

---

---

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

---

**FORM 8-K**

---

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

Date of Report (Date of earliest event reported): July 1, 2008

---

**TransDigm Group Incorporated**

(Exact name of registrant as specified in its charter)

---

**Delaware**  
(State or other jurisdiction  
of incorporation)

**333-130483**  
(Commission File Number)

**51-0484716**  
(IRS Employer  
Identification No.)

**1301 East 9<sup>th</sup> Street, Suite 3710, Cleveland, Ohio**  
(Address of principal executive offices)

**44114**  
(Zip Code)

**(216) 706-2939**  
(Registrant's telephone number, including area code)

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

---

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

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

**Item 7.01. Regulation FD Disclosure**

Attached hereto as Exhibit 99.1 are materials to be used by members of management of TransDigm Group Incorporated in investor presentations at the Company's analyst day on Tuesday, July 1, 2008.

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

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

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

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

Exhibit No. 99.1                      Investor Presentation

**SIGNATURES**

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

TRANSDIGM GROUP INCORPORATED

By /s/ Gregory Rufus

Gregory Rufus  
Executive Vice President and Chief  
Financial Officer

Date: July 1, 2008



**TRANS**DIGM  
GROUP INC.



# Analyst Day



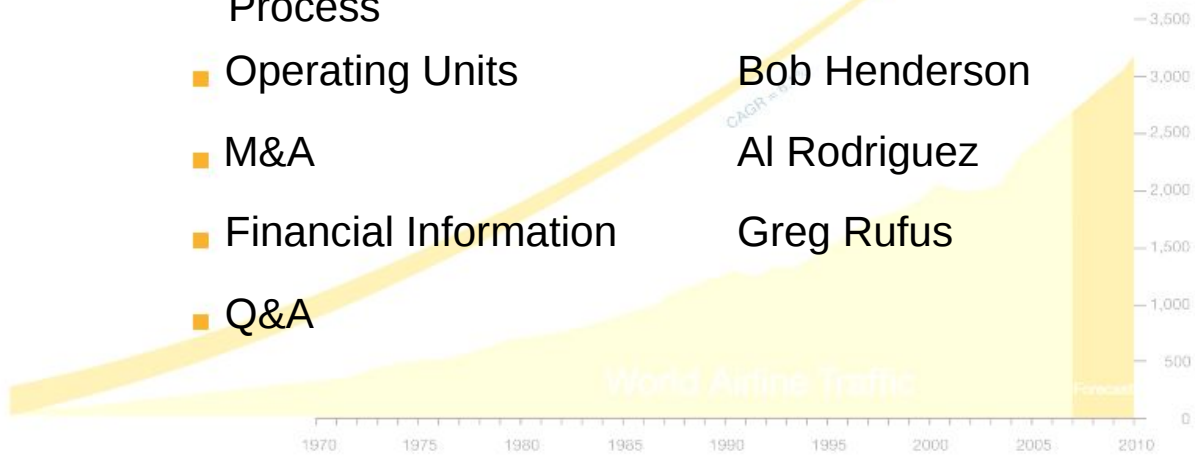
July 1, 2008

# Forward Looking Statements

*The following information contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on management's current expectations and beliefs, as well as a number of assumptions concerning future events. These statements are subject to risks, uncertainties, assumptions and other important factors. You are cautioned not to put undue reliance on such forward-looking statements because actual results may vary materially from those expressed or implied. The reports filed by TransDigm Group Incorporated pursuant to United States securities laws contain discussions of some of these risks and uncertainties. TransDigm Group Incorporated assumes no obligation to, and expressly disclaims any obligation to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You are advised to review our filings with the United States Securities and Exchange Commission.*

# Agenda

- Welcome Sean Maroney
- TDG Overview Nick Howley
- Management Process Ray Laubenthal
- Operating Units Bob Henderson
- M&A Al Rodriguez
- Financial Information Greg Rufus
- Q&A



**TRANSDIGM**  
GROUP INC.



# TDG Overview

W. Nicholas Howley



# Experienced Operations with Proven Track Record

EXECUTIVE	TITLE	YEAR HIRED	
W. Nicholas Howley	Chairman & CEO	1993	■ Proven track record
Gregory Rufus	Executive VP – CFO	2000	■ Managed the business through multiple cycles
Raymond F. Laubenthal	President & COO	1993	■ Experience with a leveraged capital structure
Robert S. Henderson	Executive VP – President AdelWiggins Group	1994	■ Deep bench
Albert J. Rodriguez	Executive VP – Mergers & Acquisitions	1993	■ Collectively owns significant equity
James Riley	President, AeroControlex Group	1994	

# TransDigm Overview

## BUSINESS

(\$ in millions)

	9/30/08 E <sup>(1)</sup>
Revenue:	\$705
EBITDA As Defined <sup>(2)</sup> :	\$329
EBITDA As Defined Margin:	≈ 46%
Formed:	1993

## DISTINGUISHING CHARACTERISTICS

- Highly engineered aerospace components
- Proprietary and sole source products
- Significant aftermarket content
- High free cash flow

(1) Midpoint of May 6, 2008 guidance (excluding CEF Industries)

(2) EBITDA As Defined represents EBITDA plus acquisition related costs, non-cash compensation and deferred compensation costs, public offering costs and other non-cash expenses.

# Highly Engineered Niche Products



Transducers



Pumps



Batteries



Ignition Systems



Inverters



Controls/Actuators

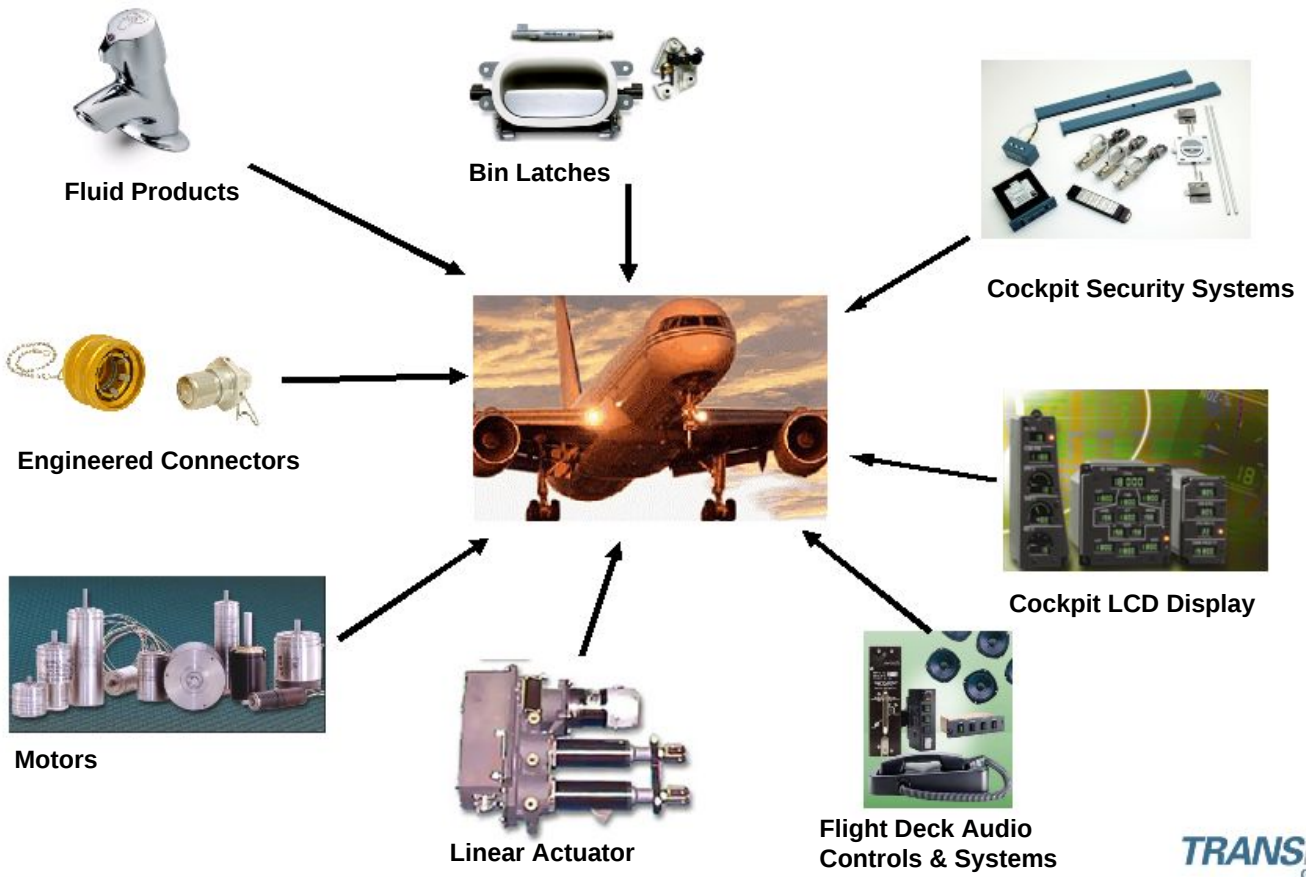


Rudder Isolation Valves



Main Bus Voltage Harmonic Filter

# Highly Engineered Niche Products



# Investment Highlights

## ATTRACTIVE MARKET POSITION

- Favorable industry dynamics
- Niche market positions
- High margin aftermarket
- Diverse mix

## PROVEN OPERATING STRATEGY

- Experienced management team
- Demonstrated value generation
- Proven acquisition / integration

## MULTIPLE GROWTH PATHS

- Market growth
- New business
- Acquisitions
- Value pricing
- Productivity



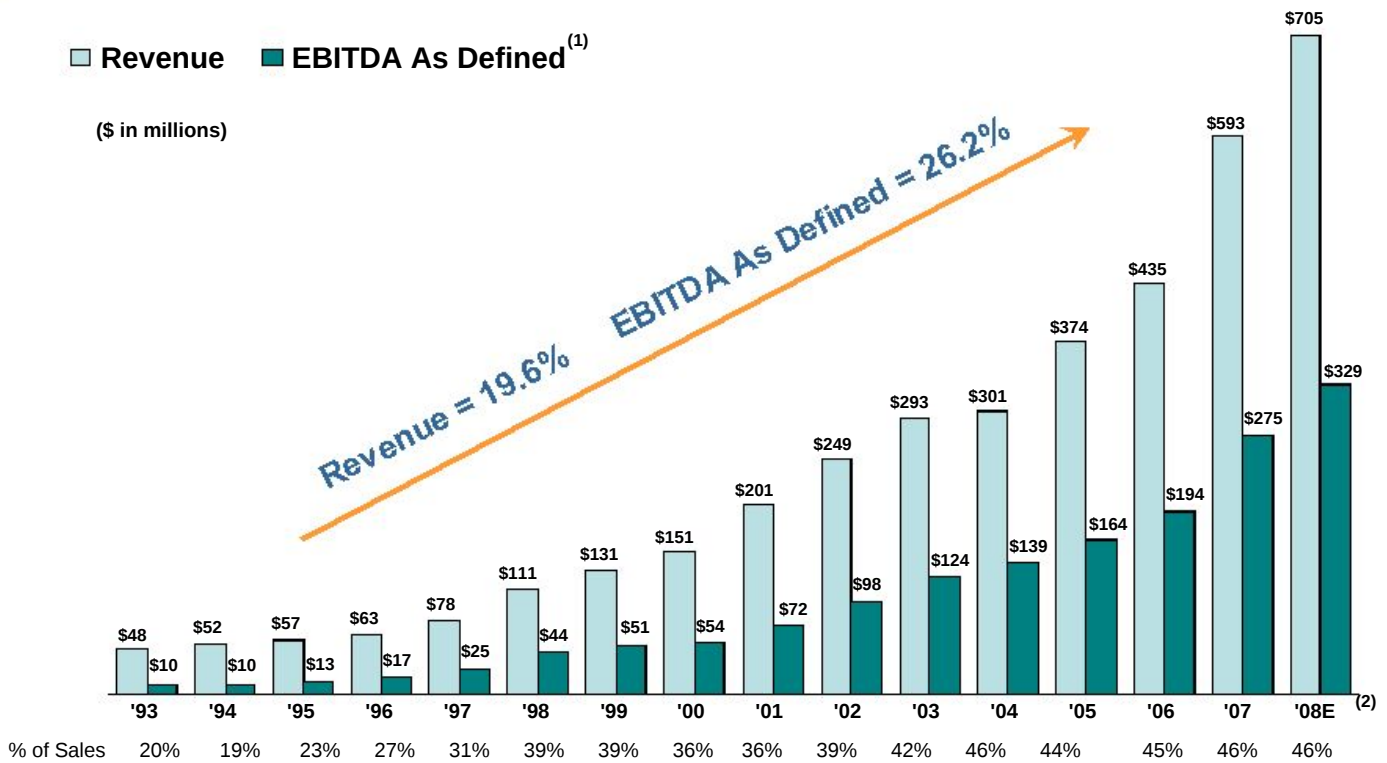
**Consistent Growth and Value Creation**

# Proven Record of Growth and Margin Expansion

□ Revenue    ■ EBITDA As Defined<sup>(1)</sup>

(\$ in millions)

Revenue = 19.6%    EBITDA As Defined = 26.2%



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

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



# Why Did we Perform Thru 9/11?

## I. 3 Value Drivers

### 1. Cost Reduction

- 10% / 15% Reduction within 45 days

### 2. Pricing

### 3. New Business

- Cockpit security

## II. Acquisitions

### 1. Honeywell pump & Champion – 2001

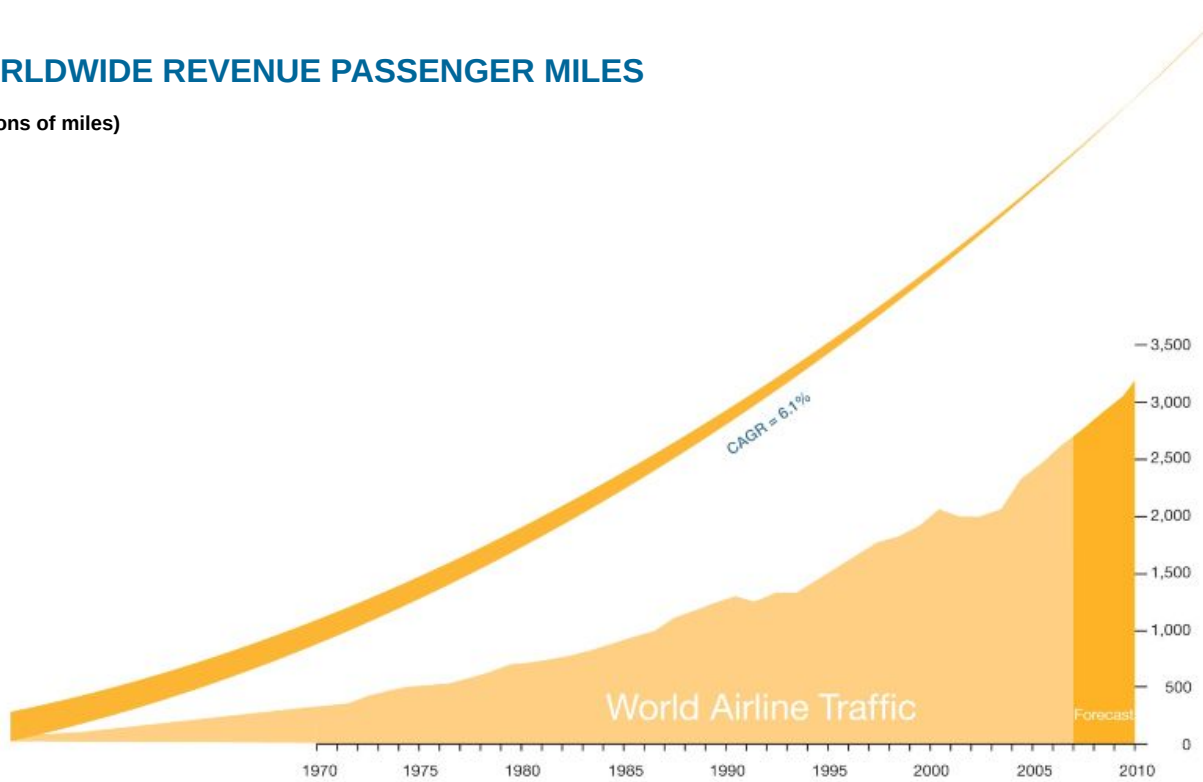
## III. Military



# Steady Growth in Passenger Traffic Drives Stable Aftermarket Sales . . .

## WORLDWIDE REVENUE PASSENGER MILES

(billions of miles)



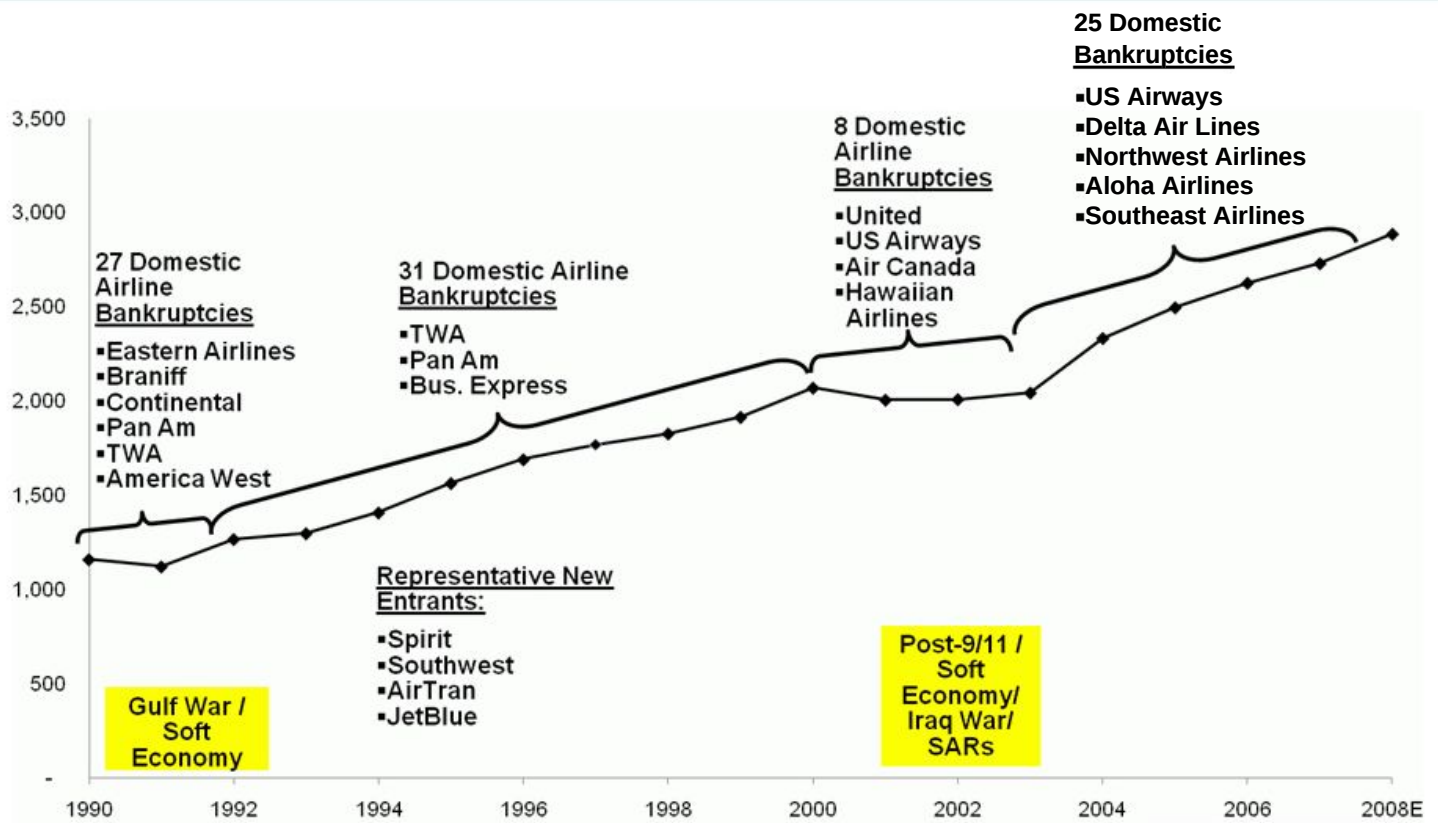
Source: Air Transport Association, Airline Monitor.

## Recent Analyst Forecast 2009 RPM Growth

	<u>North America</u>	<u>Europe</u>	<u>Asia</u>	<u>World</u>
Analyst # 1	-2%	1%	6%	2%
Analyst # 2	-4%	-1%	7%	1%
Analyst # 3				0%
Average	-3%	0%	7%	1%

- First half of FY 2009 down more
- TDG modestly Boeing weighted
- Potential over reactions by A/L

# . . . Despite Market Disruptions

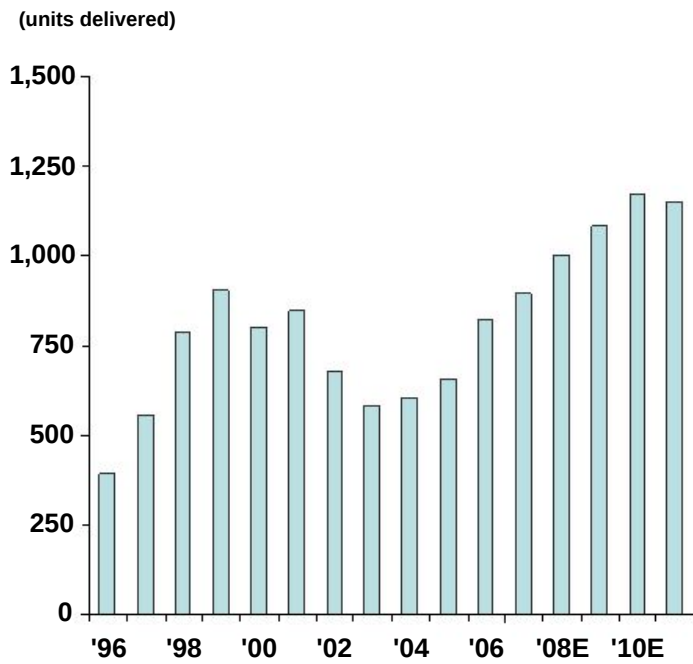


Source: Air Transport Association, U.S. Airline Bankruptcies & Service Cessations, June 2008.

**TRANSDIGM**  
GROUP INC.

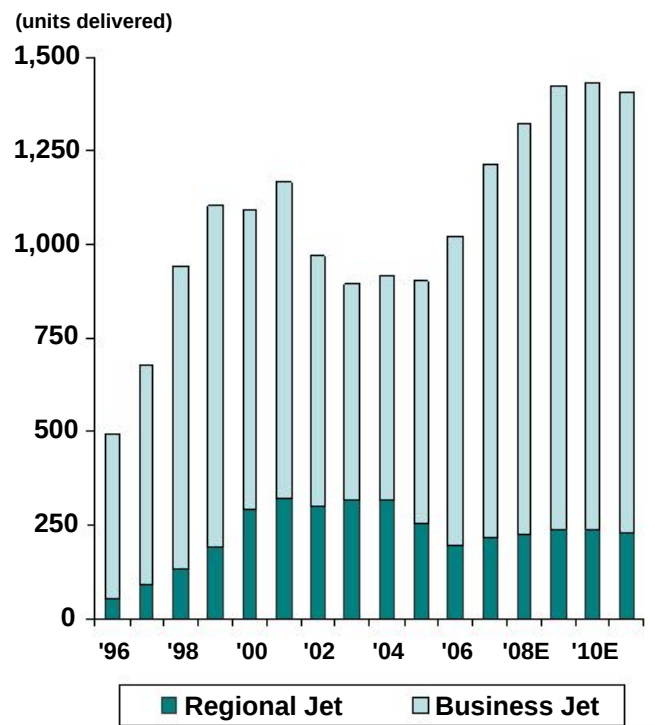
# ...with a Positive Outlook for OEM Production

## COMMERCIAL TRANSPORTS



Source: Wall Street Research / Airline Monitor / Management estimates.

## REGIONAL & BUSINESS JETS



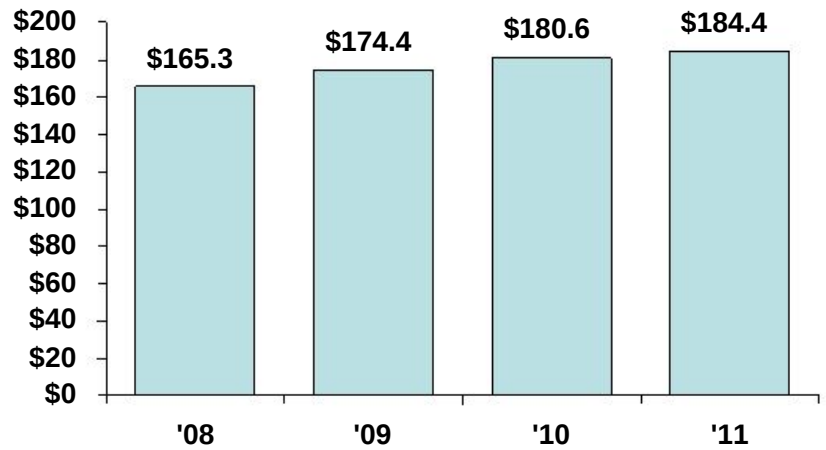
**TRANSDIGM**  
GROUP INC.

# Stable Outlook for Military Spending



## O&M BUDGET

(\$ in billions)



Source: National Defense Budget Estimates for FY 2008

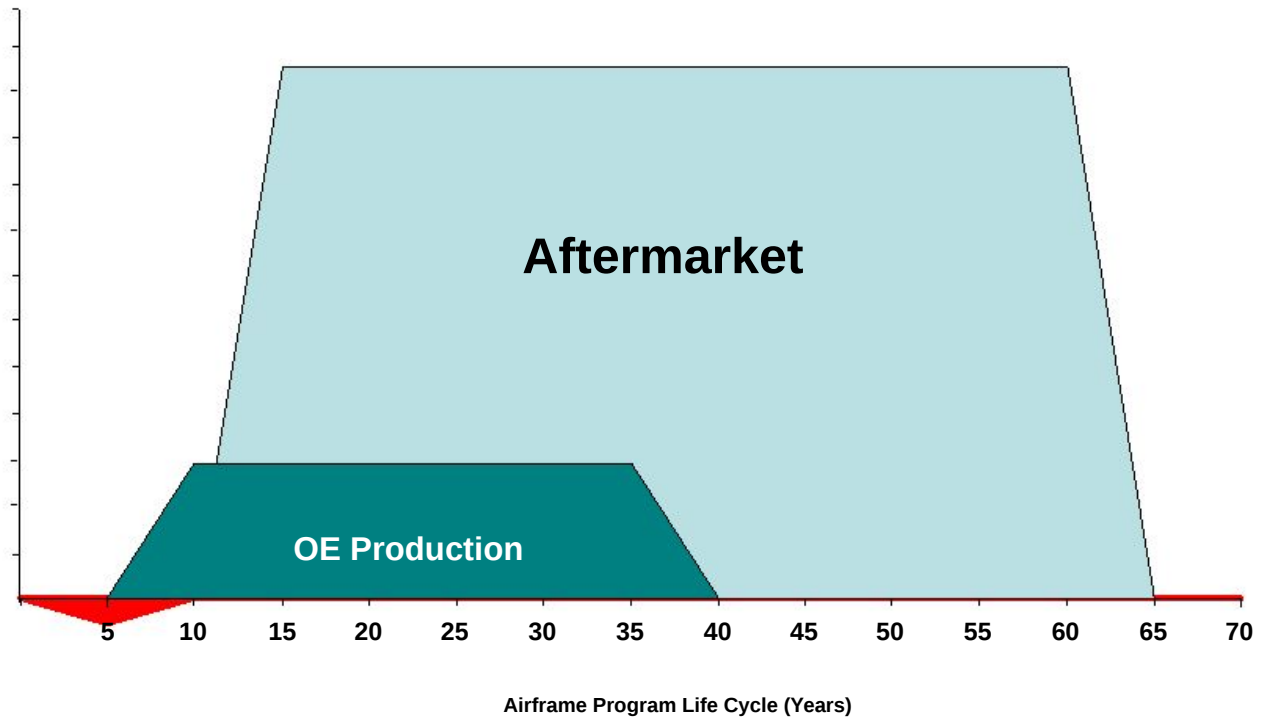
## Significant Barriers to Entry



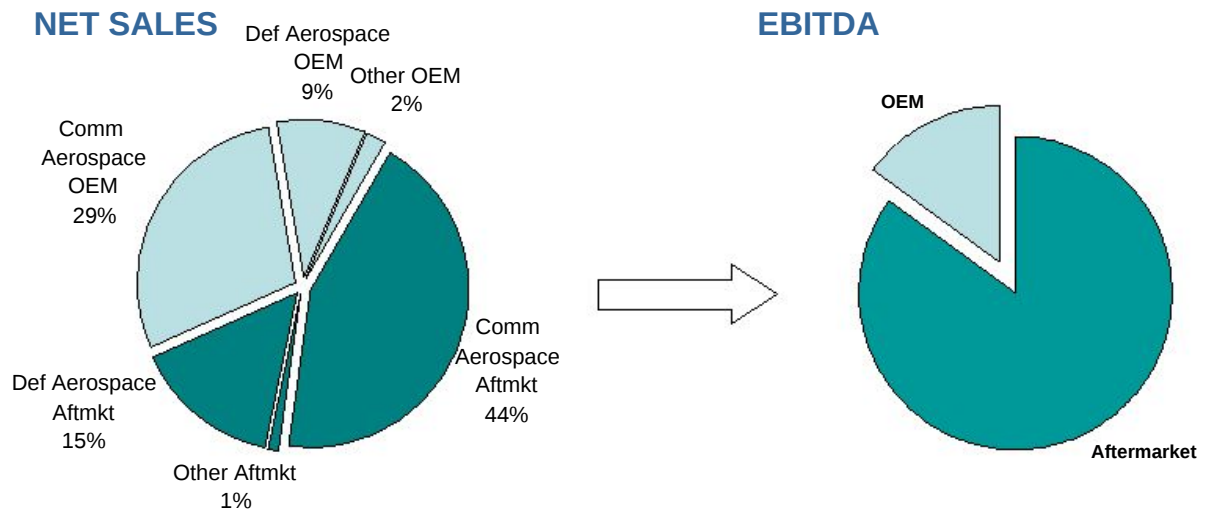
- Selection / Qualification Process
- FAA Certification
- Niche Markets
- Risk / Reward Trade-Off

# Recurring Stream of Profitable Aftermarket Revenue

Profitability / % of Sales



# Strong Focus on High-Margin Aftermarket



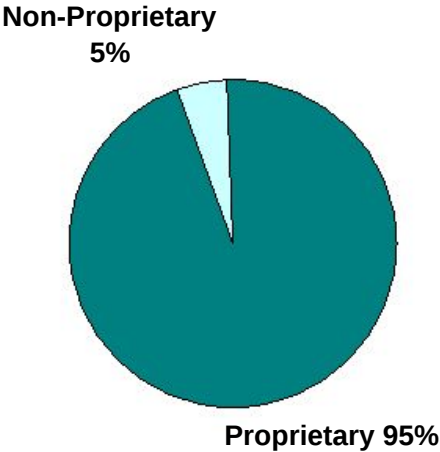
**Approximately 60% of pro forma net sales and a much higher percentage of EBITDA are from the stable, high-margin aftermarket.**

Based on management estimates for the fiscal year ended 9/30/07.

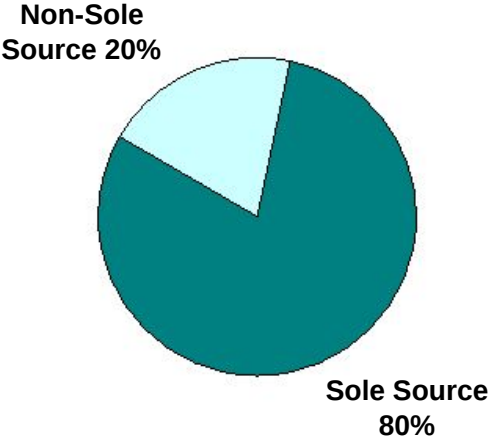


# Significant Proprietary and Sole Source Revenue Base

## PROPRIETARY SALES



## SOLE SOURCE SALES



**Proprietary and sole source products represent a significant barrier to entry and a stable, recurring revenue stream.**

Based on management estimates of pro forma sales for the fiscal year ended 9/30/07.

# Strong Positions on Diverse and Growing Platforms

## TOP 15 PLATFORMS



B737  
A320  
B747  
B777

CRJ Family  
B767  
A330/A340  
Cessna Citation Series  
Gulfstream Series  
Learjet Series

F-18  
Embraer RJ Family  
Challenger Family  
B757  
Apache Helicopter

28%  
sales

15%  
sales

8%  
sales



Based on management estimates of pro forma sales for the fiscal year ended 9/30/07.



# Modest Exposure to Old Platforms



DC9/MD80

737 Classics

727

747 Classics



≈ 3% Revenue \*

≈ 1.5% Revenue \*



\* Based on management estimates of pro forma sales for the fiscal year ended 9/30/07.

# Proven Operating Strategy



## 3 Value Drivers

- Profitable new business
- Productivity and cost improvement
- Value-based pricing

# Proven Record of Acquisition & Integration

1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008

- Adel
- AeroProducts
- Wiggins
- Controlex
- Marathon

- Adams Rite Aerospace
- Christie
- Champion
- Honeywell Lube Pump
- Fuelcom
- Norco

- Avionic Instruments
- Skurka
- Fluid Regulators
- Eaton Motor Products

- Sweeney
- Electra-Motion
- CDA InterCorp.
- Avtech
- ADS/Transicoil
- Bruce
- CEF

Management has acquired 22 businesses since 1993, including five since October 2006.

**TRANSDIGM**  
GROUP INC.



# Management Process

Raymond F. Laubenthal

# Organizational Philosophy

## CORPORATE

Corporate Control



Local Autonomy

Value Generation Strategy

---

## OPERATING UNIT

Economy of Scale



Mgmt Resources

Central Control



Local Autonomy

Emp-loyees



Owners

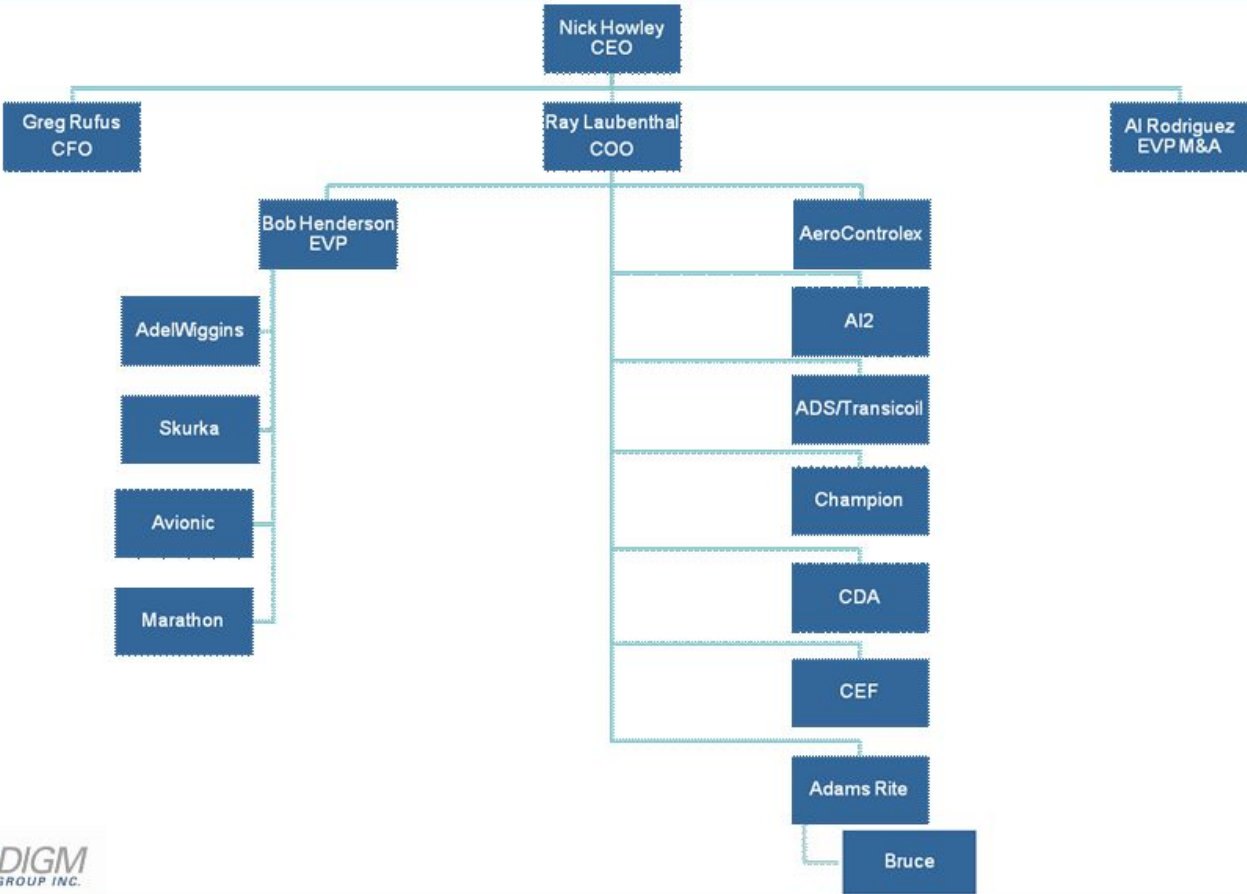
Structure

Execution

Motivation

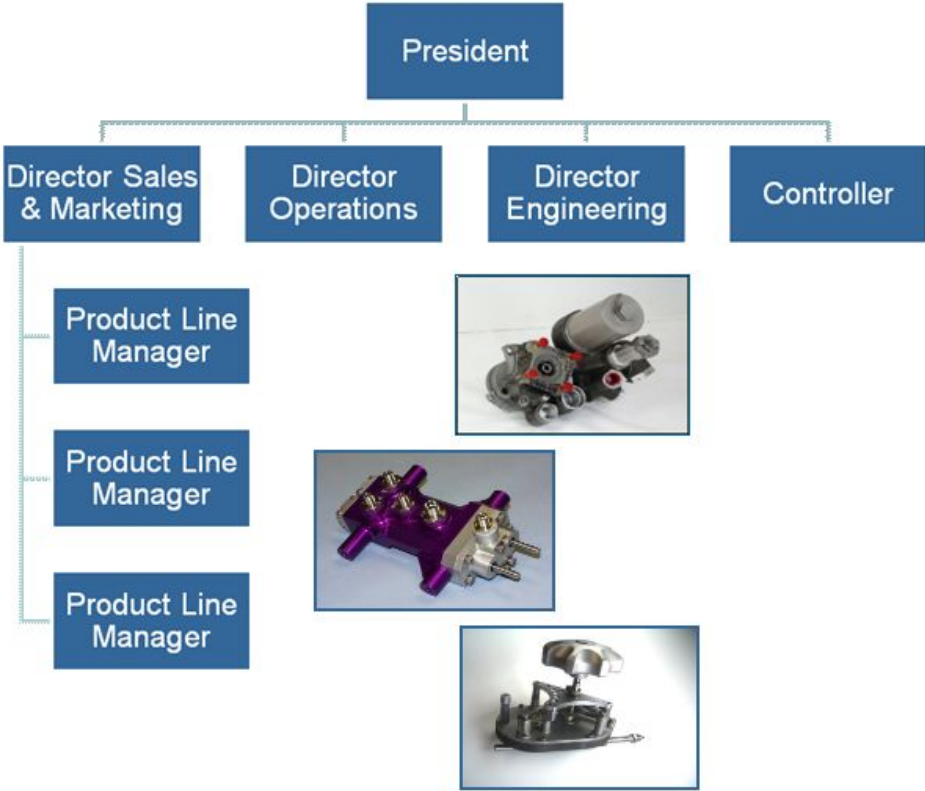
**TRANS**DIGM  
GROUP INC.

# Corporate Structure





# Division Organization Structure



# Proven Operating Strategy

## 3 Value Drivers

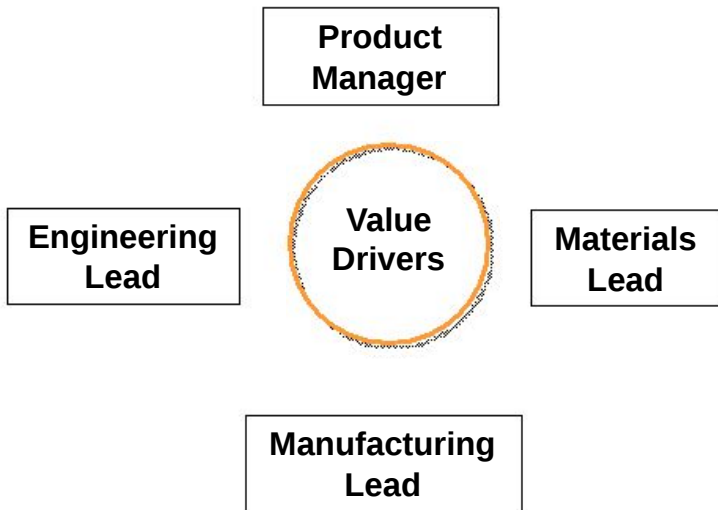
- Profitable new business
- Productivity and cost improvement
- Value-based pricing

## Operating Unit Accountability

- Value driven down through each Product Line
- Mid-Quarter and Quarter-End Reporting
- Emphasize Value Creation, Ownership and Accountability

# Product Line Detail Focus

## Product Line Team



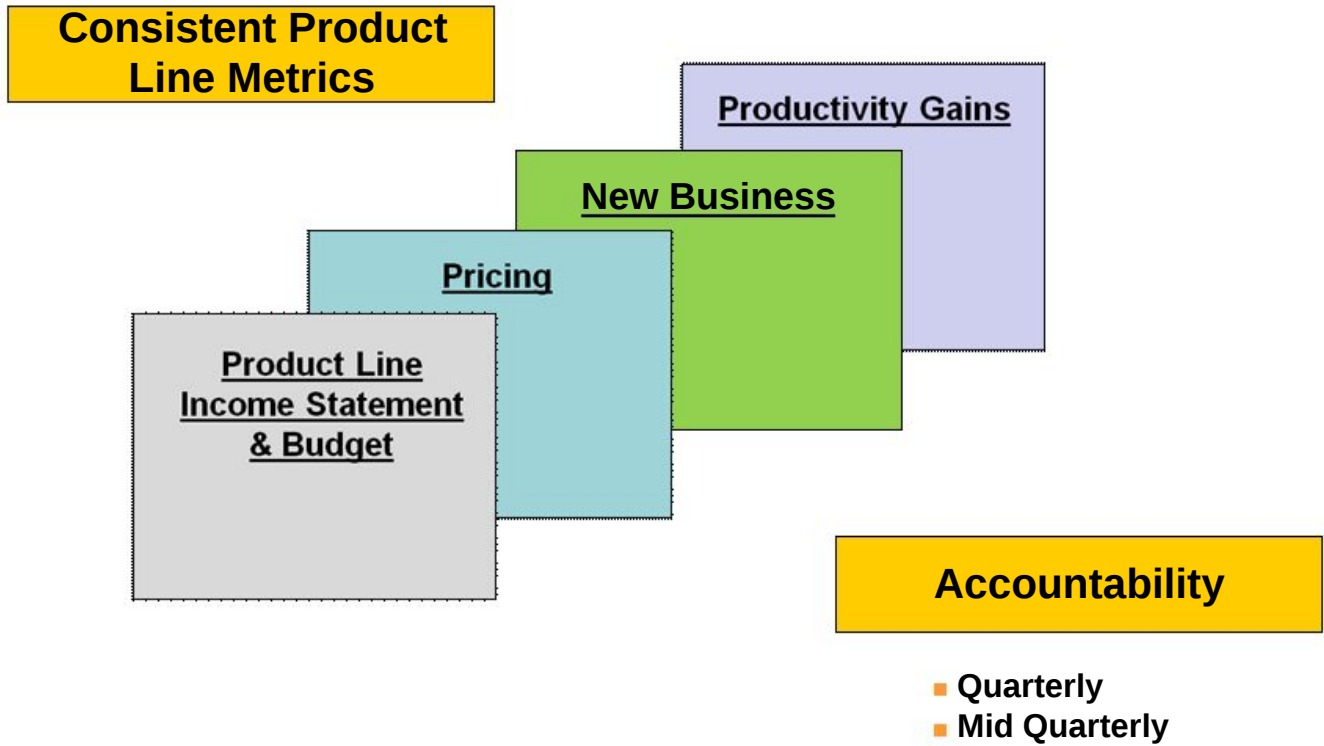
## Product Line Value Generation

- Product Team Structure
- P&L Financial Reporting
- Value Driver Accountability
- Attention to Detail: Focus



**TRANS**DIGM  
GROUP INC.

# Management Process – Product Line Value Reporting Tools



# Product Line Income Statement

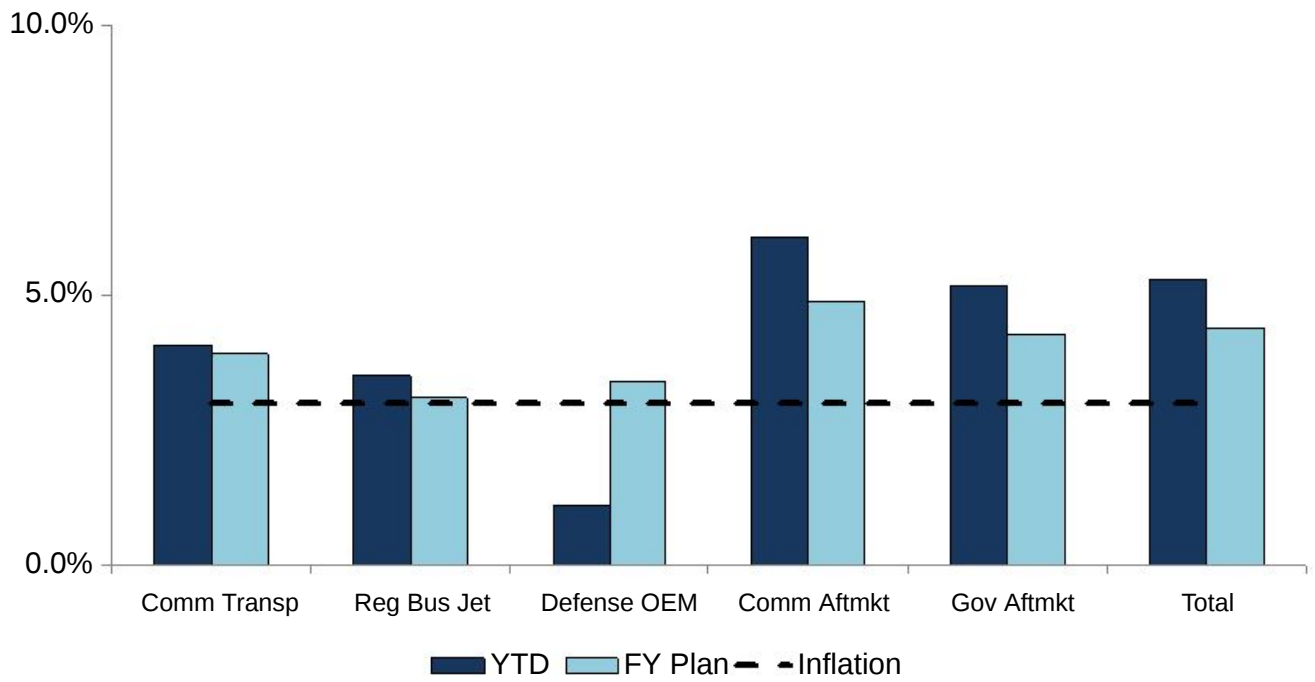
## SAMPLE

FY 2007 Actual	% to Sls		Q1 08 Actual	% to Sls	Q2 08 Actual	% to Sls	Q3 08 Fcst	% to Sls	Q4 08 Fcst	% to Sls	YTD Fcst Through Q3	% to Sls	YTD Plan Through Q3	% to Sls
		<b>Top Line Activity:</b>												
1,172	3.3%	New Biz Bookings	372	4.6%	307	3.1%	480	4.8%	195	1.8%	1,159	4.1%	639	2.5%
38,648	109.8%	Total Bookings	7,529	92.6%	13,081	131.4%	10,218	102.0%	10,619	99.4%	30,828	109.7%	27,832	107.2%
<b>35,195</b>	<b>100.0%</b>	<b>Sales</b>	<b>8,133</b>	<b>100.0%</b>	<b>9,957</b>	<b>100.0%</b>	<b>10,019</b>	<b>100.0%</b>	<b>10,678</b>	<b>100.0%</b>	<b>28,109</b>	<b>100.0%</b>	<b>25,974</b>	<b>100.0%</b>
		<b>Product Costs:</b>												
8,696	24.7%	Material	2,049	25.2%	2,408	24.2%	2,584	25.8%	2,791	26.1%	7,041	25.0%	6,692	25.8%
2,678	7.6%	Direct Labor	659	8.1%	770	7.7%	830	8.3%	850	8.0%	2,259	8.0%	1,924	7.4%
6,667	18.9%	Overhead	1,349	16.6%	2,005	20.1%	2,047	20.4%	2,068	19.4%	5,401	19.2%	4,868	18.7%
928	2.6%	Depreciation	219	2.7%	216	2.2%	215	2.1%	220	2.1%	650	2.3%	628	2.4%
-	0.0%	Other	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
<b>18,969</b>	<b>53.9%</b>	<b>Total Product Costs</b>	<b>4,276</b>	<b>52.6%</b>	<b>5,399</b>	<b>54.2%</b>	<b>5,676</b>	<b>56.7%</b>	<b>5,929</b>	<b>55.5%</b>	<b>15,351</b>	<b>54.6%</b>	<b>14,112</b>	<b>54.3%</b>
<b>16,226</b>	<b>46.1%</b>	<b>Gross Profit</b>	<b>3,857</b>	<b>47.4%</b>	<b>4,558</b>	<b>45.8%</b>	<b>4,343</b>	<b>43.3%</b>	<b>4,749</b>	<b>44.5%</b>	<b>12,758</b>	<b>45.4%</b>	<b>11,862</b>	<b>45.7%</b>
		<b>G&amp;A Costs:</b>												
60	0.2%	Engineering	15	0.2%	15	0.2%	16	0.2%	16	0.1%	46	0.2%	48	0.2%
649	1.8%	Sales	184	2.3%	177	1.8%	188	1.9%	188	1.8%	549	2.0%	562	2.2%
1,213	3.4%	Admin	216	2.7%	203	2.0%	218	2.2%	222	2.1%	637	2.3%	641	2.5%
(41)	-0.1%	Other	(2)	0.0%	2	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
64	0.2%	Depreciation	16	0.2%	17	0.2%	17	0.2%	17	0.2%	50	0.2%	20	0.1%
<b>1,945</b>	<b>5.5%</b>	<b>Total G&amp;A Costs</b>	<b>429</b>	<b>5.3%</b>	<b>414</b>	<b>4.2%</b>	<b>439</b>	<b>4.4%</b>	<b>443</b>	<b>4.1%</b>	<b>1,282</b>	<b>4.6%</b>	<b>1,271</b>	<b>4.9%</b>
14,281	40.6%	Product Line EBIT	3,428	42.1%	4,144	41.6%	3,904	39.0%	4,306	40.3%	11,476	40.8%	10,591	40.8%
<b>15,273</b>	<b>43.4%</b>	<b>Product Line EBITDA</b>	<b>3,663</b>	<b>45.0%</b>	<b>4,377</b>	<b>44.0%</b>	<b>4,136</b>	<b>41.3%</b>	<b>4,543</b>	<b>42.5%</b>	<b>12,176</b>	<b>43.3%</b>	<b>11,239</b>	<b>43.3%</b>
1,874	5.3%	Ttl Sales & Eng. Exp.	523	6.4%	586	5.9%	646	6.4%	646	6.0%	1,755	6.2%	1,816	7.0%
8,933		Ending 90day backlog	9,601		9,269		10,050							
110%		% to Nxt Qtr Sls	96%		93%		94%							

# Pricing

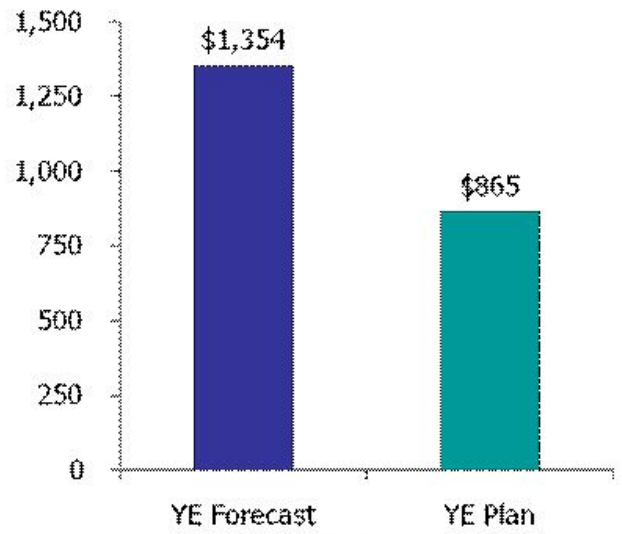
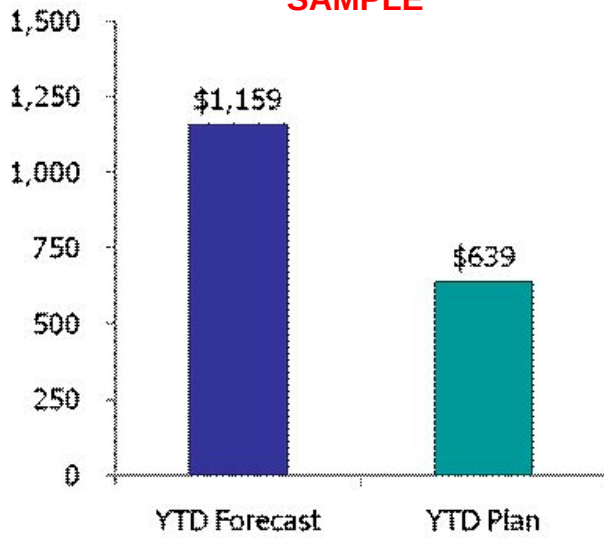
**SAMPLE**

## YTD Product Line "A" Pricing Results



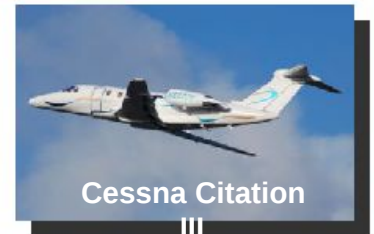
# New Business - Bookings (\$K)

**SAMPLE**



## Major Activities for the Quarter:

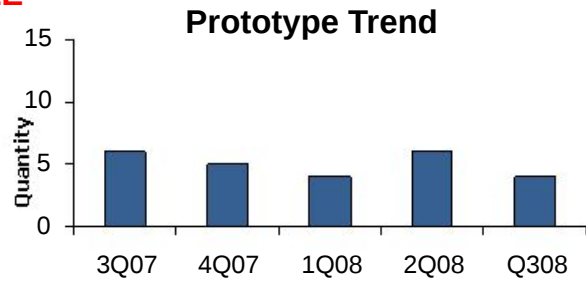
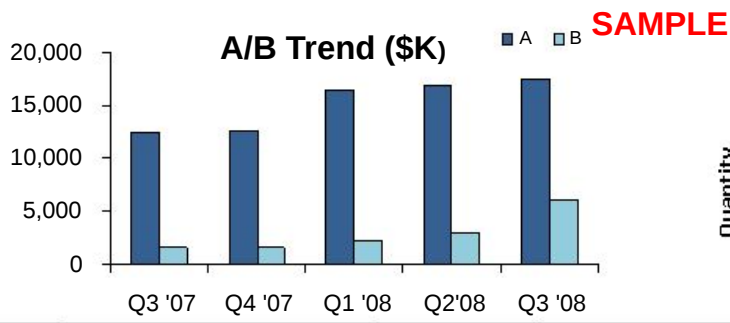
- Captured New Engine Application
- Won New Bus Jet Airframe Application
- Delivered New Airframe Prototype



Cessna Citation

**TRANS**DIGM  
GROUP INC.

# New Business - Pipeline



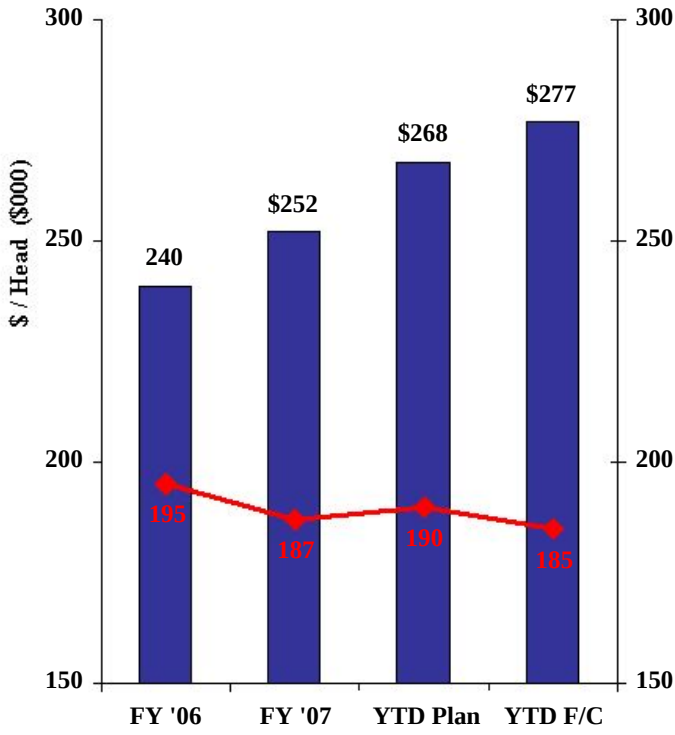
-	Program	Customer	P/N	3 Yr. Pot. \$000	Q1 2008	Q2 2008	Q3 2008	Q4 2008	2008 Bookings Forecast
A	Project A	Various	XXXX-X	\$5,715	\$0	\$52	\$60	\$65	\$177
A	Project B	Various	XXXX-X	\$1,029	\$0	\$20	\$20	\$20	\$60
A	Project C	Various	XXXX-X	\$1,019	\$18	\$64	\$120	\$75	\$277
A	Project D	Various	XXXX-X	\$1,057	\$0	\$0	\$0	\$15	\$15
A	Project E	Various	XXXX-X	\$2,079	\$0	\$28	\$20	\$40	\$88
A	Project F	Various	XXXX-X	\$1,815	\$0	\$14	\$20	\$25	\$59
A	Project G	Various	XXXX-X	\$429	\$0	\$0	\$0	\$15	\$15
A	Project H	Various	XXXX-X	\$434	\$0	\$0	\$0	\$30	\$30
A	Project I	Various	XXXX-X	\$572	\$2	\$10	\$15	\$20	\$47
A	Project J	Various	XXXX-X	\$504	\$16	\$10	\$15	\$15	\$56
A	Project K	Various	XXXX-X	\$889	\$0	\$5	\$10	\$10	\$25
A	Project L	Various	XXXX-X	\$219	\$0	\$0	\$0	\$25	\$25
A	Project M	Various	XXXX-X	\$715	\$0	\$0	\$10	\$10	\$20
A	Project N	Various	Multiple	\$0	\$2	\$35	\$40	\$40	\$117
A	Other - Industrial Apps	Various	Various	\$1,000	\$71	\$199	\$179	\$75	\$524
<b>Total "A" Pgms</b>				<b>\$17,478</b>	<b>\$109</b>	<b>\$437</b>	<b>\$509</b>	<b>\$480</b>	<b>\$1,535</b>
B	Project O	Various	XXXX-X	\$2,288	\$0	\$0	\$0	\$0	\$0
B	Project P	Various	TBD	\$200	\$0	\$0	\$0	\$0	\$0
B	Project Q	Various	TBD	\$200	\$0	\$0	\$0	\$0	\$0
B	Project R	Confidential	XXXX-X	\$150	\$0	\$0	\$0	\$25	\$25
B	Project S	Various	Various	\$900	\$0	\$0	\$0	\$0	\$0
B	Project T	Confidential	Various	\$750	\$0	\$0	\$0	\$0	\$0
B	Project U	Confidential	Various	\$0	\$0	\$0	\$0	\$0	\$0
B	Project V	Confidential	XXXX-X	\$1,500	\$0	\$0	\$115	\$100	\$215
B	Project W	Confidential	Various	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total "B" Pgms</b>				<b>\$5,988</b>	<b>\$0</b>	<b>\$0</b>	<b>\$115</b>	<b>\$125</b>	<b>\$240</b>
<b>Total "A &amp; B" Pgms</b>				<b>\$23,466</b>	<b>\$109</b>	<b>\$437</b>	<b>\$624</b>	<b>\$605</b>	<b>\$1,775</b>



# Productivity

**SAMPLE**

**Sales Per Head  
(Adjusted for Price)**



**Productivity (\$000)**

	<u>Plan</u>	<u>Forecast</u>
Cross Training	50	85
Outsourcing Savings	150	225
Cell Weighing Project	0	50
Sintering Inline Measuring	50	29
Automatic Brusher	33	35
Lean Mfg Dept 360	30	32
Heat Treat Savings	0	18
Automatic Plate Loader	14	22
Load Testing Automation	20	25
Auto Inkjet Part Marking	15	18
All Other Projects	175	242
<b>2008 Total</b>	<b>537</b>	<b>781</b>

# Talent Development





**Organic Growth & Mgt.  
Turnover**



**Acquired Growth  
& Mgt. Transitions**

## **Growth Requires Talent**

# Talent Development & Talent Inventory Management

## Quarterly Update by Operating Unit

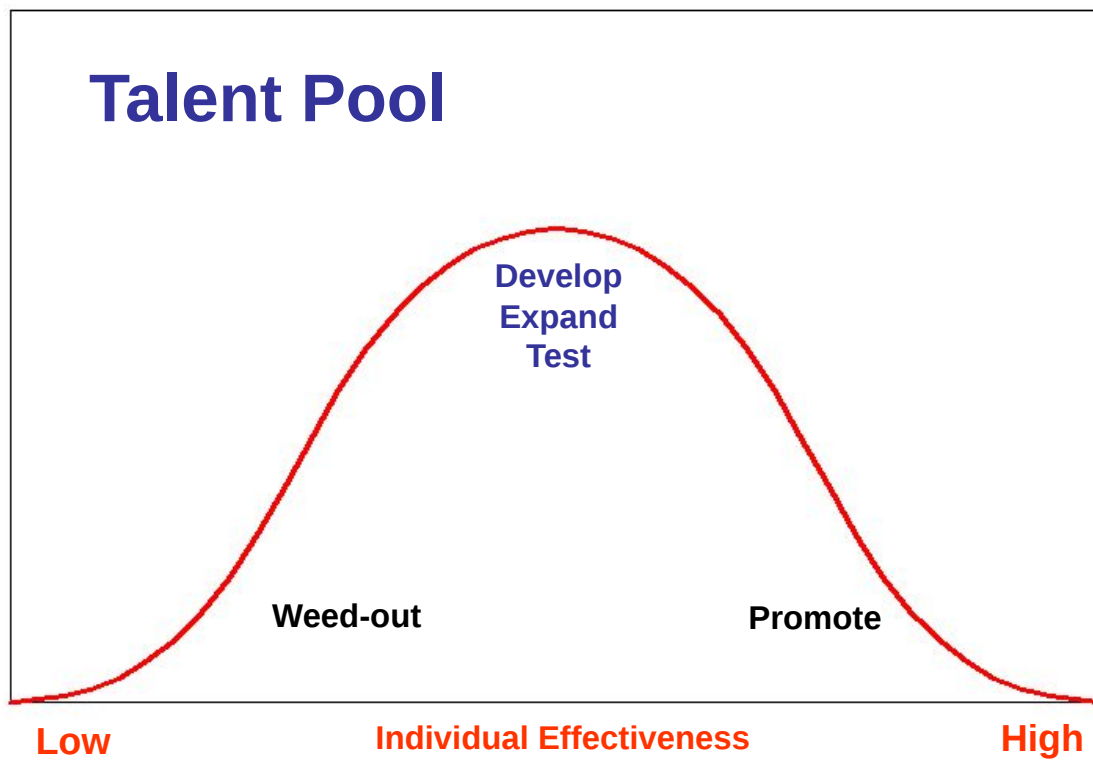
- Roster by Management Level
- Bench Strength Development Actions
- Press Weed-out Actions
- Press Recruiting Efforts



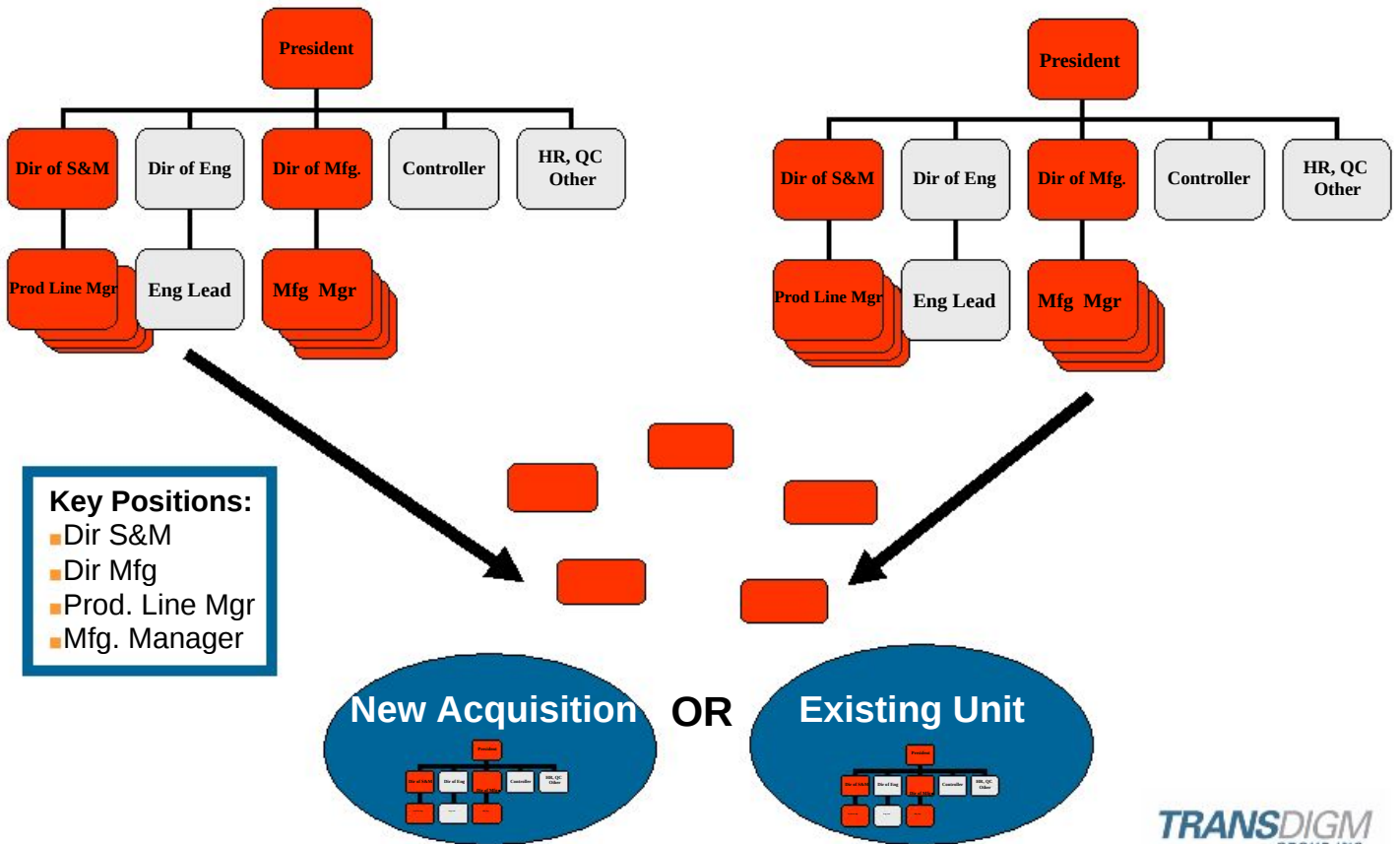
**Press for ACTION and CHANGE**



# Talent Distribution & Action



# Succession Sort, Develop, Promote



# Recent Internal Succession & Growth Activity

## Recent Promotions: 2006 thru 2008

<b>Presidents &amp; Significant Corp. Positions</b>	<b>14</b>
<b>Op Unit Staff Directors &amp; Managers</b>	<b>25</b>
<b>Product Line &amp; Significant Managers</b>	<b>30</b>

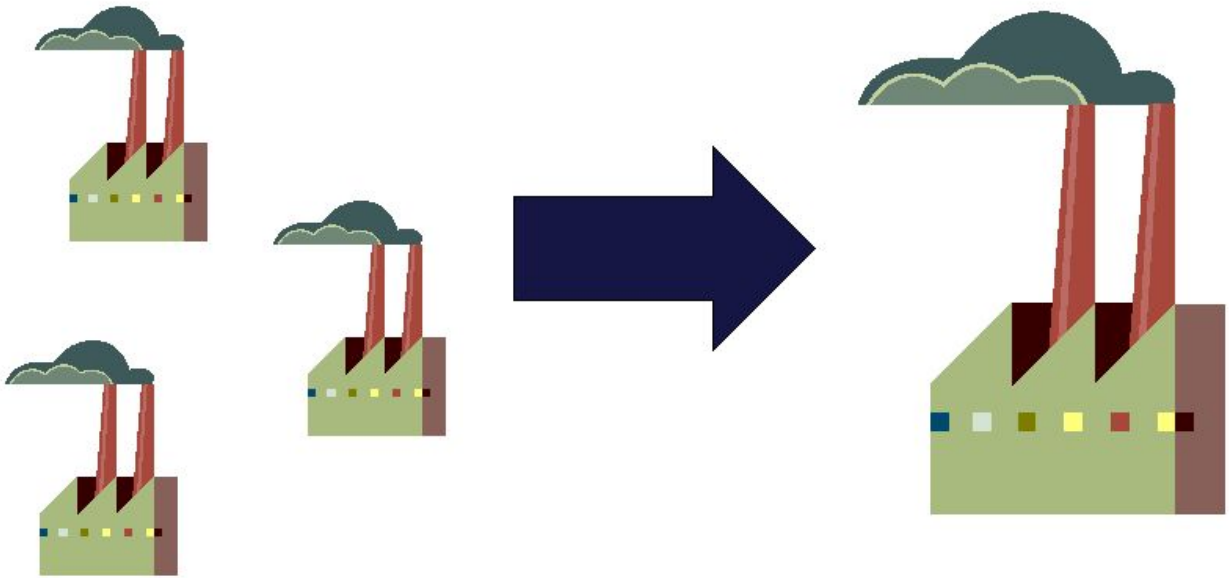


**TRANSDIGM**  
GROUP INC.





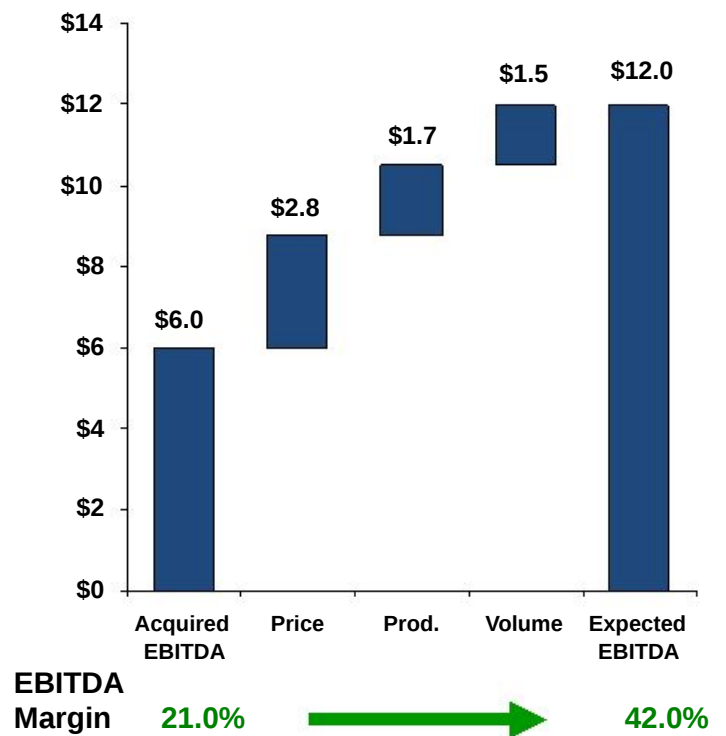
## Acquisition Integration



# Proven Acquisition Integration

## Acquisition Value Generation

- Incorporate TDG Pricing Methods
- Right-size the Cost Structure
- Focus the New Business
- Organize Into Product Lines
- Add Value Driver Metrics
- Align Financial Reporting





### Solid Value Growth Process

- Consistent Value Creation Strategy
- Product Line Detail Focus
- Active Talent Growth
- Disciplined Acquisition Integration

**TRANSDIGM**  
GROUP INC.



Operating Units

Robert S. Henderson

**12 Operating Units**

**34 Product Lines**

**\$705 M Revenue**

## Common Distinguishing Characteristics

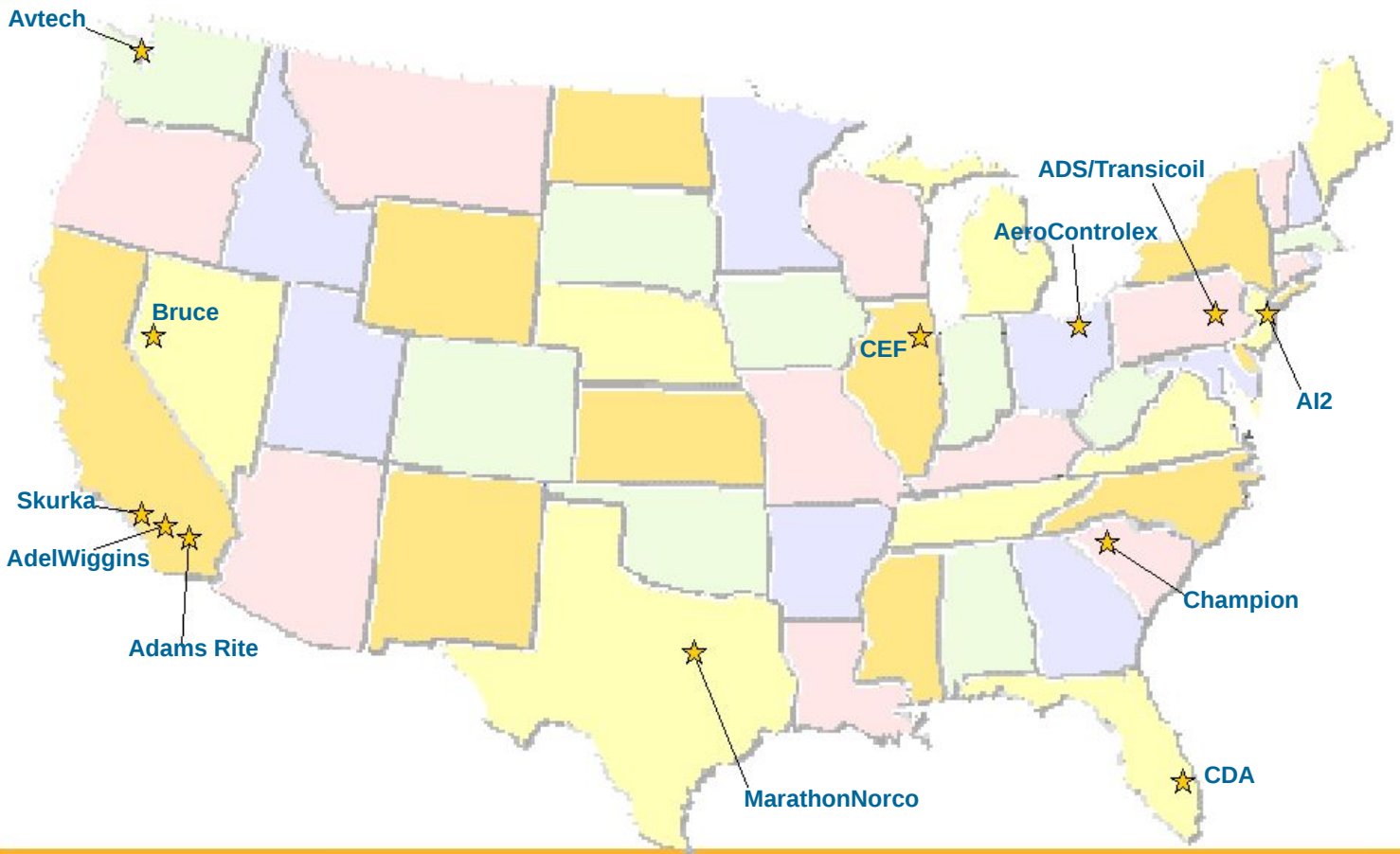
- Aerospace components
- Proprietary engineered products
- Significant aftermarket content

**Results in High Cash Flow and EBITDA**



**TRANSDIGM**  
GROUP INC.

# Transdigm Group - Locations



# TransDigm Locations – Adams Rite Aerospace



*Adams Rite Aerospace*

**Fullerton, CA**



**TRANSDIGM**  
GROUP INC.



# TransDigm Location – AeroControlex Group

**AERO  
CONTROLEX**  
GROUP

**Painesville, OH**



**TRANS**DIGM  
GROUP INC.

# TransDigm Locations – Champion Aerospace



Liberty, SC



**TRANSDIGM**  
GROUP INC.

# TransDigm Location – AdelWiggins Group

**ADEL  
WIGGINS**  
GROUP

**Commerce, CA**



**TRANSDIGM**  
GROUP INC.

# TransDigm Locations – Avionic Instruments



Avionic Instruments Inc

Avenel, NJ



**TRANSDIGM**  
GROUP INC.

# TransDigm Location – Skurka Aerospace



Camarillo, CA



**TRANS**DIGM  
GROUP INC.

# TransDigm Locations – CDA InterCorp



**CDA InterCorp**

**Deerfield Beach, FL**



**TRANSDIGM**  
GROUP INC.

# TransDigm Locations – MarathonNorco Aerospace



Waco, TX

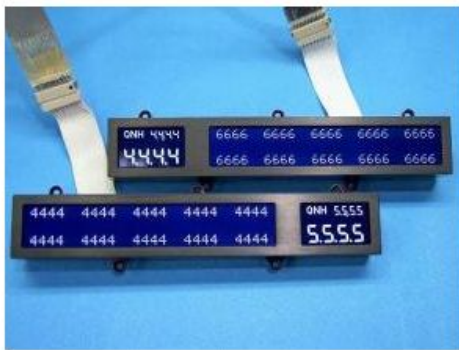


**TRANSDIGM**  
GROUP INC.

# TransDigm Location – ADS/Transicoil



Collegeville, PA



**TRANSDIGM**  
GROUP INC.



# TransDigm Location – Avtech



Seattle, WA

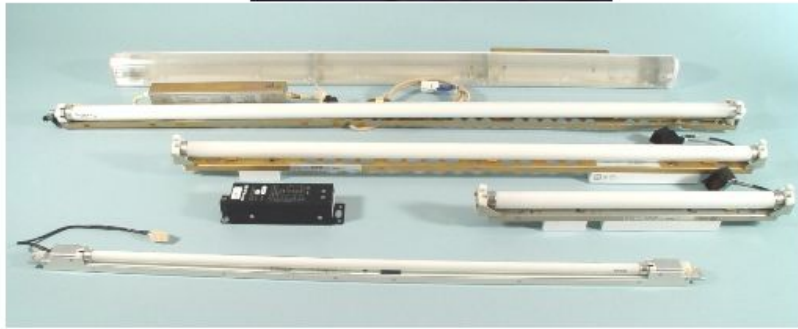


**TRANSDIGM**  
GROUP INC.

# TransDigm Location – Bruce Aerospace

**BRUCE**  
AEROSPACE

Dayton, NV

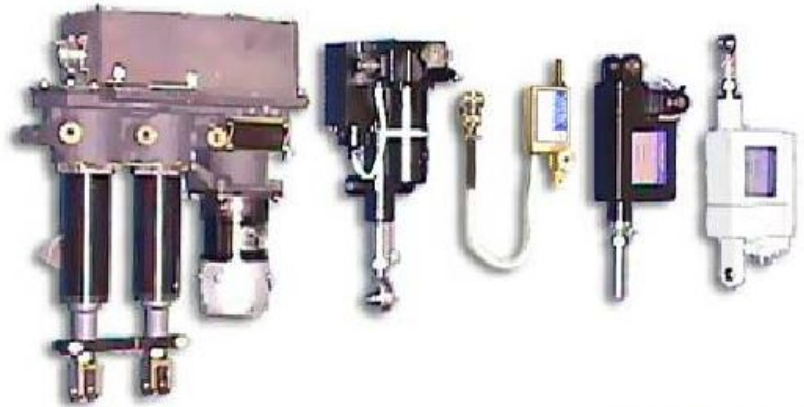


**TRANSDIGM**  
GROUP INC.

# TransDigm Location – CEF Industries



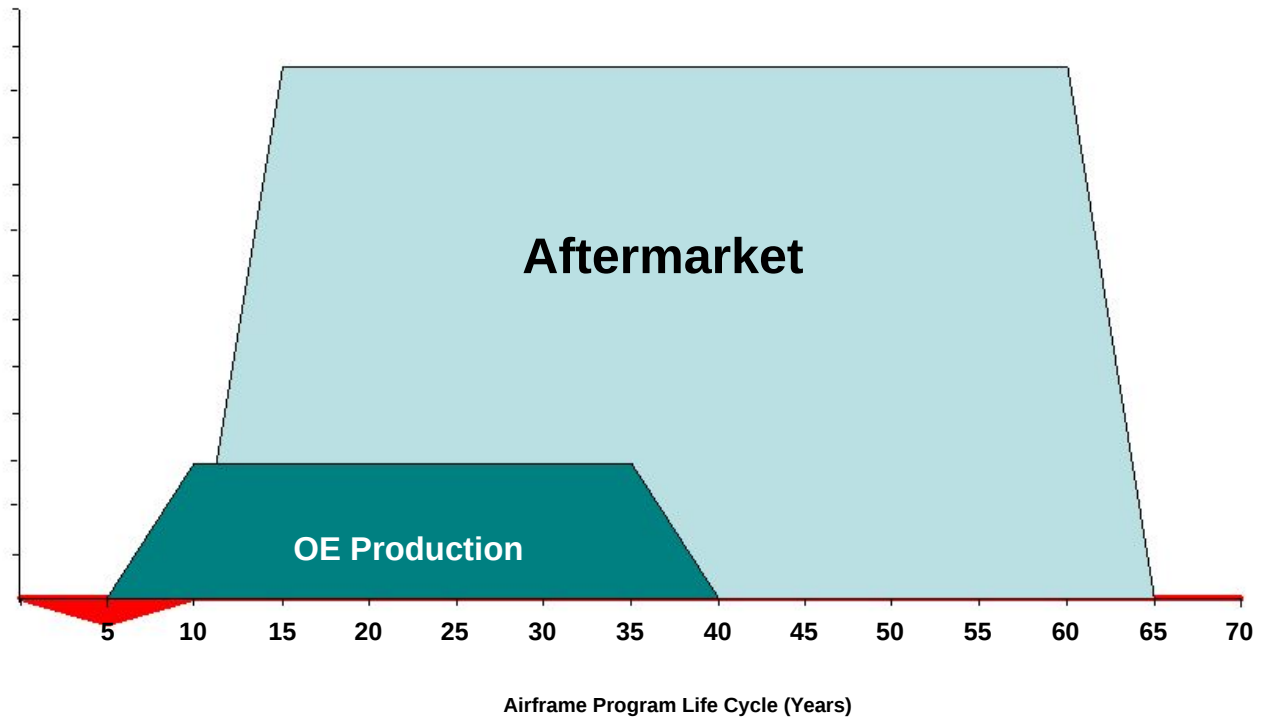
Addison, IL



**TRANS**DIGM  
GROUP INC.

# Recurring Stream of Profitable Aftermarket Revenue

Profitability/% of Sales





## Aftermarket





# Life Cycle Revenue Stream



**Low OEM Revenue / Negative Margin**  
**Consumable High Aftermarket Sales / Margin**

**TRANS**DIGM  
GROUP INC.

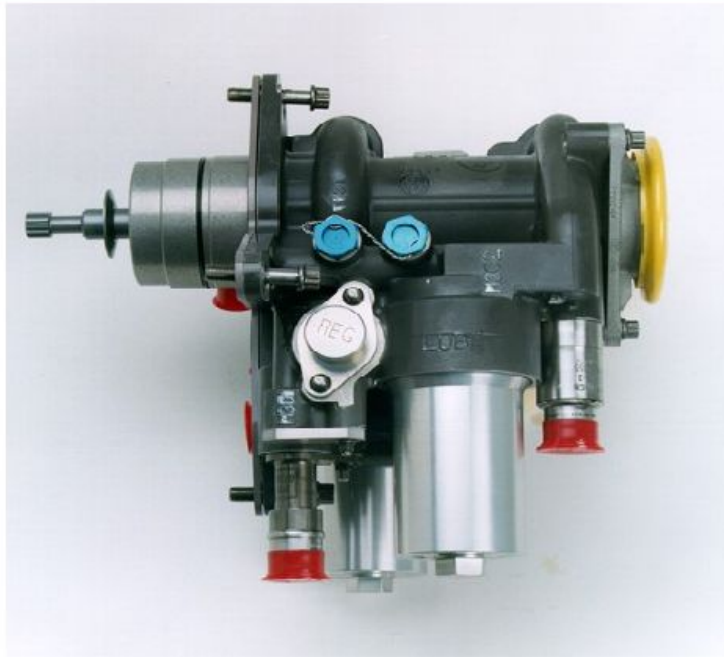
## Life Cycle Revenue Stream



**Replaced / Consumed Annually**

**Aftermarket Revenue 100 to 150x OEM Revenue**





**Low OEM Revenue / Margin**

**High Spares Parts Generation / Margin**

## Aftermarket



- Replaced as needed
- High annual average spare parts sales

**Aftermarket revenue 50 to 100x OEM revenue**

# Diverse Products, Platforms and Markets



Ignition Systems	Pumps	Valves	Motors, Actuators and Controls	Water Faucets and Systems	Quick Disconnects, Couplings and Clamps	Batteries, Chargers and Power Converters	Aircraft Hardware and Cockpit Security Systems	Heaters and Hoses	Cockpit Audio	Lighting and Displays
 A	 E	 G	 H	 I	 J	 K	 L	 M	 N	 O
 A	 E	 G	 H	 I	 J	 K	 L	 M	 N	 O
 A	 E	 G	 H	 I	 J	 K	 L	 M	 N	 O
 E	 E	 G	 H	 I	 J	 K	 L	 M	 N	 O

**TRANS**DIGM  
GROUP INC.



# Mergers & Acquisitions



Albert J. Rodriguez

# Focused Acquisition Strategy

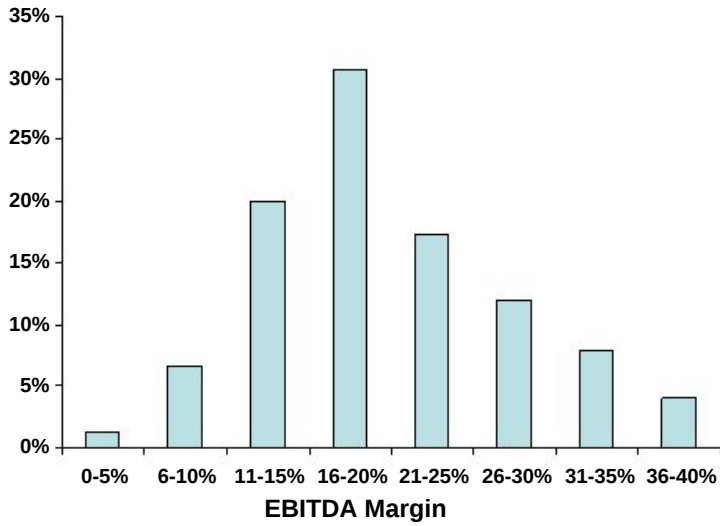


## KEY ACQUISITION CRITERIA

- Aerospace components
- Proprietary engineered products
- Significant aftermarket content

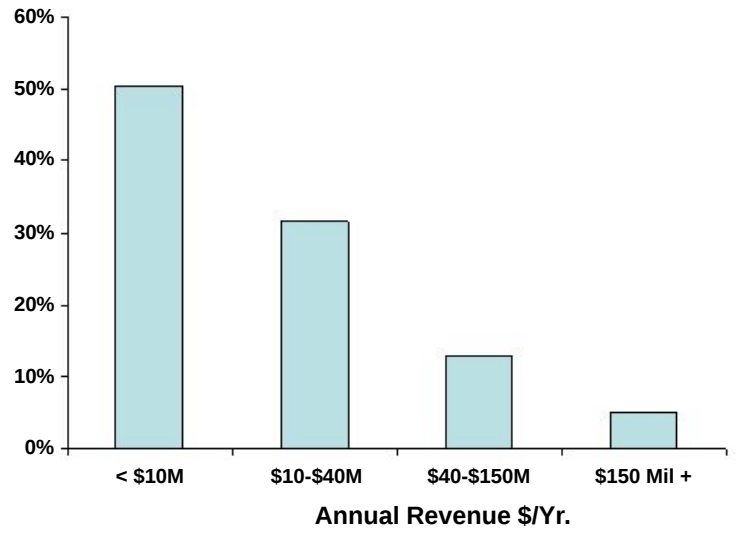
# Significant Opportunities to Complete Accretive Acquisitions

OPPORTUNITY TO CREATE VALUE (1)



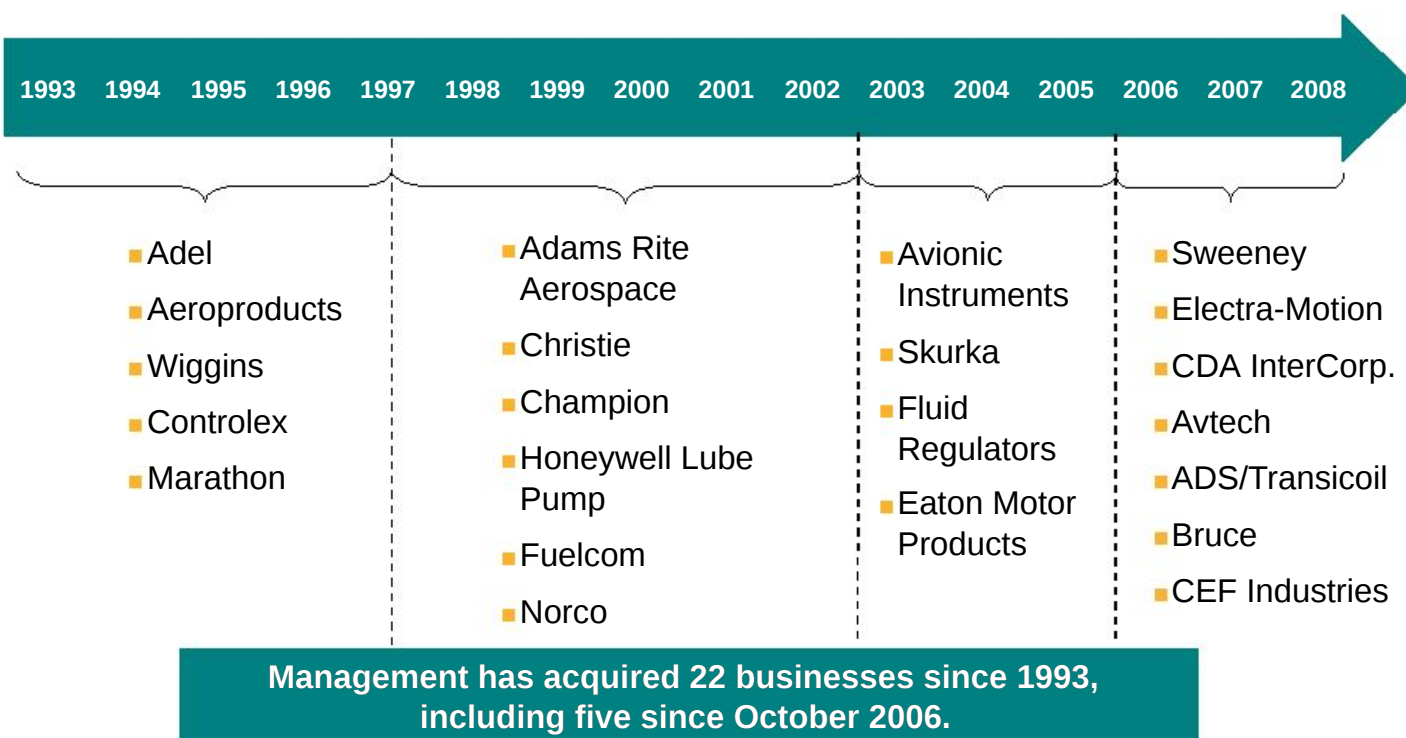
FRAGMENTED BASE (1)

Distribution

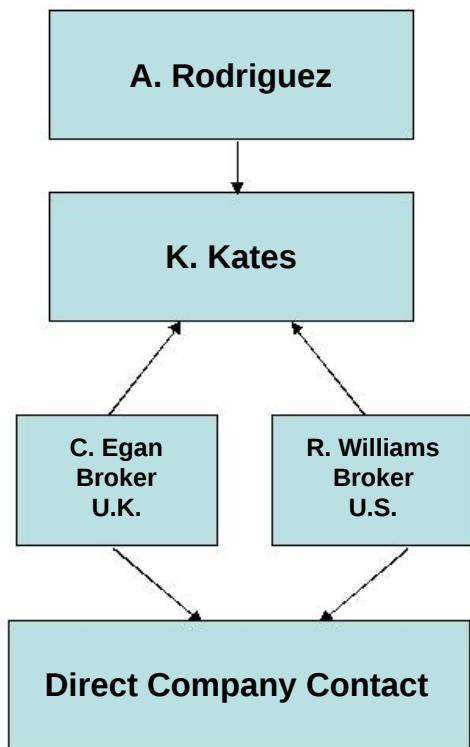


(1) Estimated population = 2,000 businesses . Distribution percentages are management estimates adjusted for inflation.

# Proven Record of Acquisition & Integration



# Organization Structure



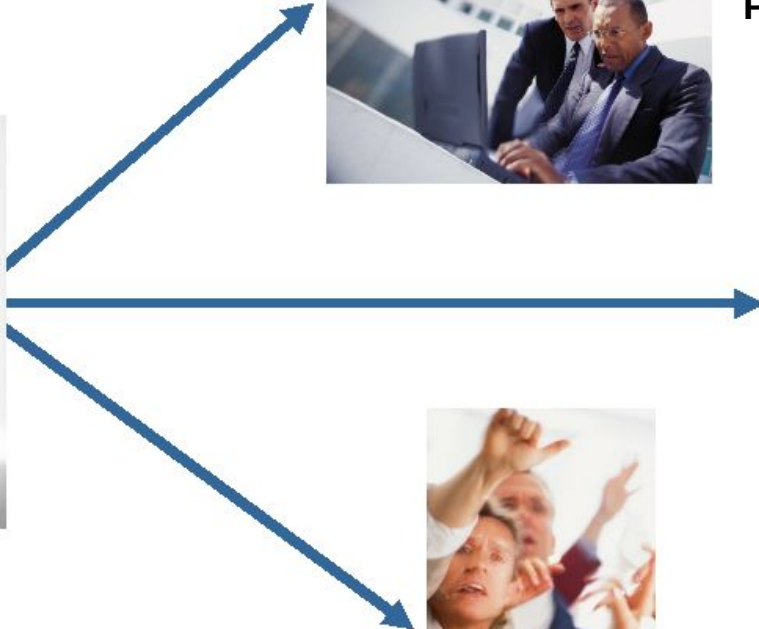
Investment Bankers  
Regional Brokers  
Select OEM's  
Direct Company Contact



**Lead Generation**



# Lead Generation is a Systematic Process



**Privately Held**



**Strategic OEM**



**Auction**

# Lead Generation Techniques



**Cold Calling**



**Conferences/Shows**



**Visit, Visit, Visit!**



**Internet Searches**



**Networking**

**Acquisition Lists**  
= Privately Held  
= Strategic OEM  
Auctions

# Formal Acquisition Process



- Teaser
  - Confidentiality Agreement
  - Offering Document



- Expression of Interest
  - Management Meeting
  - Due Diligence



- 2<sup>nd</sup> Round Bid
  - Down Select
  - Negotiate Contract



- Financing
  - Close Deal

# Informal Acquisition Process



**Build Trust**



**Letter of Intent**



**Due Diligence**



**Contract**

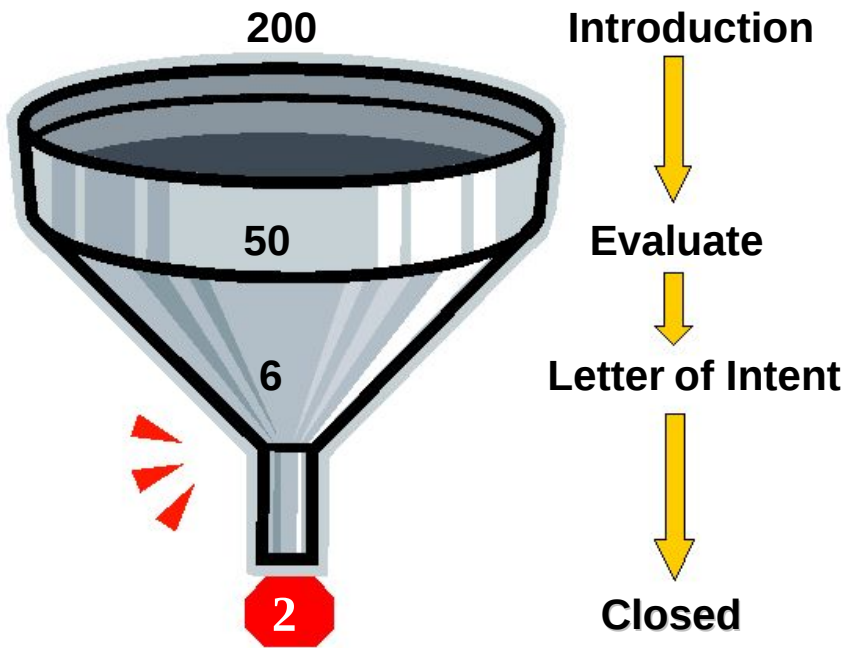


**Close Deal**



**TRANSDIGM**  
GROUP INC.

# Active Acquisition Process



Typical Multiple → → 6 – 10x EBITDA  
Post Acquisition → → 50%+ multiple reduction

## Common Issues/Opportunities



- Excessive costs
- Sub optimal pricing
- Unfocused new business process

# One Page "Go" or "Stop"

<b>Aerospace</b>	<b>Components</b>	<b>Proprietary/Sole Source</b>	<b>Aftermarket</b>
Yes	Yes	Yes	32%

Color Legend. Green fits criteria, Yellow may fit criteria, Red doesn't fit criteria. (Blue are input fields below)

<b>Financials 2007</b> Sales \$88,835 COGS \$74,903 Gross Profit \$13,931 % 15.7% SG&A \$7,960 % 9.0% EBIT \$5,971 % 6.7% EBITDA \$8,141 % 9.2%	Own/Lease      Own / lease Sq. Ft.            270,000 Headcount        356 Sales/Head        \$250  Union Hds.       -	<b>Proprietary</b> 80% <b>Sole Source</b> 90%	
	<b>Markets Segments</b> Helicopters        \$23,985 Fighter/Trainers   \$23,097 Regional Jets       \$18,655 Business Jets       \$7,995 Other                \$12,102 Non Aerospace      \$3,000  Sub-total            \$0 Total                 \$88,835	<b>Platforms</b> <u>OEM</u> Eurofighter            \$13,650 Embraer 170/190       \$6,750 NH90 Helicopter       \$6,075 A109/119 Helicptr     \$4,800 Citation X/Sovrgn.     \$3,300 Ariane 5 Rocket        \$2,950 Q400                    \$2,550 Other                    \$20,333 Total                    \$60,408  <u>Aftermarket</u> R&O Tornado            \$1,100 R&O EH101 Heli.       \$1,000 R&O AM-X Fighter       \$900 R&O A109/119           \$600 Spares Tornado        \$3,200 Spares Tornado        \$1,050 All Other R&O/Spares   \$17,377 Total                    \$28,427	<b>Value Assumptions</b> Market (Nominal) Price (Real)            1.0% Productivity            1.0%  Purchase Price        \$65,124 Multiple EBITDA       8.0  Beg. EBITDA            \$8,141 Market                    \$0 Price Real               \$4,531 Productivity            \$829 FCST EBITDA           \$13,501  TD Multiple            10.0 TEV                       \$135,006 Less Debt                \$35,000 Equity                    \$100,006
<b>Market Ratios</b> Aftermarket            32% OEM                     68%  Commercial            47% Military                 50% Other                    3%  Total                    100%			

Go



or



Stop

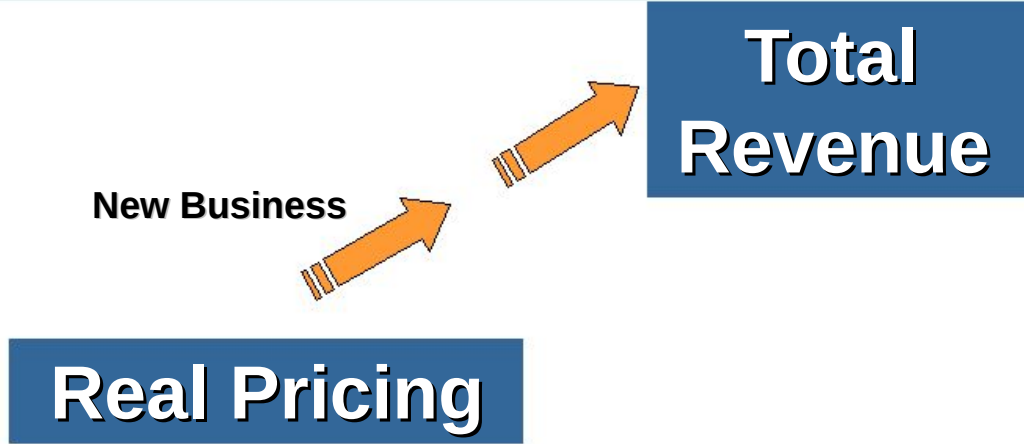
# Revenue Forecast

**Base Revenue**

OEM	Spares
	

**Shipset Model**





# Detailed Pricing Review

## Market Segment

Comm OEM

Comm Aftmkt

Defense OEM

Defense Aftmkt

P/N by P/N  
Review

## Typical Actions

LTA's Reset

Spares Incr.

Repairs Incr.

..

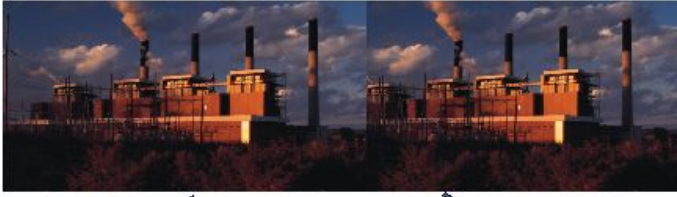
..

..

..

\$

# Productivity



# Due Diligence

## Finance / MIS

Income Statements  
Balance Sheets  
Inventory/Valuation  
Cost System  
MIS System  
AR/AP  
Liabilities

## Engineering

Technology  
Sole source  
R&D Projects  
Quality System

## Human Resources

Management  
Salaries  
Benefits  
Insurance

## Sales

Customers/Markets  
Platforms  
Competitors  
LTAs  
Pricing  
Sales force  
Distribution

## Operations

MRP/Planning  
Suppliers  
Routings/process sheets  
Equipment/Facility

## Taxes / Legal

Corporate Structure  
Past Tax Returns  
Environmental  
Licenses Permits  
Litigation

**Goal – validate model  
Look for liabilities/problems**



**TRANSDIGM**  
GROUP INC.



## Additional Equity Created

<b>Beginning EBITDA</b>	<b>\$8.1</b>
Real Price	\$3.2
Inflation	\$0.7
Productivity	\$2.3
Market Growth	(\$2.8)
New Business	\$2.0
<b>Target EBITDA</b>	<b>\$13.5</b>

### Source of Equity

Multiple Expansion / (Contraction)	\$27.0
Debt Repayment	\$22.3
Operating Improvement	\$43.2
<b>Total</b>	<b>\$92.5</b>



# Investment Evaluation – *Example Only*

## Purchase Price / Capital Structure

EBITDA	\$ 8,141
Multiple	8.0
Purchase Price	\$65,128
Fees	\$1,954
Total Purchase Price	\$67,082
Debt 4.5x 2008 EBITDA	\$36,635
Equity Required	\$30,447
Total	\$67,082

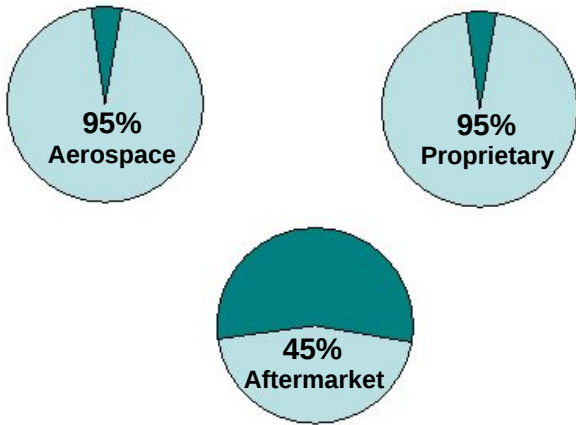
## Debt & Equity

Investment (\$30,447)	Year 1	Year 2	Year 3	Year 4	Year 5
EBITDA	\$9,017	\$9,987	\$11,061	\$12,251	\$13,501
Multiple	10.0	10.0	10.0	10.0	10.0
TEV	\$90,167	\$99,866	\$110,608	\$122,506	\$135,010
Less debt	\$(33,028)	\$(29,033)	\$(24,609)	\$(19,709)	\$(14,308)
Market Value	\$57,139	\$70,833	\$85,999	\$102,797	\$120,702
(\$30,447)	0	0	0	\$0	\$120,702
IRR					31.7%



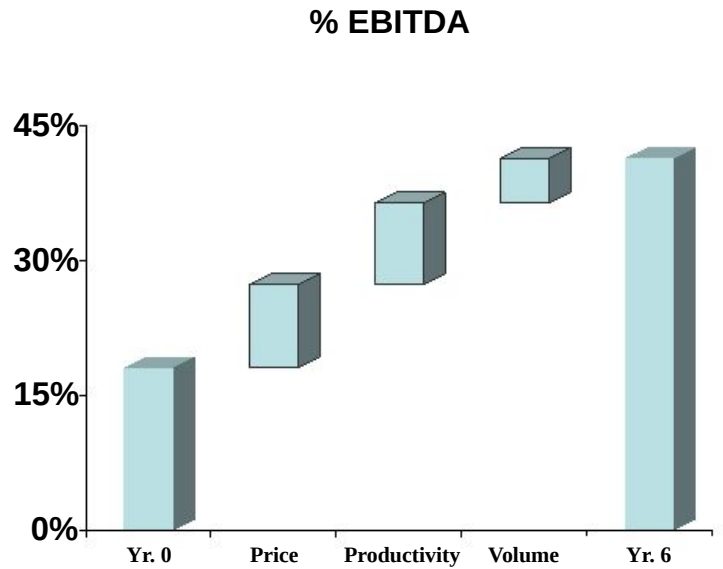
# Actual Performance – Example 1

## At Acquisition Date



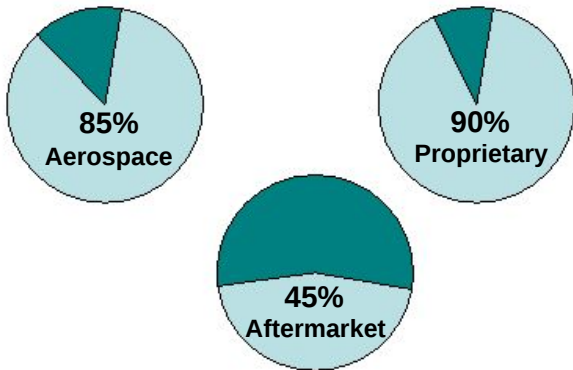
### Actions:

- Replaced management
- Increased aftermarket prices
- Reduced personnel 15%-20%
- Focused new business program



# Actual Performance – Example 2

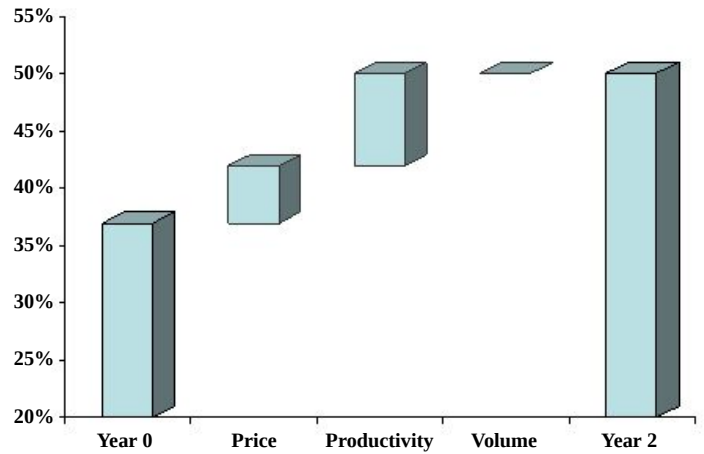
## At Acquisition Date



### Actions:

- Consolidated into existing TransDigm facility
- Increased Aftermarket Prices
- Reduced Personnel 35%
- Focused development activities

## % EBITDA





**TRANSDIGM**  
GROUP INC.



# Financial Information

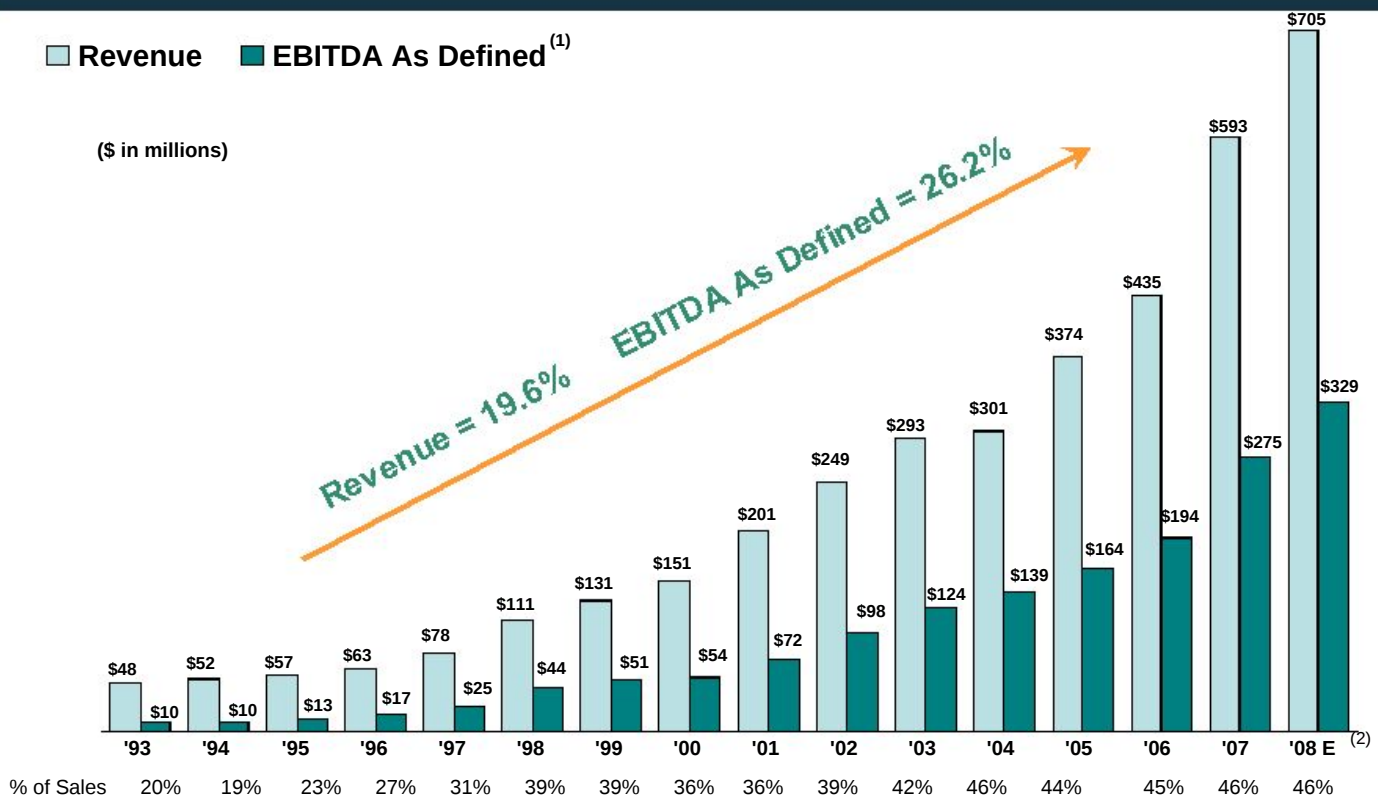


Greg Rufus

# Proven Record of Growth and Margin Expansion

Revenue EBITDA As Defined<sup>(1)</sup>

(\$ in millions)

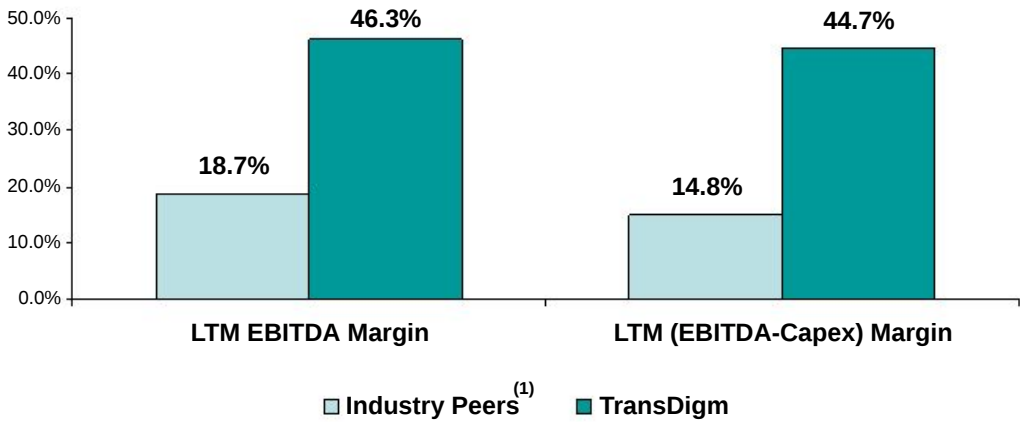


(1) EBITDA As Defined is a non-GAAP financial measure presented here as supplemental disclosures to net income. For a presentation of the most directly comparable GAAP measure and a reconciliation of EBITDA As Defined, please see appendix.

(2) Midpoint of May 6, 2008 Guidance (excluding CEF Industries).

**TRANSDIGM**  
GROUP INC.

# Industry Leading Financial Performance



Note: LTM data as of 9/30/07. EBITDA for TransDigm is EBITDA As Defined

(1) Based on publicly available information. Includes PCP, GR, COB, MGGT, HXL, BEAV, MOG, ESL, COL, CW, HEI.

**TransDigm's EBITDA margin and free cash flow are at the top of the aerospace sector.**

## Commonly Asked Questions:

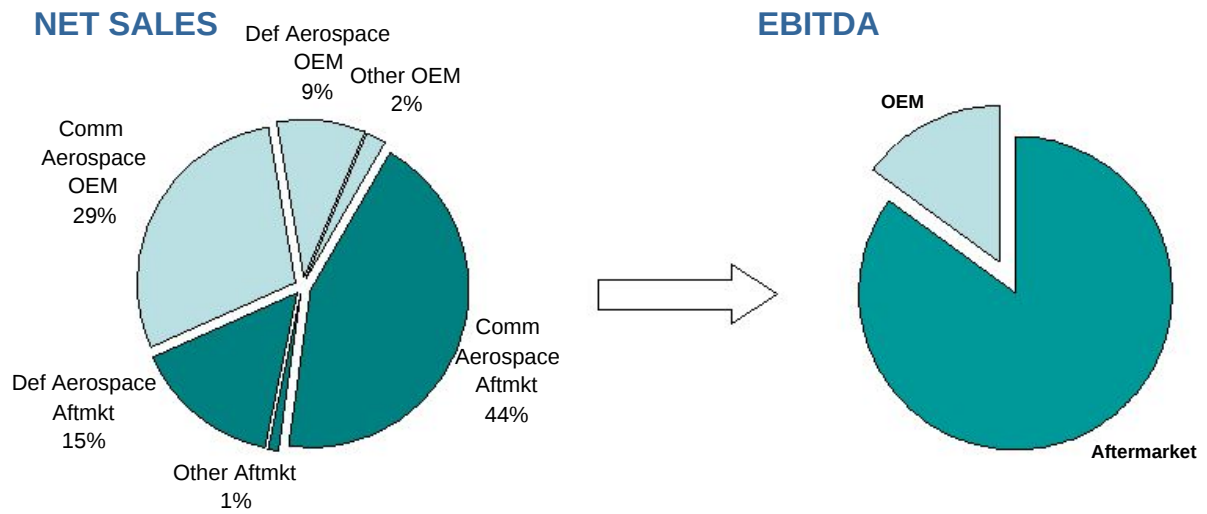
## What Time Zone are You In?

### Answer:

Ohio has elected to let New York participate in *our* Eastern Time Zone!!!



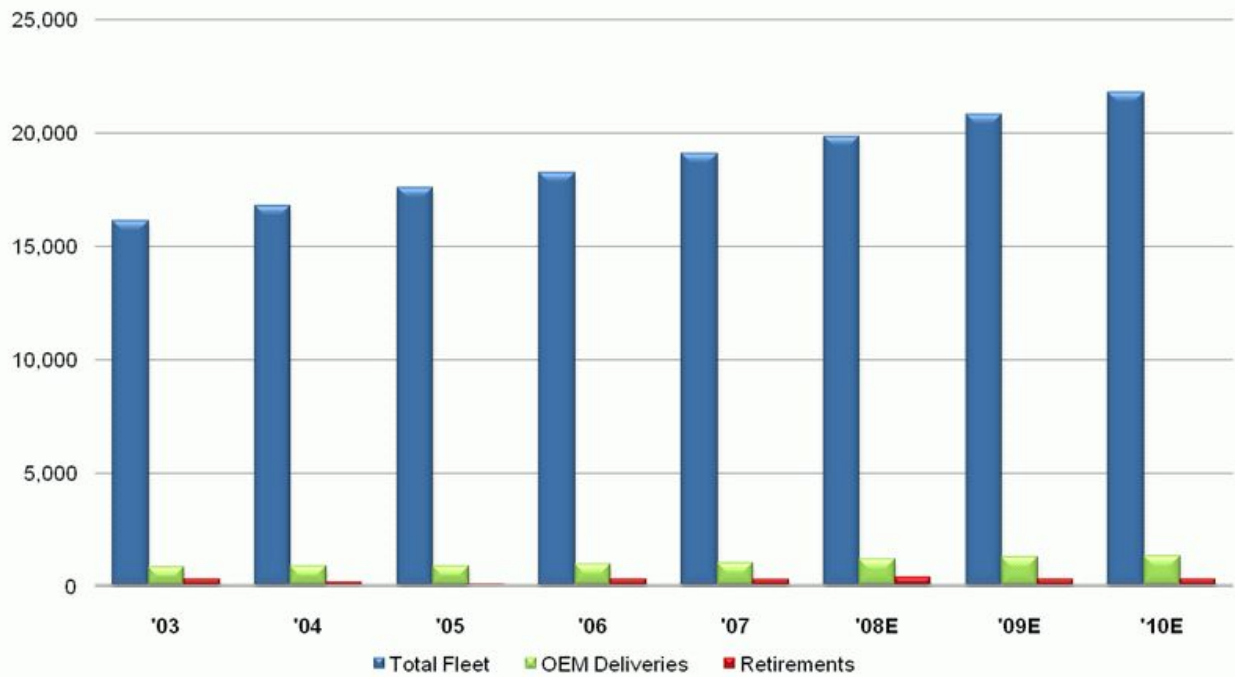
# Strong Focus on High-Margin Aftermarket



Approximately 60% of pro forma net sales and a much higher percentage of EBITDA are from the stable, high-margin aftermarket.

Based on management estimates for the fiscal year ended 9/30/07.

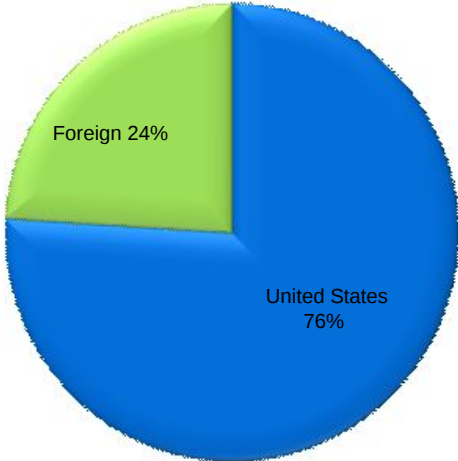
# Commercial Aircraft Base



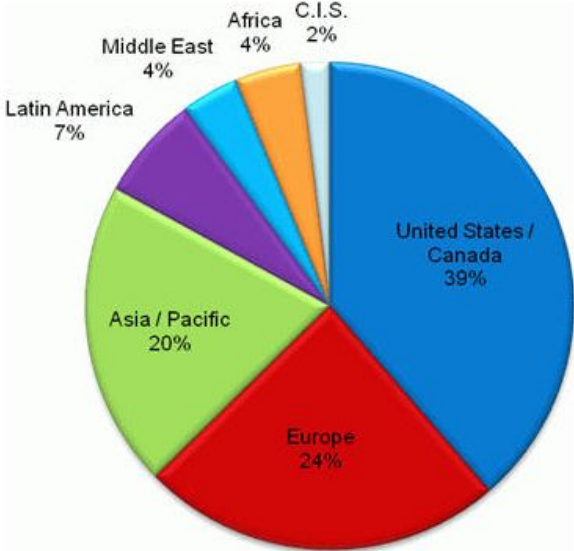
Source: The Airline Monitor January / February 2008

# Reported GAAP Sales vs. Installed Base

2007 GAAP Sales



Installed Base of Comm. Aircraft



Source: The Airline Monitor May 2008



# Margin Fluctuations & Quarterly Comparisons

## %

- Acquisitions (Purchase Accounting, Operating Margin, Integration Costs)
- OEM vs. Aftermarket Sales Mix
- Strategic Investment

## Δ

- |                             | <u>Example</u> |
|-----------------------------|----------------|
| → Avg. Quarterly Sales      | ≈ \$175M       |
| → Commercial Aftermarket    | 45%            |
| → Implied Aftermarket Sales | \$ 79M         |

## Real World Items

- Retrofits
- Timing of Large Shipments
  - Govt. Approval
  - Stocking Order
- Industry Inventory Changes

**Qtr. Example:**  $\$4M \Delta = 5\% \Delta$

# Capitalization

(\$ in millions)	9/30/08 E	Cum. Mult. EBITDA	% of Cap.
Cash	\$ 200.0		
Revolver <sup>(1)</sup>	-	-	-
Term Loan	780.0	2.4	25.7%
Senior Subordinated Notes	577.2	1.7	19.0%
<b>Total Debt</b>	<b>\$ 1,357.2</b>	<b>4.1</b>	<b>44.7%</b>
Market Equity <sup>(2)</sup>	1,677.9		55.3%
<b>Total Capitalization</b>	<b>\$ 3,035.1</b>		<b>100.0%</b>
EBITDA As Defined <sup>(3)</sup>	\$ 328.5		
<b>Net Debt/EBITDA As Defined</b>	<b>3.5</b>		

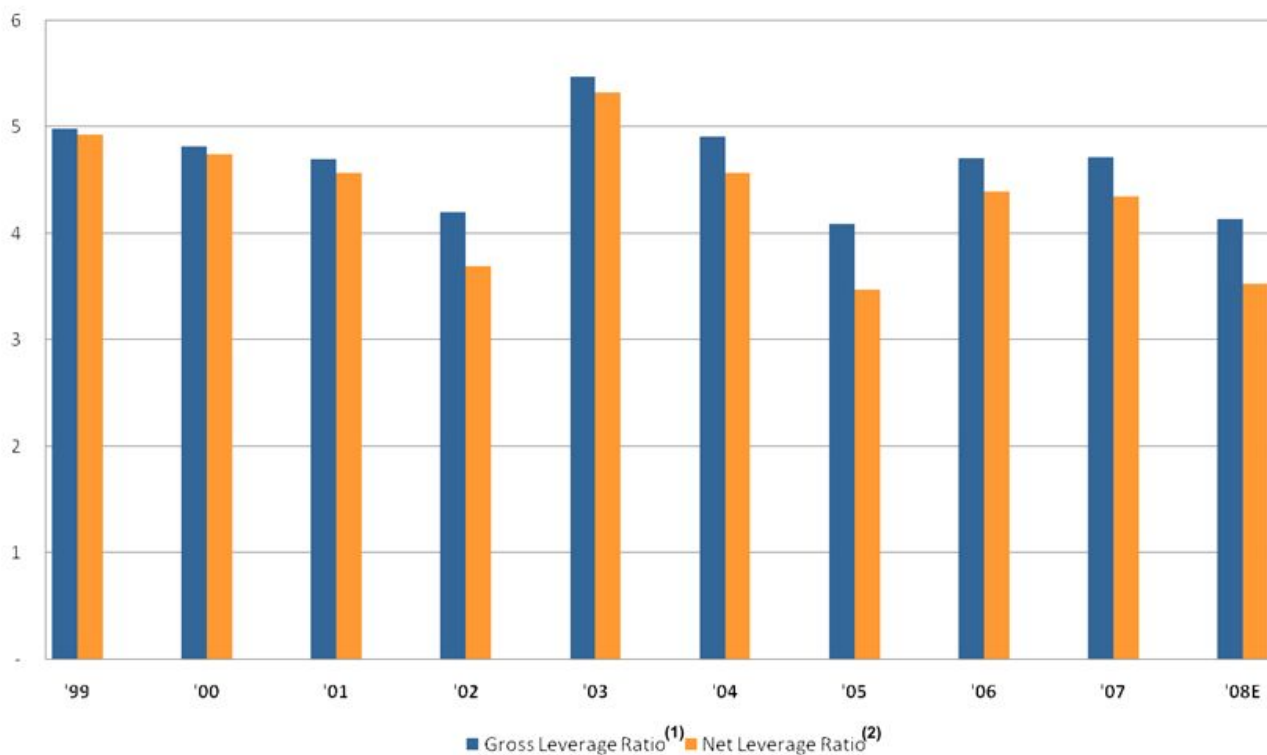
<sup>(1)</sup> \$198.5 million availability

<sup>(2)</sup> Based on shares outstanding of 48.3 million and a 6/26/08 stock price close of \$34.74.

<sup>(3)</sup> Midpoint of May 6th, 2008 Guidance (excluding CEF Industries)

**TRANSDIGM**  
GROUP INC.

# Historical Leverage Ratio



<sup>(1)</sup> Total Debt ÷ Proforma EBITDA as Define

<sup>(2)</sup> Total Debt less cash ÷ Proforma EBITDA as Defined

# Significant Free Cash Flow

	Fiscal Year Ended September 30,			
	2005	2006	2007	2008 E
(\$ in millions)				
EBITDA As Defined	\$164.2	\$194.4	\$274.7	\$328.5 <sup>(1)</sup>
CapEx	(8.0)	(8.4)	(10.3)	≈(13.9)
Cash Interest Expense	(46.0)	(74.9) <sup>(2)</sup>	(90.7)	≈(92.5)
Cash Taxes	(19.2)	(8.3)	(18.6)	≈(40)
<b>Free Cash Flow before WC</b>	<b>\$91.0</b>	<b>\$102.8</b>	<b>\$155.1</b>	<b>\$182.1</b>
<i>% of EBITDA As Defined</i>	55.4%	52.9%	56.5%	55.4%

(1) Midpoint of May 6<sup>th</sup>, 2008 Guidance (excluding CEF Industries)

(2) Excludes interest paid of \$62.7 million in November 2005 on the \$200 million of promissory notes issued in 2003.

**TRANSDIGM**  
GROUP INC.

## Use of Free Cash Flow

### → Value Generating Acquisitions

#### ➤ Available Funds

Est. Cash Balance @ 9/30/08	≈ \$200M
Unused Revolver	≈ \$200M
	≈ \$400M
Credit Markets	?

---

### → Repurchase Stock

### → Dividend

---

### → Pay Down Debt

- Subordinated Notes: Breakage fees
- Senior Credit Facility: Low cost and minimum covenants

## Multiple Opportunities to Create Value

**Steady Long Term Growth in Passenger Traffic**

**Profitable New Business**

**Value Pricing and Productivity**

**Acquisitions**

**Deleveraging**

**Superior Management**

**Steady Top  
and Bottom  
Line Growth**

**TRANSDIGM**  
GROUP INC.

**TRANS**DIGM  
GROUP INC.



Q & A

July 1, 2008

# Appendix

## Reconciliation of Net Income to EBITDA As Defined

(in millions)

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