



**One name.
Many solutions.**

Third Quarter Fiscal 2014 Earnings Conference Call

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Triumph Group, Inc.

January 29, 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.



Q3 in Review

- † **Solid Third Quarter Performance, With The Exception of 747-8 Program**
 - **Aerostructures**
 - **Excluding 747-8, Solid Performance in Spite of Military Decline and Significant Customer Deferrals**
 - **Aerospace Systems**
 - **Business Performed Well in Light of Military Sales Decline**
 - **Continued Good Performance at Triumph Engine Control Systems**
 - **Aftermarket Services**
 - **Continued Strength in Operating Margin Performance Despite Military Aftermarket Weakness**
 - **Good Cash Flow in Quarter**

- † **Status of 747-8 Program – Improvement Being Made But More Work to be Done**

- † **Market Conditions**

- † **Construction of Red Oak Facility Continues to be On Time and On Pace to Deliver Benefits in Excess of Business Case**

- † **Successfully Completed Refinancing of High Yield Debt and Extended Revolving Credit Facility**

- † **Received Award to Machine and Assemble Structural Components for Airbus A350 X WB Program**

- † **Mississippi Supreme Court Unanimously Affirmed Dismissal of All Eaton Claims**



Financial Performance

Quarterly Comparison

(\$ in millions except per share data)

	Q3		
	2014	2013	Change
Sales	\$915.8	\$890.6	3%
Operating Income, before non-recurring costs	99.5	136.6	
<i>Operating Margin, before non-recurring costs</i>	<i>10.9%</i>	<i>15.3%</i>	
Jefferson Street move (excluding \$0.2 of interest)	13.1	-	
Integration costs and early retirement incentives	1.6	2.3	
Operating Income	84.8	134.4	(37%)
EBITDA, before early retirement incentives	116.2	162.5	(29%)
<i>EBITDA Margin, before early retirement incentives</i>	<i>12.7%</i>	<i>18.2%</i>	
Net Income	\$35.4	\$75.2	(53%)
Earnings per Share (Diluted):			
Before non-recurring costs	\$0.99	\$1.46	
Non-recurring costs *	0.32	0.03	
Net Income	\$0.67	\$1.43	(53%)

* Non-recurring costs, in addition to amounts specifically shown in table above, includes \$11.1 million (pre-tax) of refinancing costs.



Segment Performance

Aerostructures

(\$ in millions)

Aerostructures		Q3		
		2014	2013	Change
	Sales	\$ 637.2	\$ 676.8	(6%)
	Operating Income	54.0	117.5	(54%)
	<i>Operating Margin</i>	8.5%	17.4%	
	EBITDA	75.8	135.4	(44%)
	<i>EBITDA Margin</i>	11.9%	20.0%	



Additional 747-8 Program Costs

<i>(\$ in millions)</i>	Total	Q2	Q3	Q4
Q2 additional program charges	\$68.0	\$44.0	\$11.0	\$13.0
Q3 additional program charges	\$17.0	-	\$14.0	\$ 3.0
Total FY 14 additional program charges	<u>\$85.0</u>	<u>\$44.0</u>	<u>\$25.0</u>	<u>\$16.0</u>



Business Case Key Figures

(in millions)

	FY 2013		FY 2014		FY 2015		FY 2016	
Capital Investment	\$18.1	\$20.3	\$90.2	\$81.7		--		--
Non-Recurring and Disruption	\$0.6	--	\$36.8	\$34.9	\$4.0	\$4.7	\$0.7	--
Net Working Capital Growth	\$5.5	\$5.0	\$15.0	\$14.3	0	\$10.6		--
Revenue Change		--		--	(4.5)	(\$9.7)	(0.8)	(\$10.4)
Incremental Operating Income	(\$1.4)	--	(\$51.6)	~ (\$45.0)	\$20.7	~ \$5.0	\$40.6	~ \$35.0
Incremental Net Income	(\$0.9)	--	(33.5)	~ (\$34.0)	\$13.4	\$0	\$26.2	\$21.0
Incremental Earnings Per Share (\$/share)	(\$0.02)	--		(\$0.64)	\$0.25	\$0.00	\$0.50	\$0.40



Segment Performance

Aerospace Systems

(\$ in millions)

Aerospace Systems		Q3		
		2014	2013	Change
	Sales	\$ 211.4	\$ 141.1	50%
	Operating Income	32.5	20.6	58%
	<i>Operating Margin</i>	15.4%	14.6%	
	EBITDA	37.5	25.3	48%
	<i>EBITDA Margin</i>	17.7%	17.9%	



Segment Performance

Aftermarket Services

(\$ in millions)

Aftermarket Services		Q3		
		2014	2013	Change
	Sales	\$ 69.6	\$ 74.6	(7%)
	Operating Income	9.3	9.9	(6%)
	<i>Operating Margin</i>	13.4%	13.2%	
	EBITDA	11.2	12.1	(8%)
	<i>EBITDA Margin</i>	16.0%	16.3%	



Pension / OPEB Analysis

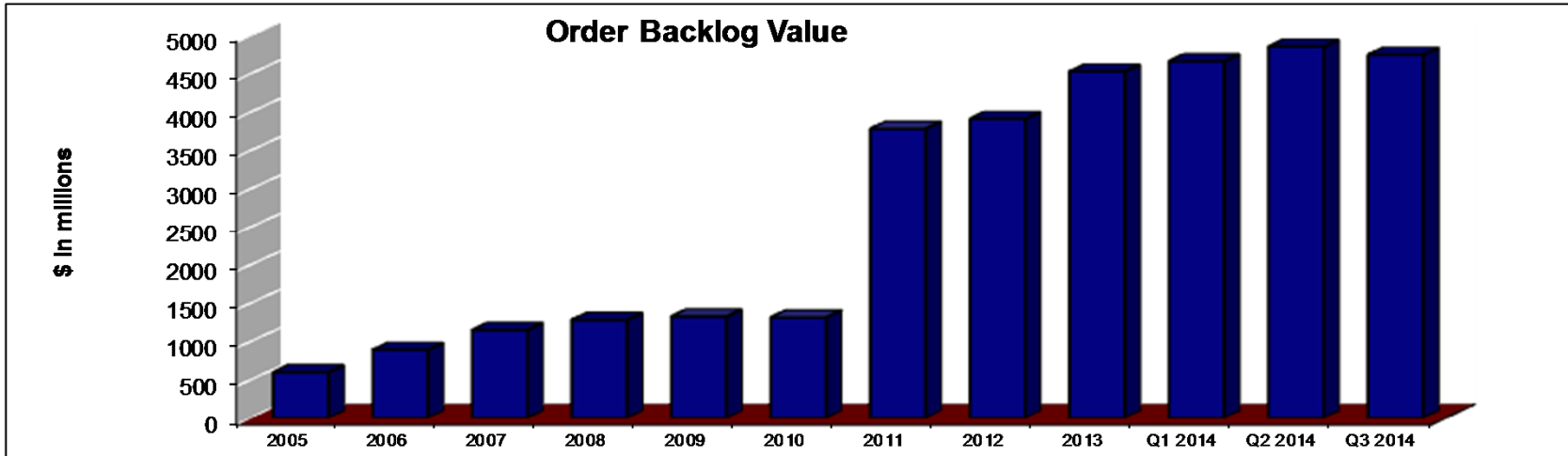
Triumph Aerostructures-Vought Aircraft Division

Pension / OPEB Analysis	Fiscal Year 2014	Fiscal Year 2015 *
Pension Expense (Income)	≈ (\$31) million	≈ (\$53) million
Cash Pension Contribution	≈ \$116 million	≈ \$40 million
OPEB Expense	≈ \$11 million	≈ \$10 million
Cash OPEB Contribution	≈ \$33 million	≈ \$29 million

* Assume all fiscal year 2014 actuarial assumptions are met



Backlog



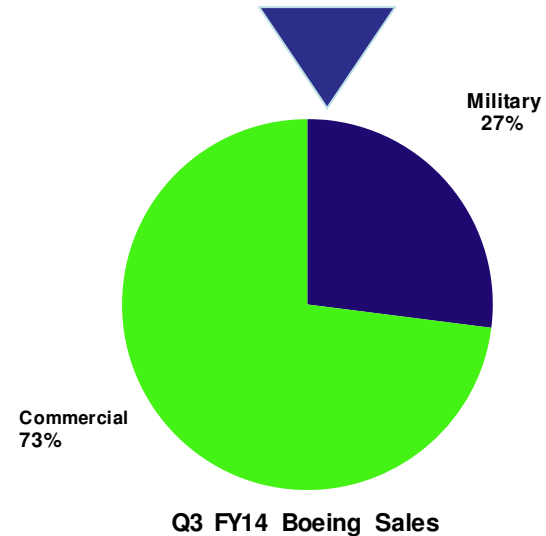
Order Backlog Stands at \$4.75 Billion, an Increase of 6% Year Over Year. Military Represents Approximately 27% of Backlog.



Top 10 Programs

Top Programs
1. Boeing 747
2. Boeing 777
3. Gulfstream G450, G550
4. C-17
5. Airbus A330
6. Boeing 737 NG
7. Boeing 787
8. Boeing 767, Tanker
9. Boeing V-22
10. Sikorsky UH-60

>10% Customers	Q3 FY14 % of Sales	Q3 FY13 % of Sales
Boeing	44.7 %	50.1%



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



Sales by Market

(\$ in Millions)	Q3 FY 2014		Q3 FY 2013		\$ Change*	% Change*
	Sales	% of Total	Sales	% of Total		
Commercial	\$ 529	58%	\$ 516	58%	\$ 13	3%
Military	255	28%	243	27%	12	5%
Business Jets	100	11%	106	12%	(6)	(6%)
Regional Jets	15	1%	7	1%	8	114%
Non-Aviation	17	2%	18	2%	(1)	(6%)
Total Sales	\$ 916	100%	\$ 890	100%	\$ 26	3%
OEM		84%		87%		
Aftermarket		14%		11%		
Other		2%		2%		
Total		100%		100%		

* Difference due to rounding



Sales Trends

Same Store Sales			
<i>(in millions)</i>	Q3		
	2014	2013	Change
Aerostructures	\$ 617.2	\$ 676.8	(9%)
Aerospace Systems	142.8	139.8	2%
Aftermarket Services	69.6	68.3	2%
Total Same Store Sales	\$ 829.5	\$ 884.9	(6%)
Export Sales			
<i>(in millions)</i>	Q3		
	2014	2013	Change
Export Sales	\$ 160.8	\$ 126.3	27%



Cash Flow

(\$ in millions)

	YTD	
	2014	2013
Cash Flow from Operations		
Before Pension Contributions	\$ 79.1	\$ 286.6
Pension Contributions - Triumph		
Aerostructures	45.8	56.0
Cash Flow from Operations	\$ 33.3	\$ 230.6
CAPEX	\$ 161.8	\$ 89.7



Current Capitalization

<i>(\$ in millions)</i>	<u>12/31/2013</u>
Cash	(\$25.4)
Revolver	274.3
Term Loan	375.0
Convertible Debt	13.6
Securitized Debt (Accounts Receivables & Capital Leases)	227.3
2010 Senior Notes Due 2018	348.3
2013 Senior Notes Due 2021	375.0
Other Debt	8.0
Net Debt	<u>\$1,596.1</u>
Shareholders' Equity	<u>2,299.6</u>
Total Book Capitalization	<u><u>\$3,895.7</u></u>
Net Debt-to-Capitalization	41.0%



Fiscal 2014 Outlook

- † **Backlog And Balance Sheet Remain Strong**
- † **Remain Focused on Improving Execution, Driving Integration and Reducing Costs**
 - **Supply Chain Initiative**
- † **In January, Sold Small Aerostructures Company in Wichita, Kansas Back to Previous Owner at Book Value**
- † **FY 2014 Guidance**
 - **Revenue of Approximately \$3.8 Billion**
 - **EPS of Approximately \$4.75, Excluding Jefferson Street Move Related Costs and Pension Settlement Charge, Based on:**
 - **Current Market Conditions**
 - **Current Production Rates**
 - **747-8 Additional Program Costs of \$1.04 Per Diluted Share – Full Year**
 - **747-8 Production Rate of 1.5 Per Month**
 - **Weighted Average Shares of 52.8 Million**
- † **Long Term Guidance**
- † **Senior Management Changes**



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

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2013	2012	2013	2012
Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA):				
Net Income	\$ 35,393	\$ 75,223	\$ 163,952	\$ 231,746
Add-back:				
Income Tax Expense	19,271	42,369	84,998	135,834
Interest Expense and Other	30,115	16,767	70,146	50,667
Curtailments, Settlements and Early Retirement Incentives	1,561	2,030	1,561	5,137
Amortization of Acquired Contract Liabilities	(14,257)	(6,219)	(34,373)	(19,774)
Depreciation and Amortization	44,102	32,332	120,281	96,145
Adjusted Earnings before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")	\$ 116,185	\$ 162,502	\$ 406,565	\$ 499,755
Net Sales	\$ 915,816	\$ 890,565	\$ 2,826,844	\$ 2,716,434
Adjusted EBITDA Margin	12.7%	18.2%	14.4%	18.4%

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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 December 31, 2013				
	Total	Segment Data			Corporate / Eliminations
		Aerostructures	Aerospace Systems	Aftermarket Services	
Income from Continuing Operations	\$ 35,393				
Add-back:					
Income Tax Expense	19,271				
Interest Expense and Other	<u>30,115</u>				
Operating Income	\$ 84,779	\$ 53,973	\$ 32,504	\$ 9,297	\$ (10,995)
Pension Settlement Charge	1,561	-	-	-	1,561
Amortization of Acquired Contract Liabilities	(14,257)	(8,380)	(5,877)	-	-
Depreciation and Amortization	<u>44,102</u>	<u>30,206</u>	<u>10,823</u>	<u>1,862</u>	<u>1,211</u>
Adjusted Earnings (Losses) before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")	<u>\$ 116,185</u>	<u>\$ 75,799</u>	<u>\$ 37,450</u>	<u>\$ 11,159</u>	<u>\$ (8,223)</u>
Net Sales	<u>\$ 915,816</u>	<u>\$ 637,202</u>	<u>\$ 211,402</u>	<u>\$ 69,556</u>	<u>\$ (2,344)</u>
Adjusted EBITDA Margin	<u>12.7%</u>	<u>11.9%</u>	<u>17.7%</u>	<u>16.0%</u>	<u>n/a</u>
Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA):	Nine Months Ended December 31, 2013				
	Total	Segment Data			Corporate / Eliminations
		Aerostructures	Aerospace Systems	Aftermarket Services	
Net Income	\$ 163,952				
Add-back:					
Income Tax Expense	84,998				
Interest Expense and Other	<u>70,146</u>				
Operating Income (Loss)	\$ 319,096	\$ 218,784	\$ 106,887	\$ 30,678	\$ (37,253)
Pension Settlement Charge	1,561	-	-	-	1,561
Amortization of Acquired Contract Liabilities	(34,373)	(20,135)	(14,238)	-	-
Depreciation and Amortization	<u>120,281</u>	<u>83,003</u>	<u>27,911</u>	<u>5,603</u>	<u>3,764</u>
Adjusted Earnings (Losses) before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")	<u>\$ 406,565</u>	<u>\$ 281,652</u>	<u>\$ 120,560</u>	<u>\$ 36,281</u>	<u>\$ (31,928)</u>
Net Sales	<u>\$ 2,826,844</u>	<u>\$ 1,979,838</u>	<u>\$ 636,411</u>	<u>\$ 216,880</u>	<u>\$ (6,285)</u>
Adjusted EBITDA Margin	<u>14.4%</u>	<u>14.2%</u>	<u>18.9%</u>	<u>16.7%</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 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	16,767				
Operating Income (Loss)	\$ 134,359	\$ 117,450	\$ 20,562	\$ 9,856	\$ (13,509)
Curtailments and Early Retirement Incentives	2,030	-	-	-	2,030
Amortization of Acquired Contract Liabilities	(6,219)	(6,219)	-	-	-
Depreciation and Amortization	32,332	24,180	4,707	2,283	1,162
Adjusted Earnings (Losses) before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")	\$ 162,502	\$ 135,411	\$ 25,269	\$ 12,139	\$ (10,317)
Net Sales	\$ 890,565	\$ 676,791	\$ 141,059	\$ 74,587	\$ (1,872)
Adjusted EBITDA Margin	18.2%	20.0%	17.9%	16.3%	n/a
Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA):	Nine Months Ended December 31, 2012				
	Total	Segment Data			
		Aerostructures	Aerospace Systems	Aftermarket Services	Corporate / Eliminations
Net Income	\$ 231,746				
Add-back:					
Income Tax Expense	135,834				
Interest Expense and Other	50,667				
Operating Income (Loss)	\$ 418,247	\$ 358,972	\$ 69,739	\$ 32,430	\$ (42,894)
Curtailments and Early Retirement Incentives	5,137	-	-	-	5,137
Amortization of Acquired Contract Liabilities	(19,774)	(19,774)	-	-	-
Depreciation and Amortization	96,145	72,133	13,670	6,897	3,445
Adjusted Earnings (Losses) before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")	\$ 499,755	\$ 411,331	\$ 83,409	\$ 39,327	\$ (34,312)
Net Sales	\$ 2,716,434	\$ 2,060,622	\$ 431,710	\$ 230,625	\$ (6,523)
Adjusted EBITDA Margin	18.4%	20.0%	19.3%	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 December 31, 2013			Location on Financial Statements
	Pre-tax	After-tax	Diluted EPS	
Income from Continuing Operations- GAAP	\$ 54,664	\$ 35,393	\$ 0.67	
Non-Recurring Costs:				
Pension settlement charge	1,561	1,008	0.02	Corporate
Refinancing fees	11,069	7,151	0.14	Corporate
Relocation Costs (including interest)	5,041	3,256	0.06	Aerostructures (Primarily)
Jefferson Street Move:				
Accelerated Depreciation	5,084	3,284	0.06	Aerostructures (EAC) **
Disruption	3,224	2,083	0.04	Aerostructures (EAC) **
Adjusted Income from Continuing Operations- non-GAAP	<u>\$ 80,643</u>	<u>\$ 52,175</u>	<u>\$ 0.99</u>	
	Nine Months Ended December 31, 2013			Location on Financial Statements
	Pre-tax	After-tax	Diluted EPS	
Income from Continuing Operations- GAAP	\$248,950	\$ 163,952	\$ 3.11	
Non-Recurring Costs:				
Pension settlement charge	1,561	1,008	0.02	Corporate
Refinancing fees	11,069	7,151	0.14	Corporate
Relocation Costs (including interest)	7,786	5,030	0.10	Aerostructures (Primarily)
Jefferson Street Move:				
Disruption	6,913	4,466	0.08	Aerostructures (EAC) **
Accelerated Depreciation	8,033	5,189	0.10	Aerostructures (EAC) **
Adjusted Income from Continuing Operations- non-GAAP	<u>\$284,312</u>	<u>\$ 186,796</u>	<u>\$ 3.54</u>	

** 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 December 31, 2012			<u>Location on Financial Statements</u>
	<u>Pre-tax</u>	<u>After-tax</u>	<u>Diluted EPS</u>	
Income from Continuing Operations- GAAP	\$ 117,592	\$ 75,223	\$ 1.43	
Non-Recurring Costs:				
Curtailments	2,030	1,289	0.02	Corporate
Integration	250	159	0.00	Aerostructures (Primarily)
Adjusted Income from Continuing Operations- non-GAAP	<u>\$ 119,872</u>	<u>\$ 76,671</u>	<u>\$ 1.46</u>	

	Nine Months Ended December 31, 2012			<u>Location on Financial Statements</u>
	<u>Pre-tax</u>	<u>After-tax</u>	<u>Diluted EPS</u>	
Income from Continuing Operations- GAAP	\$ 367,580	\$ 231,746	\$ 4.43	
Non-Recurring Costs:				
Early retirement incentives	5,137	3,262	0.06	Corporate
Integration	2,227	1,414	0.03	Aerostructures (Primarily)
Adjusted Income from Continuing Operations- non-GAAP	<u>\$ 374,944</u>	<u>\$ 236,422</u>	<u>\$ 4.52</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.

	Nine Months Ended	
	December 31,	
	2013	2012
Cash provided by operations, before pension contributions	\$ 79,142	\$ 286,654
Pension contributions	45,800	56,028
Cash provided by operations	33,342	230,626
<i>Less:</i>		
Capital expenditures	161,797	89,656
Dividends	6,246	6,001
Free cash flow available for debt reduction	<u>\$ (134,701)</u>	<u>\$ 134,969</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,	March 31,
	2013	2013
<u>Calculation of Net Debt</u>		
Current portion	\$ 45,355	\$ 133,930
Long-term debt	1,576,179	1,195,933
Total debt	1,621,534	1,329,863
Less: Cash	25,415	32,037
Net debt	<u>\$ 1,596,119</u>	<u>\$ 1,297,826</u>
<u>Calculation of Capital</u>		
Net debt	\$ 1,596,119	\$ 1,297,826
Stockholders' equity	2,299,592	2,045,158
Total capital	<u>\$ 3,895,711</u>	<u>\$ 3,342,984</u>
Percent of net debt to capital	41.0%	38.8%

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Triumph Group, Inc.