

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-K/A
(Amendment No. 1)**

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended September 30, 2009

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File Number 001-32833

TransDigm Group Incorporated

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

41-2101738

(I.R.S. Employer Identification No.)

1301 East 9th Street, Suite 3710, Cleveland, Ohio
(Address of principal executive offices)

44114
(Zip Code)

(216) 706-2960

(Registrants' telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Common Stock
(Title)

New York Stock Exchange
(Name of exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 12 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one).

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant as of March 28, 2009, based upon the last sale price of such voting and non-voting common stock on that date was \$1,363,159,237.

The number of shares outstanding of TransDigm Group Incorporated's common stock, par value \$.01 per share, was 48,977,578 as of October 31, 2009.

Documents incorporated by reference: The registrant incorporates by reference in Part III hereof portions of its definitive Proxy Statement for its 2010 Annual Meeting of Stockholders.

Explanatory Note

TransDigm Group Inc. (“TD Group”) is filing this Amendment No. 1 (“the Form 10-K/A”) to our Annual Report on Form 10-K for the fiscal year ended September 30, 2009, which was filed with the Securities and Exchange Commission (the “SEC”) on November 24, 2009 (the “Original Filing”). We are filing this Amendment No. 1 to reflect restatements of our basic and diluted earnings per share and weighted average shares outstanding calculations to give effect to participating securities under the two-class method of calculating earnings per share. Historically, the Company had utilized the “treasury stock method” in order to give effect to outstanding “in-the-money” stock options. Under the two-class method, securities that participate in dividends, such as the Company’s vested outstanding stock options which include non-forfeitable rights to dividends, are considered “participating securities.”

This Form 10-K/A amends and restates “Item 6. Selected Financial Data,” “Item 8. Financial Statements and Supplementary Data,” and “Item 9A. Controls and Procedures” of Part II; and “Item 15. Financial Statements” of Part IV of the Original Filing in each case, solely as a result of, and to reflect, the restatement. Pursuant to the rules of the SEC, Item 15 of Part IV of the Original Filing has been amended to contain the consents of our independent registered public accountants and currently-dated certifications from our principal executive officer and principal financial officer, as required by Sections 302 and 906 of the Sarbanes-Oxley Act of 2002. The consent of our independent registered public accounting firm is attached to this Form 10-K/A as Exhibit 23.1. The certifications of our principal executive officer and our principal financial officer are attached to this form 10-K/A as Exhibits 31.1, 31.2, 32.1 and 32.2.

Except for the foregoing amended information, this Form 10-K/A continues to describe conditions as of the date of the Original Filing, and we have not updated the disclosures contained herein to reflect events that have occurred subsequent to that date. Other events occurring after the date of the Original Filing or other information necessary to reflect subsequent events have been disclosed in reports filed with the SEC subsequent to the Original Filing.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected historical consolidated financial and other data of TD Group for the fiscal years ended September 30, 2009 to 2005 which have been derived from TD Group's audited consolidated financial statements.

Separate historical financial information of TransDigm Inc. is not presented since the 7^{3/4}% Senior Subordinated Notes are guaranteed by TD Group and all direct and indirect domestic restricted subsidiaries of TransDigm Inc. and since TD Group has no operations or significant assets separate from its investment in TransDigm Inc.

Acquisitions of businesses and product lines completed by TD Group during the last five fiscal years are as follows:

- On December 31, 2004, TransDigm Inc. (through Skurka Aerospace Inc. ("Skurka"), a newly formed subsidiary of TransDigm Inc.) acquired certain assets and assumed certain liabilities of Skurka Engineering Company.
- On January 28, 2005, TransDigm Inc. acquired all of the outstanding capital stock of Fluid Regulators Corporation ("Fluid Regulators"), a wholly-owned subsidiary of Esterline Technologies Corporation.
- On June 30, 2005, Skurka acquired an aerospace motor product line from Eaton Corporation.
- On May 1, 2006, Skurka acquired certain assets and assumed certain liabilities of Electra-Motion, Inc.
- On June 12, 2006, TransDigm Inc. acquired all of the outstanding capital stock of Sweeney Engineering Corp.
- On October 3, 2006, TransDigm Inc. acquired all of the outstanding capital stock of CDA InterCorp.
- On February 7, 2007, TransDigm completed the merger with Aviation Technologies, Inc. ("ATI"), resulting in ATI becoming a wholly-owned subsidiary of TransDigm Inc.
- On August 10, 2007, TransDigm (through Bruce Aerospace, Inc., a newly formed subsidiary of TransDigm Inc.) acquired certain assets and assumed certain liabilities of Bruce Industries Inc.
- On May 7, 2008, TransDigm Inc. acquired all of the outstanding capital stock of CEF Industries, Inc.
- On September 26, 2008, Champion Aerospace LLC, a subsidiary of TransDigm Inc., acquired certain product line assets from Unison Industries, LLC, a GE Aviation business.
- On December 16, 2008, TransDigm Inc. acquired all of the outstanding capital stock of Aircraft Parts Corporation.
- On July 24, 2009, TransDigm Inc. acquired all of the outstanding capital stock of Acme Aerospace Inc.
- On August 10, 2009, AeroControlex Group Inc., a subsidiary of TransDigm Inc., acquired certain product line assets of Woodward HRT, Inc., a subsidiary of Woodward Governor Company.

All of the acquisitions were accounted for as purchases. The results of operations of the acquired businesses and product lines are included in TD Group's consolidated financial statements from the date of each of the acquisitions.

Non-GAAP Financial Measures

We present below certain financial information based on our EBITDA and EBITDA As Defined. References to "EBITDA" mean earnings before interest, taxes, depreciation and amortization, and references to "EBITDA As Defined" mean EBITDA plus, as applicable for each relevant period, certain adjustments as set forth in the reconciliations of net income to EBITDA and EBITDA As Defined and the reconciliations of net cash provided by operating activities to EBITDA and EBITDA As Defined presented below.

Neither EBITDA nor EBITDA As Defined is a measurement of financial performance under accounting principles generally accepted in the United States of America ("GAAP"). We present EBITDA and EBITDA As Defined because we believe they are useful indicators for evaluating operating performance and liquidity.

Our management believes that EBITDA and EBITDA As Defined are useful as indicators of liquidity because securities analysts, investors, rating agencies and others use EBITDA to evaluate a company's ability to incur and service debt. In addition, EBITDA As Defined is useful to investors because our revolving credit facility under our senior secured credit facility requires compliance, on a pro forma basis, with a financial covenant that measures the ratio of the amount of our secured indebtedness to the amount of our Consolidated EBITDA defined in the same manner as we define EBITDA As Defined herein. This financial covenant is a material term of our senior secured credit facility as the failure to comply with such financial covenant could result in an event of default in respect of the revolving credit facility (and such an event of default could, in turn, result in an event of default under the indenture governing our 7^{3/4}% Senior Subordinated Notes and New 7^{3/4}% Senior Subordinated Notes).

In addition to the above, our management uses EBITDA As Defined to review and assess the performance of the management team in connection with employee incentive programs and to prepare its annual budget and financial projections. Moreover, our management uses EBITDA As Defined to evaluate acquisitions.

Although we use EBITDA and EBITDA As Defined as measures to assess the performance of our business and for the other purposes set forth above, the use of these non-GAAP financial measures as analytical tools has limitations, and you should not consider any of them in isolation, or as a substitute for analysis of our results of operations as reported in accordance with GAAP. Some of these limitations are:

- neither EBITDA nor EBITDA As Defined reflects the significant interest expense, or the cash requirements necessary to service interest payments, on our indebtedness;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and neither EBITDA nor EBITDA As Defined reflects any cash requirements for such replacements;
- the omission of the substantial amortization expense associated with our intangible assets further limits the usefulness of EBITDA and EBITDA As Defined;
- neither EBITDA nor EBITDA As Defined includes the payment of taxes, which is a necessary element of our operations; and
- EBITDA As Defined excludes the cash expense we have incurred to integrate acquired businesses into our operations, which is a necessary element of certain of our acquisitions.

Because of these limitations, EBITDA and EBITDA As Defined should not be considered as measures of discretionary cash available to us to invest in the growth of our business. Management compensates for these limitations by not viewing EBITDA or EBITDA As Defined in isolation and specifically by using other GAAP measures, such as net income, net sales and operating profit, to measure our operating performance. Neither EBITDA nor EBITDA As Defined is a measurement of financial performance under GAAP, and neither should be considered as an alternative to net income or cash flow from operations determined in accordance with GAAP. Our calculation of EBITDA and EBITDA As Defined may not be comparable to the calculation of similarly titled measures reported by other companies.

The information presented below should be read together with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and accompanying notes included elsewhere herein.

	Fiscal Years Ended September 30,				
	2009	2008	2007	2006	2005
	(in thousands, except per share amounts)				
Statement of Operations Data:					
Net Sales	\$ 761,552	\$ 713,711	\$ 592,798	\$ 435,164	\$ 374,253
Gross profit ⁽¹⁾	429,346	385,931	309,032	221,290	184,270
Operating expenses:					
Selling and administrative	80,018	74,650	62,890	48,309	38,943
Amortization of intangibles	13,928	12,002	12,304	6,197	7,747
Refinancing costs	—	—	—	48,617	—
Operating income ⁽¹⁾	335,400	299,279	233,838	118,167	137,580
Interest expense, net	84,398	92,677	91,767	76,732	80,266
Income before income taxes	251,002	206,602	142,071	41,435	57,314
Income tax provision	88,100	73,476	53,426	16,318	22,627
Net income	\$ 162,902	\$ 133,126	\$ 88,645	\$ 25,117	\$ 34,687
Denominator for basic and diluted earnings per share, as restated:					
Weighted average common shares outstanding ⁽²⁾	48,481	47,856	45,630	44,415	44,202
Add shares of vested awards with dividend equivalent payment rights, if dilutive	4,058	4,242	4,934	5,073	4,315
Total shares for basic and diluted earnings per share	52,539	52,098	50,564	49,488	48,517
Earnings per share, as restated:					
Basic	\$ 3.10	\$ 2.56	\$ 1.75	\$ 0.51	\$ 0.71
Diluted	\$ 3.10	\$ 2.56	\$ 1.75	\$ 0.51	\$ 0.71
Basic earnings per share computation, as reported					
Weighted-average common shares outstanding ⁽²⁾	48,481	47,856	45,630	44,415	44,202
Net income per share ⁽³⁾	\$ 3.36	\$ 2.78	\$ 1.94	\$ 0.57	\$ 0.78
Diluted earnings per share computation, as reported					
Weighted-average common shares outstanding ⁽²⁾	50,459	50,202	48,542	47,181	46,544
Net income per share ⁽⁴⁾	\$ 3.23	\$ 2.65	\$ 1.83	\$ 0.53	\$ 0.75

	As of September 30,				
	2009	2008	2007	2006	2005
	(in thousands)				
Balance Sheet Data:					
Cash and cash equivalents ⁽⁵⁾	\$ 190,167	\$ 159,062	\$ 105,946	\$ 61,217	\$ 104,221
Working capital	395,002	334,932	298,380	190,742	118,559
Total assets	2,454,440	2,255,821	2,061,053	1,416,712	1,427,748
Long-term debt, including current portion	1,356,761	1,357,230	1,357,854	925,000	889,846
Stockholders' equity	819,162	653,900	487,551	363,041	333,107

Fiscal Years Ended September 30,

	2009	2008	2007	2006	2005
	(in thousands)				

Other Financial Data:

Cash flows provided by (used in):

Operating activities	\$ 197,112	\$ 189,635	\$ 112,436	\$ 3,058	\$ 80,695
Investing activities	(168,388)	(165,044)	(521,665)	(35,323)	(20,530)
Financing activities	2,381	28,525	453,958	(10,739)	(4,442)
Depreciation and amortization	27,521	25,254	23,952	16,111	16,956
Capital expenditures	13,155	10,884	10,258	8,350	7,960
Ratio of earnings to fixed charges ⁽⁶⁾	3.9x	3.2x	2.5x	1.5x	1.7x

Other Data:

EBITDA ⁽⁷⁾	\$ 362,921	\$ 324,533	\$ 257,790	\$ 134,278	\$ 154,536
EBITDA As Defined ⁽⁷⁾	\$ 374,690	\$ 333,077	\$ 274,708	\$ 194,437	\$ 164,240

- (1) Gross profit and operating income include the effect of charges relating to purchase accounting adjustments to inventory associated with the acquisition of various businesses and product lines for the fiscal years ended September 30, 2009, 2008, 2007, 2006 and 2005 of \$2,264,000, \$1,933,000, \$6,392,000, \$200,000, and \$1,493,000, respectively.
- (2) The weighted-average common shares outstanding for the periods presented have been adjusted to give effect to the 149.6 for 1.00 stock split that occurred on March 14, 2006 in connection with the initial public offering.
- (3) Net income per share is calculated by dividing net income by the basic weighted average common shares outstanding.
- (4) Net income per share is calculated by dividing net income by the diluted weighted-average common shares outstanding. However, stock options totaling 0.1 million outstanding at September 30, 2009 and 2008 and September 30, 2006, were excluded from the diluted earnings per share computation for fiscal 2009, 2008 and 2006 due to the anti-dilutive effect of such options.
- (5) On November 10, 2005, TransDigm Inc. paid a cash dividend of approximately \$98.0 million to its then parent company, TransDigm Holding Company, and made bonus payments of approximately \$6.2 million to certain members of our management. TransDigm Holding Company used all of the proceeds received from TransDigm Inc. to pay a cash dividend to TD Group. On November 10, 2005, TD Group entered into a loan facility and used the net proceeds received from the borrowings thereunder of approximately \$193.8 million, together with substantially all of the proceeds received from the dividend payment from TransDigm Holding Company, to (i) prepay the entire outstanding principal amount and all accrued and unpaid interest on its 12% senior unsecured promissory notes issued in connection with acquisition of the Company by Warburg Pincus in July 2003, which payments in the aggregate were equal to approximately \$262.7 million, and (ii) make certain distributions to members of our management who participated in our deferred compensation plans, which distributions in the aggregate were equal to approximately \$26.0 million.
- (6) For purposes of computing the ratio of earnings to fixed charges, earnings consist of earnings before income taxes plus fixed charges. Fixed charges consist of interest expense, amortization of debt issuance costs and the portion (approximately 33%) of rental expense that management believes is representative of the interest component of rental expense.
- (7) EBITDA represents earnings before interest, taxes, depreciation and amortization. EBITDA As Defined represents EBITDA plus, as applicable for each relevant period, certain adjustments as set forth in the reconciliation of net income to EBITDA and EBITDA As Defined and the reconciliation of net cash provided by operating activities to EBITDA and EBITDA As Defined presented below. See "Non-GAAP Financial Measures" for additional information and limitations regarding these non-GAAP financial measures.

The following table sets forth a reconciliation of net income to EBITDA and EBITDA As Defined:

	Fiscal Years Ended September 30,				
	2009	2008	2007 (in thousands)	2006	2005
Net income	\$ 162,902	\$ 133,126	\$ 88,645	\$ 25,117	\$ 34,687
Add:					
Depreciation and amortization	27,521	25,254	23,952	16,111	16,956
Interest expense, net	84,398	92,677	91,767	76,732	80,266
Provision for income taxes	88,100	73,476	53,426	16,318	22,627
EBITDA	362,921	324,533	257,790	134,278	154,536
Add:					
Inventory purchase accounting adjustments ⁽¹⁾	2,264	1,933	6,392	200	1,493
Acquisition integration costs ⁽²⁾	3,426	393	2,037	1,032	1,363
Non-cash compensation and deferred compensation costs ⁽³⁾	6,079	6,218	5,482	988	6,698
One-time special bonus payments ⁽⁴⁾	—	—	—	6,222	—
Acquisition earnout costs ⁽⁵⁾	—	—	850	450	150
Refinancing costs ⁽⁶⁾	—	—	—	48,617	—
Public offering costs ⁽⁷⁾	—	—	1,691	2,650	—
Other ⁽⁸⁾	—	—	466	—	—
EBITDA As Defined	<u>\$ 374,690</u>	<u>\$ 333,077</u>	<u>\$ 274,708</u>	<u>\$ 194,437</u>	<u>\$ 164,240</u>

- (1) Represents purchase accounting adjustments to inventory associated with the acquisitions of various businesses and product lines that were charged to cost of sales when the inventory was sold.
- (2) Represents costs incurred to integrate acquired businesses and product lines into TD Group's operations, facility relocation costs and other acquisition-related costs.
- (3) Represents the expenses recognized by us under our stock option plans and our deferred compensation plans. The amount reflected above for the fiscal year ended September 30, 2006 includes (i) a reversal of previously recorded amounts charged to expense of \$3.8 million resulting from the termination of two of our deferred compensation plans during such period and (ii) expense recognized by us under a new deferred compensation plan adopted by us during such period.
- (4) Represents the aggregate amount of one-time special bonuses paid on November 10, 2005 to members of management. On November 10, 2005, we entered into an amendment to our former senior secured credit facility pursuant to which the lenders thereunder agreed to exclude these one-time special bonus payments from the calculation of EBITDA As Defined.
- (5) Represents the amount recognized for an earnout payment pursuant to the terms of the retention agreement entered into in connection with the acquisition of substantially all of the assets of Skurka Engineering Company in December 2004. Pursuant to the November 10, 2005 amendment to our former senior secured credit facility described above, the lenders thereunder agreed to exclude earnout payments and deferred purchase price payments made in connection with certain permitted acquisitions from the calculation of EBITDA As Defined.
- (6) Represents costs incurred in connection with the refinancing in June 2006, including the premium paid to redeem our 8 3/8% senior subordinated notes of \$25.6 million, the write off of debt issue costs of \$22.9 million, and other expenses of \$0.1 million.
- (7) Represents costs and expenses incurred by TD Group related to the initial public offering in March 2006 or the secondary offering in May 2007.
- (8) Represents the write-down of certain property to its fair value that was reclassified as held for sale in fiscal 2007.

The following table sets forth a reconciliation of net cash provided by operating activities to EBITDA and EBITDA As Defined:

	Fiscal Years Ended September 30,				
	2009	2008	2007 (in thousands)	2006	2005
Net cash provided by operating activities	\$ 197,112	\$ 189,635	\$ 112,436	\$ 3,058	\$ 80,695
Adjustments:					
Changes in assets and liabilities, net of effects from acquisitions of businesses	1,897	(35,544)	(10,602)	111,148	(23,489)
Interest expense, net, excluding amortization of debt issue costs / note premium ⁽¹⁾	81,147	89,580	88,620	50,011	76,458
Income tax provision—current	79,300	66,141	47,196	(1,925)	21,934
Non-cash equity compensation ⁽²⁾	(5,813)	(4,035)	(3,487)	(2,403)	(1,062)
Excess tax benefit from exercise of stock options	9,278	18,756	23,627	—	—
Loss on repayment of senior subordinated notes ⁽³⁾	—	—	—	(25,611)	—
EBITDA	362,921	324,533	257,790	134,278	154,536
Add:					
Inventory purchase accounting adjustments ⁽⁴⁾	2,264	1,933	6,392	200	1,493
Acquisition integration costs ⁽⁵⁾	3,426	393	2,037	1,032	1,363
Non-cash compensation and deferred compensation costs ⁽⁶⁾	6,079	6,218	5,482	988	6,698
One-time special bonus payments ⁽⁷⁾	—	—	—	6,222	—
Acquisition earnout costs ⁽⁸⁾	—	—	850	450	150
Refinancing costs ⁽⁹⁾	—	—	—	48,617	—
Public offering costs ⁽¹⁰⁾	—	—	1,691	2,650	—
Other ⁽¹¹⁾	—	—	466	—	—
EBITDA As Defined	\$374,690	\$333,077	\$274,708	\$194,437	\$164,240

(1) Represents interest expense excluding the amortization of debt issue costs and note premium.

(2) Represents the compensation expense recognized by TD Group under its stock plans.

(3) Represents costs incurred in connection with the refinancing in June 2006 and the premium paid to redeem our 8 ³/₈% senior subordinated notes of \$25.6 million.

(4) Represents purchase accounting adjustments to inventory associated with the acquisitions of various businesses and product lines that were charged to cost of sales when the inventory was sold.

(5) Represents costs incurred to integrate acquired businesses and product lines into TD Group's operations, facility relocation costs and other acquisition-related costs.

(6) Represents the expenses recognized by us under our stock option plans and our deferred compensation plans. The amount reflected above for the fiscal year ended September 30, 2006 includes (i) a reversal of previously recorded amounts charged to expense of \$3.8 million resulting from the termination of two of our deferred compensation plans during such period and (ii) expense recognized by us under a new deferred compensation plan adopted by us during such period.

(7) Represents the aggregate amount of one-time special bonuses paid on November 10, 2005 to members of management. On November 10, 2005, we entered into an amendment to our former senior secured credit facility pursuant to which the lenders thereunder agreed to exclude these one-time special bonus payments from the calculation of EBITDA As Defined.

(8) Represents the amount recognized for an earnout payment pursuant to the terms of the retention agreement entered into in connection with the acquisition of substantially all of the assets of Skurka Engineering Company in December 2004. Pursuant to the November 10, 2005 amendment to our former senior secured

credit facility described above, the lenders thereunder agreed to exclude earnout payments and deferred purchase price payments made in connection with certain permitted acquisitions from the calculation of EBITDA As Defined.

- (9) Represents costs incurred in connection with the refinancing in June 2006, including the premium paid to redeem our 8 ³/₈% senior subordinated notes of \$25.6 million, the write off of debt issue costs of \$22.9 million, and other expenses of \$0.1 million.
- (10) Represents costs and expenses incurred by TD Group related to the initial public offering in March 2006 or the secondary offering in May 2007.
- (11) Represents the write-down of certain property to its fair value that was reclassified as held for sale in fiscal 2007.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this Item is contained on pages F-1 through F-35 of this Report.

ITEM 9A. CONTROLS AND PROCEDURES**Controls and Procedures**

As of September 30, 2009 and in connection with the preparation of the Original Filing, TD Group carried out an evaluation, under the supervision and with the participation of TD Group's management, including its Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial and Accounting Officer), of the effectiveness of the design and operation of TD Group's disclosure controls and procedures. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that TD Group's disclosure controls and procedures were effective to ensure that information required to be disclosed by TD Group in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified by the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to TD Group's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, TD Group's management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in designing and evaluating the controls and procedures.

In connection with the restatement of TD Group's consolidated financial statements discussed in the Explanatory Note to this Form 10-K/A, TD Group's management, including its Chief Executive Officer and Chief Financial Officer, reevaluated the effectiveness of the design and operation of TD Group's disclosure controls and procedures as of September 30, 2009 and determined that there was a material weakness in our internal control over financial reporting as of that date. Based on that reevaluation and solely because of the material weakness described below, TD Group's Chief Executive Officer and Chief Financial Officer have concluded that TD Group's disclosure controls and procedures were not effective as of September 30, 2009.

Management's Report on Internal Control Over Financial Reporting

The management of TD Group is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Exchange Act Rule 13a-15(f). Using criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework, TD Group's management assessed the effectiveness of TD Group's internal control over financial reporting as of September 30, 2009. In the Original Filing, management concluded that TD Group's internal control over financial reporting was effective as of September 30, 2009. Subsequent to the Original Filing, management identified a material weakness relating to the application of the two-class method in calculating basic and diluted earnings per share. Solely as a result of this material weakness, management has revised its earlier assessment and has now concluded that TD Group's internal control over financial reporting was not effective as of September 30, 2009.

The Company's independent auditors, Ernst & Young LLP, have issued an audit report on the effectiveness of internal control over financial reporting of TD Group as of September 30, 2009. This report is included herein.

Remediation of Material Weakness

As of the date hereof, management believes that as a result of the remedial actions described below, the material weakness in internal control over financial reporting has been remediated, and that as of the date hereof, TD Group's internal controls over financial reporting are effective. Subsequent to the Original Filing, and in connection with the preparation of this Form 10-K/A, we have put in place a review process in order to identify any participating securities and appropriately calculate the effect on basic and diluted earnings per share.

Changes in Internal Control Over Financial Reporting

There have been no changes in TD Group's internal control over financial reporting that occurred during the fourth quarter of the fiscal year ended September 30, 2009 that have materially affected, or are reasonably likely to materially affect, TD Group's internal control over financial reporting.

**The Board of Directors and Shareholders of
TransDigm Group Incorporated**

We have audited TransDigm Group Incorporated's internal control over financial reporting as of September 30, 2009, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). TransDigm Group Incorporated's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our report dated November 24, 2009, we expressed an unqualified opinion that TransDigm Group Incorporated maintained, in all material respects, effective internal control over financial reporting as of September 30, 2009 based on the COSO criteria. Management has subsequently determined that a deficiency in internal controls related to the application of the two-class method in calculating basic and diluted of earnings per share existed as of the previous assessment date, and has further concluded that such a deficiency represented a material weakness as of September 30, 2009. As a result, management has revised its assessment, as presented in Item 9A, "Management's Report on Internal Control Over Financial Reporting" to conclude that the Company's internal control over financial reporting was not effective as of September 30, 2009. Accordingly, our present opinion on the effectiveness of internal control over financial reporting as of September 30, 2009, as expressed herein, is different from that expressed in our previous report.

A material weakness is a control deficiency, or combination of control deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. In its assessment, management has identified a material weakness in controls related to the application of the two-class method in calculating basic and diluted earnings per share. We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of TransDigm Group Incorporated and subsidiaries as of September 30, 2009 and 2008, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended September 30, 2009. This material weakness was considered in determining the nature, timing and extent of audit tests applied in our audit of the fiscal 2009 consolidated financial statements and this report does not affect our report dated November 24, 2009, except for Notes 5 and 21 as to which the date is February 10, 2010, on these consolidated financial statements.

In our opinion, because of the effect of the material weakness described above in the achievement of the objectives of the control criteria, TransDigm Group Incorporated has not maintained effective internal control over financial reporting as of September 30, 2009 based on the COSO criteria.

/s/ Ernst & Young LLP

Cleveland, Ohio
November 24, 2009, except for the effects of the
material weakness described in the sixth paragraph
above, as to which the date is February 10, 2010

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Documents Filed with Report

(a) (1) Financial Statements

	<u>Page</u>
Report of Independent Registered Public Accounting Firm	F-1
Consolidated Balance Sheets as of September 30, 2009 and 2008	F-2
Consolidated Statements of Income for Fiscal Years Ended September 30, 2009, 2008 and 2007.	F-3
Consolidated Statements of Changes in Stockholders' Equity for Fiscal Years Ended September 30, 2009, 2008 and 2007.	F-4
Consolidated Statements of Cash Flows for Fiscal Years Ended September 30, 2009, 2008 and 2007.	F-5
Notes to Consolidated Financial Statements	pages F-6 to F-34

(a) (2) Financial Statement Schedules

Valuation and Qualifying Accounts for the Fiscal Years Ended September 30, 2009, 2008 and 2007.	F-35
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(a) (3) Exhibits

<u>Exhibit No.</u>	<u>Description</u>	<u>Filed Herewith or Incorporated by Reference From</u>
2.1	Agreement and Plan of Merger, dated January 9, 2007, among TransDigm Inc., Project Coffee Acquisition Co. and Aviation Technologies, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed January 10, 2007 (File No. 001-32833)
3.1	Amended and Restated Certificate of Incorporation, filed March 14, 2006, of TransDigm Group Incorporated	Incorporated by reference to Amendment No. 3 to TransDigm Group Incorporated's Form S-1 filed March 13, 2006 (File No. 333-130483)
3.2	Amended and Restated Bylaws of TransDigm Group Incorporated	Incorporated by reference to Amendment No. 3 to TransDigm Group Incorporated's Form S-1 filed March 13, 2006 (File No. 333-130483)
3.3	Certificate of Incorporation, filed July 2, 1993, of NovaDigm Acquisition, Inc. (now known as TransDigm Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed January 29, 1999 (File No. 333-71397)
3.4	Certificate of Amendment, filed July 22, 1993, of the Certificate of Incorporation of NovaDigm Acquisition, Inc. (now known as TransDigm Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed January 29, 1999 (File No. 333-71397)
3.5	Bylaws of NovaDigm Acquisition, Inc. (now known as TransDigm Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed January 29, 1999 (File No. 333-71397)
3.6	Certificate of Incorporation, filed March 28, 1994, of MPT Acquisition Corp. (now known as MarathonNorco Aerospace, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed January 29, 1999 (File No. 333-71397)

<u>Exhibit No.</u>	<u>Description</u>	<u>Filed Herewith or Incorporated by Reference From</u>
3.7	Certificate of Amendment, filed May 18, 1994, of the Certificate of Incorporation of MPT Acquisition Corp. (now known as MarathonNorco Aerospace, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed January 29, 1999 (File No. 333-71397)
3.8	Certificate of Amendment, filed May 24, 1994, of the Certificate of Incorporation of MPT Acquisition Corp. (now known as MarathonNorco Aerospace, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed January 29, 1999 (File No. 333-71397)
3.9	Certificate of Amendment, filed August 28, 2003, of the Certificate of Incorporation of Marathon Power Technology Company (now known as MarathonNorco Aerospace, Inc.)	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 28, 2006 (File No. 001-32833)
3.10	Bylaws of MPT Acquisition Corp. (now known as MarathonNorco Aerospace, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed January 29, 1999 (File No. 333-71397)
3.11	Articles of Incorporation, filed July 30, 1986, of ARP Acquisition Corporation (now known as Adams Rite Aerospace, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed January 29, 1999 (File No. 333-71397)
3.12	Certificate of Amendment, filed September 12, 1986, of the Articles of Incorporation of ARP Acquisition Corporation (now known as Adams Rite Aerospace, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed January 29, 1999 (File No. 333-71397)
3.13	Certificate of Amendment, filed January 27, 1992, of the Articles of Incorporation of Adams Rite Products, Inc. (now known as Adams Rite Aerospace, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed January 29, 1999 (File No. 333-71397)
3.14	Certificate of Amendment, filed December 31, 1992, of the Articles of Incorporation of Adams Rite Products, Inc. (now known as Adams Rite Aerospace, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed January 29, 1999 (File No. 333-71397)
3.15	Certificate of Amendment, filed August 11, 1997, of the Articles of Incorporation of Adams Rite Sabre International, Inc. (now known as Adams Rite Aerospace, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed January 29, 1999 (File No. 333-71397)
3.16	Amended and Restated Bylaws of Adams Rite Aerospace, Inc.	Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed January 29, 1999 (File No. 333-71397)
3.17	Certificate of Formation, effective June 30, 2007, of Champion Aerospace LLC	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.18	Limited Liability Company Agreement of Champion Aerospace LLC	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.19	Certificate of Formation, effective June 29, 2007, of Avionic Instruments LLC	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 21, 2007 (File No. 001-32833)

<u>Exhibit No.</u>	<u>Description</u>	<u>Filed Herewith or Incorporated by Reference From</u>
3.20	Limited Liability Company Agreement of Avionic Instruments LLC	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.21	Certificate of Incorporation, filed December 22, 2004, of Skurka Aerospace Inc.	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed October 11, 2006 (File No. 333-137937)
3.22	Bylaws of Skurka Aerospace Inc.	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed October 11, 2006 (File No. 333-137937)
3.23	Certificate of Conversion, effective June 30, 2007, converting CDA InterCorp into CDA InterCorp LLC.	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.24	Operating Agreement of CDA InterCorp LLC.	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.25	Certificate of Incorporation, filed March 7, 2003, of Wings Holdings, Inc. (now known as Aviation Technologies, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.26	Certificate of Amendment of Certificate of Incorporation, filed May 12, 2003, of Wings Holdings, Inc. (now known as Aviation Technologies, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.27	Certificate of Amendment of Certificate of Incorporation, filed July 17, 2003, of Wings Holdings, Inc. (now known as Aviation Technologies, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.28	Bylaws of Wings Holdings, Inc. (now known as Aviation Technologies, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.29	Articles of Incorporation, filed October 3, 1963, of Avtech Corporation	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.30	Articles of Amendment of Articles of Incorporation, filed March 30, 1984, of Avtech Corporation	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.31	Articles of Amendment of Articles of Incorporation, filed April 17, 1989, of Avtech Corporation	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.32	Articles of Amendment of Articles of Incorporation, filed July 17, 1998, of Avtech Corporation	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.33	Articles of Amendment of Articles of Incorporation, filed May 20, 2003, of Avtech Corporation	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4, filed July 6, 2007 (File No. 333-144366)

<u>Exhibit No.</u>	<u>Description</u>	<u>Filed Herewith or Incorporated by Reference From</u>
3.34	Bylaws of Avtech Corporation	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.35	Certificate of Formation, effective June 30, 2007, of Transicoil LLC	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.36	Limited Liability Company Agreement of Transicoil LLC	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.37	Certificate of Incorporation, filed May 17, 2006, of Bruce Industries Acquisition Corp. (now known as Malaysian Aerospace Services, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.38	Certificate of Amendment of Certificate of Incorporation, filed January 19, 2007, of Bruce Industries Acquisition Corp. (now known as Malaysian Aerospace Services, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.39	Bylaws of Bruce Industries Acquisition Corp. (now known as Malaysian Aerospace Services, Inc.)	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.40	Certificate of Incorporation, filed June 18, 2007, of AeroControlex Group, Inc.	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.41	Bylaws of AeroControlex Group, Inc.	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed July 6, 2007 (File No. 333-144366)
3.42	Certificate of Incorporation filed August 6, 2007, of Bruce Aerospace, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 21, 2007 (File No. 001-32833)
3.43	Bylaws of Bruce Aerospace, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 21, 2007 (File No. 001-32833)
3.44	Articles of Incorporation, filed February 6, 2006 of Bruce Industries, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 21, 2007 (File No. 001-32833)
3.45	Bylaws of Bruce Industries, Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 21, 2007 (File No. 001-32833)
3.46	Certificate of Formation, filed September 30, 2009, of CEF Industries, LLC	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 24, 2009 (File No. 001-32833)
3.47	Limited Liability Company Agreement of CEF Industries, LLC	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 24, 2009 (File No. 001-32833)
3.48	Certificate of Incorporation, filed September 20, 1960, of Aircraft Parts Corporation	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 4, 2009 (File No. 001-32833)

<u>Exhibit No.</u>	<u>Description</u>	<u>Filed Herewith or Incorporated by Reference From</u>
3.49	Bylaws of Aircraft Parts Corporation	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed February 4, 2009 (File No. 001-32833)
3.50	Certificate of Incorporation, filed July 10, 2009, of Acme Aerospace Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed August 25, 2009 (File No. 001-32833)
3.51	Bylaws of Acme Aerospace Inc.	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed August 25, 2009 (File No. 001-32833)
4.1	Form of Stock Certificate	Incorporated by reference to Amendment No. 3 to TransDigm Group Incorporated's Form S-1 filed March 13, 2006 (File No. 333-130483)
4.2	Indenture, dated June 23, 2006, among TransDigm Inc., TransDigm Group Incorporated, the Guarantors named therein and The Bank of New York Trust Company, N.A., as trustee	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed June 28, 2006 (File No. 001-32833)
4.3	First Supplemental Indenture, dated November 2, 2006, to Indenture, dated June 23, 2006, among TransDigm Inc., TransDigm Group Incorporated, the Guarantors named therein and The Bank of New York Trust Company, N.A., as trustee	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed November 6, 2006 (File No. 001-32833)
4.4	Second Supplemental Indenture, dated February 7, 2007, to Indenture, dated June 23, 2006, among TransDigm Inc., TransDigm Group Incorporated, the Guarantors named therein and The Bank of New York Trust Company, N.A., as trustee	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed February 13, 2007 (File No. 333-130483)
4.5	Third Supplemental Indenture, dated June 29, 2007, to Indenture, dated June 23, 2006, among TransDigm Inc., TransDigm Group Incorporated, the Guarantors named therein and The Bank of New York Trust Company, N.A., as trustee	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed July 6, 2007 (File No. 001-32833)
4.6	Fourth Supplemental Indenture, dated August 10, 2007, to Indenture, dated June 23, 2006, among TransDigm, Inc., TransDigm Group Incorporated, the Guarantors named therein and The Bank of New York Trust Company, N.A., as trustee	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form 8-K filed August 16, 2007 (File No.001-32833)
4.7	Fifth Supplemental Indenture, dated May 7, 2008, to Indenture, dated June 23, 2006, among TransDigm Inc., TransDigm Group Incorporated, the Guarantors named therein and The Bank of New York Trust Company, N.A., as trustee	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed May 9, 2008 (File No. 001-32833)

<u>Exhibit No.</u>	<u>Description</u>	<u>Filed Herewith or Incorporated by Reference From</u>
4.8	Sixth Supplemental Indenture, dated December 16, 2008, to Indenture, dated June 23, 2006, among TransDigm Inc., TransDigm Group Incorporated, the Guarantors named therein and The Bank of New York Trust Company, N.A., as trustee	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed December 18, 2008 (File No. 001-32833)
4.9	Seventh Supplemental Indenture, dated July 27, 2009, to Indenture dated June 23, 2006, among TransDigm Inc., TransDigm Group Incorporated, the Guarantors named therein and The Bank of New York Trust Company, N.A., as trustee	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed July 29, 2009 (File No. 001-32833)
4.10	Indenture, dated as of October 6, 2009, among TransDigm Inc., TransDigm Group Incorporated, the Guarantors named therein and The Bank of New York Trust Company, N.A., as trustee	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed October 6, 2009 (File No. 001-32833)
4.11	Registration Rights Agreement, dated October 6, 2009, among TransDigm Inc., TransDigm Group Incorporated, the subsidiaries of TransDigm Inc. named therein and Credit Suisse Securities (USA) LLC, as representative for the several initial purchasers	Incorporated by reference to TransDigm Inc. and TransDigm Group Incorporated's Form 8-K filed October 6, 2009 (File No. 001-32833)
4.12	Form 7 ^{3/4} % Senior Subordinated Notes due 2014	Included in Exhibit 4.2
10.1	Amended and Restated Employment Agreement, dated June 3, 2008, between W. Nicholas Howley and TransDigm Group Incorporated*	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed June 6, 2008 (File No. 001-32833)
10.2	Amended and Restated Employment Agreement, dated October 29, 2008, between Raymond Laubenthal and TransDigm Group Incorporated *	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed October 30, 2008 (File No. 333-130483)
10.3	Amended and Restated Employment Agreement, dated October 29, 2008, between Gregory Rufus and TransDigm Group Incorporated *	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed October 30, 2008 (File No. 333-130483)
10.4	TransDigm Group Incorporated Fourth Amended and Restated 2003 Stock Option Plan *	Incorporated by reference to Amendment No. 1 to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed November 7, 2006 (File No. 333-137937)
10.5	Amendment No. 1 to TransDigm Group Incorporated Fourth Amended and Restated 2003 Stock Option Plan *	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 21, 2007 (File No. 001-32833)

<u>Exhibit No.</u>	<u>Description</u>	<u>Filed Herewith or Incorporated by Reference From</u>
10.6	Letter, dated February 24, 2006, from David Barr, Member of the Compensation Committee of the Board of Directors of TransDigm Group Incorporated, to W. Nicholas Howley, Chief Executive Officer of TransDigm Group Incorporated *	Incorporated by reference to Amendment No. 2 to TransDigm Group Incorporated's Form S-1 filed February 27, 2006 (File No. 333-130483)
10.7	Amendment No. 2 to TransDigm Group Incorporated Fourth Amended and Restated Stock Option Plan*	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed August 7, 2008 (File No. 001-32833)
10.8	Amendment No. 3 to TransDigm Group Incorporated Fourth Amended and Restated Stock Option Plan*	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed April 28, 2009 (File No. 001-32833)
10.9	TransDigm Group Incorporated 2006 Stock Incentive Plan *	Incorporated by reference to Amendment No. 3 to TransDigm Group Incorporated's Form S-1 filed March 13, 2006 (File No. 333-130483)
10.10	Amendment No. 1, dated October 20, 2006, to the TransDigm Group Incorporated 2006 Stock Incentive Plan *	Incorporated by reference to Amendment No. 1 to TransDigm Inc. and TransDigm Group Incorporated's Form S-4 filed November 7, 2006 (File No. 333-137937)
10.11	Second Amendment to TransDigm Group Incorporated 2006 Stock Incentive Plan, dated April 25, 2008*	Incorporated by reference to Schedule 14A filed June 6, 2008 (File No. 001-32833)
10.12	Amended and Restated TD Holding Corporation Dividend Equivalent Plan *	Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form 8-K filed December 22, 2005 (File No. 333-10834006)
10.13	Second Amended and Restated TransDigm Group Incorporated 2003 Stock Option Plan Dividend Equivalent Plan*	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed April 28, 2009 (File No. 001-32833)
10.14	Third Amended and Restated TransDigm Group Incorporated 2003 Stock Option Plan Dividend Equivalent Plan*	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed October 6, 2009 (File No. 001-32833)
10.15	Amended and Restated TransDigm Inc. Executive Retirement Savings Plan *	Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form 8-K filed December 22, 2005 (File No. 333-10834006)
10.16	TransDigm Group Incorporated 2006 Stock Incentive Plan Dividend Equivalent Plan *	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed June 6, 2008 (File No. 333-130483)
10.17	Amended and Restated TransDigm Group Incorporated 2006 Stock Incentive Plan Dividend Equivalent Plan*	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed April 28, 2009 (File No. 001-32833)
10.18	Second Amended and Restated TransDigm Group Incorporated 2006 Stock Incentive Plan Dividend Equivalent Plan*	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed October 6, 2009 (File No. 001-32833)

<u>Exhibit No.</u>	<u>Description</u>	<u>Filed Herewith or Incorporated by Reference From</u>
10.19	Form of Management Option Agreement, between TD Holding Corporation and the applicable executive regarding the rollover options granted to such executive *	Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form S-4, filed August 29, 2003 (File No. 333-10834006)
10.20	Form of Management Option Agreement, between TD Holding Corporation and the applicable executive regarding the time vested options granted to such executive under the 2003 Stock Option Plan (pre-IPO) *	Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form S-4, filed August 29, 2003 (File No. 333-10834006)
10.21	Form of Management Option Agreement, between TD Holding Corporation and the applicable executive regarding the performance vested options granted to such executive under the 2003 Stock Option Plan (pre-IPO) *	Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form S-4, filed August 29, 2003 (File No. 333-10834006)
10.22	Form of Management Option Agreement, between TransDigm Group Incorporated and the applicable executive regarding the time vested options granted to such executive under the Fourth Amended and Restated 2003 Stock Option Plan (post-IPO) *	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 28, 2006 (File No. 001-32833)
10.23	Form of Management Option Agreement, between TransDigm Group Incorporated and the applicable executive regarding the performance vested options granted to such executive under the Fourth Amended and Restated 2003 Stock Option Plan (post-IPO) *	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 28, 2006 (File No. 001-32833)
10.24	Form of Option Agreement under TransDigm Group Incorporated 2006 Stock Incentive Plan *	Incorporated by reference to Amendment No. 3 to TransDigm Group Incorporated's Form S-1 filed March 13, 2006 (File no. 333-130483)
10.25	Form of Option Agreement under 2008 stock incentive program under TransDigm Group Incorporated 2006 Stock Incentive Plan *	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed November 21, 2008 (File No. 333-130483)
10.26	Form of Restricted Stock Award Agreement under TransDigm Group Incorporated 2006 Stock Incentive Plan	Incorporated by reference to TransDigm Group Incorporated's Form 10-Q filed May 8, 2007 (File No. 001-32833)
10.27	Amended and Restated Stock Option Agreement dated June 2004 between TransDigm Group Incorporated and Michael Graff	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed October 6, 2009 (File No. 001-32833)
10.28	First Amendment to Amended and Restated Stock Option Agreement dated October 5, 2009 between TransDigm Group Incorporated and Michael Graff	Filed with Exhibit 10.27
10.29	Tax Sharing Agreement, dated July 22, 2003, among TD Holding Corporation, TransDigm Holding Company, TransDigm Inc. and such direct and indirect subsidiaries of TD Holding Corporation that are listed on Exhibit A thereto	Incorporated by reference to Amendment No. 1 to TransDigm Inc. and TransDigm Holding Company's Form S-4 filed October 30, 2003 (File No. 333-10834006)

<u>Exhibit No.</u>	<u>Description</u>	<u>Filed Herewith or Incorporated by Reference From</u>
10.30	Credit Agreement, dated June 23, 2006, among TransDigm Inc., TransDigm Group Incorporated, the subsidiaries of TransDigm Inc. from time to time party thereto, the financial institutions from time to time party thereto, as lenders, Credit Suisse, as administrative agent and collateral agent, Credit Suisse Securities (USA) LLC and Bank of America Securities LLC, as joint lead arrangers and joint bookrunners, Bank of America, N.A., as syndication agent, and Barclays Bank plc, General Electrical Capital Corporation and UBS Securities LLC, as co-documentation agents	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed on June 28, 2006 (File No. 001-32833)
10.31	Amendment No. 1. Consent and Agreement, dated January 25, 2007, to the Credit Agreement, dated June 23, 2006, among TransDigm Inc., TransDigm Group Incorporated, the subsidiaries of TransDigm Inc. from time to time party thereto, the financial institutions from time to time party thereto, as lenders, Credit Suisse, as administrative agent and collateral agent, Credit Suisse Securities (USA) LLC and Bank of America Securities LLC, as joint lead arrangers and joint bookrunners, Bank of America, N.A., as syndication agent, and Barclays Bank plc, General Electric Capital Corporation and UBS Securities LLC, as co-documentation agents	Incorporated by reference to TransDigm Inc. and TransDigm Holding Company's Form 8-K filed February 13, 2007 (File No. 333-130483)
10.32	Guarantee and Collateral Agreement, dated June 23, 2006, among TransDigm Inc., TransDigm Group Incorporated, the subsidiaries of TransDigm Inc. named therein and Credit Suisse, as administrative agent and collateral agent	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed June 28, 2006 (File No. 001-32833)
10.33	Supplement No. 1, dated November 2, 2006, to the Guarantee and Collateral Agreement, dated June 23, 2006, among TransDigm Inc., TransDigm Group Incorporated, the subsidiaries of TransDigm Inc. named therein and Credit Suisse, as administrative agent and collateral agent	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed November 6, 2006 (File No. 001-32833)
10.34	Supplement No. 2, dated February 7, 2007, to the Guarantee and Collateral Agreement, dated June 23, 2006, among TransDigm Inc., TransDigm Group Incorporated, the subsidiaries of TransDigm Inc. named therein and Credit Suisse as administrative and collateral agent	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed February 13, 2007 (File No. 333-130483)

<u>Exhibit No.</u>	<u>Description</u>	<u>Filed Herewith or Incorporated by Reference From</u>
10.35	Supplement No. 3, dated June 29, 2007, to the Guarantee and Collateral Agreement, dated June 23, 2006, among TransDigm Inc., TransDigm Group Incorporated, the subsidiaries of TransDigm Inc. named therein and Credit Suisse as administrative agent	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed July 6, 2007 (File No. 001-32833)
10.36	Supplement No. 4, dated September 10, 2007, to the Guarantee and Collateral Agreement, dated June 23, 2006, among TransDigm Inc., TransDigm Group Incorporated, the subsidiaries of TransDigm Inc. named therein and Credit Suisse as administrative agent	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed September 11, 2007 (File No. 001-32833)
10.37	Supplement No. 5 dated May 7, 2008, to the Guarantee and Collateral Agreement, dated June 23, 2006, among TransDigm Inc., TransDigm Group Incorporated, the subsidiaries of TransDigm Inc. named therein and Credit Suisse as administrative agent	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed May 9, 2008 (File No. 001-32833)
10.38	Supplement No. 6 dated December 16, 2008, to the Guarantee and Collateral Agreement, dated June 23, 2006, among TransDigm Inc., TransDigm Group Incorporated, the subsidiaries of TransDigm Inc. named therein and Credit Suisse as administrative agent	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed December 18, 2008 (File No. 001-32833)
10.39	Supplement No. 7 dated July 27, 2009, to the Guarantee and Collateral Agreement, dated June 23, 2006, among TransDigm Inc., TransDigm Group Incorporated, the subsidiaries of TransDigm Inc. named therein and Credit Suisse as administrative agent	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed July 29, 2009 (File No. 001-32833)
10.40	Joinder Agreement, dated November 2, 2006, between CDA InterCorp and Credit Suisse, as agent	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed November 6, 2006 (File No. 001-32833)
10.41	Joinder Agreement, dated February 7, 2007, among Aviation Technologies, Inc., Avtech Corporation, Transicoil Corp., West Coast Specialties, Inc., Malaysian Aerospace Services, Inc. and Credit Suisse as administrative agent and collateral agent	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed February 13, 2007 (File No. 333-130483)
10.42	Joinder Agreement dated June 29, 2007, between AeroControlex Group, Inc. and Credit Suisse, as agent	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed July 6, 2007 (File No. 001-32833)
10.43	Joinder Agreement dated September 10, 2007, between Bruce Aerospace Inc. and Bruce Industries, Inc. and Credit Suisse as agent	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed September 11, 2007 (File No. 001-32833)
10.44	Joinder Agreement dated May 7, 2008, between CEF Industries, Inc., and Credit Suisse as agent	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed May 9, 2008 (File No. 001-32833)

<u>Exhibit No.</u>	<u>Description</u>	<u>Filed Herewith or Incorporated by Reference From</u>
10.45	Joinder Agreement dated December 16, 2008, between Aircraft Parts Corporation and Credit Suisse as agent	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed December 18, 2008 (File No. 001-32833)
10.46	Joinder Agreement dated July 27, 2009, between Acme Aerospace, Inc., and Credit Suisse as agent	Incorporated by reference to TransDigm Group Incorporated's Form 8-K filed July 29, 2009 (File No. 001-32833)
12.1	Statement of Computation of Ratio of Earnings to Fixed Charges	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 24, 2009 (File No. 001-32833)
21.1	Subsidiaries of TransDigm Group Incorporated	Incorporated by reference to TransDigm Group Incorporated's Form 10-K filed November 24, 2009 (File No. 001-32833)
23.1	Consent of Independent Registered Public Accounting Firm	Filed herewith
31.1	Certification by Principal Executive Officer of TransDigm Group Incorporated pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.2	Certification by Principal Financial Officer of TransDigm Group Incorporated pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.1	Certification by Principal Executive Officer of TransDigm Group Incorporated pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.2	Certification by Principal Financial Officer of TransDigm Group Incorporated pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith

* Indicates management contract or compensatory plan contract or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

TRANSDIGM GROUP INCORPORATED

Date: February 10, 2010

By: _____ /s/ GREGORY RUFUS
Name: **Gregory Rufus**
Title: **Executive Vice President, Chief Financial Officer and Secretary**

TRANSDIGM GROUP INCORPORATED AND SUBSIDIARIES
ANNUAL REPORT ON FORM 10-K:
FISCAL YEAR ENDED SEPTEMBER 30, 2009
ITEM 8 AND ITEM 15(a) (1)
FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA
INDEX

	<u>Page</u>
Financial Statements:	
<u>Report of Independent Registered Public Accounting Firm</u>	F-1
<u>Consolidated Balance Sheets as of September 30, 2009 and 2008</u>	F-2
<u>Consolidated Statements of Income for Fiscal Years Ended September 30, 2009, 2008 and 2007.</u>	F-3
<u>Consolidated Statements of Changes in Stockholders' Equity for Fiscal Years Ended September 30, 2009, 2008 and 2007.</u>	F-4
<u>Consolidated Statements of Cash Flows for Fiscal Years Ended September 30, 2009, 2008 and 2007.</u>	F-5
<u>Notes to Consolidated Financial Statements for Fiscal Years Ended September 30, 2009, 2008 and 2007.</u>	F-6 – F-34
Supplementary Data:	
<u>Valuation and Qualifying Accounts for the Fiscal Years Ended September 30, 2009, 2008 and 2007.</u>	F-35

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of
TransDigm Group Incorporated

We have audited the accompanying consolidated balance sheets of TransDigm Group Incorporated and subsidiaries as of September 30, 2009 and 2008, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended September 30, 2009. Our audit also included the financial statement schedule listed in the Index at Item 15(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of TransDigm Group Incorporated and subsidiaries at September 30, 2009 and 2008, and the consolidated results of their operations and their cash flows for each of the three years in the period ended September 30, 2009, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

As discussed in Note 5, *Earnings per Share (Restated)*, the consolidated financial statements have been restated.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of TransDigm Group Incorporated's internal control over financial reporting as of September 30, 2009, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated November 24, 2009, except for the effects of the material weakness described in the sixth paragraph of that report, as to which the date is February 10, 2010, expressed an adverse opinion thereon.

/s/ Ernst & Young LLP

Cleveland, Ohio
November 24, 2009, except for Notes 5 and 21
as to which the date is February 10, 2010

TRANSDIGM GROUP INCORPORATED
CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 30, 2009 AND 2008
(Amounts in thousands, except share amounts)

	2009	2008
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 190,167	\$ 159,062
Trade accounts receivable—Net	106,446	96,196
Inventories	167,766	144,114
Deferred income taxes	18,700	19,902
Prepaid expenses and other	11,675	4,160
Total current assets	494,754	423,434
PROPERTY, PLANT AND EQUIPMENT—Net	96,751	96,241
GOODWILL	1,462,310	1,354,774
TRADEMARKS AND TRADE NAMES	176,156	167,626
OTHER INTANGIBLE ASSETS—Net	196,765	188,568
DEBT ISSUE COSTS—Net	24,089	19,309
OTHER	3,615	5,869
TOTAL ASSETS	<u>\$ 2,454,440</u>	<u>\$ 2,255,821</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 44,680	\$ 25,140
Accrued liabilities	55,072	63,362
Total current liabilities	99,752	88,502
LONG-TERM DEBT	1,356,761	1,357,230
DEFERRED INCOME TAXES	162,745	151,672
OTHER NON-CURRENT LIABILITIES	16,020	4,517
Total liabilities	<u>1,635,278</u>	<u>1,601,921</u>
STOCKHOLDERS' EQUITY:		
Common stock—\$.01 par value; authorized 224,400,000 shares; issued 49,448,028 and 48,600,848 at September 30, 2009 and 2008, respectively	494	486
Additional paid-in capital	388,772	365,224
Retained earnings	450,647	287,745
Accumulated other comprehensive income/(loss)	(5,509)	445
Treasury stock, at cost; 494,100 and 0 shares at September 30, 2009 and September 30, 2008, respectively	(15,242)	—
Total stockholders' equity	<u>819,162</u>	<u>653,900</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 2,454,440</u>	<u>\$ 2,255,821</u>

See Notes to Consolidated Financial Statements.

TRANSDIGM GROUP INCORPORATED
CONSOLIDATED STATEMENTS OF INCOME
(Amounts in thousands, except per share amounts)

	Fiscal Years Ended		
	2009	2008	2007
NET SALES	\$ 761,552	\$ 713,711	\$ 592,798
COST OF SALES	332,206	327,780	283,766
GROSS PROFIT	429,346	385,931	309,032
OPERATING EXPENSES:			
Selling and administrative	80,018	74,650	62,890
Amortization of intangibles	13,928	12,002	12,304
Total operating expenses	93,946	86,652	75,194
INCOME FROM OPERATIONS	335,400	299,279	233,838
INTEREST EXPENSE—Net	84,398	92,677	91,767
INCOME BEFORE INCOME TAXES	251,002	206,602	142,071
INCOME TAX PROVISION	88,100	73,476	53,426
NET INCOME	<u>\$ 162,902</u>	<u>\$ 133,126</u>	<u>\$ 88,645</u>
Earnings per share, as restated:			
Basic	\$ 3.10	\$ 2.56	\$ 1.75
Diluted	\$ 3.10	\$ 2.56	\$ 1.75
Denominator for basic and diluted earnings per share, as restated	52,539	52,098	50,564
Net earnings per share, as reported:			
Basic	\$ 3.36	\$ 2.78	\$ 1.94
Diluted	\$ 3.23	\$ 2.65	\$ 1.83
Weighted-average shares outstanding, as reported:			
Basic	48,481	47,856	45,630
Diluted	50,459	50,202	48,542

See Notes to Consolidated Financial Statements.

TRANSDIGM GROUP INCORPORATED
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Amounts in thousands, except share amounts)

	Common Stock			Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Treasury Stock		Total
	Number of Shares	Common Stock	Additional Paid-In Capital			Number of Shares	Value	
BALANCE—October 1, 2006	44,664,020	\$ 446	\$ 296,757	\$ 67,667	\$ (1,829)	—	\$ —	\$363,041
Compensation expense recognized for employee stock options	—	—	3,455	—	—	—	—	3,455
Excess tax benefit from exercise of stock options	—	—	23,627	—	—	—	—	23,627
Exercise of employee stock options	2,369,802	24	8,450	—	—	—	—	8,474
Restricted stock compensation	—	—	32	—	—	—	—	32
Common stock issued	8,152	—	201	—	—	—	—	201
Comprehensive income:								
Net income	—	—	—	88,645	—	—	—	88,645
Interest rate swap	—	—	—	—	(14)	—	—	(14)
Other comprehensive income	—	—	—	—	90	—	—	90
Comprehensive income								88,721
BALANCE—September 30, 2007	47,041,974	470	332,522	156,312	(1,753)	—	—	\$487,551
Cumulative effect adjustment	—	—	—	(1,693)	—	—	—	(1,693)
Compensation expense recognized for employee stock options	—	—	4,002	—	—	—	—	4,002
Excess tax benefit from exercise of stock options	—	—	18,756	—	—	—	—	18,756
Exercise of employee stock options	1,553,509	16	9,753	—	—	—	—	9,769
Restricted stock compensation	—	—	33	—	—	—	—	33
Common stock issued	5,365	—	158	—	—	—	—	158
Comprehensive income:								
Net income	—	—	—	133,126	—	—	—	133,126
Interest rate swap	—	—	—	—	2,202	—	—	2,202
Other comprehensive income	—	—	—	—	(4)	—	—	(4)
Comprehensive income								135,324
BALANCE—September 30, 2008	48,600,848	486	365,224	287,745	445	—	—	\$653,900
Treasury stock purchased	—	—	—	—	—	(494,100)	(15,242)	(15,242)
Compensation expense recognized for employee stock options	—	—	5,782	—	—	—	—	5,782
Excess tax benefit from exercise of stock options	—	—	9,278	—	—	—	—	9,278
Exercise of employee stock options	842,750	8	8,337	—	—	—	—	8,345
Restricted stock compensation	—	—	31	—	—	—	—	31
Common stock issued	4,430	—	120	—	—	—	—	120
Comprehensive income:								
Net income	—	—	—	162,902	—	—	—	162,902
Interest rate swap	—	—	—	—	(5,306)	—	—	(5,306)
Other comprehensive loss	—	—	—	—	(648)	—	—	(648)
Comprehensive income								156,948
BALANCE—September 30, 2009	49,448,028	\$ 494	\$ 388,772	\$ 450,647	\$ (5,509)	(494,100)	\$(15,242)	\$819,162

See Notes to Consolidated Financial Statements.

TRANSDIGM GROUP INCORPORATED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)

	Fiscal Years Ended September 30,		
	2009	2008	2007
OPERATING ACTIVITIES:			
Net income	\$ 162,902	\$ 133,126	\$ 88,645
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	13,593	13,252	11,648
Amortization of intangibles	13,928	12,002	12,304
Amortization/write-off of debt issue costs	3,251	3,097	3,147
Non-cash equity compensation	5,813	4,035	3,487
Excess tax benefit from exercise of stock options	(9,278)	(18,756)	(23,627)
Deferred income taxes	8,800	7,335	6,230
Changes in assets and liabilities, net of effects from acquisitions of businesses:			
Trade accounts receivable	(346)	7,103	(17,401)
Inventories	(4,518)	878	(5,624)
Income taxes receivable	3,933	25,815	28,607
Other assets	(2,335)	431	(2,564)
Accounts payable	8,808	(333)	1,642
Accrued and other liabilities	(7,439)	1,650	5,942
Net cash provided by operating activities	<u>197,112</u>	<u>189,635</u>	<u>112,436</u>
INVESTING ACTIVITIES:			
Capital expenditures	(13,155)	(10,884)	(10,258)
Acquisition of businesses	(155,233)	(154,160)	(511,407)
Net cash used in investing activities	<u>(168,388)</u>	<u>(165,044)</u>	<u>(521,665)</u>
FINANCING ACTIVITIES:			
Excess tax benefit from exercise of stock options	9,278	18,756	23,627
Proceeds from exercise of stock options	8,345	9,769	8,450
Treasury stock purchased	(15,242)	—	—
Borrowings under Senior Secured Credit Facility—net of fees	—	—	125,423
Proceeds from 7 ³ / ₄ % Senior Subordinated Notes—net of fees	—	—	296,458
Net cash provided by (used in) financing activities	<u>2,381</u>	<u>28,525</u>	<u>453,958</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	31,105	53,116	44,729
CASH AND CASH EQUIVALENTS—Beginning of period	159,062	105,946	61,217
CASH AND CASH EQUIVALENTS—End of period	<u>\$ 190,167</u>	<u>\$ 159,062</u>	<u>\$ 105,946</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the period for interest	<u>\$ 82,247</u>	<u>\$ 95,099</u>	<u>\$ 90,693</u>
Net cash paid during the period for income taxes	<u>\$ 75,306</u>	<u>\$ 39,918</u>	<u>\$ 18,592</u>

See Notes to Consolidated Financial Statements.

TRANSDIGM GROUP INCORPORATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF THE BUSINESS

Description of the Business—TransDigm Group Incorporated (“TD Group”), through its wholly-owned subsidiary, TransDigm Inc., is a leading global designer, producer and supplier of highly engineered aircraft components for use on nearly all commercial and military aircraft in service today. TransDigm Inc. (which includes the Adel Wiggins Group), along with TransDigm Inc.’s direct and indirect wholly-owned operating subsidiaries, AeroControlex Group, Inc., MarathonNorco Aerospace, Inc., Adams Rite Aerospace, Inc., Champion Aerospace LLC, Avionic Instruments LLC, Skurka Aerospace Inc., CDA InterCorp LLC, Avtech Corporation, Transicoil LLC, Transicoil (Malaysia) Sendirian Berhad, Bruce Aerospace, Inc., CEF Industries LLC, Aircraft Parts Corporation and Acme Aerospace, Inc. (collectively, with TD Group, the “Company” or “TransDigm”) offers a broad range of proprietary aerospace components. TD Group has no significant assets or operations other than its 100% ownership of TransDigm Inc. TD Group’s common stock is listed on The New York Stock Exchange, or the NYSE, under the trading symbol “TDG.”

Major product offerings, substantially all of which are ultimately provided to end-users in the aerospace industry, include mechanical/electromechanical actuators and controls, ignition systems and components, gear pumps, specialized valves, engineered connectors, power conditioning devices, specialized fluorescent lighting, specialized AC/DC electric motors, aircraft audio systems, engineered latches and cockpit security devices, lavatory hardware and components, hold open rods and locking devices, specialized cockpit displays, elastomers, NiCad batteries/chargers and starter generators and related components.

Separate Financial Statements—Separate financial statements of TransDigm Inc. are not presented since the 7^{3/4}% senior subordinated notes (“the 7^{3/4}% Senior Subordinated Notes”) are fully and unconditionally guaranteed on a senior subordinated basis by TD Group and all existing domestic subsidiaries of TransDigm Inc. and since TD Group has no significant operations or assets separate from its investment in TransDigm Inc.

2. ACQUISITIONS

Woodward HRT Product Line—On August 10, 2009, TransDigm Inc., through its AeroControlex Group Inc. subsidiary, acquired certain product line assets of Woodward HRT, Inc., a subsidiary of Woodward Governor Company (“Woodward HRT product line”) for approximately \$48 million in cash, subject to adjustment based on the level of working capital as of the closing date of the acquisition. The product line comprises a range of highly engineered fuel and pneumatic valves and surge suppressors, the majority of which are used on military rotary and fixed wing aircraft, all of which fit well with TransDigm’s overall business direction. Woodward Governor recently acquired this business as part of its acquisition of HR Textron, Inc. The Company expects that the \$25 million of goodwill recognized for the acquisition will be deductible for tax purposes.

Acme Aerospace—On July 24, 2009, TransDigm Inc. acquired all of the outstanding capital stock of Acme Aerospace, Inc. (“Acme”) for approximately \$40.7 million in cash, which includes a purchase price adjustment of \$0.2 million paid in October 2009. Acme is a designer and manufacturer of proprietary, highly engineered components to the commercial aerospace industry, comprising primarily fibrous nickel cadmium main ship batteries, battery chargers, battery back-up systems and power conversion equipment. These products fit well with TransDigm’s overall business direction. The Company expects that the \$31 million of goodwill recognized for the acquisition will not be deductible for tax purposes.

Aircraft Parts Corporation—On December 16, 2008, TransDigm Inc. acquired all of the outstanding capital stock of Aircraft Parts Corporation (“APC”) for approximately \$66.9 million in cash, net of a purchase price

adjustment of \$0.7 million received in November 2009. APC is a designer and manufacturer of starter generators, generator control units and related components for turbine engines, all of which fit well with TransDigm's overall business direction. The Company expects that the \$50 million of goodwill recognized for the acquisition will not be deductible for tax purposes.

Unison Product Line—On September 26, 2008, TransDigm Inc., through its wholly-owned Champion Aerospace, LLC subsidiary, acquired certain assets related to the magneto and harness product line business of Unison Industries, LLC ("Unison product line") for approximately \$68.3 million in cash, net of a purchase price adjustment of \$1.1 million received in November 2008. The acquired product line includes the highly engineered SLICK™ magnetos, harnesses and components, which are used on substantially all of the world's general aviation piston aircraft. These products fit well with Champion's existing product offerings and TransDigm's overall business direction. The Company expects that the \$60 million of goodwill recognized for the acquisition will be deductible for tax purposes.

CEF—On May 7, 2008, TransDigm Inc. acquired all of the outstanding capital stock of CEF Industries, Inc. ("CEF") for approximately \$84.5 million in cash, net of a purchase price adjustment of \$0.5 million received in January 2009. CEF is a designer and manufacturer of specialized and highly engineered actuators, compressors, pumps and related components primarily for the military aerospace market, all of which fit well with TransDigm's overall business direction. The Company expects that the \$52 million of goodwill recognized for the acquisition will not be deductible for tax purposes.

Bruce—On August 10, 2007, TransDigm Inc., through a newly formed subsidiary, Bruce Aerospace Inc. ("Bruce"), acquired certain assets and assumed certain liabilities of Bruce Industries for approximately \$35.5 million in cash, net of a purchase price adjustment of \$0.2 million received in February 2008. Additionally, in accordance with the purchase agreement, the Company recorded a contingent liability based upon the earnings before income taxes, depreciation and amortization related to the sale of certain part numbers for a period of three years following the closing. Bruce designs and manufactures specialized fluorescent lighting used in the aircraft industry. The proprietary nature, established positions, and aftermarket content fit well with TransDigm's overall business direction. The Company expects that the \$24 million of goodwill recognized for the acquisition will be deductible for tax purposes.

ATI—On February 7, 2007, TransDigm Inc. acquired all of the outstanding capital stock of Aviation Technologies, Inc. ("ATI") for approximately \$430 million in cash. ATI consists of two primary operating units that service the commercial and military aerospace markets—Avtech Corporation ("Avtech") and Transicoil LLC (which, together with Transicoil (Malaysia) Sendirian Berhad, is referred to as "ADS/Transicoil"). Avtech is a supplier of flight deck and passenger audio systems, cabin lighting, and power control products and related components. ADS/Transicoil is a supplier of displays, clocks, brushless motors and related components and instruments. Through Avtech and ADS/Transicoil, ATI manufactures proprietary products for the aerospace industry with broad platform positions and high aftermarket content, all of which fit well with TransDigm's overall direction. Substantially all of the goodwill of \$308 million recognized in accounting for the acquisition will not be deductible for tax purposes.

Mr. W. Nicholas Howley, Chairman and Chief Executive Officer of TransDigm, and Mr. Douglas Peacock, a director of TransDigm, each indirectly owned less than one-half of 1% of ATI's outstanding equity on a fully diluted basis. In addition, prior to the acquisition, Mr. Howley and Mr. Peacock were directors of ATI commencing in 2003, and Mr. Peacock served as ATI's Chairman from 2003 through February 2007.

CDA—On October 3, 2006, TransDigm Inc. acquired all of the outstanding capital stock of CDA InterCorp ("CDA") for \$45.7 million in cash, which includes a purchase price adjustment of \$0.3 million paid in March 2007. CDA designs and manufactures specialized controllable drive actuators, motors, transducers, and gearing. The products are consistent with TransDigm's recent acquisition of similar product lines. Goodwill of \$34 million recognized in accounting for the acquisition is not deductible for tax purposes.

The Company accounted for the acquisitions of the businesses of the Woodward HRT product line, Acme, APC, the Unison product line, CEF, Bruce, ATI and CDA (collectively, the "Acquisitions") as purchases and included the results of operations of the Acquisitions in its consolidated financial statements from the effective date of each acquisition. The Company is in the process of obtaining third-party valuations of certain tangible and intangible assets of APC, Acme and the Woodward HRT product line; thus, the values attributed to acquired assets in the consolidated financial statements are subject to adjustment. Pro forma net sales and results of operations for the Acquisitions, had the Acquisitions occurred at the beginning of the applicable fiscal year ended September 30, 2009 or 2008, are not significant and, accordingly, are not provided.

The Acquisitions strengthen and expand the Company's position to design, produce and supply highly-engineered proprietary aerospace components in niche markets with significant aftermarket content and provide opportunities to create value through the application of our three core value-driven operating strategies. The purchase price paid for each acquisition reflects the current earnings before interest, taxes, depreciation and amortization (EBITDA) and cash flows, as well as, the future EBITDA and cash flows expected to be generated by the business, which are driven in most cases by the recurring aftermarket consumption over the life of a particular aircraft, estimated to be approximately 30 years.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Consolidation—The accompanying consolidated financial statements were prepared in conformity with generally accepted accounting principles in the United States ("GAAP") and include the accounts of TD Group and subsidiaries. All significant intercompany balances and transactions have been eliminated.

Revenue Recognition and Related Allowances—The Company recognizes substantially all revenue based upon shipment of products to the customer, at which time title and risk of loss passes to the customer. Substantially all sales are made pursuant to firm, fixed-price purchase orders received from customers. Provisions for estimated returns, uncollectible accounts and the cost of repairs under contract warranty provisions are provided for in the same period as the related revenues are recorded and are principally based on historical results modified, as appropriate, by the most current information available. Due to uncertainties in the estimation process, it is possible that actual results may vary from the estimates.

Shipping and Handling Costs—All shipping and handling costs are included in cost of sales in the Consolidated Statements of Income.

Research and Development Costs—The Company expenses research and development costs as incurred. The expense recognized for research and development costs for the years ended September 30, 2009, 2008 and 2007 was approximately \$12.6 million, \$13.2 million, and \$9.6 million, respectively.

Cash Equivalents—The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Allowance for Uncollectible Accounts—The Company reserves for amounts determined to be uncollectible based on specific identification of losses and estimated losses based on historical experience. The allowance also incorporates a provision for the estimated impact of disputes with customers. The determination of the amount of the allowance for doubtful accounts is subject to significant levels of judgment and estimation by management. If circumstances change or economic conditions deteriorate or improve, the allowance for doubtful accounts could increase or decrease.

Inventories—Inventories are stated at the lower of cost or market. Cost of inventories is determined by the average cost and the first-in, first-out (FIFO) methods for all locations except CEF, which determines the cost of inventories using the last-in, first-out (LIFO) method. Approximately 9% of the inventory was valued under the

LIFO method at September 30, 2009. Provision for potentially obsolete or slow-moving inventory is made based on management's analysis of inventory levels and future sales forecasts. In accordance with industry practice, all inventories are classified as current assets even though a portion of the inventories may not be sold within one year.

Property, Plant and Equipment—Property, plant and equipment are stated at cost. Depreciation is computed using the straight-line method over the following estimated useful lives: land improvements from 10 to 20 years, buildings and improvements from 5 to 30 years, machinery and equipment from 2 to 10 years and furniture and fixtures from 3 to 10 years.

The Company assesses the potential impairment of its property by determining whether the carrying value of the property can be recovered through projected, undiscounted cash flows from future operations over the property's remaining estimated useful life. Any impairment recognized is the amount by which the carrying amount exceeds the fair value of the asset.

Debt Issue Costs, Premiums and Discounts—The cost of obtaining financing as well as premiums and discounts are amortized using the effective interest method over the terms of the respective obligations/securities.

Intangible Assets—Intangible assets consist of identifiable intangibles acquired or recognized in accounting for the acquisitions (trademarks, trade names, technology, order backlog and a license agreement) and goodwill. Goodwill and intangible assets that have indefinite useful lives are subject to annual impairment testing. The Company's annual impairment test is performed as of its fiscal year end. Management determines fair value using a discounted future cash flow analysis or other accepted valuation techniques.

GAAP requires that the annual, and any interim, impairment assessment be performed at the reporting unit level. The reporting unit level is the operating subsidiary level for the Company. Substantially all goodwill was determined and recognized for each operating subsidiary pursuant to the accounting for the merger or acquisition as of the date of each transaction, and therefore the allocation of goodwill among reporting units was immaterial for purposes of the impairment assessment. Certain of the acquisitions were or are being integrated into an existing operating subsidiary, and therefore any related goodwill is combined with goodwill of the operating subsidiary.

A two-step impairment test is used to identify potential goodwill impairment. The first step of the goodwill impairment test, used to identify potential impairment, compares the fair value of a reporting unit (as defined) with its carrying amount, including goodwill. If the fair value of the reporting unit exceeds its carrying amount, goodwill is not considered impaired, and the second step of the goodwill impairment test is unnecessary. The second step measures the amount of impairment, if any, by comparing the carrying value of the goodwill associated with a reporting unit to the implied fair value of the goodwill derived from the estimated overall fair value of the reporting unit and the individual fair values of the other assets and liabilities of the reporting unit.

The impairment test for indefinite lived intangible assets consists of a comparison between their fair values and carrying values. If the carrying amounts of intangible assets that have indefinite useful lives exceed their fair values, an impairment loss will be recognized in an amount equal to the sum of any such excesses.

The Company assesses the recoverability of its amortizable intangible assets by determining whether the amortization over their remaining lives can be recovered through projected, undiscounted cash flows from future operations.

Stock Option and Deferred Compensation Plans—The Company records stock-based compensation measured using the fair value method of accounting. Compensation expense is recorded over the service period using the straight-line method for service-based awards and in the service period corresponding to the performance target for performance-based awards. Beginning in fiscal 2009, stock-based compensation expense was adjusted for projected forfeitures based on historical experience.

The Company accounts for its deferred compensation plans by recording the cost of deferred compensation arrangements over the service period of the related employees in a systematic and rational manner.

Income Taxes—The Company accounts for income taxes using an asset and liability approach. Deferred taxes are recorded for the difference between the book and tax basis of various assets and liabilities. A valuation allowance is provided when it is more likely than not that some or all of a deferred tax asset will not be realized.

On October 1, 2007, the Company adopted authoritative guidance establishing the minimum accounting and disclosure requirements of uncertain tax positions. The Company recognized a cumulative effect adjustment of \$1.7 million, increasing its liability for unrecognized tax benefits, interest, and penalties and reducing the October 1, 2007 balance of retained earnings.

Contingencies—During the ordinary course of business, the Company is from time to time threatened with, or may become a party to, legal actions and other proceedings. While the Company is currently involved in certain legal proceedings, it believes the results of these proceedings will not have a material adverse effect on its financial condition, results of operations, or cash flows. The Company believes that its potential exposure to such legal actions is adequately covered by its aviation product and general liability insurance.

Estimates—The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Comprehensive Income (Loss)—The term “comprehensive income (loss)” represents the change in stockholders’ equity from transactions and other events and circumstances resulting from non-stockholder sources. The Company’s accumulated other comprehensive income or loss, consisting principally of its interest rate swaps, is reported separately in the accompanying consolidated statements of changes in stockholders’ equity, net of taxes of \$3.4 million, (\$0.1) million, and \$1.1 million as of September 30, 2009, 2008 and 2007, respectively. See Note 19 to the Consolidated Financial Statements.

Segment Reporting—Management evaluates the Company as one reporting segment in the aerospace industry. The Company is engaged in the design, manufacture and sale of highly engineered aircraft components used in aerospace and defense applications through its wholly-owned subsidiaries. Substantially all of the Company’s operations are located within the United States.

Earnings per Share—Earnings per share information is determined using the two-class method, which includes the weighted-average number of common shares outstanding during the period and other securities that participate in dividends (“participating securities”). Our vested stock options are considered “participating securities” because they include non-forfeitable rights to dividends. In applying the two-class method, earnings are allocated to both common stock shares and participating securities based on their respective weighted-average shares outstanding for the period. Diluted earnings per share information may include the additional effect of other securities, if dilutive, in which case the dilutive effect of such securities is calculated using the treasury stock method.

Reclassifications—Certain prior year amounts have been reclassified within current liabilities to conform to the current year presentation. The changes were made for disclosure purposes only and did not have an impact on the Consolidated Financial Statements.

4. RECENT ACCOUNTING PRONOUNCEMENTS

New Accounting Standards Adopted in Fiscal 2009

In June 2009, the Financial Accounting Standards Board (“FASB”) issued authoritative guidance codifying GAAP. While the guidance was not intended to change GAAP, it did change the way the Company references these accounting principles in the Notes to the Consolidated Financial Statements. This guidance was effective for interim and annual reporting periods ending after September 15, 2009. The Company’s adoption of this authoritative guidance as of September 30, 2009 changed how it references GAAP in its disclosures.

In May 2009, the FASB issued authoritative guidance establishing general standards of accounting and disclosures for events that occur after the balance sheet date, but before financial statements are issued.

Application of this authoritative guidance was required for interim or annual financial periods ending after June 15, 2009. The Company's adoption of this guidance during fiscal 2009 resulted in additional disclosures. See Note 21.

In September 2006, the FASB issued authoritative guidance that defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and also expands disclosures about fair value measurements. Fair value is defined as the price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The adoption of this guidance for financial assets and liabilities effective October 1, 2008 did not have a material impact on the Company's consolidated financial position, results of operations or cash flows. See Note 17.

In addition, at various dates the FASB has issued authoritative guidance requiring additional disclosures about the fair value of financial instruments and derivatives and hedging activities that were effective for the Company during fiscal 2009. The Company's adoption of this guidance resulted in additional disclosures. See Notes 17 and 18.

New Accounting Standards Not Yet Adopted

In December 2007, the FASB issued authoritative guidance requiring assets and liabilities acquired in a business combination, contingent consideration, and certain acquired contingencies to be measured at their fair values as of the date of acquisition. This guidance also requires that acquisition-related costs and restructuring costs be recognized separately from the business combination. This authoritative guidance is effective for fiscal years beginning after December 15, 2008 and is therefore applicable to the Company effective October 1, 2009. The implementation of this guidance will affect the Company's results of operations and financial position after its effective date only to the extent it completes applicable business combinations subsequent to the effective date and, therefore, the impact of this guidance cannot be determined prior to the completion of any applicable business combination transactions.

5. EARNINGS PER SHARE (RESTATED)

We restated our basic and diluted earnings per share and weighted average shares outstanding calculations to give effect to participating securities under the two-class method of calculating earnings per share. Historically, the Company had utilized the "treasury stock method" in order to give effect to outstanding "in-the-money" stock options. Under the two-class method, securities that participate in dividends, such as the Company's outstanding stock options which include non-forfeitable rights to dividends, are considered "participating securities."

The following table sets forth the computation of basic and diluted earnings per share (in thousands, except per share data):

	Fiscal Years Ended September 30,		
	2009	2008	2007
Numerator for earnings per share:			
Net income	\$ 162,902	\$ 133,126	\$ 88,645
Denominator for basic and diluted earnings per share, as restated:			
Weighted average common shares outstanding	48,481	47,856	45,630
Vested options deemed participating securities	4,058	4,242	4,934
Total shares for basic and diluted earnings per share	52,539	52,098	50,564
Earnings per share, as restated:			
Basic	\$ 3.10	\$ 2.56	\$ 1.75
Diluted	\$ 3.10	\$ 2.56	\$ 1.75
Earnings per share, as reported:			
Basic	\$ 3.36	\$ 2.78	\$ 1.94
Diluted	\$ 3.23	\$ 2.65	\$ 1.83
Weighted average shares outstanding, as reported:			
Basic	48,481	47,856	45,630
Diluted	50,459	50,202	48,542

6. SALES AND TRADE ACCOUNTS RECEIVABLE

Sales—The Company's sales and receivables are concentrated in the aerospace industry. TransDigm's customers include: distributors of aerospace components; commercial airlines, large commercial transport and regional and business aircraft OEMs; various armed forces of the United States and friendly foreign governments; defense OEMs; system suppliers; and various other industrial customers.

Information concerning the Company's net sales by its major product offerings is as follows for the periods indicated below (in thousands):

	Years Ended September 30,		
	2009	2008	2007
Mechanical/electro-mechanical actuators and controls	\$ 123,193	\$ 101,381	\$ 73,940
Ignition systems and components	96,758	82,146	78,676
Gear pumps	71,645	66,065	63,275
Power conditioning devices	57,957	50,734	42,048
Specialized valves	55,357	53,251	47,434
AC/DC electric motors	52,805	40,313	34,075
Engineered connectors	46,697	50,770	48,773
Power, lighting and control	40,291	50,694	22,549
Engineered latching and locking devices	34,663	38,742	39,360
Audio systems	33,112	39,728	24,499
Specialized cockpit displays	30,861	26,885	16,841
Rods and locking devices	29,328	29,414	27,924
Lavatory hardware	27,825	33,638	30,626
NiCad batteries/chargers	25,337	23,444	23,660
Elastomers	21,944	26,506	19,118
Generator controls	13,779	—	—
Total	<u>\$ 761,552</u>	<u>\$ 713,711</u>	<u>\$ 592,798</u>

For the year ended September 30, 2009, two customers accounted for approximately 13% and 9% of the Company's net sales, respectively. For the year ended September 30, 2008, two customers accounted for approximately 14% and 10% of the Company's net sales, respectively. For the year ended September 30, 2007, two customers accounted for approximately 16% and 11% of the Company's net sales, respectively. Export sales to customers, primarily in Western Europe, Canada and Asia, were \$150.4 million during fiscal 2009, \$144.3 million during fiscal 2008 and \$143.0 million during fiscal 2007.

Trade Accounts Receivable—Trade accounts receivable consist of the following at September 30 (in thousands):

	2009	2008
Trade accounts receivable—gross	\$ 108,894	\$ 98,378
Allowance for uncollectible accounts	(2,448)	(2,182)
Trade accounts receivable—net	<u>\$ 106,446</u>	<u>\$ 96,196</u>

Approximately 23% of the Company's trade accounts receivable at September 30, 2009 was due from two customers. In addition, approximately 19% of the Company's trade accounts receivable was due from entities that principally operate outside of the United States. Credit is extended based on an evaluation of each customer's financial condition and collateral is generally not required.

7. INVENTORIES

Inventories consist of the following at September 30 (in thousands):

	2009	2008
Work-in-progress and finished goods	\$ 78,423	\$ 78,467
Raw materials and purchased component parts	104,729	81,750
Total	183,152	160,217
Reserve for excess and obsolete inventory	(17,018)	(15,862)
LIFO reserve	1,632	(241)
Inventories—net	<u>\$167,766</u>	<u>\$144,114</u>

8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following at September 30 (in thousands):

	2009	2008
Land and improvements	\$ 28,746	\$ 28,715
Buildings and improvements	40,087	36,127
Machinery, equipment and other	85,197	77,091
Construction in progress	5,686	3,828
Total	159,716	145,761
Accumulated depreciation	(62,965)	(49,520)
Property, plant and equipment—net	<u>\$ 96,751</u>	<u>\$ 96,241</u>

9. INTANGIBLE ASSETS

Intangibles assets subject to amortization consist of the following at September 30 (in thousands):

	2009			2008		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Technology	\$ 228,884	\$ 41,276	\$ 187,608	\$ 210,625	\$ 31,369	\$ 179,256
Order backlog	21,340	18,914	2,426	17,520	15,698	1,822
License agreement	9,373	3,272	6,101	9,373	2,741	6,632
Other	1,600	970	630	1,600	742	858
Total	<u>\$ 261,197</u>	<u>\$ 64,432</u>	<u>\$ 196,765</u>	<u>\$ 239,118</u>	<u>\$ 50,550</u>	<u>\$ 188,568</u>

Information regarding the amortization expense of amortizable intangible assets is detailed below (in thousands):

Aggregate Amortization Expense:

Years ended September 30,	
2009	\$ 13,928
2008	12,002
2007	12,304

Estimated Amortization Expense:

<u>Years ending September 30,</u>	
2010	\$ 13,800
2011	11,400
2012	11,400
2013	11,400
2014	11,400

The total carrying amount of identifiable intangible assets not subject to amortization consisted of trademarks and trade names in the amount of \$176.2 million and \$167.6 million at September 30, 2009 and September 30, 2008, respectively. The Company performed its annual impairment test of goodwill and intangible assets that have indefinite lives as of September 30, 2009 and 2008 and determined that no impairment had occurred.

Intangible assets acquired during the year ended September 30, 2009 were as follows (in thousands):

	<u>Cost</u>	<u>Amortization Period</u>
Intangible assets not subject to amortization:		
Goodwill	\$ 106,968	None
Trademarks and trade names	8,530	None
Intangible assets subject to amortization:		
Technology	16,320	22 years
Order backlog	3,820	1 year
	<u>20,140</u>	<u>18 years</u>
Total	<u>\$ 135,638</u>	

The changes in the carrying amount of goodwill for the fiscal years ended September 30, 2008 and 2009 were as follows (in thousands):

Balance at September 30, 2007	\$ 1,247,870
Goodwill acquired during the year (Note 2)	108,966
Other	<u>(2,062)</u>
Balance at September 30, 2008	1,354,774
Goodwill acquired during the year (Note 2)	106,968
Other	<u>568</u>
Balance at September 30, 2009	<u>\$ 1,462,310</u>

10. ACCRUED LIABILITIES

Accrued liabilities consist of the following at September 30 (in thousands):

	<u>2009</u>	<u>2008</u>
Compensation and related benefits	\$ 19,071	\$ 23,826
Interest	11,103	10,266
Product warranties	9,419	6,255
Other	15,479	23,015
Total	<u>\$ 55,072</u>	<u>\$ 63,362</u>

Product Warranties—The Company provides limited warranties in connection with the sale of its products. The warranty period for products sold varies among the Company’s operations, ranging from 90 days to six years. A provision for the estimated cost to repair or replace the products is recorded at the time of sale and periodically adjusted to reflect actual experience. The following table presents a reconciliation of changes in the product warranty liability for the periods indicated below (in thousands):

	Years Ended September 30,		
	2009	2008	2007
Liability balance at beginning of period	\$ 6,255	\$ 4,624	\$ 2,472
Product warranty provision	3,921	2,829	1,903
Warranty costs incurred	(3,004)	(2,192)	(1,586)
Acquisitions	2,247	994	1,835
Liability balance at end of period	<u>\$ 9,419</u>	<u>\$ 6,255</u>	<u>\$ 4,624</u>

11. DEBT

The Company’s long-term debt consists of the following at September 30 (in thousands):

	2009	2008
	Term loans	\$ 780,000
7 ³ / ₄ % Senior Subordinated Notes due 2014	575,000	575,000
Premium on 7 ³ / ₄ % Senior Subordinated Notes due 2014	1,761	2,230
Total Debt	1,356,761	1,357,230
Current maturities	—	—
Long-term portion	<u>\$ 1,356,761</u>	<u>\$ 1,357,230</u>

Revolving Credit Facility and Term Loans—TransDigm Inc.’s Senior Secured Credit Facility totals \$980 million, which consists of (1) a \$200 million revolving credit line maturing in June 2012 and (2) a \$780 million term loan facility maturing in June 2013. The interest rate on the term loans at September 30, 2009 was 2.3%. At September 30, 2009, the Company had \$2.0 million letters of credit outstanding and \$198.0 million of borrowings available under the Senior Secured Credit Facility.

The Company has an interest rate swap agreement for a notional amount of \$300 million which effectively converts the variable rate interest on the notional amount of the Senior Secured Credit Facility to a fixed rate of 3.04% plus the 2% margin percentage, over the term of the agreement.

The interest rates per annum applicable to the loans under the Senior Secured Credit Facility are equal to either an alternate base rate or an adjusted LIBO rate for one, two, three, or six-month (or to the extent available to each lender, nine or twelve month) interest periods chosen by TransDigm Inc. in each case, plus an applicable margin percentage. The alternate base rate is the greater of (1) Credit Suisse’s prime rate or (2) 50 basis points over the weighted average of rates on overnight Federal funds as published by the Federal Reserve Bank of New York. The adjusted LIBO rate is determined by reference to settlement rates established for deposits in dollars in the London interbank market for a period equal to the interest period of the loan as adjusted for the maximum reserve percentages established by the Board of Governors of the United States Federal Reserve. The applicable margin percentage is a percentage per annum equal to (1) 1.00% for alternate base rate term loans, (2) 2.00% for adjusted LIBO rate term loans, and (3) in the case of alternate base rate revolving loans and adjusted LIBO rate revolving loans, a percentage which varies based on the consolidated leverage ratio of TransDigm Inc. as of the relevant date of determination.

Under the terms of the Senior Secured Credit Facility, the Company is required to pay the administrative agent certain fees. In addition, on the last day of each calendar quarter the Company is required to pay a commitment fee of 0.375% of any unused commitments under the revolving credit line and certain other fees in respect of letters of credit that may be outstanding thereunder from time to time.

The term loan under the Senior Secured Credit Facility is subject to mandatory prepayments of Excess Cash Flow (as defined in the agreement) if the Consolidated Leverage Ratio exceeds 4.50 to 1.00 for the Company's fiscal year or if the term loans do not achieve certain minimum credit ratings at the end of such fiscal year. "Consolidated Leverage Ratio" means the ratio of consolidated total indebtedness to the aggregate amount of EBITDA As Defined, calculated on a pro forma basis. TransDigm's Consolidated Leverage Ratio was approximately 3.5 to 1.00 at September 30, 2009, thus the Company was not obligated to make the prepayment of the term loans based upon the excess cash flow provision.

The Senior Secured Credit Facility is guaranteed by TD Group and all of TransDigm Inc.'s current and future domestic restricted subsidiaries, and is secured by a first priority security interest in substantially all of the existing and future property and assets, including inventory, equipment, general intangibles, intellectual property, investment property and other personal property (but excluding leasehold interests, deposit accounts and certain other assets) of TransDigm Inc. and all of TransDigm Inc.'s existing and future domestic restricted subsidiaries, and a first priority pledge of the capital stock of TransDigm Inc. and TransDigm Inc.'s domestic subsidiaries and 65% of the voting capital stock of TransDigm Inc.'s foreign subsidiaries.

The agreement also contains a number of restrictive covenants restricting or limiting the ability of TD Group, TransDigm Inc. and TransDigm Inc.'s direct and indirect restricted subsidiaries to, among other things, incur or guarantee additional indebtedness or issue preferred stock, pay distributions on, redeem or repurchase our capital stock or redeem or repurchase our subordinated debt, make investments, sell assets, enter into agreements that restrict distributions or other payments from our restricted subsidiaries to us, incur liens, consolidate, merge or transfer all or substantially all of our assets, engage in transactions with affiliates, create unrestricted subsidiaries, and engage in certain business activities. Such negative covenants are subject to certain exceptions. The negative covenants are substantially identical to the corresponding negative covenants of the 7^{3/4}% Senior Subordinated Notes. In addition, the Senior Secured Credit Facility includes a financial maintenance covenant requiring that TransDigm comply, on a pro forma basis, with a consolidated secured debt ratio test. Such covenant, however, inures only to the benefit of the revolving lenders. TransDigm is in compliance with all of the covenants contained in the Senior Secured Credit Facility.

Senior Subordinated Notes—The 7^{3/4}% Senior Subordinated Notes are due 2014 and represent unsecured obligations of TransDigm Inc. ranking subordinate to TransDigm Inc.'s senior debt, as defined in the indenture governing the 7^{3/4}% Senior Subordinated Notes. Interest under the 7^{3/4}% Senior Subordinated Notes is payable semi-annually.

The 7^{3/4}% Senior Subordinated Notes are redeemable by TransDigm after July 15, 2009, in whole or in part, at specified redemption prices, which decline from 105.813% to 100% over the remaining term of the 7^{3/4}% Senior Subordinated Notes. Prior to July 15, 2009, TransDigm was permitted to redeem specified percentages of the 7^{3/4}% Senior Subordinated Notes from the proceeds of equity offerings at a redemption price of 107.75%. If a change in control of the Company occurs, the holders of the 7^{3/4}% Senior Subordinated Notes will have the right to demand that TransDigm redeem the 7^{3/4}% Senior Subordinated Notes at a purchase price equal to 101% of the principal amount of the 7^{3/4}% Senior Subordinated Notes plus accrued and unpaid interest. The 7^{3/4}% Senior Subordinated Notes contain many of the same restrictive covenants included in the Senior Secured Credit Facility. TransDigm is in compliance with all of the covenants contained in the 7^{3/4}% Senior Subordinated Notes.

12. RETIREMENT PLANS

Defined Benefit Pension Plans—The Company has two non-contributory defined benefit pension plans, which together cover certain union employees. The plans provide benefits of stated amounts for each year of service. The Company’s funding policy is to contribute actuarially determined amounts allowable under Internal Revenue Service regulations. The Company uses a September 30th measurement date for its defined benefit pension plans.

The plan assets as of September 30, 2009 and 2008 were \$6.7 million. The Company’s accumulated benefit obligation for its defined benefit pension plans was \$8.0 million as of September 30, 2009 and 2008. The total liability recognized at September 30, 2009 and 2008 was \$1.4 million and \$0.2 million, respectively. The net period pension cost recognized in the Consolidated Statements of Income as of September 30, 2009, 2008 and 2007 was \$0.3 million, \$0.3 million and \$0.2 million, respectively.

Defined Contribution Plans—The Company sponsors certain defined contribution employee savings plans that cover substantially all of the Company’s non-union employees. Under the plans, the Company contributes a percentage of employee compensation and matches a portion of employee contributions. The cost recognized for such contributions for the years ended September 30, 2009, 2008 and 2007 was approximately \$2.4 million, \$2.2 million and \$1.9 million, respectively.

Deferred Compensation Plans—Prior to 2005 the Company maintained two deferred compensation plans of TD Group for certain management personnel of the Company. In 2005, TD Group adopted the TD Holding Corporation 2005 New Management Deferred Compensation Plan (the “New Management Deferred Compensation Plan”) for the benefit of certain management personnel of the Company who were granted new management options under the TD Group 2003 stock option plan. The New Management Deferred Compensation Plan, along with a deferred compensation arrangement for one employee who was not an executive officer, provide that a participant’s deferred compensation account is fully distributed upon the earlier of: December 31, 2008 or a Change in Control (as defined in the plan). The cost of the plans totaled \$0.3 million, \$2.2 million and \$2.0 million for the years ended September 30, 2009, 2008 and 2007, respectively. The obligations under the New Management Deferred Compensation Plan and the additional employee deferred compensation arrangement represent obligations of TD Group and are not guaranteed by TransDigm Inc. or any of its subsidiaries.

13. INCOME TAXES

The Company’s income tax provision consists of the following for the periods shown below (in thousands):

	Fiscal Years Ended September 30,		
	2009	2008	2007
Current			
Federal	\$ 71,700	\$ 60,190	\$ 39,624
State	7,600	5,951	7,572
	<u>79,300</u>	<u>66,141</u>	<u>47,196</u>
Deferred	8,800	7,335	6,230
	<u>\$ 88,100</u>	<u>\$ 73,476</u>	<u>\$ 53,426</u>

The differences between the income tax provision at the federal statutory income tax rate and the tax provision shown in the accompanying consolidated statements of income for the periods shown below are as follows (in thousands):

	Fiscal Years Ended September 30,		
	2009	2008	2007
Tax at statutory rate of 35%	\$87,851	\$72,311	\$49,741
State and local income taxes, net of federal benefit	5,524	4,272	4,502
Domestic manufacturing deduction	(4,280)	(2,767)	(546)
Research and development credits	(1,650)	(255)	(1,395)
Other—net	655	(85)	1,124
Income tax provision	<u>\$88,100</u>	<u>\$73,476</u>	<u>\$53,426</u>

The components of the deferred taxes consist of the following at September 30 (in thousands):

	2009	2008
Deferred tax assets:		
Net operating losses (primarily state income taxes)	\$ 5,723	\$ 6,031
Inventory	4,481	6,241
Product warranties	3,635	2,594
Employee benefits, compensation and other accrued obligations	3,563	6,252
Interest rate swap	2,852	1,011
Other accrued liabilities	7,939	5,180
Total	<u>28,193</u>	<u>27,309</u>
Less: Valuation allowance	(5,696)	(5,981)
Total deferred tax assets	<u>22,497</u>	<u>21,328</u>
Deferred tax liabilities:		
Intangible assets	151,078	138,399
Property, plant and equipment	14,385	13,576
Other	1,079	1,123
Total deferred tax liabilities	<u>166,542</u>	<u>153,098</u>
Total net deferred tax liabilities	<u>\$144,045</u>	<u>\$131,770</u>

At September 30, 2009, the Company had net tax loss carryforwards (primarily state income taxes) of approximately \$5.7 million that expire in various years from 2012 to 2029. A valuation allowance has been established equal to the amount of the net operating losses that the Company believes will not be utilized.

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction, and various state and local jurisdictions. During the fourth quarter of the Company's fiscal 2009 year, the Internal Revenue Service informed the Company that they will be conducting an examination of the Company's 2008 fiscal year. In addition, the Company is subject to state and local income tax examinations for fiscal years 2005 through 2009.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows (in thousands):

	<u>2009</u>	<u>2008</u>
Balance at beginning of period	\$2,784	\$3,166
Additions based on tax positions related to the current year	469	474
Reductions for tax positions of prior years	—	(602)
Settlements	—	(254)
Balance at end of period	<u>\$3,253</u>	<u>\$2,784</u>

Unrecognized tax benefits at September 30, 2009 and 2008, the recognition of which would have an effect on the effective tax rate for each fiscal year, amounted to \$2.1 million and \$1.9 million, respectively. The Company classifies all income tax related interest and penalties as income tax expense. During the fiscal years ended September 30, 2009 and 2008, the Company recognized \$0.3 million and \$0.1 million, respectively, in income tax interest and penalties. As of September 30, 2009 and 2008, the Company accrued \$1.1 million and \$0.9 million, respectively, for the potential payment of interest and penalties. The Company anticipates no significant changes to its total unrecognized tax benefits through fiscal 2010.

14. CAPITAL STOCK

Capital Stock—Authorized capital stock of TD Group consists of 224,400,000 shares of \$.01 par value common stock and 149,600,000 shares of \$.01 par value preferred stock. The total number of shares of common stock outstanding at September 30, 2009 and 2008 was 49,448,028 and 48,600,848, respectively. There were no shares of preferred stock outstanding at September 30, 2009 and 2008. The terms of the preferred stock have not been established.

On October 23, 2008, the Board of Directors authorized a common share repurchase program, which was announced on October 27, 2008. Under the terms of the program, the Company may purchase up to a maximum aggregate value of \$50 million of its shares of common stock. At September 30, 2009, the Company had repurchased under this program 494,100 shares of its common stock at a gross cost of approximately \$15.2 million.

15. STOCK-BASED COMPENSATION

The Company's stock compensation plans are designed to assist the Company in attracting, retaining, motivating and rewarding key employees, directors or consultants, and promoting the creation of long-term value for stockholders by closely aligning the interests of these individuals with those of the Company's stockholders. The Company's stock compensation plans provide for the granting of stock options, restricted stock and other stock-based incentives.

The following table shows the expense recognized by the Company for stock-based compensation (in thousands):

	Fiscal Years Ended September 30,		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
Stock option compensation expense:			
Time vested stock options	\$ 87	\$ 464	\$ 408
Performance vested stock options	5,695	3,538	3,047
Restricted stock award amortization	31	33	32
	<u>\$ 5,813</u>	<u>\$ 4,035</u>	<u>\$ 3,487</u>

The weighted-average grant date fair value of options granted during the fiscal years ended September 30, 2009, 2008 and 2007 was \$10.45, \$13.66 and \$10.16, respectively.

As of September 30, 2009, there was \$23.9 million of total unrecognized compensation cost related to non-vested awards expected to vest, that will be recognized over a weighted-average period of four years.

The fair value of the Company's employee stock options was estimated at the date of grant using a Black-Scholes-Merton option-pricing model with the following weighted average assumptions for all options granted during the fiscal years ended:

	Fiscal Years Ended September 30,		
	2009	2008	2007
Risk-free interest rate	1.82% to 2.68%	4.13%	4.41% to 4.86%
Expected life of options	6 years	4 years	4 years
Expected dividend yield of stock	—	—	—
Expected volatility of stock	35%	30%	30%

The risk-free interest rate is based upon the Treasury bond rates as of the grant date. The average expected life of stock-based awards is based on vesting schedules and contractual terms. Expected volatility of stock was calculated using a rate based upon the historical volatility of publicly traded companies in the Company's peer group in the aerospace industry. This was used because TD Group's common stock has only been publicly traded since March 2006. The Company historically has not paid regular cash dividends and does not anticipate paying regular cash dividends in future periods; thus, no dividend rate assumption is used.

The total fair value of shares vested during fiscal years ended September 30, 2009, 2008, and 2007 was \$4.9 million, \$5.1 million and \$2.6 million, respectively.

2006 Stock Incentive Plan

In conjunction with the consummation of the initial public offering, a 2006 stock incentive plan was adopted by TD Group. In July 2008, the plan was amended to increase the number of shares available for issuance thereunder. TD Group has reserved 4,119,668 shares of its common stock for issuance to key employees, directors or consultants under the plan. Awards under the plan may be in the form of options, restricted stock or other stock-based awards. Options granted under the plan will expire no later than the tenth anniversary of the applicable date of grant of the options, and will have an exercise price of not less than the fair market value of our common stock on the date of grant. Restricted stock granted under the plan vests over three years.

During the fiscal year ended September 30, 2009, 3,164 shares of common stock were issued with a weighted-average grant date fair value of \$37.89.

Restricted Stock—The following table summarizes activity for restricted stock awards for the fiscal year ended September 30, 2009:

	Number of Shares	Weighted-Average Grant Date Fair Value
Outstanding at September 30, 2008	2,971	\$ 35.86
Granted	—	—
Vested	(1,266)	32.87
Forfeited	(655)	37.97
Outstanding at September 30, 2009	1,050	\$ 38.16

Performance Vested Stock Options—All of the options granted through September 30, 2009 under the 2006 stock incentive plan have been pursuant to an equity incentive program adopted by the Company in 2008. Under the 2008 equity incentive program, all of the options granted will vest based on the Company's achievement of established operating performance goals. The following table summarizes the activity, pricing and other information for the Company's performance vested stock-based award activity during the fiscal year ended September 30, 2009:

	<u>Number of Options</u>	<u>Weighted-Average Exercise Price Per Option</u>	<u>Weighted-Average Remaining Contractual Term</u>	<u>Aggregate Intrinsic Value</u>
Outstanding at September 30, 2008	—	\$ —		
Granted	2,951,400	27.15		
Exercised	—	—		
Forfeited	(128,000)	27.08		
Outstanding at September 30, 2009	<u>2,823,400</u>	<u>\$ 27.15</u>	<u>9.1 years</u>	<u>\$63,978,244</u>
Expected to vest	<u>2,823,400</u>	<u>\$ 27.15</u>	<u>9.1 years</u>	<u>\$63,978,244</u>
Exercisable at September 30, 2009	<u>423,510</u>	<u>\$ 26.55</u>	<u>9.1 years</u>	<u>\$ 9,850,843</u>

At September 30, 2009, 1,277,271 remaining shares were available for award under TD Group's 2006 stock incentive plan.

2003 Stock Option Plan

Certain executives and key employees of the Company were granted stock options under TD Group's 2003 stock option plan. Upon the closing of the acquisition of the Company by Warburg Pincus in 2003, certain employees rolled over certain then-existing options to purchase shares of common stock of TransDigm Holdings. These employees were granted rollover options to purchase an aggregate of 3,870,152 shares of common stock of TD Group (after giving effect to the 149.60 for 1.00 stock split effected on March 14, 2006). All rollover options granted were fully vested on the date of grant. In addition to shares of common stock reserved for issuance upon the exercise of rollover options, an aggregate of 5,469,301 shares of TD Group's common stock were reserved for issuance upon the exercise of new management options. In general, approximately 20% of all new management options vested based on employment service or a change in control. These time vested options have a graded vesting schedule of up to four years. Approximately 80% of all new management options vested (i) based upon the satisfaction of specified performance criteria, which is annual and cumulative EBITDA As Defined targets through 2008, or (ii) upon the occurrence of a change in control if the Investor Group (defined as Warburg Pincus and the other initial investors in TD Group) received a minimum specified rate of return. Unless terminated earlier, the options expire ten years from the date of grant. All of the outstanding performance options were vested as of September 30, 2009.

TD Group has reserved a total of 9,339,453 shares of its common stock for issuance to the Company's employees under the plan, 9,262,596 of which had been issued as of September 30, 2009.

Time Vested Stock Options—The following table summarizes activity, pricing and other information for the Company’s time vested stock-based award activity during the fiscal year ended September 30, 2009:

	Number of Options	Weighted-Average Exercise Price Per Option	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at September 30, 2008	829,007	\$ 10.43		
Granted	—	—		
Exercised	(43,895)	13.17		
Forfeited	—	—		
Outstanding at September 30, 2009	<u>785,112</u>	<u>\$ 10.27</u>	<u>4.5 years</u>	<u>\$31,043,328</u>
Exercisable at September 30, 2009	<u>785,112</u>	<u>\$ 10.27</u>	<u>4.5 years</u>	<u>\$31,043,328</u>

Performance Vested Stock Options—The following table summarizes the activity, pricing and other information for the Company’s performance vested stock-based award activity during the fiscal year ended September 30, 2009:

	Number of Options	Weighted-Average Exercise Price Per Option	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at September 30, 2008	3,266,924	\$ 11.42		
Granted	—	—		
Exercised	(680,554)	10.98		
Forfeited	(800)	33.50		
Outstanding at September 30, 2009	<u>2,585,570</u>	<u>\$ 11.54</u>	<u>4.8 years</u>	<u>\$98,949,764</u>
Exercisable at September 30, 2009	<u>2,585,570</u>	<u>\$ 11.54</u>	<u>4.8 years</u>	<u>\$98,949,764</u>

Rollover Option Awards—The following table summarizes the activity, pricing and other information for the Company’s rollover option award activity during the fiscal year ended September 30, 2009:

	Number of Options	Weighted-Average Exercise Price Per Option	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at September 30, 2008	293,096	\$ 3.30		
Granted	—	—		
Exercised	(118,301)	2.61		
Forfeited	—	—		
Outstanding at September 30, 2009	<u>174,795</u>	<u>\$ 3.76</u>	<u>2.4 years</u>	<u>\$8,049,310</u>
Exercisable at September 30, 2009	<u>174,795</u>	<u>\$ 3.76</u>	<u>2.4 years</u>	<u>\$8,049,310</u>

The total intrinsic value of time, performance and rollover options exercised during the fiscal years ended September 30, 2009, 2008 and 2007 was \$26.4 million, \$54.4 million and \$73.0 million, respectively.

Options Not Pursuant to a Shareholder Approved Plan

In addition to the stock options issued under the 2003 stock option plan and 2006 stock incentive plan, two members of the Company’s Board of Directors were also been granted stock options of TD Group. Of the 134,040 options issued under these agreements, 108,096 remain outstanding with an exercise price of \$6.68. All of such options were vested as of September 30, 2009.

Dividend Equivalent Plans

Pursuant to the Third Amended and Restated TransDigm Group Incorporated 2003 Stock Option Plan Dividend Equivalent Plan and the Second Amended and Restated TransDigm Group Incorporated 2006 Stock Incentive Plan Dividend Equivalent Plan, all of the options granted under the 2003 stock option plan and the 2006 stock incentive plan are entitled to certain dividend equivalent payments in the event of the declaration of a dividend by the Company. Options granted outside the plans to directors are also entitled to comparable dividend equivalents. No dividends had been declared prior to September 30, 2009 and so no dividend equivalents had been paid. The Company declared a special dividend of \$7.65 per share in October 2009. See Note 21. As a result, holders of outstanding options received dividend equivalents of approximately \$30.3 million in the aggregate. In addition, to the extent unvested options outstanding on the dividend declaration date vest, such options will be entitled to receive a dividend equivalent payment in the amount of \$7.65 per share at the time of vesting.

16. LEASES

TransDigm leases certain manufacturing facilities with annual rental payments required through December 2015. One of the facility leases is with a company in which one of our employees is an owner. The term of the lease is through December 2014, although it may be terminated early under certain circumstances. The base rental for the property is \$0.6 million per year. TransDigm also leases office space for its corporate headquarters. The office space leases require annual rental payments of approximately \$0.1 million per year through fiscal 2011.

TransDigm also has commitments under operating leases for vehicles and equipment. Rental expense during the years ended September 30, 2009, 2008 and 2007 was \$3.3 million, \$3.2 million and \$2.8 million, respectively. Future minimum rental commitments at September 30, 2009 under operating leases having initial or remaining non-cancelable lease terms exceeding one year are \$3.7 million in fiscal 2010, \$3.3 million in fiscal 2011, \$2.9 million in fiscal 2012, \$2.0 million in fiscal 2013, \$1.7 million in fiscal 2014, and \$0.5 million thereafter.

17. FAIR VALUE MEASUREMENTS

The following tables present our assets and liabilities that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy. The fair value hierarchy has three levels based on the reliability of the inputs used to determine fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs (other than quoted prices) that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The following summarizes the carrying amounts and fair values of financial instruments as of September 30 (in thousands):

	Level	2009		2008	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets:					
Cash and cash equivalents	1	\$ 190,167	\$ 190,167	\$ 159,062	\$ 159,062
Interest rate swap ⁽¹⁾	2	—	—	3,253	3,253
Liabilities:					
Long-term debt:					
Term loans	2	780,000	749,000	780,000	725,000
7 ³ / ₄ % Senior Subordinated Notes	2	576,761	571,000	577,230	529,000
Interest rate swap ⁽²⁾	2	7,787	7,787	2,719	2,719

- (1) Included in Other non-current assets on the Consolidated Balance Sheets.
- (2) Included in Other non-current liabilities on the Consolidated Balance Sheets.

Interest rate swaps are measured at fair value using quoted market prices for the swap interest rate indexes over the term of the swap discounted to present value versus the fixed rate of the contract. The estimated fair value of the Company's term loans was based on information provided by the agent under the Company's Senior Secured Credit Facility. The estimated fair value of the Company's 7³/₄% Senior Subordinated Notes was based upon quoted market prices.

18. DERIVATIVES AND HEDGING ACTIVITIES

The Company is exposed to, among other things, the impact of changes in interest rates in the normal course of business. The Company's risk management program is designed to manage the exposure and volatility arising from these risks, and utilizes derivative financial instruments to offset a portion of these risks. The Company uses derivative financial instruments only to the extent necessary to hedge identified business risks, and does not enter into such transactions for trading purposes. The Company generally does not require collateral or other security with counterparties to these financial instruments and is therefore subject to credit risk in the event of nonperformance; however, the Company monitors credit risk and currently does not anticipate nonperformance by other parties.

Interest rate swap agreements are used to manage interest rate risk associated with floating-rate borrowings under the Senior Secured Credit Facility of \$780 million. The interest rate swap agreements utilized by the Company effectively modify the Company's exposure to interest rate risk by converting a portion of the Company's floating-rate debt to a fixed rate basis through the expiration dates of the agreements, thereby reducing the impact of interest rate changes on future interest expense. These agreements involve the receipt of floating rate amounts in exchange for fixed rate interest payments over the life of the agreements without an exchange of the underlying principal amounts. These derivative instruments qualify as effective cash flow hedges under GAAP. For these hedges, the effective portion of the gain or loss from the financial instrument is initially reported as a component of accumulated other comprehensive income (loss) in stockholders' equity and subsequently reclassified into earnings in the same line as the hedged item in the same period or periods during which the hedged item affects earnings.

At September 30, 2009, one agreement was in place to swap variable interest rates on the Senior Secured Credit Facility for fixed interest rates for the notional amount of \$300 million through March 23, 2011. This interest rate swap agreement effectively converts the variable rate interest on the notional amount of the Senior Secured Credit Facility to a fixed rate of 3.04% plus the 2% margin percentage, over the term of the agreement.

An additional interest rate swap agreement on a notional amount of \$150 million expired on June 23, 2009. This interest rate swap agreement effectively converted the variable rate interest on the notional amount of the Senior Secured Credit Facility to a fixed rate of 5.63% plus the 2% margin percentage, over the term of the agreement.

The net after-tax derivative loss included in accumulated other comprehensive income (loss) is expected to be reclassified into interest expense in conjunction with the recognition of interest payments on the notional amounts of the swap contract, with a net \$3.6 million of after-tax net loss expected to be recognized in interest expense within the next year.

19. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Accumulated other comprehensive income (loss) consists of the following at September 30 (in thousands):

	<u>2009</u>	<u>2008</u>
Interest rate swap agreements, net of taxes of \$2.9 million for 2009 and \$0.2 million for 2008	\$(4,890)	\$416
Unamortized pension benefits, net of taxes of \$0.3 million for 2009	(628)	(7)
Other	9	36
Total	<u><u>\$(5,509)</u></u>	<u><u>\$445</u></u>

20. QUARTERLY FINANCIAL DATA (UNAUDITED) (EARNINGS PER SHARE RESTATED)

	<u>First Quarter Ended December 27, 2008</u>	<u>Second Quarter Ended March 28, 2009</u>	<u>Third Quarter Ended June 27, 2009</u>	<u>Fourth Quarter Ended September 30, 2009</u>
(in thousands, except per share amounts)				
Year Ended September 30, 2009				
Net sales	\$ 181,276	\$ 193,047	\$ 189,875	\$ 197,354
Gross profit	104,288	108,811	107,851	108,396
Net income	39,599	40,304	41,388	41,611
Basic earnings per share, as restated	\$ 0.75	\$ 0.77	\$ 0.79	\$ 0.79
Diluted earnings per share, as restated	\$ 0.75	\$ 0.77	\$ 0.79	\$ 0.79
Basic earnings per share, as reported	\$ 0.81	\$ 0.84	\$ 0.86	\$ 0.85
Diluted earnings per share, as reported	\$ 0.78	\$ 0.80	\$ 0.82	\$ 0.82
	<u>First Quarter Ended December 29, 2007</u>	<u>Second Quarter Ended March 29, 2008</u>	<u>Third Quarter Ended June 28, 2008</u>	<u>Fourth Quarter Ended September 30, 2008</u>
(in thousands, except per share amounts)				
Year Ended September 30, 2008				
Net sales	\$ 163,136	\$ 175,285	\$ 186,052	\$ 189,238
Gross profit	88,092	93,919	100,482	103,438
Net income	26,968	32,170	35,999	37,989
Basic earnings per share, as restated	\$ 0.52	\$ 0.62	\$ 0.69	\$ 0.72
Diluted earnings per share, as restated	\$ 0.52	\$ 0.62	\$ 0.69	\$ 0.72
Basic earnings per share, as reported	\$ 0.57	\$ 0.68	\$ 0.75	\$ 0.78
Diluted earnings per share, as reported	\$ 0.54	\$ 0.64	\$ 0.72	\$ 0.75

21. SUBSEQUENT EVENTS

In October 2009 TD Group's wholly owned subsidiary, TransDigm Inc., completed the offering of \$425 million of 7^{3/4}% Senior Subordinated Notes due 2014 at a discount, receiving net proceeds of \$412.8 million. TransDigm Inc. used the net proceeds from the offering of the notes to make a cash distribution to TD Group which, in turn, made a special cash dividend to its stockholders of \$7.65 per share and cash dividend equivalent payments ("Dividend Equivalent Payments") to holders of options to purchase its common stock. The special cash dividend amounting to \$374.6 million was paid on October 26, 2009 and the Dividend Equivalent Payments amounting to approximately \$30.3 million were paid in October and November 2009.

The Company has evaluated the period beginning September 30, 2009 through November 24, 2009, the date the Company's annual financial statements were originally issued. The Company has extended the date of its evaluation through February 10, 2010 and concluded there were no other events or transactions occurring during this period that required recognition or additional disclosure in the financial statements.

22. SUPPLEMENTAL GUARANTOR INFORMATION

TransDigm's 7^{3/4}% Senior Subordinated Notes (see Note 11) are jointly and severally guaranteed, on a senior subordinated basis, by TD Group and TransDigm Inc.'s Domestic Restricted Subsidiaries, as defined therein. The following supplemental condensed consolidating financial information presents, in separate columns, the balance sheets of the Company as of September 30, 2009 and 2008 and its statements of income and cash flows for the fiscal years ended September 30, 2009, 2008 and 2007 for (i) TransDigm Group on a parent only basis with its investment in subsidiaries recorded under the equity method, (ii) TransDigm Inc. including its directly owned operations and non-operating entities, (iii) the Subsidiary Guarantors on a combined basis, and (iv) the Company on a consolidated basis.

TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATING BALANCE SHEET
AS OF SEPTEMBER 30, 2009
(Amounts in Thousands)

	TransDigm Group	TransDigm Inc.	Subsidiary Guarantors	Eliminations	Total Consolidated
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	\$ 15,388	\$ 173,630	\$ 1,149	\$ —	\$ 190,167
Trade accounts receivable—Net	—	10,519	96,498	(571)	106,446
Inventories	—	19,727	148,264	(225)	167,766
Deferred income taxes	—	18,700	—	—	18,700
Prepaid expenses and other	—	5,097	6,578	—	11,675
Total current assets	15,388	227,673	252,489	(796)	494,754
INVESTMENT IN SUBSIDIARIES AND INTERCOMPANY					
BALANCES	803,774	2,124,389	668,574	(3,596,737)	—
PROPERTY, PLANT AND EQUIPMENT—Net	—	15,176	81,575	—	96,751
GOODWILL	—	68,201	1,394,109	—	1,462,310
TRADEMARKS AND TRADE NAMES	—	19,376	156,780	—	176,156
OTHER INTANGIBLE ASSETS—Net	—	9,980	186,785	—	196,765
DEBT ISSUE COSTS—Net	—	24,089	—	—	24,089
OTHER	—	2,134	1,481	—	3,615
TOTAL ASSETS	\$ 819,162	\$ 2,491,018	\$ 2,741,793	\$ (3,597,533)	\$ 2,454,440
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES:					
Accounts payable	\$ —	\$ 17,595	\$ 27,655	\$ (570)	\$ 44,680
Accrued liabilities	—	19,860	35,212	—	55,072
Total current liabilities	—	37,455	62,867	(570)	99,752
LONG-TERM DEBT—Less current portion	—	1,356,761	—	—	1,356,761
DEFERRED INCOME TAXES	—	162,745	—	—	162,745
OTHER NON-CURRENT LIABILITIES	—	12,281	3,739	—	16,020
Total liabilities	—	1,569,242	66,606	(570)	1,635,278
STOCKHOLDERS' EQUITY	819,162	921,776	2,675,187	(3,596,963)	819,162
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 819,162	\$ 2,491,018	\$ 2,741,793	\$ (3,597,533)	\$ 2,454,440

TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATING BALANCE SHEET
AS OF SEPTEMBER 30, 2008
(Amounts in Thousands)

	<u>TransDigm Group</u>	<u>TransDigm Inc.</u>	<u>Subsidiary Guarantors</u>	<u>Eliminations</u>	<u>Total Consolidated</u>
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	\$ 1,552	\$ 160,680	\$ (3,170)	\$ —	\$ 159,062
Trade accounts receivable—Net	—	11,668	84,753	(225)	96,196
Inventories	—	19,028	125,290	(204)	144,114
Deferred income taxes	—	19,902	—	—	19,902
Prepaid expenses and other	—	2,680	1,480	—	4,160
Total current assets	<u>1,552</u>	<u>213,958</u>	<u>208,353</u>	<u>(429)</u>	<u>423,434</u>
INVESTMENT IN SUBSIDIARIES AND INTERCOMPANY					
BALANCES	652,681	1,993,525	430,757	(3,076,963)	—
PROPERTY, PLANT AND EQUIPMENT—Net	—	14,495	81,746	—	96,241
GOODWILL	—	40,320	1,314,454	—	1,354,774
TRADEMARKS AND TRADE NAMES	—	19,376	148,250	—	167,626
OTHER INTANGIBLE ASSETS—Net	—	10,565	178,003	—	188,568
DEBT ISSUE COSTS—Net	—	19,309	—	—	19,309
OTHER	—	5,517	352	—	5,869
TOTAL ASSETS	<u><u>\$ 654,233</u></u>	<u><u>\$ 2,317,065</u></u>	<u><u>\$ 2,361,915</u></u>	<u><u>\$ (3,077,392)</u></u>	<u><u>\$ 2,255,821</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES:					
Accounts payable	\$ —	\$ 6,546	\$ 18,817	\$ (223)	\$ 25,140
Accrued liabilities	5,939	22,255	35,168	—	63,362
Total current liabilities	<u>5,939</u>	<u>28,801</u>	<u>53,985</u>	<u>(223)</u>	<u>88,502</u>
LONG-TERM DEBT—Less current portion	—	1,357,230	—	—	1,357,230
DEFERRED INCOME TAXES	(5,606)	157,278	—	—	151,672
OTHER NON-CURRENT LIABILITIES	—	3,073	1,444	—	4,517
Total liabilities	<u>333</u>	<u>1,546,382</u>	<u>55,429</u>	<u>(223)</u>	<u>1,601,921</u>
STOCKHOLDERS' EQUITY	653,900	770,683	2,306,486	(3,077,169)	653,900
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u><u>\$ 654,233</u></u>	<u><u>\$ 2,317,065</u></u>	<u><u>\$ 2,361,915</u></u>	<u><u>\$ (3,077,392)</u></u>	<u><u>\$ 2,255,821</u></u>

TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATING STATEMENT OF INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2009
(Amounts in Thousands)

	TransDigm Group	TransDigm Inc.	Subsidiary Guarantors	Eliminations	Total Consolidated
NET SALES	\$ —	\$ 68,660	\$ 694,730	\$ (1,838)	\$ 761,552
COST OF SALES	—	38,647	295,077	(1,518)	332,206
GROSS PROFIT	—	30,013	399,653	(320)	429,346
OPERATING EXPENSES:					
Selling and administrative	—	27,010	53,308	(300)	80,018
Amortization of intangibles	—	624	13,304	—	13,928
Total operating expenses	—	27,634	66,612	(300)	93,946
INCOME FROM OPERATIONS	—	2,379	333,041	(20)	335,400
OTHER INCOME (EXPENSES)					
Interest expense—Net	—	(79,880)	(4,518)	—	(84,398)
Equity in income of subsidiaries	162,902	213,190	—	(376,092)	—
INCOME BEFORE INCOME TAXES	162,902	135,689	328,523	(376,112)	251,002
INCOME TAX PROVISION (BENEFIT)	—	(27,213)	115,313	—	88,100
NET INCOME	<u>\$ 162,902</u>	<u>\$ 162,902</u>	<u>\$ 213,210</u>	<u>\$ (376,112)</u>	<u>\$ 162,902</u>

TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATING STATEMENT OF INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2008
(Amounts in Thousands)

	TransDigm Group	TransDigm Inc.	Subsidiary Guarantors	Eliminations	Total Consolidated
NET SALES	\$ —	\$ 77,319	\$638,256	\$ (1,864)	\$ 713,711
COST OF SALES	—	46,140	283,298	(1,658)	327,780
GROSS PROFIT	—	31,179	354,958	(206)	385,931
OPERATING EXPENSES:					
Selling and administrative	—	24,005	50,645	—	74,650
Amortization of intangibles	—	624	11,378	—	12,002
Total operating expenses	—	24,629	62,023	—	86,652
INCOME FROM OPERATIONS	—	6,550	292,935	(206)	299,279
OTHER INCOME (EXPENSES)					
Interest expense—Net	—	(86,382)	(6,295)	—	(92,677)
Equity in income of subsidiaries	133,126	184,391	—	(317,517)	—
INCOME BEFORE INCOME TAXES	133,126	104,559	286,640	(317,723)	206,602
INCOME TAX PROVISION (BENEFIT)	—	(28,567)	102,043	—	73,476
NET INCOME	<u>\$ 133,126</u>	<u>\$ 133,126</u>	<u>\$ 184,597</u>	<u>\$ (317,723)</u>	<u>\$ 133,126</u>

TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATING STATEMENT OF INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2007
(Amounts in Thousands)

	<u>TransDigm Group</u>	<u>TransDigm Inc.</u>	<u>Subsidiary Guarantors</u>	<u>Eliminations</u>	<u>Total Consolidated</u>
NET SALES	\$ —	\$ 67,891	\$ 524,907	\$ —	\$ 592,798
COST OF SALES	—	40,750	243,016	—	283,766
GROSS PROFIT	—	27,141	281,891	—	309,032
OPERATING EXPENSES:					
Selling and administrative	—	24,256	38,634	—	62,890
Amortization of intangibles	—	624	11,680	—	12,304
Total operating expenses	—	24,880	50,314	—	75,194
INCOME (LOSS) FROM OPERATIONS	—	2,261	231,577	—	233,838
OTHER INCOME (EXPENSES)					
Interest expense—Net	—	(70,863)	(20,904)	—	(91,767)
Equity in income of subsidiaries	88,645	131,460	—	(220,105)	—
INCOME BEFORE INCOME TAXES	88,645	62,858	210,673	(220,105)	142,071
INCOME TAX PROVISION (BENEFIT)	—	(25,787)	79,213	—	53,426
NET INCOME	<u>\$ 88,645</u>	<u>\$ 88,645</u>	<u>\$ 131,460</u>	<u>\$ (220,105)</u>	<u>\$ 88,645</u>

TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2009
(Amounts in Thousands)

	<u>TransDigm Group</u>	<u>TransDigm Inc.</u>	<u>Subsidiary Guarantors</u>	<u>Eliminations</u>	<u>Total Consolidated</u>
OPERATING ACTIVITIES	\$ (6,428)	\$ (22,930)	\$ 226,470	\$ —	\$ 197,112
INVESTING ACTIVITIES:					
Capital expenditures	—	(2,370)	(10,785)	—	(13,155)
Acquisitions of businesses	—	(155,233)	—	—	(155,233)
Net cash used in investing activities	<u>—</u>	<u>(157,603)</u>	<u>(10,785)</u>	<u>—</u>	<u>(168,388)</u>
FINANCING ACTIVITIES:					
Changes in intercompany activities	17,883	193,483	(211,366)	—	—
Proceeds from exercise of stock options	8,345	—	—	—	8,345
Excess tax benefit from exercise of stock options	9,278	—	—	—	9,278
Purchase of treasury stock	(15,242)	—	—	—	(15,242)
Net cash provided by (used in) financing activities	<u>20,264</u>	<u>193,483</u>	<u>(211,366)</u>	<u>—</u>	<u>2,381</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	13,836	12,950	4,319	—	31,105
CASH AND CASH EQUIVALENTS—					
Beginning of year	<u>1,552</u>	<u>160,680</u>	<u>(3,170)</u>	<u>—</u>	<u>159,062</u>
CASH AND CASH EQUIVALENTS—					
End of year	<u>\$ 15,388</u>	<u>\$ 173,630</u>	<u>\$ 1,149</u>	<u>\$ —</u>	<u>\$ 190,167</u>

TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2008
(Amounts in Thousands)

	<u>TransDigm Group</u>	<u>TransDigm Inc.</u>	<u>Subsidiary Guarantors</u>	<u>Eliminations</u>	<u>Total Consolidated</u>
OPERATING ACTIVITIES	\$ 2,041	\$ (35,261)	\$ 222,855	\$ —	\$ 189,635
INVESTING ACTIVITIES:					
Capital expenditures	—	(1,754)	(9,130)	—	(10,884)
Acquisitions of businesses	—	(154,160)	—	—	(154,160)
Net cash used in investing activities	<u>—</u>	<u>(155,914)</u>	<u>(9,130)</u>	<u>—</u>	<u>(165,044)</u>
FINANCING ACTIVITIES:					
Changes in intercompany activities	(40,131)	254,075	(213,944)	—	—
Proceeds from exercise of stock options	9,769	—	—	—	9,769
Excess tax benefit from exercise of stock options	18,756	—	—	—	18,756
Net cash provided by (used in) financing activities	<u>(11,606)</u>	<u>254,075</u>	<u>(213,944)</u>	<u>—</u>	<u>28,525</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(9,565)	62,900	(219)	—	53,116
CASH AND CASH EQUIVALENTS—					
Beginning of year	<u>11,117</u>	<u>97,780</u>	<u>(2,951)</u>	<u>—</u>	<u>105,946</u>
CASH AND CASH EQUIVALENTS—					
End of year	<u>\$ 1,552</u>	<u>\$ 160,680</u>	<u>\$ (3,170)</u>	<u>\$ —</u>	<u>\$ 159,062</u>

TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2007
(Amounts in Thousands)

	<u>TransDigm Group</u>	<u>TransDigm Inc.</u>	<u>Subsidiary Guarantors</u>	<u>Eliminations</u>	<u>Total Consolidated</u>
OPERATING ACTIVITIES	\$ 1,656	\$ (6,452)	\$ 117,232	\$ —	\$ 112,436
INVESTING ACTIVITIES:					
Capital expenditures	—	(2,513)	(7,745)	—	(10,258)
Acquisitions of businesses	—	(511,407)	—	—	(511,407)
Net cash used in investing activities	<u>—</u>	<u>(513,920)</u>	<u>(7,745)</u>	<u>—</u>	<u>(521,665)</u>
FINANCING ACTIVITIES:					
Changes in intercompany activities	(24,220)	133,710	(109,490)	—	—
Proceeds from exercise of stock options	8,450	—	—	—	8,450
Excess tax benefit from exercise of stock options	23,627	—	—	—	23,627
Borrowings under Senior Secured Credit Facility—net of fees	—	125,423	—	—	125,423
Proceeds from 7 ³ / ₄ % Senior Subordinated Notes—net of fees	—	296,458	—	—	296,458
Net cash provided by (used in) financing activities	<u>7,857</u>	<u>555,591</u>	<u>(109,490)</u>	<u>—</u>	<u>453,958</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,513	35,219	(3)	—	44,729
CASH AND CASH EQUIVALENTS—					
Beginning of year	<u>1,604</u>	<u>62,561</u>	<u>(2,948)</u>	<u>—</u>	<u>61,217</u>
CASH AND CASH EQUIVALENTS—					
End of year	<u>\$ 11,117</u>	<u>\$ 97,780</u>	<u>\$ (2,951)</u>	<u>\$ —</u>	<u>\$ 105,946</u>

TRANSDIGM GROUP INCORPORATED
VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED SEPTEMBER 30, 2009, 2008, AND 2007
(Amounts in Thousands)

Column A	Column B	Column C Additions		Column D	Column E
<u>Description</u>	<u>Balance at Beginning of Period</u>	<u>Charged to Costs and Expenses</u>	<u>Acquisitions</u>	<u>Deductions from Reserve⁽¹⁾</u>	<u>Balance at End of Period</u>
Year Ended September 30, 2009					
Allowance for doubtful accounts	\$ 2,182	\$ 636	\$ 295	\$ 665	\$ 2,448
Reserve for excess and obsolete inventory	15,862	2,537	634	2,015	17,018
Year Ended September 30, 2008					
Allowance for doubtful accounts	2,223	369	—	410	2,182
Reserve for excess and obsolete inventory	14,467	2,440	591	1,636	15,862
Year Ended September 30, 2007					
Allowance for doubtful accounts	1,160	661	777	375	2,223
Reserve for excess and obsolete inventory	7,894	2,997	6,197	2,621	14,467

(1) The amounts in this column represent charge-offs net of recoveries.

EXHIBIT INDEX

TO FORM 10-K/A FOR THE YEAR ENDED SEPTEMBER 30, 2009

<u>EXHIBIT NO.</u>	<u>DESCRIPTION</u>
23.1	Consent of Independent Registered Public Accounting Firm
31.1	Certification by Principal Executive Officer of TransDigm Group Incorporated pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification by Principal Financial Officer of TransDigm Group Incorporated pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification by Principal Executive Officer of TransDigm Group Incorporated pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification by Principal Financial Officer of TransDigm Group Incorporated pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-8 No. 333-132808) of TransDigm Group Incorporated
- (2) Registration Statement (Form S-8 No. 333-148860) of TransDigm Group Incorporated
- (3) Registration Statement (Form S-8 No. 333-152847) pertaining to the TransDigm Group Incorporated 2006 Stock Incentive Plan and the TransDigm Group Incorporated Fourth Amended and Restated 2003 Stock Option Plan, as amended;

of our report dated November 24, 2009, except Notes 5 and 21 as to which the date is February 10, 2010, with respect to the consolidated financial statements and schedule of TransDigm Group Incorporated, and our report dated November 24, 2009, except for the effects of the material weakness described in the sixth paragraph of that report, as to which the date is February 10, 2010, on the effectiveness of internal control over financial reporting of TransDigm Group Incorporated, included in this Annual Report (Form 10-K/A) for the year ended September 30, 2009.

/s/ Ernst & Young LLP

Cleveland, Ohio
February 10, 2010

CERTIFICATION

I, W. Nicholas Howley, certify that:

1. I have reviewed this Amendment No. 1 to the annual report on Form 10-K/A of TransDigm Group Incorporated;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors:
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 10, 2010

/s/ W. Nicholas Howley

Name: W. Nicholas Howley

Title: Chairman of the Board of Directors and Chief Executive Officer (Principal Executive Officer)

CERTIFICATION

I, Gregory Rufus, certify that:

1. I have reviewed this Amendment No. 1 to the annual report on Form 10-K/A of TransDigm Group Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors:
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 10, 2010

/s/ Gregory Rufus

Name: Gregory Rufus

Title: Executive Vice President, Chief Financial Officer and
Secretary (Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K/A of TransDigm Group Incorporated (the "Company") for the fiscal year ended September 30, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, W. Nicholas Howley, Chief Executive Officer and Director (Principal Executive Officer), certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities and Exchange Act of 1934; and
2. The information contained in the Report fairly presents in all material respects, the financial condition of the Company as of the dates indicated and results of operations of the Company for the periods indicated.

Date: February 10, 2010

/s/ W. Nicholas Howley

Name: W. Nicholas Howley

Title: Chairman of the Board of Directors and Chief Executive Officer (Principal Executive Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K/A of TransDigm Group Incorporated (the "Company") for the fiscal year ended September 30, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gregory Rufus, Executive Vice President, Chief Financial Officer and Secretary (Principal Financial and Accounting Officer) certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities and Exchange Act of 1934; and
2. The information contained in the Report fairly presents in all material respects, the financial condition of the Company as of the dates indicated and results of operations of the Company for the periods indicated.

Date: February 10, 2010

/s/ Gregory Rufus

Name: Gregory Rufus

Title: Executive Vice President, Chief

Financial Officer and Secretary (Principal Financial and
Accounting Officer)