

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

FORM 10-Q

- Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended June 27, 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)

51-0484716

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

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

(Address of principal executive offices)

44114

(Zip Code)

(216) 706-2939

(Registrants' telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report.)

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 whether the registrant is a large accelerated filer, accelerated filer, 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 number of shares outstanding of TransDigm Group Incorporated's common stock, par value \$.01 per share, was 48,477,813 as of July 24, 2009.

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TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except share amounts)
(Unaudited)

	June 27, 2009	September 30, 2008
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 203,648	\$ 159,062
Trade accounts receivable - Net	104,529	96,196
Inventories	157,833	144,114
Deferred income taxes	14,784	19,902
Prepaid expenses and other	10,409	4,160
Total current assets	491,203	423,434
PROPERTY, PLANT AND EQUIPMENT - Net	99,491	96,241
GOODWILL	1,402,384	1,354,774
TRADEMARKS AND TRADE NAMES	173,706	167,626
OTHER INTANGIBLE ASSETS - Net	186,239	188,568
DEBT ISSUE COSTS - Net	16,520	19,309
OTHER	3,549	5,869
TOTAL ASSETS	<u>\$2,373,092</u>	<u>\$ 2,255,821</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 19,537	\$ 25,140
Accrued liabilities	63,093	63,362
Total current liabilities	82,630	88,502
LONG-TERM DEBT	1,356,878	1,357,230
DEFERRED INCOME TAXES	155,482	151,672
OTHER NON-CURRENT LIABILITIES	12,621	4,517
Total liabilities	1,607,611	1,601,921
STOCKHOLDERS' EQUITY:		
Common stock—\$.01 par value; authorized 224,400,000 shares; issued 48,957,314 and 48,600,848 at June 27, 2009 and September 30, 2008, respectively	490	486
Additional paid-in capital	376,027	365,224
Retained earnings	409,036	287,745
Accumulated other comprehensive loss	(4,830)	445
Treasury stock, at cost- 494,100 and -0- shares at June 27, 2009 and September 30, 2008, respectively	(15,242)	—
Total stockholders' equity	765,481	653,900
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$2,373,092</u>	<u>\$ 2,255,821</u>

See notes to condensed consolidated financial statements.

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TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE THIRTEEN AND THIRTY-NINE WEEK PERIODS ENDED
JUNE 27, 2009 AND JUNE 28, 2008
(Amounts in thousands, except per share amounts)
(Unaudited)

	Thirteen Week Periods Ended		Thirty-Nine Week Periods Ended	
	June 27, 2009	June 28, 2008	June 27, 2009	June 28, 2008
NET SALES	\$ 189,875	\$ 186,052	\$ 564,198	\$ 524,473
COST OF SALES	82,024	85,570	243,248	241,980
GROSS PROFIT	107,851	100,482	320,950	282,493
OPERATING EXPENSES:				
Selling and administrative	19,349	19,317	57,937	55,549
Amortization of intangibles	3,305	2,747	10,154	8,841
Total operating expenses	22,654	22,064	68,091	64,390
INCOME FROM OPERATIONS	85,197	78,418	252,859	218,103
INTEREST EXPENSE - Net	21,226	21,849	64,848	70,371
INCOME BEFORE INCOME TAXES	63,971	56,569	188,011	147,732
INCOME TAX PROVISION	22,583	20,570	66,720	52,595
NET INCOME	<u>\$ 41,388</u>	<u>\$ 35,999</u>	<u>\$ 121,291</u>	<u>\$ 95,137</u>
Net earnings per share:				
Basic	\$ 0.86	\$ 0.75	\$ 2.51	\$ 2.00
Diluted	\$ 0.82	\$ 0.72	\$ 2.41	\$ 1.90
Weighted-average shares outstanding:				
Basic	48,376	48,084	48,411	47,639
Diluted	50,320	50,273	50,356	50,058

See notes to condensed consolidated financial statements.

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TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE THIRTY-NINE WEEK PERIOD ENDED JUNE 27, 2009
(Amounts in thousands, except share amounts)
(Unaudited)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income/(Loss)	Treasury Stock		Total
	Number of Shares	Par Value				Number of Shares	Value	
BALANCE, OCTOBER 1, 2008	48,600,848	\$486	\$365,224	\$287,745	\$ 445	—	\$ —	\$653,900
Purchase of common shares	—	—	—	—	—	(494,100)	(15,242)	(15,242)
Compensation expense recognized for stock options	—	—	4,190	—	—	—	—	4,190
Excess tax benefit from exercise of stock options	—	—	3,311	—	—	—	—	3,311
Common stock issued	3,134	—	60	—	—	—	—	60
Exercise of stock options	353,332	4	3,218	—	—	—	—	3,222
Restricted stock compensation	—	—	24	—	—	—	—	24
Comprehensive income:								
Net income	—	—	—	121,291	—	—	—	121,291
Interest rate swap	—	—	—	—	(5,221)	—	—	(5,221)
Other comprehensive loss	—	—	—	—	(54)	—	—	(54)
Comprehensive income								116,016
BALANCE, JUNE 27, 2009	<u>48,957,314</u>	<u>\$490</u>	<u>\$376,027</u>	<u>\$409,036</u>	<u>\$ (4,830)</u>	<u>(494,100)</u>	<u>\$(15,242)</u>	<u>\$765,481</u>

See notes to condensed consolidated financial statements.

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

	Thirty-Nine Week Periods Ended	
	June 27, 2009	June 28, 2008
OPERATING ACTIVITIES:		
Net income	\$ 121,291	\$ 95,137
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	10,188	9,808
Amortization of intangibles	10,154	8,841
Amortization of debt issue costs and note premium	2,437	2,285
Non-cash equity compensation	4,214	3,088
Excess tax benefit from exercise of stock options	(3,311)	(17,031)
Deferred income taxes	5,159	4,988
Changes in assets/liabilities, net of effects from acquisitions of businesses:		
Trade accounts receivable	(4,365)	2,352
Inventories	(9,334)	(1,684)
Income taxes receivable/payable	(3,787)	29,311
Other assets	330	(812)
Accounts payable	(6,261)	663
Accrued and other liabilities	2,302	12,974
Net cash provided by operating activities	<u>129,017</u>	<u>149,920</u>
INVESTING ACTIVITIES:		
Capital expenditures	(9,159)	(7,251)
Acquisition of businesses	(66,563)	(84,722)
Net cash used in investing activities	<u>(75,722)</u>	<u>(91,973)</u>
FINANCING ACTIVITIES:		
Excess tax benefit from exercise of stock options	3,311	17,031
Proceeds from exercise of stock options	3,222	8,269
Treasury stock purchased	(15,242)	—
Net cash (used in) provided by financing activities	<u>(8,709)</u>	<u>25,300</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	44,586	83,247
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	159,062	105,946
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$203,648</u>	<u>\$189,193</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for interest	<u>\$ 52,901</u>	<u>\$ 61,444</u>
Cash paid during the period for income taxes	<u>\$ 64,695</u>	<u>\$ 18,095</u>

See notes to condensed consolidated financial statements.

TRANSDIGM GROUP INCORPORATED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
THIRTEEN AND THIRTY-NINE WEEK PERIODS ENDED JUNE 27, 2009 AND JUNE 28, 2008
(UNAUDITED)

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, Inc. and Aircraft Parts Corporation (collectively, with TD Group, the “Company” or “TransDigm”) offers a broad range of proprietary aerospace components. 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 and 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 TransDigm Inc.’s 7³/₄% 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. UNAUDITED INTERIM FINANCIAL INFORMATION

The financial information included herein is unaudited; however, the information reflects all adjustments (consisting solely of normal recurring adjustments) that are, in the opinion of management, necessary for a fair presentation of the Company’s financial position and results of operations and cash flows for the interim periods presented. These financial statements and notes should be read in conjunction with the financial statements and related notes for the year ended September 30, 2008 included in TD Group’s Form 10-K dated November 25, 2008. The September 30, 2008 condensed consolidated balance sheet was derived from the TD Group’s audited financial statements. The results of operations for the thirty-nine week period ended June 27, 2009 are not necessarily indicative of the results to be expected for the full year.

3. NEW ACCOUNTING STANDARDS

In February 2007, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standards No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities—Including an amendment of FASB Statement No. 115” (“SFAS 159”). SFAS 159 provides companies with an option to report selected financial assets and liabilities at fair value. SFAS 159’s objective is to reduce both complexity in accounting for financial instruments and the volatility in earnings caused by measuring related assets and liabilities differently. The adoption of SFAS 159 as of October 1, 2008 did not have a material impact on the Company’s consolidated financial position or results of operations.

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, “Fair Value Measurements” (“SFAS 157”), which is effective for fiscal years beginning after November 15, 2007 and for interim periods within those years. SFAS 157 defines fair value, establishes a framework for measuring fair value and expands the related disclosure requirements. In October 2008, the FASB issued FASB Staff Position FAS 157-3, “Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active” (“FSP 157-3”), which clarifies the application of SFAS 157 when the market for a financial asset is not active and provides an example to illustrate key considerations in determining the fair value of a financial asset when the market for that financial asset is not active. FSP 157-3 became effective immediately upon adoption of SFAS 157. SFAS 157 was adopted as of October 1, 2008 for all financial assets and liabilities and nonfinancial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). The effective provisions of SFAS 157 are included in Note 10, “Fair Value of Financial Instruments.” The adoption of SFAS 157 did not have a material impact on the Company’s consolidated financial position or results of operations.

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In February 2008, the FASB issued FASB Staff Position No. FAS 157-2, “Effective Date of FASB Statement No. 157” (“FSP 157-2”), which allows for the deferral of the adoption date of SFAS 157 for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or presented at fair value in the financial statements on a recurring basis to fiscal years beginning after November 15, 2008. The adoption of SFAS 157 in fiscal 2010 for those assets and liabilities within the scope of FSP 157-2 is not expected to have a material impact on our financial position, results of operations or cash flows.

In March 2008, the FASB issued Statement of Financial Accounting Standards No. 161, “Disclosures about Derivative Instruments and Hedging Activities” (“SFAS 161”). SFAS 161 requires disclosures of how and why an entity uses derivative instruments, how derivative instruments and related hedged items are accounted for and how derivative instruments and related hedged items affect an entity’s financial position, financial performance, and cash flows. SFAS 161 is effective for interim periods beginning after November 15, 2008 and fiscal years that include those interim periods. The adoption of SFAS 161 as of December 28, 2008 did not have a material impact on the Company’s consolidated financial position or results of operations. See Note 10.

In May 2009, the FASB issued Statement of Financial Accounting Standards No. 165, “Subsequent Events” (“SFAS 165”). SFAS No. 165 sets forth: (1) the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in financial statements, (2) the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements and (3) the disclosures that an entity should make about events or transactions that occurred after the balance sheet date. The Company has evaluated the period beginning June 28, 2009 through August 5, 2009, the date the Company’s quarterly financial statements were issued, and concluded there were no events or transactions occurring during this period that required recognition or additional disclosure in the financial statements. See Note 12.

4. ACQUISITIONS

APC – On December 16, 2008, TransDigm Inc. acquired all of the outstanding capital stock of Aircraft Parts Corporation (“APC”) for approximately \$67.6 million in cash, subject to adjustment based on the level of working capital as of the closing date of the acquisition. 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 \$47.0 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 \$59.6 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 for the aerospace market, all of which fit well with TransDigm’s overall business direction. The Company expects that the \$50.4 million of goodwill recognized for the acquisition will not be deductible for tax purposes.

The Company accounted for the acquisitions of APC, the Unison product line, and CEF (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. Pro forma net sales and results of operations for the Acquisitions, had they occurred at the beginning of the thirty-nine week periods ended June 27, 2009 and June 28, 2008, respectively, are not significant and, accordingly, are not provided.

The Acquisitions strengthen and expand our 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 is driven in most cases by the recurring aftermarket consumption over the life of a particular aircraft, which is estimated to be approximately 30 years.

[Table of Contents](#)**5. 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 June 27, 2009.

Inventories consist of the following (in thousands):

	June 27, 2009	September 30, 2008
Work-in-progress and finished goods	\$ 81,651	\$ 78,467
Raw materials and purchased component parts	90,577	81,750
Total	172,228	160,217
Reserve for excess and obsolete inventory	(15,847)	(15,862)
LIFO reserve	1,452	(241)
Inventories - net	<u>\$ 157,833</u>	<u>\$ 144,114</u>

6. INTANGIBLE ASSETS

Intangible assets subject to amortization consist of the following (in thousands):

	June 27, 2009		
	Gross Carrying Amount	Accumulated Amortization	Net
Unpatented technology	\$ 196,957	\$ 33,775	\$ 163,182
License agreement	9,373	3,139	6,234
Trade secrets	18,462	3,895	14,567
Patented technology	1,711	979	732
Order backlog	18,840	18,003	837
Other	1,600	913	687
Total	<u>\$ 246,943</u>	<u>\$ 60,704</u>	<u>\$ 186,239</u>

	September 30, 2008		
	Gross Carrying Amount	Accumulated Amortization	Net
Unpatented technology	\$ 190,493	\$ 27,180	\$ 163,313
License agreement	9,373	2,741	6,632
Trade secrets	18,462	3,267	15,195
Patented technology	1,670	922	748
Order backlog	17,520	15,698	1,822
Other	1,600	742	858
Total	<u>\$ 239,118</u>	<u>\$ 50,550</u>	<u>\$ 188,568</u>

The total carrying amount of identifiable intangible assets not subject to amortization consists of \$173.7 million and \$167.6 million of trademarks and trade names at June 27, 2009 and September 30, 2008, respectively.

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Intangible assets acquired during the thirty-nine week period ended June 27, 2009 were as follows (in thousands):

	Cost	Amortization Period
Intangible assets not subject to amortization:		
Goodwill	\$46,954	
Trademarks and trade names	6,080	
	<u>53,034</u>	
Intangible assets subject to amortization:		
Unpatented technology	4,590	18 years
Order backlog	1,300	1 year
	<u>5,890</u>	14 years
Total	<u>\$58,924</u>	

The aggregate amortization expense on identifiable intangible assets for the thirty-nine week periods ended June 27, 2009 and June 28, 2008 was approximately \$10.2 million and \$8.8 million, respectively. The estimated amortization expense for fiscal 2009 is \$13.5 million and for each of the five succeeding years 2010 through 2014 is \$10.9 million, \$10.6 million, \$10.4 million, \$10.4 million and \$10.4 million, respectively.

The following is a summary of changes in the carrying value of goodwill from September 30, 2008 through June 27, 2009 (in thousands):

Balance, September 30, 2008	\$1,354,774
Goodwill acquired during the year	46,954
Other	656
Balance, June 27, 2009	<u>\$1,402,384</u>

7. PRODUCT WARRANTY

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 generally 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):

	Thirty-Nine Week Periods Ended	
	June 27, 2009	June 28, 2008
Liability balance at beginning of period	\$ 6,255	\$ 4,624
Accruals for warranties issued	1,673	1,471
Warranty costs incurred	(1,721)	(1,289)
Acquisitions	681	794
Liability balance at end of period	<u>\$ 6,888</u>	<u>\$ 5,600</u>

8. INCOME TAXES

At the end of each reporting period, the Company makes an estimate of its annual effective income tax rate. The estimate used in the year-to-date period may change in subsequent periods. The Company recorded an income tax provision of \$22.6 million in the thirteen week period ended June 27, 2009 compared to \$20.6 million in the prior year period. The effective tax rate for the thirteen week period ended June 27, 2009 was 35.3% compared to 36.4% for the comparable period in the prior year. The lower effective tax rate was primarily due to an increase in the Company's tax benefits related to domestic manufacturing and a reduction in the Company's state and local tax expense.

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The Company recorded an income tax provision of \$66.7 million in the thirty-nine week period ended June 27, 2009 compared to \$52.6 million in the prior year period. The effective tax rate was 35.5% for the thirty-nine weeks ended June 27, 2009 and was comparable to the 35.6% for the thirty-nine week period ended June 28, 2008.

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction as well as in various state jurisdictions. As of June 27, 2009, the Company is subject to a U.S. Federal income tax examination for fiscal years 2007 and 2008. In addition, the Company is subject to state and local income tax examinations for fiscal years 2004 through 2008.

At June 27, 2009, the Company had \$3.2 million in unrecognized tax benefits, the recognition of which would have an effect of approximately \$2.1 million on the effective tax rate. At September 30, 2008, the Company had \$2.8 million in unrecognized tax benefits, the recognition of which would have an effect of approximately \$1.9 million on the effective tax rate. The Company does not believe that the tax positions that comprise the unrecognized tax benefit amount will change significantly over the next 12 months. The Company recognizes accrued interest and penalties related to unrecognized tax benefits in income tax expense.

9. EARNINGS PER SHARE CALCULATION

Basic earnings per share is determined using the weighted-average number of common shares outstanding during the period. Diluted earnings per share includes the additional effect of potentially dilutive securities, which comprise stock options outstanding during the period. The dilutive effect of stock options is calculated using the treasury stock method.

The following table sets forth the computation of basic and diluted earnings per share:

	Thirteen Week Periods Ended		Thirty-Nine Week Periods Ended	
	June 27, 2009	June 28, 2008	June 27, 2009	June 28, 2008
<u>(in thousands, except per share data)</u>				
Basic Earnings Per Share Computation:				
Net income	\$41,388	\$35,999	\$121,291	\$95,137
Weighted-average shares outstanding	48,376	48,084	48,411	47,639
Basic earnings per share	\$ 0.86	\$ 0.75	\$ 2.51	\$ 2.00
Diluted Earnings Per Share Computation:				
Net income	\$41,388	\$35,999	\$121,291	\$95,137
Weighted-average shares outstanding	48,376	48,084	48,411	47,639
Effect of dilutive options outstanding	1,944	2,189	1,945	2,419
Total weighted-average shares outstanding	50,320	50,273	50,356	50,058
Diluted earnings per share	\$ 0.82	\$ 0.72	\$ 2.41	\$ 1.90

Stock options totaling 0.3 million outstanding at June 27, 2009 were excluded from the diluted earnings per share computations for the thirteen and thirty-nine week periods ended June 27, 2009 due to the anti-dilutive effect of such options. The stock options excluded from the diluted earnings per share calculation for thirteen and thirty-nine week periods ended June 28, 2008 were immaterial.

10. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company has various financial instruments, including cash and cash equivalents, accounts receivable and payable, accrued liabilities, interest rate swaps and long-term debt. SFAS 157 (See Note 3) establishes a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows. 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 carrying values of the Company's cash and cash equivalents, accounts receivable and payable, and accrued liabilities approximate their fair value due to the short-term maturities of these assets and liabilities. The estimated fair value of the Company's term loans approximated \$739 million at June 27, 2009 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 approximated \$551 million at June 27, 2009 based upon quoted market prices.

Interest rate swap agreements are entered into 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 SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." Accordingly, changes in the fair values of the interest rate swaps are recorded as other comprehensive income. At June 27, 2009, one agreement was in place to the swap variable interest rate on the Senior Secured Credit Facility for fixed interest rates for the notional amount of \$300 million through March 23, 2011. The agreement to swap the variable interest rate on a notional amount of \$150 million expired on June 23, 2009.

The following table provides the liabilities carried at fair value measured on a recurring basis as of June 27, 2009 (in thousands):

	Fair Value at June 27, 2009	Fair Value Measurements Using Inputs Considered as		
		Level 1	Level 2	Level 3
Interest Rate Swap ⁽¹⁾	\$ 7,665	\$ —	\$7,665	\$ —

- (1) Included in Other non-current liabilities on the Condensed 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. They are classified within Level 2 of the valuation hierarchy.

11. COMPREHENSIVE INCOME

Comprehensive income, which includes adjustments for changes in the fair values of the interest rate swap agreements on a net of tax basis, was approximately \$116.0 million and \$99.8 million for the thirty-nine week periods ended June 27, 2009 and June 28, 2008, respectively.

12. SUBSEQUENT EVENT

On July 24, 2009, the Company completed the acquisition of Acme Aerospace, Inc. (Acme) for approximately \$40 million in cash. Acme is based in Tempe, Arizona and produces fibrous nickel cadmium main ship batteries, battery chargers, battery back-up systems and power conversion equipment. Acme manufactures proprietary, highly engineered components for the aerospace industry with high aftermarket content, all of which fit well with TransDigm's overall business strategy.

13. SUPPLEMENTAL GUARANTOR INFORMATION

TransDigm's 7^{3/4}% senior subordinated notes 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 June 27, 2009 and September 30, 2008 and its statements of income and cash flows for the thirty-nine week periods ended June 27, 2009 and June 28, 2008 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 JUNE 27, 2009
(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	\$ 4,806	\$ 202,903	\$ (4,061)	\$ —	\$ 203,648
Trade accounts receivable - Net	—	11,120	93,610	(201)	104,529
Inventories	—	20,319	137,732	(218)	157,833
Deferred income taxes	—	14,784	—	—	14,784
Prepaid expenses and other	—	8,974	1,435	—	10,409
Total current assets	4,806	258,100	228,716	(419)	491,203
INVESTMENT IN SUBSIDIARIES AND INTERCOMPANY BALANCES	760,675	2,074,903	575,577	(3,411,155)	—
PROPERTY, PLANT AND EQUIPMENT - Net	—	14,937	84,554	—	99,491
GOODWILL	—	40,348	1,363,908	(1,872)	1,402,384
TRADEMARKS AND TRADE NAMES	—	19,376	154,330	—	173,706
OTHER INTANGIBLE ASSETS - Net	—	10,132	174,235	1,872	186,239
DEBT ISSUE COSTS - Net	—	16,520	—	—	16,520
OTHER	—	2,152	1,397	—	3,549
TOTAL ASSETS	<u>\$765,481</u>	<u>\$2,436,468</u>	<u>\$2,582,717</u>	<u>\$(3,411,574)</u>	<u>\$2,373,092</u>
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES:					
Accounts payable	\$ —	\$ 4,619	\$ 15,119	\$ (201)	\$ 19,537
Accrued liabilities	—	29,635	33,458	—	63,093
Total current liabilities	—	34,254	48,577	(201)	82,630
LONG-TERM DEBT	—	1,356,878	—	—	1,356,878
DEFERRED INCOME TAXES	—	155,482	—	—	155,482
OTHER NON-CURRENT LIABILITIES	—	11,177	1,444	—	12,621
Total liabilities	—	1,557,791	50,021	(201)	1,607,611
STOCKHOLDERS' EQUITY	765,481	878,677	2,532,696	(3,411,373)	765,481
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$765,481</u>	<u>\$2,436,468</u>	<u>\$2,582,717</u>	<u>\$(3,411,574)</u>	<u>\$2,373,092</u>

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	1,552	213,958	208,353	(429)	423,434
INVESTMENTS 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>\$654,233</u>	<u>\$2,317,065</u>	<u>\$2,361,915</u>	<u>\$(3,077,392)</u>	<u>\$2,255,821</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	5,939	28,801	53,985	(223)	88,502
LONG-TERM DEBT	—	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	333	1,546,382	55,429	(223)	1,601,921
STOCKHOLDERS' EQUITY	653,900	770,683	2,306,486	(3,077,169)	653,900
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$654,233</u>	<u>\$2,317,065</u>	<u>\$2,361,915</u>	<u>\$(3,077,392)</u>	<u>\$2,255,821</u>

TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATING STATEMENT OF INCOME
FOR THE THIRTY-NINE WEEK PERIOD ENDED JUNE 27, 2009
(Amounts in thousands)

	<u>TransDigm Group</u>	<u>TransDigm Inc.</u>	<u>Subsidiary Guarantors</u>	<u>Eliminations</u>	<u>Total Consolidated</u>
NET SALES	\$ —	\$ 51,812	\$513,484	\$ (1,098)	\$ 564,198
COST OF SALES	—	29,364	214,970	(1,086)	243,248
GROSS PROFIT	—	22,448	298,514	(12)	320,950
OPERATING EXPENSES:					
Selling and administrative	—	19,670	38,267	—	57,937
Amortization of intangibles	—	468	9,686	—	10,154
Total operating expenses	—	20,138	47,953	—	68,091
INCOME FROM OPERATIONS	—	2,310	250,561	(12)	252,859
OTHER INCOME (EXPENSES):					
Interest expense - net	—	(61,457)	(3,391)	—	(64,848)
Equity in income of subsidiaries	121,291	159,438	—	(280,729)	—
INCOME BEFORE INCOME TAXES	121,291	100,291	247,170	(280,741)	188,011
INCOME TAX PROVISION (BENEFIT)	—	(21,000)	87,720	—	66,720
NET INCOME	<u>\$121,291</u>	<u>\$121,291</u>	<u>\$159,450</u>	<u>\$ (280,741)</u>	<u>\$ 121,291</u>

TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATING STATEMENT OF INCOME
FOR THE THIRTY-NINE WEEK PERIOD ENDED JUNE 28, 2008
(Amounts in thousands)

	<u>TransDigm Group</u>	<u>TransDigm Inc.</u>	<u>Subsidiary Guarantors</u>	<u>Eliminations</u>	<u>Total Consolidated</u>
NET SALES	\$ —	\$ 56,575	\$ 469,263	\$ (1,365)	\$ 524,473
COST OF SALES	—	33,834	209,416	(1,270)	241,980
GROSS PROFIT	—	22,741	259,847	(95)	282,493
OPERATING EXPENSES:					
Selling and administrative	—	18,164	37,385	—	55,549
Amortization of intangibles	—	468	8,373	—	8,841
Total operating expenses	—	18,632	45,758	—	64,390
INCOME FROM OPERATIONS	—	4,109	214,089	(95)	218,103
OTHER INCOME (EXPENSES):					
Interest expense - net	—	(47,954)	(22,417)	—	(70,371)
Equity in income of subsidiaries	95,137	123,343	—	(218,480)	—
INCOME BEFORE INCOME TAXES	95,137	79,498	191,672	(218,575)	147,732
INCOME TAX PROVISION (BENEFIT)	—	(15,639)	68,234	—	52,595
NET INCOME	<u>\$ 95,137</u>	<u>\$ 95,137</u>	<u>\$ 123,438</u>	<u>\$ (218,575)</u>	<u>\$ 95,137</u>

TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE THIRTY-NINE WEEK PERIOD ENDED JUNE 27, 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	\$ (6,214)	\$ (25,380)	\$ 160,611	\$ —	\$ 129,017
INVESTING ACTIVITIES:					
Capital expenditures	—	(1,657)	(7,502)	—	(9,159)
Acquisition of businesses	—	(66,563)	—	—	(66,563)
Net cash used in investing activities	—	(68,220)	(7,502)	—	(75,722)
FINANCING ACTIVITIES:					
Intercompany activities	18,177	135,823	(154,000)	—	—
Excess tax benefit from exercise of stock options	3,311	—	—	—	3,311
Proceeds from exercise of stock options	3,222	—	—	—	3,222
Purchase of treasury stock	(15,242)	—	—	—	(15,242)
Net cash provided by (used in) financing activities	9,468	135,823	(154,000)	—	(8,709)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,254	42,223	(891)	—	44,586
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	1,552	160,680	(3,170)	—	159,062
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 4,806</u>	<u>\$ 202,903</u>	<u>\$ (4,061)</u>	<u>\$ —</u>	<u>\$ 203,648</u>

TRANSDIGM GROUP INCORPORATED
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE THIRTY-NINE WEEK PERIOD ENDED JUNE 27, 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	\$ 1,457	\$ 36,473	\$ 111,990	\$ —	\$ 149,920
INVESTING ACTIVITIES:					
Capital expenditures	—	(984)	(6,267)	—	(7,251)
Acquisitions of businesses	—	(84,722)	—	—	(84,722)
Net cash used in investing activities	—	(85,706)	(6,267)	—	(91,973)
FINANCING ACTIVITIES:					
Changes in intercompany activities	(17,589)	121,343	(103,754)	—	—
Excess tax benefit from exercise of stock options	17,031	—	—	—	17,031
Proceeds from exercise of stock options	8,269	—	—	—	8,269
Net cash provided by (used in) financing activities	7,711	121,343	(103,754)	—	25,300
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,168	72,110	1,969	—	83,247
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	11,117	97,780	(2,951)	—	105,946
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 20,285</u>	<u>\$ 169,890</u>	<u>\$ (982)</u>	<u>\$ —</u>	<u>\$ 189,193</u>

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of the Company's financial condition and results of operations should be read together with TD Group's consolidated financial statements and the related notes included elsewhere in this Quarterly Report on Form 10-Q. References in this section to "TransDigm," "the Company," "we," "us," "our," and similar references refer to TD Group, TransDigm Inc. and TransDigm Inc.'s subsidiaries, unless the context otherwise indicates. The following discussion may contain predictions, estimates and other forward-looking statements that involve a number of risks and uncertainties, including those discussed in this report. These risks could cause our actual results to differ materially from any future performance suggested below.

This Quarterly Report on Form 10-Q includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including, in particular, the statements about the Company's plans, strategies and prospects under this section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations." Although the Company believes that its plans, intentions and expectations reflected in or suggested by such forward-looking statements are reasonable, the Company can give no assurance that such plans, intentions or expectations will be achieved. Many of the factors affecting these forward-looking statements are outside the control of the Company. Consequently, such forward-looking statements should be regarded solely as the Company's current plans, estimates and beliefs. The Company does not undertake, and specifically declines, any obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect any future events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events, except as required by applicable law. All forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by the foregoing cautionary statements.

Important factors that could cause actual results to differ materially from the forward-looking statements made in this Quarterly Report on Form 10-Q include but are not limited to: a decrease in flight hours and our customers' profitability, both of which are affected by general economic conditions; future terrorist attacks; our substantial indebtedness; our reliance on certain customers; the U.S. defense budget and risks associated with being a government supplier; failure to maintain government or industry approvals; the pricing review by the Department of Defense Office of Inspector General to which certain of our divisions and subsidiaries have been subject; failure to complete or successfully integrate acquisitions; future sales of our common stock in the public market caused by the substantial amount of stock held by our affiliates; and other factors. Please refer to the other information included in this Quarterly Report on Form 10-Q and to the Annual Report on Form 10-K for additional information regarding the foregoing factors that may affect our business.

Overview

We believe we are a leading global designer, producer, and supplier of highly engineered aircraft components for use on nearly all commercial and military aircraft in service today. Our business is well diversified due to the broad range of products we offer to our customers. Some of our more significant 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 and 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. Each of these product offerings consists of many individual products that are typically customized to meet the needs of a particular aircraft platform or customer.

For the third quarter of fiscal 2009, we generated net sales of \$189.9 million and net income of \$41.4 million. EBITDA As Defined was \$94.7 million, or 49.9% of net sales. See below for certain information regarding EBITDA and EBITDA As Defined, including a reconciliation of EBITDA and EBITDA As Defined to net income.

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Certain Acquisitions

Acme Acquisition

On July 24, 2009, the Company completed the acquisition of Acme Aerospace, Inc. (Acme) for approximately \$40 million in cash. Acme is based in Tempe, Arizona and produces fibrous nickel cadmium main ship batteries, battery chargers, battery back-up systems and power conversion equipment. Acme manufactures proprietary, highly engineered components for the aerospace industry with high aftermarket content, all of which fit well with TransDigm's overall business strategy.

APC Acquisition

On December 16, 2008, TransDigm Inc. acquired all of the outstanding capital stock of Aircraft Parts Corporation ("APC") for approximately \$67.6 million in cash, subject to adjustment based on the level of working capital as of the closing date of the acquisition. 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.

Unison Product Line Acquisition

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 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.

CEF Acquisition

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 for the aerospace market, all of which fit well with TransDigm's overall business direction.

EBITDA and EBITDA As Defined

EBITDA represents earnings before interest, taxes, depreciation and amortization. EBITDA As Defined represents EBITDA plus, as applicable for the relevant period, inventory purchase accounting adjustments, acquisition integration costs and non-cash compensation and deferred compensation charges. EBITDA and EBITDA As Defined are non-GAAP financial measures which the management of TD Group believes are useful indicators for evaluating operating performance and liquidity.

TD Group management believes that EBITDA and EBITDA As Defined are useful to investors because they are frequently used by securities analysts, investors and other interested parties to measure operating performance among companies with different capital structures, effective tax rates and tax attributes, capitalized asset values and employee compensation structures, all of which can vary substantially from company to company depending upon, among other things, accounting methods, book value of assets and the method by which assets are acquired. These measures are useful to evaluate our Company between time periods without regard to items such as interest expense, income tax expense and depreciation and amortization. We also believe EBITDA is useful to investors as a measure of comparative operating performance among companies and between time periods as it is reflective of changes in pricing decisions, cost controls and other factors that affect operating performance.

TD Group management believes that EBITDA and EBITDA As Defined are useful as indicators of liquidity because analysts, 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 first lien leverage ratio, which is measured based on our Consolidated EBITDA. Our senior secured credit facility defines Consolidated EBITDA in the same manner as we define EBITDA As Defined. 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 thereunder (and, in turn, an event of default under our senior secured credit facility could result in an event of default under the indenture governing our 7 3/4% senior subordinated notes).

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In addition to the above, TD Group's management uses EBITDA As Defined to review and assess its operating performance and management team in connection with employee incentive programs and the preparation of its annual budget and financial projections. Moreover, TD Group's management uses EBITDA As Defined to evaluate acquisitions and as a liquidity measure.

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 EBITDA and EBITDA As Defined as an analytical tool has limitations, and you should not consider either 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, and our calculation of EBITDA and EBITDA As Defined may not be comparable to the calculation of similarly titled measures reported by other companies.

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

	<u>Thirteen Week Periods Ended</u>		<u>Thirty-Nine Week Periods Ended</u>	
	<u>June 27, 2009</u>	<u>June 28, 2008</u>	<u>June 27, 2009</u>	<u>June 28, 2008</u>
Net Income	\$ 41,388	\$ 35,999	\$ 121,291	\$ 95,137
Adjustments:				
Depreciation and amortization expense	6,741	6,155	20,342	18,649
Interest expense, net	21,226	21,849	64,848	70,371
Income tax provision	22,583	20,570	66,720	52,595
EBITDA	91,938	84,573	273,201	236,752
Adjustments:				
Acquisition-related costs ⁽¹⁾	1,096	765	2,935	2,117
Non-cash compensation and deferred compensation costs ⁽²⁾	1,698	1,417	4,487	4,709
EBITDA As Defined	<u>\$ 94,732</u>	<u>\$ 86,755</u>	<u>\$ 280,623</u>	<u>\$ 243,578</u>

- (1) Represents costs incurred to integrate acquired businesses into TD Group's operations and purchase accounting adjustments to inventory that were charged to cost of sales when inventory was sold.

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(2) Represents the compensation expense recognized by the Company under our stock option and deferred compensation plans.

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

	Thirty-Nine Week Periods Ended	
	June 27, 2009	June 28, 2008
Net Cash Provided by Operating Activities	\$ 129,017	\$ 149,920
Adjustments:		
Changes in assets and liabilities, net of effects from acquisitions of businesses	21,115	(42,804)
Interest expense, net ⁽¹⁾	62,411	68,086
Income tax provision - current	61,561	47,607
Non-cash equity compensation ⁽²⁾	(4,214)	(3,088)
Excess tax benefit from exercise of stock options	3,311	17,031
EBITDA	273,201	236,752
Adjustments:		
Acquisition-related costs ⁽³⁾	2,935	2,117
Non-cash compensation and deferred compensation costs ⁽⁴⁾	4,487	4,709
EBITDA As Defined	<u>\$ 280,623</u>	<u>\$ 243,578</u>

(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 to integrate acquired businesses into TD Group's operations and purchase accounting adjustments to inventory that were charged to cost of sales when the inventory was sold.

(4) Represents the compensation expense recognized by the Company under our stock option and deferred compensation plans.

Critical Accounting Policies

Our consolidated financial statements have been prepared in accordance with GAAP, which often requires the judgment of management in the selection and application of certain accounting principles and methods. Management believes that the quality and reasonableness of our most critical policies enable the fair presentation of our financial position and results of operations. However, investors are cautioned that the sensitivity of financial statements to these methods, assumptions and estimates could create materially different results under different conditions or using different assumptions.

SFAS No. 142, "Goodwill and Other Intangibles", 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.

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A summary of our significant accounting policies and estimates is included in the Annual Report on Form 10-K for the year ended September 30, 2008. There has been no significant change to our critical accounting policies during the thirty-nine week period ended June 27, 2009.

Results of Operations

The following table sets forth, for the periods indicated, certain operating data of the Company as a percentage of net sales:

	Thirteen Week Periods Ended		Thirty-Nine Week Periods Ended	
	June 27, 2009	June 28, 2008	June 27, 2009	June 28, 2008
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales	43.2	46.0	43.1	46.1
Selling and administrative expenses	10.2	10.4	10.3	10.6
Amortization of intangibles	1.7	1.5	1.8	1.7
Income from operations	44.9	42.1	44.8	41.6
Interest expense - net	11.2	11.7	11.5	13.4
Income tax provision	11.9	11.1	11.8	10.1
Net income	21.8%	19.3%	21.5%	18.1%

Changes in Results of Operations

Thirteen week period ended June 27, 2009 compared with the thirteen week period ended June 28, 2008.

- **Net Sales.** Net sales increased by \$3.8 million, or 2.1%, to \$189.9 million for the quarter ended June 27, 2009, from \$186.1 million for the comparable quarter last year. Sales of \$14.0 million resulted from the acquisitions of CEF and the Unison product line during fiscal 2008 and APC in fiscal 2009.
Sales excluding acquisitions decreased by \$10.2 million and represented a 5.5% decrease from the prior year. The decline in organic sales was primarily due to (i) a decrease of \$9.5 million of commercial OEM sales resulting primarily from the impact of the significant decline in production rates in the business jet market, and (ii) a decrease of \$6.0 million in commercial aftermarket sales due to the impact of the global economic downturn resulting in a decline in worldwide airline traffic, business jet and to a lesser extent general aviation activity. Partially offsetting the decline in organic commercial sales was an increase of \$7.4 million in defense sales primarily due to increased demand for OEM and aftermarket spare parts and repairs across most of our product lines.
- **Cost of Sales.** Cost of sales decreased by \$3.6 million, or 4.1%, to \$82.0 million for the quarter ended June 27, 2009 from \$85.6 million for the comparable quarter last year. Cost of sales as a percentage of sales decreased to 43.2% for the thirteen week period ended June 27, 2009 from 46.0% for the thirteen week period ended June 28, 2008. Cost of sales as a percentage of net sales decreased by almost three percentage points due to the strength of our proprietary products, productivity improvements from continued cost reduction initiatives, favorable product mix and the reimbursement of certain prior period 787 program development costs partially offset by the dilutive impact from recent acquisitions.
- **Selling and Administrative Expenses.** Selling and administrative expenses were \$19.3 million, or 10.2% of sales, for the quarter ended June 27, 2009 and \$19.3 million, or 10.4% of sales, for the comparable quarter last year.
- **Amortization of Intangibles.** Amortization of intangibles increased to \$3.3 million for the quarter ended June 27, 2009 from \$2.7 million for the comparable quarter last year. The net increase of \$0.6 million was primarily due to amortization expense related to the additional identifiable intangible assets recognized in connection with acquisitions during the last twelve months partially offset by the order backlog becoming fully amortized in fiscal 2008 relating to prior acquisitions.

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- **Interest Expense-net.** Interest expense decreased \$0.6 million, or 2.9%, to \$21.2 million for the quarter ended June 27, 2009 from \$21.8 million for the comparable quarter last year as a result of lower interest rates partially offset by a decrease in interest income of \$0.9 million. The Company's weighted average level of outstanding borrowings was approximately \$1.36 billion for both the quarter ended June 27, 2009 and the comparable quarter last year. The average interest rate decreased to 6.0% for the quarter ended June 27, 2009 from 6.4% during the comparable quarter last year.
- **Income Taxes.** Income tax expense as a percentage of income before income taxes was approximately 35.3% for the quarter ended June 27, 2009 compared to 36.4% for the quarter ended June 28, 2008. The lower effective tax rate for the current quarter was primarily due to an increase in the domestic manufacturing deduction and a reduction in state and local tax expense.
- **Net Income.** Net income increased \$5.4 million, or 15.0%, to \$41.4 million for the third quarter of fiscal 2009 compared to \$36.0 million for the third quarter of fiscal 2008, primarily as a result of the factors referred to above.

Thirty-nine week period ended June 27, 2009 compared with the thirty-nine week period ended June 28, 2008.

- **Net Sales.** Net sales increased by \$39.7 million, or 7.6%, to \$564.2 million for the thirty-nine week period ended June 27, 2009, from \$524.5 million for the comparable period last year. Sales of \$48.0 million resulted from the acquisitions of CEF and the Unison product line in fiscal 2008 and APC in fiscal 2009.

Sales excluding acquisitions decreased by \$8.3 million and represented a 1.6% decrease from the prior year. The decline in organic sales was primarily due to (i) a decrease of \$13.6 million of commercial OEM sales resulting primarily from a reduction in sales to The Boeing Company due to the employee strike and the impact of the significant decline in production rates in the business jet market, and (ii) a decrease of \$12.2 million in commercial aftermarket sales due to the impact of the global economic downturn resulting in a decline in worldwide airline traffic, business jet and general aviation activity. Partially offsetting the decline in organic commercial sales was an increase of \$21.3 million in defense sales primarily due to increased demand for OEM and aftermarket spare parts and repairs across most of our product lines.
- **Cost of Sales.** Cost of sales increased slightly to \$243.2 million for the thirty-nine week period ended June 27, 2009 from \$242.0 million for the comparable period last year. Cost of sales as a percentage of sales decreased to 43.1% for the thirty-nine week period ended June 27, 2009 from 46.1% for the thirty-nine week period ended June 28, 2008. Cost of sales as a percentage of net sales decreased by three percentage points due to the strength of our proprietary products, productivity improvements from continued cost reduction initiatives and favorable product mix partially offset by the dilutive impact from recent acquisitions.
- **Selling and Administrative Expenses.** Selling and administrative expenses increased by \$2.4 million, or 4.3%, to \$57.9 million, or 10.3% of sales, for the thirty-nine week period ended June 27, 2009 from \$55.5 million, or 10.6% of sales, for the comparable period last year. This increase was primarily due to the higher sales discussed above partially offset by a decrease in research and development expenses of \$1.8 million, or 0.3% of net sales.
- **Amortization of Intangibles.** Amortization of intangibles increased to \$10.2 million for the thirty-nine week period ended June 27, 2009 from \$8.8 million for the comparable period last year. The net increase of \$1.4 million was primarily due to amortization expense related to the additional identifiable intangible assets recognized in connection with acquisitions during the last twelve months partially offset by the order backlog becoming fully amortized in fiscal 2008 relating to prior acquisitions.
- **Interest Expense-net.** Interest expense decreased \$5.6 million, or 7.8%, to \$64.8 million for the thirty-nine week period ended June 27, 2009 from \$70.4 million for the comparable period last year primarily the result of lower interest rates partially offset by a decrease in interest income of \$3.4 million. The Company's weighted average level of outstanding borrowings was approximately \$1.36 billion for both the thirty-nine week period ended June 27, 2009 and June 28, 2008, respectively. The average interest rate decreased to 6.2% for the thirty-nine week period ended June 27, 2009 from 7.1% during the comparable period last year.

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- **Income Taxes.** Income tax expense as a percentage of income before income taxes was 35.5% for the thirty-nine weeks ended June 27, 2009 and was comparable to the 35.6% for the thirty-nine week period ended June 28, 2008.
- **Net Income.** Net income increased \$26.2 million, or 27.5%, to \$121.3 million for the thirty-nine week period ended June 27, 2009 compared to net income of \$95.1 million for the thirty-nine week period ended June 28, 2008, primarily as a result of the factors referred to above.

Backlog

As of June 27, 2009, the Company estimated its sales order backlog at \$367 million compared to an estimated \$423 million as of June 28, 2008. This decrease in backlog of \$56 million is mainly due to lower commercial OEM and aftermarket demand including the impact of order cancellations and pushouts as well as significant reductions in business jet production rates. These declines were partially offset by the impact of the acquisitions of the Unison product line and APC. The majority of the purchase orders outstanding as of June 27, 2009 are scheduled for delivery within the next twelve months. Purchase orders may be subject to cancellation by the customer prior to shipment. The level of unfilled purchase orders at any given date during the year will be materially affected by the timing of the Company's receipt of purchase orders and the speed with which those orders are filled. Accordingly, the Company's backlog as of June 27, 2009 may not necessarily represent the actual amount of shipments or sales for any future period.

Foreign Operations

Although we manufacture substantially all of our products in the United States, we manufacture some products in Malaysia through our wholly owned Malaysian subsidiary. We sell our products in the United States, as well as in foreign countries. Substantially all of our foreign sales are transacted in U.S. dollars and, therefore, we have no material exposure to fluctuations in the rate of exchange between foreign currencies and the U.S. dollar as a result of foreign sales. In addition, the amount of components or other raw materials or supplies that we purchase from foreign suppliers, including our Malaysian manufacturing subsidiary, are not material, with substantially all such transactions being made in U.S. dollars. Accordingly, we have no material exposure to currency fluctuations in the rate of exchange between foreign currencies and the U.S. dollar arising from these transactions.

Sales to foreign customers are subject to numerous additional risks, including the impact of foreign government regulations, political uncertainties and differences in business practices. There can be no assurance that foreign governments will not adopt regulations or take other action that would have a direct or indirect adverse impact on the business or market opportunities of the Company within such governments' countries. Furthermore, there can be no assurance that the political, cultural and economic climate outside the United States will be favorable to our operations and growth strategy.

Liquidity and Capital Resources

Operating Activities. Cash from operating activities decreased \$20.9 million, or 13.9%, to \$129.0 million for the thirty-nine week period ended June 27, 2009 from \$149.9 million for the comparable period last year. The net decrease was due to several factors, including primarily increased net income of \$26.2 million offset by higher cash payments for income taxes of \$46.6 million.

Cash payments for income taxes during the thirty-nine week period ended June 27, 2009 increased to \$64.7 million from \$18.1 million for the comparable period last year primarily due to the following: i) higher net income in the current period; ii) reduction in fiscal 2009 of the tax benefit from the exercise of stock options; and iii) refunds of income taxes in certain tax jurisdictions received during the prior year.

Investing Activities. Cash used in investing activities was \$75.7 million during thirty-nine week period ended June 27, 2009 consisting primarily of the acquisition of APC and capital expenditures of \$9.2 million. Cash used in investing activities was \$92.0 million during thirty-nine week period ended June 28, 2008 consisting primarily of the acquisition of CEF and capital expenditures of \$7.3 million.

Financing Activities. Cash used in financing activities during the thirty-nine week period ended June 27, 2009 was \$8.7 million compared to cash provided by financing activities of \$25.3 million during the thirty-nine week period ended June 28, 2008. Cash used in financing activities during the thirty-nine week period ended June 27, 2009 related to the purchase of treasury stock of \$15.2 million partially offset by the benefit from the exercise of stock options of \$6.5 million. Cash provided by financing activities during the thirty-nine week period ended June 28, 2008 related to the exercise of stock options of \$25.3 million.

Description of Current Senior Secured Credit Facility and Indenture

The senior secured credit facility (“Senior Secured Credit Facility”) consists of a \$780 million term loan facility, which is fully drawn, and a \$200 million revolving loan facility. At June 27, 2009, \$198.5 million of the revolving credit facility was available.

The term loan facility will mature in June 2013 and will not be subject to interim scheduled amortization, but will be subject to certain prepayment requirements. Under the amended terms of the Senior Secured Credit Facility, commencing 90 days after the end of fiscal 2008 and each fiscal year thereafter, TransDigm Inc. is required to prepay outstanding term loans in a principal amount equal to 50% of Excess Cash Flow (as defined in the Senior Secured Credit Facility) if our Consolidated Leverage Ratio (as hereinafter defined) at the end of the applicable fiscal year exceeds 5.00 to 1.00 and equal to 25% of Excess Cash Flow if our Consolidated Leverage Ratio at the end of the applicable fiscal year is less than 5.00 to 1.00, but greater than 4.50 to 1.00. No payment is required if the Consolidated Leverage Ratio as of the end of the applicable fiscal year is equal to or less than 4.50 to 1.00 or if the term loans achieve certain minimum credit ratings at the end of such fiscal year. “Excess Cash Flow” is a negotiated definition generally designed to capture the cash that was generated by our business in excess of cash used in the business. “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 3.9 to 1.00 at September 30, 2008, thus the Company was not obligated to make a prepayment of the term loans based upon the Excess Cash Flow provision.

TransDigm Inc. entered into a three year interest rate swap in June 2006 with Credit Suisse for an initial notional amount of \$187 million at a fixed rate of 7.6%. The notional amount decreased to \$150 million on September 23, 2008, and the swap agreement expired on June 23, 2009. TransDigm Inc. entered into an additional three year interest rate swap in January 2008 with Credit Suisse for a notional amount of \$300 million at a fixed rate of 5.0% through March 23, 2011.

Long-term financing arrangements also include \$575 million aggregate principal amount of 7³/₄% senior subordinated notes (“7³/₄% Senior Subordinated Notes”) issued by TransDigm Inc. Such notes do not require principal payments prior to their maturity in July 2014.

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Stock Repurchase

In October 2008, we announced a program permitting us to repurchase a portion of our outstanding shares not to exceed \$50 million in the aggregate. From October 2008 to June 2009, we have repurchased a total of 494,100 shares at an aggregate cost of \$15.2 million.

New Accounting Standards

In February 2007, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standards No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities—Including an amendment of FASB Statement No. 115” (“SFAS 159”). SFAS 159 provides companies with an option to report selected financial assets and liabilities at fair value. SFAS 159’s objective is to reduce both complexity in accounting for financial instruments and the volatility in earnings caused by measuring related assets and liabilities differently. The adoption of SFAS 159 as of October 1, 2008 did not have a material impact on the Company’s consolidated financial position or results of operations.

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, “Fair Value Measurements” (“SFAS 157”), which is effective for fiscal years beginning after November 15, 2007 and for interim periods within those years. SFAS 157 defines fair value, establishes a framework for measuring fair value and expands the related disclosure requirements. In October 2008, the FASB issued FASB Staff Position FAS 157-3, “Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active” (“FSP 157-3”), which clarifies the application of SFAS 157 when the market for a financial asset is not active and provides an example to illustrate key considerations in determining the fair value of a financial asset when the market for that financial asset is not active. FSP 157-3 became effective immediately upon adoption of SFAS 157. SFAS 157 was adopted as of October 1, 2008 for all financial assets and liabilities and nonfinancial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). The effective provisions of SFAS 157 are included in Note 10, “Fair Value of Financial Instruments.” The adoption of SFAS 157 did not have a material impact on the Company’s consolidated financial position or results of operations.

In February 2008, the FASB issued FASB Staff Position No. FAS 157-2, “Effective Date of FASB Statement No. 157” (“FSP 157-2”), which allows for the deferral of the adoption date of SFAS 157 for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or presented at fair value in the financial statements on a recurring basis to fiscal years beginning after November 15, 2008. The adoption of SFAS 157 in fiscal 2010 for those assets and liabilities within the scope of FSP 157-2 is not expected to have a material impact on our financial position, results of operations or cash flows.

In March 2008, the FASB issued Statement of Financial Accounting Standards No. 161, “Disclosures about Derivative Instruments and Hedging Activities” (“SFAS 161”). SFAS 161 requires disclosures of how and why an entity uses derivative instruments, how derivative instruments and related hedged items are accounted for and how derivative instruments and related hedged items affect an entity’s financial position, financial performance, and cash flows. SFAS 161 is effective for interim periods beginning after November 15, 2008 and fiscal years that include those interim periods. The adoption of SFAS 161 as of December 28, 2008 did not have a material impact on the Company’s consolidated financial position or results of operations. See Note 10 to the financial statements.

In May 2009, the FASB issued Statement of Financial Accounting Standards No. 165, “Subsequent Events” (“SFAS 165”). SFAS No. 165 sets forth: (1) the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in financial statements, (2) the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements and (3) the disclosures that an entity should make about events or transactions that occurred after the balance sheet date. The Company has evaluated the period beginning June 28, 2009 through August 5, 2009, the date the Company’s quarterly financial statements were issued, and concluded there were no events or transactions occurring during this period that required recognition or additional disclosure in the financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Our main exposure to market risk relates to interest rates. Our financial instruments that are subject to interest rate risk principally include fixed-rate and floating-rate long-term debt. At June 27, 2009, we had borrowings under our Senior Secured Credit Facility of \$780 million that were subject to interest rate risk. Borrowings under our Senior Secured Credit Facility bear interest, at our option,

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at a rate equal to either an alternate base rate or an adjusted LIBO rate for a one-, two-, three- or six-month (or to the extent available to each lender, nine- or twelve-month) interest period chosen by us, in each case, plus an applicable margin percentage. Accordingly, the Company's cash flows and earnings will be exposed to the market risk of interest rate changes resulting from variable rate borrowings under our Senior Secured Credit Facility. The effect of a hypothetical one percentage point increase in interest rates would increase the annual interest costs under our Senior Secured Credit Facility by approximately \$7.8 million based on the amount of outstanding borrowings at June 27, 2009. The weighted average interest rate on the \$780 million of borrowings under our Senior Secured Credit Facility on June 27, 2009 was 2.43%.

At June 27, 2009, we had an agreement in place to swap variable interest rates on our Senior Secured Credit Facility for fixed interest rates through March 23, 2011 for the notional amount of \$300 million. The fair value of the interest rate swap agreement is adjusted at each balance sheet date, with a corresponding adjustment to other comprehensive income. At June 27, 2009, the fair value of the interest rate swap agreement was a liability of \$7.7 million.

The fair value of the \$780 million aggregate principal amount of borrowings under the Senior Secured Credit Facility is exposed to the market risk of interest rates. The estimated fair value of such term loan approximated \$739 million at June 27, 2009 based upon information provided to the Company from its agent under the credit facility. The fair value of the \$575 million aggregate principal amount of our 7³/₄% Senior Subordinated Notes is exposed to the market risk of interest rate changes. The estimated fair value of such notes approximated \$551 million at June 27, 2009 based upon quoted market rates.

ITEM 4. CONTROLS AND PROCEDURES

As of June 27, 2009, 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 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 are effective to ensure that information required to be disclosed by TD Group in the reports it files or submits under the Securities Exchange Act of 1934, as amended, 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. There have been no significant changes in TD Group's internal controls or other factors that could significantly affect the internal controls subsequent to the date of TD Group's evaluations.

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 thirteen week period ending June 27, 2009 that have materially affected, or are reasonably likely to materially affect, TD Group's internal control over financial reporting.

PART II: OTHER INFORMATION

ITEM 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the risk factors disclosed in Item 1A of our Annual Report on Form 10-K for the fiscal year ended September 30, 2008. There have been no material changes to the risk factors set forth therein.

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ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

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 June 27, 2009, the Company had repurchased under this program 494,100 shares of its common stock at a gross cost of approximately \$15.2 million at a weighted-average price per share of \$30.85. No purchases were made under the program during the quarter.

ITEM 6. Exhibits

- 3.1 Certificate of Incorporation of Acme Aerospace, Inc. filed July 10, 2009.
- 3.2 Bylaws of Acme Aerospace, Inc.
- 10.1 Amendment No. 3 to the TransDigm Group Incorporated Fourth Amended and Restated 2003 Stock Option Plan * (Incorporated by reference to Form 8-K filed April 28, 2009).
- 10.2 Amended and Restated TransDigm Group Incorporated 2006 Stock Incentive Plan Dividend Equivalent Plan * (Incorporated by reference to Form 8-K filed April 28, 2009).
- 10.3 Second Amended and Restated TransDigm Group Incorporated 2003 Stock Option Plan Dividend Equivalent Plan * (Incorporated by reference to Form 8-K filed April 28, 2009).
- 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.

* Indicates management contract or compensatory plan contract or arrangement

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SIGNATURES

TRANSDIGM GROUP INCORPORATED

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 thereunto duly assigned.

<u>SIGNATURE</u>	<u>TITLE</u>	<u>DATE</u>
<u>/s/ W. Nicholas Howley</u> W. Nicholas Howley	Chairman of the Board of Directors and Chief Executive Officer (Principal Executive Officer)	August 5, 2009
<u>/s/ Gregory Rufus</u> Gregory Rufus	Chief Financial Officer and Executive Vice President (Principal Financial and Accounting Officer)	August 5, 2009

EXHIBIT INDEX
TO FORM 10-Q FOR THE PERIOD ENDED JUNE 27, 2009

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CERTIFICATE OF INCORPORATION
OF
ACME AEROSPACE, INC.

FIRST: The name of the corporation is Acme Aerospace, Inc.

SECOND: The registered office of the corporation in the State of Delaware is located at 160 Greentree Drive, Suite 101, City of Dover, 19904, County of Kent. The name of its registered agent at such address is National Registered Agents, Inc.

THIRD: The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH: The total number of shares of all classes of stock which the corporation shall have authority to issue is 1,000 shares of Common Stock, par value \$0.001 per share.

FIFTH: The name and mailing address of the incorporator are as follows:

Ryan D. Harris 227 West Monroe Street, Suite 4700
Chicago, IL 60606

SIXTH: In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the board of directors of the corporation (the "Board") is expressly authorized and empowered, in the manner provided in the by-laws of this corporation, to adopt, amend or repeal the by-laws of the corporation in any respect not inconsistent with the laws of the State of Delaware, this Certificate of Incorporation or the by-laws; provided, however, that the fact that such power has been conferred upon the directors shall not divest the stockholders of the power and authority, nor limit the power of stockholders to adopt, amend or repeal the by-laws.

In addition to the powers and authority herein or by statute expressly conferred upon it, the Board may exercise all such powers and do all such acts as may be exercised or done by a corporation under the laws of the State of Delaware, subject to the provisions of this Certificate of Incorporation and the by-laws of this corporation. Elections of directors need not be by written ballot, except as otherwise required by the by-laws of this corporation.

Any contract, transaction or act of this corporation or of the directors or any committee of directors, which shall be ratified by the holders of a majority of the shares of stock of this corporation present in person or by proxy and voting at any meeting called for such purpose, shall, insofar as permitted by the laws of the State of Delaware or by this Certificate of Incorporation, be as valid and as binding as though ratified by every stockholder of this corporation.

SEVENTH: A director of this corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, as the same exists or hereafter may be amended, or (iv) for any transaction from which the director derived an improper personal benefit.

If the Delaware General Corporation Law hereafter is amended to authorize the further elimination or limitation of the liability of directors, then the liability of directors shall be eliminated or limited to the full extent authorized by the General Corporation Law of the State of Delaware, as so amended.

The corporation shall indemnify, to the fullest extent now or hereafter permitted by law, each person who was or is made a party or is threatened to be made a party to, or is otherwise involved in, any threatened, pending or completed action, investigation, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, against all expenses (including attorneys' fees and disbursements), liability, loss, judgments, fines (including excise taxes and penalties) and amounts paid in settlement actually and reasonably incurred or suffered by him in connection with such action, suit or proceeding. Expenses (including attorneys fees) incurred by a person eligible for indemnification pursuant to the prior sentence (an "Indemnitee") in connection with any civil, criminal, administrative or investigative action, investigation, suit or proceeding shall be paid by the corporation to the Indemnitee in advance of the final disposition of such action, investigation, suit or proceeding, provided, that to the extent required by the Delaware General Corporation Law the Indemnitee has delivered to the corporation an undertaking to repay such amount if it is ultimately determined that the Indemnitee is not entitled to be indemnified for such expenses.

The rights conferred by this Article Seventh shall not be exclusive of any other right which the corporation may now or hereafter grant, or any person may have or hereafter acquire, under any statute, provision of this Certificate of Incorporation, by-law, agreement, vote of stockholders or disinterested directors or otherwise. The rights conferred by this Article Seventh shall continue as to any person who shall have ceased to be a director or officer of the corporation and shall inure to the benefit of the heirs, executors and administrators of such person.

The corporation may, to the extent authorized from time to time by the Board, grant indemnification rights to other employees or agents of the corporation or other persons serving the corporation and such rights may be equivalent to, or greater or less than, those provided herein.

No amendment, modification or repeal of this Article Seventh (including any amendment or repeal of this Article Seventh made by virtue of any change in the Delaware General Corporation Law after the date hereof) will adversely affect any right or protection of a director that exists at the time of such amendment, modification or repeal on account of any action taken or any failure to act by such director prior to such time.

EIGHTH: The corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by the Delaware General Corporation Law, and all powers, preferences, rights and privileges conferred upon stockholders, directors or any other persons herein are granted subject to this reservation.

I, the undersigned, for the purpose of forming a corporation under the laws of the State of Delaware, do make, file and record this Certificate, and do certify that the facts herein stated are true, and I have accordingly hereunto set my hand 10th day of July, 2009.

/s/ Emily K. Harring
Emily K. Harring, Incorporator

BY-LAWS
OF
ACME AEROSPACE, INC.

ARTICLE I
OFFICES

Section 1.1. Registered Office. The registered office of the corporation shall be maintained in the City of Wilmington, State of Delaware, and the registered agent in charge thereof is National Registered Agents, Inc.

Section 1.2. Other Offices. The corporation may also have offices at such other places as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE II
STOCKHOLDERS' MEETINGS

Section 2.1. Place of Meetings. All meetings of the stockholders, whether annual or special, shall be held at the offices of the corporation, or at such other place as may be fixed from time to time by the Board of Directors.

Section 2.2. Annual Meetings. An annual meeting of the stockholders, commencing with the year 2010, shall be held as determined by the Board of Directors and at which meetings the stockholders shall transact such other business as may properly be brought before the meeting.

Section 2.3. Notice of Meeting. Written notice of the annual meeting stating the place, date and hour of the meeting, shall be given not less than ten nor more than sixty days before the date of the meeting to each stockholder entitled to vote at such meeting. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the corporation.

Section 2.4. Stockholders' List. At least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at said meeting, arranged in alphabetical order and showing the address of each stockholder and the number of shares registered in the name of each stockholder, shall be prepared by the Secretary. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 2.5. Special Meetings. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the Certificate of Incorporation, may be called by the President and shall be called by the Secretary at the request in writing of a majority of the Board of Directors, or at the request in writing of stockholders owning at least 75% of the number of shares of the corporation issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

Section 2.6. Notice of Special Meetings. Written notice of a special meeting, stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called, shall be given not less than ten nor more than sixty days before the date of the meeting to each stockholder entitled to vote at such meeting. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the corporation.

Section 2.7. Quorum. The holders of a majority of the shares issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute, by the Certificate of Incorporation or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, of the place, date and hour of the adjourned meeting, until a quorum shall again be present or represented by proxy. At the adjourned meeting at which a quorum shall be present or represented by proxy, the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty days, or if after the adjournment, a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 2.8. Voting. When a quorum is present at any meeting, and subject to the provisions of the General Corporation Law of the State of Delaware, the Certificate of Incorporation or these By-Laws in respect of the vote that shall be required for a specified action, the vote of the holders of a majority of the shares having voting power, present in person or represented by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of any statute or of the Certificate of Incorporation or of these By-Laws, a different vote is required in which case such express provision shall govern and control the decision of such question. Each stockholder shall have one vote for each share of stock having voting power registered in his name on the books of the corporation, except as otherwise provided in the Certificate of Incorporation.

Section 2.9. Proxies. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period.

A stockholder may execute a writing authorizing another person or persons to act for him as proxy by transmitting or authorizing the transmission of a telegram, cablegram, or other means of electronic transmission, provided that the telegram, cablegram or other means of electronic transmission either sets forth or is submitted with information from which it can be determined that the telegram, cablegram or other electronic transmission was authorized by the stockholder.

Section 2.10. Majority Consent. Whenever the vote of stockholders at a meeting thereof is required or permitted to be taken for or in connection with any corporate action by any provisions of any statute or of the Certificate of Incorporation or these By-Laws, the meeting, notice of the meeting, and vote of stockholders may be dispensed with if stockholders owning stock having not less than the minimum number of votes which, by statute, the Certificate of Incorporation or these By-Laws, is required to authorize such action at a meeting at which all shares entitled to vote thereon were present and voted shall consent in writing to such corporate action being taken; provided that prompt notice of the taking of such action must be given to those stockholders who have not consented in writing.

ARTICLE III DIRECTORS

Section 3.1. General Powers. The business and affairs of the corporation shall be managed by or under the direction of the Board of Directors which may exercise all such powers of the corporation and do all such acts and things as are not by the General Corporation Law of the State of Delaware nor by the Certificate of Incorporation nor by these By-Laws directed or required to be exercised or done by the stockholders.

Section 3.2. Number of Directors. The number of directors which shall constitute the whole Board shall be two or as otherwise fixed from time to time exclusively by the Board of Directors pursuant to a resolution adopted by the Board of Directors but in no event shall the number of directors be less than one (1) and no more than ten (10). Each director shall hold office until his successor is elected and qualified or until his earlier resignation or removal. Any and all directors may be removed at any time by an affirmative vote of the holders of a majority of the stock issued and outstanding and having voting power.

Section 3.3. Vacancies. If the office of any director or directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office, or otherwise, or a new directorship is created, the holders of a plurality of shares issued and outstanding and entitled to vote in elections of directors, shall choose a successor or successors, or a director to fill the newly created directorship, who shall hold office for the unexpired term or until the next election of directors.

Section 3.4. Place of Meetings. The Board of Directors may hold its meetings outside of the State of Delaware, at the office of the corporation or at such other places as they may from time to time determine, or as shall be fixed in the respective notices or waivers of notice of such meetings.

Section 3.5. Committees of Directors. The Board of Directors may, by resolution or resolutions passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified

member at any meeting of the committee. Any such committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it; but no such committee shall have the power of authority in reference to amending the Certificate of Incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the corporation's property and assets, recommending to the stockholders a dissolution of the corporation or a revocation of a dissolution, or amendment to the By-Laws, of the corporation; and, unless the resolution, By-Laws, or Certificate of Incorporation expressly so provide, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors. The committees shall keep regular minutes of their proceedings and report the same to the Board of Directors when required.

Section 3.6. Compensation of Directors. Directors, as such, may receive such stated salary for their services and/or such fixed sums and expenses of attendance for attendance at each regular or special meeting of the Board of Directors as may be established by resolution of the Board; provided that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

Section 3.7. Annual Meeting. The annual meeting of the Board of Directors shall be held within ten days after the annual meeting of the stockholders in each year. Notice of such meeting, unless waived, shall be given by mail or telegram to each director elected at such annual meeting, at his address as the same may appear on the records of the corporation, or in the absence of such address, at his residence or usual place of business, at least three days before the day on which such meeting is to be held. Said meeting may be held at such place as the Board may fix from time to time or as may be specified or fixed in such notice or waiver thereof.

Section 3.8. Special Meetings. Special meetings of the Board of Directors may be held at any time on the call of the President or at the request in writing of any one director. Notice of any such meeting, unless waived, shall be given by mail or telegram to each director at his address as the same appears on the records of the corporation not less than one day prior to the day on which such meeting is to be held if such notice is by telegram, and not less than two days prior to the day on which the meeting is to be held if such notice is by mail. If the Secretary shall fail or refuse to give such notice, then the notice may be given by the officer or any one of the directors making the call. Any such meeting may be held at such place as the Board may fix from time to time or as may be specified or fixed in such notice or waiver thereof. Any meeting of the Board of Directors shall be a legal meeting without any notice thereof having been given, if all the directors shall be present thereat, and no notice of a meeting shall be required to be given to any director who shall attend such meeting.

Section 3.9. Action Without Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting, if a written consent to such action is signed by all members of the Board or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the Board of Directors.

Members of the Board of Directors, or any committee designated by the Board, may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

Section 3.10. Quorum and Manner of Acting. Except as otherwise provided in these By-Laws, a majority of the total number of directors as at the time specified by the By-Laws shall constitute a quorum at any regular or special meeting of the Board of Directors. Except as otherwise provided by statute, by the Certificate of Incorporation or by these By-Laws, the vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. In the absence of a quorum, a majority of the directors present may adjourn the meeting from time to time until a quorum shall be present. Notice of any adjourned meeting need not be given, except that notice shall be given to all directors if the adjournment is for more than thirty days or if after the adjournment a new record date is fixed for the adjourned meeting.

ARTICLE IV OFFICERS

Section 4.1. Executive Officers. The executive officers of the corporation shall be a President, such number of Vice Presidents, if any, as the Board of Directors may determine, a Secretary and a Treasurer. One person may hold any number of said offices.

Section 4.2. Election, Term of Office and Eligibility. The executive officers of the corporation shall be elected by the Board of Directors. Each officer shall hold office until his successor shall have been duly chosen and qualified or until his death, resignation or removal.

Section 4.3. Subordinate Officers. The Board of Directors may appoint such Assistant Secretaries, Assistant Treasurers, Controller and other officers, and such agents as the Board may determine, to hold office for such period and with such authority and to perform such duties as the Board may from time to time determine. The Board may, by specific resolution, empower the chief executive officer of the corporation to appoint any such subordinate officers or agents.

Section 4.4. Removal. The President, any Vice President, the Secretary and/or the Treasurer may be removed at any time, either with or without cause, but only by the affirmative vote of the majority of the total number of directors as at the time specified by the By-Laws. Any subordinate officer appointed pursuant to Section 4.3 may be removed at any time, either with or without cause, by the majority vote of the directors present at any meeting of the Board or by any committee or officer empowered to appoint such subordinate officers.

Section 4.5. The President. The President shall be the chief executive officer of the corporation. He shall have executive authority to see that all orders and resolutions of the Board of Directors are carried into effect and, subject to the control vested in the Board of Directors by statute, by the Certificate of Incorporation, or by these By-Laws, shall administer and be responsible for the management of the business and affairs of the corporation. He shall preside at all meetings of the stockholders and the Board of Directors; and in general shall perform all duties incident to the office of the President and such other duties as from time to time may be assigned to him by the Board of Directors.

Section 4.6. The Vice Presidents. In the event of the absence or disability of the President, each Vice President, in the order designated, or in the absence of any designation, then in the order of their election, shall perform the duties of the President. The Vice Presidents shall also perform such other duties as from time to time may be assigned to them by the Board of Directors or by the chief executive officer of the corporation.

Section 4.7. The Secretary. The Secretary shall:

- (a) Keep the minutes of the meetings of the stockholders and of the Board of Directors;
- (b) See that all notices are duly given in accordance with the provisions of these By-Laws or as required by law;
- (c) Be custodian of the records and of the seal of the corporation and see that the seal or a facsimile or equivalent thereof is affixed to or reproduced on all documents, the execution of which on behalf of the corporation under its seal is duly authorized;
- (d) Have charge of the stock record books of the corporation;
- (e) In general, perform all duties incident to the office of Secretary, and such other duties as are provided by these By-Laws and as from time to time are assigned to him by the Board of Directors or by the chief executive officer of the corporation.

Section 4.8. The Assistant Secretaries. If one or more Assistant Secretaries shall be appointed pursuant to the provisions of Section 4.3 respecting subordinate officers, then, at the request of the Secretary, or in his absence or disability, the Assistant Secretary designated by the Secretary (or in the absence of such designations, then any one of such Assistant Secretaries) shall perform the duties of the Secretary and when so acting shall have all the powers of, and be subject to all the restrictions upon, the Secretary.

Section 4.9. The Treasurer. The Treasurer shall:

- (a) Receive and be responsible for all funds of and securities owned or held by the corporation and, in connection therewith, among other things: keep or cause to be kept full and accurate records and accounts for the corporation; deposit or cause to be deposited to the credit of the corporation all moneys, funds and securities so received in such bank or other depository as the Board of Directors or an officer designated by the Board may from time to time establish; and disburse or supervise the disbursement of the funds of the corporation as may be properly authorized.

(b) Render to the Board of Directors at any meeting thereof, or from time to time when ever the Board of Directors or the chief executive officer of the corporation may require, financial and other appropriate reports on the condition of the corporation;

(c) In general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors or by the chief executive officer of the corporation.

Section 4.10. The Assistant Treasurers. If one or more Assistant Treasurers shall be appointed pursuant to the provisions of Section 4.3 respecting subordinate officers, then, at the request of the Treasurer, or in his absence or disability, the Assistant Treasurer designated by the Treasurer (or in the absence of such designation, then any one of such Assistant Treasurers) shall perform all the duties of the Treasurer and when so acting shall have all the powers of and be subject to all the restrictions upon, the Treasurer.

Section 4.11. Salaries. The salaries of the officers shall be fixed from time to time by the Board of Directors, and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the corporation.

Section 4.12. Bonds. If the Board of Directors or the chief executive officer shall so require, any officer or agent of the corporation shall give bond to the corporation in such amount and with such surety as the Board of Directors or the chief executive officer, as the case may be, may deem sufficient, conditioned upon the faithful performance of their respective duties and offices.

Section 4.13. Delegation of Duties. In case of the absence of any officer of the corporation or for any other reason which may seem sufficient to the Board of Directors, the Board of Directors may, for the time being, delegate his powers and duties, or any of them, to any other officer or to any director.

ARTICLE V SHARES OF STOCK

Section 5.1. Regulation. Subject to the terms of any contract of the corporation, the Board of Directors may make such rules and regulations as it may deem expedient concerning the issue, transfer, and registration of certificates for shares of the stock of the corporation, including the issue of new certificates for lost, stolen or destroyed certificates, and including the appointment of transfer agents and registrars.

Section 5.2. Stock Certificates. Certificates for shares of the stock of the corporation shall be respectively numbered serially for each class of stock, or series thereof, as they are issued, shall be impressed with the corporate seal or a facsimile thereof, and shall be signed by the President or a Vice President, and by the Secretary or Treasurer, or an Assistant Secretary or an Assistant Treasurer, provided that such signatures may be facsimiles on any certificate countersigned by a transfer agent other than the corporation or its

employee. Each certificate shall exhibit the name of the corporation, the class (or series of any class) and number of shares represented thereby, and the name of the holder. Each certificate shall be otherwise in such form as may be prescribed by the Board of Directors.

Section 5.3. Restriction on Transfer of Securities. A restriction on the transfer or registration of transfer of securities of the corporation may be imposed either by the Certificate of Incorporation or by these By-Laws or by an agreement among any number of security holders or among such holders and the corporation. No restriction so imposed shall be binding with respect to securities issued prior to the adoption of the restriction unless the holders of the securities are parties to an agreement or voted in favor of the restriction.

A restriction on the transfer of securities of the corporation is permitted by this Section if it:

- (a) Obligates the holder of the restricted securities to offer to the corporation or to any other holders of securities of the corporation or to any other person or to any combination of the foregoing a prior opportunity, to be exercised within a reasonable time, to acquire the restricted securities; or
- (b) Obligates the corporation or any holder of securities of the corporation or any other person or any combination of the foregoing to purchase the securities which are the subject of an agreement respecting the purchase and sale of the restricted securities; or
- (c) Requires the corporation or the holders of any class of securities of the corporation to consent to any proposed transfer of the restricted securities or to approve the proposed transferee of the restricted securities; or
- (d) Prohibits the transfer of the restricted securities to designated persons or classes of persons; and such designation is not manifestly unreasonable; or
- (e) Restricts transfer or registration of transfer in any other lawful manner.

Unless noted conspicuously on the security, a restriction, even though permitted by this Section, is ineffective except against a person with actual knowledge of the restriction.

Section 5.4. Transfer of Shares. Subject to the restrictions permitted by Section 5.3, shares of the capital stock of the corporation shall be transferable on the books of the corporation by the holder thereof in person or by his duly authorized attorney, upon the surrender or cancellation of a certificate or certificates for a like number of shares. As against the corporation, a transfer of shares can be made only on the books of the corporation and in the manner hereinabove provided, and the corporation shall be entitled to treat the registered holder of any share as the owner thereof and shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person, whether or not it shall have express or other notice thereof, save as expressly provided by the statutes of the State of Delaware.

Section 5.5. Fixing Date for Determination of Stockholders of Record. (a) In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than sixty nor less than ten days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; providing, however, that the Board of Directors may fix a new record date for the adjourned meeting.

(b) In order that the corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date has been fixed by the Board of Directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by the General Corporation Law of the State of Delaware, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which proceedings of meetings by stockholders are recorded. Delivery made to a corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by the General Corporation Law of the State of Delaware, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(c) In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 5.6. Lost Certificate. Any stockholder claiming that a certificate representing shares of stock has been lost, stolen or destroyed may make an affidavit or affirmation of the fact and, if the Board of Directors so requires, advertise the same in a manner designated by the Board, and give the corporation a bond of indemnity in form and with security for an amount satisfactory to the Board (or an officer or officers designated by the Board), whereupon a new certificate may be issued of the same tenor and representing the same number, class and/or series of shares as were represented by the certificate alleged to have been lost, stolen or destroyed.

**ARTICLE VI
BOOKS AND RECORDS**

Section 6.1. Location. The books, accounts and records of the corporation may be kept at such place or places within or without the State of Delaware as the Board of Directors may from time to time determine.

Section 6.2. Inspection. The books, accounts, and records of the corporation shall be open to inspection by any member of the Board of Directors at all times; and open to inspection by the stockholders at such times, and subject to such regulations as the Board of Directors may prescribe, except as otherwise provided by statute.

Section 6.3. Corporate Seal. The corporation may have a corporate seal which shall contain two concentric circles between which shall be the name of the corporation and the word "Delaware" and in the center shall be inscribed the words "Corporate Seal."

**ARTICLE VII
DIVIDENDS AND RESERVES**

Section 7.1. Dividends. The Board of Directors of the corporation, subject to any restrictions contained in the Certificate of Incorporation and other lawful commitments of the corporation, may declare and pay dividends upon the shares of its capital stock either out of the surplus of the corporation, as defined in and computed in accordance with the General Corporation Law of the State of Delaware, or in case there shall be no such surplus, out of the net profits of the corporation for the fiscal year in which the dividend is declared and/or the preceding fiscal year. If the capital of the corporation, computed in accordance with the General Corporation Law of the State of Delaware, shall have been diminished by depreciation in the value of its property, or by losses, or otherwise, to an amount less than the aggregate amount of the capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets, the Board of Directors of the corporation shall not declare and pay out of such net profits any dividends upon any shares of any classes of its capital stock until the deficiency in the amount of capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets shall have been repaired.

Section 7.2. Reserves. The Board of Directors of the corporation may set apart, out of any of the funds of the corporation available for dividends, a reserve or reserves for any proper purpose and may abolish any such reserve.

**ARTICLE VIII
MISCELLANEOUS PROVISIONS**

Section 8.1. Fiscal Year. The fiscal year of the corporation shall be as determined by the Board of Directors.

Section 8.2. Depositories. The Board of Directors or an officer designated by the Board shall appoint banks, trust companies, or other depositories in which shall be deposited from time to time the money or securities of the corporation.

Section 8.3. Checks, Drafts and Notes. All checks, drafts, or other orders for the payment of money and all notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers or agent or agents as shall from time to time be designated by resolution of the Board of Directors or by an officer appointed by the Board.

Section 8.4. Contracts and Other Instruments. The Board of Directors may authorize any officer, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the corporation and such authority may be general or confined to specific instances.

Section 8.5. Notices. Whenever under the provisions of any statute or of the Certificate of Incorporation or of these By-Laws notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, by depositing the same in a post office or letter box, in a postpaid sealed wrapper, or by delivery to a telegraph company, addressed to such director or stockholder at such address as appears on the records of the corporation, or, in default of other address, to such director or stockholder at the General Post Office in the City of Dover, Delaware, and such notice shall be deemed to be given at the time when the same shall be thus mailed or delivered to a telegraph company.

Section 8.6. Waivers of Notice. Whenever any notice is required to be given under the provisions of any statute or of the Certificate of Incorporation or of these By-Laws, a waiver thereof in writing signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors or members of a committee of directors need be specified in any written waiver of notice.

Section 8.7. Stock in Other Corporations. Any shares of stock in any other corporation which may from time to time be held by this corporation may be represented and voted at any meeting of shareholders of such corporation by the President or a Vice President, or by any other person or persons thereunto authorized by the Board of Directors, or by any proxy designated by written instrument of appointment executed in the name of this corporation by its President or a Vice President. Shares of stock belonging to

the corporation need not stand in the name of the corporation, but may be held for the benefit of the corporation in the individual name of the Treasurer or of any other nominee designated for the purpose by the Board of Directors. Certificates for shares so held for the benefit of the corporation shall be endorsed in blank or have proper stock powers attached so that said certificates are at all times in due form for transfer, and shall be held for safekeeping in such manner as shall be determined from time to time by the Board of Directors.

Section 8.8. Indemnification. (a) Each person who was or is a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he, or a person of whom he is the legal representative, is or was a director or officer of the corporation or is or was a director or officer of the corporation who is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, shall be indemnified and held harmless by the corporation to the fullest extent authorized by the laws of Delaware as the same now or may hereafter exist (but, in the case of any change, only to the extent that such change authorizes the corporation to provide broader indemnification rights than said law permitted the corporation to provide prior to such change) against all costs, charges, expenses, liabilities and losses (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of his heirs, executors and administrators. The right to indemnification conferred in this Section shall be a contract right and shall include the right to be paid by the corporation the expenses incurred in defending any such proceeding in advance of its final disposition upon receipt by the corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that the director or officer is not entitled to be indemnified under this Section or otherwise. The corporation may, by action of its Board of Directors, provide indemnification to employees and agents of the corporation with the same scope and effect as the foregoing indemnification of directors and officers.

(b) If a claim under subsection (a) of this Section is not paid in full by the corporation within thirty days after a written claim has been received by the corporation, the claimant may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall also be entitled to be paid the expense of prosecuting such claim. It shall be a defense to any action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking has been tendered to the corporation) that the claimant has failed to meet a standard of conduct which makes it permissible under Delaware law for the corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the corporation. Neither the failure of the corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is permissible in the circumstances because he has met such standard of conduct, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel, or its

stockholders) that the claimant has not met such standard of conduct, nor the termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall be a defense to the action or create a presumption that the claimant has failed to meet the required standard of conduct.

(c) The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Section shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, by-law, agreement, vote of stockholders or disinterested directors or otherwise.

(d) The corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under Delaware law.

(e) To the extent that any director, officer, employee or agent of the corporation is by reason of such position, or a position with another entity at the request of the corporation, a witness in any proceeding, he shall be indemnified against all costs and expenses actually and reasonably incurred by him or on his behalf in connection therewith.

(f) Any amendment, repeal or modification of any provision of this Section by the stockholders or the directors of the corporation shall not adversely affect any right or protection of a director or officer of the corporation existing at the time of such amendment, repeal or modification.

Section 8.9. Amendment of By-Laws. The stockholders, by the affirmative vote of the holders of a majority of the stock issued and outstanding and having voting power may, at any annual or special meeting if notice of such alteration or amendment of the By-Laws is contained in the notice of such meeting, adopt, amend, or repeal these By-Laws, and alterations or amendments of By-Laws made by the stockholders shall not be altered or amended by the Board of Directors.

The Board of Directors, by the affirmative vote of a majority of the whole Board, may adopt, amend, or repeal these By-Laws at any meeting, except as provided in the above paragraph. By-Laws made by the Board of Directors may be altered or repealed by the stockholders.

* * *

CERTIFICATION

I, W. Nicholas Howley, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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 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) 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
 - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
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 TransDigm Group Incorporated'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: August 5, 2009

/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 quarterly report on Form 10-Q 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 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) 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
 - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
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 TransDigm Group Incorporated'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: August 5, 2009

/s/ Gregory Rufus

Name: Gregory Rufus

Title: Executive Vice President and

Chief Financial Officer

(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 Quarterly Report on Form 10-Q of TransDigm Group Incorporated (the "Company") for the period ended June 27, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, W. Nicholas Howley, Chairman of the Board of Directors and Chief Executive Officer (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.

Date: August 5, 2009

/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 Quarterly Report on Form 10-Q of TransDigm Group Incorporated (the "Company") for the period ended June 27, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gregory Rufus, Executive Vice President and Chief Financial Officer (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.

Date: August 5, 2009

/s/ Gregory Rufus

Name: Gregory Rufus

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