

Second Quarter Fiscal 2015 Earnings Conference Call

October 30, 2014



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Forward-Looking Statements

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 in Review

- **Second Quarter—Achieved Record Quarterly Net Sales, Delivered EPS In Line With Our Expectations and Generated Strong Cash Flow**
 - **Aerostructures**
 - Operating revenues impacted by lower 747-8, Gulfstream and V-22 program production rates
 - Red Oak transition to pre-move performance levels slower than anticipated
 - \$5 Million Customer Settlement Charge
 - **Aerospace Systems**
 - Positive organic revenue growth with sustainable strong operating margins
 - Integration of GE Aviation hydraulic actuation business progressing well
 - **Aftermarket Services**
 - Positive organic revenue growth with sustained strong operating margins
- **Awarded Wing Structural Components and Nose Wheel Steering System for Gulfstream 500/600**
- **Successfully Completed Acquisition of Triumph Aviation Services-NAAS Division**
- **Executed 636,740 Share Buyback for Approximately \$42.0 Million**

Financial Performance: Quarterly Comparison

(\$ in millions except per share data)

	Q2		
	2015	2014	Change
Sales	\$994.1	\$967.3	3%
Operating Income, before non-recurring items	122.5	98.5	24%
<i>Operating Margin, before non-recurring items</i>	<i>12.3%</i>	<i>10.2%</i>	
Jefferson Street/Red Oak Facility Transition Costs	7.8	5.6	
Operating Income	114.7	93.0*	23%
Adjusted EBITDA	138.8	122.3	14%
<i>Adjusted EBITDA Margin</i>	<i>14.2%</i>	<i>12.8%</i>	
Net Income, before non-recurring items, after tax	72.5	53.2	
Non-recurring items	(5.0)	(3.7)	
Net Income	\$67.4*	\$49.5	36%
Earnings per Share (Diluted):			
Before non-recurring items	\$1.42	\$1.01	
Non-recurring items	(0.10)	(0.07)	
Net Income	\$1.32	\$0.94	41%

* Difference Due to Rounding.

Segment Performance: Aerostructures

(\$ in millions)

Aerostructures		2015	2014	Change
	Sales	\$ 632.1	\$ 690.7	(8%)
Operating Income	72.2	64.4	12%	
Operating Margin	11.4%	9.3%		
EBITDA	92.2	85.3	8%	
EBITDA Margin	14.7%	12.4%		

Segment Performance: Aerospace Systems

(\$ in millions)

Aerospace Systems		2015	2014	Change
	Sales	\$ 288.9	\$ 205.5	41%
Operating Income	46.2	31.7	46%	
Operating Margin	16.0%	15.4%		
EBITDA	47.3	36.9	28%	
EBITDA Margin	17.0%	18.3%		

Segment Performance: Aftermarket Services

(\$ in millions)

Aftermarket Services		Q2		
		2015	2014	Change
	Sales	\$ 74.3	\$ 73.0	2%
	Operating Income	11.6	10.1	15%
	<i>Operating Margin</i>	15.6%	13.8%	
	EBITDA	13.5	12.0	13%
	<i>EBITDA Margin</i>	18.2%	16.4%	

Share Repurchase Activity Update

Timing	Shares Repurchased	Total Cost (\$mm)	Avg. Cost Per Share
F Q4 2014	300,000	\$19	~\$64
F Q1 2015	750,000	\$51	~\$68
F Q2 2015	636,740	\$42	~\$66
Subtotal / Avg.	1,686,740	\$112	~\$67
F Q1 2015	284,000 ⁽ⁱ⁾	\$19	~\$68
Total / Avg.	1,970,688	\$131	~\$67

The company remains able to purchase 3,814,060 shares under the existing stock repurchase program

Triumph will continue to tactically repurchase shares

*Note: Based on activity to date, diluted weighted average shares outstanding at year end FY2015 projected to be 51.3 million.
1. Represents approximate number of shares underlying convertible notes effectively repurchased in FQ1 2015.*

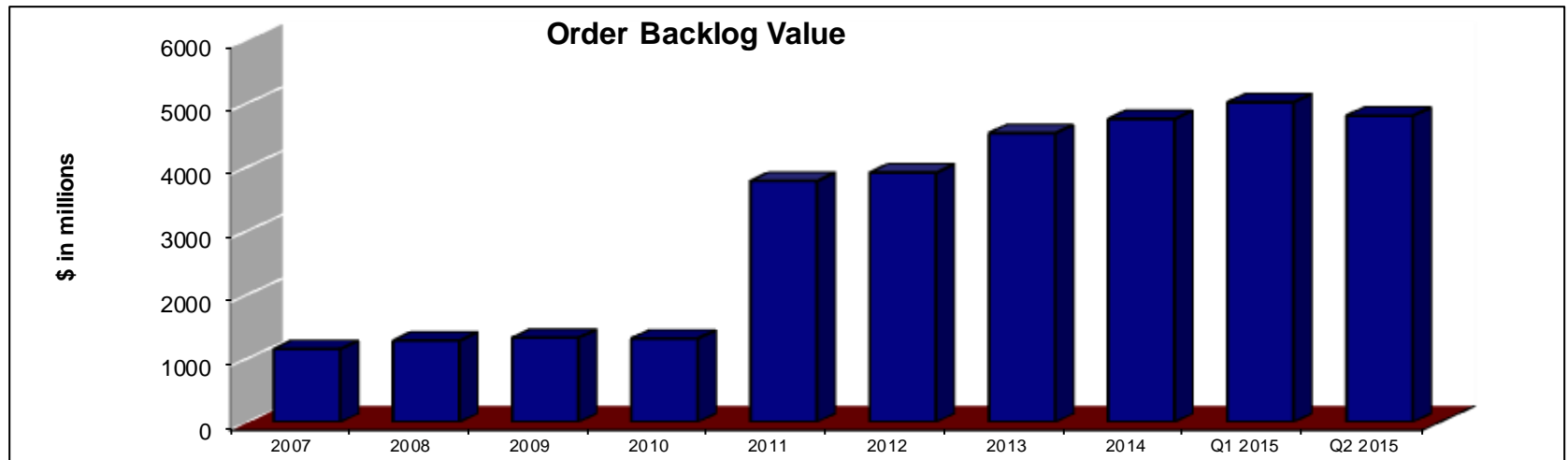
Pension / OPEB Analysis

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 quarter-end was \$4.8 billion, an decrease of 1.4% year-over-year.
- Military represents approximately 25% of backlog.

Top 10 Programs

Aerostructures Group

1. Boeing 747
2. Boeing 777
3. Airbus A330, A340
4. Gulfstream
5. Boeing C-17
6. Boeing 737
7. Bombardier Global 7000/8000
8. Boeing 787
9. Boeing V-22
10. Boeing 767, Tanker

**Represents 86.5% of
Aerostructures Group backlog**

Aerospace Systems Group

1. Boeing 787
2. Boeing 737
3. Boeing Airbus A320, A321
4. Boeing V-22
5. Airbus A380
6. Boeing CH-47
7. Boeing 777
8. Bell Helicopter 429
9. Sikorsky UH60
10. Lockheed Martin C-130

**Represents 53.1% of Aerospace
Systems Group backlog**

Boeing Represented 45% of Q2FY15 Total Sales

Cash Flow

(\$ in millions)

	YTD	
	2015	2014
Cash Flow from Operations Before Pension Contributions	\$ 313.8	\$ 89.4
Pension Contributions - Triumph Aerostructures	55.4	45.8
Cash Flow from Operations	\$ 258.4	\$ 43.6
CAPEX	\$ 59.1	\$ 119.3

Current Capitalization

<i>(\$ in millions)</i>	<u>9/30/2014</u>
Cash	(\$33.4)
Revolver & Term Loan	628.5
Securitized Debt (Accounts Receivables & Capital Leases)	245.1
2013 Senior Notes Due 2021	375.0
2014 Senior Notes Due 2022	300.0
Other Debt	<u>7.9</u>
Net Debt	\$1,523.1
Shareholders' Equity	<u>2,353.7</u>
Total Book Capitalization	<u><u>\$3,876.8</u></u>

Net Debt-to-Capitalization	39.3%
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Total Debt to TTM* Adjusted EBITDA	2.7 Times
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* TTM=Trailing Twelve Months

Fiscal 2015 Outlook

- **Strong Backlog**
- **Remain Focused on Execution, Increasing Profitability, Expanding Margins and Generating Strong Cash Flow**
- **FY 2015 Guidance, Based on Current Projected Aircraft Production Rates, Weighted Average Share Count of 51.3 Million Shares and Effective Tax Rate of 34.7% (Assumes R&D Tax Credit Will Be Retroactively Reinstated)**
 - Revenue of \$3.8 to \$3.9 Billion
 - EPS of \$5.75 – \$5.90 per diluted share excluding Jefferson Street/Red Oak Facility Transition costs, refinancing fees and net settlement gain related to Eaton Litigation
 - Adjusted EBITDA of \$635 to \$645 Million, excluding Jefferson Street/Red Oak Facility Transition costs, refinancing fees and net settlement gain related to Eaton Litigation
 - Cash available for debt reduction, acquisitions, and share repurchases of approximately \$385 million

Appendix

Sales by Market

(\$ in Millions)	Q2 FY 2015		Q2 FY 2014		\$ Change*	% Change*
	Sales	% of Total	Sales	% of Total		
Commercial	\$ 591	59%	\$ 558	58%	\$ 33	6%
Military	267	27%	266	28%	1	0%
Business Jets	98	10%	108	11%	(10)	(9%)
Regional Jets	18	2%	14	1%	4	29%
Non-Aviation	20	2%	21	2%	(1)	5%
Total Sales	\$ 994	100%	\$ 967	100%	\$ 27	3%

OEM	84%	85%
Aftermarket	14%	13%
<u>Other</u>	<u>2%</u>	<u>2%</u>
Total	100%	100%

* Difference due to rounding

Sales Trends

Same Store Sales			
<i>(in millions)</i>	Q2		
	2015	2014	Change
Aerostructures	\$ 632.1	\$ 682.3	(7%)
Aerospace Systems	210.0	205.5	2%
Aftermarket Services	74.3	73.0	2%
Total Same Store Sales	916.3*	960.7*	(5%)
Export Sales			
<i>(in millions)</i>	Q2		
	2015	2014	Change
Export Sales	\$ 192.0	\$ 151.1	27%

* Difference Due To Rounding

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, legal settlements, 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:

- Legal settlements may be useful to investors to consider because they reflect gains or losses from disputes with third parties. We do not believe that these earnings necessarily reflect the current and ongoing cash earnings related to our operations.
- 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.

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EBITDA Disclosure

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 September 30,		Six Months Ended September 30,	
	2014	2013	2014	2013
Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA):				
Net Income	\$ 67,446	\$ 49,516	\$ 195,690	\$ 128,559
Add-back:				
Income Tax Expense	31,866	23,134	101,786	65,727
Interest Expense and Other	15,386	20,321	57,746	40,031
Gain on Legal Settlement, net	-	-	(134,693)	-
Amortization of Acquired Contract Liabilities	(14,865)	(8,965)	(23,832)	(20,115)
Depreciation and Amortization	39,014	38,244	76,565	76,178
Adjusted Earnings before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")	\$ 138,847	\$ 122,250	\$ 273,262	\$ 290,380
Net Sales	\$ 994,123	\$ 967,345	\$ 1,891,028	\$ 1,911,028
Adjusted EBITDA Margin	14.2%	12.8%	14.6%	15.4%

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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 September 30, 2014				
	Total	Segment Data			
		Aerostructures	Aerospace Systems	Aftermarket Services	Corporate / Eliminations
Net Income	\$ 67,446				
Add-back:					
Income Tax Expense	31,866				
Interest Expense and Other	<u>15,386</u>				
Operating Income	\$ 114,698	\$ 72,230	\$ 46,214	\$ 11,620	\$ (15,366)
Amortization of Acquired Contract Liabilities	(14,865)	(4,783)	(10,082)	-	-
Depreciation and Amortization	<u>39,014</u>	<u>24,765</u>	<u>11,147</u>	<u>1,926</u>	<u>1,176</u>
Adjusted Earnings (Losses) before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")	<u>\$ 138,847</u>	<u>\$ 92,212</u>	<u>\$ 47,279</u>	<u>\$ 13,546</u>	<u>\$ (14,190)</u>
Net Sales	<u>\$ 994,123</u>	<u>\$ 632,072</u>	<u>\$ 288,902</u>	<u>\$ 74,343</u>	<u>\$ (1,194)</u>
Adjusted EBITDA Margin	<u>0.141787966</u>	<u>14.7%</u>	<u>17.0%</u>	<u>18.2%</u>	<u>n/a</u>
Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA):	Six Months Ended September 30, 2014				
	Total	Segment Data			
		Aerostructures	Aerospace Systems	Aftermarket Services	Corporate / Eliminations
Net Income	\$ 195,690				
Add-back:					
Income Tax Expense	101,786				
Interest Expense and Other	<u>57,746</u>				
Operating Income (Loss)	\$ 355,222	\$ 143,095	\$ 83,567	\$ 22,124	\$ 106,436
Gain on Legal Settlement	(134,693)	-	-	-	(134,693)
Amortization of Acquired Contract Liabilities	(23,832)	(9,900)	(13,932)	-	-
Depreciation and Amortization	<u>76,565</u>	<u>49,744</u>	<u>20,665</u>	<u>3,803</u>	<u>2,353</u>
Adjusted Earnings (Losses) before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")	<u>\$ 273,262</u>	<u>\$ 182,939</u>	<u>\$ 90,300</u>	<u>\$ 25,927</u>	<u>\$ (25,904)</u>
Net Sales	<u>\$ 1,891,028</u>	<u>\$ 1,243,935</u>	<u>\$ 508,754</u>	<u>\$ 141,951</u>	<u>\$ (3,612)</u>
Adjusted EBITDA Margin	<u>14.6%</u>	<u>14.8%</u>	<u>18.2%</u>	<u>18.3%</u>	<u>n/a</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)

Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA):	Three Months Ended September 30, 2013				
	Total	Segment Data			
		Aerostructures	Aerospace Systems	Aftermarket Services	Corporate / Eliminations
Net Income	\$ 49,516				
Add-back:					
Income Tax Expense	23,134				
Interest Expense and Other	20,321				
Operating Income (Loss)	\$ 92,971	\$ 64,425	\$ 31,740	\$ 10,102	\$ (13,296)
Amortization of Acquired Contract Liabilities	(8,965)	(5,614)	(3,351)	-	-
Depreciation and Amortization	38,244	26,483	8,549	1,864	1,348
Adjusted Earnings (Losses) before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")	\$ 122,250	\$ 85,294	\$ 36,938	\$ 11,966	\$ (11,948)
Net Sales	\$ 967,345	\$ 690,748	\$ 205,483	\$ 72,971	\$ (1,857)
Adjusted EBITDA Margin	12.8%	12.4%	18.3%	16.4%	n/a

Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA):	Six Months Ended September 30, 2013				
	Total	Segment Data			
		Aerostructures	Aerospace Systems	Aftermarket Services	Corporate / Eliminations
Net Income	\$ 128,559				
Add-back:					
Income Tax Expense	65,727				
Interest Expense and Other	40,031				
Operating Income (Loss)	\$ 234,317	\$ 164,812	\$ 74,383	\$ 21,381	\$ (26,259)
Amortization of Acquired Contract Liabilities	(20,115)	(11,755)	(8,360)	-	-
Depreciation and Amortization	76,178	52,796	17,088	3,741	2,553
Adjusted Earnings (Losses) before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")	\$ 290,380	\$ 205,853	\$ 83,111	\$ 25,122	\$ (23,706)
Net Sales	\$ 1,911,028	\$ 1,342,636	\$ 425,009	\$ 147,324	\$ (3,941)
Adjusted EBITDA Margin	15.4%	15.5%	19.9%	17.1%	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)

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 September 30, 2014			<u>Location on Financial Statements</u>
	<u>Pre-tax</u>	<u>After-tax</u>	<u>Diluted EPS</u>	
Income from Continuing Operations- GAAP	\$ 99,312	\$ 67,446	\$ 1.32	
Non-Recurring Costs:				
Relocation Costs	196	126	0.00	Aerostructures (Primarily)
Jefferson Street Move:				
Disruption	5,381	3,465	0.07	Aerostructures (EAC) **
Accelerated Depreciation	2,252	1,450	0.03	Aerostructures (EAC) **
Adjusted Income from Continuing Operations- non-GAAP	<u>\$107,141</u>	<u>\$ 72,487</u>	<u>\$ 1.42</u> *	
	Six Months Ended September 30, 2014			<u>Location on Financial Statements</u>
	<u>Pre-tax</u>	<u>After-tax</u>	<u>Diluted EPS</u>	
Income from Continuing Operations- GAAP	\$297,476	\$ 195,690	\$ 3.79	
Non-Recurring Costs:				
Gain on Legal Settlement	(134,693)	(86,742)	(1.68)	Corporate
Refinancing Costs	22,615	14,564	0.28	
Relocation Costs	3,193	2,056	0.04	Aerostructures (Primarily)
Jefferson Street Move:				
Disruption	8,741	5,629	0.11	Aerostructures (EAC) **
Accelerated Depreciation	4,627	2,980	0.06	Aerostructures (EAC) **
Adjusted Income from Continuing Operations- non-GAAP	<u>\$201,959</u>	<u>\$ 134,177</u>	<u>\$ 2.60</u>	

* Difference due to rounding.

EAC- estimated costs at completion with respect to contracts within the scope of Accounting Standards Codification 605-35,

** "Revenue-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 September 30, 2013			Location on Financial Statements
	Pre-tax	After-tax	Diluted EPS	
Income from Continuing Operations- GAAP	\$ 72,650	\$ 49,516	\$ 0.94	
Non-Recurring Costs:				
Relocation Costs (including interest)	1,450	934	0.02	Aerostructures (Primarily)
Jefferson Street Move:				
Disruption	2,191	1,411	0.03	Aerostructures (EAC) **
Accelerated Depreciation	2,138	1,377	0.03	Aerostructures (EAC) **
Adjusted Income from Continuing Operations- non-GAAP	<u>\$ 78,429</u>	<u>\$ 53,238</u>	<u>\$ 1.01</u> *	
	Six Months Ended September 30, 2013			
	Pre-tax	After-tax	Diluted EPS	Location on Financial Statements
Income from Continuing Operations- GAAP	\$194,286	\$ 128,559	\$ 2.43	
Non-Recurring Costs:				
Relocation Costs (including interest)	2,771	1,785	0.03	Aerostructures (Primarily)
Jefferson Street Move:				
Disruption	3,689	2,376	0.04	Aerostructures (EAC) **
Accelerated Depreciation	2,949	1,899	0.04	Aerostructures (EAC) **
Adjusted Income from Continuing Operations- non-GAAP	<u>\$203,695</u>	<u>\$ 134,619</u>	<u>\$ 2.55</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)

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.

	Six Months Ended	
	September 30,	
	2014	2013
Cash flow from operations, before pension contributions	\$ 313,767	\$ 89,422
Pension contributions	<u>55,352</u>	<u>45,800</u>
Cash provided by operations	258,415	43,622
Less:		
Capital expenditures	59,074	119,265
Dividends	<u>4,090</u>	<u>4,149</u>
Free cash flow available for debt reduction, acquisitions and share repurchases	<u>\$ 195,251</u>	<u>\$ (79,792)</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:

	September 30,	March 31,
	2014	2014
<u>Calculation of Net Debt</u>		
Current portion	\$ 39,595	\$ 49,575
Long-term debt	<u>1,516,890</u>	<u>1,500,808</u>
Total debt	1,556,485	1,550,383
Less: Cash	<u>33,366</u>	<u>28,998</u>
Net debt	<u>\$ 1,523,119</u>	<u>\$ 1,521,385</u>
<u>Calculation of Capital</u>		
Net debt	\$ 1,523,119	\$ 1,521,385
Stockholders' equity	<u>2,353,681</u>	<u>2,283,911</u>
Total capital	<u>\$ 3,876,800</u>	<u>\$ 3,805,296</u>
Percent of net debt to capital	39.3%	40.0%

#####



Triumph Group, Inc.

Designed to be Different.

Built to Perform.



Positioned for **Growth.**



Triumph Group, Inc.