
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 6, 2008

TransDigm Group Incorporated

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

333-130483

(Commission File Number)

51-0484716

(IRS Employer Identification No.)

1301 East 9th Street, Suite 3710, Cleveland, Ohio

(Address of principal executive offices)

44114

(Zip Code)

(216) 706-2939

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01. Other Events

Attached hereto as Exhibit 99.1 are materials to be used by members of management of TransDigm Group Incorporated in investor presentations regarding the proposed amendment to TransDigm Group’s 2006 Stock Incentive Plan.

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

This document contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Act of 1934 as amended. These include statements as to future financial and operating results, and projected earnings per share impact of the proposed amendment as well as any other statements regarding future results or expectations. All statements other than statements of historical fact that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements, including, in particular, statements about our plans, objectives, strategies and prospects regarding, among other things, our financial condition, results of operations, and business. We have identified some of these forward-looking statements with words like “believe,” “may,” “will,” “should,” “expect,” “intend,” “plan,” “predict,” “anticipate,” “estimate,” “forecast” or “continue” and other words and terms of similar meaning. All forward-looking statements involve risks and uncertainties which could affect TransDigm Group’s actual results and could cause its actual results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, TransDigm Group. These risks and uncertainties include but are not limited to: future terrorist attacks; a decrease in flight hours and our customers’ profitability, both of which are impacted by general economic conditions; our substantial indebtedness; our reliance on certain customers; our fixed price contracts; the U.S. defense budget and risks associated with being a government supplier; failure to maintain government or industry approvals; the pricing review to which certain of our divisions and subsidiaries have been subject; failure to complete or successfully integrate acquisitions; future sales of common stock in the market caused by the substantial amount of stock held by affiliates; and other factors. Further information regarding the important factors that could cause actual results to differ materially from projected results can be found in TransDigm Group’s Annual Report on Form 10-K and any other reports that TransDigm Group or its subsidiaries have filed with the Securities and Exchange Commission. Except as required by law, TransDigm Group undertakes no obligation to revise or update the forward-looking statements contained in this investor presentation.

Item 9.01. Financial Statements and Exhibits.**(d) Exhibits**

The following exhibits are being filed with this Current Report on Form 8-K:

Exhibit No. 99.1	Investor Presentation
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TRANSDIGM GROUP INCORPORATED

By /s/ Gregory Rufus
Gregory Rufus
Executive Vice President and Chief
Financial Officer

Date: June 6, 2008

TRANSDIGM
GROUP INC.



Pay for Value Creation

Proposing g unique public company option plan

Goal

- Generate superior returns **by**
- Maintain the value focus & culture of private equity in a public environment

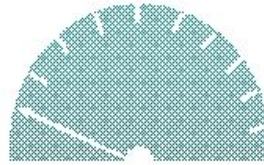
Simple concept

- Management / shareholders are partners
- If management creates significant value for shareholders, management is rewarded

Successful Culture and Organization

CORPORATE

Corporate
Control

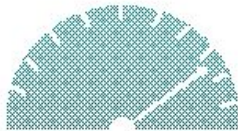


Local
Autonomy

Value Generation Strategy

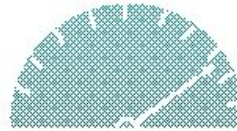
OPERATING UNIT

Economy
of Scale



Mgmt
Resources

Central
Control



Local
Autonomy

Structure

Execution

Key Element



Emp-
loyees



Owners

Motivation

TRANSDIGM
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- Significant part of our ability to create value is our organizational concept & culture
 - Execution g
 - Significant local autonomy
 - Minimize corporate interference g minimize corporate staff g erodes ownership
 - Motivation g think like an owner g create value
 - Stock options & ownership for key people g significant

Compensation Concept – *“Think / act like an owner”*



Cash Compensation ⁽¹⁾



Equity Based
Compensation ⁽²⁾

⁽¹⁾ Salary and Bonus

⁽²⁾ Options

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- We want managers who can think & act like owners
 - We have historically paid executives & key managers cash compensation below the average
 - We pay well above average in equity based compensation
 - Goal = create real value for shareholders, net of management's share

Key Managers Aligned with Shareholders

Value
Generating
Activities



We want to maintain our clear management alignment with shareholders

A. 3 Value Drivers

1. Price

2. Productivity

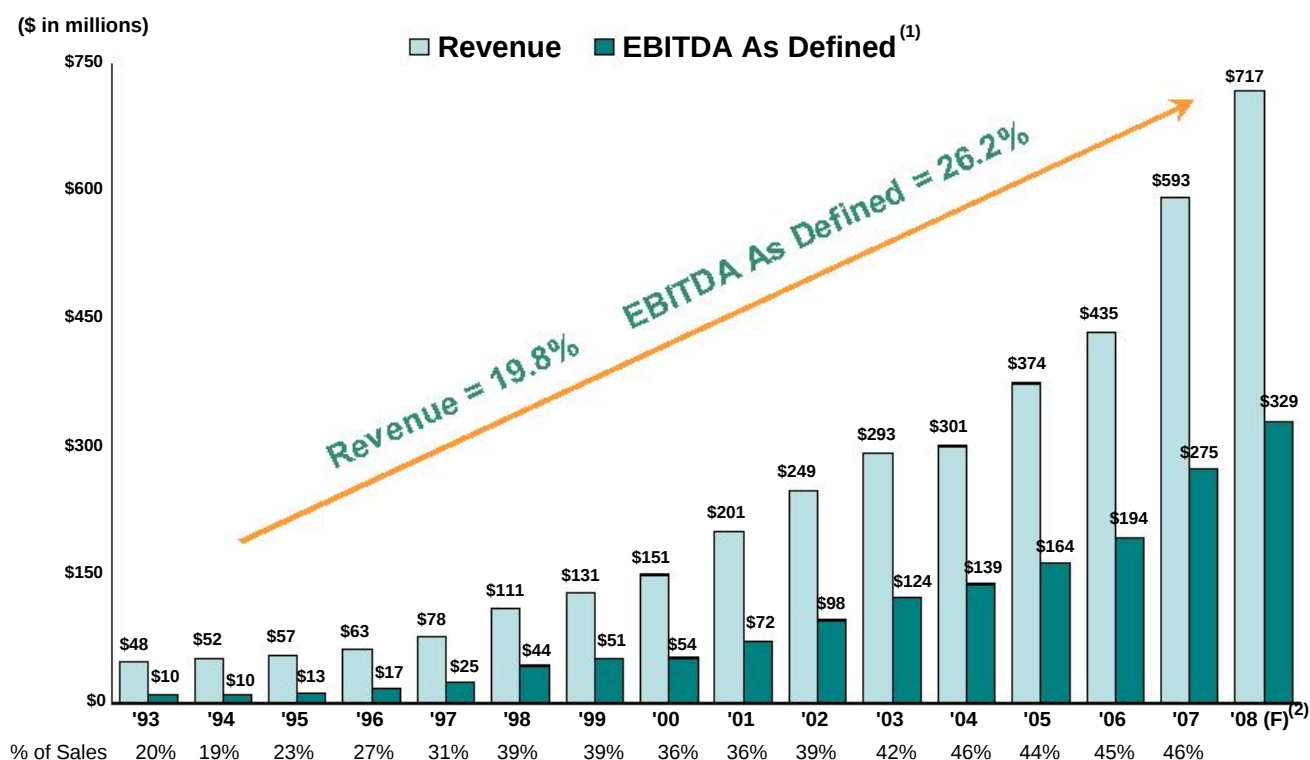
3. New Business

B. Maintain Efficient Capital structure

C. Make Accretive Acquisitions

- Very difficult to get this day to day focus on “details of value creation” without **real** ownership

Proven Record of Growth and Margin Expansion



(1) EBITDA As Defined is a non-GAAP financial measure presented here as supplemental disclosures to net income. For a presentation of the most directly comparable GAAP measure and a reconciliation of EBITDA As Defined, please see appendix.

(2) Midpoint of May 6, 2008 guidance (including CEF Industries).

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- This has worked for us – look at history of company
 - Thru good and bad markets the company has been able to consistently improve

Consistent Growth in Equity Value

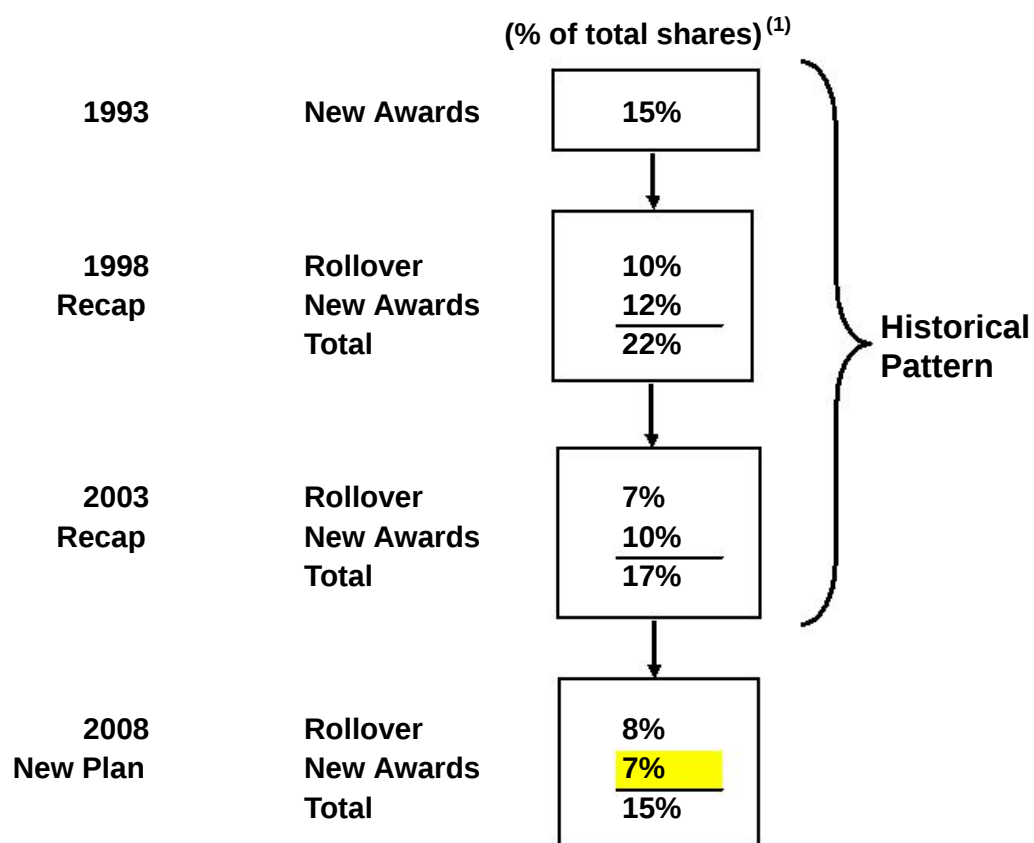
			<u>Equity In</u>	<u>Equity Out</u>	<u>Multiple</u>
Formation	1993		\$25M →	\$347M	13.9x
	to 1998 ⁽¹⁾				
Equity Recap	1998		\$100M →	\$503M	5.0x
	to 2003				
Equity Recap	2003		\$471M →	\$2,138M ⁽²⁾	4.5x
Leveraged Dividend	2005				
IPO	2006				
Secondary Offering	2007				

(1) Approximately 90% of Kelso ownership sold in 1998, balance cashed out in 2003.

(2) Assumes Warburg Pincus maintained 100% ownership of 43.6 million shares valued at a stock price of \$43 plus repayment of shareholder notes including interest of $\approx$ \$263 million.

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Management Ownership / Options



⁽¹⁾ Calculated on a fully diluted basis.

Unique Performance Based Option Plan

	<u>Private Equity Historical</u>	<u>Public Equity Current Proposal</u>
Time Based	20%	20%
Operating Performance ⁽¹⁾	80%	40%
Market Performance	<u>---</u>	<u>40%</u>
	100%	100%

⁽¹⁾ Includes annual and 5 year targets.

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- Performance based plans are common in private equity but **unusual in public equity**.
 - We are trying to make this look like a private equity plan
 - Minimal time vesting » 20% only / 5 years
 - **Highly performance driven**

40% — based on operating performance to support 20% IRR

40% — based on stock market growth of 20% IRR

Vest Criteria – Meet Targets After Dilution for Options to Vest

Definitions

Operating Performance (EBITDA As Defined x multiple) - net debt) / diluted shares

Market Performance Share price gain & Dividend

Required Growth Less than 12.5% per year = No performance vesting
Greater than 12.5% per year = Partial performance vesting
20% per year & greater = Full vesting

After Dilution

“Skin in The Game”

- **Minimum Rollover Investment Required ≈ \$35 Million ***

Top 5 Officers ≈ **\$25 Million**

Years of base compensation **14 years**

- **Minimum hold for 30% of new awards ≈ \$35 Million**

Top 5 Officers ≈ **\$18 Million**

* @ \$40/share

Net Result – Shareholders Make Superior Return → Management Share Increases

Example based on 2008 estimate

(Dollars in Millions)

IRR ⁽¹⁾	Gain In Mkt.Cap.	Mgmt. \$	Mgmt. % of Gain
10.0%	\$ 1,465	\$ 16	1.1%
12.5%	\$ 1,865	\$ 42	2.3%
15.0%	\$ 2,300	\$ 80	3.5%
20.0%	\$ 3,300	\$ 197	6.0%
25.0%	\$ 4,500	\$ 275	6.1%



⁽¹⁾ After management share

IRR = After Dilution

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- Net result g **graduated sharing**
 - IRR is **after** management take
 - Highly incentivized to increase equity value

New Authorization 1.5 Million Options

of Options

Previously Authorized 2.6 Million

Newly Authorized

+ 1.2

Total Per Program

3.8

Miscellaneous

+ 0.3

4.1 Million

New Authorization of 1.5 Million Shares

ISS Will Not Recommend

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New Plan EPS Impact

	Peer ⁽¹⁾ Average	2008 Est.	2009 12.5% IRR	2013 12.5% IRR	2009 20% IRR	2013 20% IRR
EPS Diluted	\$ 2.31	\$ 2.72	\$ 3.06	\$ 4.90	\$ 3.26	\$ 6.77
Option Expense (Per Share)	\$ 0.10	\$ 0.06	\$ 0.05	\$ 0.08	\$ 0.08	\$ 0.12
% of EPS Diluted	4.4%	2.2%	1.6%	1.6%	2.5%	1.8%

⁽¹⁾ Peer group includes Goodrich, Rockwell Collins, BE Aerospace, Hexcel, Triumph, Woodward-Governor, Curtis Wright, Esterline & Precision Cast Parts

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- Impact on eps is less than peers & roughly in line with current TDG level



Pay for Value Creation

Reconciliation of Net Income to EBITDA As Defined

(in millions)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Net Income	(\$5)	\$0	\$1	\$3	\$14	(\$17)	\$11	\$14	\$31	(\$76)	\$14	\$35	\$25	\$89
Depreciation and amortization	7	7	7	6	7	6	7	9	13	10	18	17	16	24
Interest expense, net	5	5	5	3	3	23	28	32	37	43	75	80	77	92
Income tax provision	(2)	-	2	5	13	(2)	8	9	17	(45)	6	23	16	53
Warrant put value adjustment	1	1	2	5	7	-	-	-	-	-	-	-	-	-
Extraordinary item	-	-	-	2	-	-	-	-	-	-	-	-	-	-
EBITDA	6	13	17	24	44	10	54	64	98	(68)	113	155	134	258
Merger expense	-	-	-	-	-	40	-	-	-	176	-	-	-	-
Acquisition-related costs	4	-	-	1	-	1	-	8	-	15	20	2	1	9
Non-cash compensation and deferred compensation costs	-	-	-	-	-	-	-	-	-	1	6	7	1	6
One-time special bonus	-	-	-	-	-	-	-	-	-	-	-	-	6	-
Public offering costs	-	-	-	-	-	-	-	-	-	-	-	-	3	2
Refinancing costs	-	-	-	-	-	-	-	-	-	-	-	-	49	-
EBITDA As Defined	\$10	\$13	\$17	\$25	\$44	\$51	\$54	\$72	\$98	\$124	\$139	\$164	\$194	\$275