Amortization ("EBITDA")	\$ 337,254	\$ 275,921	\$ 58,140	\$ 27,188	\$ (23,995)
Net Sales	\$ 1,825,869	\$ 1,383,831	\$ 290,651	\$ 156,038	\$ (4,651)
EBITDA Margin	18.5%	19.9%	20.0%	17.4%	n/a

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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 September 30, 2011				
	Total	Segment Data			
		Aerostructures	Aerospace Systems	Aftermarket Services	Corporate / Eliminations
Income from Continuing Operations	\$ 58,564				
Add-back:					
Income Tax Expense	32,221				
Interest Expense and Other	17,671				
Operating Income (Loss)	\$ 108,456	\$ 92,489	\$ 22,644	\$ 7,015	\$ (13,692)
Amortization of Acquired Contract Liabilities	(5,770)	(5,770)	-	-	-
Depreciation and Amortization	29,466	21,937	4,322	2,341	866
Earnings (Losses) before Interest, Taxes, Depreciation and Amortization ("EBITDA")	\$ 132,152	\$ 108,656	\$ 26,966	\$ 9,356	\$ (12,826)
Net Sales	\$ 790,528	\$ 587,977	\$ 133,775	\$ 70,547	\$ (1,771)
EBITDA Margin	16.7%	18.5%	20.2%	13.3%	n/a
Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA):	Six Months Ended September 30, 2011				
	Total	Segment Data			
		Aerostructures	Aerospace Systems	Aftermarket Services	Corporate / Eliminations
Income from Continuing Operations	\$ 109,468				
Add-back:					
Income Tax Expense	60,235				
Interest Expense and Other	44,133				
Operating Income (Loss)	\$ 213,836	\$ 180,463	\$ 45,061	\$ 13,976	\$ (25,664)
Amortization of Acquired Contract Liabilities	(13,510)	(13,510)	-	-	-
Depreciation and Amortization	58,933	43,782	8,667	4,771	1,713
Earnings (Losses) before Interest, Taxes, Depreciation and Amortization ("EBITDA")	\$ 259,259	\$ 210,735	\$ 53,728	\$ 18,747	\$ (23,951)
Net Sales	\$ 1,635,591	\$ 1,231,283	\$ 266,784	\$ 140,916	\$ (3,392)
EBITDA Margin	15.9%	17.1%	20.1%	13.3%	n/a

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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 acquisition and 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 early retirement incentives to the operating income, income from continuing operations and income from continuing operations per diluted share, respectively.

	Three Months Ended September 30,		Six Months Ended September 30,	
	2012	2011	2012	2011
Operating income, before acquisition and integration costs and early retirement incentives	\$ 146,336	\$ 109,600	\$ 288,973	\$ 215,440
Acquisition and integration costs	1,432	1,144	1,977	1,604
Early retirement incentives expense	1,957	-	3,107	-
Operating income	\$ 142,947	\$ 108,456	\$ 283,889	\$ 213,836
Income from continuing operations, before acquisition and integration costs and early retirement incentives	\$ 82,343	\$ 59,302	\$ 159,751	\$ 110,503
Acquisition and integration costs, net of tax	909	738	1,255	1,035
Early retirement incentives expense, net of tax	1,243	-	1,973	-
Income from continuing operations	\$ 80,191	\$ 58,564	\$ 156,523	\$ 109,468
Income from continuing operations, before acquisition and integration costs and early retirement incentives per diluted share	\$ 1.57	\$ 1.15	\$ 3.06	\$ 2.15
Acquisition and integration costs per diluted share	(0.02)	(0.01)	(0.02)	(0.02)
Early retirement incentives expense per diluted share	(0.02)	-	(0.04)	-
Income from continuing operations per diluted share	\$ 1.53	\$ 1.13 *	\$ 2.99 *	\$ 2.13

* Difference due to rounding.

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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 an 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.

	Six Months Ended	
	September 30,	
	2012	2011
Cash provided by operations, before pension contributions	\$ 188,943	\$ 122,063
Pension contributions	<u>56,028</u>	<u>60,953</u>
Cash provided by operations	132,915	61,110
<i>Less:</i>		
Capital expenditures	61,193	34,149
Dividends	<u>3,997</u>	<u>2,943</u>
Free cash flow available for debt reduction	\$ 67,725	\$ 24,018

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

	September 30,	March 31,
	2012	2012
<u>Calculation of Net Debt</u>		
Current portion	\$ 125,201	\$ 142,237
Long-term debt	<u>967,489</u>	<u>1,016,625</u>
Total debt	1,092,690	1,158,862
Less: Cash	<u>30,651</u>	<u>29,662</u>
Net debt	<u>\$ 1,062,039</u>	<u>\$ 1,129,200</u>
<u>Calculation of Capital</u>		
Net debt	\$ 1,062,039	\$ 1,129,200
Stockholders' equity	<u>1,951,129</u>	<u>1,793,369</u>
Total capital	<u>\$ 3,013,168</u>	<u>\$ 2,922,569</u>
Percent of net debt to capital	35.2%	38.6%

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Triumph Group, Inc.